

FEDERAL RESERVE BULLETIN

JUNE 1936

3

ISSUED BY THE
BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
AT WASHINGTON

Recent Business and Credit Developments
Annual Report of Bank for International Settlements



UNITED STATES OF AMERICA
1936

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MARRINER S. ECCLES, *Chairman*

JOSEPH A. BRODERICK
M. S. SZYMCAK
JOHN K. MCKEE

RONALD RANSOM
RALPH W. MORRISON

CHARLES S. HAMLIN, *Special Counsel*
LAWRENCE CLAYTON, *Assistant to the Chairman*
ELLIOTT THURSTON, *Special Assistant to the Chairman*
CHESTER MORRILL, *Secretary*
LISTON P. BETHEA, *Assistant Secretary*
S. R. CARPENTER, *Assistant Secretary*
J. C. NOELL, *Assistant Secretary*
WALTER WYATT, *General Counsel*
GEORGE B. VEST, *Assistant General Counsel*
B. MAGRUDER WINGFIELD, *Assistant General Counsel*
J. P. DREIBELBIS, *Assistant General Counsel*
LEO H. PAULGER, *Chief, Division of Examinations*
R. F. LEONARD, *Assistant Chief, Division of Examinations*
C. E. CAGLE, *Assistant Chief, Division of Examinations*
E. A. GOLDENWEISER, *Director, Division of Research and Statistics*
WOODLIEF THOMAS, *Assistant Director, Division of Research and Statistics*
LAUCLIN CURRIE, *Assistant Director, Division of Research and Statistics*
GEORGE W. BLATTNER, *Assistant Director, Division of Research and Statistics*
E. L. SMEAD, *Chief, Division of Bank Operations*
J. R. VAN FOSSEN, *Assistant Chief, Division of Bank Operations*
J. E. HORBETT, *Assistant Chief, Division of Bank Operations*
CARL E. PARRY, *Chief, Division of Security Loans*
PHILIP E. BRADLEY, *Assistant Chief, Division of Security Loans*
O. E. FOULK, *Fiscal Agent*
JOSEPHINE E. LALLY, *Deputy Fiscal Agent*

FEDERAL OPEN MARKET COMMITTEE

MARRINER S. ECCLES, *Chairman*
GEORGE L. HARRISON, *Vice Chairman*
JOSEPH A. BRODERICK
M. J. FLEMING
G. H. HAMILTON
JOHN K. MCKEE
B. A. MCKINNEY
RALPH W. MORRISON
RONALD RANSOM
GEORGE J. SCHALLER
M. S. SZYMCAK

CHESTER MORRILL, *Secretary*
WALTER WYATT, *Counsel*
E. A. GOLDENWEISER, *Economist*
JOHN H. WILLIAMS, *Associate Economist*
W. RANDOLPH BURGESS, *Manager of Account*

FEDERAL ADVISORY COUNCIL

District No. 1 (BOSTON).....THOMAS M. STEELE.
District No. 2 (NEW YORK).....JAMES H. PERKINS.
District No. 3 (PHILADELPHIA)....HOWARD A. LOEB,
Vice-President.
District No. 4 (CLEVELAND).....ARTHUR E. BRAUN.
District No. 5 (RICHMOND).....CHARLES M. GOHEN.
District No. 6 (ATLANTA).....H. LANE YOUNG.
District No. 7 (CHICAGO).....EDWARD E. BROWN.
District No. 8 (ST. LOUIS).....WALTER W. SMITH,
President.
District No. 9 (MINNEAPOLIS)....THEODORE WOLD.
District No. 10 (KANSAS CITY)....W. T. KEMPER.
District No. 11 (DALLAS).....JOSEPH H. FROST.
District No. 12 (SAN FRANCISCO)..M. A. ARNOLD.

WALTER LICHTENSTEIN, *Secretary*

SENIOR OFFICERS OF FEDERAL RESERVE BANKS

Federal Reserve Bank of—	Chairman and Federal Reserve Agent	President	First Vice President	Vice President
Boston.....	F. H. Curtiss.....	R. A. Young.....	W. W. Paddock.....	W. Willett. ¹
New York.....	.....	G. L. Harrison.....	Allan Sproul.....	W. R. Burgess. L. R. Rounds. L. F. Sailer. W. S. Logan. J. H. Williams. C. H. Coe.
Philadelphia.....	R. L. Austin.....	J. S. Sinclair.....	F. J. Drinnen.....	C. A. McIlhenny. ² W. J. Davis.
Cleveland.....	E. S. Burke, Jr.....	M. J. Fleming.....	F. J. Zurlinden.....	H. F. Strater. W. F. Taylor. ¹
Richmond.....	F. A. Delano.....	Hugh Leach.....	.....	R. H. Broadus. J. S. Walden, Jr. G. H. Keesee. ¹
Atlanta.....	H. W. Martin.....	Oscar Newton.....	R. S. Parker.....	H. F. Conniff. M. W. Bell. ¹
Chicago.....	.....	G. J. Schaller.....	H. P. Preston.....	C. R. McKay. J. H. Dillard. W. H. Snyder. ²
St. Louis.....	.....	W. McC. Martin.....	O. M. Attebery.....	J. S. Wood. J. G. McConkey.
Minneapolis.....	W. B. Geery.....	J. N. Peyton.....	.....	Harry Yaeger. H. I. Ziemer. ²
Kansas City.....	J. J. Thomas.....	G. H. Hamilton.....	C. A. Worthington.....	J. W. Helm. ²
Dallas.....	C. C. Walsh.....	B. A. McKinney.....	R. R. Gilbert.....	R. B. Coleman. ²
San Francisco.....	.....	W. A. Day.....	Ira Clerk.....	W. M. Hale. C. E. Earhart. ¹

¹ Cashier.

² Also cashier.

MANAGING DIRECTORS OF BRANCHES OF FEDERAL RESERVE BANKS

Federal Reserve Bank of—	Managing director	Federal Reserve Bank of—	Managing director
New York: Buffalo branch.....	R. M. O'Hara.	Minneapolis: Helena branch.....	R. E. Towle.
Cleveland: Cincinnati branch.....	B. J. Lazar.	Kansas City: Denver branch.....	J. E. Olson.
Pittsburgh branch.....	T. C. Griggs.	Oklahoma City branch.....	C. E. Daniel.
Richmond: Baltimore branch.....	W. R. Milford	Omaha branch.....	L. H. Earhart.
Charlotte branch.....	W. T. Clements.	Dallas: El Paso branch.....	J. L. Hermann.
Atlanta: Birmingham branch.....	J. H. Frye.	Houston branch.....	W. D. Gentry.
Jacksonville branch.....	G. S. Vardeman, Jr.	San Antonio branch.....	M. Crump.
Nashville branch.....	J. B. Fort, Jr.	San Francisco: Los Angeles branch.....	W. N. Ambrose.
New Orleans branch.....	Marcus Walker.	Portland branch.....	R. B. West.
Chicago: Detroit branch.....	R. H. Buss.	Salt Lake City branch.....	W. L. Partner.
St. Louis: Little Rock branch.....	A. F. Bailey.	Seattle branch.....	C. R. Shaw.
Louisville branch.....	J. T. Moore.	Spokane branch.....	D. L. Davis.
Memphis branch.....	W. H. Glasgow.		

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—Recent business and credit developments.....	407
Legislation affecting Reserve Bank of New Zealand.....	413
National summary of business conditions.....	415-416
Summary of financial and business statistics.....	418
Law department:	
Rulings of the Board:	
Payment of interest after maturity on time certificates of deposit renewed within ten days after maturity	419
Maximum rate of interest payable on time certificate of deposit callable by bank on 30 days' written notice	419
Stock certificate of State member bank representing stock of corporation holding bank premises....	419
Renewal or extension of loans made to executive officers of member banks prior to June 16, 1933..	420
Interpretations of Regulation U.....	420
Amendment to Federal income tax regulations.....	421
Discussion of questions arising under regulations of the Comptroller of the Currency governing the purchase of investment securities.....	421
Text of act relating to taxation of capital investment of Reconstruction Finance Corporation in banks..	423
Text of act amending Securities Exchange Act.....	424
Annual report of Bank for International Settlements.....	427-465
Financial, industrial, and commercial statistics:	
Member bank reserves, Reserve bank credit, and related items.....	466
Federal Reserve bank statistics.....	467-469
Member bank reserve balances.....	470
Money in circulation.....	471
Gold stock and gold movements.....	472
All banks in the United States.....	473
All member banks.....	474-475
Reporting member banks in leading cities.....	476-479
Banks suspended and placed in liquidation or receivership; bank debits; Postal Savings System.....	480
Acceptances, commercial paper, and brokers' borrowings.....	481
Federal Reserve bank discount rates.....	482
Money rates and bond yields.....	483
Security markets	484
Treasury finance	485
Governmental corporations and credit agencies.....	486-487
Production, employment, and trade.....	488-494
Wholesale prices	495
International financial statistics:	
Gold reserves of central banks and governments.....	496
Gold production	497
Gold movements	497-499
Central banks	500-503
Bank for International Settlements.....	503
Commercial banks	504
Discount rates of central banks.....	505
Money rates	505
Foreign exchange rates	506
Price movements:	
Wholesale prices	507
Retail food prices and cost of living.....	508
Security prices	508

FEDERAL RESERVE BULLETIN

VOL. 22

JUNE 1936

No. 6

REVIEW OF THE MONTH

Business activity, which after a rapid advance during the second half of 1935 had declined somewhat in the first quarter of 1936, regained most of this decline in April, and incomplete figures for May indicate that the April level was maintained. For the first five months of this year business taken as a whole was substantially larger than in the corresponding period of any of the four preceding years, and many types of activity were at the highest levels since early in 1930.

The most marked increases in production during the past year, as in other recent years, have been in the durable goods industries. Output of durable goods, however, is still far below pre-depression levels, owing largely to the lag of recovery in construction activity. In the past year there has been an increase in construction, reflecting larger expenditures for residential, industrial, and commercial building as well as increased outlays for publicly financed projects.

Increased output has been accompanied by a growth in the number employed and, reflecting principally an increase in the average number of hours worked, by a somewhat larger growth in pay rolls. Unemployment has remained large, however, and there has been relatively little change in the total number of persons receiving relief or employed on works projects financed by public funds.

Agricultural income, which had increased considerably in the past three years, has shown a further growth this year, reflecting larger income from the sale of farm products offset in part by a decline in Governmental rental and benefit payments. Stocks of cotton

have been reduced during the last four years but are still at a relatively high level, while stocks of wheat have been reduced to about the level prevailing prior to 1929. Preliminary estimates by the Department of Agriculture indicate a somewhat larger wheat crop this year than in the three preceding years, when crops were unusually small. The supply of hogs on farms, which was exceptionally small a year ago, has shown some increase during the past year.

Wholesale commodity prices, which had advanced considerably during 1933 and 1934 and slightly in 1935, have declined somewhat this year, reflecting reductions in prices of farm products and foods to the lowest levels since the end of 1934. The principal decreases were in livestock, grains, and their manufactures. Prices of other commodities as a group have shown relatively little change in the past two and a half years. Retail food prices and the cost of living have been about the same as they were a year ago.

Profits of large industrial corporations increased sharply in the last half of 1935 and, although somewhat smaller in the first quarter of 1936, according to preliminary reports, they continued at a higher level than in any other quarter since 1930.

Security prices in the early months of the year continued the advance that began in the spring of 1935. There were substantial declines in lower grade bonds beginning in March and in stocks beginning in April, followed by some recovery in May. Security prices in general have continued above the highest levels of 1935. New security flotations have increased further and during the first five months of this year were larger in amount than in any period of similar length in recent years. Most of the flotations con-

tinue to be for refunding, and although the amount of corporate issues to raise new capital has increased, it is still small compared with years prior to 1932.

Money rates have continued at low levels. Bank loans and investments have increased further, the growth since the turn of the year being for the most part in investments—both in Government and in other obligations. Loans for commercial, industrial, and agricultural purposes have also shown an increase, which was in excess of the usual seasonal amount. Notwithstanding the increase in loans and investments, bank deposits showed little further growth in the first four months of the year, reflecting a building up of the Treasury's working balance. Within recent weeks, however, deposits at banks in leading cities have risen to new high levels. Country bank deposits, notwithstanding substantial increases in recent years, continue to be much smaller than in pre-depression years.

Fluctuations in member bank reserves since the turn of the year have reflected principally changes in Treasury balances at the Reserve banks, which, in anticipation of heavy disbursements, have been built up to an unusually large volume by new public debt issues. Variations in member bank reserves and the factors affecting them are shown in the chart on page 417 of this BULLETIN. Excess reserves, which continued at close to \$3,000,000,000 in the first ten weeks of the year, were reduced by Treasury operations to \$2,300,000,000 in the last half of March but increased to about \$2,900,000,000 in the latter part of May. The increase during May reflected large gold imports, which totalled \$160,000,000 in that month, as well as Treasury disbursements from accumulated balances. The gold movement continued in June and during the first week an additional \$160,000,000 of gold was received in this country or reported as engaged for shipment from abroad. Most of the gold came from

France and substantial amounts also came from Holland.

The course of business activity in recent years is summarized in the following table:

BUSINESS CONDITIONS
[Index numbers, 1923-1925 average=100]

	Industrial production	Construction contracts awarded (value)	Factory employment	Factory pay rolls	Department store sales (value)	Wholesale prices ¹
1929.....	119	117	105	109	111	95
1932.....	64	28	64	46	69	65
1935:						
Jan.-Mar....	89	27	82	68	77	79
Apr.-June....	86	28	81	68	76	80
July-Sept....	88	39	81	70	80	80
Oct.-Dec....	99	58	85	76	81	81
1936:						
Jan.-Mar....	95	53	84	74	82	80
Apr.....	100	47	85	77	81	80

¹ 1926=100; index of Bureau of Labor Statistics.

NOTE.—Figures for periods of less than a year adjusted for seasonal variation, except the figures for wholesale prices.

The volume of industrial production increased substantially in the second half of 1935, and the average for the final quarter of that year was 99 percent of the 1923-1925 average, the highest level of the recovery period. In the first quarter of 1936 output showed little change, although it usually increases at this season and, consequently, the Board's seasonally adjusted index declined. The average for the first quarter was 95 percent. In April the production index rose to 100 percent and incomplete figures indicate that this level was maintained in May. This compares with a low average of 64 percent for the year 1932 and a high level of 119 percent for 1929.

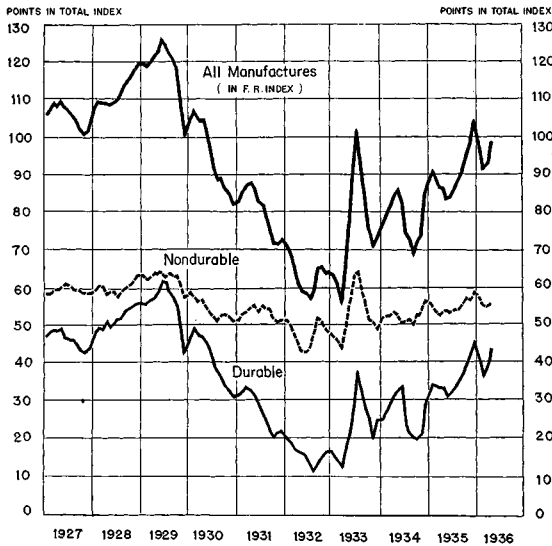
The expansion in activity in the last quarter of 1935 represented primarily increased production of automobiles, machinery, steel, tires, and glass. Output of automobiles and allied products was unusually large for the season, reflecting in part an early introduction of new models. This higher level was not sustained in the first two months of 1936 but has since been restored.

The most marked increases in manufac-

turing output during the past year and also since the early part of 1933 have been in industries producing durable goods, as is shown on the accompanying chart. The figures are adjusted for seasonal variation and are in terms of points in the index of total manufacturing production.

Output of some durable manufactures, including automobiles, agricultural imple-

INDEX OF MANUFACTURING PRODUCTION
ADJUSTED FOR SEASONAL VARIATION, 1923-25 AVERAGE FOR TOTAL = 100



ments, and certain other types of machinery, has advanced to about the level of the years before 1929. Increases in the output of durable goods used in the construction, railroad, and public utility industries, however, have been smaller, and consequently output of durable goods as a whole continues at a lower level than in the middle 1920's. Volume of steel production, which depends on demand from a wide variety of sources, has increased from 32 percent of the 1923-1925 average in 1932 to 90 percent in the first four months of 1936, a level that is still considerably lower than in 1929 and somewhat lower than that of several earlier years.

Production of nondurable manufactures declined much less during the depression than output of durable goods and the in-

crease in recent years has been more gradual. In recent months activity at tobacco factories, shoe factories, and petroleum refineries has been at a higher level than in any previous year, while activity at meat-packing establishments and flour mills has been at a lower level than in pre-depression years.

Accompanying the growth in production during the past year there has been a slight increase in employment and a somewhat larger growth in pay rolls. These increases have been general throughout industry and trade. In certain industries local shortages of highly skilled labor have been reported recently, reflecting increased activity in those industries, population shifts, and the fact that the number of workers trained during the long period of depression was small.

The principal factor accounting for the larger rise in pay rolls than in employment during the past year has been an increase in the average number of hours worked by those employed. Some lengthening of the working week is usual when activity is expanding, but the increase since the middle of 1935 has been larger than usual in some industries. Increases in pay rolls of the railroads and of bituminous coal mines have been larger than in most other industries, reflecting in part advances in wage rates. Changes in employment and pay rolls in four major groups of industries during the past year are shown in the following table:

EMPLOYMENT AND PAY ROLLS IN FOUR GROUPS OF INDUSTRIES, JANUARY-APRIL 1936

	Change from year ago (in percent)	
	Employment	Pay rolls
Factories—total.....	+3	+9
Durable group.....	+8	+17
Nondurable group.....	-1	+2
Mines.....	+1	+12
Railroads.....	+5	+15
Public utilities.....	+2	+5

The average number of workers at factories in the first four months of the year was 3 percent larger than a year earlier and pay rolls were 9 percent larger, reflecting chiefly further increases in activity in the durable goods industries, particularly in industries producing machinery, steel, and lumber products and at railroad repair shops. Employment and pay rolls in industries producing nondurable manufactures were at about the same level as last year. Changes in employment in the more important manufacturing industries are shown in the accompanying table.

FACTORY EMPLOYMENT BY INDUSTRIAL GROUPS,
JANUARY-APRIL 1936

	Change from a year ago	
	Average number of employees (estimated)	Per cent
Total.....	+207,000	+3
Durable group.....	+256,000	+8
Transportation equipment, other than automobiles.....	+17,000	+17
Machinery.....	+97,000	+13
Railroad repair shops.....	+28,000	+11
Nonferrous metals and products.....	+21,000	+9
Lumber and products.....	+40,000	+9
Iron and steel and products.....	+54,000	+9
Stone, clay, and glass products.....	+11,000	+6
Automobiles and parts.....	-12,000	-2
Non durable group ¹	-48,000	-1
Paper and printing.....	+9,000	+2
Textile wearing apparel.....	+7,000	+1
Petroleum refining.....	0	(2)
Chemical group, except petroleum refining.....	-1,000	(2)
Food products.....	-14,000	-2
Textile fabrics.....	-27,000	-3
Leather and products.....	-9,000	-3
Tobacco products.....	-3,000	-4
Rubber products.....	-6,000	-5

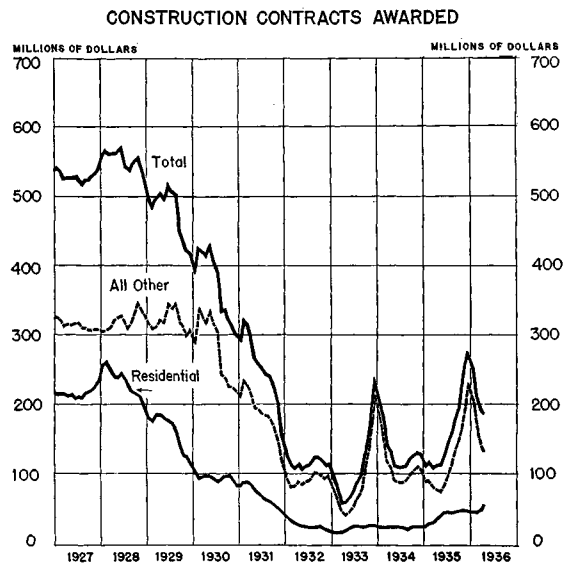
¹ Includes a few miscellaneous industries not shown separately.

² Less than one-half of 1 percent change.

The amount of construction work this year has been somewhat larger than in the corresponding period of any of the four preceding years, but the current level, as indicated by the award of construction contracts in recent months, is still only two-fifths of the level in the peak years. Recent changes in the volume of contracts awarded for residential and other types of construction are shown in the accompany-

ing chart. The figures are adjusted for seasonal variation.

Residential building showed a moderate but widespread increase during the first half of 1935 and the level reached in the middle of the year has been maintained since that time. House rents have continued to advance and mortgage money has been available at lower rates.



The wide fluctuations in contracts for nonresidential construction during recent months, as in 1933 and 1934, have reflected largely changes in the volume of public work. The volume of contracts for factory, commercial, and other privately financed work has increased recently, and in the first four months of 1936 was considerably larger than in other recent years.

Reflecting larger incomes in both rural and urban areas, the distribution of commodities to consumers has increased. Domestic trade in volume during the past year and in March and April was at the highest level of the recovery period.

Recovery in department store sales in the past year has been evenly distributed

throughout the country. In the two preceding years the expansion in sales in New England and in the Middle Atlantic States had been smaller than in the rest of the country.

Sales by wholesalers were considerably larger in the first four months of 1936 than a year earlier, with the most marked increases in sales of such durable commodities as machinery, hardware, and lumber.

Freight-car loadings, which had increased in the last half of 1935, were sustained in the first part of 1936.

Value of exports from the United States in the first four months of 1936 was 12 percent larger than in the corresponding period a year ago, and imports were 17 percent greater. For the four months imports exceeded exports by \$12,000,000, whereas in the same period of 1935 exports exceeded imports by \$21,000,000.

Exports for the first four months totaled \$769,000,000, an amount larger than in the corresponding period of any of the past four years but somewhat less than half the average for that period from 1925 to 1929. The higher level of exports has reflected chiefly larger exports of machinery, automobiles, and cotton, partly offset in the total by declines in exports of animal products and copper.

Value of imports showed a general rise in 1935, and the increase continued in the first four months of 1936. For the four months imports totaled \$781,000,000, more than twice as much as the low level in the corresponding period of 1933, but little more than half of the average for the years from 1925 to 1929.

Profits of large industrial corporations during the last quarter of 1935 and the first quarter of 1936 were larger than in any other six-month period since 1930. Reflecting in part the slight industrial recession in the early months of this year, preliminary reports for the first

quarter indicate somewhat smaller profits than in the last quarter of 1935, but they were still about 50 percent above those for the first quarter of 1935.

Industries in which these large corporations as a group reported the most marked increases in earnings in 1936 as compared with 1935 include petroleum, machinery and tools, railroad equipment and automobiles. Substantial increases also occurred in industries producing electrical equipment, chemicals and drugs, non-ferrous metals, building materials and supplies, and office equipment. Railroads as a group reported a loss during the first three months of 1936 but the deficit was about one-third smaller than in the corresponding period of the preceding year. The profits of public utility companies showed a moderate increase during the first quarter of 1936 over the same quarter of 1935.

Stock prices, which had advanced almost without interruption for 12 months, declined sharply in April to about the levels reached at the end of 1935. There were increases in prices in May, but volume of trading was smaller than in any month since early in 1935.

Volume of trading in bonds on the exchanges broadened markedly towards the end of 1935. In January 1936 trading, especially in the more speculative issues, was heavier than in any month since 1920. In succeeding months when prices of lower-grade bonds reached a peak and then declined, trading became much lighter. Yields on high-grade corporate bonds have continued to move gradually lower since January and Moody's Aaa bond yield average at the end of May was 3.56 percent as compared with the 1935 low of 3.68 percent in July. The steady decline of lower-grade bond yields since April 1935 continued into February of this year, but was reversed in March and April. Notwithstanding the decline in prices in the course of these two months, Moody's average of Baa bond yields at the end of April was

still below the 1935 lows established at the year-end, and price movements in May though irregular resulted in further declines in yields.

Yields on outstanding long-term Treasury bonds have continued to decline practically without interruption since last October. By the first week of March bonds which had declined in price during August and September of last year had fully regained their losses. After further advances in prices, the average yield on long-term Treasury bonds reached a new low level of 2.47 percent in May.

Capital issues have continued to appear in large volume, chiefly to refund outstanding debt. The period of renewed **Capital issues** activity in the capital market which commenced last spring has extended over more than a year. Exceptionally large amounts were offered in March and April of this year but in May flotations were little larger than in January and February. A new development within the past nine months has been the underwriting of a considerable number of small common stock issues.

The amount of corporate and other issues to obtain new capital during the first five months of 1936, totaling \$650,000,000, was somewhat smaller than in the last five months of 1935. Refunding issues of about \$2,300,000,000 during the first five months of 1936 were greater than in any five-month period in 1935 and much greater than the maximum for any five months in earlier years. State and municipal borrowing, which had increased in 1935, has shown no further increase in 1936. Publicly offered issues by Federal Government agencies, although rather large in April, have been much less during the first five months of 1936 than a year ago.

Flotations of domestic corporate issues, which totaled about \$2,000,000,000 in the first five months of this year, were exceptionally large in March and April, and in each of

those months exceeded flotations of last July, the peak month of 1935. Corporate securities issued in May declined to \$300,000,000, in part as a consequence of the decline in bond prices during March and April. Railroad issues in the first five months of this year showed the largest increase over like periods of last year; there were also increases in most other industries. Public utilities, railroads, steel, copper and oil corporations accounted for more than four-fifths of the total volume of issues.

About 85 percent of the corporate issues were made for refunding. A number of the new issues, chiefly industrials, carried conversion privileges. Issues of common stock, which were made chiefly for the purpose of raising new capital, as well as the proceeds of corporate bond and other issues not applied to refunding, although remaining at low levels, showed an appreciable increase over earlier months. The amount of new capital raised by corporations from January to May was reported at \$300,000,000 as compared with \$250,000,000 and \$140,000,000 in the two preceding five-month periods. It appears that more than half of these amounts was acquired for improvements, equipment, working capital, and similar purposes, as distinguished from the repayment of bank loans or additions to funds for investment.

In recent months the Treasury has also offered a substantial amount of securities to raise new funds and through these operations has accumulated an unusually large working balance. Treasury bonds and notes issued in March provided about \$900,000,000 of new funds in addition to refunding Treasury bills maturing March 16 and Treasury notes maturing April 15, totaling \$1,000,000,000. Beginning with the first week of May the Treasury has raised \$50,000,000 of new funds weekly through sales of bills. On June 1 about \$600,000,000 of 15-18 year 2¾

Treasury financing

percent Treasury bonds and \$400,000,000 of 5-year $1\frac{3}{8}$ percent Treasury notes were offered for cash subscription, and an additional amount of the same issues was offered in exchange for \$1,050,000,000 of Treasury notes maturing in June and August. These offerings were fully subscribed; most of the exchange subscriptions were for the new bonds.

Appointment of First Vice President of the Federal Reserve Bank of Philadelphia

Effective June 1, 1936, Frank J. Drinnen who had served as a Federal Reserve Examiner for the Board of Governors of the Federal Reserve System since November 29, 1919, was appointed First Vice President of the Federal Reserve Bank of Philadelphia.

Rearrangement of Bulletin Tables

Beginning with this issue of the BULLETIN the statistical tables appear in revised form and in rearranged order. It has been the practice to group general tables in an earlier part of the BULLETIN and to present more detailed statistics by Federal Reserve districts and other classifications toward the end of the BULLETIN. This arrangement has proved to be somewhat confusing, and the two sections have now been consolidated so that all statistics dealing with a given subject matter appear in one place in the BULLETIN. One summary table, however, presenting an abstract of the most important banking and business figures, is given in the earlier part of the BULLETIN immediately after the national summary of business conditions.

RESERVE BANK OF NEW ZEALAND

The Reserve Bank of New Zealand, which began operations on August 1, 1934, with all its shares privately held, became a Government institution under legislation approved on April 8, 1936. The bank continues to be

the same body corporate as at the time of its establishment. The new law, entitled "Reserve Bank of New Zealand Amendment Act, 1936," is retroactive to April 1, 1936, and is deemed part of the principal Act of 1933 under which the Reserve Bank was established.

Shareholders of the Reserve Bank are to be reimbursed in either cash or Government securities at the rate of 6 pounds 5 shillings for each 5-pound share, and the nominal amount of the capital, £500,000, is to be transferred to the General Reserve Fund into which the Government had originally paid £1,000,000.

The statement of the bank's objectives is given in the following paragraph of section 10:

It shall be the general function of the Reserve Bank, within the limits of its powers, to give effect as far as may be to the monetary policy of the Government, as communicated to it from time to time by the Minister of Finance. For this purpose, and to the end that the economic and social welfare of New Zealand may be promoted and maintained, the Bank shall regulate and control credit and currency in New Zealand, the transfer of moneys to or from New Zealand, and the disposal of moneys that are derived from the sale of any New Zealand products and for the time being are held overseas.

Present members of the Board of Directors, other than the Governor, the Deputy Governor, and the Secretary to the Treasury, will hold office subject to the pleasure of the Governor-General in Council but will in any case retire according to a scheduled order beginning in the current year, and their successors will be appointed by the Governor-General in Council, to hold office during his pleasure.

The powers of the bank to extend credit to the New Zealand Government have been enlarged. Accommodation may now be granted to the Treasury up to the full amount of the revenue or estimated revenue for the year, instead of half the amount as under the old law. Credit in the form of overdrafts may be extended to the Government and to official

organizations to finance the purchase and marketing of New Zealand produce, with no stated limit to the total of such overdrafts. The bank is further authorized to underwrite Government loans. Securities which the bank may buy and sell, formerly limited to those of the Governments of New Zealand and the United Kingdom, now include securities guaranteed by those Governments, and the former limitation upon holdings of such securities is now abolished.

A former limit on the volume of the bank's holding of paper of not more than six months' maturity arising out of transactions involving livestock and primary products is withdrawn.

Suspension of the bank's obligation to redeem its notes in exchange on London may be ordered by the Minister of Finance at any time. Notwithstanding such suspension, the bank's notes shall continue to be legal tender. Formerly there was no specific provision for suspension of the redemption obligation, and notes remained legal tender only so long as the bank redeemed them in sterling exchange.

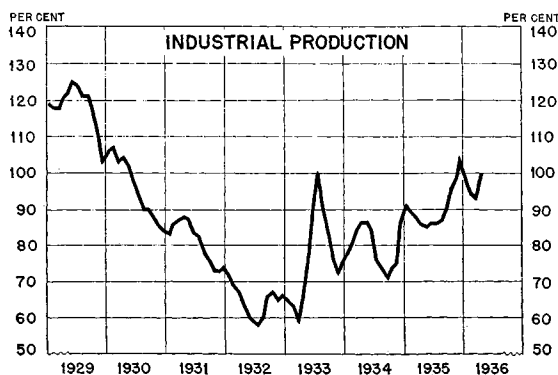
The Governor of the bank, acting with the authority of the Minister of Finance, may increase or decrease the requirements as to balances to be maintained by all other banks with the Reserve Bank, but these requirements shall not be reduced below the amount fixed in the principal Act.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled May 26 and released for publication May 28]

Industrial production increased in April, reflecting principally larger output of steel and of automobiles. Employment and pay rolls in the durable goods industries showed advances.

Production and employment.—Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 93 percent of the 1923-1925 average in March to 100 percent in April. The average

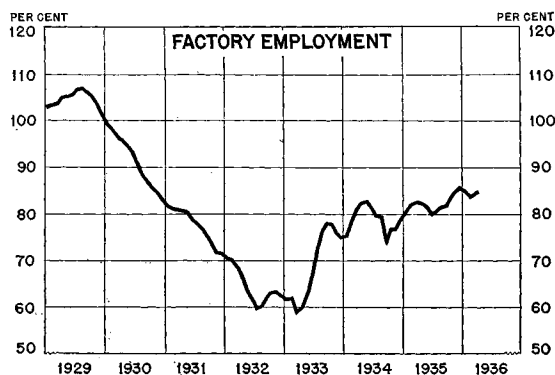


Monthly index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100.

rate of production at steel mills in April was 69 percent of capacity as compared with 59 percent for the preceding month. At automobile factories output amounted to 503,000 passenger cars and trucks and, except for the spring months of 1929, was larger than in any previous month. In the first three weeks of May activity in both the steel and automobile industries was maintained at about the levels reported for April. Output of nondurable manufactures in April was slightly larger than in March, due chiefly to increases at cotton textile mills, meat-packing establishments, and tobacco factories. Activity at woolen and silk mills declined. Bituminous coal production showed little change from March to April, although a considerable decrease is usual at this season, while at anthracite mines there was a sharp rise from the low level of March. Output of crude petroleum continued to increase.

Factory employment and pay rolls were larger in the middle of April than a month earlier. Increases in the number of workers were general in the durable goods industries,

with the most marked advances at steel mills and at plants producing machinery, automobiles, and building materials. There was an increase in employment at rubber tire factories, which in March had been affected by a strike, while at woolen mills employment declined.



Monthly index of number employed, adjusted for seasonal variation, 1923-1925 average = 100.

Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, increased in April by somewhat more than the usual seasonal amount. Contracts for residential building were in considerably larger volume, and privately financed projects other than residential continued to increase.

Distribution.—Retail trade showed a seasonal increase in April, following a considerable advance in March. Department store sales rose by less than the usual seasonal amount, while at variety stores and mail-order houses there were further increases. Freight-car loadings increased from March to April.

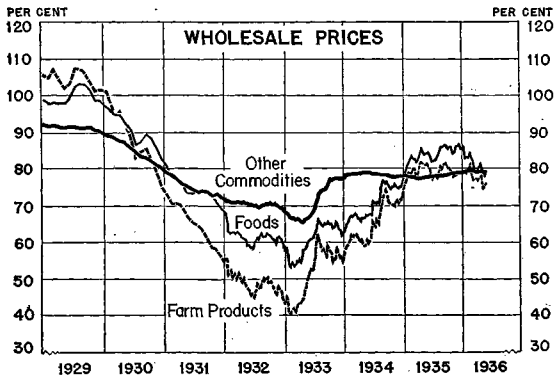
Commodity prices.—Wholesale prices of commodities showed little change during April and declined during the early part of May, reflecting decreases in the prices of farm products and foods, while prices of other commodities as a group continued to show little change.

Bank credit.—Excess reserves of member banks have increased steadily since the latter part of March and by May 20 amounted to \$2,860,000,000. The growth was due in April

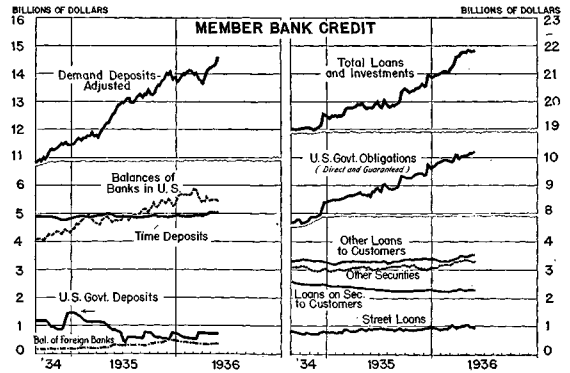
to Treasury disbursements from accumulated balances and in May to continued disbursements together with substantial imports of gold.

Treasury disbursements and gold imports have also been reflected in a sharp increase

have increased further, while holdings of other securities and loans to customers have remained at the levels reached early in April. Loans to brokers and dealers in securities, which increased considerably in March and April, declined in the first half of May.



Indexes compiled by the United States Bureau of Labor Statistics, 1926 = 100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending May 30, 1936.

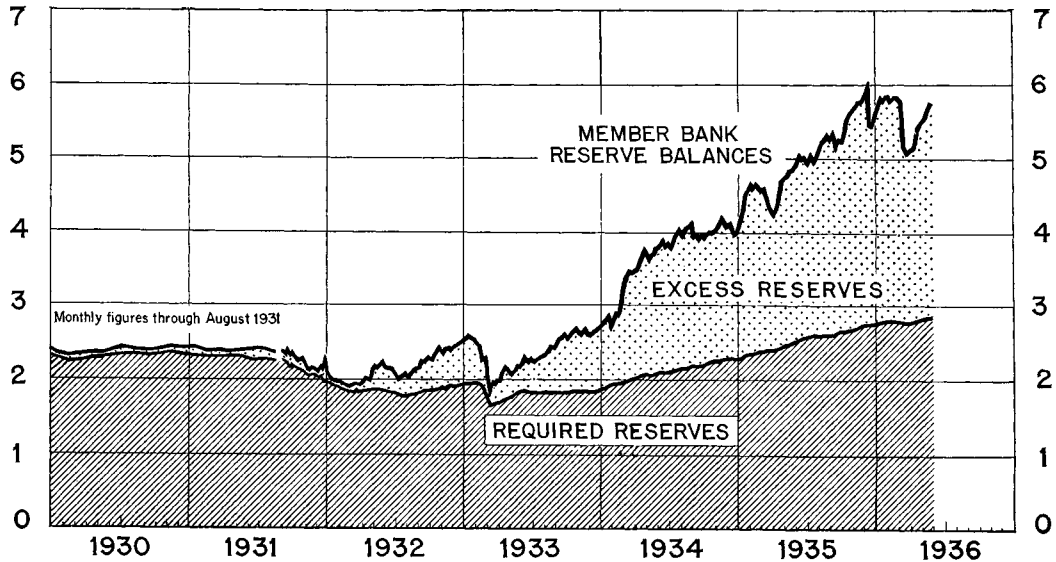
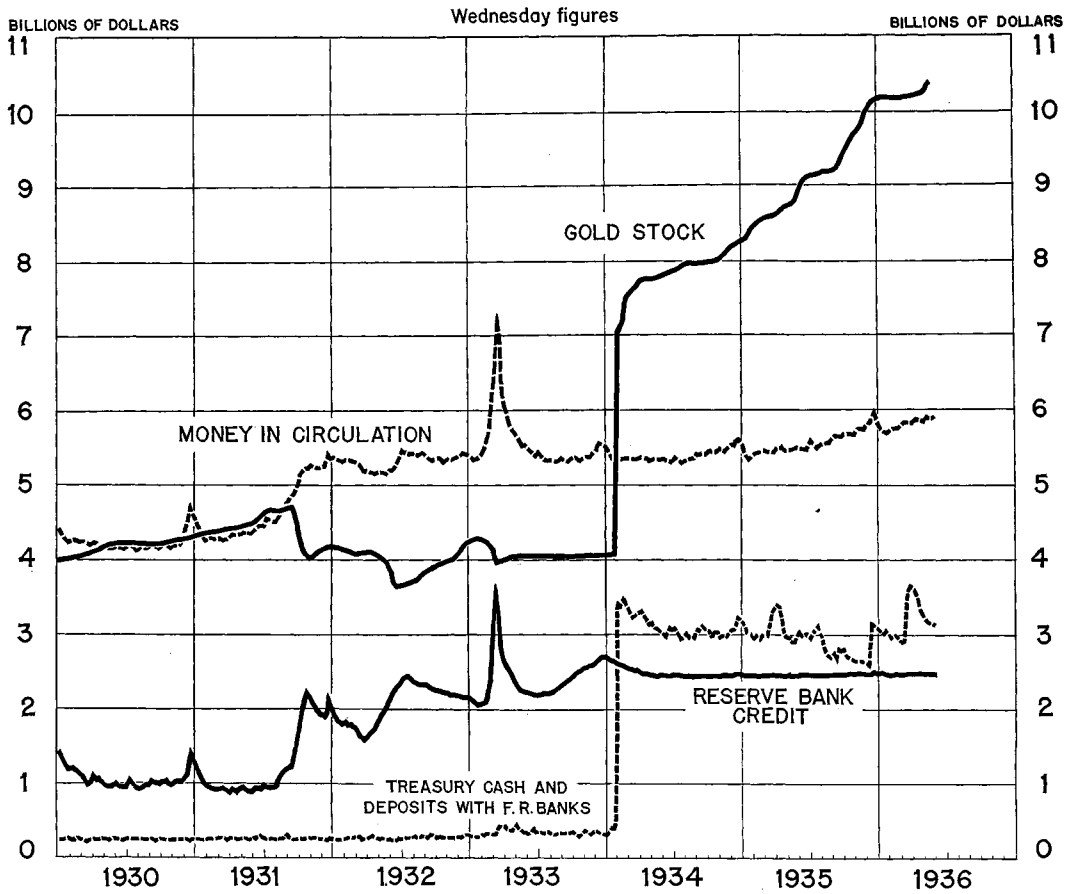


Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934 to May 27, 1936. Loans on real estate, loans to banks, and acceptances and commercial paper bought included in total loans and investments but not shown separately.

of deposits at reporting member banks in leading cities since the beginning of April. Adjusted demand deposits at these banks increased to a new high level and time deposits rose to the highest figure in three years. Holdings of United States Government obligations by the reporting banks

The rate charged on call loans with stock exchange collateral was raised on May 11 by New York City banks from three-fourths of 1 percent to 1 percent and that on time loans from 1 percent to 1¼ percent. Rates on other open-market loans have continued at low levels.

MEMBER BANK RESERVES AND RELATED ITEMS



Latest figures for May 27, 1936. See table on page 466.

SUMMARY OF FINANCIAL AND BUSINESS STATISTICS

	Average for year					1935			1936				
	1929	1932	1933	1934	1935	Apr.	May	Dec.	Jan.	Feb.	Mar.	Apr.	May
RESERVE BANK CREDIT, MEMBER BANK RESERVES, AND RELATED ITEMS													
<i>(Averages of daily figures; in millions of dollars)</i>													
Reserve bank credit—total.....	1,459	2,077	2,429	2,502	2,475	2,471	2,476	2,494	2,484	2,493	2,484	2,480	2,476
Bills discounted.....	952	521	283	36	7	6	7	6	6	8	6	6	5
Bills bought.....	241	71	83	25	5	5	5	5	5	5	5	5	4
U. S. Government securities.....	208	1,461	2,052	2,432	2,431	2,431	2,434	2,430	2,430	2,430	2,430	2,430	2,430
Monetary gold stock.....	3,996	3,952	4,059	7,512	9,059	8,641	8,755	10,072	10,158	10,163	10,172	10,202	10,324
Treasury currency.....	2,015	2,096	2,271	2,381	2,478	2,548	2,534	2,454	2,486	2,495	2,502	2,503	2,495
Money in circulation.....	4,476	5,328	5,576	5,403	5,585	5,500	5,507	5,897	5,757	5,779	5,857	5,892	5,918
Treasury cash and deposits with Federal Reserve banks.....	229	275	343	2,879	2,919	3,209	2,942	2,869	3,058	2,981	3,278	3,384	3,133
Nonmember deposits and other accounts.....	406	407	497	438	507	514	537	539	533	584	603	608	606
Member bank reserve balances:													
Total.....	2,358	2,114	2,343	3,676	5,001	4,436	4,778	5,716	5,780	5,808	5,420	5,300	5,638
Excess (estimated).....	43	256	528	1,564	2,469	2,026	2,297	2,983	3,033	2,653	2,510	2,800	2,800
REPORTING MEMBER BANKS													
<i>(Averages of Wednesday figures; in millions of dollars)</i>													
Total loans and investments.....	22,599	19,080	17,605	18,672	19,997	19,856	19,814	20,769	20,928	21,053	21,445	21,745	21,832
Loans to brokers in New York City.....	1,405	337	591	815	820	785	844	921	923	901	995	1,008	973
Other loans on securities.....	6,251	4,508	3,343	2,711	2,301	2,340	2,306	2,281	2,247	2,230	2,272	2,292	2,290
All other loans.....	9,231	6,578	5,222	4,965	4,907	4,958	4,933	4,982	4,910	4,850	4,956	5,061	5,092
U. S. Government obligations:													
Direct.....	2,865	4,413	5,228	6,856	7,989	7,909	7,853	8,433	8,599	8,708	8,737	8,767	8,877
Fully guaranteed.....	2,847	3,245	3,121	3,000	3,052	3,081	3,091	3,021	3,094	3,170	3,238	3,344	3,314
Other securities.....	1,725	1,673	1,822	2,875	4,024	3,462	3,820	4,694	4,773	4,782	4,363	4,180	4,577
Reserves with Federal Reserve banks.....	248	214	240	271	326	307	301	376	354	356	366	370	378
Cash in vault.....	1,142	1,250	1,322	1,688	2,112	1,968	2,043	2,312	2,336	2,335	2,334	2,262	2,283
Balances with domestic banks.....	(1)	(1)	(1)	(1)	12,729	11,916	12,373	13,904	13,824	14,064	13,881	13,982	14,371
Demand deposits—adjusted.....	6,788	5,666	4,946	4,937	4,883	4,922	4,970	4,872	4,892	4,893	4,923	4,971	5,051
Time deposits (excluding interbank) ²	2,787	2,772	2,822	3,814	4,938	4,713	4,758	5,388	5,620	5,647	5,649	5,484	5,477
Deposits of domestic banks ³	674	228	115	8	6	5	6	2	2	13	7	7	7
Borrowings.....													
MONEY RATES AND BOND YIELDS													
<i>(Averages of weekly figures; percent per annum)</i>													
Commercial paper.....	5.85	2.73	1.72	1.02	.76	.75	.75	.75	.75	.75	.75	.75	.75
Stock exchange call loans.....	7.61	2.05	1.16	1.00	.56	.64	.25	.75	.75	.75	.75	.75	.93
U. S. Treasury bills.....	—	.88	.52	.26	.14	.17	.15	.09	.10	.08	.11	.10	.18
U. S. Treasury bonds, long term.....	3.60	3.66	3.31	3.10	2.70	2.64	2.61	2.73	2.68	2.62	2.54	2.51	2.50
Corporate high grade bonds (Moody's Aaa).....	4.73	5.01	4.49	4.00	3.74	3.72	3.74	3.72	3.66	3.62	3.61	3.60	3.58
STOCK PRICES													
<i>(Averages of weekly figures; index numbers, 1926=100)</i>													
419 common stocks.....	190	48	63	72	78	68	73	95	100	106	109	109	101
CAPITAL ISSUES													
<i>(Monthly basis; in millions of dollars)</i>													
All issues—total.....	959	146	89	180	389	503	472	417	402	302	768	1,050	413
New.....	841	100	60	116	124	90	87	231	122	107	130	177	112
Refunding.....	118	46	29	64	265	413	384	186	280	195	637	873	302
Domestic corporate issues—total.....	781	54	32	41	189	156	127	168	266	195	595	658	305
New.....	667	27	13	15	34	22	45	67	65	13	59	128	38
Refunding.....	115	27	18	26	155	134	82	101	201	181	536	530	267
BUSINESS INDEXES													
<i>(Index numbers, adjusted for seasonal variation, 1923-25=100)</i>													
Industrial production—total.....	119	64	76	79	90	86	85	104	98	94	93	p 100	(1)
Manufactures.....	119	63	75	78	90	86	84	104	97	91	93	p 99	(1)
Minerals.....	115	71	82	86	91	87	89	101	103	110	95	105	(1)
Construction—total.....	117	28	25	32	37	27	27	67	61	52	47	47	(1)
Residential.....	87	13	11	12	21	18	21	26	25	25	26	30	(1)
All other.....	142	40	37	48	50	33	32	101	90	73	63	60	(1)
Factory employment.....	105	64	69	79	82	82	81	86	85	84	84	85	(1)
Factory pay rolls (unadjusted).....	109	46	49	62	70	71	69	76	73	73	76	78	(1)
Freight car loadings.....	106	56	58	62	63	61	61	71	70	70	66	69	70
Department store sales.....	111	69	67	75	79	73	76	84	79	80	88	81	p 88
MERCHANDISE EXPORTS AND IMPORTS													
<i>(Monthly basis; in millions of dollars)</i>													
Exports, including re-exports.....	437	134	140	178	190	164	165	223	199	182	195	p 193	(1)
General imports.....	367	110	121	138	171	171	171	187	187	193	199	p 202	(1)
COMMODITY PRICES													
<i>(Index numbers)</i>													
Wholesale prices (1926=100):													
All commodities.....	95	65	66	75	80	80	80	81	81	81	80	80	(1)
Farm products.....	105	48	51	65	79	80	81	78	78	80	77	77	(1)
Foods.....	100	61	61	71	84	85	84	86	84	83	80	80	(1)
Other commodities.....	92	70	71	78	78	77	78	79	79	79	79	79	(1)
Retail food prices (1923-25=100).....	105	68	66	74	80	81	81	82	82	81	80	80	(1)

p Preliminary.

* Part estimated.

1 Figures not available.

2 Includes time deposits of banks, domestic and foreign, 1929-1934.

3 Does not include time deposits 1929-1934.

LAW DEPARTMENT

Payment of interest after maturity on time certificates of deposit renewed within ten days after maturity

The Board has recently considered the question whether, under the provisions of Regulation Q and section 19 of the Federal Reserve Act, a member bank may pay interest after maturity on a time certificate of deposit renewed within ten days after maturity.

The terms of Regulation Q do not contain a provision for the payment by a member bank of interest on a time deposit between the date of maturity of the certificate representing such deposit and the date of renewal of such certificate. However, the first paragraph of section 19 of the Federal Reserve Act authorizes the Board to define the terms "demand deposits," "deposits payable on demand," and "time deposits," and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of the section.

Section 19 of the Federal Reserve Act prohibits the payment of interest on any deposit which is payable on demand and the question arises whether this provision affects the payment of interest after maturity on a time deposit which is renewed within ten days after maturity. It is believed, however, that the payment of interest in such circumstances is not prohibited by this provision of the law. If the deposit is withdrawn during the ten-day period no interest may be paid thereon for any part of the period subsequent to maturity. Only by renewing the deposit as a time deposit can the depositor obtain any interest after the maturity of the original deposit. This does not appear to involve the evils inherent in the payment of interest on demand balances which the statute was apparently designed to eliminate.

After considering all of the attendant circumstances, the Board has decided that it will offer no objection to the payment by a member bank of interest on a time certificate of deposit at a rate not exceeding the applicable maximum rate prescribed in Regulation Q for the period between the maturity date of the certificate representing such deposit and the date of renewal thereof, provided such certificate is renewed within ten days after maturity.

Maximum rate of interest payable on time certificate of deposit callable by bank on 30 days' written notice

The Board has recently given consideration to the question of the maximum rate of interest payable on a time certificate of deposit which provided that the principal amount thereof was payable to the order of the depositor upon presentation and surrender of the certificate after 6 months' written notice of withdrawal and which also provided that the certificate might be called for payment by the bank at any time by giving 30 days' notice thereof to the depositor.

Section (3) of the supplement to Regulation Q provides that no member bank shall pay interest accruing after January 1, 1936, at a rate in excess of 1 per cent per annum, compounded quarterly, on a time deposit "having a maturity date less than 90 days after the date of deposit or payable upon written notice of less than 90 days."

The Board expressed the view that a provision authorizing the bank to call a time certificate of deposit for payment at any time by giving 30 days' written notice thereof to the depositor would cause the certificate to be "payable upon written notice of less than 90 days" within the meaning of section (3) of the supplement to Regulation Q and, accordingly, the maximum rate of interest payable thereon would be 1 per cent per annum. In other words, when a certificate provides that it is payable upon a written notice by the depositor and also provides that the bank may call the certificate by giving a written notice to the depositor, the shorter period of notice controls in determining the maximum rate of interest payable by a member bank on the certificate.

Stock certificate of State member bank representing stock of corporation holding bank premises

The Board recently received an inquiry involving interpretation of the exception contained in the following provisions of the twentieth paragraph of section 9 of the Federal Reserve Act:

After the date of the enactment of the Banking Act of 1935, no certificate evidencing the stock of any State member bank shall bear any statement purporting to represent the stock of any other cor-

poration, except * * * a corporation engaged on June 16, 1934, in holding the bank premises of such member bank, * * *.

The question was whether such exception is limited to corporations engaged *solely* in holding the bank premises of the affiliated bank.

Prior to the enactment of the Banking Act of 1935, such statutory provisions read as follows:

After one year from the date of the enactment of the Banking Act of 1933, no certificate representing the stock of any State member bank shall represent the stock of any other corporation, except * * * a corporation existing on the date this paragraph takes effect engaged solely in holding the bank premises of such State member bank, * * *.

In response to such inquiry, the Board expressed the opinion that, in view of the legislative history of the provisions of the Banking Act of 1935 amending the above-quoted provisions of section 9 of the Federal Reserve Act and the corresponding provisions of section 5139 of the Revised Statutes of the United States relating to national banks, such exception, in its present form, can not properly be interpreted as being limited to corporations engaged *solely* in holding the bank premises of the affiliated bank.

Renewal or extension of loans made to executive officers of member banks prior to June 16, 1933

The Board has recently received an inquiry as to whether a loan made to an executive officer of a member bank prior to June 16, 1933, which has been extended by resolution of the board of directors of such bank, even though secured by marketable collateral sufficient to liquidate the loan, can be considered to have been properly extended in view of the requirement of section 22(g) of the Federal Reserve Act that the board of directors must be satisfied that the officer has "made reasonable effort to reduce his obligation." Advice was also requested on the same question with the additional facts that a part of the loan had been charged off and the marketable collateral to the loan is sufficient to liquidate the remainder.

In replying to the inquiry, the Board observed that the law requires that the board of directors of a member bank shall be satisfied as to the matters prescribed by the law before extending or renewing a loan of the kind under discussion and that in addition to determining whether the officer "has made

reasonable effort to reduce his obligation," the board of directors must also be satisfied that the extension or renewal "is in the best interest of the bank." The language of the provision in question indicates that the primary responsibility for the extension or renewal of such a loan is placed by law upon the board of directors of the member bank involved and that in reaching a determination in the matter the board of directors should consider all the facts and circumstances in the particular case.

The Board stated that the fact that a loan of the kind under discussion is secured by marketable collateral in an amount sufficient to liquidate the loan would not of itself show that an extension of the loan was not in conformity with the requirements of section 22(g) but that all of the facts of the particular case would have to be given consideration in determining this question. The fact that a part of the loan had been charged off and the marketable collateral would liquidate the remainder would not change such conclusion.

Of course, in any case where it appears that a loan may have been extended without a proper regard for the requirements of the law, it would be desirable for the bank examiner, in connection with his examination of the bank, to give particular consideration to all the facts involved in the case in order to determine whether or not the directors may have acted arbitrarily in extending the loan.

Interpretations of Regulation U

The Board has recently been asked to rule on the following questions under Regulation U, which relates to loans by banks for the purpose of purchasing or carrying stocks registered on a national securities exchange:

1. Whether, in subsection (b) of section 2, which exempts "any loan to any person whose total indebtedness to the bank at the date of and including such loan does not exceed \$1,000," the term "total indebtedness" means the total of all loans regardless of their purposes or the total of all loans for the purpose of purchasing or carrying stocks registered on a national securities exchange?

In response to this inquiry the Board stated that the term "total indebtedness" means total indebtedness for all purposes and is not restricted to total indebtedness for the pur-

pose of purchasing or carrying stocks registered on a national securities exchange.

2. The Board has also been asked, under subsection (a) of section 3 if the statement signed by an officer, upon which a bank may rely in determining whether or not a loan is for the purpose specified in section 1 or for any of the purposes specified in section 2, must be based only on facts related to the officer by the prospective borrower or if it may be based also on facts within the knowledge of the officer not specifically stated by the borrower.

In response to this inquiry the Board ruled that the officer's statement might be based not only on statements or representations made to him by the prospective borrower but also upon any other information which the officer had obtained from any source.

3. The Board has also been asked whether in subsection (e) of section 3 permitting a bank to accept the transfer of a loan from "another lender," the term "another lender" refers solely to a bank or includes any other lender.

In response to this question the Board ruled that the term quoted includes not only a bank but also any other lender.

Amendment to Federal income tax regulations

There is set out below a copy of a recent amendment to the regulations issued under the Revenue Act of 1934 and the Revenue Act of 1932, relating to the deductibility, in computing net income for the purpose of Federal income tax, of debts charged off in whole or in part during the taxable year in obedience to the specific orders of supervisory authorities. For ready reference there are also set out below copies of the two paragraphs of the regulations which were affected by the amendment.

(T. D. 4633)

Income Tax

Last paragraph of article 23(k)-1 of Regulations 86 and last paragraph of article 191 of Regulations 77, Amended.

TREASURY DEPARTMENT

OFFICE OF COMMISSIONER OF INTERNAL REVENUE

WASHINGTON, D. C.

*To Collectors of Internal Revenue
and Others Concerned:*

The last paragraph of article 23(k)-1 of Regulations 86 and the last paragraph of article 191 of Regulations 77 are amended to read:

"Where banks or other corporations which are subject to supervision by Federal authorities (or by State authorities maintaining substantially equivalent standards) in obedience to the specific orders of such supervisory officers charge off debts in whole or in part, such debts shall be conclusively presumed, for income tax purposes, to be worthless or recoverable only in part, as the case may be, but in order that any amount of the charge-off may be allowed as a deduction for any taxable year it must be shown that the charge-off took place within such taxable year."

This document is issued under the authority prescribed by section 62 of the Revenue Act of 1934, and section 62 of the Revenue Act of 1932.

GUY T. HELVERING,

Commissioner of Internal Revenue.

Approved: April 3, 1936.

WAYNE C. TAYLOR,

Acting Secretary of the Treasury.

Last paragraph of Article 23(k)-1 of Regulations 86 (relating to Revenue Act of 1934), as it existed prior to above amendment of April 3, 1936:

"Federal or State authorities incident to the regulation of banks and certain other corporations may require that debts be charged off in whole or in part. If, in any such case, the basis of the requirement is the worthlessness or partial recoverability of the debt, as the case may be, such charging off will, for income tax purposes, be considered prima facie evidence of worthlessness; but if the charging off is due to market fluctuations, or if no reasonable attempt has been made to determine to what extent recovery may be made, no deduction for income tax purposes of the amount so charged off can be allowed."

Last paragraph of Article 191 of Regulations 77 (relating to Revenue Act of 1932), as it existed prior to above amendment of April 3, 1936:

"Where banks or other corporations which are subject to supervision by Federal authorities (or by State authorities maintaining substantially equivalent standards) in obedience to the specific orders, or in accordance with the general policy of such supervisory officers, charge off debts in whole or in part, such debts shall, in the absence of affirmative evidence clearly establishing the contrary, be presumed, for income tax purposes, to be worthless or recoverable only in part, as the case may be."

Discussion of questions arising under regulations of the Comptroller of the Currency governing the purchase of investment securities

For the information of member banks, there are printed below excerpts from an address made by the Comptroller of the Currency before the California Bankers Association, at Sacramento, Calif., on May 22, 1936, in which there are discussed certain questions regarding his regulations governing the purchase of investment securities pursuant to the provisions of section 5136 of the Revised Statutes:

Effective as of February 15, 1936, certain regulations governing the purchase of investment securities

by banks, subject to the provisions of section 5136 of the Revised Statutes, were promulgated by the Comptroller's office. These regulations were issued in compliance with a duty imposed by Congress in Section 5136 which reads:

"The association may purchase for its own account investment securities *under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe* . . . As used in this section the term 'investment securities' shall mean marketable obligations evidencing indebtedness of any person, co-partnership, association or corporation, in the form of bonds, notes and/or debentures, commonly known as investment securities under such further definition of the term 'investment securities' as may by regulation be prescribed by the Comptroller of the Currency."

It will also be noted that it was by virtue of the Act of Congress and not by regulation of the Comptroller's office that the limitation on investment is imposed in section 5136, which provides that:

"In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund."

A few State Federal Reserve member banks have not understood that the reason that both the 10 percent limitation and the provisions of the regulations of the Comptroller's office apply to them is due to the fact that Congress enacted as part of the Banking Act of 1933, an amendment to section 9 of the Federal Reserve Act, providing that:

"State member banks shall be subject to the same limitations and conditions with respect to the purchasing, selling, underwriting and holding of investment securities and stock as are applicable in the case of national banks under paragraph 'Seventh' of section 5136 of the Revised Statutes, as amended."

Having in mind the great extent to which the healthy condition of our banks is dependent upon the exercise of sound investment policies, and being acutely conscious of the disasters precipitated in the past because a portion of the banks failed to exercise such sound policies, my office made a protracted and comprehensive study of the situation with a view to prescribing, *with the effect of law*, the investment policies which must hereafter be followed—policies which were in the main already in force in the better managed institutions. Manifestly, the problems of the billion-dollar bank are not the same as those of a two-hundred-thousand dollar bank, and to frame a regulation that will in every case operate equally and equitably on both the large and small institution is a difficult task.

As you may have observed, the motif running through the regulations is one of anti-speculation. The reason therefor is based on causes which have been admirably expressed by the Commission on Banking Law and Practice of the Association of Reserve City Bankers in its "Summary of Arguments on Title II of the Banking Bill of 1935" issued in May, 1935.

Permit me to quote from that pamphlet:

"The disastrous period of bank liquidations is getting further and further behind us and it is probable that even bankers are becoming somewhat forgetful of the true causes of the trouble, although at one time there would have been little disagreement as to

the factors involved. Most of the public, unfortunately, never knew fully the causes of our banking troubles because the facts were not available to them, and they might be easily convinced that the whole trouble can be charged to so simple a thing as strict eligibility requirements.

"It is contended that a study of the assets of failed banks would completely dispel the view that the troubles of these banks were due chiefly to a lack of borrowing power. No one can peruse the facts without arriving at the absolute conviction that the troubles of the banks were due in considerable part to assets which should never have been in the banks at any time, under any conditions. In the years prior to the depressions of both 1921 and 1929 the banks became involved in the speculative fever of the age, and many of them filled their portfolios with assets which were bound to show losses with the turn of the economic tide. No artificial methods of liquidity and no attempt to have the Federal Reserve System hold up the inflated balloon could possibly have avoided the ultimate consequences.

"It may be of interest at this point to present a few simple facts which were revealed by a detailed analysis of the assets of failed banks. Of the banks failing in 1931, 105 were picked at random from all sections of the country, and the 50 bonds contributing the greatest depreciation to the portfolios of the 105 banks were listed and tabulated. The two bonds which contributed the greatest depreciation to the portfolios of this group were convertible bonds which had been bought at prices substantially above par. In other words, they were speculations. There were several other convertible bonds in the list which also caused heavy losses. Of the first 50 bonds in point of depreciation, only five had ratings of the first three grades in 1929; four of these five were convertible issues in which the banks' losses were due to having bought them at too high a price. The remainder of the issues were of the fourth grade or lower. These banks were sacrificing security for high yield. Only four of the 50 issues were brought out before 1923 and 42 percent of them were brought out in 1928 or later. In other words, the bonds causing the greatest amount of depreciation were unseasoned issues, largely the product of boom conditions in the bond market."

As is inevitable in the matter of regulations, questions of interpretation arise from time to time. While there has been unanimous approval of the objective toward which these regulations are directed, a committee of the American Bankers Association has suggested that some of their members desire to have clarified certain aspects of the regulations. The provision which has probably been of most interest in this connection is paragraph (3) of section II of the regulations, and the footnote thereto. This paragraph prohibits the purchase of investment securities in which the investment characteristics are distinctly or predominately speculative and the footnote states that the terms used in the paragraph may be found in recognized rating manuals, and that where there is doubt as to eligibility, then such eligibility must be supported by not less than two rating manuals.

Inquiry has been made as to whether this means that member banks are thus confined to the purchase of securities which have a rating classification in one of the four groups according to rating services. The responsibility for proper investment of bank funds,

now, as in the past, rests with the directors of the institution, and there has been and is no intention on the part of this office to delegate this responsibility to the rating services, or in any way to intimate that this responsibility may be considered as having been fully performed by the mere ascertaining that a particular security falls within a particular rating classification.

Reference to the rating manuals was made in the regulation in recognition of the fact that many banking institutions, by reason of lack of experienced personnel and access to original sources, are unable personally to investigate the background, history and prospects of a particular issuer of securities, and consequently must rely to some extent upon such information as has been compiled by various rating services in their large rating manuals. It may also be expected that banking institutions will desire to supplement their own judgment by checking it against the opinion of others, including ratings that have been given by rating services. Such ratings, however, regardless of whether or not they are in the first four groups, are not conclusive on the question of eligibility. It is recognized that some securities, which are entirely eligible from a non-speculative standpoint at the time they are available for purchase, may have as yet received no rating by the rating services. It is also recognized that a security with a high rating according to the services may, in the circumstances of a particular case, be an undesirable investment, whereas on the other hand, conditions existing at the time of investment may make a security entirely eligible, notwithstanding the fact that it has a comparatively low rating according to the standard rating services. In the latter type of case, of course, there will be a correspondingly greater burden upon the bank to satisfy the examiners that a particular security is in fact eligible from a non-speculative standpoint.

Paragraph (5) in section II of the regulations prohibits the purchase of securities convertible into stock at the option of the issuer. In this connection question has been raised as to purchase of securities accompanied by stock purchase warrants or rights. It is unnecessary to remind you gentlemen of the prohibition against banks investing in stocks. The statement quoted a few moments ago relative to the danger of investment in convertible bonds equally applies to securities carrying stock purchase rights. They are speculations—and in addition to being objectionable as such, they in effect constitute a prohibited investment in stocks because the price paid by the bank involves a premium which in part reflects the conjectural value of the stock right, and such purchase is to that extent not a purchase of an investment security. Inasmuch as the bank is prohibited by law from exercising the purchase warrant after it has been acquired, such portion of the bank funds as are allocable to the original purchase of the warrant, would have been expended on no justifiable basis under the law.

Some banks have misunderstood the amortization requirements of the regulations as respects securities purchased at a price exceeding par. It should be made clear that the premium need only be gradually amortized at regular intervals over the life of a security to the end that at its maturity the security will not be carried at an amount in excess of par. If

the security is callable at a given price above par, the rate of amortization will have to be such as to have gradually extinguished the premium down to call price by the call date, regardless of whether the security is in fact called on that date. Thereafter, if not called, amortization shall continue from that point to maturity on the same basis as though the security had been purchased on the call date at the call price.

Taxation of capital investment of Reconstruction Finance Corporation in banks

[PUBLIC—No. 482—74TH CONGRESS]

[S. 3978]

AN ACT

Relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Act entitled "An Act to provide relief in the existing national emergency in banking and for other purposes", approved March 9, 1933, as amended, be further amended by adding at the end thereof the following:

"Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period."

Section 2. Effective upon the date of enactment of this Act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force, or made subsequent to the date of enactment of this Act, shall not exceed 3½ per centum per annum on condition that the rate of interest charged debtors of such banks or trust companies shall not exceed 4½ per centum per annum; otherwise such interest rate shall be as fixed by the Reconstruction Finance Corporation: *Provided, however,* That no provision of this Act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this Act.

Section 3. If any provision, word, or phrase of this Act, or the application thereof to any condition or circumstance, is held invalid, the remainder of the Act, and the application of this Act to other conditions or circumstances, shall not be affected thereby.

Approved, March 20, 1936.

Amendments to Securities Exchange Act

[PUBLIC—No. 621—74TH CONGRESS]

[S. 4023]

AN ACT

To provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (f) of section 12 of the Securities Exchange Act of 1934 is amended to read as follows:

“(f) Notwithstanding the foregoing provisions of this section, any national securities exchange, upon application to and approval of such application by the Commission and subject to the terms and conditions hereinafter set forth, (1) may continue unlisted trading privileges to which a security had been admitted on such exchange prior to March 1, 1934; or (2) may extend unlisted trading privileges to any security duly listed and registered on any other national securities exchange, but such unlisted trading privileges shall continue in effect only so long as such security shall remain listed and registered on any other national securities exchange; or (3) may extend unlisted trading privileges to any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations prescribed by the Commission under this title or the Securities Act of 1933, as amended, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security duly listed and registered on a national securities exchange, but such unlisted trading privileges shall continue in effect only so long as such a registration statement remains effective and such periodic reports or other data continue to be so filed.

“No application pursuant to this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved except after appropriate notice and opportunity for hearing. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the applicant exchange shall establish to the satisfaction of the Commission that there exists in the vicinity of such exchange sufficiently widespread public distribution of such security and sufficient public trading activity therein to render the extension of unlisted trading privileges on such exchange thereto necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (3) of this subsection shall be approved except upon such terms and conditions as will subject the issuer thereof, the officers and directors of such issuer, and every beneficial owner of more than 10 per centum of such security to duties substantially equivalent to the duties which would arise pursuant to this title if such security were duly listed and registered on a national securities exchange; except that such terms

and conditions need not be imposed in any case or class of cases in which it shall appear to the Commission that the public interest and the protection of investors would nevertheless best be served by such extension of unlisted trading privileges. In the publication or making available for publication by any national securities exchange, or by any person directly or indirectly controlled by such exchange, of quotations or transactions in securities made or effected upon such exchange, such exchange or controlled person shall clearly differentiate between quotations or transactions in listed securities, and quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection. In the publication or making available for publication of such quotations or transactions otherwise than by ticker, such exchange or controlled person shall group under separate headings (A) quotations or transactions in listed securities, and (B) quotations or transactions in securities for which unlisted trading privileges on such exchange has been continued or extended pursuant to this subsection.

“The Commission shall by rules and regulations suspend unlisted trading privileges in whole or in part for any or all classes of securities for a period not exceeding twelve months, if it deems such suspension necessary or appropriate in the public interest or for the protection of investors or to prevent evasion of the purposes of this title.

“Unlisted trading privileges continued for any security pursuant to clause (1) of this subsection shall be terminated by order, after appropriate notice and opportunity for hearing, if it appears at any time that such security has been withdrawn from listing on any exchange by the issuer thereof, unless it shall be established to the satisfaction of the Commission that such delisting was not designed to evade the purposes of this title or unless it shall appear to the Commission that, notwithstanding any such purpose of evasion, the continuation of such unlisted trading privileges is nevertheless necessary or appropriate in the public interest or for the protection of investors. On the application of the issuer of any security for which unlisted trading privileges on any exchange have been continued or extended pursuant to this subsection, or of any broker or dealer who makes or creates a market for such security, or of any other person having a bona-fide interest in the question of termination or suspension of such unlisted trading privileges, or on its own motion, the Commission shall by order terminate, or suspend for a period not exceeding twelve months, such unlisted trading privileges for such security if the Commission finds, after appropriate notice and opportunity for hearing, that by reason of inadequate public distribution of such security in the vicinity of said exchange, or by reason of inadequate public trading activity or of the character of trading therein on said exchange, such termination or suspension is necessary or appropriate in the public interest or for the protection of investors.

“In any proceeding under this subsection in which appropriate notice and opportunity for hearing are required, notice of not less than ten days to the applicant in such proceeding, to the issuer of the security involved, to the exchange which is seeking to continue or extend or has continued or extended unlisted trading privileges for such security, and to the exchange, if any, on which such security is listed and registered, shall be deemed adequate notice, and any

broker or dealer who makes or creates a market for such security, and any other person having a bona-fide interest in such proceeding, shall upon application be entitled to be heard.

"Any security for which unlisted trading privileges are continued or extended pursuant to this subsection shall be deemed to be registered on a national securities exchange within the meaning of this title. The powers and duties of the Commission under subsection (b) of section 19 of this title shall be applicable to the rules of an exchange in respect of any such security. The Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions, or for stated periods, exempt such securities from the operation of any provision of section 13, 14, or 16 of this title."

Section 2. Any application to continue unlisted trading privileges for any security heretofore filed by any exchange and approved by the Commission pursuant to clause (1) of subsection (f) of section 12 of the Securities Exchange Act of 1934 and rules and regulations thereunder shall be deemed to have been filed and approved pursuant to clause (1) of said subsection (f) as amended by section 1 of this Act.

Section 3. Section 15 of the Securities Exchange Act of 1934 is amended to read as follows:

"SEC. 15. (a) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange, unless such broker or dealer is registered in accordance with subsection (b) of this section.

"(b) A broker or dealer may be registered for the purposes of this section by filing with the Commission an application for registration, which shall contain such information in such detail as to such broker or dealer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such broker or dealer, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain such information in such detail as to the applicant and as to the successor and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine. Such registration shall terminate on the forty-fifth day after the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations

as the Commission may prescribe, adopt such application as its own.

"If any amendment to any application for registration pursuant to this subsection is filed prior to the effective date thereof, such amendment shall be deemed to have been filed simultaneously with and as part of such application; except that the Commission may, if it appears necessary or appropriate in the public interest or for the protection of investors, defer the effective date of any such registration as thus amended until the thirtieth day after the filing of such amendment.

"The Commission shall, after appropriate notice and opportunity for hearing, by order deny registration to or revoke the registration of any broker or dealer if it finds that such denial or revocation is in the public interest and that (1) such broker or dealer whether prior or subsequent to becoming such, or (2) any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), or any person directly or indirectly controlling or controlled by such broker or dealer, whether prior or subsequent to becoming such, (A) has willfully made or caused to be made in any application for registration pursuant to this subsection or in any document supplemental thereto or in any proceeding before the Commission with respect to registration pursuant to this subsection any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact; or (B) has been convicted within ten years preceding the filing of any such application or at any time thereafter of any felony or misdemeanor involving the purchase or sale of any security or arising out of the conduct of the business of a broker or dealer; or (C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security; or (D) has willfully violated any provision of the Securities Act of 1933, as amended, or of this title, or of any rule or regulation thereunder. Pending final determination whether any such registration shall be denied, the Commission may by order postpone the effective date of such registration for a period not to exceed fifteen days, but if, after appropriate notice and opportunity for hearing, it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order. Pending final determination whether any such registration shall be revoked, the Commission shall by order suspend such registration if, after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer, or any broker or dealer for whom an application for registration is pending, is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall by order cancel the registration or application of such broker or dealer.

"(c) No broker or dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security (other than commercial paper, banker's acceptances, or commercial bills) otherwise than on a national securities exchange, by means of any manipulative, deceptive, or other fraudulent device or contrivance. The Commission shall, for the purposes of this subsection, by rules and regulations define such devices or contrivances as are manipulative, deceptive, or otherwise fraudulent.

"(d) Each registration statement hereafter filed pursuant to the Securities Act of 1933, as amended, shall contain an undertaking by the issuer of the issue of securities to which the registration statement relates to file with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, such supplementary and periodic information, documents, and reports as may be required pursuant to section 13 of this title in respect of a security listed and registered on a national securities exchange; but such undertaking shall become operative only if the aggregate offering price of such issue of securities, plus the aggregate value of all other securities of such issuer of the same class (as hereinafter defined) outstanding, computed upon the basis of such offering price, amounts to \$2,000,000 or more. The issuer shall file such supplementary and periodic information, documents, and reports pursuant to such undertaking, except that the duty to file shall be automatically suspended if and so long as (1) such issue of securities is listed and registered on a national securities exchange, or (2) by reason of the listing and registration of any other security of such issuer on a national securities exchange, such issuer is required to file pursuant to section 13 of this title information, documents, and reports substantially equivalent to such as would be required if such issue of securities were listed and registered on a national securities exchange, or (3) the aggregate value of all outstanding securities of the class to which such issue belongs is reduced to less than \$1,000,000, computed upon the basis of the offering price of the last issue of securities of said class offered to the public. For the purposes of this subsection, the term 'class' shall be construed to include all securities of an issuer which are of substantially similar character and the holders of which enjoy substantially similar rights and privileges. Nothing in this subsection shall apply to securities issued by a foreign government or political subdivision thereof or to any other security which the Commission may by rules and regulations exempt as not comprehended within the purposes of this subsection."

SEC. 4. Subsection (a) of section 17 of such Act is amended by striking out "every broker or dealer making or creating a market for both the purchase and sale of securities through the use of the mails or of any means or instrumentality of interstate commerce", and inserting in lieu thereof "every broker or dealer registered pursuant to section 15 of this title".

SEC. 5. Subsection (a) of section 18 of such Act is amended by inserting immediately before the comma following "any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title".

SEC. 6. Subsection (c) of section 20 of such Act is amended by inserting immediately before the period the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title".

SEC. 7. Subsection (f) of section 21 of such Act is amended by inserting immediately before the period the following: "or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title".

SEC. 8. Subsection (a) of section 23 of such Act is amended to read as follows:

"(a) The Commission and the Board of Governors of the Federal Reserve System shall each have power to make such rules and regulations as may be necessary for the execution of the functions vested in them by this title, and may for such purpose classify issuers, securities, exchanges, and other persons or matters within their respective jurisdictions. No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Commission or the Board of Governors of the Federal Reserve System, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason."

SEC. 9. Section 32 of such Act is amended by striking out "SEC. 32." and inserting in lieu thereof "SEC. 32. (a)"; by inserting immediately before the comma following the phrase "filed under this title or any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title"; and by adding thereto a new subsection (b) to read as follows:

"(b) Any issuer which fails to file information, documents, or reports pursuant to an undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title shall forfeit to the United States the sum of \$100 for each and every day such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be deemed to arise under subsection (a) of this section, shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States."

SEC. 10. All brokers and dealers for whom registration is in effect on the date of enactment of this Act in accordance with rules and regulations of the Commission prescribed pursuant to section 15 of the Securities Exchange Act of 1934 shall be deemed to be registered pursuant to section 15 of such Act as amended by section 3 of this Act.

SEC. 11. Nothing in this Act shall be deemed to extinguish any liability which may have arisen prior to the effective date of this Act by reason of any violation of section 15 of the Securities Exchange Act of 1934 or of any rule or regulation thereunder.

SEC. 12. This Act shall become effective immediately upon the enactment thereof; except that clause (2) of subsection (f) of section 12 of the Securities Exchange Act of 1934, as amended by section 1 hereof, and subsections (a) and (d) of section 15 of such Act as amended by section 3 hereof, shall become effective ninety days after the enactment of this Act, and that clause (3) of said subsection (f), as amended by section 1 hereof, shall become effective six months after the enactment of this Act.

Approved, May 27, 1936.

ANNUAL REPORT OF THE BANK FOR INTERNATIONAL SETTLEMENTS

The sixth annual report of the Bank for International Settlements, covering the year ended March 31, 1936, was submitted by Mr. L. J. A. Trip, president of the bank, to the general meeting of shareholders on May 11, 1936. Sections of the report are given herewith:¹

INTRODUCTION

Seven years have passed since in the course of 1929 the great depression began which still holds large parts of the world in its grip. It might have been expected that in the period which has elapsed the depressive forces would have spent themselves and general prosperity would have returned. But the depression of these seven lean years has not been merely a slump of the pre-war order. Its background was different—it supervened upon an economic and financial situation still suffering from the dislocation caused by a world war; and, with the volume of world unemployment above 30,000,000, it has grown into something vaster than any pre-war depression. In the succession of events it is possible to recognize four major disturbances:

Firstly, there was the ordinary downward trend of business. Conforming to type, this was characterized by reduced sales, accumulation of stocks and decline in output, particularly in branches such as the iron and steel industries which produce capital goods or, in general, provide industrial, agricultural, trade and transport equipment.

Secondly, there was a widespread fall in prices of primary products—both foodstuffs and industrial raw materials. This put a particularly heavy strain on the balances of payments of a number of overseas countries and, within a short time, effectively arrested the flow of capital in their direction, whether in the form of loans or of new investments.

Thirdly, in the late spring and summer of 1931 there came the banking crisis in Austria and Germany. Massive withdrawals of funds were followed by a series of organized attempts to stem the tide through the granting of emergency credits and, when these at-

¹ In addition the report contains sections dealing with price movements, foreign trade, short and long-term interest rates in detail, trustee and agency functions of the bank, deposits and investments, net profits, reserves, dividend, other distributions, changes in the board of directors and other executive officers, together with a number of annexes showing central banks or other banking institutions to which have been allotted shares in the capital stock of the bank, profit and loss account, trustee operations, etc. For earlier reports see Bulletin for June 1935, 1934, 1933, 1932, and July 1931.

tempts proved unsuccessful, by the introduction of moratoria, transfer provisions and exchange restrictions, with the result that not only did foreign credits remaining in the countries affected become frozen but ordinary trade was hampered by new and formidable fetters.

Fourthly, in the autumn of the same year there followed the depreciation of sterling and of a number of other currencies. New elements of uncertainty were thus added to the economic and financial situation and strong downward pressure was exerted on prices quoted on a gold basis in the world markets. A period of monetary changes had begun which within two years was also to involve the United States dollar.

The time has come to take stock of the situation and to consider what progress has been made on the path of recovery.

Signs are not lacking that the downward trend of business, the element in the depression which in its reactions most nearly corresponds to pre-war experience, has already been arrested over a wide field. Articles wear out, tools and machinery require replacement and buildings need repair. As a depression proceeds and population increases unsatisfied wants accumulate and these sooner or later find expression in effective demand. Furthermore, when times are difficult bad business is in constant process of liquidation, uneconomic methods are scrapped and countless efforts are made by individual firms to put their affairs on a remunerative basis. The cumulative effect of all these separate efforts helps to restore that equilibrium between costs and prices which alone can form the basis of recovery. Typical evidence of returning activity is afforded by the improvement in the tool and machine industries which after the lull of the last few years suddenly found difficulty in recruiting sufficient skilled labor.

In any examination of the causes of the improvement which has taken place due weight should be given to the steady influence of the curative forces inherent in the economic system itself. It is of interest to note that in spite of continued stagnation in the building trade a strengthening of demand and a revival of industrial activity occurred in France, the largest gold bloc country, during the latter half of 1935 and the first months

of 1936. This development may be regarded as an indication that recent recuperative tendencies have been strong enough to mitigate maladjustments remaining in the cost and price structure of the different countries consequent upon the monetary changes of the past five years.

The abrupt decline in the prices of primary products which began in 1929 affected both foodstuffs and raw materials and in a few years brought about a veritable revolution in the whole price structure. From 1929 to 1933 the average of prices of important foodstuffs fell by some 60 percent while the prices of essential industrial raw materials fell by fully 50 percent. The price of wheat expressed in gold touched the lowest point recorded for over 400 years. This decline came after six or seven years of relative stability during which wholesale price indices in practically all important countries had stood at about 40 percent above the 1913 level, giving apparent substance to the belief that this increase above pre-war levels would become a permanent feature of post-war economy.

In a number of cases the decline in prices was due to an advance in technique which lowered costs of production; other influences, however, were also at work. In the case of wheat, for instance, governments at first intervened to keep up the price, with the result that huge stocks were accumulated which eventually weighed heavily on the market. The output of many primary products, and of agricultural produce in particular, was maintained undiminished during the depression but prices fell heavily. The exact opposite happened with regard to many manufactured articles; prices were kept up by monopolistic organizations or generally by lack of adjustment, sales went down however and soon production had to be correspondingly curtailed. The result was a great disparity in prices, which not only added to the difficulties of the raw material producing countries but threw the whole international price relationship out of equilibrium. The first signs of a reaction were noticeable in the autumn of 1932 and, in spite of interruptions and difficulties, the upward movement has asserted itself; the year 1935 witnessed a steady improvement in the prices of primary products not only in depreciated currencies but also to some extent in gold. By government action or simply through agreement between producers a number of restrictive

schemes, affecting such products as copper, jute, lead, nitrate, rubber, silk, sugar, tea, tin, tin plates and wheat, have been put into operation. For some agricultural products (notably wheat) a reduction in supply was caused by the widespread drought in 1935. The case of wool is interesting: no artificial restriction was ever attempted and no stocks were laid up but current supplies regularly brought to the market. Prices slumped heavily at first, but this stimulated consumption and before long prices began to recover mainly under the influence of reviving demand. On the whole the influence of the various restrictive schemes should not be overrated. It is not easy to put into effect schemes that are sufficiently comprehensive to govern the world supply of any commodity. When a scheme covers only part of the total actual or potential output there is always the possibility of increasing production in countries not adhering to the scheme. A careful analysis of price movements during 1935 tends to show that, with the exception of a few commodities like tea and tin, increased demand by consumers and resumption of industrial activity has counted for more in reducing stocks and lifting prices than any artificial restriction of supply. Government spending for armament purposes and the purchase of reserve stocks prompted by war scares have also had an influence on the trend of certain prices. But not all the new spending represented a net addition to total world demand; in the case of Germany, for instance, increased imports of raw materials required by armament industries was more than offset by reduced imports of other commodities. Generally speaking, it was the greater absorption of commodities in the markets of Great Britain, the United States and a number of other countries which was the main cause of the revival in prices during the past year; and in this connection account must be taken of the expanding demand resulting from the increased gold production.

The increase in the demand for raw materials at improved prices is reflected in the mounting export trade of the South American countries, the Straits Settlements, New Zealand and Australia. It is true that from the point of view of the importing countries the rise in prices means that a larger amount in foreign currencies has to be paid for raw materials, but this additional outlay should soon be recovered in the general improve-

ment in world business. The brisker trade with overseas countries has already helped to revive shipping. Many of the countries producing primary products, though helped by the better prices, are still faced with a series of problems, including certain difficult debt conditions. There has been in some cases conversion of old loans to lower interest rates, but not yet any recovery in new foreign lending to countries producing primary products or in the investment in any form of new foreign capital in them. The Empire and foreign issues on the London capital market registered, again in 1935, figures constituting new low records (except for the war years).

The liquidity crisis which swept over Europe in 1931 left behind it a system of exchange restrictions which as time went on developed into a network of ever-increasing control and prohibitions. In only one severely affected country, Austria, has it been possible to abolish most of the restrictions imposed during the crisis and restore a free foreign exchange market. In Hungary and Rumania some simplification was made in the course of 1935 in the very complicated system that had gradually been elaborated. Moreover, in South America, Ecuador completely abolished all exchange control in the autumn of 1935, and in the course of the same year several other countries found it possible to apply with somewhat greater freedom the regulations on their exchange markets. Against this, however, must be set the imposition of new restrictions in Danzig, Italy, Lithuania and recently in Poland, the enforcement of a more severe control in several markets and a continued multiplication of clearing arrangements, bringing the number of such arrangements concluded by Germany, for instance, from 25 in 1934 to 32 at the end of 1935. On balance little improvement has been achieved; the transfer of funds from one market to another, whether for financial or commercial account, is still subject to intricate regulations in a large number of countries.

But if the restrictions still remain in force, the underlying debt position which gave rise to their introduction has in many ways improved. The statistics compiled by the Bank for International Settlements (and given later in this report) show that from 1930 to 1935 the total volume of short-term international indebtedness of European countries and the United States was reduced

from 70,000,000,000 to 30,000,000,000 Swiss francs. When the crisis broke out in 1931 reserves accumulated by central banks and other credit institutions were employed to cover withdrawals and when these resources became exhausted other methods were found, varying in character from country to country. Germany thus concluded agreements with her standstill creditors under which short-term credits were liquidated by the sale of so-called registered marks for tourist and other purposes. In many cases individual debtors and creditors made arrangements between themselves for repayments, the creditors as a rule accepting a more or less heavy discount on the amount due when ready cash was forthcoming for the remainder.

On long-term account also a reduction of outstanding foreign indebtedness was achieved mainly by the repatriation of bonds by private individuals. Adequate statistics are lacking, but such enquiries as have been made indicate that repurchases of bonds have taken place on a very extensive scale. As far as European countries are concerned, foreign indebtedness has been reduced far below the high level reached a few years ago. If, however, reserves are slender and the export position uncertain, even comparatively moderate indebtedness can cause great difficulty and necessitate the maintenance of hampering restrictions. The world has been caught in a vicious circle where the system of control handicaps trade, and the shrinkage in trade increases the difficulties of the foreign exchange position subject to control.

But cannot this circle be broken? Once the total volume of indebtedness has been brought down to manageable proportions the case for settlement by consolidation and adjustment of charges acquires additional strength. With so many signs to indicate that general business conditions in the world have taken an upward trend, surely arrangements for the solution of outstanding debt problems should be made at the earliest possible moment, particularly with the object of hastening the removal of those restrictions which are most harmful to the spreading of recovery.

The history of currency depreciation during the course of the depression may be readily summarized: before the crisis of the summer and autumn of 1931 the currencies of four raw material producing countries

had left gold; during the period beginning with the depreciation in sterling in September, 1931, and ending in April, 1933, when the exchange value of the dollar fell below par, 35 currencies went off gold; and since 1933 the dollar and some other currencies, including the three silver-standard currencies of China, Manchukuo and Hong Kong, have depreciated. These many changes in currency values could not fail to exert a direct effect adverse to world trade. There was, however, an indirect effect, in many ways more pernicious; when exchange rates between countries suddenly fluctuated to the extent of 20 percent or more, the governments of countries adversely affected found themselves obliged to apply measures for the protection of the economic life of their countries; new duties were imposed, existing duties were increased and many governments had recourse to quotas and similar limitations which in their effect on trade and economic relations generally were distinctly more hampering than the other measures of protection.

During the past five years changes in currency values have ranged from zero, in the few countries which have remained on gold at par, to a depreciation of 75 percent in the case of Chile. These figures may, however, give a somewhat exaggerated impression of the disorder experienced, for measures were as a rule taken by central banks or governments to reduce fluctuations of foreign exchange rates or to establish a new relationship to gold. The United States dollar, the Czechoslovakian crown, the belga and the Danzig guilder have been re-linked directly to gold; and though the governments in the United States and Belgium obtained the right to alter, within certain definite limits, the weight in gold of their currency units, no use has been made of this right; in fact, the belga was definitely stabilized in the spring of 1936. In a number of other countries exchange rates have been maintained stable in relation to some gold currency. The Greek drachma, for instance, which depreciated in 1932 has since been pegged at a lower level on the French franc; the Austrian schilling and the Yugoslav dinar have likewise been held stable since 1933 on the basis of the franc; and in February, 1936, the State Bank of the U. S. S. R. was charged with the maintenance of a fixed rate for the ruble in terms of the French franc in all its exchange operations.

In the countries which had introduced exchange regulations, the actual rates at which foreign currencies were sold would often depend on the particular character of the business involved. But the tendency recently has been to apply more uniform rates and this development represents a further step toward real stability. The working of clearing arrangements has further led to a standardization of the exchange rates on which current commercial transactions are based.

Then there are a number of currencies which have been pegged on sterling; these include, in addition to members of the British Empire, the Scandinavian countries, Finland, Estonia, Portugal, Japan and some South American countries. For this group the control by the Exchange Equalization Account established in Great Britain in 1932 has been of outstanding importance. The object of the Account was to iron out undue exchange fluctuations and it served to counteract seasonal and other temporary influences. Still, however, the fluctuations over the year in the exchange value of the pound were of the magnitude of 13 percent in 1934. But from the spring of 1935 the Exchange Equalization Account exerted stronger control and in the autumn the seasonal downward pull was effectively counteracted. Indeed, since the middle of 1935 the widest variations in the price of gold in London have not exceeded in all 2 percent, which means that within very narrow limits sterling has been stable in terms of gold.

When the fluctuations of sterling were still comparatively wide, it was easy to indicate which currencies were to be included in the sterling group and which were linked to gold or the French franc. But now that sterling is relatively stable in terms of gold this distinction between different groups becomes more difficult to observe. Since the cutting of the link with silver the exchange rates of the Chinese dollar have been kept approximately stable, but the Chinese currency cannot be said to have been pegged either on sterling or on the United States dollar. The division of currencies into different groups has lost some of its original significance due to the realization of greater de facto currency stability over the world as a whole.

Unfortunately no corresponding progress has been made in the restoration of real monetary confidence internationally. At one time or another during the course of the year

every one of the major currencies has been under discussion, with rumors circulating as to possible depreciation from present values. In these circumstances it is hardly surprising that people have transferred their funds from one country to another, and it is transfers of this kind more than purely speculative operations based on borrowed money which have given rise to the movements of balances and gold in the year under review. To have realized exchange stability through the control exercised by central banks and exchange funds is clearly an achievement, but something more is needed. The world's monetary structure must be so strengthened that it will again command the confidence of the public. Political and monetary authorities should show the necessary determination and have at their command adequate resources to give effect to the policy adopted and not be deterred by any flow of nervous money, however large in volume or persistent in movement. The aim should be to build up again a stable system which will fulfill the essential conditions of financial and economic equilibrium; costs and prices in the individual countries must be adapted to the requirements of the common standard and a balance achieved in which the stresses and strains of currency over or under valuation would be reduced to a minimum.

The past seven years have constituted one of the most disturbed periods through which the world economy has ever passed in times of peace. Since 1929, when quotations on the stock exchanges slumped and prices of primary products began to decline, until 1933, when the dollar depreciated, one major disturbance after the other beset the world. An abnormal volume of unemployment and exceptionally large gold movements are signs of the prevailing difficulties and uncertainties. It is evident, however, that in many respects improvement has been achieved since the worst days of the depression. The normal cyclical swing is now upward. Primary products are again in greater demand and are being sold at better prices. International indebtedness has been substantially reduced and a large measure of de facto exchange stability between the principal currencies has been maintained for fully a year. But monetary restrictions continue to hold the field in a large part of the world, hampering finance and commerce, and in international dealings confidence in currencies is

still widely lacking. Industrial production has advanced well in a number of countries, but international trade has not made a corresponding improvement. The growth in foreign trade has in the first place been in raw materials, while manufactured articles penetrate only with difficulty the barriers surrounding national markets. The world has once more to learn the lesson that trade grows best when freed from fetters. Some progress in removing obstacles to trade has been made in the last few years by the conclusion of bilateral agreements, the benefits of which are extended by the inclusion of the most-favored-nation clause. These efforts aim at an expansion of trade, the antithesis of the extreme restrictionist policy which to so large an extent has characterized government policy since the depression began in 1929. In the monetary field the large current gold production provides an expanding basis for a liberal monetary policy. There is certainly a desire in each country to proceed along the lines of cheap and plentiful credits and deviations from this policy forced upon individual central banks in the course of 1935 have been in the nature of temporary reactions against an abnormal outflow of funds.

Political tension, though it has not entirely prevented recovery, has greatly influenced the direction which recovery has taken. Fear of war is naturally apt to give increased weight to nationalistic tendencies and particularly to stimulate a movement toward autarchy. Expansion of credit and other measures taken to overcome the depression have as a rule been confined to the national sphere. Internationally the influence has made itself felt in the main through the greater de facto stability of the foreign exchanges and the larger purchases of raw materials by countries in which domestic production has increased.

Faced with the problems of the depression, central banks have endeavored to perfect methods of action both at home and in their international relations. Assistance has been given in many ways by the monetary authorities of one country to those of another in order to maintain exchange fluctuations within narrow limits. New and effective means have been devised to prevent funds from becoming available for currency speculation; if during the past year such speculation has counted for less in the international movement of funds than it otherwise would have

done, this is at least partly due to the initiative of the central banks. In addition to the questions which fall within their own sphere of action, central banks have to tender advice to their respective governments and markets on a large number of questions, many of them involving matters of international importance, for which contact between the central banks cannot fail to be of value. During the course of the year the Bank for International Settlements has continued to serve as a center for consultation and is happy to find that at the regular meetings in Basel not only has contact been maintained, but useful suggestions have been put forward which have been translated into practical action.

EXCHANGE RATES

Events in the opening months of 1935 did not augur well for the maintenance of exchange stability. Contrary to the normal seasonal trend, sterling showed great weakness in February and March; the gold price in London rose on March 6, 1935, to 149s. 4d., the highest sterling quotation ever recorded, as compared with a maximum of 140s. 0d. in the corresponding months of the previous year. On April 1, 1935, the belga was devalued by 28 percent in terms of gold, and on May 2 the Danzig guilder by 42 percent. In the course of the spring large transfers were made from the French, Dutch and Swiss markets and spot quotations of the French franc, the guilder and the Swiss franc were brought to the gold export points; forward rates also widened considerably, the discount on three months forward French francs in London touching a point one day in May, 1935, corresponding to an interest rate of 40 percent per annum. The gold currencies were, however, maintained by the classical means of gold exports and increases of discount rates sufficiently vigorous to indicate the determination of the respective central banks to defend their positions.

The outflow of funds from the continental markets helped to sustain the value of the pound and assisted the authorities in London in taking firmer control of their exchange position. In the autumn when large foreign payments had to be made, the Exchange Equalization Account employed a substantial part of its gold holdings to provide the market with the foreign exchange required and thus prevented an undue fall in the value of

the pound. Since June 1, 1935, the distance between the highest and lowest quotations of the French franc-sterling rate has been only 1½ percent, as compared with about 7 percent in the previous twelve months.

The great measure of exchange stability which has prevailed since the spring of 1935 can best be judged from the fact that there are only a very limited number of countries whose currencies have since then been subject to any appreciable change. First there are the three silver standard countries in the East: China, Manchukuo and Hong Kong, which after severing their link with silver adopted systems of management of their foreign exchanges; the rates quoted by the end of 1935 involved some 30 percent depreciation, in terms of gold, from the increased value to which the rise in the silver price had brought them. The rial of Iran was also affected by the changes in the price of silver; it rose in value in sympathy with the silver price until in the summer of 1935 a change was made and the exchange value was lowered to about 20 percent below the level obtaining at the beginning of the year. In Europe the new system of premia paid by the National Bank of Rumania for certain currencies caused the quotation of the leu to depreciate in the free markets by some 30 percent. New regulations regarding the premia to be paid by importers and to exporters were also issued in Hungary and seem to have somewhat affected the quotation of the pengö on foreign markets.

The gold value of the Italian lira fell by 6 percent during the year. In the U. S. S. R. a decree of November 16, 1935, terminated the sale of goods in the Torgsin shops against foreign currencies and fixed, for all operations connected with foreigners' visits to the U. S. S. R., a rate of one ruble equal to three French francs (instead of the previous legal rate of one ruble to 13.13 francs). By a further decree dated February 29, 1936, the new rate was adopted for all foreign business; the State Bank was authorized to revalue its reserves of gold and foreign currencies and charged with the maintenance of this rate in all exchange operations.

The exchanges of several South American countries were subject to fluctuations during 1935, the most pronounced being a further depreciation of the Bolivian and Paraguayan currencies which were adversely affected by the Chaco war. The Brazilian free milreis

and the Colombian peso also declined in value, the former by 16 percent and the latter by 10 percent, these being the extreme movements of the year. On the other hand, the quotations of the Argentine peso in the free market improved by 9 percent and the Peruvian sol by about 3 percent.

In the remaining countries of the world currency changes have been unimportant, which means that an area covering more than 85 percent of world trade has for a full year enjoyed practical de facto exchange stability.

The reestablishment of such a degree of order in the exchange situation has been possible only by very determined efforts and it is satisfactory to record that co-operation between the monetary authorities of the different countries has played a growing part in the execution of this policy. Means have been devised to fight against currency speculation and in their current dealings on the exchange markets the monetary authorities have been able actively to assist one another. It may be of interest to quote the testimony of two central banks given in their annual reports: the Bank of France writes that in the course of 1935 it appeared essential to maintain closer contact with foreign centers; the bank wished to express its gratitude to the Bank for International Settlements and to the banks of issue of the principal markets for the real support rendered in aid of the defense of the franc. And the Swiss National Bank emphasizes the collaboration in the following words: "More than once in the course of the year it was found that banks of issue made efforts to limit fluctuations in the quotations by intervention on the exchange markets. In this way they have not only supported their own exchanges, but also frequently aided other countries to defend their currencies."

Secrecy is still maintained about the transactions of the British Exchange Equalization Account and the variations in its assets, although the general character of the control has become fairly well known and its significance is increasingly discussed in the public press. The Account was formed in the spring of 1932 to iron out undue fluctuations in the exchange rate of sterling, and it has been supplied altogether with £375,000,000 in sterling assets, mostly Treasury bills, from the sale of which it obtains the sterling balances necessary for its operations. When

there is an inflow of funds into the British market and the Account sees fit to intervene, Treasury bills are sold and the sterling thus obtained is used to buy, say, French francs which the Account is able to convert into gold. Gold may also be bought or sold directly on the London market against sterling to exert a desired influence on the gold price. Thus through the double operation of selling Treasury bills and buying foreign exchange or gold, not only the foreign exchange position but also the volume of credit on the domestic market is affected. The sale of Treasury bills by the Account acts, in fact, as an offsetting open-market operation preventing an inflow of gold to London from increasing the cash balances of the joint stock banks with the Bank of England. Conversely, when the Account sells gold or French francs to support the exchange value of the pound, it obtains resources in sterling with which it may repurchase part of its Treasury bills outstanding, thereby operating in the opposite direction so that the cash reserves of the market are maintained in spite of an outflow of funds. An addition to the gold holdings of the Exchange Equalization Account, therefore, does not lead to an increase in the amount of bankers' balances. To provide for more notes in circulation or an increase in bankers' balances, the Bank of England may take over part of the gold, without a counteracting sale of securities, or purchase securities on its own initiative.

It is interesting to analyze on the basis of the Bank of England returns the changes which have taken place since the depreciation of sterling in 1931. In the year 1932 when the policy of cheap and plentiful credit was put into effect the Bank of England increased its holdings of securities by £31,000,000 and this was the main cause of an expansion in bankers' balances by £38,000,000 (from January, 1932, to January, 1933), the note circulation remaining practically stable. During the three years from January, 1933, to January, 1936, bankers' balances hardly changed (apart from regular fluctuations of a seasonal character), but the amount of notes in circulation went up £44,000,000. This increase in the bank's liabilities was more than counterbalanced by an increase of £79,000,000 in the gold holdings, while the Banking department's holdings of securities were reduced by £15,000,000 and the fiduciary issue, and the securities behind it in the Issue de-

partment, were also reduced by £15,000,000. The following table gives the relevant figures:

[In millions sterling]

Bank of England (Averages of Wednesday figures)	Fiduciary issue cov- ered by se- curities in issue de- partment	Total securi- ties in banking depart- ment	Gold hold- ing	Notes in circu- lation	Bank- ers' bal- ances
January 1932.....	275	107	121	353	76
January 1933.....	275	138	121	357	114
January 1936.....	260	123	200	401	115

The American Gold Reserve Act, approved by the President on January 31, 1934, authorized the Secretary of the Treasury for two years (which the President might extend for a further year) to deal in gold and foreign exchange and such other instruments of credit and securities as would be necessary for the purpose of stabilizing the exchange value of the dollar. At the same time an Exchange Stabilization Fund of \$2,000,000,000 was established out of the book profits on the gold reserves accruing to the Government from the devaluation of the dollar by 40.94 percent. In the daily statements of the Treasury Department \$1,800,000,000 are shown as a liability against the Government's gold holdings under the heading "Exchange Stabilization Fund." The remaining \$200,000,000 are entered on the general account (the "General Fund") of the Treasury Department in such a way that transactions undertaken by means of this allocation cannot be specifically traced; the dollars may thus be kept in a form readily available for monetary operations on the gold and exchange markets. As, however, the United States dollar was re-linked to gold at the same time as the Fund was instituted, there has been no need for the Fund to intervene regularly to prevent the gold value of the dollar from fluctuating. Only on certain occasions, when the foreign exchange markets have been in a particularly strained condition, has the Fund intervened and then, for example, provided dollars on foreign markets against gold or foreign currencies.

On February 11, 1935, the Secretary of the Treasury announced that the Fund had been employed in the foreign exchange markets since the 14th of the previous month. That was at a period when the dollar was exceptionally strong, the United States receiving no less than \$149,000,000 in gold in January

and \$123,000,000 in February. Though no announcement has been made as to the gold or foreign exchange held by the Fund, it should be observed that all gold actually shipped to the United States appears in the official returns of the total gold stock.

Gold shipped to the United States is purchased for account of the Treasury and paid for by drafts on the Reserve banks. In this way an increase takes place in member banks' reserve balances. It has not been part of the task of the Exchange Stabilization Fund to undertake open-market operations affecting the internal credit position of the market, and the amount of securities held by the Federal Reserve banks has not changed since the dollar was devalued at the beginning of 1934. It will be seen from the following table that \$3,020,000,000 have been added to the gold stock from February 1934 to January 1936 and that member banks' reserve balances have gone up by nearly the same figure, the increase in the money in circulation corresponding approximately to the amount of silver certificates issued.

[In millions of dollars]

U. S. monetary gold stock and related items (Average of daily figures)	Holding of U. S. Govern- ment se- curities	Mone- tary gold stock	Money in circu- lation	Member bank reserve balances	
				Total	Excess
February 1934.....	2, 432	7, 138	5, 339	2, 822	891
January 1936.....	2, 430	10, 158	5, 757	5, 780	3, 021
Changes over the period.....	-2	+3, 020	+418	+2, 958	+2, 130

By a proclamation dated January 10, 1936, the President extended for a further year the life of the Exchange Stabilization Fund and the corresponding powers of the Secretary of the Treasury.

In Belgium likewise an Exchange Equalization Fund was established at the time of the devaluation of the currency in April 1935. Although the belga was devalued at a rate corresponding to a depreciation from the old parity of 28 percent, giving a gold content of 0.150632 grammes fine, the gold reserve of the National Bank was provisionally revalued on the basis of a rate of depreciation of 25 percent. Out of the book profits thus realized 1,125,000,000 Belgian francs were set aside for the Equalization Fund. The value of the currency was however maintained in the ordinary course of business without any special intervention on the part

of the Fund, the National Bank having conformed its operations immediately to the new gold parity. In his address to the shareholders on February 24, 1936, the Governor of the National Bank declared that at the gold points calculated on the new basis the bank had always been and was always ready to buy and sell either gold or gold currencies. The choice between these modalities, he said, was left by the law of October 1926 to the bank. But in both cases the effect was the same: either the bank bought or sold gold to the market, or the bank undertook itself to receive or deliver the metal by a direct transaction with the foreign central bank concerned. On April 1, 1936, the devaluation of the belga by 28 percent was made definitive and the gold revalued on this basis. The Exchange Equalization Fund was wound up and its assets, as well as those realized by the new revaluation of the bank's gold holding, were taken over by the Treasury.

In the summer of 1935 an Exchange Fund of the Dominion Government was instituted in Canada. It was provided with \$63,000,000 out of the profits which the government obtained from the revaluation of the gold holdings at the market value of gold, i. e. circa \$35 per ounce, revaluation being made although the Canadian dollar had not been officially devalued. The Fund bought Dominion bonds from the Bank of Canada and also holds short-term Treasury bills and amounts on deposit at the bank. Future profits or losses on gold held by the Bank of Canada will be credited or debited to the account of the Exchange Fund.

The various exchange funds which have been instituted in recent years thus differ widely both as regards their assets and the functions they perform. As far as can be seen their operations are of a kind that falls properly within the normal field of action of central banks. Such temporary arrangements may be used to provide against exceptional risks or as a method of furnishing extraordinary resources (in the form of securities, balances or gold) for intervention on the markets. Under these arrangements government departments have become connected with the formation of exchange policy in a period of great monetary disturbance; the central banks continue to be the agencies which handle the actual operations on the exchange markets.

At a time when the ordinary currency

legislation is more or less suspended and new situations arise the political authorities become more preoccupied with monetary issues. But once the basic monetary principles shall have been fixed again and a reasonable degree of continuity assured, the temporary circumstances will have ceased which gave rise to the introduction of dual responsibility in these matters.

When in January 1936 the President of the United States extended the life of the Exchange Stabilization Fund for another year, he gave as his reason for doing so that the situation which had called for the establishment of the Fund had become worse and presented conditions of instability for international commerce and exchanges. Although in the re-establishment of de facto exchange stability the last twelve months certainly compare favorably with previous years, it must be admitted that, if account be taken of the extent to which real monetary confidence has been regained, no progress but rather a setback has occurred, the past year being characterized by widespread fears of radical changes in currency values. Symptomatic of the disturbed conditions have been the extensive movements of balances from one country to another and also the wide spreads of forward rates, which register in a very sensitive way the shifting phases of monetary sentiment.

Outstanding among the monetary events of 1935 have been the changes in the currency systems of the silver standard countries, China, Manchukuo and Hong Kong. The Silver Purchase Act of June 1934 declared it to be the policy of the United States to increase the proportion of silver to gold in the monetary stocks of the country with the ultimate objective of having and maintaining one-quarter of the monetary value of such stocks in silver. In pursuance of this policy the U. S. Treasury bought silver in large mounts at rising prices from August 1934 to the spring of 1935, after which the price again declined.

For China the increase in the price of silver meant an appreciation of the national currency at a time when the currencies of other countries, especially those with which China maintained the closest commercial contact, were depreciated. Faced with this situation, the Chinese Government in October 1934 imposed a sliding-scale duty on silver exports to provide a margin of freedom

for exchange management. After some wide initial variations, the duty was maintained within limits of $13\frac{1}{2}$ - $14\frac{1}{2}$ percent; for the following four months (November 1934-February 1935), during which the price of silver was fairly stable, the imposition of this duty kept the "official" exchange rate of the Chinese dollar about 14 percent below the silver parity, while the Shanghai exchange rate (the free rate quoted on the market) was as a rule a few points percent lower. Towards the end of February 1935 the price of silver began to rise and as the duty remained the same the "official" rate moved with the price of silver. The Shanghai exchange rate, which was of importance for current commercial and financial transactions was, however, held fairly stable through intervention by the Chinese Exchange Committee, a government institution acting in close cooperation with the banks. Exports of silver were discouraged by arrangement with the banks and the value of the market rate was in fact almost completely divorced from the price of silver. This phase lasted to October 1935, when there was a sharp decline in the exchange rate on rumors of devaluation.

On November 4, 1935, the Government cut what remained of its link with silver, made the notes of the Central Bank of China, the Bank of China and Bank of Communications legal tender, and charged the Chinese Exchange Committee with the task of managing the exchange rate. Silver, whether in bars or coin, was to be handed over to the Government against payment of the nominal value in notes. A month later, on December 5, Hong Kong adopted a similar policy of a managed inconvertible currency, the rate of the Hong Kong dollar being in fact maintained fairly stable in relation to the Shanghai dollar, with a premium of about 7 percent over the latter. Already earlier in the year the silver basis had been abandoned in Manchukuo, after a period of two years, 1933 and 1934, during which the exchange rate of the yuan had been maintained stable in relation to the Chinese dollar. From the beginning of 1935 the yuan was allowed to depreciate in terms of silver and since September 1935 has been maintained at par with the Japanese yen.

From 1932 to 1934, fifteen to sixteen Chinese dollars had been equal to one pound (which, incidentally, gave the Chinese dollar about the same exchange value as the Swiss

franc). With the rise in the price of silver the Chinese dollar appreciated and in May 1935 about $11\frac{1}{2}$ dollars sufficed to obtain £1. After the change in the system introduced in the late autumn of 1935, the value of the Chinese currency again fell and has since been kept at a rate of about $16\frac{1}{2}$ dollars to £1. If the present value of the Chinese currency is calculated as a percentage of its average value in 1929, the Chinese dollar will be found to have depreciated by 58 percent in terms of gold as compared with a depreciation of 40 percent of the British pound and the United States dollar and a depreciation of $65\frac{1}{2}$ percent of the Japanese yen—the three currencies with which Chinese foreign trade is mostly concerned.

At the time of writing it is not clear to what extent the new monetary arrangement adopted in China in the autumn of 1935 has really been made effective in the management of the exchange rate and in the internal organization. The problems connected with the organization of a central bank equipped to undertake the management of the currency, to accustom the people to payments in bank-notes instead of in specie, to regulate the internal credit volume and to make the reforms effective over an area inhabited by hundreds of millions of people, are indeed formidable. The first task to engage the attention of the authorities has been to build up a reserve in gold and foreign currencies to serve as a basis for exchange management. In November 1935 an arrangement was made under which the United States Government purchased 50,000,000 ounces of silver directly from China for \$32,500,000, of which \$10,000,000 were taken in gold by the Central Bank of China.

The silver policy of the United States caused dislocation of Eastern exchanges and made China, Hong Kong and Manchukuo give up their age-long link with silver—a venture of which the end has not yet been seen. The American purchases of silver on foreign markets contributed, on the other hand, in a year of exceptionally large movements of funds, to the settlement of the accounts between the United States and the rest of the world. In 1935 net silver imports into the United States had a declared value of \$336,000,000, compared with an export surplus of merchandise (other than silver and gold) amounting to \$235,000,000. In the same year \$1,739,000,000 net in gold

were imported; in 1933 and 1934 there were periods during which the traffic of gold across the Atlantic was more intense than at any time in 1935, but never before has so large an amount moved from Europe to the United States in a single year. This one-way movement was not caused by any disequilibrium in the current account of the balance of payments but constituted transfers of funds made for a number of reasons; part represented the home-taking of funds owned by Americans (e. g. transfer of deposits from foreign to domestic banks); part consisted of money seeking security outside Europe; part went to participate in the rise on the New York stock exchange; and part was transmitted to increase balances with New York banks at a time of trade recovery. These movements, all of them on capital account, have dominated the exchange position and overshadowed the influence of merchandise trade and other items on the income account of the balance of payments which are more closely connected with the relative levels of costs and prices in the different countries.

THE SUPPLY AND MOVEMENTS OF GOLD

In 1935 the world's gold production not only attained a new high figure but the absolute increase in the year was the largest ever recorded; and although the amount released by China, India and Egypt showed a declining tendency (amounting to only half of the peak year of 1932), the combined supply of new gold from current production and the East was slightly higher than in 1934. Again a part of the new gold available was absorbed by fresh private hoarding, for the increase in the gold hoarded by private individuals and firms resident on the continent of Europe was only partially counterbalanced by reductions on other accounts as, for instance, in the amount held in London by American individuals and firms. Large gold losses were sustained by the central banks of France, Holland, Italy and Switzerland. The largest recipient of gold was the Treasury Department of the United States which received an amount not far short of double the year's total production. The gold reserves of the Bank of England and of several other central banks, particularly in the sterling area, were strengthened, and the British Exchange

Equalization Account also added considerably to its holdings.

(1) **The supply of gold.**—Estimates of the world's annual gold production are necessarily somewhat approximate, as complete data are lacking for a number of countries. But one thing is certain, the production of gold continues to rise at a pace more rapid than ever before. Since 1929, i. e. in the course of the past six years, the output of gold has risen by fully 50 percent and by no less than 150 percent if valued in currencies which have depreciated by 40 percent (as e. g. the dollar at the legal price of \$35 per ounce and sterling with a gold price in London of slightly above 140/- per ounce). The following table shows the world's gold production in 1915, the record year before 1932, and each year from 1923 onwards.

Year	South Africa	U. S. A. ¹	Canada	U. S. S. R.	Other countries	Total for the world	
	In thousands of ounces of fine gold						In millions of Swiss francs
1915 ²	9,096	4,888	918	1,546	6,146	22,594	2,420
1923	9,149	2,503	1,233	438	4,463	17,786	1,905
1924	9,575	2,529	1,525	594	4,827	19,050	2,041
1925	9,598	2,412	1,736	693	4,592	19,031	2,039
1926	9,955	2,335	1,754	895	4,430	19,369	2,075
1927	10,122	2,197	1,853	810	4,464	19,446	2,083
1928	10,354	2,233	1,891	899	4,206	19,583	2,098
1929	10,412	2,208	1,928	1,085	4,040	19,673	2,108
1930	10,716	2,286	2,102	1,434	4,184	20,722	2,220
1931	10,378	2,396	2,694	1,701	4,702	22,371	2,397
1932	11,559	2,449	3,044	1,990	5,224	24,266	2,600
1933	11,014	2,537	2,949	2,667	6,347	25,514	2,733
1934	10,480	2,916	2,965	4,263	6,715	27,339	2,929
1935	10,773	3,619	3,280	5,650	7,356	30,678	3,287

¹ Including the Philippines.

² Record year before the years 1932-1935.

Although the Union of South Africa is still by far the most important gold producing area in the world, the South African production has not kept pace with the expansion in other countries. There was even a decline in output in 1933 and again in 1934; a slight recovery in 1935 was not enough to bring the figure back to the 1932 level. But this comparatively even tenor of production does not mean that the gold mining industry in South Africa has stood still, for a marked development has in fact taken place. When the price of gold rose in terms of the South African currency, it became possible to exploit ore of lower grades, particularly large tonnages of ore which had been exposed in previous years but could not be milled profitably

at the price then obtainable for the metal. In its report for 1935 the Union Corporation of South Africa explained that the addition of this low grade ore to the ore reserves justified an increase in milling capacity, but this involved in most cases an extension of reduction works and in some cases the sinking of new shafts—both of which took time.

The immediate effect, therefore, of the increase in the price of gold was a fall in the grade of ore treated and a consequent fall in the production of gold on the Rand. But the Union Corporation estimates that by 1937 the increased capacity of the plant and the bringing into production of new mines will more than offset the reduction in output due to the milling of low grade ore, and that thereafter production in the Union of South Africa should steadily expand and may possibly approach the 15,000,000 ounce mark within the next five or six years.

The marked increase in U. S. S. R. gold production which began in 1928-29 continued in 1935, thus confirming the U.S.S.R.'s position in the second place among the gold producing countries, and recalling the fact that in the first half of the 19th century, before the discoveries in California, Russia was the largest producer of gold in the world. The production in 1935 was seven times as large as in 1927, very great efforts having been made to modernize the technical apparatus and make new discoveries. The Chief of the Soviet Trust concerned with gold production announced that the gold industry was the first to complete its program under the Five Year Plan. He also estimated that by 1940 U. S. S. R. production would reach the present level of the Union of South Africa, i. e. between 10,000,000 and 11,000,000 ounces, equal in value to about 1,200,000,000 Swiss francs.

Both in the United States and in Canada gold production has advanced well in the course of the year; in the latter country the Government successfully carried out a program of geological research in the regions where it was expected to find gold. The number of Canadian gold mining enterprises rose from 32 at the end of 1931 to 155 in 1935 and their daily operating capacity from 16,000 to 29,000 tons of ore. It is not so much large mining concerns as a number of small proprietors that have played a preponderating part in the expansion of production.

With the exception of Colombia, the output of gold seems to have been maintained or increased all round during the year. The increase certainly helped the producing countries in the promotion of domestic recovery and in meeting foreign liabilities; it had, however, a beneficial effect also in a more general way, for it meant a strengthening of the purchasing power of the world available especially for purchases on foreign markets and thus tended to facilitate expansion of trade.

There was a decline in 1935 in the amount of gold provided by the East from the release of hoards. Shipments from India were still important, but very little came from China either directly or smuggled by way of Hong Kong. Even a reversal of the current set in at the end of the year when the Chinese Government obtained \$10,000,000 in gold from the United States Government as part payment for a sale of silver. India's exports will presumably continue to decline and the country might become a purchaser of gold if economic conditions showed a decided improvement. The following table shows the net gold exports from India, China and Hong Kong in the period 1931 to 1935.

[In millions of Swiss francs]

Net gold exports	India	China	Hong Kong	Total
1931.....	477	54	63	594
1932.....	1,014	118	59	1,191
1933.....	653	74	100	827
1934.....	706	54	68	828
1935.....	495	43	34	572
Total.....	3,345	343	324	4,012

The increase which took place in the production of gold during 1935 was just sufficient to counterbalance the decline in the shipments from the East, with the result that Sw. frs. 3,860,000,000 of new gold, rather more than in 1934, became available to meet the demand for monetary and other purposes.

In Italy large collections of gold were made in the late autumn of 1935, the public being actuated by patriotic motives; but the amount obtained has not been published and could barely have been available for monetary uses at the end of 1935.

It has not been necessary in recent years, prior to 1935, to make allowance for industrial requirements, for these have been more

than met by the recovery of old gold from the public. In some countries, notably Great Britain, it would appear that in 1935 also the amount of old gold available has been sufficient to supply the needs of industry but it is known that, for instance in France and a number of other countries, this has not been the case. On balance there would seem to have been a net consumption of gold in industry which may be tentatively estimated at about Sw. frs. 160,000,000, representing about 5 percent of current gold production. If the net amount of gold consumed by industry be deducted from the supply of new gold from the mines and the East, there remains a net amount of approximately Sw. frs. 3,700,000,000 available for monetary purposes.

Where has this gold gone? About Sw. frs. 1,700,000,000 represent a net increase in the aggregate reported gold holdings of banks of issue and governments. As to the destination of the remainder, amounting to Sw. frs. 2,000,000,000, no exact information is available, but it is possible to give at least some indication of the main direction this gold has taken, whether it has gone to swell private hoards or been absorbed into the stocks of exchange funds, or found its way into the gold holdings which several central banks maintain outside their reported reserves.

As regards hoarding, the year has been characterized by a number of diverse movements. There have been certain notable reductions in the amounts held in hoards. When the Swiss market became exposed to an acute strain of foreign withdrawals in the spring of 1935, the private banks employed gold in their possession to procure liquid funds. Americans who particularly in 1933 had acquired gold in London and elsewhere sold a large part of this gold in the course of 1935 and repatriated the proceeds, actuated partly by fears of conflicts between European powers, partly by a growing belief in the stability of the dollar and by a desire to invest their capital in securities on the American stock exchanges to profit by the rising quotations. Furthermore, large international trading concerns which had begun to keep a substantial part of their cash in gold or to hold gold as a counterpart to commercial transactions as an insurance against losses, seem to have kept less actual gold and dealt more in currencies, taking advantage of the greater de facto

exchange stability during the past year. But against these reductions must be set the continued increase in hoarding by individuals and firms resident on the continent of Europe. On balance there was undoubtedly a net increase in the total amount of gold privately hoarded, but the increase was probably lower than in any of the previous four years. (There has, however, been an intensification of private hoarding in the first quarter of 1936, but this period cannot yet be fully reviewed.)

A certain amount of gold would also appear to have been taken by central banks and kept outside their statutory gold reserves, being included for instance in the foreign exchange holdings or "miscellaneous assets." A large part of the Sw. frs. 2,000,000,000 in gold mentioned above has, however, been acquired by the special exchange funds. The gold held by these funds must of course be said to serve a monetary purpose for it is specifically employed to provide for intervention on the markets with a view to ironing out fluctuations in the exchange and is thus available for the settlement of foreign balances. The British Exchange Equalization Account in particular has added considerably to its gold holdings during the year, while the foreign liabilities of the London market have also risen though not in the same proportion.

Taking all these factors into consideration it appears probable that the total monetary gold stock (including the exchange funds) increased by about 5 percent during the year. And the total gold production of the year increased by 12 percent. These are very rapid rates of increase and, as has been mentioned above, further rises in output are expected within the next few years both in South Africa and in the U.S.S.R. What effect this mounting gold production may have on prices is a question already widely discussed. There are a number of indications which all appear to point in the same direction. Firstly, the slowing down of the annual increase in population in many countries which began during the war is now affecting the active population, persons above sixteen years of age. Secondly, a policy of cheap and plentiful credits is being applied wherever possible and it is foreseen that where interest rates have not yet fallen reductions will be made as soon as market conditions permit. Thirdly, a great many governments are spending for armaments

and other purposes more than they can well afford. Fourthly, the starting point for a rise in prices, the present price level as calculated on a gold basis, is particularly low in Great Britain, the United States and other countries of which the currencies have depreciated. In spite of the upward tendency of prices in 1935 the level when measured on a gold basis still remains well below the lowest point ever reached from 1800 to 1930. Assuming that about the present price of gold in sterling and the present gold value of the dollar are retained, there is a likelihood of a continued rise in commodity prices on the British and American markets. Such a rise will no doubt tend to facilitate a general return to equilibrium in the near future and should be welcomed from this point of view. But developments need watching, for a marked rise in prices is not an unmixed blessing but brings its own dangers and difficulties.

(2) **The flow of gold between monetary centers.**—Apart from the distribution of new gold from current production and the East, the outstanding movement during 1935 was the very substantial loss of gold sustained by the central banks in France, Holland and Switzerland. For France this loss contrasts sharply with the large inflow which occurred in the previous year when the Bank of France was, after the United States Treasury, the biggest recipient of gold. Indeed, the various changes in the direction of the gold current to and from the gold bloc countries in the period 1931 to 1935 clearly illustrate some of the main forces which in that period influenced the transfer of funds from one market to another.

Gold reserves (in millions)	Bank of France		Nederlandsche Bank		Swiss National Bank	
	Total	Yearly change	Total	Yearly change	Total	Yearly change
	French francs		Guilders		Swiss francs	
End of:						
1930.....	53,578		426		713	
1931.....	68,863	+15,285	887	+461	2,347	+1,634
1932.....	83,017	+14,154	1,033	+146	2,471	+ 124
1933.....	77,098	- 5,919	922	-111	1,998	- 473
1934.....	82,124	+ 5,026	842	- 80	1,910	- 88
1935.....	66,296	-15,828	643	-199	1,389	- 521

In 1931 and 1932 the central banks of France, Holland and Switzerland gained gold on a very large scale. This was partly

due to the conversions of their own holdings of foreign exchange into gold; at the same time, the private banks of these countries called for repayment outstanding credits which had previously been granted abroad; moreover, floating funds in search of security were attracted to the countries whose currencies remained on gold and were backed by particularly large monetary reserves. With regard to this last factor there was, however, a change of sentiment in the summer of 1933 caused by the clash of opinions at the Monetary and Economic Conference held in London, and in the autumn by a number of concurrent events, including the inauguration of the gold buying policy in the United States, budgetary difficulties in France and pronounced weakness of sterling. Foreign funds which had been invested in the markets of the gold bloc countries were withdrawn and their central banks sustained losses of gold reserves. In 1934, on the other hand, the Paris market saw a reversal of the current; the French public began to bring home funds which had in some cases been held abroad for years, and this repatriation was at times on a very large scale. The Bank of France gained gold, but both the Nederlandsche Bank and the Swiss National Bank lost on balance, although the amounts were inconsiderable. But in the following year, 1935, the strain on the gold bloc countries became very acute, first after the devaluation of the belga on April 1 and again in the summer and late autumn. As far as the Swiss market was concerned, the outflow was largely the result of withdrawals by foreigners who in previous years had made investments in Swiss securities or kept money on deposit in Swiss banks, but the foreign balances withdrawn from the French and Dutch markets were not of a magnitude to explain the outward movement of funds; in fact in both these cases the main movement was the result of an export of home capital by nationals. Throughout the period since 1930 the gold movements to and from France, Holland and Switzerland have been almost entirely due to capital movements and not to any considerable surplus or deficit in the current account of the balances of payments.

Poland, which until April 1936 remained one of the few countries whose currency was maintained at the gold parity without legal exchange restrictions, also felt the strain in

1935 as is evidenced by the net export of gold. The Annual Report of the Bank Polski for 1935 explains that the reduction in the gold reserves from 503,000,000 to 444,000,000 zlotys in the course of the year was partly due to hoarding of gold coins internally in the early summer and again in the autumn, and partly to a shrinkage in the export surplus (from Zl. 177,000,000 in 1934 to 66,000,000 in 1935), which was felt the more as a portion of the amounts due in payment of exports was immobilized in countries with exchange restrictions. The gold reserves of the Banca d'Italia fell from 5,811,000,000 lire at the end of 1934 to 3,027,000,000 lire at the end of 1935, the bank having to provide foreign exchange for payments largely connected with the military campaign in Africa. It should be explained that the gold collected from the public in the late autumn is not incorporated in the holdings of the Banca d'Italia but is maintained in a separate fund under the ownership of the Minister of Finance.

The gold reserves of the Reichsbank throughout the year remained at the low level of less than RM 100,000,000 which had been reached in the course of 1934. After a slight improvement in the summer of 1935, the reserves again dropped in the autumn, the net change over the year being insignificant. The Reichsbank explains in its Annual Report that in the circumstances no alleviation in exchange control could be made, but that it was necessary strictly to adhere to the principles of the "New Plan," according to which allocations of foreign exchange would be made only to the extent that exchange became available. By strict control the total imports into Germany were reduced from RM 4,451,000,000 in 1934 to 4,159,000,000 in 1935 and, as at the same time exports rose from RM 4,167,000,000 to 4,270,000,000, the import surplus of RM 284,000,000 in 1934 was converted into an export surplus of RM 111,000,000 in 1935. These figures cannot of course be related directly to the gold and devised position of the country as other items in the balance of payments must be taken into account and no estimate for 1935 has yet been published. It is interesting, however, to analyse the foreign trade figures and information is available to show that in the year 1935 60 percent of German exports passed through clearing accounts. Any export surplus in

favor of Germany on these clearing accounts is not in most cases freely available. Further, 20 percent of German exports was offset through private clearings or by so-called ASKI-transactions. Only 20 percent of exports were made for "free devisen" of which one-half was earmarked against standstill and other interest payments, so that only 10 percent remained to meet import surpluses from countries with which no clearing existed and to cover amongst other foreign payments the expenses of German official representatives abroad, for example. Now, according to German customs statistics gold imports in 1935 exceeded exports by about RM 100,000,000, while the Reichsbank's gold holding abroad remained practically unchanged. A certain part of this import of gold may have been on foreign account but that part on German account, in so far as it was not used for industrial purposes, is understood to be kept as a special reserve against certain foreign commitments already incurred, particularly those of the "Konversionskasse."

Among other central banks which registered a decline in their gold reserves, Nationalbanken i Kjøbenhavn utilized 15,000,000 kroner for the repayment of an outstanding foreign credit and the Bank of Java drew on its reserves to meet foreign obligations; but an improvement set in at the end of the year under the influence of the recovery in the prices of overseas products from which the Dutch East Indies naturally benefited.

The continent of Europe has lagged behind the rest of the world in the recovery of business and particularly in the revival of foreign trade, this retardation being reflected also in the gold statistics. While the central banks in several countries on the continent of Europe suffered a loss of reserves, not one of them, apart from Soviet Russia, was able to add appreciably to its gold stock. Of particular interest are the developments in Belgium. In the first quarter of the year the National Bank of Belgium drew on its gold reserves to provide the exchange required to meet a strong outflow of funds. After the devaluation on April 1, 1935, there was an almost immediate return movement of amounts previously expatriated and an influx of other funds of a more temporary nature. The maximum gold holding was reached in June, since when a slight decline

has occurred, presumably connected with the gradual withdrawal of some foreign-owned balances. At the end of the year the gold reserve, as shown in the balance sheet of the National Bank was only slightly above what it had been at the end of 1934. As to such moderate increases in reserves as have occurred, it should be mentioned that the National Bank of Rumania has acquired some gold from domestic production, and the National Bank of Yugoslavia has also somewhat strengthened its gold holding.

Besides the United States and Great Britain, mentioned below, a number of other countries have appreciably increased their gold holdings: among them are Norway and Sweden, and outside Europe, Japan and South Africa. In 1935 Japan had an export surplus, not large in itself (only 27,000,000 yen) but the first the country has had since the war. As regards South Africa, it should be recalled that in the course of 1934 and the first quarter of 1935 the Reserve Bank had increased its gold stock considerably and reduced its holdings of British Treasury bills. In the remaining three quarters of 1935 no further amounts were added to the gold stocks; on the contrary, a certain reduction took place, but on the year the gold reserve was higher by £3,500,000.

The gold reserves of the United States increased during every month in 1935, the total increase over the year being \$1,887,000,000 or Sw. frs. 5,780,000,000. The magnitude of this figure in relation to current production, recoveries from the East and the aggregate of net gold losses of the Bank of France, the Nederlandsche Bank and the Swiss National Bank, is shown for 1935 by the following comparisons:

	Millions of Swiss francs	
Increase of U. S. gold holdings		5,780
New gold: Current gold production	3,290	
Gold recovered from the East	570	3,860
Aggregate of net gold losses of the Bank of France, the Nederlandsche Bank and the Swiss National Bank . . .		4,160

The United States thus absorbed in 1935 an amount equal to the whole supply of new gold from current production and the East plus nearly half of the aggregate net gold losses of the Bank of France, the Nederlandsche Bank and the Swiss National Bank.

Of the increase in the United States gold reserves \$148,000,000 were obtained from

domestic production, return of coins and similar sources, while \$1,739,000,000 came from net gold imports. In 1935 the United States also imported \$336,000,000 of silver and the net imports of gold and silver together thus amounted to \$2,075,000,000. This extraordinarily large import of precious metals does not reflect any excess amount due to the United States on the current account of the balance of payments; it is especially significant that in recent years imports of merchandise have shown a steady increase:

[In millions of dollars]

U. S. A. foreign commerce	1932	1933	1934	1935
Imports of merchandise.....	1,323	1,450	1,655	2,04
Exports of merchandise.....	1,611	1,675	2,133	2,282
Export surplus.....	288	225	478	235
Net imports (+) or exports (-) of gold.....	-446	-173	+1,134	+1,739
Net imports of silver.....	+ 6	+ 41	+ 86	+ 336

Recent estimates of the balance of payments tend to show that the remaining export surplus and the income receipts from foreign investments are more than counterbalanced by tourist expenditure abroad, immigrants' remittances and freight payments to foreign vessels. The import of gold and silver in 1935 appears to result solely from movements on capital account. These movements, to which reference has been made in other parts of this report, include the repatriation of American funds from Germany (e. g. under Standstill agreements) and from London and Paris; the increase of European balances in American banks; and the transfer of large amounts for investment in the New York stock market.

In Great Britain the gold reserves of the Bank of England, which are valued at the old parity, increased during the year by £7,800,000, which at the present value of sterling corresponds to about £13,000,000. It can be concluded, however, that in addition the Exchange Equalization Account increased its gold holdings by an appreciable amount. Net imports of gold into Great Britain in 1935 had a value of £70,000,000 at the current gold price. The Board of Trade in its carefully worded comment on this figure explained that "as in the two previous years the net inward movement of gold during 1935 was no doubt again due

in part to gold being sent to this country and held here on foreign account though perhaps not to the same extent as in 1933 and 1934." An increasing proportion of the net imports has thus been available for purchases on British account, i. e. for the Bank of England and the Exchange Equalization Account. It is of interest to relate this conclusion to the world figure, already given above, of the amount of gold which "disappeared" in 1935. The total supply of gold from current production and the East was Sw. frs. 3,860,000,000, and if industrial requirements of about Sw. frs. 160,000,000 be deducted there remain Sw. frs. 3,700,000,000. Now the reported reserves of banks of issue and governments increased by Sw. frs. 1,700,000,000, leaving an amount of Sw. frs. 2,000,000,000 or about £130,000,000 sterling to be accounted for in other ways. Part of this gold, as has been explained above, was absorbed by fresh private hoarding, and part went into the holdings of central banks outside reported reserves, but a large amount must have been taken by government exchange funds and especially the British Exchange Equalization Account.

The increase in the reserves of the British monetary authorities are the net result of a number of diverse movements. There was, on the one hand, a surplus on the current account of the balance of payments estimated by the Board of Trade at £37,000,000, and a further surplus of something like the same amount derived from the repayments on foreign loans over and above new foreign issues; against this must be set, however, an amount not known exactly but evidently fairly substantial, representing private investments abroad, particularly in American securities. In relation to the United States there was further a transfer of balances to the New York market; but this decrease in foreign liabilities was more than counterbalanced by an increase in the amount of funds held in London by countries of the sterling area and the continent of Europe. Although a certain proportion of the continental funds went to reduce sterling liabilities rather than accumulate sterling assets, there would seem to have been on balance a net increase in the foreign liabilities of the London market, but this increase would appear to have been well within the additions to the gold stocks of the Bank of England and the Exchange Equalization Account.

Over the year the foreign liabilities thus rose to a certain extent in London and considerably in New York, but the increases in the gold reserves of these two centers were more than sufficient to take care of the new foreign commitments. Movements on capital account continue to overshadow the international transactions arising out of merchandise trade, interest payments and similar items. In 1935 only a minor part of the capital movements was caused by transfers of funds already held abroad; the most important movement represented an expatriation of home capital: British, French, Dutch, Swiss and other European investors bought American securities and further transfers were also made from the continent to London. In the course of the first quarter of 1936 the active buying of securities in New York for European account diminished, but the strain on the French market caused by the outflow of funds continued unabated. Obviously movements of capital funds are difficult to foresee as they depend not only on financial and economic considerations but are largely influenced by the psychological disposition of the owners of the capital. An important point to retain is that only in the case of a few countries has disequilibrium on the current account of the balance of payments given rise to extraordinary shipments of gold. Should the movement of capital funds slow down, the effect would be felt as a distinct relief from the tension still affecting the gold position. Indeed, the current supply of gold from the mines is already so large and holds out such a prospect of further increases, that within a short time the world may be faced, not with scarcity but with an abundance of gold greater than has ever before been experienced.

The amount of gold "earmarked" for the account of central banks does not appear in the balance sheet of the Bank for International Settlements. At March 31, 1936, it totalled the equivalent of 268,000,000 Swiss francs; at March 31, 1935, the corresponding figure was 272,000,000. But here again a comparison between the two figures gives no indication of the volume of the transactions registered during the past financial year. In point of fact the amount of gold held in this form during the year was, on an average, 30 percent greater than that held during the preceding year; at a certain moment the figure for deposits of this nature

even exceeded 300,000,000 Swiss francs, this being the highest figure ever recorded under this heading. These deposits, like the bank's gold holdings for its own account, are distributed over five or six different markets, and this often makes it possible to dispense with the actual shipment of gold when the depositor central banks wish to move their deposits from one market to another. In such circumstances physical shipment can frequently be avoided when we have received an order from another central bank for a shipment in the opposite direction, providing an offset for the amount in question. If no such order has been received and we cannot immediately procure one, the shipment of gold can be avoided wholly or in part by the use of the metallic reserves of the Bank itself, which then effects the offset for its own account.

In this connection it may be said that our operations in gold have developed in a more or less logical manner. The progressive abandonment of the application of the gold exchange standard and the parallel reduction of the foreign exchange reserves of central banks have led to the practice of voluntary or automatic intervention by the latter, in the form of purchases, sales and transfers of gold on the various markets, for the purpose of defending their exchanges or regulating their money markets.

The Bank for International Settlements was formerly the center in which a certain volume of the foreign exchange reserves in question was administered and employed for intervention purposes. It is therefore only natural that it should now be called upon to effect in gold operations which the central banks previously entrusted to it in foreign exchange.

The large number of orders received for operations in gold has made it easier to find the counter-parties required by our correspondents. The greater advantages which we have thus been able to offer them have led to an increasing recourse to our services and this has enabled us, in our turn, to extend our facilities in a more regular manner and on more favorable terms.

INTERNATIONAL SHORT-TERM INDEBTEDNESS

The enormous reduction in the gold value of international short-term indebtedness effected through repayments and consolida-

tions as well as by depreciation of currencies in which the debts were due was shown by the estimates made at the Bank for International Settlements and published in earlier reports: the aggregate of international indebtedness with maturity of not more than twelve months of European countries and the United States was given at the equivalent of 70,000,000,000 Swiss francs at the end of 1930 and was estimated to have been reduced to 32,000,000,000 Swiss francs in 1933 and around 29,000,000,000 to 30,000,000,000 Swiss francs at the end of 1934. In the course of 1935 European debtor countries continued to liquidate outstanding liabilities and substantial amounts which had been held on deposit, particularly in English and French banks, were withdrawn by Americans but, on the other hand, foreign deposits in American banks rose considerably while the total of foreign deposits in London also increased somewhat. Fuller information has been made available to the Bank for International Settlements in 1935 than in earlier years, but comparable figures show that on balance there would appear to have been little change in the aggregate volume of short-term foreign debts outstanding in the world, although the frozen position was, perhaps, somewhat reduced.

It must be remembered that an estimate made at a particular moment of a total in fact continually changing in size and composition is in the nature of a snapshot which gives little idea of the movement or rate of turnover, important as a barometer of current business activity and an essential factor from the monetary point of view. (It appears that only in Finland are turnover statistics available of the banks' accounts with foreign correspondents and of foreign bills.)

Further, it is important to bear in mind that the above estimates cover commitments of a very heterogeneous character, including the following classes of funds: i) Merchandise credits represented most typically by bills of exchange and reimbursement credits. In normal times this would constitute the bulk of short-term international financing, fluctuating in volume according to the trend of world affairs. ii) Contractual credits generally represented by some document. These are short-term "credits" in the strict sense of the word, being as a rule granted for a certain period as between banks or other institutions; the turnover

of this class is now low since the imposition of standstill agreements and foreign exchange restrictions, the total being subject generally to a slow contraction as very little new lending of this nature is undertaken. iii) Liabilities resulting from a deposit or similar transactions and often represented by a mere book entry. They include all those deposits and short-term employments made for one reason or another largely in the important money markets which as a counterpart become debtors at short term. This class differs from that mentioned under (ii) largely on account of the initiative in the creation of the debt and raises the technical differences between a credit and a deposit. This latter class has in recent years been subject to rapid changes of volume and turnover.

In addition to the transfers of funds falling within these three categories, large movements of capital may occur in connection with transactions in long-term securities. Foreign holdings of bonds and shares represent for the market concerned potentially a short-term liability about which it is difficult to obtain adequate information. The outstanding feature of international capital movements since January 1934, when the new gold value of the dollar was fixed, has been a persistent flow of funds to the United States: American capital has been repatriated (both funds lent to Europe in the post-war decade and funds transferred abroad in 1933 while uncertainty about the dollar prevailed) and more recently European funds have been sent to the United States partly for employment on Wall Street and partly to build up new balances. Although a large turnover in the short-term and foreign exchange markets has been evident and the consequent flow of gold to the United States has been a striking manifestation of this phenomenon, the movement has been only partly visible in the statistics of short-term funds covering the various national markets. The explanation is largely that funds which have moved through the short-term and foreign exchange markets have been employed to a great extent in long-term investments at each end of the chain. Nevertheless, it is of interest to follow this movement in so far as it is revealed in short-term statistics, especially as weekly statistics are now published covering over 90 percent of the foreign deposits with all member banks of the

Federal Reserve System. As explained in the Federal Reserve Bulletin: "Statistics collected have been revised from time to time in response to new needs or changes in economic conditions and all new information of substantial accuracy and of public interest has been made available to the public."

Using the published statistics of the member banks and figures of foreign bank deposits and contingent liabilities on bills purchased for foreign correspondents of the Federal Reserve banks, figures have been compiled to give a general idea of the movements of short-term foreign funds in the American market since the end of 1928; the volume thus obtained varies from 30 to 50 percent of the total foreign short-term liabilities of the United States according to the yearly data of the Department of Commerce.

The importance of the amounts previously held by foreign central banks on the New York market may be indicated by the fact that in the middle of 1929 the acceptances purchased by the Federal Reserve banks for foreign correspondents rose above 40 percent of the total acceptances outstanding in the market. This position has in recent years been almost completely liquidated, central banks having either converted their dollar holdings into gold or used them in the defense of their currencies.

The reduction in the short-term foreign assets which were built up in the post-war decade continued until the end of 1932; after an interruption in the next two years the trend was resumed in 1935. On the liabilities side the withdrawal of money held in New York by foreign individuals and institutions went on at a rapid pace up to 1933; in the following year a return movement began and during the year 1935 foreign funds in American banks doubled in volume and reached the highest level since the spring of 1932. This increase of foreign funds in New York appears to consist not only of resources of European banks and private concerns but also to include a certain amount of flight capital. It is difficult to form an opinion of the volume of European funds which has gone into the New York stock exchange, but there can be little doubt that this has been considerable, especially during the past year.

London has in some respects been exposed to the same forces as the American market; for example, central banks on the continent of Europe generally disposed after 1931 of the sterling assets which they previously held. But the position of the London market as the financial center of a number of countries within and outside the British Commonwealth of Nations made it subject to special influences which showed their effect both before and after the 1931 crisis.

The reduction in central sterling resources from over £100,000,000 at the end of 1928 to under £40,000,000 in the autumn of 1931 gives one reason for the strain on sterling experienced during the years prior to the suspension of the gold standard and shows how London, as the financial center of a group of non-industrial countries, stands to feel directly the strain of a decline in the prices of primary products in countries separated from it by thousands of miles. Yet this picture does not tell the whole story, for amongst other factors in the three years up to the middle of 1931 Australia borrowed almost £40,000,000 at short-term in London, while India raised nearly £30,000,000 of new money in the same year. Since 1931 there has been a rapid accumulation of central sterling resources to a level higher than at the peak of 1928. It should be noted, however, that commercial banks in general tend to hold less surplus sterling than in earlier years and to sell balances to the central bank as they arise. Further, special factors must be taken into account when judging the position of each of these countries: India has been able to pay off part of its maturing London debt out of accumulating balances; South Africa has similarly repaid the whole of its so-called war debt and has recently replaced part of its sterling holding, which had swollen to abnormal proportions early in 1934, by gold; Australian London funds were alimanted by sales of gold but, on the other hand, the whole of the short-term debt has been repurchased by the Commonwealth Bank and is now held in addition to sterling (if gold and the sterling holdings of the trading banks be also taken into account, the international reserves of Australia are at present only half of the level of 1928-1929).

Similar movements of funds are shown by other countries of the sterling area. For example, the Sveriges Riksbank, besides in-

creasing its gold holding, has accumulated some £30,000,000 since the spring of 1932, while the Reserve Bank and trading banks of New Zealand held at the end of 1935 over £30,000,000 of sterling resources (whereas in 1931 the country was borrowing in London to cover maturing liabilities). Seen from the London point of view, these accumulations represent an increase in the commitments of the market towards sterling area countries. At the present time short-term resources of the sterling area in London constitute a great proportion of the short-term foreign liabilities of that market.

During the year 1935 the flight of European capital went largely through London en route for New York, sterling being a sort of conduit pipe through which these funds passed; but part of the capital remained in London, continental countries increased their bank balances, bought securities on the stock exchange and repaid sterling liabilities e. g. on commercial account. On the other hand, American funds invested in London and moneys previously held on deposit and in gold moved towards the United States. As a whole, outside the sterling area for which London is the natural center, the foreign short-term assets held in the market did not greatly increase in 1935. But during the first quarter of 1936 there was a large flow of continental funds to England, only a minor stream passing on to the United States; the foreign short-term liabilities of the London market thus rose rather steeply but the increase was fully covered by an addition of corresponding assets in gold or foreign claims.

The position of the northern European members of the sterling area developed favorably during 1935. Thanks to a succession of years with an active merchandise balance (which closely determines the balance of payments), Finland was able to make substantial repayments of her foreign liabilities, both at short and long term, and by the end of 1933 became for the first time a creditor on net foreign short-term account. During 1935, however, foreign short-term assets were reduced by 250,000,000 Finnish marks in spite of an export surplus of 860,000,000 Finnish marks; the explanation lies in the fact that besides a gold purchase of some 300,000,000 Finnish marks made by the central bank, 870,000,000 Finnish marks of long-term bonds issued abroad were repat-

riated or redeemed. The current account of the Swedish balance of payments has yielded a surplus since 1932, and in addition fairly substantial amounts of Swedish foreign investments have been liquidated and the proceeds brought home. In 1935 the Sveriges Riksbank purchased gold for about Kr. 100,000,000, but nevertheless its net claims abroad rose by Kr. 76,000,000 to a total of Kr. 629,000,000 (after touching Kr. 657,000,000 in September—the highest figure ever reached), while the net position of the Swedish private banks remained practically unchanged according to the official statistics. In Norway also the net foreign position of the joint stock banks shows little change on the year, but the foreign exchange holding of the Norges Bank has risen from Kr. 57,000,000 to Kr. 112,000,000, the portion "provisionally placed in gold" increasing from Kr. 16,000,000 to Kr. 66,000,000. For Denmark the year has been more troubled. In the autumn a certain farming organization called a "valuta" strike, which by increasing the credit to English importers from the usual 10 days to 3 months would have deprived the Nationalbank of the normal influx of foreign exchange from exports for some 2½ months and thus, it was hoped, force a further depreciation of the currency. But the Nationalbank took precautions, inter alia raising the discount rate from 2½ to 3½ percent, and the strike in fact broke down almost before it had started. Confidence in the stability of the krone was strengthened and a simultaneous recovery in the price of Danish export products helped to create a further improvement. In August the Nationalbank sold Kr. 15,000,000 gold, using the proceeds to repay a Swiss credit of Sw. frs. 20,000,000 which had been outstanding since 1932.

The countries of the gold bloc suffered a succession of extraordinary movements of funds during the year. The efflux of capital from Belgium reached its climax in March 1935 without, however, seriously affecting the position of the National Bank. After devaluation of the currency on April 1 (due to economic and political considerations of a general nature), a reverse movement of both national and foreign capital attained considerable proportions and contributed to the strengthening of the position of the commercial banks. This inward movement continued until June, after which some reflux occurred, insufficient, however, to reduce the

central bank's ratio. At the end of the year net foreign short-term liabilities of the banks were about 1,900,000,000 Belgian francs (compared with the National Bank's gold holding of over 17,000,000,000.)

In April and May 1935 the storm shifted over Switzerland, Holland and France and returned at intervals throughout the year, particularly in July, September (Holland) and November (France). The incidents may be illustrated by the following table which gives the gold losses (—) or gains (+) of the central banks each quarter from January 1935 to March 1936:

[In millions of Swiss francs]

Quarterly movements of central gold reserves	1935				1936
	First	Second	Third	Fourth	First
France.....	+104	-2,359	+190	-1,155	-476
Holland.....	-130	-253	-254	+224	+146
Switzerland.....	-197	+517	+177	+16	+120
Belgium.....	-210	+313	-84	+1	-125
Total.....	-433	-2,816	+29	-914	-335
Italy.....	+4	-64	-365	-334	-----
Total.....	-429	-2,880	-336	-1,248	-----

The movements were characterized by their concentrated intensity: in April 1935 the Swiss National Bank lost Sw. frs. 350,000,000, one-fifth of its gold reserve; in May the Bank of France lost Frs. 9,000,000,000 of its gold holdings and again nearly 6,000,000,000 in November; the Nederlandsche Bank lost one-fifth of its gold reserve in a single week in July and the cover ratio fell 13 points. The Governor of the Bank of France at the Annual Meeting of the Bank in January 1936 said: "The wide spread of the forward rate discloses the existence of speculative positions which have not yet been definitely liquidated in spite of repeated setbacks. It would be vain, however, to attribute to this single cause the adverse tendencies which have been manifest on the exchange market. In fact, they result principally from a movement of export of capital which, particularly in November, was encouraged by a recovery of security values in the United States. Foreign deposits on the Paris market play too insignificant a rôle for their withdrawal sufficiently to explain these transfers of funds. In reality, more than ever, the fate of the franc is in the hands of the French." During the past year the exodus of capital has gone

further than the mere liquidation of foreign assets in the principal money markets and has affected a deeper layer of funds. From Switzerland the outflow was mainly of moneys which for years had been invested in the country by foreigners; while the capital which went abroad from France and Holland was on the whole the property of nationals. The contraction of the home market due to the export of capital and not the insufficiency of gold reserves which in fact remained adequate, caused the French Treasury in February 1936 to raise a credit of £40,000,000 in London to cover expenditure in francs. The credit was granted at 3 percent, a rate appreciably below that at which the operation could have been concluded in Paris, and appeal was naturally made to the cheapest market.

The gold losses of the Banca d'Italia, which, except for a balance sheet on December 31, 1935, has published no return since October 20, were heavy in the second half of 1935 on account of the repayment of outstanding commercial and other credits and the purchase of further imports for cash.

In 1935 the gold value of the short-term indebtedness of Germany was not, as in previous years, reduced by any further depreciation of sterling and the dollar. The liquidation of the standstill credits, which in the summer of 1931 were the equivalent of some RM 6,300,000,000, has continued through the operation of registered marks.

Although total English credit lines have been reduced the amount utilized has actually increased over the year; Swiss and Dutch availed credits have been reduced by about one-third and French by over a half; American withdrawals were much more moderate than in recent years. Since March 1, 1933, when the registered mark system was inaugurated RM 1,416,000,000 has been withdrawn in this way, of which over 60 percent was for tourist purposes in Germany.

The foreign debts of Hungary have decreased considerably since 1931, owing partly to the depreciation of certain foreign currencies and partly to capital repayments. The short-term debts subject to a Standstill agreement between foreign creditors and their banking debtors have been reduced by more than one-half in the last four years. Repayments on short-term debts have been made by the Hungarian debtors in pengö. Pengö amounts paid on Standstill debts could

be converted into foreign exchange by means of additional exports under the Pengö Transfer Agreement and by way of sale for the purpose of tourist traffic, emigrant remittances and other similar transactions. In relation to certain countries Hungary became a creditor on clearing account and took advantage of this position to offset previous liabilities due to the same countries. Thus a part repayment on the \$5,000,000 credit granted by the Reichsbank in 1931 was made during the year and at the beginning of 1936 the settlement of a previous credit was arranged with the Banca d'Italia.

The lapsing of the Austrian Standstill agreement was recorded in last year's Annual Report. Early in 1936 a final settlement of the Credit Anstalt debts, which were provided for by an agreement outside the Standstill, was concluded whereby the creditors agreed to receive in full settlement of their "live claims" of 215,000,000 schillings an immediate cash payment of 60,000,000 schillings and a further 40,000,000 schillings spread in instalments over 20 years. Of the 60,000,000 schillings required in foreign exchange, the National Bank provided 38,800,000 schillings from its reserve, 12,000,000 schillings were received from the Credit Anstalt and the remaining 9,200,000 schillings were covered by special settlements with individual live claim creditors. The immediate payment of so large an instalment in foreign exchange was possible owing to the favorable development of the position of the National Bank whose exchange holding had increased from 35,000,000 schillings to 112,000,000 schillings during 1935.

U.S.S.R. short-term indebtedness which reached considerable proportions in 1930 became almost extinct during 1935 with the repayment of short-term German credits. In April 1935 a new trade agreement was signed with Germany, but the RM 200,000,000 5-year credit granted in this connection was only partly utilized at the end of the year. In 1932, 46 percent of Soviet imports came from Germany but in 1935 only 9 percent.; Soviet debt repayments to Germany are estimated at only RM 60,000,000 for 1936 against RM 220,000,000 the previous year. The repayment of outstanding foreign credits has been greatly facilitated by the growing gold production. The U.S.S.R. obtained long or middle-term credits from certain countries (Czechoslovakia, Italy,

etc.) during the year but the first place for both imports and exports is now taken by Great Britain.

The accumulation of trade debts has caused difficulties in certain countries, notably Rumania and Spain, arrears amounting in the latter case to some six months' imports, a position which led to the arrangement of a clearing with England where Spain has a large active balance. When commercial debts remain unpaid for a protracted period the exporter is deprived of his working capital and exposed to the risk of currency fluctuations, a situation which has serious repercussions on the volume of international trade. In an increasing number of countries arrangements have been made through a central institution for frozen exporters' assets to be mobilized; in Yugoslavia and Hungary the provision of funds for this purpose has been a factor in the increase of the note circulation.

The movements of short-term funds from one market to another at the time of acute crisis in 1931 were chiefly caused by withdrawals of sums which at an earlier date had been placed on deposit with foreign banks or granted in the form of credits to foreign banks or other institutions. In the past year there also occurred withdrawals of a similar character, Americans in particular repatriating funds that they held on deposit abroad; but in 1935 the bulk of the transfers were of a different character. As a rule no credit transactions were involved, the nature of the movement being a transfer of private investments.

Attention must also be drawn to the effect which may be caused by a re-arrangement of the payment of commitments arising out of the import and export trade. In a number of cases when there was an apparent outflow of balances from a market, it was found that a considerable part of the pressure resulted from commercial firms covering their foreign commitments in advance or allowing maturing claims in foreign currencies to remain abroad for the time being. There may be a certain semi-speculative element involved in changes of this kind, but to a large extent it is natural for the commercial community to be prompted by the legitimate desire to avoid losses which might arise in the event of a sudden change in monetary values.

Speculation, in the strict sense of the word, may with borrowed money intensify a movement at any given time, but it can only be

successful in so far as it creates a psychological atmosphere favorable for more important factors to come into play. After a series of discussions at Basel in the spring of 1935 between the governors who take part in the Board meetings of the Bank for International Settlements, central banks of the leading markets in Europe made arrangements with their private banks and other credit institutions with a view to checking the granting of credits for the purpose of speculation in gold or currencies. Particular care was taken that lending in respect of dealings in forward exchange should be restricted as far as possible to commercial or other non-speculative transactions. The restrictions agreed upon have to a large extent been effective in limiting the amount of speculation based on borrowed funds.

This intervention by the central banks has been important not only in so far as it checked speculation of an undesirable character but generally as a measure designed to guard against the dangers arising from sudden movements of funds from one market to another. In view of the importance of the flow of nervous money from a monetary point of view, it may be of interest to set out briefly the measures which may serve as safeguards against a dangerous development:

- (I) Firstly, central banks already keep a stricter watch on borrowing abroad than has been usual in earlier periods. More complete statistics are collected and they are analyzed with increasing knowledge of the problems involved. Typical of the views which are beginning to be held was the statement by Dr. Kienböck, President of the Austrian National Bank (quoted in last year's report) to the effect that Austria would not accept short-term foreign credits except those arising naturally from the import trade. Observance of that rule would exclude a class of credits which might easily render a country's situation highly illiquid.
- (II) Secondly, central banks in creditor countries are also giving these questions increased attention, collecting more complete information and generally watching the position. The arrangements made by a number of cen-

tral banks in the course of 1935 with credit institutions in their markets with a view to withholding advances for speculation in currencies and gold are a sign of the active interest taken in this matter.

- (III) To be able to meet the strain of an outward movement of funds central banks must have at their disposal adequate monetary reserves. The revaluation of the gold holdings in countries with depreciated currencies will automatically increase the gold backing of their markets in relation to actual and potential foreign commitments. Furthermore, the increase in the current gold production (in weight now 50 percent higher than in 1929) provides a larger supply from which the reserves of central banks may be replenished. At the Monetary and Economic Conference held in London in 1933 a resolution was adopted recommending that increased elasticity should be given to central banks' legal cover provisions by the reduction, for instance, of the percentage gold cover to a minimum ratio of not more than 25 percent. It was explained that such a change should not be taken as an excuse for building up a large superstructure of notes and credits, but should be made in order to increase the free reserves of central banks and thereby to strengthen their position. In conformity with this solution, the laws and statutes of several central banks have been amended in such a way as to render the monetary reserves more effective for the purpose of meeting foreign payments. In an emergency the reserves of a central bank may also be strengthened by the granting of credits from other central banks.
- (IV) Any undesirable influence which an outflow or inflow of migrating funds might have on the domestic credit position may be at least reduced by the credit policy which the central bank in the exposed market finds opportune to pursue. In planning their policy the central banks have to distinguish between gold movements which reflect a lack of equilibrium in

the current balance of payments and which should be allowed to have their effect on the credit volume and other movements which are simply the result of a temporary outflow or inflow of funds.

- (V) Finally, it may be pointed out that the danger in 1931 arose not only from an exaggerated use of short-term credits for purposes properly requiring long-term financing but also from the fact that short-term funds were held abroad in excessive amounts and not always in their natural centers. It is evident, for example, that a large volume of sterling area funds in London, although subject to extensive movements over a number of years, is much less subject to sudden and violent waves than a similar volume of European funds. The position in 1930 was due largely to the overgrown foreign exchange standard which is unlikely in the future to assume the same proportions.

The extensive movements of funds in recent years have been caused largely by fears of abrupt changes in currency values. If a stable monetary system were re-established and general confidence restored, it is certain that much less anxiety need be felt with regard to rapidly-moving short-term balances. But even if monetary confidence were restored, say, to the extent found in the years before 1914, the evolution of short-term international indebtedness would still need watching, for important movements may occur other than those caused by fear of depreciation, affecting the liquidity of the money markets and occasionally taxing the reserves of the central banks. In a period of active international lending there may be an interval between the time when a loan is issued and when the funds are drawn upon, and during this interval the volume of short-term funds in the lending market may be swollen beyond normal proportions. Furthermore, a depression affecting a large number of countries may lead to a protracted strain on the monetary center in which these countries keep their monetary reserves. And the large movement of funds to the United States for investment in call loans or securities on the New York stock exchange which

occurred in 1928-1929 is another example of persistent pressure on the exchange situation at a time when there was no monetary unrest. It is thus essential that central banks should continue to collect information regarding international assets and liabilities and that the position as it develops should be studied closely in each national market and also from an international point of view.

THE TREND OF SHORT AND LONG-TERM INTEREST RATES

The downward pressure on short and long-term interest rates which began in the spring of 1932 after the acute phase of the liquidity crisis of the previous summer and autumn had passed, still characterized developments in 1935. Outside Europe the tendency towards cheaper short-term money was continued almost without check. In Europe also the improvement continued in so far as a number of the higher rates were reduced, several central banks quoted the lowest rates recorded since the war or for all time, and some of the low rates have now been in effect for record long periods. But the rates of six European central banks were higher at the end of the year than at the beginning, the banks in each case taking steps to defend their currencies at a time when they were losing gold. As the influence of low short-term money rates has penetrated into the long-term markets a number of important conversions of long-term securities, particularly the obligations of governments and other public authorities, have become possible and were carried through during the year.

If a comparison be made of the relative positions of money rates in different countries it is evident that the significance of the official bank rates varies considerably from country to country. Account must particularly be taken of the structure of the banking system and the absence or presence of some outside market. In France bank rate is the uniform rate applied for discounts throughout the country, whereas, for example, in England actual transactions at bank rate are extremely rare, the rate for seven days' advances (the usual method of accommodating the market) being generally at $\frac{1}{2}$ percent above bank rate. In Sweden, on the other hand, the banks may rediscount at $\frac{1}{2}$ per-

cent below the published rate of $2\frac{1}{2}$ percent. In addition, numerous other rates besides the official discount rate are quoted by central banks: in France *inter alia* for advances for 30 days against government paper with less than two years to run; in Poland there is a special rate for export bills; in Lithuania differential rates are quoted for import bills of exchange and for export and industry; in Latvia credit institutions are able to rediscount at $\frac{1}{2}$ percent below the rate of discount for private entities, etc. In addition, central banks normally quote a rate for three months' advances 1 percent or more above the discount rate, the former rate being to some extent assimilated to the long-term rate of interest as advances tend to be at longer term than discounts and are not self-liquidating in the same way. And in practice the effectiveness of the rates quoted by the central bank at any given time will depend upon the funds in the hands of the banking system and the open market.

Nevertheless, with all these differences in mind, it is believed that the comparisons made in the preceding paragraphs help to give a representative picture of the trend and fluctuations of short-term money rates in the world.

The downward trend of short-term interest rates has continued in the phase of the conjuncture through which the world is at present passing, the interruptions to the main theme which have been experienced in Europe being rather in the nature of episodes which do not in themselves change the more fundamental development. The low rates are a natural result of a drawn out depression characterized by little demand for new funds; the downward readjustment has been assisted in many countries by central bank policy and other interventions. Cheap money has been a necessary preparatory condition for conversions of long-term securities, desirable not only as a means of alleviating the budget but for more general reasons. Although there is still little sign of a general hardening of rates, it should be remembered that a change in credit conditions has in the past often followed a rise in gold production and an increase in government spending (as, for instance, in the twenty years before the great war). It remains essential that central banks preserve their freedom of action in the use of the dis-

count weapon for the maintenance of currency stability and a sound credit position.

For the past four years there has in general been a decided downward trend in long-term yields which has brought the London rate from about 5 to around 3 percent, the New York rate from 4 to 2½-3 percent, while in Berlin the rate fell below 5 percent in 1935 compared with over 12 percent early in 1932. The yield of the 3 percent perpetual rente in Paris stood around 4 percent at the end of 1935—for a year to the spring of 1934 the yield was 4½ percent; the improvement in the spring and late autumn of 1934 which nearly brought the rate down to 3½ percent was interrupted by the disturbing events of 1935.

The conversion of the remaining \$8,200,000,000 Liberty Bonds outstanding in the United States was completed in 1935 with the results shown below:

Conversion of Liberty bonds	Amount	Per cent
Into new bonds.....	\$5,060,000,000	62
Into short-term notes.....	1,890,000,000	23
Cash repayments.....	1,250,000,000	15
Total called.....	8,200,000,000	100

The rates at which bonds and notes have been issued declined throughout the series of operations, the latest conversion offer in October 1935 being of 2¾ percent 10-12 year bonds and 1½ percent 3½-year notes. The completion of these operations leaves (apart from the short-term debt) no further maturities of government bonds within the next five years, the earliest callable issue being a small amount of 3⅜ percent bonds 1940-1943. Most of the government bonds now outstanding mature in more than eight years and many are not callable within ten years.

The yield of all outstanding Treasury bonds of over eight years' maturity fell below 2.6 percent in July 1935, a record for all time. Thus, although in the past five years the total debt of the United States has been nearly doubled, the service charge has risen only 50 percent, being kept down by conversions and by the very low current rate of interest on short-term securities. The following table shows the evolution of the direct Federal government debt of the United States (exclusive of governmental

corporations and credit agencies) arranged according to maturity:

[In thousand million dollars]

Federal Government debt of the United States	Previous highest August 1919	Lowest post-war December 1930	December 1932	December 1934	December 1935
Bonds maturing in over five years.....	17,0	12,1	14,2	13,0	14,7
Short-term debt ¹	9,6	3,9	6,6	15,5	15,8
Gross debt.....	26,6	16,0	20,8	28,5	30,5
Treasury net balance in general fund.....	1,1	0,3	0,2	2,6	2,2
Net debt.....	25,5	15,7	20,6	25,9	28,3

¹ Including matured and other debt payable on presentation and bonds called for repayment or conversion.

At the present time over half of the gross debt of approximately \$30,000,000,000 is due within five years: of the increase of \$14,000,000,000 since 1930, \$12,000,000,000 has been in the form of securities with under five years' maturity. Although no further conversions of bonded debt are possible within the next five years, Treasury operations on a large scale will remain necessary to raise funds for the refunding from time to time of recurring maturities of Treasury notes and bills and for the financing of any government expenditure over and above current revenue. In the middle of March 1936 the United States Treasury offered \$1,250,000,000 of new 2¾ and 1½ percent securities mostly for cash subscription, the largest operations of this type since the war period, in preparation for the payment of the Soldiers' Bonus. The extreme liquidity of the market is shown by the fact that cash applications alone reached \$8,460,000,000.

It has been authoritatively estimated that of the total debt of \$28,700,000,000 outstanding at the end of the fiscal year June 30, 1935, \$15,000,000,000 or 53 percent was held by banks in the United States; of the increase of \$1,650,000,000 during the 1934-1935 fiscal year the banks took over 90 percent. It is probable that 60 percent of the government securities held by member banks of the Federal Reserve System mature within five years.

The year 1935 has seen important issues on public account in Germany for the consolidation of employment creation and other short-term bills outstanding in the market, the total issues and announcements on official account during the year amounting to some RM 2,350,000,000. Early in the year RM

500,000,000 4½ percent Reich 28-year bonds were taken up at 98¼ by the savings banks and Girozentralen. After the mortgage bond and loan conversion in the spring had been accomplished and the capital market had settled down, further consolidations became possible. In the late summer a RM 500,000,000 issue of 10-year 4½ percent Reich Treasury certificates at 98¾ was made to the public, this being the first Reich loan offered for public subscription since 1929. In order to avoid disturbing the money market payments were distributed over a three months' period. It was announced in August that a further RM 500,000,000 of Reich bonds would be taken over by the savings banks on the same terms as the previous issue, the first tranche having been absorbed without difficulty. In addition, the private insurance institutions also invested part of their current revenue in Reich loans, the amount being in the neighborhood of RM 350,000,000 on conditions which have not been published. Further, in December 1935 it was announced that the German railway company was issuing RM 500,000,000 4½ percent 8-year Treasury certificates at 98½, of which RM 400,000,000 were to consolidate short-term debts, the remainder to be used for Reichsbank investments. The total amount to be applied to the consolidation of short-term bills on the market amounts therefore to RM 2,250,000,000. The Reichsbank Annual Report states that in the long-term capital market generally interest has been almost universally reduced to 4½ percent with the result that the annual savings on public and private account amount to some RM 500,000,000.

The savings banks have played an active part in taking up the new issues and it is interesting therefore to show the reconstitution of savings in the German savings banks since the financial crisis of 1931.

The preponderating part of the assets of the savings banks consists of mortgages and, to a much smaller extent, loans to local authorities. Of the total assets of over RM 13,000,000,000 only about RM 1,500,000,000 consists of Reich government securities.

In England the capital market was active during the year 1935, the total issues being £182,000,000 against £161,000,000 in 1934. The present total is only half of the peak year, 1928, but is double the lowest year, 1931. The long-term rate of interest reached

its lowest point in January 1935 when 2½ percent irredeemable consols touched 94, the highest price ever reached by this security, and business was done in 3½ percent War Loan (1952) at 110. The outstanding event of the year was the successful Treasury borrowing early in December when £200,000,000 2½ percent 20/25-year bonds were issued at 96½ and £100,000,000 1 percent 5-year bonds were issued at 98, both amounts being oversubscribed within a few hours. The nominal rates of interest of these two issues are low records in English financial history. About £200,000,000 of the proceeds were applied for the redemption of maturing long-term debt while the balance was applied to retire part of the floating debt.

In France the capital market has been subject to a number of adverse factors. Besides the uncertainty caused in the spring of 1935 by the devaluation of the belga, the Paris market has suffered, as indeed during the past two or three years, from the continuous financing of budget deficits and extraordinary expenditure which have raised the total public debt by Ffcs 64,000,000,000 to Ffcs 340,000,000,000 from the end of 1930 to the end of 1935, while the accumulated deficits of the common fund of the railways, covered by obligations issued by the companies, amounted to Ffcs 19,000,000,000 in the same period. In view of the export and hoarding of French capital Treasury borrowing has been all of short-term character: in the spring of 1936 advantage was taken of the cheaper market rates in London to borrow £40,000,000 for three (or maximum nine) months in sterling.

Among the important measures included in the economy decrees of July 1935, the Laval government cut all government expenditure by 10 percent including interest on rentes, bonds and other obligations of the State. In addition, the decrees provided for the payment by anticipation (after four weeks' notice) of all or any civil or commercial debt contracted before July 17, 1935, and represented by transferable securities. The object of this measure was to allow conversions to be made which might otherwise be held up through the fact that the securities to be converted might not be due for repayment; but the decree does not apply to rentes and other government debt.

Important conversions of internal debt have also taken place in a number of other

countries. In Belgium the first conversion of public debt since 1895 was made during the year. State, municipal and provincial loans amounting to a global total of nearly Bfcs 40,000,000,000 have been converted to a uniform interest level of 4 percent, while further measures concerning the lowering of the interest rate on Bfcs 25,000,000,000 of mortgage credits and the constitution of a central mortgage institution have been put into operation early in January 1936. A Polish government conversion operation applying to Zl. 600,000,000 covered all internal loans (with one or two minor exceptions) floated before 1933 which were consolidated into a 4 percent 45-year loan in January 1936. In Spain and Portugal important internal conversions of government securities have been carried out reducing interest rates roughly from a 6-6½ percent level to 3½-4½ percent. In Czechoslovakia a 10 percent cut of the interest on internal government loans already subject to a 15 percent coupon tax has been made from January 1, 1936, as part of a plan providing for the unification of the government debt and the reduction of interest rates in general.

Capital issues on foreign account show little sign of expansion. In the United States foreign issues in 1935 amounted to nearly \$80,000,000 mostly for Canada, compared with \$10,000,000 in 1934. In March and April 1936 two Norwegian government 4½ percent long-term issues for conversion purposes, together nearly \$50,000,000, were successfully made in New York. In London foreign issues attained only £21,000,000 against £42,000,000 in 1934, in each case about 80 percent being for Empire countries. Refunding and conversion issues on overseas account amounted to £72,000,000 of which £62,000,000 was for the Empire: India, New Zealand and Australia were the chief beneficiaries from conversions; in the case of Australia the eleventh conversion since October 1932 was made in January 1936, bringing the total converted to some £182,000,000 with an annual saving of about £2,500,000. The ban on foreign issues in the London market which dates from 1932 has since been somewhat relaxed with regard to issues for countries in the sterling area and issues calculated to produce direct benefit to British industry. In April 1936 the Chancellor appointed a committee to advise him on par-

ticular applications and, if occasion arises, on the principles which govern the restrictions, although he stated that no radical alteration of the ban was at present contemplated. Stockholm has continued to take up issues by governments in neighboring countries; in particular a Kr. 20,000,000 3½ percent 15-year loan issued at 96½ in January 1936 for account of the Norwegian government was considerably oversubscribed in one hour.

The extraordinary redemption and repatriation of foreign bonds, especially of European and other dollar bonds, has continued during the year under review, particularly in the cases of Belgian and Finnish bonds, but at probably a somewhat slower pace than in recent years. It would also seem as if fairly large amounts of bonds originally issued in the United States had been bought by foreign investors in other than the debtor countries. Of the \$7,500,000,000 nominal foreign dollar bonds outstanding at the end of 1935, it has been estimated¹ that on account of repatriation and resales abroad only \$4,500,000,000 or 60 percent are held in the United States, although information on this subject is very incomplete. To debtor countries with slender monetary reserves and a difficult export position such repatriations are naturally a great strain and in the case of Hungary a decree issued in January 1936 prohibits the importation of Hungarian securities from abroad except with the approval of the National Bank.

If those countries are excepted which stand to each other in a special relationship, as, for instance, the members of the British Empire, the cheap money policy has only in a few instances led to conversions of foreign issues to lower rates of interest. It is true that in cases of transfer difficulties special arrangements have been made to provide for the reduction of rates effectively paid or for the payment of interest by means of new bonds. But these arrangements are only temporary expedients. Concerning the question of concluding more durable agreements, it is of importance to remember that the volume of international long-term indebtedness has, by redemptions and repatriations, been very much reduced in recent years; the international debt position, therefore, begins

¹ Bulletin of Institute of International Finance (of New York) issued early in April, 1936.

to be of more manageable proportions, the total debt outstanding being much below the high figure which was reached when the liquidity crisis of 1931 put an abrupt end to practically all new foreign financing. In this field no recovery is as yet visible; in fact, international business is increasingly being settled on a cash basis. Difficulties are found in judging the credit position of would-be borrowers in foreign countries and in overcoming the obstacles which the many clearing arrangements put in the way of the ordinary working of the credit machinery; the monetary uncertainty also acts as a deterrent to the development of credit connections. De facto maintenance of exchange rates, while of great help to trade, does not seem to provide a sufficient basis for the re-establishment of credit transactions, especially when these are of a long-term character.

RECENT DEVELOPMENTS IN CENTRAL AND COMMERCIAL BANKING

Seven years of depression involving an unprecedented fall in commodity prices, seriously affecting the market value of real assets, and extensive movements of funds in search of liquidity and safety have everywhere submitted the banking structure to severe strains. It is in only relatively few countries that the existing banking organization was so strongly established and maintained such a degree of liquidity that it could pass, if not unscathed at least unassisted, through the crisis. Experience has shown that nowhere have the authorities been able to abstain from intervention if faced with serious difficulties in domestic banking. When a breakdown threatened, measures of immediate relief had often to be improvised and in particular State aid was given to supplement normal credit facilities. But the necessity of attacking the evil at its roots provided the urge for the adoption of reforms designed to strengthen the permanent banking machinery and prevent as far as possible the repetition of errors which recent events revealed.

Some of the temporary measures were clearly required only while exceptional pressure prevailed; others have been incorporated, sometimes in a modified form, in permanent legislation. Executive and legislative action varies naturally from country to

country, but it is possible to recognize some broad categories:

- (I) In the first class may be placed those measures which referred almost exclusively to the powers and working of the central banks' organization. Steps have thus been taken to give greater elasticity to legal cover provisions, to enable the central banks to dispose more fully of their accumulated reserves. Mention of a number of the measures taken to date was made in the last annual report. On May 1, 1935, an amendment to the statutes of the Bank of Danzig reduced the legal minimum of gold and foreign exchange to be held against notes and other demand liabilities from 40 to 30 percent. A decree of January 13, 1936, makes certain changes in the statutes of the National Bank of Bulgaria: the legal minimum cover against the note issue and other demand liabilities is reduced from 33 $\frac{1}{3}$ to 25 percent.; as was the case with the Reichsbank in 1931, the progressive tax and automatic increases of bank rate, envisaged in the statutes when the cover falls below the prescribed percentage, are now abolished. At the annual general meeting of the Bank Polski held on February 20, 1936, a number of modifications in the statutes of the bank were approved by the shareholders, in particular a reduction in the capital of the bank from 150,000,000 to 100,000,000 zlotys; the Zl. 50,000,000 represents the participation made at 150 percent by the State, at the time of the Stabilization Loan, and which the bank will repurchase at the same price of Zl. 75,000,000 by an equivalent reduction of the State debt to the bank.
- (II) In certain other countries changes in the banking structure have been concerned almost exclusively with the commercial banks, leaving unaltered the standing and the current functions of the central bank. That has been the case in Rumania, Switzerland and Belgium, and the same can in the main be said also about the German reforms adopted in the summer of 1935, reforms. The new Belgian legislation

while the new banking laws in Germany and Switzerland were promulgated in the previous year; thus some experience of their working has already been obtained.

- (III) In other countries, notably the United States, the Argentine and Italy, the changes introduced have aimed at a thorough overhauling of the whole credit organization affecting both the central banking institutions and the private banks. In the Argentine the reforms included the creation of a new central bank; in the United States the new Banking Act of 1935 made the most fundamental revision of the Federal Reserve Act since its adoption in 1913; and in Italy the Banca d'Italia was transformed into a bankers' bank, in connection with a reform changing the legal status of the country's major credit institutions.

It would, however, be taking too narrow a view of the recent banking legislation to regard it simply as the product of an emergency situation. In many respects this legislation is the outcome of experience over a number of years, often connected with deep-rooted changes in methods of financing domestic and foreign business; or it reflects currents of ideas which have grown gradually stronger. Typical of the new developments of a longer term trend is the creation of central banks in countries which cannot be said to have experienced any acute credit difficulties during the depression. Besides that in the Argentine, new central banks have been established in New Zealand, Canada and British India, and in several countries some already existing banking organization is either gradually, or by definite legislative act, being transformed into a central bank working on modern lines, by the elimination of private business and concentration upon the task of regulating the credit and currency volume. Information on these developments has been given in previous annual reports of this bank.

For the year 1935 it should be added that on April 1 the new Reserve Bank of India was inaugurated, on which day it took over the control of the Issue department from the Government and the management of the public debt and government accounts from the Imperial Bank; on July 4 the first official

bank rate in the country (of 3½ percent reduced in November to 3 percent) was announced and on July 5 the scheduled banks lodged their statutory deposits. As in the Argentine the creation of a central bank made it possible to clear away the somewhat rigid mechanism of the Conversion Office, so in India the central bank took over the gold (at the old price without revaluation) and sterling assets of the gold standard and paper currency reserves, which previously assured the external and internal convertibility of the currency, £7,500,000 sterling being retained, however, to constitute the new silver redemption fund. The balance-sheet of the bank at the end of the year 1935 shows in the Issue department 4,400,000 rupees of gold and 6,600,000 rupees of sterling against the note issue of 17,200,000 rupees, giving a proportion of 57 percent, while a further 1,700,000 rupees of sterling were held in the banking department.

The various exchange, commercial and indigenous banks of India are subject to no new law except the provisions of the Reserve Bank Act directly affecting them; by section 42 of the act the scheduled banks are bound to maintain a balance with the Reserve Bank of not less than 5 percent of demand liabilities and 2 percent of time liabilities in India; the scheduled banks make returns showing demand and time liabilities and various other assets in India to the Reserve Bank which the bank compiles and publishes weekly as a consolidated statement.

It should also be mentioned with regard to the position of the central banks that legislation has been introduced (and in part already adopted) to provide for the State-ownership of the Nationalbank i Kjøbenhavn (which is to be transformed into the Danmarks Nationalbank), the Reserve Bank of New Zealand and the Bank of Canada. Even though provisions are being made to guarantee a certain measure of autonomy to the central banks, this development is contrary to the principles adopted at the London Conference in 1933 as to the maintenance and strengthening of the independence of central banking organizations. Experience has shown how important it is for monetary authorities to be free from political pressure; but such freedom does not mean that central banks are precluded from collaborating with government departments. Indeed, their position as bankers of the government

makes such collaboration an integral part of their functions.

Both with regard to the magnitude of the emergency measures and the scope of the permanent reorganization, the most important developments are to be found in the United States. It is still too early, however, to draw a definite line between the temporary and the permanent innovations.

Certain emergency measures have definitely served their purpose as, for example, the provisions for the opening of the banks after the banking crisis in the spring of 1933 and the restrictions on dealing in foreign exchange imposed at that time. Other measures apparently also of an emergency character have not been liquidated: the Reconstruction Finance Corporation formed under President Hoover in January 1932, although it was able to reduce its outstanding loans under the original act (sec. 5) during 1935 from \$1,296,000,000 to \$970,000,000, has had further functions added to its sphere of activity, and its total loans, purchases and allocations (including the loans mentioned above) rose from \$4,362,000,000 to \$4,926,000,000 during the year; also President Roosevelt declared in January 1936 that the emergency under which the dollar had been reduced in weight by 40.94 percent continued to exist and he reserved his powers for a further year to alter the gold weight of the dollar within the limits of 40 to 50 percent. But as recovery proceeds temporary measures become of less weight while permanent measures of reform, based on the experience of the emergency and of the past in general, grow in importance. The new Banking Act of 1935 determines and concentrates responsibility for the national credit policy; restrictions which were found hampering in the emergency period are permanently removed; and certain measures, some of which were originally framed to meet the emergency, are made permanent.

The Federal Reserve Board is reconstituted under the name Board of Governors of the Federal Reserve System. From February 1, 1936, the Secretary of the Treasury and the Comptroller of the Currency ceased to be ex-officio members and the Board consists of seven members appointed by the President. The general qualifications and method of selection of the members of the Board remain unchanged but the full term

of office is lengthened from 12 to 14 years, members being ineligible for reappointment. The chairman and vice-chairman are designated by the President for a 4-year period, thus giving these positions a definite tenure.

Open market operations are under the control of a committee consisting of the seven members of the Board of Governors and five representatives of the Federal Reserve banks, an arrangement which gives both the Board and the regional banks representation in the determination of open market policy, and places fixed and unescapable responsibility for the policy on one statutory body. A line of action once adopted by the Open Market Committee, the individual Reserve banks have no authority to decline participation; it becomes the policy of the system. Purchases and sales of United States Government obligations may be made only in the open market (as indeed they have always been in practice). Records must be kept by the Board of all actions of the Open Market Committee and the Board on all questions of policy, and these records showing the action taken, the votes in connection therewith, and the underlying reasons for such actions will be published in the annual report of the Board.

Apart from open market operations, authority over all major instruments of credit control, viz. changes in discount rates, in member bank reserve requirements and margins prescribed for loans on securities, is vested in the Board of Governors. The local autonomy of the Reserve banks is preserved as regards their dealings and relations with the member banks in their respective districts, but the ultimate responsibility for the national credit policy rests on the Board of Governors in Washington. The local Reserve banks must submit to the Board the rates they wish to establish in their districts and these rates cannot become effective without the approval of the Board which, with the Federal Reserve banks, must review the rates at least once every two weeks. The law also clarifies and alters the authority of the Board of Governors to change member bank reserve requirements. Under the Thomas amendment to the Agricultural Relief Act (adopted in 1933) reserve requirements could be changed only when an emergency was declared to exist owing to credit expansion, and then only with the approval of the President of the United States:

changes may now be made by a vote of four members of the Board "in order to prevent injurious credit expansion or contraction," provided that the reserve requirements shall not be reduced below those at present in force nor increased to more than double. The emergency provision from the Glass-Steagall Act of February 1932 authorizing a Reserve bank to make advances to its member banks on any security suitable to the Reserve bank (but not eligible under the old Act) is liberalized and made permanent. These advances, no longer considered exceptional, are to be made at a rate of interest at least one-half of 1 percent higher than the highest discount rate in effect at the Reserve bank in question and the maturity of the advance may not exceed four months. The permanent adoption of these powers constitutes a recognition of the fact that rigid technical provisions with regard to eligibility hampered the Reserve System in a period of crisis and failed to protect the banking system from collapse; it also recognizes that the scope of operations of the member banks has changed and that eligible paper under the old definition forms a decreasing proportion of the assets of the banks.

Besides the reorganization of the Board, administrative changes with regard to the Reserve banks include the creation of the posts of president and vice-president, the chief executive officers, appointed for a term of five years by the local board of directors subject to approval by the Board of Governors in Washington, which thus has an opportunity of approving the Reserve banks' chief executives without impairing the essential regional autonomy of the banks. Under the old law there was no provision for an executive head of the banks although in practice the local boards had selected executive officers and designated them as governors.

Various emergency measures are thus made permanent law but there are others which though important are not included. For example, the Glass-Steagall Act, which was passed in 1932 at a time when the System was under pressure of withdrawals of funds, heavy gold losses and extensive hoarding of notes, authorized the Reserve banks to hold United States Government obligations as supplementary cover for the note issue, thus greatly increasing the "free gold" of the System. Although a similar provision

was included in the original draft of the new law, it was eliminated in the act as passed in 1935 so that the Federal Reserve note issue is still subject to the Federal Reserve Act of 1913 modified for the time being by the Glass-Steagall Amendment which remains in force under Presidential proclamation until March 1937.

The new law makes permanent the Federal Deposit Insurance Corporation, originally created under the Banking Act of 1933. Title I of the new law lays down the conditions for the insurance of deposits up to the amount of \$5,000 for any one depositor, the assessment rate being fixed at one-twelfth of 1 percent per annum on total deposits. This measure makes a step towards the unification of the Federal Reserve System by requiring that all banks with deposits of \$1,000,000 or more must become members of the System by 1942 in order to retain the benefit of deposit insurance. By June 1935 90 percent of the banks in the country were insured, the Corporation's liability covering \$18,000,000,000 out of the \$41,000,000,000 deposits of the insured banks.

The Banking Act of 1935 also includes a number of other measures regarding the banks of the country. The provisions under which national banks are permitted to make real estate loans are liberalized, the percentage of the value a real estate loan may cover being raised from 50 to 60 percent and the term of the loan from 5 to 10 years: real estate loans may be made up to an aggregate amount equal to 100 percent of a bank's unimpaired capital and surplus (previously 25 percent) or 60 percent (previously 50 percent) of time and savings deposits, whichever is greater—previous geographical restrictions are also removed. "The liberalization of real estate provisions" comments the FEDERAL RESERVE BULLETIN "will make it easier for the member banks to participate in the financing of building activity, the resumption of which is an essential factor in recovery . . . The danger for banks is not in making real estate loans as such, but in making poor loans of any kinds. The field of real estate loans offers considerable opportunity for the proper investment of bank funds." Every national bank is required gradually to build up its surplus fund until it equals the amount of its common stock.

The new law contains certain regulations regarding the computation of required re-

erves; in particular member banks are now required to maintain the same reserves against United States government deposits as against other deposits, whereas previously no such reserves were necessary. Other provisions are also made with regard to the payment of deposit and interest, postal savings accounts and interlocking bank directorates.

The new central bank in the Argentine, which opened in May 1935, was created as part of a comprehensive plan for the reorganization of the monetary and banking system of the country: three autonomous bodies, the Conversion Office, the Rediscount Committee and the Amortization Board, and two funds, the Foreign Currencies Fund and the Exchange Profits Fund, were incorporated in the central bank or ceased their functions; the gold reserve taken from the Conversion Office was revalued and the book profit allocated; a new Liquidation Institute was formed to take over the frozen assets of the banks and a law on the banks was put into force.

Under the old law of 1899 the monetary system was very rigid, gold movements producing an automatic effect on the volume of the note circulation, a system of much inconvenience to a country like the Argentine subject to wide fluctuations of the trade balance although, in practice, a number of makeshift measures brought some mitigation. The new central bank under the law of March 28, 1935, has as its first object "to concentrate sufficient reserves to moderate the consequences of fluctuations in exports and investments of foreign capital, on currency, credit and commercial activity, in order to maintain the value of the currency" and the new regulations are designed to give the system the elasticity necessary for such a policy to be carried out.

From 1929 to 1935 the Argentine peso declined to about 46 percent of its old parity and when the central bank took over the gold of the Conversion Office (together with its note liabilities) the gold was revalued on this basis, although the provisions in the law for redemption of notes in gold or foreign exchange were expressly suspended until further decree. The "gold in vaults" shown in the first balance-sheet of the new bank on May 31, 1935, amounted to 1,224,000,000 pesos, the revaluation having produced a profit of 663,000,000 pesos. This profit,

made up to 700,000,000 pesos from other sources, was utilized by the government as to 10,000,000 pesos to provide half of the subscribed capital of the central bank, as to 10,000,000 pesos to constitute the capital of the Liquidation Institute; a further 380,000,000 pesos provided the Institute with the funds to purchase frozen assets from the banks, thus enabling them to reconstitute their cash balances and to comply with the minimum cash reserve; the remaining 300,000,000 pesos was applied as to 150,000,000 pesos to the amortization of the government's direct debt to the Banco de la Nacion, 140,000,000 pesos for repayment of Treasury bills outstanding, while the balance was deposited in the central bank. The floating debt of the government which at the beginning of 1932 stood at 1,200,000,000 pesos had been reduced by consolidations, repayments and the profit on the gold revaluation to 110,000,000 pesos at the end of 1935.

The general banking law stipulates that the private banks must hold cash reserves equal to at least 16 percent of demand deposits and 8 percent of time deposits and two-thirds of these reserves must be concentrated at the central bank (which may, however, temporarily exempt any bank in special circumstances and for short periods). Interest paid by the private banks on demand deposits must be at least 3 percent below the minimum rediscount rate of the central bank and on savings deposits at least 1 percent below the same rate. Certain operations which might affect adversely the liquidity of the banks are prohibited. Each bank is bound to render a confidential monthly return to the central bank which publishes a summary without divulging the details of individual establishments and the central bank is given power to request any further confidential information or amplification of the data given. The banks are also subject to periodical inspection by officers sent from the central bank.

The statutes of the Central Bank of the Argentine Republic give the bank the monopoly of note issue in the country and stipulate that a gold and foreign exchange reserve of at least 25 percent must be held against notes and demand liabilities, while no dividend may be paid if the proportion falls for more than two or three months below 33 percent; foreign exchange may not exceed one-fifth of the total reserve nor

count as to more than 10 percent of the legal proportion. Half of the subscribed capital of 20,000,000 pesos was provided by the banks in the country having a capital of at least 1,000,000 pesos and half by the government (without voting rights) from the revaluation profits. The banks maintain cash balances at the central bank as provided also in the banking law and the most important government business is taken over from the Banco de la Nacion. The central bank is governed by a full-time President and Vice-President, designated by the Chief Executive in agreement with the Senate from candidates proposed by the meeting of shareholding banks, and twelve directors, mainly representing banking interests but including an agriculturist, a livestock producer, a business man, a manufacturer and a government representative. Not more than three foreigners may be on the board at the same time. The institution is essentially a bankers' and Government bank having no direct relations with the public. Rediscounts and loans may be made for the member banks and temporary advances to the Government up to 10 percent of the average cash receipts from revenue of the previous three years.

The first balance-sheet of the bank showed, besides the gold taken over from the Conversion Office, 123,000,000 pesos of foreign exchange and gold abroad received from the Foreign Exchange Fund and consisting mainly of gold held in London. The utilization of the revaluation profit to repay debt and unfreeze the banks has naturally given liquidity to the market and the central bank has as yet no rediscount portfolio. (The cash holdings of the commercial banks were 827,000,000 pesos at the end of 1935 as compared with 485,000,000 a year earlier.) The only domestic earning assets of the central bank consisted of 400,000,000 pesos of National Treasury 3 percent. consolidated bonds which the bank is permitted to sell on the market to absorb excess funds. In fact, during the first two months of its operations the central bank sold 250,000,000 pesos of its holding of Treasury bonds but had repurchased some 70,000,000 pesos by the end of 1935. The first return showed a reserve of gold and foreign exchange of 140 percent. of the note issue and 72 percent. of total sight liabilities, ratios which have not greatly changed since that time. No change has

been made in the official rate of exchange, the price paid for export bills, which was pegged to sterling at 15 to £ in January 1934, while the free rate fluctuates around 17 to 18.

In Europe, the most drastic innovations have been made in Italy. The adverse movement of Italian foreign trade, particularly the falling off of exports, led already in 1934 to restrictions being placed on imports, and foreign exchange operations were limited to the real requirements of industry and trade or of persons travelling abroad. In the first half of 1935 further import restrictions were imposed and a superintendent of foreign exchanges appointed, depending directly from the Prime Minister, to regulate the allocation of foreign exchange according to the provisions in force and to coordinate the services in control of exports and imports. In July, the obligation of the Banca d'Italia to maintain a 40 percent. cover in gold and foreign exchange was temporarily suspended, allowing recourse to the gold reserve for the settlement of outstanding foreign commercial debts amounting to some 500,000,000 lire, a figure lower, however, than Italian credits frozen abroad. In August 1935 it was decided to make compulsory the surrender to the National Exchange Institute, acting on behalf of the Treasury, of all foreign credits, which were to be paid in cash at the rate of the day of the decree. Also all foreign securities and Italian securities issued abroad and held by Italians, possession of which had already been declared under the decree of December 8, 1934, were to be purchased by the Institute against 5 percent. nine-year Treasury bonds. The special conditions obtaining from October 1935 onwards hastened the process of centralization, and from that month the publication of statistical data was suspended. Thus, the regular returns of the Banca d'Italia have ceased (but the figures relating to the end of December 1935 were published at the meeting of the General Assembly of the Banca d'Italia). By decree of November 11, 1935, the Foreign Exchange Institute, acting on behalf of the Treasury, received a monopoly for the purchase abroad of gold and was empowered to purchase gold within the Kingdom at the average price for gold on the international markets. Acting for the Treasury through the agency of the Banca d'Italia gold was purchased from the public at 15.50

lire per gramme compared with 12.62 lire, the rate corresponding to the official parity of the currency: gold could also be received on deposit at 5 percent interest.

The decree of March 12, 1936, makes "provisions for the protection of savings and the regulation of credit" by the constitution of an Office of Inspection directly dependent from a committee of ministers of which the Prime Minister is chairman and including the ministers of Finance, Agriculture and Forests, and Corporations. The Office of Inspection, of which the Governor of the Banca d'Italia is the head, has wide powers of supervision over all the banks of whatever description in the Kingdom. In particular, the Office of Inspection may order periodical or exceptional inspection; authorize the issuing of bonds and shares when these are offered by credit establishments subject to control; authorize the admission to the Stock Exchange of bonds and shares; and take decisions, binding for the banks, relating to the limit of interest rates on deposits and for advances, the repartition of investments with regard either to liquidity or to the different branches of economic activity, the relation between net assets and liabilities and the possible forms of employment of surplus funds, the minimum percentage of profits to be placed to reserves, etc.

The Banca d'Italia is transformed into an "Institution under Public Law" (Istituto di Diritto Pubblico) and will confine its rediscount operations to the banks of the country, leaving commercial and private banking business to them. Advances on securities will, however, be made to the banks or the public. On March 31, 1936, Governor Azzolini presided over the last general meeting of private shareholders. The capital of 500,000,000 lire, in shares of 1,000 lire, paid up as to 300,000,000 lire or 600 lire per share, will be repaid at 1,300 lire per share, representing the paid-up capital and the proportionate value of the reserves. The new capital of 300,000,000 lire fully paid will be subscribed and held entirely by the savings and other banks and the insurance companies.

As was already the case with the Banco di Napoli and the Banco di Sicilia, the three large banks, the Banca Commerciale Italiana, the Credito Italiano and the Banco di Roma, have been given the position of

"Banks under Public Law"; in consequence, their shares must be registered and be the exclusive property of Italian nationals and firms. These banks, as well as other credit establishments, are subject to the supervision of the Office of Inspection. For the regulation of credit at long and short term a committee of ministers and, under it, the Inspection Office, concentrate all the functions relating to credit institutions previously divided between the different ministries. It has further been decided that the Istituto Mobiliare Italiano, whose President will be the Governor of the Banca d'Italia, shall absorb the functions of the "Consorzio per Sovvenzioni su Valori Industriali" and Section "A" of the "Istituto per la Ricostruzione Industriale".

The new banking laws in the United States, the Argentine and Italy embrace both the central banking organization and the private banks; in Belgium, on the other hand, the new measures are concerned almost exclusively with the private banking structure. The emergency situation which arose in Belgium during the first quarter of 1935 and which led to the devaluation of the currency on April 1, 1935, was characterized by an outflow of funds that deprived the banks of the most liquid part of their assets and brought up, apart from the general question of banking reform, the particular question of some additional mechanism in the market to provide further liquidity. It was not, however, until after the devaluation when the reflux of funds had already relieved the pressure on the banks that the Royal decree of June 13, 1935, was promulgated, creating the Institute of Rediscount and Guarantee. The institute is formed for five years with the possibility of prolongation for periods of five years, with a capital of 200,000,000 Belgian francs, 20 percent. paid, subscribed by the banks, and with all its operations up to Bfcs. 2,000,000,000 guaranteed by the State. The institute may take over from banks and others sound but not necessarily liquid assets at a rate of interest not more than one percent. above the highest rate for discounts or advances against public securities of the National Bank. Bills carrying the signature of the institute may be discounted by the National Bank under the usual conditions applicable to discountable paper. The institute is administered by a committee composed of a president and five

directors nominated by the King. In this way it is possible for the commercial banks to mobilize assets not otherwise eligible at the central bank, while the securities issued by the institute provide a suitable investment for short-term banking funds, so that the surplus resources of the market would generally be fully utilized before recourse were had to the National Bank. At the same time, it is not necessary for the National Bank to depart from its traditional practices and regulations as laid down by its statutes.

In addition to these liquidity measures the banking question was dealt with in a more comprehensive way through the promulgation of a new law on July 9, 1935, governing the activities of the commercial banks. The term "bank" is defined and all institutions entitled to use the term must be inscribed with a newly-instituted Banking Commission. A bank's capital must be at least Bfcs. 10,000,000 wholly paid up (private banking firms however at least 2,000,000 francs) and reserves must be invested in Government or certain other public securities. The provision in the law of August 1934 prohibiting the banks from holding participations (shares, bonds, etc.) in commercial or industrial firms other than banks is re-enacted. Exception is made where the bank acts as issuing house for the securities in question when firm participations may be held for a maximum of six months.

The most far-reaching provisions of the new law are due to the creation of an autonomous Banking Commission whose expenses will be paid by the National Bank, by whom also its secretariat is provided. The Commission consists of a president and six members appointed by Royal decree, two nominated directly by the King and two each from lists submitted by the banks and by the National Bank and the Institute of Rediscount and Guarantee. The Commission is charged generally with the application of the new law and enjoys extensive powers. A corps of inspectors is created which reports to the Commission upon legal or other irregularities and the Commission may also charge the National Bank with special enquiries. Further, the Commission, with the approval of the Ministers of Finance and of Economic Affairs, may determine for the banks the proportion which must exist (a) between cash and other easily mobilizable

assets and liabilities at sight or short term, and (b) between the capital and reserves of the bank on the one hand and either the total of all deposits or of all liabilities at sight or short term on the other. The Commission may also by a two-thirds majority vote, in agreement with the National Bank and the Office de Redressement Economique and with the approval of the Ministers of Finance and of Economic Affairs, fix the maximum rate of interest applicable to specifically designated categories of credit operations. The banks registered with the Commission must make monthly returns in a specified form to the National Bank which publishes a combined statement of the banks every three months.

The Banking Commission is also given wide powers and duties of supervision over the issue market. The Commission must be informed two weeks in advance of any proposed issue of securities to the public with a statement in prescribed form giving all relevant details as to the object of the issue etc. (This also applies to securities guaranteed by the Government, the Belgian Congo, provinces and communes, and to foreign issues of Belgian concerns.) If the Banking Commission considers any private domestic issue to be of a nature to disturb the market it may recommend a reduction of the total or the spreading of the emission over a period of time. If the question is not settled amicably, the Banking Commission may forbid the issue for a period not exceeding three months and may publish its decision. If the Banking Commission considers the conditions of a proposed issue to be such as to mislead investors as to the nature of the business or the rights attaching to the securities, the Commission may, if the issuing house does not take account of its expressed opinion, forbid the issue for three months and may publish its decision; if the issue is then made the Minister of Finance, on the request of the Banking Commission, may prohibit the quotation of the securities on the stock exchange. The Commission may at any time demand information as to the results of issues made during the previous six months (while regular issuing houses make an annual return of issues made by them).

It will be seen that, although its powers are extensive, almost all the functions of the Banking Commission are facultative and rest

on the combined judgment of its members. It is particularly intended not to disturb the principle of the prime responsibility of the banks towards their depositors and shareholders and there is thus no provision for such measures as deposit insurance.

In Germany, the new law of December 5, 1934, regarding the credit system was put into application; certain modifications were made of a more practical character, suggested by the experience gained during the year. Outside the field of purely private banking, two events should be mentioned. Arrangements for the centralisation of the note issue came into force at the end of 1935 when the privilege of the four private note-issuing banks expired. Their circulation, then amounting only to RM 158,000,000, is to be withdrawn while their gold reserves, amounting together to RM 75,000,000, have already been taken over provisionally by the Golddiskontbank, the ultimate destination of this gold being still undecided. A further concentration of the German banking system results from a law of October 1935 placing the ten State banks, of which the Prussian State Bank (*Seehandlung*) is by far the most important, under the direct supervision of the Reich Minister of Economic Affairs, at present also the President of the Reichsbank. These banks had been founded in the formerly autonomous States within the country and enjoyed special privileges; the Minister of Economic Affairs is now authorized to exercise supervision over the banks and to change their statutes.

1935, the first year during which the Swiss banks have been working under the provisions of the new general banking law, has been a period of great difficulty. It may be recalled that the big banks doing international business in the six years up to 1930 had experienced a period of unexampled expansion, their balance-sheet totals being nearly doubled. But from 1930 this movement was abruptly reversed and in the five years to the end of 1934 the seven larger banks suffered withdrawals of funds which, together with other compressions of liabilities, reduced the total of the combined balance-sheet by 50 percent. This reduction represented an enormous pressure on the banks in a period of falling prices, a proportion of the assets, varying greatly from bank to bank, being frozen abroad. The new law which came into force on March 1, 1935, con-

tains special provisions under which a partial moratorium (prolongation of maturity dates) may be granted by the Federal Council if it is considered that all creditors are in fact covered 100 percent. by the assets and the interest service can be maintained throughout the moratorium. Two of the larger banks have taken advantage of these stipulations: the Basler Handelsbank was allowed a partial moratorium for two years from June 11, and Leu & Co. for three months from December 30, 1935, the latter period having been prolonged for a further six months. Other smaller banks have also been in difficulties during the year but only one has been granted the special conditions mentioned above. (In April 1936 the Federal Council issued regulations complementary to the Banking Law to facilitate the reorganization of banks of a certain importance in order to avoid ordinary bankruptcy procedure. The validity of these regulations expires at the end of 1937.) The Banking Commission created by the new bank law, which has generally to supervise the carrying out of the law and is particularly responsible to satisfy itself that the accounts of the banks are properly audited, has commenced its functions. Under the law the National Bank was given the power to review increases of interest rates on "Kassenscheine" with the banks but no power to dictate what rates they were to apply. The Annual Report of the National Bank mentions that during the year the withdrawals of funds from the market tended to produce an influence on the rate of interest on "Kassenscheine" and in order to guard against any unjustified increases the National Bank, in accordance with Article 10 of the law, called a meeting of the banks on June 13 to review the question; the majority of banks agreed with the National Bank that the rates fixed in October 1933 should not be exceeded unnecessarily. But the increasing yield on first-class securities made it impossible for a number of banks to maintain the old rates in force. Up to the end of the year the National Bank received notice of 91 increases of interest rates, most of them being, however, of a minor character. As the National Bank remarks, experience has again shown that economic laws are more powerful than any artificial measures which may be applied.

Summing up the developments in commercial banking during the year it may be said that although difficulties are still experienced in some countries there are signs in others of emergence from the troubles of recent years. Symptomatic of the improvement are the repayments made by United States banks to the Reconstruction Finance Corporation, the regained liquidity of the Belgian banks, the rapid repayment of the emergency credit granted to the Skandinaviska Kredit Aktiebolaget in Sweden at the time of the Kreuger crisis and the resumption of dividends by the big German banks for the first time since 1931. In some countries there has also been an increase of advances to industry and commerce reflecting recovery in business and a more active use of bank credit, not only for the purchase of Government securities but also the financing of a larger volume of trade and production.

The new laws which have been passed in a number of countries have in general two main purposes. In order to protect the security of deposits, regulations have been made with the aim of preserving the liquidity and solvency of the banks. At the same time, for reasons of general credit policy, advantage has been taken of the passage of the new laws to give greater power to the central bank or some authority in close connection with the bank for the supervision of the credit machinery. It should be understood that also in a great many countries where no changes in banking laws have been made, an evolution has occurred in the actual practice of the existing credit institutions; the effective position of the central banks has increased in authority and leadership in relation to their markets, and the best-managed commercial banks have observed in their liquidity and investment policy, irrespective of any binding provisions, the principles which the new legislation embodies. More attention is given to these matters, for the experience of the past few years has everywhere made manifest the fundamental importance of having a satisfactorily functioning credit system.

CONCLUSION

The past year has been one of great difficulties and many disappointments but it has not been without its more hopeful side. A greater degree of exchange stability has been

maintained than at any time since 1931. International trade has shown signs of increasing and prices of primary products which had fallen to unprecedented low levels have again begun to rise under the influence of reviving demand. The depression with which we have been struggling these seven years has created difficult problems, particularly with regard to unemployment; but it has also helped to solve certain problems which caused great concern only a few years ago. International indebtedness both at long and short term has been greatly reduced; interest rates, with some temporary exceptions, are lower than they have been since the war; and gold production has risen to a degree eliminating all fears of a scarcity and even creating the prospect of an abundance, which, on account of its magnitude and possible repercussions, will need careful watching and handling.

Technically the situation holds out hopes of better times. But will these hopes materialize? We all know that purely economic and financial considerations are alone not decisive but that the turn of affairs will be very largely influenced by political developments. In practically every country there is a rising tide of expenditure, leading to increased taxation where the burden is shouldered immediately, and, where the mounting charges are met by borrowing, resulting in an increasing weight of debt, which mortgages the future and may have an adverse influence on the position of the capital and money markets. The increase in expenditure is largely for armaments and is the consequence of the tense situation which weighs so heavily on the minds of the peoples. Absence of international agreement threatens to retard an improvement in economic conditions which otherwise might be reasonably expected; a number of outstanding economic and financial problems, thorny though they may be, are capable of solution, given a better spirit of understanding between the nations. It must be clearly realized that the technical machinery of which the Bank for International Settlements is a part cannot render full service so long as political tension creates an atmosphere in which no effective progress can be made towards an improvement of the monetary and economic conditions of the world.

**BALANCE SHEET OF THE BANK FOR INTERNATIONAL SETTLEMENTS AS OF
MAR. 31, 1936, AND MAR. 31, 1935**

[In thousands of Swiss francs at par]

Assets	1936	1935	Liabilities	1936	1935
I. Gold in bars.....	24, 198	11, 008	I. Capital: Authorized and issued 200,000 shares valued at 500,000,000 Swiss gold francs of which 25 percent paid up.....	125, 000	125, 000
II. Cash on hand and on current account with banks.....	9, 601	2, 639	II. Reserves:		
III. Sight funds at interest.....	12, 960	15, 465	(1) Legal reserve fund.....	3, 324	2, 672
IV. Rediscountable bills and acceptances:			(2) Dividend reserve fund.....	5, 845	4, 866
(1) Commercial bills and bankers' acceptances.....	150, 250	148, 451	(3) General reserve fund.....	11, 690	9, 732
(2) Treasury bills.....	188, 279	213, 976		20, 859	17, 271
	338, 529	362, 427	III. Long-term deposits:		
V. Time funds at interest, not exceeding 3 months.....	36, 033	37, 482	(1) Annuity trust account.....	154, 340	154, 294
VI. Sundry bills and investments:			(2) German Government deposit.....	77, 170	77, 147
(1) Treasury bills.....	100, 006	88, 403	(3) French Government deposit (Saar).....	2, 031	2, 031
(2) Railway and Postal Administration bills and sundry investments.....	126, 838	131, 945	(4) French Government guarantee fund.....	61, 930	61, 930
	226, 844	220, 348		295, 471	295, 401
VII. Other assets.....		10, 461	IV. Short-term and sight deposits (various currencies):		
(1) Guaranty of central banks on bills sold.....	6, 235		(1) Central banks for their own account:		
(2) Sundry items.....	6, 383		(a) Not exceeding 3 months.....	113, 277	108, 014
	12, 619	10, 461	(b) Sight.....	26, 020	23, 711
				139, 297	131, 725
			(2) Central banks for the account of others:		
			(a) Not exceeding 3 months.....	2, 985	2, 947
			(b) Sight.....	11, 334	22, 751
				14, 319	25, 698
			(3) Other depositors:		
			(a) Not exceeding 3 months ¹	83	2, 036
			(b) Sight.....	813	2, 220
				896	4, 255
			V. Sight deposits (gold).....	19, 088	10, 921
			VI. Miscellaneous.....		36, 511
			(1) Guaranty on commercial bills sold.....	6, 278	
			(2) Sundry items.....	30, 382	
				36, 661	36, 511
			VII. Surplus:		
			Profit for the financial year ended Mar. 31.....	9, 194	13, 046
Total assets.....	660, 783	659, 829	Total liabilities.....	660, 783	659, 829

¹ Between 3 and 6 months in 1935.

B. I. S. NOTE.—The whole of the short-term and sight deposits in various currencies (Item IV—Liabilities) are more than covered by immediately available assets either in the currencies of the deposits or in currencies free from exchange restrictions, and of the long-term commitments the French Government deposit (Saar) (Item III—3) is similarly covered, while the French Government guarantee fund (Item III—4) is represented by assets available, in accordance with Article XIII of the Trust Agreement, in currencies which are free and based upon the gold or gold exchange standard. The remaining long-term commitments (Items III—1 and 2) which are recorded in a restricted currency (although Item III—1 may possibly be claimed to be repayable on some other basis), are covered by assets of the same currency, the gold value of a substantial part of which is specially guaranteed.

The capital, reserves, and surplus are represented partly by assets in free currencies but principally by assets in countries where exchange restrictions now prevail and do not permit of free conversion of their currencies into gold or other currencies; however, as to these assets an important part is secured by special contracts guaranteeing their gold value and in one case specifically permitting their transfer. Moreover, under Article X of the Hague Agreement of January 1930, the signatories thereto declared the Bank to be immune from any "prohibition or restriction of export of gold or currency and other similar interferences, restrictions or prohibitions."

MEMBER BANK RESERVES, RESERVE BANK CREDIT, AND RELATED ITEMS

[In millions of dollars]

Date	Reserve bank credit outstanding					Monetary gold stock	Treasury currency	Money in circulation	Treasury cash and deposits with Federal Reserve banks	Non-member deposits	Other Federal Reserve accounts	Member bank reserve balances	
	Bills discounted	Bills bought	U. S. Government securities	Other Reserve bank credit	Total							Total	Excess (estimated)
End of month figures:													
1935—April 30	6	5	2,430	27	2,468	8,710	2,544	5,478	2,996	271	263	4,715	2,253
May 31	8	5	2,430	26	2,469	8,858	2,525	5,540	2,969	254	257	4,832	2,318
June 30	6	5	2,433	37	2,480	9,116	2,506	5,508	2,968	325	261	4,979	2,414
July 31	7	5	2,430	23	2,465	9,144	2,510	5,518	2,991	253	257	5,100	2,513
Aug. 31	11	5	2,432	37	2,485	9,203	2,398	5,629	2,694	198	260	5,305	2,708
Sept. 30	10	5	2,430	32	2,477	9,368	2,386	5,683	2,740	304	250	5,254	2,600
Oct. 31	6	5	2,430	40	2,482	9,693	2,400	5,713	2,657	299	258	5,648	2,970
Nov. 30	6	5	2,430	39	2,480	9,920	2,438	5,846	2,619	284	253	5,835	3,100
Dec. 31	5	5	2,431	45	2,486	10,125	2,476	5,882	3,110	255	253	5,587	2,844
1936—													
Jan. 31	9	5	2,430	35	2,479	10,182	2,493	5,737	3,001	304	253	5,860	3,084
Feb. 29	7	5	2,430	40	2,482	10,167	2,499	5,846	2,937	327	254	5,784	2,986
Mar. 31	8	5	2,430	31	2,474	10,184	2,504	5,877	3,607	332	259	5,087	2,305
Apr. 30	5	5	2,430	34	2,475	10,225	2,500	5,886	3,213	356	260	5,486	2,664
May 30	5	3	2,430	35	2,474	10,401	2,490	5,952	3,101	337	255	5,719	2,866
Wednesday figures:													
1935—													
July 3	8	5	2,431	24	2,468	9,119	2,504	5,619	3,002	312	258	4,900	2,320
July 10	7	5	2,430	31	2,473	9,123	2,503	5,551	2,932	302	293	5,052	2,456
July 17	7	5	2,430	30	2,472	9,127	2,501	5,530	3,085	302	258	4,924	2,340
July 24	6	5	2,430	19	2,460	9,135	2,503	5,496	3,134	265	258	4,945	2,355
July 31	7	5	2,430	23	2,465	9,144	2,510	5,518	2,991	253	257	5,100	2,513
Aug. 7	6	5	2,430	34	2,476	9,158	2,477	5,550	2,932	253	261	5,115	2,547
Aug. 14	6	5	2,430	36	2,477	9,184	2,437	5,558	2,775	251	259	5,254	2,667
Aug. 21	7	5	2,430	26	2,468	9,189	2,421	5,574	2,722	230	260	5,291	2,682
Aug. 28	9	5	2,430	26	2,471	9,197	2,408	5,573	2,683	213	260	5,346	2,749
Sept. 4	11	5	2,430	25	2,472	9,209	2,395	5,650	2,746	193	259	5,228	2,643
Sept. 11	11	5	2,430	34	2,479	9,219	2,391	5,638	2,629	186	248	5,388	2,790
Sept. 18	10	5	2,430	27	2,472	9,240	2,390	5,632	2,839	244	250	5,136	2,527
Sept. 25	10	5	2,430	29	2,474	9,297	2,382	5,626	2,778	262	250	5,236	2,592
Oct. 2	10	5	2,430	24	2,470	9,414	2,399	5,688	2,814	306	251	5,224	2,569
Oct. 9	10	5	2,430	34	2,478	9,463	2,396	5,698	2,747	313	250	5,330	2,694
Oct. 16	9	5	2,430	52	2,496	9,584	2,404	5,696	2,693	307	254	5,534	2,878
Oct. 23	7	5	2,430	31	2,472	9,629	2,397	5,684	2,694	292	254	5,575	2,900
Oct. 30	6	5	2,430	33	2,474	9,686	2,401	5,686	2,665	296	260	5,653	2,981
Nov. 6	7	5	2,430	21	2,462	9,714	2,401	5,754	2,655	236	260	5,671	2,993
Nov. 13	9	5	2,430	49	2,492	9,747	2,399	5,746	2,641	249	257	5,746	3,052
Nov. 20	5	5	2,430	31	2,471	9,804	2,409	5,739	2,648	262	253	5,782	3,069
Nov. 27	6	5	2,430	32	2,472	9,874	2,421	5,820	2,625	282	252	5,789	3,051
Dec. 4	5	5	2,430	29	2,470	10,009	2,442	5,843	2,626	283	262	5,905	3,173
Dec. 11	6	5	2,430	33	2,474	10,068	2,447	5,841	2,558	280	270	6,040	3,304
Dec. 18	7	5	2,430	41	2,483	10,098	2,458	5,902	3,161	281	258	5,437	2,706
Dec. 24	7	5	2,431	81	2,523	10,115	2,464	5,991	3,156	266	259	5,429	2,693
Dec. 31	5	5	2,431	45	2,486	10,125	2,476	5,882	3,110	255	253	5,587	2,844
1936—													
Jan. 8	5	5	2,430	35	2,476	10,144	2,476	5,783	3,049	265	253	5,745	3,002
Jan. 15	5	5	2,430	45	2,485	10,158	2,492	5,722	3,018	284	253	5,859	3,095
Jan. 22	6	5	2,430	36	2,477	10,172	2,498	5,704	3,093	296	253	5,802	3,030
Jan. 29	7	5	2,430	28	2,470	10,179	2,492	5,693	3,031	301	254	5,863	3,087
Feb. 5	10	5	2,430	44	2,489	10,168	2,491	5,742	2,958	324	255	5,869	3,089
Feb. 12	8	5	2,430	65	2,508	10,155	2,496	5,763	2,993	304	254	5,784	3,007
Feb. 19	7	5	2,430	64	2,505	10,160	2,499	5,771	2,979	327	255	5,832	3,045
Feb. 26	7	5	2,430	33	2,475	10,163	2,502	5,775	2,949	323	254	5,839	3,062
Mar. 4	6	5	2,431	34	2,475	10,167	2,506	5,848	2,898	321	269	5,813	3,043
Mar. 11	5	5	2,430	33	2,473	10,170	2,503	5,840	2,909	337	274	5,786	3,003
Mar. 18	6	5	2,430	44	2,485	10,173	2,503	5,841	3,587	328	261	5,144	2,388
Mar. 25	6	5	2,430	45	2,485	10,177	2,502	5,837	3,667	340	261	5,059	2,315
Apr. 1	7	5	2,430	34	2,477	10,185	2,504	5,884	3,614	331	259	5,077	2,338
Apr. 8	6	5	2,430	38	2,479	10,190	2,505	5,906	3,502	346	258	5,161	2,384
Apr. 15	6	5	2,430	35	2,477	10,200	2,502	5,877	3,374	335	260	5,333	2,548
Apr. 22	5	5	2,430	35	2,475	10,209	2,501	5,860	3,269	355	260	5,442	2,640
Apr. 29	5	5	2,430	32	2,472	10,221	2,501	5,859	3,208	362	259	5,506	2,686
May 6	5	5	2,430	38	2,478	10,248	2,497	5,912	3,175	345	259	5,532	2,697
May 13	5	5	2,430	30	2,469	10,302	2,496	5,888	3,161	351	257	5,611	2,774
May 20	5	5	2,430	30	2,470	10,375	2,493	5,896	3,138	353	258	5,694	2,859
May 27	5	4	2,430	26	2,466	10,388	2,494	5,902	3,116	326	256	5,747	2,901

*Revised.

*Preliminary.

NOTE.—For description of figures in this table and discussion of their significance, see BULLETIN for July 1935, pp. 419-429. Reprints of article, together with all available back figures, may be obtained upon request from Division of Research and Statistics. Back figures are also shown in Annual Report for 1934 (table 4) and for excess reserves in BULLETIN for August 1935, pp. 499-500

ASSETS AND LIABILITIES OF FEDERAL RESERVE BANKS; ALSO FEDERAL RESERVE NOTE STATEMENT, MAY 30, 1936

(In thousands of dollars)

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
ASSETS													
Gold certificates on hand and due from U. S. Treasury	7,824,035	477,104	3,162,847	392,601	562,997	242,746	199,072	1,571,364	206,293	157,240	211,138	137,680	502,953
Redemption fund—Federal Reserve notes	13,061	2,322	1,033	388	945	785	1,908	659	992	267	1,058	460	2,246
Other cash	295,258	27,705	81,562	39,297	27,943	19,392	9,808	36,774	13,637	6,854	16,476	5,181	10,629
Total reserves	8,132,354	507,131	3,245,442	432,284	591,885	262,923	210,788	1,608,797	220,922	164,361	228,672	143,321	515,828
Bills discounted:													
For member banks	5,437	457	3,382	446	48	15	60		110	156	120	458	185
For nonmember banks, etc.	11					1			2		8		
Total bills discounted	5,448	457	3,382	446	48	16	60		112	156	128	458	185
Bills bought: Payable in foreign currencies	3,076	224	1,091	316	293	120	108	385	87	61	87	87	217
Industrial advances	30,274	2,942	7,389	5,199	1,793	3,772	789	2,130	565	1,430	993	1,677	1,595
U. S. Government securities:													
Bonds	265,847	17,956	68,473	20,755	23,973	12,834	11,019	28,415	13,492	14,652	13,013	19,347	21,918
Treasury notes	1,545,908	103,259	480,307	116,012	143,412	75,773	65,915	169,985	81,200	45,276	76,735	55,910	131,115
Treasury bills	618,648	36,462	180,603	40,353	50,640	27,109	23,275	122,764	28,499	15,806	27,096	19,743	46,298
Total Government securities	2,430,403	157,677	729,383	177,120	218,025	116,716	100,209	321,164	123,200	75,734	116,844	95,000	199,331
Other Reserve bank credit:													
Other securities	181										181		
Due from foreign banks	237	17	95	22	21	10	8	27	4	3	7	7	16
Reserve bank float (uncollected items in excess of deferred availability items)	4,309	334	2,490	— 169	— 1,127	1,131	2,508	443	— 414	— 558	1,422	— 1,831	80
Total Reserve bank credit outstanding	2,473,928	161,651	743,830	182,934	219,053	121,765	103,682	324,149	123,554	76,826	119,662	95,398	201,424
Federal Reserve notes of other banks	18,690	381	4,485	804	1,100	2,287	1,217	2,853	1,421	710	1,334	290	1,808
Uncollected items not included in float	550,773	55,852	147,306	38,345	53,814	43,381	25,847	75,667	22,570	15,547	29,091	18,760	24,593
Bank premises	48,052	3,113	10,851	5,080	6,525	2,919	2,284	4,830	2,453	1,531	3,360	1,526	3,580
All other assets	41,731	281	30,767	3,704	1,614	1,066	1,457	546	277	451	349	851	368
Total assets	11,265,528	728,409	4,182,681	663,151	873,991	434,341	345,275	2,016,842	371,197	259,426	382,468	260,146	747,601
LIABILITIES													
F. R. notes in actual circulation	3,794,589	342,680	795,832	285,286	369,611	171,034	161,817	879,018	162,454	113,978	143,245	75,766	293,868
Deposits:													
Member bank—reserve account	5,719,490	264,586	2,695,364	274,076	375,489	163,144	99,044	980,610	132,411	89,805	171,736	120,322	352,903
U. S. Treasurer—general account	517,941	31,639	177,169	25,259	35,947	35,895	33,189	28,433	32,330	25,494	25,426	31,395	35,765
Foreign bank	53,523	4,087	18,453	5,137	5,081	2,430	1,933	6,407	1,657	1,326	1,599	1,602	3,811
Other deposits	283,173	5,623	226,311	1,539	2,425	3,641	10,133	2,606	9,586	4,477	1,600	1,666	13,566
Total deposits	6,574,127	305,935	3,117,297	306,011	418,942	205,110	144,299	1,018,056	175,984	121,102	200,361	154,985	406,045
Deferred availability items	550,773	55,852	147,306	38,345	53,814	43,381	25,847	75,667	22,570	15,547	29,091	18,760	24,593
Capital paid in	130,792	9,374	50,866	12,315	12,624	4,712	4,229	12,022	3,764	2,979	3,951	3,802	10,154
Surplus (sec. 7)	145,501	9,902	50,825	13,406	14,371	5,186	5,616	21,350	4,655	3,149	3,613	3,783	9,645
Surplus (sec. 13b)	26,513	2,874	7,744	4,231	1,007	3,448	754	1,391	546	1,063	1,142	1,252	1,121
Reserve for contingencies	34,111	1,413	8,849	3,000	3,111	1,272	2,516	7,573	893	1,463	844	1,328	1,849
All other liabilities	9,122	379	3,962	557	511	198	197	1,765	331	205	221	470	326
Total liabilities	11,265,528	728,409	4,182,681	663,151	873,991	434,341	345,275	2,016,842	371,197	259,426	382,468	260,146	747,601
Ratio of total reserves to deposit and Federal Reserve note liabilities combined (percent)	78.4	78.2	82.9	73.1	75.1	69.9	68.9	84.8	65.3	69.9	66.5	62.1	73.7
Commitments to make industrial advances	25,070	2,817	10,302	322	1,516	2,388	297	79	1,831	94	467	547	4,410
FEDERAL RESERVE NOTE STATEMENT													
Notes issued to Federal Reserve banks by Federal Reserve agents	4,049,212	361,720	880,262	295,900	384,678	180,677	178,296	912,200	169,768	118,044	155,542	83,101	329,024
Collateral held by agents as security for notes issued:													
Gold certificates on hand and due from U. S. Treasury	4,032,523	376,000	890,706	296,000	387,500	185,000	147,685	915,000	148,632	120,000	149,000	84,000	333,000
Eligible paper	4,078	457	2,047	446	48	16	60		112	155	121	431	185
U. S. Government securities	65,000						35,000		22,000		8,000		
Total collateral	4,101,601	376,457	892,753	296,446	387,548	185,016	182,745	915,000	170,744	120,155	157,121	84,431	333,185

**PRINCIPAL ASSETS AND LIABILITIES OF THE FEDERAL RESERVE BANKS,
BY WEEKS**

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
ASSETS													
Total reserves:													
May 6.....	8,038,801	535,340	3,158,110	439,277	578,672	284,054	216,258	1,528,271	235,745	165,000	241,565	146,284	510,225
May 13.....	8,067,213	535,783	3,150,624	431,774	581,629	279,492	211,290	1,552,112	232,202	173,217	242,545	145,132	531,413
May 20.....	8,088,197	526,000	3,225,766	429,715	579,096	265,395	207,590	1,564,358	223,622	167,249	230,941	148,687	519,778
May 27.....	8,147,548	516,031	3,229,514	429,422	589,710	262,455	208,261	1,617,028	230,963	165,915	229,042	145,428	523,779
Total bills discounted:													
May 6.....	4,584	344	2,878	349	20	21	-----	50	12	99	141	355	315
May 13.....	4,781	362	2,938	346	60	46	-----	50	2	146	130	383	318
May 20.....	4,749	520	2,960	288	55	46	75	-----	2	176	128	377	122
May 27.....	4,828	427	2,951	381	63	26	25	-----	12	172	128	458	185
Bills bought, payable in foreign currencies:													
May 6.....	4,676	350	1,734	473	441	191	164	581	87	61	133	133	328
May 13.....	4,677	350	1,735	473	441	191	164	581	87	61	133	133	328
May 20.....	4,544	339	1,682	460	429	185	159	565	87	61	129	129	319
May 27.....	4,299	320	1,585	436	406	174	150	534	87	61	122	122	302
Industrial advances:													
May 6.....	30,170	2,853	7,682	5,245	1,810	3,832	824	2,133	520	1,459	943	1,728	1,141
May 13.....	29,963	2,845	7,513	5,249	1,809	3,830	811	2,118	520	1,464	941	1,723	1,140
May 20.....	30,487	2,850	7,492	5,247	1,878	3,778	799	2,114	565	1,459	996	1,720	1,589
May 27.....	30,462	2,942	7,396	5,215	1,878	3,772	798	2,130	565	1,461	993	1,717	1,595
U. S. Government securities:													
May 6.....	2,430,336	157,677	729,383	177,120	218,025	116,716	100,209	321,164	123,200	75,667	116,844	95,000	199,331
May 13.....	2,430,259	157,677	729,383	177,120	218,025	116,716	100,209	321,164	123,200	75,590	116,844	95,000	199,331
May 20.....	2,430,247	157,677	729,383	177,120	218,025	116,716	100,209	321,164	123,200	75,578	116,844	95,000	199,331
May 27.....	2,430,255	157,677	729,383	177,120	218,025	116,716	100,209	321,164	123,200	75,586	116,844	95,000	199,331
Total Reserve bank credit outstanding:													
May 6.....	2,478,224	161,582	743,749	184,761	220,414	121,880	102,120	328,359	122,889	77,990	118,432	95,444	200,604
May 13.....	2,469,411	161,378	744,368	185,137	220,032	123,982	102,210	324,380	122,957	76,936	117,740	94,983	195,308
May 20.....	2,469,915	161,277	745,301	185,197	219,538	121,185	102,278	323,113	122,031	77,307	117,732	94,360	200,596
May 27.....	2,466,190	160,351	742,632	185,151	220,462	121,611	101,150	321,902	121,842	76,972	118,466	95,179	200,472
LIABILITIES													
Federal Reserve notes in circulation:													
May 6.....	3,778,880	343,407	786,980	279,161	369,148	171,421	162,009	873,322	162,253	115,303	146,361	76,333	293,182
May 13.....	3,762,028	341,240	777,855	281,884	372,229	172,558	161,039	871,831	160,987	113,974	142,039	75,404	290,988
May 20.....	3,760,729	340,735	778,893	280,696	370,485	171,001	161,372	873,247	160,925	114,426	142,227	75,848	290,904
May 27.....	3,758,973	341,204	776,519	282,243	371,474	170,023	159,725	874,411	160,472	114,428	141,962	75,223	291,286
Deposits:													
Member bank—reserve account:													
May 6.....	5,531,998	288,944	2,524,216	280,685	363,616	190,205	110,460	902,254	144,937	82,550	173,505	119,678	350,948
May 13.....	5,611,072	292,404	2,561,117	271,462	369,686	186,301	109,733	913,976	144,503	93,374	176,526	123,729	368,261
May 20.....	5,694,009	283,250	2,668,758	274,734	371,734	175,109	103,992	935,052	134,220	88,482	167,363	122,776	368,539
May 27.....	5,747,228	273,217	2,675,480	274,540	377,878	167,016	102,420	986,851	144,484	89,275	168,858	121,987	365,222
U. S. Treasurer—general account:													
May 6.....	621,759	33,229	263,145	30,715	34,873	29,794	32,854	32,925	36,283	32,238	32,022	33,214	30,467
May 13.....	577,985	31,174	228,066	29,642	29,234	30,591	29,825	42,069	34,271	30,318	32,274	29,148	31,373
May 20.....	513,104	32,188	191,605	25,639	23,456	27,103	31,394	30,825	35,384	29,033	30,253	32,243	23,981
May 27.....	544,183	32,603	201,184	26,574	30,911	34,187	32,961	32,800	31,787	27,662	28,520	32,205	32,789
Foreign bank:													
May 6.....	81,851	5,967	30,649	7,499	7,419	3,548	2,822	9,354	2,419	1,935	2,337	2,338	5,564
May 13.....	84,226	6,239	30,689	7,841	7,757	3,710	2,951	9,780	2,529	2,024	2,443	2,445	5,818
May 20.....	85,482	6,239	31,944	7,841	7,757	3,710	2,951	9,780	2,529	2,024	2,444	2,445	5,818
May 27.....	54,493	4,087	19,423	5,137	5,081	2,430	1,933	6,407	1,657	1,328	1,599	1,602	3,811
Other deposits:													
May 6.....	263,437	5,279	217,936	2,044	1,843	2,035	1,950	3,422	7,445	4,638	919	2,026	13,900
May 13.....	266,517	6,005	221,829	1,921	1,783	1,858	1,881	3,091	7,437	4,411	2,090	1,803	12,408
May 20.....	267,384	4,771	222,758	1,904	2,739	1,549	2,176	2,891	7,349	4,407	1,750	1,566	13,524
May 27.....	271,122	5,189	222,901	1,846	2,595	1,973	4,280	2,681	7,995	4,543	1,774	1,570	13,775
Commitments to make industrial advances:													
May 6.....	25,842	2,918	10,333	328	1,516	2,403	374	79	1,932	102	590	582	4,685
May 13.....	26,014	2,917	10,330	326	1,522	2,398	374	79	1,929	94	590	582	4,873
May 20.....	25,297	2,897	10,391	326	1,515	2,389	298	79	1,835	94	480	581	4,412
May 27.....	25,095	2,812	10,342	326	1,515	2,388	297	79	1,831	94	467	547	4,397

INDUSTRIAL ADVANCES AND COMMITMENTS UNDER SECTION 13b OF THE FEDERAL RESERVE ACT, JUNE 19, 1934, TO MAY 27, 1936

[Amounts in thousands of dollars]

Date (last Wednesday of each month)	Applications received to date		Applications recommended for approval by Industrial Advisory Committees to date (with and without conditions)		Applications approved to date by Federal Reserve banks (with and without conditions)						
					Total		Federal Reserve bank advances outstanding	Federal Reserve bank commitments outstanding	Approved but not completed ¹	Expired, repaid, or withdrawn by applicant	Financing institution participations outstanding ²
	Number	Amount	Number	Amount	Number	Amount					
1934—Dec. 26.....	5,053	187,696	1,122	54,531	984	49,634	13,589	8,225	20,966	5,558	1,296
1935—Jan. 30.....	5,283	195,710	1,341	73,470	1,168	64,518	17,493	11,739	26,362	7,160	1,764
Feb. 27.....	5,595	205,581	1,432	76,575	1,268	72,525	19,163	13,963	26,591	10,727	2,081
Mar. 27.....	5,897	217,756	1,521	79,490	1,364	76,441	20,785	15,732	23,552	13,900	2,472
Apr. 24.....	6,130	225,900	1,633	86,374	1,467	81,134	26,206	16,908	16,956	17,185	3,879
May 29.....	6,428	245,078	1,734	90,799	1,571	86,282	26,977	19,425	13,850	21,802	4,228
June 26.....	6,618	263,482	1,815	102,331	1,646	88,778	27,518	20,579	11,248	24,900	4,533
July 31.....	6,863	271,768	1,907	109,603	1,739	103,633	28,354	23,022	19,735	26,911	5,611
Aug. 28.....	7,029	278,022	1,970	112,629	1,786	107,244	29,447	26,314	15,319	29,556	6,608
Sept. 25.....	7,195	292,747	2,009	121,837	1,834	115,350	30,132	26,892	18,791	32,475	7,060
Oct. 30.....	7,388	299,927	2,083	126,192	1,901	118,378	32,719	27,057	13,357	36,565	8,680
Nov. 27.....	7,500	302,331	2,134	130,502	1,948	121,947	32,634	28,002	13,466	38,952	8,893
Dec. 31 (Tuesday).....	7,615	306,708	2,176	132,460	1,993	124,493	32,493	27,649	11,548	44,025	8,778
1936—Jan. 29.....	7,714	311,081	2,212	134,243	2,023	125,810	32,483	27,004	10,888	46,736	8,699
Feb. 26.....	7,831	315,081	2,245	135,320	2,049	126,643	32,129	25,866	10,434	50,636	7,578
Mar. 25.....	7,934	319,595	2,294	138,450	2,097	129,580	30,947	25,421	11,008	54,664	7,550
Apr. 29.....	8,046	323,669	2,338	140,104	2,139	131,195	30,800	25,576	9,730	57,351	7,737
May 27.....	8,113	329,316	2,374	141,749	2,162	132,549	30,958	25,095	9,343	59,512	7,641

¹ Includes applications approved conditionally by the Federal Reserve banks and under consideration by applicant.

² Does not include financing institution guaranties of advances and commitments made by Federal Reserve banks.

NOTE.—On May 27, 1936, there were 80 applications amounting to \$8,820,901 under consideration by the Industrial Advisory Committees and the Federal Reserve banks.

MATURITY DISTRIBUTION OF BILLS AND SECURITIES HELD BY 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
Bills discounted:							
May 6.....	4,584	2,877	32	709	740	220	6
May 13.....	4,781	3,044	615	782	86	247	7
May 20.....	4,749	2,910	612	221	703	301	2
May 27.....	4,828	2,956	718	226	588	338	2
Bills bought in open market:							
May 6.....	4,676	556	445	401	3,274	-----	-----
May 13.....	4,677	574	315	506	3,282	-----	-----
May 20.....	4,544	432	275	815	3,022	-----	-----
May 27.....	4,299	561	2,145	986	607	-----	-----
Industrial advances:							
May 6.....	30,170	1,669	232	557	767	1,899	25,046
May 13.....	29,963	1,652	255	521	760	1,945	24,830
May 20.....	30,487	1,600	241	573	749	2,069	25,255
May 27.....	30,462	1,526	224	629	675	2,055	25,353
U. S. Government securities:							
May 6.....	2,430,336	27,106	20,400	103,586	144,744	313,975	1,820,525
May 13.....	2,430,259	24,000	20,080	115,847	135,762	305,386	1,829,184
May 20.....	2,430,247	20,400	67,263	68,489	138,728	313,945	1,821,422
May 27.....	2,430,255	20,080	71,497	67,882	133,070	328,206	1,809,520
Other securities:							
May 6.....	181	-----	-----	-----	-----	-----	181
May 13.....	181	-----	-----	-----	-----	-----	181
May 20.....	181	-----	-----	-----	-----	-----	181
May 27.....	181	-----	-----	-----	-----	-----	181

MEMBER BANK RESERVE BALANCES, BY CLASSES OF BANKS

[Averages of daily figures. In millions of dollars]

Month or week	Total reserves held				Excess reserves			
	Total—all member banks	New York City ¹	Other reserve cities	"Country" banks	Total—all member banks ²	New York City ¹	Other reserve cities	"Country" banks ²
1935—April.....	4,436	1,715	1,831	890	2,025.6	723.0	878.4	424.3
May.....	4,778	1,813	2,031	935	2,296.9	797.5	1,038.4	461.0
June.....	4,979	1,969	2,092	918	2,437.6	915.3	1,079.0	443.4
July.....	4,970	1,938	2,072	960	2,385.2	867.6	1,037.5	480.1
August.....	5,232	2,306	1,989	937	2,635.8	1,214.2	956.4	465.3
September.....	5,243	2,320	2,023	900	2,628.0	1,177.3	979.5	471.2
October.....	5,469	2,460	2,101	908	2,819.7	1,308.8	1,035.2	475.7
November.....	5,757	2,563	2,253	941	3,061.2	1,392.7	1,162.1	506.4
December.....	5,716	2,541	2,239	935	2,982.7	1,350.4	1,133.1	499.2
1936—January.....	5,780	2,593	2,209	978	3,032.7	1,395.4	1,090.4	547.0
February.....	5,808	2,579	2,231	998	3,037.8	1,360.1	1,110.5	567.3
March.....	5,420	2,271	2,171	978	2,653.3	1,055.8	1,054.2	543.3
April ³	5,300	2,163	2,181	956	2,509.7	939.9	1,058.3	511.5
Week ending (Friday):								
1936—Mar. 6.....	5,782	2,530	2,257	995	3,003.0	1,303.9	1,140.4	559.0
Mar. 13.....	5,773	2,394	2,350	1,029	2,997.0	1,166.2	1,230.1	601.0
Mar. 20.....	5,316	2,194	2,134	988	2,547.0	974.8	1,014.6	558.0
Mar. 27.....	5,059	2,084	2,029	945	2,313.0	894.0	911.7	507.0
Apr. 3.....	5,084	2,162	2,005	917	2,325.0	944.1	904.7	476.0
Apr. 10.....	5,150	2,127	2,085	938	2,393.0	910.7	971.9	510.0
Apr. 17.....	5,283	2,133	2,192	957	2,501.0	913.2	1,064.5	523.0
Apr. 24.....	5,408	2,169	2,272	967	2,613.0	945.0	1,138.5	530.0

¹ Revised.² Central reserve city banks only.³ Weekly figures of excess reserves of all member banks and of country banks are estimates.⁴ For total reserves and estimated excess reserves of all member banks during the following month, see table on p. 466.

Back figures.—See Annual Report for 1934 (table 67).

MEMBER BANK RESERVE BALANCES, BY DISTRICTS

[Averages of daily figures. In millions of dollars]

	Boston		New York		Philadelphia		Cleveland		Richmond		Atlanta	
	Total	Excess	Total	Excess	Total	Excess	Total	Excess	Total	Excess	Total	Excess
1935—April.....	295.7	161.8	1,920.8	810.5	221.5	92.4	308.6	157.4	142.4	70.5	85.6	27.7
May.....	296.6	161.2	2,031.0	896.3	221.3	89.8	320.3	162.3	149.6	76.2	84.2	26.4
June.....	291.3	154.4	2,169.7	997.0	226.6	91.4	299.8	139.0	144.3	70.5	86.5	29.0
July.....	303.2	162.0	2,148.4	956.5	225.8	88.4	309.3	147.0	151.3	76.7	104.3	47.1
August.....	296.4	157.9	2,507.2	1,294.4	232.3	95.9	316.1	153.3	156.9	81.9	101.7	44.5
September.....	305.8	167.5	2,518.1	1,261.2	242.5	106.9	330.2	171.7	159.5	87.4	102.8	46.1
October.....	303.5	164.7	2,655.7	1,389.1	262.1	123.2	327.8	170.4	163.2	89.1	104.7	45.9
November.....	318.8	179.9	2,769.5	1,483.0	268.6	128.7	358.8	198.3	169.1	94.0	109.1	48.9
December.....	336.5	196.0	2,756.4	1,448.9	266.3	124.1	335.8	172.9	170.0	93.6	108.3	45.9
1936—January.....	375.8	234.1	2,823.1	1,509.0	294.3	149.3	339.3	176.7	170.2	92.7	111.6	48.9
February.....	368.5	225.4	2,821.5	1,486.4	283.2	137.8	349.9	187.2	176.8	99.1	120.6	58.9
March.....	324.3	179.9	2,495.3	1,163.4	295.2	149.4	355.9	190.8	193.8	118.1	118.9	56.3
April.....	299.6	153.8	2,392.1	1,049.6	292.5	143.9	379.3	208.6	180.5	105.4	112.8	48.0
	Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	Total	Excess	Total	Excess	Total	Excess	Total	Excess	Total	Excess	Total	Excess
1935—April.....	685.4	368.4	124.9	56.4	96.3	48.2	175.1	92.1	113.2	56.0	266.9	84.1
May.....	893.3	549.8	111.9	41.5	101.6	54.1	188.4	109.3	107.6	50.6	274.0	88.6
June.....	950.1	596.5	137.9	67.8	113.0	63.6	181.9	93.2	109.0	51.6	298.7	83.6
July.....	868.0	504.2	157.6	86.2	118.3	68.7	181.0	92.3	118.2	59.8	284.9	96.3
August.....	778.6	419.7	144.6	74.3	115.1	67.9	173.8	87.3	120.8	61.0	288.7	97.8
September.....	742.9	388.5	147.4	77.7	104.9	60.7	172.8	90.2	106.7	51.7	309.2	118.3
October.....	784.0	423.0	163.8	92.4	106.0	59.0	170.5	87.4	107.3	51.0	319.9	124.3
November.....	880.0	504.7	168.9	95.8	108.2	60.3	171.0	88.1	116.5	59.4	318.7	120.0
December.....	880.4	502.9	165.0	90.9	104.2	55.8	171.8	89.6	119.5	62.4	301.4	99.8
1936—January.....	793.9	412.3	157.8	83.4	110.5	62.4	175.8	95.5	128.4	71.1	299.0	97.2
February.....	802.5	414.5	165.6	91.5	121.9	74.2	175.4	96.4	127.9	72.0	294.3	94.6
March.....	773.7	390.0	150.0	76.7	116.1	69.3	168.1	88.6	128.8	72.0	300.3	98.6
April.....	778.0	403.0	142.0	68.1	82.4	35.8	162.4	81.0	124.5	67.0	354.2	145.4

¹ Revised.

KINDS OF MONEY IN CIRCULATION

[Outside Treasury and Federal Reserve banks. In millions of dollars]

End of month	Total ¹	Gold certificates	Standard silver dollars	Silver certificates	Treasury notes of 1890	Subsidiary silver	Minor coin	United States notes	Federal Reserve notes	Federal Reserve bank notes	National bank notes
1935—May.....	5,540	119	32	695	1	296	125	281	3,159	85	747
June.....	5,568	117	32	701	1	297	125	285	3,223	81	704
July.....	5,518	115	32	702	1	298	125	280	3,232	78	654
August.....	5,629	114	33	739	1	298	126	283	3,362	75	596
September.....	5,683	112	33	756	1	302	127	286	3,439	73	553
October.....	5,713	111	33	773	1	306	128	281	3,495	70	514
November.....	5,846	110	34	812	1	309	130	284	3,612	68	487
December.....	5,882	109	34	828	1	312	131	275	3,667	66	468
1936—January.....	5,737	107	33	809	1	303	129	259	3,598	63	436
February.....	5,846	106	34	841	1	304	129	254	3,696	60	421
March.....	5,877	104	34	864	1	307	131	245	3,727	58	406
April.....	5,886	103	34	886	1	309	132	249	3,726	56	391
May ^p	5,952	102	34	914	1	312	133	265	3,760	54	378

^p Preliminary. Back figures.—See Annual Report for 1934 (table 49).

PAPER CURRENCY OF EACH DENOMINATION IN CIRCULATION

[Outside Treasury and Federal Reserve banks. In millions of dollars]

End of month	Total ¹	\$1	\$2	\$5	\$10	\$20	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	Unassorted ²
1935—April.....	5,028	411	32	749	1,266	1,300	340	589	116	230	5	8	8
May.....	5,087	420	32	760	1,290	1,309	343	588	115	225	6	9	11
June.....	5,114	419	32	760	1,296	1,309	349	598	116	225	6	8	5
July.....	5,063	415	31	755	1,273	1,289	344	596	116	231	7	10	4
August.....	5,172	424	32	778	1,324	1,313	347	598	116	233	7	11	11
September.....	5,220	433	32	788	1,334	1,321	349	603	118	232	7	14	12
October.....	5,245	435	32	787	1,337	1,329	354	610	119	233	7	14	11
November.....	5,374	448	32	815	1,380	1,354	356	617	120	234	7	15	5
December.....	5,404	460	33	815	1,373	1,359	358	627	122	239	7	16	6
1936—January.....	5,272	434	32	782	1,333	1,332	355	627	122	240	7	17	8
February.....	5,379	434	32	802	1,373	1,360	361	633	123	243	8	18	8
March.....	5,405	439	32	804	1,378	1,361	362	641	125	247	7	17	9
April.....	5,411	442	31	804	1,379	1,360	360	643	126	249	7	19	10

¹ Total of amounts shown by denominations less unassorted amounts in Treasury and Federal Reserve banks.
² Includes \$1,000,000 of currency of unknown denominations reported by the Treasury as destroyed.

Back figures.—See Annual Report for 1934 (table 50).

TREASURY CURRENCY OUTSTANDING

[Held by Treasury and Federal Reserve banks and in circulation. In millions of dollars]

End of month	Total	Standard silver dollars and silver bullion ¹	Subsidiary silver	Minor coin	United States notes	Federal Reserve bank notes	National bank notes
1935—May.....	2,525	850	313	132	347	88	795
June.....	2,506	859	313	133	347	84	769
July.....	2,510	884	315	134	347	81	750
August.....	2,398	905	316	134	347	78	619
September.....	2,386	940	317	134	347	75	573
October.....	2,400	997	320	134	347	72	530
November.....	2,438	1,066	322	135	347	70	499
December.....	2,476	1,124	328	136	347	68	473
1936—January.....	2,493	1,172	328	137	347	64	446
February.....	2,499	1,197	328	137	347	62	429
March.....	2,504	1,218	329	137	347	59	413
April.....	2,500	1,230	330	138	347	57	398
May ^p	2,490	1,236	330	138	347	55	384

¹ Includes silver held against silver certificates amounting to \$1,106,000,000 on May 31, 1936.
^p Preliminary.

SHIPMENTS AND RECEIPTS OF UNITED STATES PAPER CURRENCY

[By selected banks in New York City. In thousands of dollars]

Month	Shipments to Europe	Receipts from Europe	Net receipts
1935—May.....	1,012	1,612	600
June.....	191	1,451	1,260
July.....	286	2,261	1,975
August.....	282	2,289	2,007
September.....	721	1,157	436
October.....	2,536	864	1,672
November.....	4,203	782	3,421
December.....	603	851	248
1936—January.....	748	2,743	1,995
February.....	13	3,317	3,304
March.....	1,757	3,109	1,352
April.....	3,095	938	2,157
May.....	3,852	1,685	2,167

¹ Net shipments.
 For description and back figures see BULLETIN for January 1932, pp. 7-9.

GOLD STOCK AND GOLD MOVEMENTS IN THE UNITED STATES

ANALYSIS OF CHANGES IN MONETARY GOLD STOCK

[In millions of dollars]

Year or month	Gold stock at end of year or month	Increase in gold stock	Net gold import	Net release from earmark ¹	Other factors ²
1932.....	4,226	52.9	-446.2	457.5	41.6
1933.....	4,036	-190.4	-173.5	-58.0	41.1
1934.....	8,238	4,202.5	1,133.9	82.6	2,986.1
1935—January.....	8,391	153.3	149.4	1.1	2.8
February.....	8,527	135.3	122.8	.2	12.3
March.....	8,567	40.4	13.0	-.7	28.1
April.....	8,710	143.4	148.6	-2.3	-2.9
May.....	8,858	148.1	140.0	-1.5	9.6
June.....	9,116	257.1	230.4	1.0	25.8
July.....	9,144	27.9	16.2	-.4	12.1
August.....	9,203	59.5	46.0	1.8	11.7
September.....	9,368	165.0	156.7	1.0	7.3
October.....	9,693	325.2	315.3	-1.9	11.8
November.....	9,920	226.7	210.6	.6	15.5
December.....	10,125	205.2	190.0	1.3	13.9
Year.....	10,125	1,887.2	1,739.0	.2	148.0
1936—January.....	10,182	57.2	45.6	-1.7	13.3
February.....	10,167	-15.5	-16.6	-9.5	10.6
March.....	10,184	17.2	5.5	1.0	10.7
April.....	10,225	41.0	28.1	-.2	13.1
May.....	10,401	176.3	170.0	-3.2	9.6

^p Preliminary.

¹ Gold released from earmark at Federal Reserve banks less gold placed under earmark (with allowance when necessary for changes in gold earmarked abroad for account of Federal Reserve banks).

² Figures are derived from preceding columns and indicate net result of such factors as domestic production, movements into and out of nonmonetary use, imports and exports that do not affect gold stock during the month or year, and increment resulting from reduction in weight of gold dollar.

Back figures.—See Annual Report for 1934 (table 44).

MOVEMENT OF GOLD TO AND FROM UNITED STATES¹

[In thousands of dollars]

From or to—	1936					
	May		April		January-May	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium.....					1	
England.....	4,003		1,541	48	11,642	5,042
France.....	133,157		1,564		138,248	17,180
Germany.....	2				7	
Netherlands.....	8,751				8,752	3,765
Switzerland.....					0	
Union of Soviet Socialist Republics.....	1,043		814		5,760	
Canada.....	1,700	5	11,236	3	25,660	37
Central America.....	358		268		1,629	
Mexico.....	4,322	0	713		7,551	321
Argentina.....					5	
Chile.....	303		1,249		3,545	
Colombia.....	2,100		1,742		5,585	
Ecuador.....	501		184		1,874	
Peru.....	239		647		1,296	
Uruguay.....						
Venezuela.....	56		48		244	
Australia.....	1,029		651		8,748	
British India.....	9,720		5,106		26,571	
China and Hong Kong.....	847		385		3,148	
Dutch East Indies.....						
Japan.....						
Philippine Islands.....	1,735		1,716		7,785	
All other countries ²	90		241		791	
Total.....	169,957	5	28,106	51	258,841	26,346

¹ Figures represent customs valuations which, with some exceptions, are at rate of \$35 a fine ounce.

² Includes all movements of unreported origin or destination.

Back figures.—See table, p. 497, and Annual Report for 1934 (tables 46 and 47).

ALL BANKS IN THE UNITED STATES

[Comprises all national banks in the continental United States and all State commercial banks, trust companies, mutual and stock savings banks and such private and industrial banks as are included in abstracts issued by State banking departments. Also includes, during the period June 1934-June 1935, private banks which, pursuant to the provisions of sec. 21 (a) of the Banking Act of 1933, submitted condition reports to the Comptroller of the Currency. Under the amended provisions of Sec. 21 (a) private banks no longer report to the Comptroller of the Currency. For comparative figures of private banks included in the figures from June 1934 to December 1935, see Federal Reserve Bulletin for December 1935, p. 853, and May 1936, p. 398.]

NUMBER OF BANKS

Call date	Total	Member banks			Nonmember banks	
		Total	National	State	Mutual savings banks	Other nonmember banks
1931—Sept. 29.....	21,294	7,599	6,653	946	1,600	13,095
Dec. 31.....	19,966	7,246	6,368	878	597	12,123
1932—June 30.....	19,046	6,980	6,145	835	594	11,472
Sept. 30.....	18,794	6,904	6,080	824	594	11,296
Dec. 31.....	18,390	6,816	6,011	805	594	10,980
1933—June 30 ¹	14,519	5,606	4,897	709	576	8,337
Oct. 25 ²	5,818	5,818	5,052	766	579	8,421
Dec. 30.....	15,011	6,011	5,154	857	579	8,421
1934—Mar. 5 ³	6,206	5,288	918	578	8,882	
June 30.....	15,835	6,375	5,417	958	578	8,882
Oct. 17 ³	6,433	5,461	972	579	9,018	
Dec. 31.....	16,039	6,442	5,462	980	579	9,018
1935—Mar. 4.....	16,024	6,422	5,446	976	579	9,023
June 29.....	15,994	6,410	5,425	985	571	9,013
Nov. 1.....	15,904	6,400	5,403	997	571	8,933
Dec. 31.....	15,836	6,387	5,386	1,001	570	8,879
1936—Mar. 4 ³	6,377	5,375	1,002			

For footnotes see table below

DEPOSITS, EXCLUSIVE OF INTERBANK DEPOSITS

[In millions of dollars]

Call date	All banks	Member banks	Nonmember banks	
			Mutual savings banks	Other nonmember banks
1931—Sept. 29.....	49,152	29,469	10,017	9,666
Dec. 31.....	45,821	27,432	10,105	8,284
1932—June 30.....	41,963	24,755	10,020	7,188
Sept. 30.....	41,942	24,903	10,020	7,020
Dec. 31.....	41,643	24,803	10,022	6,818
1933—June 30 ¹	37,998	23,338	9,713	4,946
Oct. 25 ²	38,505	23,453	9,708	5,026
Dec. 30.....	38,505	23,771	9,708	5,026
1934—Mar. 5 ³	41,870	25,293	9,780	5,475
June 30.....	41,870	26,615	9,780	5,475
Oct. 17 ³	44,770	27,484	9,828	6,000
Dec. 31.....	44,770	28,943	9,828	6,000
1935—Mar. 4.....	44,455	28,589	9,837	6,029
June 29.....	45,766	29,496	9,920	6,350
Nov. 1.....	47,522	31,072	9,936	6,513
Dec. 31.....	48,964	32,159	9,963	6,842
1936—Mar. 4 ³	31,774			

For footnotes see table below.

LOANS AND INVESTMENTS

[In millions of dollars]

Call date	All banks			Member banks			Nonmember banks					
	Total	Loans	Investments	Total	Loans	Investments	Mutual savings banks			Other nonmember banks		
							Total	Loans	Investments	Total	Loans	Investments
1931—Sept. 29.....	53,365	33,750	19,615	33,073	20,874	12,199	10,506	6,169	4,337	9,786	6,707	3,079
Dec. 31.....	49,704	31,305	18,399	30,575	19,261	11,314	10,488	6,218	4,270	8,641	5,827	2,814
1932—June 30.....	46,071	27,834	18,237	28,001	16,587	11,414	10,316	6,130	4,186	7,755	5,117	2,637
Sept. 30.....	45,852	26,985	18,867	28,045	15,924	12,121	10,316	6,130	4,186	7,491	4,931	2,560
Dec. 31.....	44,946	26,063	18,883	27,469	15,204	12,265	10,182	6,079	4,103	7,295	4,780	2,515
1933—June 30 ¹	40,076	22,203	17,872	24,786	12,858	11,928	10,044	5,941	4,103	5,246	3,404	1,841
Oct. 25 ²	40,319	21,977	18,342	24,953	13,059	11,894	9,985	5,906	4,079	5,115	3,238	1,877
Dec. 30.....	40,319	21,977	18,342	25,220	12,833	12,386	9,985	5,906	4,079	5,115	3,238	1,877
1934—Mar. 5 ³	42,502	21,278	21,224	26,548	12,706	13,842	9,904	5,648	4,256	5,423	3,108	2,315
June 30.....	42,502	21,278	21,224	27,175	12,523	14,652	9,904	5,648	4,256	5,423	3,108	2,315
Oct. 17 ³	43,458	20,473	22,984	27,559	12,293	15,267	9,782	5,491	4,231	5,526	2,955	2,571
Dec. 31.....	43,458	20,473	22,984	28,150	12,028	16,122	9,782	5,491	4,231	5,526	2,955	2,571
1935—Mar. 4.....	43,747	20,394	23,353	28,271	11,953	16,318	9,775	5,478	4,297	5,701	2,963	2,738
June 29.....	44,416	20,272	24,145	28,785	11,928	16,857	9,852	5,341	4,511	5,779	3,003	2,777
Nov. 1.....	45,008	20,140	24,868	29,301	11,841	17,460	9,854	5,302	4,552	5,853	2,997	2,856
Dec. 31.....	45,717	20,329	25,388	29,985	12,175	17,810	9,804	5,210	4,594	5,929	2,944	2,985
1936—Mar. 4 ³				30,288	12,099	18,189						

¹ Figures of preceding call carried forward.
² Beginning June 30, 1933, all figures (other than for mutual savings banks) relate to licensed banks only, with some exceptions as to nonmember banks.
³ Nonmember bank figures not available.
⁴ Prior to Dec. 30, 1933, member-bank figures include interbank deposits not subject to immediate withdrawal, which aggregated \$103,000,000 on that date.

Back figures.—See Annual Report for 1934 (tables 60 and 61).

ALL MEMBER BANKS—LOANS AND INVESTMENTS

[In millions of dollars]

Call date	Total loans and investments	Loans to customers (except banks)						Loans to banks	Open-market loans				Investments			
		Total	To brokers outside New York City ¹	To others on securities	Real estate loans	Reporting banks' own acceptances	Otherwise secured and unsecured		Purchased paper			Loans to brokers in New York City ¹	Total	U.S. Government obligations		Other securities
									Acceptances payable in United States	Bills payable abroad	Commercial paper bought			Direct	Fully guaranteed	
TOTAL—ALL MEMBER BANKS																
1933—June 30 ²	24,786	11,337	165	3,752	2,372	192	4,857	330	291	25	87	788	11,928	6,887	-----	5,041
Oct. 25.....	24,953	11,523	178	3,631	2,364	257	5,092	297	303	24	164	748	11,894	6,801	-----	5,093
Dec. 30.....	25,220	11,315	166	3,606	2,359	213	4,972	287	223	37	132	840	12,386	7,254	-----	5,132
1934—Mar. 5.....	26,548	11,093	164	3,480	2,382	250	4,817	225	350	26	157	855	13,842	8,667	181	4,995
June 30.....	27,175	10,804	208	3,309	2,357	210	4,721	153	264	20	200	1,082	14,652	9,137	³ 276	³ 5,239
Oct. 17.....	27,559	10,782	167	3,158	2,297	229	4,932	149	276	30	253	802	15,267	9,186	709	5,372
Dec. 31.....	28,150	10,509	187	3,110	2,273	232	4,708	155	256	31	232	843	16,122	9,906	989	5,227
1935—Mar. 4.....	28,271	10,420	184	3,031	2,250	207	4,748	133	235	34	255	875	16,318	9,821	1,200	5,298
June 29.....	28,785	10,369	192	2,931	2,277	135	4,834	119	201	17	247	975	16,857	9,871	1,558	5,427
Nov. 1.....	29,301	10,465	179	2,885	2,279	159	4,963	94	154	27	260	841	17,460	10,080	1,764	5,615
Dec. 31.....	29,985	10,548	196	2,893	2,284	169	5,006	98	181	29	272	1,047	17,810	10,501	1,768	5,541
1936—Mar. 4.....	30,288	10,460	211	2,832	2,301	156	4,960	82	164	25	280	1,089	18,189	10,564	1,880	5,745
NEW YORK CITY⁴																
1933—June 30 ²	7,133	2,297	38	1,044	157	120	937	162	224	10	10	720	3,709	2,551	-----	1,158
Oct. 25.....	6,971	2,436	47	985	149	179	1,075	143	233	8	27	624	3,501	2,320	-----	1,181
Dec. 30.....	6,995	2,395	45	989	148	130	1,084	146	170	17	19	706	3,542	2,362	-----	1,179
1934—Mar. 5.....	7,351	2,321	47	938	156	171	1,009	112	276	8	14	687	3,932	2,768	105	1,059
June 30.....	7,666	2,202	55	882	156	144	965	68	225	10	13	883	4,265	3,053	³ 157	³ 1,056
Oct. 17.....	7,545	2,294	50	826	150	159	1,108	66	232	12	8	631	4,300	2,954	237	1,109
Dec. 31.....	7,761	2,202	54	820	139	164	1,024	63	210	16	6	662	4,602	3,246	278	1,078
1935—Mar. 4.....	7,783	2,198	56	805	139	145	1,054	52	203	19	4	678	4,628	3,200	298	1,131
June 29.....	8,303	2,146	58	783	138	82	1,085	48	183	7	5	930	4,983	3,462	348	1,174
Nov. 1.....	8,167	2,185	59	775	136	101	1,114	35	135	12	4	828	4,968	3,340	405	1,223
Dec. 31.....	8,418	2,196	60	793	140	107	1,096	42	158	16	5	1,018	4,985	3,425	401	1,159
1936—Mar. 4.....	8,802	2,215	64	792	148	99	1,112	29	141	13	4	1,043	5,355	3,602	505	1,248
OTHER RESERVE CITIES																
1933—June 30 ²	9,780	4,846	111	1,590	1,160	69	1,915	129	63	13	51	58	4,621	2,867	-----	1,754
Oct. 25.....	9,951	4,912	117	1,542	1,144	75	2,033	120	68	14	91	100	4,645	2,889	-----	1,757
Dec. 30.....	10,157	4,797	106	1,524	1,151	80	1,937	103	50	17	78	112	5,000	3,209	-----	1,790
1934—Mar. 5.....	10,816	4,669	101	1,465	1,158	75	1,870	79	64	15	89	138	5,763	3,954	75	1,734
June 30.....	11,054	4,586	138	1,388	1,145	63	1,853	53	34	8	115	154	6,104	4,102	³ 94	³ 1,908
Oct. 17.....	11,367	4,562	102	1,319	1,120	65	1,956	55	39	15	151	123	6,423	4,240	257	1,926
Dec. 31.....	11,609	4,459	118	1,294	1,108	65	1,873	65	42	14	135	131	6,764	4,551	356	1,957
1935—Mar. 4.....	11,739	4,436	113	1,261	1,093	60	1,909	56	26	13	142	134	6,933	4,601	453	1,878
June 29.....	11,743	4,425	120	1,216	1,120	52	1,917	50	14	8	126	26	7,093	4,478	658	1,957
Nov. 1.....	12,313	4,522	107	1,209	1,117	55	2,034	40	16	13	124	10	7,589	4,865	751	1,973
Dec. 31.....	12,647	4,599	123	1,206	1,109	60	2,100	39	20	12	132	22	7,824	5,136	744	1,944
1936—Mar. 4.....	12,601	4,527	132	1,174	1,110	55	2,056	36	20	10	130	31	7,845	5,090	745	2,011
COUNTRY BANKS																
1933—June 30 ²	7,873	4,194	15	1,117	1,055	3	2,005	38	4	1	27	10	3,598	1,469	-----	2,129
Oct. 25.....	8,031	4,175	14	1,104	1,070	3	1,984	35	2	2	46	23	3,748	1,592	-----	2,156
Dec. 30.....	8,068	4,123	15	1,092	1,061	3	1,952	38	3	3	34	22	3,845	1,683	-----	2,162
1934—Mar. 5.....	8,381	4,103	16	1,077	1,068	5	1,937	35	10	2	54	30	4,148	1,946	-----	2,202
June 30.....	8,456	4,016	14	1,039	1,056	3	1,903	33	5	2	72	45	4,283	1,982	³ 25	³ 2,276
Oct. 17.....	8,649	3,926	15	1,012	1,026	5	1,868	28	5	3	95	48	4,545	1,992	215	2,337
Dec. 31.....	8,780	3,849	14	996	1,026	2	1,810	27	5	2	92	50	4,756	2,108	355	2,293
1935—Mar. 4.....	8,749	3,786	16	966	1,018	2	1,785	25	6	2	109	64	4,757	2,020	448	2,289
June 29.....	8,739	3,798	13	932	1,020	2	1,831	21	3	2	116	18	4,780	1,931	553	2,296
Nov. 1.....	8,821	3,758	13	902	1,026	3	1,815	19	3	2	132	3	4,903	1,874	609	2,419
Dec. 31.....	8,919	3,754	13	894	1,035	2	1,810	17	3	2	135	7	5,002	1,940	623	2,439
1936—Mar. 4.....	8,885	3,716	15	865	1,043	2	1,791	17	3	1	145	14	4,989	1,873	630	2,486

¹ Loans (secured by stocks and bonds) to brokers and dealers in securities.² Beginning June 30, 1933, figures relate to licensed banks only.³ An estimated small amount of Home Owners' Loan Corporation bonds fully guaranteed by the United States Government is included in "Other securities" on this date.⁴ Central Reserve city banks.

Back figures.—See BULLETIN for November 1935, pp. 722 and 723, or reprint, which may be obtained from Division of Research and Statistics.

ALL MEMBER BANKS—RESERVES, DEPOSITS, AND BORROWINGS

[In millions of dollars]

Call date	Reserves with Federal Reserve banks	Cash in vault	Balances with domestic banks ¹	Cash items reported as in process of collection ²	Demand deposits						Demand deposits adjusted ⁴	Time deposits				Borrowings	
					Interbank		United States Government	Public funds	Certified and officers' checks, cash letters of credit, ³	Individuals, partnerships, corporations, etc.		Interbank		Public funds	Postal savings		Individuals, partnerships, corporations, etc.
					Domestic banks	Foreign banks						Domestic banks	Foreign banks				
TOTAL—ALL MEMBER BANKS																	
1933—June 30 ⁵	2,235	405	2,008	1,485	3,057	145	806	1,087	657	11,830	12,089	89	1	300	788	7,803	191
Oct. 25	2,651	447	1,917	1,060	2,990	117	918	1,106	465	11,873	12,384	87	6	270	781	7,971	188
Dec. 30	2,678	471	2,031	1,132	3,139	129	967	1,320	378	12,109	12,674	83	7	301	778	7,957	143
1934—Mar. 5	3,148	486	2,376	1,159	3,676	173	1,790	1,425	549	12,252	13,066	92	7	305	755	8,258	91
June 30	3,819	473	2,760	1,057	4,070	155	1,658	1,598	372	13,349	14,261	122	8	333	585	8,763	35
Oct. 17	3,976	550	2,929	1,407	4,466	136	1,143	1,680	590	14,449	15,312	135	4	294	472	8,916	24
Dec. 31	4,082	609	3,149	1,903	4,569	147	1,636	1,799	838	14,951	15,686	134	7	294	452	9,020	13
1935—Mar. 4	4,518	534	3,386	1,475	5,095	169	1,270	1,861	741	14,872	15,999	145	8	290	399	9,203	17
June 29	4,933	537	3,396	1,183	4,978	273	779	2,091	417	16,206	17,530	136	5	285	307	9,462	9
Nov. 1	5,662	541	3,760	1,756	5,558	361	650	2,251	686	17,327	18,509	132	6	310	227	9,671	9
Dec. 31	5,573	665	3,776	2,255	5,696	444	844	2,139	882	18,035	18,801	161	5	361	218	9,680	6
1936—Mar. 4	5,784	624	3,970	1,718	6,148	394	600	2,173	779	17,927	19,161	152	5	344	167	9,784	11
NEW YORK CITY⁶																	
1933—June 30 ⁵	846	46	101	874	1,255	127	332	96	461	4,676	4,358	22	1	4	110	671	8
Oct. 25	968	42	90	553	1,215	100	379	71	299	4,513	4,330	1	5	10	106	680	31
Dec. 30	903	47	93	476	1,200	112	422	141	167	4,494	4,325	1	6	14	107	620	5
1934—Mar. 5	1,170	67	91	631	1,402	154	843	109	368	4,422	4,268	-----	7	13	105	600	-----
June 30	1,417	64	97	415	1,591	135	802	167	154	4,894	4,800	1	7	12	69	649	-----
Oct. 17	1,443	64	84	666	1,689	116	559	201	360	5,107	5,001	1	3	8	65	623	7
Dec. 31	1,576	86	103	1,069	1,798	126	792	229	540	5,370	5,069	1	7	4	56	591	-----
1935—Mar. 4	1,856	58	86	810	2,047	147	572	190	500	5,329	5,209	1	7	4	44	595	2
June 29	1,935	51	133	447	1,983	248	369	354	149	5,924	5,979	-----	4	6	27	567	-----
Nov. 1	2,590	54	109	873	2,203	327	219	468	413	6,104	6,112	-----	4	13	3	680	1
Dec. 31	2,541	65	111	1,133	2,338	410	224	323	524	6,479	6,193	-----	4	12	3	591	-----
1936—Mar. 4	2,493	57	108	829	2,527	363	140	260	496	6,471	6,398	-----	4	11	-----	586	2
OTHER RESERVE CITIES																	
1933—June 30 ⁵	937	156	1,205	462	1,575	17	356	437	124	4,578	4,677	59	-----	209	394	3,299	16
Oct. 25	1,154	172	1,142	389	1,545	16	425	455	98	4,727	4,892	74	-----	172	382	3,339	21
Dec. 30	1,202	198	1,169	484	1,685	17	434	557	126	4,822	5,021	72	1	204	371	3,364	16
1934—Mar. 5	1,293	189	1,333	393	1,993	18	766	613	107	4,823	5,150	80	-----	206	349	3,495	8
June 30	1,633	194	1,559	468	2,178	18	682	700	132	5,305	5,670	106	1	234	260	3,727	-----
Oct. 17	1,685	228	1,590	552	2,431	19	458	692	132	5,871	6,143	117	1	199	197	3,793	-----
Dec. 31	1,683	247	1,750	627	2,420	19	666	767	193	5,992	6,324	117	1	206	187	3,875	-----
1935—Mar. 4	1,746	231	1,873	502	2,684	22	546	826	151	5,901	6,376	128	-----	211	167	3,985	1
June 29	2,079	250	1,856	544	2,649	24	319	872	164	6,522	7,013	119	1	203	118	4,139	-----
Nov. 1	2,172	251	2,038	662	2,955	32	335	889	167	7,128	7,523	115	1	218	84	4,168	-----
Dec. 31	2,105	295	1,989	887	2,943	33	483	915	231	7,302	7,562	134	1	266	79	4,210	-----
1936—Mar. 4	2,274	298	2,106	703	3,188	29	366	949	177	7,204	7,628	135	1	251	72	4,260	1
COUNTRY BANKS																	
1933—June 30 ⁵	452	203	702	149	228	1	116	555	72	2,576	3,054	7	-----	86	285	3,833	167
Oct. 25	529	232	685	118	230	1	114	579	68	2,633	3,162	12	-----	87	293	3,953	136
Dec. 30	573	225	769	172	254	1	111	622	85	2,793	3,328	10	-----	83	300	3,973	123
1934—Mar. 5	685	230	951	135	281	1	181	702	74	3,007	3,648	11	-----	87	301	4,163	83
June 30	769	216	1,105	174	300	1	174	731	85	3,150	3,792	15	-----	87	256	4,388	35
Oct. 17	848	258	1,257	189	345	1	125	787	98	3,472	4,168	17	-----	87	210	4,500	17
Dec. 31	822	275	1,296	207	342	2	178	804	106	3,589	4,292	16	-----	84	210	4,554	13
1935—Mar. 4	916	246	1,427	163	364	1	152	845	90	3,642	4,414	17	-----	75	188	4,623	14
June 29	920	236	1,406	192	347	1	90	865	104	3,761	4,538	16	-----	76	162	4,756	9
Nov. 1	900	237	1,613	221	399	2	95	895	106	4,095	4,875	17	-----	78	140	4,824	8
Dec. 31	927	305	1,676	235	415	1	137	901	127	4,254	5,047	16	-----	83	136	4,879	6
1936—Mar. 4	1,017	268	1,757	187	433	1	93	965	106	4,252	5,136	17	-----	82	95	4,938	8

¹ Prior to Dec. 31, 1935, excludes balances with private banks to the extent that such balances were reported in "Other assets." Since Oct. 25, 1933, includes time balances with domestic banks which on that date amounted to \$69,000,000 and which prior to that time were reported in "Other assets."

² Does not include cash items in process of collection reported in balances with domestic banks. Prior to Dec. 31, 1935, includes cash items on hand but not in process of collection, amounting on that date to \$16,000,000.

³ Includes "Due to Federal Reserve banks (transit account)", known as "Due to Federal Reserve banks (deferred credits)" prior to Dec. 31, 1935.

⁴ Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection and, prior to Dec. 31, 1935, less cash items reported on hand but not in process of collection.

⁵ Beginning June 1933 figures relate to licensed banks only.

⁶ Central reserve city banks.

Back figures.—See BULLETIN for November 1935, pp. 724-726, or reprint, which may be obtained from Division of Research and Statistics.

REPORTING MEMBER BANKS IN 101 LEADING CITIES

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

Date or month	Total loans and investments	Loans to customers (except banks)					Open-market loans			Investments				Reserve with Federal Reserve banks	Cash in vault	Balances with domestic banks ³
		Total	To brokers outside New York City ¹	To others on securities	Real-estate loans	Other loans to customers ²	Loans to banks	Acceptances and commercial paper bought	Loans to brokers in New York City ¹	Total	U. S. Government obligations		Other securities			
											Direct	Fully guaranteed				
TOTAL—101 CITIES																
1935—May	19,814	6,715	177	2,129	1,126	3,283	129	395	844	11,731	7,853	787	3,091	3,820	301	2,043
1936—January	20,928	6,723	176	2,071	1,142	3,334	70	364	923	12,848	8,599	1,155	3,094	4,773	354	2,336
February	21,053	6,659	174	2,056	1,143	3,286	69	352	901	13,072	8,708	1,194	3,170	4,782	356	2,335
March	21,445	6,810	196	2,076	1,147	3,391	73	345	995	13,222	8,737	1,247	3,238	4,363	366	2,334
April	21,745	6,932	215	2,077	1,141	3,499	80	351	1,008	13,384	8,767	1,273	3,344	4,180	370	2,282
May	21,832	6,967	212	2,078	1,146	3,531	82	353	973	13,477	8,777	1,286	3,314	4,577	378	2,263
Mar. 4	21,206	6,758	195	2,060	1,148	3,355	64	341	1,003	13,040	8,634	1,224	3,182	4,723	360	2,401
Mar. 11	21,326	6,793	202	2,067	1,146	3,378	68	349	1,062	13,054	8,588	1,244	3,222	4,632	376	2,419
Mar. 18	21,637	6,842	200	2,090	1,146	3,406	83	346	979	13,387	8,665	1,257	3,265	4,089	362	2,287
Mar. 25	21,611	6,850	189	2,087	1,150	3,424	77	343	934	13,407	8,859	1,265	3,283	4,008	366	2,230
Apr. 1	21,621	6,962	220	2,103	1,144	3,495	88	352	990	13,229	8,643	1,265	3,321	3,866	356	2,198
Apr. 8	21,731	6,962	213	2,098	1,143	3,508	70	353	984	13,362	8,791	1,267	3,304	4,052	375	2,234
Apr. 15	21,796	6,929	219	2,062	1,140	3,508	66	352	1,023	13,426	8,796	1,276	3,354	4,216	365	2,316
Apr. 22	21,783	6,910	214	2,059	1,140	3,497	62	351	1,009	13,451	8,805	1,277	3,369	4,348	372	2,310
Apr. 29	21,795	6,898	209	2,063	1,141	3,485	67	346	1,032	13,452	8,802	1,281	3,369	4,416	382	2,252
May 6	21,897	6,950	212	2,083	1,146	3,509	101	341	1,020	13,485	8,847	1,278	3,360	4,458	370	2,242
May 13	21,820	6,953	208	2,080	1,146	3,519	100	336	969	13,462	8,872	1,289	3,301	4,537	383	2,250
May 20	21,799	6,995	213	2,079	1,147	3,556	62	332	964	13,446	8,868	1,285	3,293	4,623	369	2,319
May 27	21,814	6,972	214	2,070	1,146	3,542	65	322	940	13,515	8,920	1,290	3,305	4,690	389	2,319
NEW YORK CITY																
1935—May	7,682	2,089	58	737	128	1,166	75	197	801	4,520	3,227	259	1,034	1,739	45	71
1936—January	7,937	2,036	59	730	128	1,119	34	173	895	4,799	3,346	399	1,054	2,498	53	76
February	8,061	2,025	61	734	130	1,100	33	161	873	4,969	3,430	434	1,105	2,484	51	79
March	8,391	2,089	63	750	135	1,141	39	158	960	5,145	3,479	519	1,147	2,138	51	77
April	8,547	2,121	67	747	132	1,175	36	164	967	5,259	3,511	515	1,197	1,968	51	79
May	8,585	2,141	72	750	133	1,186	48	144	928	5,324	3,647	545	1,132	2,234	52	74
Mar. 4	8,296	2,097	62	742	135	1,158	29	155	969	5,046	3,451	479	1,116	2,390	49	75
Mar. 11	8,457	2,069	62	744	135	1,128	33	159	1,027	5,169	3,522	511	1,136	2,225	52	79
Mar. 18	8,410	2,095	64	758	135	1,138	49	160	946	5,160	3,466	537	1,157	1,989	49	78
Mar. 25	8,400	2,096	64	755	136	1,141	45	158	898	5,203	3,476	549	1,178	1,949	51	78
Apr. 1	8,533	2,120	63	758	134	1,165	52	168	956	5,237	3,485	550	1,202	1,892	48	86
Apr. 8	8,514	2,148	67	763	134	1,184	35	165	944	5,222	3,499	549	1,174	1,910	51	77
Apr. 15	8,556	2,118	67	737	131	1,183	31	163	980	5,264	3,506	559	1,199	1,972	50	83
Apr. 22	8,561	2,117	67	740	131	1,179	28	163	969	5,284	3,523	549	1,212	2,009	51	76
Apr. 29	8,571	2,101	68	739	130	1,164	34	159	988	5,289	3,545	548	1,196	2,056	55	74
May 6	8,635	2,134	70	754	133	1,177	68	153	978	5,302	3,581	542	1,179	2,119	50	81
May 13	8,550	2,133	71	750	133	1,179	67	145	922	5,282	3,618	548	1,116	2,212	53	71
May 20	8,561	2,159	72	750	133	1,204	29	141	918	5,314	3,655	543	1,116	2,294	51	71
May 27	8,595	2,140	74	748	133	1,185	31	134	894	5,396	3,734	546	1,116	2,313	55	73
OUTSIDE NEW YORK CITY																
1935—May	12,132	4,626	119	1,392	998	2,117	54	198	43	7,211	4,626	528	2,057	2,081	256	1,972
1936—January	12,991	4,687	117	1,341	1,014	2,215	36	191	28	8,049	5,253	756	2,040	2,275	301	2,260
February	12,992	4,634	113	1,322	1,013	2,186	36	191	28	8,103	5,278	760	2,065	2,298	305	2,256
March	13,054	4,721	133	1,326	1,012	2,250	34	187	35	8,077	5,258	728	2,091	2,225	315	2,257
April	13,198	4,811	148	1,330	1,009	2,324	34	187	41	8,125	5,256	722	2,147	2,212	319	2,183
May	13,247	4,826	140	1,328	1,013	2,345	34	189	45	8,153	5,230	741	2,182	2,343	326	2,209
Mar. 4	12,910	4,661	133	1,318	1,013	2,197	35	186	34	7,994	5,183	745	2,066	2,333	311	2,326
Mar. 11	12,869	4,724	140	1,323	1,011	2,250	35	190	35	7,885	5,066	733	2,086	2,407	324	2,340
Mar. 18	13,227	4,747	136	1,332	1,011	2,268	34	186	33	8,227	5,399	720	2,108	2,100	313	2,209
Mar. 25	13,211	4,754	125	1,332	1,014	2,283	32	185	36	8,204	5,383	716	2,105	2,059	315	2,152
Apr. 1	13,088	4,842	157	1,345	1,010	2,330	36	184	34	7,992	5,158	715	2,119	1,974	308	2,112
Apr. 8	13,217	4,814	146	1,335	1,009	2,324	35	188	40	8,140	5,292	718	2,130	2,142	324	2,157
Apr. 15	13,240	4,811	152	1,325	1,009	2,325	35	189	43	8,162	5,290	717	2,155	2,244	315	2,233
Apr. 22	13,222	4,793	147	1,319	1,009	2,318	34	188	40	8,167	5,282	728	2,157	2,339	321	2,234
Apr. 29	13,224	4,797	141	1,324	1,011	2,321	33	187	44	8,163	5,257	733	2,173	2,360	327	2,178
May 6	13,262	4,816	142	1,329	1,013	2,332	33	188	42	8,183	5,266	736	2,181	2,339	320	2,161
May 13	13,270	4,820	137	1,330	1,013	2,340	33	190	47	8,180	5,254	741	2,185	2,325	330	2,179
May 20	13,238	4,836	141	1,329	1,014	2,352	33	191	46	8,132	5,213	742	2,177	2,329	318	2,248
May 27	13,219	4,832	140	1,322	1,013	2,357	34	188	46	8,119	5,186	744	2,189	2,377	334	2,246

* Revised.

¹ Loans (secured by stocks and bonds) to brokers and dealers in securities.

² Includes reporting banks' own acceptances.

³ Figures reported prior to 1936 excluded a certain amount of time balances and balances with private banks; the amount excluded on Dec. 31, 1935, was approximately \$38,000,000 at all weekly reporting member banks.

For other figures and note, see next page.

REPORTING MEMBER BANKS IN 101 LEADING CITIES—Continued

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

Date or month	Cash items reported as in process of collection ¹	Other assets	Total assets	Demand deposits					Demand deposits—adjusted ²	Time deposits			Borrowings	Other liabilities	Capital account	
				Total liabilities	Interbank		United States Government	Certified checks, etc.		Other	Interbank	Other				Borrowings
					Domestic banks	Foreign banks											Domestic banks	Foreign banks
TOTAL—101 CITIES																
1935—May	1,270	1,466	28,714	4,628	213	891	553	13,090	12,373	130	8	4,970	6	719	3,506	
1936—January	1,335	1,330	31,056	5,485	427	654	537	14,622	13,824	135	3	4,892	2	796	3,503	
February	1,277	1,337	31,140	5,512	397	545	493	14,848	14,064	135	3	4,893	2	807	3,505	
March	1,413	1,334	31,255	5,516	376	646	580	14,714	13,881	133	4	4,923	13	838	3,512	
April	1,526	1,354	31,437	5,351	356	758	576	14,932	13,982	133	4	4,971	7	822	3,527	
May	1,269	1,376	31,715	5,346	375	752	420	15,220	14,371	131	5	5,051	-----	874	3,541	
Mar. 4	1,437	1,342	31,469	5,739	387	511	620	14,783	13,966	134	3	4,911	3	866	3,512	
Mar. 11	1,546	1,347	31,646	5,699	380	510	664	14,923	14,041	133	5	4,931	13	877	3,511	
Mar. 18	1,369	1,318	31,062	5,375	373	785	527	14,613	13,771	134	4	4,922	21	795	3,513	
Mar. 25	1,300	1,329	30,844	5,252	366	777	508	14,539	13,747	133	3	4,921	17	815	3,513	
Apr. 1	1,744	1,353	31,138	5,297	370	774	699	14,623	13,578	133	4	4,909	22	789	3,518	
Apr. 8	1,263	1,335	30,990	5,292	359	760	486	14,667	13,890	135	3	4,956	6	803	3,523	
Apr. 15	1,850	1,344	31,887	5,487	351	755	692	15,154	13,996	133	3	4,958	6	821	3,527	
Apr. 22	1,346	1,345	31,504	5,379	350	751	474	15,059	14,187	133	5	4,985	2	833	3,533	
Apr. 29	1,428	1,393	31,666	5,299	348	752	528	15,158	14,258	132	5	5,047	-----	865	3,532	
May 6	1,283	1,383	31,633	5,361	374	754	479	15,064	14,260	130	5	5,076	-----	850	3,540	
May 13	1,341	1,379	31,710	5,360	377	752	392	15,221	14,272	132	5	5,056	-----	871	3,544	
May 20	1,241	1,363	31,714	5,344	377	754	415	15,216	14,390	131	4	5,043	-----	892	3,538	
May 27	1,210	1,379	31,801	5,317	374	747	393	15,379	14,562	132	4	5,028	-----	884	3,543	
NEW YORK CITY																
1935—May	708	580	10,825	1,913	189	435	383	5,537	5,211	-----	7	618	3	271	1,469	
1936—January	670	472	11,706	2,359	398	180	348	6,101	5,779	-----	3	540	1	314	1,462	
February	627	472	11,774	2,336	368	143	317	6,295	5,985	-----	3	537	-----	312	1,463	
March	737	465	11,859	2,343	347	164	409	6,229	5,901	-----	3	542	11	348	1,463	
April	789	478	11,912	2,292	325	197	390	6,366	5,968	-----	3	547	5	321	1,466	
May	565	494	12,004	2,303	345	196	261	6,478	6,175	-----	4	581	-----	366	1,470	
Mar. 4	753	471	12,034	2,466	357	131	438	6,265	5,950	-----	3	537	-----	370	1,467	
Mar. 11	848	468	12,129	2,451	349	131	486	6,315	5,953	-----	3	543	12	377	1,461	
Mar. 18	688	457	11,671	2,270	343	198	361	6,158	5,831	-----	3	541	18	318	1,461	
Mar. 25	660	463	11,601	2,187	337	197	352	6,177	5,869	-----	3	546	14	326	1,462	
Apr. 1	978	485	12,022	2,233	339	198	489	6,416	5,927	-----	3	546	20	314	1,464	
Apr. 8	567	467	11,586	2,240	329	198	286	6,225	5,944	-----	3	533	6	301	1,465	
Apr. 15	1,036	472	12,169	2,376	319	198	520	6,437	5,921	-----	3	532	-----	318	1,466	
Apr. 22	623	471	11,791	2,317	318	196	301	6,316	5,994	-----	4	545	-----	326	1,466	
Apr. 29	741	495	11,992	2,293	318	196	356	6,437	6,052	-----	4	576	-----	345	1,467	
May 6	608	505	11,998	2,291	343	196	313	6,421	6,126	-----	4	602	-----	356	1,472	
May 13	573	502	11,961	2,318	347	196	236	6,440	6,103	-----	4	583	-----	364	1,473	
May 20	550	482	12,009	2,323	347	198	256	6,456	6,162	-----	4	578	-----	379	1,468	
May 27	528	485	12,049	2,278	344	194	241	6,596	6,309	-----	4	561	-----	363	1,468	
OUTSIDE NEW YORK CITY																
1935—May	562	886	17,889	2,715	24	456	170	7,553	7,162	130	1	4,352	3	448	2,037	
1936—January	665	858	19,350	3,126	29	474	189	8,521	8,045	135	-----	4,352	1	482	2,041	
February	650	865	19,366	3,176	29	402	176	8,553	8,079	135	-----	4,356	2	495	2,042	
March	676	869	19,396	3,173	29	482	171	8,485	7,980	133	1	4,381	2	490	2,049	
April	737	876	19,525	3,059	31	561	186	8,566	8,014	133	1	4,424	2	501	2,061	
May	704	882	19,711	3,043	30	556	159	8,742	8,196	131	1	4,470	-----	508	2,071	
Mar. 4	684	871	19,435	3,273	30	380	182	8,518	8,016	134	-----	4,374	3	496	2,045	
Mar. 11	698	879	19,517	3,248	31	379	178	8,608	8,088	133	1	4,388	1	500	2,050	
Mar. 18	681	861	19,391	3,105	30	587	166	8,455	7,940	134	1	4,381	3	477	2,051	
Mar. 25	640	866	19,243	3,065	29	580	156	8,362	7,878	133	-----	4,375	3	489	2,051	
Apr. 1	766	868	19,116	3,064	31	576	210	8,207	7,651	133	1	4,363	2	475	2,054	
Apr. 8	696	868	19,404	3,052	30	562	200	8,442	7,946	135	-----	4,423	-----	502	2,058	
Apr. 15	814	872	19,718	3,111	32	557	172	8,717	8,075	133	-----	4,426	6	503	2,061	
Apr. 22	723	874	19,713	3,062	32	555	173	8,743	8,193	133	1	4,440	2	507	2,065	
Apr. 29	687	898	19,674	3,006	30	556	172	8,721	8,206	132	1	4,471	-----	520	2,065	
May 6	675	878	19,635	3,070	31	558	166	8,643	8,134	130	1	4,474	-----	494	2,068	
May 13	768	877	19,749	3,042	30	556	156	8,781	8,169	132	1	4,473	-----	507	2,071	
May 20	691	881	19,705	3,021	30	556	159	8,760	8,228	131	-----	4,465	-----	513	2,070	
May 27	682	894	19,752	3,039	30	553	152	8,783	8,253	132	-----	4,467	-----	521	2,075	

¹ Does not include cash items in process of collection reported in balances with domestic banks. Prior to 1936, includes a relatively small amount of cash items on hand but not in process of collection.

² Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection and prior to 1936, less cash items reported as on hand but not in process of collection.

NOTE.—For back figures and description of figures see BULLETIN for November 1935, pp. 711-738, or reprint, which may be obtained from the Division of Research and Statistics. See also p. 876 of BULLETIN for December 1935 and Annual Report for 1932 (tables 78-82).

REPORTING MEMBER BANKS IN 101 LEADING CITIES

ASSETS AND LIABILITIES BY DISTRICTS AND FOR NEW YORK CITY AND CHICAGO

[In millions of dollars]

	Total	Federal Reserve District											City		
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	New York	Chicago
Loans and investments, total:															
May 6.....	21,897	1,218	9,512	1,177	1,802	597	537	2,838	632	374	627	445	2,138	8,635	1,874
May 13.....	21,820	1,219	9,418	1,177	1,803	599	539	2,842	635	373	631	446	2,138	8,550	1,867
May 20.....	21,799	1,221	9,426	1,173	1,801	579	539	2,829	638	376	641	442	2,134	8,561	1,859
May 27.....	21,814	1,239	9,462	1,168	1,801	582	535	2,807	626	378	645	441	2,130	8,595	1,852
Loans to brokers and dealers in New York:															
May 6.....	1,020	10	991	11				3			2		3	978	
May 13.....	969	12	932	11				9			2		3	922	
May 20.....	964	12	928	10				9			2		3	918	
May 27.....	940	12	904	10				9			2		3	894	
Loans to brokers and dealers outside New York:															
May 6.....	212	26	72	19	15	3	6	42	6	2	3	2	16	70	36
May 13.....	208	24	73	18	14	3	6	42	6	2	3	2	15	71	36
May 20.....	213	23	74	17	14	3	6	50	6	2	3	2	13	72	45
May 27.....	214	25	76	17	12	3	6	49	5	2	3	2	14	74	43
Loans on securities to others (except banks):															
May 6.....	2,083	154	900	146	213	65	51	208	62	29	44	41	170	754	148
May 13.....	2,080	153	895	146	213	65	51	209	63	30	44	41	170	750	148
May 20.....	2,079	153	895	146	213	65	51	209	62	31	44	41	169	750	148
May 27.....	2,070	153	893	145	214	66	51	201	61	31	44	41	170	748	140
Acceptances and commercial paper bought:															
May 6.....	341	43	162	21	6	7	5	32	10	7	24	2	22	153	17
May 13.....	336	44	155	21	6	7	6	32	10	7	24	2	22	146	16
May 20.....	332	44	150	22	6	7	6	32	10	7	24	2	22	141	15
May 27.....	322	45	143	22	6	7	6	30	9	7	23	2	22	134	14
Loans on real estate:															
May 6.....	1,146	85	248	65	185	23	22	67	40	6	16	22	367	133	15
May 13.....	1,146	85	248	65	185	23	22	67	40	6	16	22	367	133	15
May 20.....	1,147	85	248	65	185	23	22	67	41	6	16	21	367	133	15
May 27.....	1,146	84	248	65	185	23	22	67	41	6	16	22	367	133	15
Loans to banks:															
May 6.....	101	3	68	3	4		1	9	7		4	1	1	68	5
May 13.....	100	3	67	2	4		1	10	7		4	1	1	67	6
May 20.....	62	3	29	2	4		1	10	7		4	1	1	29	6
May 27.....	65	3	31	2	4		1	10	8		4	1	1	31	6
Other loans:															
May 6.....	3,509	306	1,319	178	207	106	136	412	107	124	129	125	360	1,177	270
May 13.....	3,519	307	1,322	178	210	106	135	415	107	121	129	126	362	1,179	270
May 20.....	3,556	306	1,346	182	209	107	136	418	107	122	131	126	366	1,204	272
May 27.....	3,542	312	1,327	181	210	107	136	422	108	121	131	126	361	1,185	279
U. S. Government direct obligations:															
May 6.....	8,847	402	3,815	321	845	280	200	1,506	242	144	237	168	687	3,581	1,003
May 13.....	8,872	402	3,850	320	844	281	201	1,498	243	145	237	168	683	3,618	995
May 20.....	8,868	408	3,885	315	844	261	199	1,477	245	145	245	166	678	3,655	979
May 27.....	8,920	418	3,964	311	842	262	200	1,455	232	148	246	165	677	3,734	969
Obligations fully guaranteed by U. S. Government:															
May 6.....	1,278	18	570	103	65	37	39	158	51	14	43	36	144	542	92
May 13.....	1,289	18	576	102	65	38	39	158	51	14	46	36	146	548	93
May 20.....	1,285	18	571	100	65	38	40	156	53	14	46	35	149	543	92
May 27.....	1,290	18	576	100	67	39	35	158	54	14	45	34	150	546	94
Other securities:															
May 6.....	3,360	171	1,367	310	262	76	77	401	107	48	125	48	368	1,179	288
May 13.....	3,301	171	1,300	314	262	76	77	402	108	48	126	48	369	1,116	288
May 20.....	3,293	169	1,300	314	261	75	77	401	107	49	126	48	366	1,116	287
May 27.....	3,305	169	1,300	315	261	75	78	406	108	49	131	48	365	1,116	292
Reserve with Federal Reserve bank:															
May 6.....	4,458	228	2,246	194	269	130	63	763	103	46	115	75	226	2,119	622
May 13.....	4,537	233	2,290	185	272	127	61	776	101	56	118	78	240	2,212	639
May 20.....	4,623	226	2,386	189	274	117	59	794	90	53	110	79	246	2,294	664
May 27.....	4,690	215	2,398	189	279	112	59	849	102	54	111	77	245	2,313	691
Cash in vault:															
May 6.....	370	122	64	14	31	16	10	58	11	5	11	9	19	50	35
May 13.....	383	121	67	15	33	18	11	60	12	5	12	10	19	53	36
May 20.....	369	121	64	14	31	17	10	58	11	5	11	9	18	51	35
May 27.....	389	122	70	15	33	18	11	62	12	5	12	10	19	55	37

† Revised.

REPORTING MEMBER BANKS IN 101 LEADING CITIES—Continued

ASSETS AND LIABILITIES BY DISTRICTS AND FOR NEW YORK CITY AND CHICAGO—Continued

[In millions of dollars]

	Total	Federal Reserve District											City		
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	New York	Chicago
Balances with domestic banks:															
May 6.....	2,242	134	190	146	215	148	143	392	118	87	264	171	234	81	186
May 13.....	2,250	133	167	151	222	151	144	394	116	84	273	173	242	71	187
May 20.....	2,319	133	173	152	224	177	144	422	116	84	267	177	250	71	205
May 27.....	2,319	124	175	152	229	178	143	429	113	86	261	177	252	73	207
Other assets:															
May 6.....	1,383	77	575	89	111	39	39	106	24	18	25	27	253	505	73
May 13.....	1,379	76	572	89	111	36	39	107	24	18	25	27	255	502	73
May 20.....	1,363	77	552	89	112	36	39	107	24	18	25	27	257	482	73
May 27.....	1,379	77	555	89	112	38	42	112	24	19	25	27	259	485	76
Demand deposits—adjusted:															
May 6.....	14,260	968	6,685	744	981	379	293	2,042	381	236	433	329	789	6,126	1,379
May 13.....	14,272	977	6,592	744	992	382	297	2,070	384	246	455	338	795	6,103	1,398
May 20.....	14,390	975	6,668	749	992	381	296	2,109	376	247	447	339	811	6,162	1,438
May 27.....	14,562	982	6,811	749	997	382	300	2,143	356	250	448	336	808	6,309	1,459
Time deposits:															
May 6.....	5,076	298	995	274	715	194	171	815	174	119	144	119	1,058	602	462
May 13.....	5,056	299	975	275	715	194	171	816	174	119	144	118	1,056	583	462
May 20.....	5,043	297	970	274	717	194	171	817	174	119	145	115	1,050	578	462
May 27.....	5,028	297	953	272	718	194	171	818	175	119	144	119	1,048	561	462
U. S. Government deposits:															
May 6.....	754	16	229	57	58	41	43	138	9	3	19	27	114	196	101
May 13.....	752	16	229	57	58	40	44	137	9	3	18	28	113	196	101
May 20.....	754	16	231	57	58	40	43	138	9	3	18	27	114	198	101
May 27.....	747	16	226	57	58	40	43	136	9	3	18	27	114	194	101
Interbank deposits, domestic:															
May 6.....	5,491	231	2,357	296	324	201	191	774	230	111	355	171	250	2,291	581
May 13.....	5,492	226	2,384	292	326	200	189	764	227	107	351	169	257	2,318	571
May 20.....	5,475	225	2,388	289	324	198	187	755	227	106	353	171	252	2,323	567
May 27.....	5,449	218	2,344	287	329	196	182	767	243	108	352	169	254	2,278	571
Interbank deposits, foreign:															
May 6.....	379	9	348	3	1	-----	1	5	-----	1	-----	-----	11	347	4
May 13.....	382	8	352	3	1	-----	1	5	-----	1	-----	-----	10	351	4
May 20.....	381	7	352	3	1	-----	1	5	-----	1	-----	1	10	351	4
May 27.....	378	7	350	3	1	-----	1	5	-----	1	-----	-----	10	348	4
Borrowings:															
May 6.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
May 13.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
May 20.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
May 27.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other liabilities:															
May 6.....	850	26	369	22	15	27	7	37	11	4	2	4	326	356	32
May 13.....	871	25	377	22	15	26	6	40	10	4	2	4	340	364	34
May 20.....	892	27	392	22	15	26	7	38	10	4	2	4	345	379	32
May 27.....	884	26	377	22	16	27	7	41	10	5	2	4	347	363	34
Capital account:															
May 6.....	3,540	231	1,604	224	334	88	86	346	83	56	89	77	322	1,472	231
May 13.....	3,544	231	1,605	224	334	88	86	347	84	56	89	77	323	1,473	232
May 20.....	3,538	231	1,600	223	335	87	86	348	83	56	89	77	323	1,468	232
May 27.....	3,543	231	1,599	223	335	89	86	349	84	56	90	77	324	1,468	232

BANKS SUSPENDED AND NONLICENSED BANKS PLACED IN LIQUIDATION OR RECEIVERSHIP DURING 1935 AND JANUARY-MAY, 1936

[Preliminary figures]

	Licensed banks suspended ¹				Nonlicensed banks placed in liquidation or receivership ²			
	Number of banks		Deposits ³ (in thousands of dollars)		Number of banks		Deposits ³ (in thousands of dollars)	
	Year 1935	January-May 1936	Year 1935	January-May 1936	Year 1935	January-May 1936	Year 1935	January-May 1936
National banks.....	4		5,313		4		6,499	
State bank members.....					4		8,613	
Nonmember insured banks.....	22	23	3,847	3,251				
Other nonmember banks.....	8	1	998	428	48	9	14,306	16,630
Total.....	34	24	10,158	3,679	58	9	29,418	16,630

¹ Includes banks placed on a restricted basis.

² Includes nonlicensed banks absorbed or succeeded by other banks.

³ Deposits of licensed member banks suspended are as of dates of suspension; deposits of nonlicensed national banks placed in liquidation or receivership are as of dates of conservatorship; deposits of nonlicensed State bank members placed in liquidation or receivership are as of the nearest call dates prior to liquidation or receivership; and deposits of nonmember banks are based on the latest data available at the time of the reported closing of the banks.

⁴ Includes 5 banks with deposits of \$7,395,000 in 1935, which did not receive licenses following the banking holiday and withdrew from the Federal Reserve System before being placed in liquidation.

Back figures.—See Annual Report for 1934 (tables 79-84).

BANK DEBITS

[Debits to individual accounts. Amounts in millions of dollars]

	Number of centers	1936		1935
		April	March	April
New York City.....	1	17,285	19,629	15,905
Outside New York City.....	140	17,497	17,866	*15,645
Federal Reserve districts:				
Boston.....	11	1,928	2,064	1,684
New York.....	7	17,903	20,200	16,568
Philadelphia.....	10	1,456	1,549	1,480
Cleveland.....	13	1,879	1,664	1,544
Richmond.....	7	604	618	565
Atlanta.....	15	717	740	697
Chicago.....	21	4,673	5,091	4,164
St. Louis.....	5	822	845	757
Minneapolis.....	9	600	542	530
Kansas City.....	15	987	974	887
Dallas.....	10	568	604	495
San Francisco.....	18	2,645	2,604	*2,177
Total.....	141	34,783	37,496	*31,549

* Revised.

Back figures.—See Annual Report for 1934 (table 78).

POSTAL SAVINGS SYSTEM

[In millions of dollars]

End of month	Depositors' balances	Assets					Cash, reserve funds, etc. ¹
		Total	Cash in depository banks	U. S. Government securities			
				Total	Direct obligations	Guaranteed obligations	
1935—January.....	1,201	1,232	509	614	467	147	109
February.....	1,205	1,237	491	633	467	166	113
March.....	1,203	1,232	478	691	508	183	63
April.....	1,200	1,231	452	685	539	146	94
May.....	1,205	1,237	412	709	562	147	116
June.....	1,205	1,236	385	777	630	147	74
July.....	1,189	1,221	364	777	630	147	80
August.....	1,192	1,224	348	780	633	147	96
September.....	1,192	1,224	319	805	658	147	100
October.....	1,196	1,230	306	824	677	147	100
November.....	1,199	1,234	294	853	706	147	87
December.....	1,201	1,237	287	853	706	147	97
1936—January.....	1,208	1,241	248	876	709	167	117
February.....	1,214	1,248	225	876	710	166	147
March.....	*1,216						
April.....	*1,215						

* Preliminary.

¹ Includes working cash with postmasters, 5-percent reserve fund and miscellaneous working funds with the Treasurer of the United States, accrued interest on bond investments, and accounts due from late postmasters.

Back figures.—See BULLETIN for August 1935, p. 502.

ACCEPTANCES, COMMERCIAL PAPER, AND BROKERS' BORROWINGS

**BANKERS' ACCEPTANCES, BY HOLDERS
(DOLLAR ACCEPTANCES)**

[In millions of dollars]

End of month	Total outstanding	Held by Federal Reserve banks		Held by accepting banks			Held by others
		For own account	For account of foreign correspondents	Total	Own bills	Bills bought	
1934-January	771	105	4	567	255	312	95
February	750	56	5	581	266	315	108
March	685	23	5	576	252	324	81
April	613	3	4	536	236	299	70
May	569	(1)	3	507	226	281	59
June	534	(1)	2	480	220	260	53
July	516	(1)	1	472	222	250	42
August	520	(1)	1	483	222	261	37
September	539	(1)	1	503	223	280	35
October	562	(1)	(1)	516	245	271	45
November	561	(1)	(1)	517	252	265	44
December	543	(1)	1	497	243	254	46
1935-January	516	(1)	(1)	485	238	247	30
February	493	(1)	(1)	452	217	235	41
March	466	(1)	(1)	423	197	226	43
April	413	(1)	(1)	391	178	214	22
May	375	(1)	(1)	356	162	193	19
June	343	(1)	(1)	317	154	163	26
July	321	(1)	(1)	296	148	148	24
August	322	(1)	(1)	292	145	147	30
September	328	(1)	(1)	301	148	154	27
October	363	(1)	(1)	339	178	161	24
November	387	(1)	(1)	358	182	175	29
December	397	(1)	(1)	368	183	185	29
1936-January	384	(1)	(1)	353	181	172	31
February	377	(1)	(1)	340	172	168	37
March	359	(1)	(1)	321	150	171	38
April	344	(1)	(1)	310	143	167	34

¹ Less than \$500,000.

Source. For acceptances outstanding (and held by accepting banks), American Acceptance Council.

Back figures.—See Annual Report for 1933 (table 100).

COMMERCIAL PAPER OUTSTANDING ¹

[As reported by dealers. In millions of dollars]

End of month	1932	1933	1934	1935	1936
January	108	85	108	171	178
February	103	84	117	177	176
March	106	72	133	182	180
April	108	64	139	173	174
May	111	60	142	173	174
June	103	73	151	159	160
July	100	97	168	164	165
August	108	107	188	177	178
September	110	123	192	183	184
October	113	130	188	180	181
November	110	133	178	178	179
December	81	109	166	172	173

¹ Includes some finance company paper sold in the open market.

Back figures.—See Annual Report for 1934 (table 76).

**BANKERS' ACCEPTANCES, BY CLASSES
(DOLLAR ACCEPTANCES)**

[In millions of dollars]

End of month	Total	Based on imports into U. S.	Based on exports from U. S.	Based on goods stored in United States (warehouse credits) or shipped between domestic points	Dollar exchange	Based on goods stored in foreign countries or shipped between foreign points
February	750	98	203	261	4	184
March	685	103	186	226	3	168
April	613	103	164	186	3	158
May	569	100	150	164	3	152
June	534	97	145	141	4	148
July	516	94	135	138	4	144
August	520	89	140	147	4	141
September	539	94	138	166	4	137
October	562	93	147	184	4	133
November	561	89	148	195	2	127
December	543	89	140	193	2	119
1935-January	516	86	133	179	3	114
February	493	92	123	166	3	109
March	466	101	122	134	2	106
April	413	103	114	96	2	99
May	375	107	100	76	2	91
June	343	102	94	57	2	89
July	321	99	86	47	3	86
August	322	102	81	52	4	83
September	328	102	77	66	4	79
October	363	106	75	98	4	82
November	387	105	84	111	3	84
December	397	107	94	110	2	84
1936-January	384	108	94	96	3	84
February	377	114	94	81	2	86
March	359	113	91	66	2	87
April	344	111	86	57	2	89

Source: American Acceptance Council.

Back figures.—See Annual Report for 1933 (table 97).

BROKERS' BORROWINGS

[Net borrowings on demand and on time in New York City reported by members of the New York Stock Exchange. In millions of dollars]

End of month	Total		From banks and trust companies		From private banks, brokers, foreign banking agencies, etc.	
	1935	1936	1935	1936	1935	1936
January	825	925	758	891	67	34
February	816	924	750	888	66	36
March	773	997	706	956	67	41
April	805	1,064	762	1,028	43	35
May	793	970	759	934	34	36
June	808	976	776	932	32	36
July	769	944	741	903	28	36
August	772	944	750	903	22	36
September	781	944	759	903	22	36
October	792	944	772	903	20	36
November	846	944	821	903	25	36
December	938	944	907	903	31	36

Back figures.—See Annual Report for 1934 (table 75).

FEDERAL RESERVE BANK DISCOUNT RATES

Federal Reserve Bank	Rediscounts and advances under secs. 13 and 13a of the Federal Reserve Act			Advances under sec. 10(b) of the Federal Reserve Act		Discounts and advances under par. 3 of sec. 13 of the Federal Reserve Act		Advances secured by direct obligations of the United States (last paragraph of sec. 13 of the Federal Reserve Act)	
	Rate June 1	In effect beginning—	Previous rate	Rate June 1	In effect beginning—	Rate June 1	In effect beginning—	Rate June 1	In effect beginning—
Boston.....	2	Feb. 8, 1934	2½	2½	Sept. 20, 1935	6	Aug. 11, 1932	4	Oct. 20, 1933
New York.....	1½	Feb. 2, 1934	2	2	Oct. 10, 1935	6	Aug. 10, 1932	3½	Feb. 8, 1934
Philadelphia.....	2	Jan. 17, 1935	2½	2½	Nov. 2, 1935	6	Aug. 12, 1932	4	Oct. 20, 1933
Cleveland.....	1½	May 11, 1935	2	2	Oct. 19, 1935	5	July 24, 1934	3½	May 11, 1935
Richmond.....	2	May 9, 1935	2½	2½	Sept. 23, 1935	5½	July 16, 1934	4	Feb. 19, 1934
Atlanta.....	2	Jan. 14, 1935	2½	2½	Sept. 14, 1935	5	Mar. 20, 1934	4	Mar. 17, 1934
Chicago.....	2	Jan. 19, 1935	2½	2½	Sept. 20, 1935	6	Aug. 13, 1932	4	Oct. 16, 1933
St. Louis.....	2	Jan. 3, 1935	2½	2½	Oct. 3, 1935	5½	July 10, 1934	4	Feb. 21, 1935
Minneapolis.....	2	May 14, 1935	2½	2½	Oct. 29, 1935	6	Aug. 10, 1932	4½	Apr. 15, 1933
Kansas City.....	2	May 10, 1935	2½	2½	Aug. 26, 1935	5	July 10, 1934	3½	May 10, 1935
Dallas.....	2	May 8, 1935	2½	2½	Oct. 8, 1935	6	Sept. 8, 1932	4	Mar. 12, 1934
San Francisco.....	2	Feb. 16, 1934	2½	2½	Sept. 20, 1935	6	Sept. 2, 1932	4	Oct. 19, 1933

RATES ON INDUSTRIAL ADVANCES

[Approved by the Board of Governors of the Federal Reserve System, under Sec. 13(b) of the Federal Reserve Act as amended June 19, 1934. Percent per annum except as otherwise specified. In effect June 1, 1936]

Federal Reserve Bank	Advances direct to industrial or commercial organizations	Advances to financing institutions—		Commitments to make advances
		On portion for which institution is obligated	On remaining portion	
Boston.....	3½-6	3	3½	½-1
New York.....	4-6	3	4-5	1-2
Philadelphia.....	4-6	3	(?)	½-2
Cleveland.....	4½-6	3½	4	1
Richmond.....	6	4-6	4-6	1-2
Atlanta.....	6	5	5	½
Chicago.....	5-6	1-3	5-6	1-2
St. Louis.....	5½	4½	4½	¾
Minneapolis.....	6	4½-5	4½-5	1
Kansas City.....	4-6	4	4	¾-2
Dallas.....	5-6	4	5-6	1
San Francisco.....	5-6	3-4	4-5	½-2

1 Authorized rate 1 percent above prevailing discount rate.
 2 Same as to borrower but not less than 4 percent.
 3 Flat charge.

BUYING RATES ON ACCEPTANCES

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

Maturity	Rate in effect on June 1	In effect beginning—	Previous rate
1-15 days.....	½	Oct. 20, 1933	1
16-30 days.....	½	do.....	1
31-45 days.....	½	do.....	1
46-60 days.....	½	do.....	1
61-90 days.....	½	do.....	1
91-120 days.....	¾	do.....	1
121-180 days.....	1	do.....	1¼

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

Back figures.—See Annual Report for 1934 (table 51).

MONEY RATES AND BOND YIELDS

OPEN-MARKET RATES IN NEW YORK CITY
[Percent per annum]

Month or week	Prevailing rate on—			Average rate on—		Average yield on U. S. Treasury 3-5 year notes ¹	
	Prime commercial paper, 4 to 6 months	Prime bankers' acceptances, 90 days	Stock-exchange time loans, 90 days	Stock exchange call loans			
				New	Renewal		
1935							
May	3/4	1/8	1/4	.25	.25	.15	1.12
June	3/4	1/8	1/4	.25	.25	.13	1.14
July	3/4	1/8	1/4	.25	.25	.07	1.16
August	3/4	1/8	1/4	.25	.25	.10	1.22
September	3/4	1/8	1/4	.25	.25	.22	1.43
October	3/4	1/8	1/4	.29	.29	.20	1.37
November	3/4	1/8	1	.75	.75	.14	1.29
December	3/4	1/8	1	.75	.75	.09	1.26
1936							
January	3/4	1/8	1	.75	.75	.10	1.21
February	3/4	1/8	1	.75	.75	.08	1.15
March	3/4	1/8	1	.75	.75	.11	1.09
April	3/4	1/8	1	.75	.75	.10	1.10
May	3/4	1/8	1-1/4	.93	.93	.18	1.09
Week ending:							
Mar. 7	3/4	1/8	1	.75	.75	.10	1.05
Mar. 14	3/4	1/8	1	.75	.75	.10	1.11
Mar. 21	3/4	1/8	1	.75	.75	.12	1.13
Mar. 28	3/4	1/8	1	.75	.75	.13	1.12
Apr. 4	3/4	1/8	1	.75	.75	.11	1.12
Apr. 11	3/4	1/8	1	.75	.75	.10	1.07
Apr. 18	3/4	1/8	1	.75	.75	.09	1.09
Apr. 25	3/4	1/8	1	.75	.75	.09	1.10
May 2	3/4	1/8	1	.75	.75	.13	1.09
May 9	3/4	1/8	1	.75	.75	.19	1.11
May 16	3/4	1/8	1-1/4	1.00	1.00	.18	1.09
May 23	3/4	1/8	1-1/4	1.00	1.00	.20	1.08
May 30	3/4	1/8	1-1/4	1.00	1.00	.22	1.09

¹ For description of average and back figures, see May Bulletin, p. 317
Back figures.—See Annual Report for 1934 (tables 54 and 55), except for average yield on U. S. Treasury 3-5 year notes.

RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES
[Weighted averages of prevailing rates]

	1928	1929	1930	1931	1932	1933	1934	1935	1936
New York City:									
January	4.56	5.74	5.64	4.24	4.71	4.12	3.58	2.83	2.64
February	4.44	5.73	5.35	4.31	4.71	4.11	3.43	2.90	2.56
March	4.59	5.81	5.22	4.20	4.72	4.88	3.31	2.64	2.61
April	4.72	5.85	4.91	4.17	4.69	4.33	3.39	2.61	2.54
May	4.97	5.88	4.74	4.11	4.55	4.24	3.42	2.69	2.51
June	5.09	5.93	4.50	4.13	4.61	4.10	3.30	2.66	.....
July	5.38	5.88	4.48	4.05	4.42	3.93	3.30	2.61	.....
August	5.56	6.05	4.41	3.97	4.45	3.97	3.33	2.67	.....
September	5.63	6.06	4.29	3.93	4.30	3.79	3.26	2.72	.....
October	5.63	6.08	4.26	4.27	4.35	3.76	3.28	2.72	.....
November	5.56	5.96	4.17	4.67	4.12	3.52	3.22	2.77	.....
December	5.63	5.74	4.16	4.64	4.22	3.48	3.18	2.61	.....
Year	5.15	5.88	4.69	4.22	4.49	4.02	3.33	2.70	.....
8 other northern and eastern cities:									
January	4.73	5.87	5.88	4.61	5.07	4.89	4.65	4.08	3.62
February	4.76	5.86	5.66	4.63	5.13	4.84	4.49	4.02	3.63
March	4.81	5.91	5.47	4.62	5.14	5.39	4.52	4.05	3.60
April	4.91	6.00	5.22	4.57	5.10	5.09	4.62	3.99	3.47
May	5.04	6.09	5.13	4.55	5.14	4.99	4.39	3.78	.....
June	5.36	6.02	5.06	4.49	5.13	4.97	4.30	3.78	.....
July	5.57	6.08	4.81	4.48	5.05	4.82	4.15	3.77	.....
August	5.59	6.11	4.79	4.47	5.12	4.68	4.12	3.79	.....
September	5.80	6.24	4.74	4.48	5.03	4.65	4.11	3.75	.....
October	5.80	6.25	4.73	4.62	4.96	4.51	4.13	3.75	.....
November	5.82	6.12	4.66	4.87	4.88	4.54	4.08	3.63	.....
December	5.91	5.94	4.68	4.91	4.88	4.59	3.98	3.67	.....
Year	5.34	6.04	5.07	4.61	5.05	4.83	4.29	3.86	.....
27 southern and western cities:									
January	5.53	5.94	6.12	5.50	5.61	5.60	5.40	4.95	4.47
February	5.53	5.96	6.05	5.43	5.61	5.56	5.39	4.84	4.51
March	5.54	6.04	5.98	5.40	5.64	5.66	5.40	4.85	4.44
April	5.54	6.07	5.80	5.36	5.63	5.68	5.34	4.80	4.40
May	5.56	6.10	5.75	5.26	5.64	5.66	5.28	4.79	4.43
June	5.67	6.16	5.69	5.34	5.62	5.62	5.19	4.76	.....
July	5.77	6.17	5.63	5.30	5.63	5.54	5.07	4.58	.....
August	5.80	6.22	5.58	5.28	5.68	5.53	5.05	4.63	.....
September	5.82	6.27	5.55	5.32	5.63	5.55	5.04	4.61	.....
October	5.87	6.29	5.54	5.38	5.56	5.50	5.05	4.65	.....
November	5.90	6.29	5.50	5.53	5.55	5.42	4.83	4.61	.....
December	5.91	6.20	5.43	5.56	5.60	5.43	4.92	4.55	.....
Year	5.70	6.14	5.72	5.39	5.62	5.56	5.17	4.69	.....

Back figures.—See Annual Report for 1934 (table 57).

BOND YIELDS¹

Year, month, or date	U. S. Treasury ²	Municipal (high grade) ³	Corporate ⁴								
			Total	By ratings				By groups			
				Aaa	Aa	A	Baa	Industrial	Railroad	Public utility	
Number of issues	7-11	15	120	30	30	30	30	40	40	40	
1933 average	3.31	4.71	5.88	4.49	5.23	6.09	7.76	5.32	6.06	6.25	
1934 average	3.10	3.95	4.96	4.00	4.44	5.08	6.32	4.52	4.96	5.40	
1935 average	2.70	3.16	4.58	3.74	4.13	4.62	5.81	4.25	4.95	4.53	
1935—May	2.61	3.27	4.64	3.74	4.18	4.66	5.99	4.29	5.11	4.52	
June	2.61	3.25	4.59	3.72	4.18	4.62	5.86	4.31	4.99	4.48	
July	2.59	2.95	4.54	3.70	4.15	4.54	5.77	4.26	4.97	4.40	
August	2.66	2.87	4.54	3.77	4.15	4.57	5.69	4.26	4.95	4.42	
September	2.78	3.08	4.52	3.80	4.11	4.56	5.62	4.24	4.91	4.41	
October	2.77	3.16	4.52	3.79	4.10	4.57	5.63	4.20	4.97	4.39	
November	2.73	3.02	4.45	3.75	4.03	4.53	5.50	4.13	4.90	4.33	
December	2.73	2.97	4.38	3.72	3.97	4.44	5.37	4.09	4.73	4.31	
1936—January	2.68	2.93	4.23	3.66	3.85	4.31	5.10	3.93	4.50	4.26	
February	2.62	2.86	4.15	3.62	3.80	4.24	4.93	3.88	4.32	4.25	
March	2.54	2.78	4.15	3.61	3.77	4.23	4.99	3.84	4.35	4.27	
April	2.51	2.76	4.17	3.60	3.79	4.26	5.04	3.84	4.41	4.27	
May	2.50	2.76	4.16	3.58	3.74	4.25	5.08	3.80	4.42	4.26	
May 6	2.51	2.77	4.16	3.57	3.75	4.25	5.08	3.81	4.43	4.26	
May 13	2.50	2.76	4.17	3.59	3.75	4.25	5.07	3.82	4.43	4.25	
May 20	2.47	2.77	4.15	3.56	3.73	4.24	5.07	3.79	4.41	4.25	
May 27	2.48	2.75	4.14	3.56	3.72	4.23	5.04	3.77	4.39	4.25	

¹ Monthly data are average²⁰ of daily or weekly figures.

² Average of yields of all outstanding bonds due or callable after 8 years.

³ Standard Statistics Co.

⁴ Moody's Investors' Service. Since the early part of 1934 less than 40 industrial bonds have been included owing to the fact that the number of industrial bonds with Aaa ratings has been reduced from 10 to 4 and with Aa ratings from 10 to 3.

Back figures.—See Annual Report for 1934 (table 94).

BOND PRICES ¹

STOCK PRICES ¹

Year, month, or date	U. S. Treasury ²	Municipal (high-grade) ³	Corporate ³			
			Total	Industrial	Railroad	Utility
Number of issues.....	7-11	15	60	20	20	20
1933 average.....	102.5	87.1	73.4	69.2	70.5	80.6
1934 average.....	103.5	97.3	84.5	81.9	83.8	87.8
1935 average.....	106.0	109.4	88.6	88.2	79.4	98.2
1935—May.....	106.8	107.5	87.1	87.3	76.5	97.4
June.....	107.0	107.8	88.3	87.3	79.3	98.4
July.....	107.3	112.9	89.2	88.5	78.8	100.2
August.....	106.5	114.4	89.9	89.0	79.6	100.9
September.....	104.7	110.7	90.4	89.4	80.6	101.0
October.....	104.9	109.4	89.8	89.8	78.4	101.0
November.....	105.3	111.6	91.1	90.8	79.8	102.7
December.....	105.2	112.6	92.5	91.0	83.1	103.1
1936—January.....	105.8	113.2	95.3	92.5	88.7	104.7
February.....	106.3	114.4	97.2	93.0	93.6	105.1
March.....	106.6	116.0	96.6	92.1	92.7	105.1
April.....	107.0	116.2	95.9	91.2	91.6	104.8
May.....	107.1	116.2	95.5	90.6	90.8	105.0
May 6.....	107.0	116.1	95.5	90.8	90.9	104.8
May 13.....	107.1	116.3	95.4	90.7	90.5	104.9
May 20.....	107.4	116.1	95.6	90.5	91.0	105.3
May 27.....	107.3	116.4	95.9	90.7	91.9	105.2

Year, month, or date	Preferred stocks (industrial high-grade) ²	Common stocks (index, 1926=100) ³			
		Total	Industrial	Railroad	Utility
Number of issues.....	20	*419	*347	*32	*40
1933 average.....	104.8	63	66	38	78
1934 average.....	120.7	*72	81	42	69
1935 average.....	133.8	78	91	34	*71
1935—May.....	134.8	73	86	31	*64
June.....	134.0	76	*87	*32	70
July.....	134.8	79	*91	34	*73
August.....	135.4	83	95	36	*81
September.....	135.0	85	98	37	*82
October.....	134.8	*85	*99	*34	*81
November.....	136.9	*93	*107	38	*90
December.....	137.0	*95	*109	41	92
1936—January.....	137.3	*100	*115	*44	*97
February.....	138.7	*106	*121	*49	103
March.....	139.6	109	125	49	103
April.....	138.8	*109	*125	*49	*102
May.....	138.6	101	116	45	95
May 6.....	138.2	102	118	46	94
May 13.....	138.5	101	116	45	93
May 20.....	138.7	101	116	45	95
May 27.....	138.8	104	119	47	99

¹ Monthly data are averages of daily or weekly figures.
² Average prices of all outstanding bonds due or callable after 8 years.
³ Prices derived from average yields.
 Source.—U. S. Treasury bonds, based on price quotations from Treasury Department; for other bonds, Standard Statistics Co.
 Back figures.—See Annual Report for 1934 (table 93); for U. S. Treasury bonds, see May BULLETIN, p. 317.

¹ Revised.
² Average derived prices.
³ Number of issues revised to represent more accurately the stocks included; monthly averages revised to include Wednesday figures by weeks ending within the month.
 Source.—Standard Statistics Co.
 Back figures.—See Annual Report for 1934 (table 93).

CAPITAL ISSUES

[In millions of dollars]

Year or month	Total (new and re-funding)	For new capital							Foreign ¹	Total (domestic and foreign)	For refunding							Foreign ¹
		Domestic						Foreign ¹			Domestic							
		Total	State and municipal	Federal agencies ²	Corporate						Total	State and municipal	Federal agencies ²	Corporate				
					Total	Bonds and notes	Stocks							Total	Bonds and notes	Stocks		
1926.....	7,359	6,314	5,189	1,344	91	3,754	2,667	1,087	1,125	*1,044	881	22	40	820	687	133	163	
1927.....	9,774	7,556	6,219	1,475	87	4,658	3,184	1,474	1,337	*2,218	1,978	35	93	1,850	1,586	264	241	
1928.....	9,898	8,040	6,789	1,379	64	5,346	2,385	2,961	1,251	1,858	1,620	36	0	1,584	1,054	530	238	
1929.....	11,513	10,091	9,420	1,418	0	8,002	2,078	5,924	671	1,422	1,387	13	0	1,374	542	833	35	
1930.....	7,619	6,909	6,004	1,434	87	4,483	2,980	1,503	905	*709	527	53	0	474	451	23	182	
1931.....	4,038	3,909	2,860	1,235	75	1,551	1,239	311	229	949	893	21	51	821	789	32	56	
1932.....	1,751	1,194	1,165	1,762	77	325	305	20	29	*557	498	87	93	319	315	4	59	
1933.....	1,063	720	708	483	64	161	40	120	12	*343	283	37	26	219	187	32	60	
1934.....	2,160	1,386	1,386	803	405	178	144	35	0	*774	765	136	317	312	312	0	9	
1935.....	*4,672	*1,486	1,438	884	150	404	334	69	*48	*3,186	3,160	309	987	1,864	1,782	81	26	
1935—May.....	*472	*87	86	41	0	45	39	6	*1	384	384	35	267	82	82	0	0	
June.....	512	58	58	44	0	14	14	0	0	454	454	19	319	115	115	0	0	
July.....	640	134	134	79	0	55	27	28	0	*506	506	9	11	487	482	5	0	
Aug.....	*424	*198	152	36	85	30	29	(*)	*46	*227	208	28	(*)	180	156	24	18	
Sept.....	436	177	177	132	0	45	42	3	0	259	259	15	13	231	230	1	0	
Oct.....	*362	*145	144	56	15	73	70	3	*1	217	213	10	24	179	164	16	4	
Nov.....	*380	116	116	82	0	33	30	3	0	*264	261	26	17	217	216	1	4	
Dec.....	417	231	231	124	40	67	48	19	0	*186	186	4	81	101	85	16	0	
1936—Jan.....	402	122	115	50	0	65	61	4	7	*280	240	38	(*)	201	201	(*)	40	
Feb.....	302	107	107	89	4	13	4	10	0	195	195	8	6	181	170	11	0	
Mar.....	*768	130	130	60	11	59	46	13	*1	*637	614	69	9	536	525	11	23	
April.....	*1,050	*177	177	49	0	128	102	26	*0	*873	843	53	199	530	492	38	30	
May.....	413	112	112	68	6	38	13	24	0	302	302	31	4	267	252	16	0	

¹ Revised.
² Includes issues of noncontiguous U. S. Territories and Possessions.
³ Includes publicly offered issues of Federal land banks, Federal intermediate credit banks, Federal Farm Mortgage Corporation, and Home Owners' Loan Corporation.
⁴ Less than \$500,000.
 Sources.—For domestic issues, Commercial and Financial Chronicle; for foreign issues, U. S. Department of Commerce. Monthly figures subject to revision.
 Back figures.—See Annual Report for 1934 (table 92) for figures of new issues—annual and quarterly basis.

TREASURY FINANCE
UNITED STATES GOVERNMENT DEBT

VOLUME AND KIND OF SECURITY
[In millions of dollars]

End of period	Total (gross debt)	Interest bearing					Non-interest bearing
		Total	Bonds	Notes	Certificates	Bills	
June 1932.....	19,487	19,161	14,250	1,465	2,831	616	326
June 1933.....	22,539	22,158	14,223	4,780	2,200	954	381
June 1934.....	27,053	26,480	16,510	6,932	1,635	1,404	573
1935							
May.....	28,639	27,738	15,157	10,471	157	1,953	901
June.....	28,701	27,645	14,936	10,501	156	2,053	1,056
July.....	29,123	27,923	14,576	11,065	254	2,028	1,200
August.....	29,033	27,956	14,715	11,036	252	1,952	1,076
September.....	29,421	28,432	14,300	11,929	251	1,952	989
October.....	29,462	28,380	13,998	11,929	250	2,204	1,081
November.....	29,634	28,617	14,008	11,957	249	2,404	1,017
December.....	30,557	29,596	14,672	12,274	247	2,404	961
1936							
January.....	30,516	29,618	14,688	12,272	254	2,404	899
February.....	30,520	29,646	14,713	12,270	258	2,405	874
March.....	31,459	30,591	15,981	12,400	258	1,953	868
April.....	31,425	30,601	16,005	12,383	259	1,953	825
May.....	31,636	30,823	16,030	12,381	258	2,153	1,814

MATURITIES

[In millions of dollars]

	Interest-bearing debt outstanding May 29, 1936				
	Total	Bonds ¹	Notes	Certificates	Bills
Total.....	30,823	16,030	12,381	258	2,153
Obligations maturing:					
Before July 1, 1936.....	887	-----	687	-----	200
July 1-Sept. 30, 1936.....	1,579	-----	878	-----	701
Oct. 1-Dec. 31, 1936.....	1,209	-----	358	-----	851
Jan. 1-Mar. 31, 1937.....	829	-----	429	-----	401
Apr. 1-June 30, 1937.....	502	-----	502	-----	-----
July 1-Dec. 31, 1937.....	817	-----	817	-----	-----
1938.....	1,946	-----	1,946	-----	-----
1939.....	2,762	-----	2,762	-----	-----
1940.....	2,854	-----	2,854	-----	-----
1941.....	1,511	834	-----	-----	-----
1943.....	898	898	-----	-----	-----
1945.....	1,401	1,401	-----	-----	-----
1946.....	1,519	1,519	-----	-----	-----
1947.....	1,697	1,697	-----	-----	-----
1948.....	1,036	1,036	-----	-----	-----
After 1948.....	8,185	8,185	-----	-----	-----
Other obligations ²	1,190	460	471	258	-----

^r Revised.

¹ Includes \$438,000,000 of Government liability for retirement of national bank and Federal Reserve bank notes, as a result of deposit of funds by banks; this compares with \$815,000,000 on July 31, 1935, and \$636,000,000 on May 31, 1935.

¹ Issues classified as of date of final maturity; most issues callable at earlier dates; postal-savings bonds only issues callable before 1940.

² Includes United States savings bonds and such issues as postal-savings bonds and notes, retirement-fund notes, and adjusted-service-certificate series, in which special funds are invested.

SUMMARY OF TREASURY OPERATIONS

[On basis of daily statement of United States Treasury. In millions of dollars]

Period	General and special funds										Trust accounts, etc. ⁵ excess of receipts (+) or expenditures (-)	Increase or decrease during period								
	Receipts				Expenditures ²															
	Total	Income taxes	Miscellaneous internal revenue	All other ¹	Total	General ²		Recovery and relief ³												
						Interest on public debt	All other	Total	Relief	Public works				All other ⁴						
Fiscal year ending June:																				
1933.....	2,080	746	858	475	4,681	689	2,715	\$1,277	-----	-----	-----	-----	-----	-----	-----	-----	-2,602	-5	+445	+3,052
1934.....	3,116	818	1,470	828	6,745	757	1,984	4,004	1,844	645	1,515	-----	-----	-----	-----	-----	-3,630	+835	+1,720	+4,514
1935.....	3,800	1,099	1,657	1,044	6,802	821	2,325	3,657	2,342	1,020	1,294	-----	-----	-----	-----	-----	-3,002	+613	-741	+1,648
11 months ending:																				
May 1934.....	2,725	630	1,339	755	6,012	635	1,796	3,581	1,694	526	1,361	-----	-----	-----	-----	-----	-3,287	+831	+1,160	+3,616
May 1935.....	3,337	845	1,519	972	6,062	702	2,128	3,232	2,084	938	209	-----	-----	-----	-----	-----	-2,725	+515	-625	+1,585
May 1936.....	3,587	1,116	1,846	625	6,140	618	2,487	3,035	953	1,786	296	-----	-----	-----	-----	-----	-2,553	+135	+517	+2,936
1935-May:	246	23	137	86	542	24	170	347	178	78	19	-----	-----	-----	-----	-----	-296	+348	+22	-30
June.....	464	254	138	72	740	119	197	425	258	82	85	-----	-----	-----	-----	-----	-277	+99	-115	+63
July.....	279	23	165	91	673	8	318	347	114	88	146	-----	-----	-----	-----	-----	-394	-77	-52	+419
August.....	299	24	219	56	508	27	193	289	158	9	139	-----	-----	-----	-----	-----	-210	-17	-314	-87
September.....	421	231	143	47	563	101	217	245	142	87	16	-----	-----	-----	-----	-----	-143	+78	+324	+389
October.....	235	30	153	53	624	104	234	286	145	123	19	-----	-----	-----	-----	-----	-389	+23	-325	+40
November.....	234	19	142	74	487	10	216	262	127	130	4	-----	-----	-----	-----	-----	-253	+42	-39	+172
December.....	434	228	153	52	591	107	237	247	97	148	2	-----	-----	-----	-----	-----	-157	+8	+774	+923
1936-January:	228	35	138	55	456	19	197	241	64	225	6	-----	-----	-----	-----	-----	-228	+64	-205	-41
February.....	218	43	132	43	496	31	164	301	43	218	40	-----	-----	-----	-----	-----	-277	+37	-237	+3
March.....	752	412	291	48	570	131	226	214	11	254	6	-----	-----	-----	-----	-----	+181	-22	+1,099	+939
April.....	231	36	152	43	614	72	228	314	33	259	22	-----	-----	-----	-----	-----	-383	-7	-424	-34
May.....	256	35	158	63	558	8	258	291	21	264	7	-----	-----	-----	-----	-----	-302	+7	-84	+211

^r Revised.

¹ Includes processing taxes, customs, and miscellaneous receipts.

² Excludes public-debt retirement.

³ Prior to July 1933, recovery and relief expenditures included only net expenditures of the Reconstruction Finance Corporation; other items subsequently classified as recovery and relief expenditures were included in general expenditures.

⁴ Includes expenditures classified by the Treasury as agricultural aid, aid to home owners, and miscellaneous, which includes direct loans and expenditures of the Reconstruction Finance Corporation.

⁵ Includes also increment resulting from reduction in the weight of the gold dollar, receipts from seigniorage, expenditures chargeable against increment on gold (other than for retirement of national bank notes), and beginning June 1935 transactions in checking accounts of certain special governmental agencies whose balances were transferred on May 31, 1935, to these accounts.

⁶ Excess of credits.

GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES, APRIL 30, 1936

[Based on compilation by U. S. Treasury Department from reports received from organizations concerned. In millions of dollars]

	Financed wholly from Government funds					Financed partly from Government funds				Total		Total	
	Recon- struction Finance Corporation	Com- modity Credit Corporation	Public Works Admin- istration	Agricul- tural credit institu- tions	Other	Farm mort- gage insti- tutions	Other farm credit insti- tutions	Home mort- gage insti- tutions	Other	April 30, 1936	Mar. 31, 1936	April 30, 1935	
ASSETS													
Loans and preferred stock:													
Loans to financial institutions.....	456				1		106		4	567	578	836	
Preferred stock, etc.....	845				(1)		7			852	856	871	
Home mortgage loans.....							2,960			2,960	2,952	2,590	
Farm mortgage loans.....						2,949				2,949	2,943	2,777	
Other agricultural loans.....	9	292		39	146				(1)	705	707	492	
All other loans.....	828		133		215					1,176	1,137	1,018	
Total loans and preferred stock.....	2,137	292	133	39	362	2,949	219	3,073	4	9,209	9,173	8,584	
Cash.....	3	3		4	88	94	19	79	29	319	340	336	
United States direct obligations.....				3	24	40		93	8	470	470	469	
Obligations of Government credit agencies:													
Fully guaranteed by U. S.....				18		2	85	8	101	214	216	220	
Other ²				24	2	(?)				26	27	47	
Production credit association class A stock.....				74						74	74	77	
Accounts and other receivables.....	35	10		2	14	141	4	63	4	273	268	168	
All other assets.....	4	(1)	16	(1)	198	142	(1)	148	5	513	489	370	
Total assets other than interagency².....	2,179	306	150	166	688	3,367	420	3,379	444	11,099	11,055	10,272	
LIABILITIES													
Bonds, notes, and debentures:													
Guaranteed by United States.....	252				(1)	1,411		3,033		4,696	4,676	3,707	
Other ²					24	1,214	163	4	(1)	1,382	1,375	1,788	
Other liabilities (including reserves)	28	(1)		3		142	3	99	28	328	332	218	
Total liabilities other than interagency².....	280	(1)		3	24	2,767	166	3,136	29	6,406	6,383	5,714	
Excess of assets over liabilities, excluding interagency transactions.....	1,899	306	150	163	664	600	254	242	416	4,693	4,672	4,559	
Privately owned interests.....						152	2	29	163	346	344	335	
U. S. Government interests.....	1,899	306	150	163	664	448	252	213	253	4,347	4,328	4,224	

¹ Less than \$500,000.

² Excludes \$761,000,000 of Federal land bank bonds held by Federal Farm Mortgage Corporation.

³ Includes \$87,000,000 of unclassified assets of Federal savings and loan associations.

⁴ Includes unissued bonds covering loans in process.

⁵ Corresponding figure for Feb. 29, and March 31, 1936 corrected to read \$192,000,000 and \$194,000,000 respectively.

NOTE.—For explanation of table and back figures see BULLETIN for April 1936, p. 220.

RECONSTRUCTION FINANCE CORPORATION LOANS AND INVESTMENTS

[Amounts outstanding. In thousands of dollars]

	May 31, 1935	Nov. 30, 1935	Dec. 31, 1935	Jan. 31, 1936	Feb. 29, 1936	Mar. 31, 1936	Apr. 30, 1936	May 29, 1936 ^a
Loans to financial institutions.....	681,416	533,769	524,127	497,289	474,596	423,061	410,383	¹ 403,148
Loans on preferred stock of banks and insurance companies.....	48,183	47,880	47,909	47,573	46,730	46,820	46,053	46,092
Preferred stock, capital notes, and debentures.....	871,449	879,848	871,760	877,679	861,749	850,986	851,620	846,614
Agricultural loans.....	22,140	22,524	22,246	21,994	21,910	21,873	8,623	8,684
Loans to railroads (including receivers).....	413,414	412,765	396,250	393,712	390,202	389,239	394,168	393,154
Loans for self-liquidating projects.....	137,550	174,373	147,563	154,947	156,592	160,951	164,891	174,149
Loans to industrial and commercial businesses.....	17,678	37,335	40,013	43,686	46,488	48,287	50,194	50,779
Loans to drainage, levee, and irrigation districts.....	25,815	45,488	50,025	51,790	51,853	53,420	54,713	55,228
Other loans.....	84	1,947	2,283	1,858	3,876	3,917	3,587	3,518
Securities purchased from Public Works Administration.....	15,753	115,238	154,001	124,689	154,242	151,593	143,838	129,634
Total loans and investments, other than interagency.....	2,233,483	2,270,669	2,256,177	2,215,216	2,208,238	2,150,148	2,128,071	2,110,999
Loans to Federal land banks.....	66,398	50,108	45,074	35,819	35,215	34,723	34,365	33,948
Loans to Commodity Credit Corporation.....	55,530	265,994	267,541	297,091	297,449	297,279	291,961	172,800
Capital stock of Commodity Credit Corporation.....								97,000
Capital stock of, and loans to R. F. C. Mortgage Co.....	10,000	13,555	14,721	15,523	15,952	16,725	17,623	18,429
Preferred stock of Export-Import banks.....	12,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total loans and investments.....	2,377,912	2,610,324	2,593,513	2,573,649	2,566,854	2,508,875	2,482,020	2,443,175

^a Preliminary.

¹ Includes \$149,000,000 of loans for distribution to depositors of closed banks.

NOTE.—For explanation of table and back figures, see April BULLETIN, p. 220.

FARM CREDIT ADMINISTRATION LOANS AND DISCOUNTS OUTSTANDING, BY INSTITUTIONS

[In thousands of dollars]

End of month	Farm mortgage loans by—		Federal intermediate credit bank loans to and discounts for—		Production credit associations	Regional agricultural credit corporations	Emergency crop and drought loans	Loans to cooperatives by—		
	Federal land banks	Land Bank Commissioner	Regional agricultural credit corporations, production credit associations, and banks for cooperatives ¹	Other financing institutions, except cooperatives				Federal intermediate credit banks	Banks for cooperatives, including Central Bank	Agricultural Marketing Act revolving fund
1933—December.....	1,232,707	70,738	73,263	60,989	27	144,636	89,811	15,211	18,697	157,752
1934—December.....	1,915,792	616,825	99,675	55,672	60,852	87,102	110,186	33,969	27,851	54,863
1935—April.....	1,975,737	696,834	124,315	55,832	93,025	78,351	161,178	30,050	30,119	49,761
May.....	1,998,228	716,243	129,954	56,897	101,269	76,508	192,476	26,420	31,741	47,456
June.....	2,016,825	733,489	130,559	57,759	106,688	72,765	196,250	10,028	23,937	49,422
July.....	2,023,859	742,897	128,851	58,864	110,030	68,670	196,732	5,023	25,037	49,196
August.....	2,036,067	754,502	125,137	58,761	109,020	64,582	195,943	5,539	31,455	46,497
September.....	2,047,390	765,319	115,426	55,661	101,427	59,225	192,182	4,755	43,140	46,714
October.....	2,058,693	777,214	100,634	49,114	92,573	51,656	182,678	4,084	48,179	46,074
November.....	2,065,620	785,898	100,343	46,867	91,522	46,220	175,438	3,221	51,246	44,688
December.....	2,071,925	794,726	104,706	46,490	94,096	43,400	172,489	2,731	50,013	44,433
1936—January.....	2,066,308	802,782	105,457	46,045	96,240	41,489	170,072	2,241	46,566	44,286
February.....	2,058,512	810,811	110,806	46,679	103,002	40,510	168,700	2,117	42,720	44,155
March.....	2,059,978	817,899	122,849	48,045	116,392	39,617	167,826	2,074	41,083	44,306
April.....	2,061,881	823,110	132,715	50,015	127,511	38,665	175,151	1,685	40,015	43,523

¹ Does not include loans by joint stock land banks, which are now in liquidation.

² Some of the loans made by the regional agricultural credit corporations and the banks for cooperatives and most of the loans made by the production credit associations are discounted with the Federal intermediate credit banks. The amounts in this column are thus included in the 3 columns under those headings. Such loans are not always discounted in the same month in which the original credit is extended.

FEDERAL HOME LOAN BANK BOARD LOANS OUTSTANDING, BY INSTITUTIONS

[Loans in thousands of dollars]

End of month	Home mortgage loans by—				Federal home loan bank loans to member institutions ³
	Home Owners' Loan Corporation ¹	Federal savings and loan associations ²			
		Number of associations	Loans reported		
	Total	Reporting	New associations	Converted associations	
1932—December.....					838
1933—December.....	105,920	59			85,442
1934—December.....	2,196,988	639	455	10,758	86,658
1935—April.....	2,578,883	778	613	20,800	112,847
May.....	2,620,119	808	623	24,081	123,741
June.....	2,660,677	851	655	27,070	138,129
July.....	2,702,247	894	691	32,850	146,161
August.....	2,747,022	922	758	37,345	192,959
September.....	2,788,203	949	828	44,072	219,980
October.....	2,838,086	979	851	53,362	239,263
November.....	2,886,013	1,002	851	54,703	240,777
December.....	2,940,029	1,023	881	60,103	255,580
1936—January.....	2,984,438	1,044	898	60,457	269,186
February.....	3,014,423	1,061	898	64,092	272,554
March.....	3,040,137	1,078	980	74,915	291,491
April.....	3,060,029	1,102	990	81,499	296,337

¹ Preliminary.
² Loans closed.

³ No monthly reports prior to September 1934; they now exclude largely new associations recently chartered and inactive associations.
⁴ Includes loans to Federal savings and loan associations, all of which are members, and a negligible amount to others than member institutions.

OBLIGATIONS FULLY GUARANTEED BY THE UNITED STATES¹

AMOUNTS OUTSTANDING, BY AGENCIES

[In millions of dollars]

End of month	Total	Federal Farm Mortgage Corporation	Home Owners' Loan Corporation ²	Reconstruction Finance Corporation ³
1933—December.....	180			180
1934—September.....	1,875	733	896	246
October.....	2,596	805	1,543	248
November.....	2,823	878	1,695	249
December.....	3,063	980	1,834	249
1935—January.....	3,300	1,041	2,009	250
February.....	3,480	1,089	2,140	251
March.....	3,590	1,124	2,215	251
April.....	3,660	1,154	2,256	250
May.....	3,728	1,188	2,290	250
June.....	4,123	1,226	2,647	250
July.....	4,205	1,274	2,682	249
August.....	4,248	1,282	2,716	250
September.....	4,369	1,368	2,748	253
October.....	4,421	1,382	2,786	253
November.....	4,460	1,387	2,819	253
December.....	4,494	1,387	2,855	252
1936—January.....	4,562	1,399	2,911	253
February.....	4,630	1,407	2,970	253
March.....	4,654	1,407	2,995	252
April.....	4,676	1,411	3,013	252

¹ Principal amount of obligations guaranteed as to interest and principal.

² Excludes obligations guaranteed as to interest only.

³ Excludes obligations held by U. S. Treasury and reflected in the public debt. Figure for December 1933 includes notes given in purchase of gold which were retired in February 1934.

PRODUCTION, EMPLOYMENT, AND TRADE

[Index numbers; 1923-25 average=100. The terms "adjusted" and "unadjusted" refer to adjustment for seasonal variation]

Year and month	Industrial production ¹ *						Construction contracts awarded (value) ²						Factory employment ³		Factory pay rolls ³		Freight-car loadings ⁴ *		Department store sales* (value)	
	Total		Manufactures		Minerals		Total		Residential		All other		Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed
	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed
1919		83		84		77		63		44		79		107		97		84		78
1920		87		87		89		63		30		90		108		117		91		94
1921		67		67		70		56		44		65		82		76		79		87
1922		85		86		74		79		68		88		91		81		87		88
1923		101		101		105		84		81		86		104		103		100		98
1924		95		94		96		94		95		94		97		96		97		99
1925		104		105		99		122		124		120		99		101		103		103
1926		108		108		108		129		121		135		101		104		106		106
1927		106		106		107		129		117		139		99		102		103		107
1928		111		112		106		135		126		142		99		102		103		108
1929		119		119		115		117		87		142		105		109		106		111
1930		95		95		99		92		50		125		92		89		92		102
1931		81		80		84		63		37		84		77		68		75		92
1932		64		63		71		28		13		40		64		46		56		69
1933		76		75		82		25		11		37		69		49		58		67
1934		79		78		86		32		12		48		79		62		62		75
1935		90		90		91		37		21		50		82		70		63		79
1933																				
Mar.	59	60	56	58	81	74	14	14	8	8	18	18	59	59	37	50	48	57	50	
April	66	67	65	68	73	65	14	16	10	11	17	19	60	60	39	53	51	64	68	
May	78	79	77	80	79	77	16	19	11	13	20	24	63	63	43	55	55	67	67	
June	91	91	93	92	85	83	18	21	13	14	23	27	67	67	47	62	61	68	64	
July	100	96	102	97	91	90	21	24	13	13	28	32	73	72	51	65	66	70	48	
Aug.	91	90	91	89	91	95	24	25	12	12	33	36	77	76	57	61	65	75	59	
Sept.	84	85	83	84	87	94	30	30	12	12	45	45	78	80	59	60	68	69	73	
Oct.	76	78	76	76	81	89	37	35	12	12	57	53	78	80	59	58	66	69	77	
Nov.	72	72	70	70	82	85	48	42	13	12	76	66	76	76	56	59	60	66	75	
Dec.	75	69	73	67	86	81	57	45	13	11	93	73	75	75	55	63	56	70	121	
1934																				
Jan.	78	77	76	75	88	86	49	40	12	10	80	64	75	73	54	64	58	71	57	
Feb.	81	83	80	82	92	89	44	38	12	10	70	60	78	78	61	64	61	71	59	
Mar.	84	87	82	86	100	91	33	33	11	12	51	50	81	81	65	66	63	78	73	
April	86	88	85	89	90	81	32	36	12	14	48	54	82	82	67	62	60	74	73	
May	86	89	86	89	88	86	26	32	11	13	38	47	83	83	67	63	63	77	77	
June	84	84	83	84	87	86	26	31	12	13	38	46	82	81	65	64	64	74	70	
July	76	73	74	71	84	84	27	30	12	12	39	44	80	79	61	61	63	73	51	
Aug.	73	73	72	71	80	83	27	28	10	10	40	43	79	80	62	59	63	77	60	
Sept.	71	73	69	70	82	87	29	30	11	11	44	45	74	76	58	59	67	75	79	
Oct.	74	75	72	73	81	87	31	29	12	12	46	43	77	78	61	57	64	73	82	
Nov.	75	74	74	73	81	84	31	28	11	11	48	41	77	77	60	59	60	74	83	
Dec.	86	78	85	76	90	85	31	25	12	10	47	36	79	78	63	64	56	78	135	
1935																				
Jan.	91	88	90	87	94	91	27	22	12	10	39	32	81	79	64	64	58	74	59	
Feb.	89	91	88	91	96	92	28	24	14	13	39	33	82	81	69	65	61	75	61	
Mar.	88	91	86	91	97	90	26	26	16	16	35	34	83	83	71	65	62	82	71	
April	86	89	85	91	87	79	27	30	18	22	33	38	82	83	71	61	59	73	79	
May	85	87	84	87	89	88	27	32	21	25	32	39	81	81	69	61	61	76	76	
June	86	86	84	85	98	97	30	35	24	26	36	43	80	80	66	63	63	80	76	
July	86	83	86	83	84	84	35	39	25	25	43	50	81	80	65	58	60	80	55	
Aug.	87	87	88	87	81	85	38	40	24	24	50	54	82	82	70	60	64	78	61	
Sept.	90	90	91	89	87	92	43	44	25	25	58	59	82	84	72	62	70	81	86	
Oct.	95	97	95	96	93	100	48	45	25	25	66	62	84	85	75	64	73	77	86	
Nov.	97	97	98	98	92	95	60	53	26	25	88	76	85	85	75	66	67	81	91	
Dec.	104	96	104	95	101	96	67	53	26	22	101	79	86	85	76	71	62	84	145	
1936																				
Jan.	98	95	97	95	103	99	61	50	25	21	90	73	85	83	73	70	63	79	63	
Feb.	94	95	91	93	110	106	52	44	25	22	73	62	84	83	73	70	65	80	66	
Mar.	93	96	93	97	95	89	47	47	26	28	63	62	84	84	76	66	62	88	77	
April	100	103	100	105	105	94	47	53	30	35	60	67	85	85	78	69	66	81	85	
May															70	71	88	88	85	

^p Preliminary. ^r Revised.

* Average per working day.

¹ For indexes of groups and separate industries see pp. 489-490; for description see BULLETIN for February and March 1927.

² 3-month moving average of F. W. Dodge Corporation data centered at second month; for description see BULLETIN for July 1931, p. 358.

³ The indexes for factory employment and pay rolls unadjusted for seasonal variation are compiled by the Bureau of Labor Statistics. For description and back figures see BULLETIN for May 1934, pp. 270-271. For description and back figures for the seasonally adjusted index of factory employment compiled by F. R. Board of Governors see BULLETINS for June 1934, pp. 324-343, and December 1935, p. 888. For current indexes of groups and separate industries see pp. 491-492. Underlying figures are for pay-roll period ending nearest middle of month.

⁴ For indexes of groups see p. 494.

Back figures.—See Annual Report for 1934 (tables 95 and 100).

INDUSTRIAL PRODUCTION, BY INDUSTRIES (ADJUSTED INDEXES)

[Index numbers of the Board of Governors; adjusted for seasonal variation. 1923-25 average=100]

Industry	1935									1936			
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Manufactures—Total	86	84	84	86	88	91	95	98	104	97	91	93	^p 99
IRON AND STEEL	67	66	66	69	81	83	88	96	103	86	83	83	100
Pig iron.....	53	56	53	53	60	62	65	69	71	67	63	64	77
Steel ingots.....	69	67	68	70	83	86	90	99	106	88	85	85	102
TEXTILES	98	102	100	105	104	106	113	106	111	105	102	100	100
Cotton consumption.....	^r 85	85	82	82	85	95	99	98	108	106	99	100	105
Wool.....	^r 109	124	122	128	132	112	126	118	114	107	111	96	89
Consumption.....	131	153	148	156	160	127	146	134	125	117	120	105	93
Machinery activity ¹	^r 91	99	107	108	110	108	121	118	122	114	117	99	95
Carpet and rug loom activity ¹	^r 79	80	71	76	83	74	78	72	66	66	75	68	68
Silk deliveries.....	117	111	116	133	113	134	132	112	119	98	91	107	102
FOOD PRODUCTS	80	78	74	74	76	78	83	82	83	92	84	87	90
Slaughtering and meat packing.....	77	74	67	69	76	76	82	79	80	84	77	83	89
Hogs.....	58	54	44	46	50	50	57	54	54	61	52	61	68
Cattle.....	96	94	92	93	107	107	111	107	110	111	109	109	114
Calves.....	113	108	106	115	119	124	117	118	126	120	109	115	116
Sheep.....	157	161	151	154	159	144	154	148	145	152	145	151	134
Wheat flour.....	88	83	91	80	73	82	88	86	84	91	96	92	88
Sugar meltings.....	80	88	75	83	78	81	78	86	92	124	93	96	95
PAPER AND PRINTING:													
Newsprint production.....	59	64	63	60	58	62	61	64	63	60	60	62	60
Newsprint consumption.....	119	121	124	118	120	127	124	125	133	124	127	132	131
TRANSPORTATION EQUIPMENT:													
Automobiles.....	^r 104	^r 85	^r 99	^r 94	^r 77	^r 69	^r 93	^r 114	^r 125	^r 110	^r 90	^r 109	124
Locomotives.....	9	14	10	3	2	1	1	3	3	0	0	1	-----
Shipbuilding.....	91	56	21	15	35	64	48	119	179	129	141	138	-----
LEATHER AND PRODUCTS	115	114	104	109	105	104	105	109	124	118	111	107	109
Tanning.....	98	100	97	95	93	94	97	105	105	103	96	93	97
Cattle hide leathers.....	93	98	90	89	91	90	98	105	103	96	95	94	95
Calf and kip leathers.....	88	87	104	86	77	83	74	84	95	103	85	77	85
Goat and kid leathers.....	120	119	106	121	114	115	119	124	118	122	^r 110	103	115
Boots and shoes.....	126	123	109	118	113	110	110	111	137	127	121	^r 116	117
CEMENT AND GLASS:													
Cement.....	51	55	58	52	44	47	52	59	59	47	49	58	71
Glass, plate.....	185	155	162	169	167	179	193	200	269	225	161	178	211
NONFERROUS METALS:²													
Tin deliveries ¹	97	84	73	85	91	92	92	80	81	103	105	95	101
FUELS, MANUFACTURED:													
Petroleum refining.....	153	160	166	168	169	172	176	176	173	169	172	168	178
Gasoline ¹	194	204	214	220	219	223	227	225	220	214	215	210	223
Kerosene.....	91	94	99	91	93	92	95	94	86	94	94	98	104
Fuel oil ¹	96	104	105	100	103	110	110	115	121	121	130	119	119
Lubricating oil ¹	100	100	97	92	100	102	103	106	104	96	98	105	116
Coke, byproduct.....	87	89	87	84	91	95	97	100	106	104	103	100	112
RUBBER TIRES AND TUBES	88	75	79	83	92	102	104	133	142	116	82	77	-----
Tires, pneumatic.....	91	78	82	86	96	105	106	137	147	120	84	80	-----
Inner tubes.....	66	56	55	60	62	80	84	102	104	90	64	62	-----
TOBACCO PRODUCTS	138	134	138	140	130	129	138	137	147	148	148	140	152
Cigars.....	67	66	67	70	67	69	70	69	73	73	75	71	74
Cigarettes.....	193	186	193	196	178	175	190	191	205	208	207	193	214
Minerals—Total	87	89	98	84	81	87	93	92	101	103	110	95	105
Bituminous coal.....	^r 61	69	79	55	58	58	^r 75	71	^r 78	80	92	70	84
Anthracite.....	69	71	97	62	36	65	48	48	71	70	93	48	63
Petroleum, crude.....	130	131	133	134	133	135	140	144	146	148	143	146	150
Iron ore.....	-----	53	53	50	54	62	62	44	-----	-----	-----	-----	-----
Zinc.....	75	73	79	80	81	84	80	82	84	84	77	85	91
Lead.....	58	63	55	59	60	59	68	67	70	63	62	59	70
Silver.....	49	51	47	73	59	71	75	68	68	80	93	90	-----

¹ Without seasonal adjustment.

² Includes also lead and zinc; see "Minerals."

^p Preliminary.

^r Revised.

NOTE.—For description see BULLETINS for February and March, 1927. For latest revisions see BULLETINS for March 1932, pp. 194-196, and September 1933, pp. 584-587. Series on silk-loom activity and on production of book paper, wrapping paper, fine paper, box board, mechanical wood pulp, chemical wood pulp, paper boxes, and lumber, usually published in this table, are in process of revision.

INDUSTRIAL PRODUCTION, BY INDUSTRIES (UNADJUSTED INDEXES)

[Index numbers of the Board of Governors; without seasonal adjustment. 1923-25 average=100]

Industry	1935									1936			
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Manufactures—Total	91	87	85	83	87	89	96	98	*95	95	93	97	*105
IRON AND STEEL	74	72	66	64	79	83	85	89	90	83	87	94	111
Pig iron.....	56	57	53	50	58	60	65	70	69	67	64	67	82
Steel ingots.....	76	73	68	65	81	85	87	91	92	85	89	96	114
TEXTILES	100	101	95	97	99	106	116	111	105	110	108	102	103
Cotton consumption.....	*91	88	79	75	77	92	102	101	100	111	106	105	112
Wool.....	*107	117	114	119	126	115	134	124	114	108	117	98	88
Consumption.....	127	141	133	139	149	133	161	146	126	120	131	107	90
Machinery activity.....	*91	99	107	108	110	108	121	118	122	114	117	99	95
Carpet and rug loom activity.....	*79	80	71	76	83	74	78	72	66	66	75	68	68
Silk deliveries.....	116	110	103	126	117	141	132	116	106	112	98	103	101
FOOD PRODUCTS	76	78	73	74	74	81	86	86	82	92	82	86	85
Slaughtering and meat packing.....	69	72	66	66	68	74	84	87	91	96	75	78	80
Hogs.....	52	52	45	41	38	37	49	60	71	81	57	62	61
Cattle.....	85	91	86	92	104	119	129	123	115	112	96	95	101
Calves.....	123	122	110	111	109	119	123	120	120	112	101	116	126
Sheep.....	148	158	147	154	160	168	170	146	142	154	136	137	126
Wheat flour.....	80	78	80	77	78	97	99	93	81	89	93	86	80
Sugar meltings.....	93	99	89	102	88	86	74	67	52	82	91	113	110
PAPER AND PRINTING:													
Newsprint production.....	60	65	64	58	56	62	61	63	63	61	60	61	61
Newsprint consumption.....	127	124	123	105	107	125	132	134	137	119	125	138	141
TRANSPORTATION EQUIPMENT:													
Automobiles.....	*134	*107	*112	*98	69	*28	*77	*124	*125	108	*93	*124	149
Locomotives.....	8	13	10	3	2	1	1	4	3	0	0	1	-----
Shipbuilding.....	88	71	27	22	51	64	35	105	138	92	100	107	-----
LEATHER AND PRODUCTS	112	105	100	107	116	120	115	104	106	109	*113	110	107
Tanning.....	95	95	95	95	95	100	103	103	102	99	99	92	95
Cattle hide leathers.....	93	93	88	86	90	94	101	104	100	97	101	95	95
Calf and kip leathers.....	79	83	100	100	93	96	88	80	81	85	78	69	76
Goat and kid leathers.....	119	110	106	113	111	121	124	122	127	116	*114	105	114
Boots and shoes.....	123	112	104	115	130	132	123	105	108	116	122	*122	115
CEMENT AND GLASS:													
Cement.....	50	65	71	63	57	59	58	58	46	29	29	42	70
Glass, plate.....	205	169	165	168	169	181	193	192	202	201	174	194	235
NONFERROUS METALS: ¹													
Tin deliveries.....	97	84	73	85	91	92	92	80	81	103	105	95	101
FUELS, MANUFACTURED:													
Petroleum refining.....	153	160	166	167	169	173	176	176	174	170	172	168	178
Gasoline.....	194	204	214	220	219	223	227	225	220	214	215	210	223
Kerosene.....	90	90	92	85	88	94	100	101	93	96	96	95	103
Fuel oil.....	96	104	105	100	103	110	110	115	121	121	130	119	119
Lubricating oil.....	100	100	97	92	100	102	103	106	104	96	98	105	116
Coke, byproduct.....	87	89	85	81	88	93	97	102	107	105	106	103	114
RUBBER TIRES AND TUBES	103	96	95	81	91	97	91	99	99	107	89	85	-----
Tires, pneumatic.....	107	99	99	84	94	99	93	103	102	110	92	87	-----
Inner tubes.....	75	68	65	57	68	80	76	75	75	82	67	67	-----
TOBACCO PRODUCTS	127	136	150	152	139	143	148	140	119	141	135	132	140
Cigars.....	63	68	73	73	70	79	85	82	55	56	65	64	70
Cigarettes.....	175	188	212	215	192	193	200	189	168	204	188	183	195
Minerals—Total	79	88	97	84	85	92	100	95	96	99	106	89	94
Bituminous coal.....	51	60	71	50	57	61	82	80	*83	88	98	70	71
Anthracite.....	72	71	85	51	36	65	62	50	69	75	99	40	65
Petroleum, crude.....	130	132	136	137	136	139	141	143	142	142	140	145	150
Iron ore.....		80	105	102	109	119	105	37	-----	-----	-----	-----	-----
Zinc.....	78	73	76	75	75	79	78	82	86	89	82	90	95
Lead.....	57	62	56	57	57	56	70	70	70	63	64	60	69
Silver.....	49	50	46	62	59	68	74	73	68	81	100	99	-----

¹ Includes also lead and zinc; see "Minerals."

* Preliminary.

* Revised.

NOTE.—For description see BULLETINS for February and March 1927. For latest revisions see BULLETINS for March 1932, pp. 194-196, and September 1933, pp. 584-587. Series on silk-loom activity and on production of book paper, wrapping paper, fine paper, box board, mechanical wood pulp, chemical wood pulp, paper boxes, and lumber, usually published in this table, are in process of revision.

FACTORY EMPLOYMENT AND PAY ROLLS, BY INDUSTRIES

[Adjusted to Census of Manufactures through 1931. 1923-25 average=100]

Industry and group	Factory employment						Factory pay rolls		
	Adjusted for seasonal variation			Without seasonal adjustment			Without seasonal adjustment		
	1936		1935	1936		1935	1936		1935
	April	March	April	April	March	April	April	March	April
Total	84.9	*84.2	*82.4	85.1	*84.1	*82.6	77.9	*76.3	70.8
IRON AND STEEL AND PRODUCTS ¹	77.9	76.1	71.1	79.1	77.1	72.2	73.9	*69.9	59.4
Blast furnaces and steel works.....	78.1	*75.7	72.2	79.7	*77.4	73.7	79.2	*73.8	62.3
Cast-iron pipe.....	56.1	55.5	46.8	56.7	55.2	47.3	37.2	34.9	26.3
Cutlery and edge tools.....	75.3	76.5	77.6	77.9	79.2	80.3	64.8	*63.4	60.1
Hardware.....	54.8	*54.3	54.0	55.2	*55.1	54.4	52.4	50.5	46.3
Steam, hot-water heating apparatus, etc.....	59.5	57.7	49.7	60.1	58.4	50.2	43.8	*42.6	33.8
Stoves.....	102.0	98.8	94.7	104.9	100.1	97.4	85.5	*84.4	73.7
Structural metal work.....	65.3	62.3	56.0	64.5	60.9	55.3	54.7	*49.9	39.8
Tin cans, etc.....	95.4	96.9	87.9	95.8	93.9	88.3	94.3	94.5	85.4
Wirework.....	145.9	*142.6	130.2	144.4	*142.2	128.9	146.7	*140.0	121.5
MACHINERY ¹	97.0	94.9	86.0	96.2	93.6	85.1	86.3	82.2	67.6
Agricultural implements.....	132.6	129.6	91.6	140.4	138.7	97.0	172.5	171.0	108.8
Electrical machinery, etc.....	75.3	72.3	70.9	75.3	72.3	70.9	68.6	63.7	58.4
Engines, turbines, etc.....	118.4	114.3	96.0	120.3	116.2	97.5	91.1	88.7	69.6
Foundry and machine-shop products.....	82.4	80.4	73.1	83.8	81.5	74.3	75.4	71.6	58.0
Machine tools.....	104.4	102.1	80.7	105.9	104.5	81.8	97.5	97.4	67.8
Radios and phonographs.....	239.0	248.8	231.2	188.6	186.1	182.4	118.0	109.7	107.0
Textile machinery.....	70.3	69.7	65.3	70.8	71.0	65.8	62.5	64.6	51.6
TRANSPORTATION EQUIPMENT ¹	98.7	*96.3	99.1	104.3	*100.3	104.8	110.3	*96.1	102.7
Automobiles.....	108.0	*106.3	113.5	114.1	*111.1	119.9	121.7	*105.4	117.1
Cars, electric and steam railroad.....	57.6	57.3	54.7	62.2	56.8	59.1	70.0	62.0	65.1
Locomotives.....	30.9	*27.4	31.8	31.4	*27.6	32.3	15.1	*12.9	15.0
Shipbuilding.....	93.7	*86.1	70.0	99.8	*90.7	74.6	95.6	*85.0	62.0
RAILROAD REPAIR SHOPS	59.4	*60.4	52.6	59.9	*60.1	52.9	60.6	*63.1	50.7
Electric railroads.....	66.0	65.8	65.6	66.0	65.8	65.6	62.5	63.6	60.4
Steam railroads.....	59.0	*60.0	51.6	59.4	*59.7	52.0	60.6	*63.2	50.1
NONFERROUS METALS AND PRODUCTS ¹	87.6	*87.2	*82.4	88.7	*88.9	*83.4	74.0	*73.9	*64.7
Brass, bronze, and copper.....	85.3	*84.6	80.4	86.8	*86.9	81.8	70.8	*69.9	64.1
Lighting equipment.....	77.1	*78.3	69.3	78.0	*79.1	70.1	74.7	72.5	59.0
Silverware and plated ware.....	65.4	66.1	71.6	65.5	66.6	71.7	48.7	52.2	51.2
Smelting and refining.....	86.7	*87.6	75.5	88.5	*89.5	77.1	63.5	*65.6	49.8
Stamped and enameled ware.....	109.7	*105.1	*106.1	112.8	*109.1	*109.1	101.1	*96.4	*88.0
LUMBER AND PRODUCTS ¹	56.3	*55.9	52.4	55.6	*54.5	51.7	46.3	*44.6	37.5
Furniture.....	74.7	73.7	71.1	72.1	72.4	68.6	56.2	55.7	49.2
Lumber, millwork.....	48.2	47.6	39.4	48.5	47.0	39.7	41.2	39.2	27.7
Lumber, sawmills.....	37.7	*37.3	35.0	37.5	*36.1	34.8	29.7	*28.0	23.7
STONE, CLAY, AND GLASS PRODUCTS ¹	57.1	55.2	52.7	57.7	54.1	53.2	46.9	*43.5	39.3
Brick, tile, and terra cotta.....	36.4	*35.2	27.4	36.7	*32.5	27.6	25.8	*22.4	16.3
Cement.....	52.6	47.3	50.3	52.3	44.3	50.0	38.3	31.8	31.9
Glass.....	95.6	*94.1	92.7	97.1	*94.9	94.2	92.1	*89.1	82.7
Pottery.....	70.5	*69.8	72.3	71.6	*71.2	73.4	56.9	*57.6	53.4
TEXTILES AND PRODUCTS ¹	94.9	94.6	96.0	96.1	97.2	97.2	80.0	*84.3	82.4
A. Fabrics ¹	91.3	91.6	92.7	91.9	93.3	93.3	78.3	*80.0	78.0
Carpets and rugs.....	77.5	78.4	77.0	79.6	80.9	79.1	69.2	70.4	74.2
Cotton goods.....	90.8	*89.6	91.5	90.4	*91.6	91.9	77.1	*77.8	74.0
Dyeing and finishing.....	108.8	107.3	111.8	111.5	111.9	114.6	96.0	95.7	95.7
Knit goods.....	112.8	113.0	112.2	114.9	114.9	114.3	110.5	112.5	110.3
Silk and rayon goods.....	63.9	63.0	70.0	64.8	64.7	71.0	53.5	53.5	59.6
Woolen and worsted goods.....	89.2	93.1	88.4	87.8	93.0	87.0	67.3	71.5	66.5
B. Wearing apparel ¹	99.1	*97.4	99.2	101.7	*101.9	101.8	78.7	*87.6	86.4
Clothing, men's.....	96.1	*94.2	97.7	93.1	*96.1	94.7	67.8	*80.7	82.5
Clothing, women's.....	123.7	122.8	122.3	136.3	133.8	134.8	101.1	108.7	103.9
Millinery.....	61.4	63.0	63.4	67.4	70.8	69.6	63.0	76.2	70.0
Shirts and collars.....	109.7	105.5	105.6	108.4	105.5	104.3	105.9	104.7	104.4
LEATHER AND PRODUCTS	87.0	86.9	92.2	86.4	89.0	91.5	69.9	75.5	79.1
Boots and shoes.....	85.2	85.4	91.7	84.3	87.4	90.8	62.4	69.7	75.1
Leather.....	94.7	93.4	94.3	94.9	95.6	94.5	94.5	93.8	91.4
FOOD PRODUCTS ¹	100.5	102.2	*102.4	94.1	92.0	*95.4	87.7	87.5	*85.9
Baking.....	115.3	115.2	113.6	113.5	112.9	111.8	100.4	100.9	95.5
Butter.....	72.4	73.6	71.8	71.0	68.0	70.4	56.5	55.7	54.7
Canning and preserving.....	92.2	108.8	*103.4	68.2	56.6	*76.5	78.8	70.8	*83.7
Confectionery.....	77.7	76.9	85.4	70.6	73.9	77.6	60.5	66.6	64.7
Flour.....	73.5	74.6	75.3	72.4	73.7	74.2	63.8	67.7	62.5
Ice cream.....	71.6	68.8	71.9	68.8	61.8	69.1	57.6	53.2	55.5
Slaughtering and meat packing.....	83.4	82.4	84.2	80.7	*80.5	81.5	73.6	*74.1	74.3
Sugar refining, cane.....	82.4	80.4	84.4	81.8	79.6	83.8	73.9	75.8	76.2

¹ Revised.

¹ Includes current statistics for one or more industries not shown separately.

FACTORY EMPLOYMENT AND PAY ROLLS, BY INDUSTRIES—Continued

[Adjusted to Census of Manufactures through 1931. 1923-25 average=100]

Industry and group	Factory employment						Factory pay rolls		
	Adjusted for seasonal variation			Without seasonal adjustment			Without seasonal adjustment		
	1936		1935	1936		1935	1936		1935
	April	March	April	April	March	April	April	March	April
TOBACCO PRODUCTS.....	56.2	56.4	57.7	55.4	55.9	56.8	42.6	44.9	43.1
Chewing and smoking tobacco and snuff.....	67.2	63.6	70.8	65.2	66.0	68.7	64.4	66.2	64.9
Cigars and cigarettes.....	54.8	55.4	56.0	54.1	54.6	55.3	39.8	42.2	40.3
PAPER AND PRINTING.....	99.0	97.9	97.3	98.6	98.2	96.9	91.1	90.5	84.6
Boxes, paper.....	86.7	85.8	88.2	84.3	84.7	85.7	78.8	79.7	78.1
Paper and pulp.....	110.3	109.6	109.8	110.3	109.6	109.8	96.2	94.9	87.3
Book and job printing.....	89.7	87.9	87.7	89.1	89.0	87.1	81.8	81.9	77.1
Printing, newspapers and periodicals.....	103.2	102.4	99.1	103.5	102.6	99.4	98.5	97.4	90.5
CHEMICALS AND PETROLEUM PRODUCTS ¹	107.6	110.3	108.1	110.7	112.1	111.5	101.3	*102.4	95.9
A. Chemical group, except petroleum ¹	107.2	110.7	108.0	111.0	113.2	112.3	101.2	*102.2	95.6
Chemicals.....	108.3	106.9	106.3	109.0	*108.1	106.9	104.9	*103.0	96.2
Druggists' preparations.....	100.2	96.9	100.7	98.4	99.0	98.9	98.0	100.0	97.7
Explosives.....	87.8	90.7	87.1	85.3	89.4	84.6	77.7	86.0	69.3
Fertilizers.....	74.4	109.8	83.7	138.0	141.4	155.3	123.9	123.6	119.9
Paints and varnishes.....	111.4	*107.3	108.8	111.9	*108.1	109.2	100.7	95.9	91.9
Rayon and allied products.....	331.1	352.0	334.9	331.1	352.0	334.9	254.9	267.3	242.7
Soap.....	95.7	96.0	101.4	96.8	96.4	102.7	93.6	95.0	97.0
B. Petroleum refining.....	109.4	*108.6	108.3	109.4	*107.5	108.3	101.7	*103.0	96.9
RUBBER PRODUCTS ¹	82.1	*73.7	*83.4	82.1	*72.7	*83.6	74.0	*63.0	71.2
Rubber boots and shoes.....	62.4	*60.9	*55.3	59.8	*58.9	*52.9	52.0	*52.3	43.8
Rubber tires and inner tubes.....	67.0	*54.3	73.6	68.1	*53.2	74.9	63.2	*47.4	65.4

* Revised.

¹ Includes current statistics for one or more industries not shown separately.

NOTE.—The indexes for factory employment and pay rolls unadjusted for seasonal variation are compiled by the Bureau of Labor Statistics. For description and back figures see BULLETIN for May 1934, pp. 270-271. For description and back figures for the seasonally adjusted index of factory employment compiled by the F. R. Board of Governors, see BULLETIN for June 1934, pp. 324-343, and December 1935, p. 888. Underlying figures are for pay-roll period ending nearest middle of month. April 1936 figures are preliminary, subject to revision.

REVISED INDEXES OF FACTORY EMPLOYMENT AND PAY ROLLS

[1923-25 average=100]

	Factory employment								Factory pay rolls			
	Adjusted for seasonal variation				Without seasonal adjustment				Without seasonal adjustment			
	1935		1936		1935		1936		1935		1936	
	Dec.	Jan.	Feb.	Mar.	Dec.	Jan.	Feb.	Mar.	Dec.	Jan.	Feb.	Mar.
Total.....	85.6	84.8	83.8	84.2	84.6	82.9	83.1	84.1	76.4	72.7	72.7	76.3
Transportation equipment.....	111.0	103.1	96.7	96.3	103.3	101.8	99.1	100.3	102.2	94.8	85.3	96.1
Automobiles.....	128.0	117.4	108.7	106.3	118.1	116.3	112.0	111.1	115.9	106.8	93.6	105.4
Lumber and Products.....	54.5	54.8	54.6	55.9	54.5	52.9	53.1	54.5	44.2	41.1	41.1	44.6
Lumber, sawmills.....	35.8	36.0	35.8	37.3	35.1	34.4	34.3	36.1	25.9	25.2	24.4	28.0

CONSTRUCTION CONTRACTS AWARDED, BY TYPES OF CONSTRUCTION

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars]

Month	Total		Residential		Factories		Commercial		Public works and public utilities		Educational		All other	
	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936
January.....	99.8	204.8	22.4	37.4	7.1	9.0	10.8	15.5	44.4	76.9	3.7	39.5	11.4	26.5
February.....	75.0	142.1	16.6	31.2	7.8	13.4	9.2	12.6	27.8	48.3	5.8	21.1	7.9	15.5
March.....	122.9	199.0	32.2	55.2	6.5	18.4	12.2	17.3	46.3	62.3	10.4	19.2	15.4	26.6
April.....	124.0	234.8	42.2	67.2	6.3	25.5	15.2	24.3	40.5	73.4	8.3	23.2	11.5	21.3
May.....	126.7	.....	44.9	.....	9.8	.....	13.9	.....	31.4	.....	9.0	.....	17.7	.....
June.....	148.0	.....	49.8	.....	9.5	.....	15.0	.....	39.1	.....	17.7	.....	16.8	.....
July.....	159.3	.....	48.4	.....	14.6	.....	15.8	.....	53.9	.....	9.2	.....	17.4	.....
August.....	168.6	.....	40.5	.....	10.6	.....	17.3	.....	69.5	.....	8.7	.....	21.9	.....
September.....	167.4	.....	41.8	.....	6.0	.....	13.6	.....	76.1	.....	4.3	.....	25.6	.....
October.....	200.6	.....	55.1	.....	12.0	.....	16.6	.....	86.3	.....	9.2	.....	21.3	.....
November.....	188.1	.....	39.7	.....	8.9	.....	12.8	.....	80.3	.....	24.7	.....	21.7	.....
December.....	264.1	.....	45.1	.....	9.9	.....	12.0	.....	94.5	.....	62.6	.....	40.1	.....
Year.....	1,844.5	.....	478.8	.....	108.9	.....	164.5	.....	690.2	.....	173.5	.....	228.7	.....

CONSTRUCTION CONTRACTS AWARDED, BY DISTRICTS

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in thousands of dollars]

Federal Reserve district	1936		1935
	Apr.	Mar.	Apr.
Boston.....	19,952	13,031	8,523
New York.....	45,128	42,737	27,557
Philadelphia.....	14,810	10,739	4,579
Cleveland.....	24,184	17,555	11,298
Richmond.....	19,230	17,136	14,999
Atlanta.....	20,275	13,279	9,335
Chicago.....	37,402	38,273	24,549
St. Louis.....	16,761	14,007	8,689
Minneapolis.....	8,561	7,201	6,083
Kansas City.....	10,940	10,520	4,176
Dallas.....	17,562	14,501	4,231
Total (11 districts).....	234,806	198,978	124,020

COMMERCIAL FAILURES, BY DISTRICTS

[Figures reported by Dun & Bradstreet. Amounts in thousands of dollars]

Federal Reserve district	Number ¹			Liabilities ¹		
	1936		1935	1936		1935
	Apr.	Mar.	Apr.	Apr.	Mar.	Apr.
Boston.....	80	82	120	1,088	961	1,428
New York.....	273	296	329	4,542	6,850	5,405
Philadelphia.....	47	44	49	476	429	1,068
Cleveland.....	61	65	80	1,452	1,035	1,037
Richmond.....	37	50	45	437	504	295
Atlanta.....	29	29	38	1,634	411	297
Chicago.....	104	115	115	1,725	1,877	2,361
St. Louis.....	25	41	42	296	511	471
Minneapolis.....	25	23	39	221	395	516
Kansas City.....	35	47	40	226	1,709	704
Dallas.....	17	25	32	520	219	403
San Francisco.....	97	129	154	940	1,370	2,544
Total.....	830	946	1,083	14,157	16,271	16,529

¹ New series, excluding failures of real estate and insurance brokers, holding and finance companies, shipping agents, tourist companies, and transportation terminals which were included in figures published in this table prior to 1936. Data by months for 1934 and 1935 available at the Division of Research and Statistics.

MERCHANDISE EXPORTS AND IMPORTS

[In millions of dollars]

Month	Merchandise exports ¹					Merchandise imports ²					Excess of exports				
	1932	1933	1934	1935	1936	1932	1933	1934	1935	1936	1932	1933	1934	1935	1936
January.....	150	121	172	176	r 199	136	96	136	167	187	15	25	37	9	11
February.....	154	102	163	163	182	131	84	133	152	193	23	18	30	11	-11
March.....	155	108	191	185	195	131	95	158	177	199	24	13	33	8	-4
April.....	135	105	179	164	p 193	127	88	147	171	p 202	9	17	33	-6	p-9
May.....	132	114	160	165	-----	112	107	155	171	-----	20	7	6	-5	-----
June.....	114	120	171	170	-----	110	122	136	157	-----	4	-2	34	13	-----
July.....	107	144	162	173	-----	79	143	127	177	-----	27	1	34	-3	-----
August.....	109	131	172	172	-----	91	155	120	169	-----	17	-23	52	3	-----
September.....	132	160	191	199	-----	98	147	132	162	-----	34	13	60	37	-----
October.....	153	193	206	221	-----	105	151	130	189	-----	48	42	77	32	-----
November.....	139	184	195	r 270	-----	104	129	151	169	-----	34	56	44	100	-----
December.....	132	193	171	223	-----	97	134	132	187	-----	35	59	38	36	-----
Year.....	1,611	1,675	2,133	r 2,283	-----	1,323	1,450	1,655	2,048	-----	288	225	478	235	-----

^p Preliminary.^r Revised.¹ Including both domestic and foreign merchandise.² General imports, including merchandise entered for immediate consumption and that entered for storage in bonded warehouses.*Back figures.*—See BULLETIN for January 1931, p. 18, and for March 1932, p. 160.

FREIGHT-CAR LOADINGS, BY CLASSES

[Index numbers; 1923-25 average=100]

	1935		1936			
	Apr.	Dec.	Jan.	Feb.	Mar.	Apr.
	Adjusted for seasonal variation					
Total.....	61	71	70	70	66	69
Coal.....	63	74	78	97	63	77
Coke.....	49	68	73	79	55	61
Grain and grain products.....	74	62	70	68	85	86
Livestock.....	41	39	38	33	41	41
Forest products.....	33	45	42	36	40	40
Ore.....	49	58	62	62	64	53
Miscellaneous.....	67	86	79	74	77	77
Merchandise ¹	63	66	64	62	62	63
	Without seasonal adjustment					
Total.....	59	62	63	65	62	66
Coal.....	53	79	88	106	60	64
Coke.....	46	73	80	89	56	58
Grain and grain products.....	57	61	67	66	72	66
Livestock.....	38	39	39	31	35	38
Forest products.....	35	37	38	37	42	42
Ore.....	25	14	15	15	15	27
Miscellaneous.....	69	67	63	63	73	79
Merchandise ¹	65	62	60	60	63	65

¹ In less-than-carload lots.

Based on daily average loadings. Source of basic data: Association of American Railroads.

Back figures.—See BULLETIN for February 1931, pp. 108-109.

DEPARTMENT STORES—SALES, STOCKS

[Index numbers based on value figures; 1923-25 average=100]

Month	Index of sales ¹				Index of stocks (end of month)			
	Adjusted for seasonal variation		Without seasonal adjustment		Adjusted for seasonal variation		Without seasonal adjustment	
	1935	1936	1935	1936	1935	1936	1935	1936
January.....	74	79	59	63	64	66	57	58
February.....	75	80	61	66	64	65	61	62
March.....	82	88	71	77	63	65	65	67
April.....	73	81	79	85	64	65	66	68
May.....	76	p88	76	p88	64	-----	66	-----
June.....	80	-----	76	-----	63	-----	61	-----
July.....	80	-----	55	-----	61	-----	57	-----
August.....	78	-----	61	-----	62	-----	60	-----
September.....	81	-----	86	-----	64	-----	67	-----
October.....	77	-----	86	-----	66	-----	72	-----
November.....	81	-----	91	-----	67	-----	75	-----
December.....	84	-----	145	-----	65	-----	61	-----
Year.....	-----	-----	79	-----	-----	-----	64	-----

^p Preliminary.¹ Based throughout on figures of daily average sales—with allowance for changes from month to month in number of Saturdays and Sundays and for 6 holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas. Adjustment for seasonal variation makes allowance in March and April for the effects upon sales of changes in the date of Easter.*Back figures.*—See BULLETIN for April 1935, pp. 254-255, and Annual Report for 1934 (table 95).

WHOLESALE PRICES, BY GROUPS OF COMMODITIES

[Index of Bureau of Labor Statistics. 1926=100]

Year, month, or week	All commodities	Farm products	Foods	Other commodities								
				Total	Hides and leather products	Textile products	Fuel and lighting materials	Metals and metal products	Building materials	Chemicals and drugs	House-furnishing goods	Miscellaneous
1929.....	95.3	104.9	99.9	91.6	109.1	90.4	83.0	100.5	95.4	94.2	94.3	82.6
1930.....	86.4	88.3	90.5	85.2	100.0	80.3	78.5	92.1	89.9	89.1	92.7	77.7
1931.....	73.0	64.8	74.6	75.0	86.1	66.3	67.5	84.5	79.2	79.3	84.9	69.8
1932.....	64.8	48.2	61.0	70.2	72.9	54.9	70.3	80.2	71.4	73.5	75.1	64.4
1933.....	65.9	51.4	60.5	71.2	80.9	64.8	66.3	79.8	77.0	72.6	75.8	62.5
1934.....	74.9	65.3	70.5	78.4	86.6	72.9	73.3	86.9	86.2	75.9	81.5	69.7
1935.....	80.0	78.8	83.7	77.9	89.6	70.9	73.5	86.4	85.3	80.5	80.6	68.3
1935—March.....	79.4	78.3	81.9	77.3	85.4	69.4	73.0	85.7	84.9	81.5	80.7	69.2
April.....	80.1	80.4	84.5	77.2	86.3	69.2	72.8	85.9	84.6	81.0	80.7	68.7
May.....	80.2	80.6	84.1	77.6	88.3	69.4	73.1	86.6	84.8	81.2	80.6	68.7
June.....	79.8	78.3	82.8	78.0	88.9	70.1	74.2	86.9	85.3	80.7	80.5	68.4
July.....	79.4	77.1	82.1	78.0	89.3	70.2	74.7	86.4	85.2	78.7	80.4	67.7
August.....	80.5	79.3	84.9	77.9	89.6	70.9	74.1	86.6	85.4	78.6	80.5	67.3
September.....	80.7	79.5	86.1	77.8	90.9	71.8	73.0	86.6	85.9	80.2	80.5	67.1
October.....	80.5	78.2	85.0	78.3	93.6	72.9	73.4	86.5	86.1	81.1	80.6	67.5
November.....	80.6	77.5	85.1	78.8	95.0	73.4	74.5	86.9	85.8	81.2	81.0	67.4
December.....	80.9	78.3	85.7	78.7	95.4	73.2	74.6	86.8	85.5	80.6	81.0	67.5
1936—January.....	80.6	78.2	83.5	78.8	97.1	71.7	75.1	86.7	85.7	80.5	81.4	67.8
February.....	80.6	79.5	83.2	79.0	96.1	71.0	76.1	86.7	85.5	80.1	81.5	68.1
March.....	79.6	76.5	80.1	78.9	94.9	70.8	76.2	86.6	85.3	79.3	81.4	68.3
April.....	79.7	76.9	80.2	78.9	94.6	70.2	76.7	86.6	85.7	78.5	81.5	68.6
Week ending—												
1936—Jan. 4.....	80.9	79.3	85.8	78.8	96.6	72.9	75.5	85.9	85.2	80.1	82.2	67.5
Jan. 11.....	80.5	78.3	84.6	78.8	97.7	72.4	75.4	86.0	85.2	80.2	82.4	67.8
Jan. 18.....	80.2	78.1	82.9	78.9	97.8	71.0	76.4	86.0	85.2	80.3	82.2	67.8
Jan. 25.....	80.2	78.1	82.7	79.0	97.7	70.8	77.0	86.1	85.3	80.6	82.3	67.8
Feb. 1.....	80.5	79.5	83.2	79.1	97.5	70.9	77.1	86.0	85.4	80.5	82.3	67.9
Feb. 8.....	80.4	79.4	82.9	79.1	97.1	70.7	77.2	86.0	85.2	80.2	82.8	67.9
Feb. 15.....	80.6	79.9	84.0	79.0	97.0	70.6	76.9	86.0	85.3	79.9	82.8	68.0
Feb. 22.....	80.8	81.6	84.3	79.0	96.5	70.5	77.2	85.9	85.2	79.9	82.8	68.0
Feb. 29.....	79.9	78.4	82.2	79.1	96.2	70.3	77.4	85.9	85.2	79.7	82.8	68.2
Mar. 7.....	79.7	77.7	81.4	79.0	95.7	70.4	77.3	86.0	85.0	79.4	82.7	68.2
Mar. 14.....	79.2	76.4	79.7	79.0	95.5	70.4	77.2	85.9	85.1	79.0	82.6	68.2
Mar. 21.....	79.3	76.7	79.9	78.8	95.3	70.4	76.7	85.9	85.1	79.0	82.6	68.2
Mar. 28.....	79.3	76.8	79.7	78.8	95.3	70.4	76.7	85.7	85.2	79.1	82.7	68.2
Apr. 4.....	79.2	76.3	79.7	78.8	95.1	70.1	76.8	85.9	85.3	79.1	82.7	68.2
Apr. 11.....	79.5	76.9	80.2	79.0	95.1	69.9	77.6	85.9	85.4	79.0	82.8	68.3
Apr. 18.....	79.7	77.4	81.1	79.1	95.2	69.9	77.5	86.0	85.4	78.9	82.8	68.6
Apr. 25.....	79.6	77.8	80.4	79.0	95.2	69.7	77.4	86.0	85.5	78.2	82.8	68.6
May 2.....	79.1	77.1	79.1	78.9	94.9	69.7	77.3	86.0	85.5	77.8	82.8	68.6
May 9.....	78.6	76.2	78.0	78.9	94.9	69.6	77.2	86.0	85.6	77.5	82.8	68.4
May 16.....	78.1	74.4	77.4	78.8	94.8	69.5	76.9	85.7	85.5	77.3	82.8	69.2
May 23.....	78.2	75.0	77.5	78.7	94.3	69.2	76.8	85.7	85.6	77.3	82.8	69.1
May 30.....	78.4	75.9	78.4	78.8	94.3	69.2	76.8	85.7	85.7	77.4	82.9	69.1

Subgroups	1935					1936				
	Apr.	Jan.	Feb.	Mar.	Apr.	Apr.	Jan.	Feb.	Mar.	Apr.
FARM PRODUCTS:										
Grains.....	87.9	78.9	78.3	75.6	73.9					
Livestock and poultry.....	85.9	89.1	80.3	88.3	88.3					
Other farm products.....	74.5	70.8	72.7	69.1	70.4					
FOODS:										
Butter, cheese, and milk.....	84.9	84.2	85.7	80.3	78.8					
Cereal products.....	93.3	92.1	88.5	85.8	84.2					
Fruits and vegetables.....	67.3	62.2	62.4	65.1	67.8					
Meats.....	94.3	94.9	92.1	89.7	91.0					
Other foods.....	76.2	75.5	78.1	72.4	72.4					
HIDES AND LEATHER PRODUCTS:										
Boots and shoes.....	97.2	100.5	100.5	100.4	100.3					
Hides and skins.....	71.2	100.5	96.7	91.0	90.1					
Leather.....	74.9	87.3	86.0	85.0	84.5					
Other leather products.....	84.6	95.3	95.4	95.4	95.4					
TEXTILE PRODUCTS:										
Clothing.....	78.5	80.8	80.7	80.7	80.8					
Cotton goods.....	81.8	80.4	78.1	77.1	76.2					
Knit goods.....	61.6	61.8	62.0	62.1	62.0					
Silk and rayon.....	27.6	33.5	31.6	30.9	30.1					
Woolen and worsted goods.....	73.1	81.4	82.8	83.8	82.2					
Other textile products.....	67.5	67.8	67.2	67.2	67.5					
FUEL AND LIGHTING MATERIALS:										
Anthracite.....	75.5	82.3	82.6	82.5	80.0					
Bituminous coal.....	95.4	98.7	100.1	99.4	96.8					
Coke.....	88.7	92.7	93.7	93.7	93.7					
Electricity.....	87.8	83.1	86.2	84.4	84.4					
Gas.....	88.0	83.2	82.1	84.4	84.4					
Petroleum products.....	51.0	54.4	55.7	56.0	57.9					
METALS AND METAL PRODUCTS:										
Agricultural implements.....	93.6	94.6	94.9	94.2	94.2					
Iron and steel.....	86.0	87.1	86.9	86.3	86.3					
Motor vehicles.....	93.6	93.6	93.6	94.0	94.0					
Nonferrous metals.....	68.2	69.7	69.7	69.9	70.4					
BUILDING MATERIALS:										
Brick and tile.....	89.7	88.4	88.4	88.9	89.0					
Cement.....	94.9	95.5	95.5	95.5	95.5					
Lumber.....	79.9	82.2	82.3	82.6	83.2					
Paint materials.....	79.2	79.6	79.5	79.2	79.3					
Plumbing and heating.....	67.1	71.7	73.8	73.8	73.8					
Structural steel.....	92.0	92.0	92.0	92.0	92.0					
Other building materials.....	89.4	90.2	89.5	88.5	89.1					
CHEMICALS AND DRUGS:										
Chemicals.....	87.2	87.6	87.0	85.9	85.5					
Drugs and pharmaceuticals.....	73.8	74.0	73.2	73.0	73.2					
Fertilizer materials.....	66.0	64.4	64.5	64.8	64.6					
Mixed fertilizers.....	72.9	68.8	68.8	68.3	64.5					
HOUSEFURNISHING GOODS:										
Furnishings.....	84.2	84.8	85.0	84.9	85.0					
Furniture.....	77.1	77.9	77.9	77.9	78.0					
MISCELLANEOUS:										
Auto tires and tubes.....	46.3	45.0	45.0	45.0	45.0					
Cattle feed.....	104.9	68.6	68.1	67.9	74.0					
Paper and pulp.....	80.4	79.8	79.9	80.3	80.5					
Rubber, crude.....	23.7	29.8	32.0	32.9	33.0					
Other miscellaneous.....	79.0	80.4	80.6	80.6	80.6					

* Revised.

Back figures.—For monthly and annual indexes of groups, see Annual Report for 1934 (table 100); indexes of subgroups available at Bureau of Labor Statistics. For weekly indexes covering 1934, see Annual Report for 1934 (table 101).

INTERNATIONAL FINANCIAL STATISTICS

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

[In millions of dollars]

End of month	Total ¹ (50 countries)	United States	Canada	Europe								
				Total (27 countries)	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	England	France	Germany
1935—April.....	21,861	8,710	187	11,279	45	518	19	112	60	1,587	5,366	33
May.....	21,473	8,858	189	10,714	45	605	19	112	60	1,587	4,759	33
June.....	21,678	9,116	188	10,670	45	634	19	113	60	1,588	4,708	35
July.....	21,675	9,144	188	10,636	45	624	19	113	60	1,588	4,726	38
August.....	21,759	9,208	193	10,664	45	612	19	113	54	1,593	4,756	38
September.....	21,926	9,368	186	10,678	45	604	19	113	54	1,595	4,770	38
October.....	22,313	9,693	186	10,714	45	609	19	113	54	1,604	4,773	35
November.....	22,225	9,920	188	10,394	45	615	19	113	54	1,628	4,388	36
December.....	22,391	10,125	189	10,348	46	611	19	112	54	1,648	4,395	33
1936—January.....	22,399	10,182	186	10,296	46	600	19	112	54	1,652	4,324	31
February.....	^p 22,465	10,167	186	10,338	46	593	19	112	54	1,653	4,362	29
March.....	^p 22,514	10,184	184	^p 10,379	46	586	19	113	54	1,653	4,348	29
April.....	-----	10,225	187	-----	46	581	19	113	54	1,670	4,106	28
May.....	-----	10,401	188	-----	-----	^p 610	-----	-----	-----	1,701	^p 3,781	^p 28

End of month	Europe—Continued													6 other countries
	Greece	Hungary	Italy	Netherlands	Norway	Poland	Portugal	Rumania	Spain	Sweden	Switzerland	U.S.S.R. ²	Yugoslavia	
1935—April.....	37	23	519	439	61	97	68	106	741	160	446	748	38	56
May.....	37	23	519	440	66	97	68	106	741	161	390	748	40	57
June.....	36	23	498	427	75	97	68	107	741	161	391	748	40	57
July.....	36	23	468	380	75	97	68	107	741	162	421	748	40	57
August.....	35	23	419	402	84	97	68	108	741	162	446	748	40	59
September.....	36	23	379	365	84	89	68	108	734	165	448	839	40	62
October.....	36	23	² 351	401	84	86	68	108	734	174	453	839	41	62
November.....	35	23	351	427	84	84	68	109	735	180	455	839	43	63
December.....	34	23	² 270	438	84	84	68	109	735	185	454	839	43	63
1936—January.....	34	23	270	455	84	84	68	109	735	194	454	839	44	63
February.....	33	23	270	463	84	85	68	110	735	200	472	839	44	65
March.....	32	23	270	486	84	81	^p 68	110	726	206	493	839	44	67
April.....	32	^p 23	270	483	84	72	^p 68	111	726	209	495	-----	45	^p 61
May.....	-----	-----	270	465	-----	-----	-----	-----	-----	-----	485	-----	-----	-----

End of month	Latin America								Asia and Oceania						Africa				
	Total (10 countries)	Argentina	Chile	Colombia	Mexico	Peru	Uruguay	4 other countries	Total (7 countries)	India	Japan	Java	New Zealand	Turkey	2 other countries	Total (4 countries)	Egypt	South Africa	2 other countries
1935—April.....	597	403	29	14	⁴ 26	20	82	23	801	275	400	76	23	22	5	286	55	214	17
May.....	616	420	29	14	26	20	82	25	800	275	403	71	23	23	5	295	55	223	17
June.....	611	420	29	14	26	20	76	26	802	275	407	68	23	23	6	291	55	220	17
July.....	609	420	29	14	26	20	74	26	797	275	410	61	23	23	5	301	55	230	17
August.....	611	420	29	14	26	20	74	27	798	275	413	58	23	23	5	290	55	219	17
September.....	613	420	29	14	26	20	74	28	797	275	416	55	23	23	6	284	55	212	17
October.....	636	441	29	15	26	20	74	30	800	275	418	55	23	23	5	284	55	212	17
November.....	636	441	29	16	26	20	74	29	803	275	422	54	23	24	5	284	55	212	17
December.....	639	444	29	16	26	20	74	30	807	275	425	54	23	24	6	284	55	212	17
1936—January.....	639	444	29	17	26	20	74	30	804	275	428	54	23	24	3	293	55	221	17
February.....	^p 641	444	29	18	26	^p 20	74	30	810	275	431	54	23	24	3	303	55	231	17
March.....	^p 636	438	29	18	26	^p 20	^p 74	^p 31	815	275	433	58	23	24	3	316	55	244	17
April.....	^p 635	-----	^p 29	17	26	^p 20	^p 74	^p 31	^p 818	275	435	^p 58	23	24	^p 3	^p 261	55	189	^p 17

^p Preliminary.

¹ See notes under Italy, U. S. S. R., and Mexico.

² Bank of Italy suspended regular publication of its statement after Oct. 20, 1935. Figure as of that date is given for October and November 1935. The figure for December and subsequent months is that published in the Annual Report of the Bank of Italy for December 31, 1935.

³ Figures for March 1935, or September 1935, carried forward for subsequent months for which no figures have been reported.

⁴ Figure for March 1935 carried forward for subsequent months for which no figures have been reported.

NOTE.—The countries for which figures are not shown separately are in Europe: Albania, Danzig, Estonia, Finland, Latvia, and Lithuania; in Latin America: Bolivia, Brazil, Ecuador, Guatemala; in Asia and Oceania: Australia and Siam; and in Africa: Algeria and Belgian Congo.

For back figures and for full description of this table, see BULLETIN for May 1932, pp. 311–318, June 1933, pp. 368–372; December 1934, p. 801; and November 1935, p. 758.

GOLD PRODUCTION

[In thousands of dollars]

Year or month	Estimated world production	Production reported monthly													
		Total	Africa				North and South America					Far East			
			South Africa	Rhodesia	West Africa	Belgian Congo	Canada	United States	Mexico	Colombia	Chile	Australia	Japan	India	
<i>\$1=25-3/10 grains of gold 9/10 fine; i. e., an ounce of fine gold=\$20.67</i>															
1929.....	404, 969	359, 347	215, 242	11, 607	4, 297	2, 390	39, 862	45, 835	13, 463	2, 823	683	8, 712	6, 927	7, 508	
1930.....	430, 725	373, 154	221, 526	11, 476	4, 995	2, 699	43, 454	47, 123	13, 813	3, 281	428	9, 553	8, 021	6, 785	
1931.....	461, 592	394, 399	224, 863	11, 193	5, 524	3, 224	55, 687	49, 524	12, 866	4, 016	442	12, 134	8, 109	6, 815	
1932.....	499, 241	421, 656	238, 931	12, 000	5, 992	3, 642	62, 933	50, 626	12, 070	5, 132	788	14, 563	8, 198	6, 782	
1933.....	524, 390	420, 093	227, 673	13, 335	6, 623	3, 631	60, 968	52, 842	13, 169	6, 165	3, 009	16, 790	8, 968	6, 919	
<i>\$1=15-5/21 grains of gold 9/10 fine; i. e., an ounce of fine gold=\$35</i>															
1933.....	887, 845	711, 260	385, 474	22, 578	11, 214	6, 148	103, 224	89, 467	22, 297	10, 438	5, 094	28, 428	15, 183	11, 715	
1934.....	963, 369	722, 970	366, 795	24, 264	12, 153	6, 549	104, 023	107, 632	23, 135	12, 045	8, 350	30, 447	16, 354	11, 223	
1935.....	p1, 042, 271	p769, 471	377, 090	25, 477	13, 625	7, 159	114, 816	124, 116	p23, 866	11, 517	9, 251	31, 117	p20, 043	11, 394	
1935—April.....	76, 511	60, 028	30, 301	2, 052	1, 106	594	8, 599	8, 573	1, 750	1, 015	395	2, 637	1, 568	938	
May.....	82, 715	62, 932	32, 072	2, 177	1, 162	627	9, 423	9, 623	1, 048	945	651	2, 533	1, 717	954	
June.....	86, 485	63, 002	31, 089	2, 101	1, 095	588	10, 002	9, 588	1, 166	857	1, 113	2, 623	1, 844	937	
July.....	94, 913	67, 030	32, 458	2, 150	1, 095	615	9, 988	11, 793	2, 181	1, 001	546	2, 635	1, 610	958	
August.....	96, 062	67, 178	32, 667	2, 155	1, 152	631	10, 303	10, 603	2, 532	1, 125	536	2, 844	1, 669	961	
September.....	96, 949	68, 066	31, 472	2, 009	1, 160	590	9, 813	12, 108	3, 287	978	1, 088	2, 939	1, 674	949	
October.....	100, 596	69, 013	32, 596	2, 403	1, 249	614	10, 560	12, 703	1, 671	1, 035	506	2, 923	1, 779	974	
November.....	94, 449	65, 866	31, 671	2, 205	1, 181	614	10, 261	10, 883	1, 115	981	937	3, 279	1, 785	953	
December.....	p 90, 499	p 70, 316	31, 829	2, 272	1, 174	542	10, 756	13, 158	p 2, 590	834	905	3, 423	1, 866	966	
1936—January.....	p 83, 362	p 65, 779	32, 275	2, 320	1, 221	592	9, 714	10, 195	p 2, 100	1, 335	770	2, 690	1, 595	971	
February.....	p 82, 464	p 64, 681	31, 290	2, 201	1, 164	574	9, 325	9, 650	p 2, 835	1, 159	918	2, 801	1, 843	920	
March.....	p 86, 423	p 67, 539	32, 709	2, 359	1, 326	p 574	10, 469	10, 969	p 1, 645	1, 018	p 918	2, 882	p 1, 750	p 920	
April.....	p 86, 571	p 67, 387	31, 990	p 2, 310	p 1, 470	p 574	p 10, 150	11, 062	p 2, 205	p 1, 155	p 918	p 2, 882	p 1, 750	p 920	

p Preliminary.

* Revised.

NOTE.—For monthly figures back to January 1929 and for explanation of table see BULLETIN for April 1933, pp. 233-35, February 1934, p. 108, November 1934, p. 737, February 1936, p. 107, and April 1936, p. 234. For annual figures of world production back to 1873 see Annual Report of Director of the Mint for 1935, pp. 107-108. Figures for Canada beginning January 1935 are subject to official revision.

GOLD MOVEMENTS

[In thousands of dollars at approximately \$35 a fine ounce]

Year or month	Total net imports or net exports (—)	United States										
		Net imports from or net exports (—) to:										
		England	France	Belgium	Netherlands	Switzerland	Canada	Mexico	Colombia	British India	China and Hong Kong	All other countries
1934 ¹	1, 131, 994	499, 870	260, 223	8, 902	94, 348	12, 402	86, 829	30, 270	16, 944	76, 820	16, 452	28, 935
1935.....	1, 739, 019	315, 727	934, 243	3	227, 185	968	95, 171	13, 667	10, 899	75, 268	9, 431	56, 453
1935—February.....	122, 772	63, 424	45, 766	-----	1, 466	339	5, 346	729	2, 112	522	359	2, 711
March.....	13, 003	-187	56	-----	-----	-----	4, 449	833	1, 407	2, 139	334	3, 972
April.....	148, 608	1, 481	32, 510	-----	94, 890	-----	10, 968	923	2	2, 924	313	4, 596
May.....	140, 016	1, 689	124, 052	-----	3, 885	-----	3, 053	948	1, 752	167	507	3, 962
June.....	230, 373	938	194, 298	-----	22, 061	-----	8, 734	679	-----	-----	448	3, 215
July.....	16, 229	31	-----	-----	975	-----	5, 770	722	1, 750	28	438	6, 515
August.....	45, 983	5	40	-----	28, 277	-----	5, 398	753	-----	6, 671	1, 127	3, 711
September.....	156, 719	37, 114	40, 423	-----	37, 811	-----	15, 069	699	1	19, 821	640	5, 141
October.....	315, 347	109, 954	156, 977	3	17, 605	629	9, 368	762	1, 746	12, 359	1, 125	4, 817
November.....	210, 567	7, 101	180, 141	-----	2, 676	-----	5, 865	880	28	8, 913	1, 007	3, 956
December.....	190, 010	8, 600	145, 388	-----	4, 727	-----	9, 060	748	-----	11, 108	1, 605	8, 774
1936—January.....	45, 643	5, 786	3, 514	1	-----	-----	10, 745	764	1, 743	11, 744	1, 176	10, 170
February.....	-16, 635	-2, 890	-17, 180	-----	-3, 421	-----	273	659	-----	-----	740	5, 185
March.....	5, 480	-1, 792	13	-----	-343	-----	1, 677	772	-----	-----	-----	5, 154
April.....	28, 055	1, 493	1, 564	-----	-----	-----	11, 232	713	1, 742	5, 106	385	5, 819
May.....	169, 952	4, 003	133, 157	-----	8, 751	-----	1, 695	4, 322	2, 100	9, 720	847	5, 357

¹ Differs from official customhouse figures in which imports and exports for January 1934 are valued at approximately \$20.67 a fine ounce

GOLD MOVEMENTS—Continued

[In thousands of dollars at approximately \$35 a fine ounce]

		England											
Year or month	Total net imports or net exports (-)	Net imports from or net exports (-) to:											
		United States	France	Germany	Belgium	Netherlands	South America	Canada	British India	Straits Settlements	Australia	South Africa, Rhodesia, West Africa	All other countries
1934	716,269	-497,166	348,190	121,017	-13,585	32,575	17,568	26,316	206,711	4,863	41,790	335,253	92,737
1935	369,747	-435,502	142,137	-4,726	-17,476	10,796	8,832	16,565	181,627	3,198	37,981	404,295	22,020
1934—December	27,215	-22,489	1,769	69	-1,087	310	241		17,882	128	4,126	23,469	2,797
1935—January	-4,279	-79,628	4,270	36	-349	8,780	381		24,046	12	4,066	37,231	-3,124
February	-36,566	-74,127	-17,739	28	-951	2,145	2,057		19,093	88	3,087	18,669	11,105
March	66,557	66	26,612	53	-1,992	51	1,195	2,970	15,457	296	2,685	12,661	6,503
April	36,529	-20,533	-33,348	266	-1,013	33,237	152	424	16,249	693	1,920	17,658	20,823
May	146,289	-3,247	69,128	209	-1,962	5,780	410	2,696	2,902	484	1,969	42,473	11,143
June	118,067	-18,547	86,926	-943	-11,601	-593	292	3,570	7,159	429	1,969	42,473	6,933
July	16,289	-1,141	-5,719	-4,416	118	-11,858	261	2,831	5,663	405	5,375	33,532	-8,731
August	39,016	-12,871	-5,697	-26	82	1,642	287	449	26,102	420	4,148	35,512	-11,032
September	-36,086	-81,032	-5,663	23	2	-1,36	322		25,301	70	3,662	29,949	-8,683
October	-36,158	-87,929	-2,739	68	217	-1,136	2,535	28	11,900	134	3,414	44,995	-7,644
November	18,286	-33,744	25,198	50		-20,204	461	1,798	12,857	56	2,842	33,325	-4,353
December	40,811	-22,075	910	114	-27	-6,982	480	1,798	14,838	54	1,995	42,442	7,265
1936—January	41,974	-12,059	3,202	78	94	-591	311		11,035	56	1,889	39,852	1,893
February	38,649	1,136	-3,253	173	33	-7,599	138	5,958	11,686	63	2,037	26,454	1,792
March	47,666	3,440	6,738	92	99	-13,354	430	4,090	10,896	69	2,574	31,033	1,558
April	77,137	-9,465	12,710	4,295	-1,353	-1,409	145	899	9,413	87	3,329	55,108	3,409
May ^p	70,827	-10,226	26,026	1,915	-17,433	1,946	394	1,566	11,151	64	610	52,636	2,179
		France											
Year or month	Total net imports or net exports (-)	Net imports from or net exports (-) to:									All other countries		
		United States	England	Germany	Belgium	Italy	Netherlands	Poland	South Africa	Switzerland			
1934	-408,961	-242,363	-351,729	31,036	-17,669	91,021	74,995	-1,371	746	23,648	-17,276		
1935	-817,309	-909,665	-120,053	-13,592	-186,937	195,369	21,183	7,227	10,241	176,420	2,463		
1935—January	7,796	-15,376	-2,931	115	-994	25,755	-96	-206		1,231	300		
February	-32,479	-50,314	8,670	1	-2,497		249	-6	69	11,975	-629		
March	19,118	648	14,676	3	-3,851		-201	-12		7,989	-137		
April	99,395	-28,566	38,332	-474	-26,395		3,907	1,995	681	111,292	-1,379		
May	-195,876	-77,803	-53,283	-594	-109,195	-406	-885	2		44,621	1,667		
June	-393,551	-223,070	-110,834	-190	-56,265	620	-1,101	391	8	-3,431	321		
July	-12,206	414	-13,150	-1	-45	2,093	-650	-180		1,295	-1,981		
August	50,770	14	4,905	-1,990	-1,148	27,417	25,759	-482	1	-3,418	-290		
September	26,482	-23,688	8,811	-700	27,224	5,561	-132	-917	9,482	236	606		
October	-68,693	-157,153	-72	-9,178	4,597	89,082	5,221	-898		-1,172	900		
November	-246,615	-258,554	-15,060	11	-8,235	35,433	-11,245	7,539		1,100	2,397		
December	-71,450	-76,217	-117	-595	-10,133	9,834	357			4,702	719		
1936—January	40,393	-890	-4,695	2,636	-40	36,598	-789	-127		8,110	-411		
February	23,375	2,364	-2,740	-221	-5	18,299	-43	-330		6,992	-940		
March	13,923	12,209	-5,915	2,037	1,495		-8,138	-174		3,619	18,791		
April ^p	-57,613	-6,234	-12,241	-1	-13,165		-27,604	-175		1,060	748		

^p Preliminary.¹ \$9,079,000 imported by France from Spain in March 1936.

NOTE.—Great Britain.—In some cases the annual aggregates of the official monthly figures differ somewhat from the revised official totals published for the year as a whole.

GOLD MOVEMENTS—Continued

[In thousands of dollars at approximately \$35 a fine ounce]

Year or month	Germany							Netherlands							
	Total net imports or net exports (-)	Net imports from or net exports (-) to:						Total net imports or net exports (-)	Net imports from or net exports (-) to:						
		England	France	Netherlands	Switzerland	U.S. S. R.	All other countries		United States	England	France	Germany	Belgium	Switzerland	All other countries
1934.....	-90,920	-109,386	-42,907	-28,114	163	85,390	3,934	-122,664	-46,040	-31,038	-78,610	25,716	9,285	-4,784	2,608
1935.....	42,969	5,180	13,225	7,394	9,888	6,376	905	-198,549	-221,245	18,397	-41,260	-5,142	48,004	-1,257	3,956
1935—Jan.....	287	67	4	83	-23	144	12	-18,300	-15,605	-3,221	110	-66	-161	27	617
Feb.....	295	-49	5	75	46	-----	218	-2,899	-2,495	-352	64	77	-159	-197	163
Mar.....	112	-19	6	-107	-9	-----	241	510	37	-1,299	617	-93	1,066	-136	319
Apr.....	735	-50	745	87	-162	44	71	-120,492	-97,632	-20,890	-20,966	-210	20,081	-862	-15
May.....	6,666	-206	418	237	26	6,100	91	-5,080	-2,810	-1,562	277	162	-289	71	-929
June.....	2,876	1,057	275	1,014	12	-----	517	-14,797	-19,259	1,375	667	-862	3,379	113	-210
July.....	9,525	4,504	4	810	4,113	-----	94	-26,102	-29,215	15,702	-21,909	-462	9,563	-8	227
Aug.....	4,769	33	3,972	693	17	-----	54	-4,514	-----	-152	-9,436	-86	2,900	-23	2,283
Sept.....	4,355	-4	142	480	4,014	-----	-276	-37,290	-40,868	2,861	249	-160	133	9	488
Oct.....	10,566	-49	7,058	2,532	1,116	-----	-93	-13,080	-10,373	514	-1,339	-2,046	275	-114	2
Nov.....	780	-17	5	680	67	-----	45	38,746	-3,026	20,084	10,564	-239	11,248	-86	199
Dec.....	2,004	-87	591	810	671	88	-69	4,749	-----	5,334	-149	-561	-6	-52	183
1936—Jan.....	-2,584	-93	-2,510	-189	77	-----	131	16,967	-----	1,761	170	192	14,291	-11	564
Feb.....	-1,307	45	-2,054	647	63	-----	-8	10,425	3,435	7,664	-40	-339	-3	-474	181
Mar.....	-258	-60	-19	-322	25	-----	118	35,806	574	12,842	8,489	-312	13,693	-47	569
Apr.....	-1,201	-4,343	3	2,932	22	-----	186	31,083	-----	1,384	31,428	-1,568	73	-66	-166

Year or month	Switzerland							British India							
	Total net imports or net exports (-)	Net imports from or net exports (-) to:						Total net imports or net exports (-)	Net imports from or net exports (-) to:			Change in:			
		United States	England	France	Belgium	Italy	Netherlands		All other countries	United States	England	All other countries	Gold production in India	Reserves in India ²	Private holdings in India ³
1934.....	-46,065	-12,784	-45,955	-29,235	18,397	19,431	2,580	1,500	-230,720	-82,183	-144,185	-4,352	11,222	173	-219,671
1935.....	-230,788	647	-54,858	-181,725	-13,940	25,542	342	-6,795	-161,872	-17,364	-145,541	1,032	11,393	-6	-150,472
1935—Jan.....	-4,125	-17	-216	-4,344	-----	472	-218	198	-16,334	-1,249	-15,293	208	946	-2	-15,386
Feb.....	-15,025	-51	-2,108	-16,117	225	2,689	-90	428	-17,746	-2,367	-15,108	-271	903	1	-16,844
Mar.....	-17,830	5	-6,839	-16,148	415	4,734	-202	207	-18,439	-----	-18,585	146	955	-5	-17,479
Apr.....	-139,633	324	-31,619	-107,021	7	2,110	1,041	-4,475	-3,675	-----	-3,831	155	938	-----	-2,737
May.....	-63,229	-----	-17,878	-38,514	-5,972	303	-409	-760	-6,604	-699	-6,558	653	954	-----	-5,650
June.....	-5,640	49	549	2,684	-8,651	-74	153	-352	-3,824	-----	-4,078	254	937	-----	-2,887
July.....	1,417	3	1,610	2,998	-1	-----	262	-3,455	-22,383	10	-21,575	-818	958	-----	-21,425
Aug.....	9,328	64	-38	1,273	-----	4,080	519	3,430	-25,464	-6,309	-18,922	-233	961	-----	-24,503
Sept.....	5,845	107	3,017	-24	16	3,312	-766	184	-11,400	-2,648	-9,117	365	949	-----	-10,451
Oct.....	1,367	163	1,085	881	-----	1,343	241	-2,344	-11,160	-1,330	-10,032	202	974	-----	-10,186
Nov.....	-934	-----	-332	-3,227	-----	1,849	-49	825	-14,540	-1,573	-13,199	232	953	-----	-13,587
Dec.....	-2,330	-----	-2,088	-4,166	21	4,724	-139	-682	-10,303	-1,199	-9,243	139	966	-----	-9,337
1936—Jan.....	2,462	-----	-195	-6,783	47	9,496	-137	34	-13,809	-559	-12,888	-362	971	-----	-12,838
Feb.....	6,571	-----	-518	-5,705	1,821	9,612	1,377	-16	-9,846	-----	-9,616	-230	920	-----	-8,926
Mar.....	21,413	-----	-841	-3,492	1,724	21,537	567	1,917	-7,667	-122	-7,258	-287	920	-----	-6,747
Apr.....	22,570	-----	-131	7,292	-3	6,970	29	8,413	-10,298	-----	-----	-----	920	-----	-9,378

^p Preliminary. ^r Revised.
¹ \$8,444,000 imported by Switzerland from Czechoslovakia in April 1936.
² Through March 1935 gold held by Government; subsequently, gold held by Reserve Bank of India to which Government gold was transferred.
³ Figures derived from preceding columns; net imports plus production minus increase in reserves in India.

NOTE.—Germany, Netherlands, and Switzerland.—In some cases the annual aggregates of the official monthly figures differ somewhat from the revised official totals published for the year as a whole. German gold movements by individual countries, beginning with January 1936, are subject to official revision.

CENTRAL BANKS

Bank of England (Figures in millions of pounds sterling)	Gold (in issue depart- ment) ¹	Assets of banking department				Note circula- tion	Liabilities of banking department			
		Cash reserves		Dis- counts and advances	Securi- ties		Deposits			Other liabi- lities
		Coin	Notes				Bankers'	Public	Other	
1935—Mar. 27.....	192.5	.6	71.1	5.6	99.0	381.4	96.6	20.1	41.2	18.3
Apr. 24.....	192.6	.5	59.4	5.8	97.4	393.2	98.1	7.6	39.6	17.7
May 29.....	192.6	.8	62.2	5.3	96.7	390.4	88.0	23.1	36.0	17.8
June 26.....	192.7	.6	55.9	10.2	108.6	396.9	102.4	16.2	38.8	18.0
July 31.....	192.8	.6	44.5	10.8	100.7	408.3	75.7	24.4	38.5	18.1
Aug. 28.....	193.4	.7	53.8	12.9	93.5	399.6	96.9	9.4	36.5	18.2
Sept. 25.....	193.6	.8	55.4	12.4	95.4	398.2	87.2	19.5	39.0	18.3
Oct. 30.....	194.7	.8	54.8	11.2	98.2	399.9	82.5	26.2	38.6	17.7
Nov. 27.....	197.6	.8	56.3	9.5	98.4	401.3	90.9	19.7	36.5	17.8
Dec. 25.....	200.1	.6	35.5	8.5	94.7	424.5	72.1	12.1	37.1	18.0
1936—Jan. 29.....	200.5	.6	63.3	18.8	94.0	397.1	106.0	15.9	36.7	18.2
Feb. 26.....	200.6	.7	60.7	11.0	96.2	400.0	106.2	8.8	35.5	18.2
Mar. 25.....	200.6	.8	54.1	5.0	97.0	406.5	83.6	18.0	37.0	18.3
Apr. 29.....	202.7	.8	45.9	8.3	114.0	416.9	104.7	7.5	39.0	17.7
May 27.....	206.4	.9	40.3	6.7	104.7	426.1	78.3	19.8	36.7	17.8

Bank of France (Figures in millions of francs)	Assets							Liabilities			
	Gold	Foreign exchange	Domestic bills	Loans on—		Negotia- ble se- curities	Other assets	Note circula- tion	Deposits		Other liabi- lities
				Short- term Govern- ment se- curities	Other securi- ties				Government	Other	
1935—Mar. 29.....	82,635	1,017	4,170	20	3,119	5,833	8,074	83,044	3,668	16,213	1,943
Apr. 26.....	80,935	1,066	4,280	10	3,094	5,805	7,967	82,352	3,703	15,145	1,954
May 31.....	71,779	2,150	7,137	937	3,371	5,805	8,691	82,776	2,771	12,315	2,008
June 28.....	71,017	1,210	8,021	735	3,277	5,805	7,999	82,099	2,983	10,969	2,013
July 26.....	71,277	1,240	7,301	692	3,171	5,805	8,077	81,128	3,241	11,090	2,105
Aug. 30.....	71,742	1,236	7,575	543	3,103	5,800	8,212	82,240	3,244	10,666	2,062
Sept. 27.....	71,952	1,232	8,060	192	3,098	5,800	8,023	82,399	3,051	10,848	2,060
Oct. 30.....	71,990	1,262	8,373	371	3,141	5,800	7,939	83,306	2,862	10,647	2,059
Nov. 29.....	66,191	1,385	11,005	1,090	3,267	5,800	8,032	82,447	2,826	9,361	2,136
Dec. 27.....	66,296	1,328	9,712	573	3,253	5,800	7,879	81,150	2,862	8,716	2,113
1936—Jan. 31.....	65,223	1,324	9,210	969	3,350	5,708	8,724	81,503	2,798	8,088	2,119
Feb. 28.....	65,789	1,309	9,758	932	3,250	5,708	8,186	81,239	2,854	8,706	2,134
Mar. 27.....	65,587	1,297	12,053	671	3,325	5,708	8,023	83,197	2,889	8,434	2,148
Apr. 24.....	61,937	1,305	14,392	623	3,349	5,708	8,193	82,557	2,722	7,895	2,334
May 29 ²	57,022	1,427	19,381	797	3,380	5,708	(²)	84,705	1,850	6,910	(²)

Reichsbank (Figures in millions of reichsmarks)	Assets						Liabilities				
	Reserves		Treasury bills	Other bills (and checks)	Security loans	Securities		Other assets	Note circula- tion	Deposits	Other liabi- lities
	Gold	Foreign exchange				Eligible as note cover	Other				
1935—Mar. 30.....	81	4	8	3,799	66	427	330	701	3,664	922	830
Apr. 30.....	82	4	27	3,861	87	373	328	739	3,711	952	837
May 31.....	82	4	63	3,732	86	338	324	775	3,810	770	824
June 29.....	86	4	53	3,879	89	337	324	781	3,895	819	838
July 31.....	94	6	6	3,833	52	337	324	814	3,878	743	845
Aug. 31.....	95	5	35	4,000	54	340	324	781	4,032	743	860
Sept. 30.....	95	6	40	4,144	73	346	324	770	4,143	774	879
Oct. 31.....	88	6	52	4,058	66	345	316	868	4,159	728	911
Nov. 30.....	88	5	56	4,096	78	346	315	922	4,186	806	913
Dec. 31.....	82	5	53	4,498	84	349	315	853	4,285	1,032	923
1936—Jan. 31.....	77	5	79	3,884	72	349	315	888	4,098	679	891
Feb. 29.....	72	5	43	4,026	72	348	315	861	4,177	652	914
Mar. 31.....	72	5	54	4,201	56	336	321	771	4,267	768	782
Apr. 30.....	70	5	71	4,353	73	240	319	702	4,348	688	798
May 30 ²	70	5	37	4,606	60	219	319	648	4,430	729	807

² Preliminary.

¹ Issue department also holds securities and silver coin as cover for fiduciary issue, which is fixed by law at £260,000,000.

² Figures not yet available.

NOTE.—For explanation of table see BULLETIN for February 1931, pp. 81-83, and July 1935, p. 463.

CENTRAL BANKS—Continued

[Figures as of last report date of month]

Central bank	1936			1935	Central bank	1936			1935
	April	March	February	April		April	March	February	April
National Bank of Albania (thousands of francs):					Bank of Canada (thousands of Canadian dollars):				
Gold.....		7,556	7,556	7,121	Gold.....	179,951	180,417	180,565	106,936
Foreign exchange.....		18,349	18,406	22,448	Sterling exchange.....	1,681	387	96	557
Loans and discounts.....		3,170	3,233	2,398	United States exchange.....	7,699	7,097	8,355	13,212
Other assets.....		5,031	4,647	3,232	Advances to Government.....				
Note circulation.....		11,679	11,720	14,022	Government securities:				
Demand deposits.....		10,681	10,780	10,669	2 years or less.....	28,602	29,661	26,125	28,373
Other liabilities.....		11,746	11,342	10,507	Over 2 years.....	82,323	81,144	82,540	115,014
Central Bank of the Argentine Republic ¹ (millions of pesos):					Other assets.....	8,794	4,527	5,132	5,135
Gold at home.....	1,224	1,224	1,224		Note circulation.....	90,309	85,518	84,605	93,692
Gold abroad and foreign exchange.....		111	121	141	Total deposits.....	211,688	210,868	212,006	169,379
Negotiable Government bonds.....		226	202	190	Chartered banks.....	187,447	188,203	186,933	156,833
Other assets.....		140	143	145	Government.....	23,915	21,116	23,989	11,907
Note circulation.....	1,021	998	989		Other liabilities.....	7,054	6,847	6,202	6,156
Deposits:					Central Bank of Chile (millions of pesos):				
Member bank.....	451	447	405		Gold and foreign exchange in reserve.....		142	142	142
Government.....	190	191	249		Loans and discounts.....		90	79	91
Other.....	9	9	11		Government debt.....		706	706	713
Other liabilities.....	31	45	47		Note circulation.....		595	578	540
Commonwealth Bank of Australia (thousands of pounds ²):					Deposits.....		274	281	347
Issue department:					Central Bank of China ³ (millions of yuan):				
Gold and English sterling.....	16,003	16,003	15,994	15,994	Gold.....	51	51	24	
Securities.....	40,341	39,351	35,173	32,802	Silver.....	211	161	115	
Banking department:					Foreign exchange.....	74	90	14	
Coin, bullion, and cash.....	1,225	1,152	930	846	Due from domestic banks.....	104	102	53	
London balances.....	19,314	26,513	18,575	32,664	Loans and discounts.....	213	181	89	
Loans and discounts.....	10,642	11,127	14,044	11,970	Securities.....	310	323	184	
Securities.....	35,657	35,657	35,707	35,873	Other assets.....	47	45	61	
Deposits.....	63,902	70,890	69,680	83,533	Note circulation.....	254	225	93	
Note circulation.....	48,045	47,045	47,045	48,550	Deposits—Government.....	305	275	237	
Austrian National Bank (millions of shillings):					Bank.....	292	284	51	
Gold.....	243	243	243	242	Other.....	30	38	16	
Foreign bills.....	82	81	82	43	Other liabilities.....	130	132	144	
Domestic bills.....	218	218	220	234	Bank of the Republic of Colombia (thousands of pesos):				
Government debts.....	624	624	624	624	Gold at home and abroad.....	29,789	30,830	30,974	24,130
Note circulation.....	952	929	931	925	Foreign exchange.....	5,738	3,638	4,168	3,352
Deposits.....	210	234	233	209	Loans to member banks.....	1,477	887	1,208	6,521
National Bank of Belgium (millions of belgas):					Note circulation.....	42,824	41,315	41,532	35,528
Gold.....	3,429	3,319	3,359	2,931	Deposits.....	30,633	31,500	31,880	24,306
Domestic and foreign bills.....	1,247	1,182	1,201	1,115	National Bank of Czechoslovakia (millions of koruny):				
Loans to State.....	160	160	160	166	Gold.....	2,694	2,692	2,690	2,687
Note circulation.....	4,255	4,163	4,072	3,813	Foreign balances and currency.....	44	47	73	307
Deposits.....	750	681	830	666	Loans and advances.....	1,436	1,413	914	1,069
Central Bank of Bolivia (thousands of bolivianos):					Note circulation.....	5,509	5,413	5,210	5,500
Gold at home and abroad.....	22,243	22,011	21,294	12,098	Deposits.....	647	778	534	865
Foreign exchange.....	8,640	8,022	7,752	9,581	Danish National Bank (millions of kroner):				
Loans and discounts.....	7,230	7,575	7,943	14,338	Gold.....	118	118	118	133
Securities:					Foreign bills, etc.....	27	28	19	19
National Government.....	388,202	388,668	388,723	328,054	Loans and discounts.....	71	73	73	73
Other.....	2,921	2,921	2,877	3,346	Note circulation.....	382	371	375	370
Note circulation.....	156,534	152,521	149,819	107,954	Deposits.....	60	80	67	98
Deposits.....	225,162	228,000	229,490	208,467	Bank of Danzig (thousands of gulden):				
Bank of Brazil (millions of milreis):					Gold.....	20,783	20,766	20,761	13,204
Cash.....		281	264	331	Foreign exchange of the reserve.....	1,723	2,021	1,631	253
Correspondents abroad.....		367	307	146	Other foreign exchange.....	6,317	5,976	5,491	83
Loans and discounts.....		2,935	2,885	2,858	Loans and discounts.....	15,038	15,893	15,785	31,098
Note circulation.....		10	20	20	Note circulation.....	28,809	28,274	27,698	38,563
Deposits.....		3,216	3,116	2,717	Deposits.....	2,651	3,879	2,990	639
National Bank of Bulgaria (millions of leva):					Central Bank of Ecuador (thousands of sucres):				
Gold.....	1,591	1,591	1,591	1,568	Gold.....			31,568	15,156
Net foreign exchange in reserve.....	-128	-103	-100	-72	Foreign exchange.....			6,181	12,852
Total foreign exchange.....	386	364	440	428	Loans and discounts.....			39,757	53,781
Loans and discounts.....	1,372	1,184	1,226	624	Note circulation.....			47,370	42,490
Government obligations.....	2,671	2,671	2,671	2,698	Deposits.....			15,160	22,678
Note circulation.....	2,252	2,373	2,113	2,173					
Other sight liabilities.....	2,094	1,763	2,131	1,958					

¹ Bank commenced operations May 31, 1935.

² Beginning March 1936 all items valued by bank in Australian currency; previously valued partly in Australian currency, partly in sterling.

³ Items for issue and banking departments consolidated.

⁴ Parity of gulden reduced May 2, 1935, from \$0.3296 to \$0.1899.

⁵ By law of Dec. 18, 1935, gold in vault revalued at rate of 9.968331 sucres per gram of fine gold.

CENTRAL BANKS—Continued

[Figures as of last report date of month]

Central bank	1936			1935	Central bank	1936			1935
	April	March	February	April		April	March	February	April
National Bank of Egypt ¹ (thousands of pounds):					Bank of Japan (millions of yen):				
Gold.....	6,545	6,545	6,545	6,545	Gold.....	515	513	511	474
Foreign exchange.....	2,558	3,269	4,125	2,500	Advances and discounts.....	820	914	1,222	709
Loans and discounts.....	5,016	5,385	5,963	4,148	Government bonds.....	554	533	397	659
British, Egyptian, and other Government securities.....	39,555	38,819	38,024	35,069	Notes issued.....	1,317	1,367	1,657	1,332
Other assets.....	5,309	5,867	5,683	3,213	Total deposits.....	580	657	369	439
Note circulation.....	21,246	21,639	22,240	18,982	Bank of Java (millions of florins):				
Deposits—Government.....	6,185	6,310	6,657	8,055	Gold.....		85	80	111
Other.....	23,384	23,611	23,141	16,608	Foreign bills.....		2	2	1
Other liabilities.....	8,169	8,327	8,303	7,831	Loans and discounts.....		61	65	60
Central Reserve Bank of El Salvador (thousands of colones):					Note circulation.....		154	156	172
Gold.....	12,917	12,855	12,818	11,921	Deposits.....		24	22	33
Foreign exchange.....	4,345	4,550	3,957	2,719	Bank of Latvia (millions of lats):				
Loans and discounts.....	484	680	798	152	Gold.....	46	46	46	46
Government securities.....	6,842	6,912	6,996	7,531	Foreign exchange reserve.....	7	6	7	5
Other assets.....	1,882	1,992	1,923	1,415	Bills.....	51	50	50	59
Note circulation.....	14,800	15,394	15,667	14,799	Loans.....	61	59	58	74
Other sight liabilities.....	8,279	8,255	7,531	5,675	Note circulation.....	38	39	37	39
Other liabilities.....	3,392	3,340	3,295	3,265	Government deposits.....	48	39	38	49
Bank of Estonia (thousands of krooni):					Other deposits.....	101	101	103	106
Gold.....	34,125	34,124	34,130	28,809	Bank of Lithuania (millions of litu):				
Net foreign exchange.....	2,463	2,450	2,046	5,126	Gold.....	53	51	41	46
Loans and discounts.....	21,453	22,229	22,471	13,601	Foreign exchange.....	21	19	22	6
Note circulation.....	41,887	41,700	41,278	38,576	Loans and discounts.....	80	87	89	104
Deposits—Government.....	14,345	14,018	18,594	9,920	Note circulation.....	107	109	106	99
Bank.....	10,224	10,625	9,393	8,408	Deposits.....	50	47	47	53
Other.....	2,682	2,869	2,464	2,108	Netherlands Bank (millions of florins):				
Bank of Finland (millions of markkaa):					Gold.....	710	714	680	645
Gold.....	501	501	489	323	Foreign bills.....	1	1	2	1
Balances abroad and foreign credits.....	1,355	1,328	1,263	1,386	Loans and discounts.....	152	152	154	246
Foreign bills.....	83	87	85	85	Note circulation.....	766	781	750	871
Domestic bills.....	892	865	766	797	Deposits.....	137	121	130	63
Note circulation.....	1,546	1,520	1,445	1,431	Reserve Bank of New Zealand (thousands of pounds):				
Other sight liabilities.....	689	657	589	463	Gold.....	2,802	2,802	2,802	2,802
Bank of Greece (millions of drachmas):					Sterling exchange.....	24,225	24,830	23,113	22,089
Gold and foreign exchange.....	3,334	3,339	3,358	3,669	Other assets.....	2,088	2,069	2,012	2,314
Loans and discounts.....	5,140	5,155	4,873	2,763	Note circulation.....	10,240	10,153	9,855	9,434
Government obligations.....	4,172	4,172	3,281	3,284	Demand deposits.....	17,272	17,903	16,445	16,183
Note circulation.....	5,791	5,670	5,521	5,664	Bank.....	8,585	8,992	10,671	3,833
Other sight liabilities.....	5,949	5,953	5,401	3,761	Government.....	8,584	8,789	5,676	12,342
Liabilities in foreign exchange.....	256	275	251	119	Other liabilities.....	1,602	1,645	1,628	1,588
National Bank of Hungary (millions of pengos):					Bank of Norway (millions of kroner):				
Gold.....	79	79	79	79	Gold.....	185	185	185	135
Foreign bills, etc.....	31	33	33	22	Foreign balances and bills.....	76	46	41	55
Loans and discounts.....	499	514	526	527	Domestic credits.....	195	202	203	221
Advances to Treasury.....	80	80	81	58	Note circulation.....	364	357	346	322
Other assets.....	111	102	90	68	Foreign deposits.....	5	4	4	6
Note circulation.....	390	391	393	369	Total deposits.....	89	75	83	79
Deposits.....	109	121	122	78	Central Reserve Bank of Peru (thousands of soles):				
Certificates of indebtedness.....	104	104	104	109	Gold and foreign exchange.....			48,813	43,099
Miscellaneous liabilities.....	171	166	163	172	Bills.....			57,951	59,993
Reserve Bank of India (millions of rupees):					Note circulation.....			84,855	72,349
Issue department:					Deposits.....			18,610	26,395
Gold at home and abroad.....	444	444	444	444	Bank of Poland (millions of zlotys):				
Sterling securities.....	683	673	673	486	Gold.....	381	427	445	508
Indian Gov't securities.....	234	244	244	431	Foreign exchange.....	15	26	17	19
Rupee coin.....	591	594	587	502	Loans and discounts.....	809	736	750	688
Note circulation.....	1,707	1,688	1,671	1,669	Note circulation.....	1,010	979	979	946
Banking department:					Other sight liabilities.....	148	155	163	228
Notes of issue department.....	246	268	278	193	Bank of Portugal (millions of escudos):				
Balances abroad.....	194	231	202	123	Gold.....			910	906
Loans to Government.....	40				Other reserves.....			445	463
Investments.....	50	51	51	51	Discounts and advances.....			370	295
Other assets.....	8	6	5	5	Government obligations.....			1,046	1,048
Deposits—Government.....	65	86	75	184	Note circulation.....			2,005	2,032
Bank.....	365	360	353	87	Other sight liabilities.....			970	881
Other liabilities.....	109	110	108	102	National Bank of Rumania (millions of lei):				
					Gold.....	10,971	10,929	10,884	10,502
					Foreign exchange of the reserve.....			9	91
					Loans and discounts.....	5,553	5,509	5,399	5,902
					Special loans.....	2,474	2,594	2,688	2,880
					State debt.....	11,151	11,179	10,956	9,889

¹ Items for issue and banking departments consolidated.² Beginning with July, 1935, foreign exchange includes foreign bills previously reported with loans and discounts.³ Agricultural and urban loans in process of liquidation.

CENTRAL BANKS—Continued

[Figures as of last report date of month]

Central bank	1936			1935	Central bank	1936			1935
	April	March	February	April		April	March	February	April
National Bank of Rumania—Con.					Swiss National Bank—Continued				
Other assets.....	11,941	11,871	11,751	9,548	Loans and discounts.....	143	152	234	195
Note circulation.....	22,401	23,056	22,127	21,786	Note circulation.....	1,311	1,319	1,274	1,319
Demand deposits.....	8,580	7,856	8,479	7,860	Demand deposits.....	403	411	466	289
Other liabilities.....	11,110	11,169	11,081	9,549	Central Bank of the Republic of Turkey (millions of pounds):				
South African Reserve Bank					Gold.....	30	30	30	28
(thousands of pounds):					Foreign exchange.....	19	17	16	13
Gold.....	22,931	29,644	28,074	25,976	Loans and discounts.....	14	13	17	4
Foreign bills.....	9,446	5,208	5,206	6,313	Investments.....	188	188	188	187
Domestic bills.....	99	161	277	148	Other assets.....	24	25	24	25
Note circulation.....	13,068	13,585	14,251	12,317	Note circulation.....	163	165	166	159
Deposits—Government.....	4,481	7,269	1,615	3,051	Deposits.....	39	36	37	31
Bank.....	21,508	26,444	32,834	24,656	Other liabilities.....	72	70	72	69
Other.....	3,995	2,941	1,378	3,765	Bank of the Republic of Uruguay				
Bank of Spain (millions of pesetas):					(thousands of pesos):				
Gold.....	2,228	2,228	2,253	2,269	Issue department:				
Silver.....	676	689	694	698	Gold and silver.....	41,091	41,091	41,091	41,091
Balances abroad.....	300	311	280	284	Note circulation.....	84,395	82,865	82,865	73,978
Loans and discounts.....	2,668	2,584	2,352	2,665	Banking department:				
Note circulation.....	5,354	5,171	5,197	4,577	Cash reserves.....	37,124	38,452	38,452	51,052
Deposits.....	1,068	1,105	1,180	923	Loans and discounts.....	94,557	93,785	93,785	97,055
Bank of Sweden (millions of kronor):					Other assets.....	56,885	55,738	55,738	43,603
Gold.....	461	454	440	352	Deposits—				
Foreign assets.....	565	588	607	612	Demand.....	31,973	31,615	31,615	33,023
Domestic discounts and advances.....	39	45	45	46	Time.....	41,874	41,595	41,595	39,407
Government securities.....	29	29	29	138	Ministry of Finance.....	20,994	22,021	22,021	22,021
Other assets.....	190	186	177	114	Other.....	20,738	20,737	20,737	2,793
Note circulation.....	780	795	756	675	Other liabilities.....	72,988	72,007	72,007	42,509
Total deposits.....	391	401	442	485	National Bank of the Kingdom of Yugoslavia (millions of dinars):				
Bank.....	161	226	237	174	Gold.....	1,497	1,490	1,480	1,282
Government.....	193	146	174	174	Foreign exchange.....	307	313	325	239
Other liabilities.....	111	105	100	101	Loans and discounts.....	1,617	1,642	1,676	1,787
Swiss National Bank (millions of francs):					Advances to State.....	2,272	2,272	2,272	2,290
Gold.....	1,516	1,509	1,445	1,365	Note circulation.....	4,824	4,904	4,930	4,435
Foreign balances and bills.....	12	14	13	31	Other sight liabilities.....	1,553	1,481	1,472	1,236

1 Liabilities of banking department. (See BULLETIN for December 1935.)

BANK FOR INTERNATIONAL SETTLEMENTS

[In thousands of Swiss francs]

Assets	1936		1935	Liabilities	1936		1935
	April	Mar. 31	April		April	Mar. 31	April
Gold in bars.....	23,200	24,198	15,094	Demand deposits (gold).....	19,309	19,088	12,038
Cash on hand and on current account with banks.....	9,538	9,601	2,285	Short-term deposits (various currencies):			
Demand funds at interest.....	14,094	12,960	15,121	Central banks for own account:			
Rediscountable bills and acceptances (at cost):				Demand.....	23,606	26,020	26,652
Commercial bills and bankers' acceptances.....	137,125	150,250	132,441	Time—Not exceeding 3 months.....	108,075	113,277	106,875
Treasury bills.....	188,792	188,279	222,058	Total.....	131,681	139,297	133,527
Total.....	325,917	338,529	354,499	Central banks for account of others:			
Time funds at interest—Not exceeding 3 months.....	38,952	36,033	34,099	Demand.....	7,679	11,334	10,967
Sundry bills and investments:				Time—Not exceeding 3 months.....	2,989	2,985	2,950
Maturing within 3 months:				Other depositors:			
Treasury bills.....	27,158	36,303	32,633	Demand.....	522	813	1,458
Sundry investments.....	61,993	61,701	65,264	Time—Not exceeding 3 months.....	684	83	2,109
Between 3 and 6 months:				Long-term deposits:			
Treasury bills.....	21,385	13,411	29,478	Annuity trust account.....	154,764	154,340	154,764
Sundry investments.....	63,683	30,607	31,783	German Government deposit.....	77,382	77,170	77,382
Over 6 months:				French Government guaranty fund.....	61,930	61,930	61,930
Treasury bills.....	51,583	50,292	26,188	French Government deposit (Saar).....	2,031	2,031	2,031
Sundry investments.....	1,694	34,530	35,354	Total.....	296,106	295,471	296,106
Total.....	227,496	226,844	220,700	Capital paid in.....	125,000	125,000	125,000
Other assets:				Reserves:			
Guaranty of central banks on bills sold.....	6,213	6,235	6,073	Legal reserve fund.....	3,324	3,324	2,672
Sundry items.....	6,566	6,383	4,376	Dividend reserve fund.....	5,845	5,845	4,866
Total assets.....	651,976	660,783	652,246	General reserve fund.....	11,690	11,690	9,732
				Other liabilities:			
				Guaranty on commercial bills sold.....	6,265	6,278	6,155
				Sundry items.....	40,882	39,576	44,666
				Total liabilities.....	651,976	660,783	652,246

COMMERCIAL BANKS

[Figures are as of end of month, except those for England, which are averages of weekly figures]

England (Figures in millions of pounds sterling)		Assets						Liabilities			
		Cash reserves	Money at call and short notice	Bills discounted	Securities	Loans to customers	Other assets	Deposits			Other liabilities
								Total	Demand ¹	Time ²	
10 clearing banks											
1935—August.....	213	149	287	615	768	205	2,013	1,068	899	224	
September.....	208	147	299	619	766	205	2,024	1,080	903	221	
October.....	204	141	297	626	777	213	2,036	1,064	921	224	
November.....	214	147	293	621	778	214	2,040	1,080	918	227	
December.....	221	159	322	605	784	231	2,091	1,140	924	231	
1936—January.....	220	155	337	601	791	218	2,092	-----	-----	230	
February.....	221	151	288	601	804	218	2,053	-----	-----	231	
March.....	210	155	249	605	829	221	2,038	-----	-----	230	
April.....	220	154	264	607	843	224	2,082	-----	-----	229	
11 clearing banks ³											
1936—January.....	228	159	346	630	815	227	2,164	1,166	937	242	
February.....	229	157	295	629	828	227	2,123	1,125	940	242	
March.....	217	162	252	635	854	230	2,108	1,123	951	241	
April.....	227	161	268	637	868	233	2,154	1,145	974	240	

France (4 large banks. Figures in millions of francs)		Assets					Liabilities				
		Cash reserves	Due from banks	Bills discounted	Loans	Other assets	Deposits			Own acceptances	Other liabilities
							Total	Demand	Time		
1935—August.....	4,211	2,399	17,226	7,592	1,414	28,589	27,916	673	257	3,995	
September.....	4,075	2,364	17,585	7,450	1,489	28,684	28,016	669	236	4,043	
October.....	3,996	2,413	17,692	7,505	1,620	28,800	28,101	699	268	4,158	
November.....	3,909	2,759	16,529	7,718	1,751	28,110	27,406	704	329	4,226	
December.....	3,739	2,484	16,141	8,025	1,900	27,553	26,859	694	337	4,399	
1936—January.....	3,451	2,563	16,601	7,765	1,086	27,548	26,859	689	349	3,568	
February.....	3,431	2,528	16,470	8,006	1,101	27,603	26,903	700	338	3,595	
March.....	3,587	2,617	16,135	7,700	1,222	27,194	26,522	672	391	3,677	

Germany (5 large Berlin banks. Figures in millions of reichsmarks)		Assets						Liabilities				
		Cash reserves	Due from banks	Bills discounted	Loans	Securities	Other assets	Deposits			Credits obtained from banks	Other liabilities
								Total	Demand	Time		
1935—August.....	151	341	2,221	2,899	1,019	992	5,464	2,419	3,045	705	1,454	
September.....	195	341	2,035	2,918	1,061	996	5,382	2,436	2,947	701	1,463	
October.....	156	314	2,167	2,889	1,033	993	5,408	2,451	2,957	682	1,463	
November.....	139	316	2,162	2,884	1,027	983	5,376	2,435	2,941	686	1,449	
December.....	134	306	2,294	2,847	1,003	958	5,460	2,480	2,980	659	1,423	
1936—January.....	128	307	2,275	2,900	987	945	5,472	2,409	3,063	652	1,417	
February.....	186	317	2,285	2,890	982	935	5,544	2,560	2,985	651	1,399	
March.....	136	301	2,429	2,847	973	916	5,595	2,585	3,010	644	1,363	

Canada (10 chartered banks. Figures in millions of Canadian dollars)		Assets						Liabilities				
		Entirely in Canada			Security loans abroad and net due from foreign banks	Securities	Other assets	Note circulation	Deposits payable in Canada excluding interbank deposits			Other liabilities
		Cash reserves	Security loans	Other loans and discounts					Total	Demand	Time	
1935—August.....	228	77	955	142	1,041	473	123	2,065	631	1,434	728	
September.....	223	76	965	137	1,103	464	123	2,131	687	1,444	734	
October.....	235	74	982	132	1,116	476	121	2,151	685	1,465	744	
November.....	220	96	980	151	1,137	453	124	2,174	699	1,474	748	
December.....	228	83	945	141	1,155	485	111	2,180	694	1,486	745	
1936—January.....	220	78	874	150	1,207	472	112	2,144	645	1,499	745	
February.....	224	78	869	151	1,265	444	118	2,152	635	1,517	761	
March.....	227	77	864	154	1,316	459	117	2,197	665	1,532	783	
April.....	228	83	862	145	1,314	478	114	2,229	692	1,536	767	

¹ Excluding deposits of the National Bank relating to offices outside England, which are included in the total.² District Bank included beginning January 1936.³ Combined monthly balance sheet not published for December.

NOTE — For back figures and explanation of table see BULLETIN for October 1933, pp. 639-646, and June 1935, pp. 388-390

DISCOUNT RATES OF CENTRAL BANKS

[Percent per annum]

Date effective	Central bank of—						Central bank of—	Rate June 4	Date effective	Central bank of—	Rate June 4	Date effective
	England	France	Germany	Italy	Netherlands	Switzerland						
In effect July 19, 1935	2	3½	4	3½	3	2½	Albania.....	7½	Nov. 16, 1933	India.....	3	Nov. 28, 1935
July 19.....		3½					Argentina.....	3½	Mar. 1, 1936	Italy.....	4½	May 18, 1936
July 25.....					5		Austria.....	3½	July 10, 1935	Japan.....	3.29	Apr. 7, 1936
July 26.....					6		Belgium.....	2	May 16, 1935	Java.....	4	July 1, 1935
Aug. 3.....					5		Bolivia.....	6	July 5, 1932	Latvia.....	5½	Jan. 1, 1933
Aug. 9.....		3					Bulgaria.....	6	Aug. 15, 1935	Lithuania.....	6	Apr. 1, 1930
Aug. 12.....				4½			Canada.....	2½	Mar. 11, 1935	Netherlands.....	4½	June 4, 1936
Sept. 9.....				5			Chile.....	3½-4½	Jan. 8, 1936	New Zealand.....	4	Aug. 1, 1934
Sept. 17.....					6		Colombia.....	4	July 18, 1933	Norway.....	3½	May 24, 1933
Oct. 17.....					5		Czechoslovakia.....	3	Jan. 1, 1936	Peru.....	6	May 20, 1932
Oct. 22.....					4½		Danzig.....	5	Oct. 21, 1935	Poland.....	5	Oct. 26, 1933
Nov. 5.....					4		Denmark.....	3½	Aug. 22, 1935	Portugal.....	4½	May 7, 1936
Nov. 14.....					3½		Ecuador.....	4	Nov. 30, 1932	Rumania.....	4½	Dec. 15, 1934
Nov. 15.....		4					El Salvador.....	5	July 5, 1934	South Africa.....	3½	May 15, 1933
Nov. 22.....		5					England.....	2	June 30, 1932	Spain.....	5	July 15, 1935
Nov. 26.....		6					Estonia.....	4½	Oct. 1, 1935	Sweden.....	2½	Dec. 1, 1933
Jan. 2, 1936		5					Finland.....	4	Dec. 3, 1934	Switzerland.....	2½	May 3, 1935
Jan. 10.....		4					France.....	6	May 7, 1936	Turkey.....	5½	Mar. 2, 1933
Jan. 16.....					3		Germany.....	4	Sept. 22, 1932	U. S. S. R.....	8	Mar. 22, 1927
Feb. 4.....					2½		Greece.....	7	Oct. 14, 1933	Yugoslavia.....	5	Feb. 1, 1935
Feb. 7.....		3½					Hungary.....	4	Aug. 29, 1935			
Mar. 28.....		5										
May 7.....		6										
May 18.....				4½								
May 30.....					3½							
June 4.....					4½							
In effect June 4, 1936.	2	6	4	4½	4½	2½						

Changes since May 7: Italy—May 18, down from 5 to 4½ percent; Netherlands—May 30, up from 2½ to 3½ percent; June 4, up from 3½ to 4½ percent.

MONEY RATES IN FOREIGN COUNTRIES

[Percent per annum]

Month	England (London)				Germany (Berlin)			Netherlands (Amsterdam)	
	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
1935—April.....	.59	.51	.75	½	3.38	3.60	3.64	3.65	3.26
May.....	.59	.51	.75	½	3.09	3.10	3.17	3.78	2.96
June.....	.71	.64	.75	½	3.00	2.93	3.16	4.42	3.83
July.....	.65	.59	.75	½	3.00	2.97	3.10	3.25	2.77
August.....	.60	.58	.75	½	3.00	3.00	3.06	4.78	4.72
September.....	.58	.55	.75	½	3.02	3.07	3.21	5.48	5.65
October.....	.63	.62	.75	½	3.04	3.26	3.13	4.70	5.00
November.....	.57	.55	.75	½	3.01	3.10	3.07	3.15	3.00
December.....	.71	.68	.75	½	3.00	3.23	3.15	3.20	3.08
1936—January.....	.56	.53	.75	½	3.00	3.09	2.81	2.37	2.29
February.....	.55	.53	.75	½	3.00	2.97	2.77	1.31	1.63
March.....	.56	.52	.75	½	3.00	3.07	2.99	1.20	1.68
April.....	.55	.52	.75	½	3.00	3.04	2.83	1.19	1.27

Month	Switzerland	Belgium (Brussels)	France (Paris)	Italy (Milan)	Hungary		Sweden (Stockholm)	Japan (Tokyo)	
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Prime commercial paper	Day-to-day money	Loans up to 3 months	Discounted bills	Call money overnight
1935—April.....	1.80	2.38	2.14	3.50	4½-7½	3½	2½-4½	5.11	2.54
May.....	2.39	2.12	2.56	3.50	4½-7½	3½	2½-4½	5.11	2.40
June.....	2.60	1.88	5.72	3.50	4½-7½	3½	2½-4½	5.11	2.45
July.....	2.79	1.88	4.06	3.50	4½-7½	3½	2½-4½	5.11	2.45
August.....	2.47	1.88	3.06	4.17	4½-7½	3½	2½-4½	5.11	2.60
September.....	2.40	1.88	2.85	4.87	4-7	3	2½-4½	5.11	2.62
October.....	2.37	1.88	2.71	5.00	4-7	3	2½-4½	5.11	2.69
November.....	2.44	1.88	3.89	5.00	4-7	3	2½-4½	5.11	2.78
December.....	2.50	1.88	5.89	5.00	4-7	2¾	2½-4½	5.11	2.69
1936—January.....	2.48	1.52	4.26	5.00	4-6½	2¾	2½-4½	5.11	2.64
February.....	2.37	1.45	3.81	5.00	4-6½	2¾	2½-4½	5.11	2.56
March.....	2.26	1.38	3.74	5.00	4-6½	2¾	2½-4½	5.11	2.87
April.....	2.25		5.03	5.00			2½-4½		

NOTE.—For explanation of table see BULLETIN for November 1926, pp. 794-796; April 1927, p. 289; July 1929, p. 503; November 1929, p. 736, and May 1930, p. 313.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES
WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States (1926=100)	Canada (1926=100)	England (1930=100)	France (1913=100)	Germany (1913=100)	Italy (1913=100)	Japan (October 1900=100)	Nether- lands (1926-30= 100)
1926	100	100	-----	695	134	602	237	106
1927	95	98	-----	642	138	495	225	103
1928	97	96	-----	645	140	462	226	102
1929	95	96	-----	627	137	445	220	100
1930	86	87	100	554	125	383	181	90
1931	73	72	88	502	111	328	153	76
1932	65	67	86	427	97	304	161	65
1933	66	67	86	398	93	280	180	63
1934	75	72	88	376	98	273	178	63
1935	80	72	90	338	102	-----	186	62
1935—January	79	71	88	350	101	277	182	62
February	80	72	88	343	101	278	184	62
March	79	72	87	335	101	288	184	61
April	80	73	88	336	101	296	182	61
May	80	72	88	340	101	302	182	61
June	80	72	88	330	101	308	180	61
July	79	72	88	322	102	310	180	61
August	81	72	88	330	102	323	183	61
September	81	72	90	332	102	330	189	62
October	81	73	91	342	103	-----	194	63
November	81	73	91	348	103	-----	194	63
December	81	73	91	354	103	-----	192	63
1936—January	81	73	92	359	104	-----	192	62
February	81	73	92	372	104	-----	191	62
March	80	72	92	376	104	-----	191	62
April	80	72	92	371	104	-----	192	61

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1926=100)			England (1930=100)		France (1913=100)		Germany (1913=100)			
	Farm products	Foods	Other commodities	Foods	Industrial products	Farm and food products	Industrial products	Agricultural products	Provisions	Industrial raw and semi-finished products	Industrial finished products
1926	100	100	100	-----	-----	581	793	129	132	130	150
1927	99	97	94	-----	-----	599	678	138	129	132	147
1928	106	101	93	-----	-----	584	697	134	133	134	159
1929	105	100	92	-----	-----	579	669	130	125	132	157
1930	88	91	85	100	100	526	579	113	113	120	150
1931	65	75	75	89	87	542	464	104	96	103	136
1932	48	61	70	88	85	482	380	91	86	89	118
1933	51	61	71	83	87	420	380	87	75	88	113
1934	65	71	78	85	90	393	361	96	76	91	116
1935	79	84	78	87	90	327	348	102	84	92	119
1935—January	78	80	78	87	89	351	350	100	81	92	119
February	79	83	77	87	89	339	346	100	81	92	120
March	78	82	77	85	88	329	340	99	83	91	120
April	80	85	77	85	89	325	345	100	84	91	120
May	81	84	78	86	90	324	353	101	84	91	119
June	78	83	78	86	89	307	351	102	86	91	119
July	77	82	78	85	90	292	347	103	85	91	119
August	79	85	78	86	90	311	347	104	85	91	119
September	80	86	78	88	90	322	341	104	84	92	119
October	78	85	78	89	92	331	351	104	84	93	119
November	78	85	79	88	93	338	357	105	84	93	119
December	78	86	79	89	93	350	356	105	84	93	119
1936—January	78	84	79	89	93	364	355	105	84	93	120
February	80	83	79	88	94	391	356	105	85	94	120
March	77	80	79	87	94	396	353	105	85	94	120
April	77	80	79	87	94	385	359	105	85	94	120

Sources.—See BULLETIN for March 1931, p. 159, March 1935, p. 180, and October 1935, p. 678.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES—Continued

RETAIL FOOD PRICES					COST OF LIVING				
[Index numbers]					[Index numbers]				
Year or month	United States (1923-25=100) ¹	England (July 1914=100)	France (July 1914=100) ²	Germany (1913-14=100)	Year or month	United States (1923-25=100)	England (July 1914=100)	France (Jan.-June 1914=100) ²	Germany (1913-14=100)
1926		161	113	146	1926	103	170	103	142
1927		156	113	153	1927	102	164	104	148
1928		157	112	153	1928	100	166	105	152
1929	105	154	124	156	1929	99	164	113	154
1930	100	145	125	146	1930	97	158	118	148
1931	82	131	124	131	1931	89	148	116	136
1932	68	126	109	116	1932	80	144	107	121
1933	66	120	100	113	1933	76	140	106	118
1934	74	122	98	118	1934	78	141	105	121
1935	80	125	86	120	1935	81	143	98	123
1935—April	81	119	85	119	1935—April		139		122
May	81	118	86	120	May		139		123
June	82	120	86	121	June		140	99	123
July	80	126	83	123	July	80	143		124
August	80	126	81	123	August		143		125
September	80	125	81	121	September		143	95	123
October	80	128	85	120	October	81	145		123
November	82	131	87	120	November		147		123
December	82	131	88	121	December		147	97	123
1936—January	82	131	90	122	1936—January	81	147		124
February	81	130	91	122	February		147		124
March	80	129	91	122	March		146	99	124
April	80	126	90	122	April	81	144		124

¹ Since August 1933 the Bureau of Labor Statistics has published biweekly indexes. Figures given are for the date nearest 15th of month.

² Index represents prices converted to gold basis of 1914.

Sources.—For both retail food prices and cost of living: *United States*—Bureau of Labor Statistics, Department of Labor; *England*—Ministry of Labour; *Germany*—Statistisches Reichsam; *France*—For retail food prices, Statistique Générale, and for cost of living, Commission d'études relatives au coût de la vie à Paris.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds				Common stocks (1926 average=100)			
	United States (average price)	England (December 1921=100) ¹	France (1913 average=100)	Germany (average price) ¹	United States	England ¹	France	Germany
Number of issues	60	87	36	139	421	278	300	329
1926	97.0	110.0	57.4		100.0	100.0	100.0	100.0
1927	98.9	110.7	71.7		118.3	107.0	123.2	145.0
1928	98.7	112.3	80.8	85.5	149.9	115.9	178.1	136.1
1929	95.7	110.2	85.1	81.4	190.3	119.5	217.6	122.8
1930	98.3	111.8	95.8	83.3	149.8	102.6	187.6	100.2
1931	96.1	108.4	96.9	83.4	94.2	78.9	132.2	78.0
1932	81.1	113.2	88.6	67.1	48.4	67.9	105.2	50.3
1933	84.0	119.7	81.3	82.5	63.4	78.6	99.6	61.7
1934	96.7	127.5	82.1	90.7	72.5	85.7	83.3	71.1
1935	102.3	129.9	83.5	95.3	78.5	86.3	79.7	82.9
1935—April	100.0	131.3	84.8	95.1	67.5	83.8	79.8	81.9
May	101.2	131.3	82.4	95.3	73.1	86.0	88.0	83.5
June	102.2	130.3	82.8	95.3	76.0	86.9	82.4	86.0
July	104.2	131.5	82.4	95.3	79.4	86.9	77.7	86.8
August	104.2	129.8	83.9	95.4	83.3	88.3	79.0	87.6
September	103.1	124.3	82.7	95.1	85.0	84.7	76.4	85.0
October	101.9	125.5	82.1	94.9	86.1	84.6	77.3	83.5
November	103.5	123.9	78.8	94.9	94.2	88.9	76.8	82.1
December	104.5	129.5	79.1	94.9	95.7	90.2	77.3	81.9
1936—January	106.5	130.1	78.9	95.1	101.7	93.1	83.7	84.2
February	107.8	131.0	77.9	95.2	106.7	95.2	86.7	86.0
March	108.4	130.2	75.2	95.3	108.7	94.1	84.1	85.6
April	107.9	131.5	75.8	95.3	106.6	95.5	82.8	88.3

¹ Annual indexes are unweighted averages of monthly indexes.

² Exchange closed from July 13 to Sept. 2, 1931, and from Sept. 19, 1931, to Apr. 11, 1932. Index for 1931 represents average of months January-June; index for 1932 represents average of months May-December.

Sources.—See BULLETIN for February 1932, p. 121, and June 1935, p. 394.

FEDERAL RESERVE DISTRICTS

