

# FEDERAL RESERVE BULLETIN

AUGUST, 1928



ISSUED BY THE  
FEDERAL RESERVE BOARD  
AT WASHINGTON

*The Return to Gold*  
*Amalgamation of Currencies in Great Britain*  
*New French Currency Law*  
*Reserve Requirements of Central Banks*



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON  
1928

## FEDERAL RESERVE BOARD

---

**Ex officio members:**

A. W. MELLON,  
*Secretary of the Treasury, Chairman.*

J. W. McINTOSH,  
*Comptroller of the Currency.*

ROY A. YOUNG, *Governor.*  
EDMUND PLATT, *Vice Governor.*  
ADOLPH C. MILLER.  
CHARLES S. HAMLIN.  
GEORGE R. JAMES.  
EDWARD H. CUNNINGHAM.

WALTER L. EDDY, *Secretary.*  
J. C. NOELL, *Assistant Secretary.*  
E. M. McCLELLAND, *Assistant Secretary.*  
W. M. IMLAY, *Fiscal Agent.*  
J. F. HERSON,  
*Chief, Division of Examination, and Chief Federal Reserve Examiner.*

WALTER WYATT, *General Counsel.*  
E. A. GOLDENWEISER, *Director, Division of Research and Statistics.*  
CARL E. PARRY, *Assistant Director, Division of Research and Statistics.*  
E. L. SMEAD, *Chief, Division of Bank Operations.*

## FEDERAL ADVISORY COUNCIL

District No. 1 (BOSTON)-----	ARTHUR M. HEARD.
District No. 2 (NEW YORK)-----	JAMES S. ALEXANDER.
District No. 3 (PHILADELPHIA)-----	L. L. RUE.
District No. 4 (CLEVELAND)-----	HARRIS CREECH.
District No. 5 (RICHMOND)-----	JOHN F. BRUTON, <i>Vice President.</i>
District No. 6 (ATLANTA)-----	P. D. HOUSTON.
District No. 7 (CHICAGO)-----	FRANK O. WETMORE, <i>President.</i>
District No. 8 (ST. LOUIS)-----	W. W. SMITH.
District No. 9 (MINNEAPOLIS)-----	THEODORE WOLD.
District No. 10 (KANSAS CITY)-----	P. W. GOEBEL.
District No. 11 (DALLAS)-----	B. A. MCKINNEY.
District No. 12 (SAN FRANCISCO)-----	F. L. LIPMAN.

### OFFICERS OF FEDERAL RESERVE BANKS

Federal Reserve Bank of—	Chairman	Governor	Deputy governor	Cashier
Boston.....	Frederic H. Curtiss.....	W. P. G. Harding.....	W. W. Paddock.....	W. Willett.
New York.....	G. W. McGarrah.....	Benj. Strong.....	J. H. Case.....	J. W. Jones. <sup>1</sup>
			L. F. Sailer.....	Ray M. Gidney. <sup>1</sup>
			G. L. Harrison.....	J. E. Crane. <sup>1</sup>
			E. R. Kenzel.....	W. B. Matteson. <sup>1</sup>
			A. W. Gilbert.....	
			L. W. Rounds.....	
			Wm. H. Hatt.....	
Philadelphia.....	R. L. Austin.....	Geo. W. Norris.....		C. A. McIlhenny.
Cleveland.....	George DeCamp.....	E. R. Fancher.....	M. J. Fleming.....	W. G. McCreedy. <sup>1</sup>
Richmond.....	Wm. W. Hoxton.....	George J. Seay.....	Frank J. Zurlinden.....	H. F. Strater.
Atlanta.....	Oscar Newton.....	Eugene R. Black.....	C. A. Peple.....	Geo. H. Keesee.
Chicago.....	Wm. A. Heath.....	J. B. McDougal.....	R. H. Broaddus.....	John S. Walden, jr. <sup>1</sup>
			Hugh Foster.....	M. W. Bell.
			Creed Taylor.....	
			C. R. McKay.....	W. C. Bachman. <sup>1</sup>
			John H. Blair.....	K. C. Childs. <sup>1</sup>
				J. H. Dillard. <sup>1</sup>
				D. A. Jones. <sup>1</sup>
				O. J. Netterstrom. <sup>1</sup>
				A. H. Hall. <sup>1</sup>
				F. N. Hall. <sup>1</sup>
				S. F. Gilmore. <sup>1</sup>
				G. O. Hollocher. <sup>1</sup>
				C. A. Schacht. <sup>1</sup>
				Gray Warren.
				Frank C. Dunlop. <sup>1</sup>
St. Louis.....	Wm. McC. Martin.....	D. C. Biggs.....	O. M. Attebery.....	J. W. Helm.
Minneapolis.....	John R. Mitchell.....	W. B. Geery.....	B. V. Moore.....	Fred Harris.
Kansas City.....	M. L. McClure.....	W. J. Bailey.....	Harry Yaeger.....	W. D. Gentry. <sup>1</sup>
Dallas.....	C. C. Walsh.....	Lynn P. Talley.....	C. A. Worthington.....	Wm. M. Hale.
San Francisco.....	Isaac B. Newton.....	J. U. Calkins.....	R. R. Gilbert.....	
			R. B. Coleman.....	
			Wm. A. Day.....	
			Ira Clerk.....	

<sup>1</sup> Assistant deputy governor.

<sup>1</sup> Controller.

### MANAGING DIRECTORS OF BRANCHES OF FEDERAL RESERVE BANKS

Federal Reserve Bank of—	Managing director	Federal Reserve Bank of—	Managing director
New York:		Minneapolis	
Buffalo branch.....	W. W. Schneckenburger.	Helena branch.....	R. E. Towle.
Cleveland:		Kansas City:	
Cincinnati branch.....	C. F. McCombs.	Omaha branch.....	L. H. Earhart.
Pittsburgh branch.....	J. C. Nevin.	Denver branch.....	J. E. Olson.
Richmond:		Oklahoma City branch.....	C. E. Daniel.
Baltimore branch.....	A. H. Dudley.	Dallas:	
Charlotte branch.....	Hugh Leach.	El Paso branch.....	W. O. Ford.
Atlanta:		Houston branch.....	D. P. Reordan.
New Orleans branch.....	Marcus Walker.	San Antonio branch.....	M. Crump.
Jacksonville branch.....	W. S. McLarin, jr.	San Francisco:	
Birmingham branch.....	A. E. Walker.	Los Angeles branch.....	W. N. Ambrose.
Nashville branch.....	J. B. Fort, jr.	Portland branch.....	R. B. West.
Chicago:		Salt Lake City branch.....	W. L. Partner.
Detroit branch.....	W. R. Cation.	Seattle branch.....	C. R. Shaw.
St. Louis:		Spokane branch.....	D. L. Davis.
Louisville branch.....	W. P. Kincheloe.		
Memphis branch.....	W. H. Glasgow.		
Little Rock branch.....	A. F. Bailey.		

### SUBSCRIPTION PRICE OF BULLETIN

THE FEDERAL RESERVE BULLETIN is the board's medium of communication with member banks of the Federal reserve system and is the only official organ or periodical publication of the board. The BULLETIN will be sent to all member banks without charge. To others the subscription price, which covers the cost of paper and printing, is \$2. Single copies will be sold at 20 cents. Outside of the United States, Canada, Mexico, and the insular possessions, \$2.60; single copies, 25 cents.

## TABLE OF CONTENTS

	Page
Review of the month—The return to gold.....	541
Completion of monetary reconstruction—Forms of gold basis—Redistribution of gold—Reserve position of central banks—Stability of the exchanges—Convergence of money rates.	
Annual report of the Federal Reserve Board.....	544
Earnings and expenses of Federal reserve banks.....	611
The return to gold—Summary, by countries.....	562
Reserve requirements of central banks in foreign countries.....	563
Amalgamation of currencies in Great Britain.....	564
Text of British currency and bank notes act, 1928.....	565
New French currency law and administrative conventions.....	570
New balance sheet of the Bank of France.....	576
Annual report of the National Bank of Hungary.....	577
Annual report of the Bank of Norway.....	580
Annual report of the National Bank of Rumania.....	583
Annual report of the National Bank of Albania.....	585
National summary of business conditions.....	545
Financial, industrial, and commercial statistics:	
Reserve bank credit.....	546
Monetary gold stock and money in circulation.....	547
Discount rates and money rates.....	548
Member bank credit.....	550
Bankers' balances.....	551
Bankers' acceptances and commercial paper outstanding.....	551
Brokers' loans.....	552
Commodity prices, security prices, and security issues.....	553
Production, employment, and trade.....	554
Industrial production.....	555
Factory employment and pay rolls.....	556
Building.....	557
Trade and distribution.....	558
Bank suspensions and commercial failures.....	560
July crop report.....	561
Financial statistics for foreign countries:	
Condition of central banks.....	588
Condition of commercial banks.....	590
Discount rates of central banks.....	590
Money rates.....	591
Gold exports and imports.....	592
Foreign exchange rates.....	593
Price movements.....	594
Changes in National and State bank membership.....	597
Fiduciary powers granted to national banks.....	597
Detailed banking statistics for the United States.....	598

# FEDERAL RESERVE BULLETIN

VOL. 14

AUGUST, 1928

No. 8

## REVIEW OF THE MONTH

Reestablishment of the gold standard in France on June 25 signals the practical completion of the world's monetary reconstruction. Currencies of nearly all the principal countries now bear a definite relationship to gold, and their gold parities are in the majority of cases established by law, though in a few countries they are maintained solely as a matter of administrative practice. The return to gold has reduced the danger of wide fluctuations in foreign exchange, thus removing the obstacles to international trade arising from uncertainty of currency values, and removal of barriers against the free movement of gold has brought the money markets of the world into closer relationship; as a consequence, money rates and commodity prices, once more subject to the same influences throughout the commercial world, tend to be in closer international alignment.

### Completion of monetary reconstruction.

The return to a gold basis has taken different forms in different countries. A complete gold standard—characterized by absence of all restrictions on gold imports or exports, full redeemability of notes in any amount in gold, and unlimited obligation of the mint to purchase and sell gold at a fixed price—exists in practice only in the United States. Other countries have followed Great Britain in adopting the gold bullion standard under which the central bank is under obligation to redeem its notes only in bullion or bars of a specified minimum weight (400 ounces, worth about \$8,000, in Great Britain). This method makes for economy of gold by keeping it from domestic circulation, without placing obstacles in the way of international gold shipments. Many other countries have adopted the gold-exchange standard, which gives the central bank the

### Forms of gold basis.

option of redeeming its notes either in gold or in drafts upon gold standard countries. Under the recently accomplished monetary reform in France, the legal basis for a full gold standard has been established, but for the present the Bank of France has been given the option of paying out gold only above a certain minimum amount, which has been fixed at 215,000 francs, or \$8,400, an amount similar to the minimum established in England. A summary of the status of monetary reform in about 30 foreign countries appears elsewhere in this issue of the BULLETIN, which contains also an article on the recent amalgamation of the Treasury and Bank of England currencies in Great Britain and the text of the laws and conventions adopted in connection with the return of France to a gold basis.

That the progress of the gold standard during the past year has been accompanied by the withdrawal of a considerable volume of gold from the United States was indicated in this review for July. The following table shows gold holdings of the central banks and Governments of principal countries in mid-year, 1924-1928, and changes for the four-year period.

Redistribution of gold.

### CENTRAL GOLD HOLDINGS

[End of June figures. In millions of dollars]

Country	1924	1925	1926	1927	1928	Increase (+) or decrease (-) between 1924 and 1928
United States <sup>1</sup> .....	4,095	3,962	4,056	4,202	3,732	-363
France.....	710	711	711	2,875	1,136	+426
Great Britain.....	624	765	731	740	838	+214
Argentina.....	458	461	451	452	616	+158
Japan.....	599	586	570	544	542	-57
Spain.....	489	490	490	501	503	+14
Germany.....	110	253	355	429	496	+386
Italy.....	218	219	219	225	257	+39
Netherlands.....	214	183	172	162	175	-39
Other countries.....	1,146	1,226	1,226	1,287	1,437	+292
Total.....	8,663	8,856	8,981	9,417	9,733	+1,070

<sup>1</sup> Treasury and Federal reserve banks.  
<sup>2</sup> Partly estimated.

Growth from year to year in the total of central gold holdings represents for the most part the excess of gold production over consumption by the arts and absorption by India, but reflects also the acquisition of gold by central banks from private hoards and the release for monetary use of gold previously held as security for loans. The increase in gold holdings was particularly large between 1926 and 1927 and also between 1927 and 1928. During both of these years India was a relatively small taker of gold, and there were also considerable amounts of gold obtained from hoards and released from pledge.

The total increase in central gold reserves for the period was considerably in excess of \$1,000,000,000, and increases were shown by all the countries listed in the table with the exception of the United States, Japan, and Netherlands. If the gold withdrawn from the three countries mentioned is added to the gold derived from other sources, it appears that the central institutions outside of these three countries have increased their holdings of reserves by more than \$1,500,000,000 during the four years. Of this amount, \$426,000,000 went to France, \$384,000,000 to Germany, \$214,000,000 to Great Britain, and \$158,000,000 to Argentina. Increases in the gold stock of other countries were relatively smaller in volume, but a large number of countries not listed in the table showed an increase in gold reserves amounting to nearly \$300,000,000, of which more than \$80,000,000 went to Brazil. The United States is the only country which lost a considerable amount of gold over the period, and the proportion of central gold reserves that are held in the United States declined from about 50 per cent in 1924 to about 40 per cent in midsummer of this year. The loss of gold reserves by the United States, however, still leaves the Federal reserve banks in exceptionally strong reserve position, while the increase in the gold holdings of foreign countries increases the security of the gold standard in the world.

Changes in the reserve position of the principal central banks are indicated in the table below, which shows the reserve ratios for June, 1927, and June, 1928, and changes for the year in note and deposit liabilities and in holdings of gold and foreign exchange. In the item of foreign exchange is included not only such foreign exchange as can be counted as legal reserve, but also other foreign exchange. The table is intended to bring out the position of the central banks in respect to demands that may be made upon them for making international payments and is, therefore, indicative of the banks' positions in regard to operating reserves rather than legal reserves.

## RESERVE POSITION OF CENTRAL BANKS

Bank	Ratio of reserve material to notes and deposits (per cent)		Increase (+) or decrease (-) between June, 1927, and June, 1928 (in millions of dollars)			
	June, 1927	June, 1928	Liabilities		Reserve material	
			Notes	Deposits	Gold	Foreign exchange
Federal reserve banks.....	74.3	63.4	-76	+65	-449	-----
Bank of France.....	66.2	77.7	+308	-23	+261	+254
Bank of England.....	30.0	33.4	+30	+13	+98	-----
National Bank of Argentina.....	20.0	37.1	-----	+62	+132	+6
Bank of Japan.....	47.9	47.7	-97	+100	-----	-----
Bank of Spain.....	57.0	58.9	-10	-17	+2	-----
German Reichsbank.....	34.0	40.4	+99	-34	+67	+44
Bank of Italy.....	39.7	52.3	-90	+19	+31	+75
Bank of Netherlands.....	62.8	72.2	+18	-4	+12	+30

NOTE.—For the Federal reserve banks, which hold practically no foreign exchange, and the banks of England and Japan, whose foreign exchange holdings are not made public, ratios shown are for gold reserves alone. Figures for the Bank of France are based in part on estimates. For the National Bank of Argentina figures used for gold holdings include other cash, principally notes issued by conversion office. For the German Reichsbank the figures used for foreign exchange include only foreign exchange reported in the reserve.

Between the middle of 1927 and the middle of 1928 the reserve ratios of all of the banks included in the table, with the exception of the Federal reserve banks and the Bank of Japan, showed a considerable advance. The rise in the reserve ratios of foreign central banks has been brought about in part through the transfer of gold from the United States to other coun-

tries, and the reserve ratio of the 12 Federal reserve banks combined showed a decline from 74.3 per cent to 63.4 per cent. In the middle of 1927 the reserve ratio was higher at the Federal reserve banks than at any of the other important central banks, while at the present time higher reserve ratios are shown by the Bank of France, and the Bank of Netherlands. If the fact is taken into consideration, however, that the actual amount of monetary gold in the United States is still nearly four times as large as that in any other country—including more than \$1,400,000,000 of gold in circulation in the form of gold coin and gold certificates—it is apparent that the reserve position of the United States continues to be exceptionally strong.

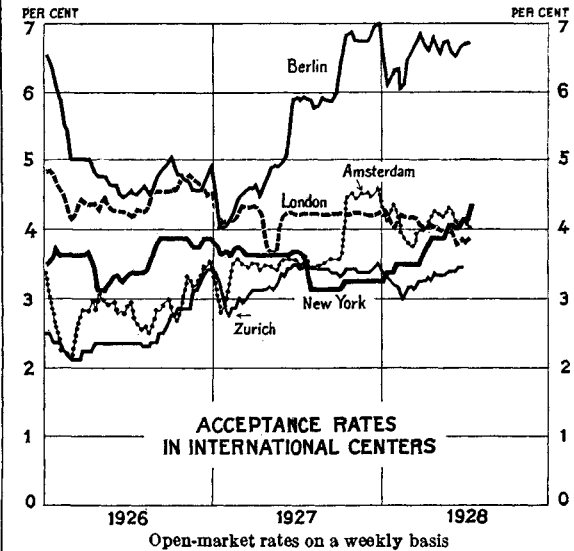
Values of the principal currencies in the international market have fluctuated within a narrow range during the past year

**Stability of the exchanges.** since, with the reestablishment of free gold markets, variations from parity in excess of the cost of shipment have resulted in actual movements of gold. Compared with the wide and rapid fluctuations in some earlier years, recent changes in exchange rates have been negligible, and exchange fluctuations are no longer one of the great hazards in international trade and a matter of daily concern to importers and exporters, but have resumed within the last year or two their normal function as regulators of national gold movements, and it is once more chiefly to central banks and to dealers in gold and in exchange that these fluctuations are of immediate importance. During the larger part of the past year the dollar has been at a discount, as compared with the British pound, the French franc, the German mark, and other important currencies. This lower level in the international value of the dollar has been due to the relatively low level of money rates in the United States and to the large volume of foreign lending by American investors, and has been the immediate occasion for the outflow of much of the gold that has left this country. The recent rise in money rates in the United States, together with changes in the European situation, following the return of France to gold, has been reflected in declines in the dollar value of

European currencies, and recently the pound and the franc have been near their par values in the New York market.

Less direct than the effect of the return to gold on exchange values has been its influence on the level of money rates in the principal international centers. The chart indicates, nevertheless, that open-market money rates in New York, London, Amsterdam, and Zurich have

**Convergence of money rates.**



been in closer alignment during the last year and a half than they have been at any other time in the post-war period. The rates in Berlin, however, are further from the general level at the present time than they were two years ago, but closer than in earlier years. The fact that German rates are not yet in close adjustment to the world level is due to special conditions in that country that have prevented Berlin from resuming its former place as an important international money market. The chart brings out the fact that at present, for the first time since 1924, with the exception of a brief period in 1925, money rates in New York are higher than in London, and that they have resumed their usual position above the levels prevailing in Zurich and Amsterdam. Easy money in the United States last year encouraged foreign borrowing in this country, and the proceeds of foreign loans by increasing the supply of dollar exchange have been a factor in the

withdrawal of gold from the United States. At the same time easy money conditions in the United States have encouraged the growth of bank credit for domestic use. Increased demand for reserves in the United States, together with gold withdrawals by foreign countries, has caused money rates in the United States to advance recently to the highest level in five years.

Freedom of gold movements and the convergence of money rates under the gold standard have also exerted an influence toward a closer adjustment of commodity prices in different countries. International price comparisons can not be made precise, owing to technical differences in the existing index numbers and the differences in economic conditions in the different countries. Nevertheless, certain tendencies in the relationship between price movements in different countries can be observed. Even prior to the restoration of the gold basis price levels in the principal commercial countries began to show less extreme divergence than had prevailed during the period of inflation and currency disorganization. In fact, restoration of currency stability in the different countries has generally taken place after the domestic value of the local currency, when expressed in gold, had been brought into approximate adjustment to the buying power of gold standard currencies. After the return to the gold basis, price movements in the different countries have tended to come into still closer general alignment with one another.

To summarize, the past 12 months have witnessed the practical completion of the world's return to the gold basis. Currencies of nearly all the principal countries of the world have resumed a definite relationship to gold, and free international gold movements have been substantially restored, though there are still certain restrictions upon gold withdrawals in many foreign countries. The return to free gold movements has reduced fluctuations of the exchanges to a range within the gold points, has brought about a closer adjustment of money rates at the principal

money markets, and has been an influence for effecting a closer interrelationship of commodity price movements as between different countries. Reestablishment of these relationships has had the important consequence, from the reserve bank point of view, of restoring the influences that under the gold standard tend to correct exceptional credit developments in any country that takes an important part in international finance and trade.

#### Annual Report of the Federal Reserve Board

The complete edition of the Annual Report of the Federal Reserve Board, covering operations for the year 1927, is now in press and is expected to appear about the end of August. It contains, in addition to the text of the report issued in March, tables relating to reserve bank credit, member and nonmember bank credit, gold stock, gold movements, money in circulation, money rates at home and abroad, and general business conditions in the United States. It also gives in full the recommendations of the Federal Advisory Council during 1927 and the regulations of the Federal Reserve Board.

Many of the tables cover a longer period than those given in earlier reports, the period 1914-1927 for the principal statistics relating to the Federal reserve banks and to member and nonmember banks. For the reporting member banks figures are given for the entire period for which they are available (1919-1927), and most of the tables relating to money rates and to industrial and commercial conditions in the United States cover the same period. The revised data relating to the monetary gold stock of the United States and to United States money in circulation, which were given for the last five years in the BULLETIN for December, 1927, are shown in the annual report back to 1914.

A larger number of tables than in previous reports show monthly averages of daily figures, or of weekly figures, and weekly averages of daily figures.

#### Advances in Discount Rates

Advances of discount rates from  $4\frac{1}{2}$  to 5 per cent on all classes of paper of all maturities were made at the following banks, effective on the dates indicated: Atlanta, July 14; Boston and St. Louis, July 19; Philadelphia, July 26; and Cleveland, August 1.



## NATIONAL SUMMARY OF BUSINESS CONDITIONS

Industrial production and the distribution of commodities in June were in smaller volume than in May, and the general level of wholesale prices, following a sharp advance in April and May, also declined. Member bank credit was in record volume early in July, and indebtedness at the reserve banks was larger than at any time in the past six years.

**Production.**—Activity of manufacturing industries declined slightly in June, and there was a decrease of about 6 per cent in the output of minerals owing to declines in the production of coal. The manufacture of iron and steel decreased in June but in July was in larger volume than a year ago. Production of flour and activity of cotton and wool mills also declined in June. Automobile production showed less than the usual seasonal decline in June, and weekly employment figures for Detroit indicate that operations of automobile plants were well maintained during July. Production of lumber, copper, and shoes, and activity of silk mills increased in June.

Contracts awarded for new building continued large in June, and total awards for the first half of the year exceeded those for any previous corresponding period. There were increases over last year in contracts for residential, industrial, public, and educational building.

The July estimates of the Department of Agriculture indicate a yield of wheat of 800,000,000 bushels, a decrease of 8 per cent from the harvested yield of 1927, and a yield of corn of 2,736,000,000 bushels, a reduction of 2 per cent. The production of oats, barley, white potatoes, and tobacco is expected to be larger than last year. The acreage of cotton in cultivation on July 1 was estimated at 46,695,000 acres, 11 per cent more than a year ago.

**Trade.**—Merchandise distribution at retail and wholesale was seasonally smaller in June than in May. Sales of department stores declined by about the usual seasonal amount, while the declines in sales of chain stores were smaller. Sales of wholesale firms in most lines of trade showed a more than usual seasonal decline. Compared with a year ago sales of department stores and chain stores were larger and those of wholesale firms were smaller. Stocks of wholesale firms were in about the same volume at the end of June as a year ago and those of department stores were smaller.

Freight-car loadings for practically all classes of commodities declined in June and continued in smaller volume than a year ago. During the first two weeks of July, however, owing to increases in loadings of grains and miscellaneous commodities, total loadings were larger than in the corresponding period of 1927 but continued below the high level of 1926.

**Prices.**—The general level of wholesale commodity prices declined in June, and the Bureau of Labor Statistics index, which had advanced from 96 per cent of the 1926 average in March, the low point for the year, to 98.6 per cent in May, declined in June to 97.6 per cent. The decline in the all-commodities index reflected decreases in those groups which had advanced most rapidly in previous months—farm products, foods, and hides and leather products. Prices of livestock and meats, which are included in these groups, however, showed further advances in June, and there was also an increase in the prices of building materials, while prices of silk, fertilizer materials, house furnishings, and automobile tires declined. During the first three weeks in July there were declines in the prices of wheat and cotton, and advances in cattle and hogs.

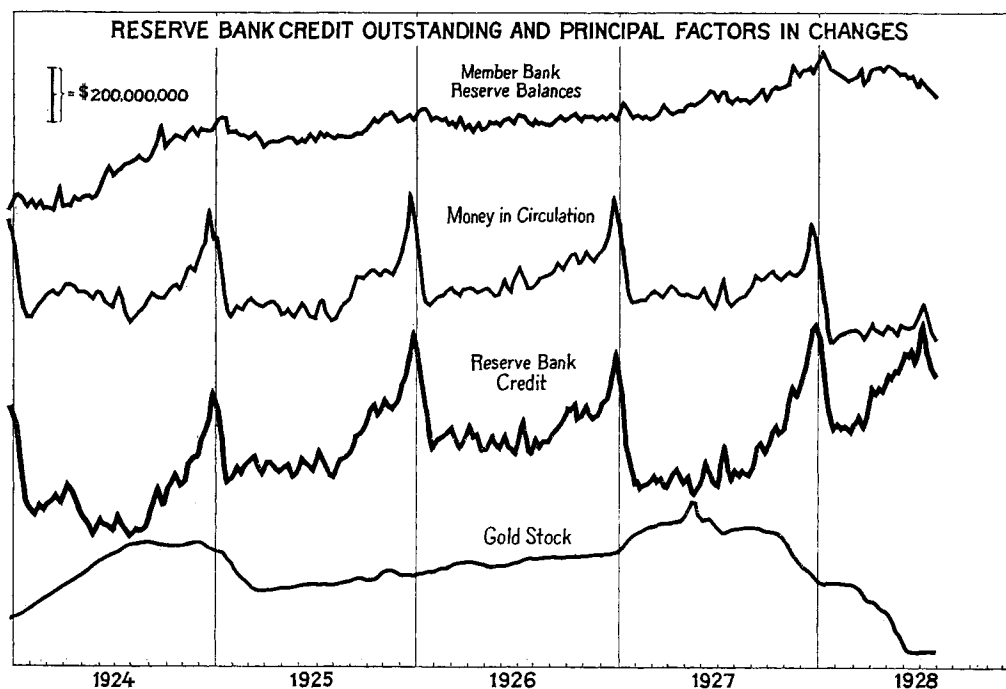
**Bank credit.**—Member bank credit, after rising to a record volume early in July, declined somewhat during the two following weeks, and on July 18 total loans and investments of reporting banks in leading cities were about \$160,000,000 smaller than four weeks earlier. The decrease was largely the result of reduction by about \$125,000,000 in the banks' investment holdings, but reflected also a decline in the volume of loans on securities following a temporary increase over the mid-year. Contrary to the usual seasonal trend, loans largely for commercial purposes were in record volume during the period.

Member bank borrowing at the reserve banks showed a decline following the mid-year settlement period, but the volume on July 25, at slightly more than \$1,000,000,000, was somewhat larger than five weeks earlier. Holdings of acceptances and United States securities declined during the period.

In July there were further advances in open market rates for commercial paper and bills, and discount rates at eight Federal reserve banks were raised from 4½ to 5 per cent.

NOTE.—Charts and tables giving figures upon the basis of which the foregoing summary was prepared are given in the following section of the Bulletin: "Financial, Industrial, and Commercial Statistics."

## RESERVE BANK CREDIT



RESERVE BANK CREDIT OUTSTANDING AND PRINCIPAL FACTORS IN CHANGES

[Averages of daily figures. In millions of dollars]

Month or week	Reserve bank credit outstanding					Changes as compared with preceding month or week			
	Total volume <sup>1</sup>	Bills and securities held by Federal reserve banks				Volume of reserve bank credit outstanding	Monetary gold stock	Money in circulation	Member bank reserve balances
		Total <sup>2</sup>	Bills discounted for member banks	Bills bought	United States securities				
1927									
January.....	1,186	1,138	481	343	310	-203	+46	-224	+25
February.....	1,043	1,006	393	304	307	-143	+49	-61	-31
March.....	1,055	1,024	425	253	345	+12	+19	+14	+28
April.....	1,087	1,039	447	248	341	+32	+7	+24	+8
May.....	1,041	1,000	473	233	291	-46	+49	-21	+14
June.....	1,081	1,033	429	205	398	+40	-44	-29	+39
July.....	1,115	1,026	454	190	351	+34	-31	+21	-12
August.....	1,093	1,022	409	173	439	-21	+10	-3	-6
September.....	1,187	1,139	422	216	501	+94	-1	+69	+17
October.....	1,254	1,213	424	282	506	+67	-18	+17	+26
November.....	1,377	1,331	415	336	579	+123	-76	+2	+47
December.....	1,568	1,513	529	378	606	+191	-74	+112	+26
1928									
January.....	1,389	1,350	465	373	512	-179	-39	-264	+27
February.....	1,264	1,237	471	360	466	-125	-4	-76	-58
March.....	1,295	1,272	513	343	415	+32	-38	+1	-3
April.....	1,405	1,371	661	358	351	+110	-48	+20	+32
May.....	1,472	1,442	836	349	257	+67	-80	-7	-9
June.....	1,531	1,495	1,019	244	232	+59	-88	-13	-33
July.....	1,531	1,488	1,090	185	213	-	-6	+10	-31
Week ending--									
July 7.....	1,662	1,610	1,183	207	220	+141	+5	+76	+43
July 14.....	1,558	1,510	1,103	190	216	-104	+4	-48	-32
July 21.....	1,480	1,435	1,045	180	209	-78	-1	-49	-28
July 28.....	1,453	1,420	1,041	171	207	-27	+1	-24	-14

<sup>1</sup> Includes total bills and securities, amounts due from foreign banks, and reserve bank float (see p. 599).<sup>2</sup> Including "other securities" and foreign loans on gold.

**MONETARY GOLD STOCK AND MONEY IN CIRCULATION**

**MONETARY GOLD STOCK OF THE UNITED STATES**

[In millions of dollars]

	1923	1924	1925	1926	1927	1928
End of month:						
January.....	3,953	4,289	4,423	4,412	4,564	4,373
February.....	3,963	4,323	4,369	4,423	4,586	4,362
March.....	3,970	4,364	4,346	4,442	4,597	4,305
April.....	3,982	4,411	4,350	4,438	4,610	4,266
May.....	4,028	4,455	4,361	4,433	4,608	4,160
June.....	4,050	4,488	4,365	4,447	4,587	4,109
July.....	4,079	4,511	4,370	4,471	4,580	1 4,113
August.....	4,111	4,521	4,383	4,473	4,588	-----
September.....	4,136	4,511	4,382	4,466	4,571	-----
October.....	4,167	4,509	4,407	4,473	4,541	-----
November.....	4,207	4,527	4,397	4,477	4,451	-----
December.....	4,244	4,499	4,399	4,492	4,379	-----
Daily average:						
January.....	3,945	4,266	4,468	4,407	4,527	4,377
February.....	3,960	4,302	4,393	4,425	4,576	4,373
March.....	3,966	4,340	4,347	4,444	4,595	4,335
April.....	3,975	4,383	4,346	4,448	4,601	4,287
May.....	3,993	4,433	4,359	4,434	4,651	4,207
June.....	4,040	4,471	4,364	4,438	4,606	4,119
July.....	4,061	4,503	4,365	4,460	4,575	1 4,113
August.....	4,097	4,516	4,374	4,467	4,585	-----
September.....	4,123	4,515	4,386	4,471	4,584	-----
October.....	4,155	4,506	4,391	4,472	4,566	-----
November.....	4,182	4,517	4,407	4,477	4,490	-----
December.....	4,226	4,507	4,397	4,481	4,416	-----

<sup>1</sup> Preliminary.

**NET IMPORTS OR NET EXPORTS (-) OF GOLD**

[In thousands of dollars]

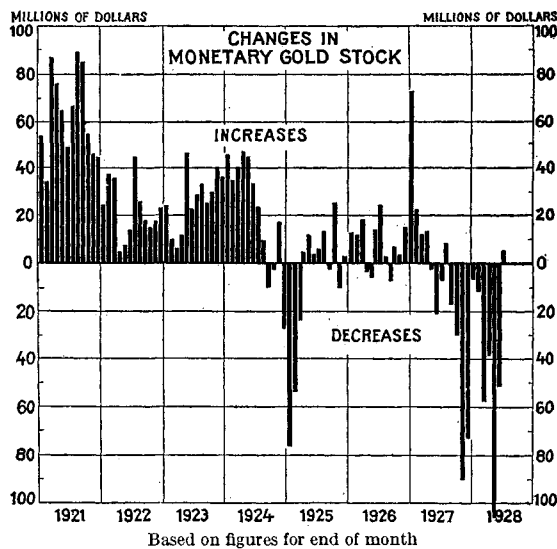
Month	1922	1923	1924	1925	1926	1927	1928
January.....	25,708	24,348	44,855	-68,488	16,264	44,465	-13,766
February.....	27,007	6,984	34,606	-46,997	21,565	19,895	-11,120
March.....	32,525	5,559	33,505	-17,768	39,188	10,757	-94,853
April.....	10,665	8,533	44,027	-12,734	-4,768	11,911	-91,150
May.....	5,587	45,332	40,481	-1,997	-6,408	31,702	-81,721
June.....	11,376	18,885	24,913	-2,287	15,544	12,771	-79,931
July.....	42,343	27,407	18,507	5,787	14,751	8,935	-64,478
August.....	18,136	30,655	15,752	2,726	-17,764	6,353	-----
September.....	23,066	26,941	2,076	-2,656	-7,094	-11,465	-----
October.....	3,275	28,488	15,577	22,702	7,701	-8,642	-----
November.....	14,877	39,010	13,173	-13,904	9,011	-53,184	-----
December.....	23,730	31,930	-29,401	1,248	9,808	-67,418	-----
Total.....	238,295	294,073	258,073	-134,367	97,796	6,080	-----

<sup>1</sup> Preliminary.

**INCREASE OR DECREASE (-) IN GOLD STOCK THROUGH CHANGES IN GOLD UNDER EARMARK FOR FOREIGN ACCOUNT**

[In thousands of dollars]

Month	1922	1923	1924	1925	1926	1927	1928
January.....		-1,629		-810	-6,043	19,487	5,500
February.....		4,329	593	-1,366	-11,000	3,189	2,868
March.....			-2,452	-6,825	-22,988	-1,502	35,800
April.....		1,000	-558	14,850		-1,000	45,740
May.....			1,000	12,725		-95,000	-26,539
June.....			2,000	5,075	-580	-500	30,053
July.....		-1,500	-2,583	-3,931	4,000	184	60,947
August.....			-7,984	8,725	19,200	-2,501	-----
September.....		500	-13,229	901	-2,400	-9,000	-----
October.....	-1,500	-2,000	-17,000	2,870	4	-25,001	-----
November.....	-200		-500	2,000	-7,498	-40,000	-----
December.....	-2,000		-1,500	-2,000	1,008	-8,500	-----
Total.....	-3,700	+700	-42,213	+32,244	-26,297	-160,153	-----



Based on figures for end of month  
**UNITED STATES MONEY IN CIRCULATION**

[In millions of dollars]

	1923	1924	1925	1926	1927	1928
End of month:						
January.....	4,614	4,777	4,802	4,841	4,846	4,677
February.....	4,708	4,887	4,853	4,904	4,885	4,690
March.....	4,747	4,899	4,818	4,860	4,862	4,749
April.....	4,759	4,853	4,789	4,907	4,891	4,748
May.....	4,797	4,905	4,841	4,923	4,893	4,744
June.....	4,823	4,849	4,815	4,885	4,851	4,797
July.....	4,878	4,756	4,795	4,909	4,846	1 4,701
August.....	4,876	4,859	4,867	4,930	4,854	-----
September.....	4,945	4,863	4,916	4,978	4,948	-----
October.....	4,929	4,942	4,969	5,021	4,946	-----
November.....	5,018	5,052	5,044	5,037	4,952	-----
December.....	5,044	5,047	5,104	5,095	5,003	-----
Daily average:						
January.....	4,679	4,847	4,863	4,891	4,903	4,785
February.....	4,672	4,832	4,807	4,854	4,843	4,709
March.....	4,713	4,870	4,821	4,864	4,856	4,710
April.....	4,731	4,886	4,809	4,882	4,880	4,730
May.....	4,764	4,866	4,797	4,871	4,860	4,722
June.....	4,779	4,830	4,794	4,881	4,831	4,736
July.....	4,812	4,810	4,798	4,916	4,851	1 4,746
August.....	4,833	4,800	4,819	4,912	4,849	-----
September.....	4,901	4,853	4,908	4,969	4,917	-----
October.....	4,941	4,891	4,945	5,001	4,934	-----
November.....	4,953	4,970	4,960	5,008	4,936	-----
December.....	5,071	5,088	5,119	5,128	5,048	-----

<sup>1</sup> Preliminary.

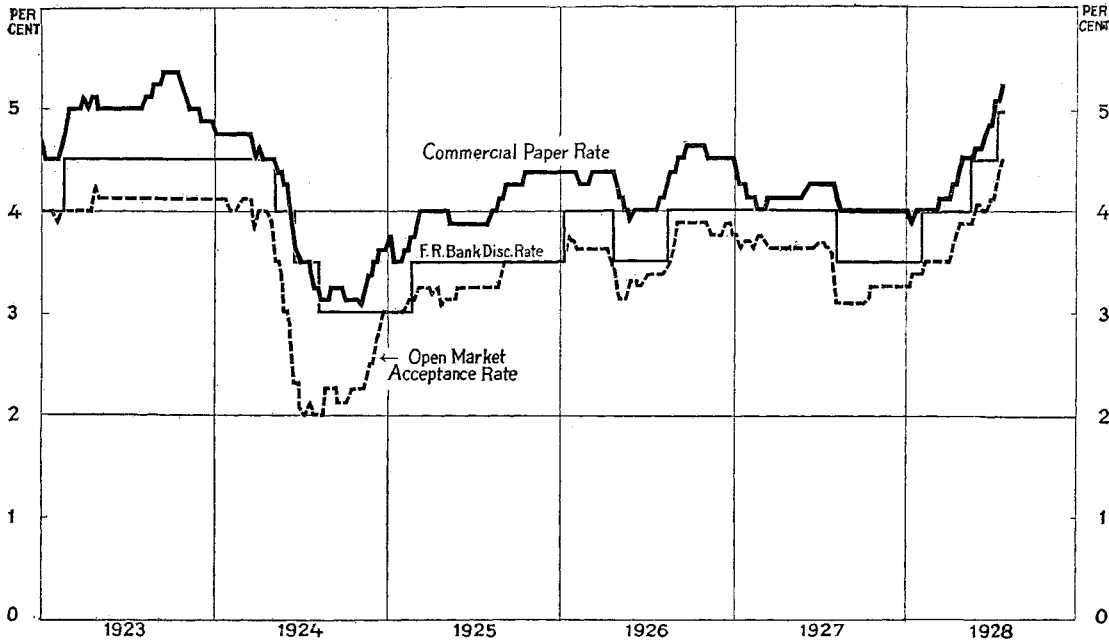
**KINDS OF MONEY IN CIRCULATION**

[In millions of dollars]

End of month	Total	Gold coin	Gold certificates	Federal reserve notes	National bank notes	U. S. notes, silver certificates, and all other money
1928—January.....	4,677	389	1,016	1,561	617	1,094
February.....	4,690	386	1,004	1,570	639	1,091
March.....	4,749	383	1,025	1,588	654	1,099
April.....	4,748	381	1,020	1,586	652	1,109
May.....	4,744	380	1,013	1,587	649	1,115
June.....	4,797	377	1,019	1,626	650	1,125
July.....	4,701	376	977	1,592	637	1,119

<sup>1</sup> Preliminary. For back figures see BULLETIN for March

MONEY RATES IN NEW YORK CITY



FEDERAL RESERVE BANK RATES

DISCOUNT RATES

[Rates on all classes and maturities of eligible paper]

Federal reserve bank	Rate in effect on Aug. 1	Date established	Previous rate
Boston.....	5	July 19, 1928.....	4½
New York.....	5	July 13, 1928.....	4½
Philadelphia.....	5	July 26, 1928.....	4½
Cleveland.....	5	Aug. 1, 1928.....	4½
Richmond.....	5	July 13, 1928.....	4½
Atlanta.....	5	July 14, 1928.....	4½
Chicago.....	5	July 11, 1928.....	4½
St. Louis.....	5	July 19, 1928.....	4½
Minneapolis.....	4½	Apr. 25, 1928.....	4
Kansas City.....	4½	June 7, 1928.....	4
Dallas.....	4½	May 7, 1928.....	4
San Francisco.....	4½	June 2, 1928.....	4

BUYING RATES ON ACCEPTANCES

[Buying rates at the Federal Reserve Bank of New York]

Maturity	Rate in effect on Aug. 1	Date established	Previous rate
1-15 days.....	4½	July 26, 1928.....	4¼
16-30 days.....	4½	do.....	4¼
31-45 days.....	4½	do.....	4¼
46-60 days.....	4½	do.....	4¼
61-90 days.....	4½	do.....	4¼
91-120 days.....	4½	do.....	4¼
121-180 days.....	5	do.....	4½

NOTE.—Rates on prime bankers' acceptances. Higher rates may be charged for other classes of bills.

OPEN-MARKET RATES

RATES IN NEW YORK CITY

Month or week	Prevailing rate on—			Average rate on—		Average yield on—	
	Prime commercial paper, 4 to 6 months	Prime bankers' acceptances, 90 days	Time loans, 90 days <sup>1</sup>	Call loans <sup>1</sup>		U. S. Treasury notes and certificates, 3 to 6 months	Treasury bonds <sup>2</sup>
				New	Renewal		
1927							
July.....	4¼	3½-3½	4½-4½	3.95	4.05	2.96	3.44
August.....	4	3½	4-4¼	3.66	3.68	2.70	3.48
September.....	4	3½	4-4¼	3.84	3.80	2.81	3.45
October.....	4	3½	4½-4½	3.85	3.90	3.08	3.43
November.....	4	3¼	4½-4¼	3.60	3.60	3.04	3.39
December.....	4	3¼	4-4¼	4.43	4.38	3.17	3.34
1928							
January.....	4	3½	4½-4½	4.15	4.24	3.31	3.35
February.....	4	3½	4½-4½	4.33	4.38	3.33	3.36
March.....	4-4¼	3½	4½-4¼	4.48	4.47	{ 3.23 }	3.30
April.....	4¼-4½	3½-3½	4½-5	5.06	5.08	3.62	3.32
May.....	4½	3½-4½	5-5½	5.69	5.70	3.90	3.35
June.....	4¾	4-4½	5½-5¾	6.21	6.32	{ 3.92 }	3.40
July.....	5-5¼	4½-4½	6	6.06	6.05	{ 3.87 }	3.50
Week ending—							
July 7.....	4¾-5	4½	5½	6.50	6.75	4.03	3.40
July 14.....	5-5¼	4½-4½	5¾-6	6.55	6.40	4.15	3.52
July 21.....	5-5¼	4½	6	5.44	5.80	4.46	3.53
July 28.....	5¼	4½-4½	6	5.50	5.50	4.33	3.53

<sup>1</sup> Stock exchange call loans; new and renewal rates.

<sup>2</sup> Stock exchange 90-day time loans.

<sup>3</sup> Issues—3¼, 4, and 4¼ per cent; yields calculated on basis of last redemption dates—1956, 1954, and 1952.

<sup>4</sup> Change of issues on which yield is computed.



MEMBER BANK CREDIT

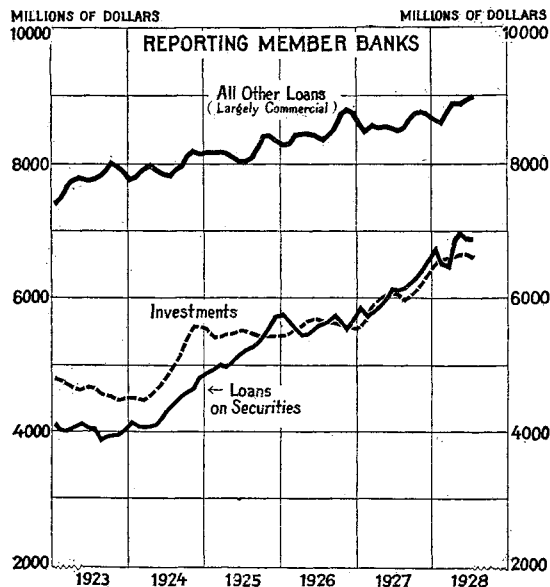
ALL MEMBER BANKS

[In millions of dollars]

Month	All member banks	Reporting member banks in leading cities				Member banks outside leading cities
		Total	New York City	Other leading cities		
				Total	Chi- cago	
<b>Borrowings at Federal reserve bank:</b>						
1927—July	434	273	59	214	12	161
August	413	256	74	182	6	157
September	417	267	90	177	8	150
October	428	283	75	208	10	145
November	421	276	73	203	11	145
December	532	388	127	261	21	143
1928—January	439	315	94	221	23	124
February	463	338	78	260	13	125
March	489	362	75	287	25	127
April	637	488	145	343	35	149
May	826	644	222	422	49	182
June	1,012	796	271	525	61	216
July	1,079	854	274	580	80	225
<b>Reserve balances:</b>						
1927—July	2,299	1,696	728	968	167	603
August	2,313	1,707	724	983	182	605
September	2,323	1,709	726	983	182	614
October	2,355	1,725	728	997	186	630
November	2,400	1,767	768	999	180	634
December	2,410	1,787	769	1,018	189	623
1928—January	2,436	1,805	781	1,024	193	631
February	2,384	1,765	754	1,011	186	620
March	2,351	1,733	738	995	181	618
April	2,411	1,789	777	1,012	182	622
May	2,395	1,778	767	1,011	187	617
June	2,364	1,747	749	998	184	617
July	2,344	1,730	730	1,000	190	614
<b>Net demand plus time deposits:</b>						
1927—July	30,816	19,593	6,257	13,336	1,864	11,405
August	30,827	19,616	6,224	13,392	1,908	11,409
September	31,119	19,723	6,228	13,495	1,914	11,567
October	31,487	19,871	6,269	13,602	1,929	11,721
November	31,759	20,217	6,485	13,732	1,939	11,823
December	32,263	20,395	6,604	13,791	1,931	11,832
1928—January	32,647	20,646	6,732	13,914	1,964	11,911
February	32,152	20,397	6,564	13,833	1,919	11,761
March	*32,165	20,375	6,547	13,828	1,923	*11,800
April	*32,650	20,686	6,727	13,959	1,944	*11,921
May	*32,735	20,760	6,759	14,001	1,995	*11,933
June	*32,613	20,484	6,589	13,895	1,991	*11,894
July	32,217	20,226	6,447	13,779	1,931	11,920
<b>Net demand deposits:</b>						
1927—July	18,555	13,340	5,265	8,075	1,260	5,355
August	18,493	13,309	5,213	8,096	1,291	5,329
September	18,667	13,374	5,224	8,150	1,301	5,437
October	18,960	13,447	5,255	8,192	1,304	5,558
November	19,180	13,734	5,430	8,304	1,317	5,650
December	19,586	13,904	5,570	8,334	1,298	5,627
1928—January	19,719	14,012	5,633	8,379	1,326	5,611
February	19,162	13,707	5,471	8,256	1,272	5,476
March	*19,106	13,611	5,467	8,144	1,262	*5,455
April	*19,391	13,849	5,607	8,242	1,255	*5,486
May	*19,315	13,794	5,566	8,228	1,281	*5,472
June	*19,170	13,488	5,379	8,109	1,266	*5,453
July	18,795	13,288	5,273	8,015	1,242	5,457
<b>Time deposits:</b>						
1927—July	12,261	6,253	992	5,261	604	5,051
August	12,334	6,307	1,010	5,297	617	5,081
September	12,452	6,349	1,004	5,345	613	5,130
October	12,527	6,424	1,015	5,409	625	5,163
November	12,579	6,483	1,055	5,428	622	5,174
December	12,677	6,491	1,034	5,457	633	5,205
1928—January	12,928	6,634	1,099	5,535	638	6,300
February	12,990	6,690	1,093	5,597	647	6,235
March	*13,059	6,764	1,080	5,684	661	*6,345
April	*13,259	6,837	1,120	5,717	689	*6,435
May	*13,420	6,966	1,193	5,773	714	*6,461
June	*13,443	6,996	1,210	5,786	725	*6,441
July	13,422	6,938	1,174	5,764	689	6,463

\*Revised.

NOTE.—All figures in this table are monthly averages of weekly figures except those for deposits of (1) all member banks, and (2) banks outside leading cities; these are for a single date in the month. See BULLETIN for December, 1927, p. 828.



REPORTING MEMBER BANKS

[Monthly averages of weekly figures. In millions of dollars]

Month	Total loans and investments	Loans		Investments
		Total	On securities	
<b>Total:</b>				
1927—July	20,687	14,621	6,116	8,504
August	20,646	14,671	6,125	8,545
September	20,951	14,917	6,221	8,696
October	21,227	15,112	6,325	8,787
November	21,462	15,198	6,410	8,787
December	21,725	15,332	6,594	8,739
1928—January	21,917	15,395	6,731	8,664
February	21,737	15,177	6,527	8,650
March	21,922	15,323	6,502	8,321
April	22,366	15,758	6,841	8,917
May	22,568	15,906	6,991	8,915
June	22,486	15,816	6,873	8,943
July	22,430	15,842	6,866	8,976
<b>New York City:</b>				
1927—July	6,602	4,720	2,281	2,439
August	6,579	4,748	2,275	2,473
September	6,705	4,911	2,313	2,598
October	6,783	5,009	2,370	2,640
November	6,954	5,115	2,465	2,651
December	6,924	5,228	2,605	2,622
1928—January	7,124	5,312	2,692	2,619
February	7,277	5,312	2,509	2,602
March	7,103	5,143	2,429	2,714
April	7,383	5,435	2,655	2,780
May	7,514	5,539	2,765	2,774
June	7,514	5,380	2,589	2,701
July	7,400	5,400	2,601	2,799
<b>Other leading cities:</b>				
1927—July	14,085	9,901	3,833	6,067
August	14,068	9,923	3,850	6,072
September	14,246	10,006	3,908	6,098
October	14,444	10,102	3,956	6,147
November	14,508	10,083	3,946	6,136
December	14,604	10,105	3,988	6,116
1928—January	14,640	10,083	4,039	6,045
February	14,634	10,066	4,018	6,043
March	14,774	10,180	4,073	6,107
April	14,983	10,323	4,186	6,137
May	15,054	10,367	4,226	6,141
June	15,087	10,436	4,284	6,152
July	15,030	10,442	4,265	6,177



**BROKERS' LOANS**

**BROKERS' BORROWINGS ON COLLATERAL, IN NEW YORK CITY, REPORTED BY THE NEW YORK STOCK EXCHANGE**  
 [Net borrowings. In millions of dollars]

Date	On demand and on time			On demand			On time		
	Total	From New York banks and trust companies	From private banks, brokers, foreign banking agencies, etc.	Total	From New York banks and trust companies	From private banks, brokers, foreign banking agencies, etc.	Total	From New York banks and trust companies	From private banks, brokers, foreign banking agencies, etc.
1926—June 30.....	2,926	2,509	417	2,225	1,852	374	701	657	43.4
July 31.....	2,998	2,583	415	2,283	1,918	365	715	665	50.2
Aug. 31.....	3,142	2,697	444	2,364	1,984	379	778	713	65.0
Sept. 30.....	3,219	2,745	474	2,419	2,021	398	800	724	75.8
Oct. 30.....	3,111	2,667	444	2,289	1,924	365	822	743	78.5
Nov. 30.....	3,129	2,636	493	2,330	1,932	397	800	704	95.9
Dec. 31.....	3,293	2,804	489	2,542	2,128	414	751	676	75.6
1927—Jan. 31.....	3,139	2,671	469	2,328	1,964	365	810	707	103.9
Feb. 28.....	3,256	2,758	499	2,475	2,085	391	781	673	108.4
Mar. 31.....	3,290	2,791	500	2,505	2,112	393	785	679	106.6
Apr. 30.....	3,341	2,865	476	2,541	2,146	395	800	719	81.4
May 31.....	3,458	2,967	490	2,674	2,254	420	784	713	70.5
June 30.....	3,569	3,065	504	2,757	2,316	441	812	749	63.5
July 30.....	3,642	3,145	497	2,765	2,343	421	877	802	75.5
Aug. 31.....	3,674	3,170	504	2,746	2,330	415	928	840	88.8
Sept. 30.....	3,915	3,340	575	3,018	2,539	479	897	801	95.8
Oct. 31.....	3,946	3,363	583	3,023	2,549	475	923	814	108.5
Nov. 30.....	4,092	3,519	573	3,134	2,675	459	958	844	113.4
Dec. 31.....	4,433	3,812	621	3,481	2,963	518	952	849	103.4
1928—Jan. 31.....	4,420	3,805	615	3,393	2,882	511	1,027	923	104.2
Feb. 29.....	4,323	3,737	585	3,294	2,807	488	1,028	931	97.7
Mar. 31.....	4,640	3,947	693	3,680	3,016	564	1,060	931	128.6
Apr. 30.....	4,908	4,246	662	3,739	3,201	537	1,169	1,045	124.2
May 31.....	5,274	4,568	707	4,070	3,455	616	1,204	1,113	90.8
June 30.....	4,898	4,169	730	3,742	3,122	619	1,157	1,046	110.3
July 31.....	4,837	4,150	687	3,768	3,183	585	1,070	967	102.5

**LOANS TO BROKERS AND DEALERS IN SECURITIES MADE BY REPORTING MEMBER BANKS IN NEW YORK CITY**  
 [In millions of dollars. Monthly data are averages of weekly figures]

Month or date	Demand and time loans				Demand loans				Time loans			
	Total	For own account	For account of out-of-town banks	For account of others	Total	For own account	For account of out-of-town banks	For account of others	Total	For own account	For account of out-of-town banks	For account of others
1926—June.....	2,517	973	944	600	1,838	613	689	536	678	359	255	63.8
July.....	2,607	960	1,000	646	1,935	605	746	584	671	355	254	62.1
August.....	2,720	948	1,073	699	2,027	610	793	624	693	337	280	75.4
September.....	2,783	974	1,128	682	2,074	656	807	611	710	318	321	71.0
October.....	2,698	866	1,106	726	1,975	549	773	653	723	317	333	72.8
November.....	2,615	819	1,048	748	1,911	520	728	663	704	298	320	85.4
December.....	2,698	887	1,045	766	2,012	596	737	679	686	291	308	87.0
1927—January.....	2,778	935	1,104	741	2,094	639	799	656	685	295	305	84.8
February.....	2,733	841	1,127	765	2,069	548	843	678	664	293	284	87.1
March.....	2,816	901	1,091	824	2,154	615	805	734	661	285	286	89.9
April.....	2,866	929	1,131	806	2,190	642	830	718	677	287	301	88.4
May.....	2,933	936	1,191	805	2,219	639	861	719	714	297	330	86.4
June.....	3,115	1,077	1,180	858	2,385	772	851	762	730	306	328	95.8
July.....	3,096	1,032	1,188	877	2,336	705	857	774	760	327	330	102.9
August.....	3,181	1,048	1,225	908	2,369	726	849	791	815	322	376	116.4
September.....	3,261	1,061	1,285	916	2,463	777	891	795	799	284	394	120.5
October.....	3,392	1,103	1,326	962	2,603	820	942	841	789	283	385	121.4
November.....	3,441	1,175	1,276	990	2,632	879	902	851	809	296	374	138.7
December.....	3,621	1,232	1,354	985	2,782	948	981	853	839	334	373	132.3
1928—January.....	3,802	1,342	1,470	990	2,938	992	1,083	863	863	350	387	126.8
February.....	3,784	1,167	1,500	1,117	2,871	820	1,084	967	813	347	416	150.0
March.....	3,761	1,064	1,450	1,247	2,861	741	1,036	1,084	900	323	414	162.9
April.....	4,062	1,193	1,617	1,252	3,122	843	1,204	1,075	940	350	413	177.3
May.....	4,414	1,272	1,628	1,514	3,368	885	1,198	1,285	1,046	386	431	229.1
June.....	*4,360	1,048	1,571	*1,741	*3,309	687	1,147	*1,475	1,051	361	424	265.9
July.....	4,232	929	1,559	1,744	3,207	614	1,155	1,438	1,025	315	404	305.9
July 3.....	4,307	1,132	1,512	1,664	3,261	800	1,088	1,373	1,025	332	424	291.1
July 11.....	4,243	942	1,569	1,732	3,201	617	1,152	1,431	1,046	324	417	300.2
July 18.....	4,194	820	1,602	1,772	3,182	512	1,211	1,459	1,042	309	391	312.2
July 25.....	4,184	824	1,552	1,809	3,185	528	1,168	1,489	999	295	384	320.1

\* Revised.



COMMODITY PRICES, SECURITY PRICES, AND SECURITY ISSUES

WHOLESALE PRICES, BY COMMODITY GROUPS

[1926=100]

Month	All commodities	Farm products	Foods	Hides and leather products	Textile products	Fuel and lighting	Metals and metal products	Building materials	Chemicals and drugs	House-furnishing goods	Miscellaneous	Nonagricultural commodities
1927—May	93.7	96.3	94.4	103.7	93.9	83.9	98.6	95.1	95.4	97.8	91.3	93.2
June	93.8	96.5	94.4	107.3	94.3	84.2	98.2	94.6	95.8	98.0	90.2	93.1
July	94.1	97.6	93.9	111.7	94.3	84.2	97.7	93.7	95.3	98.0	89.3	93.2
August	95.2	102.2	94.2	111.7	96.2	84.1	98.0	92.9	95.4	98.6	89.9	93.3
September	96.5	105.9	96.5	112.5	98.5	84.2	97.6	92.1	96.4	98.6	89.2	94.0
October	97.0	105.0	100.0	113.0	98.4	83.8	97.1	91.6	97.1	98.5	88.3	94.8
November	96.7	104.3	101.5	114.3	97.5	82.9	97.0	90.2	97.4	98.9	88.3	94.6
December	96.8	104.4	100.7	116.9	97.2	82.5	98.4	90.4	97.2	98.8	89.0	94.8
1928—January	96.3	106.1	98.5	121.0	96.7	80.8	98.1	90.8	96.3	98.6	89.0	93.7
February	96.4	104.5	98.7	124.1	96.6	81.2	98.3	91.0	95.8	98.4	87.3	94.2
March	96.0	103.5	98.0	124.0	96.5	80.8	98.4	91.0	95.6	98.3	86.8	94.0
April	97.4	107.6	99.5	126.7	96.5	80.8	98.4	92.5	95.8	97.9	84.9	94.7
May	98.6	109.8	101.2	126.3	96.6	81.8	98.6	93.5	95.3	97.8	85.1	95.6
June	97.6	106.7	100.3	123.7	96.3	82.1	98.7	93.9	94.9	97.0	82.2	95.2

<sup>1</sup> New index of Bureau of Labor Statistics.

PRICES OF FARM PRODUCTS AT THE FARM<sup>1</sup>

[August, 1909–July, 1914=100]

Month	30 commodities	Grains	Fruit and vegetables	Meat animals	Dairy and poultry products	Cotton and cottonseed	Unclassified
1927							
May	126	127	158	137	130	113	79
June	130	140	201	129	124	119	82
July	130	139	195	131	125	124	81
August	132	138	172	136	127	136	81
September	140	134	145	142	137	179	87
October	139	128	138	145	146	169	83
November	137	120	136	141	153	162	86
December	137	123	141	138	158	153	90
1928							
January	137	125	144	138	154	152	91
February	135	128	153	139	144	141	90
March	137	136	174	139	137	147	89
April	140	144	179	142	134	154	85
May	148	160	181	151	134	166	86
June	145	152	168	150	132	162	87
July	145	142	156	157	134	170	88

<sup>1</sup> Index numbers of Department of Agriculture.

DOMESTIC CAPITAL ISSUES

[In millions of dollars]

Class of issue	June, 1928		January–June			
	New	Refunding	1928		1927	
			New	Refunding	New	Refunding
Total	643.2	111.7	3,210.0	1,308.2	3,404.4	1,093.8
Corporate issues	489.5	108.6	2,416.5	1,292.8	2,538.6	983.6
Bonds and notes						
Long-term	146.1	37.1	1,196.8	923.8	1,657.6	851.4
Short-term	6.6	.3	90.4	34.3	105.5	27.0
Stocks	336.8	71.2	1,129.3	334.7	775.4	105.2
Farm-loan issues	27.1		37.1		49.8	92.8
Municipal issues	126.6	3.1	756.4	15.4	816.1	17.3
Total new and refunding	754.9		4,518.2		4,498.4	

SECURITY PRICES

Month or week	Common stocks <sup>1</sup>			Bonds: Average price of 40 issues
	197 industrial stocks <sup>2</sup>	31 railroad stocks <sup>3</sup>	Total 228 stocks	
1927—July	179.0	153.9	171.7	97.03
August	189.0	156.0	179.3	97.76
September	197.0	157.1	191.1	98.60
October	197.5	158.9	186.2	98.62
November	202.1	158.6	189.4	98.98
December	208.7	160.6	194.6	99.25
1928—January	210.4	158.2	195.2	99.35
February	207.6	153.7	191.9	99.31
March	221.0	159.0	202.9	99.20
April	236.2	164.8	215.3	99.18
May	243.9	168.1	221.8	98.79
June	231.5	159.3	210.4	97.38
July	232.0	157.1	210.1	96.56
Week ending—				
July 7	235.2	159.8	213.1	97.25
July 14	228.8	155.9	207.5	96.84
July 21	228.7	153.3	207.3	96.21
July 28	235.4	157.5	212.6	95.95

<sup>1</sup> Index numbers of Standard Statistics Co.

<sup>2</sup> A average of 1917–1921 prices=100.

<sup>3</sup> A average of yearly high and low prices, 1913–1922=100.

FOREIGN CAPITAL ISSUES

[In millions of dollars]

Class of issue	June, 1928		January–June			
	Government	Corporate	1928		1927	
			Government	Corporate	Government	Corporate
Total	80.8	165.1	614.9	408.3	515.8	278.1
New issues	69.1	116.1	506.1	312.4	454.3	241.8
Europe	41.0	33.1	266.0	164.5	159.2	77.0
Canada and Newfoundland		20.0	20.8	60.2	85.5	39.1
Latin America	20.2	12.0	150.8	17.8	130.1	61.1
United States insular possessions	7.9		12.1		4.7	4.6
Miscellaneous		51.0	56.5	69.9	74.8	60.0
Refunding issues	11.7	49.0	108.7	95.9	61.5	36.2
Total Government and corporate	246.0		1,023.1		793.9	

### PRODUCTION, EMPLOYMENT, AND TRADE

[Index numbers of the Federal Reserve Board]

Year and month	Industrial production <sup>1</sup>	Production of manufactures <sup>1</sup>	Production of minerals <sup>1</sup>	Factory employment	Factory pay rolls	Building contracts awarded <sup>1</sup>		Freight car loadings <sup>1</sup>	Wholesale distribution		Department-store sales <sup>1</sup>		Department-store stocks <sup>1</sup>	
						Unad-justed	Ad-justed		Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed
						Mo. av. 1923-1925=100								
<b>ANNUAL INDEX</b>														
1919	83	84	77	100	100	64		84	110		78		79	
1920	87	87	89	103	124	63		91	114		94		105	
1921	67	67	70	82	84	57		79	87		87		89	
1922	85	87	74	90	89	81		86	89		88		88	
1923	101	101	105	104	113	84		100	101		101		98	
1924	95	94	96	95	104	95		98	98		99		101	
1925	104	105	99	95	107	122		103	101		103		103	
1926	108	108	107	98	109	129		107	98		106		103	
1927	106	106	107	92	105	128		103	95		106		102	
<b>MONTHLY INDEX</b>														
<b>1924</b>														
January	100	99	102	100	108	76	101	99	94	103	87	99	90	101
February	102	102	104	101	114	78	101	103	98	102	82	101	87	102
March	100	101	99	101	113	109	99	99	102	94	91	99	105	102
April	95	95	92	99	111	121	96	98	96	99	104	99	107	103
May	89	88	93	96	105	108	95	97	87	95	100	97	104	102
June	85	84	92	93	100	101	91	92	82	91	94	100	97	100
July	83	82	92	89	92	87	84	92	86	93	72	96	93	100
August	89	88	92	89	96	89	85	95	105	95	74	95	96	100
September	94	93	97	91	99	87	90	99	118	101	93	100	105	101
October	94	95	89	93	103	103	100	99	118	99	111	95	111	101
November	97	97	96	92	101	95	103	99	97	99	111	101	113	100
December	101	101	100	94	106	83	94	100	88	101	168	100	94	100
<b>1925</b>														
January	105	106	104	94	103	75	101	103	93	102	86	98	90	102
February	105	106	100	96	109	76	104	103	97	101	80	103	96	101
March	104	106	96	96	110	120	107	100	109	100	95	103	104	101
April	103	103	98	96	107	138	112	104	98	100	106	102	106	101
May	103	103	104	95	107	124	115	105	90	99	100	101	102	100
June	102	102	101	94	105	137	125	101	91	100	99	100	97	100
July	103	103	104	93	102	133	128	101	94	102	75	100	94	101
August	103	102	108	94	105	149	135	105	113	101	78	101	98	102
September	102	104	90	95	104	138	135	102	117	100	95	102	106	102
October	105	107	91	97	111	129	129	100	124	105	129	110	111	101
November	106	109	94	97	112	116	127	104	99	100	114	104	115	102
December	108	110	93	97	112	129	138	105	89	98	178	106	97	103
<b>1926</b>														
January	106	109	92	96	107	111	146	102	94	102	89	106	93	105
February	107	108	96	97	112	106	145	104	97	101	81	104	98	103
March	107	108	106	97	113	146	128	105	107	100	102	101	107	104
April	107	107	106	96	110	139	120	107	94	97	103	103	107	103
May	106	107	104	96	109	134	125	108	91	99	107	107	103	101
June	107	107	106	95	109	133	125	109	91	99	101	102	98	101
July	107	107	107	93	104	126	124	108	91	97	78	104	94	101
August	111	111	109	94	108	148	131	108	107	97	83	107	97	101
September	112	112	111	96	108	137	130	109	117	100	101	109	107	103
October	111	110	115	96	112	126	126	109	111	94	124	110	114	103
November	108	106	118	95	109	119	130	108	97	98	121	106	117	104
December	105	103	119	94	108	131	136	106	84	95	184	110	96	102
<b>1927</b>														
January	107	105	116	92	102	94	123	105	86	94	89	106	92	103
February	109	107	118	94	109	96	131	109	91	95	83	107	97	102
March	111	110	118	94	110	151	131	109	103	96	100	105	106	103
April	108	109	104	93	108	147	128	108	90	98	111	105	106	102
May	111	111	108	93	108	135	126	107	88	95	102	103	103	101
June	108	108	104	92	106	154	144	104	87	93	101	104	97	100
July	106	106	100	91	101	130	128	101	88	95	75	103	94	101
August	107	107	106	91	104	135	119	104	111	100	89	111	97	101
September	105	105	105	92	104	127	121	104	112	96	100	109	107	103
October	103	102	105	92	105	137	137	101	106	91	119	105	113	103
November	99	98	101	90	101	114	125	96	93	95	122	107	116	103
December	99	99	103	89	102	116	121	94	82	93	186	111	96	102
<b>1928</b>														
January	106	106	103	88	98	104	137	100	87	94	88	105	91	103
February	109	110	103	89	104	113	155	102	93	97	85	105	96	101
March	109	110	105	90	105	144	125	103	99	93	103	105	103	100
April	109	110	103	89	103	157	136	104	86	89	102	103	104	100
May	109	110	105	89	104	163	152	106	89	96	107	104	101	99
June	108	99	99	90	104	158	148	102	84	89	103	105	95	98

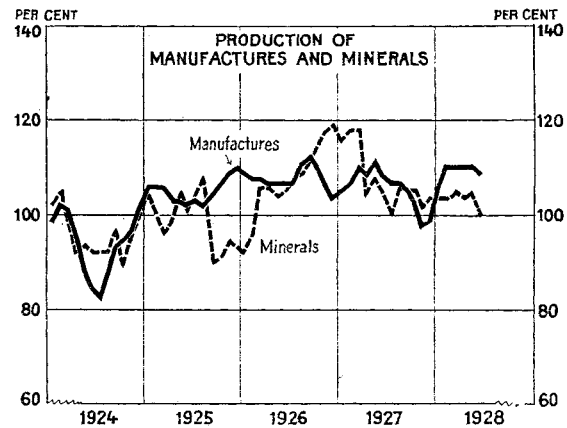
<sup>1</sup> The indexes of production and car loadings are adjusted to allow for seasonal variation; the indexes of building contracts, wholesale distribution, and department-store sales and stocks are shown both with and without seasonal adjustments.

## INDUSTRIAL PRODUCTION

## INDEX OF INDUSTRIAL PRODUCTION

[Index numbers, adjusted for seasonal variations.  
1923-1925 average=100]

Month	1922	1923	1924	1925	1926	1927	1928
January.....	73	100	100	105	106	107	106
February.....	76	100	102	105	107	109	109
March.....	80	103	100	104	107	111	109
April.....	77	107	95	103	107	108	109
May.....	81	107	89	103	106	111	109
June.....	86	105	85	102	107	108	108
July.....	86	103	83	103	107	106	-----
August.....	84	102	89	103	111	107	-----
September.....	88	100	94	102	112	105	-----
October.....	94	99	94	105	111	103	-----
November.....	97	97	97	106	108	99	-----
December.....	100	96	101	108	105	99	-----
Annual index.....	85	101	95	104	108	106	-----



## INDEX OF PRODUCTION OF MANUFACTURES, BY GROUPS

Year and month	Total	Iron and steel	Textiles	Food products	Paper and printing	Lumber	Auto-mobiles	Leather and shoes	Cement, brick, and glass	Non-ferrous metals	Petroleum refining	Rubber tires	Tobacco manufactures
1927													
March.....	110	115	114	99	113	91	106	98	119	103	135	123	116
April.....	109	116	112	98	114	88	106	98	109	112	134	131	122
May.....	111	116	116	103	112	95	103	100	108	111	132	127	122
June.....	108	105	121	102	112	93	95	105	109	108	134	131	116
July.....	106	103	118	96	114	95	84	113	111	106	136	124	109
August.....	107	102	119	97	112	95	89	112	115	108	136	119	119
September.....	105	98	118	93	113	99	81	113	113	107	139	113	123
October.....	102	94	113	94	111	94	70	108	108	106	142	116	121
November.....	98	88	112	94	110	96	47	97	107	106	140	117	122
December.....	99	93	105	95	112	93	53	96	105	111	137	110	112
1928													
January.....	106	110	106	102	116	91	92	99	111	101	135	124	118
February.....	110	115	107	110	117	92	103	102	115	109	139	139	118
March.....	110	114	106	105	118	94	114	101	109	107	141	135	119
April.....	110	125	101	97	119	97	110	96	108	110	147	131	119
May.....	110	117	107	96	121	91	108	95	113	111	150	134	120
June.....	109	112	105	93	117	92	119	104	112	115	153	148	-----

## INDEX OF PRODUCTION OF MINERALS, BY PRODUCTS

Year and month	Total	Bituminous coal	Anthracite coal	Crude petroleum	Iron-ore shipments	Copper	Zinc	Lead	Silver
1927									
March.....	118	131	88	123	-----	100	114	115	90
April.....	104	87	108	119	-----	106	110	120	90
May.....	108	94	117	120	120	107	108	113	90
June.....	104	91	102	120	101	105	114	112	93
July.....	100	87	75	124	99	101	109	116	94
August.....	106	92	107	123	99	101	114	112	94
September.....	105	92	100	124	87	104	111	111	90
October.....	105	90	107	124	95	102	110	105	91
November.....	101	85	106	124	49	106	107	110	100
December.....	103	87	92	124	-----	105	109	109	96
1928									
January.....	103	92	88	121	-----	102	104	103	93
February.....	103	94	88	119	-----	104	107	109	83
March.....	105	99	79	121	-----	102	112	109	94
April.....	103	87	109	119	-----	103	114	100	89
May.....	105	93	114	119	80	110	113	100	88
June.....	99	89	74	117	107	110	117	99	94

\* Revised.

NOTE.—These tables contain, for certain months, index numbers of industrial production, together with group indexes for important components. The combined index of industrial production is computed from figures for 60 statistical series, 52 of manufactures, and 8 of minerals. Adjustments have been made in the different industries for the varying number of working days in each month and for customary seasonal variations, and the individual products and industries have been weighted in accordance with their relative importance. The sources of data and methods of construction were described and monthly indexes for the above groups were published in the BULLETIN for February and March, 1927.

PRODUCTION OF MANUFACTURES, BY INDIVIDUAL LINES

	June, 1928	May, 1928	June, 1927		June, 1928	May, 1928	June, 1927
<b>Iron and steel:</b>				<b>Leather and products:</b>			
Pig iron.....	106	106	106	Leather, tanning—			
Steel ingots.....	113	118	105	Sole leather <sup>1</sup> .....	104	101	96
<b>Textiles:</b>				Upper leather—			
Cotton consumption.....	107	108	136	Cattle.....	85	70	94
Wool—				Calf and kip.....	91	94	95
Consumption.....	97	99	104	Goat and kid.....	140	117	127
Machinery activity <sup>1</sup> .....	79	82	84	Boots and shoes.....	104	95	107
Carpet and rug loom activity <sup>1</sup> .....	85	89	87	<b>Stone, clay, and glass:</b>			
Silk—				Cement.....	122	119	120
Deliveries.....	151	134	133	Brick—			
Loom activity <sup>1</sup> .....	123	115	107	Face brick.....	104	97	113
<b>Food products:</b>				Plate glass.....	107	116	103
Slaughtering and meat packing—				<b>Nonferrous metals:</b>			
Hogs.....	95	97	99	Copper.....	120	115	106
Cattle.....	93	94	105	Lead.....	90	100	113
Calves.....	91	100	98	Zinc.....	117	113	114
Sheep.....	113	105	103	Tin <sup>1</sup> .....	106	106	101
Flour.....	94	107	98	<b>Chemicals and allied products:</b>			
Sugar meltings.....	87	78	108	Petroleum refining—			
<b>Paper and printing:</b>				Gasoline <sup>1</sup> .....	172	167	149
Wood pulp and paper—				Kerosene.....	108	111	96
Newsprint.....	93	95	98	Fuel oil <sup>1</sup> .....	134	130	119
Book paper.....	120	126	109	Lubricating oil <sup>1</sup> .....	130	129	111
Fine paper.....	113	117	112	Coke production—			
Wrapping paper.....	106	115	105	By-products.....	134	*133	122
Paper board.....	123	136	113	Beehive.....	34	38	66
Wood pulp, mechanical.....	90	85	88	<b>Rubber tires and tubes:</b>			
Wood pulp, chemical.....	110	113	109	Tires, pneumatic.....	151	136	134
Paper boxes.....	148	*131	123	Inner tubes.....	121	117	108
Newsprint consumption.....	126	127	125	<b>Tobacco products:</b>			
<b>Lumber:</b>				Cigars.....			98
Lumber, cut.....	90	89	92	Cigarettes.....			142
Flooring.....	108	112	109	Manufactured tobacco and snuff.....			92
<b>Transportation equipment:</b>							
Automobiles.....	119	108	95				
Locomotives.....		28	47				
Shipbuilding.....		56	175				

<sup>1</sup> Without seasonal adjustment.

\* Revised.

FACTORY EMPLOYMENT AND PAY ROLLS

[Index numbers without seasonal adjustment. Monthly average, 1919=100]

Month	Total	Metals and products		Textiles and products			Lumber and products	Railroad vehicles	Automobiles	Paper and printing	Foods and products	Leather and products	Stone, clay, and glass	Tobacco products	Chemicals and products
		Group	Iron and steel	Group	Fabrics	Products									
<b>Employment:</b>															
May.....	92.6	88.7	88.4	93.6	96.5	89.9	91.6	78.5	123.7	107.3	83.7	82.6	124.0	78.2	75.3
June.....	92.4	87.8	87.5	93.1	96.3	88.9	91.8	78.9	117.2	106.9	87.6	82.2	124.2	80.3	75.9
July.....	90.7	85.7	85.4	91.0	94.8	86.2	91.2	78.2	109.9	106.3	86.7	85.3	119.5	80.3	75.0
August.....	91.2	85.4	85.0	92.3	95.6	88.2	92.4	76.7	114.3	106.9	85.8	88.2	120.2	74.4	75.3
September.....	91.9	85.1	84.7	93.9	96.5	90.5	93.0	76.1	111.0	107.8	88.7	88.5	119.3	83.5	76.9
October.....	91.7	84.4	84.0	94.5	97.0	91.4	92.4	75.5	109.9	108.6	89.2	86.5	116.2	85.3	77.8
November.....	90.1	82.8	82.3	94.2	97.2	90.3	91.2	73.4	100.7	109.7	87.7	81.5	114.7	84.6	78.5
December.....	89.0	81.8	81.4	93.6	96.4	89.9	88.0	72.0	105.0	110.1	86.7	79.8	109.0	80.3	77.2
1928—January.....	87.9	80.9	80.7	92.9	95.1	89.9	84.5	70.5	114.0	108.6	83.8	83.2	101.6	73.8	75.1
February.....	89.4	83.1	82.7	93.8	95.1	92.3	84.7	70.4	124.8	108.1	84.8	84.6	101.9	77.1	77.2
March.....	89.9	84.5	84.0	92.9	93.6	92.0	85.7	71.3	130.2	107.0	84.4	84.1	105.7	77.9	76.9
April.....	89.3	84.8	84.2	90.0	91.0	88.7	86.8	72.0	133.6	105.9	82.8	79.8	109.1	76.0	76.7
May.....	89.4	85.5	84.9	87.8	88.9	86.3	86.7	72.5	141.2	106.3	83.0	77.7	113.8	76.8	74.5
June.....	89.6	85.5	85.0	87.4	88.6	85.9	87.4	72.7	141.1	106.1	84.2	77.6	114.9	77.5	75.1
<b>Pay rolls:</b>															
May.....	108.1	96.8	96.2	103.3	107.6	98.1	105.3	89.8	158.7	150.3	100.7	84.4	157.6	83.6	107.0
June.....	105.8	95.2	94.7	102.8	107.0	97.6	104.8	87.9	131.4	148.2	104.6	85.1	154.5	86.7	109.1
July.....	101.1	87.4	86.7	99.1	102.8	94.6	101.1	83.0	125.2	145.4	103.1	90.2	143.7	85.7	103.6
August.....	104.4	90.4	89.8	102.7	105.8	98.9	105.8	85.4	136.3	147.2	101.7	97.5	149.0	79.7	105.2
September.....	103.8	87.9	87.3	104.8	107.3	101.9	107.3	81.3	128.7	148.9	104.4	95.2	145.7	90.5	105.7
October.....	105.1	88.9	88.2	106.9	108.9	104.3	109.1	83.6	133.6	151.0	104.8	88.5	145.0	91.3	110.0
November.....	101.0	86.0	85.2	101.6	104.5	98.1	106.3	82.2	117.6	149.0	103.0	76.8	140.8	90.5	109.7
December.....	101.8	87.6	86.6	103.6	106.1	100.6	102.5	80.2	127.8	152.7	102.2	77.8	133.6	87.0	112.4
1928—January.....	97.7	84.8	84.1	100.2	100.3	100.0	91.2	75.1	127.2	148.8	99.0	83.5	122.1	78.1	106.3
February.....	103.5	92.1	91.2	103.5	102.4	104.8	95.4	78.2	160.0	147.5	100.8	88.9	123.8	78.1	109.3
March.....	104.9	94.1	93.3	101.9	100.3	103.9	97.8	80.4	168.9	147.7	100.4	87.5	128.7	79.4	110.2
April.....	102.7	93.1	92.2	94.7	95.5	93.8	98.0	81.2	171.8	146.7	96.5	75.3	134.6	73.8	108.8
May.....	103.8	95.3	94.3	93.4	95.3	91.1	98.6	80.7	178.8	146.7	99.0	72.7	140.9	77.3	106.6
June.....	103.5	94.5	93.7	93.5	94.2	92.6	99.4	81.3	169.5	146.7	101.3	76.3	141.3	82.5	106.1

NOTE.—This table contains for certain months general index numbers of employment and pay rolls, together with group indexes for important industrial components. The general index is a weighted average of relatives for 34 individual industries. The method of construction was described in detail and indexes for the above groups since January, 1919, were published in the BULLETIN for May, 1925. See also p. 668 of BULLETIN for September, 1925, for certain revisions.

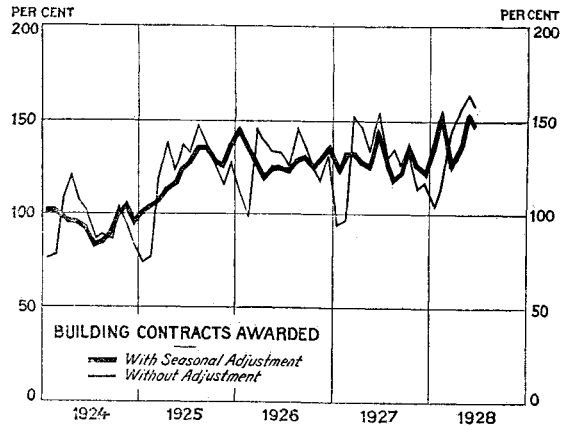
**BUILDING**

**BUILDING CONTRACTS AWARDED**

[Index numbers based on value of contracts. Monthly average, 1923-1925=100]

Month	Without seasonal adjustment				With seasonal adjustment			
	1925	1926	1927	1928	1925	1926	1927	1928
January.....	75	111	94	104	101	146	123	137
February.....	76	106	96	113	104	145	131	155
March.....	120	146	151	144	107	128	131	125
April.....	138	139	147	157	112	120	128	136
May.....	124	134	135	163	115	125	126	152
June.....	137	133	154	*158	125	125	144	*148
July.....	133	126	130	142	128	124	128	140
August.....	149	148	135	-----	135	131	119	-----
September.....	138	137	127	-----	135	130	121	-----
October.....	129	126	137	-----	129	126	137	-----
November.....	116	119	114	-----	127	130	125	-----
December.....	129	131	116	-----	138	136	121	-----

\*Revised.



**BUILDING CONTRACTS AWARDED, BY FEDERAL RESERVE DISTRICTS**

[Value of contracts in thousands of dollars]

Month	Total	Federal Reserve District										
		Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas
1927												
June.....	632,478	33,569	177,235	54,644	64,011	35,502	31,188	140,608	44,171	11,712	17,598	22,240
July.....	534,390	29,658	158,435	33,982	57,465	34,241	28,093	107,480	32,205	13,111	17,203	22,517
August.....	552,488	37,461	144,049	53,519	62,447	31,813	28,176	109,646	34,134	12,371	19,061	19,811
September.....	521,611	32,863	107,448	40,174	65,235	57,464	30,917	106,296	32,573	8,033	22,253	18,350
October.....	562,816	27,486	169,299	34,211	49,315	29,553	26,023	141,523	41,405	9,305	19,317	15,379
November.....	466,393	40,070	132,481	30,138	39,136	24,811	39,151	84,182	27,793	7,138	16,516	24,977
December.....	477,364	29,407	130,346	28,634	35,275	37,285	24,816	126,841	33,352	4,473	12,316	14,619
1928												
January.....	427,169	33,410	133,271	35,765	26,403	27,607	27,696	77,806	29,187	4,428	13,318	18,278
February.....	465,331	21,826	140,227	34,980	37,841	22,301	23,376	108,789	35,294	3,968	13,793	22,936
March.....	592,567	39,694	155,154	46,317	66,821	42,061	29,826	108,093	40,626	8,339	33,174	22,463
April.....	643,137	42,957	154,369	60,982	70,184	66,591	24,371	128,643	43,818	10,249	20,658	20,315
May.....	668,097	56,097	188,687	49,743	63,813	39,421	32,497	139,784	36,360	13,178	20,199	28,318
June.....	650,466	38,519	178,448	48,698	69,605	46,227	28,600	128,607	44,225	11,042	28,070	28,426

**BUILDING CONTRACTS AWARDED, BY TYPES OF BUILDING**

[Value of contracts in thousands of dollars]

Month	Resi-dential	Indus-trial	Com-mercial	Public works and public utilities	Educa-tional	All other
1927						
June.....	239,814	33,879	88,122	151,399	42,122	77,142
July.....	186,935	30,303	83,010	143,916	36,434	53,792
August.....	209,456	41,039	76,915	119,741	41,035	64,302
September.....	202,877	48,546	59,617	126,230	29,244	55,097
October.....	243,562	50,712	79,720	108,210	30,170	50,442
November.....	214,963	52,890	43,521	76,089	31,741	47,189
December.....	207,281	29,989	86,933	92,657	23,248	37,256
1928						
January.....	193,189	37,970	68,852	72,039	23,369	31,750
February.....	238,985	34,881	57,695	59,980	18,651	55,139
March.....	275,192	48,804	73,075	110,338	33,881	51,277
April.....	276,586	85,093	82,758	117,401	32,885	48,413
May.....	288,826	37,146	91,200	150,223	47,951	52,851
June.....	258,084	63,537	93,942	130,852	46,135	57,917

**BUILDING PERMITS ISSUED, BY FEDERAL RESERVE DISTRICTS**

[Value of permits in thousands of dollars]

Federal reserve district	Number of cities	June, 1928	May, 1928	June, 1927
United States.....	168	302,087	306,441	293,476
Boston.....	14	10,159	9,519	12,574
New York.....	22	116,637	107,723	101,388
Philadelphia.....	14	21,160	18,995	20,816
Cleveland.....	12	25,760	22,427	18,964
Richmond.....	15	11,479	12,054	13,953
Atlanta.....	15	7,370	13,589	7,762
Chicago.....	19	49,454	66,031	62,879
St. Louis.....	5	8,411	8,327	6,916
Minneapolis.....	9	4,012	4,844	4,938
Kansas City.....	14	9,435	9,565	8,866
Dallas.....	9	6,357	8,753	6,697
San Francisco.....	20	31,852	24,614	27,723

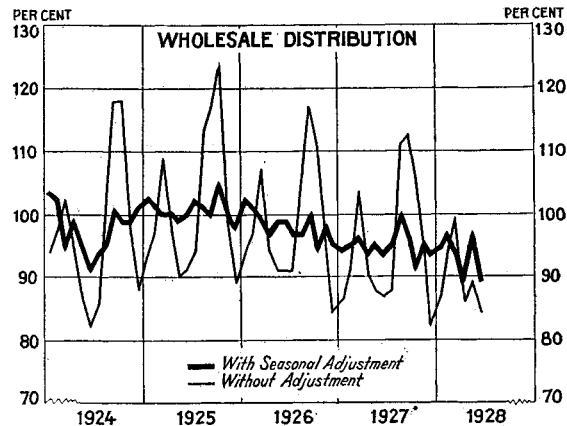
NOTE.—Figures for building contracts awarded are for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Adjusted indexes by months from 1910 to date given in the BULLETIN for August, 1927, p. 562.

TRADE AND DISTRIBUTION

FREIGHT-CAR LOADINGS, BY LINES

[Index numbers, adjusted for seasonal variations, 1923-1925=100]

Month	Total	Grain and grain products	Livestock	Coal	Forest products	Merchandise i. c. l. and miscellaneous
1927—June.....	104	105	93	96	91	108
July.....	101	97	89	89	94	107
August.....	104	98	91	102	95	109
September.....	104	108	87	102	95	108
October.....	101	106	94	94	93	106
November.....	96	94	87	91	87	102
December.....	94	94	82	93	82	99
1928—January.....	100	102	91	94	90	106
February.....	102	108	101	96	93	106
March.....	103	116	96	96	89	108
April.....	104	109	89	99	85	108
May.....	106	102	88	101	90	110
June.....	102	89	86	90	88	107



For description and early figures see p. 562 of August, 1927, BULLETIN.

INDEX OF WHOLESALE DISTRIBUTION—NINE LINES OF TRADE

[1923-1925 average=100]

Month	Sales with seasonal adjustment						Sales without seasonal adjustment					
	1923	1924	1925	1926	1927	1928	1923	1924	1925	1926	1927	1928
January.....	102	103	102	102	94	94	93	94	93	94	86	87
February.....	100	102	101	101	95	97	96	98	97	97	91	93
March.....	104	94	100	100	96	93	114	102	109	107	103	99
April.....	100	99	100	97	93	89	97	96	98	94	90	86
May.....	103	95	99	99	95	96	94	87	90	91	88	89
June.....	102	91	100	99	93	89	92	82	91	91	87	84
July.....	101	93	102	97	95	-----	92	86	94	91	88	-----
August.....	103	95	101	97	100	-----	115	105	113	107	111	-----
September.....	99	101	100	100	96	-----	115	118	117	117	112	-----
October.....	103	99	105	94	91	-----	123	118	124	111	106	-----
November.....	100	99	100	98	95	-----	100	97	99	97	93	-----
December.....	95	101	98	95	93	-----	82	88	89	84	82	-----
Annual average.....	-----	-----	-----	-----	-----	-----	101	98	101	98	95	-----

SALES IN INDIVIDUAL LINES OF WHOLESALE TRADE

Month	With seasonal adjustment									Without seasonal adjustment								
	Groceries	Meats	Dry goods	Men's clothing	Women's clothing	Boots and shoes	Hardware	Drugs	Furniture	Groceries	Meats	Dry goods	Men's clothing	Women's clothing	Boots and shoes	Hardware	Drugs	Furniture
1927																		
June.....	98	104	88	90	65	90	92	106	102	101	106	78	46	28	85	96	99	90
July.....	91	102	88	90	79	134	92	105	102	92	104	81	78	43	107	90	100	84
August.....	97	109	102	101	72	111	97	112	109	97	111	125	165	98	122	98	110	111
September.....	94	109	91	92	66	104	99	114	103	102	117	113	140	95	127	106	122	117
October.....	90	109	86	81	54	91	94	111	99	102	122	99	101	87	114	105	128	118
November.....	94	105	89	86	67	105	100	112	100	100	101	88	61	45	110	98	113	105
December.....	92	109	87	93	61	101	97	106	89	90	103	70	48	39	82	90	99	83
1928																		
January.....	93	106	89	99	70	114	92	108	89	85	106	85	76	65	94	82	106	78
February.....	98	113	88	99	70	109	93	109	96	85	108	89	128	88	87	82	101	96
March.....	97	109	83	94	55	96	91	109	95	95	105	87	131	89	110	95	120	107
April.....	93	112	78	77	57	93	87	110	87	88	105	70	75	53	99	89	112	88
May.....	99	109	87	96	62	113	94	116	92	96	109	75	57	35	114	97	109	87
June.....	94	112	79	76	49	81	91	109	95	97	114	71	39	21	76	95	103	83

NOTE.—The basic data used and the methods of construction of the index of wholesale distribution were described and monthly indexes from January, 1919, to October, 1927, were published in the BULLETIN for December, 1927, pp. 817-828. Indexes of sales of furniture revised in May, 1928.

DEPARTMENT STORES: SALES AND STOCKS, BY FEDERAL RESERVE DISTRICTS

[Index numbers. Monthly average 1923-1925=100]

Month	United States	Federal Reserve District											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City <sup>1</sup>	Dallas	San Francisco
<b>Sales (unadjusted):</b>													
1927—February	83	78	85	78	82	78	88	90	83	76	76	86	85
March	100	97	99	94	98	99	108	108	98	92	89	97	109
April	111	111	112	103	116	110	109	117	108	104	98	109	115
May	102	100	102	94	105	103	108	108	96	91	88	112	107
June	101	110	109	97	99	100	99	107	93	91	86	95	95
1928—February	85	78	89	72	85	82	91	94	85	72	77	88	92
March	103	96	102	95	101	105	110	115	105	91	93	109	110
April	102	99	103	90	101	99	102	113	99	82	93	102	114
May	107	101	109	94	106	106	114	122	104	90	94	116	116
June	103	112	112	94	100	102	98	113	94	84	84	98	101
<b>Sales (adjusted):</b>													
1927—February	107	104	109	97	104	104	109	114	103	103	-----	108	111
March	105	104	107	96	103	102	105	114	101	99	-----	100	112
April	105	102	107	98	107	105	104	106	101	92	-----	108	114
May	103	102	104	96	103	105	105	107	98	90	-----	108	106
June	103	105	111	96	99	99	105	107	98	91	-----	99	103
1928—February	105	100	109	85	103	105	108	115	101	94	-----	106	115
March	105	98	106	94	102	105	113	118	105	95	-----	109	110
April	103	97	106	91	100	102	103	110	100	78	-----	108	121
May	104	98	107	92	100	104	107	115	103	85	-----	107	111
June	105	106	114	94	100	101	104	113	99	84	-----	103	109
<b>Stocks (unadjusted):</b>													
1927—February	97	95	97	95	96	97	100	97	95	87	109	85	102
March	106	105	107	105	105	107	108	105	102	94	116	92	109
April	106	107	109	103	106	107	110	105	103	95	115	93	110
May	103	106	105	98	102	104	103	101	102	91	112	90	107
June	97	99	98	92	98	98	92	95	97	84	104	83	103
1928—February	96	97	97	91	93	96	101	99	93	84	111	83	105
March	103	105	105	98	103	103	105	105	96	87	118	86	111
April	104	107	108	96	103	104	108	106	98	88	116	87	111
May	101	106	104	93	100	100	103	103	96	83	116	83	108
June	95	97	98	86	94	95	96	95	91	78	108	76	102
<b>Stocks (adjusted):</b>													
1927—February	102	101	105	100	101	102	102	102	101	90	-----	88	106
March	103	103	105	100	101	103	105	102	100	91	-----	90	107
April	102	104	105	99	99	102	105	101	98	92	-----	88	104
May	101	105	105	98	99	103	102	100	100	88	-----	89	106
June	100	103	103	97	99	102	97	100	101	87	-----	89	106
1928—February	101	103	104	96	98	101	103	104	99	87	-----	86	109
March	100	103	103	93	99	100	102	102	94	84	-----	84	109
April	100	104	104	92	96	99	103	102	94	85	-----	83	106
May	99	105	104	93	96	99	102	102	94	80	-----	81	107
June	98	101	102	91	95	99	101	100	95	81	-----	81	106

NOTE.—For description of indexes given in this table see BULLETIN for February, 1928.

<sup>1</sup> Monthly average in 1925=100.

SALES OF MAIL-ORDER HOUSES AND CHAIN STORES

[Index numbers of sales. Monthly average 1923-1925=100]

Month	Sales without seasonal adjustment								Sales with seasonal adjustment							
	Mail-order houses (4)	Chains							Mail-order houses (4)	Chains						
		Grocery (34)	5-and-10-cent (14)	Apparel (5)	Drug (13)	Cigar (5)	Shoe (4)	Candy (7)		Grocery (34)	5-and-10-cent (14)	Apparel (5)	Drug (13)	Cigar (5)	Shoe (4)	Candy (7)
1927—February	101	148	104	114	129	99	84	103	112	155	133	173	139	115	121	121
March	125	174	116	148	143	111	96	115	117	163	128	175	139	113	104	116
April	120	172	135	199	144	113	150	136	113	166	137	192	144	115	117	127
May	99	171	123	171	134	113	109	115	118	171	132	172	137	113	99	120
June	107	178	123	172	136	109	118	114	121	178	135	175	138	112	108	121
1928—February	108	193	115	137	148	96	86	106	116	194	142	201	153	107	120	120
March	125	224	133	200	163	107	117	119	113	210	142	224	157	109	119	120
April	115	201	135	195	154	100	130	130	117	202	147	205	161	105	109	125
May	116	213	139	221	164	110	130	127	132	206	144	213	161	105	113	127
June	127	207	139	216	162	108	147	122	144	208	153	219	164	111	134	129

NOTE.—For description of indexes given in this table see BULLETIN for April, 1928.

**BANK SUSPENSIONS AND COMMERCIAL FAILURES**

**BANK SUSPENSIONS, BY CLASS OF BANK**

[Amounts in thousands of dollars]

Month	All banks		Member banks		Nonmember banks	
	Number	Total deposits	Number	Total deposits	Number	Total deposits
<b>1926</b>						
January	65	13,384	11	3,992	54	9,392
February	52	11,763	10	2,861	42	8,902
March	51	10,249	6	710	45	9,539
April	56	12,512	6	3,534	50	8,978
May	68	16,324	10	4,234	58	12,090
June	77	34,229	16	5,318	61	28,911
July	140	48,618	5	1,637	135	46,981
August	52	10,001	9	2,127	43	7,874
September	37	12,050	8	4,317	29	7,733
October	88	18,209	19	6,280	69	11,929
November	154	45,983	33	19,389	121	26,594
December	116	39,166	27	14,413	89	24,753
Total	956	272,488	160	68,812	796	203,676
<b>1927</b>						
January	133	32,038	27	11,555	106	20,483
February	81	25,157	16	8,744	65	16,413
March	75	31,222	16	7,700	59	23,522
April	49	11,750	10	5,462	39	6,288
May	47	13,198	11	6,434	36	6,764
June	41	10,784	9	5,521	32	5,263
July	37	12,162	2	2,638	35	9,524
August	27	17,364	5	8,881	22	8,483
September	36	8,988	6	1,257	30	7,731
October	44	11,542	9	3,729	35	7,813
November	43	11,210	6	3,105	37	8,105
December	49	8,476	7	1,319	42	7,156
Total	662	193,891	124	66,336	538	127,555
<b>1928</b>						
January	53	12,535	8	3,456	45	9,079
February	50	20,669	11	10,082	39	10,587
March	64	17,682	9	4,373	55	13,309
April	44	8,362	6	3,361	38	5,001
May	29	6,647	5	2,287	24	4,360
June	27	15,151	2	1,699	25	13,452
Total, 6 months	267	81,046	41	25,258	226	55,788

**BANK SUSPENSIONS<sup>1</sup> IN JUNE, 1928, BY DISTRICTS**

[Amounts in thousands of dollars]

Federal reserve district	All banks		Member banks <sup>2</sup>		Nonmember banks	
	Number	Total deposits <sup>3</sup>	Number	Total deposits <sup>3</sup>	Number	Total deposits <sup>3</sup>
Boston						
New York						
Philadelphia						
Cleveland	1	97			1	97
Richmond	1	791			1	791
Atlanta	6	6,560			6	6,560
Chicago	8	3,164	2	1,699	6	1,465
St. Louis	6	3,559			6	3,559
Minneapolis	4	910			4	910
Kansas City	1	70			1	70
Dallas						
San Francisco						
Total	27	15,151	2	1,699	25	13,452

<sup>1</sup> Banks closed to the public by order of supervisory authorities or by the directors of the banks on account of financial difficulties.  
<sup>2</sup> Comprise one national bank with deposits of \$1,500,000 and one State member bank with deposits of \$199,000.  
<sup>3</sup> Figures represent deposits for the latest available date prior to the suspensions and are subject to revision when information for the dates of suspension becomes available.

**COMMERCIAL FAILURES, BY CLASS OF ENTERPRISE**

[Amounts in thousands of dollars]

Month	Number				Liabilities			
	Total	Manufacturing	Trading	Agents, brokers, etc.	Total	Manufacturing	Trading	Agents, brokers, etc.
<b>1926</b>								
January	2,296	510	1,696	90	43,651	16,094	21,502	6,055
February	1,801	447	1,282	72	34,176	10,822	20,317	3,037
March	1,984	469	1,424	91	30,623	9,862	18,623	2,138
April	1,957	494	1,378	85	38,487	16,734	19,094	2,659
May	1,730	437	1,216	77	33,543	16,157	15,710	1,676
June	1,708	435	1,160	113	29,408	10,092	15,525	3,791
July	1,605	396	1,122	87	29,680	11,165	14,614	3,898
August	1,593	449	1,071	73	28,130	12,516	14,096	1,518
September	1,437	374	955	105	29,990	10,063	11,243	8,554
October	1,783	450	1,205	108	33,231	11,650	15,874	5,707
November	1,830	440	1,285	105	32,694	16,097	14,168	2,439
December	2,069	494	1,471	104	45,620	16,759	20,579	8,282
Total	21,773	5,395	15,268	1,110	409,233	158,044	201,335	49,854
<b>1927</b>								
January	2,465	501	1,842	122	51,290	19,996	24,530	6,764
February	2,035	411	1,508	116	46,941	10,518	23,406	13,017
March	2,143	569	1,468	106	57,891	22,368	28,191	7,332
April	1,968	492	1,342	134	53,156	25,278	22,308	5,570
May	1,852	444	1,282	116	37,785	13,802	19,978	4,005
June	1,833	427	1,310	96	34,465	13,587	17,856	3,022
July	1,756	448	1,187	121	43,150	16,743	16,832	9,575
August	1,708	438	1,174	96	39,196	14,921	14,702	9,578
September	1,573	389	1,083	101	32,786	15,349	12,052	5,385
October	1,787	488	1,170	129	36,236	17,134	14,657	4,445
November	1,864	478	1,276	110	36,147	12,786	16,949	6,412
December	2,162	597	1,430	135	51,062	29,024	16,733	5,305
Total	23,146	5,682	16,082	1,382	520,105	211,506	228,194	80,405
<b>1928</b>								
January	2,643	553	1,946	144	47,634	14,870	26,446	6,318
February	2,176	468	1,581	127	45,071	12,751	24,932	7,368
March	2,236	546	1,566	124	54,814	20,412	26,186	8,216
April	1,818	432	1,276	110	37,985	16,236	16,049	5,700
May	2,008	470	1,407	131	36,117	14,230	18,999	2,987
June	1,947	513	1,325	109	29,827	12,723	13,781	3,324
Total, 6 mos.	12,828	2,982	9,101	745	251,448	91,223	126,314	33,912

**COMMERCIAL FAILURES, BY DISTRICTS<sup>1</sup>**

[Amounts in thousands of dollars]

Federal reserve district	Number			Liabilities		
	June, 1928	May, 1928	June, 1927	June, 1928	May, 1928	June, 1927
Boston	278	201	171	3,242	3,558	2,476
New York	364	315	260	6,476	5,994	4,733
Philadelphia	79	85	41	1,807	2,693	5,610
Cleveland	136	157	164	2,847	2,378	3,573
Richmond	98	140	142	1,396	2,948	2,255
Atlanta	108	109	174	1,984	1,567	2,347
Chicago	265	293	253	4,901	7,456	4,000
St. Louis	105	138	98	963	1,663	1,897
Minneapolis	55	70	114	499	912	1,397
Kansas City	88	128	123	1,060	1,768	1,768
Dallas	46	66	59	540	2,214	1,555
San Francisco	325	306	234	4,111	2,965	2,852
Total	1,947	2,008	1,833	29,827	36,117	34,465

<sup>1</sup> Figures furnished by R. G. Dun & Co



**JULY CROP REPORT, BY FEDERAL RESERVE DISTRICTS**

[District figures derived from July estimates by States, made by the Department of Agriculture]

[In thousands of units]

Federal reserve district	Corn		Total wheat		Winter wheat		Spring wheat	
	Yield, 1927	Estimate, July 1, 1928	Yield, 1927	Estimate, July 1, 1928	Yield, 1927	Estimate, July 1, 1928	Yield, 1927	Estimate, July 1, 1928
	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
Boston.....	8,493	8,025	92	100	-----	-----	92	100
New York.....	26,394	23,295	7,216	6,081	6,994	5,887	222	194
Philadelphia.....	45,929	48,177	18,761	16,406	18,651	16,294	110	112
Cleveland.....	150,323	175,096	33,931	13,806	33,817	13,637	114	169
Richmond.....	163,753	140,347	25,233	24,198	25,233	24,198	-----	-----
Atlanta.....	184,477	142,065	4,528	4,340	4,528	4,340	-----	-----
Chicago.....	787,986	954,682	65,560	40,634	60,256	33,550	5,304	7,084
St. Louis.....	342,426	355,408	42,210	26,399	41,701	26,199	5,509	200
Minneapolis.....	804,986	278,159	274,028	215,748	20,224	13,432	253,804	202,316
Kansas City.....	612,497	488,258	249,167	322,386	236,454	307,880	12,713	14,506
Dallas.....	134,968	112,863	18,356	23,342	18,213	23,141	143	201
San Francisco.....	11,476	9,247	133,513	106,497	87,217	75,224	46,296	31,273
<b>Total.....</b>	<b>2,773,708</b>	<b>2,735,617</b>	<b>872,595</b>	<b>799,937</b>	<b>553,288</b>	<b>543,782</b>	<b>319,307</b>	<b>256,155</b>

Federal reserve district	Oats		Hay		Tobacco		White potatoes	
	Yield, 1927	Estimate, July 1, 1928	Yield, 1927	Estimate, July 1, 1928	Yield, 1927	Estimate, July 1, 1928	Yield, 1927	Estimate, July 1, 1928
	<i>Bushels</i>	<i>Bushels</i>	<i>Tons</i>	<i>Tons</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Bushels</i>	<i>Bushels</i>
Boston.....	9,215	8,813	4,802	4,781	37,280	45,436	45,237	47,103
New York.....	36,636	36,973	7,780	6,971	1,249	1,427	33,152	36,980
Philadelphia.....	24,844	24,094	3,664	3,308	44,880	46,708	25,998	28,544
Cleveland.....	78,362	110,472	7,652	5,365	80,647	120,079	21,501	22,868
Richmond.....	26,104	21,762	4,693	4,164	706,036	672,713	40,798	44,586
Atlanta.....	14,282	10,615	3,141	2,759	121,134	134,267	12,303	15,421
Chicago.....	454,805	563,877	21,626	14,198	32,840	42,669	51,925	69,342
St. Louis.....	40,547	61,740	9,411	6,584	166,876	243,459	14,061	17,818
Minneapolis.....	283,709	259,146	22,980	8,653	1,990	2,486	65,833	63,849
Kansas City.....	138,400	155,135	20,122	12,269	2,948	2,580	36,928	44,348
Dallas.....	43,807	38,085	1,809	1,632	-----	-----	3,128	2,984
San Francisco.....	33,435	29,385	16,114	13,699	-----	-----	56,050	49,797
<b>Total.....</b>	<b>1,184,146</b>	<b>1,320,097</b>	<b>123,794</b>	<b>84,383</b>	<b>1,195,880</b>	<b>1,311,824</b>	<b>406,964</b>	<b>443,640</b>

## FOREIGN BANKING AND BUSINESS CONDITIONS

### THE RETURN TO GOLD—SUMMARY BY COUNTRIES

There is presented herewith a chronological list of measures undertaken by the principal countries of the world in reestablishing a fixed relationship between their currencies and gold. These official acts have generally followed after a period of actual stability in the value of the currency, and consequently in many cases the currencies have been on a de facto gold basis for some time before the date shown in the tabulation.

- 1923—*January 3: Austria.*—National Bank of Austria opened under legal obligation to prevent depreciation of its notes in terms of gold.
- 1923—*July 23: Colombia.*—Bank of the Republic of Colombia opened under legal obligation to redeem its notes in gold.
- 1924—*April 1: Sweden.*—Restrictions on gold exports ceased and exemption of Swedish Riksbank from obligation to redeem its notes in gold expired. Obligation of the bank to maintain the parity of the krona in relation to the dollar had existed since March 31, 1923.
- 1924—*October 11: Germany.*—New bank law became effective, with the exception of article 31, which imposed the obligation on the Reichsbank to redeem its notes in gold or gold exchange. The bank has publicly announced that it will buy and sell gold when required to hold mark exchange within the gold points.
- 1925—*April 28: England.*—The Bank of England, already under legal obligation to redeem its notes in gold, was given a general license to export gold with the understanding that this meant in effect the free export of gold. The gold standard act became law on May 13 and the gold and silver (export control) act of 1920 lapsed entirely on December 31.
- 1925—*April 28: Hungary.*—The krone, having been stabilized with reference to sterling since August 1, 1924, by commitment of the National Bank of Hungary, came into fixed relation to gold when England returned to the gold standard. The bank is under legal obligation to preserve the stability of its notes in terms of gold exchange.
- 1925—*April 28: Danzig.*—The gulden having been officially stabilized with reference to sterling on March 17, 1924 (when the Bank of Danzig opened under legal obligation to buy and sell sterling at fixed rates) came into fixed relation with gold when England returned to the gold standard.
- 1925—*April 28: Netherlands.*—Restrictions on gold exports ceased and obligation to redeem notes in gold was once more assumed by the Bank of Netherlands.
- 1925—*April 28: Java.*—Restrictions on gold exports ceased. The Bank of Java was already under legal obligation to redeem its notes in gold or silver coin.
- 1925—*April 28: Australia.*—Restrictions on gold exports ceased. The Commonwealth Bank was already under legal obligation to redeem its notes in gold.
- 1925—*April 28: New Zealand.*—Restrictions on gold exports ceased. Notes are to remain inconvertible until January 10, 1929, but New Zealand currency in practice has moved closely with the English pound.
- 1925—*May 18: South Africa.*—Restrictions on gold exports ceased. The obligation of the South African Reserve Bank to redeem its notes in gold was reimposed.
- 1925—*September 2: Albania.*—National Bank of Albania opened under legal obligation to redeem its notes in gold or gold exchange.
- 1925—*December 21: Finland.*—New regulations became effective under which the Bank of Finland must redeem its notes in gold or gold exchange.
- 1925—*Switzerland.*—During 1925 general authorization was given for the export of gold and the Swiss National Bank of Chile began payment of gold coin into circulation.
- 1926—*January 11: Chile.*—Central Bank of Chile opened under legal obligation to redeem its notes in gold or gold exchange.
- 1926—*April 1: Czechoslovakia.*—National Bank of Czechoslovakia opened under legal obligation to maintain the relation of the crown to undepreciated foreign gold currencies at the level of the preceding two years.
- 1926—*July 1: Canada.*—Control over gold exports was removed and obligation to redeem notes in gold was reimposed.
- 1926—*October 25: Belgium.*—By royal decree the obligation was imposed upon the National Bank of Belgium to redeem its notes in gold or gold exchange.
- 1927—*January 1: Bulgaria.*—New bank law became effective under which it is the duty of the Bank of Bulgaria to insure by all means in its power that the gold value of its notes shall remain stable.
- 1927—*January 1: Denmark.*—Exemption of the National Bank of Copenhagen from obligation to redeem its notes in gold expired.
- 1927—*April 1: India.*—Law passed imposing upon the Government the obligation to buy gold and to sell either gold or sterling at fixed rates.
- 1927—*August 10: Ecuador.*—Central Bank of Ecuador opened under legal obligation to redeem its notes in gold or in exchange on New York or London.
- 1927—*August 27: Argentina.*—Conversion office was reopened and obligation to redeem paper pesos in gold was reimposed.
- 1927—*October 13: Poland.*—New statutes of the Bank of Poland became effective under which the bank must redeem its notes in gold or gold exchange.
- 1927—*December 22: Italy.*—By royal decree the obligation was imposed upon the Bank of Italy to redeem its notes in gold or gold exchange.
- 1928—*January 1: Estonia.*—New statutes for the Bank of Estonia became effective under which the bank must redeem its notes in gold or gold exchange.
- 1928—*May 1: Norway.*—Restriction on gold exports ceased and exemption of the Bank of Norway from obligation to redeem its notes in gold expired.
- 1928—*May 14: Greece.*—Bank of Greece opened under legal obligation to redeem its notes in gold exchange.
- 1928—*June 25: France.*—New monetary law became effective under which the restrictions on gold exports ceased and the Bank of France was placed under obligations to redeem its notes in gold.

LEGAL RESERVE REQUIREMENTS OF FOREIGN CENTRAL BANKS

Country	Liabilities against which reserves must be held	Reserve requirements		Qualifying provisions, etc.
		Gold	Gold and foreign exchange	
		Per cent	Per cent	
Albania	Notes		1 33 1/3	Foreign exchange may not exceed two-thirds.
Australia	Notes	25		
Austria	Notes plus other demand liabilities, minus amount represented by Federal loan debt.		1 24	Reserve ratio to be increased at 5-year intervals ending January 2, 1938, the successive ratios being 20 per cent, 24 per cent, 28 per cent, and 33 1/2 per cent.
Belgium	Notes and deposits	30	40	
Bulgaria	Notes and other demand liabilities		1 33 1/3	The bank will take steps to raise the reserve ratio to 40 per cent.
Chile	Notes and deposits		1 50	Foreign exchange may consist only of demand deposits payable in New York or London.
Colombia	Notes and deposits	1 36	1 60	Foreign exchange may consist only of demand deposits.
Czechoslovakia	Notes plus other demand liabilities, minus amount represented by debt in respect of state notes outstanding.		1 22	Silver in reserve may not exceed one-fourth. Beginning April 1, 1926, with reserve ratio of 20 per cent, the bank will increase it by 1 per cent each year over a period of 15 years.
Danzig	Notes		33 1/2	100 per cent reserve must be held against circulation in excess of 100 gulden per capita. Foreign exchange may consist only of demand claims on the Bank of England.
Denmark	Notes	30	50	Foreign exchange may consist only of the bank's noninterest-bearing demand balances with Bank of Norway and Swedish Riksbank, less indebtedness to these two banks, and noninterest-bearing demand balances in special account with German Reichsbank. The bank, when authorized by royal proclamation and subject to payment of a tax, may permit the reserve ratio to fall below the legal minimum.
Ecuador	Notes and deposits		1 50	Foreign exchange may consist only of deposits payable in gold on demand or on 3 days' notice in New York or London.
Egypt	Notes		50	The original requirement was a gold reserve ratio of 50 per cent, but on October 30, 1916, the bank was authorized to substitute British Treasury bills for gold.
England	Notes in excess of fiduciary issue of £260,000,000.	100		Fiduciary issue may be increased by authorization of Treasury.
Estonia	Notes and other demand liabilities		40	Power to suspend requirement is vested in the Government.
Finland	Notes and other demand liabilities in excess of 1,200,000,000 markka.	Markka 300,000	100	Foreign exchange may consist only of undisputed balances with foreign correspondents.
France	Notes and other demand liabilities	Per cent 35		
Germany	Notes	1 30	1 40	
Greece	Notes and deposits		1 40	Power to suspend requirement is vested in the Government.
Hungary	Notes plus other demand liabilities, minus amount represented by State debt.		1 20	Reserve ratio to be increased at 5-year intervals ending June 24, 1939, the successive ratios being 20 per cent, 24 per cent, 28 per cent, and 33 1/2 per cent.
Italy	Notes and deposits exclusive of Treasury fixed deposit account.		40	
Japan	Notes in excess of fiduciary issue of 120,000,000 yen.	1 100		Silver in reserve may not exceed one-fourth. Fiduciary issue may be increased by authorization of Minister of Finance.
Java	Notes and other demand liabilities	1 20		Previous to emergency legislation in 1914 the reserve requirement was 40 per cent.
Latvia	Notes		50	Additional requirements for notes in excess of 100,000,000 lats.
Lithuania	Notes	33 1/2		
Netherlands	Notes and other demand liabilities	1 20		Previous to emergency legislation in 1914 the reserve requirement was 40 per cent.
Norway	Notes in excess of fiduciary issue of 250,000,000 kroner.	100		Fiduciary issue may be increased, subject to tax, by authority of King and Storting.
Peru	Notes and other demand liabilities		50	
Poland	Notes and deposits	1 30	1 40	
Russia	Notes		1 25	Reserve may include platinum.
South Africa	Notes, deposits, and bills payable	1 40		Silver in reserve may not exceed one-fifth. The bank, subject to tax and with consent of the Government, may suspend reserve requirements.
Spain	Notes	37, 47	1 45, 1 60	Note circulation limited to 6,000,000,000 pesetas and may exceed 5,000,000,000 only with consent of the Government. Consent of the Government required for any reduction of gold holdings and can not be given unless these holdings are in excess of the requirement necessary for a circulation of 6,000,000,000 pesetas. First 4,000,000,000 pesetas require 45 per cent reserve; at least 37 per cent must be gold; 5 per cent may be silver and 3 per cent foreign exchange. Circulation above 4,000,000,000 pesetas requires 60 per cent reserve; at least 47 per cent must be gold; 10 per cent may be silver and 3 per cent foreign exchange.
Sweden	Notes in excess of fiduciary issue of 125,000,000 kronor.	50		Gold reserve may not fall below 75,000,000 kronor. In emergency the King and Riksdag acting together may extend the fiduciary issue by 125,000,000 kronor.
Switzerland	Notes	1 40		Silver in reserve may not exceed one-fifth.
Uruguay	Notes in denominations of 10 pesos or more and deposits.	40	60	Note issue in denominations of less than 10 pesos may not exceed one-half paid-up capital of the bank. Note issue in denominations of 10 pesos or more is limited in relation to capital of the bank, gold deposited by commercial banks, and a war loan made to the French Government.

<sup>1</sup> May legally include silver as well as gold and foreign exchange.

<sup>2</sup> The bank is specifically authorized, subject to the payment of a tax, to permit the reserve ratio to fall below the legal minimum.

<sup>3</sup> Metallic reserve may legally include silver as well as gold.

### AMALGAMATION OF NOTE ISSUES IN GREAT BRITAIN

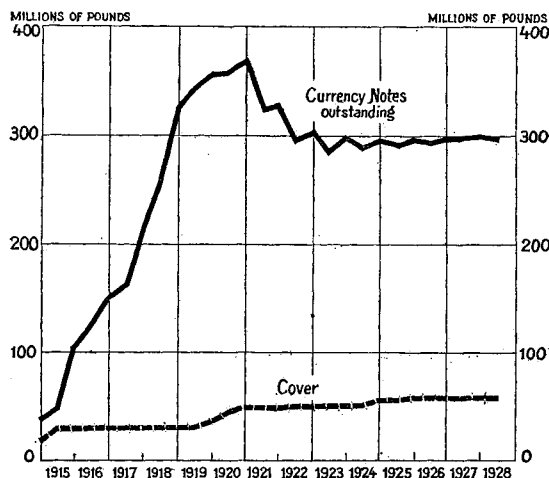
The British currency and bank notes act, providing for the amalgamation of the currency note issue with the Bank of England issue, became law on July 2, 1928.<sup>1</sup> This act completes the monetary reconstruction of Great Britain, and its passage makes opportune a brief review of the country's monetary developments since the outbreak of the World War.

**War-time changes in British currency.**—Prior to 1914 the money of England, aside from subsidiary coin, was chiefly composed of gold coin and Bank of England notes. These Bank of England notes, which could not be issued in denominations of less than £5, were in turn largely covered by gold. The act of 1844 had permitted the Bank of England to issue £14,000,000 of notes without gold cover, and this figure was later raised in accordance with the provisions of the act as other small note-issuing banks lost their privilege of note issue. By June 30, 1914, the issue of Bank of England notes not covered by gold, commonly known as the "fiduciary issue," had grown to £18,450,000. For all notes issued in excess of this amount an equivalent amount of gold had to be set aside in the vaults of the Bank of England.

With the advent of the war, steps were taken to mobilize the gold of the country, features of the program being the substitution of paper currency for gold coin in circulation and the introduction of a currency that could expand on a basis other than gold. The Bank of England note, however, retained its character of a gold-covered note, and the requirements of the situation were met by the issue of a new kind of currency by the treasury. Under the Currency and Bank Notes Act, 1914, the British treasury was authorized to issue currency notes with legal tender powers in denominations of £1 and 10 shillings. In the main, currency notes have been a fiduciary issue, though to some extent they have been covered by gold and Bank of England notes.

The volume of currency notes outstanding increased rapidly during and after the war, reaching a maximum of about £370,000,000 in December, 1920, while the volume of Bank of England notes in circulation increased less rapidly, from about £40,000,000 in 1914 to about £115,000,000 at the end of 1920. The

chart shows the amount of currency notes outstanding from December, 1914, to June, 1928, at half-yearly intervals, and also the amount covered by gold and Bank of England notes.



**Report of the Cunliffe committee.**—In January, 1918, a committee was appointed "to consider the various problems which will arise in connection with currency and foreign exchanges during the period of reconstruction and report upon the steps required to bring about the restoration of normal conditions in due course." Lord Cunliffe, governor of the Bank of England, was appointed chairman of the committee, which is in consequence generally referred to as the "Cunliffe committee."

In August the committee made its first report, which recommended that as soon as possible steps should be taken to reduce the uncovered or fiduciary issue of currency notes. The method proposed by the committee was that "the actual maximum fiduciary circulation in any year should become the legal maximum for the following year." This suggestion was later adopted by the Treasury in its minute of December, 1919, which fixed the legal maximum fiduciary issue of currency notes for 1920 at the actual maximum for 1919. In each succeeding year the legal maximum has been lower than in the preceding year. The figures are given below:

1920.....	£320, 600, 000	1925.....	£248, 191, 000
1921.....	317, 600, 000	1926.....	247, 903, 000
1922.....	309, 988, 000	1927.....	246, 011, 000
1923.....	270, 183, 000	1928.....	244, 940, 000
1924.....	248, 145, 000		

<sup>1</sup> Two amendments were made in the original bill as introduced into the House of Commons on May 2 and published in the FEDERAL RESERVE BULLETIN for June. A paragraph was added to section 9 of the bill and a phrase was inserted in subsection 2 of section 11. The entire act as passed is published at the close of this article on p. 567.

The committee anticipated that, once a check had been put on the further expansion of currency notes and other measures had been taken for curbing inflationary tendencies a more normal situation would develop, in which it would be possible to fix permanently the fiduciary issue. The committee was of the opinion that the country required a minimum gold reserve of about £150,000,000 and that a corresponding amount of currency should be covered by 100 per cent of gold, while the remainder of the necessary currency could be fiduciary in character. That is, if under normal circumstances it should be found that the notes outstanding were generally about £400,000,000, then a fiduciary issue of approximately £250,000,000 should be maintained, leaving £150,000,000 to be covered pound for pound by gold. The passage in the report which deals with determination of the minimum reserve is as follows:

The pre-war gold reserves were about £38,500,000 in the Bank of England and an amount estimated at £123,000,000 in the banks and in the pockets of the people. If the actual circulation of gold coin ceases and the whole of the gold is concentrated in the central institution, some economy is permissible in view of its increased mobility. On the other hand, the aggregate amount of currency required will undoubtedly be larger. We accordingly recommend that the amount to be aimed at in the first instance as the normal minimum amount of the central gold reserve should be £150,000,000, and that, until this amount has been reached and maintained concurrently with a satisfactory foreign exchange position for a period of at least a year, the policy of reducing the uncovered note issue as and when opportunity offers should be consistently followed. In view of the economic conditions which are likely to follow the restoration of peace, it will be necessary to apply this policy with extreme caution and without undue rigidity. When the exchanges are working normally on the basis of a minimum reserve of £150,000,000, the position should again be reviewed in the light of the dimensions of the fiduciary issue as it then exists.

Although the committee was strongly in favor of the principle of a fixed fiduciary limit, it recognized that in the past the limit has had to be suspended extra-legally in times of crisis, and it therefore proposed that legal provision should be made for temporary suspensions. Its language on this point is as follows:

"We have considered with care the possibility of so modifying the act of 1844 as to make provision for the issue of emergency currency in times of acute difficulty. It might, no doubt, be sufficient to leave matters as they were prior to 1914 and to risk the possibility of the law having to be broken, subject to indemnity from Parliament, but upon the whole we share the objections which have been expressed in many quarters to this procedure.

We are, therefore, of opinion that the provisions of section 3 of the currency and bank-notes act, 1914, under which the Bank of England may, with the consent of the Treasury, temporarily issue notes in excess of the legal limit, should be continued in force. It should be provided by statute that Parliament should be informed forthwith of any action taken by the Treasury under this provision by means of a Treasury minute which should be laid before both Houses. The statute should also provide that any profits derived from the excess issue should be surrendered by the bank to the exchequer. It will, of course, be necessary that the bank rate should be raised to and maintained at a figure sufficiently high to secure the earliest possible retirement of the excess issue."

**Report of the committee of 1924.**—In 1924 a second committee was appointed with instructions "to consider whether the time has now come to amalgamate the Treasury note issue with the Bank of England note issue." This committee devoted its chief attention to developing a program for the restoration of the gold standard in England, which it considered a necessary preliminary to the amalgamation of the Treasury or currency notes with the Bank of England issue. So far as the latter was concerned, the committee indorsed the position of the Cunliffe committee and closed its report with the following statement: "We anticipate that if a free gold market is restored at the end of 1925 the experience necessary to enable the amount of the fiduciary issue to be definitely fixed will have been obtained by the end of 1927. The transfer of the issue could then take place early in 1928."

**Currency and bank notes act of 1928.**—In April, 1925, the gold standard was restored in England and a little over three years later, in July, 1928, the currency and bank notes act became law. The act follows closely the recommendations of the Cunliffe committee. By the terms of this act the Bank on "the appointed day" is to take over the liability on outstanding currency notes, and also to take over the Bank of England notes, the silver, and the securities that serve as cover for the notes. The excess of cover, amounting to about £13,000,000, is to be turned over to the sinking fund of the treasury. The act permits the Bank of England henceforth to issue bank notes with legal tender powers in denominations of £1 and for 10 shillings, and provides for a fiduciary issue of £260,000,000, corresponding closely to the combined fiduciary issues of the

Bank and the treasury previous to the act. At the time the act was introduced the fiduciary issue would have left a gold covered issue of about £158,000,000, requiring a gold reserve not far in excess of that suggested by the Cunliffe committee.

The proposal of the committee that suspension of the fiduciary limit with the consent of the treasury should be made legal was adopted in section 8. This section is of such importance that it is quoted in full below:

(1) If the Bank at any time represent to the treasury that it is expedient that the amount of the fiduciary note issue shall be increased to some specified amount above £260,000,000 the treasury may authorize the Bank to issue bank notes to such an increased amount, not exceeding the amount specified as aforesaid, and for such period, not exceeding six months, as the Treasury think proper.

(2) Any authority so given may be renewed or varied from time to time on the like representation and in like manner: *Provided*, That, notwithstanding the forgoing provision, no such authority shall be renewed so as to remain in force (whether with or without variation) after the expiration of a period of two years from the date on which it was originally given, unless Parliament otherwise determines.

(3) Any minute of the Treasury authorizing an increase of the fiduciary note issue under this section shall be laid forthwith before both Houses of Parliament.

That section 8 is intended to do more than was proposed by the Cunliffe committee (i. e., merely to legalize the method of meeting a crisis which prior to 1914 was employed extralegally) was indicated during the debate in the House of Commons. On May 14 Sir L. Worthington-Evans, Secretary of State for War, supporting the bill on behalf of the Government, said:

"It may be that in the course of the years to come with an increased population and, as we hope, greater employment, greater earnings, greater expenditure and a higher standard of comfort of the people, the currency of the country will require a permanent expansion. The provision in the bill for increase in the fiduciary issue is not intended therefore to be a mere legislative substitute for the crisis letter. On the contrary it is intended to be used not in a crisis but before it, and to prevent undue stringency arising from any of the causes I have mentioned.

"The bill has this advantage. It allows a tentative change in the first instance before Parliament is called upon to legislate. A period of two years during which temporary changes can be tried and the results watched is allowed and if the reasons for the increase

appear to be permanent Parliament can be so advised and by legislation the fiduciary limit of £260,000,000 can be extended."

And on May 22, Sir L. Worthington-Evans made the following important statement with reference to his remarks quoted above:

"I am authorized to say that the governor of the bank has read what I said on the second reading. For fear that I should pledge him too much, and to be more specific, he has read what I said in column 746 to 748 of the official report, and he has authorized me to say that that does represent the general intention of the bank."

The occasion for making use of section 8 may arise either from additional demand for currency by the public or an additional demand for credit. In case the demand arises from additional need for currency for circulation the assets acquired by the Bank of England in exchange for notes will have to be turned over entirely to the issue department, and the earnings from these assets would be paid over (under section 6) to the treasury. In case, however, the occasion for using section 8 is an increased demand for credit rather than for currency, the bank could meet this demand and maintain its reserve position by turning over only about 40 per cent of the additional securities to the issue department in exchange for that amount of notes.

Not only does the act make provision for an extension of the fiduciary issue, but provision is made in section 2 for its contraction as well. This provision would enable the bank, in case of an accumulation of reserves, to turn a portion of them over to the issue department and to withdraw in exchange a like amount of securities held in that department as cover for notes. By this process the bank could convert its surplus gold into an earning asset, and increase its earnings, since earnings on securities held in the issue department must by virtue of section 6 be paid to the treasury.

There is also a provision in the act which will enable the Bank of England to draw to its own holdings such monetary gold as is owned by others in the United Kingdom. Section 11 provides that "any person in the United Kingdom owning any gold coin or bullion to an amount exceeding £10,000 in value \* \* \* shall, if so required by the bank, sell to the bank the whole or any part of the said coin or bullion, other than any part thereof which is bona fide held for immediate export or which is bona fide required for industrial purposes, on payment therefor by

the bank, in the case of coin of the nominal value thereof, and in the case of bullion at the rate fixed by section 4 of the bank charter act, 1844." The rate fixed in the bank charter act is £3 17s. 9d. per ounce of standard gold, the legal buying rate of the bank. As the legal selling rate is £3 17s. 10½d., no person will be tempted to exercise his right to buy back the gold immediately. This provision enables the bank to increase its reserves by the acquisition of gold privately held in Great Britain, but it does not in any way interfere with the freedom of individuals to acquire gold for export or for use in the arts.

In general, the currency and bank notes act, though it incorporates the war-time currency issue with that of the Bank of England, maintains the fundamental principles established for British currency nearly a century ago, and makes provision for only such departures from these principles as experience has demonstrated to be at times unavoidable.

#### BRITISH CURRENCY AND BANK-NOTES ACT

An Act to amend the law relating to the issue of bank notes by the Bank of England and by banks in Scotland and Northern Ireland, and to provide for the transfer to the Bank of England of the currency notes issue and of the assets appropriated for the redemption thereof, and to make certain provisions with respect to gold reserves and otherwise in connection with the matters aforesaid and to prevent the defacement of bank notes.

*Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:*

#### Amendment with respect to powers of Bank of England to issue bank notes.

1. (1) Notwithstanding anything in any act—

(a) The Bank may issue bank notes for £1 and for 10 shillings.

(b) Any such bank notes may be issued at any place out of London without being made payable at that place, and wherever issued shall be payable only at the head office of the Bank.

(c) Any such bank notes may be put into circulation in Scotland and Northern Ireland, and shall be current and legal tender in Scotland and Northern Ireland as in England.

(2) Section 6 of the Bank of England Act, 1833 (which provides that bank notes shall be legal tender), shall have effect as if for the words "shall be a legal tender to the amount expressed in such note or notes and shall be taken to be valid as a tender to such amount for all sums above £5 on all occasions on which any tender of money may be legally made"

there were substituted the words "shall be legal tender for the payment of any amount."

(3) The following provisions shall have effect so long as subsection (1) of section 1 of the Gold Standard Act, 1925, remains in force:

(a) Notwithstanding anything in the proviso to section 6 of the Bank of England Act, 1833, bank notes for £1 or 10 shillings shall be deemed a legal tender of payment by the Bank or any branch of the Bank, including payment of bank notes.

(b) The holders of bank notes for £5 and upwards shall be entitled, on a demand made at any time during office hours at the head office of the Bank, or in the case of notes payable at a branch of the Bank, either at the head office or at that branch, to require in exchange for the said bank notes for £5 and upwards bank notes for £1 or 10 shillings.

(4) The Bank shall have power, on giving not less than three months' notice in the London, Edinburgh, and Belfast Gazettes, to call in the bank notes for £1 or 10 shillings of any series on exchanging them for bank notes of the same value of a new series.

(5) Notwithstanding anything in section 8 of the Truck Act, 1831, the payment of wages in bank notes of £1 or 10 shillings shall be valid, whether the workman does or does not consent thereto.

#### Amount of Bank of England note issue.

2. (1) Subject to the provisions of this act the Bank shall issue bank notes up to the amount representing the gold coin and gold bullion for the time being in the issue department, and shall in addition issue bank notes to the amount of £260,000,000 in excess of the amount first mentioned in this section, and the issue of notes which the Bank are by or under this act required or authorized to make in excess of the said first-mentioned amount is in this act referred to as "the fiduciary note issue."

(2) The Treasury may at any time on being requested by the Bank, direct that the amount of the fiduciary note issue shall for such period as may be determined by the Treasury, after consultation with the Bank, be reduced by such amount as may be so determined.

#### Securities for note issue to be held in issue department.

3. (1) In addition to the gold coin and bullion for the time being in the issue department, the Bank shall from time to time appropriate to and hold in the issue department securities of an amount in value sufficient to cover the fiduciary note issue for the time being.

(2) The securities to be held as aforesaid may include silver coin to an amount not exceeding £5,500,000.

(3) The Bank shall from time to time give to the Treasury such information as the Treasury may require with respect to the securities held in the issue department, but shall not be required to include any of the said securities in the account to be taken pursuant to section 5 of the Bank of England Act, 1819.

#### Transfer of currency notes issue to Bank of England.

4. (1) As from the appointed day all currency notes issued under the Currency and Bank Notes Act, 1914, certified by the Treasury to be outstanding on that date (including currency notes covered by certificates issued to any persons under section 2 of the Currency and Bank Notes (amendment) Act, 1914, but not including currency notes called in but not canceled) shall, for the purpose of the enactments relating to bank notes and the issue thereof (including this act) be deemed to be bank notes, and the Bank shall be liable in respect thereof accordingly.

(2) The currency notes to which subsection (1) of this section applies are in this act referred to as "the transferred currency notes."

(3) At any time after the appointed day the bank shall have power, on giving not less than three months' notice in the London, Edinburgh, and Belfast Gazettes, to call in the transferred currency notes on exchanging them for bank notes of the same value.

(4) Any currency notes called in but not canceled before the appointed day may be exchanged for bank notes of the same value.

#### Transfer to Bank of certain part of assets of currency note redemption account.

5. (1) On the appointed day, in consideration of the Bank undertaking liability in respect of the transferred currency notes, all the assets of the currency note redemption account other than Government securities shall be transferred to the issue department, and there shall also be transferred to the issue department out of the said assets Government securities of such an amount in value as will together with the other assets to be transferred as aforesaid represent in the aggregate the amount of the transferred currency notes.

For the purpose of this subsection the value of any marketable Government securities shall be taken to be their market price as on the appointed day, less the accrued interest, if any, included in that price.

(2) Any bank notes transferred to the Bank under this section shall be canceled.

(3) Such of the said Government securities as are not transferred to the Bank under the foregoing provisions of this section shall be realized and the amount realized shall be paid into the Exchequer at such time and in such manner as the Treasury directs.

#### Profits of note issue to be paid to Treasury.

6. (1) The Bank shall, at such times and in such manner as may be agreed between the Treasury and the Bank, pay to the Treasury an amount equal to the profits arising in respect of each year in the issue department, including the amount of any bank notes written off under section 6 of the Bank Act, 1892, as amended by this act, but less the amount of any bank notes so written off which have been presented for payment during the year and the amount of any currency notes called in but not canceled before the appointed day which have been so presented.

(2) For the purposes of this section the amount of the profits arising in any year in the issue department shall, subject as aforesaid, be ascertained in such manner as may be agreed between the Bank and Treasury.

(3) For the purposes of the income tax acts, any income of, or attributable to, the issue department shall be deemed to be income of the Exchequer, and any expenses of, or attributable to, the issue department shall be deemed not to be expenses of the Bank.

(4) The Bank shall cease to be liable to make any payment in consideration of their exemption from stamp duty on bank notes.

7. Section 6 of the Bank Act, 1892 (which authorizes the writing off of bank notes which are not presented for payment within 40 years of the date of issue), shall have effect as if, in the case of notes for £1 or 10 shillings, 20 years were substituted for 40 years, and as if, in the case of any such notes being transferred currency notes, they had been issued on the appointed day and, in the case of any such notes not being transferred currency notes, they had been issued on the last day on which notes of the particular series of which they formed part were issued by the Bank.

#### Power to increase amount of fiduciary note issue.

8. (1) If the Bank at any time represent to the Treasury that it is expedient that the amount of the fiduciary note issue shall be increased to some specified amount above £260,000,000 the Treasury may authorize the Bank to issue bank notes to such an increased



amount, not exceeding the amount specified as aforesaid, and for such period, not exceeding six months, as the Treasury think proper.

(2) Any authority so given may be renewed or varied from time to time on the like representation and in like manner: *Provided*, That, notwithstanding the foregoing provision, no such authority shall be renewed so as to remain in force (whether with or without variation) after the expiration of a period of two years from the date on which it was originally given, unless Parliament otherwise determines.

(3) Any minute of the Treasury authorizing an increase of the fiduciary note issue under this section shall be laid forthwith before both Houses of Parliament.

#### Amendment as to issue of notes by banks in Scotland and Northern Ireland.

9. (1) For the purpose of any enactment which in the case of a bank in Scotland or Northern Ireland limits by reference to the amount of gold and silver coin held by any such bank the amount of the notes which that bank may have in circulation, bank notes held by that bank or by the Bank on account of that bank, shall be treated as being gold coin held by that bank.

(2) A bank in Scotland or Northern Ireland may hold the coin and bank notes by reference to which the amount of the bank notes which it is entitled to have in circulation is limited at such of its offices in Scotland or Northern Ireland, respectively, not exceeding two, as may from time to time be approved by the Treasury.

10. The form prescribed by Schedule A to the Bank Charter Act, 1844, for the account to be issued weekly by the Bank under section 6 of that act may be modified to such an extent as the Treasury, with the concurrence of the Bank consider necessary, having regard to the provisions of this act.

#### Power of Bank of England to require persons to make returns of and to sell gold.

11. (1) With a view to the concentration of the gold reserves and to the securing of economy in the use of gold, the following provisions of this section shall have effect so long as subsection (1) of section 1 of the Gold Standard Act, 1925, remains in force.

(2) Any person in the United Kingdom owning any gold coin or bullion to an amount exceeding £10,000 in value shall, on being required so to do by notice in writing from the Bank, forthwith furnish to the Bank in writing particulars of the gold coin and bullion owned by that person, and shall, if so required by the Bank, sell to the Bank the whole or any part of

the said coin or bullion, other than any part thereof which is bona fide held for immediate export or which is bona fide required for industrial purposes, on payment therefor by the Bank, in the case of coin, of the nominal value thereof, and in the case of bullion at the rate fixed in section 4 of the Bank Charter Act, 1844.

#### Penalty for defacing bank notes.

12. If any person prints or stamps or by any like means impresses on any bank note any word, letter, or figures, he shall in respect of each offense be liable on summary conviction to a penalty not exceeding £1.

#### Short title interpretation and repeal.

13. (1) This act may be cited as the "Currency and Bank Notes Act, 1928."

(2) This act shall come into operation on the appointed day and the appointed day shall be such day as His Majesty may by Order in Council appoint, and different days may be appointed for different purposes and for different provisions of this act.

(3) In this act, unless the context otherwise requires—

The expression "the Bank" means the Bank of England.

The expression "issue department" means the issue department of the Bank.

The expression "bank note" means a note of the Bank.

The expression "coin" means coin which is current and legal tender in the United Kingdom.

The expression "bullion" includes any coin which is not current and legal tender in the United Kingdom.

(4) The enactments set out in the schedule to this act are hereby repealed to the extent specified in the third column of that schedule.

#### Schedule—Enactments repealed

Session and chapter	Short title	Extent of repeal
7 and 8 Vict. c. 32.	The Bank Charter Act, 1844.	Sections 2, 3, 5, and 9, in section 11 the words from "save and except that" to the end of the section, sections 13 to 20, and section 22, and, so far as relates to England, sections 10 and 12. Section 4, so far as unrepealed.
24 and 25 Vict. c. 3.	Bank of England Act, 1861.	
4 and 5 Geo. 5 c. 14.	The Currency and Bank Notes Act, 1914.	The whole act, except subsection (5) of section 1 and section 5.
4 and 5 Geo. 5 c. 72.	The Currency and Bank Notes (amendment) Act, 1914.	The whole act.
5 and 6 Geo. 5 c. 62.	The Finance Act, 1915.	Section 27.
15 and 16 Geo. 5 c. 29.	The Gold Standard Act, 1925.	Paragraph (b) of subsection (1) of section 1.

## NEW FRENCH MONETARY LAW AND ADMINISTRATIVE CONVENTIONS

THE MONETARY LAW APPROVED JUNE 25,  
1928

## ARTICLE 1

The provisions of article 3 of the law of August 5, 1914, which established as a temporary measure the legal-tender quality of the notes of the Bank of France and of the Bank of Algeria, are hereby repealed.

## ARTICLE 2

The franc, the French monetary unit, shall contain 65.5 milligrams of gold 0.900 fine.

The present definition is not applicable to international payments, which, prior to promulgation of the present law, have been validly stipulated in gold francs.

## ARTICLE 3

The Bank of France shall guarantee the convertibility in gold of its notes to bearer and at sight.

It is authorized to effect this conversion either by redeeming its notes in legal tender gold coin or by exchanging them for gold bullion at the rate of 65.5 milligrams of gold 0.900 fine per franc.

It is not required to redeem or exchange its notes except at its central office and for such minimum amounts as shall be fixed by agreement between the Minister of Finance and the Bank of France.

Convertibility of notes of the Bank of Algeria shall be guaranteed under similar conditions by agreement between the Minister of Finance and the Bank of Algeria.

The Bank of France shall buy gold over the counter at its central office and at such branch offices as it may designate, at the rate of 1 franc per 65.5 milligrams of gold 0.900 fine, and without deducting interest. It is authorized to charge the seller for cost of coinage at the rate charged by the Paris mint. The cost of assay shall be charged to the seller.

## ARTICLE 4

The Bank of France shall maintain a metallic reserve in gold bullion and gold coin equal at the minimum to 35 per cent of the combined amount of its notes in circulation and its liabilities on current account.

Legal provisions heretofore enacted fixing a maximum amount for the note circulation of the Bank of France are hereby repealed.

## ARTICLE 5

There shall be struck off by the mint (l'Administration des Monnaies et Médailles) gold pieces of 100 francs 0.900 fine. Deviation from the standard of fineness shall not exceed one-thousandth in excess or deficiency. Deviation in weight shall not exceed two-thousandths in excess or deficiency. These coins shall be unlimited legal tender.

## ARTICLE 6

A decree issued by the Council of Ministers shall fix the date on which the mint shall resume free coinage of gold for private account. This decree shall determine the conditions under which gold may be accepted for coinage at the rate fixed in article 2 and shall fix the charge for coinage.

Until publication of this decree there shall be no coinage of gold by the mint except for account of the Bank of France, and the charge for coinage shall be 40 francs per kilogram of gold, 0.900 fine.

## ARTICLE 7

To replace 5, 10, and 20 franc notes of the Bank of France, which shall be retired from circulation before December 31, 1932, from which date they shall cease to be legal tender, the mint shall coin, for account of the Government, silver coins of a nominal value of 10 and 20 francs, 0.680 fine, to a total amount not in excess of 3,000,000,000 francs.

The weight of silver coins shall be as follows: 10 grams per coin of 10 francs, 20 grams per coin of 20 francs.

Deviation of weight and of fineness shall not exceed 0.005.

One-third of the profit resulting from the coinage of silver shall, at the end of each year, be allocated to a reserve fund set aside for maintenance of monetary circulation; the other two-thirds shall be appropriated as provided for in article 6 of the agreement consummated June 23, 1928, between the Premier and Minister of Finance, and the governor of the Bank of France.

In payments between individuals silver money shall be legal tender only to the extent of a maximum amount of 250 francs.

The designs of the new gold and silver coins shall be specified by decree.

## ARTICLE 8

The token currency of chambers of commerce shall be replaced as it is retired from circulation by coins of the same denominations issued by the Government.

In payments between individuals, coins of bronze-aluminum shall be legal tender only to a maximum amount of 50 francs; coins of nickel and of bronze shall be legal tender only to a maximum amount of 10 francs.

## ARTICLE 9

From the promulgation of the present law, all gold and silver coins minted prior to the date of this promulgation shall cease to be legal tender between individuals and in payment of public dues.

## ARTICLE 10

The reserves of gold and silver at present held by banks which have received from the Government the privilege of note issue in the colonies and protectorates where the franc is legal tender, shall be revalued on the basis of the new parity of the currency.

The Minister of Finance is authorized to conclude agreements with the banks of issue designated above, fixing the conditions under which the Government shall receive all profits from revaluation.

## ARTICLE 11

Deposit accounts at the Treasury which were opened with the central treasury fund under order of the Minister of Finance of December 17, 1920, are hereby discontinued.

Article 104 of the law of April 19, 1926, is hereby repealed, except as regards deposits made by associations which are required or permitted to deposit their available funds with the Treasury.

The preceding provisions shall become effective July 1, 1928.

## ARTICLE 12

The law of the seventeenth germinal, year XI,<sup>1</sup> concerning the minting and assaying of coins is hereby repealed.

The following laws are hereby repealed: The law of November 15, 1915, prohibiting exportation of gold bullion, gold coin, and silver coin; the law of April 12, 1916, prohibiting exportation of silver bullion; the decrees of April 1, 1915, and December 2, 1921, prohibiting ex-

portation of nickel and copper coins, as well as bronze and aluminum pieces; the law of February 12, 1916, and October 16, 1919, prohibiting trade in national currency and specie; the law of October 20, 1919, forbidding the melting and demonetization of national coins; the provisions of the law of April 3, 1918, and of laws subsequently enacted relative to prohibition of exports of Bank of France notes in excess of a specified amount; the law of August 7, 1926, concerning operations preliminary to currency stabilization as well as all other laws inconsistent with the present enactment.

## ARTICLE 13

The following agreements are hereby approved:

(1) The agreement entered into June 23, 1928, between the Premier and Minister of Finance, and the governor of the Bank of France.

(2) The agreement entered into June 23, 1928, between the Premier and Minister of Finance, and the presidents of the administrative council and of the finance committee of the autonomous fund for the administration of national defense bonds and amortization of the public debt.

(3) The agreement entered into June 23, 1928, between the presidents of the administrative council and of the finance committee of the autonomous fund for the administration of national defense bonds and amortization of the public debt, and the governor of the Bank of France.

These agreements are exempt from stamp and registration taxes.

The present law, considered and adopted by the Senate and Chamber of Deputies shall be enforced as a law of the State.

Executed at Paris, June 25, 1928.

GASTON DOUMERGUE.

By the President of the Republic:

RAYMOND POINCARÉ,

*The Premier and Minister of Finance.*

## CONVENTION BETWEEN THE PREMIER AND MINISTER OF FINANCE, AND THE GOVERNOR OF THE BANK OF FRANCE

Between the undersigned: M. Raymond Poincaré, Premier and Minister of Finance, acting in the latter capacity, and M. Emile Moreau, governor of the Bank of France, duly authorized by vote of the general council of the Bank of France, on June 23, 1928, the following agreement has been reached:

<sup>1</sup>Apr. 6, 1799.

## ARTICLE 1

The Bank of France shall proceed to the revaluation of—

(1) The items of its cash reserve entered in its weekly condition statement under the captions, "Gold held in France," "Unpledged gold and freely available funds held abroad," and "Silver."

(2) The foreign exchange holdings bought by it for the national treasury under the law of July 22, 1926, and the convention of July 24, 1926, as also under letters of August 25 and 26, and September 6 and 8, 1926.

(3) Holdings of gold, silver, and foreign exchange acquired under arrangements made in conformity with the convention of September 16, 1926, and representing acquisitions of coin, bullion, or foreign exchange, effected by the bank under the law of August 7, 1926, in respect to operations preliminary to currency stabilization.

This revaluation shall be made:

(1) In the case of gold, at the new monetary parity, according to actual weight of coin and bullion, deduction being made for cost of coinage at the new rate charged by the mint.

(2) In the case of silver, according to actual weight of the coin, at the price of silver as quoted on the international metal market on the day of the promulgation of the law effecting monetary reform and approving the present convention.

(3) In the case of foreign exchange bills, at their new mint parities on the basis of gold.

## ARTICLE 2

The Bank of France shall evaluate, on the basis established in the last paragraph of article 1, the foreign exchange sold by it under repurchase agreement. The difference between this value and the price fixed by the loan agreements for the repurchase of the foreign exchange bills in question shall be added to or deducted from the net increase in value resulting from the revaluations provided for in article 1.

## ARTICLE 3

The reserve and amortization account established by article 5 of the convention of September 21, 1914, and ratified by the law of December 26, 1914, shall be credited to the annexed account for interest on the amortization account, which is payable to the Government under the amendment of March 11, 1918, to the convention of October 26, 1917, ratified by the law of December 20, 1918.

## ARTICLE 4

The net increase in value resulting from the revaluations and valuations provided for in articles 1 and 2 above, as well as the available balance of the reserve and amortization account after entering credits as provided in article 3, shall be appropriated on the books of the bank to complete amortization of—

(1) The balance of temporary advances extended by the bank to the State under the law of August 5 and December 26, 1914; July 10, 1915; February 16 and October 4, 1917; April 5 and June 7, 1918; March 5 and July 7, 1919; April 5, June 27, November 23, and December 4, 1925.

(2) The sum of 1,349,601,215.22 francs included in the total, 1,401,549,429.63 francs, at which figure the "gold abroad, not available" is entered in the reserve account.

(3) The debit balance of the provisional account established by article 3 of the convention of September 16, 1926, ratified by the law of August 7, 1926.

## ARTICLE 5

The unappropriated surplus shall be carried on the books of the bank to the credit of the current account of the public Treasury.

## ARTICLE 6

The treasury bonds held by the bank under the convention of February 3, 1927, which was ratified by the law of March 15, 1928, shall cease to bear interest for the profit of the Bank of France. They shall be administered by the Autonomous Fund for the administration of the national defense bonds and amortization of the public debt, which shall collect for their amortization:

(1) A budgetary annuity equal to 1 per cent of the amount of bonds not yet redeemed.

(2) Profits resulting from coinage of subsidiary silver coins and not allocated to building up those funds which shall be created for the maintenance of the monetary circulation.

(3) From August 1, 1928, 50 per cent of the amount of the proceeds which are taken as the basis for calculating the tax as provided in article 5 of the law of November 17, 1897, and article 4 of the convention of October 26, 1917, and are in excess of the sum of 650,000,000 francs. This appropriation shall not be in addition to the former tax, which shall thereafter cease to be due upon proceeds in excess of 650,000,000 francs.

(4) Proceeds of eventual recoveries under credits extended to the Russian Government represented by the old bonds discounted for advances of the French Government to foreign governments, and of the credit of 499,087,-368.50 francs, resulting from the convention concluded February 2, 1915, between the Bank of France and the Russian State Bank.

After complete amortization of the bonds the above appropriation shall accrue to the benefit of the general budget of the Government.

If on the other hand, an unpaid balance should remain upon the expiration of the charter of the bank it shall be liquidated by the Government.

## ARTICLE 7

From the promulgation of the law ratifying the present convention and without prejudice to the provisions of the treaties and conventions of June 10, 1857, March 29, 1878, October 31, 1896, and November 11, 1911, the Bank of France shall grant to the Government a loan without interest of 3,000,000,000 francs, the total amount of which shall immediately be placed to the credit of the current account of the public Treasury.

As guaranty of reimbursement of this loan a treasury bond maturing on December 31, 1945, shall be delivered to the Bank of France.

## ARTICLE 8

With exception of the provisions of the amendment of May 21, 1928, to the convention of April 30, 1928, the operations and arrangements provided for in articles 1 to 7 above shall become effective immediately upon promulgation of the law making effective the currency reform and ratifying the present convention. The account of temporary advances of the bank to the Government, the account of French treasury bonds discounted for advances of the French Government to foreign governments, the reserve and amortization account and the related interest account shall thereafter be finally closed.

## ARTICLE 9

The Bank of France shall have authority to purchase bills and short-term securities for the account of such foreign banks of issue as shall have opened current accounts on its books. Interest on these investments shall be placed to the credit of the current account of the foreign banks of issue. The Bank of France may, at the request of these institutions, rediscount the bills and securities in question, which it is authorized to guarantee.

## ARTICLE 10

The bank shall retain provisionally among its assets up to the amount at which they have been revalued, under the conditions provided in article 1, holdings of silver coin represented at present in its weekly condition statement under the caption "Reserves of the bank." The bank engages to transfer these silver coins to the Government at the revaluation price for the minting of subsidiary silver coins of the new types according to the requirements of the mint. This transfer should be entirely completed by December 31, 1929, at the latest.

The Bank of France shall deliver to the mint for recoinage the above-mentioned silver coins upon order of and for account of the Government. It shall receive from the mint coins of the new standard. The amount of profit accruing from the reminting shall be appropriated according to the provisions of article 6 of the present convention.

## ARTICLE 11

The following measures are hereby annulled:

(1) The conventions and articles following, relative to the temporary advances of the bank to the Government: The two conventions of November 11, 1911, ratified by the law of August 5, 1914; the convention of September 21, 1914, ratified by article 13 of the finance law of December 26, 1914; the convention of May 4, 1915, ratified by the law of July 10, 1915; the convention of February 13, 1917, ratified by the law of February 16, 1917; the convention of October 2, 1917, ratified by the law of October 4, 1917; articles 2 and 3 of the convention of October 26, 1917, ratified by article 2 of the law of December 20, 1918; the convention of April 4, 1918, ratified by the law of April 5, 1918; the convention of June 5, 1918, ratified by the law of June 7, 1918; the convention of February 13, 1919, ratified by the law of March 5, 1919; the convention of April 24, 1919, ratified by article 1 of the law of July 17, 1919; the convention of April 14, 1920, ratified by the law of April 22, 1920; the convention of December 29, 1920, ratified by the law of December 31, 1920; the convention of April 7, 1925, ratified by the law of April 15, 1925, and by article 2 of the law of June 27, 1925; the convention of June 30, 1925, concluded in accordance with article 2 of the law of June 27, 1925; the convention of November 24, 1925, concluded in accordance with the law of November 23, 1925; the convention of December 7, 1925, concluded in accordance with

article 4 of the law of December 4, 1925; article 5 of the convention of June 13, 1927, concluded in accordance with the decree of the same day; article 5 of the convention of April 30, 1928, concluded in accordance with the decree of the same day.

(2) Articles 4, 5, and 6 of the convention of December 22, 1924, ratified by article 1 of the law of December 31, 1924, and articles 3 and 4 of the convention of July 24, 1926, concluded in accordance with article 1 of the law of July 22, 1926.

(3) The convention of September 16, 1926, concluded under article 4 of the law of August 7, 1926, in respect to operations preliminary to currency stabilization.

(4) Article 2 of the convention of February 3, 1927, ratified by the law of March 15, 1928. Read and approved.

RAYMOND POINCARÉ,  
*The Premier and Minister of Finance.*

EMILE MOREAU,  
*The Governor of the Bank of France.*

Executed at Paris, June 23, 1928.

CONVENTION BETWEEN THE PREMIER AND  
MINISTER OF FINANCE AND THE AUTONO-  
MUS FUND FOR THE ADMINISTRATION OF  
NATIONAL-DEFENSE BONDS AND AMORTIZA-  
TION OF THE PUBLIC DEBT

Between the undersigned: M. Raymond Poincaré, Premier and Minister of Finance, acting in the latter capacity, and MM. Lebrun and Milan, senators, presidents of the administrative council and of the finance committee of the Autonomous Fund for the administration of national defense bonds and amortization of the public debt, acting by virtue of the powers conferred upon them by the administrative council and the finance committee of this institution, under the law of August 7, 1926; the constitutional law of August 10, 1926, supplementing the constitutional law of February 25, 1875, in respect to the organization of public powers; the convention agreed upon June 23, 1928, between the Premier and Minister of Finance, and the governor of the Bank of France; the decisions of June 20, 1928, of the administrative council and of the finance committee of the autonomous fund for the administration of national defense bonds and amortization of the public debt; the following agreement has been reached:

ARTICLE 1

The Autonomous Fund for the administration of national defense bonds and amortization of the public debt shall, immediately upon promulgation of the law approving the present convention, be charged with the service of amortization of treasury bonds in a total amount of 5,930,000,000 francs held by the Bank of France under the convention of February 3, 1927, which was ratified by the law of March 15, 1928.

ARTICLE 2

Until the total amount of these bonds shall have been redeemed, the Autonomous Fund shall receive and shall apply to their amortization:

(1) A budgetary annuity equal to 1 per cent of the amount of bonds not yet redeemed.

(2) Profits resulting from coinage of subsidiary silver coins and not allocated to building up those funds which shall be created for the maintenance of the monetary circulation.

(3) From August 1, 1928, 50 per cent of the amount of the proceeds which are taken as the basis for calculating the tax as provided in article 5 of the law of November 17, 1897, and article 4 of the convention of October 26, 1917, and are in excess of the sum of 650,000,000 francs.

(4) Proceeds of eventual recoveries under credits extended to the Russian Government represented by the old bonds discounted for advances of the French Government to foreign governments, and of the credit of 499,087,368.50 francs resulting from the convention concluded February 2, 1915, between the Bank of France and the Russian State Bank.

ARTICLE 3

In case complete amortization of the bonds shall not have been effected before December 31, 1945, the balance remaining on that date shall be paid to the Bank of France by the Government.

Read and approved.

RAYMOND POINCARÉ,  
*The Premier and Minister of Finance.*

A. LEBRUN,  
*The President of the Administrative  
Council of the Autonomous Fund.*

F. MILAN,  
*The President of the Finance Committee  
of the Autonomous Fund.*

Executed at Paris, June 23, 1928.

CONVENTION BETWEEN THE AUTONOMOUS FUND  
FOR THE ADMINISTRATION OF THE NATIONAL  
DEFENSE BONDS AND AMORTIZATION OF THE  
PUBLIC DEBT, AND THE BANK OF FRANCE

Between the undersigned: MM. Lebrun and Milan, Senators, presidents of the administrative council and of the finance committee of the autonomous fund for the administration of national defense bonds and amortization of the public debt, acting by virtue of the powers conferred upon them by the administrative council and the finance committee of this institution, and M. Moreau, governor of the Bank of France, duly authorized by vote of the general council of June 23, 1928, the following agreement has been reached:

## ARTICLE 1

In accordance with the two conventions of June 23, 1928:

(1) Between the Premier and Minister of Finance, and the presidents of the administrative council and of the finance committee of the autonomous fund for the administration of national defense bonds and amortization of the public debt;

(2) Between the Premier and Minister of Finance, and the governor of the Bank of France;

The Autonomous Fund for the administration of national defense bonds and amortization of the public debt shall, from the promulgation of the law approving the aforesaid conventions, be charged with the amortization of treasury bonds amounting to a total of 5,930,000,000 francs held by the Bank of France under the agreement of February 3, 1927, which was ratified by the law of March 15, 1928.

## ARTICLE 2

In exchange for the treasury bonds designated in article 1, above, the autonomous fund shall deliver to the Bank of France bonds of the fund bearing no interest and having a maturity of three months, in a maximum amount equal to that of the treasury bonds indicated above.

These bonds of the fund shall be kept at the Bank of France, drawn in blank or to bearer, and issued in denominations of not less than 100,000 francs.

## ARTICLE 3

The Bank of France shall have the right to sell in the open market the bonds designated in article 2 above, if it seems expedient, in

order to influence the volume of credit and to maintain control of its circulation; it may likewise repurchase such bonds before their maturity.

The difference between the selling price of these bonds and their repurchase price, or their reimbursement price at maturity, shall be charged to the Bank of France.

## ARTICLE 4

The Autonomous Fund shall collect the revenues specified below, and shall allocate them in proportion to the amount collected to the amortization of bonds of the Fund designated by article 2 above:

(1) Budgetary annuity equal to 1 per cent of the amount of bonds not yet redeemed, as provided for under article 6 of the convention of June 23, 1928, between the Premier and Minister of Finance, and the governor of the Bank of France.

(2) Profits resulting from coinage of subsidiary silver coins and not allocated to building up those funds which shall be created for the maintenance of the monetary circulation.

(3) From August 1, 1928, 50 per cent of the amount of the proceeds which are taken as the basis for calculating the tax of the Bank of France to the Government, as provided in article 5 of the law of November 17, 1897, and article 4 of the convention of October 26, 1917, and are in excess of the sum of 650,000,000 francs.

(4) Proceeds of eventual recoveries under credits extended to the Russian Government, represented by the old bonds discounted for advances of the French Government to foreign governments, and of the credit of 499,087,-368.50 francs resulting from the convention concluded February 2, 1915, between the Bank of France and the Russian State Bank.

In return for each amortization payment the Bank of France shall deliver to the autonomous fund bonds of the fund in an equal amount for cancellation.

Read and approved.

A. LEBRUN,  
*The President of the Administrative Council  
of the Autonomous Fund.*

EMILE MOREAU,  
*The Governor of the Bank of France.*

F. MILAN,  
*The President of the Finance Committee,  
of the Autonomous Fund.*

Executed at Paris, June 23, 1928.

### NEW BALANCE SHEET OF THE BANK OF FRANCE

The statement published below has been made by the Bank of France in explanation of its new balance sheet. A copy of the first of the new balance sheets to appear, that of June 25, is given at the close of the statement.

#### STATEMENT OF THE BANK

The weekly balance sheet published by the Bank of France on Thursday, June 28, is the first to be issued under the new monetary law of June 25, 1928, and the conventions put into effect by that law. The condition statement has undergone certain additional modifications because the bank took the opportunity offered by the monetary reform to make very considerable changes in the actual content of its balance sheet for the sake of simplification, clearness, and precision.

Among the assets, the gold reserve naturally shows a very great increase, by reason not only of its revaluation under the conditions established by the convention of June 23, but also of the incorporation of the total gold reserve which had previously been included either in the items, "Purchases of gold, silver, and foreign exchange," or in the item "Miscellaneous assets."

The item "Gold reserve" now includes under this one caption the total amount of gold held by the bank, as follows: (1) Gold included in the former reserve, previously valued at the currency parity of the year XI;<sup>1</sup> (2) gold which the bank has purchased since August, 1926, either from the public in the form of coin, or in the form of bullion in foreign markets; and more especially in the American market through the facilities afforded to it, in particular by the Federal Reserve Bank of New York, whose friendly cooperation in this respect deserves to be emphasized.

On the other hand, the reserve item no longer includes anything but actual gold—excluding all holdings of foreign exchange—and freely available gold—excluding all gold under pledge. Foreign exchange, the value of which was previously included under the caption "Free gold and freely available gold values held abroad," has been placed under various accounts in foreign exchange. Gold abroad not available, which was previously included in the total gold reserve at about 1,400,000,000 francs at the former gold parity, has been completely amortized—to the amount of about 1,350,000,000 francs, under the convention of June 23, by the increase in value resulting from the revalua-

tion of the reserve; the remainder out of the bank's own assets.

It is interesting to observe that, notwithstanding these segregations and amortizations, as the result of the policy of strengthening the gold reserves followed by the bank during recent months, the total of this reserve at present, allowing for the new value of the franc, amounts to a sum equal to or even larger than that of about 5,543,000,000 francs at which the gold reserve, valued at the former parity, has stood among the assets of the bank.

Silver holdings, the value of which is no longer to be counted in the reserve, and which the bank is pledged to deliver to the Government for the minting of new coins of the subsidiary currency, has been carried, at the amount at which it was revalued, to a special account called "Silver coins demonetized for reminting."

Holdings of foreign exchange built up by the bank, the greater part of which had hitherto been included in "Miscellaneous assets," have been plainly shown in their full amount, regrouped and distributed according to their degree of liquidity between the two items "Funds available at sight abroad" and "Negotiable bills (foreign bills)."

Amounts of foreign exchange which have actually been loaned, and of which the bank is therefore not in possession for the time being, and which for that reason have heretofore not been shown among its assets, will be shown there henceforward for the sake of a complete record, in a special account, the exact value of which will also be carried as a corresponding liability item.

Finally, it should be noted that as a result of the operations authorized by the convention of June 23, and effective since the day on which the monetary law was promulgated, the account of advances granted by the bank to the Government from 1914 to 1925 has been liquidated and closed, and that it has disappeared from the balance sheet.

The same thing is true of the account "French treasury bonds discounted for advances of the French Government to foreign governments." The 5,930,000,000 francs of bonds which were formerly shown on the balance sheet have been taken over, as is well known, by the autonomous sinking fund, which is pledged to deliver to the bank in exchange negotiable bonds of the fund for an equal amount. The amount of this portfolio, the gradual amortization of which is guaranteed by appropriation of special revenues, has been shown under the new caption "Negotiable bonds of the autonomous sinking fund."

<sup>1</sup> 1799.



The liabilities side of the new balance sheet calls for only two comments. The amount of the amortization account has been absorbed into the amortization of the advances of the bank to the Government. It will continue to exist, however, until August 1 next, the bank having undertaken on May 21 last to pay into it the interest on foreign exchange acquired from January 1 to August 1, 1928, to be credited to the Government, preliminary to arranging the conversion loan.

On the other hand, since the gold reserve of the bank must henceforward always amount to at least 35 per cent of the combined note circulation and liabilities on current account, it has seemed necessary to group under the same inclusive caption the various items of the balance sheet which come under this definition—that is, notes in circulation, the current account of the Treasury, that of the autonomous sinking fund (which has been shown under a separate caption), and, last, current deposits of individuals and other demand liabilities (arrears of securities on deposit, dividends to be paid, promissory notes, checks in circulation, etc.). The total of the liabilities thus given in detail on the balance sheet is shown in a special table at the bottom of the balance sheet, together with the ratio of the gold reserve to this total, so that the difference between this ratio and the legal ratio of 35 per cent can be seen at a glance.

Finally, in the interest of simplicity and precision, the bank has decided henceforth to make uniform for both the head office and the branches the dates on which the statement of accounts shall be reported. Hitherto the balance sheet issued each Thursday was made up by compiling the condition statement of the head office as of Wednesday evening and of the branches as of the preceding Friday. This method has been given up. From now on the balance sheet, which will be published each Thursday, will give the condition statement of the Paris office and of the branches for the same date as of the preceding Saturday morning.

As a single exception to the above arrangement the balance sheet of Thursday, June 28, was compiled for the head office, as well as for the branches, as of Monday, June 25, the date on which the measures giving effect to the monetary reform came into force.

CONDITION STATEMENT OF THE BANK OF FRANCE  
(Amounts in francs)

	June 25, 1928
<b>ASSETS</b>	
Gold reserve (coin and bullion).....	28,934,885,268.85
Silver and copper coins.....	233,164.27
Postal current accounts.....	699,822,920.51
Funds available at sight abroad.....	15,984,000,741.32
Foreign exchange loaned.....	9,777,767,643.00
Advances on gold bullion and coin.....	37,258,500.00
Bills:	
Commercial bills discounted in France.....	2,955,453,811.32
Commercial bills discounted abroad.....	16,968,789.89
Negotiable bills bought in France.....	
Negotiable bills bought abroad.....	10,544,906,332.68
Advances against securities.....	1,846,774,369.43
Negotiable bonds of the autonomous sinking fund.....	5,930,000,000.00
Loans without interest to the Government.....	3,200,000,000.00
(Law of June 9, 1857; convention of Mar. 29, 1878; law of June 13, 1878, extended; laws of Nov. 17, 1897, Dec. 29, 1911, Dec. 20, 1918, and June 25, 1928.)	
Rentes earmarked for special purposes.....	112,980,750.14
(Law of May 17, 1834; decrees of Apr. 27 and May 2, 1848; law of June 9, 1857.)	
Bank buildings and equipment.....	219,327,419.32
Silver coins demonetized for reminting.....	784,824,534.42
Miscellaneous assets.....	1,239,422,613.32
<b>Total.....</b>	<b>82,285,226,858.46</b>
<b>LIABILITIES</b>	
Capital.....	182,500,000.00
Profits in addition to capital.....	272,696,110.93
(Laws of June 9, 1857 and Nov. 17, 1897.)	
Legal liquid reserves.....	22,105,750.14
(Law of May 17, 1834; decrees of Apr. 27 and May 2, 1848; law of June 9, 1857.)	
Nonliquid reserve.....	4,000,000.00
Demand liabilities:	
Notes in circulation.....	58,772,461,105.00
Current account of the Treasury.....	5,078,688,970.25
Current account of the autonomous sinking fund.....	1,934,117,189.24
Other current accounts and deposits.....	5,471,052,901.62
Other demand liabilities.....	273,389,659.84
Liabilities arising from foreign exchange loaned.....	9,777,767,643.00
Miscellaneous liabilities.....	496,447,528.44
<b>Total.....</b>	<b>82,285,226,858.46</b>
Total demand liabilities.....	71,529,709,825.95
Ratio of gold reserve to demand liabilities.....	40.45

ANNUAL REPORT OF THE NATIONAL BANK OF HUNGARY

The annual report of the National Bank of Hungary was made to the board of directors on February 6, 1928. Part of the English version of the report furnished by the bank is as follows:

**Economic situation.**—The international movement of capital and goods, and the factors affecting these, deserve particular consideration because during the second half of the year the weakness in our otherwise favorable economic situation was due to our foreign balance of merchandise and of payments. The chief concern of the National Bank of

Hungary, which is responsible for the stability of the currency, is the effect of these balances on the value of the monetary unit. Since there are many possible ways of restoring equilibrium to the balance of payments, and since every nation holds large assets on which in an emergency it can realize in the international market, we believe that only a long-continued and radically unfavorable development of the balance of payments is likely to affect the stability of the currency. Nevertheless we need to be cautious not only in availing ourselves

of foreign loans and in restricting their employment to productive uses, but also in adjusting our consumption more nearly to our present production. We should also use every means at our disposal to further the accumulation of capital at home, and to afford private enterprise greater opportunities for activity.

**Credit conditions.**—The relief experienced in the credit market during 1926 continued during the opening months of 1927. During April the rates of interest sank to their lowest level; in May, however, partly under the influence of events abroad and partly in consequence of the increased demand for capital, the tendency was reversed. During the remainder of the year rates showed a rise, which in the case of prime commercial bills amounted to about 1 per cent as compared with the lowest rates touched. This movement was also furthered by the increase in economic activity, and by the difficulty of placing Hungarian mortgage bonds abroad as the result of the temporary reserve of the American money market. The accumulation of domestic capital was insufficient to offset these adverse factors. For although the increase in deposits makes a favorable showing, the fact that, despite a relatively brisk course of business, only a few joint-stock companies increased their share capital, even these increases being effected to a very considerable extent with the aid of foreign funds, and more particularly the fact that the amount of fixed interest-bearing securities which could be placed in the home market was insignificant, leads to the conclusion that the process of accumulation of domestic capital is a very slow one. Nor can we expect any improvement in this respect to result from the efforts to mitigate credit conditions by extending the bases of credit.

Under the circumstances outlined above, foreign capital has to be resorted to on an increased scale in order to meet the credit demands of our productive enterprises. During the year foreign capital to the amount of some 240,000,000 pengö entered the country in the form of long-term bond loans. Of this amount the greater part was taken up by municipalities and other public corporations; the remainder, which served predominantly agricultural purposes, being negotiated by private enterprise.

Not only these long-term loans but our short-term foreign indebtedness also increased. In addition to the direct credits granted to our importers—the amount of which has in all probability expanded as the result of the growth of our imports—increase in the amount of our other short-term credit during the year under review may be estimated at between 150,000,000

and 200,000,000 pengö. This is a phenomenon by no means desirable from the point of view of the stability of our economic position; we may, however, note as a favorable circumstance the fact that this abundance of offers of credit, and more particularly the favorable terms on which the offers are made, indicate that foreign capital has confidence in the country and in its banking organization.

During the year our banking organization in general showed a further development. The half-yearly balance sheets issued by the several institutions bear witness to an increase of business opportunities. Embarrassments experienced in some instances were the result of excessive participation in industrial and commercial transactions, so that reduction of investments along certain lines on the part of weaker banking institutions must be regarded as a healthy process.

During the year, too, the National Bank continued, as it will do in the future, to concentrate its efforts on developing in the credit market such a situation as would lead to a reduction in rates of interest. Unfortunately, the circumstances outlined above—in particular the increased demand for credit and the insufficiency of the capital accumulated in the country—raised obstacles in the way of a realization of this purpose.

**Stock exchange.**—The change which took place during the spring in the money market was reflected in the volume of transactions on the stock exchange. During the opening months of the year the upward tendency which began in the summer of the preceding year continued. The turnover reached its culmination in the month of April; subsequently, however, there was a considerable decrease; while during the closing months of the year the course of business in the securities market was quiet, at relatively favorable prices. The introduction of the quotation of market prices in terms of pengö, and also the contraction of shares following on the revaluation of the balance sheets, was effected without the slightest disturbance.

**Prices.**—The upward tendency characteristic of the first half of the year was reflected in the development of prices. Wholesale prices continued to follow the upward movement which had set in during the autumn of the previous year; and reached their peak in August, being then about 10 per cent in excess of those prevailing a year earlier. A corresponding advance was in evidence in the cost of living, to which the gradual abolition of restrictions governing house rent, etc., contributed.

**Discounts.**—The renewed briskness of production and trade outlined above could not

fail to affect the condition of the National Bank; the effect found expression first in the advance of the amount of discounts. The average amount for the whole year represented by bills and warrants discounted was 57.6 per cent in excess of that of the preceding year. During the opening months of the year the usual seasonal decline did indeed take place; however, even this decline was of a comparatively limited character. From March until October the rise in discounts was unbroken, this being followed in November by a slight decline and in December by a slight increase, so that the amount of discounts reached its highest level for the year on December 31, when it stood at 332,100,000 pengö.

The cause of the expansion must, therefore, be sought primarily in the general resumption of business activity which was independent of seasonal factors, and in the demand for credit—or rather in the increased demand for means of payment—resulting therefrom. Under such circumstances it did not seem justifiable to restrict credit, particularly in view of the fact that the expansion of production had created a larger supply of eligible bills. There were no signs of any such growth of speculation as might have rendered it advisable to make credit dearer; nor did any such growth seem probable even during the later stages of the recovery, for there had been a considerable setback on the German exchanges at the beginning of May. Apart from the legitimate increase of the demands of production, it was impossible to ignore the fact that the gradual repayment of the State debt due to the bank, and the increase of the State deposits concentrated in the hands of the bank would tend to reduce the note circulation. It appeared a justifiable procedure to counteract this effect by an elastic issue of notes based on discounts, particularly so since the expansion of the amount of discounts does not in itself affect the purchasing power of the currency, but affects it only indirectly through the amount of means of payment in circulation. The amount of the means of payment expressing actual purchasing power did not exceed the limits justified by the conditions of production and trade. These considerations guided the management of the bank in leaving the official bank rate unchanged throughout the year at the original level of 6 per cent, though several central European banks of issue raised their rates, and though here and there signs of excess were perhaps in evidence in the general economic recovery of the country.

In taking this decision the management of the bank was guided further by the considera-

tion that although raising of the bank rate would check the endeavors to obtain bank credit, it would, nevertheless, increase the number of those persons in quest of credit who would be able to obtain loans abroad on more advantageous terms; and that would in its turn have only had the still less desirable result of increasing short-term foreign loans and weakening the control of the money market by the bank.

**Metal and foreign exchange reserve.**—During the first half of the year under review the metal and foreign exchange reserve of the bank declined somewhat. The metal reserve fell from 290,800,000 pengö at the close of 1926, to less than 260,000,000 pengö in March, remaining at or about this level until the second half of July, when it sank to the lowest point—253,400,000 pengö—recorded during the year. In the second half of the year, however, it began to increase once more, so that at the close of the year it figured in the bank's balance sheet at the amount of 317,500,000 pengö. The relatively slight fluctuations of the metal and foreign exchange reserve recorded during the year prove that our international payments were cleared throughout the year without difficulty. The introduction of the new monetary unit was effected without disturbing international relations; and no complications whatsoever accompanied the introduction of the quotation of the pengö in foreign markets. During the year our business in foreign means of payment was on a larger scale than in the previous year, as a natural consequence of the revived activity of trade and of credit transactions.

The ratio of gold in our metal and foreign exchange reserve continuously increased. The stock of gold gradually increased until August 7, rising from 168,800,000 to 196,800,000 pengö, the highest figure attained during the year, and remaining near that level until the close of the year. The proportion of gold in the aggregate metal and foreign exchange reserve rose during the year from 58 to 62 per cent.

**State debt to the bank.**—The agreement concluded during 1926 relative to the State debt to the bank—intended to hasten the repayment of the said debt—resulted in a further reduction from 134,700,000 to 111,400,000 pengö, the sum extinguished being therefore 23,300,000 pengö during 1927.

**Note circulation.**—In judging the volume of note circulation and comparing it with that of the previous year, we must allow for the fact that part of our note circulation has been gradually replaced by token coins during the course of the year 1927 and therefore take

account of the note and token-coin circulations combined. The aggregate yearly average amount of actual means of payment in circulation was during the year 1927 15.9 per cent in excess of the note circulation of the previous year, whereas, if we leave out of account the token coins, the difference is only 6.6 per cent.

We shall find a somewhat larger increase, if we also take into account the item of the so-called virtual note circulation—i. e., the current accounts and other liabilities payable on demand. For the yearly average aggregate amount of the actual and virtual note circulation showed an increase of 13.7 per cent or, including the circulation of token coins, of 19.7 per cent, as compared with that of the previous year. We must, however, not ignore the fact that this relatively greater increase of the virtual note circulation is to be attributed mainly to the increase of State deposits. These credit balances of the State, although the rules relating to cover are identical, can not be regarded as means of payment in the same sense as are bank notes or current account credit balances of private individuals, since they play a comparatively slight rôle in the work of effecting payments and are therefore of far less importance as a factor in the purchasing power of the currency.

During the course of the year 1927 the proportion of cover of our note circulation prescribed by the statutes was on a lower level than in the previous year; indeed, as from the end of April it sank below 50 per cent. As compared with the proportion of 50.17 per cent recorded at the beginning of the year, its lowest point was reached on October 31, when it was 46.15 per cent; while on the last day of the year it stood at 46.41 per cent. This decline

is to be attributed not only to increase of the actual and virtual note circulation but also to the fact that the State debt to the bank—the amount of which is to be deducted from that of the note circulation requiring cover—was considerably reduced during the course of the year.

**The new pengö currency.**—The replacement by our new pengö notes of the State currency, notes expressed in terms of crowns, which was begun on December 27, 1927, was effected with a rapidity that exceeded all expectations. A year's experience has established the fact that people very soon accustomed themselves to calculating in terms of pengö and to the use of the means of payment expressed in terms of pengö currency.

The various kinds of token coins also, as well as the pengö notes, were in general favorably received. For some months past our circulation of token coins has amounted to about 40,000,000 pengö, a fact which seems to show that that amount is sufficient for present requirements.

**Cooperation of banks of issue.**—The cooperation of banks of issue of the world, which is becoming closer every year and has played no small part in the work of remedying the disastrous financial situation resulting from the Great War, yielded beneficial results during the past year. As in the case of reconstruction of the public finances of Belgium, the stabilization by law of the Polish and Italian currencies afforded an opportunity for cooperation of banks of issue, and it is gratifying to be able to record that the National Bank of Hungary cooperated with its fellow institutions in foreign countries in the work of giving effect to these two stabilization schemes.

#### ANNUAL REPORT OF THE BANK OF NORWAY

Director N. Rygg addressed the annual meeting of the Bank of Norway on February 20, 1928. Part of the address is as follows:

The year which has passed since the board of directors made their last annual report has been in many respects a difficult one, although developments have been of more than usual interest. At this time last year depression was the keynote, and prospects in many of our major industries were far from encouraging. The year 1927, also, must be characterized as a bad year. But it is not sufficient to emphasize this fact. It is of great importance that we examine the tendencies that have been manifested and determine their direction. Depression in our chief industries a year ago weighed with equal pressure on agriculture, forestry,

and shipping. There are still adjustments to be made not only in specific lines of production, but as well in the interrelations of different branches.

**The fishing industry.**—During the spring one could discern several bright lights in the dark picture. Of the industries that had been particularly depressed one may mention fishing. The price of "klipfisk" reached its lowest level in April, and improved gradually thereafter, with the exception of one slight setback, reaching a satisfactory level toward the close of the year when storage supplies were diminishing. Taken as a whole the year has proved more favorable than had been anticipated for producers and exporters. Profit has been fair and the situation has improved. Salmon fish-

ing likewise improved after the spring season. In spite of the abnormally low prices which have been obtained in foreign markets, the past year has been one of normal and satisfactory operation for fishermen as well as for exporters. This has meant much in our national economy.

**Agriculture.**—Agriculture, which is exceedingly important in our national economy, is at present working under severe handicaps. We are quite aware that it is not the home market only which influences this industry, but that the agricultural depression is of an international scope. Financial returns under the high costs of production are very low, and the situation must be characterized as serious.

**Unemployment and insolvencies.**—Unemployment continues in large volume, but there has been a considerable decrease since last summer. Another indication of improved conditions is found in the decrease in business failures during 1927. The decrease may be due partly to greater care exercised in extending credit, but even that in itself is a sign of improvement.

**Industrial depression.**—Every branch of industry has been affected by the depression of the last few years. Many industries have gone beyond their strength and obtained credit beyond reasonable limits. But any close observer will find a number of major industries which have planned with care, concentrated on their task, and used foreign capital with great judgment and in consequence have weathered the hard times and are to-day well prepared to meet competition. I may refer to our shipping, which is of fundamental importance in our international dealings. Norway's tonnage is greater than at any earlier period, and its effectiveness has advanced steadily. Our merchant marine is in excellent condition and well prepared to meet foreign competition. Our fishing industry, also, has shown a satisfactory expansion. These two great industries have been especially affected by the international market situation, which has been depressing.

**The money market.**—During the first half of the year the money market was under no strain. Generally speaking, major industrial concerns made few or no applications for loans. In consequence loans against prime acceptances were obtained at as low a rate as  $2\frac{1}{2}$  per cent. The situation changed, however, about the middle of the year, and from then on became tighter. Explanation for this is found primarily in the large withdrawal of foreign capital temporarily deposited in Norway. In the course of the summer, as the amount of foreign exchange holdings became normal, restrictions upon

capital were abandoned and normal fluctuations occurred. The desire of the bank to aid industry was evidenced by the increased number of loans made by the Bank of Norway to other banks during the latter part of the year.

The discount rate was maintained at  $4\frac{1}{2}$  per cent during the greater portion of the year—a low level which was considered to be of great advantage. In the meantime it became evident that this low level was not in accordance with existing conditions, and that the low rate was not attracting capital in the desired amount. The rate was in consequence raised to 5 per cent on November 1.

The year 1927 showed considerable changes in the accounts of the Bank of Norway corresponding to fluctuation in foreign deposits. Total deposits at the close of 1926 amounted to 304,000,000 crowns and at the close of 1927 to 95,000,000 crowns, a reduction of 209,000,000 crowns. Loans and discounts dropped from 466,000,000 to 260,000,000 crowns, showing a reduction of 206,000,000 crowns. The reduction was due in greater part to a stable rate of exchange, but in part to other tendencies. As will be recalled, due precaution was taken in purchasing a considerable amount of foreign securities, which were deposited in the Bank of Norway, a corresponding amount of Norwegian notes being issued by the bank. By reason of the great care taken in effecting these transactions no unfavorable disturbances took place in the money market.

**Foreign relations.**—Financial relations with foreign countries again became normal. Before the war bank balances in foreign accounts had been evenly offsetting. During the war the net balance grew in favor of Norwegian banks. After the war it changed in favor of foreign banks, necessitating greater activities on the part of the Bank of Norway in order to counterbalance the effect.

The Bank of Norway joined the movement of the last few years for greater cooperation between central banks of different countries.

**Exchange rates.**—I have on several occasions pointed out the great misfortune which befalls a country when there are wide fluctuations in the exchange value of its currency, such as we have experienced since the war. Unfortunately, it is rather difficult to remedy such a situation. All the various remedies proposed involve certain hardships. During the rapid rise in the exchange rate of the crown there has been considerable and widespread complaint against the hardship of bringing the crown back to parity. Nothing, however, would be more disastrous than to refuse to return to parity by lowering the value of the crown.

In reality there was only the choice between redemption at par value, which has occasioned complaints of hardships, and establishment of a new and lower level of value for the crown, which would have developed still greater opposition, because more people would have been affected by the latter course.

There is much to be said of the exchange fluctuations. The year began with the pound sterling at 19.25 crowns and closed with the quotation at 18.34. While the period may be characterized as quiet, the exchange fluctuations have had several interesting features. At the beginning of the year the Bank of Norway held in considerable amount foreign exchange which had been deposited by foreign countries, the withdrawal of which was only a question of time. In addition to these amounts held on foreign accounts, certain requirements of Norwegians for foreign exchange were covered with difficulty. There were no unusual developments during the first two months of the year, but toward the close of March the threatening labor conflicts occasioned stringency in the money market. The pound sterling dropped from 18.60 to 18.80 crowns; this rate continued practically unchanged from April 8 to May 28. During this time the bank encountered a strong demand for exchange.

The board of directors became convinced that it would be unfortunate to have the value of the crown fall by even a few points. A decline in the exchange value, it was believed, would create unrest with an unfavorable effect on business. As the months passed by the several branches of industry had occasion to adjust themselves to the new and sustained currency value. Following heavy withdrawal of capital, the market became quieter during April and May, and normal transactions again became the order of the day. During the latter half of July there was a strong demand for exchange, which necessitated considerable selling by the Bank of Norway. From July 12 to August 11 the rate of exchange was maintained at 18.80 crowns. Some nervousness developed as a market reaction over maintenance of the rate unchanged for so considerable a period, since many apparently were desirous of obtaining higher quotations. In the meantime it became evident that the value of the Norwegian crown should advance as a normal effect of prevailing conditions and that a change at any time might be expected. This happened in a natural way on August 11 and created a feeling of relief.

During the months from June to September, inclusive, the situation on the exchange market

was favorable. The market took care of itself, and only occasionally was it necessary for the Bank of Norway to aid in meeting the constant withdrawal of foreign capital. Following a strong demand for exchange the situation quieted down during August. Toward the end of the month, however, a notable turn in the market, with an increased number of sellers, both Norwegian and foreign, increased the value of the Norwegian crown during September. On September 13 the exchange rate of the pound sterling dropped to 18.41 crowns, with an even lower rate in the open market. During this period the Bank of Norway strengthened its position by buying exchange in the open market in considerable amounts. Early October also was characterized by quietness, which must on the whole be termed a satisfactory development.

There has been during the past few months some withdrawal of capital, but not to any great amount. This may be in part accounted for as a reaction upon the rumor about writing off the national debt, which gave rise to some uneasiness and had an unfavorable effect on the money market. It was necessary to wait for the cessation of these rumors.

As already noted, the market was quiet. It continued stable as results of the election became known. The unrest subsided in a few days because of popular approval of developments. In addition assurance from several quarters that no radical changes would be attempted had a soothing effect, which would have been greater if the assurance had been given at an earlier date. However, one fortunate result was that the foreign demand for Norwegian exchange had been considerably reduced. There was no very considerable amount of funds left to withdraw; otherwise the unrest might have been greater.

October proved to be for us a very expensive month. Unrest spread over the country like wildfire and gained ground in small places long after quiet had been established in some important centers. Later on in the month a considerable portion of the capital which had been withdrawn was returned again.

In November the Bank of Norway announced that it had secured an exchange credit. At the same time announcements were made that several industrial concerns and the Municipal Bank of Norway had obtained foreign loans. The rate of exchange on foreign currency dropped, and this as usual brought a number of sellers into the market. As a consequence the Bank of Norway could again increase its holdings without hindrance to the rise in value of the crown. The pound sterling was

thus quoted at 18.34 crowns on November 25, and this rate of exchange was maintained to the close of the year. Demand for exchange during early November was in considerable amount, and was followed by sufficient inflow of capital toward the close of the year.

**Savings.**—It has been mentioned before, but it needs repeating, that it is of great importance to our progress that saving be encouraged. While it is true of other countries that saving has fallen off during the last few years, the decrease has been particularly marked in our case. Saving has been reduced partly because of high cost of living and partly because of heavy taxation. The investigation of Professor Wadervang shows that the average saving has been materially reduced, and every effort should be made to bring it back to its former level. Our progress depends upon greater production, and it must be the mission of the banks to secure means, with a reasonable profit, which will make possible greater production. As a requisite of this advancement, it

is necessary that we exercise greater thrift, no matter how much self-denial is required. This is a fundamental social necessity. If we neglect to build up and help by refusing to save we shall bar possibilities of progress. Confidence will return in proportion as we create a sense of security.

**Developments since the close of the year.**—The first part of January, 1928, was characterized by depression, due to several causes which intensified the situation, and made it necessary to exercise great care. During the first half of the month there was a considerable demand for exchange, which, however, was counterbalanced by influx of capital during the last half of the month. Following this we had a period of great unrest during which we were the object of heavy exchange pressure. The inflow of capital funds from the home market during this period was insignificant. Because of these circumstances it was absolutely necessary to increase the discount rate. The board of directors had no choice.

### ANNUAL REPORT OF THE NATIONAL BANK OF RUMANIA

The annual report of the National Bank of Rumania for 1927, submitted to the general meeting of shareholders on February 19, 1928, contains the following section dealing with the policy of the bank during the year:<sup>1</sup>

The prudent policy of the Government, together with the sacrifices made by taxpayers, guaranteed a balanced budget for the past year; and this enabled the Government to fulfill the obligations which it had assumed in respect to the National Bank, and consequently to increase the bank's assets. The chief concern of the bank was to bring the currency under control—a prerequisite for security in business operations. As a result of a wise use of the bank's own assets, and of the gradual liquidation of the Government debt, we have been able to maintain the lev at its normal level and to defend it against the play of speculative interests. The satisfactory results of this policy have helped greatly to strengthen the credit of Rumania beyond her own frontiers and have attracted a larger inflow of foreign capital to our more important business enterprises.

**Allocation of credit.**—During the past year the bank endeavored to allocate its credits with due regard to the urgency of the needs, and to the reliability, the capital and the reserves of applicants. In order that our assist-

ance might be given as directly as possible to the producer, we have sought constantly to enlarge the field of our activities, but always within the limits of safe and liquid investment.

Believing that the strongest ties which bind the citizens of a country to their government are economic, the bank has done everything in its power to solve the difficult problems created by the breaking of financial relations between the united provinces of Rumania and the financial centers from which they were cut off. It has been impossible to do all that we wished, but the fulfillment of this duty is one of the essential parts of our program, which will find new means for its realization during the current year.

The National Bank has undertaken to assist all branches of production and to make the resources at its disposal as effective as possible.

**Cost of money.**—It is characteristic of the situation that the cost of money rose during 1927 to the highest point ever reached—a height so excessive as automatically to induce a reaction in reduction of rates, the burden of which had become intolerable to producers. This movement began last autumn in the more important centers of Ardéal. The National Bank being fully aware of the dangers arising from excessive interest rates, and being now in a position to intervene effectively, decided to support the movement beginning in Ardéal, to organize, extend, and assist it. This plan,

<sup>1</sup> For the annual report covering the year 1926, see BULLETIN for October, 1927.

which is explained in detail in our circular of December 22, is now in operation. We do not doubt that all the credit institutions will give their loyal support to the execution of our policy, which is indispensable for the maintenance of production—the very basis of their existence. We should, therefore, coordinate our efforts to relieve the crisis, which reflects actual economic conditions and is depressing the general level of production throughout the country.

**Industrial depression.**—Agriculture has had a poor yield and furthermore, as a consequence of the world-price level, its labor and sacrifices have been inadequately remunerated, especially in relation to the increasing cost of living. The oil industry has been seriously affected by international competition. As to other industries, they are depressed as a result of decline in the general purchasing power, while net costs of production have steadily risen.

Business also, which lives by exchange of commodities, is depressed by these same causes. Banking business in particular feels the effects of an increasingly evident reduction in the volume of profitable operations.

**Foreign credit.**—By the application of its utmost efforts, the wise policy of the Government has achieved a balanced budget, consolidation and regular amortization of the floating debt, an active merchandise balance, and control of the currency; the latter is an indispensable step toward the execution of monetary reform and the floating of loans under favorable conditions.

The results of sacrifices already made offer a most adequate guaranty to foreign capital, just as a consistent and vigorous policy inspires the greatest confidence, as a result of which, naturally, better conditions will be obtainable for loans.

The international situation at present is most favorable for the flotation of loans, because the economic interdependence of nations has been proved to possess even greater reality than their political interdependence. Being compelled to choose between a policy of reducing production to bring it into accord with reduced purchasing power, and a policy of increasing production by stimulation of purchasing power in the world markets, our economic authorities decided emphatically in favor of the latter procedure.

At present, in the world markets the producing countries are regarded as rich customers rather than as future competitors. It is this fact which particularly characterizes the present

economic situation. This condition has been favorable for development of the able policies practiced recently by Belgium, France, Poland, and Italy, each one of these powers striving to the utmost of its ability to extend the influence of its own particular genius.

**Currency stabilization.**—Wishing to complete and make permanent the work of financial reconstruction undertaken since the war, the Rumanian Government has decided, as you know, to stabilize the currency on the basis of the current rate of exchange, a rate which we believe to be in harmony with actual conditions. In our opinion legal stabilization, which is desired by the whole producing community, can be effected by the Government under very favorable conditions, and the National Bank will lend its full support. The accomplishment of this task is the first step in the direction of fruitful collaboration of foreign capital in our labor and in the development of our great natural resources, a collaboration which will yield very large returns with complete security.

We feel confident that the year 1928 is the beginning of a period of expansion hitherto undreamed of in our national economy, the just reward of continuous labor and untiring efforts since the close of the war.

Such are the prospects which open up before us. We do not by any means believe that a single effort will suffice to achieve them. We should rather pledge ourselves henceforward to intense and unremitting toil, but the rewards will be in proportion to the new conditions in which we shall find ourselves.

It is said, and with truth, "that after the reorganization of the currency, the ills which have grown up during a period of inflation disappear only under the typical form which they have exhibited during that period, but for a long time thereafter they persist under another aspect." We should bear this truth in mind in order to avoid disillusionment, and should never forget that the actual foundation of sound money is a surplus of production. Fortified by a firm determination, let us enter upon the new road, which is that of realities.

The National Bank, upon which the unavoidable demands of the situation have imposed certain duties which do not properly appertain to it, must, as soon as stabilization shall have become an accomplished fact, limit itself to such functions as are suitable to a bank of issue—controlling the currency and maintaining complete liquidity. This aim will be achieved without great difficulties, by means of



the reserve policy not only vigorous but also consistent and wise, which the National Bank has always steadily followed; and by means also of the cooperation of the Government, which will place funds at the disposal of the bank out of the forthcoming loan.

**Agricultural credit.**—We should not forget, however, that our country has a very strongly marked agricultural character; and that it is essential that the law providing for the reorganization of the bank shall enable the bank to admit agricultural bills to discount in a stated proportion, under such conditions as may be required to meet the needs of that most important branch of production.

To the end that the Government may not have to apply to the National Bank, the Treasury must be assured of readily available and abundant revenues, as well as of the establishment of an adequate revolving fund for its industrial undertakings and for the Rumanian railways.

Reorganization of our economic life will require of the Government that it strengthen and, if necessary, create such institutions as may be needed to foster growth of the industrial and of the purely agricultural life of the country, by guaranteeing initial capital for long periods and by giving these institutions such discretion as the occasion may demand. These organizations should develop steadily along the lines of such credits as they are called upon to extend.

Provision of the following should suffice to meet the needs for agricultural credit in any of its phases:

(1) Short-term agricultural credit, with a maturity determined by the cycle of production.

(2) Credit for tools and machinery, to be repaid gradually over several years (these two types of credit assuring production).

(3) Long-term credit on mortgages—the foundation of the constant improvements which agricultural property requires—but within the limits imposed by sound economic principles.

We regard it an obligation to complete our great agrarian reform by the effective large-scale organization of agricultural credit for the purpose of enabling agriculture to make its full contribution to the economic life of the country, which alone would justify the sacrifice which one social group has agreed to make for the general welfare.

To improve agricultural production a responsible Rumanian organization will be needed, which will have charge of shipping farm products to consumers' markets and will assure the producer of the best possible price. This organization, which is of the greatest importance, should also be a subject of unremitting thought on the part of those who are to plan our economic future.

Such, in brief, are the achievements which we expect of the year 1928.

## ANNUAL REPORT OF THE NATIONAL BANK OF ALBANIA

The general meeting of shareholders of the National Bank of Albania was held in Rome on March 25. Part of the address of the chairman of the board of directors and selections from the report of the managing director are given herewith. The text is the English version of the report furnished by the bank.

### ADDRESS OF THE CHAIRMAN

Only a few years ago, before the Italian financial group had taken the initiative and assumed the responsibility of establishing the National Bank of Albania, the financial committee of the League of Nations appealed in vain to the capital-exporting countries to assist in the foundation of the new bank. The Italian financial group alone accepted the invitation of the then president of the financial committee of the league, Doctor Janssen, and, encouraged by the subsequent support of other friends, undertook to carry out the work it had accepted.

**Currency stabilization.**—In the two and a half years of its life the National Bank of Albania has achieved this: That it has given the country a sound currency—a currency which remains stable within the gold points and is almost always quoted at a premium over other gold currencies; a currency which has not depreciated even in periods of political tension—and this at a time when the currency situation in other major States of the Balkan Peninsula has been anything but strong.

With a view to strengthening its note currency, the National Bank of Albania declined to avail itself of the right, insured by the laws and statutes under which it operates, to introduce a gold-exchange standard. It preferred to adopt from the start a full integral gold standard. By exchanging its notes for actual gold coin on demand the bank gradually accustomed to their use a country which had never had a paper currency of its own, and whose brief experience in this field during the Aus-

trian occupation had left behind it a bitter record of loss.

The adoption of the gold standard in such a country as Albania, whose balance of payments, according to experts, had for many years been unfavorable, was a bold step, since the exodus of gold to which it might have led must inevitably have given rise to a hostile current of opinion, adverse to the acceptance of a currency which must base its growth on increasingly large metallic reserves.

The experience of the National Bank of Albania has not been in line with such premonitions. Instead of there being an excess of gold exports over imports, the bank has imported into Albania some 2,500,000 francs worth of gold specie, while its exports have not exceeded 100,000 francs worth of gold. What has been the cause of this unexpected situation? It is twofold: On the one hand, it is the result of the calling in of foreign bank-note currencies circulating in some local centers of Albania; and, on the other hand, it is due to the change brought about in Albania's balance of payments since the introduction into the country of new economic activities enjoying the support of foreign capital.

**Foreign bank notes withdrawn.**—The calling in of foreign bank notes circulating in Albania is a net advantage to the economic life of the country; these notes sent back to their own countries represent so many interest-bearing deposit accounts held by Albania with foreign banks. Our bank notes have gradually replaced them to the benefit of the country's internal monetary independence.

The larger resources thus made available for foreign payments have insured greater stability in exchange quotations, reducing as far as possible the fluctuation of the rates within the narrow limits set by the gold points.

**Influx of foreign capital.**—The other factor which has favored the firmness of Albanian exchange has been, as already stated, the influx of foreign capital for business enterprises, public works, etc. A considerable proportion of this money is spent on the purchase of raw materials and in the remuneration of labor in Albania. The more considerable sums thus introduced have been, and will continue to be, those connected with the use of the fund provided by the loan for public works made to the Albanian Government by the Company for the Economic Development of Albania. As is known, this company also owes its existence to the Italian financial group.

Thus a sound currency and a favorable balance of payments have been secured for

Albania by the collaboration of the Italian financial group. The Albanian people are thus proceeding with steady, unhesitating steps along the path of progress, directed toward a more prosperous future.

#### REPORT OF THE MANAGING DIRECTOR

**Depression of 1927.**—For many reasons 1927 was unfavorable to the growth of economic resources of the country at the rate attained in previous years, but the collaboration of foreign concerns and the use of foreign capital have contributed, jointly with the direct action of the bank, to alleviate the depression. As a result the trade movement of 1927 is only slightly inferior to that of the previous year.

**Exchange operations.**—The excess of imports over exports during 1927, added to that of previous years, should have given rise to a notable outflow of gold and silver, as occurred in the years preceding the establishment of the bank. It should be borne in mind that, according to the investigation made by Calmes, this outflow in 1921 exceeded 7,500,000 gold francs registered at the customs, besides the amounts which inevitably escape customs returns.

To avoid this contingency, which would have led to a further draining of the gold stocks existing in the country, the bank made a special effort to call in the foreign currencies circulating in some parts of the country, to utilize the influx of specie in connection with the investment of foreign capital in Albania, and to call in the various other invisible assets of the balance of payments, among which are the large remittances made by emigrants.

Thus the bank, through the free play of exchange operations, succeeded in acquiring during 1927 over 21,700,000 francs worth of specie, of which over 14,700,000 were spent during the same period.

The proceeds of exchange transactions not only made it possible to avoid the exodus of gold from Albania, but enabled the bank to secure a further influx of that metal as required for its branch offices and to meet the demands of the public. The net imports of gold made by the bank exceeded 2,300,000 francs, of which about 1,600,000 were paid out to the public.

The significance of these figures is not in the amount, in itself small, but in the fact that they represent a suspension of the drainage of gold from which the country heretofore has suffered.

**Confidence in the currency.**—The circulation of the new currency has gradually gained ground, more especially through the free play of

exchange business and other normal banking transactions (credits, remittance of funds, etc.).

On the other hand, issues of bank notes against gold receipts have been almost insignificant. Such issues would have merely meant replacing the gold coins previously in circulation by notes. The bank, indeed, in accordance with the policy it has followed of bringing new stocks of gold into Albania, has from the beginning limited its acceptance of payments in gold already in circulation, and finally by the adoption of the following measure, which came into force at the end of year, it ceased to accept such money:

The National Bank of Albania does not accept gold coin other than Albanian. Bank notes, up to any amount, can be exchanged for Albanian gold coin on sight at the central offices of the bank at Tirana and Durazzo.

This measure indicates the complete differentiation and autonomy enjoyed by the new currency, and reflects the well-grounded confidence acquired by the bearers of bank notes. In this connection the decline in the exchange of bank notes for gold is significant—from 18 per cent of the notes issued in the last quarter of 1926 it fell to 0.7 per cent of those issued in the last quarter of 1927.

The volume of currency in circulation rose considerably as compared with that of the previous year. At the end of 1927 the circulation stood at over 6,300,000 francs, against 2,300,000 at the end of 1926.

The new gold coins minted by the bank have been put in circulation less rapidly than the notes. The impetus of the first few months has been followed by a period of stagnation with slight movements. These alterations, which are in keeping with the small number of notes presented for payment, show that the use of bank notes in preference to gold is gaining ground.

Toward the end of the year the bank provided for the minting of 10-franc gold pieces to facilitate the payment of notes even for small amounts, which can be freely changed for gold on demand at the central offices of the bank at Tirana and Durazzo.

**Silver coins.**—The bank also devoted its best attention to reform of the token coin circulation, with the object of substituting new Albanian coins for the various silver token coins of foreign States current in the country. The habit of the public of using such silver currency on the basis of its intrinsic value has so far proved an obstacle to replacing it by silver token coins of nominal value. It has

been replaced in part only by nickel coins. It should, however, be noted that the Albanian authorities, on realizing the injury caused to the population by the continued circulation of foreign specie, have given instructions that, as from the end of February, 1928, all State banks shall refuse to accept it. This justifies a more hopeful outlook for the success of the reform of the specie circulation.

**Exchange value of Albanian franc.**—We have already stated that exchange operations have been regulated by the free play of supply and demand, unhampered by restrictions or formalities. We have also shown that, owing partly to the calling in of foreign bank notes, and partly to the intervention of foreign capital, the bank's specie receipts have, on the whole, been in excess of the public's requirements. Thanks to this fact, the quotations of the Albanian franc have been particularly steady, at a premium on the theoretic gold parity of the currency on the exchanges of both Milan and Durazzo.

Besides stimulating the expansion and consolidation of the new currency, the bank has also been busy in giving a start to normal banking operations. It must be remembered that so far not only are there no local banks in Albania, but that the foreign banks which had opened branches in various localities have stopped business. Consequently our bank has, though somewhat reluctantly, had to transact simultaneously the business of a bank of issue and of an ordinary bank, entering into direct and immediate touch with the commercial life of the country, so as to meet its needs.

The bank has taken pains to give sound and profitable development to short-term credit. The duty of protecting its own notes has, however, compelled it to follow a conservative policy and to abstain from transactions involving any risk of "frozen" credits; preference has been given to commercial operations.

The results achieved may perhaps give the impression that the business done has been overcautious and modest. But a wider development of credit business, such as the bank has in view, requires also the concurrence of circumstances extraneous to the bank itself, first among which is the enactment of laws adequate to insure the validity of instruments of credit and to make them legally recoverable.

In view of the modest but sure results achieved, we feel justified in looking forward with confidence to the task—neither short nor easy in truth—that still lies ahead of us.

## FINANCIAL STATISTICS FOR FOREIGN COUNTRIES

### CONDITION OF CENTRAL BANKS

[Figures are for the last report date of month]

	1928			1927		1928			1927
	June	May	April	June		June	May	April	June
<b>Bank of England</b> (millions of pounds sterling):					<b>National Bank of Bulgaria</b> (millions of leva):				
Issue department—					Gold.....	1,301	1,296	1,291	1,239
Gold coin and bullion.....	169.6	160.9	159.2	150.5	Foreign bills, etc.....	384	339	435	278
Notes issued.....	189.4	180.6	178.9	170.2	Loans and discounts.....	1,013	933	881	944
Banking department—					Advances to State.....	4,518	4,471	4,471	4,562
Gold and silver coin.....	2.7	2.1	1.3	1.6	Note circulation.....	3,899	3,784	3,797	3,735
Bank notes.....	53.1	44.6	44.2	32.3	Deposits.....	2,419	2,394	2,428	2,660
Government securities.....	30.8	29.0	29.1	51.7	<b>Central Bank of Chile</b> (millions of pesos):				
Other securities.....	60.9	54.0	55.9	59.3	Gold at home.....		62	62	85
Public deposits.....	23.9	22.3	18.0	7.9	Deposits abroad.....		509	513	534
Other deposits.....	105.6	89.6	94.8	119.0	Loans and discounts.....		24	19	42
Ratio of gold and note reserve to deposit liabilities (per cent).....	43.0	41.8	40.3	26.7	Note circulation.....		312	306	268
Bank notes in circulation <sup>1</sup> .....	80.0	79.7	78.5	81.7	Deposits.....		165	173	232
Currency notes and certificates.....	296.0	293.7	292.0	298.3	<b>Bank of the Republic of Colombia</b> (thousands of pesos):				
<b>Bank of France</b> (millions of francs): <sup>2</sup>					Gold at home.....		22,959	21,421	20,154
Gold.....	28,990				Gold abroad.....		36,307	34,124	22,147
Sight balances abroad.....	15,559				Loans and discounts.....		7,377	8,620	14,358
Foreign bills.....	11,702				Note circulation.....		48,360	46,148	42,272
Foreign exchange loaned.....	8,936				Deposits.....		9,515	9,307	6,408
Loans and discounts.....	5,404				<b>Czechoslovak National Bank</b> (millions of Czechoslovak crowns):				
Negotiable bonds.....	5,930				Gold and silver.....	1,119	1,119	1,119	1,053
Note circulation.....	60,628				Foreign balances and currency.....	1,890	1,737	1,669	1,815
Public deposits.....	6,488				Loans and advances.....	516	359	188	144
Other deposits.....	5,294				Assets of banking office in liquidation.....	469	477	479	540
<b>German Reichsbank</b> (millions of reichsmarks):					Note circulation.....	7,584	7,111	7,098	7,118
Gold reserve.....	1,998	1,955	1,955	1,745	Deposits.....	538	586	310	890
Gold abroad.....	86	86	86	58	<b>Bank of Danzig</b> (thousands of Danzig gulden):				
Reserves in foreign exchange.....	250	274	168	67	Gold.....	2,510	2,707	2,478	2,667
Bills of exchange and checks.....	2,477	2,469	2,493	2,495	Balances with Bank of England.....	15,668	15,118	14,078	13,523
Miscellaneous assets.....	684	667	589	462	Foreign bills, etc.....	26,660	25,794	25,951	12,131
Deposits.....	525	582	558	670	Loans and discounts.....	21,545	22,208	23,146	21,869
Reichsmarks in circulation.....	4,674	4,487	4,409	3,815	Note circulation.....	37,352	35,709	35,404	35,482
Rentenmarks in circulation.....	600	610	626	1,064	Deposits.....	3,459	3,787	3,275	2,736
<b>Bank of Italy</b> (millions of lire <sup>3</sup> ):					<b>National Bank of Denmark</b> (millions of kroner):				
Gold at home.....		4,885	4,772	4,276	Gold.....	182	182	182	193
Credits and balances abroad.....		7,289	7,739	4,023	Foreign bills, etc.....	98	104	104	58
Loans and discounts.....		3,981	4,066	7,448	Loans and discounts.....	68	62	70	101
Advances to treasury.....				4,229	Note circulation.....	360	347	352	368
Total note circulation.....		17,105	17,124	17,674	Deposits.....	22	28	31	24
Public deposits.....		300	300	792	<b>National Bank of Egypt</b> (thousands of Egyptian pounds sterling):				
Other deposits.....		3,151	3,365	2,696	Gold.....		3,774	3,839	3,657
<b>Bank of Japan</b> (millions of yen):					English Government securities.....		22,260	22,960	21,805
Gold.....	1,063	1,063	1,063	1,063	Egyptian Government securities.....		22,466	22,873	26,276
Advances and discounts.....	833	1,066	922	908	Note circulation.....		25,363	26,314	24,790
Advances on foreign bills.....	10	9	7	8	Government deposits.....		17,184	18,200	21,514
Government bonds.....	283	118	178	238	Other deposits.....		15,044	15,692	14,683
Notes issued.....	1,463	1,207	1,348	1,379	<b>Bank of Estonia</b> (thousands of kronas):				
Total deposits.....	904	1,116	918	1,034	Gold.....	10,370	10,291	10,281	5,090
<b>Austrian National Bank</b> (millions of schillings):					Net foreign exchange.....	27,312	27,404	28,012	4,086
Gold.....	117	117	117	59	Loans and discounts.....	25,914	27,252	28,327	57,488
Foreign bills of the reserve.....	286	289	298	414	Note circulation.....	36,676	37,133	39,033	19,035
Other foreign bills.....	290	279	275	178	Deposits—				
Domestic bills.....	168	126	125	125	Government.....	15,373	16,318	14,897	36,675
Treasury bills.....	168	168	168	174	Bankers.....	1,342	2,121	1,852	8,233
Note circulation.....	998	948	947	917	Other.....	4,648	4,078	4,396	
Deposits.....	32	34	38	36					
<b>National Bank of Belgium</b> (millions of belgas):									
Gold.....	799	780	760	645					
Foreign bills and balances in gold.....	466	476	472	444					
Domestic and foreign bills.....	568	543	557	473					
Loans to State.....	387	391	392	400					
Note circulation.....	2,102	2,155	2,106	1,906					
Deposits.....	167	140	133	110					

<sup>1</sup> Notes issued, less amounts held in banking department and in currency note account.

<sup>2</sup> New form of bank statement adopted in June.

<sup>3</sup> New par.

<sup>4</sup> Not including 1,535 million lire of gold pledged abroad.

CONDITION OF CENTRAL BANKS—Continued

[Figures are for the last report date of month]

	1928			1927		1928			1927
	June	May	April	June		June	May	April	June
<b>Bank of Finland</b> (millions of Finnish marks):					<b>Bank of Poland</b> (millions of zlotys):				
Gold.....	311	312	313	323	Gold at home.....	381	380	380	161
Balances abroad and foreign credits.....	712	784	935	901	Gold abroad.....	221	186	182	
Foreign bills.....	43	29	26	43	Foreign exchange, etc.—				219
Domestic bills.....	1,033	936	866	622	Serving as note cover.....	524	540	568	
State debts.....				122	All other.....	210	213	212	
Note circulation.....	1,585	1,576	1,619	1,398	Loans and discounts.....	641	618	550	427
Demand liabilities.....	145	160	217	282	Note circulation.....	1,184	1,133	1,126	728
					Current account of the treasury.....	328	361	343	96
					Other current accounts.....	267	221	205	120
<b>National Bank of Greece</b> (millions of drachmae): <sup>1</sup>					<b>Bank of Portugal</b> (millions of escudos):				
Gold.....	518	879			Gold.....	9	9	9	9
Net foreign exchange in reserve.....	3,355	3,132			Balances abroad.....	219	197	202	172
Total foreign exchange.....	4,296	3,246			Bills.....	231	227	228	207
Government obligations.....	3,790	3,760			Note circulation.....	1,902	1,869	1,825	1,803
Note circulation.....	5,155	5,250			Deposits.....	92	66	77	100
Other sight liabilities.....	2,196	2,148							
					<b>National Bank of Rumania</b> (millions of lei):				
<b>National Bank of Hungary</b> (millions of pengö):					Gold.....		153	153	147
Gold.....	197	197	197	189	Bills.....		9,584	9,440	8,807
Foreign bills, etc.....	83	95	85	70	Advances to State.....		16,803	16,803	16,359
Loans and discounts.....	314	307	320	273	Note circulation.....		21,038	21,017	21,032
Advances to treasury.....	105	106	106	116	Deposits.....		10,299	10,542	8,451
Other assets.....	174	191	195	285					
Note circulation.....	479	451	479	428	<b>State Bank of Russia</b> (note issuing department; thousands of cher-ventis):				
Deposits.....	243	283	255	248	Gold.....	15,545	15,513	15,808	17,705
Miscellaneous liabilities.....	125	137	142	231	Foreign currency.....	7,010	6,747	7,290	7,946
					Loans and discounts.....	78,208	72,602	70,764	65,377
<b>Bank of Java</b> (millions of florins):					Bank notes.....	104,606	97,373	95,768	92,029
Gold.....	174	174	174	185					
Foreign bills.....	21	17	22	23	<b>National Bank of the Kingdom of Serbs, Croats, and Slovenes</b> (millions of dinars):				
Loans and discounts.....	99	79	81	71	Gold.....	90		90	88
Note circulation.....	311	305	304	315	Foreign notes and credits.....	254		263	386
Deposits.....	48	41	47	56	Loans and discounts.....	1,560		1,520	1,168
					Advances to State.....	2,966		2,966	2,966
<b>Bank of Latvia</b> (millions of lats):					Note circulation.....	5,354		5,325	5,295
Gold.....	24	24	24	24	Deposits.....	617		875	1,617
Foreign exchange reserve.....	78	79	73	30					
Bills.....	82	82	82	70	<b>South African Reserve Bank</b> (thousands of pounds sterling):				
Loans.....	42	43	43	57	Gold.....	8,274	7,572	8,026	7,527
Note circulation.....	42	42	40	29	Foreign bills.....	8,268	7,637	8,513	5,725
Government deposits.....	117	120	117	96	Domestic bills.....	176	528	804	1,107
Other deposits.....	66	64	59	47	Note circulation.....	8,989	7,851	8,684	7,414
					Deposits—				
<b>Bank of Lithuania</b> (millions of litas):					Government.....	1,734	1,911	1,679	1,659
Gold.....	34	34	34	32	Bankers.....	5,311	4,790	5,036	5,056
Foreign currency.....	44	48	51	40	Others.....	290	373	234	188
Loans and discounts.....	85	84	83	59					
Note circulation.....	86	91	96	87	<b>Bank of Spain</b> (millions of pesetas):				
Deposits.....	74	73	70	44	Gold.....	2,608	2,608	2,608	2,597
					Silver.....	710	707	704	692
<b>Netherlands Bank</b> (millions of florins):					Balances abroad.....	38	39	41	39
Gold.....	435	435	435	404	Loans and discounts.....	1,770	1,711	1,731	1,848
Foreign bills.....	197	194	190	122	Note circulation.....	4,236	4,231	4,250	4,139
Loans and discounts.....	151	165	219	275	Deposits.....	993	1,054	1,020	1,055
Note circulation.....	768	797	853	783					
Deposits.....	50	36	32	55	<b>Bank of Sweden</b> (millions of kronor):				
					Gold.....	231	231	232	221
<b>Bank of Norway</b> (millions of kroner):					Foreign bills, etc.....	125	112	137	163
Gold.....	147	147	147	147	Loans and discounts.....	451	421	395	350
Foreign balances and bills.....	37	41	49	10	Note circulation.....	539	494	501	535
Domestic credits.....	291	290	293	303	Deposits.....	191	202	196	127
Note circulation.....	325	313	321	332					
Foreign deposits.....	2	2	2	6	<b>Swiss National Bank</b> (millions of francs):				
Total deposits.....	98	121	125	120	Gold.....	447	440	435	455
					Foreign balances and bills.....	195	199	211	255
<b>Reserve Bank of Peru</b> (thousands of libras):					Loans and discounts.....	262	220	220	328
Gold.....	4,086	4,094	4,111	4,086	Note circulation.....	860	831	845	835
Gold against demand deposits.....	330	322	305	330	Demand deposits.....	95	76	72	476
Foreign exchange reserve.....	1,404	1,223	965	681					
Bills.....	1,255	1,285	1,625	1,852	<b>Bank of the Republic of Uruguay</b> (thousands of pesos):				
Note circulation.....	6,026	5,847	5,913	5,892	Gold.....			63,163	55,418
Deposits.....	661	645	610	690	Loans and discounts.....			95,918	94,710
					Note circulation.....			71,961	64,272
					Deposits.....			81,009	74,596

<sup>1</sup> New form of bank statement adopted in May.  
<sup>2</sup> Not including gold held abroad.

<sup>3</sup> Foreign balances only.  
<sup>4</sup> Total deposits.

\* Revised.

## CONDITION OF COMMERCIAL BANKS

[Figures are for the last report date of month except for London clearing banks, which are daily averages]

	1928			1927		1928			1927
	June	May	April	June		May	April	March	May
<b>Nine London clearing banks (millions of pounds sterling):</b>					<b>Joint-stock banks of Finland (millions of Finnish marks):</b>				
Money at call and short notice.....	154	148	152	139	Loans and discounts.....	9,296	8,963	8,808	7,702
Advances and discounts.....	1,164	1,135	1,132	1,122	Due from abroad.....	184	202	244	202
Investments.....	231	232	233	237	Due to abroad.....	516	421	380	371
Deposits.....	1,731	1,688	1,690	1,685	Deposits.....	7,609	7,506	7,499	6,538
<b>Six Berlin banks (millions of reichsmarks):</b>					<b>Three commercial banks of France (millions of francs):</b>				
Bills and treasury notes <sup>1</sup> .....	2,081	2,090	2,112	1,373	Bills and national defense bonds.....		16,992	17,441	11,766
Due from other banks.....	930	979	950	843	Loans and advances.....		6,545	5,945	5,146
Miscellaneous loans.....	5,777	5,731	5,640	4,660	Demand deposits.....		28,539	26,870	23,792
Deposits.....	8,201	8,224	8,091	6,409	Time deposits.....		461	453	394
Acceptances <sup>1</sup> .....	385	386	393	404	<b>Four private banks of Italy (millions of lire):</b>				
<b>Tokyo banks (millions of yen):<sup>2</sup></b>					Cash.....		1,250		<sup>4</sup> 1,189
Cash on hand.....	292	378	286	193	Bills discounted.....		9,078		<sup>4</sup> 8,486
Total loans.....	2,092	2,289	2,255	2,008	Due from correspondents.....		5,237		<sup>4</sup> 5,649
Total deposits.....	2,075	2,074	1,999	1,804	Due to correspondents.....		14,294		<sup>4</sup> 13,267
Total clearings.....	2,839	2,622	2,515	2,045	Deposits.....		2,839		<sup>4</sup> 2,430
					<b>Joint-stock banks of Norway (millions of kroner):</b>				
					Loans and discounts.....	1,435	1,442	1,451	1,678
					Due from foreign banks.....	79	78	72	72
					Due to foreign banks.....	118	138	135	187
					Rediscunts.....	150	162	176	145
					Deposits.....	1,625	1,635	1,649	1,834
<b>Chartered banks of Canada (millions of dollars):</b>					<b>Joint-stock banks of Sweden (millions of kroner):</b>				
Gold coin and bullion <sup>3</sup> .....	70	70	69	70	Loans and discounts.....	4,084	4,091	4,111	4,174
Current loans and discounts.....	1,486	1,452	1,439	1,276	Foreign bills and credits abroad.....	260	283	271	172
Money at call and short notice.....	532	491	468	434	Due to foreign banks.....	141	158	156	114
Public and railway securities.....	535	541	544	530	Rediscunts.....	255	243	192	132
Note circulation.....	162	171	177	165	Deposits.....	3,492	3,509	3,518	3,506
Individual deposits.....	2,620	2,561	2,500	2,321					
Gold reserve against Dominion notes.....	100	95	93	104					
Dominion note circulation.....	205	192	189	170					
<b>Joint-stock banks of Denmark (millions of kroner):</b>									
Loans and discounts.....	1,860	1,800	1,876	1,890					
Due from foreign banks.....	105	60	57	53					
Due to foreign banks.....	90	122	90	145					
Deposits and current accounts.....	1,992	2,028	2,071	1,994					

<sup>1</sup> Checks formerly included under "Acceptances" are included under "Bills and treasury notes" beginning with the March statement.<sup>2</sup> Beginning in November, 1927, figures have been included for 10 banks not previously covered by the reports.<sup>3</sup> Not including gold held abroad.<sup>4</sup> Figures are for April, 1927.

## DISCOUNT RATES OF 33 CENTRAL BANKS

[Prevailing rates, with date of last change]

Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—
Austria.....	6½	July 17, 1928	Estonia.....	7½	Jan. 2, 1928	Japan.....	5.48	Oct. 10, 1927	Portugal....	8	July 27, 1926
Belgium.....	4	June 30, 1928	Finland.....	6½	Aug. 7, 1928	Java.....	6	May 3, 1925	Rumania....	6	Sept. 4, 1920
Bulgaria.....	10	Aug. 31, 1924	France.....	3½	Jan. 10, 1928	Latvia.....	6-7	Apr. 1, 1928	Russia.....	8	Mar. 22, 1927
Chile.....	6½	Dec. 12, 1927	Germany.....	7	Oct. 4, 1927	Lithuania...	7	Feb. 1, 1925	South Africa	5½	Jan. 9, 1928
Colombia.....	7	May 15, 1924	Greece.....	10	May 14, 1928	Netherlands.	4½	Oct. 13, 1927	Spain.....	5	Mar. 23, 1923
Czechoslovakia.	5	Mar. 8, 1927	Hungary.....	6	Aug. 26, 1926	Norway.....	5½	Mar. 27, 1928	Sweden.....	4	May 1, 1928
Danzig.....	6	June 21, 1927	India.....	5	July 19, 1928	Peru.....	6	May 17, 1928	Switzerland..	3½	Oct. 22, 1925
Denmark.....	5	June 24, 1926	Italy.....	5½	June 25, 1928	Poland.....	8	May 13, 1927	Yugoslavia..	6	June 23, 1922
England.....	4½	Apr. 21, 1927									

Changes: Austrian National Bank from 6 to 6½ per cent on July 17, 1928; Imperial Bank of India from 6 to 5 per cent on July 19, 1928; Bank of Finland from 6 to 6½ per cent on August 7, 1928.

MONEY RATES IN FOREIGN COUNTRIES

Month	England (London)				Germany (Berlin)			Netherlands (Amsterdam)		Switzerland
	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate	Money for 1 month	Day-to-day money	Private discount rate	Money for 1 month	Private discount rate
1926										
May	4.37	4.43	4.18	3	4.69	5.53	4.80	2.95	2.94	2.38
June	4.27	4.29	3.82	3	4.53	5.81	4.76	2.83	3.00	2.38
July	4.26	4.29	3.86	3	4.54	5.73	4.93	2.74	2.72	2.37
August	4.45	4.55	3.99	3	4.61	5.80	4.85	2.63	2.50	2.34
September	4.54	4.65	3.99	3	4.88	6.21	4.77	2.78	2.81	2.52
October	4.69	4.80	4.07	3	4.82	6.14	4.75	2.83	2.75	2.80
November	4.57	4.80	3.95	3	4.63	6.12	4.45	3.21	3.23	2.96
December	4.53	4.60	3.78	3	4.72	7.13	5.88	3.39	3.96	3.35
1927										
January	4.16	4.21	3.76	3	4.21	5.82	3.78	2.97	2.92	3.16
February	4.18	4.32	3.93	3	4.28	5.77	5.19	3.46	3.66	2.87
March	4.34	4.36	4.09	3	4.59	6.91	4.87	3.48	3.53	2.98
April	4.11	4.04	3.64	3-2½	4.59	6.57	5.63	3.46	3.78	3.13
May	3.90	3.84	3.54	2½	4.90	6.95	5.99	3.45	3.78	3.19
June	4.34	4.36	3.44	2½	5.39	7.73	5.79	3.57	3.87	3.42
July	4.34	4.33	3.50	2½	5.90	8.49	7.06	3.52	3.25	3.47
August	4.34	4.35	3.61	2½	5.83	8.37	5.81	3.45	3.40	3.44
September	4.32	4.33	3.57	2½	5.90	8.30	6.00	3.55	3.82	3.39
October	4.33	4.33	3.58	2½	6.74	8.72	7.19	4.08	4.29	3.38
November	4.34	4.34	3.65	2½	6.76	8.72	6.03	4.47	4.72	3.39
December	4.31	4.31	3.43	2½	*6.87	9.10	*7.24	4.50	4.84	3.40
1928										
January	4.19	4.13	3.48	2½	6.25	7.66	5.16	4.26	4.11	3.29
February	4.19	4.18	3.62	2½	6.20	7.30	6.66	3.94	3.79	3.12
March	4.12	4.07	3.64	2½	6.72	7.51	6.81	3.86	3.90	3.20
April	4.02	4.01	3.56	2½	6.71	7.57	.64	4.11	3.94	3.29
May	3.98	3.95	3.58	2½	6.66	7.80	7.00	4.23	4.17	3.32
June	3.82	3.80	3.32	2½	6.59	8.07	6.35	4.14	4.10	3.40

Month	Belgium (Brussels)	France (Paris)	Italy (Milan)	Austria (Vienna)		Hungary		Sweden (Stockholm)	Japan (Tokyo)	
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Money for 1 month	Prime commercial paper	Day-to-day money	Loans up to 3 months	Dis-counted bills	Call money overnight
1926										
May	6.65	5.15	8.00	6½-6¾	6¼-9½	9½-10¾	7	4½-6	6.75-8.76	4.75-7.30
June	6.65	5.73	8.17	6¼-6½	6½-9½	9-10		4½-6	7.12-8.76	5.11-8.76
July	6.70	6.00	8.50	6-2¾	6½-9½	8¾-10	6-7	4½-6	6.94-8.76	5.11-8.03
August	6.75	7.00	8.50	5¾-6	6-8¾	8¼-10	6-7	4½-6	6.75-8.40	5.84-7.48
September	6.72	6.98	8.50	5¾-6	5¾-8¾	7½-9	6-7	4½-6	6.39-8.40	4.93-7.30
October	6.64	7.25	8.96	5¾-6¼	6¼-8¾	7½-8¾	5½-7	4½-6	6.21-8.40	5.11-7.12
November	5.77	6.69	9.25	6¼-6¾	7½-9	7-8½	6-7	4½-6	6.39-8.40	4.75-7.48
December	4.34	5.77	9.25	6½-6¾	7½-9¾	7-8½	6-7½	4½-6	6.75-8.76	5.11-8.03
1927										
January	3.90	4.99	9.25	5¼-6½	6¼-8¾	6¼-8	5½-6¾	4½-6	6.39-8.76	4.59-7.30
February	3.99	4.45	9.25	4¾-5	6-7½	6½-7½	5½-6¾	4½-6	6.21-8.03	2.92-7.30
March	4.19	3.89	9.25	4¾-5¼	6¼-7¾	6½-7½	6-6¾	4½-6	5.84-7.67	4.38-6.21
April	4.33	3.17	9.25	5¼-5¾	6¼-7¾	6½-7½	5¾-6½	4-6	5.84-8.03	4.38-5.29
May	4.23	2.46	8.50	5¾-5¾	6¼-8	6½-7½	5¾-6¾	4-6	6.57-7.67	4.38-4.75
June	4.17	2.25	7.60	5¾-5¾	6¾-7¾	7-7¾	5¾-6¾	4-6	6.57-8.76	4.38-5.11
July	3.84	2.13	7.00	5¾-6¾	7-8¾	7¼-8	6-7	4-6	6.21-8.40	3.65-5.11
August	3.84	2.04	7.00	6¼-6¾	7½-8¾	7½-8½	6-7¾	4-6	5.48-8.03	3.65-4.75
September	3.75	2.01	6.81	6¼-6¾	7-8¾	7½-8½	6-7¾	4-6	5.11-7.67	2.19-4.38
October	3.87	1.82	6.50	6¼-6¾	7¼-8¾	7½-8½	6-7¾	4-6	4.75-7.30	2.19-4.38
November	4.09	2.75	6.27	6¼-6¾	7¼-8¾	7-8¾	5¾-7¾	4-6	5.11-7.30	2.74-4.02
December	4.15	2.95	6.00	6¼-6¾	6¼-8¾	7¼-8½	5½-7¾	4-6	5.48-7.67	2.19-5.84
1928										
January	4.08	2.81	6.00	5¾-6¾	6¼-8	7¼-8½	5½-7¾	4-6	4.38-7.67	1.64-5.11
February	3.90	2.75	5.89	5¾-5¾	6¼-7½	7¾-8½	5¼-7¾	4-6	4.38-6.21	1.46-4.02
March	4.10	2.72	5.75	5¾-5¾	6¼-7½	7¼-8½	5-7¾	4-6	4.02-5.84	2.92-4.02
April	4.25	2.62	5.49	5¾-5¾	6¼-7½	7¼-8½	5¼-7¾	4-6	4.75-5.84	2.56-4.02
May	4.25	2.62	5.25	5¾-5¾	6¼-7½			4-6½	5.48-8.03	1.46-4.02
June	4.27	2.90	5.25							

\* Revised.

NOTE.—For sources used, methods of quotation, and back figures, see the FEDERAL RESERVE BULLETINS for November, 1926, and April, 1927

**GOLD MOVEMENTS**

[In thousands of dollars]

Month	United States			Germany			Great Britain			Netherlands			South Africa	India
	Im-ports	Ex-ports	Net imports or ex-ports (-)	Im-ports	Ex-ports	Net imports or ex-ports (-)	Im-ports	Ex-ports	Net imports or ex-ports (-)	Im-ports	Ex-ports	Net imports or ex-ports (-)	Net imports or ex-ports (-)	Net imports or ex-ports (-)
1926														
November.....	16,738	7,727	9,011	16,462	902	15,560	18,561	24,590	-6,029	464	174	290	-13,376	3,466
December.....	17,004	7,196	9,808	18,407	858	17,549	14,531	18,609	-4,078	108	2,613	-2,505	-10,553	3,530
Total (12 months).....	213,504	115,708	97,796	137,987	8,720	129,267	187,591	132,019	55,572	11,174	6,483	4,691	-212,152	83,627
1927														
January.....	59,355	14,890	44,465	14,098	525	13,563	11,514	18,181	-6,667	1,303	74	1,228	-17,522	2,518
February.....	22,309	2,414	19,895	6,231	659	5,572	15,742	15,480	262	411	-----	411	-14,079	6,543
March.....	16,382	5,625	10,757	6,576	840	5,736	7,526	6,894	632	488	39	449	-20,718	10,041
April.....	14,503	2,592	11,911	935	666	269	24,678	3,735	20,943	281	1,334	-1,053	-23,146	4,941
May.....	34,212	2,510	31,702	705	673	32	16,464	26,580	-10,116	46	3,015	-2,969	-15,717	4,890
June.....	14,611	1,840	12,771	711	662	49	8,435	9,674	-1,239	2,653	5,190	-2,537	-17,470	7,127
July.....	10,738	1,803	8,935	705	685	20	13,071	6,061	7,010	202	4,623	-4,421	-----	5,936
August.....	7,877	1,524	6,353	11,259	680	10,579	21,469	5,782	15,687	103	2,477	-2,373	-----	2,860
September.....	12,979	24,444	-11,465	1,483	876	607	8,381	7,637	744	125	47	78	-----	3,315
October.....	2,056	10,698	-8,642	1,668	969	699	6,126	4,726	1,400	189	35	154	-----	2,685
November.....	2,082	55,296	-53,184	1,627	975	652	15,012	21,709	-6,696	433	102	331	-----	4,408
December.....	10,431	77,849	-67,418	1,635	925	710	9,485	10,546	-1,060	4,264	2	4,262	-----	3,916
Total.....	207,535	201,455	6,080	47,622	9,135	38,487	157,905	137,008	20,896	10,498	16,937	-6,439	-----	59,175
1928														
January.....	38,320	52,086	-13,766	1,113	704	409	20,042	10,875	9,167	12,725	8	12,716	-----	8,590
February.....	14,686	25,806	-11,120	6,074	844	5,230	13,026	19,257	-6,231	227	1,147	-920	-----	6,952
March.....	2,683	97,536	-94,853	9,018	1,008	8,010	6,289	78,605	-72,316	192	7	135	-----	9,544
April.....	5,319	96,469	-91,150	29,834	822	29,012	11,760	2,943	8,816	66	19	47	-----	8,520
May.....	1,968	83,689	-81,721	1,175	688	487	18,746	5,498	13,248	157	379	-222	-----	8,664
June.....	20,001	99,932	-79,931	11,275	707	10,568	39,672	6,409	33,263	89	38	51	-----	-----

**MOVEMENTS TO AND FROM UNITED STATES**

[In thousands of dollars]

Country of origin or destination	1928				1927	
	June		January-June		Calendar year	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium.....	-----	-----	2,000	-----	1	2,200
England.....	6	10,014	11	32,525	39,396	8,562
France.....	103	81,554	124	246,555	21,048	10,000
Germany.....	-----	262	-----	27,401	1	13,994
Italy.....	-----	4,000	2	20,000	7	-----
Netherlands.....	-----	-----	4,000	15,075	8,055	-----
Canada.....	18,598	46	66,500	276	*63,650	29,698
Central America.....	65	200	580	300	1,224	253
Mexico.....	375	391	2,497	2,793	6,001	6,984
Argentina.....	-----	1,000	-----	69,400	23	61,499
Brazil.....	-----	-----	-----	21,984	-----	34,351
Chile.....	75	-----	235	-----	7,021	-----
Colombia.....	143	536	673	2,053	1,489	1,001
Ecuador.....	108	-----	767	-----	2,247	-----
Peru.....	72	-----	812	-----	*2,268	-----
Uruguay.....	-----	-----	-----	9,000	-----	2,000
Venezuela.....	26	200	259	5,470	531	1,530
Australia.....	-----	-----	-----	-----	21,920	-----
British India.....	-----	-----	-----	1,448	-----	2,974
China and Hong Kong.....	-----	1,405	-----	5,604	1,674	7,166
Dutch East Indies.....	92	175	615	-----	1,156	1,960
Japan.....	-----	-----	-----	125	20,000	21
Philippine Islands.....	156	-----	762	-----	1,667	-----
All other countries.....	181	150	9,138	3,428	793	9,206
Total.....	20,001	99,932	82,976	455,518	207,535	201,455

\* Revised.

**MOVEMENTS TO AND FROM GREAT BRITAIN**

[In thousands of dollars]

Country of origin or destination	1928				1927	
	June		January-June		Calendar year	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
France.....	-----	4,073	8	95,521	627	4,718
Netherlands.....	-----	77	105	5,326	2,313	6,486
Russia.....	-----	-----	13,499	-----	1,049	7,732
Spain and Canaries.....	-----	1	-----	117	-----	7,445
Switzerland.....	-----	683	-----	5,636	-----	6,213
United States.....	24,930	-----	32,520	-----	8,567	28,042
South America.....	-----	-----	1,017	-----	2,017	6,959
British India.....	-----	819	-----	7,275	-----	12,462
British Malaya.....	-----	17	-----	918	-----	3,452
Egypt.....	-----	-----	-----	1,251	-----	3,799
Rhodesia.....	495	-----	2,792	-----	5,958	-----
Transvaal.....	12,779	-----	52,925	-----	124,348	-----
West Africa.....	235	-----	1,642	10	4,705	20
All other countries.....	1,234	740	5,026	7,534	8,320	49,680
Total.....	39,672	6,409	109,534	123,587	157,905	137,008



FOREIGN EXCHANGE RATES

[Monthly averages of daily quotations.<sup>1</sup> In cents per unit of foreign currency]

	EUROPE										
	Austria (schilling)	Belgium (belga)	Bulgaria (lev)	Czechoslovakia (crown)	Denmark (krone)	England (pound)	Finland (markka)	France (franc)	Germany (reichsmark)	Greece (drachma)	Hungary (pengo)
Par value.....	14. 07	13. 90	19. 30	.....	26. 80	486. 65	2. 52	2 3. 92	23. 82	1. 30	17. 49
1927—July.....	14. 0695	13. 8980	. 7232	2. 9626	26. 7276	485. 5056	2. 5196	3. 9112	23. 7428	1. 3232	17. 4376
December.....	14. 0946	13. 9885	. 7235	2. 9630	26. 8192	488. 2542	2. 5191	3. 9396	23. 8904	1. 3294	17. 4773
1928—January.....	14. 0936	13. 9444	. 7234	2. 9628	26. 7829	487. 5330	2. 5187	3. 9308	23. 8264	1. 3255	17. 4748
February.....	14. 0823	13. 9232	. 7214	2. 9625	26. 7733	487. 4940	2. 5179	3. 9304	23. 8577	1. 3229	17. 4663
March.....	14. 0728	13. 9387	. 7218	2. 9622	26. 7012	487. 9044	2. 5176	3. 9343	23. 9047	1. 3227	17. 4685
April.....	14. 0674	13. 9641	. 7211	2. 9624	26. 8224	488. 2045	2. 5176	3. 9363	23. 9154	1. 3158	17. 4608
May.....	14. 0656	13. 9597	. 7191	2. 9624	26. 8245	488. 1594	2. 5174	3. 9359	23. 9292	1. 3036	17. 4589
June.....	14. 0685	13. 9615	. 7199	2. 9625	26. 8173	488. 0262	2. 5171	3. 9311	23. 9000	1. 3023	17. 4475
July.....	14. 0852	13. 9351	. 7212	2. 9624	26. 7349	486. 3571	2. 5171	3. 9163	23. 8626	1. 2991	17. 4350
	Italy (lira)	Netherlands (florin)	Norway (krone)	Poland (zloty)	Portugal (escudo)	Rumania (leu)	Russia <sup>2</sup> (ehervonetz)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	Yugoslavia (dinar)
Par value.....	5. 26	40. 20	26. 80	11. 22	108. 05	19. 30	514. 60	19. 30	26. 80	19. 30	19. 30
1927—July.....	5. 4488	40. 0600	25. 8352	11. 2500	5. 0008	. 6094	4 515. 0000	17. 0856	26. 7784	19. 2528	1. 7585
December.....	5. 3800	40. 4381	26. 6169	11. 2204	4. 9550	. 6188	4 515. 0000	16. 6623	27. 0015	19. 3150	1. 7615
1928—January.....	5. 2881	40. 3334	26. 5985	11. 2402	4. 9285	. 6177	4 515. 0000	17. 0975	26. 8780	19. 2695	1. 7625
February.....	5. 2930	40. 2550	26. 6098	11. 2312	4. 7573	. 6145	4 515. 0000	16. 9782	26. 8371	19. 2389	1. 7598
March.....	5. 2822	40. 2501	26. 6634	11. 2255	4. 2572	. 6185	4 515. 0000	16. 8212	26. 8388	19. 2561	1. 7596
April.....	5. 2764	40. 3091	26. 7390	11. 1968	4. 2101	. 6273	4 515. 0000	16. 7641	26. 8492	19. 2713	1. 7599
May.....	5. 2688	40. 3473	26. 7829	11. 2133	4. 2207	. 6194	4 515. 0000	16. 7309	26. 8300	19. 2724	1. 7602
June.....	5. 2607	40. 3331	26. 7845	11. 2094	4. 4258	. 6152	4 515. 0000	16. 5681	26. 8334	19. 2754	1. 7605
July.....	5. 2406	40. 2479	26. 7270	11. 2011	4. 4565	. 6136	4 515. 0000	16. 4759	26. 7843	19. 2612	1. 7602
	NORTH AMERICA			SOUTH AMERICA							
	Canada (dollar)	Cuba (peso)	Mexico (peso)	Argentina (peso-gold)	Bolivia <sup>3</sup> (boliviano)	Brazil (milreis)	Chile (peso)	Colombia <sup>3</sup> (peso)	Ecuador <sup>3</sup> (sucre)	Peru <sup>3</sup> (libra)	Uruguay (peso)
Par value.....	100. 00	100. 00	49. 85	96. 48	38. 93	32. 44	12. 17	97. 33	20. 00	486. 65	103. 42
1927—July.....	99. 8520	99. 9288	46. 5383	96. 5540	34. 5950	11. 7916	12. 0224	97. 5345	19. 5750	374. 6000	99. 1684
December.....	99. 8974	99. 9154	48. 4506	97. 2304	34. 8000	11. 9677	12. 2062	97. 7381	19. 3750	389. 8500	103. 8692
1928—January.....	99. 8159	99. 9157	48. 6946	97. 1136	34. 8000	11. 9977	12. 2098	98. 0036	19. 3750	390. 3400	102. 7734
February.....	99. 8126	100. 0428	48. 6710	97. 1376	34. 8000	12. 0088	12. 2065	98. 0400	19. 5870	390. 1600	102. 9357
March.....	99. 9963	100. 0644	48. 7436	97. 2547	34. 8000	12. 0265	12. 2115	97. 7944	19. 9537	391. 0925	103. 6775
April.....	100. 0290	99. 9877	48. 7387	97. 1015	34. 8000	12. 0329	12. 2038	98. 2128	20. 0000	397. 7600	103. 5345
May.....	99. 9117	99. 9615	48. 5588	97. 2008	34. 8000	12. 0327	12. 1910	98. 1923	20. 0000	399. 2692	102. 9908
June.....	99. 7605	99. 9495	47. 8267	96. 9438	34. 7615	11. 9924	12. 1980	98. 1046	20. 0000	399. 5000	102. 2513
July.....	99. 7894	99. 9344	47. 2920	96. 1408	34. 8000	11. 9385	12. 1390	98. 1024	20. 0000	400. 4800	102. 2849
	SOUTH AMERICA—continued	ASIA									AFRICA
	Venezuela <sup>3</sup> (bolivar)	China (Mexican dollar) <sup>4</sup>	China (Shanghai tael) <sup>5</sup>	China (Yuan dollar) <sup>5</sup>	Hong Kong (dollar) <sup>5</sup>	India (rupee)	Japan (yen)	Java <sup>3</sup> (florin)	Straits Settlements (Singapore dollar)	Turkey (Turkish pound)	Egypt (Egyptian pound)
Par value.....	19. 30	48. 11	66. 85	47. 50	47. 77	36. 50	49. 85	40. 20	56. 78	439. 65	494. 31
1927—July.....	19. 1280	44. 6004	62. 2760	43. 5804	48. 9772	36. 1108	47. 1312	40. 1963	55. 9600	51. 0544	497. 7768
December.....	19. 1700	45. 9092	63. 7884	45. 1877	50. 3085	36. 7369	46. 1881	40. 5319	56. 7269	51. 7846	500. 5719
1928—January.....	19. 1700	45. 7410	63. 7548	45. 1408	50. 4096	36. 7224	46. 8784	40. 5596	56. 7650	51. 5040	499. 8315
February.....	19. 1943	45. 3620	63. 1137	44. 9818	49. 8564	36. 5189	46. 8740	40. 5243	56. 7038	50. 4843	499. 7511
March.....	19. 2500	45. 6106	63. 0545	45. 3688	49. 8008	36. 5280	47. 1463	40. 3498	56. 3469	50. 5000	500. 3780
April.....	19. 2500	45. 7972	63. 2502	45. 4958	49. 8658	36. 5647	47. 7136	40. 2228	56. 2508	50. 9084	500. 6343
May.....	19. 2500	47. 7899	66. 4450	47. 2948	51. 0168	36. 5913	46. 6097	40. 2446	56. 1362	51. 2023	500. 5540
June.....	19. 2500	47. 7930	66. 2321	47. 4815	50. 5411	36. 4618	46. 6149	40. 2327	56. 1426	51. 0577	.....
July.....	19. 2500	47. 0840	65. 2332	46. 8483	49. 9917	36. 2571	45. 8476	40. 1528	56. 0416	.....	.....

<sup>1</sup> Based on noon buying rates for cable transfers in New York as certified to the Treasury by the Federal Reserve Bank of New York, in pursuance of the provisions of sec. 522 of the tariff act of 1922. For back figures see BULLETIN for January, 1928, pp. 56-62.

<sup>2</sup> Effective June 25, 1925.

<sup>3</sup> Averages based on daily quotations of closing rates as published by New York Journal of Commerce.

<sup>4</sup> Nominal.

<sup>5</sup> Silver currency. Parity represents gold value of unit in 1913 computed by multiplying silver content of unit by New York average price of silver for 1913. This average price was \$0.61241 per fine ounce, which compares with an average price of \$0.59525 for July, 1928, \$0.60332 for June, 1928, and \$0.56670 for July, 1927. The corresponding London prices (converted at average rate of exchange) were \$0.59710, \$0.60364, and \$0.56836.

## PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

## WHOLESALE PRICES

## ALL COMMODITIES

Month	United States (Bureau of Labor Statistics) <sup>1</sup>	EUROPE													
		Austria (gold basis)	Belgium	Bulgaria	Czechoslovakia	Denmark	England (Board of Trade)	Finland (gold basis)	France		Germany (Federal Statistical Bureau)	Hungary (gold basis)	Italy (Bachi)	Netherlands	Norway (Oslo)
									Statistical Bureau	Federal Reserve Board					
1926															
December.....	98	127	860	2,718	978	158	146	144	627	592	137	126	574	146	176
1927															
January.....	97	130	856	2,706	979	157	144	144	622	591	136	127	558	146	176
February.....	96	130	854	2,688	975	156	143	144	632	595	136	129	556	145	165
March.....	95	135	858	2,649	976	153	141	143	641	600	135	128	545	144	160
April.....	94	135	846	2,692	979	152	140	145	636	610	135	130	521	143	159
May.....	94	137	848	2,751	988	152	141	142	629	618	137	133	496	146	160
June.....	94	142	851	2,823	990	162	142	144	623	605	135	133	473	148	159
July.....	94	140	845	2,775	992	152	141	144	617	590	133	133	467	150	160
August.....	95	133	850	2,745	983	153	141	147	618	578	138	134	465	149	161
September.....	97	130	837	2,736	975	153	142	148	601	574	140	133	465	150	158
October.....	97	129	839	2,747	966	154	141	148	587	554	140	133	468	150	157
November.....	97	127	838	2,707	967	154	141	149	595	545	140	133	466	152	157
December.....	97	127	841	2,739	975	154	140	148	604	567	140	135	463	152	156
1928															
January.....	96	129	851	2,782	982	153	141	144	607	569	139	135	463	154	157
February.....	96	128	848	2,826	985	152	140	143	609	569	138	134	461	151	157
March.....	96	129	848	2,839	978	153	141	144	623	587	139	135	464	153	157
April.....	97	131	847	2,891	984	154	143	145	619	601	140	136	464	153	156
May.....	99	131	844	-----	987	155	144	143	632	617	141	-----	465	152	156
June.....	98	133	844	-----	986	155	143	145	626	621	141	-----	-----	152	156
July.....	-----	133	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	160

Month	EUROPE—continued					Canada	Peru	ASIA AND OCEANIA						AFRICA	
	Poland	Russia <sup>2</sup>	Spain	Sweden	Switzerland <sup>3</sup>			Australia	China (Shanghai)	Dutch East Indies	India (Calcutta)	Japan (Tokyo)	New Zealand	Egypt (Cairo)	South Africa
1926															
December.....	195	178	186	150	142	151	199	155	172	186	146	170	153	130	-----
1927															
January.....	195	177	184	146	141	151	200	154	173	156	146	170	151	126	128
February.....	197	179	180	146	141	150	204	153	172	156	148	171	147	124	-----
March.....	200	179	179	145	141	149	206	150	175	154	146	171	147	124	-----
April.....	206	177	177	143	140	149	201	151	173	154	145	170	147	122	126
May.....	208	175	172	145	142	152	207	152	171	155	146	171	145	124	-----
June.....	208	174	171	146	141	154	206	155	169	155	149	173	146	123	-----
July.....	207	173	168	146	141	152	205	161	171	153	150	170	146	118	120
August.....	207	171	168	146	143	152	204	165	171	154	151	167	146	117	-----
September.....	206	170	169	148	144	151	205	170	172	153	150	169	146	120	-----
October.....	206	170	169	147	145	152	200	173	169	152	147	170	146	118	122
November.....	208	170	168	148	147	152	200	168	166	151	148	168	147	115	-----
December.....	205	170	169	148	146	152	199	162	164	150	148	168	148	114	-----
1928															
January.....	204	171	166	148	145	151	199	163	163	150	145	169	150	114	120
February.....	203	171	166	147	144	151	195	160	164	149	144	169	147	114	-----
March.....	214	171	165	149	145	153	193	160	163	149	144	169	147	116	-----
April.....	215	171	166	151	146	153	197	162	163	150	146	170	147	120	121
May.....	215	171	164	152	145	153	195	159	165	-----	147	171	-----	117	-----
June.....	215	172	-----	151	145	150	195	159	160	-----	145	169	-----	117	-----
July.....	-----	-----	-----	-----	-----	-----	193	-----	-----	-----	-----	-----	-----	-----	-----

<sup>1</sup> New Index—1926=100.<sup>2</sup> First of month figures.<sup>3</sup> New official index.

NOTE.—These indexes are in most cases published here on their original bases, usually 1913 or 1914, as determined by the various foreign statistical offices which compile the index numbers and furnish them to the Federal Reserve Board. In several cases, however, viz, France, Netherlands, Japan, New Zealand, and South Africa, they have been recomputed from original bases (1901-1910; 1910-1910; October, 1900; 1909-1913; 1910) to a 1913 base. Index numbers of commodity groups for most of the countries are also available in the office of the Division of Research and Statistics and may be had upon request. Further information as to base periods, sources, numbers of commodities, and the period of the month to which the figures refer may be found on pages 769-770 of the BULLETIN for November, 1927.

WHOLESALE PRICES—Continued

GROUPS OF COMMODITIES

[Pre-war=100]

ENGLAND—BOARD OF TRADE

	1928					1927
	June	May	April	March	February	June
All commodities.....	143	144	143	141	140	142
Total food.....	158	150	159	152	152	156
Cereals.....	155	159	156	153	151	157
Meat and fish.....	146	144	139	133	136	137
Other foods.....	171	175	182	170	167	175
Industrial products.....	135	135	135	135	134	134
Iron and steel.....	112	112	113	113	113	120
Other minerals and metals.....	112	112	111	112	112	117
Cotton.....	172	173	169	164	157	155
Other textiles.....	167	169	170	168	167	154
Miscellaneous.....	142	143	142	144	146	141

FRANCE—STATISTICAL BUREAU

	June	May	April	March	February	June
All commodities.....	626	632	619	623	609	623
All foods.....	615	623	601	606	577	611
Animal foods.....	548	536	536	571	548	557
Vegetable foods.....	648	678	633	615	575	653
Sugar, coffee, cocoa.....	675	675	653	644	624	616
All industrial material.....	635	640	641	637	636	633
Minerals.....	525	533	530	530	517	574
Textiles.....	817	811	823	806	796	767
Sundries.....	618	628	625	626	637	608

GERMANY—FEDERAL STATISTICAL BUREAU

	June	May	April	March	February	June
All commodities.....	141	141	140	139	138	138
Total agricultural products.....	136	136	134	131	130	140
Vegetable foods.....	153	156	154	146	141	168
Cattle.....	115	105	100	100	103	112
Animal products.....	126	132	133	139	143	126
Podder.....	160	162	158	148	141	157
Provisions.....	139	140	136	134	130	128
Total industrial raw materials and semi-finished products.....	135	135	134	134	134	132
Coal.....	131	131	128	131	131	130
Iron.....	128	128	126	127	127	126
Nonferrous metals.....	105	104	104	103	104	107
Textiles.....	164	167	165	162	159	153
Hides and leather.....	151	156	160	157	160	125
Chemicals.....	126	126	126	126	126	124
Artificial fertilizers.....	82	82	83	83	82	85
Technical oils and fats.....	120	118	115	112	113	123
Rubber.....	27	25	25	33	40	47
Paper materials and paper.....	151	148	148	149	150	150
Building material.....	161	160	158	158	158	161
Total industrial finished products.....	159	158	158	157	157	146
Producers' goods.....	137	136	136	136	135	130
Consumers' goods.....	176	175	174	173	173	158

ITALY—CHAMBER OF COMMERCE OF MILAN

	June	May	April	March	February	June
All commodities.....	493	496	493	491	489	509
Total food.....	565	567	557	553	548	558
Vegetable foods.....	617	621	599	588	579	579
Animal foods.....	503	504	505	510	509	531
All industrial products.....	466	469	468	467	466	490
Textiles.....	456	466	460	456	437	446
Chemicals.....	441	443	448	448	450	470
Minerals and metals.....	427	425	423	422	426	483
Building materials.....	517	518	522	522	522	589
Other vegetable products.....	506	516	512	507	509	494
Sundries.....	552	553	555	554	566	550

SWEDEN—BOARD OF TRADE

	1928					1927
	June	May	April	March	February	June
All commodities.....	152	151	149	147	146	146
Vegetable products.....	152	151	146	142	151	158
Animal products.....	138	134	136	137	128	128
Fuels and oils.....	112	112	111	112	118	118
Raw materials for manufacture in iron and metal industry.....	113	113	112	112	118	118
Paper pulp and paper.....	161	161	161	160	158	158
Raw materials for manufacture in leather industry.....	149	151	148	146	119	119
Raw and manufactured chemicals.....	166	165	165	165	170	170
Raw materials.....	149	148	145	142	138	138
Semifinished materials.....	157	154	150	149	151	151
Finished materials.....	151	151	150	149	148	148
Producers' goods.....	143	143	140	138	137	137
Consumers' goods.....	159	158	157	156	153	153

CANADA—DOMINION BUREAU OF STATISTICS

	June	May	April	March	February	June
All commodities.....	150	153	153	153	151	154
Total raw materials.....	152	156	156	155	152	158
Total manufactured goods.....	148	149	149	148	147	148
Vegetable products.....	159	169	170	164	158	181
Animal products.....	141	158	140	145	143	134
Textiles.....	168	168	167	171	170	154
Wood and paper products.....	156	156	155	155	155	154
Iron and its products.....	141	142	142	142	142	144
Nonferrous metals.....	96	96	94	94	94	94
Nonmetallic minerals.....	171	170	170	170	170	170
Chemicals.....	149	150	150	150	151	154

AUSTRALIA—BUREAU OF CENSUS AND STATISTICS

	June	May	April	March	February	June
All commodities.....	159	159	162	160	160	158
Metals and coal.....	174	174	174	174	175	178
Textiles.....	168	169	176	176	170	142
Agricultural products.....	163	163	163	160	166	162
Dairy products.....	149	151	146	137	140	160
Groceries and tobacco.....	165	165	166	166	166	167
Meat.....	126	122	139	141	136	124
Building materials.....	159	158	159	159	157	152
Chemicals.....	189	189	188	190	190	179

INDIA (CALCUTTA)—DEPARTMENT OF STATISTICS

	1928					1927
	May	April	March	February	January	May
All commodities.....	147	146	144	144	145	146
Cereals.....	132	130	130	131	135	140
Pulses.....	150	148	146	151	149	154
Tea.....	176	172	169	169	175	138
Other foods.....	155	162	163	167	165	165
Oil seeds.....	140	139	136	136	139	141
Raw jute.....	102	101	95	88	89	86
Jute manufactures.....	149	152	147	143	143	132
Raw cotton.....	179	173	168	170	170	160
Cotton manufactures.....	159	157	155	157	158	158
Other textiles.....	144	145	137	129	131	125
Hides and skins.....	149	156	147	139	153	112
Metals.....	125	125	125	126	125	137
Other articles.....	137	137	137	135	136	154

## RETAIL FOOD PRICES AND COST OF LIVING

## RETAIL FOOD PRICES

[Pre-war=100]

Month	United States (51 cities)	EUROPEAN COUNTRIES														OTHER COUNTRIES				
		Austria (Vienna)	Belgium	Bulgaria	Czechoslovakia	England	Estonia <sup>2,3</sup>	France (Paris)	Germany	Greece (Athens)	Italy (Milan)	Netherlands	Norway	Russia <sup>2</sup>	Switzerland	Canada <sup>2</sup>	Australia	India (Bombay)	New Zealand	South Africa
1926																				
November	158	117	204	2,618	902	169	116	628	148	1,986	630	147	186	234	159	148	155	152	146	119
December	159	118	206	2,598	912	169	117	599	150	1,973	631	146	184	235	159	151	158	154	149	117
1927																				
January	156	119	207	2,586	914	167	119	592	151	2,002	625	147	180	208	158	153	158	155	148	116
February	153	119	210	2,569	914	164	120	585	152	1,995	642	146	177	208	158	151	153	152	146	117
March	151	118	201	2,533	915	162	118	581	151	1,997	635	146	173	205	157	149	151	152	146	118
April	151	119	200	2,478	923	155	118	580	150	2,021	617	145	169	203	156	146	151	151	145	119
May	152	119	196	2,630	930	154	119	589	151	2,063	565	145	169	201	156	145	152	150	145	121
June	155	122	201	2,699	949	154	120	580	153	2,063	541	145	172	199	157	146	153	151	144	120
July	150	122	205	2,653	962	159	122	557	156	2,059	524	144	175	199	156	147	152	154	144	119
August	149	120	202	2,625	914	156	118	539	150	2,044	518	143	175	199	156	147	155	155	143	118
September	151	126	206	2,615	910	157	111	532	151	2,070	509	143	174	198	158	147	157	151	143	117
October	153	127	210	2,628	907	161	112	520	152	2,071	509	146	173	198	158	148	159	148	143	119
November	153	126	211	2,587	905	163	113	500	152	2,086	510	148	171	199	159	149	157	147	144	119
December	153	128	212	2,618	913	163	113	523	153	2,101	513	148	171	200	159	151	155	149	146	119
1928																				
January	152	129	211	2,660	913	162	118	530	152	2,127	514	148	170	201	158	151	154	151	147	117
February	149	127	207	2,701	910	159	118	522	151	2,098	518	149	170	202	157	149	152	146	145	115
March	148	125	201	2,713	902	155	122	524	151	-----	516	150	171	203	156	147	153	142	145	115
April	149	126	202	2,766	905	155	126	532	152	-----	516	150	171	203	156	146	154	140	144	115
May	151	-----	197	-----	908	156	126	546	151	-----	-----	150	172	205	156	146	154	140	-----	116
June	150	-----	200	-----	-----	157	-----	557	152	-----	-----	150	170	206	-----	145	154	142	-----	114
July	-----	-----	-----	-----	-----	-----	-----	-----	154	-----	-----	-----	173	-----	-----	-----	143	-----	-----	-----

## COST OF LIVING

[Pre-war=100]

Month	Massachusetts	EUROPEAN COUNTRIES														OTHER COUNTRIES				
		Belgium	Czechoslovakia	England	Finland	France (Paris)	Germany	Greece (Athens)	Hungary	Italy (Milan)	Netherlands	Norway	Poland	Spain	Sweden	Switzerland	Canada <sup>2</sup>	Australia	India (Bombay)	South Africa
1926																				
November	159	191	740	179	1,193	-----	144	1,895	116	657	-----	197	191	-----	159	150	-----	154	131	
December	169	195	741	179	1,197	545	144	1,889	116	657	168	213	199	193	159	151	157	156	129	
1927																				
January	158	198	747	175	1,187	-----	145	1,900	119	655	-----	202	195	171	160	152	-----	156	130	
February	167	200	746	172	1,189	-----	145	1,896	120	667	-----	201	194	-----	160	151	-----	155	130	
March	156	195	744	171	1,183	524	145	1,898	119	663	166	203	200	197	159	150	156	155	131	
April	150	195	749	165	1,173	-----	146	1,911	119	651	-----	203	191	170	158	148	-----	153	131	
May	157	193	756	164	1,166	-----	147	1,938	119	612	-----	205	186	-----	160	148	-----	152	132	
June	156	196	761	163	1,184	525	148	1,951	121	586	167	201	205	185	160	149	155	154	132	
July	155	199	753	166	1,203	-----	150	1,960	119	537	-----	199	184	169	160	149	-----	156	132	
August	155	198	739	164	1,237	-----	147	1,951	119	543	-----	201	192	-----	160	149	-----	157	131	
September	155	202	736	165	1,230	507	147	1,955	119	537	167	197	202	187	161	149	157	154	131	
October	155	207	734	167	1,237	-----	150	1,956	120	536	-----	205	189	172	161	150	-----	161	132	
November	157	208	735	169	1,251	-----	151	1,964	120	536	-----	210	188	-----	162	150	-----	150	132	
December	157	208	740	169	1,243	498	151	1,978	120	531	170	195	205	186	162	151	159	151	132	
1928																				
January	157	210	741	168	1,216	-----	151	1,986	121	532	-----	207	178	171	161	151	-----	154	132	
February	156	207	739	166	1,206	-----	151	1,973	120	533	-----	204	175	-----	161	150	-----	148	131	
March	155	204	737	164	1,214	507	151	1,966	119	531	169	193	205	176	160	149	157	145	135	
April	155	205	741	164	1,212	-----	151	1,991	121	531	-----	208	175	171	160	149	-----	144	137	
May	156	202	743	165	1,207	-----	151	-----	-----	-----	-----	209	171	-----	160	149	-----	147	137	
June	155	204	-----	165	1,219	-----	151	-----	-----	-----	170	193	-----	-----	-----	148	-----	146	132	
July	-----	-----	-----	-----	-----	-----	153	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	146	-----	

<sup>1</sup> 1921=100.<sup>2</sup> First of month figures.<sup>3</sup> Revised on a gold basis.

NOTE.—Information as to the number of foods and items included, the original base periods, and sources may be found on page 276 of the April 1925, issue of the BULLETIN.

### Changes in State Bank Membership

The following list shows the changes affecting State bank membership during the month ended July 21, 1928, on which date 1,242 State institutions were members of the system:

#### ADMISSIONS

	Capital	Surplus	Total resources
<i>District No. 2</i>			
Franklin Bank & Trust Co., Newark, N. J.-----	\$200,000	\$160,000	\$3,796,237
<i>District No. 3</i>			
Dime Bank-Lincoln Trust Co., Scranton, Pa.-----	1,350,000	1,000,000	17,995,000
Provident Trust Co., Philadelphia, Pa.-----	3,197,520	12,244,996	53,001,182
<i>District No. 7</i>			
Iowa State Bank, Algona, Iowa-----	50,000	7,500	632,282
Kalamazoo Trust & Savings Bank, Kalamazoo, Mich.-----	600,000	200,000	7,725,042
Cass City State Bank, Cass City, Mich.-----	40,000	12,000	510,444

#### CHANGES

<i>District No. 2</i>			
Mutual Bank of Roseville, Newark, N. J. (succeeded by Franklin Bank & Trust Co., Newark N. J., a member)-----	\$200,000	\$160,000	\$3,796,237
<i>District No. 3</i>			
Bankers Trust Co., Atlantic City, N. J. (voluntary withdrawal)-----	100,000	150,000	2,876,510
Peoples Savings & Dime Bank & Trust Co., Scranton, Pa. (succeeded by Dime Bank-Lincoln Trust Co., Scranton, Pa., a member)-----	1,350,000	1,000,000	17,995,000
Provident Trust Co., Philadelphia, Pa. (succeeded by Provident Trust Co., a member)-----	3,195,280	5,000,000	41,876,465
<i>District No. 4</i>			
Bellevue Savings & Trust Co., Bellevue, Pa. (voluntary withdrawal)-----	125,000	200,000	2,892,521
Farmers & Citizens Banking Co., Milan, Ohio (voluntary withdrawal)-----	25,000	14,000	630,240
<i>District No. 5</i>			
Citizens Bank of Norfolk, Va.-----	1,000,000	500,000	9,078,535
<i>District No. 6</i>			
Marine Bank & Trust Co., New Orleans, La. (merged with Canal Bank & Trust Co., New Orleans, La., a member)-----	2,000,000	1,125,000	37,360,249
<i>District No. 8</i>			
Liberty Insurance Bank, Louisville, Ky. (title changed to Liberty Bank & Trust Co.)-----			
The Insurance Bank of St. Louis, Mo. (title changed to Guaranty Bank & Trust Co.)-----			

<sup>1</sup> Readmitted under new charter.

### Fiduciary Powers Granted to National Banks

During the month ended July 21, 1928, the Federal Reserve Board approved applications of the national banks listed below for permission to exercise one or more of the fiduciary powers named in section 11 (k)

of the Federal reserve act as amended, as follows: (1) Trustee; (2) executor; (3) administrator; (4) registrar of stocks and bonds; (5) guardian of estates; (6) assignee; (7) receiver; (8) committee of estates of lunatics; (9) in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

Location	District No.	Name of bank	Powers granted
Camden, N. J.-----	3	American National Bank-----	1 to 9
Berwick, Pa.-----	3	Berwick National Bank-----	1 to 9
Spartanburg, S. C.-----	5	Central National Bank-----	1 to 9
Cartersville, Ga.-----	6	First National Bank-----	1 to 9
Decatur, Ala.-----	6	Morgan County National Bank-----	1, 2, 3, and 5
Chicago, Ill.-----	7	Straus National Bank & Trust Co.-----	1 to 9
Do.-----	7	Jackson Park National Bank-----	1 to 9
Do.-----	7	Portage Park National Bank-----	1 to 9
Fort Wayne, Ind.-----	7	First National Bank-----	1 to 9
Do.-----	7	Lincoln National Bank & Trust Co.-----	1 to 9
Longmont, Colo.-----	10	Longmont National Bank-----	1 to 9
Beaumont, Tex.-----	11	City National Bank-----	1 to 9
The Dalles, Oreg.-----	12	First National Bank-----	1 to 9
Phoenix, Ariz.-----	12	First National Bank of Arizona-----	1 to 9
Ellensburg, Wash.-----	12	Washington National Bank-----	1 to 9

<sup>1</sup> Supplemental.

### Changes in National Bank Membership

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from June 23 to July 20, 1928, inclusive:

	Number of banks	Amount of capital
New charters issued-----	5	\$675,000
Restored to solvency-----	0	0
Increase of capital approved <sup>1</sup> -----	32	4,330,000
Aggregate of new charters, banks restored to solvency, and banks increasing capital-----	37	5,005,000
Liquidations-----	20	1,476,000
Reducing capital <sup>2</sup> -----	3	3,150,000
Total liquidations and reductions of capital-----	23	4,626,000
Consolidation of national banks under act of Nov. 7, 1918-----	3	6,300,000
Consolidation of a national bank and a State bank under act of Feb. 25, 1927-----	2	2,100,000
Total consolidations-----	5	8,400,000
Aggregate increased capital for period-----		5,005,000
Reduction of capital owing to liquidations, etc.-----		4,626,000
Net increase-----		379,000

<sup>1</sup> Includes one increase in capital of \$1,000,000 incident to consolidation of a State bank under act of Feb. 25, 1927.

<sup>2</sup> Includes two reductions in capital aggregating \$3,100,000 incident to consolidations under act of Nov. 7, 1918.

### Acceptances to 100 Per Cent

The following member institution has been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of its capital and surplus: Interstate Trust Company, New York, N. Y.



FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES AT THE END OF EACH MONTH

[In millions of dollars]

	1927							1928					
	June	July	August	September	October	November	December	January	February	March	April	May	June
<b>RESOURCES</b>													
Total gold reserves.....	2,998	3,002	2,998	2,964	2,922	2,805	2,733	2,797	2,808	2,729	2,698	2,595	2,549
Reserves other than gold.....	158	149	148	131	131	135	134	169	166	162	155	148	146
Total reserves.....	3,156	3,152	3,146	3,095	3,054	2,940	2,867	2,966	2,974	2,891	2,854	2,742	2,695
Nonreserve cash.....	52	51	48	42	52	58	77	85	70	57	57	56	51
Gold held abroad.....	23												
Bills discounted.....	443	442	401	437	412	477	582	423	493	590	834	1,021	1,095
Bills bought:													
Outright.....	181	153	118	174	266	288	310	333	303	296	326	271	194
Under resale agreement.....	30	19	87	76	76	66	82	46	41	54	31	21	23
Total bills bought.....	211	172	185	250	342	355	392	379	344	350	357	292	217
United States securities:													
Bought outright.....	367	385	470	487	519	544	560	431	399	386	231	204	199
Under resale agreement.....	3.1	7.5	2.9	19.5	2.9	4.1	56.6	6.1	8.5	8.5	14.7	16	36
Total United States securities.....	370	392	47	506	522	548	617	437	408	395	296	220	235
Other securities.....	1.3	1.3	.3	.8	.6	.9	.9	.5	1.1	1.0	1.0	1.1	.5
Total bills and securities.....	1,025	1,000.8	1,059	1,194	1,276	1,381	1,591	1,240	1,245	1,345	1,488	1,534	1,548
Due from foreign banks.....	28.8	43.7	12.2	.8	.6	.6	.6	.6	.6	.6	.6	.6	.6
Reserve bank float <sup>1</sup> .....	27.8	36.2	31.3	35.7	19.4	34.1	63.0	14.2	17.9	19.4	6.8	13.6	36.5
Total reserve bank credit outstanding.....	1,082	1,093	2,102	2,231	1,296	1,415	1,655	1,254	1,263	1,365	1,486	1,548	1,585
Federal reserve notes of other reserve banks.....	17	19	17	18	22	21	24	20	17	13	15	18	16
Other uncollected items not included in float.....	603	514	555	605	576	638	651	563	580	540	534	599	562
Bank premises.....	59	59	59	60	60	60	58	59	59	59	59	60	60
All other resources.....	13.9	14.8	17.7	13.0	13.6	14.0	14.7	10.4	11.2	9.9	9.6	9.2	8.0
Total resources.....	5,006	4,903	4,945	5,065	5,072	5,145	5,346	4,957	4,975	4,935	5,025	5,033	4,977
<b>LIABILITIES</b>													
Federal reserve notes:													
Held by other Federal reserve banks.....	17	19	17	18	22	20	24	20	17	13	15	18	16
Outside Federal reserve banks.....	1,704	1,669	1,659	1,718	1,712	1,697	1,766	1,561	1,571	1,590	1,587	1,588	1,628
Total notes in circulation.....	1,721	1,688	1,676	1,736	1,734	1,717	1,790	1,581	1,588	1,603	1,602	1,606	1,645
Deposits:													
Member bank-reserve account.....	2,249	2,277	2,299	2,293	2,324	2,379	2,487	2,391	2,375	2,366	2,442	2,371	2,325
Government.....	30.7	25.1	12.7	27.4	21.2	2.1	18.4	19.9	27.9	21.1	30.4	39.9	23.6
Foreign bank.....	6.4	4.7	5.5	5.1	9.5	4.8	4.6	4.6	6.0	6.2	6.1	5.7	9.1
Other deposits.....	27	23	24	24	31	28	21	19	17	17	24	19	20
Total deposits.....	2,313	2,330	2,341	2,349	2,386	2,413	2,531	2,435	2,426	2,410	2,502	2,436	2,378
Deferred availability items.....	603	514	555	605	576	638	651	563	580	540	534	599	562
Capital paid in.....	129	130	131	131	131	132	132	134	137	136	138	140	141
Surplus.....	229	229	229	229	229	229	233	233	233	233	233	233	233
All other liabilities.....	11.3	11.8	13.2	14.5	16.1	17.5	8.2	10.4	11.6	13.6	16.0	18.6	18.5
Total liabilities.....	5,006	4,903	4,945	5,065	5,072	5,145	5,346	4,957	4,975	4,935	5,025	5,033	4,977
Contingent liability on bills purchased for foreign correspondents.....	146	151	166	188	189	186	229	237	239	242	261	268	303

<sup>1</sup> Uncollected items (exclusive of Federal reserve notes of other Federal reserve banks) in excess of deferred availability items.

FEDERAL RESERVE BANKS—AVERAGE DAILY RESERVES AND DEMAND LIABILITIES IN JULY AND JUNE, 1928  
[In thousands of dollars]

Federal reserve bank	Total cash reserves		Total deposits		Federal reserve notes in circulation		Reserve percentages	
	July	June	July	June	July	June	July	June
Boston.....	208,748	172,406	151,418	150,564	140,235	133,302	71.6	60.7
New York.....	865,162	872,565	919,413	942,085	347,071	341,255	68.3	68.0
Philadelphia.....	160,842	165,523	137,157	137,824	130,781	130,391	60.0	61.7
Cleveland.....	256,765	260,061	190,115	188,888	193,996	193,929	66.8	67.9
Richmond.....	65,768	72,726	70,094	70,164	52,858	54,486	53.5	58.3
Atlanta.....	115,979	125,243	66,527	67,837	131,363	135,689	58.6	61.5
Chicago.....	449,861	444,492	355,399	355,852	273,172	258,046	71.6	72.3
St. Louis.....	85,143	84,850	81,631	81,630	57,687	55,791	61.1	61.7
Minneapolis.....	77,247	75,182	53,314	53,962	55,448	55,005	71.0	69.0
Kansas City.....	98,265	98,572	93,651	91,841	55,801	55,898	65.8	66.7
Dallas.....	59,507	62,686	65,563	65,190	30,071	31,136	62.2	65.1
San Francisco.....	286,934	293,600	188,347	189,038	183,743	172,077	79.2	81.3
Total.....	2,730,221	2,727,906	2,372,629	2,394,875	1,642,226	1,617,605	68.0	68.0

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS  
RESOURCES  
[In thousands of dollars]

	Total	Federal Reserve Bank															
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	At- lanta	Chi- cago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco				
Gold with Federal reserve agents:																	
July 3.....	1,129,584	67,417	175,652	71,050	132,034	23,136	84,010	215,209	18,793	47,138	45,362	18,634	231,149				
July 11.....	1,161,160	105,151	175,652	74,754	131,709	26,646	79,936	215,012	25,441	45,920	44,266	19,071	217,602				
July 18.....	1,130,963	102,636	175,563	75,691	133,188	25,190	68,969	214,940	24,402	45,920	43,745	16,238	204,481				
July 25.....	1,119,717	104,736	175,452	72,270	132,321	23,730	74,594	214,808	23,875	45,148	42,593	15,698	194,492				
Gold redemption fund with United States Treasury:																	
July 3.....	62,100	4,337	17,559	9,158	4,575	2,050	3,320	8,284	6,221	1,579	2,343	1,778	896				
July 11.....	67,361	5,915	21,002	6,501	5,548	2,738	4,211	7,157	5,973	2,517	3,014	1,577	1,208				
July 18.....	73,465	7,807	19,652	8,589	5,485	3,152	4,327	9,287	6,428	2,255	3,142	1,770	1,571				
July 25.....	71,406	4,961	18,026	11,042	5,131	3,589	4,416	8,231	5,435	2,845	3,883	1,604	2,243				
Gold held exclusively against Federal reserve notes:																	
July 3.....	1,191,684	71,754	193,211	80,208	136,609	25,186	87,330	223,493	25,014	48,717	47,705	20,412	232,045				
July 11.....	1,228,521	111,066	196,654	81,255	137,257	29,384	84,147	222,169	31,414	48,437	47,280	20,648	218,810				
July 18.....	1,204,428	110,443	195,215	84,280	138,673	28,342	73,296	224,227	30,830	48,175	46,887	18,008	206,052				
July 25.....	1,191,123	109,697	193,478	83,312	137,452	27,319	79,010	223,039	29,310	47,993	46,476	17,302	196,735				
Gold settlement fund with Federal Reserve Board:																	
July 3.....	699,796	84,441	171,682	37,056	53,795	27,472	7,118	161,606	33,667	24,377	38,628	19,990	39,964				
July 11.....	666,960	63,384	112,175	55,005	68,745	15,995	8,423	175,577	36,938	24,247	42,598	25,679	38,194				
July 18.....	661,912	62,992	195,737	39,784	65,834	17,865	5,204	147,572	19,333	20,798	32,612	19,937	34,224				
July 25.....	680,561	61,089	194,642	47,359	68,338	12,113	7,206	151,399	29,389	18,577	38,361	16,767	35,321				
Gold and gold certificates held by banks:																	
July 3.....	655,010	22,603	439,407	25,612	39,820	6,415	8,250	49,428	11,693	4,585	6,735	14,066	26,396				
July 11.....	699,395	25,960	472,937	27,298	38,522	9,148	8,133	53,647	11,323	4,803	6,408	14,051	27,115				
July 18.....	733,252	27,076	500,098	27,507	40,543	8,831	8,147	54,448	11,984	5,102	6,313	16,448	26,755				
July 25.....	732,347	26,565	499,901	26,710	41,526	8,746	8,359	52,711	12,524	5,073	7,235	16,437	26,510				
Total gold reserves:																	
July 3.....	2,546,490	178,798	804,300	142,876	230,224	59,073	102,698	434,527	70,374	77,679	93,063	54,468	298,405				
July 11.....	2,594,876	200,410	781,766	163,558	244,524	54,527	100,753	451,393	79,675	77,487	96,286	60,378	284,119				
July 18.....	2,599,592	200,511	891,070	151,571	245,050	55,038	86,647	426,247	62,147	74,075	85,812	54,393	267,031				
July 25.....	2,604,031	197,351	888,021	157,381	247,316	48,178	94,575	427,149	71,223	71,643	92,072	50,556	258,566				
Reserves other than gold:																	
July 3.....	146,100	14,042	28,267	7,272	14,455	11,183	17,017	15,992	13,224	2,714	6,421	6,680	8,833				
July 11.....	152,361	15,678	30,073	7,693	14,019	11,009	17,703	16,881	15,427	2,711	5,425	6,319	9,423				
July 18.....	159,244	16,032	30,549	8,309	15,609	11,631	18,598	18,912	15,729	2,431	5,573	6,156	9,715				
July 25.....	157,154	14,795	31,530	8,065	14,141	11,881	18,864	19,283	15,524	2,388	5,592	5,581	9,510				
Total reserves:																	
July 3.....	2,692,590	192,840	832,567	150,148	244,679	70,256	119,715	450,519	83,598	80,393	99,489	61,148	307,238				
July 11.....	2,747,237	216,088	811,839	171,251	258,543	65,536	118,456	468,274	95,102	80,198	101,711	66,697	293,542				
July 18.....	2,758,836	216,543	921,619	159,880	260,659	66,669	105,245	445,159	77,876	76,506	91,385	60,549	276,746				
July 25.....	2,761,185	212,146	919,551	165,446	261,457	60,059	113,439	446,432	86,747	74,031	97,664	56,137	268,076				
Nonreserve cash:																	
July 3.....	54,273	4,431	16,804	1,714	3,387	6,239	4,237	6,737	2,999	1,071	1,660	2,331	2,663				
July 11.....	63,113	5,986	20,127	1,624	3,873	4,160	4,725	8,112	3,850	1,581	2,185	2,955	3,935				
July 18.....	65,096	6,900	20,302	1,641	4,766	4,174	5,101	8,862	3,747	1,994	2,388	3,882					
July 25.....	64,517	6,508	20,433	1,831	4,118	4,054	5,282	8,938	3,971	1,097	2,254	2,499	3,532				







FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Federal Reserve Bank											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Federal reserve notes received from comptroller:													
July 3	2,819,200	236,504	735,703	185,750	256,426	92,849	228,730	429,748	83,518	79,684	96,199	57,436	336,653
July 11	2,824,675	234,238	738,507	187,454	259,302	91,759	226,056	433,646	86,465	78,466	96,123	56,873	335,786
July 18	2,831,152	231,723	745,355	184,391	256,280	90,303	224,389	437,633	87,126	81,506	100,141	56,540	335,765
July 25	2,822,202	228,823	738,128	184,470	255,313	90,843	223,613	444,473	87,079	80,734	98,990	56,000	333,736
Federal reserve notes held by Federal reserve agent:													
July 3	798,775	73,950	270,280	29,700	36,430	24,034	67,030	115,250	17,400	15,579	33,020	21,102	95,000
July 11	783,160	65,950	270,120	30,300	33,030	23,209	66,460	115,500	16,340	15,279	31,570	20,402	95,000
July 18	796,880	64,550	274,440	27,700	33,030	22,329	67,060	120,400	17,040	18,319	35,610	20,402	96,000
July 25	799,770	60,950	274,440	25,400	32,030	24,329	67,470	127,100	17,520	18,919	35,210	20,402	96,000
Federal reserve notes issued to Federal reserve bank:													
July 3	2,020,425	162,554	465,423	156,050	219,996	68,815	161,700	314,498	66,118	64,105	63,179	36,334	241,653
July 11	2,041,515	168,288	468,387	157,154	226,272	68,550	159,596	318,146	70,125	63,187	64,553	36,471	240,786
July 18	2,034,272	167,173	470,915	156,691	223,250	67,974	157,329	317,233	70,086	63,187	64,531	36,138	239,765
July 25	2,022,432	167,873	463,688	159,070	223,283	66,514	156,143	317,373	69,559	61,815	63,780	35,598	237,736
Collateral held as security for Federal reserve notes issued to Federal reserve bank:													
Gold and gold certificates—													
July 3	355,376	35,300	153,161	-----	50,000	20,395	21,750	-----	8,300	14,167	-----	12,303	40,000
July 11	354,977	35,300	153,161	-----	50,000	20,396	21,750	-----	7,900	14,167	-----	12,303	40,000
July 18	352,476	35,300	153,161	-----	50,000	20,395	21,750	-----	7,900	14,167	-----	9,803	40,000
July 25	352,477	35,300	153,161	-----	50,000	20,396	21,750	-----	7,900	14,167	-----	9,803	40,000
Gold redemption fund—													
July 3	96,552	19,117	17,491	11,273	12,034	2,741	3,760	2,209	993	4,971	2,502	2,331	17,130
July 11	99,815	16,851	17,491	8,977	11,709	6,250	7,186	2,012	2,541	3,753	3,406	2,768	16,871
July 18	95,355	14,336	17,402	10,914	13,188	4,795	5,519	1,940	1,502	3,753	2,885	2,435	16,686
July 25	91,446	11,436	17,291	12,493	12,321	3,334	4,744	1,808	2,975	2,981	3,733	1,895	16,435
Gold fund—													
July 3	677,656	13,000	5,000	59,777	70,000	-----	58,500	213,000	9,500	28,000	42,860	4,000	174,019
July 11	706,368	53,000	5,000	65,777	70,000	-----	51,000	213,000	15,000	28,000	40,860	4,000	160,731
July 18	683,132	53,000	5,000	64,777	70,000	-----	41,700	213,000	15,000	28,000	40,860	4,000	147,795
July 25	675,794	58,000	5,000	59,777	70,000	-----	48,100	213,000	13,000	28,000	38,860	4,000	138,057
Eligible paper—													
July 3	1,318,795	107,229	447,714	85,603	134,576	58,811	77,833	195,318	54,642	21,266	35,096	24,486	76,221
July 11	1,222,349	83,244	455,516	84,684	118,064	56,522	79,809	152,980	47,425	20,315	29,634	23,444	70,712
July 18	1,157,472	84,420	326,218	94,758	106,935	58,679	88,657	166,750	60,952	22,952	38,955	29,594	78,602
July 25	1,160,789	85,606	327,501	90,474	114,593	59,953	81,764	167,057	54,076	25,982	33,908	32,773	87,102
Total collateral:													
July 3	2,448,379	174,646	623,366	156,653	266,610	81,947	161,843	410,527	73,435	68,404	80,458	43,120	307,370
July 11	2,383,509	188,395	631,168	159,438	249,773	83,168	159,745	367,992	72,866	66,235	73,900	42,515	288,314
July 18	2,288,435	187,056	501,781	170,449	240,123	83,869	157,626	381,690	85,354	68,872	82,700	45,832	283,083
July 25	2,280,506	190,342	502,953	162,744	246,914	83,683	156,358	381,865	77,951	71,130	76,501	48,471	281,594

## MATURITY DISTRIBUTION OF BILLS AND CERTIFICATES OF INDEBTEDNESS HELD BY FEDERAL RESERVE BANKS

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	Over 6 months
<b>Bills discounted:</b>							
July 3.....	1,191,010	1,044,234	37,114	52,506	40,859	16,224	73
July 11.....	1,089,268	936,325	39,563	54,585	43,594	15,136	65
July 18.....	1,011,757	828,869	40,928	68,759	59,333	13,802	66
July 25.....	1,025,109	844,643	38,675	71,495	57,393	12,834	69
<b>Bills bought in open market:</b>							
July 3.....	209,664	94,671	43,862	37,931	26,099	7,101	-----
July 11.....	187,642	73,920	37,839	43,478	26,683	5,722	-----
July 18.....	181,035	76,020	29,072	44,012	24,602	7,329	-----
July 25.....	169,083	57,426	36,340	44,314	25,410	5,593	-----
<b>Certificates of indebtedness:</b>							
July 3.....	73,177	6,942	-----	-----	-----	40,548	25,687
July 11.....	69,077	3,220	-----	-----	-----	41,348	24,509
July 18.....	63,813	405	-----	-----	-----	40,900	22,508
July 25.....	65,391	805	-----	-----	-----	41,428	23,158

## GOLD SETTLEMENT FUND—INTERBANK TRANSACTIONS FROM JUNE 21 TO JULY 18, 1928, INCLUSIVE

[In thousands of dollars]

Federal reserve bank	Transfers for Government account		Transit clearing		Federal reserve note clearing		Changes in ownership of gold through transfers and clearings		Balance in fund at close of period
	Debits	Credits	Debits	Credits	Debits	Credits	Decrease	Increase	
Boston.....	6,000	500	952,675	1,002,878	3,609	3,817	-----	44,911	62,991
New York.....	25,100	50,300	3,154,164	3,166,334	8,894	10,245	-----	38,721	195,757
Philadelphia.....	7,300	700	705,527	712,084	4,713	4,712	44	-----	39,784
Cleveland.....	6,000	6,000	754,379	751,828	6,641	5,513	5,679	-----	65,834
Richmond.....	5,500	4,500	718,208	713,427	1,913	2,977	4,717	-----	17,865
Atlanta.....	9,000	1,300	299,348	291,293	5,142	2,429	16,468	-----	5,204
Chicago.....	4,000	6,700	1,331,268	1,322,947	7,082	6,660	6,043	-----	147,572
St. Louis.....	2,500	5,000	515,030	506,640	2,054	3,075	4,869	-----	19,353
Minneapolis.....	-----	2,600	189,536	187,705	1,514	1,940	-----	1,395	20,798
Kansas City.....	2,000	9,800	430,198	419,079	1,829	2,905	2,243	-----	32,612
Dallas.....	5,500	500	300,811	304,623	1,063	1,271	-----	-----	19,937
San Francisco.....	16,000	1,000	448,540	420,846	2,915	1,625	43,984	-----	34,224
<b>Total 4 weeks ending—</b>									
July 18, 1928.....	88,900	88,900	9,799,684	9,799,684	45,169	45,169	85,027	85,027	661,911
June 20, 1928.....	153,300	153,300	9,871,855	9,871,855	46,664	46,664	-----	-----	694,772
July 20, 1927.....	76,300	76,300	9,207,869	9,207,869	51,624	51,624	-----	-----	549,380
June 22, 1927.....	225,900	225,900	11,890,725	11,890,725	64,788	64,788	-----	-----	591,050

ALL MEMBER BANKS  
BORROWINGS FROM FEDERAL RESERVE BANKS, BY STATES

[End of month figures. In thousands of dollars]

State	1927							1928					
	June	July	August	September	October	November	December	January	February	March	April	May	June
United States.....	443,450	442,158	400,524	437,425	411,525	477,025	581,503	423,310	492,568	598,681	834,228	1,021,352	1,095,423
New England:													
Maine.....	2,300	733	951	2,394	1,808	1,473	909	752	718	909	1,072	2,123	2,672
New Hampshire.....	2,231	1,366	927	875	730	636	805	1,112	1,305	2,746	1,332	2,334	2,584
Vermont.....	1,375	1,078	884	733	1,128	649	558	534	698	992	934	1,029	1,711
Massachusetts.....	35,360	33,511	28,760	25,520	20,388	33,404	24,314	33,751	49,918	44,350	36,940	69,264	62,703
Rhode Island.....	487	1,304	2,047	1,772	787	552	304	102	396	1,225	593	5,913	4,291
Connecticut.....	4,354	3,343	4,439	2,530	2,504	3,096	3,083	2,196	3,260	1,809	1,759	5,203	7,619
Middle Atlantic:													
New York.....	73,559	76,794	84,443	104,472	83,170	139,769	266,687	103,925	69,063	123,001	262,280	328,125	415,561
New Jersey.....	25,548	30,150	24,924	25,253	22,225	22,140	19,150	19,642	19,642	23,051	32,784	35,636	44,111
Pennsylvania.....	66,089	49,741	45,242	51,733	46,622	57,920	104,217	59,006	83,277	30,029	82,553	103,524	143,416
East North Central:													
Ohio.....	20,777	21,992	13,485	21,483	24,403	15,868	15,535	12,783	34,405	33,392	28,779	42,039	43,741
Indiana.....	4,975	5,139	3,321	3,545	3,577	1,686	3,115	3,587	6,209	4,825	5,491	4,361	5,191
Illinois.....	18,996	19,662	9,712	17,639	25,266	23,797	14,203	15,350	13,645	66,447	63,390	64,288	74,320
Michigan.....	24,644	18,445	13,751	10,691	21,582	27,696	27,231	17,884	23,093	23,152	33,599	52,692	59,147
Wisconsin.....	11,008	7,513	4,679	3,944	4,132	3,320	6,658	2,735	12,932	16,557	14,781	13,837	15,555
West North Central:													
Minnesota.....	876	1,547	3,461	1,416	1,033	2,375	722	2,408	2,895	2,696	12,814	8,371	5,696
Iowa.....	3,493	3,509	2,913	2,883	4,555	6,870	4,023	4,586	3,772	3,887	3,599	4,015	4,707
Missouri.....	27,646	17,141	17,850	16,947	9,913	11,837	11,475	16,225	20,277	24,168	20,753	45,216	43,707
North Dakota.....	1,171	1,554	1,761	830	427	312	319	472	369	543	575	734	688
South Dakota.....	1,202	1,479	1,283	794	570	695	640	619	508	331	391	421	511
Nebraska.....	2,289	1,674	1,310	1,697	5,167	9,119	4,705	4,182	2,940	4,429	5,990	4,992	2,329
Kansas.....	2,314	1,794	1,355	1,417	3,639	2,980	1,246	1,199	1,061	1,052	1,452	3,269	1,969
South Atlantic:													
Delaware.....	836	646	522	317	711	783	474	620	597	597	979	1,977	3,063
Maryland.....	8,629	2,742	1,477	5,150	5,547	7,098	5,498	11,744	5,315	3,747	9,547	11,214	8,323
District of Columbia.....	31	435	115	1,315	1,465	500	920	320	550	550	245	1,520	3,895
Virginia.....	5,278	5,002	7,520	11,267	11,289	5,877	11,894	9,297	11,868	13,347	14,257	15,394	19,755
West Virginia.....	3,441	2,281	2,457	3,227	2,497	1,631	5,363	3,367	2,710	3,543	3,497	3,951	5,847
North Carolina.....	6,338	6,802	7,856	6,377	5,293	2,429	1,998	4,738	7,502	7,449	10,043	10,105	12,563
South Carolina.....	2,030	2,800	2,007	1,523	1,323	1,671	1,425	2,172	2,610	3,471	4,358	3,739	2,812
Georgia.....	6,571	5,832	6,457	5,467	4,722	6,575	3,582	4,013	5,229	7,041	20,600	23,114	14,191
Florida.....	1,817	2,504	3,445	4,142	4,406	3,502	2,619	1,799	1,946	1,345	1,360	2,643	985
East South Central:													
Kentucky.....	7,799	8,199	6,593	9,575	9,667	6,911	6,663	2,177	3,587	8,276	14,597	14,783	13,935
Tennessee.....	2,314	4,028	5,276	6,879	3,914	3,096	2,845	1,842	2,803	1,900	4,540	4,373	5,444
Alabama.....	6,107	6,177	5,810	3,670	2,830	5,390	2,411	4,641	4,961	6,412	10,412	8,632	11,075
Mississippi.....	2,190	3,045	4,023	3,725	1,945	1,563	1,239	1,225	1,639	3,456	4,103	5,464	5,180
West South Central:													
Arkansas.....	1,353	2,343	3,306	4,550	2,332	2,001	210	2,688	2,017	1,606	2,529	2,077	2,680
Louisiana.....	11,125	20,169	12,612	8,736	11,156	21,557	16,620	13,853	12,926	9,014	13,859	20,703	15,688
Oklahoma.....	2,316	1,995	2,583	4,095	2,388	1,245	688	1,325	1,601	2,287	3,656	5,006	4,646
Texas.....	5,481	9,393	12,574	4,767	10,323	6,436	848	4,960	1,949	3,991	9,302	9,938	8,192
Mountain:													
Montana.....	604	761	768	393	79	30	21	41	39	33	126	250	231
Idaho.....	1,217	1,582	1,328	779	551	351	161	199	234	241	339	405	554
Wyoming.....	162	278	427	230	104	43	48	48	2	2	103	129	96
Colorado.....	1,503	3,568	1,366	1,388	1,038	1,282	1,018	1,542	2,561	2,527	3,407	3,773	1,305
New Mexico.....	170	258	186	200	99	10	129	124	187	124	175	77	173
Arizona.....	240	346	380	325	284	180	190	164	183	198	184	180	187
Utah.....	995	2,201	1,077	1,171	952	198	168	255	368	866	2,163	1,644	1,278
Pacific:													
Washington.....	1,946	3,271	2,421	1,613	2,254	1,788	330	1,543	1,317	1,566	3,540	3,720	2,492
Oregon.....	1,684	1,811	672	492	875	247	393	958	1,948	2,203	3,463	3,077	1,836
California.....	30,470	44,064	38,763	46,218	38,955	38,490	3,978	45,210	60,869	48,191	81,553	66,068	9,873





## PRINCIPAL RESOURCES AND LIABILITIES BY WEEKS—Continued

[In thousands of dollars]

	Total	Federal Reserve District											
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
<b>Due from banks:</b>													
July 3.....	1,228,613	60,214	167,308	69,781	101,184	53,882	73,032	265,358	49,791	53,245	118,198	59,365	157,255
July 11.....	1,139,919	52,367	139,529	54,597	93,234	46,987	70,334	244,350	49,938	55,582	125,612	56,867	150,492
July 18.....	1,106,173	53,513	130,917	56,255	93,725	46,256	66,375	235,911	44,721	48,919	124,520	53,759	151,303
July 25.....	1,067,116	56,125	128,695	53,607	83,439	47,921	62,943	222,736	41,875	47,502	121,886	52,791	142,596
<b>Due to banks:</b>													
July 3.....	3,393,174	151,255	1,372,257	182,727	222,083	105,128	103,756	524,965	121,873	90,774	209,423	92,817	216,116
July 11.....	3,195,837	151,737	1,215,452	168,885	214,676	99,045	102,767	498,090	121,632	89,576	227,640	93,752	212,602
July 18.....	3,085,714	143,029	1,160,593	170,537	214,489	95,651	95,520	481,309	118,903	86,157	223,192	88,881	202,453
July 25.....	3,059,891	135,062	1,205,844	157,962	206,980	93,566	89,537	468,003	112,840	83,532	229,273	86,524	190,768
<b>Borrowings from Federal reserve bank—total:</b>													
July 3.....	959,673	52,444	384,100	72,868	99,840	29,273	44,397	156,012	39,245	5,658	18,182	6,935	50,719
July 11.....	869,584	34,275	404,118	53,523	84,844	31,357	46,094	114,990	31,225	4,743	14,876	6,121	43,438
July 18.....	787,412	38,118	259,564	62,384	76,576	28,536	53,891	130,140	43,547	6,831	21,732	12,232	53,861
July 25.....	798,532	42,129	268,212	55,708	81,942	32,573	47,213	128,911	36,642	9,679	19,034	15,730	60,759
<b>Secured by U. S. Gov- ernment obligations:</b>													
July 3.....	650,999	18,575	289,518	52,124	67,661	11,248	14,161	129,353	16,786	4,850	8,960	5,813	31,950
July 11.....	603,721	15,725	305,806	40,365	58,747	13,869	16,906	90,682	11,619	4,100	4,755	4,878	36,269
July 18.....	504,439	9,515	178,836	48,943	44,246	11,125	15,552	106,839	16,146	3,995	11,427	11,163	46,602
July 25.....	500,347	11,375	180,096	45,533	48,944	15,547	9,186	101,119	14,100	6,390	8,359	12,708	46,990
<b>All other:</b>													
July 3.....	308,674	33,869	94,582	20,744	32,179	18,025	30,236	26,659	22,459	808	9,222	1,122	18,769
July 11.....	265,863	18,550	98,312	13,158	26,097	17,468	29,188	24,308	19,006	643	10,121	1,243	7,169
July 18.....	282,973	28,603	80,678	13,441	32,330	17,411	38,339	23,301	27,401	2,836	10,308	1,069	7,259
July 25.....	298,185	30,754	88,116	10,175	32,998	17,026	38,027	27,792	22,542	3,289	10,675	3,022	13,769
<b>Number of reporting banks:</b>													
July 3.....	637	36	78	49	70	64	31	92	29	24	64	45	55
July 11.....	637	36	78	49	70	64	31	92	29	24	64	45	55
July 18.....	637	36	78	49	70	64	31	92	29	24	64	45	55
July 25.....	636	36	78	49	70	64	31	92	29	24	64	44	55



REPORTING MEMBER BANKS IN FEDERAL RESERVE BANK CITIES

PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS

[In thousands of dollars]

	Total	City											
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
<b>Loans and investments:</b>													
July 3	14,524,674	1,045,650	7,642,841	1,079,717	794,925	109,893	108,165	2,060,116	444,997	177,833	186,950	130,241	743,346
July 11	14,272,644	1,030,208	7,424,813	1,080,729	797,161	109,570	106,910	2,038,367	448,508	178,986	189,700	133,680	734,012
July 18	14,136,554	1,034,236	7,280,132	1,068,902	796,072	108,514	107,224	2,033,552	453,757	182,960	195,108	135,419	735,678
July 25	14,069,320	1,023,025	7,253,708	1,054,561	795,687	110,542	102,760	2,037,915	448,027	180,564	192,644	136,240	733,647
<b>Loans:</b>													
July 3	10,686,306	834,257	5,623,891	744,258	615,082	88,919	76,092	1,557,619	314,468	110,851	115,571	91,969	513,329
July 11	10,439,187	822,012	5,401,672	742,108	619,902	88,768	74,992	1,536,502	319,195	112,781	118,582	95,428	507,245
July 18	10,346,637	818,724	5,291,436	736,061	620,503	87,070	75,012	1,544,141	324,678	115,986	125,537	96,730	510,759
July 25	10,311,569	810,738	5,283,289	727,907	621,733	89,176	70,573	1,552,128	318,592	113,445	122,024	95,628	506,336
<b>On securities—</b>													
July 3	4,995,268	318,911	2,763,138	416,959	234,788	27,452	20,453	821,881	155,748	31,909	29,264	21,897	152,868
July 11	4,841,265	307,277	2,640,852	411,689	233,891	26,946	20,025	804,279	154,466	33,279	36,648	22,062	149,851
July 18	4,699,083	298,861	2,508,475	409,292	235,217	26,330	20,023	796,850	158,820	34,458	38,076	22,384	150,317
July 25	4,671,751	295,293	2,491,032	403,718	235,290	28,872	20,453	801,206	157,140	33,595	33,099	22,512	149,541
<b>All other—</b>													
July 3	5,691,038	515,346	2,860,753	327,299	380,294	61,467	55,639	735,738	158,720	78,942	86,307	70,072	360,461
July 11	5,597,922	514,735	2,760,820	330,419	386,011	61,822	54,967	732,223	164,729	79,502	81,934	73,366	357,894
July 18	5,647,554	519,863	2,782,961	326,769	385,286	60,740	54,989	747,291	165,858	81,548	87,461	74,346	360,442
July 25	5,639,818	515,445	2,792,257	324,189	386,443	60,304	50,120	750,922	161,452	79,850	88,925	73,116	356,795
<b>Investments:</b>													
July 3	3,838,368	211,393	2,018,950	335,459	179,843	20,974	32,073	502,497	130,529	66,982	71,379	38,272	230,017
July 11	3,833,457	208,196	2,023,141	338,621	177,259	20,802	31,918	501,865	129,313	66,205	71,118	38,252	226,767
July 18	3,789,917	215,512	1,988,696	332,841	175,569	21,444	32,212	494,411	129,079	66,974	69,571	38,689	224,919
July 25	3,757,751	212,287	1,970,419	326,654	173,954	21,366	32,187	485,787	129,435	67,119	70,620	40,612	227,311
<b>Reserve with Federal reserve bank:</b>													
July 3	1,292,607	78,803	751,671	75,564	47,018	7,727	6,032	213,296	28,632	12,495	18,837	9,511	43,021
July 11	1,244,409	76,909	745,064	74,020	41,950	6,327	6,501	186,350	30,176	11,965	15,667	9,474	40,006
July 18	1,199,707	75,771	713,359	72,069	41,410	6,346	6,252	178,510	27,631	11,858	16,184	9,479	40,538
July 25	1,198,090	74,523	708,688	69,975	43,194	6,031	6,451	180,616	30,146	11,862	16,523	9,656	40,425
<b>Cash in vault:</b>													
July 3	119,373	6,851	57,476	11,188	7,901	773	1,144	18,784	3,453	1,765	2,054	1,239	6,745
July 11	120,406	7,574	55,958	11,675	9,109	871	1,073	18,653	3,429	2,125	2,388	1,439	6,112
July 18	112,882	6,971	53,007	11,048	9,079	780	1,046	17,070	3,124	1,835	2,241	1,267	5,414
July 25	110,549	7,316	51,574	11,149	8,530	822	977	16,478	3,014	1,943	2,294	1,287	5,165
<b>Net demand deposits:</b>													
July 3	9,386,812	683,686	5,512,654	649,774	278,606	53,058	52,003	1,262,700	242,900	111,753	156,663	79,624	303,331
July 11	9,154,567	683,870	5,256,367	657,152	281,485	53,055	52,684	1,252,688	251,011	112,076	161,551	82,622	310,006
July 18	9,035,614	686,727	5,181,046	640,520	279,031	51,576	51,561	1,227,178	245,953	114,847	161,581	83,998	312,216
July 25	8,959,839	665,960	5,143,162	632,353	279,093	55,156	51,222	1,226,495	248,870	110,020	164,086	80,579	302,843
<b>Time deposits:</b>													
July 3	3,524,390	264,969	1,185,277	250,559	490,135	35,198	38,066	701,900	136,919	55,992	18,927	30,947	315,501
July 11	3,512,090	265,129	1,191,342	248,649	490,989	34,866	37,393	690,042	136,686	57,050	20,000	33,882	306,062
July 18	3,458,359	262,604	1,161,976	240,989	489,246	34,692	37,283	684,515	136,755	56,461	19,908	33,671	300,259
July 25	3,453,821	260,748	1,158,311	242,539	489,210	34,425	37,191	679,788	135,710	57,287	20,845	32,985	304,782
<b>Government deposits:</b>													
July 3	118,353	7,239	46,940	7,022	2,523	590	1,028	3,224	5,243	1,821	2,239	7,641	32,843
July 11	88,758	5,432	35,204	5,267	1,893	443	775	2,416	3,921	1,364	1,678	5,732	24,633
July 18	67,555	4,143	26,749	4,155	1,439	336	587	1,836	2,925	1,035	1,275	4,354	18,721
July 25	51,717	3,176	20,542	3,072	1,019	258	454	1,408	2,296	791	979	3,345	14,377
<b>Due from banks:</b>													
July 3	612,408	43,119	121,708	63,394	26,817	7,059	10,038	180,299	27,639	24,403	30,546	18,993	58,393
July 11	550,387	39,926	97,457	49,173	24,486	5,706	9,411	160,681	29,015	26,705	33,876	17,753	56,198
July 18	537,956	39,389	92,880	51,283	25,765	5,913	10,259	160,134	23,993	22,028	36,992	16,458	52,862
July 25	522,323	45,248	94,138	49,152	23,182	5,789	10,209	146,699	22,588	21,894	36,775	15,845	50,804
<b>Due to banks:</b>													
July 3	2,436,640	141,263	1,305,176	175,233	60,635	23,463	12,714	378,100	74,995	53,000	79,951	26,181	105,029
July 11	2,257,076	142,857	1,149,749	161,332	59,643	23,091	13,098	356,967	75,251	52,215	61,686	26,477	104,710
July 18	2,177,674	134,283	1,098,422	163,702	60,049	21,725	12,234	344,291	73,974	49,364	63,256	25,584	100,790
July 25	2,180,960	126,468	1,144,825	151,947	57,536	20,891	11,944	334,469	71,760	48,939	65,196	25,062	91,923
<b>Borrowings from Federal reserve banks:</b>													
July 3	646,215	41,048	315,633	63,334	28,454	9,881	14,721	95,653	25,079	2,270	9,772	900	39,470
July 11	591,244	23,512	341,596	46,432	19,914	8,960	14,691	66,061	20,383	1,855	8,561	300	38,979
July 18	521,611	27,891	213,400	54,243	25,528	8,873	15,655	80,012	27,658	2,420	14,900	3,290	47,771
July 25	526,032	32,550	223,376	47,783	26,762	8,321	11,276	79,983	21,742	4,615	9,655	6,283	53,686
<b>Number of reporting banks:</b>													
July 3	208	17	45	37	8	8	5	43	11	5	13	7	9
July 11	208	17	45	37	8	8	5	43	11	5	13	7	9
July 18	208	17	45	37	8	8	5	43	11	5	13	7	9
July 25	208	17	45	37	8	8	5	43	11	5	13	7	9

LAND BANKS AND INTERMEDIATE CREDIT BANKS

LOANS OF FEDERAL AND JOINT-STOCK LAND BANKS

[In thousands of dollars]

Date	Net amount of loans outstanding		
	Total	Federal land banks (12 banks)	Joint-stock land banks (54 banks)
<b>1926</b>			
Sept. 30	1,671,856	1,057,217	614,639
Oct. 31	1,682,273	1,063,056	619,217
Nov. 30	1,692,826	1,068,596	624,230
Dec. 31	1,710,295	1,077,819	632,476
<b>1927</b>			
Jan. 31	1,724,821	1,085,170	639,651
Feb. 28	1,745,404	1,097,642	647,762
Mar. 31	1,765,365	1,109,354	656,011
Apr. 30	1,732,395	1,117,914	614,481
May 31	1,741,275	1,124,055	617,220
June 30	1,738,165	1,130,648	607,517
July 31	1,742,575	1,134,896	607,679
Aug. 31	1,749,393	1,139,502	609,891
Sept. 30	1,752,665	1,143,130	609,535
Oct. 31	1,757,185	1,147,135	610,050
Nov. 30	1,758,834	1,150,943	607,891
Dec. 31	1,765,121	1,155,644	609,477
<b>1928</b>			
Jan. 31	1,767,515	1,158,717	608,798
Feb. 29	1,778,338	1,168,354	609,984
Mar. 31	1,786,862	1,175,858	611,004
Apr. 30	1,791,341	1,180,420	610,921
May 31	1,793,035	1,183,672	609,363
June 30	1,794,236	1,184,656	609,580

LOANS OF INTERMEDIATE CREDIT BANKS

[In thousands of dollars]

Class of loan	1928				1927
	May 31	April 28	March 31	Feb. 25	May 28
<b>Direct loans outstanding on—</b>					
Cotton	6,105	8,482	11,266	13,663	6,156
Tobacco	2,557	2,746	3,057	3,636	6,357
Wheat	605	1,039	1,364	1,965	1,365
Canned fruits and vegetables	428	493	630	913	802
Raisins	5,671	5,512	5,549	5,820	5,000
Wool	258	29	43	158	233
Rice	1,002	1,302	1,515	1,579	1,549
All other	79	141	263	835	202
<b>Total</b>	<b>16,705</b>	<b>19,744</b>	<b>23,637</b>	<b>28,569</b>	<b>21,664</b>
<b>Rediscounts outstanding for—</b>					
Agricultural credit corporations	31,385	30,614	28,111	24,168	29,850
National banks	8	8	6	7	37
State banks	405	411	418	296	612
Livestock loan companies	22,145	21,565	21,877	21,821	19,251
Savings banks and trust companies	11	8	20	20	31
<b>Total</b>	<b>53,954</b>	<b>52,606</b>	<b>70,432</b>	<b>46,312</b>	<b>49,781</b>

BANK DEBITS

DEBITS TO INDIVIDUAL ACCOUNTS, BY FEDERAL RESERVE DISTRICTS

[In thousands of dollars]

	Number of centers	June, 1928	May, 1928	June, 1927
New York City	1	45,455,305	45,269,912	33,008,251
Outside New York City	140	27,029,269	26,345,816	23,812,165
<b>Federal reserve district:</b>				
Boston	11	2,893,471	3,007,290	2,847,802
New York	7	46,509,703	46,301,904	33,893,620
Philadelphia	10	2,856,734	2,656,842	2,294,481
Cleveland	13	2,979,710	2,705,272	2,984,591
Richmond	7	820,253	754,380	766,403
Atlanta	15	1,099,993	1,132,339	1,074,650
Chicago	21	6,876,153	6,874,173	6,059,258
St. Louis	5	1,391,335	1,333,525	1,242,557
Minneapolis	9	790,332	759,555	665,021
Kansas City	15	1,313,005	1,269,180	*1,245,462
Dallas	10	670,114	644,518	580,948
San Francisco	18	4,278,771	4,176,750	3,165,623
<b>Total</b>	<b>141</b>	<b>72,484,574</b>	<b>71,615,728</b>	<b>*56,820,416</b>

\* Revised.

PAR COLLECTION SYSTEM

MEMBERSHIP, BY FEDERAL RESERVE DISTRICTS

[Number of banks at end of June]

Federal reserve bank	Member banks		Nonmember banks			
			On par list		Not on par list <sup>1</sup>	
	1928	1927	1928	1927	1928	1927
United States	3,929	9,106	12,888	13,556	3,926	3,863
Boston	410	415	249	245		
New York	934	928	410	412		
Philadelphia	786	775	496	502		
Cleveland	823	841	1,024	1,030	10	10
Richmond	557	569	636	665	579	607
Atlanta	457	469	310	317	1,005	1,026
Chicago	1,264	1,308	3,628	3,737	199	184
St. Louis	593	599	1,812	1,934	462	435
Minneapolis	728	739	709	840	1,133	1,113
Kansas City	945	972	2,272	2,461	277	229
Dallas	791	815	642	682	204	198
San Francisco	641	676	700	731	57	61

<sup>1</sup> Incorporated banks other than mutual-savings banks.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS DURING SIX MONTHS ENDING JUNE 30, 1928

August, 1928

	Total	Boston	New York	Philadel- phia	Cleveland	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
<b>Earnings:</b>													
Discounted bills.....	\$13,397,670	\$1,057,225	\$4,366,715	\$1,146,609	\$1,255,159	\$704,980	\$759,318	\$1,761,057	\$653,456	\$137,134	\$322,273	\$137,073	\$1,096,671
Purchased bills.....	5,862,804	763,680	1,430,813	557,868	511,461	334,179	249,397	745,271	104,348	275,853	217,591	283,600	388,743
United States securities.....	6,258,950	304,732	1,289,367	523,645	770,477	110,959	142,924	1,014,481	446,167	293,447	482,513	392,519	487,719
Deficient reserve penalties.....	113,276	4,547	16,627	2,817	14,551	15,389	12,468	20,050	6,490	2,961	6,235	3,577	7,564
Miscellaneous.....	797,225	24,148	144,358	22,507	73,395	13,202	48,951	227,364	17,337	48,004	137,781	10,708	29,470
<b>Total earnings.....</b>	<b>26,429,925</b>	<b>2,154,332</b>	<b>7,247,880</b>	<b>2,253,446</b>	<b>2,625,043</b>	<b>1,178,709</b>	<b>1,213,058</b>	<b>3,768,223</b>	<b>1,227,798</b>	<b>757,399</b>	<b>1,166,393</b>	<b>827,477</b>	<b>2,010,167</b>
<b>Current expenses:</b>													
<b>Salaries—</b>													
Bank officers.....	1,276,965	60,000	265,404	69,250	107,900	88,250	103,301	153,447	85,065	58,753	84,950	77,649	122,996
Clerical staff.....	5,927,789	432,697	1,558,421	450,046	533,309	296,418	203,161	878,392	280,643	178,573	313,611	260,823	541,695
Special officers and watchmen.....	434,514	18,183	94,028	24,386	51,035	26,836	17,928	65,203	23,840	16,004	33,377	21,098	42,596
All other.....	908,352	46,704	238,813	44,378	126,028	38,020	18,902	136,599	38,657	33,195	87,534	36,489	63,033
Governors' conferences.....	4,061	170	466	174	299	183	254	233	271	312	312	389	841
Federal reserve agents' conferences.....	1,081	67	67	67	67	67	67	67	67	376	67	67	35
Federal Advisory Council.....	8,472	492	502	405	560	390	694	672	650	684	800	823	1,800
Directors' meetings.....	76,274	4,139	9,661	3,529	3,689	3,781	11,643	4,619	7,692	3,346	11,996	4,399	7,780
Traveling expenses <sup>1</sup> .....	114,960	3,007	14,139	7,912	10,798	8,101	8,477	13,454	13,151	9,306	5,063	8,960	12,683
Assessments for Federal Reserve Board ex- penses.....	300,691	22,445	84,926	28,687	31,237	15,270	12,473	41,711	12,936	8,259	10,917	10,514	21,316
Legal fees.....	50,509	1,135	4,378	2,715	3,566	1,191	2,670	2,080	890	14,361	3,950	6,281	7,292
Insurance (other than on currency and security shipments).....	226,608	14,513	40,688	17,716	17,921	12,928	13,258	24,433	13,719	14,824	19,729	13,738	23,141
Insurance on currency and security ship- ments.....	295,127	42,089	54,752	44,763	35,253	16,807	18,781	32,119	6,841	6,253	8,709	9,489	19,271
Taxes on banking house.....	705,871	63,000	197,652	20,572	66,845	19,185	29,722	135,846	29,632	42,960	46,132	17,090	37,235
Light, heat, and power.....	173,511	10,797	34,203	11,676	18,919	5,036	8,065	20,230	8,976	9,724	28,194	8,119	9,572
Repairs and alterations, banking house.....	84,639	884	12,456	7,729	22,776	5,524	2,575	13,555	3,092	4,566	11,696	2,120	2,666
Rent.....	131,619	240	12,583	664	36,938	13,382	3,050	5,092	9,718	30	5,286	5,286	44,636
Office and other supplies.....	198,733	10,597	40,376	16,375	19,669	9,288	10,505	31,306	8,419	8,975	17,224	8,400	17,599
Printing and stationery.....	228,077	19,011	40,184	15,258	20,525	12,374	12,027	40,682	11,208	10,074	11,080	10,096	25,558
Telephone.....	101,365	10,186	29,539	13,288	7,269	3,336	3,112	10,759	6,072	2,527	3,851	3,932	7,494
Telegraph.....	240,546	3,216	24,363	7,038	16,631	17,651	30,596	20,511	20,109	8,757	30,010	25,695	35,969
Postage.....	879,865	101,491	145,490	88,369	77,644	61,331	50,430	107,925	41,770	27,846	67,001	42,521	68,047
Expressage.....	230,857	20,820	55,354	34,104	16,729	16,512	21,665	28,685	7,290	3,939	7,295	7,887	10,577
Miscellaneous expenses.....	351,346	17,481	92,390	23,255	29,119	13,949	16,521	42,388	18,801	16,627	24,456	22,022	34,337
<b>Total, exclusive of cost of currency.....</b>	<b>12,951,832</b>	<b>903,364</b>	<b>3,050,835</b>	<b>932,356</b>	<b>1,254,726</b>	<b>680,719</b>	<b>599,877</b>	<b>1,810,008</b>	<b>649,509</b>	<b>480,428</b>	<b>827,954</b>	<b>603,887</b>	<b>1,158,169</b>
<b>Federal reserve currency:</b>													
Original cost, including shipping charges...	528,565	21,008	157,082	56,172	65,531	18,314	16,942	75,734	16,528	18,891	16,548	2,718	63,097
Cost of redemption, including shipping charges.....	58,803	5,593	6,853	7,984	6,661	3,346	3,841	10,155	2,209	604	2,734	1,856	6,947
<b>Total, current expenses.....</b>	<b>13,539,200</b>	<b>929,965</b>	<b>3,214,770</b>	<b>996,512</b>	<b>1,326,918</b>	<b>702,379</b>	<b>620,660</b>	<b>1,895,897</b>	<b>668,246</b>	<b>499,923</b>	<b>847,256</b>	<b>608,461</b>	<b>1,228,213</b>
<b>Current net earnings.....</b>	<b>12,890,725</b>	<b>1,224,367</b>	<b>4,033,110</b>	<b>1,256,934</b>	<b>1,298,125</b>	<b>476,330</b>	<b>592,398</b>	<b>1,872,326</b>	<b>559,552</b>	<b>257,476</b>	<b>319,137</b>	<b>219,016</b>	<b>781,954</b>
<b>Dividends paid.....</b>	<b>4,108,249</b>	<b>289,261</b>	<b>1,277,975</b>	<b>411,232</b>	<b>426,595</b>	<b>187,450</b>	<b>155,567</b>	<b>549,739</b>	<b>159,997</b>	<b>90,780</b>	<b>127,101</b>	<b>129,074</b>	<b>300,458</b>
<b>Reimbursable expenditures of fiscal agency department:</b>													
Salaries, employees.....	69,355	3,373	5,746	4,821	8,688	4,192	2,670	29,728	5,105	26,659	21,514	4,260	3,199
All other.....	41,504	1,005	21,001	4,844	2,627	1,309	981	5,842	1,540	3,224	1,533	676	1,222
<b>Total.....</b>	<b>141,159</b>	<b>4,378</b>	<b>26,747</b>	<b>5,665</b>	<b>10,715</b>	<b>5,501</b>	<b>3,651</b>	<b>35,570</b>	<b>6,645</b>	<b>9,883</b>	<b>23,047</b>	<b>4,936</b>	<b>4,421</b>

<sup>1</sup> Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

<sup>2</sup> Includes \$2,917 for official salaries.

FEDERAL RESERVE BULLETIN

# FEDERAL RESERVE DISTRICTS

