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SVENSKA HANDELS-  
BANKEN



79th ANNUAL REPORT

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# AKTIEBOLAGET SVENSKA HANDELS- BANKEN

ANNUAL REPORT FOR THE YEAR 1949

PRESENTED TO THE GENERAL MEETING  
OF SHAREHOLDERS ON  
MARCH 10, 1950



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*To the Shareholders of*  
*Aktiebolaget Svenska*  
*Handelsbanken.*

**T**he Board of Directors of the Aktiebolaget Svenska Handelsbanken herewith submit their Report on the Bank's activities during 1949, together with an outline of economic developments during the year.

Whereas the world economy showed signs of marked progress through rising production and a less acute shortage of goods, the international foreign exchange crisis was seriously aggravated. In the former respect the improvement was particularly striking in the European countries, where the work of reconstruction proceeded. Thanks to an increased supply of goods and to a more stringent monetary and financial policy, most of those countries could fairly well keep the post-war inflation in check and pave the way for a return to more balanced market conditions. This greatly influenced international trade, and the sellers' market still prevalent in practically every commodity field throughout most of 1948 developed more and more clearly during the first half of 1949 into a buyers' market with competition becoming keener and the price trend falling.

This rapid reversal was due primarily to changes in the business

situation in the United States, which already during the latter months of 1948 had been showing signs of a setback, with falling prices, a decline in industrial production and a shrinking turnover in retail trade. This recession continued up to the late summer of 1949, when the economic position again became stabilized and the trend became more favourable. One of the consequences of the American recession was a substantial decline in the American purchases of both raw materials and finished products from the rest of the world. This led to a further deterioration in international equilibrium and the dollar shortage stood out ever more clearly as the great key problem of the world's economy. It became increasingly manifest that the attempts to solve these difficulties within the framework of the Marshall Plan could not succeed unless it were possible, by effecting a radical adjustment of the rates of exchange between the various currencies, to restore some equilibrium in the price and cost relations between the hard-currency countries on the one hand and the soft-currency countries on the other.

In Great Britain especially it became more and more difficult to attain a balance in international payments. During the summer the crisis came to a head and on the 18th September brought about the long-expected devaluation of the pound in terms of the dollar by no less than 30.5 per cent. This step was the signal for widespread adjustments of the international foreign exchange rates. Practically every country in the sterling group and a number of European countries—including those of Scandinavia—depreciated their currencies to the same extent as the pound, while other countries acted on less radical lines. These measures and the incipient improvement in the United States promptly reacted on the development of international prices.



While the American price level remained stable, the raw-material prices in the sterling countries and the other devaluing countries now showed a sharply rising tendency. The necessity of checking these upward tendencies in order to defend the equilibrium which the adjustment of the exchange rates aimed at establishing proved during the latter months of the year to be, for most of the devaluing countries, the paramount problem of economic policy.

In Sweden, economic developments showed a favourable trend during the year, the balance between the supply of and the demand for goods and services being much improved, with a corresponding brake on inflationary tendencies. The increased commodity supply was a result partly of the relatively satisfactory harvest in 1948 and partly of a steady rise in industrial production. At the same time, a distinct falling-off was observable in the demand for goods. The demand for investment goods was held in check both by the building control and by a growing reluctance on the part of industry to make investments; the previously strong public demand for consumer goods abated, as was reflected in a declining retail trade turnover. Under the influence of this new trend in the home-market situation and of weakening world market prices there set in during the period up to the devaluation of the Swedish krona a distinct downward movement of the Swedish price level. However, the devaluation gave the price level a new fillip, which was almost immediately reflected in a rising trend of wholesale prices. In order to prevent this rise from spreading to the cost of living, which would have led to claims for higher wages, the Government resorted to a policy of paying subsidies on the import of certain essential goods and on certain domestic farm products. On the condition that it would be possible for the Government by such



means to keep the cost of living stable the large wage-earning groups agreed to have the wage-freezing arrangement continue in force during 1950.

The improvement in Sweden's economic position is also reflected in her international payments position. Already during the first half of the year the import surplus had declined, mainly as a result of a very restrictive licensing policy, though also thanks to some increase in exports. The development in the export field was, however, hampered for a long time by marketing difficulties arising from the above-mentioned reversal of world economic conditions and also by the uncertainty prevailing in regard to foreign exchange rates; not until after the devaluation did the important paper pulp exports to the American market once more get under way. However, during the last few months of the year the fresh tendency towards a revival on the world markets led to a substantial increase in Swedish exports. In consequence of her improved trade balance Sweden's total balance of payments during 1949 showed a not inconsiderable surplus, this being also reflected in an increase in the Riksbank's foreign exchange reserves. However, there was still a large deficit in the balance of payments with the dollar countries.

*Agriculture.* The crops suffered in certain parts of the country from cold and dry weather, but the all-over result slightly exceeded the fairly satisfactory harvest of 1948. Animal produce was particularly abundant, the yield of all products within this category showing an increase.

The area under bread grain was 7 per cent smaller than in 1948, this reduction however being offset by an increase in the yield per hectare, so that the bread-grain harvest—about 990,000 tons—fell short of the 1948 level by only 3 per cent and was sufficient to cover domestic requirements. Compared with the average figures for the 1930s, the decrease in the bread-grain harvest during the



past year represented 8 per cent, due to the decline in the area under cultivation. The quality of the autumn grain was on the whole good.

The harvest of fodder grain, i. e. barley, oats and mixed grain, estimated at 1.7 million tons, was 10 per cent above the 1948 figures, the increase in part being attributable to extended cultivation. The potato crop was badly affected by drought and cold weather. As, moreover, the area was 9 per cent below that of 1948, the yield showed a sharp decline and amounted to only about 1.6 million tons, or 30 per cent less than in 1948. Nevertheless, the crop should be sufficient for the country's normal annual requirements. The sugar-beet crop is estimated at 1.76 million tons, or 3 per cent below the good crop in 1948. The sugar content was high—on an average 17.7 per cent. As has been the case in past years, this production did not suffice for domestic consumption. Supplementary imports, however, improved during the year to such an extent that sugar-rationing could be abolished on the 1st September. The cultivation of fodder roots continued to decline, mainly owing to a shortage of labour. The area was the smallest since the beginning of the 1900s. The cultivation of oleaginous plants continued to expand rapidly, the area being increased from 79,000 to 143,000 hectares.

*Yield of Principal Crops 1930—39 (average), 1948 and 1949.*

	In 1000s of tons			Index nos. (1930—39 = 100)		
	1930—39 (average)	1948	1949 <sup>1</sup>	1930—39 (average)	1948	1949 <sup>1</sup>
Bread grain . . . . .	1,076	1,024	989	100	95	92
Fodder grain . . . . .	1,961	1,558	1,708	100	79	87
Potatoes . . . . .	1,884	2,277	1,606	100	121	85
Sugar beet . . . . .	1,682	1,808	1,756	100	107	104
Roots for forage . . . . .	2,970	2,080	1,737	100	70	58
Hay . . . . .	5,495	4,584	4,815	100	83	88

<sup>1</sup> Preliminary figures.

Animal produce recovered during the year from the after-effects of the crop failure in 1947, and the output again rose sharply. The quantity of milk weighed-in at the dairies rose by 9 per cent to 3.7 million tons, the largest annual quantity ever weighed-in at the Swedish dairies. Butter production rose by 7 per cent. Partly for this reason and partly in consequence of the increased cultivation of



oleaginous plants the rationing of edible fats could be abolished on the 25th March, and towards the close of the year considerable quantities of butter could even be exported. Cheese-production rose by 28 per cent to a record total of 66,000 tons as against a domestic consumption of only about 50,000 tons. This gradually led to a certain difficulty in finding a market for the entire surplus, in spite of a substantial quantity being exported. The production of meat and bacon likewise rose considerably, and the rationing of meat ceased on the 20th June. The output of eggs showed a similar development, being for the first three quarters of the year 20 per cent higher than in the same period of 1948. The production exceeded the domestic demand, but the surplus could be sold on the export market.

Supplies of fodder and artificial fertilizer improved considerably. With one or two minor exceptions, all rationing of commercial fodders was abolished, and even the control of fodder prices was relaxed. The import of all kinds of artificial fertilizers rose sharply, and after the rationing of both potash and nitrogen fertilizers had been abolished in the second and third quarters respectively, trade in commercial fertilizers became free of all restriction.

Certain changes occurred in the prices of farm produce. Butter prices were raised by 9 per cent in March, and at the same time the price of margarine was reduced by 13 per cent. This did not, however, lead to any change in the price of milk supplied to butter producers as the price subsidy on milk for butter-making paid by the State was reduced to a corresponding extent. As from the beginning of the new production year (1st September), however, there was a slight rise in the price of milk supplied to producers. The consumer price was maintained unaltered with the aid of subsidies. During the first half of the year meat prices rose steeply, while bacon prices were lowered. In the course of the autumn the prices of meat and bacon were adjusted in the reverse direction. Grain prices remained on the whole unchanged, while the price of potatoes tended upwards.

*Electric Power Production* rose during the year to 16 billion kWh, the highest annual output so far recorded, exceeding by 12 per cent the 1948 production, which was somewhat hampered by lack of water. During 1949 the water supply was on the whole satisfactory. The fears of a shortage of power during the winter 1949—50 in consequence of a poor rainfall in July, August and September were dispersed thanks to abundant rains in October and November. A number of new power stations started operating in 1949, so that the total capacity rose by about 250,000 kW, i. e. by 8 per cent. Further power plant



extensions with a combined capacity of 1.45 million kW, or nearly half of the present total capacity, were being carried out by the end of the year.

*Industrial Production* continued to rise. According to the estimates of the Board of Trade and of the Federation of Industries, the average volume of production rose from an index figure of 175 in 1948 (1935=100) to 179 in 1949. This increase was due only in a very minor degree to higher employment, being mainly attributable, as in the immediately preceding years, to a rise in productivity. The substantial capital expenditures made by Swedish industrial firms during the post-war years began to yield results on an ever-increasing scale in the form of a higher productive efficiency. Moreover, the all-round improvement in the supply situation made a more regular flow of materials and fuel possible, so that the previously common suspensions of production and accumulations of semi-manufactures could be avoided. Finally, an improved balance between the supply of and the demand for labour, leading to a decline in the mobility of labour and to a lower rate of absenteeism, also contributed towards raising the level of productivity. The increase in production relates to all the major manufacturing groups with the exception of the paper pulp industry.

*The Timber Industry* experienced, on the whole, a favourable year, recording higher exports and a relatively stable price level. The demand on all export markets remained keen. In some cases foreign exchange difficulties hampered Sweden's export sales, but, on the other hand, the dollar shortage forced many timber-importing countries to reduce their purchases of timber from North America, with a correspondingly favourable reaction on the Swedish export market. A further important factor was Western Germany's gradually becoming an importer instead of an exporter of timber.

According to preliminary estimates, the total exports of sawn and planed goods amounted to well over 600,000 stds, compared with 534,000 stds in 1948. Thus, the year's export figure was the highest since the end of the war, though it is still considerably short of the average exports during the pre-war years 1936—38, which totalled about 800,000 stds. It would seem that, on the whole, Swedish timber production has now reached the peak permitted by the present output capacity of the forests. The increase in exports during 1949 was made possible chiefly by a further heavy drain on stocks at the saw mills and only to a minor extent by increased production.



Most of the export increase during the year went to Great Britain, which took over one-third of Sweden's total exports of sawn and planed timber. One of the factors contributing to this increase was the cut in British timber imports from the United States and Canada, made necessary, as in the case of other countries of the sterling group, by a shortage of dollars. Second among the buyers of Swedish timber came Holland, whose share in the exports amounted to 20 per cent, third place being taken by Western Germany, which by comparison with 1948 tripled her timber imports from Sweden. Altogether the European countries' share in Sweden's timber exports amounted to about 85 per cent, or approximately as much as in the preceding year.

The export prices of timber were somewhat lower during the first half of the year, though, compared with the prices of other forest industry products, the decline was fairly moderate. After stubborn and protracted negotiations, the Swedish timber prices on the English market were reduced in April by, on an average, 4 per cent. Prices were also lowered in the same proportion on other principal markets with the exception of Holland, where the average price decline was not more than 2 per cent. The price reductions chiefly related to lower qualities, whereas the prices of better grades were relatively well maintained. The price gap between the cheapest and the most expensive goods was thereby widened, becoming better adjusted to the normal pre-war proportions. In view of the less satisfactory price level on the export markets the price-equalization duties on exported timber were reduced in September from 75 to 50 kr. per std.

During the latter part of the year a change set in tending towards a firmer market, and this tendency was further strengthened after the devaluation of the krona. By the end of the year the situation in regard to the Swedish timber industry was very favourable. Its stocks of export timber were very low, and the stocks in the importing countries generally needed replenishing. Timber for reconstruction purposes was still in keen demand. The competition offered by Canada and the United States was limited partly by the shortage of dollars and partly by the fact that dollar goods had become more expensive as an effect of the devaluation. At the same time the position of Swedish exports improved thanks to the relative appreciation of certain European currencies in relation to the krona. This applied, for instance, to the exports to Western Germany, Belgium and France. The measures adopted towards the end of 1949 to liberalize trade should also have a favourable effect on Sweden's timber



exports. Under several important trade agreements, e. g. those with Western Germany, Holland and Italy, timber goods have been freed from control, and this has already to a certain extent given an impetus to sales to those countries. Thus, export sales for delivery in 1950 started very early, some 100,000 stds having already found a market by the turn of the year.

The home demand for timber, which has been heavily reduced in recent years, seems to have further declined somewhat in 1949. This was due primarily to reduced purchases of building materials, another contributing factor being a setback in the furniture industry. Home-market prices remained unchanged throughout the year. The "standard" prices fixed by the authorities, and which determine the domestic price level, remained below export prices.

Round-timber prices likewise were broadly speaking unchanged during the year. The price agreements come to in the autumn involved some increase in respect of pine, especially of the larger dimensions, and a slight decline in respect of spruce, but on an average the prices of timber that were current last winter remained firm.

*The Wallboard Industry's* marketing possibilities did not expand in 1949 as has been the case in recent years. The total exports of wood-fibre sheets stopped at 98,000 tons, about the 1948 figure. During the autumn the demand for hard sheets improved, whereas the market for porous sheets continued to be weak. The heaviest setback was shown by the exports to Great Britain. On the other hand, the exports to Argentina and Australia rose steeply, and exports to Western Germany could be resumed.

*The Pulp Industry* was faced at the beginning of the year with marketing difficulties, which were gradually intensified and developed into an acute crisis during the summer. Thereafter a change for the better set in, the year closing with relatively satisfactory production and export figures.

The difficulties encountered, which had first become apparent on the American market during the second half of 1948, were enhanced in the spring of 1949, and showed a tendency to spread by degrees to other markets as well. Sales to the United States were on a very modest scale during the first six months, in spite of a progressive lowering of prices through which the former differences between the Swedish pulp prices on the one hand and the Canadian and American on the other were ironed out. Buyers on most of the other markets were likewise rather reluctant, and prices were falling. From its peak in the spring of



1948 the price level had by the middle of 1949 gone down nearly 50 per cent. Selling was sluggish and stocks accumulated. Several pulp manufacturers therefore restricted production to a certain extent during the summer, though as a rule only by extending the usual fortnight's holiday by 1—2 weeks.

After the turn of the half-year, however, the American buyers were already beginning to show a new interest in Swedish pulp. During the period of widespread liquidation of stocks that up till then had taken place in the United States, and which had gradually spread to other countries as well, the stocks of pulp in hand at the paper mills in most countries and particularly in the United States had been reduced to a minimum. Since the end of July, however, the American paper production was again rising, and the paper mills had to increase their pulp purchases. This brought in a growing number of orders for Swedish pulp, though deals were as a rule concluded for only small quantities, since the buyers, and also to some extent the sellers, were inclined to hold back pending the anticipated devaluation of the Swedish krona. After the devaluation selling got well under way, and the last few months of the year were marked by lively dealing and a firm price trend. Swedish exports to the United States in 1949 reached about 320,000 tons, or some 20,000 above the quantity exported in 1948, thus exceeding the pessimistic estimates current earlier in the year.

The revival of interest in Swedish pulp on the part of American buyers was not, therefore, due primarily to the devaluation but to the change in the market situation as it affected the American paper industry. Thanks to this fact, the Swedish sellers were able to maintain more or less the same dollar price level after the devaluation as before. Whereas the American prices at the earlier dollar rate do not appear to have given the Swedish producers sufficient cover even for their primary costs, the situation in this respect naturally improved considerably as a result of the devaluation. Although the exporters did not by any means get the full benefit of the rise in the dollar rate, since this also forced up fuel and freight costs, the rise in prices in terms of Swedish kronor was nevertheless sufficient to make selling to the United States attractive again.

As a result of the devaluation the export of pulp to the United States proved more profitable than that to other markets, whereas the contrary had been the case previously. Subsequently, however, this difference in the price levels was gradually reduced through substantial price increases on the non-American markets, and it may now be regarded as eliminated. In regard to bleached qualities, a marked shortage was noticeable already during the autumn, and by the end of the year all available quantities of the other classes of pulp had also been



placed. The demand for viscose cellulose was stimulated by an increased interest in rayon yarn and rayon staple, the devaluation having caused a rise in cotton prices. After a successive rise during the autumn, the kronor prices for both bleached and unbleached sulphite pulp were, on an average, 40 per cent higher in December than in August, though they still fell short of the peak reached in the spring of 1948 by 20—30 per cent. Kraft pulp prices rose after the devaluation by about 30 per cent, reaching a level approximately 35 per cent lower than in the spring of 1948. The mechanical pulp market also tended to tighten up.

In spite of the marketing difficulties during the first six months, the pulp exports for the entire year rose well above the 1948 level; the year's total pulp exports reached 1.9 million tons, 1.6 million tons thereof consisting of chemical pulp. Exports of the latter pulp exceeded the 1948 figure by about 170,000 tons, while the exports of mechanical pulp increased by about 44,000 tons. These mounting figures had no counterpart in increased production, but caused a heavy drain on the industry's stocks, which were estimated to be about 200,000 tons at the end of the year. As to mechanical pulp, the production has apparently shown practically no change compared with 1948.

The conditions of production in the pulp industry improved in regard both to the supply of materials and power and to the availability of labour. The high prices for pulp wood led to heavy lumbering in the forests, and the industry's stocks of raw materials increased during the first half of the year. These surplus stocks ultimately served as a good support for the industry during the autumn negotiations on pulp wood prices, which resulted in reductions by, on an average, 22 per cent for sulphite wood and 26 per cent for sulphate wood. The low water level during the autumn made the power supply situation look threatening for a while, but the danger was subsequently averted. The former shortage of labour disappeared and the available resources of man-power were sufficient to maintain the volume of production at the level permitted by export developments.

By the end of the year the pulp industry's export prospects looked quite favourable. The 1950 sales had had a good start and prices had a firm tendency. At the end of 1949 the leading American pulp producers announced their decision to apply unaltered prices during the first quarter of 1950. The decision was expected to serve as a norm for the Canadian and the Scandinavian pulp suppliers as well. The demand for Swedish pulp in the United States was keen, and the prospects of increasing exports to that country during 1950 therefore seemed promising. As to most of the other markets, the dollar shortage might be expected to cause a continued decline in pulp imports from North America, with



*Exports of Pulp, Paper and Wallboard.*

in 1000s of tons	Chemical pulp	Mechanical pulp	Total chemical and mechanical pulp	Paper and board	Wallboard
1936—38 average . .	1,949	321	2,270	560	22
1945 . . . . .	1,376	193	1,569	230	15
1946 . . . . .	1,540	265	1,804	453	69
1947 . . . . .	1,573	224	1,797	552	76
1948 . . . . .	1,468	215	1,683	587	95
1949 . . . . .	1,636	258	1,894	613	98

a resultant increase in the demand for Swedish pulp. This applies also to Britain, which country took nearly a third of Sweden's total pulp exports in 1949 and was thus the biggest buyer of Swedish pulp. On the other hand, British pulp buyers had a very strong inventory position at the turn of the year.

*The Paper Industry* was affected by the deterioration in export conditions during the first half of the year, but the position improved during the autumn and by the end of the year could be regarded as favourable. The total output of paper and board was about 1.1 million tons, thus falling short of the 1948 figure by 2.5 per cent.

The demand on the foreign markets fell off heavily at the beginning of the year in conjunction with the weakening situation on the paper-pulp market, which was expected also to force paper prices down. Foreign exchange difficulties and the resultant tightening-up of import restrictions in some of the principal buying countries, e. g. Argentina, India and South Africa, likewise contributed to aggravate the situation. The total volume of exports remained on about the same level as for 1948, but the supply of new orders coming in was unsatisfactory and competition stiffened on all markets. In the United States it was no longer possible to obtain those quite considerably higher prices, as compared with American and Canadian newsprint prices, to which the Swedish exporters had become accustomed. However, thanks to reduced pulp prices the Swedish paper mills could meet the weakened market situation by a downward adjustment of their prices. Thus, in the middle of February the prices of wrapping paper were reduced by 10—12 per cent, and in July by a further 10—15 per cent. The price of newsprint to be supplied to Great Britain was reduced in May by about 20 per



cent, and the price fall on the American market was at least as heavy. The prices of most other classes of paper and of board likewise fell.

The decline in prices, combined with the liquidation of stocks in the hands of foreign buyers which had been going on during the first half of the year, caused a revival of interest on the part of buyers as from the close of the summer, and the supply of orders began to rise. After the devaluation of the currency in September the situation showed a further improvement. As far as newsprint is concerned, the devaluation caused a strong rise in prices in terms of kronor, seeing that about one-third of the newsprint exports went to the dollar area and to other countries whose currencies had risen in relation to the Swedish krona. As to other types of paper, the devaluation did not entail any appreciable direct advantages. In November there was a small rise in the export prices for wrapping paper, this having been necessitated by the sharp increase in the costs of fuel, chemicals etc. since the devaluation. The price adjustment did not, however, apply to the most important export market for wrapping paper, Britain.

The combined exports of paper and board for the entire year were slightly above those of 1948, the increase being mainly accounted for by newsprint, while there was a decline in the exports of wrapping paper.

The domestic consumption of paper declined somewhat compared with 1948, owing partly to further restrictions imposed on the consumption of paper, especially newsprint. Domestic prices were still kept at a level below that of the export prices. They remained unchanged with the exception of the price of newsprint, which was raised from 30 to 32 öre per kilogramme.

Certain changes occurred during the year in the pulp supplies of the non-self-supporting paper mills. Owing to the darkening export outlook the chemical pulp industry was unable to extend beyond 1948 the previous agreement come to with the Government whereby the home market had been supplied with certain quantities of paper pulp at preferential prices. At the beginning of 1949 the Government therefore introduced ceiling prices for domestic pulp sales, and this measure rendered it difficult for the paper mills to procure the requisite quantities of pulp. After protracted and difficult negotiations the ceiling prices were abolished at the end of February, so that pulp prices became entirely free from control on the home market also. At the same time, in order to avoid any rise in domestic paper prices the paper mills were guaranteed compensation at the rate of 50 kr. per ton for a maximum of 80,000 tons of pulp purchased with a view to production for the home market.

The prospects in regard to paper exports in 1950 were judged at the turn



of the year to be not unfavourable. The demand for newsprint was very lively, especially from such countries—Britain for instance—as had previously bought Canadian paper on a large scale. On the other hand, increased Canadian competition was expected in the United States. As to wrapping paper and other types of paper, the supply of orders at the turn of the year was satisfactory.

*The Steel Industry.* The development was marked by rising production thanks to an improved supply of labour and raw materials. On the foreign markets, however, the industry had to face somewhat keener competition.

Pig-iron production went up 4.5 per cent. The increase relates entirely to coke pig iron, whereas the production of charcoal pig iron continued to decline. The manufacture of castings increased by 9 per cent, the rise being somewhat greater in the case of ordinary castings than in that of high-grade castings. Thus, the earlier trend towards an increased proportion of quality steel in the total production changed to a tendency in the opposite direction. The output of rolled and wrought merchant iron and steel rose by 11 per cent, thereby attaining the highest annual figure of production ever recorded in Sweden.

The increase in production was due in the first place to the improved supply of labour. Even though the steel-works were still handicapped by a considerable unsatisfied demand for manpower, especially skilled men, the shortage became less acute thanks largely to the changed situation on the labour market and the increased supply of dwelling houses in the iron-manufacturing districts. Productivity also seems to have risen somewhat, partly as a consequence of the reduced mobility of labour and partly owing to the improved production methods. The extensive modernization and rationalization investments now being undertaken at the Swedish steel works are however not expected to show their full effect for a few years yet. The supply of power, coke and scrap was quite satisfactory. The imports of coal and coke were, it is true, heavily reduced as a result of a protracted interruption in shipments from Poland, but the industry had accumulated large stocks and was therefore in a situation to overcome these difficulties. All requirements of alloy metals and fuel oils could be met. The former scarcity of charcoal was made good during the year, and there was actually a considerable surplus.

Iron imports developed far more favourably than had been expected. So far from there being a reduction of 100,000 tons as anticipated in the import plan for 1949, the import of rolled and wrought merchant iron actually rose by about 50,000 tons. The composition of the imports likewise improved, so that the

### *Development of the Steel Market.*

in 1000s of tons	Production of				Imports (incl. pig iron & scrap)	Exports (incl. pig iron & scrap)	Home consump- tion	Iron- ore exports
	Pig iron	High- grade castings	Ordinary castings	Merchant iron & steel				
1936—38 average	634	462	556	703	696	340	985	12,616
1944 . . . . .	854	402	798	864	270	104	1,006	4,598
1945 . . . . .	761	422	781	863	76	112	799	1,229
1946 . . . . .	687	484	719	843	666	119	1,228	5,316
1947 . . . . .	698	498	692	818	880	124	1,376	8,504
1948 . . . . .	767	537	720	856	848	130	1,379	11,518
1949 . . . . .	801	561	806	946	952	156	1,524	12,784

earlier shortage of certain articles could be remedied. However, the world-market supply of various kinds of thin plate continued to be short. Pig iron imports declined, whereas the imports of scrap showed a very large increase.

The rise in iron imports was due partly to the improved supply of steel on the world market, which caused a fall in prices and made shorter delivery dates possible. Another important factor contributing to the change in the market situation was that Germany became a steel exporter on a large scale. After Belgium-Luxembourg, Western Germany was Sweden's biggest supplier of steel in 1949. The imports from France also rose sharply, whereas those from the United States, Belgium and England fell off.

On the export markets, the competition offered by other steel-producing countries stiffened, while at the same time the demand occasionally slackened, partly because buyers were liquidating their stocks to some extent in anticipation of lower prices. During the autumn, however, the supply of orders from the hard-currency countries increased, while many other markets continued to go slow. Moreover, the exports to some markets, e. g. Argentina, were hampered by the tightening-up of import restrictions. In spite of keener competition the Swedish steel exports showed a steady rise and amounted to 156,000 tons, as against 130,000 tons in 1948. Nevertheless, the 1949 exports were still far below the normal pre-war figures.

The domestic consumption of steel (production plus imports less exports) continued to rise, amounting for the entire year to 1,524,000 tons. Even if this



figure includes a not inconsiderable increase of stocks, the actual consumption also went up and is estimated to have been the highest ever recorded. In the building industry the consumption of steel was reduced somewhat, whereas it rose strongly in the shipbuilding and engineering industries. The supply of orders in hand at the steel works fell off, and in the case of many articles delivery dates were considerably shortened during the year. However, there was still a shortage of small reinforcement iron and other minor dimensions, as well as of thin plate. Thanks to the increased supply of steel, the system of priorities operated by the Industrial Commission could be abolished during the autumn, so that the steel works were able to sell all products except thin plate free of control.

Prices quoted by Swedish steel-works for merchant steel were lowered in July by 20 kronor per ton, owing chiefly to a decline in the prices of fuel and some raw materials. On the export markets prices had a weakening tendency during the greater part of the year. The price increase in Swedish kronor brought about by the devaluation proved to be, on an average, larger in the case of imported iron than in that of exported iron. The domestic price level for Swedish merchant steel did not go up after the devaluation in spite of the substantial rise in the steel industry's costs in respect of pig iron, fuel, scrap etc.

Keener competition became noticeable on the steel market towards the end of the year. It is true that American competition declined after the devaluation but, on the other hand, production in the European countries showed a continuous rise. According to a report by the United Nations' Economic Commission for Europe, published at the turn of the year, it is to be expected that for the next few years there will be a growing surplus of steel in Europe in consequence of the heavy expansion of the productive capacity in most countries in recent years.

*Iron-ore Exports* continued upwards, increasing from a total of 11.5 million tons in 1948 to 12.8 million tons in 1949. The increase was exclusively accounted for by Western Germany, which nearly tripled its imports from Sweden.

One of the main factors contributing to the increase in iron-ore exports was the improvement in the supply of labour at the mines, this being due in part to an increased supply of housing. Recruiting of manpower was also favoured by the introduction of the 40-hour week and 3 weeks' holiday for miners. The rationalizing of mining operations that is now going on may also have contributed towards raising the output. The marketing possibilities were, on the whole, favourable, and the price of export ore rose considerably. During the second half of the year, however, the export situation became temporarily less favour-



able owing to a reduced demand on the part of the Belgian and the West German steel industries and to the steel workers' strike in the United States.

*The Engineering Industry.* Conditions of production improved, and the industry was able to meet a still lively demand, both on the home market and on the foreign markets.

The increase in production at the engineering works, which in 1948 amounted to about 7 per cent, is estimated for 1949 at 4—6 per cent. It was due primarily to a more abundant and regular supply of iron and steel and other materials, so that the formerly very troublesome bottlenecks in this respect could for the most part be eliminated. Thus the accumulation of semi-manufactures which had been a regular feature during preceding years could be avoided, and production was accelerated. There was still, however, some shortage of thin plate and of certain special materials required from hard-currency countries. Further factors that greatly contributed towards the improvement of productive efficiency were a better supply of manpower and less mobility of labour, although in many quarters the shortage of skilled labour still prevented the capacity of the works from being fully utilized. Finally, the rationalization programme carried out during the year also contributed to the larger output.

The growing production chiefly benefited the exports. The value of the combined exports of engineering products (machinery, means of transport, instruments, munitions and ball-bearings) rose from Kr. 928 million in 1948 to Kr. 1,073 million in 1949. The foreign demand was still keen, but competition was considerably intensified, and the supply of orders fell off to a certain extent compared with the previous post-war years. Exports to a number of countries, including Argentina, South Africa and India, were hampered by import restrictions. Conditions for Swedish exports improved somewhat after the devaluation, the competitive power of non-devaluing countries being reduced by the exchange-rate adjustments. On the Swedish market the demand was held in check by the State control of building operations and, to some extent, by the decline in the capital expenditures of business firms. This recession in domestic demand seems to have been offset chiefly by reduced machinery imports in consequence of a more restrictive licence policy. Thus, the imports of engineering products fell from Kr. 876 million in 1948 to Kr. 649 million in 1949. In spite of this curtailment of imports, however, the engineering industry's supply of orders, even for the home market, weakened somewhat. The falling-off in orders received both from abroad and from the home market, combined with heavier deliveries, led to an over-all



decline in the very large supplies of orders on hand at the beginning of the year. Although this made it possible to shorten the periods of delivery, these were nevertheless, at most engineering works, still abnormally long.

The prospects of the engineering industry at the turn of the year were influenced by a continuance of the fairly lively investment boom in most countries and by some improvement in the competitive position as a consequence of the devaluation. Moreover, the marketing possibilities might improve as a result of the planned liberalization of trade in Europe, since in most countries engineering products are on the free list or have been given larger quotas in current trade agreements. On the other hand, there is a risk that the rise in production in Western Europe, notably in Germany, might intensify competition.

*The Shipbuilding Industry* enjoyed full employment, improved supplies of materials and labour, and a rise in production. However, the supply of fresh orders declined under the influence of weakening shipping conditions throughout the world and heavier competition on the part of foreign shipyards.

The very serious shortage of ship's plate experienced in preceding years had already been overcome at the beginning of the year, and the supply of materials of other kinds was also satisfactory. The imports of plate from America could be supplemented with increased deliveries from European countries and from steel works at home. The recruiting of labour was easier, although there was still an unsatisfied demand for skilled workers. Moreover, the output was favourably influenced by investments undertaken at the shipyards. The all-round rationalization and renewal plans which have been in operation at the yards throughout the post-war period have now, in the main, been completed. The industry's total production, which rose in 1948 by no less than 13 per cent, is estimated to have also increased considerably in 1949. The value of exported vessels rose from Kr. 228 million in 1948 to Kr. 280 million in 1949.

While, then, both production and exports continued to rise, a complete swing-over took place in the demand for new tonnage. The falling-off in the supply of orders that had already made itself felt towards the close of 1948 became still more noticeable in 1949, and during the latter part of the year the placing of new orders virtually stopped. Orders on hand thus steadily declined. The tonnage under construction and on order at Swedish shipyards fell from 1,310,000 gross tons at the beginning of the year to 1,084,000 tons in November, the orders on hand being thus still sufficient for 2—3 years' production.

The decline in the number of new orders was due primarily to impaired



shipping conditions. Buyers held aloof and were waiting for the prices of ships to adjust themselves to the falling freight levels. In addition, the most important buyer of Swedish vessels, Norway, was compelled to limit her orders, the Norwegian shipowners being prevented by a very restrictive licensing policy from placing any fresh orders abroad. A further factor that contributed towards keener competition was the mounting production of ships in other countries, Germany and Japan again entering the market as competitors, particularly for repair work, but also for new construction. The effect of this increased competition on the Swedish shipbuilding industry is particularly serious since no less than 70 per cent of the orders in hand represent the foreign demand.

*The Textile Industry's* production continued to rise during 1949, but the formerly very keen demand for the industry's products decreased somewhat.

The manufacture of both cotton yarn and wool yarn is estimated to have gone up by about 7 per cent, and that of spun rayon by 10—11 per cent. Production at the weaving mills was about 10 per cent higher than in 1948. The output of the hosiery and knitwear factories likewise rose; the increase related to cotton goods, whereas the production of woollen goods declined owing to a falling-off in demand. The clothing industry, which in the preceding year had recorded the highest increase in output in the textile trade, showed a steady rise in the output of woollens. In the case of cotton goods there was no increase, as the market began to show signs of saturation.

The supply of materials was, on the whole, satisfactory thanks to increased imports of wool and cotton. The dollar shortage largely prevented cotton imports from the traditional American market, its place being taken by Brazil, from which country about two-thirds of Sweden's cotton imports during the year were obtained, and also by India and Egypt. The imports of yarns and tissues fell off somewhat, but this was largely offset by higher domestic production.

The total consumption of textiles seems to have been slightly lower than in 1948. The result was that stocks of ready-made textiles accumulated, while those of raw materials and yarns showed no appreciable change. The price of cotton went down in the spring, but it rose again after the devaluation, though the rise was compensated for by increasing the subsidies paid on cotton imports. The price level for wool showed a rising curve throughout the year owing to a certain shortage of that raw material on the world market.

*The Leather and Shoe Industry's* conditions of production improved as the supply situation in regard to raw materials eased somewhat. There was a slight

fall in the imports of hides, but this was more than offset by the rising production at home in consequence of increased slaughtering. The production of upper leather and, particularly, of sole leather rose, although the supply of certain sorts of upper leather, especially of imported uppers, was still short. Sole-leather supplies were supplemented to a considerable extent by an increased use of crude rubber. Leather continued to be allocated to the shoe manufacturers during 1949 on a quota system, but this system was abolished at the end of the year.

The production of leather shoes was on approximately the same scale as in 1948, viz. about 11 million pairs, and employment in the shoe industry was satisfactory throughout the year. There was, however, a falling-off in the demand for shoes. The total retail sales are estimated to have gone down in value by 8—10 per cent compared with 1948. The shoe industry's stocks, which increased by one million pairs in 1948, are likely therefore to have gone up in 1949 to a still greater extent and by the end of the year are estimated to have exceeded the level of stocks in hand that was normal before the war.

Shoe prices were still controlled and remained on the whole unchanged. The prices of imported hides rose steeply, partly owing to rising prices in Argentina at the end of 1948 and partly as an effect of the devaluation. However, by the subsidizing of imported sole-leather hides, which constitute the bulk of the imports, this increase was prevented from affecting Swedish prices.

*The Building Materials Industries* have considerably extended their productive capacity in recent years and now felt the effects of a saturated home-market. Those branches of the industry which were unable to sell their surplus production on the export markets experienced difficulties in utilizing their productive capacity to the full.

The output of the cement industry rose from 1.5 million tons in 1948 to about 1.7 million in 1949. Compared with the average for the years 1936—38, cement production has practically doubled. The domestic consumption of cement declined during the first six months of the year, but it subsequently rose again and is estimated for the whole year to have gone up 5 per cent to about 1.4 million tons. Most of the increase in production accrued to the benefit of exports. Having been discontinued ever since 1939, the export of cement was resumed towards the end of 1948 and continued on a rising curve throughout 1949, when it reached a total figure of about 280,000 tons, compared with 60,000 tons in 1948 and an average of 50,000 tons during the period 1936—38.

Owing to the limited demand, the brick industry was unable to utilize its full



productive capacity, and its output fell by about 15 per cent. The output of sanitary goods, tiles and baths also exceeded the needs of the home market.

*Building Activities* were on about the same level as the year before, thereby exceeding to no small extent the volume previously planned within the framework of the State control of investments.

The increase exclusively related to the building of dwelling-houses, whereas the building of industrial plants and other constructional work declined. The total volume of dwelling-house construction is estimated to have increased since 1948 by 4 per cent. However, the number of completed housing units declined from 52,000 in 1948 to about 44,000, the reason being that in 1948 activities had been largely concentrated on the completion of numerous buildings already under construction, whereas at the beginning of 1949 the number of buildings started was much lower. As to the supply of materials, there was still a shortage of radiators, whereas the situation in regard to all other building materials was satisfactory. This improvement made it possible still further to shorten the time taken to complete buildings.

Employment in the building industry remained practically unchanged in comparison with the immediately preceding year. Thus, the heavy decrease in the number of building operatives that was a conspicuous feature of 1947 and 1948 has now stopped. On the 1st August 1949 the number of workers in the controlled building industry was 150,000, as against 149,000 a year before.

For the first time since the war, building costs showed a falling tendency. The Svenska Handelsbanken's index number for all building costs combined thus went down from 190.8 in December 1948 to 188.4 in September 1949 owing to reduced prices of constructional steel. In the last quarter there was again a rise in steel prices, and the index of building costs rose to 190.0 in December.

The building plans for 1950 contemplate some increase in activity. It is estimated that the number of completed dwellings throughout the country will increase to 50,000. Nevertheless, the estimated number of additional dwellings cannot by any means meet the existing demand, so that the housing shortage is likely to continue during 1950.

*The Labour Market.* The tendency towards a better equilibrium between the supply of and the demand for labour which was already noticeable during 1948 continued throughout 1949. Employment in most fields of activity was still good and unemployment was at a minimum, but the shortage of manpower be-

came less pronounced and the competition for jobs was keener. This raised the claims for occupational skill, and it became more difficult for untrained labour to find employment. But there was still an acute shortage of skilled workers in several branches.

Industrial employment was somewhat higher than in the preceding year. This increase mainly applied to the larger enterprises, whereas the formerly marked expansion among minor enterprises ceased. The mobility of labour, and also absenteeism, although still troublesome in many quarters, continued to decline. The possibility of recruiting fresh labour in industry also improved to some extent as service trades proved less attractive than in earlier post-war years. Certain sections of the engineering industry, including the electrical engineering works and the shipbuilding industry, could not satisfy their demand for skilled labour. The steel-works and the mines also were in need of additional manpower, although the situation here showed some improvement, partly for the reason that a somewhat larger supply of dwellings enabled workers to transfer from other districts. There was some demand for new workers, particularly women, in the textile industry. The curtailment of production which some of the pulp mills found necessary during the summer generally took the form, as pointed out above, of prolonged holidays, and therefore did not involve any appreciable amount of unemployment. The only major industrial groups that experienced any real difficulty in maintaining employment at previous high levels were the furniture industry and certain building materials industries. The earlier heavy decline in employment among building operatives came to an end.

Agriculture was better able than in previous years to fill its requirements of labour, both of full-time workers and of casual hands. The main factors contributing to the improvement were the reduced demand for unskilled workers in industry and the progressive mechanization of farm work.

The wage level was relatively stable and there were practically no labour disputes. The action taken jointly by the Government and the principal labour market organizations at the turn of 1948/49 to stabilize wages during 1949 thus proved effective in so far that there were no contractual increases in wages during the year. Outside the collective contracts, however, certain wages were raised in conjunction with the revision of piece-work rates etc. The average rise in the industrial wage level thus brought about is estimated at about 4 per cent.

During the summer negotiations were opened with the labour market organizations for a prolongation of this agreement for another year. In August the wage stabilization was accepted in principle by the Federation of Trade Unions, and



the other organizations of wage earners followed this lead. Then, suddenly the situation changed as a result of the devaluation and the consequent risks of a rise in prices. The Federation took up the matter for fresh discussion, but after lengthy negotiations resolved to continue supporting the policy of stabilization. Thus, at the beginning of November the representatives of the Federation passed a resolution recommending an all-round extension of current collective agreements on unaltered wage terms. This attitude was greatly facilitated by the Government's decision to ward off the risks of price increases by subsidizing certain important necessities, the object being to prevent any rise in import prices from spreading to the cost of living. The subsidies are mainly applied to such imported goods as coffee, cotton and hides, though also to a number of domestic farm products, as well as to fuel for dwelling-houses. A continuation of the price control was also one of the stipulations on which the wage earners' organizations accepted the position. Should nevertheless the cost of living rise during 1950, the wage earners have reserved the right to demand compensation therefor. At the end of December an agreement was come to between the Federation and the Employers' Association whereby male workers' hourly wages are to be raised by 10 öre in the event of the cost-of-living index number, which was 166 at the end of the year (1935=100), reaching 169. Negotiations for a similar agreement were proceeding at the turn of the year between the Employers' Association and the Central Organization of Salaried Employees. Finally, the Federation has made a statement to the effect that this is to be regarded as the last prolongation of current contracts on unaltered terms. Similarly, the Government has stated that it does not intend to ask for a further prolongation of the agreement on wage stabilization.

*Foreign Trade.* The main feature of developments during 1949 was a considerable improvement in the over-all trade balance, while at the same time the dollar shortage was further intensified in consequence of increasing difficulties experienced in selling Swedish export goods on the American market.

The total import surplus, which in 1947 and 1948 had amounted to Kr. 1,980 million and 966 million respectively, was reduced in 1949 to only Kr. 75 million. The improvement in the balance was due in the first place to the heavy cut in imports brought about by a restrictive licensing policy and only on a minor scale to higher exports. The total import value was thus not more than Kr. 4,325 million, as against 4,945 million in 1948, a reduction of Kr. 620 million, i. e. by



13 per cent. At the same time the export value rose from Kr. 3,979 million to 4,250 million, an increase of Kr. 271 million, or 7 per cent.

In terms of quantity, exports are estimated to have gone up 15 per cent compared with 1948, thereby falling only a very little short of the average volume for the years 1936—38. The volume of imports, on the other hand, is estimated to have declined during the year by 15 per cent to approximately 95 per cent of the pre-war level.

As a consequence of the improvement in Sweden's trade balance, the import surplus is now actually smaller than it was during the years immediately before the war. In 1936—38 the export revenues covered, on an average, 92 per cent of the total value of the imports. The rest was paid for by the earnings of shipping and by other "invisible" items in the balance of payments. In 1949, on the other hand, export revenues represented no less than 98 per cent of the value of imports, so that in absolute figures the deficit in the trade balance was several times smaller than Sweden's foreign exchange revenues from shipping etc. This very largely explains the substantial increase in Sweden's foreign exchange reserves during the year, though this increase mainly applied to the holdings of sterling and other curriencies which, in the present situation, are not freely convertible.

Sweden still has a substantial deficit in her trade with the United States in spite of the fact that imports from there were very heavily curtailed. During the period up to the devaluation of the Swedish krona, exports to the American market were hampered by the unfavourable rate of exchange, and the position was further aggravated by the price falls that occurred in the United States during the first half of the year. Mainly in consequence of the difficult market conditions for pulp then prevailing, the Swedish exports to the United States fell to less than half of the figure for the first six months of 1948. It was not until towards the end of the summer that the American demand for Swedish pulp again began to rise, and after the devaluation of the Swedish krona the exports to the American market increased considerably. The total Swedish exports to the United States for the entire year, however, amounted to only Kr. 248 million as against Kr. 292 million in 1948. In consequence, the imports from that country had also to be cut down, and they fell from Kr. 692 million to Kr. 416 million. The result was that the United States fell from third to fourth place among the buyers of Swedish goods, while she still retained second place among Sweden's suppliers. The trade deficit with the United States, which thus declined from Kr. 400 million in 1948 to Kr. 168 million, was largely



covered by dollar allotments within the framework of the Marshall Plan. There likewise set in a marked decline in Sweden's trade with the other countries of the American continent, the fall in exports to Argentina being particularly pronounced. The only American countries that substantially increased their imports from Sweden were Brazil, Uruguay and Peru. The combined Swedish exports to all countries of the Western Hemisphere fell to Kr. 605 million, as against Kr. 678 million during 1948. The imports from those countries showed an even heavier decline, viz. from Kr. 1,252 million to Kr. 877 million.

As to trade with the other extra-European countries, it is to be noticed that there was a very considerable increase in exports to India and to the Middle East, and a heavy fall in exports to the Union of South Africa. The import surplus from all Asiatic countries was thus reduced from Kr. 129 million in 1948 to Kr. 72 million in 1949, while in the trade with Africa the 1948 export surplus of Kr. 7 million was converted into an import surplus of Kr. 51 million.

For the first time since 1946 Sweden achieved in 1949 an active balance in her trade with the European countries. The imports declined from most European markets. Notable exceptions were Western Germany, Norway, Denmark, and Spain. At the same time the exports to most countries of Europe increased, exceptions being chiefly the hard-currency countries Switzerland and Belgium, and also Poland, Holland and France. Exports to Norway and Denmark, and to Western Germany, Great Britain and Italy showed the biggest increase. Trade with Great Britain did not develop along the lines that had been foreshadowed in the trade agreement covering 1949. In view of Sweden's substantial sterling balances it was foreseen in the agreement that there would be a considerable increase in Sweden's imports from Great Britain, but in actual fact the imports declined from Kr. 860 million to Kr. 746 million, while at the same time the exports rose from Kr. 671 million to Kr. 727 million. One of the factors contributing to the reduction in imports was apparently the wait-and-see attitude of the Swedish importers pending the long awaited devaluation of the pound. Western Germany reached third place among Sweden's suppliers after Great Britain and the United States, and likewise third place among the buyers of Swedish goods after Great Britain and Norway.

The decline in imports during the year affected practically all the main commodity groups. The only exception of any importance was steel imports, which increased not inconsiderably in value. The imports of motorcars and ships showed the relatively biggest decline. Mineral oil imports likewise fell heavily, chiefly owing to the dollar shortage. Coal imports were greatly reduced owing



to a stoppage of shipments from Poland, which lasted 5 months and was due to difficulties in coming to an agreement on prices. There was also a considerable drop in textile imports, the decline exclusively affecting yarns and ready-made goods. Grain imports were brought down to only half of those in 1948.

On the export side, a continued increase could be noted in all the more important commodity groups with the exception of paper pulp and paper. The total value of the exports in this latter group fell from Kr. 1,571 million in 1948 to Kr. 1,333 million in 1949, and its share in the total exports was reduced from 40 to 31 per cent. On the other hand, the exports of timber showed a steep increase. Machinery exports also rose strongly. As at the same time the imports of machinery declined, the import surplus which Sweden registered in 1948 in regard to machinery, viz. Kr. 61 million, was converted into an export surplus of Kr. 111 million. Iron exports showed a substantial rise.

The plans for an all-round liberalization of trade between the countries of Europe, were under urgent consideration throughout the year but did not lead to any concrete results until the autumn, when most Marshall Plan countries resolved reciprocally to grant free imports on a certain scale, and for this purpose introduced free lists for certain categories of goods. Towards the end of the year this arrangement was replaced by a fresh agreement between the Marshall Plan countries, whereby at least 50 per cent of their trade would be freed from control before the end of the year, this percentage to be applied separately for these categories of goods, namely foodstuffs, raw materials and manufactured goods. For reasons of foreign exchange policy, however, Sweden was not able to apply this plan in respect of the three European hard-currency countries Switzerland, Belgium and Western Germany. According to calculations now available, Sweden is to liberalize imports for Kr. 1,370 million, equivalent to 29 per cent of her imports from all countries and 53 per cent of her imports from the other Marshall Plan countries during 1948.

*Shipping* conditions underwent a distinct change for the worse. Competition became keener on the freight markets and the freight level was falling during the greater part of the year, while the operating costs continued to rise. Some improvement in the position of the freight market over and above the normal seasonal up-swing set in during the final months of the year.

The falling trend of freights was most clearly reflected in the development of tramp freights. The Svenska Handelsbanken's general index for international tramp freights thus fell from 237 in November 1948 (August 1939=100) to



195 in October 1949—the lowest level since the war. In November the freights again rose to 205, but they were still 14 per cent lower than in the year before. The heaviest fall was in grain freights, which went down 41 per cent in the twelve-month period ending November 1949. Timber freights declined by 12 per cent and paper pulp freights by 10 per cent, while coal freights, which rose sharply in November, were 6 per cent higher than in the preceding year. Line-shipping freights in oversea traffic, on the other hand, which are as a rule fixed by international agreements, appear to have remained largely unchanged during the year. In spite of this, the revenues from line-shipping fell off to a certain extent; it was not always possible to use the ships' cargo capacity to the full, owing to keener competition and in part also to a reduced volume of goods to be transported, especially in trade with America. Tanker freights fell very steeply during the first half of the year, but afterwards again increased. The rise was most marked in the sterling area, where in September and October freights entirely recovered the previous decline. In November tanker freights in the sterling area were slightly higher than at the beginning of the year, while those in the dollar area remained at one-third below that level.

The decline in freight rates followed a tendency observable during the greater part of the post-war period and was due, as in the preceding years, to an increase in the supply of cargo space relative to the demand. The world's merchant fleet continued to expand and its efficiency was further improved. At the same time the development of international trade was held in check by growing trade restrictions. The moderate increase in the volume of world trade during the year caused a notable increase in transport requirements, particularly in the last few months, the long transport routes acquiring again some increased importance. However, there was a heavy decline in traffic on the North and South American routes. There was no shortage of tonnage, and in many countries it has already become necessary to lay up a certain number of vessels. In Sweden at the end of the year there were 17 ships aggregating 23,000 gross tons laid up on account of lack of employment. The unsettled situation on the freight market and the incipient surplus of tonnage were also reflected in the reduced number of orders for new ships and falling prices for old tonnage.

While the freight level was being forced down, operating costs showed a further rise. Although oil prices fell somewhat during the first three quarters of the year, after the devaluation they rose about 40 per cent, even if imported from the sterling area. Coal prices likewise rose steeply. Moreover, a new Act relating



to the hours of work at sea, which came into force at the beginning of the year, also contributed to the rise.

Foreign shipping on Sweden, calculated on the basis of arriving and departing net tonnage, increased during the year by 8 per cent. Most of this increase was accounted for by foreign ships. The share of the Swedish merchant fleet in the total traffic fell from 54 per cent in 1948 to 50 per cent in 1949. In the case of small tonnage foreign competition increased considerably, especially on the part of Dutch vessels, which also took part in the Swedish coastwise traffic.

The Swedish merchant fleet comprised at the end of the year 2,199 vessels aggregating 2,080,000 gross tons, implying an increase of 33,700 gross tons compared with the figure at the turn of the previous year.

*The Tourist Traffic* again showed a substantial increase during 1949 after a slight decline in 1948. The number of foreigners entering the country from all the non-Scandinavian countries rose to 171,000 as compared with 154,300 in 1948 and 117,200 during the last pre-war year, 1938. Of significance from the point of view of dollar earnings was the fact that the number of tourists from the United States increased — from 38,300 in 1948 to 40,400. The tourist traffic from Sweden's Nordic neighbours was also very lively. The number of Danes, Finns and Norwegians entering the country exceeded 2 millions during the year, as compared with 1.6 million during 1948.

*The Railways'* total volume of traffic remained practically unchanged during 1949. The development, however, showed varying trends in the different branches of traffic, as was the case in the immediately preceding year. Passenger traffic was on a far smaller scale in the early months of the year than in the previous year, but it rose sharply during the summer months and was for the entire year about 4 per cent higher than in 1948. Goods traffic, on the other hand, declined by about 5 per cent. Iron-ore transport continued to rise, though at a slower pace than in the immediately preceding year.

*The Trend of Prices.* Under the influence of falling world-market prices the Swedish wholesale price level showed a clearly weakening tendency up to the late summer. According to the index calculations of the Board of Trade, the wholesale prices in December 1948 stood at an index number of 217 (1935=100), subsequently falling by degrees to 214 in August. This trend was, however, interrupted during the autumn, and the index number again rose, reaching a peak of 219 in December. The reason for this was the sharp rise in the import prices



of a number of important commodity groups following upon the devaluation of the Swedish krona. Whereas the import price index had previously fallen from 275 in December 1948 to 258 in August, as from September a rapid rise set in, which by December had brought the index number up to 313 — a rise of 21 per cent in the course of a few months. The export price index, which had previously gone down from 274 in December 1948 to 236 in August, likewise went up during the autumn, though the rise was not more than 10 per cent to an index number of 260 in December.

The decline of wholesale prices during the first eight months of the year was not reflected in the consumer prices, which on the contrary showed a slight upward trend. According to the calculations of the Social Board, by the end of 1949 consumer prices stood at 176 (1935=100), compared with 175 a year earlier.

*Government Finance.* The State accounts for the financial year 1948/49 showed a continued steep rise in State expenditure and income. Compared with the immediately preceding financial year, the State expenditure increased by Kr. 672 million to Kr. 4,643 million. Of this increase, no less than Kr. 440 million were for account of the Ministry of Social Affairs, whose total expenditure thereby rose to Kr. 1,400 million, which is 30 per cent of the total operating budget. Among other major classes of expenditure the Ministry of Defence accounted for Kr. 855 million (18 per cent) and the Ministry of Education for Kr. 537 million (12 per cent). The increase in expenditure was largely offset by a continued rise in State revenues, or by Kr. 516 million to Kr. 4,954 million. It was mainly due to the extra taxes on consumption imposed in 1948 in connection with the Government's anti-inflation policy, and thus not intended for meeting State expenditure. This resulted in a surplus on the operating budget of Kr. 311 million. The surplus was, however, not sufficient to cover the State capital investments. After deduction of the amounts written off on the operating budget the expenditure on the capital budget totalled Kr. 470 million.

For the current financial year, 1949/50, the operating budget is likewise expected to show a surplus. According to the estimates of the Office of the Accountant-General, the revenues under the operating budget should amount to Kr. 4,970 million, while the expenditure budgeted for amounts to Kr. 4,395 million. Thus the surplus works out at Kr. 575 million. A substantial portion of this estimated surplus is likely, however, to be spent on the subsidizing of certain commodity prices which was decided upon after the devaluation.

The Swedish national debt rose during the calendar year 1949 by about

Kr. 450 million to Kr. 12,055 million. During the year there was a substantial increase in the floating national debt, while the funded national debt was reduced. By the end of the year the latter amounted to Kr. 8,714 million, i. e. 72 per cent of the total national debt.

*The Money Market* was chiefly influenced by a substantial influx of foreign exchange to the Riksbank in conjunction with the gradual improvement in the country's balance of payments. In consequence hereof and to some extent owing to the increase in the excess of total State expenditure over State revenue, there was an increase in the supply of money. This led to an accelerated flow of funds to the credit institutions, the aggregate deposits in the commercial banks, the savings banks and the Post Office Savings Bank rising during the year by Kr. 1,350 million, as compared with an increase of Kr. 716 million in 1948.

As the table on the opposite page shows, the increase in the Riksbank's holdings of gold and foreign exchange was considerable, especially during the second half of the year. For the entire year the gold holdings increased by Kr. 72 million to Kr. 362 million and the foreign exchange holdings by Kr. 513 million to Kr. 828 million, making a total rise of Kr. 585 million, as compared with a decline of Kr. 119 million in 1948. To the extent of about Kr. 125 million the increase in the gold and foreign exchange reserves was due to the devaluation profit on the Riksbank's holdings of gold and non-devalued foreign currencies.

In regard to the Riksbank's purchases of Government securities the trend was likewise exactly the opposite of that prevailing in 1948. Whereas in the latter year the Riksbank's holdings of Swedish Treasury bills and bonds rose by Kr. 570 million, they were reduced in 1949 by Kr. 133 million—a fact that naturally offset to some extent the expansion of the money supply caused by the foreign exchange purchases. The flow of funds to the commercial banks was, moreover, limited by a growing demand for bank notes and by the continuing sterilization of a portion of company profits, as reflected in the figures for the Riksbank's long-term deposit accounts. By the end of 1949 the combined amount of such blocked profits had risen to Kr. 239 million, of which about Kr. 120 million were paid in during 1949. The increase in the notes in circulation—as usual particularly marked during the second half of the year—amounted to Kr. 174 million, or 5.6 per cent (7.5 per cent in 1948).

The commercial banks' balances on sight account in the Riksbank, after the usual fluctuations in conjunction with the rhythm of tax-collection dates, were



*Principal Assets and Liabilities of the Riksbank (million kronor).*

End-of-the-month	A s s e t s			L i a b i l i t i e s			
	Gold & Foreign Exchanges	Swed. Treas. Bills & Bonds	Domestic Advances	Notes in Circula- tion	Demand Deposits		Long- term Depo- sits
					Govt.	Commercial Banks	
1938 December . . . .	1,997	106	50	1,061	418	428	—
1945 » . . . .	2,782	434	32	2,782	831	80	302
1946 » . . . .	1,909	1,544	172	2,877	706	84	230
1947 » . . . .	724	2,747	127	2,895	631	197	69
1948 » . . . .	605	3,317	155	3,113	679	358	191
1949 March . . . . .	519	2,973	132	2,953	641	93	201
June . . . . .	587	3,240	83	2,996	748	90	257
September . . . .	932	2,874	97	3,028	600	28	278
December . . . .	1,190	3,184	138	3,287	467	361	286
<i>Changes</i>							
Dec. 1947—Dec. 1948	— 119	+ 570	+ 28	+ 218	+ 48	+ 161	+ 122
Dec. 1948—Dec. 1949	+ 585	— 133	— 17	+ 174	— 212	+ 3	+ 95

at the end of the year on about the same level as at the end of 1948. The State sight balances fell by over Kr. 200 million.

The Commercial Banks' business was marked by the aforesaid increased inflow of deposits, most of which were invested in liquid assets, while advances to the public remained more or less stationary.

While deposits showed only a slight increase during 1948, they rose during 1949 by Kr. 759 million, i. e. by 10 per cent. Most of the rise was recorded during the second half of the year in conjunction with the general increase in the liquidity of the money market that set in at that time. The rise was especially marked in long-term deposits, which went up by Kr. 761 million, whereas the cheque and short-term accounts together decreased by Kr. 116 million. This reversal of the relative position was in part caused by a transfer of funds to long-term account, the former differentiation of interest rates on long-term funds having been waived during the year.

Accordingly, after that date the commercial banks accepted unlimited funds on long-term account at 2 per cent interest, whereas formerly only 1 per cent interest had been paid on amounts in excess of Kr. 300,000. Further, during the

*Principal Assets and Liabilities of the Commercial Banks (million kronor).*

End-of-the-month	Cash Reserves	Swed. Bonds & Govt. Securities	Loans and Discounts	Deposits	Redisc. in Riksbank	Capital & Reserves
1938 December . . .	601	190	4,397	4,260	—	749
1945 » . . .	347	2,152	5,843	6,846	—	828
1946 » . . .	382	991	7,296	7,113	8	901
1947 » . . .	499	533	8,021	7,506	—	971
1948 » . . .	652	717	7,895	7,640	—	1,021
1949 March . . . . .	328	996	7,898	7,668	—	1,031
June . . . . .	364	1,119	7,868	7,838	—	1,031
September . . .	271	1,101	8,075	7,950	—	1,008
December . . .	686	1,271	8,098	8,399	—	1,008
<i>Changes</i>						
Dec. 1947—Dec. 1948	+ 153	+ 184	— 126	+ 134	—	+ 50
Dec. 1948—Dec. 1949	+ 34	+ 554	+ 203	+ 759	—	— 13

autumn the banks introduced a new form of long-term account, called capital accumulation account, on which funds deposited subject to six months' notice of withdrawal would carry interest at 2 1/2 per cent. However, the influx of funds to this new account during the period up to the turn of the year was not on a very large scale. Like the long-term accounts, savings accounts also showed a substantial increase during the year—by Kr. 113 million. The share of the long-term accounts in the total deposits thus increased from 72.0 per cent at the end of 1948 to 75.9 per cent at the end of 1949.

The commercial banks' lendings remained almost unchanged throughout the greater part of the year. This was the result of two contributory factors. On the one hand, the banks continued to apply a restrictive lending policy in conformity with the anti-inflationary measures taken by the authorities. On the other hand, industry's credit requirements were held in check by the setback in market conditions. As from the beginning of September, however, there was again some increase in the demand for credit, and by the end of the year the banks' loans and discounts exceeded by about Kr. 200 million the figure recorded at the beginning of the year. Side by side with this moderate increase in the total volume of credit, the distribution of lendings shifted somewhat during the year. Thus, the credits for the financing of dwelling-house construction declined, while industrial



*Distribution of the Commercial Banks' Deposits and Advances.*

	December 1947		December 1948		December 1949	
	mill. kr.	%	mill. kr.	%	mill. kr.	%
<i>Deposits</i>						
Cheque account . . . . .	1,901	25.3	1,913	25.1	1,818	21.6
Short-term account <sup>1)</sup> . . . .	312	4.2	224	2.9	203	2.4
Savings account . . . . .	1,331	17.7	1,407	18.4	1,520	18.1
Long-term account <sup>2)</sup> . . . .	3,962	52.8	4,097	53.6	4,858	57.8
Total deposits	7,506	100.0	7,640	100.0	8,399	100.0
<i>Advances</i>						
Domestic bills . . . . .	1,745	21.8	1,746	22.1	1,820	22.5
Loans . . . . .	5,093	63.5	5,052	64.0	5,053	62.4
Utilized credits in account .	953	11.9	834	10.6	921	11.4
Documentary credits . . . .	198	2.4	242	3.0	241	3.0
Foreign bills . . . . .	32	0.4	21	0.3	62	0.8
Total advances	8,021	100.0	7,895	100.0	8,098	100.0

<sup>1</sup> 14 days' notice. <sup>2</sup> 4 months' notice.

credits showed a not inconsiderable rise—a perfectly natural development in view of the restrictions in force during the year on the building of houses and of the steady rise in industrial production, which required increased credit facilities from the banks. It was during the first half of the year that this tendency was most pronounced, while during the last few months there was again some increase in housing credits.

The moderate increase in loans and discounts combined with the steady influx of deposits led to a substantial increase in the commercial banks' holdings of liquid assets. It is true that this was not very apparent from the cash holdings, which showed only a very moderate rise from Kr. 652 million at the end of 1948 to Kr. 686 million at the end of 1949. On the other hand the banks' holdings of Swedish Treasury bills and bonds went up considerably—from Kr. 717 million to Kr. 1,271 million. Of the latter amount, Kr. 476 million consisted of Swedish Treasury bills and the remainder chiefly of Swedish Government bonds. The increase in the commercial banks' liquidity is illustrated by the fact that their combined holdings of cash and Swedish Government securities and bonds at the end of 1949 equalled 23.3 per cent of the deposits as compared with 17.9 per cent at the end of 1949.

There were no major shifts in the commercial banks' foreign payments relations. Claims on abroad (including private customers) rose from Kr. 203 million at the end of 1948 to Kr. 261 million at the end of 1949, while at the same time the debts increased from Kr. 504 million to Kr. 543 million. Thus the net indebtedness to abroad at the end of the year amounted to Kr. 281 million as against Kr. 300 million at the end of 1948. The increase in claims on abroad was mainly due to a substantially larger holding of foreign bills of exchange, which rose during the year from Kr. 21 million to Kr. 62 million, owing to the export boom in the last months of the year.

The Savings Banks' business was not marked by the same increase in liquidity that characterized the commercial banks. The deposits in the 84 savings banks covered by the monthly statistics grew by Kr. 333 million to Kr. 5,135 million, while the increase during 1948 had been Kr. 276 million. The advances, however, went up still more steeply, namely by Kr. 375 million to Kr. 4,779 million. In order, therefore, to meet the difference the savings banks had to reduce their bond holdings just as they did in 1948, with the result that these holdings decreased by Kr. 24 million to Kr. 693 million.

The Post Office Savings Bank recorded in 1949 an excess of deposits over withdrawals amounting to Kr. 157 million (Kr. 197 million in 1948), so that by the end of the year the depositors' balances had been brought up to Kr. 2,043 million. In the Postal Cheque Office the account-holders' balances rose by Kr. 102 million to Kr. 1,183 million. The turnover on postal cheque accounts amounted during the year to an average of Kr. 523 million per business day, as compared with Kr. 472 million during 1948.

The general level of interest rates was influenced to some extent by the more liquid tendency on the money market. The Riksbank's discount rate and the interest rates on deposits and advances in the commercial banks remained unchanged—apart from the above-mentioned waiving of the former differentiation of interest on long-term account. But there set in a clearly downward tendency in regard to the yield on Treasury bills and bonds with short maturities, and in regard to day-to-day inter-bank loans. The interest rate on the latter loans at the end of the year was 1.5 per cent as compared with 2.0 per cent at the end of 1948. The interest on 3-month Treasury bills was 1.0 per cent, whereas in the autumn of 1948 it had been 1.5 per cent.



*The Foreign Exchange Market.* The principal feature in international currency developments during 1949 was the radical adjustments effected in the autumn in the foreign exchange relations between a large number of important currencies. Before that, the question of exchange rates had for months been very keenly debated, the chief interest being centred in the position of the pound sterling. The background of this debate was the growing shortage of dollars in the world and the increasing realization that the pegging of the exchange rates in effect for a considerable number of years past constituted a serious obstacle to the restoration of international equilibrium. It became increasingly obvious, therefore, that the long-awaited devaluation of sterling in terms of the dollar could not be postponed much longer and that a devaluation of the pound would be the signal for similar adjustments in the case of a number of other currencies. Naturally enough, the change in the exchange rate was anticipated by the market, with consequent very heavy speculation against the pound, and this led to a rapid and disturbing fall in Britain's dollar reserves. During the summer in particular the pressure on the pound became very strong, and the British authorities finally had to give way to it. On the 18th September the pound was written down from \$ 4.03 to \$ 2.80, i. e. by 30.5 per cent—a much more drastic devaluation than had generally been thought likely. A large number of other countries, Sweden for one, followed the British initiative almost at once.

Already at the beginning of the year the question of devaluing the Swedish krona had been the subject of much discussion, primarily because of the incipient export difficulties, which were partly attributable to the relatively high level of production costs in Swedish industry. However, after exhaustive negotiations carried on during the early months of the year between the Government on the one hand and representatives of industry, trade, agriculture and labour on the other, the idea of an isolated devaluation of the Swedish krona was rejected. In view of the incalculable economic and political consequences of such a step it was considered best to await the attitude of Great Britain. When subsequently the devaluation of the pound became a fact, there was hardly any divergence of view as to the advisability of Sweden's following suit. Nevertheless, the surprisingly heavy devaluation of the pound led to some hesitation as to how far the Swedish devaluation ought to go. One of the points in favour of a more moderate devaluation of the Swedish krona was the considerable risk that raising the foreign exchange rates by as much as 44 per cent would involve a strong upward pressure on prices. However, when on the 19th September it was resolved to follow the devaluation of the pound all the way, it seems that what

*Certain Foreign Exchange Quotations in Stockholm  
before and after the Devaluation.*

	Before devaluation	After devaluation	Date of devaluation of the cur- rency	The cur- rency's devalu- ation in terms of the \$, in %
1 Pound sterling . . . . .	14.50	14.50	18/9	30.5
1 U. S. dollar . . . . .	3.60	5.18	—	—
100 French francs . . . . .	1.33	1.49	21/9	22.3
100 Belgium francs . . . . .	8.22½	10.37	21/9	12.3
100 Swiss francs . . . . .	83.70	118.50	—	—
100 Dutch florins . . . . .	135.90	136.55	20/9	30.1
100 Danish kronor . . . . .	75.05	75.05	18/9	30.5
100 Norwegian kronor . . . . .	72.55	72.55	18/9	30.5
100 Icelandic kronor . . . . .	55.54	55.54	20/9	30.5
100 Finnish marks . . . . .	2.27	2.27	18/9	30.5
100 Escudos . . . . .	14.50	18.15	21/9	13.2
1 Canadian dollar . . . . .	3.60	4.71	10/9	9.1
100 Cruzeiros . . . . .	19.75	28.35	—	—

chiefly decided the Swedish authorities was the necessity of fully sustaining the competitive position of the Swedish export trade and shipping on the international market. Consequently the dollar rate was raised from Kr. 3.60 to Kr. 5.18, while the sterling rate was kept unchanged at Kr. 14.50. This meant that, like the pound, the Swedish krona had been devalued by 30.5 per cent. If, however, account is taken of the earlier appreciation of the krona in July 1946, the depreciation in relation to the rates prevailing before that date was not more than 19 per cent. Prior to July 1946 the dollar rate had stood at Kr. 4.20 and the sterling rate at Kr. 16.95.

Apart from Sweden the devaluation of the pound was followed to the full extent by practically all the countries belonging to the sterling group, and by Denmark, Norway and Finland. Several of the other countries which devalued their currencies were, however, content with more moderate adjustments. Thus Canada devalued by 9 per cent, Belgium by 12 per cent, France by 22 per cent and Western Germany by 21 per cent.

The rates applying to certain officially quoted exchanges before and after the devaluations will be seen from the following table. In regard to Finland, it is



*Gold and Foreign Exchange Holdings of the Riksbank (million kronor).*

End-of-the-month	Gold	US Dollars	£ Sterling	Other currencies	Total holdings of gold & foreign exchange	Riksbank's debt to abroad in Sw. Kr.
1947 December . . .	379	3	351	156	889	165
1948 December . . .	290	113	214	85	702	97
1949 June . . . . .	256	149	296	54	755	168
1949 December . . .	362	385	508	61	1,316	126

to be noted that the Finnish mark had already been devalued once earlier in the year, namely in July, when it had been written down by 15 per cent in order to strengthen the competitive position of Finnish exports.

Even before the devaluation the position in regard to Sweden's balance of foreign payments had shown a considerable improvement over 1948, and this tendency continued when once exports, especially those of forest industry products, gained momentum during the months immediately following the devaluation. According to approximate estimates, Sweden's international payments during 1949 showed a favourable balance of about Kr. 400 million, as against a deficit of Kr. 470 million in 1948. This reversal of the position is also clearly reflected in the Riksbank's foreign exchange position, which improved considerably in 1949. As the accompanying table illustrates, it was chiefly the sterling holdings that increased, though the dollar reserve likewise went up, this fact being mainly accounted for by the dollar aid which Sweden received under the Marshall Plan. It should further be observed that, as pointed out above, the increase in the foreign exchange reserve was due in part to the book profit of about Kr. 125 million resulting from the devaluation.

*The Stock Market.* The dull tone and the restrained buying interest which prevailed on the Stock Exchange in 1948 continued more or less to characterize the market during the first half of 1949. Later on, the turnover increased and stock prices were going up, this tendency becoming stronger during the autumn, and particularly throughout December.

However, prices moved during the year within comparatively narrow limits. For long periods the market was completely dull, with practically unchanged quotations. The year opened with a slight rise in prices, on an average 2—3 per cent, mainly as a result of easier conditions on the money and capital markets



then setting in. This tendency ceased already at the beginning of February and was followed by a period without any appreciable price fluctuations, lasting up to the beginning of May. During this period the market was extremely weak and the turnover small. Although company statements published at this time were generally satisfactory and dividends remained unchanged, the general political and economic situation in the world was depressing. In particular, the recession in the United States and the aggravation of the payment difficulties experienced in Western Europe gave rise to some pessimism. In May and in June the situation became still further confused in connection with heavy price falls on the New York Stock Exchange, and the Stockholm prices followed the downward trend, reaching a post-war "low" at the turn of the half year. By that time the average prices were about 2 per cent lower than at the beginning of the year and about 20 per cent below the post-war peak, which was reached in the summer of 1947.

In the course of the summer the market was very quiet, though some signs of an improvement in prices were observable. The tone gradually grew easier as the economic conditions in the United States became more stabilized and business trends began to rise, with a resultant favourable effect on the prospects for Swedish exports. It was not until the Swedish krona was devalued in September, however, that the rise in stock prices became more pronounced. The devaluation, though involving a risk of inflationary consequences, was expected to open up possibilities for increased exports and a freer exchange of trade, and this started a short-lived boom on the Stock Exchange, the turnover rising considerably. After the first reaction had petered out, however, the situation again became stabilized, but the market remained very firm. During the last months of the year the rising tendency on the Stock Exchange was subsequently strengthened, and in December the prices had a decidedly strong upward tendency. The livelier buying interest which now became apparent was mainly concentrated on securities backed by real assets, on shares in enterprises whose export prospects had manifestly improved, such as the forest industries and certain engineering industries, and further, on shares in enterprises with substantial assets in hard-currency countries. A number of investment purchases were made, and the turnover of shares on the Stock Exchange again went up after having remained for a long period at an exceptionally low level.

According to the index calculations of the financial weekly "Affärsvärlden", the average price of shares quoted daily (the A:I list) went up about 7 per cent as compared with a fall of about 10 per cent in 1948. The biggest rise during 1949



relates to the "home enterprises" group, viz. about 12 per cent, after which comes the groups "forest products" at about 9 per cent and "engineering firms" at about 8 per cent. Bank shares rose by about 6 per cent. In spite of the sharp rise towards the end of the year, the turnover of shares for the entire year did not exceed Kr. 128 million, as against Kr. 132 million in 1948 and Kr. 222 million in 1947.

The effective yield on shares quoted on the Stock Exchange remained, on an average, between 4.5 and 5 per cent. At the beginning of the year the average yield on the shares quoted daily was 4.8 per cent, but it subsequently increased by degrees, in conjunction with the decline in stock prices, up to 5.0 per cent at the end of June, the highest percentage since 1940. By the end of the year the average yield was again down at 4.4 per cent.

*The Bond Market* showed a far better balance between offerings and demand than during the years 1947 and 1948. The Riksbank, which in previous years had been compelled to make very heavy purchases in support of the market with a view to keeping the yield on long-term bonds down at the 3 per cent level, did not, on the whole, have to intervene during 1949.

Signs of an initial relaxation of tension in the market position had already begun to appear during the last quarter of 1948, this being reflected in reduced offerings of and a slightly increased demand for certain categories of bonds, chiefly industrial loans, inscribed debenture loans and also municipal loans. This tendency became more pronounced after the turn of the year in conjunction with the easier conditions on the money market. Now the improved situation began to affect the long-term gilt-edged 3 per cent loans as well, which had for a very long time found no buyers in the market and had therefore been very extensively purchased by the Riksbank in order to maintain the price level. The changed market situation was reflected in an all-round upward adjustment of prices by between 1 and 3 per cent. The situation remained, on the whole, stabilized for the rest of the year. The increased supply of money led to a limited demand for investments, whereas bond offerings were on a fairly small scale. In the course of the autumn some of the insurance companies made substantial forward purchases. The price level did not undergo any appreciable changes except in the case of the 3 1/2 per cent loans, which were subject to a slight downward adjustment towards the end of the year. The effective interest yield on Swedish Government bonds, which during 1948 was on an average 3.08 per cent, was maintained at 3.01—3.02 per cent after February 1949. The effective



yield on industrial loans likewise fell to somewhat over 3 per cent, as compared with an average of 3.33 per cent in 1948. The turnover on the Stock Exchange amounted to Kr. 121 million as against Kr. 358 million in 1948. As usual, however, the turnover on the Stock Exchange represents only a minor proportion of the total volume of business, which was presumably on a larger scale in 1949 than in the preceding year.

As new loan issues were few and far between, there was some shortage of investment material throughout the greater part of the year. The Riksbank took advantage of this situation and sold off substantial parcels out of its bond portfolio, which had greatly swollen during the immediately preceding years. These sales amounted to about Kr. 600 million, whereas in 1947 and 1948 the Riksbank had bought bonds for Kr. 957 million and 586 million respectively. As a demand arose on the market for medium-term and short-term loans, the supply of which was very scanty, in May the National Debt Office raised two new bond loans, each for Kr. 150 million. The one, a 5-year loan, carried 2 1/2 per cent interest, while the other was a 10-year loan at 2 3/4 per cent interest. These loans were taken over by the Riksbank, which surrendered in settlement long-term Government bonds out of its own portfolio. The issue did not involve any increase in the national debt, as the National Debt Office at the same time cancelled the bonds which it had received in payment. There was a heavy demand for the 2 1/2 per cent loan in particular, and therefore subscriptions for a new tranche of Kr. 100 million were opened in September.

No new Government loan was issued on the market, the Government's borrowing requirements being met by placing Treasury bills with the Riksbank or on the open market. The only major operation during the year was the refunding in March of the Government's 3 per cent loan of 1943, which fell due for payment on the 15th April. Kr. 279 million of this loan were outstanding. There were offered in exchange either bonds of the 3 per cent loan of 1946 at a price of 100 1/4 or 8-month Treasury bills at a discount of 1.4 per cent, or else 2-year Treasury bills at a discount of 2 per cent. About 88 per cent of the outstanding amount of the loan was converted.

For the rest, issuing activities were comparatively lively during the year. This applies particularly to the industrial and municipal issues, whereas the borrowing of the mortgage institutions was very limited. The City of Stockholm placed two large bond loans on the market, in June and December, for Kr. 60 million and Kr. 100 million. In both cases the rate of interest was 3 per cent and the issue price 100 per cent. The industrial loan issues, the majority



of which were made on behalf of firms in the forest industry and power stations in Norrland, were based generally on an interest rate of  $3\frac{1}{4}$  per cent and an issue price of 101. The total issues on the market amounted during the year to Kr. 1,011 million, as compared with Kr. 640 million in 1948 and Kr. 1,150 million in 1947.

\*

During the past year there have been issued, in all, 19 municipal and industrial bond loans, of which the Svenska Handelsbanken has sold 15 either alone or in association with other banks.

Thus, the Bank has alone negotiated and sold:

- |  |                                       |
|--|---------------------------------------|
| Kr. 6,000,000: — Holmsunds AB $3\frac{1}{4}$ 0/0 bond loan,                | } (in conjunction<br>with conversion) |
| » 14,000,000: — Munksunds AB $3\frac{1}{4}$ 0/0 bond loan,                 |                                       |
| » 24,000,000: — Kramfors AB $3\frac{1}{4}$ 0/0 bond loan,                  |                                       |
| » 7,000,000: — Skönviks AB $3\frac{1}{4}$ 0/0 bond loan,                   |                                       |
| » 2,500,000: — Sävenäs Nya AB $3\frac{1}{4}$ 0/0 bond loan,                |                                       |
| » 5,000,000: — AB Fören. Superfosfatfabriker $3\frac{1}{4}$ 0/0 bond loan, |                                       |
| » 10,000,000: — Mo och Domsjö AB $3\frac{1}{4}$ 0/0 bond loan.             |                                       |

In addition, the following loans have been issued through the Bank in association with other banks:

- Kr. 15,000,000: — Hjäлта AB  $3\frac{1}{4}$  0/0 bond loan,  
 » 26,000,000: — Svartviks AB  $3\frac{1}{4}$  0/0 bond loan, (in conj. with conversion)  
 » 20,000,000: — Krångede AB  $3\frac{1}{4}$  0/0 bond loan,  
 » 10,000,000: — AB Svenska Metallverken  $3\frac{1}{4}$  0/0 bond loan.

The Bank has further collaborated with other banks in the following loan issues:

- Kr. 4,000,000: — Town of Skellefteå 3 0/0 bond loan,  
 » 4,000,000: — L. M. Ericssons Mätinstrument AB  $3\frac{1}{4}$  0/0 bond loan,  
 » 60,000,000: — City of Stockholm 3 0/0 bond loan of 15/6,  
 » 5,000,000: — Svenska Skeppshypotekskassan 3 0/0 bond loan (no. 15),  
 » 100,000,000: — City of Stockholm 3 0/0 bond loan of 15/12,  
 » 5,000,000: — Svenska Skeppshypotekskassan 3 0/0 bond loan (no. 16).

Moreover, the Bank has cooperated in the conversion to a lower interest rate of the following bond loans, on which the amounts mentioned below were outstanding:

- Kr. 23,578,000: — City of Stockholm 4  $\frac{0}{10}$  loan of 1939 to 3  $\frac{0}{10}$ ,  
» 12,875,000: — City of Stockholm 4  $\frac{3}{4}$   $\frac{0}{10}$  loan of 1940 to 3  $\frac{0}{10}$ ,  
» 7,187,000: — City of Gothenburg 4  $\frac{1}{2}$   $\frac{0}{10}$  loan of 1940, series II, to 3  $\frac{0}{10}$ .

Further it may be mentioned that the Bank has collaborated in the above-mentioned exchange of the Swedish Government 3 per cent bond loan of Kr. 279,255,000: — of April 15, 1943, for 3 per cent bonds of December 15, 1946, or for Treasury bills.

\*

In the course of the year the Bank established branches at Bollebygd, Älvsborg County, and in the Hornsberg industrial area in Stockholm. The Bank's two offices at Herrljunga were merged into one. The number of branch offices now amounts to 300.

The result of the Bank's activities during 1949 and the Bank's position at the end of the year will be seen from the Profit & Loss Account and the Balance Sheet attached to this Report.

As to the more important changes in the *Balance Sheet*, the following observations are pertinent:

*Cash balances plus Government securities and bonds* have risen by Kr. 98.31 million to Kr. 461.46 million, this being due to a continued increase in deposits over and above the rise in the total advances. The increase in liquid holdings refers exclusively to Government securities and bonds, which have gone up by Kr. 115.43 million to Kr. 266.98 million, while the cash balances have decreased by Kr. 17.12 million to Kr. 194.48 million.

The *advances* to the public have increased, according to the Balance Sheet, by Kr. 68.76 million, i. e. by 3.2 per cent, as compared with the position at the end of 1948. On an average for the year, however, advances declined by 3.7 per cent as compared with the average for



1948, which latter was appreciably higher than the end-of-the-year figure for 1948. Most of the increase from the one turn of the year to the other is accounted for by foreign bills of exchange, loans against personal guarantee and documentary credits.

The *deposits* from the public have increased, according to the Balance Sheet, by Kr. 152.19 million, equivalent to 7 per cent, while, on an average for the year, the increase amounts to 4.3 per cent. The rise is very largely attributable to savings account and long-term deposits account, which according to the Balance Sheet went up by Kr. 42.49 million and Kr. 106.64 million respectively, while the increase on cheque account was not more than Kr. 3.58 million, and short-term deposit account decreased by Kr. 0.52 million. The share of the short-term accounts in the total deposits thus amounted at the end of the year to 24.5 per cent as against 26.1 per cent a year earlier. This shift was attributable in part to a transfer of funds to the long-term deposit account in conjunction with the commercial banks' waiving of the differentiation of interest rates on long-term funds (as mentioned above, p. 33).

The Balance Sheet shows an *excess of deposits over advances* amounting to Kr. 140.4 million as against a corresponding figure of Kr. 57.0 million at the end of 1948.

In regard to the *Profit & Loss Account*, the following points deserve special attention:

*Interest earnings* have declined, compared with the preceding year, by Kr. 1,146,798: 24, mainly owing to increased liquidity combined with a higher average balance of cash.

The *earnings from service charges* show an increase of Kr. 877,771: 88, due primarily to more lively issuing operations.

*Salaries* amount to approximately unchanged totals.

*Expenditure on pensions* shows a further slight rise. The extra allocation of Kr. 2 million made last year to the Bank's pension fund for old-age pensions had its counterpart this year in an allocation of the same amount to a special pension foundation instituted by the Bank during the year.

The *allocation to value adjustment reserves* exceeds the corresponding allocation made a year ago by Kr. 550,031:94. In conformity with new accountancy principles laid down in 1948, the purpose of this allocation is essentially to strengthen the financial position of the Bank. Such losses as have materialized during the year and also recoveries out of claims previously written off are booked direct to the value adjustment account concerned without appearing in the Profit and Loss Account.

It is estimated that with *the year's outlay for taxes*, viz. Kr. 12,200,000, as against Kr. 13,100,000 in 1948, all the taxes have been covered which are payable on the business up to the end of 1949.

The Board recommend that the amount at the disposal of the General Meeting of the Shareholders according to the Profit & Loss Account, viz. .... Kr. 19,422,167:78 be utilized as follows:

4 ½ per cent dividend to the holders of Preference Shares .....	Kr. 1,125,000:—	
9 per cent dividend to the holders of Ordinary Shares	» 10,125,000:—	
transfer of the remainder to the Profit & Loss Account for 1950 .....	» 8,172,167:78	Kr. 19,422,167:78



Subject to the acceptance of these recommendations, the Bank's capital accounts will remain unchanged, viz.

Capital Stock .....	Kr. 137,500,000: —
Reserve Fund .....	» 75,000,000: —
Special Reserve Fund ....	» 47,500,000: —
Total	<u>Kr. 260,000,000: —</u>

Stockholm, February 7, 1950.

*The Board of Directors*

# AKTIEBOLAGET SVENSKA

## Profit and Loss Account

	Kronor
<i>Expenditure:</i>	
Current Expenses:	
Salaries, Directors' and Auditors' fees .....	24,096,940: 29
Pension costs:	
allocation to the Bank's pension funds Kr. 2,094,808: 16	
fees to other pension and sick benefit	
insurance funds ..... » 151,902: 70	
allocation to the Bank's Pension	
Foundation ..... » 2,000,000: —	
disbursed in pensions and relief .... » 2,387,400: 42	6,634,111: 28
Rents .....	2,400,010: 26
Other current expenses:	
furniture & fixtures, stationery etc.. Kr. 2,299,370: 14	
postal, freight, transport, telegram,	
telephone and advertising expenses.. » 1,369,412: 72	
light, heating & cleaning ..... » 689,160: 01	
office equipment & repairs ..... » 1,052,687: 05	
other expenses ..... » 1,859,064: 95	7,269,694: 87
	40,400,756: 70
Taxes .....	12,200,000: —
Placed to value-adjustment reserves:	
for advances to the public .....	11,572,818: 91
At the disposal of the General Meeting:	
balance b/f from last year ..... Kr. 5,331,936: 33	
net profit for the year ..... » 14,090,231: 45	19,422,167: 78
Total Kronor	83,595,743: 39



# HANDELSBANKEN

for the year 1949.

		Kronor
<i>Income:</i>		
At the disposal of the General Meeting in 1949 .....		21,581,936: 33
out of which		
dividends were paid:		
on the Preference Shares ..... Kr. 1,125,000: —		
on the Ordinary Shares ..... » 10,125,000: —		
transferred to Special Reserves .... » 5,000,000: —		16,250,000: —
leaving a balance on Profit & Loss Account of .....		5,331,936: 33
On the year's business:		
interest ..... Kr. 54,863,935: 58		
commission, fees & foreign exchange		
profits etc. .... » 19,102,664: 01		
net income from real estate..... » 349,549: 75		
dividends on shares ..... » 3,947,657: 72		78,263,807: 06
Total Kronor		83,595,743: 39

# AKTIEBOLAGET SVENSKA

## Balance Sheet

<i>Assets:</i>	Kronor
Cash:	
Swedish and foreign bank notes and coin .....	46,389,890: 27
money orders, cheques and bills payable on demand ..	65,081,590: 57
sight balances with the Riksbank .....	83,004,936: 49
Real estate:	194,476,417: 33
bank premises .....	Kr. 20,670,987: 65
other real estate .....	» 1: —
	20,670,988: 65
Furniture and fixtures (in 300 banking offices) .....	300: —
Government securities and bonds .....	266,978,625: 81
Shares	
in holding companies for bank	
premises .....	Kr. 6,492,724: 48
in other companies .....	» 25,874,389: 88
	32,367,114: 36
Due from Swedish banks .....	30,391,075: 32
Due from Swedish savings banks .....	—: —
Due from foreign banks .....	28,827,132: 94
Bills payable abroad (469 items) .....	35,101,035: 35
Bills payable in Sweden (303,328 items) .....	500,654,083: 06
Loans (161,538 items) .....	1,332,864,414: 45
Advances on Current Account:	
Cheque Account and Traveller's	
Letters of Credit .....	Kr. 187,126,553: 79
Building Credits .....	» 70,997,809: 03
(9,523 a/cs, on which the credits granted aggregate	258,124,362: 82
Kr. 383,350,805: —)	
Documentary Credits .....	77,603,989: 60
Sundry Accounts .....	76,026,927: 34
<div style="border: 1px solid black; padding: 5px;"> Loans outstanding and credits granted on Current Account are distributed as follows:  against mortgages .....</div>	
» shares .....	Kr. 1,028,835,266: 86
» bonds .....	» 102,306,004: —
» merchandise or other real security	» 113,042,275: —
not specified .....	» 93,235,538: —
» the security of guarantors' names..	» 378,796,135: 59
	Kr. 1,716,215,219: 45



# HANDELSBANKEN

December 31, 1949.

<i>Liabilities:</i>	Kronor
Bank Money Orders in transit ("postremissväxlar") . . . . .	51,840,585: 61
Cheque Account (58,230 accounts) . . . . .	516,806,201: 67
Short-Term Deposit Account (532 accounts) . . . . .	58,660,218: 46
Savings Account (551,454 accounts) . . . . .	549,218,389: 34
Long-Term Deposit Account (131,535 accounts) . . . . .	1,220,086,491: 85
Due to Swedish banks . . . . .	29,839,569: 34
Due to Swedish savings banks . . . . .	3,299,278: 12
Due to foreign banks:	
Sight and time deposits . . . . . Kr. 124,792,139: 55	
Acceptances under Commercial L/C	
issued . . . . . » —: —	
Acceptances . . . . .	124,792,139: 55
Bills rediscounted or sold:	65,260: —
payable in Sweden . . . . . Kr. —: —	
payable abroad . . . . . » —: —	
Sundry Accounts . . . . .	—: —
Capital Stock:	20,056,165: 31
Ordinary Shares . . . . . Kr. 112,500,000: —	
Preference Shares . . . . . » 25,000,000: —	
Reserve Fund . . . . .	137,500,000: —
Special Reserve Fund . . . . .	75,000,000: —
At the disposal of the General Meeting:	47,500,000: —
balance b/f from last year . . . . . Kr. 5,331,936: 33	
net profit for the year . . . . . » 14,090,231: 45	
Liabilities on account of outstanding	19,422,167: 78
guarantees . . . . . Kr. 115,733,674: —	
Total Kronor	2,854,086,467: 03

# SVENSKA HANDELSBANKEN 1939-1949

## Certain items in the Profit & Loss Account (000's omitted).

Year	Income		Expenditure		Profits			Allocation of Profits			
	Interest	Other income	Current ex-penses <sup>1</sup>	Amounts written off <sup>2</sup>	Net profit for the year	Balance from previous year	Total profits at disposal	Dividend		Placed to reserve etc.	Balance c/f to next year
								In % of Ord. Share Capital	Amount <sup>3</sup>		
1939	27,499	10,551	26,596	2,041	9,413	1,215	10,628	9	8,100	2,000	528
1940	30,611	11,148	30,641	2,839	8,279	528	8,807	9	8,100	—	707
1941	28,616	11,149	29,576	1,979	8,210	707	8,917	9	8,100	—	817
1942	27,583	12,905	29,917	2,281	8,290	817	9,108	9	8,100	—	1,008
<sup>4</sup> 1943	34,379	18,661	37,100	4,461	11,479	1,007	12,486	9	10,125	—	2,361
1944	36,654	14,985	35,831	4,940	10,868	2,361	13,229	9	10,125	—	3,104
1945	40,617	13,139	36,614	1,525	15,617	3,104	18,721	<sup>5</sup> 9	12,125	6,000	596
1946	44,963	24,157	46,790	2,132	20,198	596	20,794	9	11,250	4,000	5,544
1947	48,056	28,619	49,063	10,566	17,046	5,544	22,590	9	11,250	4,800	6,540
1948	56,011 <sup>6</sup>	22,616	52,562	11,023	15,042	6,540	21,582	9	11,250	5,000	5,332
1949	54,864	23,400	52,601	11,573	14,090	5,332	19,422	<sup>7</sup> 9	11,250	—	8,172

<sup>1</sup> 1939-1945, 1947-1949 incl. amount placed to Tax Reserve; 1946 incl. taxes paid during the year. —  
<sup>2</sup> After deduction of recoveries on claims previously written off; as from 1948 set aside to value-adjustment accounts. — <sup>3</sup> The amounts for the years as from 1943 include 4 1/2 % dividend on Preference Shares = Kr. 1,125,000 and for 1945 a bonus of Kr. 2,000,000. — <sup>4</sup> The business of Aktiebolaget Vänersborgsbanken taken over as from Jan. 1, 1943. — <sup>5</sup> Plus 2 % bonus on the Ordinary Shares. — <sup>6</sup> The increase is mainly of an accounting nature. — <sup>7</sup> According to the proposal of the Board.

## Certain items in the Balance Sheet (000's omitted).

The figures do not include accounts with correspondent banks.

At end of Dec.	Cash	Government Securities & Bonds	Loans & discounts			Deposits			
			Bills payable in Sweden and abroad	Loans & Credits (utilized) in Current A/c and Doc. Credits	Total loans & discounts	Cheque A/c & short-term Deposit A/c	Savings Account	Long-term Deposit Account	Total deposits
1939	79,016	48,230	394,166	951,412	1,345,578	324,835	231,043	617,152	1,173,030
1940	110,700	43,955	352,462	858,166	1,210,628	312,361	232,090	594,227	1,138,678
1941	176,793	213,991	309,965	819,928	1,129,893	370,518	264,382	659,513	1,294,413
1942	71,540	371,128	265,681	890,689	1,156,370	486,088	302,089	575,775	1,363,952
<sup>1</sup> 1943	93,084	398,417	293,849	1,079,032	1,372,881	552,513	377,593	698,723	1,628,829
1944	99,699	405,520	344,136	1,183,915	1,528,051	600,830	410,772	762,139	1,773,741
1945	83,960	422,248	357,419	1,386,029	1,743,448	632,772	444,638	868,741	1,946,151
1946	117,718	63,147	429,141	1,752,552	2,181,693	621,366	474,315	924,602	2,020,283
1947	204,177	30,330	504,428	1,792,920	2,297,348	628,722	480,349	1,049,228	2,158,299
1948	211,598	151,550	506,310	1,629,274	2,135,584	572,406	506,730	1,113,447	2,192,583
1949	194,476	266,979	535,755	1,668,593	2,204,348	575,466	549,218	1,220,086	2,344,770

<sup>1</sup> The business of Aktiebolaget Vänersborgsbanken taken over as from Jan. 1, 1943.



**Auditors' Report**  
on  
the Administration of the  
**AKTIEBOLAGET SVENSKA HANDELSBANKEN**  
in 1949.

Having examined the Bank's accounts and administration during the year 1949, we the undersigned hereby give the following report.

In scrutinizing the minutes of the Board of Directors, the auditors have taken note of the administrative measures of various kinds referred to therein. The audit carried out in the General Head Office of the Bank and at the other Offices whose books have been audited has comprised, inter alia, an examination of the credit activities and operating costs, in which latter respect all due economy seems to have been observed. Further, securities have been checked by sampling in series and at random.

Besides at the General Head Office of the Bank, an audit has been carried out at the Central Office of the Stockholm district, at the Central Offices of all the districts outside Stockholm, and at a number of their branches. Reports have been drawn up on all these audits and have been submitted to the Board of Directors of the Bank.

In accordance with current instructions, the Bank's own audit departments have taken inventories and made a detailed checking of the

accounts on which reports have been submitted. A final report covering the entire year has been presented to us and we have found the internal control organized on those lines to be entirely satisfactory.

The Profit & Loss Account for 1949 appended to the Report of the Board of Directors and the Balance Sheet as at the 31 st December, 1949, agree with the accounts.

We recommend:

that the Balance Sheet presented by the Board be passed,  
that the amount at the disposal of the General Meeting of Shareholders according to the Profit & Loss Account, Kr. 19,422,167: 78, be utilized in the manner recommended by the Board,  
and that the Board of Directors be discharged from liability for their administration of the Company during 1949.

Stockholm, the 11th February, 1950.

PAUL BERGHOLM.

*Chairman.*

L. ROBERT CARLSSON.

BIRGER GEZELIUS.

HARRY HOLMQVIST.

*Chartered Accountant.*

A. LJUNGGREN.

*Chartered Accountant.*

HARALD MALMBERG.

*Auditor appointed by the Royal Bank & Stock Exchange Inspectorate.*



# SVENSKA HANDELSBANKEN

Head Office and 35 sub-offices in Stockholm

## Branches at:

Åhus	Djursholm	Herrljunga	Lillhärda	Oskarshamn	Surte
Alfta	Dorotea	Hofors	Limesforsen	Österbybruk	Sveg
Alingsås		Högsby	Limhamn	Östersund	Svenljunga
Älmhult	Ed	Holmsund	Lindesberg	Östervåla	Svenstavik
Älvängen	Edsbyn	Holmsveden	Lit	Östhammar	
Älvdalen	Emmaboda	Horndal	Ljusdal	Överkalix	Tärnsjö
Älvsbyn	Enköping	Höting	Ljusne	Övertorneå	Tidaholm
Ämål	Eskilstuna	Hudiksvall	Lödöse	Oviken	Tierp
Ämbjörnarp	Eslöv	Husum	Los		Tisselskog
Änäset			Lövånger		Torsåker
Änge	Fagersta	Insjön	Lövestad	Pålsboda	Torsås
Arboga	Falun		Ludvika	Piteå	Torsby
Arbrå	Färgelanda		Lugnvik		Trädet
Åre	Färjestaden	Jämtlands Änge	Luleå	Ramsle	Trehörningsjö
Arvidsjaur	Fellingsbro	Järbo	Lund	Råneå	Trollhättan
Arvika	Filipstad	Järpen	Lycksele		
Åseda	Finnerödja	Järvsö		Rätansbyn	Uddevalla
Åsele	Fjögesta	Jokkmokk	Malmberget	Rättvik	Ullånger
Avesta	Flen	Jönköping	Malmö	Rävlanda	Ulricehamn
	Föllinge	Jörn	Malung	Rimbo	Umeå
	Frändefors	Junsele	Matfors	Robertsfors	Upphärad
Backe	Fränsta		Mellerud	Ronneby	Uppsala
Bengtstors	Furudal	Kalix	Mönsterås		
Bergby		Kalmar	Mora	Säffle	Valdemarsvik
Bergsjö	Gagnef	Karlshamn	Mörbylånga	Sala	Vänersborg
Bispgården	Gällivare	Karlskrona	Mörsil	Sandviken	Vännäs
Bjåsta	Gällö	Karlstad	Motala	Säter	Vansbro
Björbo	Gällstad	Katrineholm		Sävsjö	Vara
Bjuråker	Gävle	Kilafors	Näsåker	Skara	Vårgårda
Bjurholm	Gimo	Kiruna	Njurunda	Skärplinge	Vargön
Bjursås	Gnarp	Klintehamn	Norberg	Skellefteå	Västernberg (pa
Blidsberg	Göteborg	Klippan	Nordingrå	Skurup	Ekshärad)
Boden	Grangärde	Kolbäck	Nordmaling	Skutskär	Västansfors
Bollebygd	Grängesberg	Köping	Norrköping	Slite	Västerås
Bollnäs		Kopparberg	Norrtälje	Söderhamn	Västervik
Borås	Hallsberg	Kramfors	Norsjö	Södertälje	Venjan
Borensberg	Hallstadvik	Kristianstad	Nyåker	Sollebrunn	Vilhelmina
Borgholm	Hälsingborg	Kristinehamn	Nybro	Sollefteå	Vimmerby
Borlänge	Hammarstrand	Kumla	Nyköping	Sollerön	Vindeln
Borrby	Hammerdal	Kungsör	Nynäshamn	Sorsele	Vingåker
Bräcke	Haparanda			Stavreviken	Virserum
Bredbyn	Härnösand			Stensele	Visby
Bureå	Hälsjöholm	Landskrona	Ockelbo	Stora Mellby	Vislanda
Buttråsk	Heby	Leksand	Odensbacken	Storvik	Vissefjärda
Byske	Hede	Liden	Örebro	Strömsund	Vollsjö
	Hedemora	Lidingö	Öregrund	Sundbyberg	
Dalarö	Hedesunda	Lidköping	Örnsköldsvik	Sundsvall	
Delsbo	Hemse	Lilla Edet	Orsa	Sunne	Ystad

STOCKHOLM 1950

IVAR HÆGGSTRÖMS BOKTRYCKERI A. B.

500502





