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Accounting for the first 128 years of the Banque de France history: A
statistorian approach to the Banque's balance sheets from 1800 to 1928

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Accounting for the first 128 years of the Banque de France history: A statistorian approach to the Banque's balance sheets from 1800 to 1928.

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This master's thesis is a more personal and longer version of the article co-written by Vincent Bignon and I to be published in August 2025 in the 63rd IFC bulletin: **Vincent Bignon and Jonas Plüss, "Filling the gaps: Accounting for the first 223 years of the Banque de France balance sheet" IFC bulletin, No. 63**. This work is the result of a six months internship at the Banque de France's headquarters in Paris tutored by Vincent Bignon (Senior economist at the Communication department of the Banque de France, adjunct professor at the Aix-Marseille School of Economics of the University of Aix-Marseille and fellows of the CEPR network). I thank deeply Vincent Bignon for his incredible tutoring during those 6 months.

Abstract

This master's thesis builds up on Baubeau's database of the Banque de France published balance sheets (1840-1998). We used alternative primary sources –The “Situations générales de la Banque de France” (internal daily balance sheets ledgers) and the “Situations générales des succursales” (internal ledgers of the branches weekly balance sheets)– to fill gaps and improve the database. We extended the database from the creation of the Banque de France in 1800 to 1839. We also collected the data to fill the gaps for annual series by constructing a balance sheet for 29/12/1870 and 31/12/1914. Moreover, we clarified the reason behind an oversized “Sundry assets” item in the published balance sheets from October 1926 to June 1928. One of the main purpose of this work is to explicit the methodology used to complete and improve the database so that the users of the database use it fully aware of the limits of the source, and maybe carry on the yet unfinished work of improving the database and its metadata.

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I- Introduction

1) The Banque de France's published balance sheets

“Credit only thrives on publicity”, this quote pronounced on the 11th of March 1852 by Alexandre Legentil – a *Régent*¹ of the Banque de France (the Banque) – resumes one side of the debate central bankers had in the 19th century. They faced a trade-off between the risks and the benefits of accounts transparency. On one side they believed too much transparency could lead to distorted informations in newspapers and (irrational) panics among the public, and on the other side too few transparency was detrimental for gaining the trust of sophisticated stakeholders.

In terms of public transparency, from 1800 to 1840, French law only required the Banque de France² to give a résumé of its operating accounts during the annual general assembly of the shareholders.³ The Banque de France was also publishing in *Le Moniteur universel* – the French government official journal – the annual report that was presented at the general assembly. The financial information available in those annual reports were operating accounts and mostly monthly or annual average of some balance sheets items, but without delivering a comprehensive picture of the Banque's accounting situation through a complete balance sheet.

However in 1840, through an article of the *privilège*⁴ renewal law, the Banque was required to publish on a quarterly basis a “general summary of [its] situation”⁵. Moreover, as soon as with the first publication in *Le Moniteur universel*, the Banque went further and started to publish directly a complete balance sheet (balanced assets and liabilities) of the day concerned. The published balance sheets (*Publications*) started on a quarterly basis, then to be eventually published on a weekly basis from 1848 to the end of the *Publications* in 2003, with a monthly frequency period from 1852 to 1864.

2) The main features of a central bank's balance sheet⁶

We can understand the importance of a balance sheet and its publication by going through its main features. A balance sheet is a snapshot at a precise moment in time of an organisation financial

1 Governing board member

2 The Banque de France was created in 1800, in 1803 it was granted monopoly on banknotes issuance (*privilège*) in Paris, and in 1848, it was allowed to issue banknotes in all continental France.

3 Statuts primitifs de la Banque de France. 13 Février 1800.

4 Name given to the monopoly issuance the Banque was granted.

5 ABDF [Laws and status of the Banque de France](#).

6 A good start to understand modern central banks' balance sheets are: Garreth Rule, *Understanding the central bank balance sheet* (Centre for Central Banking Studies, 2015).; David Bholat and Robin Darbyshire, “Accounting in central banks”, *Staff working paper No. 604* (Bank of England, 2016).

situation. It is represented by a two sections statement: one section represents the assets (what the organisation owns), and one section representing the liabilities (what the organisation owes). They are counted in the unit of the domestic currency. As an accounting rule, in a balance sheet, the quantity of aggregated assets is always equal the quantity of aggregated liabilities.

Items of central banks' balance sheets can be aggregated in broad categories that allows the balance sheet to be read with a perspective more focused on monetary policy. Historically, central banks' assets were mainly composed of metallic reserves (under the forms of bullions, domestic and foreign metallic coins) and later on foreign exchange (especially with the advent of the gold exchange standard in the interwar period), discounted bills, loans to the public backed by collaterals (also called advances) and loans to the government not necessarily backed by collaterals. The discounting of commercial bills and advances were the most important source of revenues for central banks during the nineteenth century.

Central banks' liabilities historically were mainly composed of their issued banknotes, private current accounts, the government/Treasury current account and its capital (shareholders equity). To maintain trust in the central bank's banknotes and therefore its circulation in the economy, the banknotes had to be backed by a certain quantity of metallic reserves. Moreover, to avoid inflation of the monetary mass, circulation could be legally constrained either by setting a ceiling on the quantity of banknotes in circulation or by a bottom limit on the ratio of metallic reserves over banknotes.

Assets	Liabilities
<ul style="list-style-type: none"> • Metallic reserves and foreign exchange • Discounted bills (commercial and Treasury bills) • Loans to the public backed by collaterals • Loans to the government • Others 	<ul style="list-style-type: none"> • Banknotes in circulation • Private current accounts • Treasury current account • Capital • Others

Tableau 1: A simplified 19th century central bank's balance sheet

Nowadays, central banks' business is not about discounting commercial and treasury bills or lending to private companies and individuals. The composition of a central bank's balance sheets is mostly defined by its monetary policies objectives according to its mandate. The main assets are foreign exchange, metallic reserves (for the biggest central banks), loans to credit institutions and securities purchased through monetary policies. In the twentieth century, central banks experienced a certain degree of emancipation from the State, therefore most central banks are not allowed outright lending to their national government any more.

In terms of liabilities, modern central banks don't have private current accounts as liabilities. Central banks used to manage the current accounts of random companies and individuals. This is not the case any more. Now central banks have banks reserves as major liability, which are the "current accounts" of the commercial banks. The banks reserves aggregated with the banknotes in circulation represent the quantity of money in circulation in the economy and it is an important variable of the monetary policy. At last, central banks still manage the current account of their national government.

3) The Banque de France's balance sheets database

Baubeau in 2018 published a database under the format of a spreadsheet containing the entirety of the Banque de France's published balance sheets from 1840 to 1998⁷. We agree with him when he says Central bank's balance sheets are "a microeconomic datasource with an indisputable macroeconomic significance". Macroeconomic history is fond of those databases, because central banks' balance sheets with a long-term perspective give a valuable view of the historical evolution of the institution. From those balance sheets we can study features of the economy, such as the structure of the international and domestic financial market, the relations between the Bank and the state, the health of the national economy, and make international comparison with other country's central banks. We can also study how monetary policies were implemented and their degree of success. For instance, Kornejew et al.⁸ and Bazot et al.⁹ use Baubeau's database and other central banks balance sheets databases to study the role of central banks during financial crises and how they absorb monetary shocks. Espic¹⁰ and Baubeau et al.¹¹ also use the database to study financial markets and liquidity crises in France during the interwar period.

7 Baubeau, Patrice. "The Bank of France's Balance Sheets Database, 1840–1998: An Introduction to 158 Years of Central Banking." *Financial History Review* 25, no. 2 (2018): 203–30, <https://doi.org/10.1017/S0968565018000070>.

8 Martin Kornejew et al., "The Safety Net: Central Bank Balance Sheets and Financial Crises" In *Essays in Finance and Macroeconomics on the Effects and Resolution of Financial Distress*, ed. Martin Kornejew. (Inauguraldissertation, 2024), 139-179.

9 Guillaume Bazot, Eric Monnet, Matthias Morys, "Central banks and the absorption of international shocks (1891-2019).", halshs-04778323, (2024).

10 Aurélien Espic, "Public Debt as Private Liquidity: The Poincaré Expérience (1926-1929)", *Centre d'histoire économique et sociale François Simiand*, Working paper n°08, (2023).

11 Patrice Baubeau et al., "Flight-to-safety and the credit crunch: a new history of the banking crises in France during the Great Depression", *Economic History Review* 74, no. 1 (2021): 223-250.

4) The Historical Monetary and Financial Statistics(HMFS) approach¹²

Databases on central banks are very important for economic history. However what is even more important is databases of good quality. The mere compiling of financial primary sources into spreadsheets is detrimental to good academic use of those databases. As we have seen above “Credit only thrives on publicity”, we can also say as economic historians that “database analysis only thrives on metadata¹³”, and this idea is at the heart of the HMFS project. The HMFS project is “a network of central banks and academic experts hosted at the Bank for International Settlements (BIS) focused on policy-relevant long-run historical monetary and financial data”. This network recognizes that “historical data is less about collection than production”. Production of data demands more than just typing in data on a spreadsheet but it requires to understand “historical markets, instruments and institutions, and a sound methodological framework to ensure that data are intelligible and comparable across time and space.” They stress the fact that it is necessary to study historical statistics, with their historical context to bring back the perspective of how those statistics were constructed, so as to not misuse them.

The HMFS project also emphasizes the importance of methodological rigor, referring to the issue of inter-spatial and inter-temporal consistency. Bignon et al. can’t help notice how the link from the data to the original source is too often lost among the layer of secondary sources mutually referencing each other. This is critical because in data analysis the quality of the output depends on the quality of the input.

They use the neologism of “statistorian” to illustrate their methodological approach. A statistorian is defined as a researcher who is both a statistician and historian. The objective of the statistorian is to produce high quality databases, which reference clearly the primary sources and explicit their methodology. The statistorians “complement their data with qualitative information to account for what is not directly observable. In the case of the historian, use of archives and thorough knowledge of historical context and institutional details allow the interpolation of information that is missing in sources”. Eventually the statistorian describes honestly to what extent the data are the representations of one historical reality/perspective among others.

12 Vincent Bignon et al., “Historical monetary and financial statistics for policymakers: towards a unified framework”, BIS papers 127, (2022), <https://www.bis.org/publ/bppdf/bispap127.htm>.

13 A set of data that describes and gives information about other data.

5) Filling the gaps: improving 128 years of balance sheets database (1800-1928)

Baubeau's article does contain an HMFS approach. It describes how the database was constructed, linking clearly the primary source to the data, and it explains as much as possible the historical context of the primary source. However, there is still much work to be done. In this master's thesis we will try to give a first round of answer to the following *Problématique*: What are the main limits of the Banque de France's published balance sheets database and to what extent can they be overcome ?

Firstly, by searching in the Banque de France archives and on *Le Moniteur universel* we found that we can improve the historical narrative on how the *Publications* came to birth. This is the content of the third part of this master's thesis.

Secondly, Baubeau's database does not cover the whole part of the Banque de France history. In the, second and fourth part of this master's thesis we worked on completing the database coverage. By using the "Situations générales de la Banque de France"¹⁴ (*Situations*) – inner daily balance sheet ledgers and a very good alternative source to the *Publications* – we were able to reconstruct annual balance sheet similar to the *Publications*. Therefore we completed the missing part of the database from 1800 to 1839 when the Banque was not required to publish balance sheets, and an end of the year balance sheet for 1870 and 1914 when the *Publications* were interrupted because of military conflicts.

In the last part of this master's thesis, we account for the *Publications*' oversized "sundry assets" account from 1926 to 1928. We explain the historical context behind the unusual size of this account and once again we use the "Situations générales de la Banque de France" to split the "sundry accounts" in two to have a more meaningful balance sheet series.

14 In English: General situation of the Bank of France

II- Completing the Banque de France's balance sheet database (1800-1839)

1) The sources

Baubeau's database starts in 1840 for the reason that the Banque de France only started publishing its own balance sheet from 30 June 1840¹⁵. Before that date, the Banque would only release financial information publicly and systematically through its annual reports, which were published in *Le Moniteur universel*¹⁶. Moreover, the annual reports contained no balance sheets. They were only giving general information about the Banque's financial situation, mixing operating account figures with balance sheet figures.¹⁷

However, the Banque did have an internal series of daily balance sheets' ledgers. This series of ledgers, called "Situations générales de la Banque de France", is very long in time, starting from 1800 all the way to 1947 without interruption. The first balance sheet of the first ledger we were able to find is the one of the 2 Vendémiaire Year 9 (24 September 1800) with a balance sheet size (total assets) amounting to 40 797 879.08 francs¹⁸.

The *Situations* and the published balance sheets served different purposes. The "Situations générales" seem to have been used as an internal communication tool at the Banque for the executives. The *Situations* have more numerous items and are bigger in size (total assets) than the *Publications* and of course they have a different layout. They are also more precise, because they have no "sundry liabilities" or "sundry assets", every category of assets or liabilities is more or less clearly labelled.

For instance, bills that were damaged and that had to be burnt only appear in the *Situations*. It is not accounted for in the *Publications*. This makes sense as damaged bills, already exchanged for new bills or cash, is not financially relevant, so it was unnecessary for the Banque to share this kind of information.

2) The method

Those differences make the 1800-1839 *Situations* useless to researchers wanting to compare and make a series including together the periods before and after 1840. There would be an odd break in 1840 because of the switch from one historical source to the other.

15 [Le Moniteur universel 09/07/1840](#)

16 Official journal of the French government.

17 Baubeau, "Bank of France's Balance Sheets Database"

18 ABDF 1245200215 AR 22/ Situation générale an 9

Therefore we harmonized the 1800-1839 *Situations* so they would follow the 1840 format of the *Publications*. We studied the 1840-1847 *Publications* and how they were related to the 1840-1847 *Situations*. Then we elaborated a method to process a *Situation* and make it come out under the format of a *Publication*.

Here are the difference between the two sources and therefore a guideline for our procedure, they are illustrated by an actual example in Tableau 2 and Tableau 3 ¹⁹:

First, the Banque did not publish items that represented a liability toward itself. Therefore, the item “Bills to burn”(“Billets à brûler”) was taken off the *Publication*. In the *Situation*, this item is both on the assets and liabilities side. This is also the case for the items “Promissory notes to issue” (“Billets à ordre à émettre”).

In addition, the amount of the Banque’s banknotes that were in its own coffer was not taken into account in the *Publications*. Consequently, on the assets side there is a difference for the item “Funds at hand”(“Caisse”) (minus “Branches banknotes”(“Billets des comptoirs”) in the “Funds at hand” item (“Caisse”)²⁰) between the *Publications* and the *Situations*, which is compensated for on the liabilities side by the difference of the item “Issued banknotes” (“Billets en émission”). The two differences being of the exact amount.

In a similar manner, the item “Voluntary deposits” (“Dépôts volontaires”) (from 1841) is only counted in the *Situations* (both on the asset and liability side). It represents deposits that were stored in the Banque but were not used by the Banque for its financial activities. The Banque only charged a fee for the storage.

In the *Situations* from 1807 to 1833 the Banque counted as assets its own unsold stocks and the dividends related to it. Abiding to the principle that the Banque wouldn’t include in its *Publications* the accounts which represent liability towards itself, in our series we took those accounts off on the asset side, and on the liability side we subtracted it from the broad “Capital” category of Figure 2.

Second, the Banque’s *Publications* are framed in a way that only considers the liabilities and assets of the headquarters in Paris. The branches (“Comptoirs”) are considered as one external entity with which the Banque have business. Therefore, the item “Branches’ banknotes” (“Billets des comptoirs”)—counted for the same amount both in the assets and liabilities sections of the *Situations*—is not taken into account in the *Publications*.

19 In 1840, there is a one day lag between the *Situations* and the *Publications* (that is why we have the *Situation* of the 1st of October and the *Publication* of the 30th of September), but they represent the accounting situation of the same day. We don’t know why there is such a lag.

20 As explained in the next paragraph, in the *Publication* the “Billets des comptoirs” are counted as assets of the Banque toward the branches therefore it is accounted for in “Comptoirs / Comptes courants débiteurs”.

In the same configuration, the item “Branches, their current accounts” (“Comptoirs, leurs Comptes-courants”), which in the *Situations* is not of the same amount in the assets and liabilities section is partially offset in the *Publications*. The result of the difference in the *Situations* of the item “Branches, their current accounts” (“Comptoirs, leurs comptes courants”)—present on the assets and liabilities sections—will appear on the asset side of the *Publication* as “Branches / debit current accounts” (“Comptoirs / Comptes courants débiteurs”).

One needs to add the “Branches banknotes”(“Billets des comptoirs”) missing bit to “Branches / debit current accounts” (“Comptoirs / Comptes courants débiteurs”) here for having a complete and square picture of the *Publications*. This only means that in the *Situations*, the Banque decided to count the branches banknotes (billets des Comptoirs) it possessed as an asset in its “Funds at hand”(“Caisse”) item, whereas in the *Publications* it only counted hard currency in its “Funds at hand”, thus counting the branches banknotes it owned as a liability that the branches have toward the Banque.

Third, there is one last detail about the current accounts (Treasury and Paris). In the *Publications*, the Banque excludes the commercial bills owned by current accounts and stocked at the Banque. This appears as “Current accounts’ bills” (“Effets au comptant”) on the assets side of the *Situations*, but there is no matching item in the *Publications*. We can find this missing bit on the liability side by making the difference between the *Situation* and the *Publication* for the current accounts of Paris and the current account of the Treasury²¹. As we don’t have *Publications* for the period before 1840, we decided to fully allocate it to the Paris (private) current accounts, because it seemed that it was by far the accounts that contained the most “Current accounts bills” as compared to the Treasury current account, which only exists from 1832.

21 See footnote 24

Situation of 01/10/1840 ²²			Publication of 30/09/1840 ²³			Situation-Publication	
Effets escomptés	Discounted bills	157 500 448,24	Escomptes et prêts/Effets de commerce escomptés	Discounts and loans / Discounted bills	157 500 448,24	0,00	
Effets au comptant	Current accounts' bills	1 783 020,65	None	None	None	1 783 020,65 ²⁴	
Rentes de la réserve (500,000 f. de rente 5%)	Rentes of the reserve	10 000 000,00	Rentes, effets publics et réserves/Réserve (Loi du 17 mai 1834)	Rentes, public securities and reserves / Reserve, (law of 17 May 1834)	10 000 000,00	0,00	
Rentes, Fonds disponibles	Rentes, available funds	50 173 736,80	Rentes, effets publics et réserves/Placements en effets publics	Rentes, public securities and reserves / Invested funds in public securities	50 173 736,80	0,00	
Hôtel et Mobiliers de la banque montant fixe	House and Furniture of the Banque	4 000 000,00	Rentes, effets publics et réserves/Hôtel et mobilier de la Banque	Rentes, public securities and reserves / House and furniture of the Banque	4 000 000,00	0,00	
Avances sur Lingots et Monnaies	Loans on ingots and species deposits	28 636 200,00	Escomptes et prêts/Avances sur dépôts de lingots et monnaies	Discounts and loans / Loans on ingots and species deposits	28 636 200,00	0,00	
Total	Avances sur Effets publics à échéances déterminées	Loans on public securities with fixed maturities	3 826 096,65	Escomptes et prêts/Avances sur effets publics	Discounts and loans / Loans on public securities	9 117 416,65	0,00
9 117 416,65	Avances sur Effets publics à échéances non déterminées	Loans on public securities without fixed maturities	5 291 320,00				
	Capitaux des comptoirs	Branches capital funds	12 000 000,00	Comptoirs/Capitaux des comptoirs	Comptoirs / Comptoirs capital funds	12 000 000,00	0,00
Total	Caisse de Réserve des Employés	Employees reserve funds	10 637,62	Divers/Créances et objets divers	Miscellaneous / Claims and sundry assets	481 993,24	0,00
481 993,24	Primes sur matières d'or	Premium on gold	43 636,15				
	Dépenses d'administration	Administrative expenses	191 612,69				
	Comptes courants des départements	Département's current accounts	76,73				
	Truffaut, de Pontoise	(Probably someone that owed a lot of money to the Banque)	225 000,00				
	Jetons et Médailles de la Banque	Banque's tokens and medals	11 030,05				
	Comptoirs, leurs Comptes-courants (actif - passif)	Branches, their current accounts (asset - liability)	7 924 458,64	Comptoirs/Comptes courants débiteurs	Comptoirs / debit current accounts	8 462 458,64	-538 000,00
	Caisse (dont Billets des Comptoirs) (dont Billets)	Funds at hand (including Branches' banknotes) (including banknotes)	335 835 587,89 (538 000) (79 871 500)	Caisse/Espèces en caisse	Funds at hand / Specie at hand	246 347 993,17	80 409 500 (538 000+79 871 500)
				Caisse/Effets échus hier à encaisser aujourd'hui	Funds at hand / Expired bills to be paid today	9 078 094,72	
	Total		617 452 862,11	Total		535 798 341,46	81 654 520,65
	Total+Offset accounts (Total of the Situation)		657 334 218,23				121 535 876,77

Items which are completely offset by their counterpart on the liabilities side		
Billets annulés	Annuled Banknotes	29 098 500,00
Comptoirs, leurs comptes courants de billets	Branches, their banknotes current accounts	749 500,00

Items which are partially offset by their counterpart on the liabilities side		
Comptoirs, leurs Comptes-courants	Branches, their current accounts	11 207 814,76

Tableau 2: Situation and Publication. Banque de France's assets (30/09/1840). Colour code fitting with Figure 1.

22 ABDF 1245200215 AR 68/Situation générale 2eme semestre 1840

23 The source for every reference to the Publications are from Baubeau, "Bank of France's Balance Sheets Database"

24 As explained above : (Effets au comptant)= (Comptes courants de Paris)-(Comptes courants/Comptes courants divers)+(Trésor Public, son Compte-courant)-(Comptes courant/Compte courant du Trésor)=1 349 075,60+433 945,05=1 783 020,65 ("/" do not represent a division)

Situation of 01/10/1840 ²³				Publication of 30/09/1840			Situation-Publication	
Capital	Capital	67 900 000,00		Capital et réserves / Capital de la Banque	Capital and reserves / Bank equity capital	67 900 000,00	0,00	
Réserve. (Loi du 17 Mai 1834)	Reserve	10 000 000,00		Capital et réserves / Réserve (loi du 17 mai 1834)	Capital and reserves / Reserves (Law of 17 May 1834)	10 000 000,00	0,00	
Réserve immobilière	Real estate reserve	4 000 000,00		Capital et réserves / Réserve immobilière	Capital and reserves / Real estate reserve	4 000 000,00	0,00	
Billets à ordre	Promissory notes	1 727 605,30		Circulation, non comprise celle des comptoirs / Billets à ordre	Circulation, Comptoirs not included / Promissory notes	1 727 605,30	0,00	
Comptes courants de Paris	Paris current accounts	88 735 031,93		Comptes courants / Comptes courants divers	Current accounts / Miscellaneous current accounts	87 385 956,33	1 349 075,60	
Récépissés payables à vue	Receipts payable on sight	8 654 500,00		Comptes courants / Récépissés payables à vue	Current accounts / Receipts payable on sight	8 654 500,00	0,00	
Total	Anciennes Réserves à distribuer	Old reserves to be distributed	10 984,00					
2 942 821,9 2	Arrérages de Rentes	Rentes arrears	61 350,00					
	Escompte	Discounting	1 647 039,23					
	Intérêts divers	Miscellaneous interests	245 794,39					
	Effets en souffrance	Unpaid bills	96 028,03					
	Profits et Pertes. Compte nouveau	Profits and losses. New account	551 006,33					
	Billets des anciens Comptoirs de la banque de France	Banknotes of the Banque de France's former branches	13 750,00		Articles divers / Comptes divers	Miscellaneous / Sundry liabilities	2 942 821,92	0,00
	Anciennes Traités non présentées	Non presented old drafts	9 801,27					
	Arrérages des Rentes transférées en garantie	Arrears of rentes transferred as guarantes	9 550,00					
	Ville de Paris	City of Paris	75 645,00					
	Dépenses Précomptées	Deducted expenses	221 873,67					
	Traites à payer	Drafts to pay	64 749,10	Articles divers / Mandats des comptoirs sur la Banque	Miscellaneous / Comptoirs orders payable on the Bank	64 749,10	0,00	
Total	Dividendes arriérés	Unpaid dividends	142 391,73	Articles divers / Dividendes à payer	Miscellaneous / Dividends to pay	486 231,73	0,00	
486 231,73	Dividende courant	Current dividend	343 840,00					
	Trésor Public, son Compte-courant	Treasury, its current account	125 792 422,13	Comptes courants / Compte courant du Trésor	Current accounts / Treasury current account	125 358 477,08	433 945,05	
	Billets en émission	Issued banknotes	307 149 500,00	Circulation, non comprise celle des comptoirs / Billets au porteur	Circulation, Comptoirs not included / Bearer banknotes	227 278 000,00	79 871 500,00	
	Total		617 452 862,11				81 654 520,65	
	Total+offset accounts		657 334 218,23	Total		535 798 341,46	121 535 876,7 7	

Items which are completely offset by their counterpart on the assets side		
Billets à brûler	Banknotes to burn	29 098 500,00
Billets des comptoirs	Branches' banknotes	7 499 500,00
Comptoirs, leurs Comptes-courants	Branches, their current accounts	3 283 356,12

Tableau 3: Situation and Publication. Banque de France's liabilities (30/09/1840). Colour code fitting with Figure 2.

3) A quick analysis of the results

Applying the procedure described above to the last *Situation* of each year from 1800 to 1839 gives us the result graphed in Figure 1 and Figure 2. Because of the constant evolution of the “Situations générales” items from 1800 to 1839, we show graphs with simplified items and represent the broad categories of a central bank balance sheets. On the asset side we have metallic reserves, private claims, public claims and others. “Metallic reserves” refer obviously to the reserve in gold and silver of the Banque. “Private claims” refer mainly to advances (backed by bullions and companies stocks) and discounted bills of exchange. For the 19th century those two items represent the main source of revenues for the Banque. In “Public claims”, we have mostly public debt securities and advances backed by public debt securities. On the liability side, “Capital” refers to the capital account but also profits and losses account, the reserve and the dividends. “Banknotes” refer to the Banknotes in circulation. “Private deposits” refers mainly to current accounts made by the public and “Public deposits” refers to the Treasury current account and the current account of the City of Paris.

The 1800-1839 Banque de France balance sheets are the witnesses of so many economic events of this period that it is hard to comment on each of them. However a quick analysis of the balance sheets gives us the following results. The most important assets are species, discounted bills and public debt securities (*rentes*). The most important liabilities are the capital, issued banknotes and current accounts. The overall picture shows a growing institution, with an increasing metallic reserve, discounting business and banknotes circulation.

An interesting item to follow is of course the Treasury current account. It shows the growing power of the Banque de France and the development of the Treasury/Bank central relation. In 1832, the Treasury officially opened an account²⁵. Until 1838, the Treasury accounts are both in the assets and liability columns with the figures appearing on one side or the other according to its accounting situation with the Banque²⁶.

Unfortunately, the annual frequency doesn’t allow us to analyse seasonal variation of some items especially discounted bills and metallic reserves, which on a yearly basis seem very volatile.

25 [BdF’s governing board minutes 26/01/1832](#)

26 ABDF 1069198802 AR 1/ “Le concours de la Banque de France aux services de trésorerie de l’État”

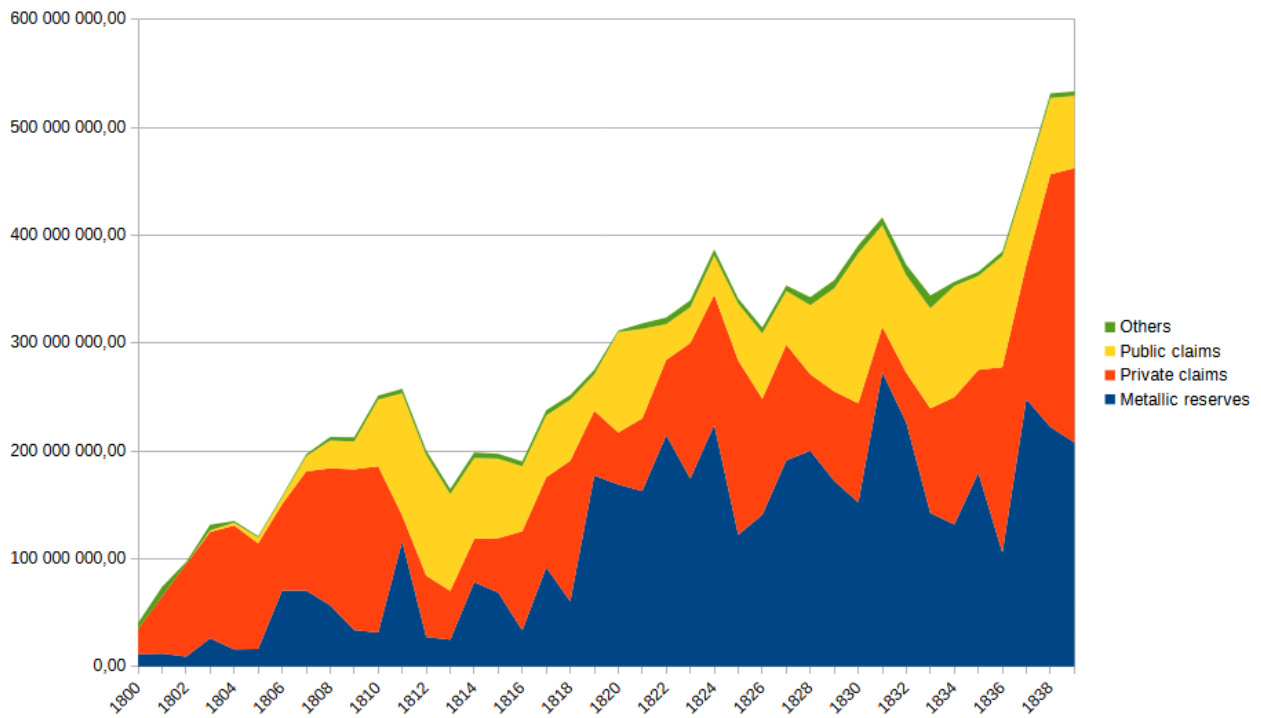


Figure 1: Banque de France's assets in Publication format from 1800 to 1839 (in french francs, annual series). Source: own calculations based on the Banque de France's "Situations g n rales".

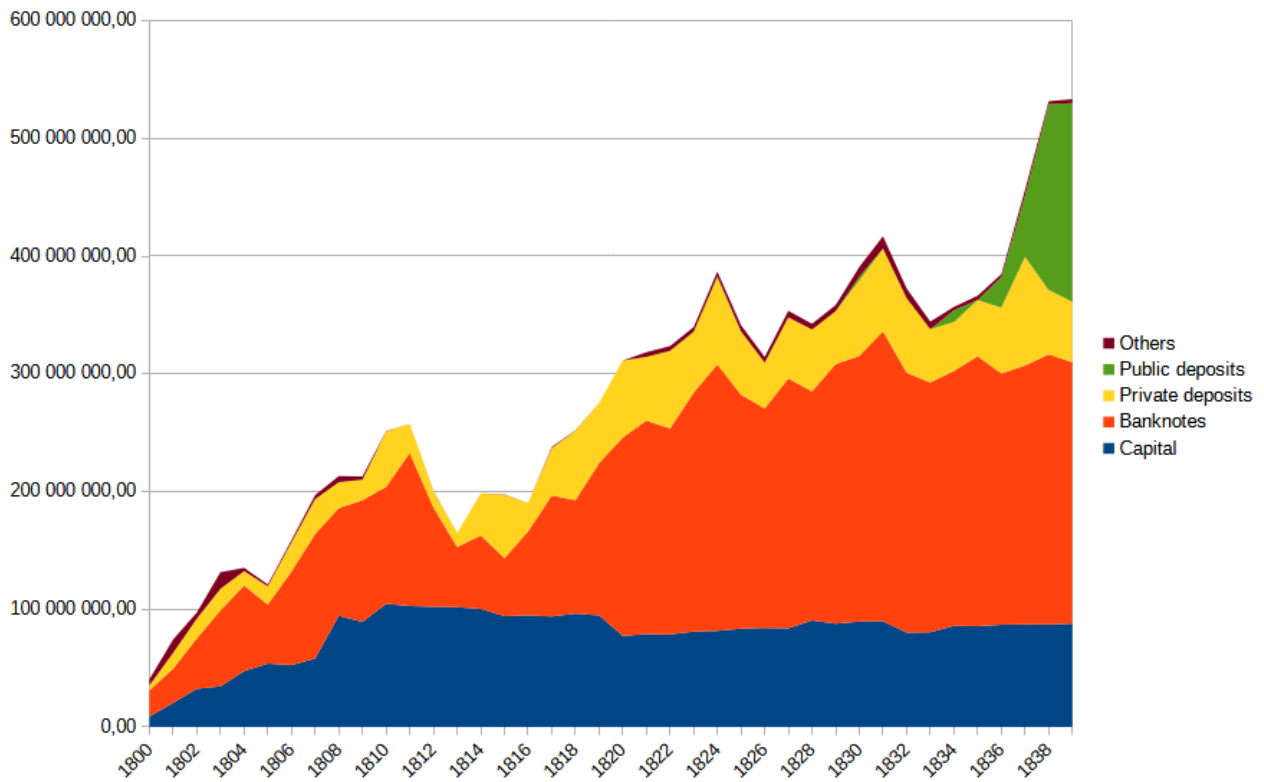


Figure 2: Banque de France's liabilities in Publication format from 1800 to 1839 (in french francs, annual series). Source: own calculations based on the Banque de France's "Situations g n rales".

III- The 1840 renewal of the Banque de France's *privilège* and the birth of the *Publications*

1) The renewal of the *privilège*

In 1803 (14 April) the Banque was granted the *privilège* to issue banknotes for 15 years in Paris. It was extended by 25 years in 1806 (22 April)⁵. The *privilège* would therefore have expired in 1843. However, to avoid uncertainty when the expiration date came close, the governing board of the Banque decided that asking for an early renewal of the *privilège* was the best strategy to adopt.^{27 28}

Therefore, as soon as 1838, the governing board of the Banque created a special committee to discuss and propose a “renewal law” to the minister of Finance²⁹. The special committee had its last meeting 12 December 1839 where it stated that the committee, the board and the minister of finance agreed on the law proposal³⁰.

The original law proposed is very short with only 3 articles³¹. At the *Chambre des députés* a commission was created to analyse the proposal. A bigger law proposal came out of this commission in April 1840³² which is entirely voted by the *Chambre des députés* in May 1840, with only minor changes³³. It is voted by the *Chambre des pairs* in June 1840 with no amendments made³⁴.

From the original version proposed by the government, the law had been amended six articles (nine in total). The first article of the law extended the *privilège* for 27 years (until 1867), and allowed the *Chambres* to repeal or modify the *privilège* after 15 years. Many articles extend the services of the Banque (Articles 3, 4, 6 and 7) or protect it from the competition of the *Banques départementales* (Article 8). The ninth article changes the modality of tax perception on banknotes issuance.³⁵

2) The fifth article and its origins

The fifth article of the 1840 law interests us the most, it is the one that dictates the Banque, for the first time, to publish quarterly balance sheets.

27 Gabriel Ramon, *Histoire de la Banque de France: d'après les sources originales* (Paris: Grasset), 185-93.

28 Yves Leclercq, *La Banque supérieure. La Banque de France de 1800 à 1914* (Classiques Garnier, 2010), 206.

29 [BdF's governing board minutes 22/11/1838](#)

30 [BdF's special committee minutes 12/12/1839](#)

31 [Le Moniteur universel 26/01/1840](#)

32 ABDF 1069200901 AR 4/ Rapport Dufaure or [Le Moniteur universel 03/05/1840](#)

33 [Le Moniteur universel 22/05/1840](#)

34 [Le Moniteur universel 27/06/1840](#)

35 Gabriel Ramon, *Histoire de la Banque de France*, 192-93.

Precisely, the article reads:

“ART. 5. Every three months, the Minister of Finance shall publish a summary of the general situation of the Banque de France during the preceding quarter. Every six months, he shall publish the operating results of the quarter and the payment of the dividend”³⁶

i. A pure product of the parliamentary commission

This article comes across as a pure product of the parliamentary commission as it was not part of the original law proposal made by the Banque and the Finance Minister, but it appeared in the Dufaure report made in the name of the commission. This article and the theme behind it—the transparency of the Banque—was not even once discussed in both the *Chambres*. Even if this article is retrospectively very important for our database, it was voted so discreetly that it is puzzling. For Dufaure, requiring quarterly publications is just an extension of the current situation. In the report, he only has a few remarks about this article, he says:

“Finally, it should be added that, while other institutions of the same kind shroud their operations in profound secrecy, the Banque de France has sought its credit and strength in the publicity of its own. Since its creation, it has published the accounts that the Governor and the Censors submit to the shareholders, and these documents are becoming more extensive and more important every year. Nevertheless, gentlemen, your Committee felt that these accounts, published at too long intervals, did not shed enough light on the Banque's situation. It proposes a legislative provision which would oblige the Minister of Finance to publish every three months the average situation of the Bank during the previous quarter, and every six months the results for the first half of the year and the dividends distributed to shareholders.”³⁷

Dufaure is right about the Banque publishing its annual report every year in the *Moniteur universel*.³⁸ In this annual report presented at the shareholders assembly, shareholders were communicated the movements of the main accounts, main operations and a balanced table of the profits and losses account, which gives the exact amount of dividends per share due to the

36 In French : « Le Ministre des Finances publiera, tous les trois mois, un état de la situation moyenne de la Banque pendant le trimestre écoulé. Il publiera tous les six mois le résultat des opérations du semestre et le règlement du dividende. »

37 In French : « Ajoutons enfin que, tandis que d'autres établissements de même nature environnaient leurs opérations d'un profond mystère, la Banque de France a cherché son crédit et sa force dans la publicité des siennes. Depuis son institution, elle publie les comptes que le gouverneur et les censeurs rendent aux actionnaires ; et, d'année en année, ces documents acquièrent plus d'étendue et d'importance. Néanmoins, Messieurs, votre Commission a pensé que ces comptes, rendus à de trop longs intervalles, n'éclairaient pas assez souvent le publique sur la situation de la Banque. Elle vous propose une disposition législative, qui obligerait le Ministre des finances à publier tous les trois mois la situation moyenne de la Banque, pendant la durée du trimestre écoulé, et tous les six mois le résultat du semestre, et le règlement des dividendes répartis entre les actionnaires. » Source: ABDF 1069200901 AR 4/ Rapport Dufaure or [Le Moniteur universel 03/05/1840](#)

38 The 1840 annual report of the Banque de France published in: [Le Moniteur universel 06/02/1840](#)

shareholders.³⁹ Nonetheless, the reports did not contain any statement or balanced table of all the assets and liabilities of the Banque at a particular point in time.

When Dufaure says that “those accounts [are] published at too long intervals” he implies that the main critique is about the frequency of the publication of those informations, but that is probably not the only critique that was made by the commission members to the Banque’s accounting transparency, because not only the frequency of the communicated financial information was improved (from annual to quarterly) but also the quality. The first *Publication* (on the 30th of June 1840) and the following ones, did not only publish “a summary of the general situation of the Banque”. With such a formulation which is open to interpretation, only main accounting items could have been published. However, it is a balanced and complete financial statement that was published, alongside other figures such as the average level (during the last quarter) of funds at hand, discounted bills, private and Treasury current accounts etc.⁴⁰ We did not find any source that explained why was the law interpreted in a manner that brought such unprecedented disclosures on the Banque’s accounting situation. Was it more the Banque or the Finance minister that wanted the Banque’s balance sheets to be published?

Baubeau says that the article 5 of the law of 30 June 1840 “compelled the Bank to hand over to the Finance Minister an ‘average situation of the Bank’ on a quarterly basis”⁴¹. However, he doesn’t provide any archival source to back this interpretation of the law. Therefore we think that the law can be interpreted in many other ways. One interpretation could be that the Banque provided the financial information it wanted as long as it was more or less in the line of the article 5. This interpretation would imply that it is the Banque which decided to be transparent to the level that it would disclose its balance sheet. Similarly to Baubeau, we are not able to back this interpretation with archival sources.

ii. The Banque and balance sheets publicity (1848 and 1852)

Despite this (archival) silence, we can say for sure that the Banque’s governing board seemed actually relatively open on transparency but only under special circumstances. In 1848, the country’s economic situation led to a strong decrease in the Banque’s metallic reserves and a fiat regime was implemented on 15 March.⁴² The day before, the governing board discussed the unavoidable incoming fiat regime and the need of weekly *Publications* coming with it, especially because, for the first time, a ceiling for the level of banknotes circulation will be implemented. The

39 [Annual report to the general assembly of the Banque de France 30/01/1840](#)

40 [Le Moniteur universel 09/07/1840](#)

41 Baubeau, “Bank of France’s Balance Sheets Database”.

42 [Le Moniteur universel 16/03/1848](#)

board came to the conclusion that “the provision concerning the insertion of the Bank's situation in the Monitor every eight days does not meet with opposition; it is a way to reassure the public about the adoption of the measure.”⁴³

However, in 1852, the fiat regime being abrogated since 1850, the come back to quarterly *Publications*⁴⁴ spurred debates in the Banque's governing board. We can identify three sides:

1. One side thinks that weekly (or even monthly) *Publications* are dangerous for the Banque, and they were the consequences of the fiat regime only. Weekly *Publications* can lead to “unfavourable comments from the newspapers, comments which make more of an impression than the figures themselves, so that the public is misled instead of being informed about the situation”.
2. A second side thinks that weekly *Publications* are a good measure. A member of the board explained that “in the absence of certain and indisputable documents, imaginations can go beyond the truth, and there is more danger in that than in knowing the exact situation”. A member was also insisting on the fact that “the Banque is, in France, the only major credit institution, that **credit only thrives on publicity** and, therefore, it has the greatest interest in making its operations public”.
3. The third side, on which the board eventually agreed, says that the three months requirement of the 30th of June 1840's law is only an upper limit, and that monthly *Publications* are a fair middle between the danger of weekly *Publications* and the unsatisfied need for publicity with the quarterly *Publications*. A member concludes the debate by saying: “it is wise, appropriate, and in the general interest to satisfy the perfectly legitimate curiosity of the public once a month”.⁴⁵

From the 1852 debate, we can deduce that the board is particularly sensitive to frequent *Publications* only when it is under a metallic regime (non-fiat regime). So why can't we find any debates in the minutes of the governing board about the quarterly *Publications* in 1840?

Jacques Lefebvre, who was both a member of the parliamentary commission that discussed the *privilège* renewal and a *régent*, consulted once the board about issues raised at the commission but nothing about quarterly *Publications*.⁴⁶It is surprising that a jump from a yearly publication of the

43 [BdF's governing board minutes 15/03/1848](#)

44 [Le Moniteur universel 04/03/1852](#)

45 [BdF's governing board minutes 11/03/1852](#)

46 [BdF's governing board minutes 19/03/1840](#)

Banque general situation through the annual reports to a quarterly publication of its situation did not raise any eyebrows.

This leads us to doubt that the Banque saw the quarterly *Publications* of 1840 as an important new commitment towards transparency. Article 5 of the 1840 law is indeed a break in the customs of the Banque, but it did not necessarily extensively improve the Banque's transparency towards financial markets. We think that the frequency is not high enough for stakeholders (more precisely banknotes bearers) to be protective in the most relevant manner. Even in the first half of the 19th century, too many events might happen in three months that could compromise the liquidity of the Banque. We can also assume that stakeholders had other channel of informations which were faster than 3 months to reach out, therefore the quarterly publications wouldn't bring any change to their behaviours.

iii. The *Publications* as an additional source of information for the shareholders?

Our alternative hypothesis to explain the origin of the article 5 is the following⁴⁷. The demand for quarterly *Publications* in 1840 does not come from the average stakeholders of the Banque, but comes from a specific kind: the Banque de France's shareholders. As said above, the three months frequency was not high enough to completely inform and protect banknotes holders. Then we can assume that quarterly *Publications* mostly served the shareholders or future ones, because the *Publications* informed them on the activities of the Banque, and most importantly on the coming dividend. It gave shareholders and potential share buyers important trading informations on the Banque de France's shares.

It also makes sense that this innovation came from the parliament (commission) probably mostly composed of small shareholders. Whereas the Banque de France's annual general assemblies were composed of the 200 biggest shareholders, who are less interested into trading their shares, as they also gain social and economic status by being part of the "two hundred families"⁴⁸, status they could lose if they sold even partly their shares.

Obviously the *Publications* are also beneficial to banknotes holder. First, it allows them to follow the ratio of banknotes to metallic reserve, the lower the ratio the better because it represents the capability of the Banque to exchange banknotes against gold or silver, a more trusted money and for gold, the heart of the Gold Standard.

47 This hypothesis is inspired by Judy L. Klein, "L'arithmétique politique de la Banque d'Angleterre de 1797 à 1844" in *Mesurer la monnaie. Banques centrales et construction de l'autorité monétaire (XIXe-XXe siècle)*, ed. Olivier Feiertag (Paris: Albin Michel, 2005).

48 Alain Plessis, *Histoires de la Banque de France* (Paris: Albin Michel, 1998).

Second, it also allows the banknotes holders to follow the extent to which the Banque was financing the government. This was an important concern for the contemporaries especially due to the precedent cases in the 18th century when central banks financed public debt without bound leading to hyperinflation and financial crises.⁴⁹

3) Some important remarks

Article 5 dictates, “The minister of Finance shall publish, every three months, the Banque’s average situation of the previous quarter”.

In our primary source, the *Moniteur universel*, we can see that from the balance sheet of the 30th of June 1840 to the 27th of December 1847, not only the average situation was published, but also the Banque’s balance sheet of the day (“Bilan de la Banque” in *Le Moniteur*). Baubeau’s database contains the balance sheet of the day, **not the average figures**.⁵⁰

This fact adds some mystery around those first *Publications*. Why would the Banque do more than what she was legally required to. This feeds our argument that the Banque did not consider quarterly *Publications* as risky and a big commitment towards transparency.

From 15 March 1848, the *Publications* became a weekly requirement and in the *Moniteur* they only included the balance sheet of the specified date. No average figures, dividends or operations are published nor are they required by the law.⁵¹ We can see how, from 1848, the public targeted by the *Publications* became more the banknotes holders than the shareholders. The weekly frequency allows banknote holders to follow closely the Banque accounting situation, its solvency and liquidity. Although a balance sheet is useful to the shareholders, they are less straightforward than the outright dividend and the amount of the operations.

49 Vincent Bignon and Marc Flandreau, “The Other Way: A Narrative History of the Bank of France” in *Sveriges Riksbank and the History of Central Banking*, ed. Rodney Edvinsson, Tor Jacobson, Daniel Waldenström (Cambridge: Cambridge University Press, 2018).

50 [Le Moniteur universel 09/07/1840](#) ; [Le Moniteur universel 31/12/1847](#)

51 [Le Moniteur universel 16/03/1848](#)

IV- Filling the gaps : 1870 and 1914

The Banque de France’s balance sheet database is also incomplete at several moment in its one and a half century time span. As resumed in Tableau 4, *Publications* in the official journal were stopped when the Banque was going through critical times. Most of the time it was during military conflicts that the balance sheets were not published. The conflicts disrupted communications between the branches and headquarters rendering the Banque unable to give an up-to-date balance sheet. A second reason for *Publications* interruptions is monetary reforms, such as in 1945 and 1948.

Date	Reason for the absence of <i>Publications</i>	Source (ABDF)
1800 to 30 June 1840	No legal provision to publish a complete balance sheet	
15 September 1870 to 6 July 1871	Outbreak of the Franco-Prussian war caused difficulties of communication of branches’ balance-sheet Paris Uprising (Commune)	BdF’s governing board minutes 14/09/1870
30 July 1914 to 28 January 1915	Outbreak of the World War I caused difficulties of communication of branches balance-sheet	BdF’s governing board minutes 05/08/1914
6 June 1940 to 7 August 1941	End of the Phoney war, start of the invasion of France by the German army	BdF’s governing board minutes 07/08/1941
13 July 1944 to 28 December 1944	Liberation of France disrupts communications with the branches	BdF’s governing board minutes 10/08/1944
31 May 1945 to 2 August 1945	First monetary reform, swap of banknotes	BdF’s governing board minutes 29/05/1945
22 January 1948 to 4 March 1948	Second monetary reform with the withdrawal of the 5000 francs banknotes. The law of 30 January 1948 exempts the Banque de France of the obligation to hand over to the Minister of Finance the weekly balance sheet.	BdF’s governing board minutes 29/01/1948
23 May 1968	Civil unrest of May 68	

Tableau 4: Gaps in the publication of the Banque de France balance sheets in the official journal.

Those interruptions are not necessarily all detrimental for the analysis of the evolution of the Banque’s balance sheet on a yearly frequency. However, some gaps – 1870-1871, 1914-1915 and 1940-1941 as they cross through the New Year – cause an annoying disruption for annual series based on this balance sheet. Moreover, it is the norm for annual series to use the last observation of the year, making problematic comparison with other central banks’ balance sheets databases.

Knowing that there is an alternative source for the Banque de France’s balance sheets – the “Situations générales” – which has strong resemblance with the *Publications*, we can try to apply a similar method to the one for the 1800-1839 annual series and reconstruct synthetic balance sheets as close as possible to what could have been like the real *Publications* if published in the official journal.

1) The method

We focused on reconstructing what would have been the last *Publications* of 1870 and 1914. The method is relatively similar to the 1800-1839 series, except that we use one more series of ledgers: the “Situation générale des succursales”(*Situation of the branches*).

Since 1848, the branches are represented as one entity in the *Publications* and they are a major component of them. Similarly to the headquarters of Paris, the *Publications* communicate the branches situation, with items such as “Cash in branches”, “Loans on French public securities in branches”, “Current account in branches” etc. The Banque kept a ledger of the branches, weekly balance sheets from 1848 to 1933 (perhaps the series of ledgers goes further). Similarly to the “Situations générales”, by studying and comparing the *Situation of the branches* and the *Publications* before and after the interruption of the publication, we can derive precise calculations on how to build a synthetic *Publication* for a specific date.

We took the date of what would have been the last *Publication* of the year 1870 and 1914. Then by using the two series of ledgers, the *Situations* and *Situations of the branches*, we applied our method and got synthetic *Publications* for 29 December 1870 and 31 December 1914.

In Tableau 5, Tableau 6, Tableau 8 and Tableau 9 you can see the synthetic *Publications* are not perfectly balanced. This is because of the following reasons. First, because of the war context the ledgers are not always complete and accurate. For instance, the item “Bearer banknotes in circulation”, although precise in the calculation method, can only be considered as an approximation because it had to be mathematically deduced from the few information available in the balance sheets⁵². Informations on the Branches were reduced because of the enemy invasion and therefore causing partial or total disruption in the communication between some branches and the headquarters. In 1914, many branches also anticipated a potential invasion of their town and transferred their assets to other branches further south (from northern Branches to Limoges, Marseille, Saint-Etienne, Valence and Avignon).⁵³

Second, the sources we studied did not allow us to accurately calculate three items, which are “Administration expenses” on the asset side of the balance sheet, the “Sundry liabilities” and “Sundry assets”. We were not able to find the exact calculation methods for those items. Thankfully, those items, on the asset or liability side, barely represent on average 1 to 5 percent of the balance sheet total size.

52 See Tableau 7

53 For World War I see: ABDF 106020010 AR 35, 1060200110 AR 1 and 1132200001 AR 61

We stopped our *Publications* construction in 1914, and did not go further to the next gap in 1940 for two reasons. First, the complexity of the “Situations générales” increased. In 1914, the ledgers amounted to one page for assets, one page for liabilities and a quite simple two pages annex per day, whereas in 1940, it amounted to 4 pages for assets and 4 pages for liabilities with many items and subitems per pages.

Second, in 1940 with the sudden breakthrough of the German army, The evacuation of the headquarters to Bordeaux first and then Clermont-Ferrand (Paris turning into a Branch)⁵⁴. This is added to the evacuation of 146 branches⁵⁵, the evacuation of the entirety of the gold reserve (over 2000 tons) to allied countries or French colonies⁵⁶ and the occupation of the country with a Banque de France torn between fidelity to the allies, economic interests, and pressure of the occupying army⁵⁷. This situation accounts for a disorganised Banque de France in 1940-1941, therefore its accounting is more complicated to understand than in 1914, and we were not able to reconstruct a reliable synthetic *Publication*. Reconstructing it might require doing some bold hypothesis, therefore decreasing the level of precision. However, we don’t think the task is impossible and it should be attempted at.

54 BdF’s permanent committee minutes [13/06/1940](#) and [23/06/1940](#).

55 Etienne Keroyant and Florent Nicol. *La Banque de France* (Paris: Que sais-je ?/Humensis, 2024), 28-31.

56 Paul-Jacques Lehmann. *Histoire de la Banque de France* (Paris: MA Editions – Eska, 2024), 73-74.

57 Michel Margairaz, ed., *Banques, Banque de France et Seconde Guerre mondiale* (Paris: Albin Michel, 2002).

Synthetic assets of 29/12/1870			Sources	
			Item(s) in "Situation générale de la Banque de France" for 29/12/1870 ⁵⁸	Item(s) in "Situation générale des Succursales" for 29/12/1870 ⁵⁹
Argent monnayé et lingots	Coins and ingots	532 277 848,04	"Or" + "Argent"	+ "Espèces en Caisse"
Effets échus hier, à recevoir ce jour	Expired bills to be paid today	381 802,68	"Effets échus hier à recevoir ce jour" + "Pertes faites par les Garçons de la Recette"	
Portefeuille de Paris - Commerce	Paris portfolio - Trade	91 698 157,34	"Effets escomptés sur Paris" + "Effets escomptés Récepissés de Marchandises" + "Effets escomptés Traités de Coupes de bois"	
Portefeuille de Paris - Effets prorogés	Paris portfolio - Extended bills (moratorium)	525 587 838,46	"Effets prorogés"	
Portefeuille de Paris - Bons du Trésor	Paris portfolio – Treasury bills	178 946 014,88	"Effets escomptés Bons du Trésor, de la Boulangerie, etc."	
Portefeuille des succursales, effets sur place	Branches portfolio, locally payable bills	465 684 743,00		"Portefeuille sur place" + "Effets sur place remis par la Banque"
Portefeuille des succursales, effets prorogés	Branches portfolio, extended bills (moratorium)	3 124 487,00		La différence des deux chiffres présents au total de la colonne "Portefeuille sur place"
Avances sur lingots et monnaies à Paris	Loans on bullion and coins in Paris	11 150 700,00	"Avances sur Lingots et Monnaies"	
Avances sur lingots et monnaies dans les succursales	Loans on bullion and coins in branches	11 795 750,00		"Avances sur lingots et monnaies"
Avances sur effets publics français à Paris	Loans on French public securities in Paris	55 660 800,00	"Avances sur Effets publics à échéances déterminées" + "Avances sur Effets publics à échéances non déterminées"	
Avances sur effets publics français dans les succursales	Loans on French public securities in branches	12 261 910,00		"Avances sur Effets publics"
Avances sur actions et obligations de chemins de fer à Paris	Loans on railway stocks and securities in Paris	46 972 700,00	"Avances sur Actions et Obligations de Chemins de fer"	
Avances sur actions et obligations de chemins de fer dans les succursales	Loans on railway stocks and securities in branches	34 673 200,00		"Avances sur Chemins de Fer et Crédit Foncier" deuxième total
Avances sur obligations du Crédit foncier à Paris	Loans on Crédit foncier securities in Paris	5 015 300,00	"Avances sur Obligations du Crédit foncier"	
Avances sur obligations du Crédit foncier dans les succursales	Loans on Crédit foncier securities in branches	74 440,00		"Avances sur Chemins de Fer et Crédit Foncier" premier total - deuxième total
Avances à l'Etat (convention du 10 juin 1857)	Loans to the state (convention of 10 June 1857)	60 000 000,00	"Avance au Trésor (Convention du 10 Juin 1857)"	
Rentes de la réserve (a)	Rentes in the reserve fund (a)	10 000 000,00	"Rentes de la Réserve"	
Rentes de la réserve (b)	Rentes in the reserve fund (b)	2 980 750,14	"Réserves des Succursales (ex-Banques)" passif (inclus dans "Rentes disponibles" à l'actif)	
Rentes, fonds disponibles	Rentes, available funds	80 557 187,21	"Rentes disponibles" - "Réserves des Succursales (ex-Banques)" passif	
Rentes immobilisées (lois du 9 juin 1857)	Locked-in Rentes (laws of 9 June 1857)	100 000 000,00	"Rentes immobilisées (Loi du 9 Juin 1857)"	
Hôtel et mobilier de la Banque	House and furniture of the Bank	4 000 000,00	"Hôtel et Mobilier de la banque"	
Immeubles des succursales	Branches' buildings	4 900 991,00		"Immeubles"
Dépenses d'administration de la Banque et des succursales	Administrative expenses of the Bank and branches	5 183 904,31	"Dépenses d'administration (1870)"	
Actifs divers	Sundry assets	31 059 190,75	All the remaining items of the Situation except the following ones (traditionally not counted in the Publications): "Dépôts volontaires en garde", "Succursales, leurs Comptes Courants", "Succursales, leurs Comptes de Billets", "Capitaux des Succursales", "Billets annulés", "Billets à annuler", "Effets au comptant".	+ "Divers"
Total		2 273 987 714,81		

Tableau 5: Banque de France's synthetic assets of 29/12/1870. Colour code fitting with Figure 3.

58 ABDF 1245200215 AR 181/Situation générale 1er trimestre 1871

59 ABDF 0013201401 AR 19/Situation hebdomadaire des succursales 1870

Synthetic liabilities of 29/12/1870			Sources	
			Item(s) in "Situation générale de la Banque de France" for 29/12/1870 ⁶⁰	Item(s) in "Situation hebdomadaire des Succursales" for 29/12/1870 ⁶¹
Capital de la Banque	Bank equity capital	182 500 000,00	"Capital de la Banque"+"Capitaux des Succursales"+"Capital nouveau"	
Bénéfices en addition au capital (art. 8, loi du 9 juin 1857)	Earnings in addition to equity capital (art. 8 Law of 9 June 1857)	7 053 785,47	"Bénéfices en addition au Capital (Art.8, Loi du 9 Juin 1857)"	
Réserves mobilières – loi du 17/5/1834	Reserves on securities – Law of 17/5/1834	10 000 000,00	"Réserve (Loi du 17 Mai 1834)"	
Réserves mobilières – Ex-banques départementales	Reserves on securities – ex-department banks	2 980 750,14	"Réserves des Succursales (ex-Banques)"	
Réserves mobilières - Loi du 9/6/1857	Reserves on securities - Law of 9/6/1857	9 125 000,00	"Réserve nouvelle (Loi du 9 juin 1857)"	
Réserve immobilière de la Banque	Bank real estate reserve	4 000 000,00	"Réserve immobilière"	
Billets au porteur en circulation (Banque et succursale)	Bearer banknotes in circulation (Bank and branches)	1 672 827 717,00	"Billets de la Banque en émission en circulation"+"Billets des Succursales en émission en circulation". See Tableau 7.	
Billets à ordre et récépissés	Promissory notes and receipts	85 408 628,63	"Billets à ordre. Paris sur Paris"+"Billets à ordre des Succursales"+"Récépissés payables à vue"	"Billets à ordre"+"Récépissés payables à vue"
Compte courant du Trésor, créateur	Treasury current account, creditor	152 318 369,62	"Trésor public"	
Comptes courants de Paris	Current accounts in Paris	245 492 252,53	"Comptes Courants de Paris"	
Comptes courants dans les succursales	Current accounts in branches	104 300 200,00		"Comptes courants"
Dividendes à payer	Dividends to pay	6 586 708,00	"Répartition extraordinaire"+"Dividendes arriérés"+"Dividende courant"+"Dividendes à payer pour les Succursales"	"Dividendes à payer"
Escompte et intérêts divers à Paris et dans les succursales	Miscellaneous discounts and interests in Paris and branches	904 374,07	"Escompte"+"Intérêts divers"+"Commission sur les Billets à ordre"	"Bénéfices courants"
Réescompte du dernier semestre à Paris et dans les succursales	Rediscount of the previous semester in Paris and branches	2 595 434,05	"Profits et Pertes Réescompte"	"Réescompte"
Divers Passif	Sundry liabilities	61 218 434,64	All the remaining items of the <i>Situation</i> except the following ones (traditionally not counted in the <i>Publications</i>): "Dépôts volontaires à retirer", "Succursales, leurs Comptes Courants", "Billets à brûler", "Billets des Succursales en émission A annuler", "Billets de la Banque en émission A annuler", "Effets au comptant non disponibles"	"Divers"
Total		2 547 311 654,15		

Tableau 6: Banque de France's synthetic liabilities of 29/12/1870. Colour code fitting with Figure 4.

Extract from "Situation générale de la Banque de France"		Extract from "Situation générale des Succursales"	
Billets de la Banque en émission	3 972 592 400,00		
dont En caisse à Paris	183 106 750,00		
dont En caisse dans les Succursales	0,00	418 969 383,00	"Caisse Billets de la Banque"
dont A annuler	1 710 421 900,00		
dont En circulation	0,00	1 660 094 367,00 (= 3 972 592 400 - 183 106 750 - 418 969 383 - 171 0421 900)	
Billets des Succursales en émission	97 390 550,00		
dont En caisse à Paris	10 040 000,00		
dont En caisse dans les Succursales	0,00	61 556 950,00	"Caisse Billets de la Succursale"+"Caisse Billets des Succursales"
dont A annuler	13 060 250,00		
dont En circulation	0,00	12 733 350,00 (= 97 390 550 - 10 040 000 - 61 556 950 - 13 060 250)	

Tableau 7: Banque de France issued banknotes on 29/12/1870.

60 ABDF 1245200215 AR 181/Situation générale 1er trimestre 1871

61 ABDF 0013201401 AR 19/Situation hebdomadaire des succursales 1870

Synthetic assets of 31/12/1914			Source	
			Item(s) in "Situation générale de la Banque de France" and Annex for 31/12/1914 ⁶²	Item(s) in "Situation hebdomadaire des succursales et bureaux auxiliaires" for 31/12/1914 ⁶³
Encaisse de la Banque/Or	Bank metallic reserve / Gold	3 714 949 043,84	"Or"(Annexe)+"Lingots et monnaies d'or en dépôt dans les Succursales"+"Or et monnaies d'or en dépôt dans les Succursales"+"Lingots et monnaies d'or en dépôt à l'Etranger(Banque d'Angleterre)"	
Encaisse de la Banque/Argent	Bank metallic reserve / Silver	47 511 456,25	"Argent"(Annex)+"Ecus et monnaies d'argent en dépôt dans les Succursales"	
Encaisse des Succursales	Branches metallic reserve	770 530 324,00		"Caisse/Espèces en caisse" ⁶⁴
Disponibilités à l'étranger	Available funds abroad	168 896 192,32	"Disponibilités à l'Etranger"	
Effets échus hier à recevoir ce jour	Expired bills to be paid today	20 009 773,56	"Effets échus hier à encaisser ce jour"(Annex)	
Effets sur Paris (Paris)	Bills on Paris (Paris)	132 025 900,85	"Effets escomptés par Paris/Sur Paris"+"Effets escomptés par Paris/Warrants"+"Effets escomptés par Paris/Sur Succursales"+"Effets escomptés sur province (Ecarts)+"Effets escomptés à l'encaissement (Ecarts)+"Effets escomptés par les Succursales"	
Effets sur l'étranger (Paris)	Foreign bills (Paris)	4 796 824,04	"Effets sur l'étranger"	
Effets du Trésor remis à l'encaissement (Paris)	Treasury bills presented for collection (Paris)	248 291,27	"Effets escomptés par Paris/Effets du Trésor remis à l'encaissement"	
Effets sur place (Succursales)	Local bills (Branches)	127 382 425,00 ⁶⁵		"Portefeuille/Effets escomptés"+"Portefeuille/Effets sur Place remis par la Banque"+"Ecarts à Echoir"
Effets du Trésor remis à l'encaissement (Succursales)	Treasury bills presented for collection (Branches)			
Effets prorogés sur Paris	Extended bills on Paris (moratorium)	1 805 936 858,18	"Effets Prorogés"	
Effets prorogés sur Succursales	Local extended bills on branches (moratorium)	1 382 139 361,00		"Portefeuille/Effets prorogés"
Avances à l'Etat	Loans to the state	200 000 000,00	"Avances à l'Etat"(subitem)	
Avances à l'Etat	Loans to the state	3 900 000 000,00	"Avances à l'Etat/Loi du 5 août 1914"	
Avances temporaires au Trésor Public - Inondations 1910	Temporary advances to the Treasury - Floods 1910	3 488 750,00	"Avances temporaires au Trésor Public (Inondations 1910) Loi du 18 Mars 1910"	
Avances sur lingots et monnaies (Paris)	Loans on bullion and coins in Paris	4 502 000,00	"Avances sur Lingots et Monnaies"	
Avances sur lingots et monnaies (Succursales)	Loans on bullion and coins in branches	0,00		"Avances/sur lingots et Monnaies"
Avances sur Titres (Paris)	Loans on securities in Paris	236 993 579,62	"Avances sur Titres"	
Avances sur Titres (Succursales)	Loans on securities in branches	464 929 380,00		"Avances/sur Titres ordinaires"+"Avances/sur Titres en compte courant"
Rentes de la réserve	Rentes in the reserve fund / Law of 17 May 1834	10 000 000,00	"Emploi des Réserves mobilières/(Loi du 17 mai 1834)"(Annexe)	
Rentes de la réserve/ex-banques départementales	Rentes in the reserve fund / Ex-department banks	2 980 750,14	"Emploi des Réserves mobilières/Ex-Banques"(Annexe)	
Rentes disponibles	Rentes, available funds	99 630 954,27	"Rentes disponibles"(Annexe)+"Emploi des Bénéfices en addition au Capital(Loi du 9 Juin 1857 Art. 12. Loi du 17 Nov. 1897.)"(Annexe)+"Emploi des Réserves mobilières/Reliquat de la réserve nouvelle"(Annexe)	
Rentes immobilisées	Locked-in Rentes (laws of 9 June 1857)	100 000 000,00	"Rentes immobilisées"(Annexe)	
Immeubles des succursales	Branches buildings	44 727 427,82	"Immeuble des Succursales"+"Immeuble Ventadour"	
Hôtel et mobilier de la Banque	House and furniture of the Bank	4 000 000,00	"Hôtel et Mobilier de la Banque"(Annexe)	
Emplois de la réserve spéciale	Special reserve investment	8 407 394,01	"Emploi de la Réserve spéciale"(Annexe)	
Dépenses d'administration de la Banque et des succursales	Administrative expenses of the Bank and branches	34 821 290,07	"Dépenses d'Administration (1914)+"Dépenses d'Administration (1915)"	
Actifs divers	Sundry assets	289 737 090,51	All the remaining items except: "Succursales réunies (leurs Comptes courants)", "Banque de France, son Compte Courant", "Billets à annuler", "Succursales (leurs Comptes de Billets)" and "Dépôts volontaires en garde"	
Total		13 578 692 066,75		

Tableau 8: Banque de France's synthetic assets of 31/12/1914. Colour code fitting with Figure 5.

62 ABDF 1245201211 AR 29 and 1245201211 AR 30/ Situation générale et annexe 4eme trimestre 1914

63 ABDF 0013201401 AR 65/Situation hebdomadaire des succursales et bureaux auxiliaires 1914

64 The source does not allow to differentiate between gold and silver.

65 We were unable to separate "Effets sur place (Succursales)" and "Effets du Trésor remis à l'encaissement (Succursales)". It is counted as "Private claims" in Figure 5 because "Effets sur place (Succursales)", deducing from the actual *Publications*, is probably by far the main component of the item.

Synthetic liabilities of 31/12/1914			Source	
			Item(s) in "Situation générale de la Banque de France" and Annexe for 31/12/1914 ⁶⁶	Item(s) in "Situation hebdomadaire des succursales et bureaux auxiliaires" for 31/12/1914 ⁶⁷
Capital	Bank equity capital	182 500 000,00	"Capital"(Annexe)	
Bénéfices en addition au capital	Earnings in addition to equity capital (art. 8 Law of 9 June 1857)	8 006 145,84	"Bénéfices en addition au Capital (Art. 8. Loi du 9 Juin 1857. Art. 12. Loi du 17 Novembre 1897.)"(Annexe)	
Dividendes à payer	Dividends to pay	10 415 789,11	"Dividendes arriérés"+"Dividende courant"+"Dividendes à payer pour les Succursales"+"Dividendes à régulariser"	"Dividendes à payer"
Réserves mobilières (loi du 17/05/1834)	Reserves on securities - Law of 17/5/1834	10 000 000,00	"Réserves mobilières/(Loi du 17 Mai 1834.)"(Annexe)	
Réserves mobilières (ex-banques départementales)	Reserves on securities - ex-department banks	2 980 750,14	"Réserves mobilières/des ex-Banques départementales"(Annexe)	
Réserves mobilières (loi du 9/06/1857)	Reserves on securities - Law of 9/6/1857	9 125 000,00	"Réserves mobilières/nouvelle (Loi du 9 Juin 1857)"(Annexe)	
Réserve immobilière	Bank real estate reserve	4 000 000,00	"Réserve immobilière (Hôtel et mobilier de la Banque)"(Annexe)	
Réserve spéciale	Special reserve	8 407 444,16	"Réserve spéciale"(Annexe)	
Billets au porteur en circulation	Bearer banknotes in circulation	10 262 733 862,00	"Billets de la Banque en Emission/Total"(Annexe) + "Billets des Succursales en Emission/En circulation"(Annexe)-"Billets de la Banque en Emissions/En caisse à Paris"(Annexe)-"Billets de la Banque en Emission/A annuler"(Annexe)-"Billets appartenant à la Banque Centrale en dépôt dans les Succursales"(Actif)	"-Caisse/Billets de la Banque"(Actif)
Billets à ordre et récépissés	Promissory notes and receipts	45 461 531,40	"Billets à ordre"+"Billets à ordre spéciaux"+"Récépissés payables à vue"+"Billets à ordre de Paris sur Paris pour paiement d'effets prorogés"+"Billets à ordre des Succursales sur Paris pour paiement d'effets prorogés"	+ "Récépissés payables à vue"+"Billets à ordre émis à Paris et dans les Succursales"
Arrérages de valeurs transférées ou déposées	Arrérages de valeurs transférées ou déposées	24 722 068,57	"Arrérages et Recouvrements"	
Compte courant du Trésor	Treasury current account	315 070 977,27	"Compte Courant du Trésor public"	
Comptes courants et de dépôts - Paris	Current and deposit accounts in Paris	1 560 507 678,72	"Comptes de Dépôts de Fonds"+"Comptes Courant de Paris"	
Comptes courants et de dépôts - Succursales	Current and deposit accounts in branches	977 001 042,00		"Comptes courants"+"Comptes de dépôts de fonds"
Escomptes et intérêts divers à Paris et dans les Succursales	Miscellaneous discounts and interests in Paris and branches	2 071 263,99	"Escompte"+"Intérêts divers"+"Intérêts A sur effets prorogés"+"Intérêts B sur effets prorogés"	+ "Profits et pertes/Bénéfices courants"
Réescompte du dernier semestre à Paris et dans les Succursales	Rediscount of the previous semester in Paris and branches	1 507 820,00	"Réescompte"	+ "Profits et pertes/Réescompte"
Divers Passif	Sundry liabilities	344 066 925,55	All the remaining items except: "Billets des Succursales en Emission", "Billet de la Banque en Emission/A annuler", "Etablissement central", "Dépôts volontaires à retirer"	
Total		13 768 578 298,74		

Tableau 9: Banque de France's synthetic liabilities of 31/12/1914. Colour code fitting with Figure 6.

66 ABDF 1245201211 AR 29 and 1245201211 AR 30/ Situation générale et annexe 4eme trimestre 1914

67 ABDF 0013201401 AR 65/Situation hebdomadaire des succursales et bureaux auxiliaires 1914

2) General analysis of the synthetic balance sheets

The main features of those balance sheets were caused by the war. First, we can notice a very low Metallic reserves over total assets ratio. For 29 December 1870 the ratio amounted to 23 %, whereas a year before (30/12/1869) it amounted to 54%. On 31 December 1914, the ratio amounted to 31 %, whereas a year before (26/12/1913) it weighed 57%.

Second, we can see the items “Bearer banknotes in circulation” increasing rapidly. From 1869 to 1870 the banknotes increased by 19 percent, whereas the average increase from 1860 to 1880 is 7%. From 1913 to 1914 banknotes increased by 44 % whereas the average annual increase from 1904 to 1924 is 10 %.

Third, the item “Effets prorogés” (“Extended bills”) because of a moratorium) is also the symptom of a stressed economy. In this context, extended bills are bills of exchange which payments is legally postponed. The government passes a law that allows the drawee to postpone the payment. On 29 December 1870 the extended bills (Paris and branches) represent 23,25% of the total assets of the Banque. On 31 December 1914 it amounts 23,48% of the bank total assets. This represents a big risk to the Banque, around a quarter of its assets are “frozen” and might no turn liquid before a long time.

3) The results in terms of annual series (1840-1927)

Overall we can see a strong increase in the size of the balance sheet over the whole period. Of course the first reason is French economic growth and with it the growing influence of the Banque de France nationally and internationally.

On the asset side, until the first world war, the growth of the balance sheet is mostly due to the increase of metallic reserves, this goes with the idea that in the second part of the 19th century the Banque de France was one of the main actor of the Gold Standard and a powerful central bank. On the liabilities side, accompanying the increase in metallic reserve is the raising level of banknotes in circulation.

In periods of war, such as the Franco-Prussian war and the First World War the increase in banknotes is not accompanied on the assets side by an increase in metallic reserves (metallic reserves even decreased in 1870) but by an increase in the “Public claims”, which is mainly composed of loans and advances to the French state.

We stay here very shallow in our analysis as it is not the main point of this master's thesis. It is however obvious how this database is a great tool to analyse some period of French history. Our contribution allows researcher to go more in depth into how the Banque de France's balance sheets behaved during wartime.

The most attentive readers may have noticed that in 1926 and 1927 on the assets side(Figure 5), "Others" increased strongly both proportionally and absolutely. This is neither a mistake from Baubeau's database or from our classification. The increase is due to the strong growth in the "Sundry assets" account, which contained the potential capital gain made by the Banque de France through its foreign exchange policy during the Poincaré's devaluation from August 1926 to June 1928. In 1926, the Banque decided to create a special account in the *Situations* which was included in the "Sundry asset" item of the *Publications*. This special account represents the market value of the foreign currencies purchased, or another way to put it is that the special account represented the potential gain the Banque would make if it sold the foreign exchange it had purchased. We will go more in depth about this topic in the following and last part of this master's thesis.

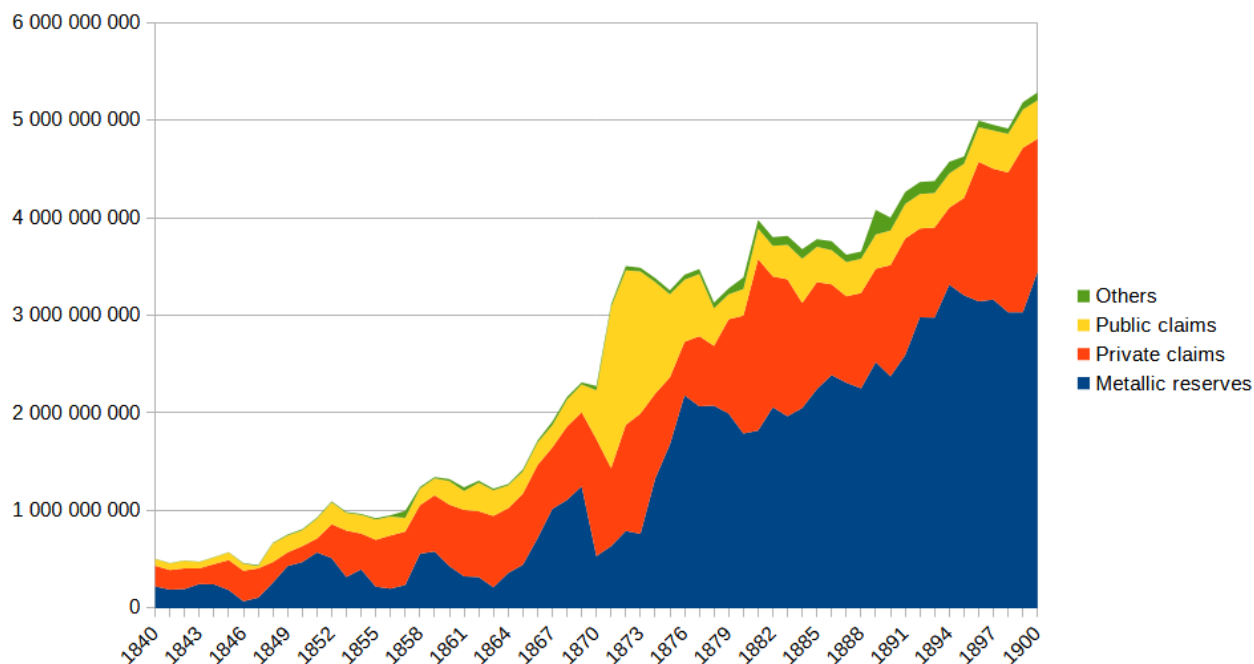


Figure 3: Banque de France's assets from 1840 to 1900 (in French francs, annual series). Source: Baubeau, "Bank of France's Balance Sheets Database". For 1870: own calculations based on the Banque de France's "Situations G n rales".

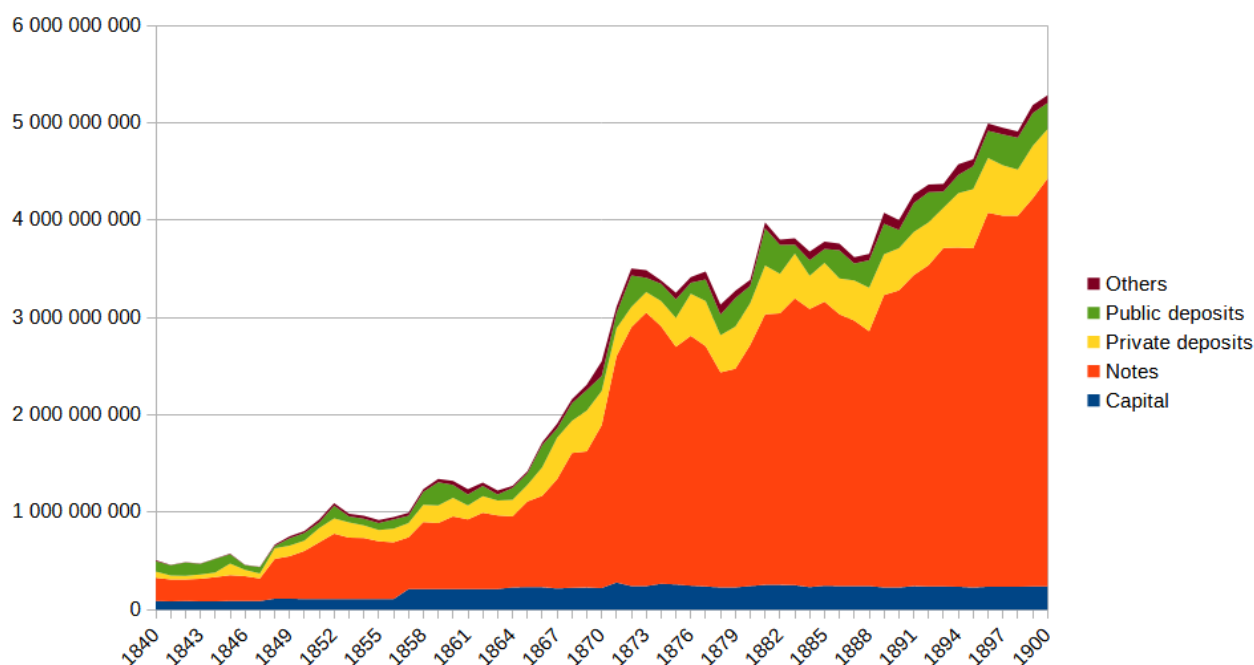


Figure 4: Banque de France's liabilities from 1840 to 1900 (in French francs, annual series). Source: Baubeau, "Bank of France's Balance Sheets Database". For 1870: own calculations based on the Banque de France's "Situations G n rales".

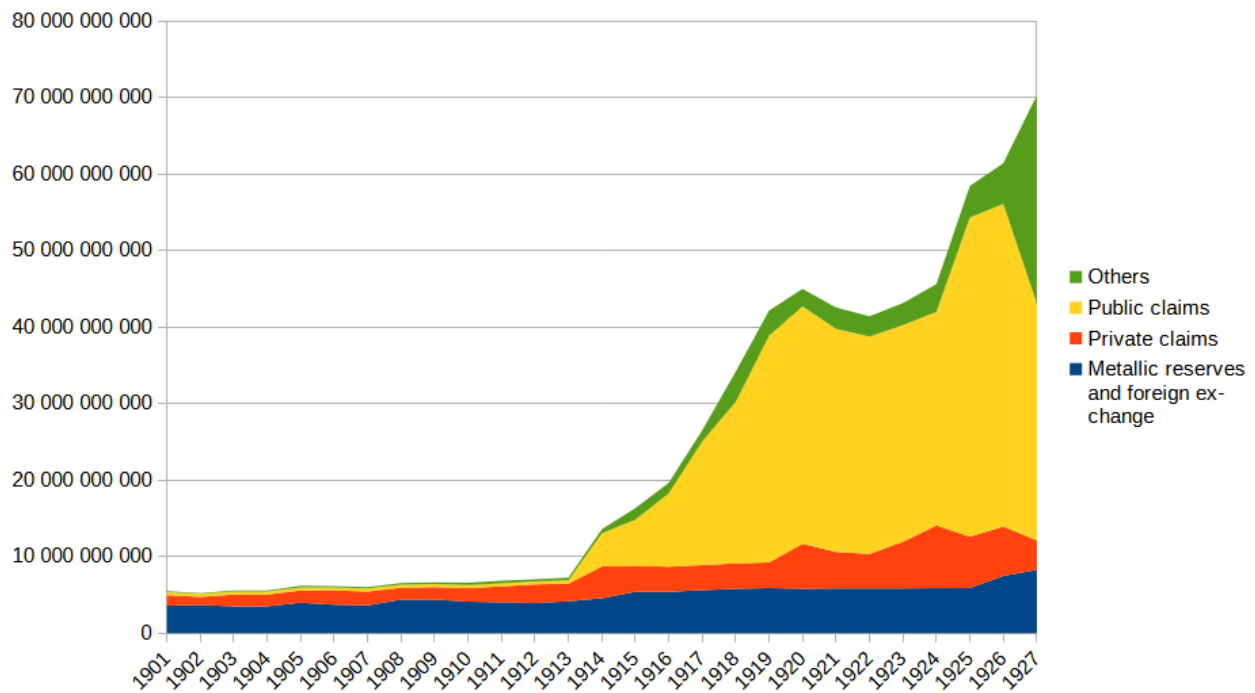


Figure 5: Banque de France's assets from 1901 to 1927 (in French francs, annual series). Source: Baubeau, "Bank of France's Balance Sheets Database". For 1914: own calculations based on the Banque de France's "Situations Générales".

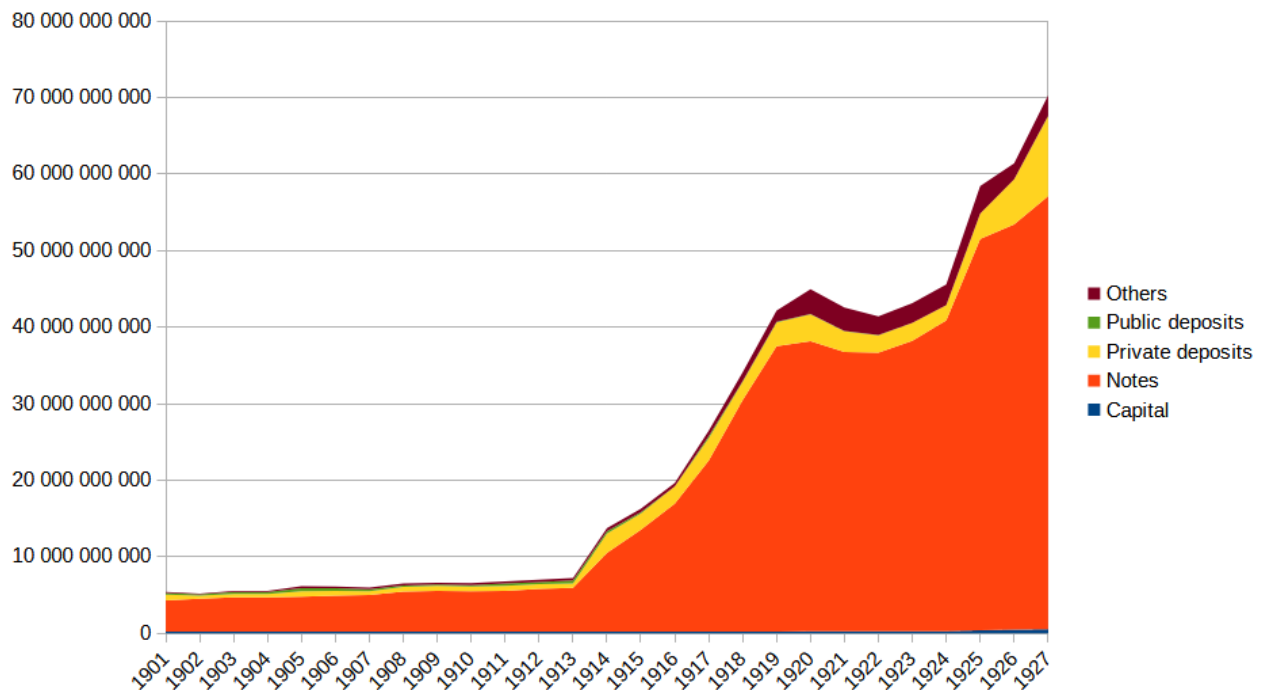


Figure 6: Banque de France's liabilities from 1901 to 1927 (in French francs, annual series). Source: Baubeau, "Bank of France's Balance Sheets Database". For 1914: own calculations based on the Banque de France's "Situations Générales".

V- Poincaré's devaluation (1926-1928)

1) Poincaré's devaluation and the balance sheets' special account

Our last work on the database is not about filling, but about detailing an item. From 1926 to 1928 the Banque de France was allowed to buy gold and foreign exchange with newly issued banknotes. The foreign exchange reserve kept growing but only the purchasing cost was openly revealed in the *Publications* account “Gold, silver and foreign currencies purchased (law of 07/08/1926)” (“Or, argent et devises achetées (loi du 7/8/1926)”). The biggest part, which accounted for the increasing value of the purchased foreign currencies on the market as compared to the French francs, was included in the “Sundry assets” item. In Figure 7, we can see how from the perspective of the published balance sheets the “Sundry assets” account increased as compared to the level of total assets.

We went back to the “Situations générales” and created a small database of the foreign exchange account included in the “Sundry assets” item of the *Publications*.

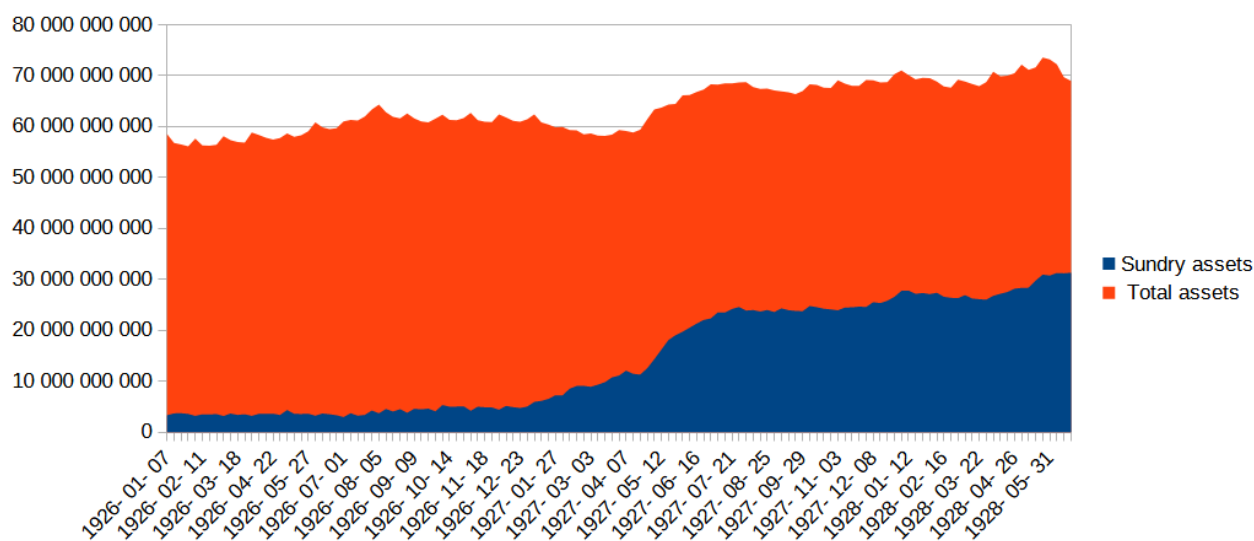


Figure 7: Banque de France's Publications "Sundry assets" over total assets from 07/01/1926 to 21/06/1928 (in French francs, weekly series). Source: Baubeau, “Bank of France’s Balance Sheets Database”.

i. Historical background

Since the end of WWI the main monetary objective of the French government is to come back to the pre-war gold parity. However, the lack of political will to reduce the public debt makes the comeback impossible. Whereas deflation was needed, inflation was actually the norm since 1918.

It was only in 1926, with the arrival of Raymond Poincaré as prime minister and minister of finance that the situation finally stabilised. The nomination itself, because of the known orthodox position of the new prime minister, was enough to calm the monetary markets and introduced the first step of a de facto stabilisation. Even if Poincaré was originally a *revalorisateur* (pro-revaluation meaning the will to set a new gold peg as close as possible to the pre-war parity) as opposed to *dévalorisateur* (pro-devaluation meaning the will to set a new gold peg at a lower level than the pre-war gold parity), the economic context and the pressure of the Treasury staff, the Banque de France and its Governor Emile Moreau eventually made him accept devaluation.^{68 69}

The narrative for our database starts with the law of 7 August 1926.⁷⁰ This law allows the Banque de France to purchase gold, silver and foreign currency on the market, and to use newly issued banknotes for those operations. It gave the Banque the ability to build a pool of foreign currencies to defend the franc against future speculation attacks, and the law gave birth to the *Publications'* item “Gold, silver and foreign currencies purchased (law of 07/08/1926)”, appearing for the first time on the *Publication* of 30 September 1926.

Moreover, on 16 September 1926 a secret convention was drawn between the Banque and the Treasury.⁷¹ This convention details how the profits or losses caused by the incoming monetary policy shall be allocated between the Treasury and the Banque. More specifically, article 3 gave birth to the special account included in the *Publications'* “Sundry assets”. This account named “Foreign exchange operations (Convention of the 16th of September 1926)” (“*Opérations de change (Convention du 16 septembre 1926)*”) represents the market value of the foreign currencies purchased, or another way to put it is that the “Foreign exchange operations” account represented the potential gain the Banque would make if it sold the foreign exchange it had purchased.⁷²

Consequently, we can assume that the *Publications'* item “*Gold, silver and foreign currencies purchased*” represents the purchasing cost of the currencies, and the *Situations'* item “Foreign exchange operations” represents the market value (minus the purchasing cost) of the purchased currencies.

Even if Moreau was at first dubious that the measures were enough for the Banque to efficiently stabilise the French franc⁷³, the tool given to the Banque by the Treasury through the law

68 Kenneth Mouré, *La politique du franc Poincaré (1926-1936)* (Paris: Albin Michel, 1998), 58-88.

69 Bertrand Blancheton, *Le Pape et l'Empereur. La Banque de France, la direction du Trésor et la politique monétaire de la France (1914-1928)* (Paris: Albin Michel), 397-412.

70 [Journal officiel de la République française 08/08/1926](#)

71 [BdF's governing board minutes 16/09/1926](#)

72 See article 3 of the convention of the 16th of September 1926

73 Mouré, *La politique du franc Poincaré*, 64-70.

and the convention, was very useful. Because of this renewed confidence in the franc since Poincaré took office, the Banque only needed to fight the increasing value of the francs – purchasing foreign currencies with issued banknotes was enough.

Once it is clarified that the main account included in the “sundry assets” for the period 1926-1928 represented indeed potential gain the Banque could make. Then we can conclude that, from a financial perspective, “Poincaré’s devaluation” was a success for the Banque de France. The account “Foreign exchange operations (Convention of the 16th of September 1926)” grew from 42 million francs on 21 October 1926 to 26 billion francs on 21 June 1928.

ii. The data

The account “Foreign exchange operations (Convention of the 16th of September 1926)” can be found in the “Situations générales”⁷⁴ at a daily frequency. Figure 8 describes the weekly evolution of the account in absolute terms. The account appears for the first time on the 21st of October 1926 and it disappears after the 25th of June 1928.

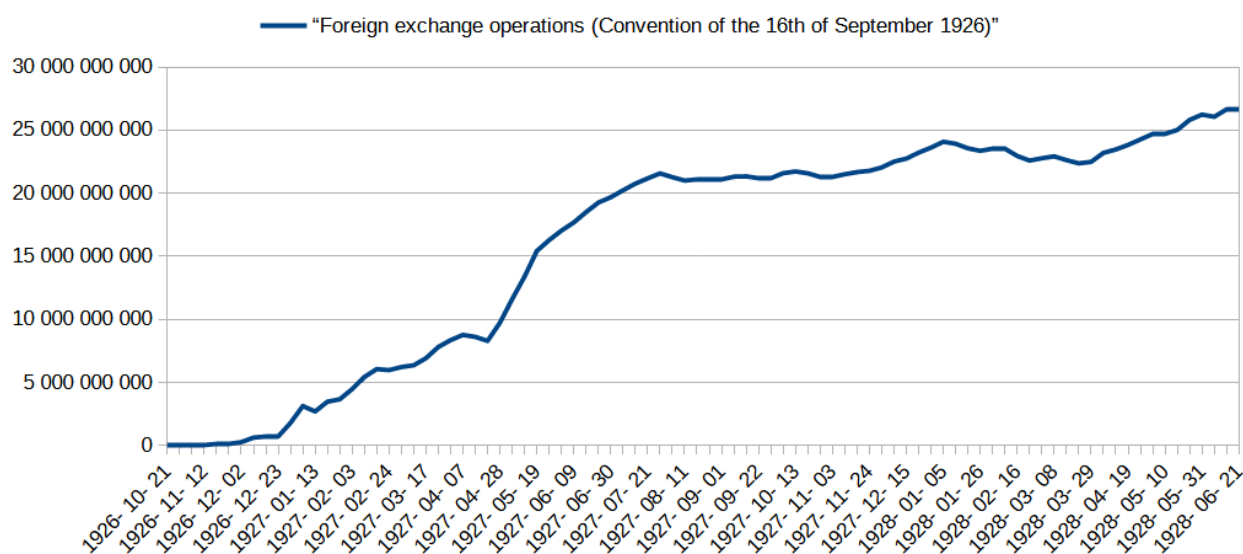


Figure 8: Evolution of the account “Foreign exchange operations (Convention of the 16th of September 1926)” from 21/10/1926 to 21/06/1928 (in French francs, weekly series). Source: own calculations based on the Banque de France’s “Situations Générales”.

We can now improve the database of the Banque de France’s published balance sheets one step further by splitting the oversized “Sundry assets” account. In Figure 9 we categorized the assets of the Banque in the usual categories such as “Metallic reserves and foreign exchange”, “Private

74 ABDF1245200215 AR 412 to 418/from 4eme trimestre 1926 to 2eme trimestre 1928

claims”, “Public claims” and “Others”, but this time we take out “Foreign exchange operations (Convention of the 16th of September 1926)” from the “Sundry assets” account, which is in “Others”, and give it its own category named “Foreign exchange operations”. This account could obviously also be part of the “Metallic reserve and foreign exchange” category.

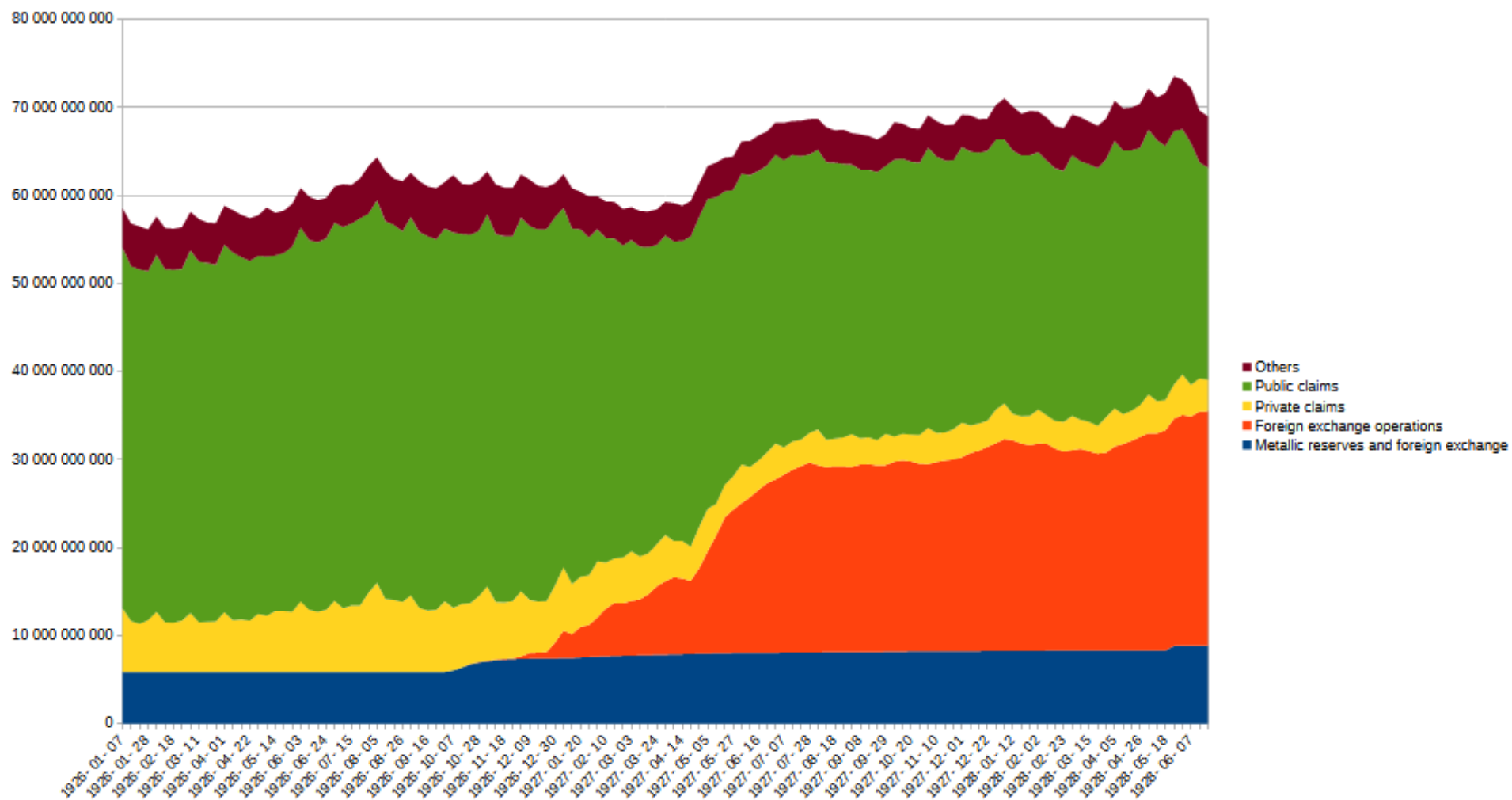


Figure 9: Banque de France's assets from 07/01/1926 to 21/06/1928 (in French francs, weekly series). Source: Baubeau, "Bank of France's Balance Sheets Database". For "Foreign exchange operations": own calculations based on the Banque de France's "Situations générales".

2) The guillotine's clean cut⁷⁵: 25 June 1928⁷⁶

In summer 1928, the political and economic pressure on Poincaré intensified. For the Banque de France it was time to settle the exchange rate at the current level by implementing a *de jure* stabilisation. The Banque felt it was losing control on the quantity of banknotes issued to purchase foreign exchange and restrain the valuation of the French franc on the markets. It feared this situation if maintained too long might lead to strong inflation. The central bank eventually threatened the government to not renew the 16 September 1926 convention. Even the governor, Emile Moreau, threatened the Prime Minister to quit if the *de jure* stabilisation was not quickly implemented. The *de jure* stabilisation law was eventually presented to the Parliament and it was largely accepted.^{77 78}

The law of 25 June 1928 gave legal birth to the « franc Poincaré ». The new law also led to an important simplification in the *Publications* layout and a tremendous change in the Banque and the Treasury situations. The main feature of the law was that the fiat regime in place since August 1914 was abrogated. The franc Poincaré was back on the gold standard but it was defined at one fifth of its original value before WWI. One franc had been set at 65,5 milligrams of gold, therefore one sterling was worth 124,21 francs and one dollar 25,52 francs.⁷⁹

With this law (accompanied by 3 conventions between the Governor of the Banque, the Prime minister, and the Autonomous Sinking Fund⁸⁰) the Banque proceeded to a revaluation of its gold and silver reserves and settled the value of the surplus represented in the “Foreign exchange operations (Convention of the 16th of September 1926)” account. It led to the foreign exchange reserve of the Banque to increase from 33 billion francs on the 21st June to 65 billion on the 25th of June.

This change in the facial value of the franc also allowed the French state to amortize all of advances to the Banque since WWI and even strengthened the Treasury situation. The debt of the state to the Banque went from 25 billions to 9 billions. The nine billions left were cash advances (3,2 billions) and negotiable CAA bonds (5,93 billions) which were a new tool given by the government to the Banque for its monetary policies. Moreover, the surplus made by the

75 Title inspired by Kenneth Mouré, *The Gold Standard Illusion: France, The Bank of France, and the International Gold Standard, 1914-1939* (Oxford: Oxford University Press, 2002), 129.

76 For this section see: ABDF 1132200001 AR 38/ Newspapers and Circulaire N°3682 and N° 3677; 1280200801 AR 31/Newspapers; 1280200801 AR 33/ Situation of the metallic reserves and banknotes on 23 and 25 June 1928; 148920001 AR 84/ Law 25 June 1928, Exchange rates with pounds and dollars and limited convertibility

77 Kenneth Mouré, *La politique du franc Poincaré*, 81-92.

78 Blancheton, *Le Pape et l'Empereur*, 412.

79 [Journal officiel de la République française 25/07/1928](#)

80 In French: Caisse Autonome d'Amortissement (CAA)

reevaluation of the foreign exchange reserves increased the value of the Treasury's current account, going from 9 million francs on the 21st of June to 5 billions on the 25th of June. All those changes are simplified and illustrated in figure 9. For the entire balance sheets, one can check the relevant dates on Baubeau's database.

The new law also changed the way banknotes circulation was constrained. The idea of setting a ceiling is given up, now the Banque must respect a liquidity ratio. The gold reserve can not go under 35% of the bearer banknotes in circulation and current accounts. On the 25th of June 1928, the ratio was at 40,6 %.

The Banque also took this opportunity to simplify the layout of the *Publications*. First, we can notice, on the assets side between the 21st of June and the 25th, we go from 29 items to 17, and on the liability side we go from 19 items to 11. This simplification was due to the focus by the Banque on monetary information. For example the Rentes are regrouped in one item, the branches and headquarters buildings are also regrouped in one item.

Second, the *Publication* of the 25th of June 1928 does not make the distinction between the headquarters and the branches for the main accounts any more. They are now regrouped in single items. For instance the items "Loans on securities in Paris" and "Loans on securities in branches" are now regrouped in the item "Loans on securities". At the origin, the distinction between the two accounts came from the fact that there was a lag of four days between the accounting entry of the branches (Friday the week before the balance sheet publication's date) and the headquarters (Wednesday, a day before the balance sheet publication's date). As it is well known, this four day lag was a weakness in the transparency of the Banque, which was used by the Treasury to hide the real level of banknote circulation in 1924 and 1925⁸¹. The Banque decided that for the sake of transparency the accounting entry for the *Publications* shall be made on the same day.

Third, the assets are now classified in the order of their liquidity. From "Gold reserve (coins and ingots)", "Silver and billon coins", "Post bank current accounts" to "Rentes with special assignment", "House and furniture of the bank and branches buildings" and "Demonetized silver coins to be melted".⁸²

81 In Blancheton, *Le Pape et l'Empereur*, 233-251, we can find specific tables that tracks the real amount of banknotes in circulation compared to the amount published.

82 Marcel Netter, *Histoire de la Banque de France entre les deux guerres (1918-1939)* (Pomponne: Monique de TAYRAC, 1994), 284-289.

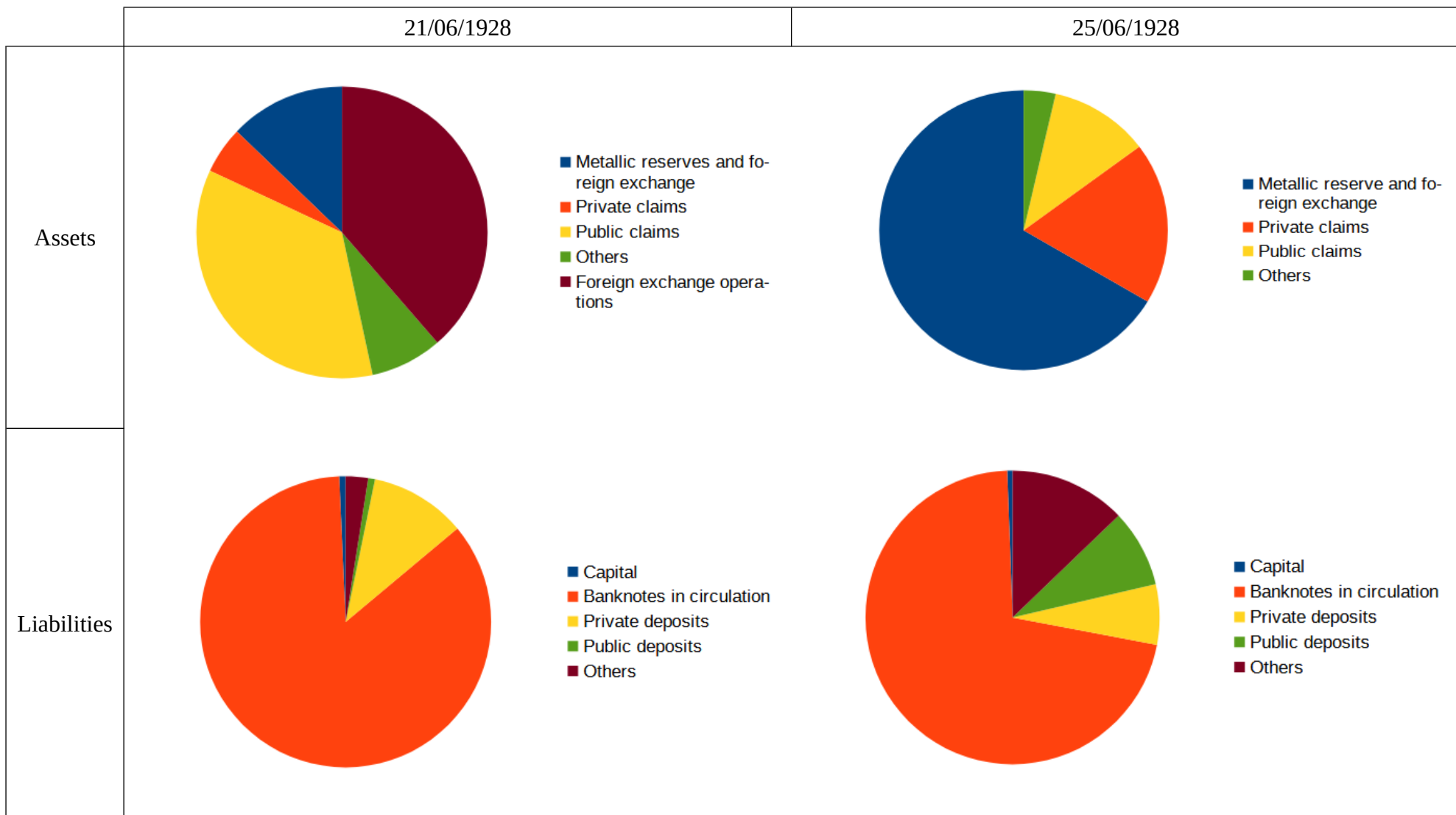


Tableau 10: Banque de France's assets and liabilities on the 21st and 25th of June 1928. Source: Baubeau, "Bank of France's Balance Sheets Database"

VI- Conclusion

Until now, researchers who wanted to study or use the Banque de France’s balance sheets, based their work on the published balance sheets of the central bank which are accessible through the official journal of the French government or since 2018 under the format of a database published online by Baubeau. However, we found that from the very beginning of its existence, the Banque kept track of its liabilities and assets in internal daily balance sheets ledgers: the “Situations générales”. Even if those two sources give in general a similar outlook on the Banque’s situation, this new source being more extensive than the published balance sheets, it allows historians to have an alternative and more precise perspective on the Banque’s accounting situation.

Therefore this newly exploited primary source allowed us to improve the historical long term data available on the Banque de France balance sheets. As the “Situations générales” start right from the first year of existence of the Banque in 1800 but the *Publications* only start from 1840, the *Situations* can be used – after some processing to fit the format of the *Publications* – to complete the database of the Banque de France balance sheets from 1800 to 1839⁸³.

The *Situations* compiled with the *Situations of the Branches* also allow one to construct precise (although not perfect) synthetic balance sheets for missing dates of the *Publications*. We constructed synthetic *Publications* for the 29th of December 1870 and 31st of December 1914. Our method is explicitly detailed so that it can be copied by researchers that would need to complete the published balance sheets database for the missing periods.

Finally, our last use of the *Situations* was to specify the oddly oversized “Sundry assets” of the *Publications* from October 1926 to June 1928. As explained above this was related to the French monetary policy to come back on the Gold Standard. The “sundry assets” item contained a special account that was available in the *Situations*– “Foreign exchange operations (Convention of the 16th of September 1926)”–which represented the market value of the foreign currencies purchased by the Banque.

83 The results are available online (under the form of a total assets series) on the BIS data portal: https://data.bis.org/topics/CBTA/BIS,WS_CBTA,1.0/A.FR.B.XDC.EUR.N

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IX- Annex

1) Internship report

This master's thesis is the result of a six months internship at the communication department of the Banque de France in Paris from the 5th of February 2024 to the 2nd of August. My tutor was Vincent Bignon senior economist at the Banque and advisor for the communication department.

Before my arrival at the Banque, we only knew that we were going to work on a new source for the Banque's balance sheets: the "Situations générales de la Banque de France". The source most used by the literature are the published balance sheets because they are easy of access as they are available online in the French government's official journal, and even easier since Baubeau's database publication in 2018. Therefore with this new source we first tried to understand its difference (if any) with the published balance sheets. The Situations are big ledgers stored at the Banque's headquarters. Many times, I visited the place where they are stored. I would spend half a day there taking pictures, then go back to my office and study the pictures.

We started in 1840 comparing the first Publications with the matching dates in the Situations. We were puzzled when we found that for items with the exact same names in the two sources, the amounts were always slightly different. After a few days, we discovered the reason was that there is a one day lag between the two dates. We still don't know the reason behind this lag.

Once this first challenge overcame, we were able to go more in depth with the comparison of the two sources. We found out the sources are quite similar, and with the proper adjustments made we were able to fully explain how the two sources were articulated together at least for 1840-1847. This finding was both bad and good. Bad because this meant this new source was not necessarily going to give us a particularly new perspective on the Banque. However, this was good because now we had a new and good alternative source to the published balance sheets. As explained above the *Situations* allowed us to fill the gaps when the *Publications* were non existent.

From 1848 onwards, I was not able to articulate as precisely as before 1848 the relation between the Publications and the Situations, and that explains why the synthetic Publications of 1870 and 1914 are not balanced. Perhaps the answer is available somewhere in the many other ledgers stored by the Banque, but it is not something I attempted to do.

This part of my work allowed me to develop a solid foundation on central bank's balance sheet analysis and more specifically the evolution of the balance sheets through times. Focusing on the balance sheet of a specific date didn't mean that I would necessarily understand better a balance sheet fifty years before or after. From 1800 to 1928 (or even 1940 as I spent some time on the second world war too), the changes in both the published and unpublished balance sheets are tremendous. Over such a long periods, the layouts and the quantity of information change a lot. The name of the items are very different. Some new items appear, some items disappear and one learns to connect together items which names have changed several times over the studied time span. Obviously, by working on the balance sheets, I improved my graph making skills on excel.

Another part of my work was to go through archival sources to try to understand more in depth features and items of the published and unpublished balance sheets (and a lot of work remains to be done with that respect). For instance archival sources were necessary to shed more light on the first appearance of the Treasury current accounts or the situation of the Banque during the World Wars. I point in my thesis the archival sources that are relevant and those sources can also be a start for researchers wanting to know more about specific topics. Archival sources were also useful to understand specific items of the *Publications* such as the item "Italian coins" from the 15th of April 1880 to the 22nd of November 1883, which is actually related to monetary policy coordination between countries of the Latin Union. In general, this showed me that a comprehensive history of the layout of the *Publications*, the *Situations* and their specific items remain to be done.

I also had the chance to go a few times to the Archives Nationales in Pierrefitte-sur-Seine, where I was looking for elements related to the parliamentary commission that studied the law for the privilège renewal in 1840.

In this part of my work, I developed the basic skills that an historian needs to master, which is archival research. I learnt how to skim the documents when I was looking for specific information, identifying quickly which documents were relevant or not to my research. Some documents require more thorough reading and those ones can be photographed, however time being a limited resource, I also had to choose which documents were to be photographed and which not,

The third part of my work was of course a lot of secondary sources reading. I took the time to have comprehensive readings of some of the major monographs of the Banque such as *La Banque supérieure. La Banque de France de 1800 à 1914* by Yves Leclercq, *Histoires de la Banque de France* by Alain Plessis and *Histoire de la Banque de France: d'après les sources originales* by Gabriel Ramon. This part of my work (as well as the other parts) allowed me to develop good

general knowledge of the French financial history especially in the 19th century and the international history articulated around it with the gold standard. I also improved my knowledge on how were functioning basic financial products of that time such as *Rentes* and bills of exchange, and how those financial products shaped economic growth and financial crises.

Vincent Bignon being part of the HMFS project at the BIS, we eventually sent over the data we collected and processed to contribute for the 1800-1839 part to their annual Banque de France's total assets database. In the end of August, I had the chance to go to the BIS in Basel and participate to the 12th biennial Irving Fischer Committee Conference on "Statistics and beyond: new data for decision making in central banks", where we presented our research results to statisticians. This was a great opportunity for me to experience an international academic event and meet other well known economic historians such as Marc Flandreau and Clemens Jobst.