

**Monthly Report of the  
Deutsche  
Bundesbank**

**September 1974**



## Contents

5	<b>The economic scene in the summer of 1974</b>
5	Survey
10	Money and credit
20	Public finance
26	General economic conditions
34	Balance of payments

2*	<b>Statistical section</b>
8*	Overall monetary survey
10*	Deutsche Bundesbank
42*	Banks
46*	Minimum reserve statistics
50*	Interest rates
56*	Capital market
64*	Public finance
70*	General economic conditions
	Foreign trade and payments

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Series 1 Banking statistics, by banking group  
Series 2 Securities statistics  
Series 3 Balance of payments statistics  
Series 4 Seasonally adjusted economic data  
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# The economic scene in the summer of 1974

## Survey

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In the summer months the picture presented by the economy of the Federal Republic of Germany was little different from in the spring: stagnating overall production, with prices and costs continuing to rise, and decreasing employment. Activity remained particularly weak in the construction industry (especially in the basic building trades), the motor industry and the sectors dependent on these industries. In each of these fields production in the last few months has on an average been about one tenth lower than a year ago. This has obliged enterprises in these industries to cut working hours — in some cases severely — and limit the number of their staff. Only in isolated instances, however, have there been large-scale dismissals. In other industries, by contrast, capacity utilisation has continued relatively high of late, particularly because of flourishing export business. In these sectors the number of employees has in some cases even increased, and overtime and special shifts have remained necessary. Despite such divergent individual trends, the real national product has now stood at roughly the same level for four quarters (apart from fluctuations due to the weather and the pattern of working days); the year-on-year growth rate, which had been 5 1/2 % in 1973, had shrunk to just under 1 % by the second quarter of this year.

With output stagnating, the number of employees has been falling since about the beginning of this year. By mid-year over 300,000 fewer employees were at work in Germany than a year before. The great majority of the personnel released appear to have registered as unemployed. At the end of June the number of unemployed persons was 250,000 higher than a year earlier, although this figure includes people who had not been employed before. The number of unemployed continued to grow during the summer months, partly because firms which had previously introduced short-time working had to discharge labour on account of consistently poor sales. At the end of August, when 527,000 persons were out of work, the seasonally unadjusted unemployment ratio was 2.3% and the seasonally adjusted ratio about 3%. Thus it was higher than during the recession of 1966/67, although, in contrast to those years, the real gross national product has not declined so far. More than at that time, the unemployment is attributable to the fact that the sales difficulties are mainly being encountered in labour-intensive industries. In addition, numerous firms, including those in a favourable business situation, have found that earnings are being severely squeezed by the massive rise in the cost of materials and labour and regard staff reductions as their only chance of easing the cost pressure. Besides, for a number of reasons which will be specified in "General economic conditions" the structural component of unemployment has greatly increased in importance.

In view of the course of demand, no substantial change in the present production trend is to be expected on

Selected economic indicators					
Item	Unadjusted 1974 figures; change on previous year				May/ July against Feb./ April 1974, sea- sonally ad- justed
	April	May	June	July	
<b>Demand</b>					
Per cent					
Orders received by industry (value)					
Total	+ 16.5	+ 3.7	+ 9.3	p+13.1	p- 0.7
from the home market	+ 9.1	- 1.6	+ 2.2	p+ 8.7	p- 2.1
from abroad	+35.5	+17.4	+26.2	p+21.3	p+ 1.8
Orders received by industry (volume)	+ 2.6	- 9.0	- 4.5	p- 1.8	p- 4.2
Order backlogs of industry (volume) 1	+ 3.6	- 1.3	- 1.8	p- 4.9	p- 2.4
Orders received by construction					
Total	+ 0.2	-15.8	-19.3	...	.
Residential construction	-22.9	-19.0	-18.3	...	.
Non-residential construction 2	+10.0	-14.6	-19.7	...	.
Retail sales	+ 7.8	+ 6.3	- 1.7	p+12.6	p+ 2.0
<b>Supply</b>					
Industrial production (excluding construction) 3	- 0.1	+ 0.7	+ 4.1	p+ 2.7	p- 0.8
Construction output 3	- 6.8	-10.8	- 5.6	...	pe-13
<b>Labour market</b>					
Thousands					
Unemployed 4	+ 277	+ 246	+ 250	+ 274	+ 135
Vacancies 4	- 261	- 286	Aug. 1974 - 300	+ 305	- 54
Short-time workers 5	+ 182	+ 199	Aug. 1974 + 177	+ 130	.
			Aug. 1974 + 94		
<b>Foreign trade</b>					
Per cent					
Exports	+36.4	+32.6	+23.5	+40.6	+ 4.9
Imports	+27.2	+23.2	+19.2	+37.7	+10.8
<b>Money stock</b>					
Central bank money stock 6	+ 4.9	+ 5.9	+ 5.6	+ 6.2	+ 1.8
Currency and sight deposits (M <sub>1</sub> ) 4	- 0.1	+ 3.9	+ 4.9	+ 6.5	+ 2.2
Money stock and quasi-money (M <sub>2</sub> ) 4	+10.9	+ 8.9	+ 7.9	+ 6.6	- 0.3
<b>Prices</b>					
Producer prices					
Industrial products 7	+13.7	+14.1	+13.6	+13.9	8 + 2.9
Agricultural produce	- 8.3	- 9.4	p- 7.6	p- 7.9	p- 3.2
Cost of living index for all households	+ 7.1	+ 7.2	+ 6.9	+ 6.9	+ 1.7
<b>Wages 1</b>					
Level of wage and salary rates in the economy as a whole 9	+11.7	+11.9	+12.3	+12.1	8 + 3.4
Wages and salaries per employee in industry 10		+12.8		...	...
Labour costs per unit of output in industry 10		+10.9		...	...

1 Calculated by Deutsche Bundesbank. - 2 Including civil engineering. - 3 Adjusted for working-day variations. - 4 End-of-month levels. - 5 Mid-month levels. - 6 Daily averages of the months. - 7 Domestic sales. - 8 Unadjusted. - 9 On a monthly basis. - 10 Excluding construction and energy. - p Provisional. - pe Partly estimated.

though production is still not fully attuned to the low level of demand. On the other hand, the steep increase in foreign demand has not continued, at least to begin with. But the large backlog of unfilled export orders is likely to ensure that exports go on growing, if not as rapidly as in the first half of this year. Imports have been increasing at a slightly faster pace of late, so that the large foreign trade surpluses have diminished, seasonally adjusted, for the first time for quite a long while (see page 35); the expansive impact of external transactions has therefore weakened slightly. Though domestic demand is still rising in the field of private and government consumption, its increase is inconsiderable in real terms; the additional utilisation of domestic productive capacities is therefore small. Enterprises' investments, which are falling slightly at the moment in real terms, will continue to have a retarding influence on production.

Enterprises' reluctance to embark on new investments is based on the one hand on their subdued sales expectations and on the other - and no doubt to a greater extent - on the deterioration in their profitability due to mounting costs. While the scope for raising prices has been kept very small by stability-oriented monetary policy, the cost of materials and labour has increased steeply. The price of imported goods, for example, has gone up by an average of some 30% within a year. During the second quarter a change for the better seemed imminent owing to the drop in the prices of certain important industrial raw materials on world markets. But in July the Deutsche Mark prices of imported products rose again, the principal reason being that the Deutsche Mark was weaker than before on the exchange markets. Enterprises' cost accounts were persistently subject to strains from the wage side, too. The rises in wage rates, in particular, have so far shown no appreciable response to the progressive slackening of economic activity and the growing employment problems. The agreed rates of increase have generally been well above the 10% mark, even in recent weeks; in July the overall level of wage rates was consequently still 12% higher than a year before. On the other hand, measures taken by firms to reduce staff costs, including in some cases the introduction of short-time working, have had the effect that actual earnings, taken as a whole, are now increasing slightly less than wage and salary rates (by about 11% compared with the same period of last year), if certain special influences are eliminated. But this rise is still several times greater than the simultaneous growth of productivity (about 2½%), so that the burden of wage costs per unit of production at mid-year was some 8½% higher than a year before.

the whole for the time being. After a marked decline, both construction demand, particularly in the residential field, and the inflow of orders to car manufacturers appear to have reached a bottom line of resistance, even

It is mainly because of the very precarious cost situation of numerous enterprises that prices have continued to go up steeply in recent months. Industrial selling prices were raised sharply; there was often more scope for

doing so on foreign markets than at home. Consumers, too, felt the effects of the increase in the cost of industrial products more strongly. If the growth rate of consumer prices, at about 7%, has recently been slightly smaller than in the spring, this is because the cost of food fell quite markedly at times and because the prices of petroleum products, which were raised so drastically at the beginning of the year, have come down distinctly since. In July they were 13% lower than in February, when oil prices reached their peak. Thus the price situation at the consumer level in Germany still differs considerably from that in other countries, where this year price increases have mostly gathered pace from month to month. In July consumer prices in the major Western industrial countries were on an average 14% higher than a year before – twice as rapid a rate as in Germany. As recently as January this year the difference had been only 4 percentage points, the increase abroad being 11 ½ % and that in Germany 7 ½ %.

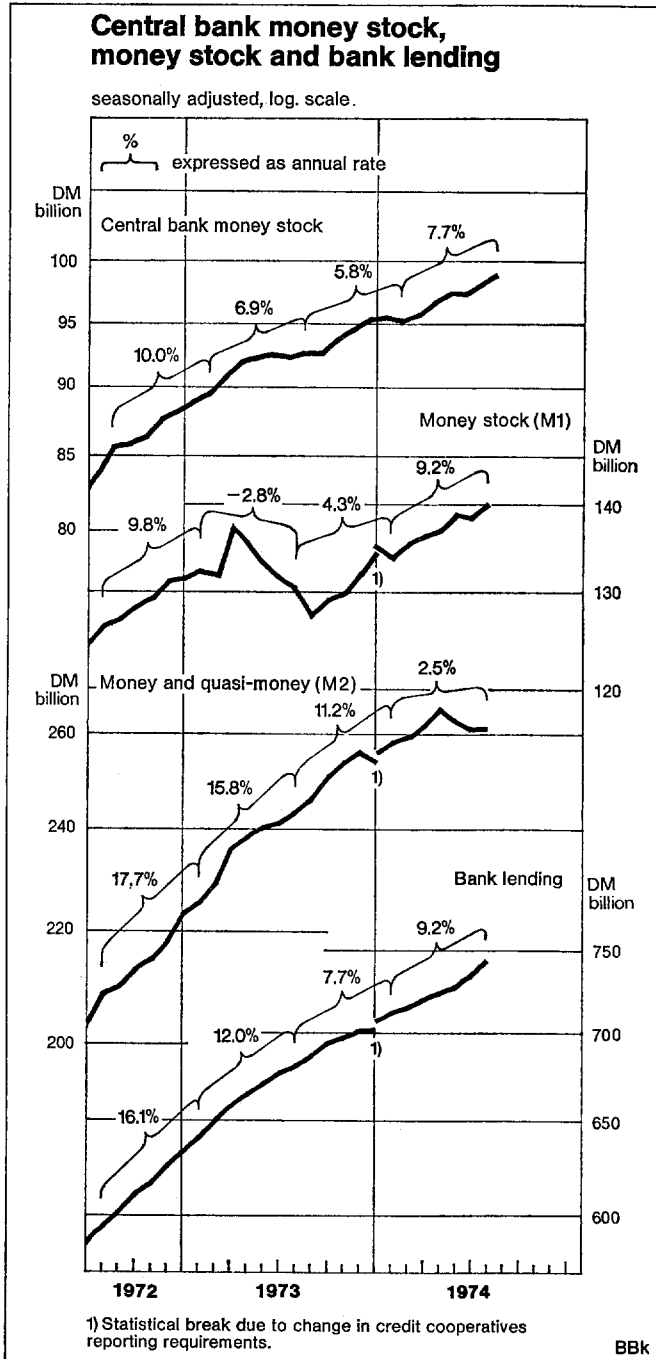
In spite of the higher selling prices, many enterprises had to accept narrower profit margins or even suffered losses. Taken as a whole, therefore, entrepreneurial profits in the first half of the year were probably not higher than a year before, but lower, though individually there were considerable differences. After adjustment for the fall in the value of money over the last year, at all events, their profits decreased substantially, whereas employees' incomes in the first half of 1974 were in real terms some 3% higher than a year before. This presumably means that employees' real distribution position has again improved considerably, but at a growing risk to jobs; this risk, which is mainly due to the slackening propensity to invest in Germany, can in the last analysis only be averted by a new upturn in investment. The decision as to which of the alternatives – either further cost rises and lower employment or no cost rises and a gradual recovery of investment and employment – determines the future course of events will therefore hinge to a large extent on the coming wage negotiations. The fact that the income of employees (and also of self-employed persons) will be augmented in 1975 by the tax reform and the reform of children's allowances may make it easier to show restraint in the matter of wage rates. In 1974 employees' average gross income will presumably rise by about 11% and net per capita income by 9 ½ %, but in 1975 it will in principle be the other way round. If, for example, average earnings go up by 7% gross in 1975, net earnings after deducting taxes and social security contributions, but after adding the improvement in children's allowances, will increase by 9 ½ %, i. e. just as fast as in 1974. Since in these circumstances the price rise would be likely to moderate at the same time, real incomes (net) would then go up even more than in 1974.

In view of the described course of business activity, and also in view of the persistent erosion in the value of

money, the Bundesbank has seen no reason to change fundamentally the course of its monetary policy in recent months. It has continued its endeavours to keep monetary expansion within narrow limits that are consistent with the requirements of stability policy; this has not necessitated any particular restraining measures since the demand for money and credit has been much less strong than it was last year owing to the sluggish state of economic activity. In this situation the Bundesbank's measures mainly served to meet the banks' additional needs of central bank money, which arose partly on seasonal and partly on cyclical grounds.

An important factor in this connection was that from the end of June onwards there was a steady, substantial drain on the banks' resources for a variety of reasons. It was primarily due to outflows of foreign exchange, which started in June, when, for the first time for some while, net capital exports exceeded the current account surpluses, so that the Deutsche Mark rate came under pressure on the exchange markets, especially against the U.S. dollar. Part of the exchange outflow was the automatic outcome of the Bundesbank's sales of foreign currencies, in accordance with its obligations under the joint float arrangements, once the Deutsche Mark rate reached the lower edge of the exchange rate spread. In addition, the Bundesbank sold U.S. dollars in the market – not least in order to lessen the need to intervene within the "snake" – but without basically modifying the trend of the rate movements. Corresponding operations by the U.S. central bank supported this policy. The central monetary reserves declined by DM 4.5 billion in all between the beginning of June and the end of August, and by the time this Report went to press (September 13) they had fallen by a further DM 1.7 billion, mainly it seems because of new outflows in the short-term capital field. The Federal Government's recent decision to cancel the cash deposit requirement and thus to free non-banks' credit transactions from administrative restrictions takes account of this situation. Besides the exchange outflows, the cash transactions of the central and regional authorities also led to a considerable drain on the banks' resources between June and August. This, however, was above all a seasonal occurrence, since at this time of year the large transfers of taxes to the public authorities' central bank accounts and the receipts from borrowing do not immediately result in a corresponding increase in the expenditure debited to these accounts.

To offset the considerable withdrawals of funds from the banking system, which amounted to a total of about DM 7.5 billion between June and August, the Bundesbank adopted a number of measures which are discussed in detail in "Money and credit". It offered the banks a lombard loan facility of unlimited amount throughout this period, it authorised full recourse to the rediscount quotas in July, and finally it lowered the minimum re-



serve ratios on domestic liabilities in September as it was foreseeable that the drain on the banks' resources would continue in that month, too, owing to the major tax payment date and further exchange outflows. In addition to the general easing of conditions, the Bundesbank granted specific assistance in a number of cases in order to help banks that were threatening to get into liquidity difficulties following the collapse of the Herstatt Bank. This collapse of a bank with a fairly large proportion of deposit business caused perceptible disquiet among other customers of – in particular – smaller banks. There is some evidence that this uncertainty is now on the wane, not least because the unique nature

of the causes of that bank failure has been recognised and the Federal Government and Bundesbank have indicated unambiguously that they, together with the Banking Associations, are intent on safeguarding the money that customers have lodged with banks. The establishment of a Liquidity Consortium Bank by the German banking industry – the Bundesbank also being a participant – may be expected to further allay the disquiet.

The liquidity relaxation and selective assistance decided on by the Bundesbank completely made good the short-falls of central bank money recorded by the banks. In addition, the Bundesbank deliberately tolerated the drop in interest rates apparent for some time at the short end of the market and even contributed to this development itself by in some cases offering the banks central bank credit at lower interest rates than in the spring. Whereas interest rates of 13% were charged in March and April for the special lombard loans granted at that time, from July onwards the banks had to pay interest rates of 9% for the "lombard credit at the lombard rate" which was then extended.

The basic features of the monetary trend in the last few months clearly indicate, however, that the measures of interest rate and liquidity policy taken by the Bundesbank do not constitute a departure from the avowed aims of central bank policy. Between July and August the central bank money stock increased at an annual rate of 6%, seasonally adjusted, and thus no more rapidly than in the preceding months. Credit expansion, too, remained relatively small. It is true that bank lending to the private sector has recently been rising somewhat faster, if anything, than at the beginning of the year but this is unlikely to be due to a growing need of funds by enterprises for financing their domestic business. It is more probable that a substantial part of the borrowed funds was used to finance credits and deferred payment terms granted to foreign trade partners, or to repay loans previously taken up abroad. There was a distinct increase in bank lending to public authorities, mainly reflecting the growing deficits of the public authorities in the last few months. Even so, the total amount of credit to domestic non-banks outstanding at the end of July was only 8½% higher than a year before, whereas at the end of 1973 the growth rate had been 10%. The increase in the money supply remained modest in spite of pronounced shifts among the various components. At the end of July it was 6½% above the level of a year before.

Government finance has continued to have a strong impact on the economy, bolstering the overall trend in recent months. The Federal and Länder Governments, in particular, again ran large deficits, which not only were considerably greater than last year but also exceeded the level to be expected according to the budgets. However, this was mainly because tax revenue increasingly

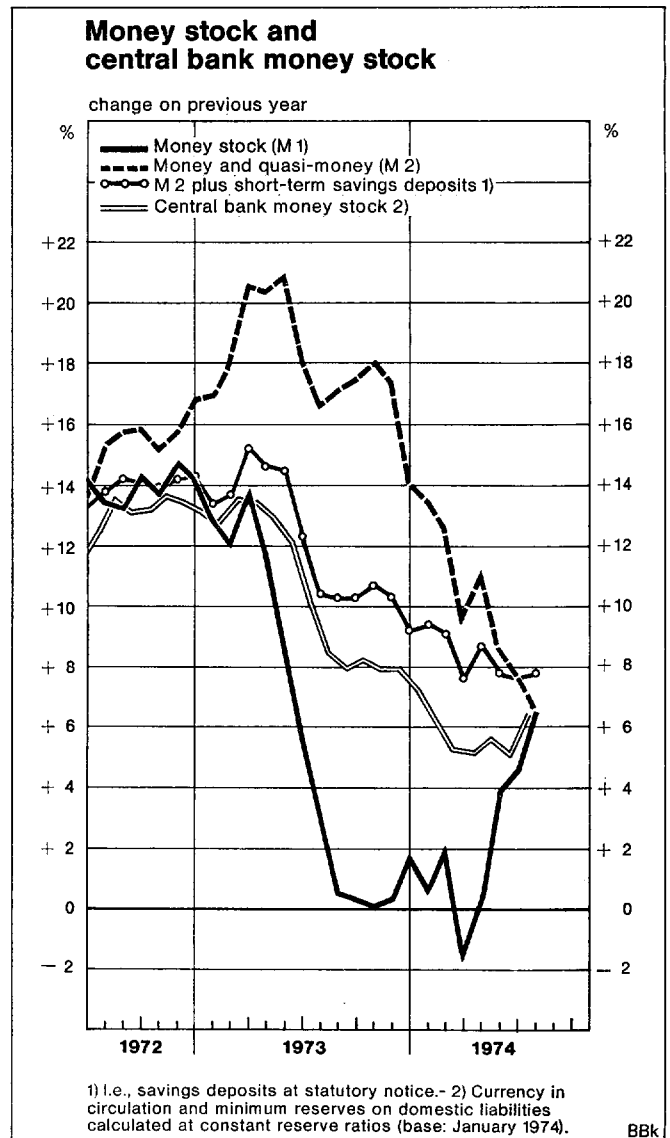


fell short of expectations owing to the subdued economic conditions. The central, regional and local authorities' increased deficits were thus not a reflection of a new course in financial policy, but were largely the outcome of the anticyclical movement of government receipts, which had a stabilising effect on domestic demand. From the present perspective further shortfalls in tax revenue as compared with the previous estimates must be expected for the second half of the year. As, moreover, the stability surcharge, which was indeed no longer justified in terms of anticyclical policy, lapsed at mid-year, the deficits, which are already very high, will increase further. Expenditure can hardly be reduced to a degree corresponding to the shortfalls in receipts, especially as a reduction of capital expenditure would not be acceptable on cyclical grounds. On the contrary, in view of the particular economic problems the Federal Government adopted, on September 11, a special programme totalling DM 900 million with the aid of which capital projects are to be financed in economically weak areas; two thirds of the cost is to be met by the Federal Government and one third by the Länder Governments. The requisite funds are to be raised from the receipts of the investment tax which were frozen at the Bundesbank. For the coming year of 1975 the financial situation of the public authorities is largely predetermined by the tax reform and the associated shortfalls of about DM 14 billion. Even if no very extreme assumptions are made on the course of receipts and expenditure, the deficits of the central, regional and local authorities next year will probably increase considerably again, as described in detail in "Public finance". In such a situation these authorities will have to do all in their power to keep the growth of expenditure within narrow bounds. This applies above all to consumption. From this point of view the wage negotiations due in the public service at the beginning of next year assume key importance. There can be no question but that wage and salary rises and equivalent improvements of the magnitude agreed in the present year or, in the case of the reduction in working hours, agreed in 1972 and now coming into force, are far too high to be acceptable under the economic conditions expected in the coming year, and in addition would constitute a wrong yardstick for the impending wage rises in the private sector of the economy.

Monetary expansion in the Federal Republic of Germany remained within narrow limits during the summer months. On balance no foreign funds flowed into the domestic money circulation during that period. The internal money creation process, that is to say, bank lending to domestic non-banks, gained momentum, but overall expansion remained comparatively small owing to internal and external factors. If lending to domestic non-banks is added to the banking system's net external claims, which reflect external influences, the result is an expansion of about DM 17.5 billion between May and July 1974. This figure is rather modest in comparison with the same period of last year, when the expansion came to DM 22 billion; in the preceding months, too, the seasonally adjusted expansion had been greater. Furthermore, monetary capital formation, which tends to curb the growth of the money stock, increased again. The money stock in the narrower definition (currency and sight deposits =  $M_1$ ) thus rose only moderately between end-April and end-July 1974. Money and quasi-money together (=  $M_2$ ) even dropped slightly. Seasonally adjusted and expressed as an annual rate, currency and sight deposits ( $M_1$ ) went up by 9.2% in the past six months, and the overall money stock ( $M_1$  plus quasi-money) by 2.5%. At end-July 1974 the money stock in both definitions exceeded the corresponding 1973 figure by about 6.5%.

The monetary trends described above confirm what the Bundesbank has repeatedly emphasised in explaining its monetary policy measures of recent months: that it has not abandoned its stability-oriented course. However, during the phase under review business activity and hence also the internal expansionary factors in the monetary sphere were so restrained that pronounced counteraction through monetary policy was no longer necessary to keep monetary growth within the narrow limits desired. The Bundesbank therefore not only tolerated a certain lowering of interest rates in the short-term field, but even encouraged it. The Bundesbank was also prepared to meet the demand for central bank money associated even with relatively weak monetary growth; it did so – if measured by the cost of special lombard loans – at somewhat reduced, though historically high, interest rates, as will be shown below.

The individual components of the money stock have developed along very divergent lines in recent months. Currency circulation and the sight deposits of domestic non-banks alone increased by DM 7.6 billion between May and July this year. On the other hand, the time deposits of domestic non-banks with maturities of less than 4 years (quasi-money) – but only those held by enterprises and individuals – decreased by DM 7.9 billion. This appears to have largely been a reaction to the shifts from sight deposits, in particular, to higher-



interest-bearing short-term time deposits during 1973. In the current year the interest rates paid on time deposits have declined sharply, so that it may be assumed that some of these funds have been shifted back to sight deposits. Depositors may also have been trying harder to remain liquid. The sight deposits of domestic non-banks rose by DM 4.1 billion between May and July, whereas they had fallen by DM 2.6 billion in the same period of 1973. Even more pronounced, especially since the end of June, was the rise in currency circulation, which in August and at the beginning of September was roughly 9% up on the year, compared with 4% to 5% until May this year. The general public, influenced by developments in the banking system which it cannot easily assess, was inclined to build up its cash holdings at times, although there was no objective reason for doing so.

Among the factors determining the monetary trend, lending by banks and the Bundesbank to domestic non-banks (including credit extended by acquiring securi-

ties) rose by DM 17.6 billion from May to July 1974. In terms of credit outstanding, at the end of July 1974 the overall volume of credit was 8.4% up on the year. At the end of February 1973, i.e. prior to the adoption of a more stringent stability policy by the Federal Government and Bundesbank, the annual growth rate of the volume of credit had been just on 15%, but it diminished from month to month and reached 8.0% by the end of June this year. If July is considered by itself, the growth of lending by the banking system (including the Bundesbank) was slightly greater than in June, after seasonal adjustment, but this was almost entirely due to lending to public authorities. Lending by the banks and Bundesbank to those borrowers between end-April and end-July 1974 rose by DM 3.8 billion, i.e. more than twice as much as in the same period of 1973 (DM 1.7 billion). Thus, since end-September 1973 bank lending to public authorities (including credit extended by purchasing money market paper and bonds) has steadily accelerated. Public sector borrowing from the banking system was all in the form of loans for periods of more than a year, and totalled DM 4.2 billion, most of the loans having maturities of 4 years and over. The Länder Governments borrowed a large amount at longer term from banks (DM 2.1 billion), but the Federal Government and local authorities also took up medium and long-term bank loans on a major scale in the period under review (Federal Government DM 0.7 billion, local authorities DM 1.3 billion). Short-term government indebtedness towards the banking system (including the Bundesbank), on the other hand, was reduced by DM 0.4 billion. The reasons for the increase in public borrowing from banks are specified in the section "Public finance" (page 22).

Bank lending to the private sector, which slowed down distinctly in the spring of this year, has slackened no further in the last few months. Between end-April and end-July 1974 domestic enterprises and individuals took up over DM 13.6 billion of new direct bank loans. Seasonally adjusted and expressed as an annual rate, such loans grew by just on 10% between May and July, compared with 7.6% in the first four months of the year. The growth of short and — for the first time for some while — medium-term credit to trade and industry was also quite marked. The increase in the demand for credit is not, however, primarily attributable to internal transactions, but chiefly to the financing of trade credits granted to foreigners and the repayment of loans previously taken up abroad (see page 41). Whereas the net external claims of the banks and the Bundesbank, which reflect non-banks' transactions with foreigners, mounted by DM 4.7 billion between February and April this year, between end-April and end-July they did not rise (in spite of large surpluses on current account) but in fact fell by a total of DM 0.1 billion. It is also significant that, according to the borrowers statistics up to June this year, nearly all sections of trade and industry —

### The money stock and its determinants\*

Billions of Deutsche Mark; Increase: +

Item	Year	May	June	July	May/ July
Bank lending, total	1974	+ 4.1	+ 9.6	+ 3.9	+ 17.6
	1973	+ 4.8	+ 9.1	+ 1.3	+ 15.1
Deutsche Bundesbank	1974	— 1.1	— 1.4	+ 1.6	— 0.9
	1973	+ 0.5	— 0.2	+ 0.3	+ 0.6
Banks	1974	+ 5.2	+ 11.1	+ 2.3	+ 18.5
	1973	+ 4.3	+ 9.2	+ 1.0	+ 14.6
to					
Enterprises and individuals	1974	+ 3.1	+ 9.8	+ 0.9	+ 13.7
	1973	+ 4.3	+ 8.4	+ 0.8	+ 13.4
of which					
short-term lending	1974	— 0.3	+ 8.2	— 2.4	+ 5.6
	1973	+ 0.7	+ 4.7	— 2.5	+ 2.9
medium and long-term lending	1974	+ 3.3	+ 1.4	+ 3.3	+ 8.1
	1973	+ 3.5	+ 3.8	+ 3.2	+ 10.6
Public authorities	1974	+ 2.1	+ 1.3	+ 1.4	+ 4.8
	1973	+ 0.0	+ 0.9	+ 0.3	+ 1.2
Net external claims of the banks and Bundesbank	1974	+ 1.2	+ 0.1	— 1.4	— 0.1
	1973	+ 2.3	+ 2.9	+ 1.8	+ 7.0
Monetary capital formation, total	1974	+ 3.8	+ 2.5	+ 2.4	+ 8.7
	1973	+ 3.5	+ 1.8	+ 1.8	+ 7.1
Deutsche Bundesbank (proceeds of stability loan)	1974	—	—	—	—
	1973	+ 0.0	+ 0.0	+ 0.5	+ 0.5
Banks	1974	+ 3.8	+ 2.5	+ 2.4	+ 8.7
	1973	+ 3.5	+ 1.8	+ 1.3	+ 6.6
of which					
Savings deposits	1974	+ 1.3	+ 0.9	+ 0.3	+ 2.4
	1973	— 0.6	— 1.3	— 1.6	— 3.5
Bank savings bonds	1974	+ 0.3	+ 0.3	+ 0.5	+ 1.1
	1973	+ 0.3	+ 0.3	+ 0.6	+ 1.2
Time deposits 1	1974	+ 0.9	+ 0.0	+ 0.3	+ 1.3
	1973	+ 1.4	+ 0.1	+ 0.9	+ 2.3
Bank bonds outstanding	1974	+ 0.8	+ 1.1	+ 1.2	+ 3.1
	1973	+ 1.7	+ 2.3	+ 1.3	+ 5.3
Central bank deposits of public authorities 2	1974	+ 0.1	+ 2.5	— 1.0	+ 1.5
	1973	— 1.0	+ 2.7	— 1.0	+ 0.7
Other influences	1974	+ 0.9	— 7.1	— 1.2	— 7.5
	1973	+ 1.7	— 7.3	+ 0.5	— 5.1
Money and quasi-money = M <sub>2</sub>	1974	+ 2.3	— 2.4	— 0.1	— 0.2
	1973	+ 6.3	+ 0.1	+ 2.8	+ 9.2
id., seasonally adjusted	1974	— 2.8	— 1.6	+ 0.0	— 4.4
	1973	+ 2.8	+ 0.7	+ 2.3	+ 5.8
Money stock = M <sub>1</sub>	1974	+ 2.0	+ 4.0	+ 1.7	+ 7.6
	1973	— 3.2	+ 2.5	— 0.5	— 1.1
id., seasonally adjusted	1974	+ 2.1	— 0.4	+ 1.3	+ 3.0
	1973	— 2.4	— 1.3	— 1.4	— 5.1
Quasi-money	1974	+ 0.3	— 6.4	— 1.7	— 7.9
	1973	+ 9.5	— 2.4	+ 3.2	+ 10.3
id., seasonally adjusted	1974	— 4.9	— 1.2	— 1.3	— 7.3
	1973	+ 5.2	+ 2.0	+ 3.7	+ 10.9

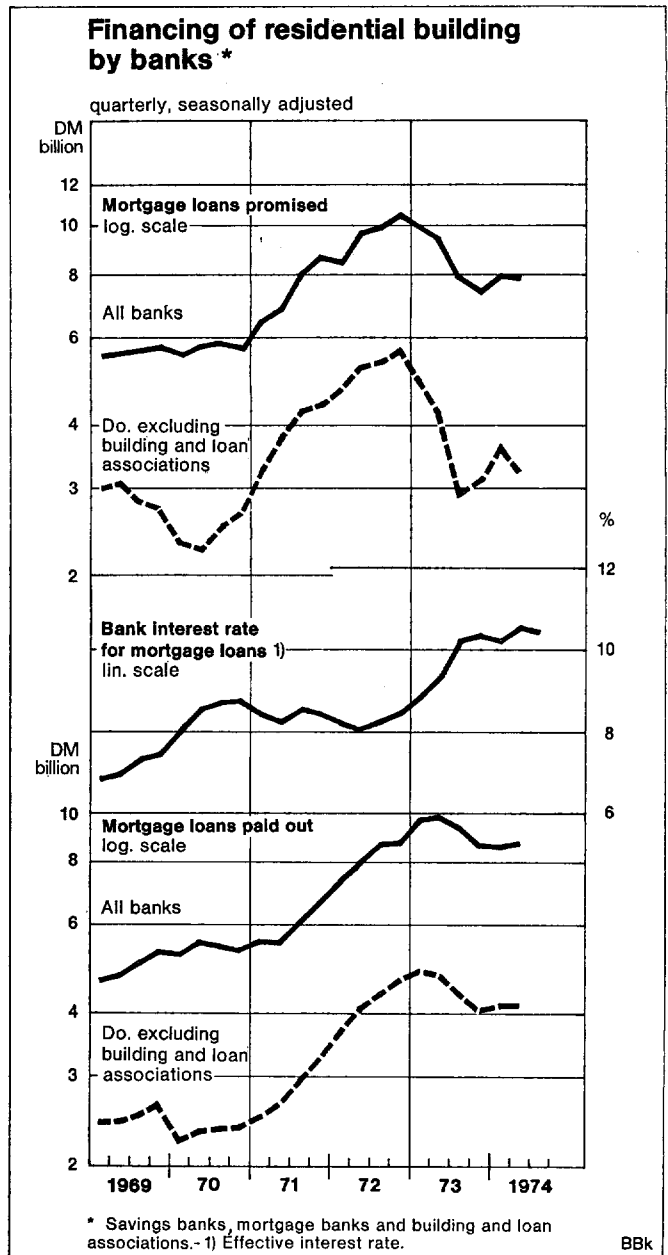
\* Discrepancies in the totals are due to rounding. — 1 Excluding time deposits of less than four years (= quasi-money). — 2 Excluding proceeds of stability loan.

with the exception of residential building — in effect took up only short and medium-term loans from the banks. To some extent this may imply expectations of a decline in interest rates. At all events, banks' long-term lending to enterprises and individuals has risen little in recent months, viz. by DM 5.7 billion between May and July, compared with DM 8.6 billion a year earlier. During the same period outpayments of housing loans by savings and mortgage banks were over 15% down on the year. Judging from information on housing mortgage loans promised, which between May and July were likewise about 15% smaller than a year before, the amount of such loans is likely to continue to be

12 moderate in the next few months. Building and loan associations, too, have substantially cut their mortgage loan assurances in recent months, whereas their out-payments of such loans remained at a fairly high level in spite of the distinct decline in saving for building purposes.

Banks' new commitments on the security market were quite large in the period under review. They built up their holdings of domestic and foreign securities by DM 2.6 billion, compared with not quite DM 0.4 billion a year earlier and just on DM 0.7 billion in the first four months of this year. In the present situation the main constraint on credit expansion appears to be the demand for credit and the evidence of soundness required by the banks rather than by the banks' liquidity position. Of course, for the banks to be willing to buy securities they must have not only adequate liquidity but, above all, optimistic expectations as to the further movement of interest rates. The impression appears to have gained strength among the banks, at least temporarily, that interest rates have passed or will shortly pass their peak and that an opportunity will therefore arise for price gains. Between end-April and end-July 1974 banks bought little but domestic fixed interest securities, as usual mostly bank bonds (DM 2.3 billion). The issuing institutions (mortgage banks and central giro institutions) were thus enabled to expand their long-term lending business. Besides, the banks enlarged their holdings of public authority bonds and industrial bonds between May and July (by DM 0.3 billion and DM 0.2 billion, respectively), after having reduced them in the preceding months.

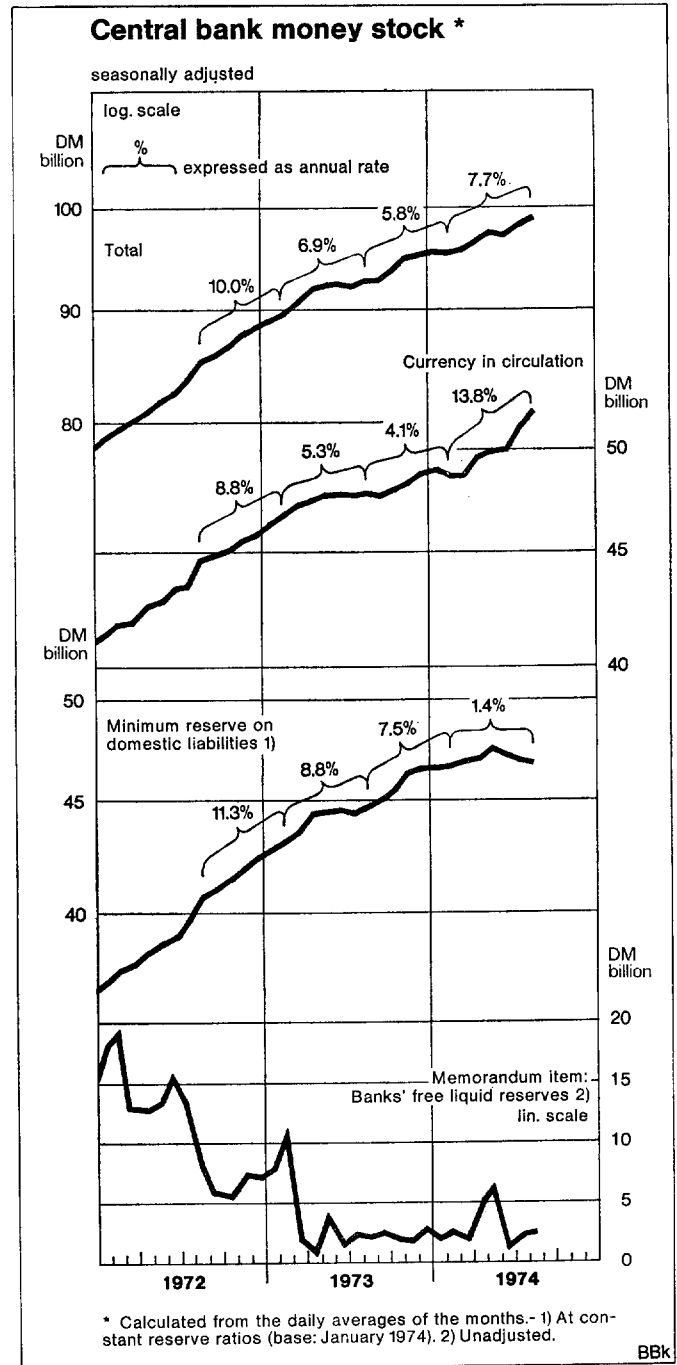
Monetary capital formation, that is the growth of longer-term bank liabilities towards domestic non-banks (excluding time deposits with maturities of less than 4 years), was comparatively large between May and July 1974, reaching DM 8.7 billion, in spite of the moderate expansion of bank lending. At this level it was well above the figure for the corresponding period of last year, when it had come to only about DM 7 billion, even inclusive of the DM 0.5 billion raised by a loan to absorb liquidity and purchasing power which was lodged in a special account with the Deutsche Bundesbank. The comparatively high level of monetary capital formation owed much to the fact that, after a long period of relative weakness, the trend of savings deposits returned to normal. Between May and July domestic non-banks paid DM 2.5 billion net into savings accounts; during the same period of last year there were net outpayments totalling DM 3.5 billion (chiefly from savings deposits at statutory notice) — an unprecedented figure which has not been repeated since. Between May and July this year such deposits were considerably enlarged (by roughly DM 3.5 billion), even though they were hardly more attractive from the interest point of view than a year earlier, while longer-term savings deposits dropped by roughly DM 1 billion.



There are no doubt several reasons for the relatively fast growth of savings deposits. Firstly, incomes have risen steeply in recent months, partly as a result of back-payments of wage and salary rises. Secondly, the general propensity to save appears to have intensified, savers attaching special importance to the relatively liquid investment of their savings in view of the uncertainty as to the further economic trend. The counterpart of this is the fact that long-term investment with banks continued to be relatively small. Between end-April and end-July time deposits with maturities of 4 years and over rose only about half as much, at just on DM 1.3 billion, as a year earlier, while sales of bank savings bonds, at DM 1.1 billion, were down on the year (by DM 0.2 billion). Over the period as a whole domestic non-banks also distinctly reduced their purchases of bank bonds (DM 3.1 billion against DM 5.3 billion).

## Central bank money and money market

From June to August the liquidity position of German banks was no longer as tight as last year and at times in the early months of the present year. Throughout the period the Bundesbank made lombard loans available to the banks without quantitative restrictions and on more favourable terms than previously. As from May 28 the Bundesbank granted special lombard loans at a rate of only 10%, compared with 13% in March/April this year; from July 4 this credit was superseded by the re-introduction for a limited period of "lombard credit at the lombard rate" of 9%. The Bundesbank supplied the banks with additional central bank money in other ways as well. For instance, since July 4 banks have been able to make full use of their rediscount quotas again, after use had been limited as from the end of May to 75% of the total; this opened up additional central bank credit facilities totalling about DM 2.5 billion. Furthermore, from September 1 onwards the reserve ratios for domestic liabilities were lowered by 10%, reducing the minimum reserve requirements by roughly DM 4.7 billion. When uncertainty and nervousness spread among banks and their customers following the collapse of the Herstatt Bank due to grave mistakes in the conduct of business, the Central Bank Council, at its meeting of July 18, took the following decisions: firstly, to raise by DM 0.2 billion to DM 1.1 billion the upper limit for the total of prime bankers' acceptances the Bundesbank is prepared to purchase, with the proviso that only private bankers and smaller regional banks should benefit thereby; secondly, to assure a liquidity consortium set up by the Federal Association of German Banks to assist banks in case of need that members of the consortium will receive central bank aid, if necessary, in the form of increased rediscount quotas.<sup>1</sup> On August 16 this special aid to private bankers and smaller regional banks was extended inasmuch as they were permitted additional rediscount facilities under certain conditions and provided that all other sources of finance have proved of no avail. Furthermore, a hardship clause (section 7 (4)) was inserted in the Order on Minimum Reserves retroactively from August 1. Subject to certain conditions, this clause grants relief to banks which are unable to draw on claims on other liquidating banks or which are suffering heavy withdrawals of deposits, if they produce evidence that all possible means of procuring liquidity have been tried in vain. Finally, mention should be made of the establishment of a Liquidity Consortium Bank, in the form of a private limited company, in which the Bundesbank holds a 30% stake. The capital of this institution is DM 250 million; its articles of association provide for obligatory further payments of capital up to a total of DM 750 million. The total liability of the Bank in respect of its own funds amounts to DM 1 billion. The Bank will seek to render assistance in all cases where a basically sound bank threatens to run into liquidity difficulties. The overall aim is to ensure that due banking arrangements are



made for domestic and international payments. To this end the Bank will primarily use its own resources, and secondarily a rediscount line of the Bundesbank.

As explained in the preceding paragraphs, these measures did not reflect any change in the basic course of monetary policy. Their purpose was to safeguard the functioning of the German banking system and to make good banks' central bank money deficiencies that were *not* due to any intensification of monetary expansion. This is clearly demonstrated by two items in the adjacent liquidity account:

<sup>1</sup> There was no direct connection between these measures and the simultaneous raising of the rediscount facilities for the Reconstruction Loan Corporation by DM 0.3 billion to DM 0.6 billion, on condition that DM 0.5 billion of the credit line serves for the financing of loans to small and medium-sized enterprises.

### Creation of central bank money and banks' free liquid reserves\*

Calculated on the basis of daily averages of the months  
Billions of Deutsche Mark

Item	June 1974	July 1974 p	Aug. 1974 pe	June/ Aug. 1974 pe
<b>A. Overall change in central bank money stock and free liquid reserves (increase: +)</b>				
<b>I. Central bank money stock</b>	+ 1.2	+ 1.4	+ 0.5	+ 3.1
(1) Currency in circulation	+ 1.1	+ 1.7	+ 0.7	+ 3.5
(2) Minimum reserve on domestic liabilities 1	+ 0.1	- 0.3	- 0.3	- 0.5
<b>Memorandum Item:</b> Seasonally adjusted change in the central bank money stock at constant reserve ratios (base: January 1974)	(- 0.3)	(+ 1.1)	(+ 0.7)	(+ 1.5)
<b>II. Free liquid reserves</b>	- 5.0	+ 0.8	+ 0.3	- 3.9
<b>Memorandum Item:</b> Free liquid reserves in the last month of period	1.5	2.3	2.6	2.6
<b>A. Total (A I plus II = B)</b>	- 3.8	+ 2.2	+ 0.7	- 0.9
<b>B. Factors determining central bank money stock and free liquid reserves (expansive effect: +)</b>				
<b>I. Gross creation or destruction of central bank money 2</b>	- 1.4	- 0.0	- 0.6	- 2.0
(1) Purchases (+) or sales (-) of foreign exchange by Bundesbank	+ 0.3	- 0.9	- 2.7	- 3.3
(2) Change in domestic non-banks' net balances with Bundesbank (increase: -)	- 2.1	- 1.5	+ 2.0	- 1.6
(3) Open market operations (net sales: -)	- 0.2	- 0.3	- 0.2	- 0.7
(a) with non-banks in "N" paper and long-term paper	(- 0.2)	(- 0.3)	(- 0.2)	(- 0.7)
(b) with banks under repurchase agreement	( - )	( - )	( - )	( - )
(4) Special lombard credit and lombard credit made available for a limited period (repayment: -)	+ 0.6	+ 3.8	+ 1.1	+ 5.5
(5) Other influences not listed elsewhere	+ 0.0	- 1.1	- 0.9	- 2.0
<b>II. Compulsory special reserve and deposit holding with Bundesbank (increase: -)</b>	- 0.1	- 0.2	+ 0.1	- 0.2
(1) Change in minimum reserve requirement due to new minimum reserve ratios for domestic liabilities	-	-	-	-
(2) Minimum reserve on external liabilities	- 0.1	- 0.2	+ 0.2	- 0.1
(3) Cash deposit	+ 0.0	- 0.0	- 0.1	- 0.1
<b>III. Net creation of central bank money 2 (B I plus II)</b>	- 1.5	- 0.3	- 0.5	- 2.3
<b>IV. Measures to influence free liquid reserves direct</b>	- 2.2	+ 2.4	+ 1.3	+ 1.5
(1) Change in rediscount quotas (reduction: -)	- 2.5	+ 2.3	+ 0.4	+ 0.2
(2) Non-banks' money market indebtedness towards banks (paper with repurchase undertaking of Bundesbank)	+ 0.3	+ 0.2	+ 0.8	+ 1.3
<b>B. Total (B III plus IV = A)</b>	- 3.8	+ 2.2	+ 0.7	- 0.9

\* Excluding financial institutions of the Post Office; discrepancies in the totals are due to rounding. - 1 On the basis of current reserve ratios (changes in the required minimum reserve due to the fixing of new reserve ratios are shown in item B II, 1). - 2 Other than that caused by banks' drawing on free liquid reserves or by the conversion of central bank money into free liquid reserves. - p Provisional. - pe Partly estimated.

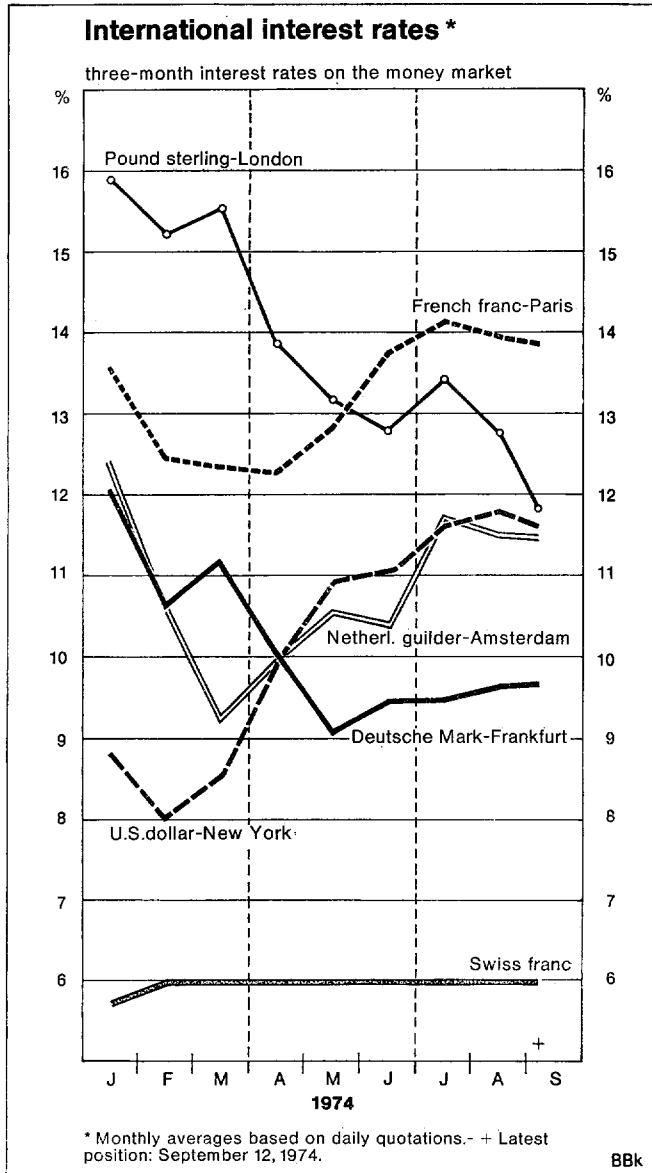
- the central bank money stock, growth of which depends on the magnitude of monetary expansion, increased relatively little, and

- banks still have no significant free liquid reserves at their disposal.

From June to August the growth of the central bank money stock came to about 6%, seasonally adjusted and expressed as an annual rate, and thus remained within limits compatible with the stability-oriented course of the Bundesbank, as has been the case since the middle of last year. However, there was a striking divergence between the components of the central bank money stock, viz. currency in circulation and the required minimum reserve for domestic liabilities. Both usually move in the same direction, except for short-term deviations. But in the past three months, seasonally adjusted, this has not been so. Currency in circulation has increased sharply, partly for the reasons already given (page 10), while the reserve requirement for domestic liabilities has declined somewhat.

Banks' demand for additional central bank money, which to some extent was seasonal, amounted to DM 3.1 billion from June to August. This demand could not be met from banks' free liquid reserves, which in May had at times risen to DM 6.5 billion owing to inflows of foreign exchange, because there were also considerable outflows of funds and because a technical minimum cannot be mobilised. The main factor in the withdrawal of funds was the continuous efflux of foreign exchange, which increased in August as a result of the Bundesbank's sales of foreign currencies and the purchases of Deutsche Mark by the central banks taking part in the joint float. These interventions were necessary since the Deutsche Mark tended to be weak within the "snake". Moreover, the Deutsche Bundesbank sold U.S. dollars on the foreign exchange market once the dollar had strengthened, in order to lessen the interventions within the "snake". Hence, between June and August central monetary reserves went down by DM 3.3 billion, according to the daily average method of calculation used in this analysis.

Public authorities' cash management likewise gave rise to relatively large withdrawals of funds. Although in the first half of this year the Federal Government satisfied a smaller part of its net credit requirements than would have been consistent with a uniform level of recourse to the market, it made up for this "omission" to some extent in July and August, when the scope for placing bonds had improved, so that the drain on resources was relatively large at times; the withdrawal of central bank money shown under "Change in domestic non-banks' net balances..." in the table on this page (DM 1.6 billion) is mainly attributable to this fact. There were also large outflows (DM 2.0 billion) under "Other influences..."; they reflected, on the one hand, a decrease in the "float"; the asset-side items in course of settlement as a result of payment transactions between banks and Bundesbank - a kind of lending to the banking system - de-



clined. On the other hand, this item also contains the entries of Bundesbank expenditure and receipts, including the counterpart of over DM 1 billion of Bundesbank interest income from foreign investments (contractive effect), which taken by itself led to a corresponding rise in monetary reserves (and thus is incorporated as an expansive factor in the foreign exchange position and statistically speaking reduces the foreign exchange outflows in the period under review).

The Bundesbank's interest rate and liquidity policy measures of recent months have been closely connected with the losses of funds mentioned above. The rediscount quotas, i.e. the margins granted the banks by the Bundesbank for the rediscounting of bills, increased by about DM 0.2 billion between June and August after having fallen temporarily in June. The potential for bank recourse to the Bundesbank also rose owing to the increase of DM 1.3 billion in the amount of outstanding

private and public money market paper eligible for rediscount at the Bundesbank. Changes in the item "Non-banks' money market indebtedness ..." chiefly reflect the above-mentioned raising of the upper limits for the Reconstruction Loan Corporation and for purchases of prime bankers' acceptances, but also owe something to the increase in the outstanding amount of Storage Agency bills associated with the financing of agricultural crops. Lombard loans — at first in the form of special lombard credit, then as "normal" lombard credit for a limited period — were used to meet roughly DM 5.5 billion of the deficit, which otherwise could not have been covered. On a daily average, banks took up DM 5.8 billion of lombard credit in August. Even though, as noted, the Bundesbank released DM 4.7 billion of minimum reserves from September onwards, it will not be possible to repay the lombard credit in full in September, because there have meanwhile been further outflows of foreign exchange and the market is in need of additional bank funds, inter alia in connection with the main tax payment date. On August 29, therefore, the Bundesbank prolonged the granting of lombard credit, which was due to expire at the end of August, until further notice.

On the money market there have been only insignificant fluctuations in recent months under the influence of the Bundesbank's willingness to grant lombard credit — on which banks were dependent throughout the period — without quantitative restrictions. From June to August the rate for day-to-day money mostly ran at somewhat over 9%, against 10% to 11% in the first quarter of this year, whereas 9.5% was asked for three-month loans; compared with April/May, admittedly, when large inflows of foreign exchange were the rule, this represents a slight increase. By and large, however, there was a distinct drop in interest rates at the short-term end of the market under the impact of the Bundesbank's terms, and this also influenced the climate of the security markets, especially the bond market. Banks' short-term lending and deposit rates have likewise gone down in recent months. According to the Bundesbank's quarterly sample statistics, an average of 13.6% was charged for credits of under DM 1 million in current account in August, compared with 13.8% in May; the interest rates for discount credits (bills of DM 5,000 to under DM 20,000 eligible for rediscount at the Bundesbank) declined even more, to 11.3%. Banks paid an average rate of 7.9% on time deposits of under DM 1 million at agreed notice of three months (8% in May). The rates in long-term lending (mortgage loans) and on savings deposits remained unchanged.

### Security markets

#### Bond market

The consolidation on the bond market, which started in the spring following the gradual normalisation of the

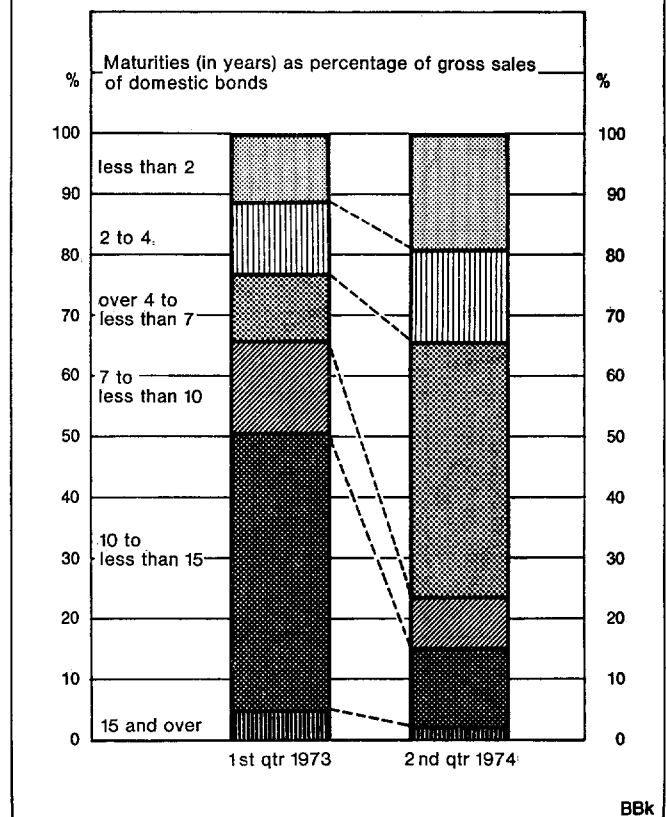
interest rate structure and occasional interventions by the Bundesbank, has made further headway in recent months, even though the process is still by no means complete. Above all, the receptiveness of the market has improved, i. e. the willingness to buy fixed interest securities has increased. However, security yields have not fallen since May, except for short-term fluctuations. The daily *average yield* of a selection of commonly traded securities is at present 10.9%, the same level as at the end of May. In August the only interest rate to fall were those of 10% public authority bonds; their yield went down by a fifth of a percentage point to 10.5% during that month. The Federal Government was therefore able to arrange slightly more favourable terms for its new DM 600 million 10% bond issue than those attaching to the previously launched bonds of the Railways and the Post Office. The issue price was raised slightly – from 98 to 98.5% – and the period to maturity was extended from 5 to 6 years. On issue the yield of these bonds was 10.35%, compared with 10.53% for previous issues of public authority bonds. The subsequent 10% bond issue of the Federal Post Office was launched on the same terms, but sales have been somewhat sluggish; in other words, the interest rate level continues to be rather unstable and on the bond market, at least, the frequently predicted turning point in the movement of interest rates has not definitively been reached. But consistent adherence to a policy of stability and the prospects of a containment of the price boom have revived interest in bonds, and in the long run this will no doubt lead to the consolidation of the market, provided that excessively large new calls on it can be avoided.

Gross sales of domestic fixed interest securities totalled DM 12.4 billion (nominal value) in the period from May to July. This was over 50% more than in the preceding three months (DM 8.0 billion) and roughly the same amount as in the corresponding period of last year. According to provisional figures, gross sales in August reached as much as DM 6 billion, the highest level since January 1972. However, the more the *volume of redemptions* is inflated by the shift to short-dated paper in preceding years, the less informative are the gross sales figures in any assessment of the bond market's productivity. Between May and July redemptions amounted to DM 6.3 billion, compared with DM 4.8 billion between February and April and DM 4.4 billion in the corresponding months of 1973. Redemptions accounted for more than half of gross sales in the two three-month periods of this year, against just over a third between May and July 1973 and only about a quarter in the same period of 1970. The shorter the maturities of bonds become, the more the gross sales figures will increase, even if the amount of funds raised does not grow.

In the first quarter of 1973 issues with maturities of 10 to less than 15 years<sup>2</sup> made up almost half the total gross sales of domestic bonds. This proportion subsequently

<sup>2</sup> Maximum maturities according to terms of issue.

### Changes in maturity structure since the beginning of 1973



diminished to 13% in the second quarter of 1974. In the same period the share of issues with maturities of more than 4 but less than 7 years rose steeply, i. e. from 11% in the first quarter of 1973 to 42% in the second quarter of 1974. But the share of extremely short-dated bonds with maturities of less than two years also increased strongly. Whereas they accounted for 11% of gross sales in the first quarter of 1973, they later sometimes exceeded 20%. These very short-dated issues consist almost entirely of "other" bank bonds of central giro institutions (in the second quarter of 1974 roughly half of such issues consisted of paper running for less than two years). Basically, this paper evidences shorter-term deposits and may thus increasingly be rated equivalent to "certificates of deposit", but under German law it differs from deposits in that it is not subject to any minimum reserve even if held by non-banks; this loophole in the Bundesbank Act is being heavily exploited, particularly by public-law banks.

In the other categories of securities there is likewise an unmistakable trend towards a shortening of maturities. In the case of mortgage bonds, for instance, the proportion of paper running for 10 to less than 15 years dwindled from 72% in the first quarter of 1973 to a mere 27% in the second quarter of 1974, whereas during the same period the proportion of issues running for more



than 4 to less than 7 years soared from 7.5% to 65%. In January/February last year new public authority bonds ran for fixed periods of 12 years, but in July/August 1974 they ran for only 5 or 6 years.

If redemptions are deducted from gross sales at market values and if allowance is made for the bonds taken off the market by issuers in price-supporting operations — far fewer, incidentally, in the period under review (DM 0.2 billion, market value) than in the preceding period (about DM 1.3 billion) — the amount raised on the bond market was DM 5.6 billion (market value) between May and July. This was nearly three and a half times as much as in the preceding period (DM 1.7 billion), but DM 1.2 billion less than in the corresponding period of 1973. Three quarters of the net sales as defined above were bank bonds, the remainder almost entirely public authority bonds. Of the bank bonds (DM 4.2 billion), the bulk (DM 1.5 billion) consisted of "other" bank bonds mainly issued by central giro institutions, that is to say, paper not counted as mortgage bonds or communal bonds. During the period under review there was a marked revival in sales of communal bonds, which totalled DM 1.4 billion net, compared with DM 0.5 billion in the preceding period and DM 1.1 billion in the corresponding period of 1973. The rise in sales may be due to the fact that local authorities and other public debtors increasingly resorted to banks for meeting their credit needs, after having held back distinctly in the previous period in expectation of more favourable interest terms. Net sales of mortgage bonds rose only a little in comparison with the period from February to April, namely from DM 1.1 billion to DM 1.2 billion. The sales of mortgage bonds are relatively low compared with former years, reflecting the rapidly diminishing demand for mortgage loans from mortgage banks. The amount of mortgage loans promised by these banks in the first half of 1974, at DM 4.1 billion, was 22% smaller than in the corresponding period of 1973.

The most striking increase in sales between May and July was that recorded by public authorities. In the preceding period public issuers had refrained from new issues because of the weak state of the market, and the total of public authority bonds outstanding had gone down by over DM 1.1 billion owing to redemptions and price-supporting operations. Since the end of May, however, when issuing was resumed, several public authority bond issues have been launched which, together with Federal savings bonds, have yielded a total of DM 1.4 billion net. To comply with investors' wishes, the maturities of the bonds had to be shortened to 5 years. Only recently does the aversion to longer maturities appear to have diminished, as further rises in interest rates and thus price losses are scarcely to be feared. Thus, as mentioned before, the latest bond issues of the Federal Government and the Post Office were offered with a slightly longer maturity of 6 years.

Sales and purchases of bonds						
Millions of Deutsche Mark						
Period		Sales				
		Domestic bonds 1				Foreign bonds 2
		Total	Bank bonds		Public authority bonds	
All bank bonds	of which Other bank bonds					
Feb. to April	1974	1,661	2,940	1,274	-1,136	209
	1973	6,866	5,230	2,427	1,832	554
May	1974	1,875	1,518	608	392	13
	1973	904	1,507	1,027	-578	37
June	1974	2,084	1,600	633	371	43
	1973	2,991	3,196	2,154	-143	71
July p	1974	1,605	1,073	272	604	55
	1973	2,892	2,510	1,776	426	63
May to July p	1974	5,564	4,191	1,512	1,367	24
	1973	6,767	7,214	4,957	-295	28
		Purchases				
		Resident buyers 3				Foreign buyers 4
		Total	Banks	Bundesbank	Non-banks	
Feb. to April	1974	1,370	x 452	397	521	500
	1973	5,417	x 461	5	5,883	895
May	1974	2,077	x 1,221	221	635	189
	1973	465	-518	-2	985	476
June	1974	2,171	805	-12	1,378	130
	1973	2,328	605	-	1,723	592
July p	1974	2,296	768	-11	1,539	636
	1973	1,796	169	-	1,627	1,159
May to July p	1974	6,544	x 2,794	198	3,552	956
	1973	4,586	256	-2	4,334	2,227

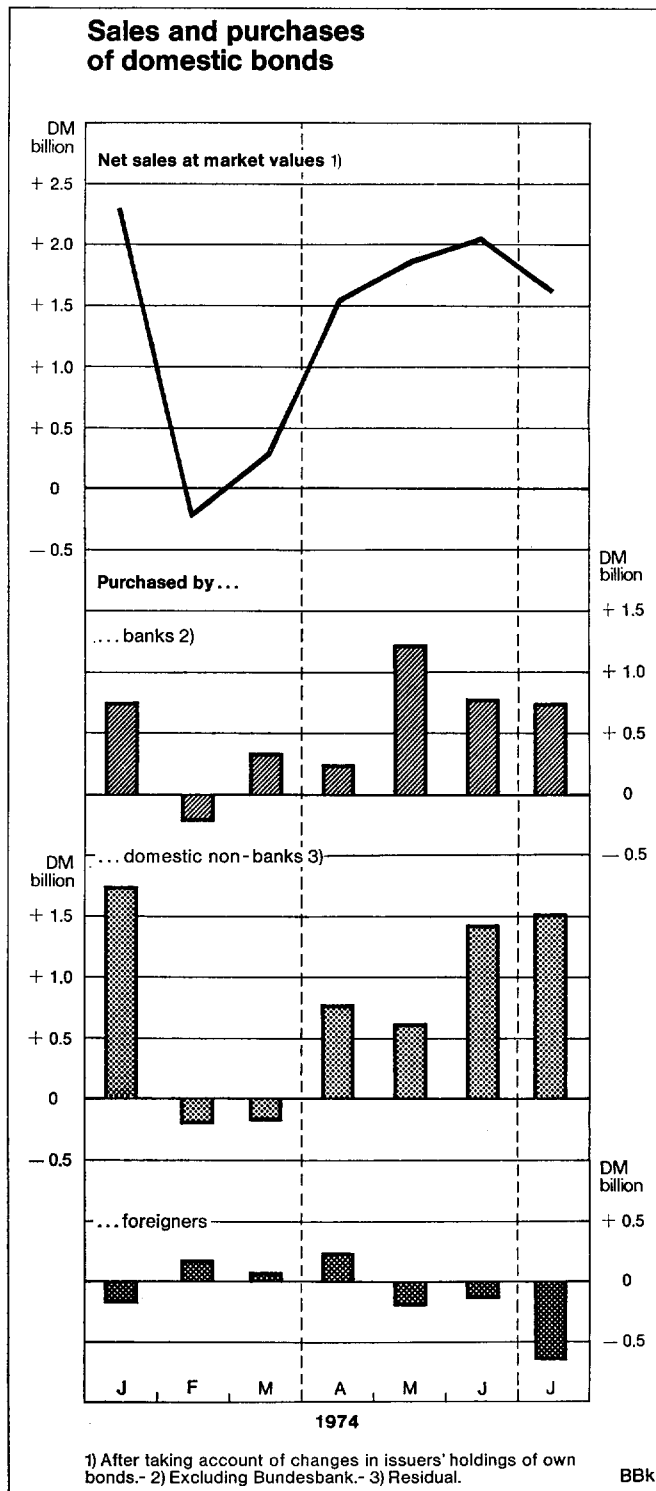
1 Net sales at market values plus/less changes in issuers' holdings of own bonds. — 2 Net purchases (+) or net sales (-) of foreign bonds by residents. — 3 Domestic and foreign bonds. — 4 Net purchases (+) or net sales (-) of domestic bonds by foreigners. — x Statistically adjusted. — p Provisional.

Foreigners' issuing activity in the Federal Republic of Germany remained very weak owing to the low level of demand for foreign bonds denominated in Deutsche Mark. All in all, between May and July only DM 0.2 billion (gross) of foreign Deutsche Mark bonds were issued, against nearly DM 1.4 billion in the corresponding period of last year. Investors' current lack of interest in such paper is illustrated by the movement of yields in this field. The average yield as computed for all foreign Deutsche Mark bonds officially quoted on German stock exchange rose from 10.6% in May to 11.8% at the beginning of September. The reason was, no doubt, that foreign investors' speculative interest in Deutsche Mark assets has waned, since recently there has been a tendency for the Deutsche Mark to depreciate rather than appreciate. On the other hand, foreign issuers probably find the present interest rate level for Deutsche Mark bonds too high in most cases for longer-term borrowing.

18 The greater demand for bonds, which was responsible for the increase in the volume of issues, initially came from the banks, whereas domestic non-banks, i.e. private investors and institutional buyers, did not make any major bond purchases until June. Between May and July *banks* on balance bought DM 2.8 billion of bonds (compared with DM 450 million in the preceding period and DM 260 million in the corresponding period of 1973). Roughly four fifths of the total consisted of bank bonds, the remainder being chiefly public authority bonds. Bonds bought by the Bundesbank for its own account in the course of intervention operations totalled DM 200 million during the period under review. These purchases all took place in the early days of May; thereafter the Bundesbank did not intervene any further.

*Non-banks*, which acquired only slightly over DM 500 million of bonds between February and April this year, stepped up such purchases to DM 3.6 billion from May to July; last year, admittedly, their bond purchases had been even larger, at over DM 4.3 billion. The main reason for the increased buying – apart from the change in interest rate expectations – seems to have been that in the matter of yields bonds regained their leading position among the various types of investments as the interest rate structure on the credit markets returned to normal, and especially as the rate of interest paid on time deposits fell. Furthermore, issuers complied with investors' wishes by substantially reducing the price risk by shortening the maturities of new issues. Among domestic non-banks, households were probably the largest buyers. In the second quarter of 1974 (no more recent data being on hand) private insurance companies bought slightly fewer bonds (DM 1.0 billion) than in the first, whereas social security funds sold DM 0.1 billion of bonds in the second quarter. Bond-based investment funds, whose sales of new units have been lower than repurchases for quite some time, were again compelled to sell bonds. Consequently their bond holdings decreased by DM 160 million between May and July. By contrast, the bond holdings of the other security-based funds went up by about the same amount in that period.

Unlike the domestic purchaser groups, *foreigners* bought no German bonds at all in the period under review, but rather disposed of large amounts of such paper. Between May and July their net sales reached nearly DM 1 billion, DM 640 million of which was sold in July alone. In the preceding three months they had bought DM 500 million of German bonds, while in the corresponding period of 1973 purchases were estimated at over DM 2.2 billion in spite of the restrictions then imposed on acquisitions by foreigners. This reversal in external security transactions may partly be attributed to the fact that the interest rate level abroad has risen as well, and that in some countries yields are now as high as, or even higher than, those on the German bond market, especially if the coupon tax is taken into account. A further important



factor, as mentioned before, was probably that interest in the Deutsche Mark as a speculation currency waned because of the strengthening of the dollar. To some extent the particularly heavy sales in July may also have been connected with the very high redemptions in July, above all those of shorter-term "other" bank bonds, especially large amounts of which had been sold to foreigners in preceding years.

In view of widespread uncertainty about the future economic trend investors largely refrained from entering into new commitments on the share market; this is reflected by the sustained drop in share prices over recent months and the marked decline in stock exchange turnover. The world-wide slump in share prices also intensified the wait-and-see attitude of investors. Only in the first half of August was a temporary improvement in the tone of the share market noticeable, principally, perhaps, because of the expectation of domestic reflationary measures, but also on account of the increasing consolidation of the bond market and rumours of a possible acquisition of German equities by oil-exporting countries. But under the influence of persistent price falls on other international stock exchanges prices soon dropped to a new low for the year. The *index of share prices* calculated by the Federal Statistical Office (December 31, 1965 = 100), which had stood at 125 at the end of April, fell in September to its lowest point since the autumn of 1967; compared with the level at the end of April, the share price index had gone down by roughly 13% by September 6, and it dropped even further in the following week. The prices of shares of the electrical engineering and motor industries fell by much more than this average figure, namely by 22% and 19%, respectively. The prices of shares of gas and electricity undertakings have also declined at an above-average rate since the beginning of May (15%); the shares of the mechanical engineering industry (12%) and the construction industry (11%) decreased in price slightly less. On the other hand, the value of hard-coal mining shares and commercial bank shares diminished by only 6%, and the shares of large-scale chemical enterprises and the iron and steel industry fell in price by 4%. Department store shares held up best, just managing to maintain their end-April prices.

The share market saw few new issues between May and July. *Domestic enterprises* issued new shares with a market value of DM 0.6 billion during that period, compared with DM 0.9 billion in the preceding three months. Approximately the same amount of *foreign equities* (including investment fund units) was bought by residents; by far the greater part (DM 0.5 billion) was in the form of trade investments in foreign enterprises. All in all, DM 1.2 billion of domestic and foreign equities were sold in the period under review, and thus considerably less than in the preceding three months (DM 1.5 billion) and in the same period of 1973 (DM 1.8 billion).

The equities offered were bought solely by *domestic non-banks*. Between May and July they invested DM 1.4 billion in shares, compared with DM 2.0 billion in the preceding three months. As in the previous period, *banks* continued to run down their share holdings (by DM 160

million). *Foreigners*, too, on balance sold small amounts of German equities.

German *investment funds* (those open to the general public) had to repurchase DM 115 million more units between May and July than they sold during that period; compared with the preceding three months (DM 170 million), however, net repurchases declined somewhat. The situation was especially unfavourable in the case of bond-based funds, where the volume of units outstanding diminished by DM 108 million. Share-based funds reported net repurchases totalling DM 10 million; the (open-end) real estate funds were the only group to achieve modest net sales (DM 3 million).

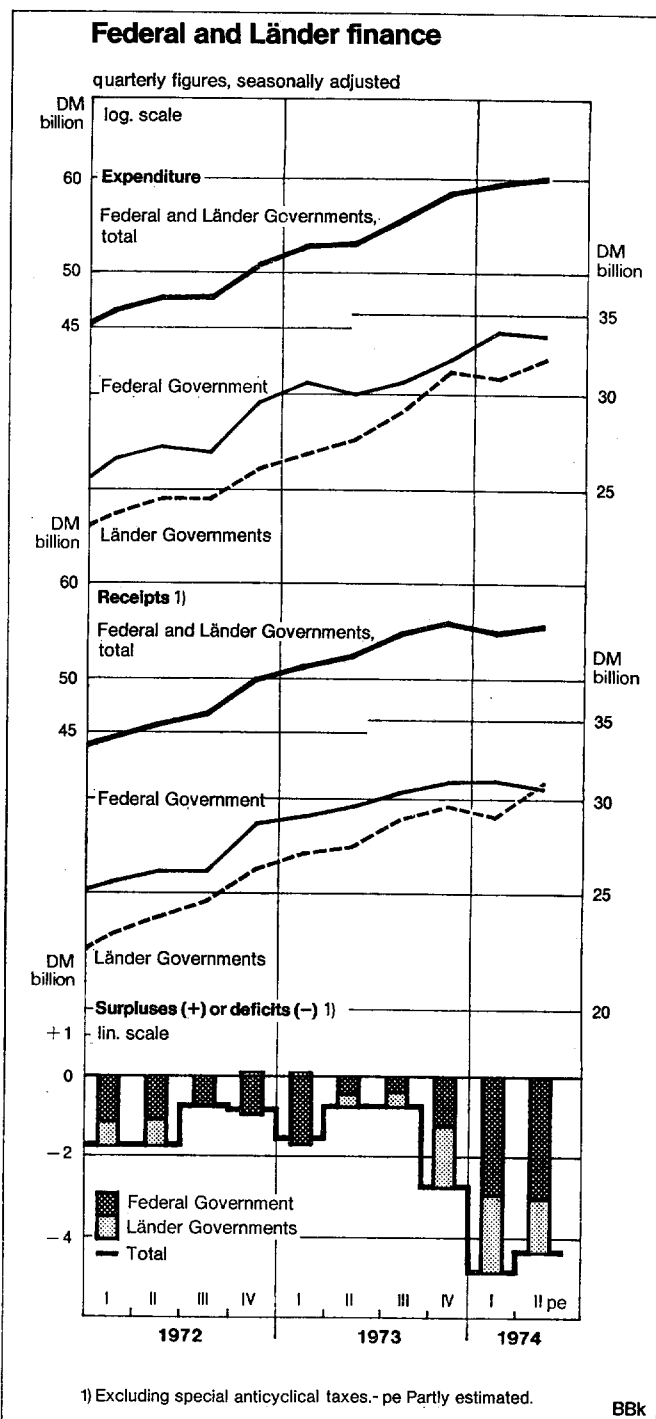
## Recent trends

In the second quarter the financial position of the central, regional and local authorities was marked by decidedly adverse trends. The deficit of the central and regional authorities alone (Federal and Länder Governments, Equalisation of Burdens Fund and ERP Special Fund) was DM 4.5 billion, against only DM 0.5 billion a year before. If seasonal movements are eliminated, the Federal and Länder Governments' deficits continued at almost the same high level (DM 4.5 billion) as in the first three months of the year (DM 5 billion). Inclusive of receipts from the stability surcharge, which ceased to be levied after mid-1974, and the investment tax, the deficit was about DM 1 billion smaller in the second quarter – much as in the first – but this does not modify the underlying tendency.

Taking the first two quarters together, the Federal and Länder Governments' deficit, seasonally adjusted and including the special anticyclical taxes, reached the exceptionally high level of DM 7.5 billion. As compared with the second quarter of 1973, the central and regional authorities' cash deficits thus went up by about DM 5.5 billion (over 1% of the gross national product), which is indicative of the considerable expansive influence exerted by the central and regional authorities – even without major programmes to stimulate economic activity – on the income circulation. The main reason was that in the first half of 1974 the Federal and Länder Governments' cash receipts, seasonally adjusted, stagnated at the level of the previous six months, largely on cyclical grounds, while expenditure increased slightly. The local authorities are not included in this picture, as no reliable information is as yet available on recent trends in their finances owing to temporary statistical problems. It can be assumed that the local authorities' deficits did not increase as much as those of the Federal and Länder Governments. Initial data for the most recent period suggest that in July, and – at least in the case of the Federal Government – in August as well, the central and regional authorities continued deep in deficit.

In the second quarter of 1974, it is true, the Federal and Länder Governments' combined cash receipts – seasonally adjusted – again showed an upward trend, but after the decline in the previous quarter receipts (excluding special taxes), which increased by 2% over the first quarter, only regained the level of the last three months of 1973. According to the tax statistics, this movement was even more pronounced in the case of tax receipts taken alone; the decline of about 5½%,<sup>1</sup> seasonally adjusted, in the tax revenue of the Federal and Länder Governments in the first three months of 1974 was followed by a rise of the same proportions in the second quarter; the Federal and Länder Governments' tax re-

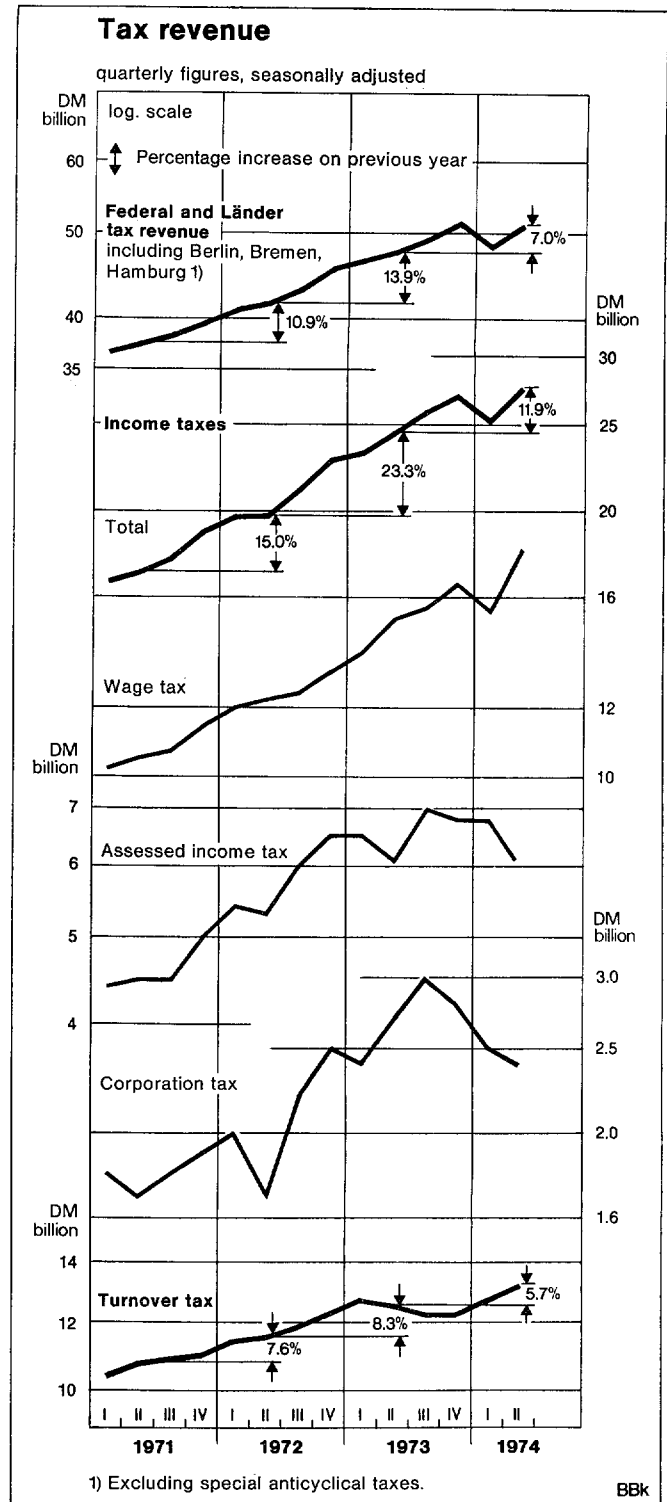
<sup>1</sup> Besides the low level of domestic economic activity, another reason for the fall in revenue, seasonally adjusted, in the first quarter compared with the fourth is that some receipts had been advanced to December – to some extent only in accounting terms – in connection with the shortening of the periods allowed for the payment of major excise taxes.



ceipts were thus just on 7% up on the year. If, however, July is included, when revenue was extremely low, tax receipts in that four-month period exceeded the corresponding figure of the previous year by only 5½%. While total revenue from assessed income tax and corporation tax continued to decline sharply in the past few months, the trend in receipts of wage tax and indirect taxes was comparatively favourable. The main reason for the steep rise in wage tax revenue in the second quarter – of 17%, seasonally adjusted, against the first quarter – is that this year agreement was not reached on major wage settlements (e.g. in the metal industry and the public

service) until comparatively late, so that the increased income and the back-payments due were not generally reflected in wage tax revenue until the second quarter. Even inclusive of the July figure, which was again distinctly lower, wage tax receipts in the months since April were 16½% higher than in the same period of 1973. In those four months, however, revenue from assessed taxes was below the level of a year before, namely by ½% in the case of assessed income tax and by almost 14% in the case of corporation tax. The decline in the yield of these taxes, which can also be taken to indicate a deterioration in the earnings position of some branches of the economy, began as early as the end of 1973 (seasonally adjusted) and remarkably enough has accelerated noticeably of late in the case of assessed income tax (see the chart on this page). Turnover tax revenue, seasonally adjusted, rose about as steeply as at the beginning of the year, but in the second quarter it was only just on 6% higher than a year before. Inclusive of July, the year-on-year increase in revenue was in fact no more than 4%. Accordingly, taxable turnover at constant prices is likely to have been considerably lower than a year earlier. The yield of petroleum tax, the most important single excise tax, picked up after the decline in the preceding quarter, but receipts remained well below expectations as a result of the decline in consumption.

The increase in Federal and Länder Government expenditure slowed down somewhat (seasonally adjusted) in the second quarter; it was only 1% higher than in the first quarter. One reason for this must have been that in the second half of 1973 expenditure expanded exceptionally fast, so that the level reached at the end of 1973 was already very high. Expenditure in the second quarter thus exceeded the corresponding figure of the previous year by no less than 14%. The comparatively small growth of overall spending, seasonally adjusted, in the period under review is the outcome of completely divergent trends in Federal and Länder Government expenditure. Thus Federal expenditure actually fell slightly from the high level it had reached at the beginning of the year because of special payments. In contrast to this, Länder expenditure rose quite steeply in the second quarter, mainly because the pay rises — an especially important item in Länder budgets — affected the cash position relatively late this year and thus made a far greater impact on the second quarter than usual. Another significant factor was that the Länder Governments' capital expenditure increased sharply. Combined Federal and Länder Government spending on fixed assets in the second quarter seems to have been about 18% higher than a year before, after a rise of 13% in the first three months of the year. However, no data are as yet available on the most important public capital investor, local authorities, so that the overall trend of public capital expenditure cannot yet be assessed. The indicators of public construction



demand suggest that there was a general increase in the volume of capital projects started.

The central, regional and local authorities, which had exercised great restraint in their borrowing at the beginning of the year because of the weak state of the capital market, were compelled by large deficits to borrow more heavily in the second quarter. The Federal Government<sup>2</sup> and the Länder Governments raised DM

<sup>2</sup> Including Equalisation of Burdens Fund and ERP Special Fund.

<b>Indebtedness of central and regional authorities</b>			
<b>Billions of Deutsche Mark (Increase: +, decrease: —)</b>			
Item	2nd quarter		
	1972	1973	1974
<b>1. Borrowers</b>			
Federal Government 1	+ 0.28	— 0.23	+ 1.91
Equalisation of Burdens Fund	— 0.00	— 0.38	— 0.16
ERP Special Fund	+ 0.15	— 0.07	+ 0.01
Länder Governments	+ 0.78	— 0.15	+ 1.33
<b>Total</b>	<b>+ 1.21</b>	<b>— 0.84</b>	<b>+ 3.09</b>
<b>2. Types of debt</b>			
Book credits of Bundesbank	+ 0.30	—	— 1.69
Money market paper 2	— 0.10	—	+ 0.97
Medium-term notes	—	— 0.05	+ 0.10
Federal savings bonds	+ 0.45	— 0.22	+ 0.16
Bonds	+ 0.12	— 0.23	+ 0.08
Bank advances	+ 0.77	+ 0.06	<b>3</b> + 2.73
Other debt 2	— 0.33	— 0.41	<b>3</b> + 0.74
<b>Total</b>	<b>+ 1.21</b>	<b>— 0.84</b>	<b>+ 3.09</b>

1 Including loans raised by Public Works Corporation and for financing hospitals. — 2 For further breakdown see table VII. 6 in the statistical section of this Report. — 3 Owing to the fact that the liabilities of the Public Works Corporation were transferred to the Federal Government there was a shift from bank advances to other debt. — Discrepancies in the totals are due to rounding.

3.1 billion net, whereas in the same period of the previous year they had on balance redeemed DM 0.8 billion.<sup>3</sup> Since the DM 1.7 billion of Bundesbank book credit required at the end of March had been repaid in full by mid-year, these authorities borrowed no less than DM 4.8 billion net in the credit market (compared with only DM 0.6 billion in the first quarter). In doing so, the central and regional authorities had to allow for the fact that many investors were reluctant to enter into longer-term commitments. The Federal and one Länder Government accordingly raised a total DM 1 billion by issuing discountable Treasury bonds. Borrower's note loans from banks, with which as usual the greater part of the borrowing requirements (namely DM 3.2 billion) was met, were also generally granted only for shorter periods than hitherto; this means that most of the loans taken up by the Federal Government fall due for repayment within 2 to 5 years. Even the social security funds were only able to extend loans (of DM 0.5 billion) for one year, in view of their liquidity position. From the issue of Federal savings bonds, after deduction of premature repurchases, the Federal Government received just on DM 0.2 billion in the second quarter. This paper did not become attractive to investors again until the terms of issue had been considerably improved in May. In addition, the Länder Governments reduced their freely disposable balances at the Bundesbank by DM 1 billion in the second quarter. The Federal Government liquidated the special deposit of DM 610 million accumulated last year out of tax receipts, but by the end of June it had built up its freely disposable cash balances to nearly the same amount. Since, finally, just on DM 1 billion of receipts from the stability surcharge and investment tax were immobilised in special accounts

<sup>3</sup> No reliable information can yet be given on local authorities' borrowing because of certain transitional problems arising from the introduction of extended quarterly statistics at the beginning of 1974. However, local authorities' borrowing, too, is likely to have accelerated in the second quarter.

during the second quarter, the public authorities' total reserves at the Bundesbank on balance decreased only marginally in the second quarter. In all, the public authorities' cash management had a markedly contractive effect on liquidity owing to the repayment of the book credit.

#### Further outlook

The deficits of the central, regional and local authorities will go up further in the second half of 1974, principally because only residual amounts of the special taxes will be received now that the stability surcharge is no longer levied, so that one counterpoise to the adverse trend in the budgets proper is lacking. Even excluding the yield from the special taxes, the deficits of the central, regional and local authorities, seasonally adjusted, are likely to remain at least at the high level reached in the first six months. There are increasing signs that tax receipts will fall considerably short of expectations. As early as June, official estimates suggested that tax revenue in 1974 would be more than DM 3.5 billion smaller than the figure predicted in March this year, on which the budgets are largely based; it is now clear that the shortfall will in fact be much larger, particularly since the assumption of an economic upswing in the autumn, which formed the basis of the latest official estimate, no longer appears warranted. Furthermore, it is not very probable that the expected further shortfalls in receipts will be offset — even roughly — by cuts in expenditure. Following the last tax estimate the Federal Government decided to save DM 1.9 billion in implementing the budget; together with an overall reduction in spending (of DM 0.5 billion) already provided for in the 1974 budget, this would result in economies in the individual appropriations — in consumption spending alone — of the order of DM 2.5 billion. The Federal Government has presumably reached the limits of its capacity, since cuts in capital expenditure are out of the question at present because they would be contrary to cyclical requirements. According to the data available the Länder Governments, like the Federal Government, are attempting on the one hand to curb current expenditure as far as possible and on the other hand to continue their investment activity — which is important in terms of anticyclical policy — at least at the present level, or to modify the employment of funds in such a way as to give special consideration to structurally weak sectors of the economy. The special programme adopted by the Federal Government on September 11, 1974, providing DM 0.9 billion to stabilise building demand in areas where employment conditions are comparatively unfavourable, has the same aim. Two thirds of the programme is to be financed by the Federal Government and one third by the Länder Governments, by dissolving the special deposits at the Bundesbank composed of investment tax revenue. This measure would fail to achieve its purpose, however, if the present major shortfalls in tax revenue caused the Länder Governments and local authorities to reduce their capital expenditure.

If it is assumed that the central, regional and local authorities will carry out their expenditure as planned, making the envisaged cuts in consumption spending but not reducing their capital expenditure substantially, and if the expected further shortfalls in tax receipts are taken into account, the deficit in the budgets of the central, regional and local authorities in 1974 as a whole is likely to reach the order of about DM 25 billion. Compared with the previous year the financial gap would thus increase by about DM 13 billion, or 1¼ % of the gross national product; inclusion of the revenue from the special anti-cyclical taxes (estimated at DM 2.5 billion in 1974, compared with just on DM 2 billion in 1973) would not change this figure substantially. If, furthermore, allowance is made for the stabilising effect exerted on demand by the social security funds — whose surpluses are expected to decrease by some DM 4 billion — the rise in the overall deficit of the public authorities will probably be equivalent to almost 1¾ % of the gross national product, although it is of course partly due to built-in stabilisers. To finance their large deficits the central, regional and local authorities will be forced to borrow in the credit markets in the second half of the year on a much larger scale than before. Even if the central, regional and local authorities were to liquidate about DM 3 billion of freely disposable deposits, a net borrowing requirement of DM 22 billion would still remain for the year as a whole. Because borrowing has been sluggish so far, a substantial part of the likely credit needs will have to be raised in the market in the latter part of the year. Recent trends in the credit market suggest that as private demand for credit is weak there will be considerable scope for public sector borrowing; but it will certainly not be possible to meet the remaining need for funds unless comparatively short-term loans are taken up as well. This is the inevitable consequence of the pronounced preference shown by private and institutional investors for short-term investments.

*In the coming year*, which will be strongly marked by the reduction of an estimated DM 14 billion in tax receipts due to the tax reform, the central, regional and local authorities are likely to face even bigger deficits than in 1974. The draft Federal budget which was passed by the cabinet early in July shows a deficit of DM 16.2 billion for 1975, as compared with DM 8.4 billion in the 1974 budget. However, the receipts side of the draft is based on the official tax estimate of June, which now has to be strongly adjusted downwards. From the present perspective, therefore, the deficit seems likely to be much larger than shown in the draft. There are signs that the deficits of the other central, regional and local authorities, too, will be of unprecedented size. If it is assumed that next year — in line with the recommendation of the Fiscal Planning Council of June 1974 — expenditure does not expand by more than 10%,<sup>4</sup> and if the prospective shortfalls in receipts in the current year as compared with the last official tax estimate are extra-

polated, the total deficits of the central, regional and local authorities will go up to about DM 40 billion. In view of this huge gap in their finances, the central, regional and local authorities are likely to make every effort to limit the expansion of expenditure. However, the overall economic trend next year makes it seem strongly advisable — both for anticyclical and for structural policy reasons — not to cut capital expenditure. An attempt should be made to reduce the share of personnel costs in the total budget — in contrast to the pattern of previous years — especially as the tax reform will bring considerable relief to the majority of income earners, including those in the public service.

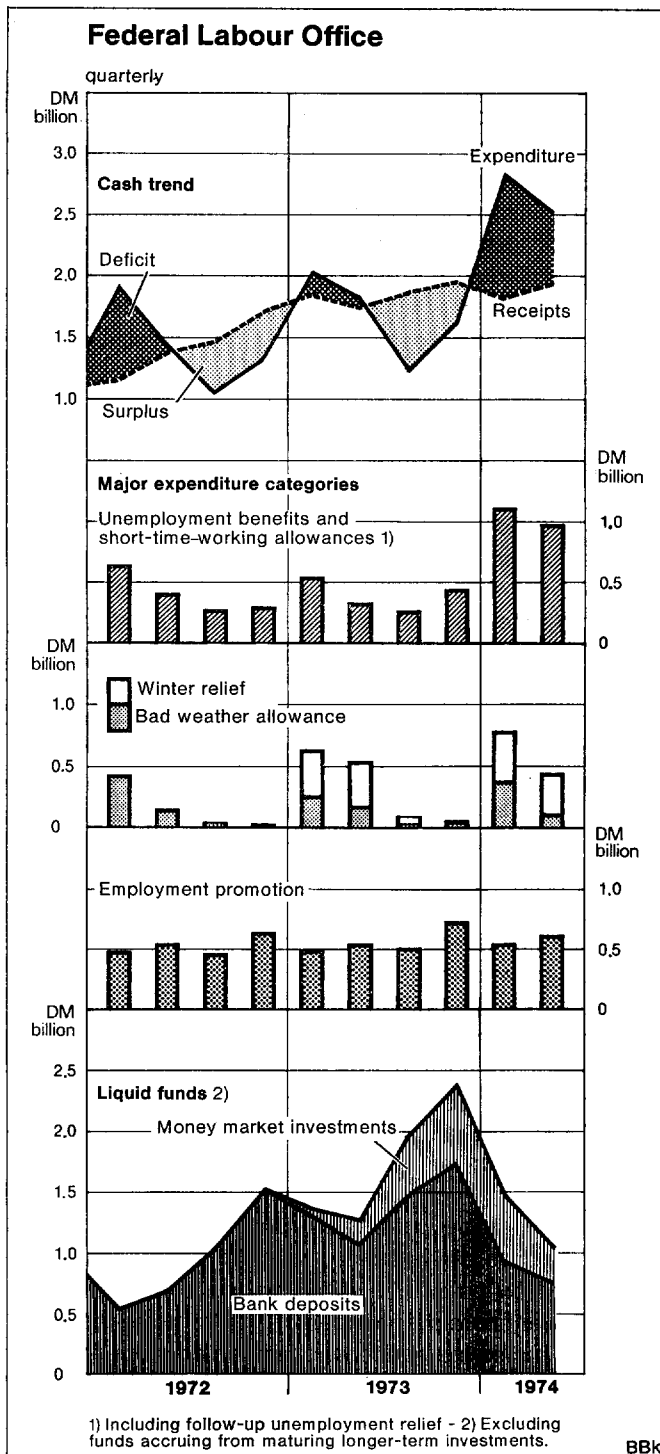
### **Social security funds**

In the second quarter of 1974 the *wage and salary earners' pension insurance funds* achieved surpluses which, at DM 1.25 billion, were just as large as in the first. Both receipts and expenditure increased at a faster pace. Contribution receipts, which in this period were hardly affected by seasonal factors, were 5% up on the first quarter, one reason being — much as in the case of wage tax — that major wage settlements were reached comparatively late this year. But expenditure on pensions, too, was 4% higher than in the first three months. This was mainly because the higher pensions, which under this year's pension adjustment had been raised by 11.2%, were paid out for the first time at the end of June; another factor contributing to the rise in pension expenditure was that the backlog of pension applications run up in the first half of 1973 was reduced further, and that between March and June the number of pensioners drawing a premature pension under the "flexible retirement age" scheme increased by over 40,000 to a total of 195,000 since the scheme came into effect at the beginning of 1973.<sup>5</sup>

The divergence between the cash positions of the different branches of insurance, which in the longer run is determined by structural shifts among employees, has become even more pronounced of late because the wage earners' pension insurance fund is affected more strongly than the salary earners' fund by cyclical reductions in contribution receipts. Owing to another deficit of about DM 0.75 billion in the second quarter the wage earners' fund for the first time had to obtain liquidity assistance from the salary earners' fund (in the form of a loan of DM 0.5 billion) to prevent its liquid reserves from falling below the minimum of 50% of a month's expenditure. In addition, the salary earners' pension insurance fund, which had surpluses of about DM 2 billion as in the first quarter, took over from the wage earners' fund money market paper which the latter had acquired in connection with the stability programme of 1973; thus premature resales could be avoided. From its remaining disposable funds the salary earners' fund increased its time deposits

<sup>4</sup> This rate of increase does not allow for the fact that considerable additional expenditure will arise from the change in the system of equalising family burdens, which involves the abolition of children's tax allowances.

<sup>5</sup> However, the informative value of this figure is limited by the fact that persons drawing premature pensions continue to be included in the statistics after they have reached the normal retirement age of 65.



and granted loans totalling DM 0.5 billion to the Federal Government.

In the first two quarters taken together the surpluses of the two pension funds, at about DM 2.5 billion, were DM 0.5 billion lower than in the first six months of 1973. The main reason for this was the very steep rise of expenditure on pensions (up 17½% against the previous year) reflecting — besides the annual adjustment — the additional burden resulting from the Pension Reform Act of the autumn of 1972, the full effect of which was now

felt. In line with the trend in wages, contribution receipts rose by 10½% and thus far less than expenditure on pensions; this was not even fully offset by higher Federal grants,<sup>6</sup> which increased by DM 1.7 billion against the first half of 1973. In the second half of the year the surpluses will probably continue to be smaller than last year; because of the above-mentioned mid-year adjustment they are also likely to be lower than in the first half of 1974. From the present perspective the surpluses can be expected to decline over the current year as a whole from DM 5.5 billion in 1973 to approximately DM 4 billion.

The deteriorating trend in the cash result of the *Federal Labour Office* was much more pronounced than that of the pension insurance funds. In line with the cyclical increase in unemployment the financial burden grew considerably, even though the deficits in the last few months were not as large as in the winter for seasonal reasons. Between April and July expenditure exceeded receipts by almost DM 0.6 billion, whereas there had been a small surplus in the same period of last year. While receipts grew by 10%, expenditure in the four-month period mentioned was two fifths (or DM 0.9 billion) above the level of the previous year. This was mainly attributable to expenditure on unemployment benefits, which increased to DM 1.0 billion, and thus almost trebled, primarily because of an increase of 170,000 to 280,000 in the number of persons receiving such benefits.<sup>7</sup> A further DM 0.25 billion was spent on short-time working allowances, which a year before had been almost negligible. Expenditure on vocational training also increased sharply again; but less money than in the previous year was required — because of the relatively favourable weather at the beginning of this year — for winter construction promotion, and especially for bad weather allowances. To finance its deficit the Federal Labour Office mainly drew on its deposits at banks and also used the proceeds accruing from maturing money market paper.

In the further course of the year the monthly results of the Federal Labour Office can be expected to be more or less in balance at first (as already implied by the July figures); towards the end of the year, however, further deficits are likely to arise. At any rate, the cash result will remain considerably less favourable than in the previous year, when surpluses of DM 0.75 billion were achieved in the last five months. In 1974 as a whole the deficit may reach some DM 2 billion; this would mean an expansive swing of about DM 2.5 billion in the Labour Office's cash result against the previous year, reflecting the classical function of unemployment insurance as a built-in stabiliser of the business cycle. By the end of the year the liquid reserves of the Federal Labour Office, which in mid-1974 consisted of only about DM 1 billion of bank balances and money market investments, will have fallen to a level where the Federal Labour Office will require additional funds. The Managing Board of the

<sup>6</sup> The trend in Federal grants was determined by the fact that in 1974 the pension insurance funds will have to defer receipt of only DM 650 million of the grants due to them (compared with DM 2.5 billion last year) and that this year the grants will be cut only from August onwards, whereas in 1973 they were cut as from March.

<sup>7</sup> The figures are based on the monthly averages of April to July.



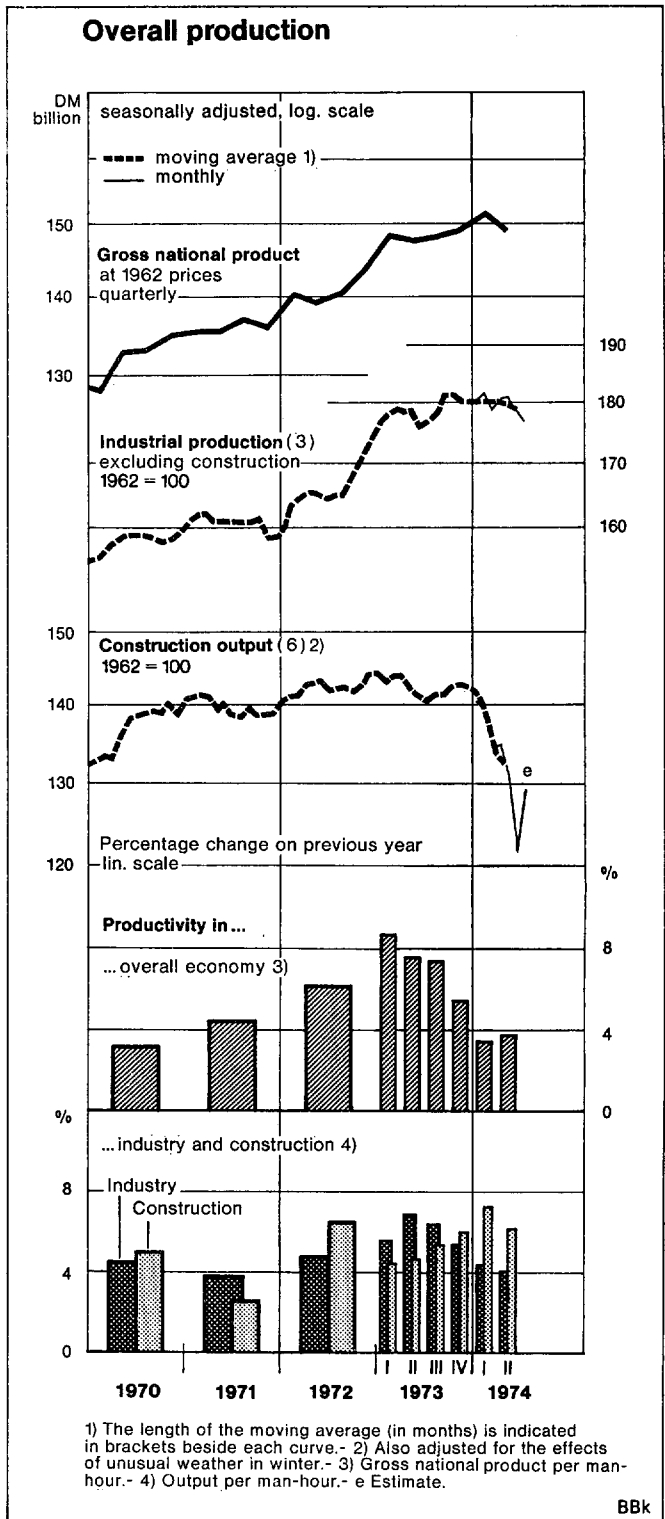
Federal Labour Office has therefore proposed raising the contribution rate next year from the present reduced rate of 1.7% to the full rate of 2% possible under current legislation. Besides the resultant extra receipts totalling more than DM 1 billion, developments on the labour market will mainly determine the degree to which the financial position of the Federal Labour Office will improve in 1975.

Overall production has continued to stagnate in the last few months. The *real gross national product*, seasonally adjusted, has remained at about the same level for more than a year, with only minor fluctuations, some of which were due to special factors; the retarding influence of some problem areas of the economy was roughly offset by the sustained favourable trend in other branches.

In the period from May to July output in *industry (excluding construction)*, seasonally adjusted, was slightly lower than between February and April, although it again exceeded the comparable figure of the previous year by some 2½%. Trends continued to be widely divergent in the various branches of industry. Production once more declined slightly in vehicle building, and output has also started to slacken in several other sectors (e.g. stones and earths and some parts of mechanical engineering). Other industries, such as chemicals and shipbuilding, were able to increase their output slightly. Production in the textile industry in the past few months has remained roughly at the level of the spring, but was markedly lower than a year previously.

As the overall level of production was more or less maintained while plant capacities expanded further, the degree of *utilisation of capacity* in manufacturing again diminished. According to Ifo Institute data, utilisation of plant ran at not quite 82% of the optimum level in July, seasonally adjusted, compared with 83% in April 1974 and 87% in July 1973. This alone caused the cost situation to deteriorate further. Enterprises' efforts to improve matters resulted in another drop in employment, particularly where labour had been used relatively unproductively. This is one reason why, taken as a whole, efficiency increased despite the lower utilisation of capacity. In industry, at all events, *output per man-hour* went up slightly until July, seasonally adjusted, as in the first few months of the year.

The situation in the *construction sector* remained difficult. From May to July construction output, adjusted for seasonal and weather factors, fell by an average of about 7% compared with the period from February to April; it thus was about 8½% down on the year. In the course of this adjustment to the reduced demand, and under the impact of further cost increases and much keener competition, building enterprises were forced to exploit all existing possibilities of rationalisation, both in the technological field and by economising on or discharging labour. These efforts by the firms likewise substantially improved the productivity of building enterprises: construction output per man-hour in the second quarter of 1974 seems to have been no less than 6% up on the previous year. Although the utilisation of equipment continued to decline, the increase in produc-



tivity in this sector was thus above the average of preceding years and was also greater than in industry.

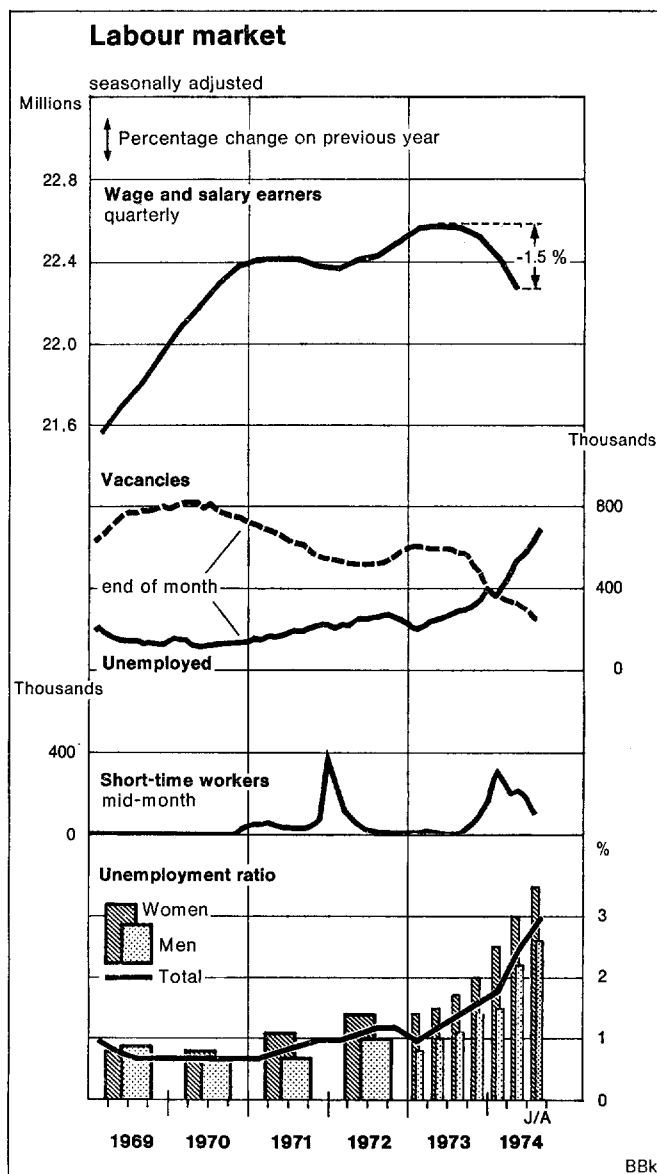
Among the *other sectors of the economy*, the net value added by agriculture again rose sharply. In the second quarter of 1974 the supply of agricultural produce was apparently distinctly larger than a year before, chiefly owing to the great amount of commercial slaughtering (+ 8½%). In many branches of the services sector as

well the net value added is likely to have exceeded the comparable 1973 figure. This does not apply to the distributive trades, however; there the net value added was adversely affected by periods of sluggish buying by final consumers.

In view of the prevailing tendency to ease the heavy cost pressure due to higher raw material prices and steep wage and salary increases by economising on personnel, the climate on the *labour market* has deteriorated further in the last few months. Demand for labour has continued to slacken; the number of vacancies registered at the labour exchanges at the end of August came to only 264,000, seasonally adjusted, which was 309,000 fewer than a year earlier, while the number of unemployed rose. At the end of August 527,000 unemployed were registered at the labour exchanges; after elimination of seasonal fluctuations this corresponds to some 700,000, or 3.1% of all wage and salary earners. The labour market thus responded more sharply than in 1967 to the slackening of activity, not least because several other decidedly labour-intensive sectors in addition to construction (e.g. textiles and clothing and distribution) have dismissed personnel this year.

In many cases such economies affected occupations where the proportion of female employees is high, and the number of women out of work therefore rose relatively steeply. According to data supplied by the Federal Labour Office, women's share in total unemployment at the end of August was nearly 50% and thus far greater than their share in the number of employed (about one third). However, very many of these women – more than one third, and in office and administrative occupations alone about one half, according to the Federal Labour Office – were only interested in part-time jobs. In these cases, and in the case of some other unemployed persons, personal circumstances made it difficult to find new jobs. As was shown by a Federal Labour Office survey of May 1974, about one unemployed person in four is only conditionally suited for placement on health grounds, and 5% of the unemployed are pensioners or persons being paid out of company welfare funds.

The latest rise in the number of unemployed also reflects dismissals by some enterprises which had previously tried to retain their staff by introducing short-time working. At all events the number of *short-time workers* has dropped sharply in the past months, presumably in part for this reason. In mid-August only 105,000 persons were receiving short-time working benefits from the labour exchanges, compared with 223,000 in May and 309,000 in February 1974. In the light of the rising unemployment figures, however, this decrease indicates a deterioration in the labour situation, rather than an improvement.



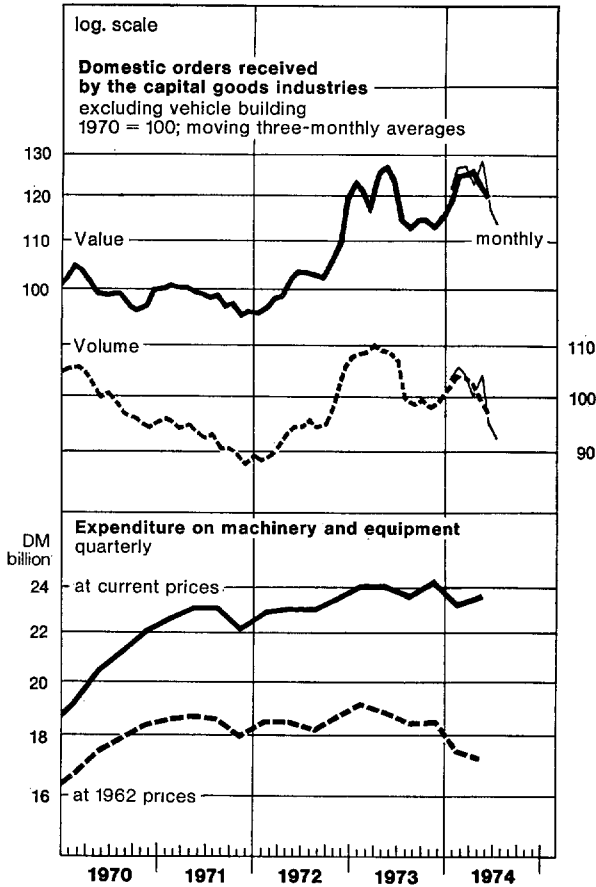
## Demand

### Enterprises' demand for capital goods

In the last few months the business community has shown much less willingness to invest. It is true that a few branches, such as mining and electricity enterprises, have planned or initiated new capital projects on a larger scale, but in many other sectors of the economy enterprises were reluctant to make new investments in view of the uncertain economic prospects. This applies particularly to the construction industry, which, as shown by the Ifo survey of investment intentions, is planning to cut capital spending by about one fifth as against 1973. Wholesale and retail traders are also proposing to reduce this year's capital outlays compared with those of 1973, because their original sales expectations have not been fully realised and because some of the capacities created in preceding years cannot be adequately utilised. In manufacturing, too, some

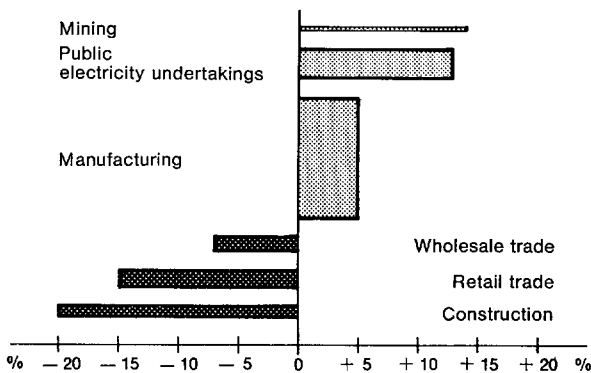
### Demand for capital goods

seasonally adjusted



**Planned expenditure on gross fixed capital formation 1) in selected branches of the economy**  
Percentage change in 1974 on previous year

☐ = 5% share in total gross fixed capital formation in 1973



1) According to Ifo survey of investment intentions of spring 1974. BBk

projects which did not promise immediate rationalisation and some planned spending on expansion seem to have been shelved. This is indicated by the trend in *domestic orders received by the capital goods industries* (excluding vehicle building); between May and July such orders were an average of almost 5% in value terms

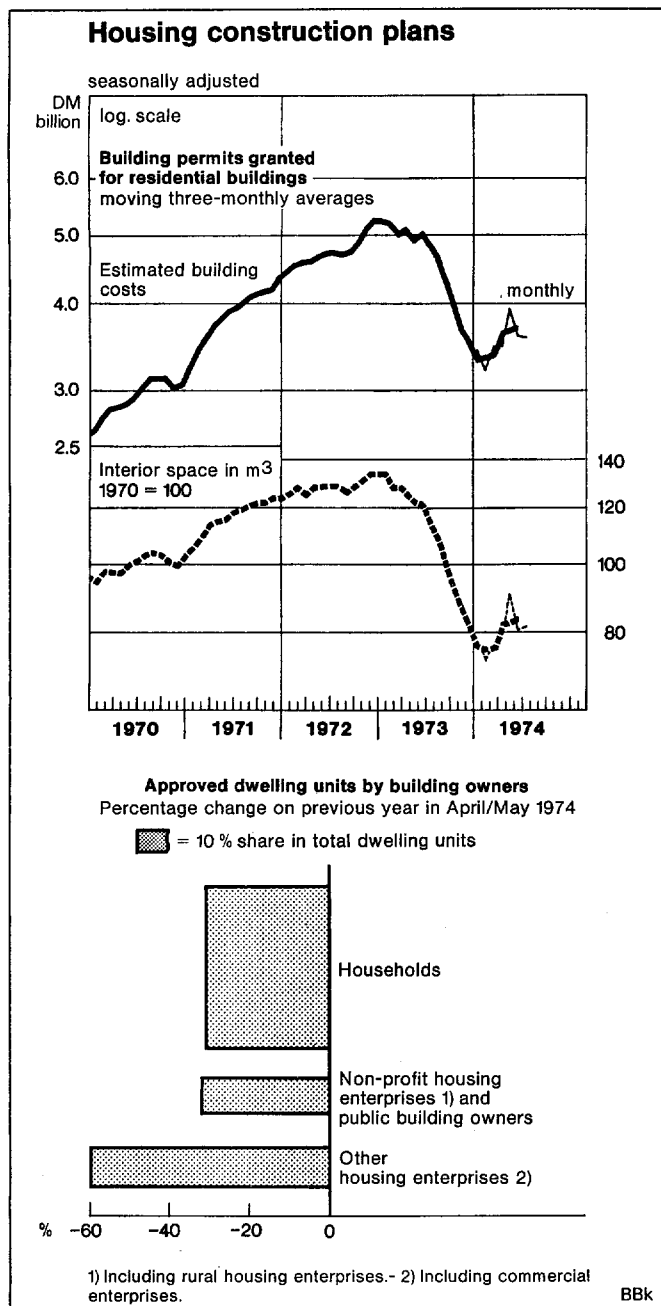
and over 6% in volume terms below the February to April level. The domestic orders received by mechanical engineering alone declined even more (- 8%). The value of capital expenditure still grew slightly, but this was attributable solely to the rises in the prices of capital goods. In terms of volume, *expenditure on machinery and equipment* dropped slightly, seasonally adjusted, in the second quarter of 1974; it has now been at the same level for about four years, with minor fluctuations. Enterprises' reluctance to undertake new investments would seem to be partly due to the increasing pressure on profit margins in the business community. Not a few enterprises are operating without profit or are incurring losses, although there are great differences in the earnings situation and in many cases good profits are presumably still being made.

#### Construction demand

As a result of enterprises' disinclination to expand capacities, the demand for non-residential building has slackened further. From May to July the construction costs estimated in newly granted *building permits for non-residential buildings* were more than a quarter lower than in the same months of 1973, and approved building volume in m<sup>3</sup> of interior space was down by over a third. It also appears that not all the non-residential buildings planned and approved in the last few months were in fact started; the orders placed with the construction industry for such projects were even further below the figure of a year earlier (by some 45% in terms of value in May and June). In addition, more buildings seem to have been erected in this field in previous years than warranted by longer-term demand; in the conurbations, for instance, numerous offices and business premises are still vacant as a result.

*Housing* demand, after a rapid decline lasting about a year, now appears to have reached a line of resistance (though not a secure one). From May to July appreciably more residential buildings were approved than in the preceding months, in terms of both estimated building costs and cubic metres of interior space. Of course, many new dwellings (estimates of their number diverge widely) have still not been let or sold, but a certain reserve is necessary for the smooth functioning of the housing market. The construction survey published early this year envisages the accumulation of such a reserve amounting to 1.5% of the stock of dwellings (at present this would mean over 300,000 units). At present the number of vacant dwellings is presumably below this figure, and also much smaller than in other highly developed countries.<sup>1</sup> The current problems in the housing market are due less to the number of vacant dwellings than to the concentration of such unused accommodation in specific regions, specific price categories and particularly specific property development

<sup>1</sup> In the United States, a vacancy ratio of 5 or 6% of the total stock has been determined for rented apartments alone (Survey of Current Business, U.S. Department of Commerce, June 1974).



companies and building firms which are dependent on quick selling or letting for liquidity reasons.

Outside this relatively narrow section of the housing and property market the situation is much less strained and the financial risk is far smaller. It is therefore not generally true that a lasting revival of housing demand cannot begin until the property development enterprises' "stocks" of dwellings have been run down. Developments in this field will probably vary considerably. There are some signs even now that households are planning more residential buildings than at the beginning of the year, seasonally adjusted. The proportion of dwellings in one and two-family houses in the total number of approved dwellings is also rising again. However, non-

profit and rural housing enterprises as well as commercial housing firms have so far been exercising restraint; in the past few years the former have increasingly been engaged in commercial property development in addition to their operations under publicly assisted housing schemes. The amount of government funds approved for publicly assisted housing increased sharply in the current year, partly because of the special programme to promote 50,000 publicly assisted dwellings. In April and May alone (later data are not available) the average amount of such funds was about 40% up on the preceding year, one of the reasons being the higher subsidy required per dwelling; however, also the number of publicly assisted dwellings for the first time exceeded that of the previous year in that period.

In the past few months *construction demand* has been boosted by the *public authorities*, which initiated various new building projects, including some under the special programme for areas with particular structural problems. Between May and July the estimated construction costs of newly approved public buildings were 15% higher, seasonally adjusted, than between February and April, and almost two thirds up on the previous year. Public civil engineering orders from May to July were also distinctly above the figure for the same period of 1973. On the other hand, the major Government enterprises, Federal Railways and Federal Post Office, drastically reduced their civil engineering orders, the Federal Railways presumably in view of their difficult financial position. All in all the uptrend of public construction orders may have helped to stabilise overall building demand at a low level. The new special programme of the Federal and the Länder Governments (see page 22) will give additional support to construction demand. The necessary process of adapting construction capacity to the smaller demand of the foreseeable future is not likely to be disturbed by this programme, if only because the volume involved is not very large.

#### Consumer demand

In the last few months consumer demand has been influenced by the fact that the higher wages and salaries agreed upon in this year's wage round were paid out from March onwards, some of them retroactively from the beginning of the year. The immediate result was a steep rise in *government consumption expenditure*, more than half of which is on personnel. Owing to the substantial back-payments, government consumption in the second quarter was nearly 20% higher than a year before.

The consumption expenditure of households, on the other hand, responded only slowly to the rise in incomes in the spring. It is true that *private consumption*, seasonally adjusted, appears to have expanded rather strongly in the second quarter (by 3½%), so that it exceeded

30 the comparable 1973 figure by 7%. After elimination of price increases, however, real consumption was slightly down on the previous year. The restraint shown by consumers was particularly marked in the retail trade: retail sales in the second quarter, seasonally adjusted, were scarcely larger than in the preceding months. However, in July, when the distributive trade offered substantial price reductions in the summer sales, purchasers were much less reserved. Textiles, shoes and clothing, and also household goods and furnishings, have all been in greater demand of late. Food purchases have also gone up slightly. The relatively low level of retail purchases by consumers until quite recently was due to several factors. For one thing, much of the additional income paid out in the spring is likely to have been absorbed by consumption expenditure outside the retail trade. For instance, many households presumably ran up substantially higher bills for heating oil — owing to the oil crisis and its after-effects — which had to be paid when the landlords presented the accounts for the heating oil they had purchased earlier. The steep rise in the cost of running a car also threw an extra strain on households' budgets, and may have been one reason why consumers were reluctant to purchase new motor vehicles (if not quite as reluctant as earlier in the year) despite the normalisation of petrol supplies. For another thing, in some consumption fields the low propensity to purchase seems to have reflected general uncertainty about the economic trend, chiefly concerning jobs. The latter factor was probably of more importance than the losses in purchasing power due to short-time working and unemployment, especially since these were largely offset by unemployment and short-time working benefits.

The income situation would in any case have permitted a stronger expansion of consumption expenditure. *Gross wages and salaries* rose by 4½%, seasonally adjusted, in the second quarter, not least on account of back-payments; they were thus about 10½% higher than a year earlier. On the other hand, deductions of taxes and social security contributions grew sharply because the progressive effect of the tax scale is particularly pronounced when back-payments are made; *net income from employment* therefore increased much more moderately (by about 1%, seasonally adjusted) than in the first three months of the year, and was only 9½% up on the comparable period of 1973.

In the second quarter households' income from *pensions and public assistance grants* rose unusually steeply (by 15½% against the previous year). This owes much to the fact that retroactively from January 1 established government employees' pensions were brought in line with the higher wages and salaries in the public service, and large back-payments had to be made for the first months of 1974. Unemployment and short-time working benefits paid by the Federal Labour Office

Use and supply of goods *				
Seasonally adjusted; percentage change on quarter				
Period	Overall use or supply of goods	Use of goods		
		Private consumption	Government consumption	Investment in machinery and equipment
at current prices				
1972 1st qtr	+ 3.0	+ 3.5	+ 3.0	+ 2.0
2nd qtr	+ 1.5	+ 1.0	+ 2.5	+ 1.0
3rd qtr	+ 2.5	+ 3.0	+ 3.0	+ 0.0
4th qtr	+ 3.5	+ 1.5	+ 3.0	+ 2.0
1973 1st qtr	+ 4.5	+ 5.0	+ 4.0	+ 2.5
2nd qtr	+ 1.5	+ 2.0	+ 3.0	— 0.5
3rd qtr	+ 1.5	+ 0.0	+ 3.0	— 1.0
4th qtr	+ 3.0	+ 2.0	+ 8.5	+ 2.5
1974 1st qtr	+ 3.0	+ 1.5	— 4.0	— 4.0
2nd qtr	+ 3.5	+ 3.5	+ 11.5	+ 1.5
at 1962 prices				
1972 1st qtr	+ 2.5	+ 2.0	+ 2.0	+ 2.0
2nd qtr	+ 0.0	+ 0.0	+ 1.0	+ 0.0
3rd qtr	+ 0.5	+ 1.5	+ 0.0	— 1.0
4th qtr	+ 3.0	— 0.0	— 0.0	+ 2.5
1973 1st qtr	+ 4.0	+ 3.5	+ 1.5	+ 2.5
2nd qtr	— 0.5	+ 0.0	+ 1.5	— 1.5
3rd qtr	+ 0.0	— 1.5	+ 1.0	— 2.0
4th qtr	+ 0.5	— 0.5	+ 2.0	+ 0.5
1974 1st qtr	+ 2.0	— 0.0	— 1.0	— 6.0
2nd qtr	— 0.5	+ 1.5	+ 2.5	— 2.0
Use of goods (cont'd)		Supply of goods		
Construction investment	Exports	Domestic production (GNP)	Imports	
at current prices				
1972 1st qtr	+ 8.0	+ 4.5	+ 3.5	+ 0.0
2nd qtr	— 3.5	+ 2.5	+ 1.0	+ 4.0
3rd qtr	+ 0.5	+ 2.0	+ 2.5	+ 2.0
4th qtr	+ 4.0	+ 9.0	+ 3.0	+ 4.5
1973 1st qtr	+ 9.0	+ 4.5	+ 4.5	+ 5.5
2nd qtr	— 5.0	+ 3.5	+ 2.0	+ 0.5
3rd qtr	— 0.5	+ 4.0	+ 1.0	+ 4.0
4th qtr	— 1.0	+ 3.0	+ 2.5	+ 5.0
1974 1st qtr	+ 14.0	+ 18.5	+ 1.0	+ 11.5
2nd qtr	— 13.5	+ 4.5	+ 2.5	+ 8.0
at 1962 prices				
1972 1st qtr	+ 6.0	+ 4.0	+ 3.0	+ 0.5
2nd qtr	— 4.0	+ 2.5	— 1.0	+ 3.5
3rd qtr	— 1.5	+ 0.0	+ 1.0	— 0.5
4th qtr	+ 2.5	+ 10.5	+ 2.0	+ 5.5
1973 1st qtr	+ 7.0	+ 4.0	+ 3.5	+ 5.5
2nd qtr	— 6.5	+ 2.5	— 0.5	— 0.0
3rd qtr	— 2.0	+ 2.5	+ 0.0	— 0.5
4th qtr	— 1.5	+ 0.5	+ 0.5	— 0.0
1974 1st qtr	+ 10.5	+ 12.5	+ 1.5	+ 3.0
2nd qtr	— 15.0	— 0.5	— 1.0	+ 2.0

\* Provisional figures, rounded to nearest half or full percentage point; revised owing to alteration of the Federal Statistical Office's unadjusted values.

continued to be at a very high level. Inclusive of households' income from property and withdrawals from entrepreneurial income (a residual which was presumably quite low in view of the depressed profitability of enterprises), households' *disposable income* in the second quarter of this year was about 8½% larger than in the same period of 1973; it thus grew noticeably faster than private consumption expenditure.

The trend of *private saving* was correspondingly favourable. In the second quarter it was almost one fifth up on the preceding year according to preliminary estimates.

The *saving ratio* amounted to some 14%, seasonally adjusted, in the second quarter and was therefore markedly higher than in the preceding quarter (13%) and also well above the comparable 1973 figure. Considerations of liquidity apparently played a more important role. This is suggested by the fact that of late private savers have again preferred to place funds in comparatively liquid bank savings accounts, mostly in accounts at statutory notice. Besides the temporary investment of funds from wage and salary back-payments which were not immediately needed for consumption, this seems to have owed something to the fact that some maturing time deposits were no longer renewed, but transferred to savings accounts instead. But saving in the form of securities has also increased in importance.

Finally, overall saving was also influenced by the further sharp reduction in households' "negative saving" in the form of borrowing for consumption purposes. Households' new borrowing in the second quarter (approximately DM 1 billion) was less than half as large as in the same period of 1973. This may be primarily attributable to the slackening of motor vehicle purchases, some of which are usually financed by such borrowing.

#### Foreign demand and imports

In recent months *exports of German products* have remained a mainstay of the domestic economy. Between May and July Germany exported 32% more goods, in terms of value, than a year previously; in terms of volume as well the increase was quite considerable at 13%. Even so, the growth of exports has been slowing down for some time. Between May and July German deliveries to foreign countries rose by only 5%, seasonally adjusted, against the period February to April, and in volume terms the increase was as little as 1%. Since imports grew sharply at the same time, the net share of the German national product taken by the rest of the world has been somewhat smaller in the last few months. But the *export surplus*, at a monthly average of some DM 4 billion from May to July, was over half as high again as a year earlier.

On the whole, the total of *export orders in hand* remains quite satisfactory and is likely to sustain the level of exports in the immediate future. Although there has been no further increase in new foreign orders, from May to July they exceeded the very high level of 1973 by 22% in value and about 4½% in volume. Moreover, the large order backlogs will ensure that the present growth of exports continues for some time to come; measured in terms of monthly turnover and seasonally adjusted, the export orders in hand in July were sufficient to last for 4½ months.

The trend of exports business was not equally favourable in all branches of the economy. If seasonal influ-

ences are eliminated, only the basic and producer goods industries have recently been able to enter into more export contracts. The export orders received by the chemical industry and steel and hot rolling mills, in particular, expanded under the impact of a world-wide demand boom for these products. But in the capital goods industries, which traditionally have a very high export ratio, the average inflow of orders from abroad in the last three months was slightly lower, seasonally adjusted, than in the three months before. In road vehicle building the orders received between May and July were 14% up on the year in value, and 6½% higher in volume, although purchasers held back on the export markets too. In the consumer goods industries foreign orders have been tending to fall, if anything, since the spring.

Domestic buyers' demand for foreign goods, as measured by *imports of goods*, has picked up noticeably in recent months, especially in July. Even so, the average volume of imports, after adjustment for price increases, from May to July was about 2% below the comparable figure for last year. The main reason, as explained in more detail in "Balance of payments", was that imports of raw materials, semi-finished goods and products for further processing were relatively small in volume; in that period they were about 5% down on the previous year. One of the underlying factors, besides the low level of domestic activity, was that smaller quantities of crude oil were imported than a year ago as a result of economies and substitutions. On the other hand, imports of industrial finished products from May to July practically regained the level of the preceding year. Indeed, compared with the period from February to April these imports went up steeply, after adjustment for seasonal and price influences, namely by 9½%. Imports of foodstuffs, however, dropped slightly owing to the comparatively large and inexpensive supply of domestic produce.

#### Wages

The harsher climate in the economy and the mounting employment problems have so far had little effect on the movement of wages. The overall *level of pay rates* has continued to rise quite steeply as a result of very considerable increases in negotiated wages and salaries; in July, as in the second quarter, pay rates were 12% up (on a monthly basis) on the previous year, against 11½% in the first quarter of 1974. *Actual earnings*, however, have recently been growing more slowly than pay rates, rather than more quickly, after adjustment for the statistical effect of the large back-payments of wages and salaries for the first few months of 1974 in the metal industry and the public service. *Wage drift*, which came to some 2 percentage points in the second half of 1973, has thus become negative.

Pay rates and actual earnings in the economy as a whole				
Percentage change on year				
Period	Wage and salary rates		Actual earnings (wages and salaries per employed person)	Wage drift <sup>1</sup>
	on an hourly basis	on a monthly basis		
1968	+ 4.0	+ 3.9	+ 6.2	+ 2.0
1969	+ 7.0	+ 6.4	+ 9.2	+ 2.5
1970	+ 12.9	+ 12.4	+ 14.7	+ 2.5
1971 p	+ 14.2	+ 13.3	+ 11.7	+ 0.0
1972 p	+ 9.5	+ 9.1	+ 8.9	+ 0.5
1973 p	+ 10.3	+ 10.1	+ 12.0	+ 2.0
1970 1st qtr	+ 11.9	+ 11.3	+ 14.4	+ 3.0
2nd qtr	+ 11.9	+ 11.2	+ 15.0	+ 3.5
3rd qtr	+ 12.7	+ 12.0	+ 15.5	+ 3.0
4th qtr	+ 15.1	+ 14.7	+ 14.2	+ 1.5
1971 p 1st qtr	+ 15.6	+ 14.8	+ 14.4	+ 1.5
2nd qtr	+ 15.6	+ 14.9	+ 12.0	— 0.5
3rd qtr	+ 15.4	+ 14.5	+ 11.5	— 0.5
4th qtr	+ 10.4	+ 9.3	+ 9.7	+ 1.0
1972 p 1st qtr	+ 10.0	+ 9.4	+ 9.4	+ 0.5
2nd qtr	+ 9.8	+ 9.2	+ 8.8	+ 0.5
3rd qtr	+ 9.2	+ 8.8	+ 7.8	— 0.5
4th qtr	+ 9.0	+ 8.8	+ 9.7	+ 1.5
1973 p 1st qtr	+ 9.6	+ 9.4	+ 11.2	+ 2.0
2nd qtr	+ 10.5	+ 10.2	+ 11.7	+ 1.5
3rd qtr	+ 10.6	+ 10.3	+ 11.9	+ 1.5
4th qtr	+ 10.7	+ 10.4	+ 13.2	+ 2.5
1974 p 1st qtr	+ 11.7	+ 11.4	+ 9.4	— 1.5
2nd qtr	+ 12.2	+ 12.0	+ 12.3	+ 0.5
July	+ 12.3	+ 12.1	.	.

<sup>1</sup> Relative gap between increase in actual earnings and that in pay rates (on a monthly basis), excluding anticipated increase not affecting costs; rounded to the nearest half percentage point. — p Provisional.

This overall picture is the outcome of exceedingly divergent trends in the various branches of the economy, which evidently responded in very different ways to the excessive pay rate increases of the beginning of the year, depending on their economic position. In *road vehicle building*, for instance, where short-time working had to be introduced as a result of the "oil shock" and the ensuing drop in sales, actual earnings in the first six months of the year rose by only some 6½% against 1973, while pay rates in the metal industry went up by well over 12% in the same period. A highly negative wage drift also emerged in the *textile and clothing industry* (4½ percentage points); here, too, the large-scale introduction of short-time working — and possibly also the reduction of bonuses conceded over and above agreed wage and salary rates — has played a significant part. In the *iron and steel industry*, on the other hand, actual earnings rose slightly more than pay rates, because this industry apparently continued to pay negotiated and supplementary bonuses in view of its favourable order and profits situation.

In the *public service (including Federal Railways and Federal Post Office)* average earnings in the first half of 1974 were about 13% higher than a year previously, according to present estimates; this rise was larger than the negotiated and statutory increase in wages and salaries, and also larger than the average increase throughout the economy. This means that in this year's wage round the public service has gained an advantage over other social groups as regards the distribution of

income — an advantage which must be rated all the higher since government employees run virtually no risk of losing their jobs. An appeal to those engaged in collective bargaining to exercise restraint in their pay claims in the next wage round should therefore meet with a positive response precisely in the public service. Excessive settlements in the public service would undoubtedly spread rapidly to other sectors and this might result, as recent experience has shown, in greater danger to jobs. Moderate pay increases more compatible with the aims of stability policy are all the more appropriate in the forthcoming wage round as the tax reform of 1975 will in any case bring considerable relief to wage and salary earners in the lower and middle income brackets.

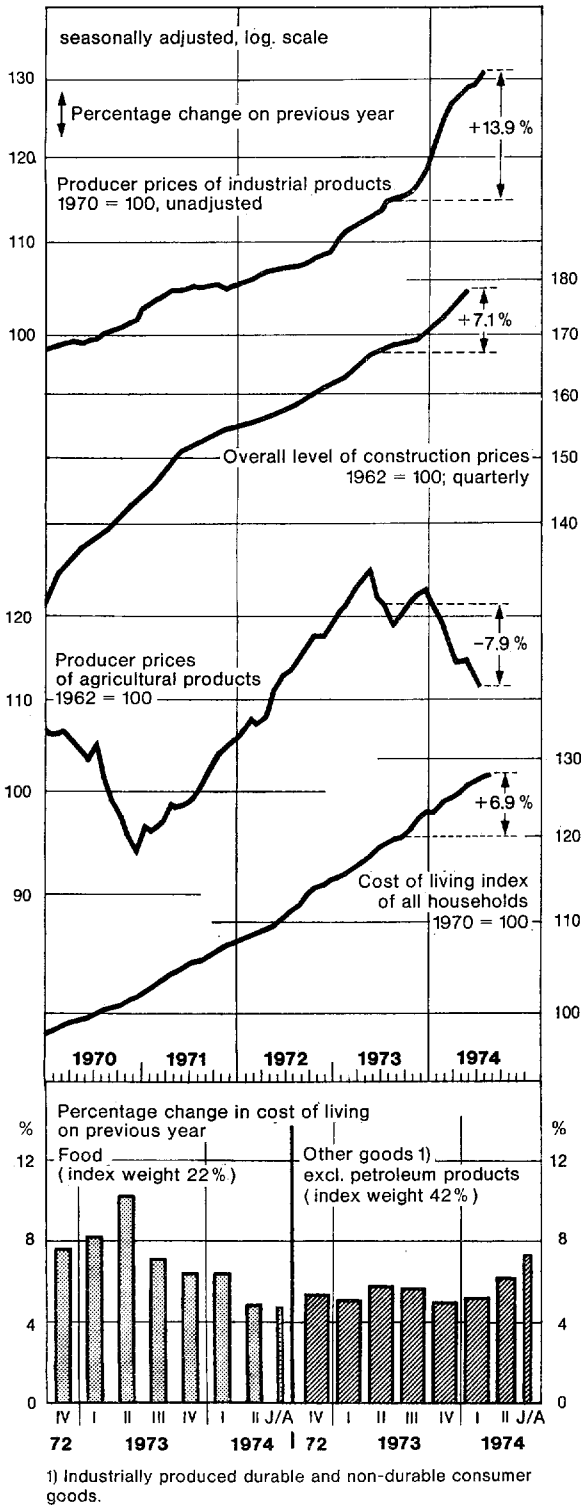
### Prices

Prices on domestic markets continued to go up in many fields; but as the scope for raising prices remained limited it was not possible to pass on the higher wage costs and the increased prices of pre-products in full. It is true that latterly the upward price tendencies deriving direct from world raw material markets have not intensified; indeed, the prices of some major industrial raw materials have fallen. However, the raw material price boom which lasted well into the spring and the higher costs resulting from the 1974 wage round are still influencing prices at the processing stages of production. The decline in capacity utilisation may have aggravated the cost situation in many cases. Manufacturing industry therefore raised its sales prices further, sometimes at a faster pace than before, and on foreign markets often achieved larger price increases than at home.

The *export prices* of industrial goods rose by nearly 3% between April and July, and thus somewhat faster than *industrial producer prices on the domestic market*, which went up by some 2½% in the same period. On the home market industrial products have recently been nearly 14% dearer than a year ago. The main emphasis of the price increases shifted more and more towards the processing stages, while the initial effects of a moderation in the prices of essential raw materials were felt in the *basic and producer goods industries*. In particular, the upward trend of petroleum product prices slackened distinctly with the easing of the supply situation since the spring. In July the sales prices of light heating oil were "only" around 32%, and those of petrol not quite 24%, higher than a year before. At the peak of the oil crisis (February 1974) light heating oil, the price of which was subject to the largest fluctuations, was more than twice as dear as a year previously. In conformity with the world market situation the producer prices of non-ferrous metals have also declined perceptibly of late. The prices of iron and steel and chemical products, on the other hand, have continued to rise in view of the favourable order situation. The producers of



**Prices**



field of *consumer goods* the pace of price increases accelerated again. In this area industrial sales prices in July were 12½% higher than a year earlier. Paper and cardboard, and also plastic products, went up drastically in price. Prices also continued to rise on the *construction market* due to the cost pressure resulting from the last wage round and the higher cost of materials. Despite the reduced demand and the sharply increased productivity, only a few construction enterprises were apparently willing to lower prices. The overall level of construction prices in May 1974 (no more recent data are on hand) exceeded the level of last year by 7%, compared with 6½% in February.

On the other hand, the agricultural markets had a distinctly dampening influence on prices. In July *farm products* were over 2% cheaper than in April at the producer stage, seasonally adjusted. Their prices have recently been nearly 8% down on 1973. The prices of animal products, in particular, have dropped steadily, seasonally adjusted, since the beginning of the year, principally because of the very ample supply of pork and beef. The prices of vegetable products went down in comparison with the previous year, mainly as a result of more plentiful early potatoes and fruit.

The lower prices of farm products and the moderation of the prices of petroleum products have largely prevented consumer prices from rising more sharply in the past few months than before, as might have been expected in view of the trend of industrial sales prices. After elimination of seasonal fluctuations, the average monthly rise of the *cost of living index for all households* since May 1974 has been about the same as in the period from February to April. Prices in August, as in the two preceding months, were 6.9% higher than in the same period of 1973, in which consumer prices rose very vigorously owing to the increase in food prices.

The consumer prices of nearly all industrially produced consumer goods have latterly risen at an undiminished rate, although consumers have at times shown restraint in making purchases. Particularly furniture, household textiles, household appliances and motor vehicles have become considerably more expensive for the consumer. In the services sector the latest increase in postal charges and Federal Railway fares has also contributed to the rise in the cost of living. Rental charges have gone up relatively little, most recently at an annual rate of 5%.

*capital goods* have also raised their sales prices, although in these branches demand has at times been subdued or, as in the motor industry, at a very low level. On aggregate the products of the capital goods industry in July were about 10% dearer than a year earlier; in April their prices had been 9% up on the year. In the

## Balance of payments

34 During the past few months Germany's external position continued to be characterised by large current account surpluses on the one hand and even larger money and capital exports on the other. The substantial net receipts from current transactions, amounting to almost DM 5.5 billion from May to July 1974, mainly reflect the persistent difference in the levels of economic activity and prices at home and abroad. Lately, though, the upsurge of prices in other countries has been tackled more resolutely; besides, there are signs of a distinct decline in real economic growth, as compared with 1973, in major industrial countries. This is suggested by the foreign orders received by German firms; seasonally adjusted, the inflow has hardly increased at all during recent months. So far, however, the impact on exports has only been slight. But as Germany's imports have risen somewhat both in terms of value and in terms of volume, the export surplus has decreased a little during the past few months, as will be set out below in greater detail.

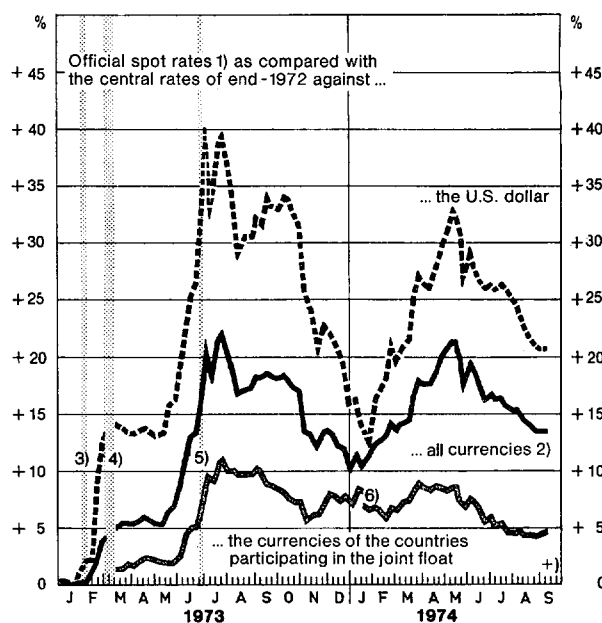
Foreign countries' intensified measures against inflationary tendencies have brought about a strong rise in their short and long-term interest rates, some of which are now considerably higher than those in Germany (see chart). This interest rate differential and the commercial financing of German export surpluses are the main causes of the outflow of short and long-term capital, which amounted to some DM 6 billion (including the "balancing item" of the balance of payments) between May and July. Furthermore, as from July foreign money was withdrawn from German banks. The outflow of money and capital to other countries seems to have increased in August. The excess of capital outflows over surpluses on current account is also reflected in the pressure on the Deutsche Mark since the end of July, which in its turn enhances the outflow of capital from Germany.

Partly as a consequence of the pressure on the Deutsche Mark, and partly in order to mitigate this pressure somewhat, the Bundesbank's monetary reserves have decreased during the past few months. From early June to the end of August they fell by DM 4.5 billion and since the beginning of the year by just under DM 1.5 billion. From September 1 to September 13 the monetary reserves dropped by another DM 1.7 billion. Thus, so far this year, in contrast to former periods, external transactions have not on balance had the effect of increasing the liquidity of the domestic banking system; in fact, they have resulted in a considerable drain on liquidity.<sup>1</sup>

With the weakness of the Deutsche Mark continuing, part of the foreign exchange outflow resulted automatically from the joint float within the "mini-snake". In this area the obligation to intervene still exists, and in order to support the Deutsche Mark rate the Bundesbank had to sell DM 0.7 billion of partner currencies on the domestic exchange market in July and August, when the Deutsche

<sup>1</sup> It should be borne in mind that movements in central reserves include the interest received by the Bundesbank from the employment of its monetary reserves, which does not affect domestic liquidity. The drain on liquidity caused by foreign exchange transactions therefore amounts to roughly DM 4.5 billion from the beginning of the year to the end of August, and to about DM 6 billion up to September 13.

**Changes in the external value of the Deutsche Mark since end-1972**



1) Friday figures.- 2) Weighted change in the external value of the Deutsche Mark.- 3) 10% devaluation of the U.S. dollar on February 12, 1973.- 4) After temporary closing of the foreign currency exchanges, release of Bundesbank from its obligation to intervene against the dollar and beginning of joint float; 3% revaluation of the Deutsche Mark against the special drawing right on March 19, 1973.- 5) 5.5% revaluation of the Deutsche Mark against the special drawing right on June 29, 1973.- 6) From January 22, 1974; joint float without France.- +) Latest position; September 12, 1974.

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Mark was almost permanently at the lower limit of the spread of the jointly floating currencies. At the same time the central banks of other countries participating in the joint float bought DM 1.3 billion of Deutsche Mark on their foreign exchange markets, which also worsened the Bundesbank's net external position. Furthermore, the Bundesbank sold the equivalent of about DM 3 billion of U.S. dollars on the exchange market. This moderated the upward trend of the dollar rate, so that it was not necessary to give even greater support to the Deutsche Mark within the framework of the European joint float. Operations by the Federal Reserve Bank of New York worked in the same direction; in exchange for dollars the Bank took Deutsche Mark out of the market and used them to meet liabilities arising from swap credits formerly raised with the Bundesbank.

The Bundesbank's sales of foreign exchange over and above the mandatory interventions under the joint float arrangements were regulated in such a way that they did not run counter to the trend of exchange rate movements, but probably dampened extreme fluctuations. The price of other currencies expressed in Deutsche Mark thus rose continuously. Whereas in early June one dollar cost DM 2.49, the dollar rate had increased to DM 2.66 by the end of August. During this period the value of the Deutsche Mark against the U.S. dollar fell

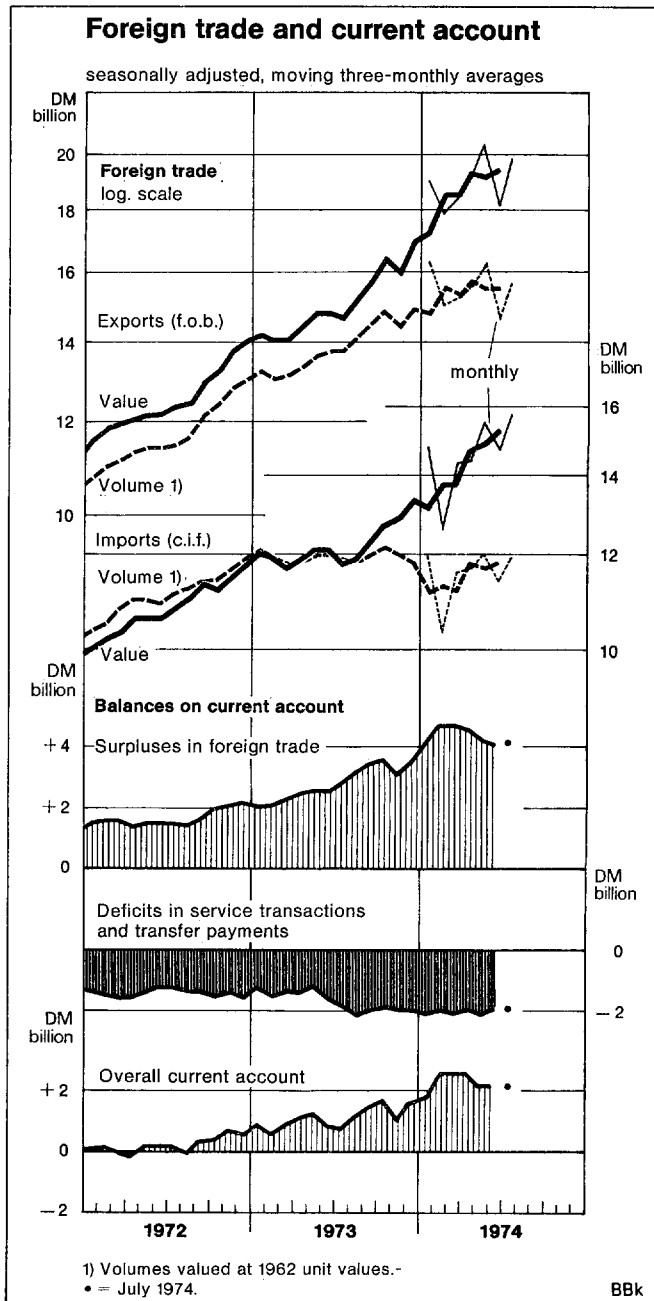
by 7%, so that a large part of the Deutsche Mark appreciation against the dollar in the first few months of 1974 was wiped out (see chart). Against other currencies, too, the Deutsche Mark has been relatively weak during recent months. This applies above all to the currencies of the countries participating in the joint float, against which the Deutsche Mark was worth even less at the end of August 1974 than at the beginning of the year. Against all foreign currencies the external value of the Deutsche Mark, which had risen by 10% from the beginning of 1974 to early June, has decreased by 5% since June, though it is still 14% above the exchange rate relationships of end-1972. The exchange rate movements of the last few months have eased the situation of the export industry somewhat; on the other hand they have meant that the high (though, of late, no longer climbing) prices of import goods are being felt more strongly, whereas until recently the sharp rise in the prices of these goods, expressed in foreign currency, was tempered to some extent by the appreciation of the Deutsche Mark.

**Current account**

**Foreign trade**

The favourable balances on current account were mainly due to large surpluses in foreign trade. From May to July 1974 the seasonally unadjusted export surplus amounted to DM 11.8 billion, equivalent to a seasonally adjusted surplus of DM 12.4 billion, which was DM 1.8 billion less than during the preceding three-month period. This first slackening of the large surpluses is due to the fact that while the growth of exports slowed down distinctly, that of imports speeded up; from May to July exports were 5% higher than in the preceding three months, seasonally adjusted, while imports, which had risen by only 3% from February to April,<sup>2</sup> went up by 11% from May to July. However, the growth of import values during recent months has resulted largely from price rises; in terms of volume imports increased by about 5½% in the period from May to July as compared with the preceding three months.

The acceleration in *imports* during the past few months mainly affected end-products, but imports of semi-finished goods, finished goods for further processing, raw materials and foodstuffs were also larger than in the spring. In part this acceleration may have been caused by a normalisation of stocks – which had been run down sharply at the beginning of the year – and by the lower level of activity in some partner countries, which heightened the interest of foreign suppliers in exports to Germany. Despite increasing during the past few months, the *volume* of imports from May to July was still 2% below the corresponding 1973 figure. This reflects, above all, the fact that aggregate output in Germany has largely been stagnating for the last year (apart from short-term



fluctuations), so that the demand for raw materials and semi-finished goods has also been unchanged.

In terms of value, however, imports from May to July, at DM 46.4 billion, exceeded last year's figure by DM 9.7 billion or 27%. The rise in import prices, which is the factor underlying this great discrepancy between the volume and the value of the goods imported, still varies considerably between one group of goods and another. The largest year-on-year increase was in oil imports. Whereas in September 1973, directly prior to the outbreak of the oil crisis, the price of one ton of crude oil free German frontier (excluding turnover tax on imports) was on an average about DM 75, in March 1974 it cost DM 233. By June, larger supplies and a drop in the dollar rate had led to a slight fall in the import price, namely to

<sup>2</sup> The small growth of imports at the beginning of the year also owed something to statistical factors; owing to a redefinition of warehouse transactions the import values shown in the foreign trade statistics fell temporarily.

German imports of crude oil						
Period	Volume		Value		Import price 1	
	Millions of tons	Percentage change on previous year	Millions of DM	Percentage change on previous year	DM/ton	Percentage change on previous year
1970	98.8	+ 10.3	5,938	+ 4.8	60.11	- 5.0
1971	100.2	+ 1.5	7,679	+ 29.3	76.62	+ 27.5
1972	102.6	+ 2.4	7,411	- 3.5	72.23	- 5.7
1973	110.5	+ 7.7	9,083	+ 22.6	82.20	+ 13.8
1973 1st qtr	27.2	+ 4.3	2,021	+ 5.3	74.30	+ 1.0
2nd qtr	27.8	+ 13.1	2,023	+ 14.3	72.88	+ 1.0
3rd qtr	27.4	+ 7.7	2,023	+ 11.2	73.85	+ 3.3
4th qtr	28.1	+ 6.1	3,016	+ 58.6	107.16	+ 49.5
Oct.	10.0	+ 21.0	867	+ 47.1	86.56	+ 21.6
Nov.	9.3	+ 1.9	1,044	+ 58.6	111.66	+ 55.7
Dec.	8.8	- 3.3	1,105	+ 68.9	125.90	+ 74.7
1974 Jan.	8.7	- 5.8	1,746	+150.1	200.58	+165.5
Feb.	7.3	- 14.7	1,646	+160.1	226.95	+205.0
Mar.	8.4	- 11.4	1,954	+183.2	233.18	+219.5
Apr.	8.1	- 10.9	1,835	+174.5	227.60	+208.0
May	8.4	- 8.4	1,868	+177.4	221.11	+203.0
June	9.2	- 2.7	2,012	+195.6	218.06	+203.6
July	8.8	- 0.5	1,965	+209.2	222.40	+210.7
Jan./ July	58.9	- 7.7	13,026	+178.4	221.12	+201.6
<b>Compare:</b>						
1973 Jan./ July	63.8	+ 8.3	4,679	+ 9.2	73.31	+ 0.8

1 C.i.f. price free German frontier.

DM 218 per ton; but the strengthening of the dollar rate which began in July pushed the price of crude oil up again to DM 222 per ton. Owing to economies by German consumers, the volume of crude oil imported from May to July 1974 was 4 % lower than a year before; nevertheless, during this period German trade and industry had to spend well over DM 5.8 billion on crude oil imports, or almost three times as much as from May to July 1973.<sup>3</sup> From May to July 1974 the value of imports of raw materials and semi-finished goods outside the oil sector was 40 % higher than a year earlier; this increase, too, is exclusively attributable to prices. Much the same applies to imports of finished goods, though the effects were less pronounced because the price rises were smaller; from May to July they were 10 % larger than a year before in value, but 2 % smaller in volume.

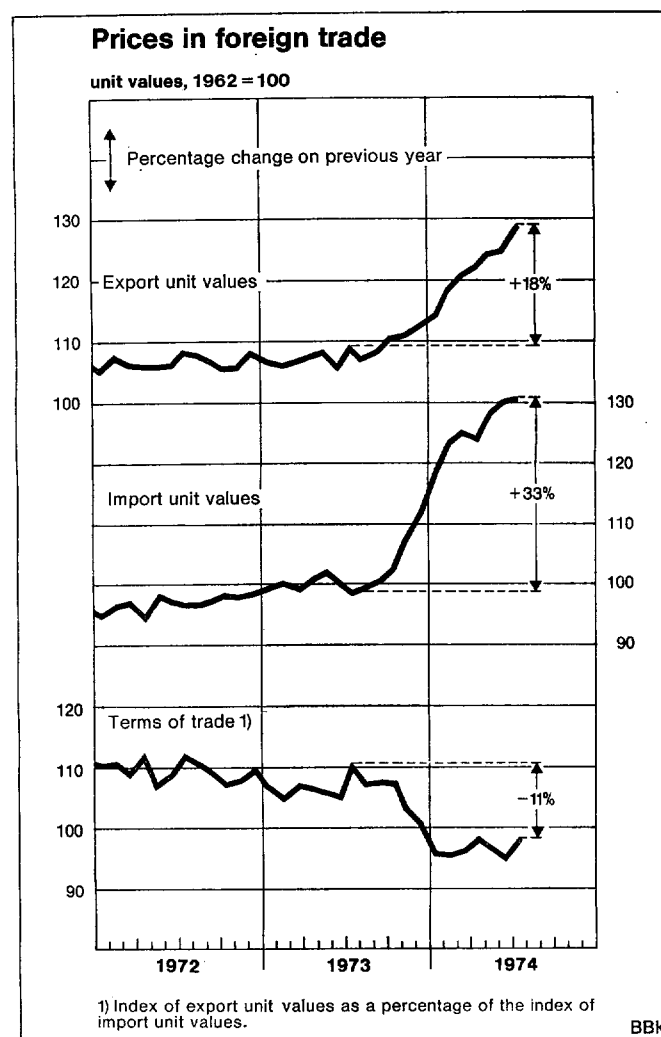
German exports from May to July rose by 5 % in terms of value, but by only 1 % in terms of volume, if compared with the preceding three-month period. Whether this heralds a sustained slowdown in the growth of exports cannot yet be decided with any certainty considering how recently the trend has changed in relation to the winter and the spring.

Owing to the abrupt rise in the level of export business at the end of 1973 and beginning of 1974 (during the six months from October 1973 to March 1974 exports increased by a quarter over the winter months of 1972/73)

<sup>3</sup> During the first seven months of 1974 a total of DM 13 billion was spent on crude oil imports, i.e. DM 8.3 billion more than one year earlier, despite a shrinkage of just under 8 % in the volume imported. If imports of petroleum products (such as heating oil, petrol and diesel fuel) are included, DM 17 billion was spent on imports of crude oil and oil derivatives from January to July 1974; that is DM 10 billion more than in the same period of 1973.

the value of exports from May to July was 32 % larger than one year earlier, although the volume grew by only 13 %. The year-on-year rise in exports from May to July was especially great in the case of mining products (+ 81 %) and products of the basic and producer goods industries (+ 63 %), including in particular the products of drawing and cold rolling mills (+ 83 %), iron and steel products (+ 73 %), non-ferrous metals and non-ferrous semi-finished goods (+ 77 %) and chemical products (+ 55 %). In the capital goods industries exports of products of the steel molding industry grew by 45 % and those of the steel construction industry by 38 % over the 1973 figure. All these growth rates were of course more or less strongly influenced by considerable rises in the prices of the products. Motor vehicle exports, by contrast, were only 9 % higher than a year before. This shows clearly that German exporters were affected both favourably and adversely by the readjustments triggered off in other countries by the oil crisis (e.g. extension of oil and gas pipeline systems, strong world-wide demand for the products of the steel and chemical industries).

The increase in import prices, which was due mainly, though by no means exclusively, to the sharp rises in

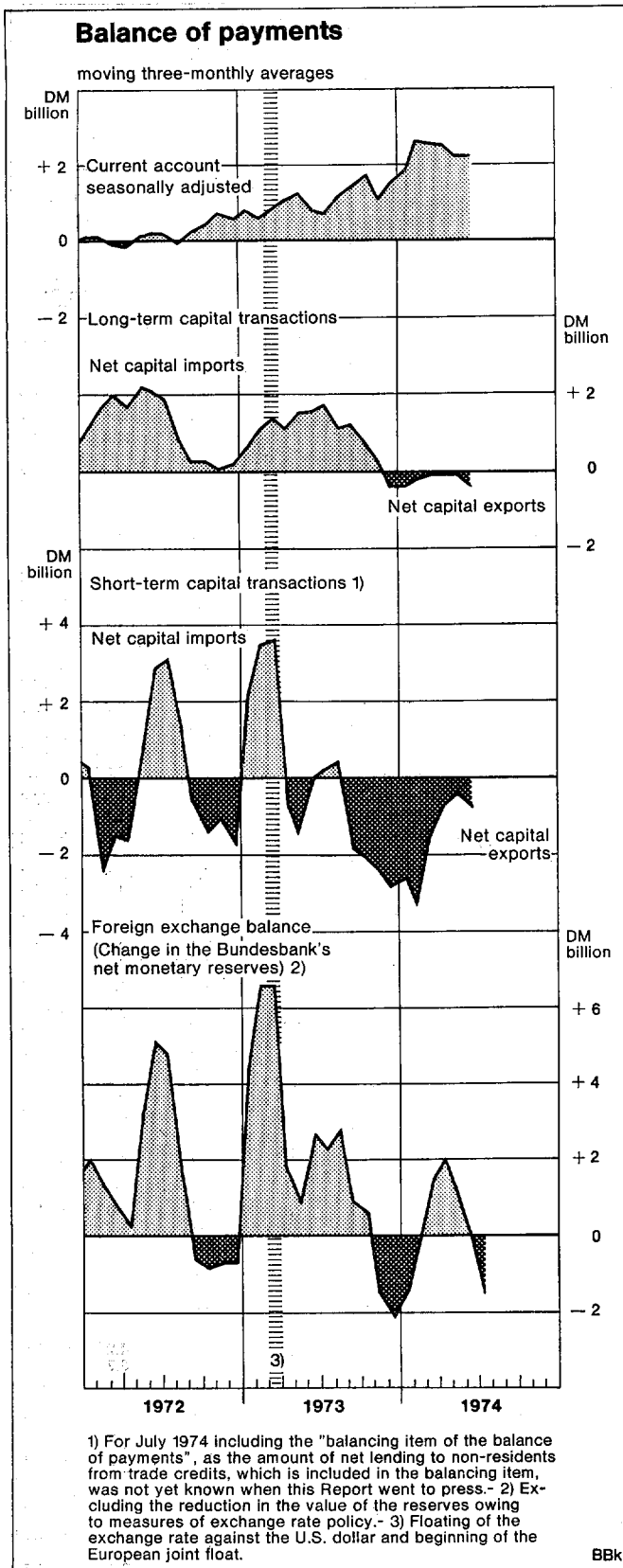


raw material prices, brought Germany and the other industrial countries a considerable deterioration in the terms of trade; substantially larger quantities of goods from domestic production now have to be supplied to pay for the imports required. However, Germany's terms of trade did not deteriorate by any means as much as suggested by the movement of the unit values of imports, which in July 1974 were 33% up on the corresponding figure of 1973. This is because the unit values of exports also rose steeply (for instance by 18% between July 1974 and July 1973), though it must be kept in mind that between July 1973 and July 1974 the Deutsche Mark did not appreciate but rather depreciated, with fluctuations, by an average of 5%. In July 1974 the terms of trade were 11% less favourable than in July last year. This means that the volume of exports now has to be about that amount larger to pay for the same volume of imports. As the rise in the trade surplus shows, Germany has succeeded in making this adjustment; in fact, exports have grown even more strongly.

The regional pattern of foreign trade reveals interesting changes inasmuch as Germany's trade balance with all the main groups of countries and individual countries except the United States and the oil-producing countries improved from May to July 1974, as compared with the same period of 1973. The surplus in trade with the United States diminished and the deficit in trade with the oil countries grew (see the adjacent table). Trade with the countries participating in the European joint float, which in the summer of 1973 had been in balance, resulted in a surplus of DM 1.2 billion between May and July 1974, the trade with Belgium-Luxembourg and Sweden improving most. In trade with Italy, German imports from which exceeded exports a year ago, there was a surplus of DM 0.9 billion from May to July 1974. The German trade surplus with France doubled to DM 1.5 billion. The trade surplus with the United Kingdom increased by DM 0.5 billion to DM 1.4 billion within the year. Trade with centrally planned economies and non-oil-producing developing countries also resulted in a strong rise in Germany's export surpluses. Each of these countries (or each group of countries) stepped up its imports from Germany considerably, but did not increase its exports to Germany to anything like the same extent. German exports to the United States, however, rose less steeply, above all because of the decline in vehicle exports, which from May to July were 6% below the 1973 figure. In trade with the OPEC countries Germany's import deficit quadrupled compared with the period from May to July 1973 (from DM 0.8 billion to DM 3.3 billion). Owing to the rise in oil prices Germany's imports from this group of countries (as countries of origin) increased against last year by 155% in value terms. On the other hand, German exports to these countries also had the highest growth rate, namely 70%; this demonstrates the growing demand for capital goods in these countries.

Regional breakdown of foreign trade					
Exports (f.o.b.) by country of destination					
Imports (c.i.f.) by country of origin					
Group of countries/country		Share (in %) in German foreign trade turnover <sup>1</sup> in 1973	May/July		Change in ex-ports and imports (in %) and in balance (in DM billion) on previous year
			1973	1974	
			DM billion		
All countries	Exports	100	44.0	58.2	+ 32.4
	Imports		36.7	46.4	+ 26.5
	Balance		+ 7.3	+ 11.8	+ 4.5
Countries participating in joint float	Exports	27.0	10.6	14.0	+ 32.4
	Imports		10.6	12.8	+ 20.5
	Balance		+ 0.0	+ 1.2	+ 1.2
Belgium-Luxembourg	Exports	8.9	3.4	4.4	+ 31.3
	Imports		3.6	4.2	+ 16.3
	Balance		- 0.2	+ 0.2	+ 0.4
Denmark	Exports	1.9	1.0	1.1	+ 15.4
	Imports		0.5	0.5	+ 1.2
	Balance		+ 0.5	+ 0.6	+ 0.1
Netherlands	Exports	12.1	4.2	5.8	+ 37.7
	Imports		5.1	6.5	+ 27.7
	Balance		- 0.9	- 0.7	+ 0.2
Norway	Exports	1.2	0.6	0.8	+ 20.1
	Imports		0.4	0.5	+ 23.4
	Balance		+ 0.2	+ 0.3	+ 0.1
Sweden	Exports	2.9	1.4	1.9	+ 37.0
	Imports		1.0	1.1	+ 9.1
	Balance		+ 0.4	+ 0.8	+ 0.4
Six industrial countries whose exchange rates are floating separately	Exports	36.0	17.1	21.6	+ 26.4
	Imports		12.9	14.3	+ 10.9
	Balance		+ 4.2	+ 7.3	+ 3.1
Austria	Exports	3.5	2.1	2.6	+ 24.8
	Imports		0.8	0.9	+ 22.7
	Balance		+ 1.3	+ 1.7	+ 0.4
France	Exports	13.0	5.8	7.2	+ 25.2
	Imports		5.0	5.7	+ 13.9
	Balance		+ 0.8	+ 1.5	+ 0.7
Italy	Exports	9.0	3.7	5.0	+ 33.3
	Imports		3.8	4.1	+ 6.5
	Balance		- 0.1	+ 0.9	+ 1.0
Japan	Exports	1.9	0.7	0.8	+ 17.5
	Imports		0.9	0.8	- 7.5
	Balance		- 0.2	- 0.0	+ 0.2
Switzerland	Exports	4.4	2.6	3.0	+ 15.1
	Imports		1.1	1.2	+ 4.2
	Balance		+ 1.5	+ 1.8	+ 0.3
United Kingdom	Exports	4.2	2.2	3.0	+ 35.5
	Imports		1.3	1.6	+ 24.6
	Balance		+ 0.9	+ 1.4	+ 0.5
United States	Exports	8.4	3.7	4.2	+ 13.0
	Imports		3.0	3.7	+ 21.1
	Balance		+ 0.7	+ 0.5	- 0.2
Centrally planned economies	Exports	5.4	2.7	3.9	+ 46.7
	Imports		1.7	2.2	+ 35.2
	Balance		+ 1.0	+ 1.7	+ 0.7
Developing countries (excluding OPEC countries)	Exports	13.4	6.0	8.6	+ 42.2
	Imports		4.7	5.8	+ 23.4
	Balance		+ 1.3	+ 2.8	+ 1.5
OPEC countries	Exports	5.0	1.4	2.4	+ 69.5
	Imports		2.2	5.7	+154.5
	Balance		- 0.8	- 3.3	- 2.5
Other countries	Exports	4.8	2.5	3.5	+ 41.9
	Imports		1.6	1.9	+ 21.8
	Balance		+ 0.9	+ 1.6	+ 0.7

<sup>1</sup> Exports plus imports.



## Services

In service transactions with the rest of the world<sup>4</sup> the tendency towards growing deficits which was very

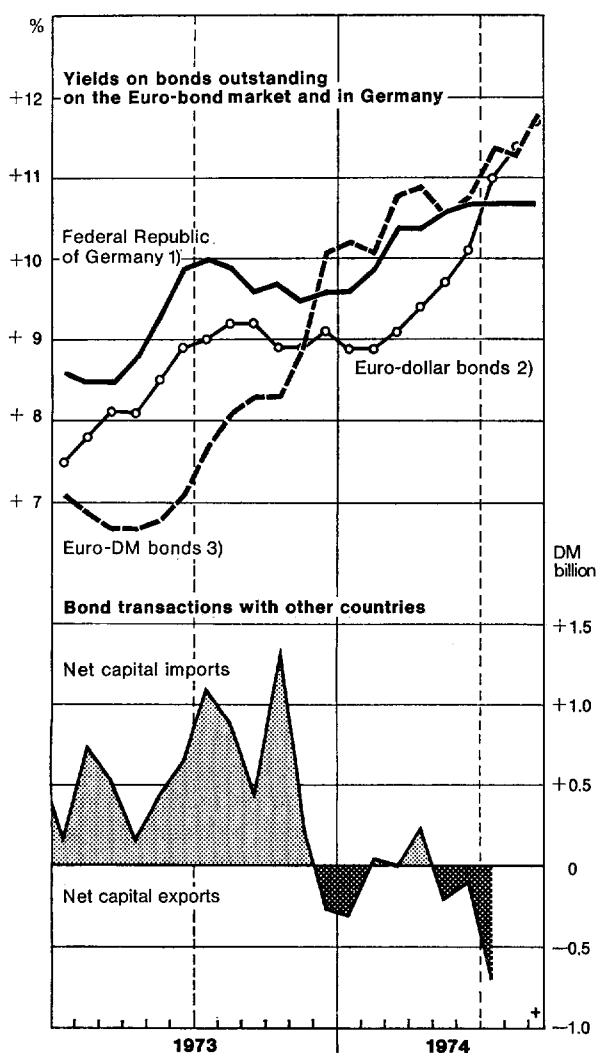
<sup>4</sup> Including so-called "supplementary trade items" such as receipts and expenditure in merchanting trade and the counterpart of the temporary reduction (mentioned on page 35) of the import values shown in the foreign trade statistics due to the redefinition of warehouse transactions at the beginning of 1974.

marked in early 1974 has not continued in recent months. According to preliminary calculations, DM 2.0 billion more was spent on foreign services from May to July than was earned from services rendered to non-residents. Departing from the customary seasonal pattern, this was hardly more than in the preceding three-month period, when the deficit on service transactions amounted to about DM 1.9 billion. It was also little more than the deficit for the corresponding period of last year (May to July 1973: DM 1.6 billion).

The fact that the adverse trend on services account has moderated sharply is mainly due to foreign travel. From May to July the deficit on foreign travel, at DM 3.6 billion, was greater than during the preceding three-month period (DM 2.3 billion), but compared with the previous year the deficit on foreign travel rose no further, for the first time in a long period. In relation to the period from May to July 1973 spending by Germans travelling abroad decreased by 2% to DM 5.5 billion. One of the causes may have been that World Cup football games kept many German holiday-makers from travelling abroad; besides, political unrest or strikes in some tourist countries reduced the attraction of foreign travel. It is also possible that many travellers began their holidays at a later date because the school holidays in the densely populated Land of North Rhine-Westphalia started later than in earlier years. But the main reason was probably that Germans hesitated to take holidays abroad owing to uncertainty about the future economic situation and the very pronounced price rises in the services sector; they even tended not to visit such major tourist countries as Austria and Switzerland, against the currencies of which the Deutsche Mark deteriorated somewhat. Germany's receipts from foreign visitors, which had tended to fall since the marked effective revaluation of the Deutsche Mark in the summer of last year, amounted to DM 1.9 billion from May to July, or 2% more than a year earlier; the slight improvement presumably owed much to the inflow of foreign visitors for the World Cup games.

On investment income account, the trend of which is often influenced by irregular payments, both receipts and expenditure have increased greatly during the past few months. Germany's receipts from investment abroad amounted to DM 4.3 billion from May to July; this was 40% more than in the corresponding period of 1973. The Bundesbank's receipts from the interest-bearing investment of monetary reserves increased especially fast; mainly because of the steep rise in interest rates in the United States these receipts, at DM 1.6 billion from May to July, exceeded the corresponding figure of last year by DM 0.6 billion. The interest accruing to German banks and enterprises from external lending also went up sharply (by DM 0.5 billion to DM 1.5 billion). However, the increase in investment payments to other countries was even larger than the rise in interest income. Compared with the period from May to July such payments grew

### International bond yields and external bond transactions



1) Public authority bonds.- 2) Based on a selection of Euro-dollar bonds with a maximum remaining period to maturity of 7 to 15 years which are traded on the Luxembourg stock exchange.- 3) Including all foreign Deutsche Mark bonds officially quoted on German stock exchanges with a maximum remaining period to maturity of over 4 years.- +) Latest position: September 6, 1974.

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by 50% to DM 4.2 billion. This was mainly because payments by domestic enterprises to their foreign shareholders amounted to DM 1.9 billion (DM 0.6 billion more than a year before) owing to a partly fortuitous bunching of profit distributions; however, the foreign parent companies reinvested some of these distributed profits in their German branches and subsidiaries (representing long-term capital imports). There was also a rise in the interest paid on credit raised abroad (of DM 0.5 billion to DM 1.3 billion). Finally, from May to July non-resident holders of German fixed interest securities received almost twice as much interest (DM 0.6 billion) as a year before. This is a corollary of the fact that in 1973 — despite regulations to the contrary — non-residents considerably increased their holdings of German bonds,

above all of high-interest-bearing paper.<sup>5</sup> On aggregate, the investment income account (the balance of receipts and expenditure) showed a surplus of DM 100 million from May to July 1974 compared with DM 300 million during the same months of 1973.

Between May and July the receipts from foreign troops, at DM 1.9 billion, were slightly above last year's level. They derived mainly from the sale of goods and services to U.S. military agencies and the dependents of U.S. military personnel stationed in Germany (DM 1.1 billion). To offset the resulting burden on the U.S. balance of payments, a new foreign exchange offset agreement was concluded between the United States and Germany in late April 1974, providing for German payments totalling DM 5.9 billion in the period from mid-1973 to mid-1975. They include the purchase of DM 2.3 billion of low-interest U.S. Treasury notes by the Bundesbank; the first instalment of this paper (DM 1.1 billion) was acquired in June.

#### Transfer payments

On the transfer payments account the deficits have been growing almost continuously for more than ten years, but this trend has recently come to a halt. From May to July, as in the corresponding period of 1973, the deficit was some DM 4.4 billion. The main reason why the deficit has remained at last year's level is that home remittances by foreigners working in Germany have ceased to rise and at times have even decreased slightly. After the precautionary ban on the recruitment of workers from non-Community countries in November 1973 and after the easing of conditions on the labour market — particularly in the industries employing more than the average number of foreigners — the number of foreigners working in Germany, which in the autumn of 1973 had reached 2.5 million, seems to have decreased somewhat (precise figures are not available, as the employment statistics are undergoing revision). Besides, the uncertain monetary situation in some of the recipient countries probably led some workers from these countries to reduce the amount of transfers from Germany. This trend changed in July when, under the influence of political events (the Cyprus crisis), workers from countries bordering the Mediterranean stepped up their home remittances, especially those to public authorities. Between May and July, therefore, the total remittances of foreign workers, at DM 2.2 billion, were again as high as a year earlier. The other sectors of the transfer payments account did not, on aggregate, show any substantial changes compared with a year before. This applies both to the remaining private current transfers (maintenance payments, pensions), which amounted to DM 300 million from May to July, and to official transfer payments, which totalled DM 1.9 billion (net) during those months.

<sup>5</sup> See also: "Security ownership in the Federal Republic of Germany in 1973" in Monthly Report of the Deutsche Bundesbank, Vol. 26, No. 8, August 1974, page 21 ff, particularly pages 22/24.

<b>Long-term capital transactions with the rest of the world</b>				
Millions of Deutsche Mark (capital outflow: —; capital inflow: +)				
Item	1974			Com- pare: May/July 1973
	May/ July p	Feb./ April	Jan./ July p	
<b>I. Private transactions</b>				
Loans	— 172	— 332	— 533	+2,703
External assets	— 378	— 368	— 860	+1,840
External liabilities	+ 206	+ 36	+ 327	+ 863
Direct investment	+ 336	+ 159	+ 521	+ 701
German investment abroad	—1,153	—1,013	—2,505	—1,017
Foreign investment in Germany	+1,489	+1,172	+3,026	+1,718
Security transactions <sup>1</sup>	—1,095	+ 395	—1,025	+2,191
Foreign securities	— 119	— 162	— 379	+ 242
of which: Foreign DM bonds	+ 22	— 170	— 262	— 24
Domestic securities	— 976	+ 557	— 646	+1,949
Other <sup>2</sup>	— 117	— 138	— 272	— 171
<b>Total</b>	<b>—1,046</b>	<b>+ 83</b>	<b>—1,308</b>	<b>+5,424</b>
<b>II. Official transactions</b>	<b>— 214</b>	<b>— 286</b>	<b>— 558</b>	<b>— 776</b>
of which:				
Loans to developing countries	— 201	— 257	— 475	— 523
<b>III. All long-term capital transactions (I plus II)</b>	<b>—1,259</b>	<b>— 203</b>	<b>—1,865</b>	<b>+4,648</b>

<sup>1</sup> Excluding permanent trade investments through the acquisition of shares; for further breakdown of security transactions see statistical section of this Monthly Report, Table IX, 5. — <sup>2</sup> Mainly acquisition of real estate abroad. — p Provisional.

### Long-term capital transactions

In Germany's long-term capital transactions with other countries the trend towards outflows of funds has intensified in the last few months. From May to July — but mainly in July — net capital exports amounted to almost DM 1.3 billion as against only DM 0.2 billion in the preceding three months. A year earlier, however, there had still been large capital imports. The capital outflows of recent months were mainly due to security transactions with other countries. Returns of foreign-owned German fixed interest securities alone caused an outflow of almost DM 1 billion from May to July 1974. There were probably several reasons for this. One of them was that, for the first time for some while, the yield on Euro-dollar bonds rose above that on German bonds, so that the latter became less attractive in interest terms (quite apart from the fact that non-residents have to pay coupon tax on German bonds). The yield differential that developed may have prompted some foreign investors to switch out of lower-yielding German bonds into higher-yielding foreign paper. Another reason was that some of the returned German bonds are short-term paper that was sold in very large quantities to non-residents last year (despite regulations to the contrary) and is now falling due. Residents' portfolio purchases of foreign securities (DM 120 million) also led to further outflows of capital in the period under review. On aggregate, security trans-

actions with other countries (except transactions in shares for the purpose of direct investment) resulted in net capital exports totalling DM 1.1 billion from May to July, whereas there had been an inflow of DM 2.2 billion from security transactions during the same months of 1973.

In the field of credit transactions, too, there were net capital exports. As in the first few months of this year, bank lending to non-residents increased (May to July: by roughly DM 300 million), whereas a year before long-term external claims were sharply reduced. On the other hand, banks also raised some long-term loans abroad (DM 100 million), so that the net outflow of funds from the banking sector amounted only to about DM 200 million. In contrast to last year, the credit transactions of enterprises and individuals were also relatively limited because the need for finance in the enterprises sector was apparently less pressing in view of the subdued course of business activity in Germany.

Direct investment motivated by long-term considerations grew in the same way as before. Foreign investment in Germany expanded particularly strongly, producing an inflow of DM 1.5 billion from May to July 1974; some of this amount constituted the reinvestment of profits which domestic enterprises had distributed to their foreign shareholders. German direct investment abroad did not increase quite as much, but at DM 1.2 billion it was somewhat larger between May and July 1974 than in the same months of last year.

### Short-term capital transactions

As in the case of long-term transactions, there has been a net outflow of funds in short-term capital transactions in the past few months, the outflow from the enterprises sector being the decisive factor. German firms (including branches and subsidiaries of foreign enterprises doing business in Germany) have reduced their net short-term external indebtedness in respect of financial credits. Up to April 1974 quite a large amount of such credits had been taken up because of the favourable terms for the Deutsche Mark on the Euro-market in relation to domestic credit costs. In subsequent months, however, interest rates for short-term Euro-dollars increased sharply, reaching more than 14% for three-month loans in July. In the case of dollar loans with exchange risk cover, the forward cover premium, as expressed in the forward discount on the U.S. dollar, rose simultaneously. But this rise was not quite as strong as that in the gross interest on Euro-dollars, so that parallel to this trend there was a slight increase in the rates for Euro-DM, which correspond to the rates for forward-covered Euro-dollar loans. Together with the cash deposit ratio of 20% this rise in interest rates was in general sufficient to make foreign borrowing unattractive to domestic enterprises. From May to July, therefore,



<b>Main items of the balance of payments</b>				
<b>Millions of Deutsche Mark</b>				
Item	1974			Com- pare: May/July 1973
	May/ July p	Feb./ April	Jan./ July p	
<b>A. Current account</b>				
Foreign trade				
Exports (f.o.b.)	58,203	56,486	132,207	43,962
Imports (c.i.f.)	46,363	42,205	102,514	36,648
Balance	+11,840	+14,281	+29,693	+ 7,314
Services	— 2,040	— 1,854	— 4,668	— 1,620
Transfer payments	— 4,348	— 3,737	— 9,166	— 4,357
Balance on current account	+ 5,452	+ 8,690	+15,859	+ 1,337
<b>B. Capital transactions</b> (net capital exports: —)				
Long-term capital 1				
Private	— 1,046	+ 83	— 1,308	+ 5,423
Official	— 214	— 287	— 558	— 775
Balance of long-term capital transactions	— 1,260	— 204	— 1,865	+ 4,648
Short-term capital				
Banks	+ 1,252	— 173	— 1,079	— 2,137
Enterprises	2— 3,100	— 4,509	2—11,500	+ 2,306
Financial credits	.	+ 820	.	+ 506
Trade credits	.	— 5,329	.	+ 1,800
Official	+ 59	+ 232	+ 317	— 185
Balance of short-term capital transactions	— 1,789	— 4,450	—12,262	— 16
Balance on capital account	— 3,049	— 4,654	—14,127	+ 4,632
<b>C. Balance of recorded   transactions (A plus B)</b>	+ 2,403	+ 4,036	+ 1,732	+ 5,969
<b>D. Balance of unrecorded   transactions</b> (balancing item) 3	— 2,602	+ 452	+ 19	+ 2,122
<b>E. Overall balance on   current and capital   accounts (C plus D)</b>	— 199	+ 4,488	+ 1,751	+ 8,091
<b>F. Foreign exchange   balance 4</b>	— 199	+ 4,488	+ 1,751	+ 8,091
<b>Memorandum item:</b> Basic balance 5	+ 4,192	+ 8,486	+13,994	+ 5,985

1 For further details see the table on the opposite page. — 2 Partly estimated; as the figures on enterprises' external short-term capital transactions in July 1974 are still incomplete, it has been assumed that three quarters of the unfavourable balancing item of the balance of payments in July 1974 (DM 2.7 billion) is attributable to enterprises' net capital exports arising from financial and trade credit transactions. For the figures up to June 1974 see the statistical section of this Monthly Report, Table IX, 5. — 3 See footnote 2. — 4 Change in the Deutsche Bundesbank's net monetary reserves (identical with E). — 5 Balance on current and long-term capital account. — p Provisional.

German firms hardly altered their liabilities arising from short-term financial credits. At the same time the rising interest level abroad induced them to grant short-term financial credits to non-residents themselves; statistically reported claims in respect of short-term financial credits increased by DM 660 million from May to July 1974. This may have owed something to the fact that domestic exporters made more financing facilities available as German exports increased. The persistent outflows in short-term capital transactions made it possible to abolish the cash deposit and the authorisation requirement for the purchase of claims by non-residents. The remaining measures to stem undesirable capital inflows

(mandatory authorisation for the payment of interest on non-residents' deposits and for the sale to non-residents of money market paper or bonds maturing in less than four years) remain in force as a safeguard against possible future waves of inflowing capital.

During the past few months a close connection between foreign trade and credits was particularly evident in the movement of so-called trade credits. More recent statistics now enable the change in claims and liabilities arising from trade credits for the first half of 1974, as well as for the period up to end-1973, to be estimated and included in the balance of payments. Previous balance of payments figures for the first few months of 1974 had assigned such transactions to the balancing item of the balance of payments, which had shown a deficit of almost DM 9 billion (indicating an outflow of funds) during the first half of the year. The new statistical information reveals that these net capital exports were in the main caused by the change in trade credits. The export credits granted by German enterprises went up especially fast, namely by about DM 13 billion in the first half of 1974, DM 2 billion of which was in May and June (more recent data are not yet available). This great expansion in the granting of trade credits must be seen against the background of the steep rise in Germany's exports of goods, which amounted to DM 112 billion in the first half of 1974 and thus exceeded the figure for the second half of 1973 by almost DM 20 billion. Even if the periods of credit granted in export business remain unchanged, this results in a great increase in export claims. Furthermore, in contrast to last year, when foreign buyers of German goods were anxious to effect payment as soon as possible in view of rather strong expectations of an appreciation of the Deutsche Mark, the periods of credit have returned to normal with the fading of the speculative expectations, i.e. the average periods allowed non-residents for payment appear to have lengthened. The trade credits granted to German enterprises by foreigners also rose in the first half of 1974, but at DM 3.5 billion (May and June: DM 1.5 billion) the rise was noticeably weaker than one year ago; at that time the increase in enterprises' external liabilities had been one of the major sources of the inflow of funds from other countries. Thus "exports of capital" by enterprises through trade credit transactions in the first six months of 1974 amounted on balance to about DM 9.5 billion. This trend seems to have continued in July; no figures on trade credits are available for that month, but the deficits in the balancing item of the balance of payments (DM 2.7 billion) suggest that in July, too, the net amount of credit granted to non-residents by German enterprises was considerable.<sup>6</sup>

Unlike the enterprises sector, the banks experienced inflows of funds in May and June. Their short-term external liabilities increased by DM 2.1 billion in those two months. On the other hand, the rising interest rates on the Euro-markets prompted the banks to build up their

<sup>6</sup> If it is assumed that about three quarters of the July balancing item is attributable to not-yet-identifiable financial and trade credit transactions, this would imply net short-term capital exports by German enterprises totalling about DM 3 billion in the period from May to July 1974 covered by this Report; in the same months of last year there was an inflow of some DM 2.5 billion.

42 short-term investments abroad by a total of DM 1.7 billion; short-term claims on foreign banks alone went up by DM 3.8 billion in these two months. There was thus an inflow of DM 0.4 billion net to the banking sector in May and June. In July the situation changed completely: not least under the influence of the Herstatt failure the entire short-term external liabilities of German banks decreased by DM 2.7 billion. Not quite half of this amount was attributable to the reduction in liabilities arising from interest arbitrage business, which can be regarded as an indication of the change in the climate on foreign exchange markets. Other liabilities towards foreign banks fell by DM 1.5 billion in July, and there was also a drop in liabilities towards foreign non-banks (— DM 0.4 billion). To some extent the outflow may have been due to non-residents switching deposits back to the Euro-money market with its favourable interest rates. Banks' short-term external claims declined even more in July, namely by DM 3.5 billion. Here, too, DM 1.1 billion was ascribable to the reduction in claims arising from interest arbitrage transactions. Apart from this, the banks' external balances decreased in connection with the settlement of Germany's foreign payments, which were heavily in deficit in that month, and owing to repatriations in reaction to withdrawals of domestic and foreign deposits from German banks. On the whole, the changes in the banks' external position in July brought about an inflow of DM 0.75 billion.

The reduction in German banks' external liabilities appears to have continued in August. At any rate the banks making weekly returns on their external position reported a fall of DM 1.3 billion in their external liabilities, above all those towards foreign banks (DM 1 billion). Interest rate considerations probably played a role in this, as did the wavering of confidence on the foreign exchange markets. Since the banks' external claims did not change substantially, the reduction in the external liabilities resulted in an outflow of almost DM 1 billion net from Germany, which contributed in no small degree to the strengthening of the dollar rate in August and the decrease in the Bundesbank's monetary reserves.

### Monetary reserves

After declining by DM 0.4 billion in June, DM 1.1 billion in July and DM 3.0 billion in August the Bundesbank's aggregate monetary reserves came to slightly over DM 89 billion (net) on August 31, 1974. U.S. dollar investments continue to make up the largest item; at the end of August they were equivalent to DM 63.5 billion, DM 29.7 billion (= \$ 11 billion) of which is invested in medium-term, but easily mobilisable, claims on the U.S. Treasury. Out of the remaining dollar balances the Bundesbank transferred \$ 2 billion (= DM 5.3 billion) to the Italian central bank in early September. This investment, the interest rate on which is tied to the Treasury bill rate in the United States, and which is to run for a

Monetary reserves of the Deutsche Bundesbank				
Millions of Deutsche Mark				
Item	1974			Total at end-August
	Changes (+: increase in assets, decrease in liabilities)			
	Jan./ May	June/ August	Jan./ August	
<b>Reserve assets, total</b>	+ 3,117	— 3,129	— 12	92,446
Gold	+ 1	— 0	+ 1	14,002
U.S. dollars	+ 1,392	— 3,449	— 2,057	63,493
Other foreign exchange balances	+ 380	— 382	— 2	212
German reserve position in IMF and special drawing rights	+ 736	+ 224	+ 960	9,314
Drawing rights within gold tranche	+ 344	+ 83	+ 427	4,313
Special drawing rights allocated	—	—	—	1,746
Special drawing rights acquired	+ 392	+ 141	+ 533	3,255
Claims on European Fund (FECOM) 1	+ 594	— 654	— 60	—
Increase	(+ 2,161)	(—)	(+ 2,161)	(—)
Decrease	(— 1,567)	(— 654)	(— 2,221)	(—)
Medium-term claims on the United States arising from foreign exchange offset agreements	—	+ 1,125	+ 1,125	2,933
IBRD obligations	+ 14	—	+ 14	2,485
Other reserve assets	—	+ 7	+ 7	7
<b>External liabilities, total</b>	+ 136	— 1,401	— 1,265	3,188
Liabilities to foreign central banks	— 101	— 131	— 232	1,490
Liabilities to European Fund (FECOM) 1	—	— 1,308	— 1,308	1,308
Increase	(—)	(— 1,560)	(— 1,560)	(1,308)
Decrease	(—)	(+ 252)	(+ 252)	(—)
Other external liabilities	+ 237	+ 38	+ 275	390
<b>Net monetary reserves</b>	+ 3,253	— 4,530	— 1,277	89,258

1 Excluding transactions with the EEC non-member countries Norway and Sweden, which as participants in the European joint float settle their claims and liabilities direct with their partners and not through the European Fund (FECOM = Fonds Européen de Coopération Monétaire). Bundesbank claims on the Fund arise, in the event of interventions under the joint float arrangements, as a result of foreign exchange purchases by the Bundesbank and Deutsche Mark sales by foreign central banks, while Bundesbank liabilities to the Fund arise as a result of foreign exchange sales by the Bundesbank and Deutsche Mark purchases by foreign central banks; the foreign exchange required for such sales is obtained by swap transactions from the respective central bank. As a rule the balances are settled, in accordance with the agreed procedure, at the end of the month following the intervention.

maximum period of two years, is secured by a gold deposit. The Bundesbank's gold holdings (which of course do not include this gold deposit) amounted to DM 14 billion at the end of August, one ounce of fine gold being valued at \$ 42.22. German drawing rights in the gold tranche of the International Monetary Fund came to DM 4.3 billion; during the past few months they have risen owing to Deutsche Mark drawings of other countries, made, inter alia, in order to settle Bundesbank claims on the European Fund. Holdings of special drawing rights were equivalent to DM 5 billion; in recent months these assets have gone up strongly, too, because of the settlement of claims on the European Fund arising from interventions under the European joint float arrangements. The remaining claims of the Bundesbank, amount-

ing to DM 5.7 billion, consist mostly of medium-term Bundesbank claims on the United States in respect of the foreign exchange offset agreements (DM 2.9 billion) and IBRD bonds in the Bundesbank's portfolio (DM 2.5 billion).

The Bundesbank's external liabilities have also increased greatly of late; at the end of August they amounted to DM 3.2 billion. Liabilities towards the European Fund alone rose to DM 1.3 billion in August owing to the interventions of the Bundesbank and foreign central banks in support of the Deutsche Mark rate; they are due for settlement one month later by the surrender of Bundesbank reserve assets. Owing to payments made by foreign central banks to build up their Deutsche Mark balances at the Bundesbank, the Bundesbank's direct liabilities towards foreign central banks have also increased during the last two months; they totalled DM 1.5 billion at the end of August.



## Statistical section

<b>I. Overall monetary survey</b>	
1. Money stock and its determinants . . . . .	2*
2. Consolidated balance sheet of the banking system . . . . .	4*
3. Creation of central bank money and banks' free liquid reserves . . . . .	6*
<b>II. Deutsche Bundesbank</b>	
1. Assets and liabilities of the Deutsche Bundesbank . . . . .	8*
<b>III. Banks</b>	
1. Principal items of banks' assets- and liabilities-side business . . . . .	10*
2. Assets . . . . .	12*
3. Liabilities . . . . .	14*
4. Lending to non-banks, by debtor group, maturity and category . . . . .	16*
5. Deposits and borrowing from non-banks, by creditor group, maturity and category . . . . .	20*
6. Lending to domestic public authorities, by debtor group . . . . .	24*
7. Deposits and borrowing from domestic public authorities, by creditor group . . . . .	24*
8. Assets of banking groups . . . . .	26*
9. Liabilities of banking groups . . . . .	28*
10. Lending by banking groups to non-banks, by maturity and category . . . . .	30*
11. Deposits and borrowing of banking groups from non-banks, by maturity and category . . . . .	32*
12. Treasury bill holdings . . . . .	34*
13. Bonds of domestic public authorities and their special funds held by banks, by issuer . . . . .	34*
14. Security holdings . . . . .	35*
15. Lending to domestic enterprises and individuals, by borrower . . . . .	36*
16. Savings deposits . . . . .	38*
17. Building and loan associations . . . . .	39*
18. Lending and deposits of credit cooperatives (Raiffeisen) . . . . .	40*
19. Debits to accounts of non-banks . . . . .	40*
20. Number of monthly reporting banks and their classification by size . . . . .	40*
21. Number of banks and their branches . . . . .	41*
<b>IV. Minimum reserve statistics</b>	
1. Reserve ratios . . . . .	42*
2. Reserve classes . . . . .	44*
3. Reserves maintained . . . . .	44*
<b>V. Interest rates</b>	
1. Discount and lombard rates of the Deutsche Bundesbank and special interest charged for failure to meet minimum reserve requirement . . . . .	46*
2. Rates of the Deutsche Bundesbank for short-term money market operations . . . . .	46*
3. Rates of the Deutsche Bundesbank applying to sales of money market paper in the open market . . . . .	47*
4. Rates for prime bankers' acceptances . . . . .	47*
5. Money market rates in Frankfurt am Main, by month . . . . .	47*
6. Lending and deposit rates . . . . .	48*
7. Central Bank discount rates in foreign countries . . . . .	49*
8. Money market rates in foreign countries . . . . .	49*
<b>VI. Capital market</b>	
1. Sales and acquisition of securities . . . . .	50*
2. Sales of fixed interest securities of domestic issuers . . . . .	51*
3. Redemption of fixed interest securities of domestic issuers . . . . .	52*
4. Domestic issuers' fixed interest securities outstanding . . . . .	52*
5. Change in share circulation . . . . .	53*
6. Yields on domestic securities . . . . .	53*
7. Liquid funds and investment of insurance enterprises . . . . .	54*
8. Investment companies' sales receipts . . . . .	55*
<b>VII. Public finance</b>	
1. Tax revenue of central, regional and local authorities and Equalisation of Burdens Fund . . . . .	56*
2. Tax revenue of Federal and Länder Governments . . . . .	56*
3. Individual taxes of Federal and Länder Governments . . . . .	57*
4. Equalisation claims . . . . .	57*
5. Indebtedness of public authorities . . . . .	58*
6. Movement in public indebtedness . . . . .	59*
7. Public authorities' money market paper outstanding . . . . .	60*
8. Special deposits of Federal and Länder Governments at the Deutsche Bundesbank . . . . .	60*
9. Federal finance on a cash basis . . . . .	61*
10. Federal Government debt . . . . .	62*
11. Cash receipts, expenditure and assets of the wage and salary earners' pension insurance funds . . . . .	63*
12. Cash receipts, expenditure and assets of the Federal Labour Office . . . . .	63*
<b>VIII. General economic conditions</b>	
1. Origin, distribution and use of national product . . . . .	64*
2. Index of industrial net production . . . . .	65*
3. Labour market . . . . .	65*
4. Index of orders reaching industry . . . . .	66*
5. Construction projects and housing finance . . . . .	67*
6. Retail turnover . . . . .	67*
7. Prices . . . . .	68*
8. Mass incomes . . . . .	69*
9. Pay rates and actual earnings . . . . .	69*
<b>IX. Foreign trade and payments</b>	
1. Important items in the balance of payments . . . . .	70*
2. Foreign trade (special trade) by country and group of countries . . . . .	71*
3. Principal net items in service transactions with the rest of the world . . . . .	72*
4. Transfer payments (unilateral transfers) . . . . .	72*
5. Capital transactions with the rest of the world . . . . .	73*
6. Monetary reserves of the Deutsche Bundesbank . . . . .	74*
7. Short-term external assets and liabilities of domestic banks . . . . .	76*
8. External assets and liabilities of domestic enterprises in respect of financial credits . . . . .	76*
9. Averages of official foreign exchange quotations on the Frankfurt currency exchange . . . . .	77*
10. Changes in the external value of the Deutsche Mark . . . . .	78*
11. Changes in the external value of foreign currencies . . . . .	79*
12. Par values of currencies of the members in the International Monetary Fund . . . . .	80*











# I. Overall monetary survey

## 3. Creation of central bank money and banks' free liquid reserves\*

Millions of DM; calculated from the daily averages of the months, until end-1973 from the averages of the four bank week return dates in the month

Period	A. Change in central bank money supply and in free liquid reserves (Increase: +)							B. Determinants of central bank money supply and of free liquid						
	I. Central bank money supply				II. Free liquid reserves <sup>1</sup>			I. Gross creation or destruction of central bank money <sup>2</sup>						
	Total	Currency in circulation	Minimum reserve on domestic liabilities <sup>3</sup>	Memo Item: Seasonally adjusted changes in central bank money supply <sup>4</sup>	Total	Memo Item: Total of free liquid reserves <sup>5</sup>	Total (A + II = B)	Total	Purchases (+) or sales (-) of foreign exchange by Bundesbank	Change in net balances of domestic non-banks with Bundesbank (Increase:-)	"Float" in payments with Bundesbank	Other factors	Open (Net)	
1972	+10,421	+ 6,033	+ 4,388	+10,538	- 7,457	7,344	+ 2,964	+16,160	+16,905	+ 1,576	+ 1,592	- 1,826	- 2,067	
1973	+ 6,905	+ 2,990	+ 3,915	+ 7,082	- 4,394	2,950	+ 2,511	+19,546	+27,248	- 1,489	+ 1,953	- 2,899	- 6,342	
1971 3rd qtr	+ 1,617	+ 1,385	+ 232	+ 1,914	- 3,719	11,253	- 2,102	- 4,510	- 2,493	- 417	- 203	- 241	- 1,156	
4th qtr	+ 3,519	+ 2,516	+ 1,003	+ 1,899	+ 3,548	14,801	+ 7,067	+ 4,619	+ 2,556	+ 2,646	+ 71	- 475	- 179	
1972 1st qtr	- 510	- 1,510	+ 1,000	+ 2,310	- 1,747	13,054	- 2,257	- 2,753	+ 4,427	- 5,249	+ 14	- 967	- 978	
2nd qtr	+ 3,049	+ 2,269	+ 780	+ 2,374	+ 2,832	15,886	+ 5,881	+ 5,481	+ 4,059	+ 1,331	+ 579	+ 204	- 692	
3rd qtr	+ 3,148	+ 1,866	+ 1,282	+ 3,463	+ 9,889	5,997	+ 6,741	+ 10,823	+ 10,714	+ 2,313	- 407	- 855	- 942	
4th qtr	+ 4,734	+ 3,408	+ 1,326	+ 2,391	+ 1,347	7,344	+ 6,081	+ 2,609	- 2,295	+ 3,181	+ 1,406	- 208	+ 525	
1973 1st qtr	- 1,195	- 2,449	+ 1,254	+ 2,631	- 5,352	1,992	- 6,547	+14,293	+20,509	- 3,629	+ 85	- 1,021	- 1,631	
2nd qtr	+ 2,928	+ 1,685	+ 1,243	+ 1,536	- 228	1,764	+ 2,700	- 859	+ 96	- 698	+ 1,088	- 573	- 772	
3rd qtr	+ 313	+ 326	- 13	+ 297	+ 1,023	2,787	+ 1,336	+ 726	+ 7,088	- 2,882	- 501	- 385	- 2,594	
4th qtr	+ 4,859	+ 3,428	+ 1,431	+ 2,618	+ 163	2,950	+ 5,022	+ 5,388	- 445	+ 5,720	+ 1,301	- 920	- 1,345	
1974 1st qtr	- 3,335	- 3,746	+ 411	+ 388	- 812	2,231	- 3,947	- 8,607	- 3,078	- 2,893	- 1,088	- 1,345	+ 568	
2nd qtr	+ 2,941	+ 2,380	+ 561	+ 1,504	- 688	1,543	+ 2,253	+ 4,460	+ 5,613	- 620	+ 581	- 1,218	- 789	
1971 May	+ 1,574	+ 1,027	+ 547	+ 888	+ 6,205	26,226	+ 7,779	+ 8,238	+ 7,875	+ 389	- 46	- 10	- 71	
June	+ 332	- 219	+ 551	+ 572	-11,254	14,972	-10,922	- 5,662	- 3,687	- 2,117	+ 200	- 365	+ 307	
July	+ 1,480	+ 1,542	- 62	+ 667	- 1,517	13,455	- 37	- 2,041	- 2,540	+ 1,528	- 330	- 236	- 463	
Aug.	+ 377	+ 287	+ 90	+ 656	+ 295	13,750	+ 672	+ 293	- 309	+ 1,082	- 2	- 5	- 473	
Sep.	- 240	- 444	+ 204	+ 591	- 2,497	11,253	- 2,737	- 2,782	+ 356	- 3,027	+ 129	-	- 220	
Oct.	+ 142	+ 103	+ 39	+ 554	- 424	10,829	- 282	+ 362	+ 743	+ 189	- 46	- 46	- 478	
Nov.	+ 426	+ 85	+ 341	+ 676	+ 4,727	15,556	+ 5,153	+ 2,058	+ 549	+ 1,457	+ 321	- 189	- 60	
Dec.	+ 2,951	+ 2,328	+ 623	+ 669	- 755	14,801	+ 2,196	+ 2,199	+ 1,264	+ 1,000	- 204	- 240	+ 379	
1972 Jan.	- 681	- 1,554	+ 873	+ 892	+ 3,414	18,215	+ 2,733	+ 493	+ 2,321	- 483	- 208	- 495	- 642	
Feb.	- 876	- 927	+ 51	+ 877	+ 1,233	19,448	+ 357	- 437	+ 1,876	- 2,020	+ 48	- 354	+ 13	
March	+ 1,047	+ 971	+ 76	+ 541	- 6,394	13,054	- 5,347	- 2,809	+ 230	- 2,746	+ 174	- 118	- 349	
April	+ 904	+ 946	- 42	+ 959	- 28	13,026	+ 876	+ 725	+ 267	+ 1,064	+ 54	- 32	- 628	
May	+ 1,022	+ 693	+ 329	+ 637	+ 604	13,630	+ 1,626	+ 2,106	+ 409	+ 1,252	- 5	+ 213	+ 237	
June	+ 1,123	+ 630	+ 493	+ 778	+ 2,256	15,886	+ 3,379	+ 2,650	+ 3,383	- 985	+ 530	+ 23	- 301	
July	+ 2,428	+ 1,965	+ 463	+ 1,465	- 2,254	13,632	+ 174	+11,353	+10,017	+ 3,272	- 410	- 395	- 1,131	
Aug.	+ 454	- 248	+ 702	+ 1,635	- 5,503	8,129	- 5,049	+ 2,347	+ 1,637	+ 1,057	+ 125	- 433	- 39	
Sep.	+ 266	+ 149	+ 117	+ 363	- 2,132	5,997	- 1,866	- 2,877	- 940	- 2,016	- 122	- 27	+ 228	
Oct.	- 336	- 343	+ 7	+ 679	- 83	5,914	- 419	- 1,426	- 775	- 698	+ 166	- 140	+ 21	
Nov.	+ 1,001	+ 451	+ 550	+ 1,057	+ 1,554	7,468	+ 2,555	+ 1,992	- 972	+ 2,331	+ 590	+ 4	+ 39	
Dec.	+ 4,069	+ 3,300	+ 769	+ 655	- 124	7,344	+ 3,945	+ 2,043	- 548	+ 1,548	+ 650	- 72	+ 465	
1973 Jan.	- 1,965	- 3,103	+ 1,138	+ 736	+ 654	7,998	- 1,311	- 433	- 484	+ 515	- 336	- 307	+ 179	
Feb.	- 688	- 470	- 218	+ 690	+ 3,159	11,157	+ 2,471	+ 9,469	+12,288	- 1,563	+ 253	- 368	- 1,141	
March	+ 1,458	+ 1,124	+ 334	+ 1,205	- 9,165	1,992	- 7,707	+ 5,257	+ 8,705	- 2,581	+ 148	- 346	- 669	
April	+ 1,540	+ 1,032	+ 508	+ 1,060	- 845	1,147	+ 695	+ 211	- 1,250	+ 394	+ 618	- 472	+ 921	
May	- 150	- 389	+ 239	+ 278	+ 3,020	4,167	+ 2,670	- 1,021	- 149	+ 124	+ 348	- 78	- 1,266	
June	+ 1,538	+ 1,042	+ 496	+ 198	- 2,403	1,764	- 865	- 49	+ 1,495	- 1,216	+ 122	- 23	- 427	
July	+ 937	+ 1,136	- 199	- 98	+ 724	2,488	+ 1,661	+ 2,510	+ 5,200	- 604	- 635	+ 143	- 1,594	
Aug.	- 568	- 680	+ 112	+ 416	- 212	2,276	- 780	- 874	+ 855	+ 564	- 28	- 323	- 1,942	
Sep.	- 56	- 130	+ 74	- 21	+ 511	2,787	+ 455	- 910	+ 1,033	- 2,842	+ 162	- 205	+ 942	
Oct.	- 476	- 594	+ 118	+ 988	- 693	2,094	- 1,169	+ 1,302	- 2,825	- 375	+ 423	- 386	- 1,185	
Nov.	+ 1,173	+ 519	+ 654	+ 865	- 85	2,009	+ 1,088	+ 432	- 1,694	+ 3,063	- 130	- 426	- 435	
Dec.	+ 4,162	+ 3,503	+ 659	+ 765	+ 941	2,950	+ 5,103	+ 3,652	- 1,576	+ 3,032	+ 1,008	- 108	+ 275	
1974 Jan.	- 2,888	- 3,764	+ 876	+ 161	- 754	2,089	- 3,642	- 7,659	- 3,024	- 1,234	- 1,336	- 841	- 850	
Feb.	- 1,455	- 873	- 582	- 123	+ 634	2,723	- 821	- 450	- 502	+ 464	- 142	+ 73	+ 106	
March	+ 1,008	+ 891	+ 117	+ 350	- 492	2,231	+ 516	- 498	+ 448	- 2,123	+ 390	- 577	+ 1,312	
April	+ 567	+ 944	- 377	+ 981	+ 3,089	5,320	+ 3,656	+ 3,691	+ 3,236	+ 911	+ 343	- 495	- 254	
May	+ 1,143	+ 287	+ 856	+ 816	+ 1,214	6,534	+ 2,357	+ 2,179	+ 2,104	+ 531	- 67	- 450	- 294	
June	+ 1,231	+ 1,149	+ 82	- 293	- 4,991	1,543	- 3,760	- 1,410	+ 273	- 2,062	+ 305	- 273	- 241	
July p	+ 1,376	+ 1,693	- 317	+ 1,050	+ 785	2,328	+ 2,161	- 44	- 872	- 1,541	- 444	- 679	- 270	

\* Excluding postal giro and postal savings bank offices. — 1 Excess balances, open market paper which the Deutsche Bundesbank has promised to

purchase, unused rediscount quotas and — up to May 1973 — scope for raising lombard loans. — 2 Other than that due to the banks' drawing on

free liquid reserves or to the conversion of central bank money into free liquid reserves. — 3 In current reserve ratios (changes in required

# I. Overall monetary survey

reserves (expansive effect: +)

market operations sales: —)				II. Mandatory special reserves and deposits with Bundesbank (increase: —)					IV. Direct influence on free liquid reserves					Total (B III + IV = A)	Period
with non-banks, in N-paper and long-term securities	with banks under repurchase agreements	in 5 to 10-day Treasury bills	Special and temporary lombard facility (repayments: —)	Total	Change in required minimum reserve 6	Minimum reserve on external liabilities	Cash deposit	III. Net creation of central bank money (B I + II) 2	Total	Change in re-discount quotas (reduction: —) 7	Non-banks' money market indebtedness to banks 8				
- 2,087	-	-	-	- 9,586	- 5,978	- 2,121	- 1,487	+ 6,574	- 3,610	- 5,061	+ 1,451	+ 2,964	1972		
- 7,676	+ 1,334	-	+ 1,075	- 5,149	- 5,833	- 538	+ 1,222	+ 14,397	- 11,886	- 13,243	+ 1,357	+ 2,511	1973		
- 1,156	-	-	-	+ 1,334	-	+ 1,334	-	- 3,176	+ 1,074	+ 456	+ 618	- 2,102	1971 3rd qtr		
- 179	-	-	-	+ 2,996	+ 2,996	- 2	-	+ 7,615	- 548	- 393	- 155	+ 7,067	1971 4th qtr		
- 978	-	-	-	+ 2,620	+ 3,012	- 370	- 22	- 133	- 2,124	- 1,762	- 362	- 2,257	1972 1st qtr		
- 692	-	-	-	- 523	-	+ 101	- 624	+ 4,958	+ 923	+ 300	+ 623	+ 5,881	1972 2nd qtr		
- 942	-	-	-	- 14,334	- 8,990	- 2,971	- 2,373	- 3,511	- 3,230	- 3,834	+ 604	- 6,741	1972 3rd qtr		
+ 525	-	-	-	+ 2,651	-	+ 1,119	+ 1,532	+ 5,280	+ 821	+ 235	+ 586	+ 6,081	1972 4th qtr		
- 1,631	-	-	-	- 12,425	- 4,857	- 7,893	+ 325	+ 1,888	- 8,415	- 8,592	+ 177	- 6,547	1973 1st qtr		
- 1,297	+ 525	-	-	+ 7,388	-	+ 6,694	+ 694	+ 6,529	- 3,629	- 4,709	+ 880	+ 2,700	1973 2nd qtr		
- 2,799	+ 205	-	-	+ 660	-	+ 604	+ 56	+ 1,386	- 50	+ 185	- 215	+ 1,336	1973 3rd qtr		
- 1,949	+ 604	-	+ 1,075	+ 772	- 976	+ 57	+ 147	+ 4,614	+ 408	+ 107	+ 515	+ 5,022	1973 4th qtr		
+ 886	- 318	-	- 771	+ 4,503	+ 2,359	+ 2,279	- 135	- 4,104	+ 157	+ 767	- 610	- 3,947	1974 1st qtr		
+ 331	- 1,120	-	+ 893	- 345	-	- 398	+ 53	+ 4,115	- 1,862	- 2,456	+ 594	+ 2,253	1974 2nd qtr		
- 71	-	-	-	- 428	-	- 428	-	+ 7,810	- 31	+ 92	- 123	+ 7,779	1971 May		
+ 307	-	-	-	- 5,867	- 4,046	- 1,821	-	- 11,529	+ 607	+ 432	+ 175	- 10,922	1971 June		
- 463	-	-	-	+ 1,130	-	+ 1,130	-	- 911	+ 874	+ 152	+ 722	- 37	1971 July		
- 473	-	-	-	+ 310	-	+ 310	-	+ 603	+ 69	+ 154	- 85	+ 672	1971 Aug.		
- 220	-	-	-	+ 106	-	+ 106	-	- 2,868	+ 131	+ 150	- 19	- 2,737	1971 Sep.		
- 478	-	-	-	+ 64	-	+ 64	-	+ 426	- 708	- 627	- 81	- 282	1971 Oct.		
- 80	-	-	-	+ 2,968	+ 2,998	+ 30	-	+ 5,026	+ 127	+ 73	+ 54	+ 5,153	1971 Nov.		
+ 379	-	-	-	+ 36	-	- 36	-	+ 2,163	+ 33	+ 161	- 128	+ 2,196	1971 Dec.		
- 642	-	-	-	+ 2,180	+ 3,012	- 832	-	+ 2,673	+ 60	+ 353	- 293	+ 2,733	1972 Jan.		
+ 13	-	-	-	+ 540	-	+ 540	-	+ 103	+ 254	+ 364	- 110	+ 357	1972 Feb.		
- 349	-	-	-	- 100	-	- 78	- 22	- 2,909	- 2,438	- 2,479	+ 41	- 5,347	1972 March		
- 628	-	-	-	- 309	-	- 39	- 270	+ 416	+ 460	+ 112	+ 348	+ 876	1972 April		
+ 237	-	-	-	- 818	-	+ 54	- 872	+ 1,288	+ 338	+ 161	+ 177	+ 1,626	1972 May		
- 301	-	-	-	+ 604	-	+ 86	+ 518	+ 3,254	+ 125	+ 27	+ 98	+ 3,379	1972 June		
- 1,131	-	-	-	- 8,664	- 5,674	- 2,896	- 94	+ 2,689	- 2,515	- 2,536	+ 21	+ 174	1972 July		
- 39	-	-	-	- 5,824	- 3,316	- 1,598	- 910	- 3,477	- 1,572	- 1,775	+ 203	- 5,049	1972 Aug.		
+ 228	-	-	-	+ 154	-	+ 1,523	- 1,369	- 2,723	+ 857	+ 477	+ 380	- 1,866	1972 Sep.		
+ 21	-	-	-	+ 591	-	+ 505	+ 86	- 835	+ 416	+ 114	+ 302	- 419	1972 Oct.		
+ 39	-	-	-	+ 238	-	+ 360	- 122	+ 2,230	+ 325	+ 96	+ 229	+ 2,555	1972 Nov.		
+ 485	-	-	-	+ 1,822	-	+ 254	+ 1,568	+ 3,865	+ 80	+ 25	+ 55	+ 3,945	1972 Dec.		
+ 179	-	-	-	- 1,050	-	- 738	- 312	- 1,483	+ 172	+ 156	+ 16	- 1,311	1973 Jan.		
- 1,141	-	-	-	- 702	-	- 918	+ 216	+ 8,767	- 6,296	- 6,280	- 16	+ 2,471	1973 Feb.		
- 669	-	-	-	- 10,673	- 4,857	- 6,237	+ 421	- 5,416	- 2,291	- 2,468	+ 177	- 7,707	1973 March		
- 214	+ 1,135	-	-	+ 1,685	-	+ 1,338	+ 347	+ 1,896	- 1,201	- 1,702	+ 501	+ 695	1973 April		
- 131	+ 1,135	-	-	+ 3,679	-	+ 3,421	+ 258	+ 2,658	+ 212	+ 4	+ 208	+ 2,870	1973 May		
- 952	+ 525	-	-	+ 2,024	-	+ 1,935	+ 89	+ 1,975	- 2,840	- 3,011	+ 171	- 865	1973 June		
- 1,951	+ 357	-	-	- 883	-	- 899	+ 16	+ 1,627	+ 34	- 1	+ 35	+ 1,661	1973 July		
- 135	- 28	- 1,779	-	+ 334	-	+ 342	- 8	- 540	- 240	+ 112	- 352	- 780	1973 Aug.		
- 713	- 124	+ 1,779	-	+ 1,209	-	+ 1,161	+ 48	+ 299	+ 156	+ 54	+ 102	+ 455	1973 Sep.		
- 420	- 730	- 35	-	- 1,243	-	- 1,250	+ 7	+ 59	- 1,228	- 1,177	- 51	- 1,169	1973 Oct.		
- 1,016	+ 546	+ 35	+ 54	+ 191	- 976	+ 1,154	+ 13	+ 623	+ 465	+ 215	+ 250	+ 1,088	1973 Nov.		
- 513	+ 788	-	+ 1,021	+ 280	-	+ 153	+ 127	+ 3,932	+ 1,171	+ 855	+ 316	+ 5,103	1973 Dec.		
+ 588	- 1,438	-	- 374	+ 4,508	+ 2,359	+ 2,148	+ 1	- 3,151	- 491	- 25	- 466	- 3,642	1974 Jan.		
+ 106	-	-	- 449	+ 13	-	+ 128	- 141	- 463	- 358	- 105	- 253	- 821	1974 Feb.		
+ 192	+ 1,120	-	+ 52	+ 8	-	+ 3	+ 5	- 490	+ 1,006	+ 897	+ 109	+ 516	1974 March		
+ 513	- 767	-	- 50	- 56	-	- 160	+ 104	+ 3,635	+ 21	+ 45	- 24	+ 3,656	1974 April		
+ 59	- 353	-	+ 355	- 169	-	- 115	- 54	+ 2,010	+ 347	+ 26	+ 321	+ 2,357	1974 May		
- 241	-	-	+ 588	- 120	-	- 123	+ 3	- 1,530	- 2,230	- 2,527	+ 297	- 3,760	1974 June		
- 270	-	-	+ 3,762	- 230	-	- 193	- 37	- 274	+ 2,435	+ 2,254	+ 181	+ 2,161	1974 July p		

minimum reserves due to fixing of new reserve ratios are given in B II). — 4 Daily averages, at constant reserve ratios (base: January 1974). —

5 In the current month or the last month of the period. — 6 Due to fixing new minimum reserve ratios for domestic liabilities. — 7 Up to June 1973

including changes in "warning mark" for lombard loans. — 8 Paper which the Deutsche Bundesbank has promised to purchase. — p Provisional.



		Lending to and claims on domestic public authorities						Securities						
		Federal Government 6												
Foreign bills of exchange	Lombard loans (advances against securities)	Total	Book credits	Treasury bills and discountable Treasury bonds	Claims on Fed. Gov't in respect of acquisition of claims resulting from post-war economic aid 7	Equalisation claims 8	Loans to Länder Governments	Lending to Fed. Railways and Fed. Post Office	Bonds and interest-bearing Treasury bonds of Federal and Länder Governments	Bonds and interest-bearing Treasury bonds of Fed. Railways and Fed. Post Office	Foreign securities	Other assets 9	Position on return date	
1,945	949	12,278	2,082	—	1,534	8,682	158	—	561	684	997	1,494	1967 Dec.	
3,128	875	10,815	1,344	5	783	8,683	—	—	348	503	801	1,508	1968 Dec.	
3,440	2,797	11,704	1,904	395	722	8,683	70	182	199	247	578	2,614	1969 Dec.	
2,905	1,682	11,093	2,023	—	387	8,683	311	385	175	198	388	2,264	1970 Dec.	
1,812	1,396	10,466	1,742	—	41	8,683	607	77	67	337	184	8,268	1971 Dec.	
1,185	1,146	9,051	368	—	—	8,683	72	318	20	25	8	15 8,656	1972 Dec.	
460	—	9,083	—	400	—	8,683	—	189	7	18	8	15 12,777	1973 June	
463	—	9,198	115	400	—	8,683	135	189	7	19	8	15 13,153	July	
407	—	9,083	—	400	—	8,683	73	189	7	19	8	15 12,482	Aug.	
371	—	9,083	—	400	—	8,683	—	189	7	19	8	15 13,228	Sep.	
314	—	9,108	23	400	—	8,683	36	89	7	19	8	15 13,665	Oct.	
351	16 217	10,595	1,812	100	—	8,683	—	300	7	11	8	15 12,875	Nov.	
460	16 321	11,535	2,852	—	—	8,683	—	300	6	11	8	15 16,211	Dec.	
465	—	11,958	3,175	100	—	8,683	16	—	6	10	8	15 16,544	1974 Jan.	
499	—	12,166	3,483	—	—	8,683	146	—	56	10	8	15 16,973	Feb.	
578	16 46	10,371	1,688	—	—	8,683	—	31	93	44	8	15 17,081	March	
492	2	11,336	2,653	—	—	8,683	82	—	237	176	8	15 12,865	April	
480	16 1,460	9,810	1,127	—	—	8,683	293	—	334	300	8	15 12,652	May	
413	16 4,968	8,683	—	—	—	8,683	—	—	334	288	8	15 13,648	June	
477	3,446	9,349	666	—	—	8,683	—	—	334	285	8	15 12,477	July 7	
501	3,815	9,571	888	—	—	8,683	—	—	334	278	8	15 12,121	July 15	
501	6,962	8,683	—	—	—	8,683	—	—	334	278	8	15 11,753	July 23	
527	1,690	10,107	1,424	—	—	8,683	231	—	334	277	8	15 13,468	July 31	
551	5,953	11,652	2,969	—	—	8,683	256	—	334	274	8	15 12,028	Aug. 7	
566	3,600	11,125	2,442	—	—	8,683	81	—	334	266	8	15 11,980	Aug. 15	
570	7,959	8,683	—	—	—	8,683	—	—	334	258	8	15 11,337	Aug. 23	
563	6,880	9,554	871	—	—	8,683	145	50	334	257	8	15 11,866	Aug. 31	

VII, 8)		Domestic enterprises and individuals						Liabilities for mobilisation and liquidity paper sold					Memorandum Item: Currency			
Stability loan	Total	Federal Post Office 13	Other enterprises and individuals	Balances on cash deposit special accounts	Foreign depositors	Contra-entry to special drawing rights allocated	Provisions	Capital and reserves	Other liabilities 14	Total	of which Coins	Position on return date				
—	1,445	1,085	350	—	614	—	2,245	1,925	1,370	742	33,829	2,255	1967 Dec.			
—	1,482	1,091	391	—	336	—	2,534	2,110	1,470	1,026	34,943	2,444	1968 Dec.			
—	1,562	1,174	388	—	396	—	2,029	1,170	1,150	215	37,275	2,658	1969 Dec.			
12 256	2,042	1,630	412	—	343	738	7,532	1,170	1,150	2,459	39,488	3,008	1970 Dec.			
—	2,242	1,735	507	—	941	1,364	6,477	2,370	1,370	3,239	43,159	3,865	1971 Dec.			
—	3,214	2,703	511	1,336	898	1,855	4,465	1,296	1,370	3,307	48,945	4,441	1972 Dec.			
1,473	3,413	2,957	456	460	2,332	1,855	7,790	1,296	1,219	1,145	50,091	4,583	1973 June			
1,975	3,927	3,535	392	446	2,219	1,855	8,539	1,296	1,219	1,510	50,467	4,645	July			
2,240	3,389	3,045	344	516	1,863	1,855	8,953	1,296	1,219	1,712	50,313	4,617	Aug.			
2,360	3,666	3,305	361	344	2,001	1,855	9,097	1,296	1,219	1,999	49,708	4,641	Sep.			
2,500	3,347	2,949	398	414	1,774	1,855	9,497	1,296	1,219	2,195	49,172	4,658	Oct.			
2,500	3,627	3,270	357	394	2,100	1,855	9,453	1,296	1,219	2,742	52,263	4,659	Nov.			
2,500	2,932	2,455	477	245	897	1,746	9,860	1,296	1,219	4,082	50,975	4,728	Dec.			
2,500	4,319	3,988	331	266	656	1,746	8,795	1,296	1,219	3,619	49,048	4,666	1974 Jan.			
2,500	4,008	3,675	333	477	675	1,746	8,968	1,296	1,219	3,916	49,246	4,678	Feb.			
2,500	3,931	3,594	337	343	636	1,746	8,093	1,296	1,219	4,424	50,280	4,727	March			
2,500	3,108	2,752	356	311	502	1,746	13,711	1,485	1,219	928	50,873	4,805	April			
2,500	2,755	2,397	358	347	943	1,746	8,405	1,485	1,219	1,641	52,337	4,891	May			
2,500	4,348	3,930	418	334	613	1,746	8,505	1,485	1,219	2,226	52,742	4,917	June			
2,500	2,954	2,564	390	370	628	1,746	8,403	1,485	1,219	2,261	53,052	4,924	July 7			
2,500	2,264	1,863	401	374	613	1,746	8,666	1,485	1,219	2,451	52,539	4,927	July 15			
2,500	2,061	1,709	352	382	578	1,746	8,913	1,485	1,219	2,648	50,589	4,938	July 23			
2,500	3,423	3,057	366	409	887	1,746	8,900	1,485	1,219	2,667	54,543	4,957	July 31			
2,500	2,554	2,186	368	456	1,658	1,746	8,771	1,485	1,219	2,891	53,477	4,958	Aug. 7			
2,500	2,354	1,977	377	534	1,845	1,746	8,773	1,485	1,219	2,997	52,959	4,959	Aug. 15			
2,500	1,901	1,604	297	523	2,538	1,746	8,713	1,485	1,219	3,094	50,972	4,965	Aug. 23			
2,500	2,633	2,305	328	528	2,358	1,746	8,776	1,485	1,219	3,170	54,616	4,967	Aug. 31			

giro accounts" and "Other assets" and, until Dec. 1969, "Other domestic securities". — 10 Excluding deposits of the German Federal Post Office which, until January 1971, were included in this item in the Monthly Reports. — 11 Local authorities, local authority associations and social security funds. — 12 Federal education loan. —

13 In the Monthly Reports until January 1971 included in item "Domestic banks". — 14 Including various accounts of "Liabilities in respect of foreign business", which represent neither liabilities to foreigners nor to domestic banks. — 15 Including "Contra-entry resulting from new valuation of monetary reserves and other foreign currency

items"; from Dec. 31, 1971 DM 5,996 million; from April 15, 1972 DM 3,101 million; from Feb. 15, 1973 DM 10,318 million; from April 23, 1973 DM 7,217 million; from Dec. 31, 1973 DM 10,279 million; from April 15, 1974 DM 6,773 million. — 16 Special lombard advances.

















Long-term										End of month
Book credits and loans 2	Bills discounted 1	Loans on a trust basis	Securities (excluding bank bonds) 3	Total including security holdings equalisation and covering claims	excluding equalisation and covering claims	Book credits and loans 2	Loans on a trust basis	Securities (excluding bank bonds) 3	Equalisation and covering claims	
17,751	.	694	660	148,234	132,085	115,531	16,554	8,166	7,983	1962 Dec.
20,359	.	792	769	168,604	151,698	133,221	18,477	8,764	8,142	1963 Dec.
8 22,840	.	10 795	1,078	11 192,743	11 174,339	12 151,869	13 22,470	10,015	8,389	1964 Dec.
27,277	.	605	937	14 216,816	17 197,093	15 171,691	16 25,402	14 11,167	8,556	1965 Dec.
18 32,465	.	9 846	1,072	17 234,584	17 214,475	19 186,009	20 28,466	21 11,348	8,741	1966 Dec.
34,107	.	804	3,431	18 257,784	236,557	22 206,052	23 30,505	18 12,377	8,850	1967 Dec.
35,742	.	1,006	4,389	294,471	267,824	235,900	31,924	17,977	8,670	1968 Dec.
31,920	3,921	922	4,352	294,406	268,147	236,349	31,798	17,587	8,672	1968 Dec. 4
37,709	4,658	1,033	4,901	14 334,743	305,716	272,650	33,066	14 20,709	8,318	1969 Dec.
47,541	5,278	1,195	4,149	27 365,307	28 336,979	301,595	26 35,384	29 20,420	7,908	1970 Dec. 5
47,541	5,278	1,526	4,149	365,634	337,306	301,595	35,711	20,420	7,908	1970 Dec. 5
59,309	5,426	1,670	3,496	33 404,900	34 377,042	35 339,233	37,809	7 20,355	7,503	1971 Dec.
70,649	5,765	1,231	3,097	38 456,717	30 429,958	30 391,300	38,658	19,644	7,115	1972 Dec.
71,019	5,634	1,320	3,068	461,238	434,725	395,703	39,022	19,384	7,129	1973 Jan.
71,905	5,575	1,302	3,271	39 467,924	39 441,899	39 402,747	39,152	18,898	7,127	Feb.
74,016	5,574	1,269	3,366	472,150	445,517	406,211	39,306	19,494	7,139	March
74,928	5,595	1,431	3,318	475,515	449,290	409,848	39,442	19,108	7,117	April
75,288	5,582	1,451	3,204	479,244	452,909	413,256	39,653	19,219	7,116	May
76,791	5,591	1,435	3,159	481,552	455,413	415,589	39,824	19,161	6,978	June
76,720	5,522	1,413	3,052	484,981	458,846	418,886	39,960	19,369	6,766	July
76,161	5,626	1,410	3,010	489,999	463,606	423,412	40,194	19,625	6,768	Aug.
75,786	5,622	1,414	3,001	492,792	466,386	426,060	40,326	19,643	6,763	Sep.
75,762	5,718	1,393	3,027	497,931	470,958	430,324	40,634	20,210	6,763	Oct.
75,904	5,800	1,362	2,996	503,954	476,220	435,428	40,792	20,974	6,760	Nov.
75,454	5,945	1,430	2,944	508,248	480,859	439,863	40,996	20,767	6,622	Dec. 6
75,985	5,946	1,431	2,945	510,891	483,363	442,324	41,039	20,852	6,676	Dec. 6
75,199	6,002	1,360	2,944	512,921	485,015	443,581	41,434	7 21,249	6,657	1974 Jan.
73,880	6,011	1,354	2,953	515,457	487,762	446,115	41,647	21,038	6,657	Feb.
74,835	6,191	1,331	3,041	52 518,217	42 489,072	43 447,476	41,596	20,485	6,660	March
74,629	6,164	1,379	2,954	52 518,367	52 491,490	52 449,744	41,746	20,218	6,659	April
75,971	6,278	1,374	3,012	55 521,273	55 494,271	49 452,767	56 41,504	20,347	6,655	May
76,735	6,258	1,293	3,212	58 522,876	58 496,068	58 454,378	41,690	20,243	6,565	June
78,523	6,222	1,243	3,260	526,205	499,609	457,810	41,799	20,230	6,366	July p

10 + DM 190 million. - 11 - DM 320 million. - 28 + DM 470 million. - 29 - DM 370 million. - 46 + DM 430 million. - 47 + DM 490 million. -  
 12 - DM 1,830 million. - 13 + DM 1,510 million. - 30 + DM 410 million. - 31 + DM 530 million. - 48 + DM 290 million. - 49 - DM 410 million. -  
 14 - DM 100 million. - 15 - DM 200 million. - 32 + DM 140 million. - 33 + DM 270 million. - 50 - DM 420 million. - 51 - DM 250 million. -  
 16 + DM 200 million. - 17 + DM 160 million. - 34 + DM 390 million. - 35 + DM 330 million. - 52 - DM 230 million. - 53 - DM 980 million. -  
 18 - DM 130 million. - 19 - DM 570 million. - 36 + DM 510 million. - 37 + DM 570 million. - 54 - DM 930 million. - 55 - DM 890 million. -  
 20 + DM 730 million. - 21 - DM 160 million. - 38 + DM 350 million. - 39 + DM 3 billion. - 56 - DM 480 million. - 57 - DM 1,010 million. -  
 22 + DM 260 million. - 23 - DM 260 million. - 40 - DM 450 million. - 41 - DM 460 million. - 58 + DM 150 million. - p Provisional.  
 24 + DM 500 million. - 25 + DM 170 million. - 42 - DM 490 million. - 43 - DM 440 million. -  
 26 + DM 540 million. - 27 + DM 100 million. - 44 + DM 230 million. - 45 - DM 240 million. -



										Long-term	
Book credits and loans 2	Bills discounted 1	Loans on a trust basis	Securities (excluding bank bonds) 3	Total including   excluding security holdings, equalisation and covering claims		Book credits and loans 2	Loans on a trust basis	Securities (excluding bank bonds) 3	Equalisation and covering claims	End of month	
16,297	.	542	480	115,714	109,989	94,547	15,442	5,725	—	1962 Dec.	
18,897	.	638	609	7 131,153	7 125,123	7 108,246	16,877	6,030	—	1963 Dec.	
21,098	.	682	685	12 148,697	12 141,961	13 122,084	14 19,877	6,738	—	1964 Dec.	
24,829	.	486	658	165,988	158,595	15 136,652	16 21,943	7,393	—	1965 Dec.	
28,601	.	690	596	176,533	171,054	18 147,451	19 23,603	7,479	—	1966 Dec.	
29,683	.	613	1,162	17 193,135	185,882	20 161,311	21 24,571	7,253	—	1967 Dec.	
30,863	.	680	1,617	215,792	206,258	180,876	25,382	9,534	—	1968 Dec.	
27,801	3,913	666	1,802	219,565	210,422	185,167	25,255	9,143	—	1968 Dec. 4	
31,580	4,650	711	1,692	11 245,753	22 235,411	22 209,944	25,467	10,342	—	1969 Dec.	
39,994	5,261	930	1,733	26 268,349	16 257,252	230,630	26,622	11,097	—	1970 Dec. 5	
39,994	5,261	1,261	1,733	268,676	257,579	230,630	26,949	11,097	—	1970 Dec. 5	
51,871	5,390	1,410	1,950	30 298,212	31 286,757	9 258,801	27,956	11,455	—	1971 Dec.	
63,243	5,726	996	1,923	31 341,500	35 329,695	35 301,184	28,511	11,805	—	1972 Dec.	
63,605	5,595	1,075	1,884	344,905	333,336	304,698	28,638	11,569	—	1973 Jan.	
64,440	5,536	1,043	2,117	36 351,001	36 339,614	36 310,936	28,678	11,387	—	1973 Feb.	
66,698	5,536	1,038	2,181	354,723	342,854	314,130	28,724	11,889	—	1973 March	
68,176	5,557	1,207	2,144	357,806	346,085	317,306	28,779	11,721	—	1973 April	
68,734	5,544	1,225	2,039	360,910	349,043	320,163	28,880	11,867	—	1973 May	
70,235	5,554	1,215	1,964	363,234	351,438	322,493	28,945	11,796	—	1973 June	
70,257	5,487	1,200	1,927	366,605	354,737	325,682	29,055	11,868	—	1973 July	
69,891	5,585	1,199	1,949	370,793	358,723	329,692	29,031	12,070	—	1973 Aug.	
69,621	5,579	1,177	1,933	372,994	361,137	332,080	29,057	11,857	—	1973 Sep.	
69,766	5,675	1,142	1,991	376,450	364,306	335,101	29,205	12,144	—	1973 Oct.	
69,737	5,760	1,113	1,997	380,515	367,954	338,656	29,298	12,561	—	1973 Nov.	
69,417	5,907	1,175	2,016	383,063	370,496	341,053	29,443	12,567	—	1973 Dec. 6	
69,919	5,908	1,176	2,016	385,306	372,694	343,208	29,486	12,612	—	1973 Dec. 6	
69,113	5,948	1,146	2,009	386,396	373,603	343,914	29,689	12,793	—	1974 Jan.	
67,787	5,958	1,118	2,051	388,779	376,196	346,413	29,783	12,583	—	1974 Feb.	
68,872	6,139	1,114	1,977	389,856	377,776	347,976	29,800	12,080	—	1974 March	
68,534	6,115	1,126	1,901	391,313	379,338	349,462	29,876	11,975	—	1974 April	
69,331	6,231	1,121	1,896	45 393,307	45 381,282	351,747	29,535	12,025	—	1974 May	
69,985	6,212	1,044	2,071	394,162	382,186	352,531	29,655	11,976	—	1974 June	
70,959	6,176	1,044	2,062	396,493	384,570	354,826	29,744	11,923	—	1974 July p	
688	—	6	178	29,188	19,116	18,758	358	2,089	7,983	1962 Dec.	
688	—	8	158	24 32,874	24 22,432	24 21,996	436	2,300	8,142	1963 Dec.	
992	—	21	395	38,085	26,885	26,237	648	2,811	8,389	1964 Dec.	
1,757	—	19	265	43,500	31,746	30,904	842	3,198	8,556	1965 Dec.	
3,197	—	24	450	47,246	34 35,157	33 736	1,421	3,348	8,741	1966 Dec.	
3,632	—	30	2,244	54,312	41,097	39,469	1,628	4,365	8,850	1967 Dec.	
3,527	—	29	2,605	64,080	49,616	47,844	1,772	5,794	8,670	1968 Dec. 4	
2,948	—	6	2,582	60,085	45,572	43,848	1,724	5,841	8,672	1968 Dec. 4	
2,964	—	24	2,913	67,169	40 52,787	50,984	1,803	6,064	8,318	1969 Dec.	
4,090	—	20	2,224	41 73,528	59,967	57,991	1,976	5,653	7,908	1970 Dec.	
4,902	—	24	1,532	82,684	69,272	66,938	2,334	5,909	7,503	1971 Dec.	
5,716	—	46	1,174	92,738	79,517	77,054	2,463	6,106	7,115	1972 Dec.	
5,723	—	48	1,184	93,601	80,452	77,961	2,491	6,020	7,129	1973 Jan.	
5,787	—	65	1,154	94,806	81,579	79,040	2,539	6,100	7,127	1973 Feb.	
5,774	—	46	1,185	95,604	82,275	79,681	2,594	6,190	7,139	1973 March	
5,656	—	42	1,174	96,039	82,954	80,323	2,631	5,968	7,117	1973 April	
5,556	—	45	1,165	96,721	83,652	80,985	2,667	5,953	7,116	1973 May	
5,666	—	42	1,195	97,057	84,125	81,400	2,725	5,954	6,978	1973 June	
5,735	—	43	1,125	97,489	84,675	81,949	2,726	6,048	6,796	1973 July	
5,641	—	44	1,061	98,312	85,465	82,693	2,772	6,079	6,768	1973 Aug.	
5,650	—	65	1,068	98,792	85,788	82,977	2,811	6,241	6,763	1973 Sep.	
5,524	—	84	1,036	100,385	87,078	84,276	2,802	6,544	6,763	1973 Oct.	
5,719	—	100	999	102,049	88,589	85,779	2,810	6,700	6,760	1973 Nov.	
5,612	—	88	928	104,048	90,738	87,906	2,832	6,686	6,622	1973 Dec. 6	
5,641	—	88	929	104,446	91,043	88,211	2,832	6,727	6,676	1973 Dec. 6	
5,633	—	50	935	105,300	91,770	88,801	2,969	6,873	6,657	1974 Jan.	
5,622	—	78	902	105,144	91,726	88,702	3,024	6,761	6,657	1974 Feb.	
5,528	—	61	1,064	43 104,801	43 91,459	43 88,478	2,981	6,662	6,660	1974 March	
5,666	—	43	1,053	44 105,320	44 92,081	44 89,076	3,005	6,580	6,659	1974 April	
6,225	—	50	1,116	48 106,013	48 92,706	48 89,698	3,008	6,652	6,655	1974 May	
6,313	—	38	1,141	10 106,651	10 93,500	10 90,478	3,022	6,586	6,565	1974 June	
7,141	—	37	1,198	107,463	94,492	91,462	3,030	6,605	6,366	1974 July p	

29 + DM 140 million. — 30 + DM 360 million. —  
 31 — DM 380 million. — 32 + DM 540 million. —  
 33 + DM 570 million. — 34 + DM 160 million. —  
 35 + DM 410 million. — 36 + 3 billion. —

37 — DM 120 million. — 38 + DM 420 million. —  
 39 — DM 250 million. — 40 — DM 210 million. —  
 41 — DM 140 million. — 42 — DM 430 million. —  
 43 — DM 460 million. — 44 — DM 240 million. —

45 — DM 480 million. — 46 — DM 500 million. —  
 47 — DM 450 million. — 48 — DM 410 million. —  
 49 — DM 530 million. — p Provisional.





Bank savings bonds 3			Savings deposits				Loans on a trust basis	Memo Item: Liabilities for transactions under repurchase agreement (unless shown among liabilities above the line)	End of month		
Total	Less than 4 years	4 years and over	Total	Statutory notice	Agreed period of notice						
					Total	Less than 4 years	Entitling to bonuses		Other		
							4 years and over				
. . . . .	. . . . .	. . . . .	69,873	. . . . .	. . . . .	. . . . .	3,978	. . . . .	16,823	. . . . .	1962 Dec.
. . . . .	. . . . .	. . . . .	81,521	55,197	26,324	. . . . .	6,026	. . . . .	18,197	. . . . .	1963 Dec.
. . . . .	. . . . .	. . . . .	94,212	63,067	31,145	. . . . .	8,269	. . . . .	19,765	10	1964 Dec.
. . . . .	. . . . .	. . . . .	110,677	74,404	36,273	. . . . .	10,397	. . . . .	23,894	. . . . .	1965 Dec.
. . . . .	. . . . .	. . . . .	127,112	83,030	44,082	. . . . .	12,786	. . . . .	29,144	15	1966 Dec.
249 . . . . .	5 . . . . .	244 . . . . .	144,672	92,350	52,322	. . . . .	15,213	. . . . .	31,255	17	1967 Dec.
1,818 . . . . .	24 . . . . .	1,794 . . . . .	165,432	102,613	62,819	. . . . .	17,301	. . . . .	33,250	. . . . .	1968 Dec. 4
1,808 . . . . .	24 . . . . .	1,784 . . . . .	166,110	103,016	63,094	43,232	17,355	2,507	33,236	. . . . .	Dec. 4
3,765 . . . . .	28 . . . . .	3,737 . . . . .	186,017	111,416	74,601	50,433	18,777	5,391	34,766	22	1969 Dec.
5,234 . . . . .	17 . . . . .	5,217 . . . . .	21 205,440	6 119,107	19 86,333	56,349	20,239	9,745	36,339	. . . . .	1970 Dec.
7,402 . . . . .	14 . . . . .	7,388 . . . . .	26 232,478	16 133,179	25 99,299	27 62,572	22,731	13,996	37,888	. . . . .	1971 Dec.
10,884 . . . . .	. . . . .	. . . . .	29 263,953	30 147,259	31 116,694	25 71,074	25,884	19,736	39,476	. . . . .	1972 Dec.
11,656 . . . . .	. . . . .	. . . . .	19 265,245	147,007	118,238	71,049	26,565	20,624	40,049	. . . . .	1973 Jan.
12,200 . . . . .	. . . . .	. . . . .	266,214	146,928	119,286	71,112	27,087	21,087	40,214	. . . . .	Feb.
12,662 . . . . .	. . . . .	. . . . .	265,960	146,409	119,551	70,553	27,649	21,349	40,318	. . . . .	March
12,980 . . . . .	. . . . .	. . . . .	266,006	145,956	120,050	70,273	28,187	21,590	40,479	. . . . .	April
13,282 . . . . .	. . . . .	. . . . .	265,407	145,013	120,394	69,863	28,708	21,823	40,769	. . . . .	May
13,597 . . . . .	. . . . .	. . . . .	19 264,194	143,688	120,506	69,235	29,305	21,966	40,924	. . . . .	June
14,204 . . . . .	. . . . .	. . . . .	262,601	142,531	120,070	68,384	29,498	22,188	40,996	. . . . .	July
14,733 . . . . .	. . . . .	. . . . .	261,770	141,741	120,029	67,703	29,970	22,356	41,282	. . . . .	Aug.
15,137 . . . . .	. . . . .	. . . . .	261,418	141,338	120,080	67,284	30,454	22,342	41,379	. . . . .	Sep.
15,501 . . . . .	. . . . .	. . . . .	262,410	142,132	120,278	66,824	31,004	22,450	41,565	. . . . .	Oct.
15,955 . . . . .	. . . . .	. . . . .	263,298	142,800	120,498	66,432	31,556	22,510	41,673	. . . . .	Nov.
16,416 . . . . .	. . . . .	. . . . .	278,254	149,571	128,683	70,279	34,298	24,106	42,032	. . . . .	Dec. 5
16,418 . . . . .	. . . . .	. . . . .	282,651	151,994	130,657	71,504	34,745	24,408	42,032	. . . . .	Dec. 5
17,222 . . . . .	. . . . .	. . . . .	282,808	153,657	129,149	70,325	34,401	24,423	42,328	. . . . .	1974 Jan.
17,632 . . . . .	. . . . .	. . . . .	283,814	154,590	129,224	69,863	34,931	24,410	42,573	. . . . .	Feb.
17,856 . . . . .	. . . . .	. . . . .	283,760	154,606	129,154	69,347	35,489	24,318	42,493	. . . . .	March
18,004 . . . . .	. . . . .	. . . . .	284,430	155,206	129,224	68,873	36,043	24,308	42,553	. . . . .	April
18,309 . . . . .	. . . . .	. . . . .	285,721	156,206	129,515	68,585	36,579	24,351	42,291	41	May
18,591 . . . . .	. . . . .	. . . . .	286,645	156,829	129,816	68,307	37,167	24,342	42,401	. . . . .	June
19,072 . . . . .	. . . . .	. . . . .	286,905	158,660	128,245	67,967	35,912	24,366	42,448	. . . . .	July p

4 See footnote \*. — 5 See Table III, 2, footnote 13. —  
6 + DM 130 million. — 7 — DM 200 million. —  
8 — DM 120 million. — 9 — DM 1,700 million. —  
10 + DM 1,620 million. — 11 + DM 140 million. —  
12 — DM 240 million. — 13 + DM 330 million. —  
14 + DM 2,800 million. — 15 + DM 2,740 million. —  
16 + DM 260 million. — 17 — DM 260 million. —  
18 — DM 140 million. — 19 + DM 100 million. —  
20 — DM 300 million. — 21 + DM 230 million. —  
22 + DM 300 million. — 23 + DM 880 million. —  
24 + DM 180 million. — 25 + DM 190 million. —  
26 — DM 450 million. — 27 + DM 110 million. —  
28 + DM 840 million. — 29 + DM 610 million. —  
30 + DM 340 million. — 31 + DM 270 million. —  
32 + DM 3 billion. — 33 + DM 175 million. —  
34 + DM 115 million. — 35 — DM 226 million. —  
36 — DM 400 million. — 37 — DM 430 million. —  
38 — DM 690 million. — 39 — DM 210 million. —  
40 — DM 160 million. — 41 — DM 480 million. —  
p Provisional.



Bank savings bonds 3			Savings deposits				Agreed period of notice		Loans on a trust basis	Memo Item: Liabilities for transactions under repurchase agreement (unless shown among liabilities above the line)	End of month
Total	Less than 4 years	4 years and over	Total 4	Statutory notice	Total	Less than 4 years	4 years and over				
							Entitling to bonuses	Other			
.	.	.	63,737	.	.	.	3,978	.	310	.	1962 Dec.
.	.	.	74,405	.	.	.	6,026	.	338	.	1963 Dec.
.	.	.	86,402	.	.	.	8,269	.	216	.	1964 Dec.
.	.	.	102,268	.	.	.	10,397	.	240	.	1965 Dec.
.	.	.	118,067	.	.	.	12,786	.	289	.	1966 Dec.
249	5	244	134,582	.	.	.	15,213	.	318	.	1967 Dec.
1,818	24	1,794	154,073	.	.	.	17,301	.	366	.	1968 Dec. 5
1,714	24	1,690	156,763	98,603	58,160	38,610	17,355	2,195	370	.	1968 Dec. 5
3,575	28	3,547	176,104	107,152	68,952	45,407	18,777	4,768	408	.	1969 Dec.
5,004	17	4,987	11 195,970	12 115,167	10 80,803	51,736	20,239	8,828	450	.	1970 Dec.
7,121	14	7,107	15 223,162	16 129,373	17 93,789	58,281	22,731	12,777	587	.	1971 Dec.
10,536	.	.	20 254,277	21 143,306	22 110,971	66,804	25,884	18,283	850	.	1972 Dec.
11,303	.	.	10 255,745	143,106	112,639	66,891	26,565	19,183	966	.	1973 Jan.
11,842	.	.	256,702	143,002	113,700	66,991	27,087	19,622	993	.	Feb.
12,312	.	.	256,549	142,536	114,013	66,534	27,649	19,830	995	.	March
12,621	.	.	256,748	142,178	114,570	66,277	28,187	20,106	1,007	.	April
12,905	.	.	256,176	141,256	114,920	65,891	28,708	20,321	1,027	.	May
13,217	.	.	10 255,108	140,031	115,077	65,299	29,305	20,473	1,053	.	June
13,796	.	.	253,696	138,937	114,759	64,564	29,498	20,697	1,064	.	July
14,309	.	.	252,911	138,159	114,752	63,938	29,970	20,844	1,075	.	Aug.
14,714	.	.	252,698	137,809	114,869	63,573	30,454	20,862	1,083	.	Sep.
15,058	.	.	253,880	138,700	115,180	63,192	31,004	20,984	1,092	.	Oct.
15,507	.	.	254,785	139,384	115,401	62,853	31,556	20,992	1,052	.	Nov.
15,959	.	.	269,277	145,947	123,330	66,531	34,298	22,501	1,113	.	Dec. 6
15,959	.	.	273,631	148,343	125,288	67,743	34,745	22,800	1,113	.	Dec. 6
16,761	.	.	274,083	150,013	124,070	66,874	34,401	22,795	1,187	.	1974 Jan.
17,176	.	.	275,153	150,882	124,271	66,560	34,931	22,780	1,238	.	Feb.
17,402	.	.	275,214	150,930	124,284	66,089	35,489	22,706	1,207	.	March
17,568	.	.	276,027	151,539	124,488	65,707	36,043	22,738	1,228	.	April
17,862	.	.	277,260	152,470	124,790	65,448	36,579	22,763	42 776	.	May
18,144	.	.	278,355	153,160	125,195	65,230	37,167	22,798	732	.	June
18,624	.	.	278,848	155,105	123,743	65,029	35,912	22,802	736	.	July p

.	.	.	5,685	.	.	.	.	.	16,470	.	1962 Dec.
.	.	.	6,565	.	.	.	.	.	17,793	.	1963 Dec.
.	.	.	7,098	.	.	.	.	.	31 21,479	.	1964 Dec.
.	.	.	7,490	.	.	.	.	.	32 23,559	.	1965 Dec.
.	.	.	7,942	.	.	.	.	.	34 28,688	.	1966 Dec.
.	.	.	8,846	.	.	.	.	.	35 30,740	.	1967 Dec.
.	.	.	9,809	.	.	.	.	.	32,610	.	1968 Dec. 5
84	—	84	7,797	3,494	4,303	4,019	—	284	32,611	.	Dec. 5
164	—	164	8,105	3,278	4,827	4,270	—	557	34,109	.	1969 Dec.
192	—	192	7,521	2,967	4,554	3,752	—	802	37,623	.	1970 Dec.
210	—	210	7,122	2,767	4,355	3,329	—	1,026	37,055	.	1971 Dec.
270	.	.	7,396	2,813	4,583	3,374	—	1,209	38,406	.	1972 Dec.
275	.	.	7,241	2,769	4,472	3,274	—	1,198	38,737	.	1973 Jan.
282	.	.	7,258	2,795	4,463	3,246	—	1,217	38,896	.	Feb.
276	.	.	7,144	2,736	4,408	3,139	—	1,269	38,998	.	March
284	.	.	6,991	2,642	4,349	3,117	—	1,232	39,139	.	April
302	.	.	6,974	2,613	4,361	3,114	—	1,247	39,440	.	May
305	.	.	6,844	2,523	4,321	3,086	—	1,235	39,590	.	June
334	.	.	6,691	2,471	4,220	2,987	—	1,233	39,669	.	July
350	.	.	6,679	2,478	4,201	2,948	—	1,253	39,795	.	Aug.
349	.	.	6,563	2,439	4,124	2,903	—	1,221	39,883	.	Sep.
369	.	.	6,394	2,348	4,046	2,837	—	1,209	40,055	.	Oct.
374	.	.	6,407	2,340	4,067	2,802	—	1,265	40,180	.	Nov.
384	.	.	6,814	2,520	4,294	2,950	—	1,344	40,470	.	Dec. 6
384	.	.	6,855	2,545	4,310	2,963	—	1,347	40,470	.	Dec. 6
388	.	.	6,611	2,551	4,060	2,683	—	1,377	40,691	.	1974 Jan.
385	.	.	6,569	2,622	3,947	2,566	—	1,381	40,900	.	Feb.
381	.	.	6,473	2,600	3,873	2,510	—	1,363	40,865	.	March
364	.	.	6,346	2,595	3,751	2,423	—	1,328	40,911	.	April
375	.	.	6,415	2,665	3,750	2,407	—	1,343	41,095	.	May
374	.	.	6,257	2,602	3,655	2,351	—	1,304	41,240	.	June
376	.	.	6,043	2,496	3,547	2,223	—	1,324	41,281	.	July p

million. — 22 + DM 270 million. — 23 + DM 175 million. — 24 + DM 115 million. — 25 — DM 226 million. — 26 — DM 300 million. — 27 — DM 330 million. — 28 — DM 170 million. — 29 — DM 120

million. — 30 — DM 1,700 million. — 31 + DM 1,650 million. — 32 — DM 150 million. — 33 + DM 2,800 million. — 34 + DM 2,740 million. — 35 — DM 260 million. — 36 — DM 140 million. — 37 + DM 300

million. — 38 + DM 250 million. — 39 + DM 3 billion. — 40 — DM 100 million. — 41 — DM 490 million. — 42 — DM 480 million. — 43 — DM 200 million. — p Provisional.



Local authorities and local authority associations				Municipal special purpose associations with administrative functions				Social security funds				End of month
Total	Short-term 1	Medium-term 1, 2	Long-term 2	Total	Short-term 1	Medium-term 1, 2	Long-term 2	Total	Short-term 1	Medium-term 1, 2	Long-term 2	
27,455	308	1,492	25,657	2,951	25	97	2,829	157	129	14	14	1968 Dec.
29,654	370	1,299	27,985	3,307	48	79	3,180	80	50	1	29	1969 Dec.
33,370	533	1,493	31,344	3,520	79	102	3,339	59	30	15	14	1970 Dec.
40,390	853	1,965	37,572	4,093	98	132	3,863	135	76	30	29	1971 Dec.
41,952	1,093	1,895	38,964	4,119	99	126	3,894	123	107	2	14	1972 March
44,057	1,196	2,111	40,750	4,267	98	132	4,037	99	84	2	13	June
45,667	1,052	2,422	42,193	4,438	108	152	4,178	105	55	4	46	Sep.
47,801	1,016	2,706	44,079	4,573	106	184	4,283	210	130	68	12	Dec.
48,351	1,013	2,754	44,584	4,630	96	189	4,345	161	81	66	14	1973 Jan.
48,801	984	2,779	45,038	4,687	113	185	4,389	113	35	66	12	Feb.
49,242	1,027	2,740	45,475	4,766	123	193	4,450	124	43	69	12	March
49,798	987	2,757	46,054	4,751	93	196	4,462	99	48	37	14	April
50,244	935	2,793	46,516	4,847	109	191	4,547	95	44	23	28	May
51,054	1,231	2,844	46,979	4,874	90	195	4,589	143	92	23	28	June
51,291	1,034	2,891	47,366	4,878	90	195	4,593	108	62	24	22	July
51,495	904	2,854	47,737	4,983	84	201	4,698	86	44	20	22	Aug.
52,191	1,069	2,876	48,246	4,962	87	208	4,669	96	57	18	21	Sep.
52,738	1,017	2,878	48,843	5,006	84	207	4,715	66	28	15	23	Oct.
53,255	955	2,913	49,387	5,097	89	209	4,799	85	39	20	26	Nov.
54,786	1,062	2,910	50,814	5,269	105	207	4,957	78	40	18	20	Dec. 4
55,122	1,089	2,934	51,099	5,297	108	212	4,977	78	40	18	20	Dec. 4
55,528	1,035	2,941	51,552	5,294	105	232	4,957	73	40	14	19	1974 Jan.
55,754	1,001	2,951	51,802	5,348	103	235	5,010	75	39	14	22	Feb.
55,708	1,070	2,837	51,801	5,332	119	216	4,997	65	30	15	20	March
55,999	1,150	2,827	52,022	5,307	106	215	4,986	74	37	15	22	April
56,186	1,042	2,824	52,320	5,348	115	211	5,022	85	50	18	19	May
56,916	1,476	2,794	52,646	5,404	150	211	5,043	135	92	16	27	June
57,401	1,288	2,826	53,287	5,488	130	218	5,140	98	55	23	20	July p

No. 1, January 1972, p. 42). Statistical changes of DM 100 million and more are given separately in footnotes 3 ff., increases being marked +, de-

creases —. — 1 Including bills discounted. — 2 Including loans on a trust basis. — 3 — DM 210 million. — 4 See Table III, 2, footnote 13. — 5 — DM 430

million. — 6 — DM 460 million. — 7 — DM 260 million. — 8 — DM 240 million. — 9 — DM 500 million. — 10 — DM 410 million. — 11 + DM 130 million. — p Provisional.

Local authority associations			Municipal special purpose associations with administrative functions					Social security funds					End of month
Time deposits		Savings deposits and savings bonds	Total	Sight deposits	Time deposits		Savings deposits and savings bonds	Total	Sight deposits	Time deposits		Savings deposits and savings bonds	
less than 4 years	4 years and over 2				less than 4 years	4 years and over 2				less than 4 years	4 years and over 2		
3,564	537	6,577	767	243	345	12	167	13,611	1,411	5,164	5,972	1,064	1968 Dec.
4,789	554	6,998	774	231	328	16	199	14,729	1,539	6,237	5,955	998	1969 Dec.
3,779	422	6,434	711	259	272	24	156	18,457	1,499	9,914	6,012	1,032	1970 Dec.
3,403	397	5,919	759	264	340	17	138	21,745	1,547	10,511	8,475	1,212	1971 Dec.
3,753	381	5,985	815	267	390	25	133	20,760	1,398	9,652	8,443	1,267	1972 March
4,105	349	5,970	799	266	363	25	145	22,834	1,783	11,143	8,583	1,325	June
4,531	324	5,933	888	279	423	26	160	24,436	1,567	12,484	9,032	1,353	Sep.
4,937	329	6,119	902	310	404	33	155	25,900	2,065	12,245	10,260	1,330	Dec.
4,932	356	6,028	878	303	403	28	144	26,513	1,572	13,214	10,443	1,284	1973 Jan.
6,011	360	6,061	802	278	425	29	150	26,716	1,786	13,225	10,436	1,269	Feb.
5,479	351	5,981	883	275	435	28	145	26,337	1,692	13,065	10,349	1,231	March
5,076	353	5,830	931	313	446	29	143	26,631	2,160	12,713	10,511	1,247	April
6,598	375	5,817	935	286	474	29	146	27,442	1,675	13,590	10,920	1,257	May
5,968	379	5,704	934	276	483	30	145	26,419	1,956	12,358	10,860	1,245	June
5,785	378	5,551	942	295	473	31	143	26,319	1,735	12,363	10,943	1,278	July
7,332	394	5,562	999	283	550	31	135	26,727	1,694	12,315	11,439	1,279	Aug.
6,661	397	5,480	1,022	290	570	31	131	26,791	1,820	12,181	11,543	1,247	Sep.
6,000	373	5,299	997	306	531	31	129	26,619	1,754	11,883	11,709	1,273	Oct.
7,074	389	5,348	1,062	347	549	35	131	26,819	2,111	11,321	12,114	1,273	Nov.
7,295	377	5,697	1,132	368	590	32	142	28,155	2,680	11,962	12,183	1,330	Dec. 10
7,396	377	5,733	1,147	373	595	32	147	28,158	2,681	11,964	12,183	1,330	Dec. 10
7,574	393	5,502	1,087	336	566	33	152	28,539	2,051	12,956	12,216	1,316	1974 Jan.
8,299	405	5,483	1,089	293	587	36	153	28,494	2,207	12,780	12,221	1,286	Feb.
7,522	387	5,400	1,029	301	552	34	142	27,866	2,096	12,416	11,070	1,284	March
6,946	357	5,248	983	289	522	30	142	28,526	2,138	13,003	12,098	1,287	April
7,816	369	5,319	1,018	279	558	30	151	29,192	2,191	13,737	13,197	1,290	May
6,370	366	5,174	1,024	274	589	27	134	29,423	2,422	13,841	11,868	1,292	June
6,053	346	4,944	1,019	285	574	33	127	28,816	1,984	14,177	11,341	1,314	July p

4 + DM 980 million. — 5 — DM 220 million. — 6 — DM 180 million. — 7 + DM 250 million. — 8 + DM 190 million. 9 + DM 3 billion. — 10 See

Table III, 2, footnote 13. — 11 — DM 100 million. — 12 — DM 200 million. — 13 — DM 150 million. — p Provisional.

### III. Banks

#### 8. Assets of banking groups\* Internal and external assets

Millions of DM

End of month	Number of reporting banks	Volume of business 1	Cash and balances with Deutsche Bundesbank		Cheques and paper for collection 2	Lending to banks 3					Lending to non-banks		
			Total	of which Balances with Deutsche Bundesbank		Total	Balances and loans 3, 4	Bills dis-counted	Loans on a trust basis	Bank bonds 5	Total	Book credits and loans (excluding loans on a trust basis) 4	
												Total	up to 1 year 6
<b>All banking groups</b>													
1974 June	3,745	1,216,213	56,447	51,708	2,538	321,811	234,035	7,184	7,739	72,853	794,332	685,965	154,852
July p	3,741	11 1,207,623	54,722	49,882	2,218	312,271	223,275	7,822	7,743	73,431	796,522	686,663	150,330
<b>Commercial banks</b>													
1974 June	317	311,778	21,310	19,961	1,166	93,761	80,287	2,707	52	10,715	184,339	151,809	75,507
July p	319	299,034	20,068	18,614	1,044	82,165	68,774	2,769	58	10,544	184,487	150,967	74,109
<b>Big banks</b>													
1974 June	6	124,418	11,352	10,554	529	33,368	29,023	1,719	3	2,623	74,002	58,975	26,239
July p	12	117,896	11,758	10,906	461	25,749	21,496	1,758	3	2,492	13 74,665	14 59,006	26,027
<b>Regional banks and other commercial banks</b>													
1974 June	124	131,161	7,312	6,843	484	34,729	28,116	721	34	5,858	83,993	71,536	32,274
July p	126	15 128,603	6,335	5,812	448	33,016	26,472	763	35	5,746	16 84,240	17 71,469	11 31,771
<b>Branches of foreign banks</b>													
1974 June	44	31,020	1,048	1,037	29	18,711	17,823	26	0	862	10,972	9,718	8,105
July p	44	29,640	779	769	42	17,208	16,291	38	0	879	11,291	10,016	8,422
<b>Private bankers</b>													
1974 June	143	25,179	1,598	1,527	124	6,953	5,325	241	15	1,372	15,372	11,580	8,889
July p	143	22,895	1,196	1,127	93	6,192	4,515	230	20	1,427	14,291	10,476	7,889
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>													
1974 June	12	203,970	1,785	1,665	409	58,383	47,153	402	266	10,562	136,350	116,095	12,497
July p	12	203,858	2,604	2,481	366	56,643	45,163	471	272	10,737	137,187	116,928	12,226
<b>Savings banks</b>													
1974 June	716	270,226	19,942	17,703	396	60,770	28,937	578	7	31,248	179,710	165,117	33,619
July p	715	272,175	20,018	17,838	315	63,412	31,175	665	7	31,565	178,847	164,009	31,447
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>													
1974 June	13	45,392	2,495	2,447	170	31,102	25,173	520	222	5,187	9,956	7,545	2,818
July p	13	47,039	3,002	2,949	144	31,502	25,345	641	222	5,294	10,780	8,323	2,976
<b>Credit cooperatives 10</b>													
1974 June	2,442	112,480	6,335	5,409	363	26,571	18,632	180	—	7,759	74,660	68,381	24,370
July p	2,437	113,949	6,377	5,403	330	27,980	19,824	239	—	7,917	74,656	68,229	23,902
<b>Mortgage banks</b>													
1974 June	42	144,448	80	76	2	9,151	8,634	1	61	455	132,694	126,939	1,298
July p	42	145,048	21	18	3	8,346	7,866	1	59	420	134,056	128,222	1,108
<b>Private</b>													
1974 June	28	88,461	60	57	1	7,360	7,125	1	0	234	79,410	77,039	896
July p	28	88,937	14	12	1	6,633	6,426	1	0	206	80,544	78,107	835
<b>Public</b>													
1974 June	14	55,987	20	19	1	1,791	1,509	—	61	221	53,284	49,900	402
July p	14	56,111	7	6	2	1,713	1,440	—	59	214	53,512	50,115	273
<b>Instalment sales financing institutions</b>													
1974 June	170	14,454	350	326	1	1,099	952	30	—	117	12,539	11,359	2,478
July p	170	14,422	292	268	2	988	836	32	—	120	12,667	11,496	2,505
<b>Banks with special functions</b>													
1974 June	18	88,827	722	693	31	33,594	22,907	2,766	7,131	790	51,354	28,685	2,265
July p	18	87,905	423	394	14	33,292	22,370	2,984	7,125	813	51,109	28,461	2,057
<b>Postal giro and postal savings bank offices</b>													
1974 June	15	24,638	3,428	3,428	—	7,380	1,360	—	—	6,020	12,730	10,035	—
July p	15	24,193	1,917	1,917	—	7,943	1,922	—	—	6,021	12,733	10,028	—

For footnotes \* and 1 to 9 see Table III, 2 Assets. — 10 Partial statistics covering: up to first line for December 1973 all credit cooperatives (Schulze-Delitzsch) and those credit cooperatives (Raiffeisen),

whose total assets on Dec 31, 1987 amounted to DM 5 million or over; from second line for December 1973 those credit cooperatives whose total

assets on December 31, 1972 amounted to DM 10 million or over, and smaller institutions which on November 30, 1973 were required to render

over 1 year 7	Bills dis- counted	Loans on a trust basis	Treasury bill credits	Securities (excluding bank bonds)	Equalisa- tion and covering claims	Mobilisa- tion and liquidity paper (Treasury bills and dis- count- able Treasury bonds) 8	Bonds from own issues	Trade invest- ments	Other assets (including bank build- ings) 9	Memorandum items:			End of month
										Bill holdings	Treasury bills and discount- able Treasury bonds (including mobilisa- tion and liquidity paper)	Securities (including bank bonds) 5	
<b>All banking groups</b>													
531,113 536,333	32,214 33,911	42,983 43,042	3,150 3,050	23,455 23,490	6,565 6,366	2,157 2,657	4,177 4,262	9,316 9,423	25,435 25,548	22,673 22,076	5,307 5,707	96,308 96,921	1974 June July p
<b>Commercial banks</b>													
76,302 76,858	17,431 18,658	2,906 2,909	44 47	10,735 10,518	1,414 1,388	19 19	383 339	4,759 4,824	6,041 6,088	14,132 14,170	63 66	21,450 21,062	1974 June July p
<b>Big banks</b>													
32,736 32,979	9,283 9,944	433 436	34 35	4,420 4,403	857 841	9 9	1 2	2,225 2,239	2,932 3,013	8,406 8,663	43 44	7,043 6,895	1974 June July p
<b>Regional banks and other commercial banks</b>													
39,262 39,698	5,746 6,231	1,734 1,700	9 11	4,447 4,317	521 512	0 —	382 337	2,032 2,059	2,229 2,172	4,291 4,212	9 11	10,305 10,063	1974 June July p
<b>Branches of foreign banks</b>													
1,613 1,594	737 758	15 15	— —	501 501	1 1	4 4	— —	6 6	250 310	470 434	4 4	1,363 1,380	1974 June July p
<b>Private bankers</b>													
2,691 2,587	1,665 1,725	724 758	1 1	1,367 1,297	35 34	6 6	— —	496 524	630 593	965 861	7 7	2,739 2,724	1974 June July p
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>													
103,598 104,702	1,982 2,054	12,873 12,931	1,249 1,099	3,727 3,757	424 418	822 822	2,116 2,217	2,005 2,026	2,100 1,993	1,374 1,174	2,071 1,921	14,289 14,494	1974 June July p
<b>Savings banks</b>													
131,498 132,562	5,009 5,280	3,840 3,830	14 34	2,771 2,866	2,959 2,828	8 6	— —	996 996	8,404 8,581	3,674 3,502	22 40	34,019 34,431	1974 June July p
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>													
4,727 5,347	802 817	39 39	295 325	1,057 1,059	218 217	156 157	26 28	682 683	805 743	266 140	451 482	6,244 6,353	1974 June July p
<b>Credit cooperatives 10</b>													
44,011 44,327	3,074 3,200	564 569	1 1	1,898 1,926	742 731	17 20	— —	388 388	4,146 4,198	2,248 2,172	18 21	9,657 9,843	1974 June July p
<b>Mortgage banks</b>													
125,641 127,114	5 5	4,271 4,292	10 10	1,141 1,220	328 307	13 19	1,442 1,497	104 114	962 992	2 1	23 29	1,596 1,640	1974 June July p
<b>Private</b>													
76,143 77,272	5 5	1,200 1,205	10 10	902 980	254 237	13 19	1,035 1,104	21 21	561 601	2 1	23 29	1,136 1,186	1974 June July p
<b>Public</b>													
49,498 49,842	0 0	3,071 3,087	— —	239 240	74 70	— —	407 393	83 93	401 391	0 0	— —	460 454	1974 June July p
<b>Instalment sales financing institutions</b>													
8,881 8,991	1,132 1,124	4 3	— —	43 43	1 1	— —	— —	71 72	394 401	880 851	— —	160 163	1974 June July p
<b>Banks with special functions</b>													
26,420 26,404	2,779 2,773	18,486 18,469	168 165	1,101 1,108	135 133	22 14	210 181	311 320	2,583 2,552	97 66	190 179	1,891 1,921	1974 June July p
<b>Postal giro and postal savings bank offices</b>													
10,035 10,028	— —	— —	1,369 1,369	982 993	344 343	1,100 1,600	— —	— —	— —	— —	2,469 2,969	7,002 7,014	1974 June July p

returns; see also Table III, 18 Lending and deposits of credit cooperatives. Up to December 1971 credit cooperatives (Schulze-Delitzsch) and credit

cooperatives (Raiffeisen) were recorded separately and were shown separately in the publications. — 11 + DM 100 million. — 12 — DM 130 million. —

13 — DM 160 million. — 14 — DM 110 million. — 15 + DM 290 million. — 16 + DM 250 million. — 17 + DM 170 million. — p Provisional.

### III. Banks

## 9. Liabilities of banking groups \* Internal and external liabilities

Millions of DM

End of month	Volume of business 1	Deposits and borrowing from banks 2							Deposits and borrowing from non-banks 2					
		Total	Sight and time deposits 10			Loans on a trust basis	Bills sold and rediscounted 11			Total	Sight, time and savings deposits			
			Total	Sight deposits 3	Time deposits with maturities of 1 month to less than 3 months 3		Total	of which			Total	Total	Sight deposits	Time deposits 1 month to less than 3 months
								Own acceptances in circulation	Endorsement liabilities 4					
<b>All banking groups</b>														
1974 June	1,216,213	272,486	246,057	60,206	23,152	8,321	18,108	1,383	15,661	651,309	608,908	94,757	67,487	
July p	13 1,207,623	267,383	237,769	55,705	21,398	8,337	21,277	1,620	18,658	650,219	607,771	94,634	67,479	
<b>Commercial banks</b>														
1974 June	311,778	105,047	95,857	31,091	11,617	2,107	7,083	1,077	5,398	157,378	156,527	34,275	40,373	
July p	299,034	97,948	87,301	26,949	9,683	2,106	8,541	1,264	6,641	154,292	153,431	33,503	40,151	
<b>Big banks</b>														
1974 June	124,418	25,871	22,992	12,760	2,304	81	2,798	202	2,220	77,597	77,242	18,026	19,065	
July p	14 117,896	22,205	18,845	8,730	1,946	84	3,276	237	2,588	77,737	77,382	18,078	20,591	
<b>Regional banks and other commercial banks</b>														
1974 June	131,161	42,952	39,007	10,815	3,926	1,351	2,594	418	1,993	64,362	63,945	11,656	17,292	
July p	16 128,603	17 41,800	18 37,220	11,076	3,134	1,317	3,263	481	2,624	19 62,506	19 62,088	11,192	16,058	
<b>Branches of foreign banks</b>														
1974 June	31,020	25,046	24,695	5,145	4,291	0	351	58	273	3,909	3,894	1,738	817	
July p	29,640	23,685	23,243	4,842	3,872	0	442	80	358	3,899	3,884	1,703	924	
<b>Private bankers</b>														
1974 June	25,179	11,178	9,163	2,371	1,096	675	1,340	399	912	11,510	11,446	2,855	3,199	
July p	22,895	10,258	7,993	2,301	731	705	1,560	466	1,071	10,150	10,077	2,530	2,578	
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>														
1974 June	203,970	56,943	54,908	13,313	5,151	940	1,095	85	945	44,071	31,872	3,964	3,985	
July p	203,858	56,641	54,233	12,239	5,249	941	1,467	116	1,321	44,108	31,846	3,488	4,150	
<b>Savings banks</b>														
1974 June	270,226	17,378	13,268	1,511	1,027	2,105	2,005	92	1,636	232,690	230,948	32,573	12,894	
July p	272,175	17,279	12,636	1,210	790	2,108	2,535	92	2,211	234,670	232,941	33,658	12,860	
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>														
1974 June	45,392	35,464	34,128	7,924	3,491	224	1,112	56	1,054	5,639	5,602	603	282	
July p	47,039	37,262	35,651	8,943	3,685	224	1,387	69	1,317	5,475	5,438	604	388	
<b>Credit cooperatives 12</b>														
1974 June	112,480	11,270	9,675	1,353	136	529	1,066	60	901	93,103	93,068	15,774	8,883	
July p	113,949	11,368	9,502	1,184	128	535	1,331	64	1,174	93,700	93,666	16,094	8,812	
<b>Mortgage banks</b>														
1974 June	144,448	13,667	12,222	182	128	1,441	4	—	4	47,128	44,237	210	92	
July p	145,048	14,117	12,660	217	113	1,452	5	—	5	47,563	44,664	187	105	
<b>Private</b>														
1974 June	88,461	9,533	8,887	124	50	642	4	—	4	13,683	13,125	140	43	
July p	88,937	9,791	9,141	170	50	645	5	—	5	13,987	13,427	114	47	
<b>Public</b>														
1974 June	55,987	4,134	3,335	58	78	799	—	—	—	33,445	31,112	70	49	
July p	56,111	4,326	3,519	47	63	807	—	—	—	33,576	31,237	73	58	
<b>Instalment sales financing institutions</b>														
1974 June	14,454	8,426	8,139	830	761	4	283	1	275	2,969	2,969	212	318	
July p	14,422	8,489	8,180	1,136	727	3	306	1	298	2,879	2,879	228	261	
<b>Banks with special functions</b>														
1974 June	88,827	22,919	16,488	2,630	841	971	5,460	12	5,448	46,429	21,783	649	660	
July p	87,905	22,977	16,304	2,525	1,023	968	5,705	14	5,691	45,619	20,993	527	732	
<b>Postal giro and postal savings bank offices</b>														
1974 June	24,638	1,372	1,372	1,372	—	—	—	—	—	21,902	21,902	6,497	—	
July p	24,193	1,302	1,302	1,302	—	—	—	—	—	21,913	21,913	6,345	—	

For footnotes \* and 1 to 11 see Table III, 3 Liabilities. — 12 Partial statistics; see also Table III, 8 footnote 10 and Table III, 18 Lending and deposits

of credit cooperatives. — 13 + DM 100 million. — 14 — DM 130 million. — 15 — DM 120 million. — 16 + DM 290 million. — 17 + DM 150 million. —

18 + DM 130 million. — 19 + DM 120 million. — 20 + DM 270 million. — p Provisional.



3 months to less than 4 years 5	4 years and over 6	Bank savings bonds 7	Savings deposits	Loans on a trust basis	Bearer bonds outstanding 8	Provisions	Accumulated depreciation reserves	Capital (including published reserves according to section 10 of the Banking Act)	Other liabilities 9	Memorandum Items:			End of month
										Total liabilities 1	Liabilities for guarantees	Liabilities for transactions under repurchase agreement (unless shown among liabilities above the line)	
<b>All banking groups</b>													
55,974	85,454	18,591	286,645	42,401	193,879	8,712	4,236	42,350	43,241	1,199,488	62,285	4,525	1974 June
53,979	85,702	19,072	286,905	42,448	195,090	8,517	4,237	42,591	39,586	1,187,966	64,153	4,430	1974 July p
<b>Commercial banks</b>													
24,856	4,627	1,226	51,170	851	14,204	2,821	1,654	14,107	16,567	305,772	30,922	1,664	1974 June
22,895	4,654	1,262	50,966	861	14,496	2,783	1,653	14,202	13,660	291,757	32,109	1,895	1974 July p
<b>Big banks</b>													
9,946	356	293	29,556	355	225	1,515	649	5,379	13,182	121,822	16,077	979	1974 June
8,604	365	302	29,442	355	263	1,521	649	5,378	10,143	114,857	16,971	1,054	1974 July p
<b>Regional banks and other commercial banks</b>													
11,301	3,787	885	19,024	417	13,979	977	660	5,608	2,623	128,985	9,612	541	1974 June
11,138	3,806	910	18,984	418	14,233	941	660	5,663	2,800	125,821	9,787	534	1974 July p
<b>Branches of foreign banks</b>													
1,090	116	7	126	15	—	133	108	1,532	292	30,727	2,502	—	1974 June
1 013	117	6	121	15	—	137	108	1,568	243	29,278	2,592	—	1974 July p
<b>Private bankers</b>													
2,519	368	41	2,464	64	—	196	237	1,588	470	24,238	2,731	144	1974 June
2,140	366	44	2,419	73	—	184	236	1,593	474	21,801	2,759	107	1974 July p
<b>Central giro institutions (Incl. Deutsche Girozentrale)</b>													
7,234	14,241	12	2,436	12,199	93,651	1,032	369	4,670	3,234	202,960	10,155	966	1974 June
7,437	14,302	12	2,457	12,262	94,208	917	369	4,678	2,937	202,507	10,522	928	1974 July p
<b>Savings banks</b>													
11,167	2,228	14,867	157,219	1,742	—	2,363	758	8,977	8,060	268,313	4,441	1,463	1974 June
11,592	2,240	15,298	157,273	1,729	—	2,363	761	9,033	8,069	269,732	4,510	1,411	1974 July p
<b>Central institutions of credit cooperatives (Incl. Deutsche Genossenschaftskasse)</b>													
822	1,537	2,089	269	37	1,991	137	63	1,440	658	44,336	2,986	109	1974 June
576	1,503	2,096	271	37	1,963	135	63	1,462	679	45,721	3,150	90	1974 July p
<b>Credit cooperatives 12</b>													
7,571	1,142	69	59,629	35	—	541	582	4,375	2,609	111,474	2,875	23	1974 June
7,617	1,219	78	59,846	34	—	531	582	4,416	3,352	112,682	2,927	22	1974 July p
<b>Mortgage banks</b>													
1,218	42,686	—	31	2,891	70,811	1,189	410	4,526	6,717	144,444	9,373	—	1974 June
1,257	43,083	—	32	2,899	71,268	1,171	410	4,530	5,989	145,043	9,391	—	1974 July p
<b>Private</b>													
969	11,949	—	24	558	60,014	370	108	2,558	2,195	88,457	403	—	1974 June
989	12,252	—	25	560	60,461	357	108	2,558	1,675	88,932	395	—	1974 July p
<b>Public</b>													
249	30,737	—	7	2,333	10,797	819	302	1,968	4,522	55,987	8,970	—	1974 June
268	30,831	—	7	2,339	10,807	814	302	1,972	4,314	56,111	8,996	—	1974 July p
<b>Instalment sales financing institutions</b>													
1,359	207	328	545	0	—	252	157	890	1,760	14,172	20	2	1974 June
1,304	209	326	551	0	—	235	156	900	1,763	14,117	21	2	1974 July p
<b>Banks with special functions</b>													
1,747	18,696	—	31	24,646	13,222	377	243	3,365	2,272	83,379	1,513	298	1974 June
1,301	18,402	—	31	24,626	13,155	382	243	3,370	2,159	82,214	1,523	282	1974 July p
<b>Postal giro and postal savings bank offices</b>													
—	90	—	15,315	—	—	—	—	—	1,364	24,638	—	—	1974 June
—	90	—	15,478	—	—	—	—	—	978	24,193	—	—	1974 July p

### III. Banks

## 10. Lending by banking groups to non-banks, by maturity and category \*

Millions of DM

End of month	Lending to domestic and foreign non-banks, total including Treasury bill credits, security holdings, equalisation and covering claims		Short-term					Medium and long-term				
			Total including Treasury bill credits	excluding Treasury bill credits	Book credits and loans	Bills discounted 1	Treasury bill credits	Total including security holdings, equalisation and covering claims	excluding security holdings	Medium-term	Total including security holdings	excluding security holdings
<b>All banking groups</b>												
1974 June	794,332	761,162	183,958	180,808	154,852	25,956	3,150	610,374	580,354	87,498	84,286	
July p	796,522	763,616	181,069	178,019	150,330	27,689	3,050	615,453	585,597	89,248	85,988	
<b>Commercial banks</b>												
1974 June	184,339	172,146	90,723	90,684	75,507	15,177	44	93,611	81,462	28,470	27,342	
July p	184,487	172,534	90,565	90,518	74,109	16,409	47	93,922	82,016	28,782	27,659	
<b>Big banks</b>												
1974 June	74,002	68,691	33,970	33,936	26,239	7,697	34	40,032	34,755	15,343	14,905	
July p	5 74,665	5 69,386	6 34,430	6 34,395	26,027	8,368	35	40,235	34,991	15,680	15,241	
<b>Regional banks and other commercial banks</b>												
1974 June	83,993	79,016	37,460	37,451	32,274	5,177	9	46,533	41,565	10,303	9,778	
July p	7 84,240	7 79,400	6 37,440	6 37,429	9 31,771	5,658	11	46,800	41,971	10,386	9,871	
<b>Branches of foreign banks</b>												
1974 June	10,972	10,470	8,842	8,842	8,105	737	—	2,130	1,628	941	817	
July p	11,291	10,789	9,180	9,180	8,422	758	—	2,111	1,609	903	776	
<b>Private bankers</b>												
1974 June	15,372	13,969	10,456	10,455	8,889	1,566	1	4,916	3,514	1,883	1,842	
July p	14,291	12,959	9,515	9,514	7,889	1,625	1	4,776	3,445	1,813	1,771	
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>												
1974 June	136,350	130,950	15,412	14,163	12,497	1,666	1,249	120,938	116,787	12,677	11,869	
July p	137,167	131,913	15,059	13,960	12,226	1,734	1,099	122,128	117,953	12,849	12,000	
<b>Savings banks</b>												
1974 June	179,710	173,966	38,619	38,605	33,619	4,986	14	141,091	135,361	16,593	16,357	
July p	178,847	173,119	36,738	36,704	31,447	5,257	34	142,109	136,415	16,917	16,679	
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>												
1974 June	9,956	8,386	3,915	3,620	2,818	802	295	6,041	4,766	2,522	2,241	
July p	10,780	9,179	4,118	3,793	2,976	817	325	6,662	5,386	3,131	2,851	
<b>Credit cooperatives 4</b>												
1974 June	74,660	72,019	27,382	27,381	24,370	3,011	1	47,278	44,638	8,994	8,897	
July p	74,656	71,998	27,039	27,038	23,902	3,136	1	47,617	44,960	9,082	8,982	
<b>Mortgage banks</b>												
1974 June	132,694	131,215	1,313	1,303	1,298	5	10	131,381	129,912	3,611	3,271	
July p	134,056	132,519	1,123	1,113	1,108	5	10	132,933	131,406	3,755	3,414	
<b>Private</b>												
1974 June	79,410	78,244	911	901	896	5	10	78,499	77,343	3,136	2,817	
July p	80,544	79,317	850	840	835	5	10	79,694	78,477	3,257	2,939	
<b>Public</b>												
1974 June	53,284	52,971	402	402	402	0	—	52,882	52,569	475	454	
July p	53,512	53,202	273	273	273	0	—	53,239	52,929	498	475	
<b>Instalment sales financing institutions</b>												
1974 June	12,539	12,495	2,548	2,548	2,478	70	—	9,991	9,947	8,934	8,924	
July p	12,667	12,623	2,588	2,588	2,505	83	—	10,079	10,035	9,001	8,991	
<b>Banks with special functions</b>												
1974 June	51,354	49,950	2,672	2,504	2,265	239	168	48,682	47,446	5,693	5,385	
July p	51,109	49,703	2,470	2,305	2,057	248	165	48,639	47,398	5,727	5,412	
<b>Postal giro and postal savings bank offices</b>												
1974 June	12,730	10,035	1,369	—	—	—	1,369	11,361	10,035	4	—	
July p	12,733	10,028	1,369	—	—	—	1,369	11,364	10,028	4	—	

For footnotes \* and 1 to 3 see Table III, 4 Lending to non-banks, by debtor group, maturity and category. — million. — 7 + DM 250 million. — 8 + DM 180 million. — 9 + DM 100 million. — p Provisional.  
 4 Partial statistics, see also Table III, 8 footnote 10

Book credits and loans 2	Bills discounted 1	Loans on a trust basis	Securities (excluding bank bonds) 3	Long-term		Book credits and loans 2	Loans on a trust basis	Securities (excluding bank bonds) 3	Equalisation and covering claims	End of month
				Total including security holdings, equalisation and covering claims	excluding					
<b>All banking groups</b>										
76,735	6,258	1,293	3,212	522,876	496,068	454,378	41,690	20,243	6,565	1974 June
78,523	6,222	1,243	3,260	526,205	499,609	457,810	41,799	20,230	6,366	July p
<b>Commercial banks</b>										
24,712	2,254	376	1,128	65,141	54,120	51,590	2,530	9,607	1,414	1974 June
25,073	2,249	337	1,123	65,140	54,357	51,785	2,572	9,395	1,388	July p
<b>Big banks</b>										
13,276	1,586	43	438	24,689	19,850	19,460	390	3,982	957	1974 June
13,616	1,576	49	439	24,555	19,750	19,363	387	3,964	841	July p
<b>Regional banks and other commercial banks</b>										
9,058	569	151	525	36,230	31,787	30,204	1,583	3,922	521	1974 June
9,172	573	126	515	36,414	32,100	30,526	1,574	3,802	512	July p
<b>Branches of foreign banks</b>										
803	0	14	124	1,189	811	810	1	377	1	1974 June
762	0	14	127	1,208	833	832	1	374	1	July p
<b>Private bankers</b>										
1,575	99	168	41	3,033	1,672	1,116	556	1,326	35	1974 June
1,523	100	148	42	2,963	1,674	1,064	610	1,255	34	July p
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>										
11,538	316	15	808	108,261	104,918	92,060	12,858	2,919	424	1974 June
11,662	320	18	849	109,279	105,953	93,040	12,913	2,908	418	July p
<b>Savings banks</b>										
16,255	23	79	236	124,498	119,004	115,243	3,761	2,535	2,959	1974 June
16,582	23	74	238	125,192	119,736	115,980	3,756	2,628	2,828	July p
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>										
2,241	—	—	281	3,519	2,525	2,486	39	776	218	1974 June
2,851	—	—	280	3,531	2,535	2,496	39	779	217	July p
<b>Credit cooperatives 4</b>										
8,819	63	15	97	38,284	35,741	35,192	549	1,801	742	1974 June
8,902	64	16	100	38,535	35,978	35,425	553	1,826	731	July p
<b>Mortgage banks</b>										
3,262	—	9	340	127,770	126,641	122,379	4,262	801	328	1974 June
3,407	—	7	341	129,178	127,992	123,707	4,285	879	307	July p
<b>Private</b>										
2,817	—	—	319	75,363	74,526	73,326	1,200	583	254	1974 June
2,939	—	—	318	76,437	75,538	74,333	1,205	662	237	July p
<b>Public</b>										
445	—	9	21	52,407	52,115	49,053	3,062	218	74	1974 June
468	—	7	23	52,741	52,454	49,374	3,080	217	70	July p
<b>Instalment sales financing institutions</b>										
7,858	1,062	4	10	1,057	1,023	1,023	—	33	1	1974 June
7,947	1,041	3	10	1,078	1,044	1,044	—	33	1	July p
<b>Banks with special functions</b>										
2,050	2,540	795	308	42,989	42,061	24,370	17,691	793	135	1974 June
2,099	2,525	788	315	42,912	41,986	24,305	17,681	793	133	July p
<b>Postal giro and postal savings bank offices</b>										
—	—	—	4	11,357	10,035	10,035	—	978	344	1974 June
—	—	—	4	11,360	10,028	10,028	—	989	343	July p

### III. Banks

## 11. Deposits and borrowing of banking groups from non-banks, by maturity and category\*

Millions of DM

End of month	Deposits and borrowing from domestic and foreign non-banks, total 1	Sight deposits			Time deposits with maturities of 1 month and over 1, 2 (excluding bank savings bonds and loans on a trust basis)						
		Total	on demand	less than 1 month	Total	1 month to less than 4 years 2				4 years and over	
						Total	1 month to less than 3 months	3 months to 1 year	over 1 year to less than 4 years		
<b>All banking groups</b>											
1974 June	651,309	94,757	93,652	1,105	208,915	123,461	67,487	53,230	2,744	85,454	
July p	650,219	94,634	93,700	934	207,160	121,458	67,479	51,322	2,657	85,702	
<b>Commercial banks</b>											
1974 June	157,378	34,275	33,431	844	69,856	65,229	40,373	24,399	457	4,627	
July p	154,292	33,503	32,869	634	67,700	63,046	40,151	22,509	386	4,654	
<b>Big banks</b>											
1974 June	77,597	18,026	17,783	243	29,367	29,011	19,065	9,855	91	356	
July p	77,737	18,078	17,864	214	29,560	29,195	20,591	8,541	63	365	
<b>Regional banks and other commercial banks</b>											
1974 June	64,362	11,656	11,370	286	32,380	28,593	17,292	11,064	237	3,787	
July p	62,506	11,192	10,950	242	31,002	27,196	16,058	10,922	216	3,806	
<b>Branches of foreign banks</b>											
1974 June	3,909	1,738	1,484	254	2,023	1,907	817	1,005	85	116	
July p	3,899	1,703	1,570	133	2,054	1,937	924	945	68	117	
<b>Private bankers</b>											
1974 June	11,510	2,855	2,794	61	6,086	5,718	3,199	2,475	44	368	
July p	10,150	2,530	2,485	45	5,084	4,718	2,578	2,101	39	366	
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>											
1974 June	44,071	3,964	3,914	50	25,460	11,219	3,985	6,579	655	14,241	
July p	44,108	3,488	3,416	72	25,889	11,587	4,150	6,756	681	14,302	
<b>Savings banks</b>											
1974 June	232,690	32,573	32,506	67	26,289	24,061	12,894	10,919	248	2,228	
July p	234,670	33,658	33,558	100	26,712	24,472	12,880	11,340	252	2,240	
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>											
1974 June	5,639	603	565	38	2,641	1,104	282	794	28	1,537	
July p	5,475	604	588	16	2,467	964	388	539	37	1,503	
<b>Credit cooperatives 4</b>											
1974 June	93,103	15,774	15,711	63	17,596	16,454	8,883	7,316	255	1,142	
July p	93,700	16,094	16,029	65	17,648	16,429	8,812	7,359	258	1,219	
<b>Mortgage banks</b>											
1974 June	47,128	210	209	1	43,996	1,310	92	627	591	42,686	
July p	47,563	187	186	1	44,445	1,362	105	695	562	43,083	
<b>Private</b>											
1974 June	13,683	140	139	1	12,961	1,012	43	424	545	11,949	
July p	13,987	114	113	1	13,288	1,036	47	474	515	12,252	
<b>Public</b>											
1974 June	33,445	70	70	0	31,035	298	49	203	46	30,737	
July p	33,576	73	73	0	31,157	326	58	221	47	30,831	
<b>Instalment sales financing institutions</b>											
1974 June	2,969	212	177	35	1,884	1,677	318	1,252	107	207	
July p	2,879	228	188	40	1,774	1,565	261	1,201	103	209	
<b>Banks with special functions</b>											
1974 June	46,429	649	642	7	21,103	2,407	660	1,344	403	18,696	
July p	45,619	527	521	6	20,435	2,033	732	923	378	18,402	
<b>Postal giro and postal savings bank offices</b>											
1974 June	21,902	6,497	6,497	—	90	—	—	—	—	90	
July p	21,913	6,345	6,345	—	90	—	—	—	—	90	

For footnotes \*, 1, 2 and 3 see Table III, 5 Deposits and borrowing from non-banks, by creditor group,

maturity and category. — 4 Partial statistics; see also Table III, 8, footnote 10 and Table III, 18

Lending and deposits of credit cooperatives. — 5 + DM 120 million. — p Provisional.

Bank savings bonds 3			Savings deposits						Loans on a trust basis	Memo item: Liabilities for transactions under repurchase agreement (unless shown among liabilities above the line)	End of month
Total	less than 4 years	4 years and over	Total	Statutory notice	Agreed period of notice						
					Total	less than 4 years	entitling to bonuses	4 years and over			
<b>All banking groups</b>											
18,591	.	.	286,645	156,829	129,816	68,307	37,167	24,342	42,401	.	1974 June
19,072	.	.	286,905	158,660	128,245	67,967	35,912	24,366	42,448	.	1974 July p
<b>Commercial banks</b>											
1,226	.	.	51,170	24,724	26,446	13,689	7,850	4,907	851	.	1974 June
1,262	.	.	50,966	24,897	26,069	13,583	7,613	4,873	861	.	1974 July p
<b>Big banks</b>											
293	.	.	29,556	15,257	14,299	6,932	4,581	2,786	355	.	1974 June
302	.	.	29,442	15,332	14,110	6,899	4,434	2,777	355	.	1974 July p
<b>Regional banks and other commercial banks</b>											
885	.	.	19,024	8,356	10,668	5,791	3,004	1,873	417	.	1974 June
910	.	.	18,984	8,471	10,513	5,738	2,926	1,849	418	.	1974 July p
<b>Branches of foreign banks</b>											
7	.	.	126	75	51	43	3	5	15	.	1974 June
6	.	.	121	74	47	41	2	4	15	.	1974 July p
<b>Private bankers</b>											
41	.	.	2,464	1,036	1,428	923	262	243	64	.	1974 June
44	.	.	2,419	1,020	1,399	905	251	243	73	.	1974 July p
<b>Central giro institutions (incl. Deutsche Girozentrale)</b>											
12	.	.	2,436	1,110	1,326	494	252	580	12,199	.	1974 June
12	.	.	2,457	1,132	1,325	499	245	581	12,262	.	1974 July p
<b>Savings banks</b>											
14,867	.	.	157,219	89,672	67,547	34,925	21,370	11,252	1,742	.	1974 June
15,298	.	.	157,273	90,762	66,511	34,723	20,549	11,239	1,729	.	1974 July p
<b>Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)</b>											
2,089	.	.	269	119	150	100	39	11	37	.	1974 June
2,096	.	.	271	121	150	101	37	12	37	.	1974 July p
<b>Credit cooperatives 4</b>											
69	.	.	59,629	28,933	30,696	16,235	7,456	7,005	35	.	1974 June
78	.	.	59,846	29,300	30,546	16,216	7,262	7,068	34	.	1974 July p
<b>Mortgage banks</b>											
—	—	—	31	14	17	10	5	2	2,891	.	1974 June
—	—	—	32	15	17	10	5	2	2,899	.	1974 July p
<b>Private</b>											
—	—	—	24	11	13	8	4	1	558	.	1974 June
—	—	—	25	12	13	8	4	1	560	.	1974 July p
<b>Public</b>											
—	—	—	7	3	4	2	1	1	2,333	.	1974 June
—	—	—	7	3	4	2	1	1	2,339	.	1974 July p
<b>Instalment sales financing institutions</b>											
328	.	.	545	310	235	160	32	43	0	.	1974 June
326	.	.	551	321	230	154	33	43	0	.	1974 July p
<b>Banks with special functions</b>											
—	—	—	31	11	20	14	5	1	24,646	.	1974 June
—	—	—	31	11	20	14	5	1	24,626	.	1974 July p
<b>Postal giro and postal savings bank offices</b>											
—	—	—	15,315	11,936	3,379	2,680	158	541	—	.	1974 June
—	—	—	15,478	12,101	3,377	2,667	163	547	—	.	1974 July p

### III. Banks

## 12. Treasury bill holdings\*

Millions of DM

End of month	Treasury bills and discountable Treasury bonds, total	Domestic Issuers					Foreign issuers
		Public authorities				Federal Railways and Federal Post Office	
		Total	Federal Government		Länder Governments		
	Including mobilisation and liquidity paper		excluding mobilisation and liquidity paper				
1962 Dec.	5,773	3,871	3,842	469	29	1,185	717
1963 Dec.	6,776	4,495	4,476	316	19	1,448	833
1964 Dec.	4,580	2,380	2,369	317	11	1,328	852
1965 Dec.	4,010	1,935	1,793	1,115	142	1,264	811
1966 Dec.	4,320	2,845	2,664	1,957	181	1,251	224
1967 Dec.	10,851	6,478	6,273	6,780	205	1,383	990
1968 Dec. 1	10,540	9,216	8,929	7,680	287	1,172	152
Dec. 1	10,540	9,217	8,930	7,680	287	1,171	152
1969 Dec.	3,677	2,219	2,217	1,917	2	1,408	50
1970 Dec.	6,419	4,927	4,927	1,574	—	1,053	439
1971 Dec.	6,178	4,867	4,865	1,600	2	872	439
1972 Dec.	3,770	2,857	2,855	1,400	2	681	232
1973 Jan.	3,602	2,724	2,722	1,400	2	655	223
Feb.	4,126	3,288	3,286	1,400	2	635	203
March	4,257	3,434	3,432	1,400	2	625	198
April	4,229	3,434	3,432	1,400	2	597	198
May	2,913	2,334	2,332	1,000	2	388	191
June	3,551	2,966	2,964	1,000	2	416	169
July	3,815	3,246	3,244	1,000	2	406	163
Aug.	3,853	3,278	3,277	1,010	1	406	169
Sep.	3,740	3,190	3,189	1,000	1	386	164
Oct.	3,862	3,220	3,219	1,000	1	476	166
Nov.	3,955	3,231	3,230	1,000	1	545	179
Dec. 2	4,421	3,715	3,714	1,020	1	525	181
Dec. 2	4,421	3,715	3,714	1,020	1	525	181
1974 Jan.	3,571	2,861	2,860	1,079	1	525	185
Feb.	4,298	3,607	3,606	1,645	1	525	166
March	3,520	2,858	2,857	1,567	1	494	168
April	9,653	9,001	9,000	1,971	1	494	158
May	5,083	4,429	4,428	2,378	1	494	160
June	5,307	4,651	4,650	2,393	101	494	162
July p	5,707	5,034	4,684	2,227	150	514	159

\* For footnote see Table III, 2. — 1 Cf. footnote \*. —

2 See Table III, 2, footnote 13. — p Provisional.

## 13. Bonds of domestic public authorities and their special funds held by banks, by issuer\*

Millions of DM

End of month	Bonds of domestic public authorities and their special funds		Public authorities				Federal Railways and Federal Post Office
	Total	of which With maturities of up to 4 years	Total	Federal Government (Incl. Equalisation of Burdens Fund)	Länder Governments	Local authorities and local authority associations	
1962 Dec.	4,616	657	2,267	1,273	843	151	2,349
1963 Dec.	5,108	785	2,458	1,614	739	105	2,650
1964 Dec.	6,318	1,060	3,206	2,194	877	135	3,112
1965 Dec.	6,584	923	3,463	2,266	1,057	140	3,121
1966 Dec.	3 6,631	1,046	3,798	2,520	1,149	129	2,833
1967 Dec.	10,160	3,406	6,609	4,400	2,041	168	3,551
1968 Dec. 1	13,419	4,222	8,399	5,499	2,664	236	5,020
Dec. 1	13,446	4,183	8,423	5,562	2,654	207	5,023
1969 Dec.	14,463	4,605	8,977	6,391	2,361	225	5,486
1970 Dec.	4 13,100	3,957	5 7,877	5,450	2,255	172	5,223
1971 Dec.	12,882	3,482	7,441	4,575	2,649	217	5,441
1972 Dec.	12,642	3,097	7,280	4,056	2,985	239	5,362
1973 Jan.	12,510	3,068	7,204	4,035	2,932	237	5,306
Feb.	12,828	3,271	7,254	4,074	2,936	244	5,574
March	12,917	3,366	7,375	4,265	2,863	247	5,542
April	12,545	3,318	7,142	4,006	2,892	244	5,403
May	12,334	3,204	7,118	3,969	2,910	239	5,216
June	12,263	3,159	7,149	3,988	2,926	235	5,114
July	12,311	3,052	7,173	4,014	2,922	237	5,138
Aug.	12,546	3,010	7,140	3,999	2,908	233	5,406
Sep.	12,497	3,001	7,309	4,147	2,927	235	5,188
Oct.	12,990	3,027	7,580	4,412	2,932	236	5,410
Nov.	13,464	2,996	7,699	4,541	2,918	240	5,785
Dec. 2	13,389	2,944	7,616	4,435	2,943	238	5,773
Dec. 2	13,453	2,945	7,656	4,457	2,959	240	5,797
1974 Jan.	13,778	2,944	7,808	4,647	2,926	235	5,970
Feb.	13,656	2,953	7,663	4,520	2,914	229	5,993
March	13,622	3,041	7,746	4,617	2,897	232	5,876
April	13,402	2,954	7,633	4,555	2,851	227	5,769
May	13,441	3,012	7,768	4,722	2,822	224	5,673
June	13,568	3,212	7,727	4,678	2,828	221	5,841
July p	13,685	3,260	7,803	4,635	2,945	223	5,882

\* For footnote see Table III, 2. — 1 See footnote \*. — million. — 4 — DM 230 million. — 5 — DM 140

2 See Table III, 2, footnote 13. — 3 — DM 140

million. — p Provisional.







## (b) Lending to domestic enterprises, by kind of economic activity

Millions of DM

End of month	Lending to domestic enterprises and self-employed persons												
	Lending (excl. mortgage loans secured by real estate used for industrial purposes)												Mortgage loans secured by real estate used for industrial purposes 8
	Total	Total	Manu- facturing	Gas, electricity and water supply, mining	Con- struction	Distribu- tive trades	Agricul- ture and forestry, animal husbandry and fishery 5	Transport and tele- communi- cations 6	Financial institutions 7 and insurance business	of which Building and loan associa- tions	Services (incl. pro- fessions)		
<b>Lending, total</b>													
1973 Sep.	31 351,139	31 317,276	111,092	19,036	18,111	51,521	23,227	39,965	5,399	2,887	48,925	33,863	
Dec. 32	357,412	322,446	112,851	18,912	18,223	50,910	23,316	41,082	5,256	2,780	51,896	34,966	
Dec. 32	359,387	324,331	113,280	18,920	18,437	51,164	24,019	41,140	5,279	2,798	52,092	35,056	
1974 March	33 364,328	33 329,091	114,109	19,116	18,966	52,608	24,705	42,404	5,194	2,781	37 51,989	35,237	
June	39 372,250	39 336,216	117,656	19,220	19,557	53,186	24,829	43,522	5,548	2,993	41 52,698	36,034	
<b>Short-term</b>													
1973 Sep.	141,388	141,388	58,284	2,858	11,446	37,228	3,995	3,540	2,118	967	21,919	—	
Dec. 32	143,447	143,447	59,217	2,643	11,544	36,589	4,034	3,501	1,945	754	23,974	—	
Dec. 32	144,363	144,363	59,454	2,646	11,678	36,734	4,316	3,526	1,957	764	24,052	—	
1974 March	147,254	147,254	60,437	2,707	12,388	37,912	4,326	3,518	1,839	778	24,127	—	
June	154,229	154,229	64,285	2,860	12,883	38,637	4,491	3,697	2,036	793	25,340	—	
<b>Medium-term</b>													
1973 Sep.	50,192	49,878	16,681	3,799	3,005	4,832	895	5,554	1,893	1,254	13,219	314	
Dec. 32	50,231	49,859	17,198	3,459	2,958	4,674	866	5,484	1,895	1,335	13,325	372	
Dec. 32	50,426	50,053	17,236	3,459	2,986	4,700	915	5,496	1,904	1,343	13,357	373	
1974 March	50,292	49,923	17,375	3,305	2,807	4,880	917	5,662	1,868	1,316	13,109	369	
June	50,996	50,596	17,179	3,324	2,819	4,637	915	6,731	1,942	1,426	13,049	400	
<b>Long-term</b>													
1973 Sep.	159,559	126,010	36,127	12,379	3,660	9,461	18,337	30,871	1,388	666	13,787	33,549	
Dec. 32	163,734	129,140	36,436	12,810	3,721	9,647	18,416	32,097	1,416	691	14,597	34,594	
Dec. 32	164,598	129,915	36,590	12,815	3,773	9,730	18,788	32,118	1,418	691	14,683	34,683	
1974 March	36 166,782	36 131,914	36,297	13,104	3,771	9,816	19,462	33,224	1,487	687	38 14,753	34,868	
June	45 167,025	45 131,391	36,192	13,036	3,855	9,912	19,423	33,094	1,570	774	47 14,309	35,634	

## (c) Lending to manufacturing, by industry

Millions of DM

End of month	Lending to manufacturing (excl. mortgage loans secured by real estate used for industrial purposes)										
	Total	Chemical industry (incl. coal derivatives industry) and petroleum processing	Plastics, rubber and asbestos processing	Extraction and pro- cessing of stones and earths; pottery and glass	Basic metal production, foundries and steel moulding	Steel con- struction, mechanical engineering, vehicle building	Electrical engineering, other engineering and metal goods 9	Wood, paper and printing	Leather, textile and clothing	Food, drink and tobacco	
<b>Lending, total</b>											
1973 Sep.	111,092	12,155	4,415	4,744	15,287	23,279	17,952	10,633	11,114	11,513	
Dec. 32	112,851	12,320	4,275	5,023	15,261	23,876	18,359	10,669	10,718	12,350	
Dec. 32	113,280	12,325	4,284	5,052	15,282	23,936	18,418	10,753	10,760	12,470	
1974 March	114,109	11,493	4,527	5,251	15,074	24,688	18,880	10,904	10,708	12,584	
June	117,656	11,981	4,541	5,365	15,049	25,417	20,147	11,321	11,013	12,822	
<b>Short-term</b>											
1973 Sep.	58,284	4,303	2,486	2,288	7,679	11,692	9,775	5,796	7,545	6,720	
Dec. 32	59,217	4,482	2,375	2,431	7,704	11,971	9,924	5,772	7,134	7,424	
Dec. 32	59,454	4,484	2,380	2,449	7,716	12,006	9,954	5,822	7,160	7,483	
1974 March	60,437	4,149	2,515	2,606	7,569	12,628	10,369	5,908	7,113	7,580	
June	64,285	4,749	2,590	2,764	7,822	13,596	11,375	6,226	7,323	7,840	
<b>Medium-term</b>											
1973 Sep.	16,681	2,469	578	831	2,594	4,835	2,352	1,018	851	1,153	
Dec. 32	17,198	2,410	586	840	2,687	5,068	2,543	999	829	1,236	
Dec. 32	17,236	2,411	587	843	2,689	5,073	2,549	1,005	833	1,246	
1974 March	17,375	2,326	620	841	2,682	5,243	2,585	1,013	823	1,242	
June	17,179	2,223	548	838	2,575	5,179	2,738	1,051	866	1,161	
<b>Long-term</b>											
1973 Sep.	36,127	5,383	1,351	1,625	5,014	6,752	5,825	3,819	2,718	3,640	
Dec. 32	36,436	5,428	1,314	1,752	4,870	6,837	5,892	3,898	2,755	3,690	
Dec. 32	36,590	5,430	1,317	1,760	4,877	6,857	5,915	3,926	2,767	3,741	
1974 March	36,297	5,018	1,392	1,804	4,823	6,817	5,926	3,983	2,772	3,762	
June	36,192	5,009	1,403	1,763	4,652	6,642	6,034	4,044	2,824	3,821	

musical instruments, sports equipment, toys and games, and jewellery. — 10 + DM 213 million. — 11 The difference between the two December 1970 lines is due to changes in the returns regarding funds channelled through banks. — 12 + DM 230 million. — 13 + DM 256 million. — 14 — DM 100 million. — 15 + DM 100 million. — 16 + DM 195 million. — 17 + DM 171 million. — 18 + DM 529 million. —

19 + DM 140 million. — 20 + DM 389 million. — 21 + DM 170 million. — 22 + DM 130 million. — 23 + DM 3,110 million. — 24 + DM 163 million. — 25 + DM 3,028 million. — 26 + DM 320 million. — 27 + DM 3,060 million. — 28 + DM 2,967 million. — 29 + DM 120 million. — 30 + DM 111 million. — 31 + DM 110 million. — 32 See Table III, 2, footnote 13. — 33 — DM 137 million. — 34 + DM 187

million. — 35 — DM 177 million. — 36 — DM 157 million. — 37 — DM 161 million. — 38 — DM 167 million. — 39 — DM 400 million. — 40 — DM 477 million. — 41 — DM 111 million. — 42 + DM 200 million. — 43 — DM 200 million. — 44 — DM 450 million. — 45 — DM 527 million. — 46 — DM 522 million. — 47 — DM 542 million.

### III. Banks

#### 16. Savings deposits\*

##### (a) Changes in totals

Millions of DM

Period	Total savings deposits at beginning of period 1	Credits		Debits		Balance of credits and debits	Interest credited	Total savings deposits at end of period
		Total	of which Savings accounts entitling to bonuses	Total	of which Savings accounts entitling to bonuses			
1962	60,424	42,292	1,495	34,974	189	+ 7,318	2,154	5 69,873
1963	69,873	47,847	2,144	38,753	282	+ 9,094	2,554	81,521
1964	81,521	56,471	2,943	46,744	969	+ 9,727	2,964	94,212
1965	94,212	69,871	3,883	57,215	2,153	+12,656	3,809	110,677
1966	110,680	75,532	4,488	64,213	2,666	+11,319	5,113	127,112
1967	127,112	82,080	4,554	70,062	2,786	+12,018	5,534	6 144,672
1968	144,673	95,714	4,986	81,028	3,631	+14,686	6,063	7 165,432
1969	166,110	112,116	5,948	99,471	5,349	+12,645	7,237	8 186,017
1970	186,020	130,138	7,822	121,075	7,430	+ 9,063	10,108	9 205,440
1971	205,481	147,088	9,883	131,531	8,552	+15,557	11,007	10 232,478
1972	232,528	167,213	10,303	147,957	8,424	+19,266	11,603	11 263,953
1973	264,049	166,083	10,270	167,432	3,763	- 1,339	15,263	12 278,254
1973 1st qtr	264,049	44,652	2,813	42,990	1,084	+ 1,662	216	13 265,960
2nd qtr	265,968	38,349	2,345	40,282	698	- 1,933	51	14 264,194
3rd qtr	264,252	39,779	2,289	42,753	1,151	- 2,974	123	15 261,418
4th qtr	261,431	43,313	2,817	41,407	830	+ 1,906	14,873	16 278,254
1973 Jan.	264,049	17,637	1,197	16,639	550	+ 998	198	265,245
Feb.	265,260	13,346	794	12,401	273	+ 945	9	266,214
March	266,232	13,669	822	13,950	261	- 281	9	265,960
April	265,968	12,473	789	12,449	231	+ 24	14	266,006
May	266,020	12,984	760	13,612	240	- 628	15	265,407
June	265,501	12,892	816	14,221	227	- 1,329	22	264,194
July	264,252	14,643	810	16,336	624	- 1,693	42	262,601
Aug.	262,616	13,321	751	14,203	281	- 882	36	261,770
Sep.	261,772	11,815	728	12,214	248	- 399	45	261,418
Oct.	261,431	14,564	812	13,637	264	+ 927	52	262,410
Nov.	262,425	13,354	786	12,530	237	+ 824	49	263,298
Dec. 4	263,327	15,395	1,225	15,240	329	+ 155	14,772	278,254
Dec. 4	267,494	15,648	1,245	15,479	336	+ 169	14,988	282,651
1974 Jan.	282,674	19,579	1,319	19,701	1,660	- 122	254	282,806
Feb.	282,808	14,042	857	13,055	329	+ 987	19	283,814
March	283,836	13,901	867	14,001	311	- 100	24	283,760
April	283,778	14,486	837	13,870	285	+ 616	36	284,430
May	284,441	14,821	814	13,573	278	+ 1,248	32	285,721
June	285,777	12,989	851	12,171	270	+ 818	50	286,645
July p	286,664	18,837	1,084	18,682	2,358	+ 155	86	286,905

##### (b) By group of savers

Millions of DM

End of month	Total savings deposits							Memorandum Items:	
	Total	Domestic individuals		Domestic non-profit organisations	Domestic enterprises	Domestic public authorities	Foreigners	Holdings on security deposits deriving from purchase of securities entitling to bonuses 2	Amount of savings bonuses under Savings Bonuses Act
		Total	of which Savings deposits entitling to bonuses						
1962 Dec.	69,873	61,869	3,978		7,553		451	553	572
1963 Dec.	81,521	72,424	6,026		8,546		551	798	884
1964 Dec.	94,212	84,272	8,269		9,228		712	1,089	1,229
1965 Dec.	110,677	99,875	10,397		9,883		919	1,407	1,542
1966 Dec.	127,112	115,638	12,786		10,391		1,083	1,442	1,942
1967 Dec.	144,672	131,827	15,213		11,601		1,244	1,429	2,442
1968 Dec. 3	165,432	151,002	17,301		12,880		1,550	1,325	2,736
Dec. 3	166,110	151,438	17,355				1,550	1,328	2,746
1969 Dec.	186,017	170,107	16,777	2,392	2,933	7,797	1,550	1,328	2,746
1970 Dec.	17 205,440	17 189,935	20,239	3,027	2,970	8,105	1,608	1,224	2,835
1971 Dec.	18 232,478	18 216,340	22,731	3,285	2,750	7,521	1,949	1,128	2,728
1972 Dec.	19 263,953	20 245,702	25,884	3,767	3,055	7,122	2,194	1,161	2,890
1973 Jan.	21 265,245	21 247,061	26,565	4,766	3,809	7,396	2,280	1,271	3,629
Feb.	266,214	247,936	27,087	4,859	3,825	7,241	2,259	1,255	3,690
March	265,960	247,781	27,649	4,970	3,796	7,258	2,254	1,275	3,788
April	266,006	248,040	28,187	5,016	3,752	7,144	2,267	1,291	3,904
May	265,407	247,454	28,708	4,947	3,761	6,991	2,267	1,303	4,023
June	21 264,194	21 246,433	29,305	4,974	3,748	6,974	2,257	1,312	4,155
July	262,601	245,046	29,498	4,978	3,697	6,844	2,242	1,313	4,259
Aug.	261,770	244,353	29,970	5,001	3,649	6,691	2,214	1,301	4,305
Sep.	261,418	244,144	30,454	4,969	3,589	6,679	2,180	1,310	4,491
Oct.	262,410	245,251	31,004	5,005	3,549	6,563	2,157	1,321	4,673
Nov.	263,298	246,225	31,558	5,003	3,626	6,394	2,136	1,318	4,954
Dec. 4	278,254	260,189	34,298	4,919	3,641	6,407	2,106	1,329	5,187
Dec. 4	282,651	264,361	34,745	5,278	3,810	6,814	2,163	1,360	5,549
1974 Jan.	282,806	264,810	34,401	5,338	3,932	6,855	2,165	1,362	5,621
Feb.	283,814	265,760	34,931	5,317	3,956	6,611	2,112	1,417	5,481
March	283,760	265,899	35,489	5,422	3,971	6,569	2,092	1,329	5,553
April	284,430	266,747	36,043	5,434	3,881	6,473	2,073	1,340	5,653
May	285,721	268,000	36,579	5,480	3,800	6,346	2,057	1,340	5,779
June	286,645	269,036	37,167	5,455	3,805	6,415	2,046	1,354	5,895
July p	286,905	269,602	35,912	5,549	3,770	6,257	2,033	1,358	5,974
				5,480	3,766	6,043	2,014	1,369	5,788

\* For footnotes see Table III, 5. - 1 Differences from previous end-of-period position are mostly due to changes because of mergers etc. - 2 Including bank savings bonds and the like deposited with the benefit of bonuses. - 3 Cf. footnote \*. - 4 See Table III, 2,

footnote 13. - 5 - DM 23 million. - 6 + DM 8 million. - 7 + DM 10 million. - 8 + DM 25 million. - 9 + DM 249 million. - 10 + DM 433 million. - 11 + DM 566 million. - 12 + DM 281 million. - 13 + DM 33 million. - 14 + DM 108 million. -

15 + DM 17 million. - 16 + DM 44 million. - 17 + DM 230 million. - 18 + DM 450 million. - 19 + DM 610 million. - 20 + DM 470 million. - 21 + DM 100 million. - p Provisional.

## 17. Building and loan associations

## (a) Interim statements

Millions of DM

End of year or month	Number of associations	Balance sheet total	Lending to banks					Lending to non-banks				Liabilities to banks 6		Liabilities to non-banks		Capital and reserves	Memo item: New contracts entered into in year or month 10
			Balances and loans (except building loans) 1	Building loans 2		Bank bonds	Building loans 3			Securities (including Treasury bills and discountable Treasury bonds) 5	Savings deposits	Sight and time deposits	Savings deposits 8	Sight and time deposits 9			
				Loans under savings contracts	Interim and bridging loans		Loans under savings contracts	Interim and bridging loans	Other building loans 4								
<b>All building and loan associations</b>																	
1968	29	35,327	8,950	.	.	994	18,554	4,636	823	442	.	1,018	31,066	728	901	25,766	
1969	28	40,078	9,151	.	.	1,169	20,867	6,834	806	268	.	1,257	35,098	787	1,080	38,950	
1970	27	46,886	9,348	.	.	1,152	24,012	9,999	690	266	.	1,712	40,609	996	1,282	52,757	
1971	27	53,632	11,363	.	.	1,218	28,243	10,066	742	291	.	2,153	46,199	932	1,491	57,674	
1972	28	62,098	12,515	.	.	1,500	34,586	10,044	863	281	.	2,705	53,524	1,043	1,744	63,853	
1973	29	70,435	10,972	476	157	1,509	41,159	13,010	1,698	271	1,037	2,353	60,645	1,184	2,092	62,127	
1974 Mar.	29	70,526	10,111	582	217	1,494	43,025	12,185	1,769	252	1,045	2,266	60,192	1,194	2,162	6,416	
April	29	70,988	10,181	599	180	1,519	43,843	11,738	1,763	242	1,028	2,273	60,444	1,197	2,207	3,911	
May	29	71,129	9,761	604	178	1,510	44,438	11,715	1,741	240	1,136	2,292	60,326	1,257	2,246	4,288	
June	29	71,436	9,441	625	176	1,561	44,966	11,812	1,650	235	1,127	2,287	60,373	1,288	2,265	3,432	
July p	29	71,593	8,658	623	180	1,578	45,527	12,209	1,596	228	1,120	2,343	60,280	1,306	2,279	3,678	
<b>Private building and loan associations</b>																	
1974 April	16	43,558	4,857	370	164	817	30,232	5,966	379	190	641	662	37,792	735	1,409	2,407	
May	16	43,773	4,496	377	164	801	30,640	6,115	385	189	740	684	37,742	783	1,412	3,024	
June	16	43,901	4,101	399	166	822	30,968	6,258	368	184	735	694	37,695	821	1,412	2,280	
July p	16	43,950	3,670	396	166	825	31,393	6,302	400	177	726	745	37,611	839	1,422	2,460	
<b>Public building and loan associations</b>																	
1974 April	13	27,430	5,324	229	16	702	13,611	5,772	1,384	52	367	1,611	22,652	462	798	1,504	
May	13	27,356	5,265	227	14	709	13,798	5,600	1,356	51	396	1,608	22,584	474	834	1,264	
June	13	27,535	5,340	226	10	739	13,978	5,554	1,282	51	392	1,593	22,678	467	853	1,152	
July p	13	27,643	4,988	227	14	753	14,134	5,907	1,196	51	394	1,598	22,669	467	857	1,216	

## (b) Business activity

Millions of DM

Period	Savings turnover 11			Capital promised		Capital paid out					Out-payment commitments outstanding at end of period		Interest and repayments received on building loans 12		Memo item: Housing bonuses received 14	
	Amounts paid into savings accounts 12	Interest credited to savings accounts	Repayments of savings deposits on cancelled contracts	Total	of which Net allocations 13	Total	Allocations			Newly granted interim and bridging loans and other building loans	Total	of which Allocations	Total	of which Repayments		
							Savings deposits		Loans under savings contracts							
							Total	of which Applied to settlement of interim and bridging loans								Total
<b>All building and loan associations</b>																
1969	11,903	887	843	21,231	13,500	19,386	7,826	2,212	5,358	1,735	6,202	7,319	5,019	4,023	3,002	1,209
1970	14,911	1,019	1,204	25,593	16,263	24,138	9,280	2,734	6,648	2,273	8,210	7,151	5,078	4,372	3,223	1,643
1971	16,966	1,181	1,493	27,934	19,545	25,475	10,998	3,437	8,175	2,929	6,302	8,710	6,164	4,999	3,939	2,079
1972	15 20,771	1,317	1,456	37,082	24,219	33,664	13,492	4,643	10,776	4,170	9,396	10,033	6,437	6,256	4,614	2,499
1973	21,716	1,558	910	39,877	26,085	39,482	14,097	4,926	12,359	4,301	13,026	8,626	6,364	7,089	5,208	2,932
1974 Mar.	1,844	10	87	3,439	2,513	3,354	1,416	479	1,175	489	763	8,290	6,257	668	.	92
April	1,759	12	75	3,983	3,010	3,565	1,455	706	1,285	653	825	8,963	6,878	666	.	181
May	1,465	20	76	3,666	2,812	3,637	1,418	539	1,261	489	958	9,173	6,959	751	1,509	328
June	1,268	18	59	3,041	2,195	2,941	1,177	401	991	351	773	9,159	7,018	689	.	346
July p	1,363	22	75	3,073	2,152	3,387	1,409	345	1,074	284	904	8,824	6,736	747	.	361
<b>Private building and loan associations</b>																
1974 April	1,253	8	36	2,816	2,220	2,413	1,004	553	947	527	462	4,830	3,725	431	.	64
May	922	13	37	2,116	1,627	2,250	850	248	796	257	604	4,862	3,622	457	930	150
June	636	11	26	1,962	1,472	1,759	669	206	621	197	469	5,016	3,808	446	.	151
July p	797	13	36	2,008	1,485	2,186	870	275	789	248	527	4,693	3,565	488	.	224
<b>Public building and loan associations</b>																
1974 April	506	4	39	1,167	790	1,152	451	153	338	126	363	4,133	3,153	235	.	117
May	543	7	39	1,570	1,185	1,387	568	291	465	232	354	4,311	3,337	294	579	178
June	632	7	33	1,079	723	1,182	508	195	370	154	304	4,143	3,210	243	.	195
July p	566	9	39	1,065	667	1,201	539	70	285	36	377	4,131	3,171	259	.	137

1 Including postal giro account balances and registered bonds, excluding balances with Bundesbank; from December 1973 including claims on building and loan associations. — 2 Up to November 1973 included in building loans to non-banks. — 3 Up to November 1973 including building loans to banks. — 4 From December 1973 including small amounts of loans for purposes other than building. — 5 Including equalisation and covering claims. — 6 Including borrowing from Deutsche Bundesbank

and including liabilities to building and loan associations. — 7 Up to November 1973 included in non-banks' savings deposits. — 8 Up to November 1973 including banks' savings deposits. — 9 Including small amounts of savings deposits. — 10 Total amount covered by the contract; only contracts newly entered into, for which the contract fee has been fully paid. Increases in the contractual amount count as new contracts. — 11 For out-payments of savings deposits arising

from the allocation of contracts see "Capital paid out". — 12 Including housing bonuses credited. — 13 Only allocations accepted by the beneficiaries. — 14 The amounts already credited to the accounts of savers or borrowers are included in "Amounts paid into savings accounts" and "Interest and repayments received on building loans". — 15 + DM 250 million. — p Provisional.

### III. Banks

#### 18. Lending and deposits of credit cooperatives \*

Millions of DM					
End of month	Number of credit cooperatives 1	Book credits and loans, and discount credits to non-banks 2	Deposits and borrowing from non-banks 2		
			Total	Sight and time deposits	Savings deposits
1971 Dec.	.	57,840	77,445	20,816	56,629
1972 June	5,927	62,597	82,951	23,091	59,860
Sep.	.	64,100	84,976	23,934	61,042
Dec.	5,749	69,589	90,687	25,203	65,484
1973 March	.	71,406	92,493	25,867	66,626
June	5,647	73,942	94,489	28,310	66,179
Sep.	.	75,289	96,368	31,092	65,276
Dec.	...	77,441	102,341	33,165	69,176
1974 March	5,465	77,914	104,324	34,994	69,330

\* Source: Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V., Bonn. The figures cover the transactions of all credit cooperatives (see also footnote 1), whereas the banking statistics collected by the Deutsche Bundesbank only cover the cooperatives required to render returns (since end-1973 about 2,400, prior to that about 2,000). The figures for June and December are based on a general survey, those for March and September are estimated on the basis of a partial survey by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. — 1 Including banks affiliated to the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. and not operated in the legal form of a cooperative, but excluding central institutions of credit cooperatives. — 2 Excluding loans on a trust basis.

#### 19. Debits to accounts of non-banks \*

Millions of DM			
Month	Debits	Month	Debits
1971 Jan.	363,135	1973 Jan.	480,900
Feb.	354,569	Feb.	436,583
March	409,407	March	467,940
April	400,071	April	465,819
May	383,679	May	478,998
June	409,953	June	499,188
July	419,848	July	508,257
Aug.	381,686	Aug.	503,881
Sep.	391,401	Sep.	466,948
Oct.	391,670	Oct.	526,834
Nov.	400,516	Nov.	525,947
Dec.	493,236	Dec. 1	557,343
		Dec. 1	559,975
1972 Jan.	408,800	1974 Jan.	539,439
Feb.	390,082	Feb.	480,836
March	433,275	March	533,056
April	403,609	April	544,926
May	421,781	May	565,699
June	445,297	June	527,602
July	423,636	July p	584,753
Aug.	425,372		
Sep.	431,396		
Oct.	458,831		
Nov.	462,295		
Dec.	516,436		

\* Arising from transfers, direct debits and cheque clearing. — 1 See Table III, 2, footnote 13. — p Provisional.

#### 20. Number of monthly reporting banks and their classification by size

End-December 1973

Banking group	Total number of monthly reporting banks 1	The banks reporting for the monthly banking statistics are graded as follows according to their volume of business									
		less than DM 1 million	DM 1 million to less than DM 5 million	DM 5 million to less than DM 10 million	DM 10 million to less than DM 25 million	DM 25 million to less than DM 50 million	DM 50 million to less than DM 100 million	DM 100 million to less than DM 500 million	DM 500 million to less than DM 1 billion	DM 1 billion to less than DM 5 billion	DM 5 billion and over
Commercial banks	319	15	23	26	29	42	34	77	29	37	7
Big banks 2	6	—	—	—	—	—	—	—	—	3	3
Regional banks and other commercial banks	123	3	6	5	11	15	13	34	14	18	4
Branches of foreign banks	42	—	—	1	1	3	9	12	7	9	—
Private bankers	148	12	17	20	17	24	12	31	8	7	—
Central giro institutions (including Deutsche Girozentrale)	12	—	—	—	—	—	—	—	—	2	10
Savings banks	741	—	—	2	19	51	125	426	77	37	4
Central institutions of credit cooperatives (incl. Deutsche Genossenschaftskasse)	13	—	—	—	1	—	—	1	2	6	3
Credit cooperatives 3	2,450	6	1	50	1,227	662	296	197	7	4	—
Mortgage banks	42	—	—	—	1	2	2	5	1	23	8
Private	28	—	—	—	—	2	—	2	—	20	4
Public	14	—	—	—	1	—	2	3	1	3	4
Instalment sales financing institutions	174	15	41	21	22	15	22	31	5	2	—
Banks with special functions	18	—	—	—	1	—	1	3	2	6	5
Postal giro and postal savings bank offices	15	.	.	.	.	.	.	.	.	.	.
Building and loan associations	29	1	—	—	1	—	1	8	8	5	5
Private	16	—	—	—	1	—	1	4	6	1	3
Public	13	1	—	—	—	—	—	4	2	4	2
Total 4 excluding building and loan associations including building and loan associations	3,784 3,813	(36) (37)	(65) (65)	(99) (99)	(1,300) (1,301)	(772) (772)	(480) (481)	(740) (748)	(123) (131)	(117) (122)	(37) (42)

1 Including banks in liquidation. — 2 Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG, and their Berlin subsidiaries. — 3 Partial statistics covering those credit cooperatives whose total assets on December 31, 1972 amounted to DM 10 million and more, and smaller institutions which on November 30,

1973 were required to render returns; see also Table III, 18. Including other banks not organized in the form of a cooperative but affiliated to Bundesverband der Deutschen Volksbanken und Raiffeisenbanken. Up to December 1971 credit cooperatives

(Schulze-Delitzsch) and credit cooperatives (Raiffeisen) were recorded separately and were shown separately in the publications. — 4 Figures in brackets do not contain postal giro and postal savings bank offices.

## 21. Number of banks and their branches \*

## (a) Total

Position at end of year or change during year	Position			Change		
	Banks	Branches	Bank offices, total	Banks	Branches	Bank offices, total
1957	13,359	12,974	26,333	-	-	-
1958	13,323	13,538	26,861	- 36	+ 564	+ 528
1959	13,302	15,077	28,379	- 21	+ 1,539	+ 1,518
1960	13,259	18,768	30,027	- 43	+ 1,691	+ 1,648
1961	13,152	18,152	31,304	- 107	+ 1,384	+ 1,277
1962	12,960	19,267	32,227	- 192	+ 1,115	+ 923
1963	12,716	20,307	33,023	- 244	+ 1,040	+ 796
1964	12,347	21,585	33,932	- 369	+ 1,278	+ 909
1965	11,836	23,046	34,882	- 511	+ 1,461	+ 950
1966	11,356	24,599	35,955	- 480	+ 1,553	+ 1,073
1967	10,859	26,285	37,144	- 497	+ 1,686	+ 1,189
1968	10,222	28,394	38,616	- 637	+ 2,109	+ 1,472
1969	9,536	30,440	39,976	- 686	+ 2,046	+ 1,360
1970	8,549	32,251	40,800	- 987	+ 1,811	+ 824
1971	7,819	33,904	41,723	- 730	+ 1,653	+ 923
1972 1	7,172	35,379	42,551	- 647	+ 1,475	+ 828
1972 2	7,190	35,367	42,577	-	-	-
1973	6,892	36,393	43,285	- 298	+ 1,006	+ 708

## (b) By banking group

Banking group	1957			1972 2			1973			1973	
	Position at end of year									Year-on-year change in number of bank offices	
	Banks	Branches	Bank offices, total	Banks	Branches	Bank offices, total	Banks	Branches	Bank offices, total	Number	In %
Commercial banks 3	364	1,917	2,281	314	5,540	5,854	313	5,697	6,010	+ 156	+ 3
Big banks	8	787	795	6	2,841	2,847	6	2,919	2,925	+ 78	+ 3
Regional banks and other commercial banks 3	98	1,020	1,118	119	2,357	2,476	121	2,426	2,547	+ 71	+ 3
Branches of foreign banks 4	15	6	21	35	28	63	42	30	72	+ 9	+ 14
Private bankers 3	245	104	349	154	314	468	144	322	466	- 2	0
Central giro institutions 5	14	191	205	12	350	362	12	347	359	- 3	- 1
Savings banks	871	8,192	9,063	776	15,791	16,567	741	16,073	16,814	+ 247	+ 1
Central institutions of credit cooperatives 6	19	89	108	13	97	110	13	93	106	- 4	- 4
Credit cooperatives 7	11,795	2,305	14,100	5,743	13,137	18,880	5,481	13,687	19,168	+ 288	+ 2
Mortgage banks	44	19	63	43	26	69	42	28	70	+ 1	+ 1
Private	25	8	33	28	18	46	28	20	48	+ 2	+ 4
Public	19	11	30	15	8	23	14	8	22	- 1	- 4
Instalment sales financing institutions 3	194	225	419	165	409	574	163	422	585	+ 11	+ 2
Banks with special functions	16	34	50	18	28	46	18	29	47	+ 1	+ 2
Building and loan associations 8	.	.	.	18	8	26	18	16	34	+ 8	+ 31
Private	.	.	.	15	8	23	15	16	31	+ 8	+ 35
Public	.	.	.	3	-	3	3	-	3	-	-
Banking groups not covered by the monthly balance sheet statistics	42	2	44	88	1	89	91	1	92	+ 3	+ 3
Investment companies	5	-	5	33	1	34	34	1	35	+ 1	+ 3
Securities depositories	7	1	8	8	-	8	8	-	8	-	-
Guarantee banks and other banks	30	1	31	47	-	47	49	-	49	+ 2	+ 4
Total	13,359	12,974	26,333	7,190	35,387	42,577	6,892	36,393	43,285	+ 708	+ 2

\* Excluding postal giro and postal savings bank offices. Also excluding banks in liquidation which during liquidation still render returns for the monthly balance sheet statistics, and excluding deposit-receiving agencies, exchange offices, commission agencies, branches and representations, but including the registered offices for the business activity of transferred banks in the Federal area and second and other registered offices of banks if banking business is conducted there; such registered offices are recorded as branches. - 1 Excluding building and loan associations. - 2 From 1972 including legally independent building and loan associations and their branches. - 3 At the end of 1972 and at the end of 1973 the monthly balance sheet statistics include among the instalment sales

financing institutions another 7 institutions with 240 and 273 branches respectively. In this table, 3 institutions with 236 and 269 branches respectively have been placed in the group of "Regional banks and other commercial banks" and 4 institutions with 4 branches in the group of "Private bankers", in accordance with the index of banks (publication 1035, 1972 edition). - 4 The first branch established by a foreign bank in the Federal area is considered a bank according to section 53 (1) of the Banking Act; further branches are recorded as branches. - 5 Including Deutsche Girozentrale - Deutsche Kommunalbank - and the numerous branches of the former Braunschweigische Staatsbank, which are now being conducted as branches of Norddeutsche Landesbank Girozentrale. - 6 Including Deutsche

Genossenschaftskasse and DZ-Bank Deutsche Zentralgenossenschaftsbank AG. - 7 Including other banks not organised in the form of a cooperative but affiliated to Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. Up to December 1971 credit cooperatives (Schulze-Delitzsch) and credit cooperatives (Raiffeisen) were recorded separately and were shown separately in the publications. - 8 Since end-1972 15 private building and loan associations with their branches and 3 legally independent public building and loan associations (in Baden, Württemberg and Hamburg) have been recorded. 9 (end-1972) and 10 (end-1973) legally dependent public building and loan associations (departments or agencies of other public-law banks) with 4 branches are not separately recorded.

## IV. Minimum reserve statistics

### 1. Reserve ratios \*

% of reserve-carrying liabilities													
Applicable from	Sight liabilities								Time liabilities				
	Bank places a				Non-bank places								
	Reserve class												
	1	2	3	4	1	2	3	4	1	2	3	4	
<b>Reserve-carrying liabilities to residents 2</b>													
1967 March 1	11.7	10.8	9.9	9	9	8.1	7.2	6.3	8.1	7.2	6.3	5.4	
May 1	11.05	10.2	9.35	8.5	8.5	7.65	6.8	5.95	7.65	6.8	5.95	5.1	
July 1	10.15	9.35	8.6	7.8	7.8	7	6.25	5.45	7	6.25	5.45	4.7	
Aug. 1	9.5	8.75	8.05	7.3	7.3	6.55	5.85	5.1	6.55	5.85	5.1	4.4	
Sep. 1	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
1969 Jan. 1	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
June 1	10.6	9.8	8.95	8.15	8.15	7.35	6.5	5.7	7.35	6.5	5.7	4.9	
Aug. 1	11.65	10.75	9.85	8.95	8.95	8.05	7.15	6.25	8.05	7.15	6.25	5.35	
Nov. 1	10.45	9.65	8.85	8.05	8.05	7.25	6.45	5.65	7.25	6.45	5.65	4.85	
Dec. 1	9.45	8.7	8	7.25	7.25	6.55	5.8	5.1	6.55	5.8	5.1	4.35	
1970 Jan. 1	10.45	9.65	8.85	8.05	8.05	7.25	6.45	5.65	7.25	6.45	5.65	4.85	
July 1	12.05	11.1	10.2	9.25	9.25	8.35	7.4	6.5	8.35	7.4	6.5	5.55	
Sep. 1	12.05	11.1	10.2	9.25	9.25	8.35	7.4	6.5	8.35	7.4	6.5	5.55	
Dec. 1	13.8	12.7	11.65	10.6	10.6	9.55	8.5	7.4	9.55	8.5	7.4	6.35	
1971 June 1	15.85	14.65	13.4	12.2	12.2	11	9.75	8.55	11	9.75	8.55	7.3	
Nov. 1	14.3	13.2	12.1	11	11	9.9	8.8	7.7	9.9	8.8	7.7	6.6	
1972 Jan. 1	12.85	11.9	10.9	9.9	9.9	8.9	7.9	6.95	8.9	7.9	6.95	5.95	
July 1	15.45	14.25	13.05	11.9	11.9	10.7	9.5	8.3	10.7	9.5	8.3	7.1	
Aug. 1	17	15.7	14.35	13.05	13.05	11.75	10.45	9.15	11.75	10.45	9.15	7.85	
1973 March 1	19.55	18.05	16.55	15.05	15.05	13.55	12	10.5	13.55	12	10.5	9	
Nov. 1	20.1	18.55	17.05	15.5	15.5	13.95	12.4	10.85	13.95	12.4	10.85	9.3	
1974 Jan. 1	19.1	17.65	16.2	14.7	14.7	13.25	11.75	10.3	13.25	11.75	10.3	8.8	
Sep. 1	17.2	15.9	14.55	13.25	13.25	11.9	10.6	9.25	11.9	10.6	9.25	7.95	
<b>Reserve-carrying liabilities to non-residents 4</b>													
1967 March 1	11.7	10.8	9.9	9	9	8.1	7.2	6.3	8.1	7.2	6.3	5.4	
May 1	11.05	10.2	9.35	8.5	8.5	7.65	6.8	5.95	7.65	6.8	5.95	5.1	
July 1	10.15	9.35	8.6	7.8	7.8	7	6.25	5.45	7	6.25	5.45	4.7	
Aug. 1	9.5	8.75	8.05	7.3	7.3	6.55	5.85	5.1	6.55	5.85	5.1	4.4	
Sep. 1	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
1968 Dec. 1 5	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
1969 Jan. 1 5	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
Feb. 1 5	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
May 1 5	9.25	8.5	7.8	7.1	7.1	6.4	5.7	4.95	6.4	5.7	4.95	4.25	
June 1 5	13.8	12.7	11.65	10.6	10.6	9.55	8.5	7.4	9.55	8.5	7.4	6.35	
Aug. 1 5	15.2	14.05	12.85	11.7	11.7	10.55	9.35	8.2	10.55	9.35	8.2	7	
Nov. 1	10.45	9.65	8.85	8.05	8.05	7.25	6.45	5.65	7.25	6.45	5.65	4.85	
Dec. 1	9.45	8.7	8	7.25	7.25	6.55	5.8	5.1	6.55	5.8	5.1	4.35	
1970 Jan. 1	10.45	9.65	8.85	8.05	8.05	7.25	6.45	5.65	7.25	6.45	5.65	4.85	
April 1	10.45	9.65	8.85	8.05	8.05	7.25	6.45	5.65	7.25	6.45	5.65	4.85	
July 1	12.05	11.1	10.2	9.25	9.25	8.35	7.4	6.5	8.35	7.4	6.5	5.55	
Sep. 1	12.05	11.1	10.2	9.25	9.25	8.35	7.4	6.5	8.35	7.4	6.5	5.55	
Dec. 1	13.8	12.7	11.65	10.6	10.6	9.55	8.5	7.4	9.55	8.5	7.4	6.35	
1971 June 1	31.7	29.3	26.8	24.4	24.4	22	19.5	17.1	22	19.5	17.1	14.6	
1972 March 1	31.7	29.3	26.8	24.4	24.4	22	19.5	17.1	22	19.5	17.1	14.6	
July 1	40	40	40	40	40	40	40	40	35	35	35	35	
1973 July 1	40	40	40	40	40	40	40	40	35	35	35	35	
Oct. 1	40	40	40	40	40	40	40	40	35	35	35	35	
1974 Jan. 1	35	35	35	35	35	35	35	35	30	30	30	30	

\* Reserve ratios applying until end-February 1967 were last published in the Monthly Report for May 1969. — 1 By way of divergence, from January 1, 1969 to June 30, 1972 the ratio for all savings deposits with banks in reserve class 4 at bank places

was equal to the reserve ratio for time liabilities; from July 1, 1972 to October 31, 1973 this applied only to residents' savings deposits. From November 1 to December 31, 1973 the reserve ratio for these savings deposits was 9% notwithstanding

the rate listed here. — 2 Since the coming into force of the Foreign Trade and Payments Act, residents within the meaning of section 4 of that Act. — 3 These ratios had to be applied subject to the proviso that a bank's total minimum reserves

## IV. Minimum reserve statistics

Savings deposits		Growth of liabilities			Explanatory notes on the growth reserve regulations	Applicable from	
Bank places 1, a	Non-bank places	Sight liabilities	Time liabilities	Savings deposits			
5.94	4.95	no special ratios				1967 March 1	
5.61	4.68					May 1	
5.15	4.3					July 1	
4.8	4					Aug. 1	
4.25	3.55					Sep. 1	
4.7	3.9					1969 Jan. 1	
5.4	4.5					June 1	
5.95	4.95					Aug. 1	
5.35	4.45					Nov. 1	
4.8	4					Dec. 1	
5.35	4.45					1970 Jan. 1	
6.15	5.15					July 1	
6.15	5.15					Sep. 1	
7.05	5.9					Dec. 1	
8.1	6.75		40	20	Additional reserve ratios for growth over the average level of the months April to June 1970 3	1971 June 1	
7.3	6.1				Nov. 1		
6.55	5.45	no special ratios			1972 Jan. 1		
7.85	6.55					July 1	
8.6	7.2					Aug. 1	
9.25	7.75					1973 March 1	
9.25	7.75					Nov. 1	
8.8	7.35					1974 Jan. 1	
7.95	6.6					Sep. 1	
5.94	4.95		no special ratios			1967 March 1	
5.61	4.68						May 1
5.15	4.3						July 1
4.8	4					Aug. 1	
4.25	3.55					Sep. 1	
4.25	3.55	100			Reserve ratio for growth over the level of November 15, 1968 3	1968 Dec. 1	
4.7	3.9	100				1969 Jan. 1	
4.7	3.9	100			Reserve ratio for growth over the level of November 15, 1968 or January 15, 1969 3	Feb. 1	
4.7	3.9	100				May 1	
7.1	5.9	100				June 1	
7.8	6.5	100			Reserve ratio for growth over the level of April 15 or 30, 1969 3	Aug. 1	
5.35	4.45	no special ratios				Nov. 1	
4.8	4					Dec. 1	
5.35	4.45						1970 Jan. 1
5.35	4.45			30		Additional reserve ratio for growth over the level of March 6, 1970 or the average level of the return dates February 7, 15, 23 and 28, 1970	April 1
6.15	5.15		30			July 1	
6.15	5.15		40	20	Additional reserve ratios for growth over the average level of the months April to June 1970 3	Sep. 1	
7.05	5.9		30			Dec. 1	
16.2	13.5		30		Additional reserve ratio for growth over the average level of the return dates October 23 and 31, and November 7 and 15, 1970	1971 June 1	
16.2	13.5		40	60	Additional reserve ratio for growth over the average level of the return dates October 23 and 31, and November 7 and 15, 1971 or over the average level, diminished by 20%, of the corresponding return dates of 1970	1972 March 1	
30	30		60		Additional reserve ratio for growth over 75% of the average level of the return dates October 23 and 31, and November 7 and 15, 1971 or over 60% of the average level of the corresponding return dates of 1970	July 1	
30	30	60		Additional reserve ratio for growth over 63.75% of the average level of the return dates October 23 and 31, and November 7 and 15, 1971 or over 51% of the average level of the corresponding return dates of 1970	Oct. 1		
25	25	no special ratios			1974 Jan. 1		

(reserve for the total of liabilities plus growth reserve) do not exceed 30% in the case of sight liabilities, 20% in the case of time liabilities and 10% in the case of savings deposits. This regulation applied to the growth reserve on liabilities to non-

residents until end-August 1969 only. — 4 Since the coming into force of the Foreign Trade and Payments Act, non-residents within the meaning of section 4 of that Act. — 5 These ratios only applied to liabilities up to the basic level listed in the column

"Explanatory notes on the growth reserve regulations". — a "Bank places" are places at which there is an office or branch of the Deutsche Bundesbank.

## IV. Minimum reserve statistics

2. Reserve classes*					
From May 1952 to July 1959		From August 1959 to June 1968		Since July 1968	
Reserve class	Banks with reserve-carrying sight and time liabilities	Reserve class	Banks with reserve-carrying liabilities (including savings deposits)	Reserve class	Banks with reserve-carrying liabilities (including savings deposits)
1	of DM 100 million and over	1	of DM 300 million and over	1	of DM 1,000 million and over
2	of DM 50 to less than 100 million	2	of DM 30 to less than 300 million	2	of DM 100 to less than 1,000 million
3	of DM 10 to less than 50 million	3	of DM 3 to less than 30 million	3	of DM 10 to less than 100 million
4	of DM 5 to less than 10 million	4	of less than DM 3 million	4	of less than DM 10 million
5	of DM 1 to less than 5 million				
6	of less than DM 1 million				

\* The reserve class into which any bank is to be placed is determined by the amount of its reserve-carrying liabilities in the preceding month.

3. Reserves maintained														
(a) Total*														
Millions of DM														
Average for the month 1	Liabilities subject to the reserve requirement 2							Reserve required		Excess reserves		Excess amounts, total	Short-falls, total	
	Total	Sight liabilities		Time liabilities		Savings deposits		Total	of which for growth in liabilities 3	Actual reserve	Amount			as % of required reserve
		to residents	non-residents	to residents	non-residents	of residents	non-residents							
1960 Dec.	100,538	27,239	2,156	21,148	625	49,150	220	12,332	176	12,518	186	1.5	187	1
1961 Dec. 4	111,661	31,151	554	22,492	701	56,578	185	8,970	—	9,337	367	4.1	368	1
1962 Dec.	125,656	35,225		24,900		65,531		9,801	—	10,140	339	3.5	340	1
1963 Dec.	141,075	38,155		26,168		76,752		10,860	—	11,244	384	3.5	385	1
1964 Dec. 4	157,722	41,532	493	25,879	816	88,471	531	13,411	—	13,662	251	1.9	253	2
1965 Dec. 4	178,833	45,959	650	26,891	644	104,047	642	14,284	—	14,564	280	2.0	282	2
1966 Dec. 4	198,262	46,385	364	31,120	284	119,554	555	15,506	—	15,706	200	1.3	202	2
1967 Dec.	230,506	54,469		37,596		138,441		12,248	—	12,685	437	3.6	439	2
1968 Dec.	273,693	56,242	6,732	47,241	4,416	157,646	1,416	15,495	1,186	16,441	946	6.1	948	2
1969 Dec.	280,549	67,832		56,918		155,799		15,967	—	16,531	564	3.5	567	3
1970 Dec.	306,859	71,300		69,299		166,260		25,746	189	26,066	320	1.2	326	6
1971 Dec.	344,861	76,951	5,605	74,307	2,897	183,426	1,675	31,391	68	31,686	295	0.9	297	2
1972 Dec.	394,352	88,806	6,835	87,349	2,887	206,787	1,688	43,878	511	44,520	642	1.5	649	7
1973 Dec.	425,215	87,195	6,923	123,970	1,189	204,414	1,524	54,164	1,656	54,993	829	1.5	833	4
1972 July	377,057	80,937	7,888	81,717	3,050	201,746	1,719	39,461	1,065	39,876	415	1.0	432	17
Aug.	385,408	82,675	9,604	84,416	2,982	204,015	1,716	45,077	2,002	45,196	119	0.3	129	10
Sep.	385,712	82,108	8,067	86,081	2,911	204,842	1,703	43,671	1,123	43,859	188	0.4	193	5
Oct.	385,159	82,316	7,586	85,468	2,906	205,179	1,704	43,173	813	43,395	222	0.5	225	3
Nov.	389,389	84,709	7,144	86,465	2,814	206,560	1,697	43,363	658	43,743	380	0.9	382	2
Dec.	394,352	88,806	6,835	87,349	2,887	206,787	1,688	43,878	511	44,520	642	1.5	649	7
1973 Jan.	406,345	88,223	7,713	93,348	2,988	212,346	1,727	45,754	854	45,908	154	0.3	157	3
Feb.	408,208	81,751	8,826	99,334	2,762	213,814	1,721	46,454	1,402	52,347	5,893	12.7	5,897	4
March	417,553	82,426	14,962	101,726	3,061	213,667	1,711	57,882	5,084	58,015	133	0.2	184	51
April	417,837	86,211	12,472	100,676	4,323	212,443	1,712	57,052	4,316	57,590	538	0.9	545	7
May	416,526	86,224	9,419	103,666	3,940	211,578	1,699	53,870	2,241	54,314	444	0.8	448	4
June	419,083	83,881	7,834	112,308	3,436	209,935	1,689	52,431	1,120	52,756	325	0.6	331	6
July	416,008	84,311	7,791	111,363	2,786	208,090	1,667	53,131	2,267	53,609	478	0.9	493	15
Aug.	416,482	83,241	8,094	115,380	2,130	205,999	1,638	52,901	2,042	52,959	58	0.1	142	84
Sep.	416,898	80,301	7,168	121,435	1,799	204,590	1,605	51,814	1,380	53,433	1,619	3.1	1,642	23
Oct.	418,077	80,383	7,800	122,559	1,840	203,913	1,582	53,182	2,366	53,535	353	0.7	373	20
Nov.	422,317	81,627	6,909	126,586	1,509	204,135	1,551	53,658	1,697	53,918	260	0.5	261	1
Dec.	425,215	87,195	6,923	123,970	1,189	204,414	1,524	54,164	1,656	54,993	829	1.5	833	4
1974 Jan.	434,840	88,323	7,218	124,036	808	212,910	1,545	50,533	—	50,822	289	0.6	290	1
Feb.	433,906	79,232	7,073	129,976	567	215,537	1,521	49,823	—	50,020	197	0.4	200	3
March	434,612	80,879	7,243	128,769	385	215,841	1,495	49,937	—	50,329	392	0.8	395	3
April	431,790	81,279	7,770	125,650	301	215,312	1,478	49,720	—	50,012	292	0.6	314	22
May	438,265	84,037	8,155	128,729	248	215,632	1,464	50,691	—	50,851	160	0.3	187	27
June	437,921	84,773	8,519	127,093	176	215,912	1,448	50,702	—	50,995	293	0.6	345	52
July	436,447	87,591	9,108	120,963	223	217,125	1,437	50,772	—	50,826	54	0.1	195	141

\* Excluding minimum reserves kept by the Federal Post Office on behalf of the postal giro and postal savings bank offices, which since the introduction on May 1, 1958 of the optional central maintaining of minimum reserves can in practice no longer be separated from the other central bank deposits of the Federal Post Office. — 1 According to section 8

and 9 of the Minimum Reserves Order. — 2 Liabilities subject to the reserve requirement cannot be broken down statistically according to residents and non-residents if the same reserve ratios apply to such liabilities and hence only overall amounts are reported. — 3 The method of calculating the mini-

um reserve on growth is shown in Table IV, 1 Reserve ratios. — 4 Between May 1961 and end-December 1966 liabilities to non-residents were exempt from the reserve requirement to an amount equal to banks' credit balances abroad and foreign money market investment.





## V. Interest rates

### 1. Discount and lombard rates of the Deutsche Bundesbank and special interest charged for failure to meet minimum reserve requirement

Applicable from	Discount rate 1	Lombard rate (rate for advances on securities)	Special rate of interest for failure to meet minimum reserve requirement	Applicable from	Discount rate 1	Lombard rate (rate for advances on securities)	Special rate of interest for failure to meet minimum reserve requirement
	% p. a.	% p. a.	% p. a. over lombard rate		% p. a.	% p. a.	% p. a. over lombard rate
1949 Jul 1	5	8	1	1961 Jan. 20	3 1/2	4 1/2	3
Dec. 1	5	8	3	May 5	3	2 4	3
1949 May 27	4 1/2	5 1/2	3	1965 Jan. 22	3 1/2	4 1/2	3
July 14	4	5	3	Aug. 13	4	5	3
1950 Oct. 27	6	7	3	1966 May 27	8	6 1/2	3
Nov. 1	6	7	1	1967 Jan. 8	4 1/2	5 1/2	3
1951 Jan. 1	6	7	3	Feb. 17	4	5	3
1952 May 29	5	8	3	April 14	3 1/2	4 1/2	3
Aug. 21	4 1/2	5 1/2	3	May 12	3	4	3
1953 Jan. 8	4	5	3	Aug. 11	3	3 1/2	3
June 11	3 1/2	4 1/2	3	1969 March 21	3	4	3
1954 May 20	3	4	3	April 18	4	5	3
1955 Aug. 4	3 1/2	4 1/2	3	June 20	5	6	3
1956 March 8	4 1/2	5 1/2	3	Sep. 11	6	7 1/2	3
May 19	5 1/2	6 1/2	3	Dec. 5	8	9	3
Sep. 6	5	6	3	1970 March 9	7 1/2	9 1/2	3
1957 Jan. 11	4 1/2	5 1/2	3	July 16	7	9	3
Sep. 19	4	5	3	Nov. 18	6 1/2	8	3
1958 Jan. 17	3 1/2	4 1/2	3	Dec. 3	8	7 1/2	3
June 27	3	4	3	1971 April 1	5	6 1/2	3
1959 Jan. 10	2 3/4	3 3/4	3	Oct. 14	4 1/2	5 1/2	3
Sep. 4	3	4	3	Dec. 23	4	5	3
Oct. 23	4	5	3	1972 Feb. 25	3	4	3
1960 June 3	5	6	3	Oct. 9	3 1/2	5	3
Nov. 11	4	5	3	Nov. 3	4	6	3
				Dec. 1	4 1/2	6 1/2	3
				1973 Jan. 12	5	7	3
				May 4	6	8	3
				June 1	7	3 9	3

1 This is also the rate for cash advances. Until May 1956 lower rates likewise applied to foreign bills and export drafts; fixed special rates were charged for certain credits which had been granted to the Reconstruction Loan Corporation and which ran out

at the end of 1958 (for details see footnotes to the same table in the Report of the Deutsche Bundesbank for the Year 1961, page 91). - 2 An allowance of 1/4 % per annum was granted to banks in respect of the lombard advances taken between

December 10, 1964 and December 31, 1964. - 3 Banks have not in principle been granted lombard advances at the lombard rate from June 1, 1973 up to and including July 3, 1974.

### 2. Rates of the Deutsche Bundesbank for short-term money market operations

% p. a.

Open market operations through bills subject to repurchase agreement 1		Special lombard advances 2		Sales of Federal Treasury bills not included in the Bundesbank's market regulating arrangements 3	
Applicable	Rate	Applicable	Rate	Applicable	Rates for bills running for 5 days 10 days
1973 April 16 to April 27	12	1973 Nov. 26 to 1974 Jan. 11	13	1973 Aug. 13 to Aug. 31	3 6 1/2 7
June 7 to June 20	13	1974 Mar. 14 to April 8	13	Oct. 23 to Oct. 25	6 1/2 7
July 24 to July 27	15	May 28 to July 3	10		
July 30	14				
Aug. 2 to Aug. 16	13				
Aug. 30 to Sep. 8	16				
Nov. 26 to Dec. 13	11				
1974 Mar. 14 to April 5	11 1/2				
April 8 to April 24	10				

1 Purchase of domestic bills eligible for rediscount at the Deutsche Bundesbank from banks for a period of 10 days; first such transaction on April 16,

1973. - 2 Special lombard advance first granted on November 26, 1973. - 3 Treasury bills running for a fixed period of 10 days were offered to the banks

for the first time on August 13, 1973, and those for a fixed period of 5 days on August 15, 1973.



## V. Interest rates

### 6. Lending and deposit rates \*

#### Movement of interest rates (average interest rates and spread) 1

Reporting period 5	Lending rates								Deposit rates							
	Credits in current account of under DM 1 million 2		Discount credits (bills of DM 5,000 to under DM 20,000 eligible for rediscount at Bundesbank) 2		Mortgage loans secured by residential real estate (effective interest rate) 2		Instalment credit 3, 4		3-month time deposits of under DM 1 million 2		Savings deposits 2		at agreed notice of 4 years and over			
	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread		
1971 Aug.	9.87	9.00-11.00	7.26	6.00- 8.50	8.58	7.97- 9.22	0.54	0.46-0.80	6.21	5.50- 6.75	4.53	4.50-5.00	5.91	5.50-6.50	6.86	6.50-7.50
Nov.	9.58	8.50-11.00	6.71	5.50- 8.50	8.46	7.97- 8.92	0.53	0.45-0.73	6.05	5.00- 7.00	4.52	4.50-5.00	5.90	5.50-6.25	6.85	6.50-7.50
1972 Feb.	9.05	8.00-10.50	6.09	4.75- 7.75	8.25	7.82- 8.73	0.53	0.45-0.70	5.12	4.25- 5.87	4.50	4.50-4.75	5.88	5.50-6.00	6.80	6.50-7.25
May	8.39	7.50-10.00	5.28	3.75- 7.00	8.13	7.71- 8.69	0.51	0.40-0.70	4.55	4.00- 5.25	4.02	4.00-4.50	5.42	5.25-5.75	6.39	6.00-7.00
Aug.	8.41	7.50-10.00	5.38	4.25- 7.00	8.30	7.71- 8.73	0.52	0.40-0.70	4.61	4.00- 5.25	4.01	4.00-4.50	5.42	5.25-5.75	6.40	6.00-7.00
Nov.	9.08	8.25-10.25	6.62	5.50- 8.00	8.49	7.87- 8.97	0.53	0.45-0.70	6.26	5.00- 7.25	4.01	4.00-4.50	5.42	5.25-5.75	6.43	6.00-7.00
1973 Feb.	10.00	9.00-11.00	8.42	7.00- 9.50	8.93	8.33- 9.35	0.55	0.50-0.70	6.74	5.75- 7.50	4.51	4.50-5.00	5.95	5.75-6.25	6.96	6.50-7.50
May	11.32	10.50-12.25	10.46	8.75-12.00	9.36	8.73-10.01	0.59	0.50-0.80	8.34	7.25- 9.50	4.52	4.50-5.00	5.96	5.75-6.50	7.01	6.50-8.00
July	12.76	11.75-14.00	12.03	10.00-13.25	10.34	9.55-11.05	0.68	0.60-0.90	10.06	9.00-11.50	5.51	5.50-6.00	7.00	7.00-7.25	8.06	7.75-9.00
Aug.	13.21	12.00-14.75	12.37	10.50-14.00	10.45	9.75-11.20	0.69	0.60-0.90	10.67	9.50-12.00	5.51	5.50-6.00	7.00	7.00-7.25	8.09	7.75-9.00
Nov.	14.02	12.75-15.00	13.21	11.00-14.50	10.39	9.75-11.35	0.70	0.60-0.90	11.05	9.50-12.50	5.51	5.50-6.00	7.00	7.00-7.25	8.10	7.75-9.00
1974 Feb.	13.92	12.75-15.00	12.67	11.00-14.00	10.33	9.75-11.20	0.71	0.60-0.90	9.46	8.25-10.50	5.51	5.50-6.00	7.00	7.00-7.25	8.09	7.75-9.00
May	13.77	12.75-15.00	11.86	9.75-14.00	10.55	9.88-11.31	0.68	0.60-0.90	8.03	7.00- 9.00	5.51	5.50-6.00	7.00	7.00-7.25	8.09	7.75-9.00
Aug. p	13.55	12.50-14.50	11.34	9.50-13.50	10.54	10.01-11.31	0.63	0.60-0.90	7.89	7.25- 8.50	5.51	5.50-6.00	7.00	7.00-7.25	8.08	7.75-9.00

#### Distribution of interest rates (percentage distribution by frequency of interest rates reported) 6

Lending rates		Interest rates as % p. a. on outstanding amount of credit													
Category of credit	Reporting period 5	under 9.75 %	9.75 % to under 10.25 %	10.25 % to under 10.75 %	10.75 % to under 11.25 %	11.25 % to under 11.75 %	11.75 % to under 12.25 %	12.25 % to under 12.75 %	12.75 % to under 13.25 %	13.25 % to under 13.75 %	13.75 % to under 14.25 %	14.25 % to under 14.75 %	14.75 % and over		
		9.75 %	10.25 %	10.75 %	11.25 %	11.75 %	12.25 %	12.75 %	13.25 %	13.75 %	14.25 %	14.75 %	and over		
Credits in current account of under DM 1 million	1973 Nov.	—	—	—	—	0.7	1.7	2.5	12.4	16.3	29.0	16.9	20.5		
	1974 Feb.	—	—	—	—	0.5	1.2	2.5	11.2	20.7	34.2	17.0	12.7		
	May Aug. p	—	—	0.3	0.3	0.5	1.7	4.5	23.4	30.4	25.2	9.7	4.0		
Discount credits (bills of DM 5,000 to under DM 20,000 eligible for rediscount at Bundesbank)	1973 Nov.	1.2	1.7	1.0	2.2	2.5	8.2	7.2	19.4	28.8	17.9	5.5	4.4		
	1974 Feb.	1.2	0.7	1.5	3.5	6.7	17.2	19.7	24.1	12.2	8.5	2.5	2.2		
	May Aug. p	3.5	9.0	6.8	13.1	10.6	16.6	12.0	14.8	7.0	4.8	1.0	0.8		
Mortgage loans secured by residential real estate (effective interest rate)	1973 Nov.	3.6	32.9	43.4	13.2	4.5	0.5	1.4	0.5	—	—	—	—		
	1974 Feb.	4.6	35.3	45.8	10.6	2.3	—	0.9	0.5	—	—	—	—		
	May Aug. p	2.2	15.1	55.1	22.3	4.0	0.4	0.9	—	—	—	—	—		
Instalment credits 4	1973 Nov.	0.3	—	11.2	6.8	—	61.9	5.3	7.4	1.5	—	2.1	3.5		
	1974 Feb.	0.3	—	9.0	6.6	—	64.0	5.7	7.5	1.5	—	1.8	3.6		
	May Aug. p	—	0.3	27.4	5.6	—	52.4	3.6	3.6	1.2	—	2.0	3.9		
		0.6	0.3	70.8	3.9	—	15.1	1.5	2.1	0.6	—	1.2	3.9		

#### Deposit rates

Deposit rates		Interest rates as % p. a.													
Category of deposit	Reporting period 5	under 6.75 %	6.75 % to under 7.25 %	7.25 % to under 7.75 %	7.75 % to under 8.25 %	8.25 % to under 8.75 %	8.75 % to under 9.25 %	9.25 % to under 9.75 %	9.75 % to under 10.25 %	10.25 % to under 10.75 %	10.75 % to under 11.25 %	11.25 % to under 11.75 %	11.75 % and over		
		6.75 %	7.25 %	7.75 %	8.25 %	8.75 %	9.25 %	9.75 %	10.25 %	10.75 %	11.25 %	11.75 %	and over		
3-month time deposits of under DM 1 million	1973 Nov.	—	0.2	—	—	0.2	1.0	4.5	11.8	17.5	24.4	16.3	24.1		
	1974 Feb.	0.3	—	0.8	2.5	6.6	27.6	24.3	24.9	8.9	3.8	—	0.3		
	May Aug. p	0.5	5.3	17.9	40.9	23.5	8.3	1.0	1.8	0.5	0.3	—	—		
Savings deposits at statutory notice	1973 Nov.	99.5	0.5	—	—	—	—	—	—	—	—	—	—		
	1974 Feb.	99.5	0.5	—	—	—	—	—	—	—	—	—	—		
	May Aug. p	99.5	0.5	—	—	—	—	—	—	—	—	—	—		
Savings deposits at agreed notice of 12 months	1973 Nov.	2.2	91.3	5.2	1.0	—	0.3	—	—	—	—	—	—		
	1974 Feb.	2.5	91.3	5.2	1.0	—	—	—	—	—	—	—	—		
	May Aug. p	2.3	91.0	5.5	1.2	—	—	—	—	—	—	—	—		
Savings deposits at agreed notice of 4 years and over	1973 Nov.	0.3	0.3	2.4	68.3	19.9	8.0	0.8	—	—	—	—	—		
	1974 Feb.	0.3	0.3	2.2	69.2	20.1	7.6	0.3	—	—	—	—	—		
	May Aug. p	0.3	—	2.5	69.4	20.2	7.3	0.3	—	—	—	—	—		
		0.3	—	2.4	70.3	20.0	6.5	0.5	—	—	—	—	—		

\* For method of data collection see Monthly Report of the Deutsche Bundesbank, Vol. 19, No. 10, October 1967, pages 45 ff. — 1 Average rates calculated as unweighted arithmetical mean from interest rates reported to be within the spread. The spread indicates the range covering 90 % of

the interest rates reported, if 5 % each of the reports containing maximum and minimum interest rates are eliminated. — 2 Interest rates as % p. a. — 3 Interest rates as % per month on original amount of credit. — 4 Besides interest most banks charge a non-recurring processing fee (generally about

2 % of the credit amount). — 5 Second and third weeks of the months indicated. — 6 The figures indicate the percentage of reporting banks which most frequently charged or granted an interest rate in the range indicated. — p Provisional.



## VI. Capital market

### 1. Sales and acquisition of securities \*

Millions of DM									
Item	Year	Jan. to July p	Feb. to April	May to July p	March	April	May	June	July p
<b>Bonds</b>									
Sales = total acquisition	1974	9,892	1,870	5,588	364	1,539	1,888	2,041	1,660
	1973	15,345	6,312	6,815	2,294	83	941	2,920	2,955
Sales									
(1) Domestic bonds 1	1974	9,538	1,661	5,564	292	1,545	1,875	2,084	1,605
	1973	15,892	6,866	6,787	2,503	128	904	2,991	2,892
Bank bonds	1974	8,805	2,940	4,191	622	2,086	1,518	1,600	1,073
	1973	14,629	5,230	7,214	1,305	609	1,507	3,196	2,510
Mortgage bonds	1974	2,610	1,053	1,218	271	582	445	358	415
	1973	2,665	1,195	732	337	170	194	264	274
Communal bonds	1974	2,254	542	1,432	— 18	410	367	555	510
	1973	2,485	862	1,116	219	— 143	267	486	364
Bonds of specialised banks	1974	222	72	29	180	27	99	54	— 123
	1973	1,269	746	408	139	163	19	293	96
Other bank bonds	1974	3,718	1,274	1,512	189	1,067	608	633	272
	1973	8,210	2,427	4,957	610	418	1,027	2,154	1,776
Industrial bonds	1974	— 207	— 143	6	— 43	— 44	— 34	— 112	— 72
	1973	— 398	— 197	— 131	— 83	— 64	— 25	— 62	— 45
Public authority bonds 2	1974	941	— 1,136	1,367	— 288	— 497	— 392	— 371	604
	1973	1,661	1,832	— 295	1,281	— 417	— 578	— 143	426
(2) Foreign bonds 3	1974	354	209	24	72	— 6	13	— 43	55
	1973	— 547	— 554	28	— 209	— 45	37	— 71	63
Acquisition									
(1) Domestic buyers 4	1974	10,532	1,370	6,544	289	1,296	2,077	2,171	2,296
	1973	12,072	5,417	4,588	1,962	— 40	465	2,328	1,796
Banks 5	1974	x 4,137	x 452	x 2,794	x 333	x 180	x 1,221	805	768
	1973	x 191	x — 461	256	x 218	x — 1,478	x — 518	605	169
Bundesbank 5	1974	594	397	198	71	276	221	— 12	— 11
	1973	— 19	— 5	— 2	3	1	— 2	—	—
Non-banks 6 °	1974	5,801	521	3,552	— 115	840	635	1,378	1,539
	1973	11,900	5,883	4,334	1,741	1,437	985	1,723	1,627
(2) Foreign buyers 7 °	1974	— 640	500	— 956	75	243	— 189	— 130	— 636
	1973	3,273	895	2,227	332	123	476	592	1,159
<b>Shares</b>									
Sales = total acquisition	1974	3,358	1,487	1,192	271	548	438	168	587
	1973	3,156	942	1,765	342	219	500	395	871
Sales									
(1) Domestic shares 8	1974	1,998	881	603	115	337	235	74	294
	1973	2,475	585	1,587	183	139	430	440	717
(2) Foreign equities 9	1974	1,360	606	589	156	211	203	94	293
	1973	681	357	178	159	80	70	— 45	154
Acquisition									
(1) Domestic buyers 10	1974	3,227	1,286	1,215	255	443	471	176	568
	1973	2,629	875	1,596	458	156	625	139	833
Banks 5	1974	— 828	— 674	— 164	— 434	— 63	62	— 70	— 156
	1973	246	351	107	519	41	176	— 49	— 20
Non-banks 6 °	1974	4,055	1,960	1,379	689	506	409	246	724
	1973	2,383	524	1,489	— 61	115	449	188	853
(2) Foreign buyers 11 °	1974	x 131	201	x — 23	— 16	105	— 33	— 8	x 19
	1973	527	67	169	— 116	63	— 125	256	38
<b>Memorandum item:</b>									
Net security transactions with foreign countries, total (capital exports: —; capital imports: +) °	1974	— 2,222	— 113	— 1,592	— 136	+ 144	— 437	— 189	— 965
	1973	+ 3,665	+ 1,159	+ 2,190	+ 266	+ 151	+ 244	+ 965	+ 980
Bonds °	1974	— 994	+ 291	— 980	+ 3	+ 249	— 202	— 87	— 691
	1973	+ 3,820	+ 1,449	+ 2,199	+ 541	+ 168	+ 439	+ 663	+ 1,096
Equities °	1974	— 1,229	— 405	— 612	— 140	— 106	— 236	— 102	— 274
	1973	— 154	— 290	— 9	— 275	— 17	— 195	+ 301	— 116

\* Discrepancies in the totals are due to rounding. — 1 Net sales at market values plus/less changes in issuers' holdings of own bonds. — 2 Including Federal Railways and Federal Post Office, but excluding bonds issued by the Equalisation of Burdens Bank on behalf of the Equalisation of Burdens Fund. — 3 Net acquisition (+) or net sale (—) of foreign bonds by residents; transaction values. — 4 Domestic and foreign bonds. — 5 Book values. — 6 Residual; also including

acquisition of domestic and foreign securities by domestic investment funds. — 7 Net acquisition (+) or net sale (—) of domestic bonds by foreigners; transaction values. — 8 Market values. — 9 Net acquisition (+) or net sale (—) of foreign equities (including direct investment and investment fund units) by residents; transaction values. — 10 Domestic and foreign equities. — 11 Net acquisition (+) or net sale (—) of domestic equities (including direct investment and investment fund

units) by foreigners; transaction values. — x Statistically adjusted. — ° Figures for 1973 revised. See also "The balance of payments of the Federal Republic of Germany in 1973" in "Monthly Report of the Deutsche Bundesbank", Vol. 26, No. 3, March 1974, page 18. Figures on border-crossing bond transactions subsequently revised again in the light of the security deposit statistics of end-1973. — p 1974: provisional.

## 2. Sales of fixed interest securities\* of domestic issuers

Millions of DM nominal value

Period	Total	Bank bonds 1					Industrial bonds 6	Public authority bonds 7	Memo item: Bonds of foreign issuers 8
		All bank bonds	Mortgage bonds 2	Communal bonds 3	Bonds of specialised banks 4	Other bank bonds 5			
<b>Gross sales 9, total</b>									
1972	48,143	36,625	9,437	15,686	2,999	8,503	1,310	10,207	3,643
1973	45,980	36,085	5,757	8,493	2,945	18,891	10	9,864	2,657
1973 July	5,036	3,786	492	701	137	2,456	—	1,250	342
Aug.	4,700	3,617	446	772	190	2,209	—	1,083	
Sep.	2,582	1,937	265	849	58	766	—	645	
Oct.	5,300	3,392	470	839	512	1,571	—	1,907	426
Nov.	3,025	1,804	279	540	178	808	—	1,221	
Dec.	2,281	2,116	352	700	149	915	10	155	
1974 Jan.	3,875	2,619	551	606	212	1,251	0	1,255	203
Feb.	1,816	1,676	374	503	52	747	—	141	
March	2,569	2,227	470	529	234	994	—	341	
April	3,632	3,593	806	1,046	128	1,613	—	40	
May	3,795	2,980	615	920	226	1,218	—	615	
June	3,788	2,977	581	1,023	150	1,224	400	411	
July	4,768	3,700	575	1,004	116	2,004	—	1,068	
<b>of which, bonds with maturities 10 of over 4 years</b>									
1972	38,722	28,980	9,346	13,990	2,196	3,448	1,310	8,432	3,643
1973	35,775	26,427	5,757	7,755	2,028	10,889	10	9,338	2,657
1973 July	4,156	2,906	492	682	96	1,636	—	1,250	342
Aug.	3,614	2,531	446	662	110	1,313	—	1,083	
Sep.	2,158	1,513	265	815	46	388	—	645	
Oct.	4,497	2,590	470	808	411	900	—	1,907	426
Nov.	2,379	1,158	279	536	33	309	—	1,221	
Dec.	1,693	1,528	352	648	143	385	10	155	
1974 Jan.	2,895	1,640	551	551	157	381	0	1,255	203
Feb.	1,264	1,123	374	477	52	221	—	141	
March	1,499	1,427	470	490	179	289	—	72	
April	2,258	2,218	806	826	76	509	—	40	
May	2,683	1,967	615	828	189	335	—	715	
June	2,435	1,609	581	631	99	497	400	228	
July	2,957	1,952	575	827	55	495	—	1,005	
<b>Net sales 11, total</b>									
1972	35,042	26,840	8,401	13,110	1,360	3,989	801	7,402	.
1973	26,825	23,003	4,005	4,583	1,666	12,769	542	4,364	.
1973 July	3,492	2,879	384	449	86	1,960	45	658	.
Aug.	3,566	3,035	371	536	60	2,068	34	566	.
Sep.	631	726	174	463	170	258	40	55	.
Oct.	3,940	2,512	311	626	344	1,230	37	1,466	.
Nov.	1,175	362	225	135	3	1	31	844	.
Dec.	1,159	651	466	554	55	314	3	505	.
1974 Jan.	2,671	1,915	414	380	162	959	70	826	.
Feb.	455	670	334	269	98	165	56	159	.
March	954	1,247	430	241	195	382	43	250	.
April	1,806	2,299	642	521	13	1,122	44	448	.
May	2,200	1,712	533	496	103	580	34	522	.
June	2,129	1,789	424	638	65	663	112	228	.
July	1,750	1,191	433	491	151	418	72	630	.
<b>of which, bonds with maturities 10 of over 4 years</b>									
1972	32,620	24,847	8,310	12,243	1,601	2,693	801	6,973	.
1973	24,222	19,850	4,040	4,822	1,234	9,753	542	4,915	.
1973 July	3,091	2,427	384	430	45	1,567	45	708	.
Aug.	2,628	1,994	371	426	20	1,219	34	668	.
Sep.	881	806	174	624	142	150	40	115	.
Oct.	3,763	2,184	311	671	343	859	37	1,616	.
Nov.	1,462	649	225	308	10	106	31	844	.
Dec.	639	601	466	478	114	229	3	35	.
1974 Jan.	1,883	1,127	418	325	108	276	70	826	.
Feb.	460	676	334	243	98	197	56	159	.
March	607	1,010	430	202	141	237	43	360	.
April	1,058	1,451	642	339	4	466	44	348	.
May	1,856	1,417	533	454	129	301	34	472	.
June	1,355	1,201	424	258	45	475	112	43	.
July	1,559	1,064	433	323	23	331	72	567	.

\* Excluding conversion paper from pre-currency-reform issues and old savers' securities. — Discrepancies in the totals are due to rounding. — 1 Excluding registered bank bonds. — 2 Including ship mortgage bonds. — 3 Including Kommunalschatz-anweisungen, Landesbodenbriefe, Bodenkulturschuldverschreibungen, bonds issued to finance ship-building and guaranteed by local authorities as well as debt certificates with other designations, if they were issued under section 8 (2) of the Act on Mortgage Bonds and Similar Bonds of Public-Law Banks as amended on May 8, 1963. — 4 This includes all bearer bonds of the following banks: Bayerische Landesanstalt für Aufbaufinanzierung, Deutsche

Genossenschaftskasse, Deutsche Siedlungs- und Landesrentenbank, Industriekreditbank AG, Kreditanstalt für Wiederaufbau (RLC), Landwirtschaftliche Rentenbank and Equalisation of Burdens Bank. — 5 This item principally contains bonds of central giro institutions, the proceeds of which are, in the main, extended as credit to trade and industry. Also including convertible bonds issued by banks. — 6 Including convertible bonds issued by industrial borrowers. — 7 Including Federal savings bonds and bonds issued by Federal Railways and Federal Post Office. Also including bonds of public special-purpose associations and other public associations on a special legal basis, as well as bonds and govern-

ment inscribed stock of the Equalisation of Burdens Fund issued, under section 252 (3) of the Equalisation of Burdens Act, to persons entitled to basic compensation. — 8 Bonds taken by German syndicate banks. — 9 Gross sales means only initial sales of newly issued securities, not however resale of repurchased bonds. The figures include those cases of security sales where the buyer, for reasons connected with printing or for other reasons, has not received actual paper. — 10 Maximum maturity according to terms of issue. — 11 Gross sales less redemption; the minus sign indicates an excess of redemption over the amount newly sold during the period under review.

## VI. Capital market

### 3. Redemption of fixed interest securities\* of domestic issuers

Millions of DM nominal value

Period	Total	Bank bonds 1					Industrial bonds	Public authority bonds
		All bank bonds	Mortgage bonds	Communal bonds	Bonds of specialised banks	Other bank bonds		
<b>Redemption 2, total</b>								
1972	13,100	9,785	1,036	2,577	1,639	4,534	510	2,805
1973	19,135	13,083	1,752	3,930	1,279	6,122	552	5,500
1973 July	1,544	907	108	252	51	496	45	592
Aug.	1,134	582	75	236	130	141	34	518
Sep.	1,951	1,211	90	385	228	507	40	700
Oct.	1,359	881	159	212	168	342	37	441
Nov.	1,851	1,443	54	405	174	809	31	377
Dec.	3,441	2,767	817	1,254	95	601	13	661
1974 Jan.	1,204	704	136	226	50	292	70	429
Feb.	1,361	1,005	39	234	150	582	56	300
March	1,615	980	40	289	39	612	43	591
April	1,826	1,294	164	524	115	490	44	488
May	1,595	1,268	83	424	124	637	34	293
June	1,660	1,188	157	385	85	561	288	184
July	3,018	2,508	142	513	268	1,586	72	438
<b>of which, bonds with maturity 3 or over 4 years</b>								
1972	6,102	4,133	1,036	1,747	595	755	510	1,459
1973	11,553	6,578	1,716	2,932	793	1,138	552	4,423
1973 July	1,066	479	108	252	51	68	45	542
Aug.	986	536	75	236	130	95	34	416
Sep.	1,277	707	90	191	188	238	40	530
Oct.	734	406	159	137	68	41	37	291
Nov.	917	509	54	228	24	203	31	377
Dec.	2,333	2,129	817	1,127	30	155	13	191
1974 Jan.	1,012	513	132	226	50	105	70	429
Feb.	804	447	39	234	150	24	56	300
March	892	417	40	288	38	51	43	431
April	1,199	767	164	487	72	43	44	388
May	827	550	83	375	59	33	34	243
June	1,080	608	157	373	55	23	288	184
July	1,397	888	142	505	77	164	72	438

\* Excluding conversion paper from pre-currency-reform issues and old savers' securities. — Discrepancies in the totals are due to rounding. — The explanations given in Table VI, 2 (footnotes 2 to 7)

regarding the individual categories of securities also apply to Tables VI, 3 and 4. — 1 Excluding registered bank bonds. — 2 Including change in the amount held by trustees. Minus sign (—) indicates that the

decline in the amount held by trustees was in excess of the redemptions. — 3 Maximum maturity according to terms of issue.

### 4. Domestic issuers' fixed interest securities outstanding\*

Millions of DM nominal value

End of period	Total 1	Bank bonds 1					Industrial bonds	Public authority bonds
		All bank bonds	Mortgage bonds	Communal bonds	Bonds of specialised banks	Other bank bonds		
1969	142,946	105,035	46,141	42,845	9,687	6,363	7,523	30,387
1970	158,005	117,804	48,368	50,788	10,701	7,948	7,743	32,458
1971	179,272	133,144	52,939	58,123	11,521	10,561	9,207	36,921
1972	214,315	159,984	61,341	71,232	12,881	14,530	10,008	44,323
1973	2 241,286	2 183,133	65,346	75,795	2 14,693	27,298	9,465	48,688
1974 April	247,172	189,264	67,166	77,207	14,965	29,926	9,252	48,655
May	249,371	190,976	67,699	77,702	15,068	30,507	9,218	49,178
June	251,500	192,765	68,123	78,340	15,132	31,170	9,330	49,405
July	253,250	193,956	68,556	78,832	14,981	31,588	9,258	50,035
<b>Breakdown by remaining period to maturity 3</b> Position as at July 31, 1974								
<b>Issues falling due en bloc</b>								
Maturity in years								
up to 4	49,070	36,250	1,728	13,820	4,025	16,676	195	12,626
over 4 to less than 10	67,888	44,324	8,837	19,890	4,544	11,053	470	23,093
10 and more	2,484	884	251	578	—	55	—	1,800
<b>Issues not falling due en bloc</b>								
up to 4	13,047	8,472	1,696	3,017	1,524	2,236	1,602	2,973
over 4 to less than 10	55,187	38,853	16,322	17,235	3,767	1,530	6,591	9,744
10 " " 20	56,099	55,699	32,423	22,118	1,121	38	400	—
20 and more	9,474	9,474	7,298	2,176	—	—	—	—

\* Excluding conversion paper from pre-currency-reform issues and old savers' securities; including bonds temporarily held in the issuers' portfolios. — Discrepancies in the totals are due to rounding. —

1 Excluding bonds handed to the trustee for temporary safe custody and excluding registered bank bonds. — 2 Including a statistical increase of DM 146 million in October 1973. — 3 Calculated from month under

review until final maturity for issues falling due en bloc and until mean maturity of residual amount outstanding in the case of issues not falling due en bloc.



## 5. Change in share circulation \*

Millions of DM nominal value															
Period	Total circulation at end of period under review	Net increase or net decrease during period under review	Increase during period under review									Decrease during period under review			
			Cash payment <sup>1</sup>	Ex-change of convertible bonds	Issue of bonus shares <sup>2</sup>	Contri-bution of claims	Contri-bution of shares, mining shares, GmbH holdings, and the like	Contri-bution of other real values	Merger, and transfer of assets	Trans-formation from other legal form of corpora-tion	Con- version of RM capital	Re- duction of capital, and liquida- tion	Merger, and transfer of assets	Trans- formation into other legal form of corpora- tion	
1964	41,127	+ 2,457	1,567	42	182	156	337	220	61	30	12	21	16	113	
1965	44,864	+ 3,737	2,631	15	1,028	324	21	117	85	74	3	259	134	168	
1966	47,505	+ 2,642	2,020	18	489	302	227	163	136	16	2	297	40	393	
1967	49,135	+ 1,630	1,393	3	524	94	51	15	38	14	3	137	55	312	
1968	51,190	+ 2,055	1,772	44	246	42	299	48	9	285	1	511	3	178	
1969	53,836	+ 2,646	1,722	98	631	130	130	135	161	194	0	144	212	199	
1970	55,604	+ 1,768	2,367	8	519	24	527	173	570	963	4	281	2,659	447	
1971	59,711	+ 4,107	2,738	32	1,063	63	125	162	232	604	0	114	566	233	
1972	63,774	+ 4,063	2,372	14	406	264	143	187	1,107	967	22	242	1,047	130	
1973	66,599	+ 2,824	1,944	46	634	123	82	66	68	528	0	93	342	232	
1973 July	65,577	+ 585	417	0	124	—	8	—	—	72	0	4	21	11	
Aug.	65,984	+ 407	180	—	187	6	—	—	56	0	—	6	—	16	
Sep.	66,044	+ 60	59	—	77	—	—	—	0	1	—	32	37	6	
Oct.	66,104	+ 59	57	—	18	1	—	—	—	—	—	—	—	8	
Nov.	66,289	+ 185	109	20	2	—	—	1	—	—	—	1	15	9	
Dec.	66,599	+ 310	226	0	41	100	—	—	—	60	—	4	1	1	
1974 Jan.	67,016	+ 417	360	—	25	—	13	1	1	102	—	7	50	104	
Feb.	67,404	+ 388	252	—	0	7	—	3	—	—	—	9	2	23	
March	67,529	+ 125	81	1	71	0	—	0	—	150	—	22	—	1	
April	67,717	+ 189	176	1	12	0	8	—	—	—	—	29	—	0	
May	67,954	+ 237	80	25	42	1	0	1	31	58	—	8	—	1	
June	68,027	+ 73	51	—	63	—	—	6	4	—	—	49	2	0	
July	68,622	+ 595	138	—	492	12	11	—	5	1	—	19	43	2	

\* Discrepancies in the totals are due to rounding. —  
<sup>1</sup> Including share issues out of company profits. —

<sup>2</sup> Issued under the Act on Capital Increase out of Company Reserves and on the Profit and Loss Account of December 23, 1959, and the Companies Act of September 6, 1965, section 207 to 220.

## 6. Yields on domestic securities

% p. a.													
Period	Fully taxed fixed interest securities <sup>1</sup>												
	Securities initially sold during period under review (yields on newly issued bonds)					Securities outstanding (yields on bonds outstanding)					Memo item: DM bonds of foreign issuers <sup>2</sup>	Shares <sup>3</sup>	
	Fixed interest securities, total	of which				Fixed interest securities, total	of which						
	Mortgage bonds	Communal bonds	Industrial bonds	Public authority bonds		Mortgage bonds	Communal bonds	Industrial bonds	Public authority bonds				
1964	6.2	6.1	6.1	.	.	6.2	6.2	6.2	6.2	6.2	.	.	3.08
1965	7.0	7.0	7.0	.	.	6.8	6.7	6.7	7.0	7.1	.	.	3.94
1966	7.9	7.9	8.0	.	.	7.8	7.6	7.6	7.9	8.1	.	.	4.76
1967	7.0	7.0	7.0	.	7.0	7.0	7.0	7.0	7.2	7.0	.	.	3.48
1968	6.5	6.7	6.5	.	.	6.7	6.8	6.9	6.7	6.5	.	.	3.00
1969	6.8	6.8	6.7	—	.	7.0	7.0	7.0	7.0	6.8	.	.	2.87
1970	8.3	8.1	8.2	.	.	8.2	8.2	8.1	8.5	8.3	8.8	.	4.39
1971	8.0	8.0	8.0	.	.	8.2	8.3	8.2	8.2	8.0	8.0	.	3.98
1972	8.0	8.0	8.0	.	.	8.2	8.4	8.3	8.1	7.9	7.0	.	3.08
1973	9.3	9.2	9.2	.	.	9.5	9.6	9.5	9.8	9.3	7.7	.	3.72
1973 Jan.	8.6	8.7	8.5	—	8.6	8.6	8.7	8.6	8.9	8.6	7.1	.	2.91
Feb.	8.5	8.7	8.5	—	8.6	8.6	8.8	8.7	8.8	8.5	6.9	.	2.94
March	8.5	8.6	8.6	—	8.5	8.7	8.8	8.7	8.7	8.5	6.7	.	2.76
April	8.6	8.8	8.7	—	—	8.9	8.9	8.9	9.0	8.8	6.7	.	2.87
May	9.2	9.1	9.1	—	—	9.4	9.4	9.4	9.8	9.3	6.8	.	3.14
June	9.8	9.7	9.7	—	—	10.2	10.2	10.3	10.5	9.9	7.1	.	3.25
July	9.8	9.5	9.2	—	10.0	10.3	10.4	10.4	10.6	10.0	7.7	.	3.45
Aug.	9.9	9.8	9.9	—	9.9	10.1	10.3	10.3	10.5	9.9	8.1	.	3.42
Sep.	9.6	9.5	9.6	—	9.7	9.8	10.0	9.9	10.1	9.6	8.3	.	3.50
Oct.	9.8	9.6	9.7	—	9.8	9.9	10.1	10.0	10.2	9.7	8.3	.	3.29
Nov.	9.4	9.4	9.5	—	9.4	9.6	9.8	9.7	9.9	9.5	8.9	.	3.63
Dec.	9.5	9.4	9.5	—	—	9.7	9.7	9.6	10.1	9.6	10.1	.	3.72
1974 Jan.	9.5	9.5	9.5	—	9.5	9.7	9.7	9.6	10.1	9.6	10.1	.	3.59
Feb.	9.6	9.6	9.6	—	—	10.0	10.0	9.9	10.5	9.9	10.1	.	3.78
March	10.3	10.1	10.3	—	—	10.7	10.8	10.7	11.4	10.4	10.8	.	3.81
April	10.6	10.6	10.6	—	—	10.8	11.0	10.9	11.4	10.4	10.9	.	3.79
May	10.6	10.6	10.7	—	10.5	10.8	11.0	10.9	11.4	10.6	10.6	.	4.02
June	10.5	10.6	10.6	—	—	10.9	11.1	10.9	11.4	10.7	10.8	.	4.12
July	10.6	10.8	10.5	—	10.5	10.9	11.1	11.0	11.4	10.7	11.4	.	4.46
Aug.	...	...	...	...	...	10.9	11.0	10.9	11.3	10.7	11.3	.	...

<sup>1</sup> The calculation of yields is based on fully taxed fixed interest bearer bonds with maximum maturities according to terms of issue of over 4 years, and from January 1971 only on those with (maximum) remaining maturities of over 4 years. Convertible bonds and, from January 1973, bank bonds with unscheduled redemption are left out of account. In the case of redeemable loans the yields are based on the mean

remaining maturity and, from January 1973, the computed remaining maturity. Group yields for the various types of securities are weighted with the amounts outstanding or (in the case of issue yields) the amounts sold of the bonds included in the calculation. Monthly figures for yields on bonds outstanding are calculated on the basis of the

yields on the four bank week return dates of a month (including the yields on the last day of the preceding month). The annual figures are the unweighted mean of the monthly figures. — <sup>2</sup> As far as officially quoted on German stock exchanges. — <sup>3</sup> Dividend yield; end of year or month. Source: Federal Statistical Office.



End of month	Number of institutions covered	Total assets covered	Liquid funds 1 (except time balances with banks)	Time balances with banks 2	Investment (except time balances with banks)								
					Total	Mortgage loans and land charges in annuity and other forms	Loans against borrower's notes and other loans	Securities 3	Trade investments	Loans and advance payments on insurance policies	Real estate	Equalisation claims 4	
<b>Reinsurance companies</b>													
1971 March	23	4,324	76	70	4,178	44	1,306	1,819	536	—	399	74	
June	23	4,437	122	50	4,265	45	1,423	1,770	546	—	408	73	
Sep.	23	4,632	78	78	4,476	48	1,482	1,866	586	—	422	72	
Dec.	23	4,847	112	96	4,639	51	1,544	1,943	598	—	432	71	
1972 March	23	5,035	95	80	4,860	51	1,680	2,018	598	—	442	71	
June	23	5,306	138	70	5,098	51	1,798	2,105	626	—	449	69	
Sep.	22	5,679	100	172	5,407	52	1,988	2,188	643	—	467	69	
Dec.	23	6,018	100	92	5,826	52	2,150	2,392	677	—	487	68	
1973 March	23	6,259	89	85	6,085	54	2,300	2,458	695	—	512	66	
June	23	6,601	85	131	6,385	55	2,492	2,494	724	—	555	65	
Sep.	23	6,815	81	201	6,533	57	2,676	2,447	707	—	582	64	
Dec.	23	7,105	119	208	6,778	58	2,757	2,545	706	—	628	64	
1974 March	24	7,424	87	247	7,090	58	2,887	2,650	753	—	655	87	
June	23	7,638	95	137	7,406	58	3,103	2,765	753	—	640	87	

\* Source: Federal Supervisory Office for Insurance Enterprises (BAV). Excluding burial funds. — 1 Cash balances, credit balances with Deutsche Bundesbank, postal giro account balances, sight balances with banks. — 2 At fixed period or notice of one month or more. — 3 Excluding government inscribed stock; cf. footnote 4. — 4 Including other government

inscribed stock which had formerly been included in "Securities". — 5 Only the pension funds included in the BAV quarterly statistics with a yearly gross addition to investment of at least DM 5 million. Differences between the end-of-year figures and the data published in the BAV Annual Reports are due to discrepancy in recording dates. — 6 All health

insurance enterprises except for smaller associations according to section 53 of the Insurance Supervision Act. — 7 Only quarterly reporting companies with a yearly net growth in investment of at least DM 1 million.

## 8. Investment companies' sales receipts \*

Millions of DM

Period	Total 1	Sales receipts of German funds open to the general public				Net acquisition of foreign investment fund units by residents	Memo Item: Sales receipts of German specialised funds
		Total 1	Share funds 2	Bond funds	Real estate funds		
1961	271	229	229	—	—	42	—
1962	254	224	224	—	—	30	—
1963	210	193	193	—	—	17	—
1964	393	373	373	—	—	20	—
1965	458	382	382	—	—	76	—
1966	495	343	266	77	—	152	—
1967	783	486	398	88	—	297	—
1968	2,611	1,663	891	772	—	948	—
1969	5,511	3,375	1,655	1,720	—	2,136	529
1970	1,526	1,508	993	396	120	18	240
1971	1,514	1,780	835	447	499	266	253
1972	4,040	4,361	3	1,423	1,810	1,128	574
1973	1,838	1,845	1,056	624	165	7	592
1972 July	420	436	105	202	129	16	25
Aug.	488	514	132	287	95	26	18
Sep.	304	321	76	164	81	17	15
Oct.	271	287	112	95	81	16	28
Nov.	402	406	201	133	73	4	47
Dec.	305	302	121	100	82	3	101
1973 Jan.	333	331	160	103	69	2	108
Feb.	402	401	246	105	51	1	32
March	240	242	106	95	41	2	40
April	209	203	77	94	32	6	36
May	67	76	68	—	18	9	44
June	89	91	47	38	6	2	51
July	51	53	35	20	—	2	67
Aug.	130	129	114	43	—	28	18
Sep.	32	34	35	12	—	14	35
Oct.	84	85	39	54	—	8	37
Nov.	171	170	96	67	—	7	84
Dec.	31	31	33	3	—	6	40
1974 Jan.	26	22	37	—	2	4	32
Feb.	—	9	62	—	3	2	46
March	—	114	17	—	10	21	39
April	—	48	6	—	11	1	19
May	—	25	3	—	16	3	70
June	5	2	3	—	22	7	26
July	—	88	10	—	8	0	78

\* Discrepancies in the totals are due to rounding. — 1 Until end-December 1969 excluding real estate funds. — 2 Including mixed funds, which hold bonds

among their assets as well as shares. — 3 In April 1972 DM 104 million of foreign investment fund units

were exchanged for units of German Investment funds open to the general public.



## 3. Individual taxes of Federal and Länder Governments

Millions of DM															
Period	Turnover taxes		Customs duties and Federal excise taxes					Other taxes					Memo items:		
	Value-added tax 1	Turnover tax on imports 2	Customs duties	Petro-leum tax	Tobacco tax	Spirits monopoly	Other excise taxes	Beer tax	Property tax	Motor vehicle tax	Transaction duties 3	Road haulage tax	Other	Local authorities' share in income taxes	Levies on arms imports/EEC share in customs duties 4
1965	22,452	2,363	2,531	7,428	4,697	1,508	1,378	979	1,880	2,624	785	—	1,073	—	650
1966	23,340	2,537	2,656	8,016	4,982	1,779	1,427	1,032	1,994	2,853	833	—	1,151	—	236
1967	22,918	2,583	2,507	9,423	5,801	1,831	1,532	1,044	2,421	3,059	843	—	1,172	—	284
1968	18,786	6,883	2,399	9,875	5,992	1,989	1,554	1,101	2,261	3,243	979	—	1,300	—	148
1969	26,436	7,282	2,889	10,601	6,233	2,142	1,671	1,179	2,458	3,507	1,215	381	1,500	—	317
1970	26,794	11,334	2,871	11,512	6,537	2,228	1,634	1,175	2,877	3,830	1,224	439	1,650	7,152	109
1971	30,868	12,028	3,080	12,417	6,863	2,403	1,743	1,226	3,123	4,158	1,483	468	1,742	8,560	—
1972	34,154	12,828	3,231	14,227	7,826	2,870	1,828	1,250	2,994	4,722	1,654	46	1,917	10,207	1,541
1973	34,922	14,563	3,172	16,589	8,872	3,175	1,934	1,269	3,234	4,989	1,675	3	1,993	12,279	2,163
1972 1st qtr	8,930	3,046	801	2,751	1,405	674	488	272	742	1,123	448	38	476	2,414	384
2nd qtr	7,797	3,198	783	3,499	1,812	1,028	435	319	738	1,229	408	4	483	2,167	364
3rd qtr	8,239	3,148	758	3,684	1,987	531	435	347	736	1,194	403	2	465	2,548	359
4th qtr	9,188	3,436	890	4,293	2,622	636	491	312	777	1,176	385	2	492	3,079	435
1973 1st qtr	9,872	3,509	836	3,123	1,588	761	504	274	758	1,294	503	1	536	2,842	512
2nd qtr	8,165	3,746	783	3,647	2,275	881	478	321	787	1,297	409	1	501	2,627	568
3rd qtr	8,136	3,471	743	4,175	2,282	680	428	357	837	1,226	396	1	472	3,126	529
4th qtr	8,750	3,837	810	5,644	2,726	873	524	317	852	1,171	367	1	485	3,684	554
1974 1st qtr	9,325	4,064	810	2,601	1,618	1,175	503	284	794	1,340	513	0	508	3,102	632
2nd qtr	7,888	4,709	805	3,875	2,291	727	455	329	842	1,341	386	0	441	2,994	691
1973 April	2,655	1,238	273	1,138	776	308	158	86	39	481	139	0	160	643	195
May	2,669	1,206	256	1,216	700	299	164	119	664	492	143	0	195	639	191
June	2,841	1,303	254	1,293	799	255	158	116	84	324	127	0	146	1,345	183
July	2,863	1,206	253	1,340	701	237	146	118	59	484	128	0	188	847	186
Aug.	2,655	1,142	247	1,473	798	223	142	122	713	397	147	0	155	783	176
Sep.	2,618	1,124	242	1,362	786	221	141	117	65	346	124	0	129	1,496	168
Oct.	2,664	1,167	253	1,465	725	249	157	114	61	461	128	0	175	873	164
Nov.	2,942	1,328	302	1,438	865	285	162	106	704	394	125	0	172	882	172
Dec.	3,145	1,343	255	2,741	1,137	339	206	97	87	317	115	0	138	1,929	218
1974 Jan.	3,614	1,173	280	228	137	470	193	107	77	532	152	0	174	1,066	177
Feb.	3,391	1,467	260	1,192	748	397	152	82	648	375	204	0	167	720	236
March	2,321	1,424	270	1,181	733	309	158	95	69	433	157	0	167	1,316	220
April	2,445	1,558	272	1,115	739	275	154	91	77	514	135	0	147	728	227
May	2,616	1,527	276	1,354	760	233	144	121	688	461	131	0	150	779	231
June	2,827	1,624	257	1,407	791	219	157	116	77	366	119	0	144	1,487	233
July p	2,525	1,517	299	1,350	683	221	150	106	73	498	118	0	199	903	215

1 Until end-1967 turnover tax and transport tax. —

2 Until end-1967 turnover equalisation tax. —

3 Capital transactions taxes (stock exchange turnover

tax, company tax, securities tax), insurance and bill taxes. — 4 Until 1969 customs duties and turn-

over tax on imports, 1970 customs duties; from 1972 EEC share in customs duties. — p Provisional.

## 4. Equalisation claims \*

Millions of DM					
Item	Equalisation claims				
	Total	for Deutsche Bundesbank	for banks 1	for insurance companies	for building and loan associations
I. Origin					
(1) Amount of equalisation claims allocated 2	22,157	3 8,683	7,560	5,849	65
(2) Scheduled and additional redemption up to end of June 1974	3,629	—	2,058	1,553	18
(3) Amount of equalisation claims at end of June 1974	18,528	8,683	5,502	4,296	47
of which Held by Fund for the Purchase of Equalisation Claims 4	1,090	—	643	438	9
II. Breakdown by debtor and interest rate					
(1) Breakdown by debtor					
(a) Federal Government	11,395	8,683	464	2,248	—
(b) Länder Governments	7,133	—	5,038	2,048	47
(2) Breakdown by interest rate					
(a) non-interest-bearing equalisation claims	21	—	21	—	—
(b) 3% equalisation claims	13,234	8,136	5,098	—	—
(c) 3 1/2% equalisation claims	4,338	—	3	4,288	47
(d) 4 1/2% equalisation claims	380	—	380	—	—
(e) 3% special equalisation claims	8	—	—	8	—
(f) non-interest-bearing debt certificate 5	547	547	—	—	—
(3) Total (1 a + 1 b = 2 a to 2 f)	18,528	8,683	5,502	4,296	47

\* Owing to differences in method, figures deviate from those given in Table VII, 5. — 1 Including equalisation claims for postal giro and postal savings bank offices. — 2 Including title to equalisation claims which are already being serviced,

i. e. on which interest and redemption is paid, although they have not yet been inscribed in the government stock registers. — 3 According to Return of the Deutsche Bundesbank as of June 30, 1974. —

4 In accordance with section 8 ff. of the Act on the Redemption of Equalisation Claims dated July 30, 1965. — 5 For providing Berlin (West) with funds.



## 6. Movement in public indebtedness\*

Millions of DM									
Item	End-1972 7	End-1973	Increase or decrease						
			1973				1974		
			Total	of which			1st half	1st qtr	2nd qtr
			1st half	1st qtr	2nd qtr	1st half	1st qtr	2nd qtr	
<b>I. Borrowers</b>									
(1) Federal Government	55,299	61,356	+ 6,057	+ 2,097	+ 2,329	— 232	+ 1,513	— 395	+ 1,908
(2) Equalisation of Burdens Fund	6,342	5,886	— 456	— 312	+ 71	— 383	— 316	— 154	— 162
(3) ERP Special Fund	1,474	1,151	— 324	— 119	— 45	— 74	— 24	— 39	+ 15
(4) Länder Governments	6 36,963	39,462	+ 2,498	— 31	+ 121	— 152	+ 1,385	+ 58	+ 1,328
(5) Local authorities	55,984	63,003	+ 7,019	+ 2,916	+ 1,416	+ 1,500	...	...	...
Total (1 to 5)	156,063	170,857	+14,795	+ 4,550	+ 3,893	+ 658	...	...	...
<b>II. Categories of debt</b>									
(1) Book credits of Bundesbank	440	2,851	+ 2,412	— 440	— 440	—	— 2,851	— 1,163	— 1,688
(2) Treasury bills 1	—	—	—	—	—	—	—	—	—
(3) Discountable Treasury bonds 1	1,400	1,025	— 375	—	—	—	+ 1,648	+ 675	+ 973
(4) Tax reserve certificates	38	39	+ 1	— 36	— 36	—	— 1	—	—
(5) Medium-term notes	2,414	1,812	— 602	+ 55	+ 100	— 45	+ 270	+ 170	+ 100
(6) Federal savings bonds	4,191	3,001	— 1,189	— 124	+ 96	— 220	+ 76	— 84	+ 159
(7) Bonds 2	20,781	24,750	+ 3,969	+ 1,459	+ 1,709	— 250	+ 27	— 21	+ 48
(8) Direct lending by banks	6 81,874	92,056	+10,183	+ 3,873	+ 2,209	+ 1,665	...	...	...
(9) Government inscribed stock held by social security funds	4,577	4,343	— 235	— 134	— 119	— 16	— 142	— 125	— 16
(10) Loans from social security funds	2,797	3,304	+ 507	+ 82	+ 56	+ 26	...	...	...
(11) Other loans	14,667	15,716	+ 1,048	+ 285	+ 347	— 62	...	...	...
(12) Commutation and compensation debt 3	771	711	— 60	— 51	+ 2	— 54	— 61	—	— 61
(13) Equalisation claims	18,894	18,643	— 251	— 127	— 24	— 103	— 110	— 22	— 88
(14) Covering claims 4	2,148	1,789	— 359	— 233	—	— 233	— 225	—	— 225
(15) External debt 3	1,071	818	— 253	— 60	— 8	— 52	— 62	— 48	— 14
Total (1 to 15)	156,063	170,857	+14,795	+ 4,550	+ 3,893	+ 658	...	...	...
<b>III. Creditors</b>									
(1) Banking system									
(a) Bundesbank	9,141	11,541	+ 2,400	— 51	— 451	+ 400	— 2,524	— 1,077	— 1,447
(b) Banks	6 98,191	107,767	+ 9,576	+ 2,988	+ 2,270	+ 719	...	...	...
(2) Domestic non-banks									
(a) Social security funds	7,785	8,022	+ 237	— 72	— 70	— 3	...	...	...
(b) Other 5	38,394	41,369	+ 2,995	+ 1,815	+ 2,172	— 356	...	...	...
(3) Foreign creditors e	2,551	2,138	— 413	— 130	— 28	— 102	...	...	...
Total (1 to 3)	156,063	170,857	+14,795	+ 4,550	+ 3,893	+ 658	...	...	...
<b>Memorandum Items:</b>									
Indebtedness of									
Federal Railways	19,635	20,026	+ 392	— 522	+ 21	— 543	+ 318	+ 100	+ 218
Federal Post Office	30,091	34,859	+ 4,768	+ 1,963	+ 1,909	+ 54	+ 2,063	+ 1,135	+ 928

\* Excluding mutual indebtedness among the authorities mentioned. — 1 Excluding paper originating in the conversion of equalisation claims (mobilisation paper). — 2 Excluding bonds in the issuers' own portfolios. — 3 Excluding bonds in the Federal Government's own portfolio. — 4 Covering claims

on Equalisation of Burdens Fund pursuant to the Old Savings Act and in respect of the savings deposits arrangement, as well as government inscribed stock in respect of life insurance contracts. — 5 Public and private creditors (ascertained as difference). 6 Of which: increase of DM 500 million due to

statistical factors. — 7 After inclusion of Public Works Corporation and hospital financing in the Federal budget. — e Partly estimated. — Discrepancies in the totals are due to rounding.

## VII. Public finance

### 7. Public authorities' money market paper outstanding \*

Millions of DM															
End of Month	Total	Public authorities							Federal Railways and Federal Post Office				Memo Item: Ear-marked Treasury bonds 2		
		Total	Treasury bills			Discountable Treasury bonds			Tax reserve certificates 1	Total	Treasury bills			Discountable Treasury bonds	
			Federal Government	Länder Governments		Total	Federal Government	Länder Governments				Federal Railways		Federal Railways	Federal Post Office
1960 Dec.	1,987	1,151	—	—	—	986	881	106	164	837	199	445	192	442	
1961 Dec.	1,578	541	—	—	—	441	408	34	100	1,037	182	580	264	521	
1962 Dec.	1,523	533	—	—	—	480	479	1	53	990	187	571	232	585	
1963 Dec.	1,541	452	—	—	—	401	401	—	51	1,089	344	445	300	619	
1964 Dec.	1,748	598	—	—	—	547	547	—	51	1,150	400	450	300	522	
1965 Dec.	2,463	1,378	523	523	—	805	670	135	51	1,084	342	450	292	634	
1966 Dec.	4,687	3,693	1,196	1,196	—	2,447	2,272	175	51	994	258	450	288	708	
1967 Dec.	8,684	7,933	204	204	—	7,678	7,475	203	51	751	1	450	300	740	
1968 Dec.	9,327	8,800	150	150	—	8,603	8,317	286	47	527	1	226	300	665	
1969 Dec.	3,308	2,407	—	—	—	2,360	2,360	—	47	900	200	400	300	743	
1970 Dec.	2,750	1,750	—	—	—	1,700	1,700	—	50	1,000	300	400	300	492	
1971 Dec.	2,324	1,750	—	—	—	1,700	1,700	—	50	574	—	400	174	420	
1972 Dec.	2,176	1,438	—	—	—	1,400	1,400	—	38	738	100	400	238	355	
1973 March	1,864	1,402	—	—	—	1,400	1,400	—	2	462	—	400	62	225	
April	2,002	1,402	—	—	—	1,400	1,400	—	2	600	200	400	—	225	
May	1,802	1,402	—	—	—	1,400	1,400	—	2	400	—	400	—	205	
June	1,802	1,402	—	—	—	1,400	1,400	—	2	400	—	400	—	205	
July	1,802	1,402	—	—	—	1,400	1,400	—	2	400	—	400	—	195	
Aug.	1,802	1,402	—	—	—	1,400	1,400	—	2	400	—	400	—	195	
Sep.	1,802	1,402	—	—	—	1,400	1,400	—	2	400	—	400	—	165	
Oct.	1,802	1,402	—	—	—	1,400	1,400	—	2	400	—	400	—	165	
Nov.	1,802	1,102	—	—	—	1,100	1,100	—	2	700	300	400	—	145	
Dec.	1,764	1,064	—	—	—	1,025	1,025	—	39	700	300	400	—	125	
1974 Jan.	1,746	1,346	—	—	—	1,308	1,308	—	39	400	—	400	—	125	
Feb.	2,138	1,738	—	—	—	1,700	1,700	—	38	400	—	400	—	125	
March	2,138	1,738	—	—	—	1,700	1,700	—	38	400	—	400	—	125	
April	2,351	1,982	—	—	—	1,944	1,944	—	38	369	—	369	—	125	
May	2,969	2,600	—	—	—	2,562	2,562	—	38	369	100	269	—	125	
June	3,088	2,711	—	—	—	2,673	2,573	100	38	377	100	269	8	125	
July	3,023	2,604	—	—	—	2,567	2,417	150	38	418	100	269	49	125	

\* Excluding money market paper deriving from conversion of equalisation claims, excluding Storage Agency bills, and excluding Federal Railways' trade bills. — 1 Land of Bavaria. — 2 Treasury bonds of Federal Railways deposited as security for loans. — Discrepancies in the totals are due to rounding.

### 8. Special deposits of Federal and Länder Governments at the Deutsche Bundesbank

Millions of DM														
Type of deposit	End of													
	1969	1970	1971	1972	1973	1974								
						Jan.	Feb.	March	April	May	June	July	Aug.	
1. Mandatory anticyclical reserves from 1969 and 1970	436	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936
Federal Government	—	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Länder Governments	436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436
2. Voluntary anticyclical reserves from 1971	—	—	1,195	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Federal Government	—	—	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Länder Governments	—	—	195	—	—	—	—	—	—	—	—	—	—	—
3. Stability surcharge	—	—	—	—	934	1,629	1,769	1,915	2,456	2,572	2,717	3,348	3,438	3,438
Federal Government	—	—	—	—	389	718	788	816	1,097	1,145	1,173	1,486	1,531	1,531
Länder Governments 1	—	—	—	—	546	911	982	1,098	1,360	1,427	1,543	1,861	1,907	1,907
4. Investment tax	—	—	—	—	235	351	481	593	667	711	750	785	819	819
Federal Government	—	—	—	—	147	223	306	376	427	453	477	500	521	521
Länder Governments	—	—	—	—	88	128	176	217	241	258	273	285	297	297
5. Immobilisation of tax receipts in 1973	—	—	—	—	690	690	660	660	50	50	50	—	—	—
Federal Government	—	—	—	—	610	610	610	610	—	—	—	—	—	—
Länder Governments	—	—	—	—	80	80	50	50	50	50	50	—	—	—
6. Federal stability loan	—	3 256	—	—	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
7. Anticyclical surcharge on income taxes	—	2,189	5,879	251	170	167	21	21	12	12	12	12	—	—
8. Special deposits, total	436	5,381	10,010	4,188	8,466	9,274	9,368	9,625	9,622	9,781	9,965	10,581	10,693	10,693
Federal Government	—	1,756	2,500	2,500	6,146	6,551	6,703	6,803	6,523	6,598	6,650	6,987	7,052	7,052
Länder Governments 1	436	1,436	1,631	1,436	2,150	2,556	2,644	2,802	3,067	3,171	3,303	3,583	3,641	3,641
Anticyclical surcharge on income taxes 2	—	2,189	5,879	251	170	167	21	21	12	12	12	12	—	—

1 Including funds due to local authorities (14% of the receipts from the surcharge on assessed income tax and wage tax), which are held on Länder accounts. — 2 Unlike the other special deposits,

the anticyclical surcharge consists of funds which were withheld only temporarily from households and enterprises and had to be repaid as from mid-June 1972; it can therefore be included neither

in Federal nor in Länder deposits. — 3 Federal education loan. — Discrepancies in the totals are due to rounding.





## VII. Public finance

### 10. Federal Government debt \*

#### (a) Total

End of month	Total	Credits of Bundesbank		Money market paper 3	Bonds, medium-term notes and Federal savings bonds 4	Bank advances	Indebtedness to domestic non-banks			Commutation and compensation debt 5	Equalisation claims 6	Foreign debt 5	Memo item: Special credit of Bundesbank for participation in IMF and European Fund 7
		Book credits 1	Special credits and claims 2				Social security funds						
							Government inscribed stock	Loans	Other				
1983 Dec.	30,111	1,733	3,624	401	4,895	610	3,123	—	100	1,003	11,418	3,204	2,265
1964 Dec.	31,312	1,081	2,982	547	6,213	679	3,543	—	380	1,020	11,728	3,138	2,987
1965 Dec.	33,017	921	2,314	1,193	7,290	758	4,209	50	410	1,006	11,802	3,065	2,972
1966 Dec.	35,581	667	2,505	3,467	7,877	676	4,829	50	535	997	11,808	2,170	3,712
1967 Dec.	43,468	2,062	1,578	7,679	9,909	750	6,102	—	535	973	11,790	2,091	3,610
1968 Dec.	47,192	1,344	783	8,467	11,151	5,421	4,891	—	751	926	11,703	1,755	4,053
1969 Dec.	45,360	1,790	722	2,360	11,487	9,853	4,223	—	1,066	904	11,653	1,302	1,173
1970 Dec.	47,323	1,915	387	1,700	12,141	11,800	4,019	—	1,680	865	11,605	1,213	—
1971 Dec.	48,764	1,717	41	1,700	12,907	12,530	3,803	600	1,958	793	11,551	1,164	—
1972 Dec.	51,585	320	—	1,400	15,842	12,681	4,577	600	2,984	771	11,495	944	—
1972 Dec. 9	55,299	320	—	1,400	15,842	16,386	4,577	600	2,984	771	11,495	944	—
1973 April	57,488	—	—	1,400	17,673	17,135	4,443	600	3,112	719	11,467	939	—
May	57,438	—	—	1,400	17,547	17,259	4,443	600	3,112	719	11,468	891	—
June	57,396	—	—	1,400	17,410	17,352	4,443	600	3,113	720	11,465	893	—
July	57,583	—	—	1,400	17,517	17,485	4,443	600	3,109	709	11,431	889	—
Aug.	57,568	—	—	1,400	17,449	17,539	4,443	600	3,109	710	11,431	887	—
Sep.	57,889	—	—	1,400	17,879	17,431	4,443	600	3,109	710	11,431	886	—
Oct.	58,095	—	—	1,400	18,163	17,648	4,376	659	2,986	710	11,431	721	—
Nov.	60,113	1,812	—	1,100	18,405	17,892	4,376	659	3,013	711	11,428	719	—
Dec.	61,356	2,721	—	1,025	18,216	18,023	4,343	859	3,313	711	11,422	725	—
1974 Jan.	62,293	3,026	—	1,308	18,530	18,010	4,218	1,059	3,320	710	11,395	718	—
Feb.	62,739	3,364	—	1,700	18,347	17,863	4,218	1,059	3,377	711	11,395	708	—
March	60,961	1,678	—	1,700	18,451	17,234	4,218	1,373	3,522	711	11,397	677	—
April	62,766	2,646	—	1,944	18,406	17,928	4,201	1,373	3,562	651	11,397	657	—
May	63,702	1,127	—	2,562	18,924	18,711	4,201	1,873	3,602	650	11,398	653	—
June	62,869	—	—	2,573	19,206	18,199	4,201	2,137	3,839	650	11,395	668	—
July	64,236	1,341	—	2,417	19,218	18,181	4,201	2,136	4,067	630	11,368	678	—

#### (b) Breakdown of individual items

End of month	Special credits and claims of Bundesbank				Money market paper		Medium-term notes	Federal savings bonds	Bonds 4	Equalisation claims converted into money market paper		
	Acquisition of claims		Claim in respect of alteration of exchange parity	Credit for subscription to World Bank	Treasury bills	Dis-countable Treasury bonds				Total	Treasury bills	Dis-countable Treasury bonds
	resulting from post-war economic aid	from BIS										
1963 Dec.	2,513	—	1,083	29	—	401	384	—	4,512	4,690	883	3,707
1964 Dec.	2,010	—	943	29	—	547	831	—	5,383	2,599	846	1,753
1965 Dec.	1,508	—	778	29	523	670	1,017	—	6,274	1,064	364	701
1966 Dec.	1,784	125	566	29	1,196	2,272	1,210	—	6,667	878	213	864
1967 Dec.	1,253	94	202	29	204	7,475	2,625	—	7,284	2,245	1,621	624
1968 Dec.	721	63	—	—	160	8,317	3,240	—	7,911	2,534	2,231	303
1969 Dec.	691	31	—	—	—	2,360	3,163	280	8,045	2,029	1,282	747
1970 Dec.	387	—	—	—	—	1,700	2,900	575	8,665	7,532	1,878	5,654
1971 Dec.	41	—	—	—	—	1,700	2,163	1,554	9,189	6,243	1,190	5,053
1972 Dec.	—	—	—	—	—	1,400	2,272	4,191	9,379	4,450	2,891	1,559
1973 April	—	—	—	—	—	1,400	2,337	4,268	11,068	5,691	2,237	3,454
May	—	—	—	—	—	1,400	2,337	4,188	11,022	5,314	1,558	3,756
June	—	—	—	—	—	1,400	2,337	4,067	11,006	7,469	2,059	5,411
July	—	—	—	—	—	1,400	2,337	3,758	11,422	7,536	1,889	5,647
Aug.	—	—	—	—	—	1,400	2,235	3,483	11,731	7,329	1,263	6,066
Sep.	—	—	—	—	—	1,400	2,235	3,306	12,337	7,814	1,588	6,226
Oct.	—	—	—	—	—	1,400	2,085	3,121	12,857	7,821	1,355	6,465
Nov.	—	—	—	—	—	1,100	1,829	3,036	13,540	7,575	1,099	6,476
Dec.	—	—	—	—	—	1,025	1,665	3,001	13,529	7,819	1,159	6,660
1974 Jan.	—	—	—	—	—	1,308	1,685	2,977	13,868	7,453	830	6,623
Feb.	—	—	—	—	—	1,700	1,685	2,956	13,705	7,632	1,069	6,563
March	—	—	—	—	—	1,700	1,838	2,918	13,696	6,792	902	5,889
April	—	—	—	—	—	1,944	1,838	2,871	13,698	7,785	2,194	5,591
May	—	—	—	—	—	2,562	1,938	2,949	14,037	6,997	1,551	5,446
June	—	—	—	—	—	2,573	1,938	3,077	14,192	7,029	1,707	5,322
July	—	—	—	—	—	2,417	1,938	3,255	14,025	7,425	1,978	5,447

\* Excluding indebtedness to central, regional and local authorities and special funds. — 1 Book credits according to section (20 (1) 1 (a) of the Deutsche Bundesbank Act; in addition, the Treasury bills outstanding are counted towards the Federal Government's credit ceiling with the Bundesbank as laid down in that section. — 2 Excluding special credit for participation in International Monetary Fund and

European Fund. — 3 Excluding mobilisation paper. — 4 Excluding bonds in own portfolio. — 5 Since December 1969 excluding bonds in own portfolio. — 6 The changes are due to revision of the conversion accounts and to redemption payments. — For equalisation claims converted into money market paper see table below. — 7 Contrary to the survey of the Federal Debt Administration, not the total subscription pay-

ments are recorded but only the amount actually called, adjustment in value due to the revaluation of 1969 having been deducted. — 8 Transfer to the Bundesbank of rights and obligations towards IMF and European Fund. — 9 After inclusion of Public Works Corporation and hospital financing in the Federal budget. — Discrepancies in the totals are due to rounding.



## VIII. General economic conditions

### 1. Origin, distribution and use of national product\*

Item	1960	1969	1970	1971	1972 p	1973 p	1971	1972 p	1973 p	1971 p	1972 p	1973 p
	Billions of DM						Change on previous year in %			Percentage of total		
<b>I. Origin of national product</b>												
<b>(a) at current prices</b>												
Contributions to gross domestic product												
Agriculture, forestry and fisheries	17.3	22.5	21.5	22.3	24.8	27.4	+ 3.4	+ 11.3	+ 10.4	2.9	2.9	2.9
Producing industries	164.7	326.3	375.1	408.3	440.0	484.4	+ 8.8	+ 7.8	+ 10.1	53.0	52.1	51.4
Gas and electricity undertakings 1, mining	16.0	22.5	26.0	27.8	30.1	...	+ 7.2	+ 8.0	...	3.6	3.6	...
Manufacturing	127.6	258.6	293.3	315.9	337.9	...	+ 7.7	+ 7.0	...	41.0	40.0	...
Construction	21.2	45.2	55.9	64.6	72.1	...	+ 15.5	+ 11.6	...	8.4	8.5	...
Distributive trades, transport 2	59.3	112.6	124.6	137.4	150.0	167.9	+ 10.1	+ 9.2	+ 12.0	17.8	17.8	17.8
Services 3	61.2	150.1	172.5	202.6	229.6	262.5	+ 17.5	+ 13.3	+ 14.3	26.3	27.2	27.9
<b>Gross domestic product</b>	<b>302.6</b>	<b>a 605.7</b>	<b>a 687.0</b>	<b>a 762.5</b>	<b>a 834.6</b>	<b>a 930.6</b>	<b>+ 11.0</b>	<b>+ 9.5</b>	<b>+ 11.5</b>	<b>b 100</b>	<b>b 100</b>	<b>b 100</b>
Net factor incomes from abroad	- 0.3	- 0.5	- 1.4	- 0.6	- 0.0	- 0.3	.	.	.	...	.	.
<b>Gross national product at market prices</b>	<b>302.3</b>	<b>605.2</b>	<b>685.6</b>	<b>761.9</b>	<b>834.6</b>	<b>930.3</b>	<b>+ 11.1</b>	<b>+ 9.5</b>	<b>+ 11.5</b>	<b>.</b>	<b>.</b>	<b>.</b>
<b>(b) at 1962 prices</b>												
<b>Gross national product at market prices</b>	<b>328.4</b>	<b>500.4</b>	<b>529.4</b>	<b>545.2</b>	<b>564.0</b>	<b>593.8</b>	<b>+ 3.0</b>	<b>+ 3.4</b>	<b>+ 5.3</b>	<b>.</b>	<b>.</b>	<b>.</b>
Id., per working person, in DM	12,510	19,000	19,850	20,400	21,160	22,230	+ 2.8	+ 3.7	+ 5.1	.	.	.
<b>II. Distribution of national product (at current prices)</b>												
Income from employment 4	142.8	300.1	353.2	400.2	439.2	498.5	+ 13.3	+ 9.7	+ 13.5	52.5	52.6	53.6
Property and entrepreneurial income	92.9	160.5	176.0	185.5	200.7	218.7	+ 5.4	+ 8.2	+ 9.0	24.3	24.1	23.5
Individuals' income	90.0	156.5	171.8	180.7	197.5	214.8	+ 5.2	+ 9.3	+ 8.8	23.7	23.7	23.1
Government income 5	2.8	4.1	4.2	4.8	3.3	3.9	+ 14.2	- 31.6	+ 20.9	0.6	0.4	0.4
Net national product at factor costs (national income)	235.7	460.7	529.2	585.7	639.9	717.3	+ 10.7	+ 9.3	+ 12.1	76.9	76.7	77.1
plus indirect taxes 6	40.9	80.6	81.6	91.1	101.2	109.8	+ 11.6	+ 11.0	+ 8.6	12.0	12.1	11.8
Net national product at market prices	276.6	541.3	610.8	676.8	741.1	827.1	+ 10.8	+ 9.5	+ 11.6	88.8	88.8	88.9
plus depreciation	25.7	64.0	74.8	85.1	93.6	103.2	+ 13.8	+ 9.9	+ 10.3	11.2	11.2	11.1
<b>Gross national product at market prices</b>	<b>302.3</b>	<b>605.2</b>	<b>685.6</b>	<b>761.9</b>	<b>834.6</b>	<b>930.3</b>	<b>+ 11.1</b>	<b>+ 9.5</b>	<b>+ 11.5</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>III. Use of national product (at current prices)</b>												
Private consumption	172.4	333.1	369.0	410.5	450.9	496.8	+ 11.2	+ 9.8	+ 10.2	53.9	54.0	53.4
Government consumption	41.1	95.1	109.0	130.6	146.5	168.6	+ 19.8	+ 12.1	+ 15.1	17.1	17.6	18.1
Civil expenditure	31.5	76.3	89.2	107.1	121.9	...	+ 20.1	+ 13.8	...	14.1	14.6	...
Defence expenditure	9.6	18.8	19.8	23.5	24.6	...	+ 18.5	+ 4.5	...	3.1	2.9	...
Fixed capital formation	72.7	146.2	181.1	203.1	217.4	230.0	+ 12.2	+ 7.0	+ 5.8	26.7	26.0	24.7
Machinery and equipment	32.5	66.9	82.9	91.1	92.5	96.5	+ 9.9	+ 1.5	+ 4.3	12.0	11.1	10.4
Buildings	40.1	79.3	98.2	112.0	124.9	133.6	+ 14.1	+ 11.5	+ 6.9	14.7	15.0	14.4
Increase in stocks	+ 8.7	+ 16.0	+ 15.3	+ 5.4	+ 4.4	+ 9.6	.	.	.	0.7	0.5	1.0
Use within the country	294.9	590.4	674.4	749.7	819.2	905.0	+ 11.2	+ 9.3	+ 10.5	98.4	98.2	97.3
Net exports of goods and services 7	+ 7.4	+ 14.8	+ 11.2	+ 12.2	+ 15.4	+ 25.3	.	.	.	1.6	1.8	2.7
Exports	62.7	141.9	158.8	174.2	190.2	226.2	+ 9.9	+ 9.1	+ 18.9	22.9	22.8	24.3
Imports	55.3	127.1	147.4	162.0	174.8	200.8	+ 9.9	+ 7.9	+ 14.9	21.3	20.9	21.6
<b>Gross national product at market prices</b>	<b>302.3</b>	<b>605.2</b>	<b>685.6</b>	<b>761.9</b>	<b>834.6</b>	<b>930.3</b>	<b>+ 11.1</b>	<b>+ 9.5</b>	<b>+ 11.5</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Source: Federal Statistical Office; discrepancies in the totals are due to rounding. — 1 Including water supply. 2 Including telecommunications. — 3 Banks, insurance business, lease of dwellings, government and other services. — 4 Including employers' contributions to social insurance and fringe benefits. — 5 After deduction of interest on public debt. — 6 Less sub-

sidies. — 7 Including exchange of goods and services with the GDR. — a In order to arrive at the gross domestic product, the difference between the prior deduction of turnover tax on investment and tax on investment in plant and equipment (1969: DM 5.8 billion; 1970: DM 7.0 billion; 1971: DM 8.0 billion;

1972: DM 9.7 billion; 1973: DM 11.5 billion) must be subtracted from the sum total of the economic sectors' contributions to the gross domestic product. — b 100 = sum total of sectors' contributions, without deduction of the difference mentioned under a. — p Provisional.

















## IX. Foreign trade and payments

### 3. Principal net items in service transactions with the rest of the world\*

(Including supplementary trade items)

Millions of DM

Period	Total 1	Travel	Transportation 2	Investment income	Commissions, publicity and trade fairs	Licences and patents	Receipts from foreign military agencies 3	Other services 4	Supplementary trade items 5
1966	-1,175	-3,403	+3,569	-1,572	-1,808	-492	+4,774	-1,795	-448
1967	-434	-3,034	+3,609	-1,643	-1,951	-508	+5,127	-1,837	-197
1968	+796	-3,106	+3,908	-558	-2,020	-579	+5,196	-1,615	-430
1969	+664	-3,888	+3,948	+102	-2,291	-723	+5,546	-1,865	-165
1970	-2,326	-5,377	+4,179	-200	-2,523	-795	+5,756	-2,424	-942
1971	-1,279	-6,952	+4,065	+760	-2,630	-938	+6,582	-2,512	+346
1972	-2,892	-8,570	+3,972	+1,759	-2,599	-900	+6,900	-3,036	-417
1973	-4,969	-11,491	+4,192	+1,920	-2,891	-1,066	+7,099	-2,656	-75
1973 1st qtr	-372	-1,681	+1,001	+182	-747	-261	+1,693	-786	+225
2nd qtr	+332	-2,719	+1,041	+411	-713	-257	+1,768	-349	+1,148
3rd qtr	-3,539	-5,002	+969	+451	-671	-277	+1,786	-688	-107
4th qtr	-1,389	-2,091	+1,179	+876	-760	-270	+1,852	-836	-1,341
1974 1st qtr	-2,677	-2,143	+1,094	-101	-947	-311	+1,718	-1,173	-812
2nd qtr	-1,431	-2,701	+1,264	+328	-975	-263	+1,866	-926	-24
1973 July	-1,811	-1,726	+356	-22	-260	-86	+599	-235	-436
Aug.	-966	-2,008	+295	+221	-237	-89	+600	-156	+408
Sep.	-762	-1,267	+319	+252	-173	-104	+587	-297	-79
Oct.	-1,035	-890	+364	-89	-252	-85	+594	-232	-445
Nov.	-232	-525	+361	+235	-257	-97	+688	-259	-378
Dec.	-122	-675	+454	+730	-251	-87	+570	-344	-518
1974 Jan.	-1,106	-753	+275	-25	-339	-151	+595	-339	-367
Feb.	-755	-550	+458	-261	-301	-95	+478	-210	-273
March	-817	-840	+361	+185	-306	-65	+645	-624	-172
April	-1,112	-862	+363	-287	-287	-49	+588	-388	-190
May	-171	-939	+460	+178	-319	-89	+627	-210	+123
June	-149	-899	+442	+438	-369	-125	+651	-328	+43

\* Discrepancies in the totals are due to rounding. — 1 Excluding expenditure on freight and insurance, which is contained in the c.i.f. import value, but including receipts of German sea-going ships and of German insurance companies from services rendered in connection with trade in goods. — 2 From 1970 including receipts from and expenditure on overland imports and exports by lorry, but excluding expenditure contained in the c.i.f. import value. — 3 Receipts in respect of deliveries made and services rendered. — 4 Without remuneration of

foreign workers, who from the economic point of view are considered as residents; wage remittances by foreign workers to their home countries are therefore shown under transfer payments. — 5 Balance of merchanting trade and other supplementary items.

### 4. Transfer payments (unilateral transfers)\*

Millions of DM

Period	Total	Private 1				Official 1					
		Total	Remittances by foreign workers 2	Maintenance payments	Other payments 3	Total	Indemnification	International organisations		Pensions 4	Other payments
								Total	of which European Communities		
1966	-6,295	-3,424	-2,500	-780	-144	-2,871	-1,663	-583	-233	-493	-132
1967	-6,422	-3,107	-2,150	-765	-192	-3,315	-1,674	-916	-484	-526	-199
1968	-7,312	-3,171	-2,150	-778	-243	-4,141	-1,770	-1,559	-1,148	-623	-189
1969	-8,750	-4,349	-3,300	-865	-184	-4,401	-1,515	-1,919	-1,460	-719	-248
1970	-9,759	-6,032	-5,000	-933	-99	-3,727	-1,598	-964	-611	-817	-348
1971	-11,497	-7,553	-6,450	-782	-320	-3,944	-1,620	-1,127	-569	-866	-330
1972	-14,037	-8,441	-7,450	-865	-126	-5,596	-1,853	-2,173	-1,584	-1,122	-449
1973	-15,895	-9,534	-8,450	-935	-149	-6,361	-1,882	-2,848	-2,266	-1,339	-293
1973 1st qtr	-3,723	-2,223	-1,950	-220	-53	-1,500	-520	-655	-556	-335	+10
2nd qtr	-3,980	-2,330	-2,050	-240	-41	-1,650	-422	-794	-710	-325	-109
3rd qtr	-4,309	-2,594	-2,300	-240	-53	-1,714	-448	-866	-676	-323	-78
4th qtr	-3,883	-2,386	-2,150	-235	-2	-1,497	-492	-533	-324	-355	-116
1974 1st qtr	-3,756	-2,245	-1,900	-278	-68	-1,511	-489	-383	-143	-375	-265
2nd qtr	-3,920	-2,267	-2,000	-239	-27	-1,653	-383	-497	-361	-379	-394
1973 July	-1,493	-876	-750	-99	-28	-617	-143	-464	-384	-74	+63
Aug.	-1,350	-885	-800	-72	-13	-465	-157	-150	-77	-67	-90
Sep.	-1,466	-833	-750	-68	-15	-632	-148	-253	-216	-182	-50
Oct.	-1,032	-771	-700	-75	+3	-261	-200	+75	+116	-66	-69
Nov.	-1,291	-790	-700	-81	+8	-501	-150	-238	-176	-92	-21
Dec.	-1,561	-826	-750	-81	+5	-735	-142	-370	-264	-197	-26
1974 Jan.	-1,081	-751	-650	-83	-19	-329	-175	-50	+124	-81	-24
Feb.	-1,413	-785	-650	-89	-48	-628	-145	-212	-164	-74	-197
March	-1,262	-708	-600	-106	-3	-554	-169	-121	-103	-219	-44
April	-1,062	-689	-600	-77	-13	-372	-127	-203	-157	-64	+20
May	-1,334	-785	-700	-82	-2	-549	-137	-138	-128	-115	-159
June	-1,524	-792	-700	-79	-13	-732	-119	-157	-76	-199	-257
July p	-1,490	-885	-750	-105	-30	-605	-149	-366	-316	-80	-10

\* Discrepancies in the totals are due to rounding. — 1 Transfer payments are classified as "Private" or "Official" according to the sector to which the German party concerned belongs. — 2 Estimated;

after allowing for cash exported by foreigners travelling home. — 3 From 1971 including payments connected with immigration, emigration, inheritances,

etc., which until then had been shown under "Maintenance payments". — 4 Including payments by social pension insurance funds. — p Provisional.

## 5. Capital transactions with the rest of the world\*

Millions of DM											
Item	1971	1972	1973	1973			1974				
				2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	May	June	July p
<b>A. Long-term capital transactions</b>											
<b>I. Private capital transactions</b>											
<b>(1) Total net German capital investment abroad (Increase: —)</b>											
Direct Investment	— 4,026	+ 315	— 710	+ 1,301	+ 64	— 2,214	— 1,898	— 1,654	— 762	— 473	— 584
Shares	— 3,656	— 4,988	— 4,417	— 808	— 1,059	— 1,543	— 1,144	— 818	— 404	— 205	— 543
Other capital interests	— 1,550	— 2,574	— 2,094	— 383	— 474	— 1,050	— 703	— 365	— 185	— 43	— 267
Advances and loans	— 1,587	— 1,822	— 2,199	— 412	— 553	— 495	— 503	— 445	— 204	— 150	— 227
Portfolio investment	— 519	— 593	— 124	— 13	— 33	+ 2	+ 62	— 8	— 16	— 12	— 49
Shares	+ 532	+ 4,037	+ 358	+ 358	+ 54	— 348	— 193	— 105	— 30	— 8	— 81
Investment fund units	— 917	— 598	+ 119	+ 273	+ 123	— 42	+ 170	— 139	— 21	— 44	— 26
Bonds	+ 266	+ 321	+ 7	+ 6	+ 3	— 0	— 27	— 3	+ 3	— 7	— 0
Advances and loans	+ 1,184	+ 4,314	+ 232	+ 80	— 72	— 306	— 336	+ 37	— 13	+ 43	— 55
Other capital movements	— 313	+ 2,079	+ 4,112	+ 1,933	+ 1,247	— 156	— 390	— 566	— 258	— 216	+ 96
(2) Total net foreign capital investment in the Federal Republic of Germany (Increase: +)	— 590	— 812	— 763	— 182	— 178	— 167	— 171	— 164	— 68	— 44	— 56
Direct Investment	+ 12,485	+ 16,014	+ 14,749	+ 3,808	+ 3,794	+ 3,586	+ 1,400	+ 1,598	+ 551	+ 392	— 170
Shares	+ 3,905	+ 5,457	+ 5,004	+ 1,579	+ 1,312	+ 1,597	+ 1,194	+ 1,313	+ 518	+ 453	+ 519
Other capital interests 1	+ 734	+ 1,510	+ 1,026	+ 329	+ 185	+ 466	+ 130	— 5	— 14	— 0	+ 85
Advances and loans	+ 1,705	+ 3,491	+ 4,491	+ 1,273	+ 1,161	+ 1,416	+ 1,211	+ 1,243	+ 491	+ 433	+ 423
Portfolio investment	+ 1,466	+ 456	— 514	— 23	— 35	— 285	— 147	+ 75	+ 41	+ 20	+ 11
Shares and investment fund units	+ 2,008	+ 10,710	+ 6,009	+ 1,057	+ 2,311	+ 1,470	— 8	— 8	— 208	— 138	— 630
Bonds	+ 392	+ 2,980	— 187	— 135	— 183	— 118	— 81	+ 68	— 19	— 8	+ 6
Advances and loans	+ 1,615	+ 7,729	+ 6,196	+ 1,191	+ 2,494	+ 1,588	+ 73	— 77	— 189	— 130	— 636
Other capital movements	+ 6,658	— 7	+ 3,608	+ 1,179	+ 53	+ 469	+ 149	+ 236	+ 185	+ 79	— 58
Other capital movements	— 85	— 146	+ 127	— 7	+ 119	+ 50	+ 65	+ 56	+ 56	— 2	— 2
Balance	+ 8,459	+ 16,329	+ 14,039	+ 5,110	+ 3,858	+ 1,372	— 498	— 56	— 211	— 81	— 754
<b>II. Official capital transactions</b>											
of which	— 2,166	— 1,489	— 2,216	— 682	— 504	— 521	— 204	— 284	— 103	— 41	— 70
Financial assistance to developing countries 2	— 1,584	— 1,606	— 1,904	— 535	— 391	— 494	— 166	— 258	— 100	— 38	— 58
Overall balance of long-term capital transactions (I plus II)	+ 6,293	+ 14,840	+ 11,823	+ 4,428	+ 3,355	+ 851	— 702	— 339	— 314	— 122	— 824
<b>B. Short-term capital transactions</b>											
<b>(1) Banks 3</b>											
Assets	+ 87	— 1,620	— 7,934	— 2,177	— 1,786	— 4,035	— 17	— 5,141	— 251	— 1,442	+ 3,458
Liabilities	+ 1,087	+ 1,200	+ 2,785	— 3,753	+ 2,468	— 1,446	— 506	+ 3,788	+ 728	+ 1,420	— 2,661
Balance	+ 1,174	— 420	— 5,149	— 5,930	+ 682	— 5,481	— 523	— 1,353	+ 477	— 22	+ 797
<b>(2) Enterprise "Financial credits" 3</b>											
Assets	+ 573	+ 482	+ 163	— 52	+ 63	— 228	— 744	— 474	— 209	— 274	— 177
Liabilities	— 1,956	— 5,043	+ 415	+ 421	— 513	— 391	+ 73	+ 1,181	— 45	— 132	+ 274
Balance	— 1,383	— 4,561	+ 578	+ 369	— 450	— 619	— 671	+ 707	— 254	— 406	+ 97
<b>Trade credits</b>											
Assets	— 600	— 1,400	— 3,200	— 350	+ 260	— 2,000	— 9,870	— 3,154	— 1,581	— 444	·
Liabilities	+ 4,000	+ 2,400	+ 7,800	+ 1,510	+ 670	+ 1,980	+ 1,018	+ 2,404	+ 826	+ 759	·
Balance	+ 3,400	+ 1,000	+ 4,600	+ 1,160	+ 930	— 20	— 8,852	— 750	— 755	+ 315	·
Other	+ 0	+ 0	+ 1	+ 2	+ 0	— 1	— 1	+ 0	+ 0	+ 0	+ 0
Balance	+ 2,017	— 3,561	+ 5,179	+ 1,531	+ 480	— 640	— 9,524	— 43	— 1,009	— 91	+ 97
<b>(3) Official 4</b>											
Assets	+ 1,038	+ 327	— 140	— 182	+ 77	— 1,043	+ 284	+ 61	+ 116	— 29	— 28
Liabilities											
Overall balance of short-term capital transactions	+ 4,229	— 3,654	— 110	— 4,581	+ 1,239	— 7,164	— 9,763	— 1,335	— 416	— 142	+ 866
<b>C. Balance of all statistically recorded capital movements (A plus B) (net capital export: —)</b>											
	+ 10,522	+ 11,186	+ 11,713	— 153	+ 4,594	— 6,313	— 10,465	— 1,674	— 730	— 264	+ 42

\* Increase in assets and decrease in liabilities: —, decrease in assets and increase in liabilities: +. — 1 Mainly interests in private limited companies. — 2 "Bilateral" loans, as well as (multilateral) payments channelled to developing countries

through international organisations. — 3 The data on banks and enterprises ("financial credits") are net changes, derived from totals (Table IX, 7 and 8), after adjustment for purely statistical changes. — 4 Chiefly concerning change in the Federal Govern-

ment's assets resulting from prepayments on defence imports and in the Federal Government's liabilities to the European Communities on so-called deposit accounts. — p Provisional.









### 9. Averages of official foreign exchange quotations on the Frankfurt currency exchange \*

Middle spot rates in DM

Period	Telegraphic payment							
	Amsterdam	Brussels	Helsinki	Copenhagen	Lisbon	London	Madrid	Milan/Rome
	100 guilders	100 francs	100 Markkaa	100 kroner	100 escudos	1 pound sterling	100 pesetas	1 000 lire
<b>Average for the year</b>								
1971	99.678	7.170	—	47.024	12.439	8.505	5.032	5.630
1972	99.367	7.247	1 77.078	45.923	11.845	7.974	4.965	5.467
1973	95.397	6.835	69.619	44.046	10.929	6.514	4.567	4.569
<b>Average for the month</b>								
1973 April	96.228	7.070	73.192	45.666	11.264	7.046	4.891	4.822
May	96.459	7.084	72.696	45.409	11.244	7.069	4.818	4.741
June	94.475	6.886	69.071	44.246	11.008	6.644	4.453	4.335
July	90.633	6.601	64.347	42.249	10.533	5.936	4.067	4.025
Aug.	91.263	6.563	66.101	42.515	10.484	6.004	4.265	4.235
Sep.	93.311	6.566	65.502	42.436	10.390	5.863	4.276	4.296
Oct.	96.625	6.600	65.329	42.735	10.394	5.861	4.247	4.265
Nov.	96.285	6.689	69.065	43.253	10.629	6.166	4.518	4.370
Dec.	94.672	6.584	69.316	42.796	10.517	6.160	4.675	4.375
1974 Jan.	95.824	6.570	70.691	42.272	10.495	6.255	4.847	4.359
Feb.	96.064	6.623	69.271	42.253	10.497	6.179	4.605	4.151
March	95.232	6.564	68.587	42.022	10.380	6.133	4.443	4.118
April	94.545	6.492	67.461	41.697	10.235	6.034	4.321	3.975
May	94.787	6.536	66.862	41.873	10.181	5.937	4.292	3.894
June	95.378	6.658	69.062	42.286	10.207	6.034	4.416	3.890
July	96.999	6.740	69.425	43.089	10.279	6.103	4.485	3.972
Aug.	98.023	6.764	69.898	43.339	10.321	6.140	4.582	4.000
<b>Difference of buying and selling rates from middle rate, in pfennigs</b>								
	11	1	10	6	2	1	1	1

Period	Telegraphic payment							
	Montreal	New York	Oslo	Paris	Stockholm	Tokyo	Vienna	Zurich
	1 Can \$	1 US \$	100 kroner	100 francs	100 kronor	100 yen	100 schillinge	100 francs
<b>Average for the year</b>								
1971	3.4459	3.4795	49.588	63.163	68.192	2 0.9996	13.940	
1972	3.2200	3.1889	48.417	63.238	67.055	1.0534	13.800	84.578
1973	2.6599	2.6590	46.263	59.736	60.959	0.9795	13.645	83.537 84.005
<b>Average for the month</b>								
1973 April	2.8366	2.8368	47.974	62.323	62.872	1.0704	13.713	87.586
May	2.7916	2.7927	48.068	62.359	62.986	1.0568	13.725	88.068
June	2.5836	2.5785	46.982	60.628	61.344	0.9784	13.591	84.514
July	2.3379	2.3342	44.343	57.576	57.873	0.8851	13.596	82.909
Aug.	2.4175	2.4242	44.029	57.050	58.444	0.9159	13.586	81.657
Sep.	2.4062	2.4236	43.785	56.890	57.714	0.9144	13.500	80.411
Oct.	2.4107	2.4126	44.153	57.249	57.823	0.9066	13.496	79.743
Nov.	2.5839	2.5794	46.009	58.550	59.460	0.9295	13.596	81.552
Dec.	2.6583	2.6549	46.946	57.878	58.614	0.9487	13.601	82.940
1974 Jan.	2.8365	2.8104	47.145	56.052	58.663	0.9467	13.598	83.612
Feb.	2.7768	2.7141	47.030	54.782	58.030	0.9341	13.596	85.492
March	2.6981	2.6213	46.425	54.361	57.395	0.9308	13.548	85.083
April	2.6103	2.5231	45.974	51.986	57.414	0.9105	13.483	83.500
May	2.5571	2.4588	46.171	50.600	57.550	0.8832	13.718	84.487
June	2.6144	2.5258	46.524	51.534	57.845	0.8941	13.930	84.459
July	2.6178	2.5526	47.373	53.597	58.428	0.8813	14.066	86.111
Aug.	2.6730	2.6170	47.790	54.819	59.218	0.8672	14.119	87.775
<b>Difference of buying and selling rates from middle rate, in pfennigs</b>								
	0.5	0.5	6	10	8	0.15	2	10

\* Calculated from daily quotations. — 1 For the first time quoted on July 17, 1972. — 2 Average of period

Jan. 1 to Sep. 6, 1971; official quotation thereafter suspended (until Jan. 5, 1972).





## IX. Foreign trade and payments

### 12. Par values of currencies of the members in the International Monetary Fund \*

Position: July 15, 1974

Country	Currency unit (CU)	Gold parity	SDR parity	Calculated equivalent		
		... grammes of fine gold equal to 1 CU	... CU equal to 1 SDR 1	... CU equal to 1 US\$	... CU equal to 100 DM	... DM equal to 100 CU
1	2	3	4	5	6	7
Algeria	Algerian Dinar 2	—	—	—	—	—
Australia	Australian Dollar	1.09578	0.810994	0.672272	25.19	397.02
Austria	Schilling 20	—	—	—	—	—
Bahamas	Bahamas Dollar	0.736662	1.20635	1.00	37.47	266.90
Bahrain	Bahrain Dinar	1.86621	0.476190	0.394737	14.79	676.16
Bangladesh	Taka 3	—	—	—	—	—
Barbados	Barbados Dollar 3	—	—	—	—	—
Belgium 4	Belgian Franc 4	—	x 48.6572	40.3343	1,511.19	6.62
Bolivia	Bolivian Peso	—	x 24.1270	20.00	749.33	13.35
Botswana	(South African) Rand 5	—	—	—	—	—
Burma	Kyat	—	x 5.80717	4.8138	180.36	55.45
Burundi	Burundi Franc	0.00935443	95.0000	78.7501	2,950.50	3.39
Costa Rica	Colon	0.0859580	10.3384	8.57	321.09	31.14
Cyprus	Cyprus Pound 25	—	—	—	—	—
Denmark 4	Danish Krone 4	—	x 7.57831	6.28202	235.37	42.49
Dominican Republic	Dominican Peso	0.736662	1.20635	1.00	37.47	266.90
Ecuador	Sucre	—	x 30.1587	25.00	936.67	10.68
El Salvador	Colon	0.294665	3.01587	2.50	93.67	106.76
Ethiopia	Ethiopian Dollar	0.355468	2.50000	2.07237	77.64	128.79
Fiji	Fiji Dollar	—	x 0.965078	0.80	29.97	333.63
Finland	Markka 6	—	—	—	—	—
France	French Franc 7	—	—	—	—	—
Gambia	Dalasi 3	—	—	—	—	—
Germany, Fed. Rep. 4	Deutsche Mark 4	—	x 3.21979	2.66904	100.00	100.00
Greece	Drachma 8	—	—	—	—	—
Guatemala	Quetzal	0.736662	1.20635	1.00	37.47	266.90
Guyana	Guyana Dollar 3	—	—	—	—	—
Haiti, Rep.	Gourde	0.147332	6.03178	5.00	187.33	53.38
Honduras, Rep.	Lempira	0.368331	2.41270	2.00	74.93	133.45
Iceland	Icelandic Króna 10	—	—	—	—	—
India	Indian Rupee 3	—	—	—	—	—
Iran	Rial	0.0108055	82.2425	68.1747	2,554.28	3.91
Iraq	Iraqi Dinar	2.48828	0.357143	0.296053	11.09	901.54
Ireland, Rep.	Irish Pound 3	—	—	—	—	—
Israel	Israel Pound	0.175396	5.06665	4.20	157.36	63.55
Italy	Italian Lira 11	—	—	—	—	—
Jamaica	Jamaica Dollar	—	x 1.09688	0.909091	34.06	293.59
Japan	Yen 12	—	—	—	—	—
Jordan	Jordan Dinar	2.29184	0.387754	0.321428	12.04	830.37
Kenya	Kenya Shilling	—	x 8.61675	7.14286	267.62	37.37
Kuwait	Kuwait Dinar	2.48828	0.357143	0.296053	11.09	901.54
Lesotho	(South African) Rand 5	—	—	—	—	—
Liberia	Liberian Dollar	0.736662	1.20635	1.00	37.47	266.90

\* At present there are 126 members in the International Monetary Fund (IMF). Par values or central rates agreed with or communicated to the IMF by member countries by July 15, 1974 are shown in columns 3 and 4 in accordance with International Financial Statistics of the IMF; the central rates are marked with an x. The DM equivalents (columns 6 and 7) — which are not in every case the basis for determining the exchange rates —

have been calculated on the basis of the par values or central rates given in column 4. See also our quarterly Statistical Supplement to the Monthly Report of the Deutsche Bundesbank, series 5: "Die Währungen der Welt" (Currencies of the world). — 1 1 SDR (Special Drawing Right) = 0.888671 gramme of fine gold. — 2 The Algerian dinar has been floating since January 21, 1974. — 3 Floating with the £ sterling. — 4 Taking part in the European joint float against the US\$. —

5 Since June 24, 1974 "independent managed floating" of the rand. 6 Since June 4, 1973 the US\$ rate may drop below the previous lower intervention point. — 7 On January 19, 1974 the French Government decided temporarily to suspend the interventions keeping the exchange rates between the French franc and various other currencies within the margins previously fixed (withdrawal from the European joint float). — 8 The drachma has been floating since

## IX. Foreign trade and payments

Country	Currency unit (CU)	Gold parity	SDR parity	Calculated equivalent		
		... grammes of fine gold equal to 1 CU	... CU equal to 1 SDR 1	... CU equal to 1 US\$	... CU equal to 100 DM	... DM equal to 100 CU
1	2	3	4	5	6	7
Libya	Libyan Dinar	2.48828	0.357143	0.296053	11.09	901.54
Luxembourg 4	Luxembourg Franc 4	—	x 48.6572	40.3343	1,511.19	6.62
Malawi	Malawi Kwacha 14	—	—	—	—	—
Malaysia	Malaysian Dollar 15	—	—	—	—	—
Malta	Maltese Pound 16	—	—	—	—	—
Mauritius	Mauritius Rupee 3	—	—	—	—	—
Mexico	Mexican Peso	0.0589330	15.0793	12.50	468.33	21.35
Morocco	Dirham 17	—	—	—	—	—
Nepal	Nepalese Rupee	—	x 12.7390	10.56	395.65	25.28
Netherlands 4	Netherlands Guilder 4	—	x 3.35507	2.78118	104.20	95.97
New Zealand	New Zealand Dollar 18	—	—	—	—	—
Nicaragua	Cordoba	0.105237	8.44447	7.00	262.27	38.13
Nigeria	Naira 19	—	—	—	—	—
Norway 4	Norwegian Krone 4	—	x 6.87145	5.69606	213.41	46.86
Pakistan	Pakistan Rupee	0.0744103	11.9428	9.90	370.92	26.96
Panama (excl. Canal Zone)	Balboa	0.736662	1.20635	1.00	37.47	266.90
Portugal	Escudo 21	—	—	—	—	—
Qatar	Qatar Ryal	0.186621	4.76190	3.94737	147.89	67.62
Rwanda	Rwanda Franc	—	x 112.000	92.84	3,478.49	2.87
Saudi Arabia	Saudi Ryal	0.207510	4.28255	3.55001	133.01	75.18
Sierra Leone	Leone 3	—	—	—	—	—
Singapore	Singapore Dollar 22	—	—	—	—	—
Somalia	Somali Shilling	0.118193	7.51881	6.23270	233.52	42.82
South Africa, Rep.	Rand 5	—	—	—	—	—
Spain	Peseta 23	—	—	—	—	—
Sri Lanka (Ceylon)	Sri Lanka Rupee 3	—	—	—	—	—
Swaziland	(South African) Rand 5	—	—	—	—	—
Sweden 4	Swedish Krona 4	—	x 5.50094	4.55999	170.85	58.53
Taiwan	New Taiwan Dollar	—	x 45.8413	38.00	1,423.74	7.02
Tanzania	Tanzania Shilling	—	x 8.61675	7.14286	267.62	37.37
Thailand	Baht	0.0368331	24.1270	20.00	749.33	13.35
Trinidad and Tobago	Trinidad and Tobago Dollar 3	—	—	—	—	—
Tunisia	Tunisian Dinar 24	—	—	—	—	—
Turkey	Turkish Lira	—	x 16.8889	14.00	524.53	19.06
Uganda	Uganda Shilling	—	x 8.61675	7.14286	267.62	37.37
United Arab Emirates	Dirham	0.186621	4.76190	3.94737	147.89	67.62
United Kingdom	Pound Sterling 9	—	—	—	—	—
United States	U.S. Dollar	0.736662	1.20635	1.00	37.47	266.90
Western Samoa	Tala	—	x 0.719193	0.596174	22.34	447.69
Yemen, People's Dem. Rep.	Yemen Dinar	—	x 0.416667	0.345395	12.94	772.75
Yugoslavia	Yugoslavian Dinar 13	—	—	—	—	—
Zaire	Zaire	—	x 0.603176	0.50	18.73	533.81
Zambia	Kwacha	1.14592	0.775509	0.642856	24.09	415.18

October 20, 1973. — 9 The £ sterling has been floating since June 23, 1972. — 10 The Icelandic króna has been floating since June 15, 1973. — 11 The rate of the lira has been floating since February 14, 1973. — 12 The yen has been floating since February 14, 1973. — 13 The Yugoslavian dinar has been floating since July 12, 1973. — 14 Since November 19, 1973 the Malawi kwacha has been floating under special

conditions. — 15 Since June 21, 1973 the Malaysian dollar may drop below the previous lower intervention point. — 16 Floating in accordance with special governments regulations. — 17 Since May 17, 1973 the dirham has been floating under special conditions. — 18 The New Zealand dollar has been floating since July 9, 1973. — 19 The naira has been floating since April 19, 1974. — 20 The shilling has been floating

since March 19, 1973. — 21 The escudo has been floating since March 19, 1973. — 22 The Singapore dollar has been floating since June 21, 1973. — 23 The peseta has been floating since January 22, 1974. — 24 Since January 23, 1974 the Tunisian dinar has been floating under special conditions. — 25 The Cyprus pound has been floating since July 9, 1973.





## List

of the subjects dealt with during the past twelve months  
in the Monthly Reports of the Deutsche Bundesbank

- September 1973** The economic scene in the summer of 1973  
Calculation of weighted revaluation rates  
for the Deutsche Mark
- October 1973** New measures of monetary policy  
National product, capital formation and its financing  
in the first half of 1973  
Production potential in the Federal Republic of Germany
- November 1973** The central, regional and local authorities  
in the business cycles since 1967  
Enterprises' annual accounts for 1971 and initial results  
for 1972
- December 1973** The economic scene in the autumn of 1973
- January 1974** Security deposits of domestic individuals,  
classified by size categories  
Automation of paper money handling
- February 1974** The economic scene in the winter of 1973/74
- March 1974** Sources and uses of income in the second half of 1973,  
by sector  
The balance of payments of the Federal Republic of  
Germany in 1973
- April 1974** Public finance in 1973  
Foreign employees in Germany:  
their transfers to their home countries and their  
savings in the Federal Republic
- May 1974** Financial flows in 1973 and total financial assets  
and liabilities  
Recent trends in the business of the banking groups
- June 1974** The economic scene in the spring of 1974
- July 1974** New measures of monetary policy  
Central bank money stock and free liquid reserves  
The regional structure of Germany's current transactions  
with the rest of the world in 1973
- August 1974** New measures of monetary policy  
Recent trends in the finances of the German Federal  
Railways and the German Federal Post Office  
Security ownership in the Federal Republic of Germany  
in 1973

Information on previously published special studies will be found  
in the index of special studies appended to the Monthly Report  
of December 1973.