

EUROPEAN CURRENCY AND FINANCE

COMMISSION OF GOLD AND SILVER INQUIRY UNITED STATES SENATE

**PURSUANT TO S. RES. 400, 67TH CONGRESS
4TH SESSION, CREATING THE COMMISSION
OF GOLD AND SILVER INQUIRY**

FOREIGN CURRENCY AND EXCHANGE INVESTIGATION.

**Serial 9
(Volume II)**

By JOHN PARKE YOUNG, Ph. D.

Printed for the use of the Senate Commission of
Gold and Silver Inquiry



WASHINGTON
GOVERNMENT PRINTING OFFICE
1926

X-21; 1-50275-N2C

FS

COMMISSION OF GOLD AND SILVER INQUIRY

UNITED STATES SENATE

TASKER L. ODDIE, Nevada, *Chairman*
KEY PITTMAN, Nevada, *Vice Chairman*

THOMAS STERLING, South Dakota.
FRANK R. GOODING, Idaho.

THOMAS J. WALSH, Montana

H. N. LAWRIE, *Assistant to Commission*
C. E. ALDEN, *Secretary*

5867



CONTENTS

Foreword.....

PART I.

CURRENCY AND FINANCIAL CONDITIONS IN EUROPEAN COUNTRIES

	Page
European reconstruction.....	1
Austria:	
I. Pre-war currency.....	9
II. Currency, credit, and price movements, 1914-1922.....	11
III. Exchange rates, 1914-1922.....	15
IV. League of Nations intervention and currency stabilization.....	18
Belgium:	
I. Pre-war currency.....	27
II. Currency, credit, and price movements, 1914-1925.....	32
III. Foreign trade.....	42
IV. Exchange rates and purchasing power parities.....	45
V. Stabilization.....	49
Czechoslovakia:	
I. Currency prior to independence.....	55
II. Currency measures following independence.....	57
III. Foreign trade.....	62
IV. Exchange rates and purchasing power parities.....	66
V. Stabilization and reform.....	70
Denmark:	
I. Pre-war currency.....	79
II. Currency, credit, and price movements, 1914-1925.....	81
III. Foreign trade.....	86
IV. Exchange rates and purchasing power parities.....	91
V. Stabilization.....	97
Hungary:	
I. Currency prior to 1918.....	103
II. Currency measures following separation.....	106
III. Foreign trade.....	110
IV. Exchange rates and purchasing power parities.....	114
V. Financial reconstruction.....	119
Netherlands:	
I. Pre-war currency.....	125
II. Currency, credit, and price movements, 1914-1925.....	127
III. Foreign trade.....	141
IV. Exchange rates and purchasing power parities.....	135
V. Return to gold standard.....	138
Norway:	
I. Pre-war currency.....	143
II. Currency, credit, and price movements, 1914-1925.....	145
III. Foreign trade.....	151
IV. Exchange rates and purchasing power parities.....	155
V. Stabilization.....	159
Poland:	
I. Currency conditions prior to independence.....	163
II. Exchange rates and purchasing power parities.....	169
III. Foreign trade.....	173
IV. Stabilization and reform.....	177
Russia:	
I. Pre-war currency.....	184
II. Currency inflation and Government finances, 1914-1921.....	185
III. Currency and prices under the new economic policy.....	199
IV. Dissipation of the Russian gold reserve.....	208
V. Foreign trade and international balance of payments.....	204
VI. Financial reconstruction.....	218

Spain:	Page
I. Currency system of Spain.....	223
II. Foreign trade.....	229
III. Exchange rates and purchasing power parities.....	235
IV. Currency reform.....	240
Sweden:	
I. Pre-war currency.....	245
II. Currency, credit, and price movements, 1914-1925.....	247
III. Foreign trade.....	251
IV. Exchange rates and purchasing power parities.....	258
V. Return to gold standard.....	262
Switzerland:	
I. Pre-war currency.....	267
II. Currency, credit, and price movements, 1914-1925.....	270
III. Foreign trade.....	277
IV. Exchange rates and purchasing power parities.....	282
V. Return to gold.....	289

PART II.—STATISTICAL TABLES¹

AUSTRIA

Table No.		
1. Austro-Hungarian Bank, monthly, 1920-1922.....		291
2. Austrian National Bank, monthly, 1923-1925.....		291
3. Austria, total note circulation, monthly, 1914-1925.....		292
4. Austria, retail prices, monthly, 1921-1924.....		293
5. Austria, wholesale prices, monthly, 1923-1925.....		293
6. Austria, exchange rates, Vienna on New York, monthly, 1914-1924.....		293
7. Austria, exchange rates, New York on Vienna, monthly, 1914-1924.....		294
8. Austria, purchasing power parities, monthly, 1923-24.....		295
9. Austria, gold value of total note circulation, monthly, 1921-1924.....		296
10. Austria, imports and exports of merchandise by countries, annually, 1922-23.....		297
11. Austria, imports and exports of merchandise by principal commodities, annually, 1920-1923.....		297

BELGIUM

12. Bank of Belgium, monthly, 1919-1924.....	298
13. Belgium, wholesale prices, monthly, 1921-1924.....	299
14. Belgium, exchange rates, monthly, 1919-1924.....	299
15. Belgium, purchasing power parities, monthly, 1921-1924.....	300
16. Belgium, gold value of total note circulation, monthly, 1919-1924.....	301
17. Belgium, imports and exports of merchandise, annually, 1881-1923.....	302
18. Belgium, imports and exports of merchandise, monthly, 1923-24.....	302
19. Belgium, imports and exports of gold and silver, annually, 1881-1923.....	303
20. Belgium, national debt, 1900-1923.....	304
21. Belgium, receipts and expenditures, annually, 1910-1913.....	304

CZECHOSLOVAKIA

22. Banking Office of Czechoslovakia, monthly, 1919-1924.....	305
23. Czechoslovakia, wholesale prices, monthly, 1922-1924.....	307
24. Czechoslovakia, exchange rates, monthly, 1919-1924.....	307
25. Czechoslovakia, purchasing power parities, monthly, 1922-1924.....	308
26. Czechoslovakia, gold value of total note circulation, monthly, 1920-1924.....	309
27. Czechoslovakia, imports and exports of merchandise, annually, 1920-1924.....	309
28. Czechoslovakia, imports and exports of merchandise, monthly, 1921-1924.....	310
29. Czechoslovakia, receipts and expenditures, annually, 1919-1925.....	311

¹ For tables throughout the text consult the index.

CONTENTS

v

Table No.	DENMARK	Page
30.	National Bank of Denmark, monthly, 1913-1925.....	312
31.	Denmark, wholesale prices, monthly, 1920-1925.....	314
32.	Denmark, exchange rates, monthly, 1914-1925.....	315
33.	Denmark, purchasing power parities, monthly, 1920-1925.....	316
34.	Denmark, gold value of total note circulation, monthly, 1914-1925.....	317
35.	Denmark, imports and exports of merchandise, annually, 1900-1924.....	319
36.	Denmark, imports and exports of merchandise, monthly, 1910-1923.....	319
37.	Denmark, national debt, annually, 1910-1923.....	320
38.	Denmark, receipts and expenditures, annually, 1911-1923.....	320
HUNGARY		
39.	Hungarian National Bank, monthly, 1921-1925.....	321
40.	Hungary, prices, monthly, 1921-1925.....	322
41.	Hungary, exchange rates, monthly, 1921-1925.....	322
42.	Hungary, purchasing power parities, monthly, 1921-1925.....	323
43.	Hungary, gold value of total note circulation, monthly, 1921-1925.....	324
44.	Hungary, imports and exports of merchandise, 1911-1925.....	325
45.	Hungary, national debt, 1913-1923.....	326
46.	Hungary, receipts and expenditures, annually, 1913-1924.....	326
47.	Hungary, net receipts and expenditures, 1924-25.....	326
NETHERLANDS		
48.	Netherlands Bank, monthly, 1912-1925.....	327
49.	Netherlands, wholesale prices, monthly, 1920-1925.....	330
50.	Netherlands, exchange rates, monthly, 1914-1925.....	330
51.	Netherlands, purchasing power parities, monthly, 1920-1925.....	332
52.	Netherlands, purchasing power parities, monthly, 1920-1925.....	333
53.	Netherlands, gold value of total note circulation, monthly, 1914-1925.....	334
54.	Netherlands, imports and exports of merchandise, annually, 1899-1924.....	336
55.	Netherlands, imports and exports of merchandise, monthly, 1920-1925.....	336
56.	Netherlands, imports and exports of gold and silver, annually, 1881-1923.....	337
57.	Netherlands, national debt, annually, 1913-1925.....	337
58.	Netherlands, receipts and expenditures, annually, 1910-1925.....	338
NORWAY		
59.	Bank of Norway, monthly, 1919-1925.....	339
60.	Norway, wholesale prices, monthly, 1920-1925.....	341
61.	Norway, exchange rates, monthly, 1915-1925.....	341
62.	Norway, purchasing power parities, monthly, 1920-1925.....	343
63.	Norway, gold value of total note circulation, monthly, 1919-1925.....	344
64.	Norway, imports and exports of merchandise, annually, 1890-1924.....	345
65.	Norway, national debt, 1900-1924.....	346
66.	Norway, receipts and expenditures, annually, 1910-1924.....	346
POLAND		
67.	Bank of Poland, monthly, 1918-1925.....	347
68.	Poland, index numbers of wholesale prices, monthly, 1921-1925.....	349
69.	Poland, exchange rates, monthly, 1919-1925.....	350
70.	Poland, purchasing power parities, monthly, 1921-1924.....	351
71.	Poland, purchasing power parities, monthly, 1923-1925.....	352
72.	Poland, gold value of total note circulation, monthly, 1921-1925.....	353
73.	Poland, imports and exports of merchandise, monthly, 1920-1925.....	354
74.	Poland, national debt, annually, 1919-1924.....	355
75.	Poland, receipts and expenditures, annually, 1921-1925.....	355
RUSSIA		
76.	Russian State Bank, monthly, 1914-1917.....	356
77.	Russia, Soviet State Bank, condition of the issue department, November, 1922, to May, 1925.....	358
78.	Russia, banking statistics, monthly, 1922-1925.....	358

Table No.	Page
79. Russia, nominal amounts of paper money in circulation, monthly, 1914-1922.....	359
80. Russia, amounts of money in circulation, monthly, 1923-1925.....	359
81. Russia, retail prices, monthly, 1916-1925.....	360
82. Russia, exchange rates, monthly, 1914-1919.....	360
83. Russia, purchasing power parities, monthly, 1916-1922.....	361
84. Russia, purchasing power parities, monthly, 1923-1925.....	362
85. Russia, value of total note circulation in terms of pre-war rubles, monthly, 1916-1922.....	363
86. Russia, gold value of total note circulation, monthly, 1916-1922.....	364
87. Russia, gold value of total circulation, monthly, 1923-1925.....	366
88. Russia, imports and exports of merchandise, annually, 1909-1924.....	366
89. Russia, imports and exports of merchandise, monthly, 1922-1924.....	367
90. Russia, imports and exports by countries, annually, 1913, 1923, and 1924.....	367
SPAIN	
91. Bank of Spain, monthly, 1914-1925.....	368
92. Spain, wholesale prices, monthly, 1921-1925.....	370
93. Spain, exchange rates, monthly, 1915-1925.....	370
94. Spain, purchasing power parities, monthly, 1921-1925.....	372
95. Spain, exchange rates and gold value of silver in 100 pesetas, annually, 1868-1924.....	373
96. Spain, imports and exports of merchandise, annually, 1900-1923.....	373
97. Spain, imports and exports of merchandise, monthly, 1910-1923.....	374
98. Spain, imports and exports of gold and silver bullion and coin, annually, 1900-1923.....	376
99. Spain, imports and exports of gold and silver, monthly, 1910-1923.....	377
100. Spain, national funded debt, annually, 1900-1923.....	379
101. Spain, receipts and expenditures, annually, 1909-1923.....	380
SWEDEN	
102. Swedish Riksbank, monthly, 1915-1925.....	381
103. Swedish Riksbank, annually, 1911-1925.....	383
104. Sweden, private banks, annually, 1911-1925.....	383
105. Sweden, unemployment, monthly, 1913-1925.....	383
106. Sweden, wholesale prices, annually, 1864-1923.....	384
107. Sweden, wholesale prices, monthly, 1914-1925.....	384
108. Sweden, exchange rates, monthly, 1915-1925.....	386
109. Sweden, purchasing power parities, monthly, 1920-1925.....	387
110. Sweden, gold value of total note circulation, monthly, 1915-1925.....	388
111. Sweden, imports and exports of merchandise, annually, 1896-1923.....	390
112. Sweden, imports and exports of merchandise, monthly, 1913-1924.....	390
113. Sweden, imports and exports of gold and silver coin and bullion, annually, 1911-1923.....	392
114. Sweden, national debt, annually, 1900-1924.....	392
115. Sweden, receipts and expenditures, annually, 1912-1922.....	393
SWITZERLAND	
116. Swiss National Bank, monthly, 1912-1925.....	394
117. Switzerland, wholesale prices, monthly, 1921-1925.....	397
118. Switzerland, exchange rates, monthly, 1914-1925.....	397
119. Switzerland, purchasing power parities, monthly, 1921-1925.....	399
120. Switzerland, gold value of total note circulation, monthly, 1914-1925.....	400
121. Switzerland, imports and exports of merchandise and gold and silver, annually, 1890-1924.....	402
122. Switzerland, imports and exports of merchandise and gold and silver, quarterly, 1910-1925.....	402
123. Switzerland, imports and exports of gold and silver, annually, 1910-1923.....	404
124. Switzerland, national debt, 1850-1923.....	405
125. Switzerland, receipts and expenditures, annually, 1911-1924.....	405

CONTENTS

VII

CHARTS

No.	Page
AUSTRIA	
1. Austria, total note circulation and exchange rates, monthly, 1914-1925	11
2. Austrian National Bank, monthly, 1921-1925	13
3. Austria, exchange rates, high and low, note circulation, and gold value of note circulation, monthly 1921-1925	20
4. Austria, gold value of total circulation on basis of exchange rates and on basis of purchasing power parities, monthly, 1921-1924	21
5. Austria, purchasing power parities and exchange rates, monthly 1923-1925	22
6. Austria, wholesale prices, monthly 1923-1925	23
BELGIUM	
7. National Bank of Belgium, note circulation, deposits, discounts, and gold reserves, monthly, 1919-1925	37
8. Belgium, wholesale prices on paper basis and on gold basis, monthly, 1921-1925	39
9. Belgium, imports and exports of merchandise, annually, 1881-1923	42
10. Belgium, exchange rates, high and low, monthly, 1919-1925	46
11. Belgium, purchasing power parities and exchange rates, monthly, 1919-1924	47
12. Belgium, gold value of total note circulation on basis of exchange rates and on basis of purchasing power parities, monthly, 1919-1925	53
CZECHOSLOVAKIA	
13. Czechoslovakia, banking office of Ministry of Finance, note circulation, loans and discounts, deposits, foreign exchange holdings, gold and silver, and prices, monthly, 1919-1925	59
14. Czechoslovakia, wholesale prices on paper basis and on gold basis, monthly, 1922-1925	60
15. Czechoslovakia, imports and exports of merchandise, monthly, 1921-1925	65
16. Czechoslovakia, exchange rates, high and low, monthly, 1919-1925	66
17. Czechoslovakia, purchasing power parities and exchange rates, monthly, 1921-1925	68
18. Czechoslovakia, gold value of total note circulation on basis of exchange rates and on basis of purchasing-power parities, monthly, 1920-1925	75
DENMARK	
19. Danish National Bank, note circulation, loans, discounts, and advances and deposits, monthly, 1913-1925	83
20. Denmark, wholesale prices on paper basis and on gold basis, monthly, 1920-1925	84
21. Denmark, imports and exports of merchandise, quantity and value, annually, 1900-1924	87
22. Denmark, imports and exports of merchandise, value, monthly, 1919-1925	89
23. Denmark, exchange rates, high and low, monthly, 1914-1924	92
24. Denmark, purchasing-power parities and exchange rates, monthly, 1920-1925	94
25. Denmark, gold value of total note circulation on basis of exchange rates and on basis of purchasing-power parities, monthly, 1914-1925	100

VIII

CONTENTS

HUNGARY		
No.		Page
26.	National Bank of Hungary, note circulation, advances to the State, and current accounts and deposits, monthly, 1921-1925-----	108
27.	Hungary, imports and exports of merchandise, value, annually, 1920-1924-----	113
28.	Hungary, exchange rates, high and low, monthly, 1921-1925-----	115
29.	Hungary, wholesale prices on paper basis and on gold basis, monthly, 1920-1925-----	117
30.	Hungary, purchasing power parities and exchange rates, monthly, 1921-1925-----	118
31.	Hungary, gold value of circulation, monthly, 1921-1925-----	122
NETHERLANDS		
32.	Bank of Netherlands, note circulation, gold reserves, discounts and advances, and deposits, monthly, 1912-1925-----	128
33.	Netherlands, wholesale prices on paper basis and on gold basis, monthly, 1920-1925-----	129
34.	Netherlands, imports and exports of merchandise, annually, 1890-1924-----	132
35.	Netherlands, exchange rates, high and low, monthly, 1914-1924-----	135
36.	Netherlands, purchasing power parities and exchange rates, monthly, 1919-1924-----	136
NORWAY		
37.	Bank of Norway, note circulation, loans and discounts, deposits, balances with foreign banks, and gold, monthly, 1914-1925-----	146
38.	Norway, wholesale prices on paper basis and on gold basis, monthly, 1920-1925-----	149
39.	Norway, imports and exports of merchandise, quantity and value, annually, 1890-1923-----	151
40.	Norway, exchange rates, high and low, monthly, 1915-1924-----	155
41.	Norway, purchasing-power parities and rates of exchange, monthly, 1919-1925-----	157
POLAND		
42.	Poland, exchange rates, high and low, note circulation, discounts, advances, monthly, 1919-1924-----	165
43.	Poland, wholesale prices on paper-mark basis and converted to gold basis, and on zloty basis, monthly, 1921-1925-----	168
44.	Poland, purchasing-power parities and exchange rates, monthly, 1921-1924-----	171
45.	Poland, purchasing-power parities and exchange rates, monthly, 1923-1925-----	172
46.	Poland, imports and exports of merchandise, value, monthly, 1922-1925-----	175
47.	Poland, imports and exports of merchandise, quantity, monthly, 1920-1925-----	176
48.	Bank of Poland, note circulation, discounts, balances with foreign banks, and gold reserves, monthly, 1924-25-----	179
49.	Poland, gold value of total note circulation on basis of exchange rates and on basis of purchasing-power parities, monthly, 1921-1925-----	181
RUSSIA		
50.	Russia, total note circulation, monthly, 1914-1925-----	190
51.	Russia, prices on paper-ruble basis and on chervonetz basis, monthly, 1916-1925-----	192
52.	Russia, exchange rates, high and low, monthly, 1914-1918-----	193
53.	Russia, purchasing-power parities and exchange rates, monthly, 1916-1925-----	194
54.	Russia, gold value of total note circulation on basis of exchange rates and on basis of purchasing-power parities, monthly, 1916-1925-----	202

CONTENTS

IX

No.	SPAIN	Page
55.	Spain, exchange rates and gold value of silver in 100 pesetas, 1868-1924.....	224
56.	Bank of Spain, note circulation and reserves, monthly, 1914-1925.....	226
57.	Spain, imports and exports of merchandise, value, annually, 1900-1923.....	230
58.	Spain, imports and exports of merchandise, monthly, 1910-1923.....	234
59.	Spain, exchange rates, high and low, monthly, 1915-1925.....	236
60.	Spain, purchasing-power parities and exchange rates, monthly, 1919-1925.....	237
61.	Spain, wholesale prices on paper basis and on gold basis, monthly, 1921-1925.....	238
SWEDEN		
62.	Sweden, Riksbank, note circulation, loans and discounts, gold reserves, deposits, monthly, 1910-1925.....	247
63.	Sweden, wholesale prices on paper basis and on gold basis, monthly, 1914-1925.....	250
64.	Sweden, imports and exports of merchandise, quantity and value, annually, 1895-1923.....	252
65.	Sweden, imports and exports of merchandise, value, monthly, 1913-1925.....	255
66.	Sweden, exchange rates, high and low, monthly, 1914-1924.....	260
67.	Sweden, purchasing-power parities and exchange rates, monthly, 1919-1925.....	261
SWITZERLAND		
68.	National Bank of Switzerland, note circulation, gold and silver, reserves, current accounts and deposits and notes, monthly, 1912-1925.....	270
69.	National Bank of Switzerland, note circulation, discounts and advances, deposits, monthly, 1912-1924.....	273
70.	Switzerland, wholesale prices on paper basis and on gold basis, monthly, 1921-1925.....	275
71.	Switzerland, imports and exports of merchandise, quantity and value, annually, 1890-1923.....	277
72.	Switzerland, imports and exports of merchandise, value, quarterly, 1910-1925.....	279
73.	Switzerland, exchange rates, high and low, monthly, 1914-1925.....	283
74.	Switzerland, purchasing-power parities and exchange rates, monthly, 1919-1924.....	286

FOREWORD.

Volume II of the commission's report on European currency and finance (Serial 9) is a continuation of Volume I, and deals with 12 countries of Europe not included in Volume I. It gives a brief description of pre-war currency systems in these 12 countries, an account of war and postwar developments, and a discussion of efforts toward currency and financial reconstruction. It also contains, in Part II, statistical tables relating to banking, currency, exchange rates, prices, purchasing power parities, trade, and government finances of the countries treated.

Volume I contains four parts: (I) A general discussion of the European currency and financial question and its relation to the United States; (II) a section containing papers on currency and finance, prepared for the commission by 33 economists and bankers in Europe and America (15 countries represented); (III) a section dealing in some detail with currency and financial affairs of Great Britain, France, Italy, and Germany (continued for 12 other countries in Volume II); and (IV) a section containing statistical material for the 4 countries mentioned above (continued for other countries in Volume II).

Since the appearance of Volume I in February considerable progress has been made in the reconstruction of European finance and trade. In fact, in the realm of currency the first six months of this year have witnessed more extensive currency rehabilitation than any like period since the war. Most of the trade of Europe is again being transacted on a gold basis, even though in most countries the complete gold standard has not yet been fully restored. Recent events have been in the direction of stabilization and a return to the gold standard, with accompanying improved financial and economic conditions generally. A brief summary and description of the outstanding developments in 1925 is given in the introductory section of Volume II under the heading "European reconstruction."

In the preparation of Volume II the following economists have participated: Mr. M. L. Jacobson, Mr. Elmer Wood, and Mr. E. V. D. Wight, whose names appear in connection with sections to which they contributed.

JOHN PARKER YOUNG,

Director Foreign Currency and Exchange Investigation.

JULY, 1925.

Another printing of Volume I, Serial 9, has been made, and the volume may now be procured from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 80 cents a copy.

EUROPEAN CURRENCY AND FINANCE

EUROPEAN RECONSTRUCTION

Since Volume I of the Report on European Currency and Finance was issued in February, 1925, several important developments in European reconstruction have taken place. The progress begun in 1924 has been carried forward and the year 1925 bids fair to become the outstanding year in which Europe turned from the abnormalities and disturbed conditions of war and the post-war period, to a more healthy and economic basis of existence, to "normalcy" as the popular expression puts it. Soaring prices, demoralized production, bread riots, and other extreme conditions have disappeared, and have given place to renewed enterprise and increasing productivity and prosperity, which provides the proper background for healthy political and other conditions.

RESTORATION OF GOLD STANDARD IN GREAT BRITAIN

The outstanding development in the realm of currency has been the announcement on April 28 of the immediate return of Great Britain to the gold standard. This was an event of far-reaching significance, both nationally and internationally. Europe for several years had been waiting for Great Britain to act and did not desire to do much in the way of currency reform until Great Britain set the example. As a result of Great Britain's move, the Netherlands, the Dutch East Indies, Australia, and New Zealand returned to the gold standard at the same time as did Great Britain. South Africa, which had planned to return to the gold basis on July 1, anticipated this date by several weeks (May 17). Other countries, notably Switzerland and Argentina, are ready to return to gold, and announcement may be forthcoming soon. With the return of Great Britain to gold the indications are that within a year or two the general restoration of the gold standard will be well nigh an accomplished fact.

As a result of the return of Great Britain to the gold standard, most of the trade of Europe and of the entire world is now conducted on the gold basis. This is of importance to trade since when trade has to be conducted in terms of a currency which fluctuates rapidly in value, transactions become hazardous and trade is interfered with. Aside therefore from the question of Great Britain's leading the way for other countries, the return of the pound to par will have beneficial effects upon international trade and finance.

Much trade formerly financed in London in terms of sterling has come to be financed in terms of dollars in New York or other American centers because dollars represent gold. Inasmuch as the pound

now represents a definite amount of gold, London will recover part of the business lost to the United States. As a result of the war New York has assumed a position of leadership as an international financial center. In all important recent loan operations United States bankers have played a dominant rôle. With the pound back on the level of the dollar, London may be expected to play a more important part in international finance. The relations between these two financial centers will become closer and more interlocked as a result of the common basis, gold, which permits greater accuracy in the calculations of transactions.

The measure which has restored Great Britain practically to the gold standard was the granting to the Bank of England on April 28 of a general license to export gold, the exportation of gold having been previously prohibited.¹ Since the general prohibition on the exportation of gold will not expire until the end of this year (1925), it is apparent that Great Britain will not have a completely free gold market until that time. However, this temporary interference with complete freedom of gold movements is of no great consequence and Great Britain may be regarded to all intents and purposes as upon the gold standard. The psychological effect of the restoration of the gold standard is healthy, and will inspire confidence in industry and trade as well as stimulate other countries toward currency reform.

The Bank of England has a gold reserve of about £155,000,000 or about \$750,000,000 (including the £27,000,000 transferred from the currency notes account). In addition to this a credit of \$100,000,000 was provided by J. P. Morgan & Co., and gold to the extent of \$200,000,000 was made available to the Bank of England by the Federal Reserve Bank of New York. The total note circulation of Great Britain at present amounts to about £385,000,000, so that the gold reserve exclusive of foreign credits is about 40 per cent of notes. Economic conditions in Great Britain are sound and the price levels of the United States and Great Britain are in close harmony, i. e., purchasing power parities and exchange rates are not far apart, so that fundamentally Great Britain is prepared for the gold basis.

The gold standard has been accepted in preference to a system of managed currency. That Great Britain would adopt a thorough-going managed fiduciary currency standard was never seriously believed, even by those favoring such a system. On the other hand, the system which has been adopted is not an entirely unmanaged one. Par with the dollar will be maintained to a great extent by deliberate action of the Bank of England through the utilization of credits in New York or shipments of gold, and through alterations in the discount rate with consequent effects upon prices.

MOST CURRENCY NOW STABILIZED

Currency stabilization has been accomplished in practically all European countries, and depreciation of much consequence is no longer taking place anywhere. The countries of central Europe, which were especially disturbed—Germany, Austria, Hungary, Poland, and Czechoslovakia—now have a form of the gold standard,

¹ New gold from the mines could be reexported under a license, according to arrangements made in 1919.

and are regaining the prosperity which has been lacking for about a decade. Central banks have been organized, or reorganized, in these countries and are functioning satisfactorily, issuing notes, accumulating gold reserves, and controlling credit conditions.

Sweden, the first European country to return to the gold standard after the war, has maintained successfully this standard for over a year (since April 1, 1924). The other Scandinavian and Baltic countries have either undertaken currency reform or are making plans in this direction. Russia has returned to a form of the gold standard and is accumulating a gold reserve, largely from domestic production and from gold coming out of hoards as a result of the introduction of a stable currency.

Belgium, France, and Italy are now seriously contemplating measures of currency reform. Metallic currency is appearing in circulation in practically all countries in place of the inconvenient and usually very dirty paper money of small denominations.

France passed through a financial and political crisis in April, 1925, when it became known that the legal limit to the circulation had been exceeded in order to provide the Government with needed funds. In spite of the difficulties the franc experienced very little depreciation. France adopted vigorous reform measures, and a budget which really balances will soon be an accomplished fact, according to present plans. If the Government is successful in preventing further inflation and thereby maintaining a relatively stable level of prices, fairly stable exchange rates will continue, provided no untoward events take place. Italy in June, 1925, established a credit of \$50,000,000 in New York for the purpose of stabilizing the lira. Belgium, also in June, 1925, borrowed a similar amount in the United States, part of which money is to be used to maintain the stability of the Belgian franc.

The necessity of devaluation—stabilization of currency units at approximately their present low levels—is now generally recognized throughout financial and governmental circles in Europe, including France, Italy, and Belgium. A certain amount of popular opposition is still to be overcome, and is a source of embarrassment to governments desirous of accomplishing early reform. The return already to the gold basis of countries whose currencies were extremely depreciated and whose conditions most disturbed, has shown other countries that stable currencies are not dependent upon internal prosperity, an excess of exports or other popularly supposed requisites.

Recent developments indicate the increasing tendency of currency systems of the different countries to be interlocked, and based upon deposit credits in foreign banks in place of gold held in vault. All the central banks of Europe at the present time have important deposits in foreign countries, deposits which they look upon as reserves against their currencies. These deposits obviate to a great extent the necessity of gold shipments and are useful in sustaining exchange rates. The Bank of England has a credit in New York of \$300,000,000 for the sole purpose of sustaining the gold standard in Great Britain. Germany, on the other hand, has withdrawn to Germany

in actual gold a large part of her foreign deposits. Germany, however, had very little gold in the Reichsbank, and in addition to foreign deposits needed an internal gold reserve to inspire confidence and prepare for the resumption of specie payments. To what extent this system of deposited reserves in place of actual gold will continue, or to what extent it is merely a temporary expedient as a means of getting back to the gold standard, can be answered only in the future.

CIRCULATION OF GOLD COIN

Another noteworthy development in currency matters is the tendency to discourage, if not to prevent entirely, the circulation of gold coin. Before the war gold coin was commonly seen in hand circulation. At the present time, however, even in countries where the gold standard prevails, gold coin is almost never seen in circulation. Paper money has proved convenient, and as long as it is possible to secure gold in exchange for the paper money individuals do not seem inclined to ask for gold. The Bank of England has been relieved of the obligation of redeeming its notes in gold except in very large quantities, in amounts not less than 400 fine ounces (\$8,268). In order to discourage further the circulation of gold in Great Britain appeals are made to the public against the withdrawal and circulation of gold.

The significance of this tendency away from gold circulation is that the metal may be economized and centralized, and that economizing gold in this fashion may have important effects upon its value, or, in other words, upon the level of prices. When gold is concentrated in banks it can serve as the basis for more paper currency and bank credit than when scattered throughout the hands of the people. If large quantities of gold are to accumulate in money centers and serve as the basis for currency and credit expansion, the value of gold may become less, or, in other words, the general level of prices may rise.

The extent to which control of credit and prices will be successful in maintaining stability is a question which can not be answered now. The United States has been successful in maintaining relative price stability for over four years and will no doubt continue this policy as long as it is possible. Great Britain and other countries will also be endeavoring to avoid price fluctuations and alternating depression and prosperity. The leading countries of the world will all thus be following deliberately a policy which is more or less the same, namely, the maintenance of stable currency and price conditions. With the advancement in financial knowledge and available data, and with the weight of the leading countries thrown against rises and falls in the value of gold, considerable stability can be provided, especially over shorter periods of time as opposed to the long time trends.

The ratios of gold reserves to notes in circulation have been practically ignored since 1913, and the indications are that they will not again be considered the chief criteria of discount policy. The reserve ratio must be reckoned with if the gold standard and exchange stability are to exist, but in maintaining exchange stability foreign credits are as useful as gold. Reserve ratios can not be ignored

entirely, but countries have learned that they can be manipulated and do not have to be followed rigidly. This is an important factor in efforts toward price control.

REDISTRIBUTION OF UNITED STATES GOLD

Since December, 1924, more gold has been leaving the United States than has been coming in. This is the first time the United States has had a net excess of gold exports for over four years (since August, 1920). The recent excesses of gold exports have not been large, but indicate a change in conditions, and the beginning of a more even distribution of the world's gold. However, it is not to be expected that the redistribution of the large gold stock of the United States will take place rapidly. As the restoration of the gold standard proceeds and as countries continue to strengthen their gold reserves, part of the gold in the United States will flow to other countries and new gold from the mines will find other destinations than the vaults of the Federal reserve banks. The following figures show the gold imports and exports of the United States since 1912.

United States—Imports and exports of gold, 1912-1925

	Imports	Exports	Excess of	
			Imports	Exports
1912.....	\$58,548,772	\$67,424,942	\$19,123,000	
1913.....	59,704,532	51,799,690		\$26,092,778
1914.....	37,357,741	222,616,156		145,226,415
1915.....	64,854,589	31,425,919	439,528,672	
1916.....	665,999,234	155,092,827	539,697,367	
1917.....	537,854,374	371,853,594	165,978,499	
1918.....	62,042,749	41,069,516	20,672,639	
1919.....	76,534,046	365,185,245		281,651,202
1920.....	428,708,586	322,661,268	106,047,318	
1921.....	681,267,446	27,661,377	667,374,671	
1922.....	275,169,785	26,674,994	236,294,891	
1923.....	322,716,009	26,643,009	294,673,000	
1924.....	320,041,009	61,646,009	258,393,000	
1924—January.....	45,499,009	261,000	45,196,009	
February.....	25,111,009	395,009	24,696,009	
March.....	29,322,009	817,009	28,505,009	
April.....	45,418,009	1,399,009	44,019,009	
May.....	41,674,009	595,009	41,079,009	
June.....	25,192,009	298,009	24,894,009	
July.....	15,824,009	377,009	15,447,009	
August.....	15,159,009	2,397,009	12,762,009	
September.....	6,656,009	4,599,009	2,057,009	
October.....	19,792,009	4,125,009	15,667,009	
November.....	19,820,009	6,699,009	13,121,009	
December.....	16,374,009	39,675,009		23,301,009
Total for year.....	320,041,009	61,646,009	258,393,000	
Net excess.....				258,393,000
1925—January.....	4,667,669	23,525,943		65,458,143
February.....	7,332,827	39,369,798		46,097,181
March.....	7,337,322	26,104,416		17,767,094
April.....	8,899,833	21,023,945		12,124,112
May.....	11,494,651	13,377,656		1,883,005

Most European countries at the present time have a sufficient amount of gold to return to a form of the gold standard, but not a sufficient amount in most cases to restore a completely free gold

market. Various restrictions and measures aimed at economizing gold are being employed where a form of the gold standard has been adopted. The United States is the only country at the present time where a free gold market in the broadest sense may be said to exist. European countries may not find it desirable to establish the complete gold standard in this broad sense, but may prefer to economize the use of gold and maintain stability with reference to gold by various means of control. In fact, an approximation to the gold standard and its introduction by gradual steps is the course that is being followed.

LOAN FLOTATIONS IN THE UNITED STATES AND FOREIGN TRADE

Since the fall of 1924 an unprecedentedly large amount of foreign loans has been floated in the United States market. These large loan flotations are still continuing. The flotations in 1924 amounted to \$1,210,000,000, of which \$878,000,000 represented new financing. Of the total loans, \$512,000,000 went to European governments or governmental units. During the first quarter of 1925 foreign flotations in the United States amounted to \$279,000,000, of which \$238,000,000 represented new financing. As long as the security behind the loans is adequate and the funds are used for proper purposes, such flotations redound both to the benefit of the United States as well as to that of the foreign borrowers who are very much in need of capital.

The loans are being used in Europe largely for reconstruction and other productive purposes. Even where the loans are used to defray ordinary running expenses of foreign governments, they may be regarded as legitimate, as long as these governments look upon the borrowing as of an emergency nature and take steps to secure an excess of revenues over expenditures at an early date so that the debts can be repaid.

The loans being floated in the United States have an important effect upon the foreign trade of this country. The United States has been becoming increasingly a leading nation in international trade and finance. The country's foreign trade has experienced tremendous expansion in recent years, as indicated by the table below. Merchandise imports into the United States in 1924 amounted to \$3,609,963,000 compared with \$1,792,596,000 in 1913. Exports in 1924 amounted to \$4,590,984,000 compared with \$2,484,018,000 in 1913. Furthermore, the invisible items in the balance of payments of the United States were large in 1924, the credit items being estimated by the Department of Commerce at \$790,000,000 and the debit items at \$1,178,000,000. The following figures show the merchandise trade of the United States since 1912:

United States—Imports and exports of merchandise, 1912-1925

	Imports	Exports	Excess of—	
			Imports	Exports
1912.....	\$1,818,078,000	\$2,399,218,000		\$581,148,000
1913.....	1,792,596,000	2,484,018,000		691,422,000
1914.....	1,789,276,000	2,113,624,000		324,348,000
1915.....	1,778,697,000	2,554,671,000		1,776,074,000
1916.....	2,391,635,000	5,482,641,000		3,091,006,000
1917.....	2,952,468,000	6,233,513,000		3,281,045,000
1918.....	3,081,213,000	6,149,088,000		3,117,875,000
1919.....	2,904,365,000	7,920,426,000		4,016,061,000
1920.....	5,278,461,000	8,228,016,000		2,949,555,000
1921.....	2,508,148,000	4,465,081,000		1,957,883,000
1922.....	3,112,747,000	3,831,177,000		718,430,000
1923.....	3,792,056,000	4,187,463,000		375,427,000
1924—January.....	295,508,000	395,172,000		99,664,000
February.....	332,323,000	365,775,000		33,452,000
March.....	320,482,000	339,755,000		19,273,000
April.....	324,291,000	346,936,000		22,645,000
May.....	302,988,000	335,099,000		32,111,000
June.....	274,001,000	306,989,000		32,988,000
July.....	278,594,000	276,649,000	\$1,945,000	
August.....	254,542,000	330,659,000		76,117,000
September.....	287,144,000	427,460,000		140,316,000
October.....	310,752,000	527,172,000		216,420,000
November.....	296,148,000	493,573,000		197,425,000
December.....	233,192,000	445,748,000		112,556,000
Total for year.....	3,608,968,000	4,590,987,000		981,024,000
1925—January.....	346,165,000	446,430,000		100,265,000
February.....	333,681,000	370,740,000		37,059,000
March.....	385,487,000	453,434,000		67,947,000
April.....	348,698,000	399,048,000		50,350,000
May.....	328,000,000	370,000,000		42,000,000

Interest on the large loans which are being floated in the United States, together with the repayment of the principal, will tend toward further expansion in the import trade of this country, just as the money loaned when it is utilized enhances the export trade. Most of the loans are being floated at favorable rates of interest from the standpoint of the United States, an average rate of about 7 per cent.

The large loan flotations in the United States since the fall of 1924 have been a factor in the general rise of foreign exchange rates in the United States. Since the adoption of the Dawes plan, and accompanying improved conditions in Europe, which paved the way for the increase in extension of credits, there has been a general upward movement in exchange rates of European countries in the United States market. Prior to this upward movement, many of the European exchanges were depreciated more than warranted by the reduced purchasing power of the currencies within their own countries, due largely to disturbed conditions and the flight of capital. At the present time, however, few of the currencies are much undervalued abroad on the basis of their internal purchasing power.

Negotiations in regard to the refunding of indebtedness of European governments to the United States have been progressing. The unsettlement of this question has been a disturbing factor in the finances and credit position of several of the European countries; and the funding of debts will assist in the return to normal conditions. The question of currency reform, however, as mentioned in

Volume I, is distinct from the questions of this indebtedness, and the currency reforms which have already been accomplished have had little connection with matters of interallied debts.

CURRENCY CONDITIONS STILL UNSATISFACTORY

In spite of the improvement that has taken place in European currency systems, and in financial and economic conditions generally, currency reform still remains an outstanding unsettled financial problem before Europe, and is one which must very soon be dealt with in a comprehensive way. A sound currency, tied up definitely with gold in such a way that people can have confidence in it, is vital to the prosperity of any country. The economic life of a country centers around money and the price structure, and if the currency system is of an uncertain character, business can not prosper.

Countries have been endeavoring to restore order into their currency systems independently, and one of the results has been the introduction of a number of new currency units in Europe. At the present time 27 different currency units exist in Europe, compared with only 10 distinct units in 1913. This multiplication of currency units is an unfortunate occurrence. Greater uniformity in currency systems than existed before the war is extremely desirable and would have important benefits. Now that currency systems are being molded, and when many of them are admittedly of a temporary character, is a more opportune time than has ever before occurred to accomplish a considerable amount of currency unification.

While currency reform is to a large extent a domestic matter as regards any particular country, nevertheless the international aspects of currency and the close financial and trade relations of the different countries make the question one of an international character. The broad problem of currency reform, exchange stabilization, and the general restoration of the gold standard, including the utilization of foreign credits and gold reserves, is one which can be dealt with most satisfactorily only at an international gathering as discussed in the preceding volume.

PART I

CURRENCY AND FINANCIAL CONDITIONS IN EUROPEAN COUNTRIES

AUSTRIA¹

I. PRE-WAR CURRENCY

In studying the present Austrian currency and exchange situation little attention need be given to pre-war and war conditions. The present Austrian Republic with its 6,527,000 inhabitants and 83,904 square kilometers may not be compared with the Austro-Hungarian monarchy of 1913 with its 50,000,000 inhabitants and 676,648 square kilometers. The treaty of St. Germain in 1919 completely destroyed the sequence of Austria's monetary development and rendered comparisons void. It has been impossible to calculate with any degree of certainty the amount of circulating media existing before the war within the borders of the present Austrian State. An entirely new bank of issue has sprung up and the country is working out a new currency system.

Nevertheless, a few of the more important events in the financial history of the Austro-Hungarian monarchy are worth noting. When Austria-Hungary abandoned the silver standard in 1879 she placed herself legally on a paper standard, not having at the time gold resources sufficient to establish a gold standard. Cut loose from fluctuations of silver, the Austro-Hungarian Bank followed a policy of exchange intervention through sales and purchases from its portfolio of foreign bills in order to maintain the value of its notes. This intervention was fairly successful, and between 1878 and 1891 the value of 100 gold florins (the florin was the unit at this time) as determined by exchange rates on gold centers, fluctuated within the limits of 115-125 paper florins. Yves Guyot and A. Raffalovich wrote in regard to this, "Thanks to the suppression of free coinage of silver and to extreme moderation in new issues of paper money, the paper florin of Austria increased little by little its purchasing power (as compared with the silver on which it was originally based) assured by its legal tender quality for payments to the State and between nationals."²

³ In 1892 the monarchy introduced a monetary reform by which the gold crown (there are 2 crowns to the florin) was substituted as a standard for the silver florin of prior to 1879 and the paper florin after that date.³ In 1892 the paper florin, due to scarcity, was at a slight premium in terms of the silver florin. The reform involved a debasement of 16 per cent from the nominal value of the hypothetical gold florin. The gold florin was ordinarily calculated as worth 48.2

¹ Prepared by E. V. D. Wight.

² Inflation et deflation.

³ According to the gold standard law of August, 1892, the monetary unit, the krone, was to contain 0.338738 gram of gold 0.900 fine, which thus made it the equivalent of about 20.36 cents in American money.

cents in American money, while 2 gold crowns, which were exchangeable for 1 florin, were given a value of only 40.6 cents according to the new law. The loss of 7.6 cents to the florin, or 16 per cent, was closely equivalent to the premium which gold commanded over paper at the time of conversion, and was exactly the average of this premium for the years 1879-1891.

The Austro-Hungarian Bank experienced difficulty in establishing the new gold standard. A financial crisis in 1893 arrested the progress and gold again commanded a premium of from 3 to 7 per cent. Especially serious to the bank was the question of the large holdings of silver amassed during the period of the silver standard. In this the Government came to the rescue and bought a part of the metal, recoined it and tried to substitute silver coins for its own 1 and 5 florin notes. But the Austrians preferred notes to the more cumbersome silver, and the metal returned to the bank.

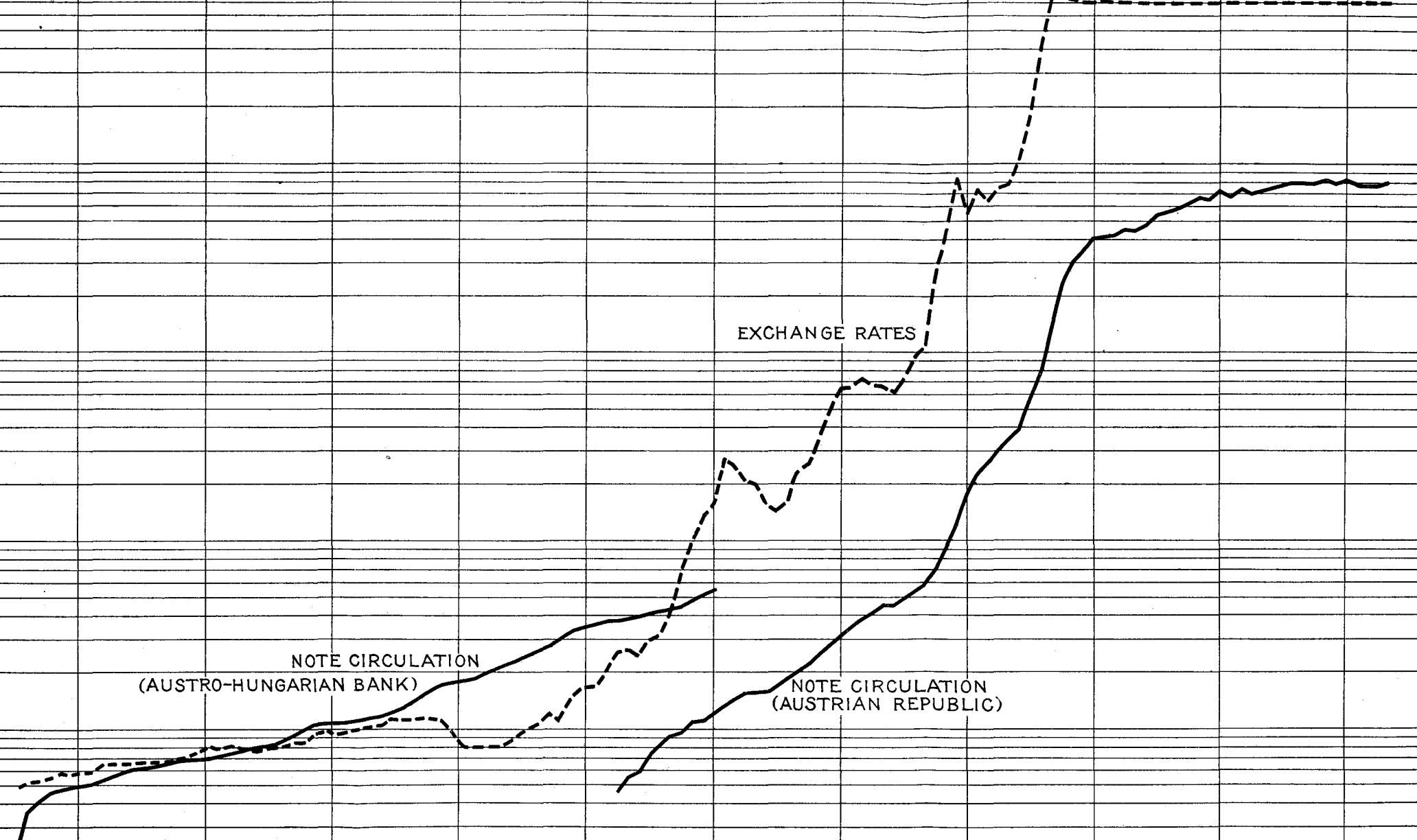
Besides bank notes there were in circulation at this time Government notes in small denominations, a considerable part of the issue being based on salt revenues. In 1892 the amount of these Government notes outstanding was 412,000,000 florins, but, as part of the monetary reform, an effort was made to retire them, partly by substitution of interest-bearing Government bonds and partly by conversion into bank notes. In this latter case the bank received gold from the Government. By 1900 there were still in circulation only 11,000,000 crowns in Government notes, and by 1908 the circulation had entirely disappeared. In 1900 the Government was also successful in effecting payments to reduce its debt to the Austro-Hungarian Bank to 60,000,000 crowns. The permanent advances to the Government for duration of the issue privilege enjoyed by the bank were placed at this figure.

In 1900 the Austro-Hungarian Bank of its own accord began gold payments. An effort was made to force gold coins into circulation, but the public, accustomed to using notes, returned the coins to the bank. This psychological factor rendered conditions in Austria particularly favorable for expansion of paper money currency, and caused Austrians to have faith in their currency long after inflation during and after the war had made serious progress.

The German economist, Knapp, regarded the Austrian currency system of from 1878 onward as a model, in that scarcely any metal was in circulation, while the bank of issue through its foreign portfolio and reserve guarded the exchange and at the same time husbanded the reserves of the nation.

In 1913 the average circulation of the Austro-Hungarian Bank was about 2,349,000,000 crowns, representing a continuous and slow growth since the beginning of the century. In order to arrive at a figure representing the total circulating media within the country it is necessary, however, to add some two hundred to three hundred million crowns in gold and silver coins, especially the latter.⁴ The total metallic coinings in Austria before the war are given by Doctor de Bordes as 515,000,000 crowns—225,000,000 crowns in gold coins, 250,000,000 in silver florin coins, and 40,000,000 in silver crown coins. However, a large portion of this amount, and probably most of the old silver florin coins, were hoarded, so an estimate of two hundred to three hundred millions in circulation seems reasonable.

⁴The Austrian crown, Doctor de Bordes, p. 28.



EXCHANGE RATES

NOTE CIRCULATION
(AUSTRO-HUNGARIAN BANK)

NOTE CIRCULATION
(AUSTRIAN REPUBLIC)

II. CURRENCY, CREDIT, AND PRICE MOVEMENTS, 1914-1922

Rapid increase in note issues in Austria-Hungary after August 1, 1914, constitutes the outstanding feature of the monetary situation. As in the case of other European banks of issue, the Austro-Hungarian Bank placed its facilities for financing at the disposal of the State upon the outbreak of the war in August, 1914. On August 4 decrees authorized the disregarding of statutes of the bank forbidding advances to the State. This was applicable to the Governments of both Austria and Hungary. The bank was at the same time freed of its obligation to buy gold at parity. The provisions for a 40 per cent gold cover against outstanding notes were suspended, and treasury bonds admitted as cover for notes; excess circulation caused by advances to the State was freed from the 5 per cent tax. Finally, the bank was authorized to print small notes to take the place of metallic money, and received permission to suspend publishing weekly statements.

The condition of the bank was thus concealed until expiration of the note-issue privilege on December 31, 1917, when its renewal for two years led to a disclosure of the monetary situation. Statistics for subsequent war years were later made available, and from December 31, 1913, to December 31, 1919, the circulation of the Austro-Hungarian Bank increased from 2,494,000,000 crowns to 54,465,000,000, or 2,179 per cent. During the same period advances to the State increased from nothing to 42,289,000,000 crowns. The accompanying chart (No. 1) shows the increase in the bank's note circulation after 1914.

Increases in the advances to the State did not constitute the sole manner in which the bank provided funds for the State. Raffalovich¹ says that by far the larger part of the discount portfolio and the private advances on securities were against State paper, bills drawn by individuals and secured by Government bonds. The bank accepted war bonds as security for advances at 75 per cent of the face value, continuing this policy even when in 1918 the bonds sold at 60. This fact accounts for the large advances in 1918 after the armistice. The same is true of the discount portfolio, and commercial paper practically disappeared from the bank's holdings, there being only 22,000,000 of this class of paper on December 31, 1917. Vienna banks were able to meet the credit needs from their own funds, but at the end of 1917 there was a tendency in the direction of cash settlements, a tendency which became much more real as depreciation gained headway.

A second interesting feature of the war period is the melting away of Austria's gold reserve, which declined from 1,241,000,000 crowns on December 31, 1913, to 261,000,000 on December 31, 1918. At the first of 1925 the gold reserve of the new Austrian bank amounted

¹ *Economiste Français*, 30 Mars, 1918; p. 387.

to only about 6,000,000 gold crowns. Most of the gold lost during the war found its way into the vaults of the Reichsbank in Germany. Holdings of foreign bills decreased from 60,000,000 crowns at the end of 1913 to 8,000,000 on December 31, 1919.

The above figures are those for the entire Austro-Hungarian monarchy. Beginning with the Czechoslovak revolution in October, 1918, the old monarchy broke up into several States. A distinction as to the monetary circulation in the different sections soon followed. Early in March, 1919, Czechoslovakia stamped with a Czechoslovak stamp the notes of the Austro-Hungarian Bank found within her borders; Austria followed suit a few days later (March 12 to 24). However, many notes of the bank were withheld from stamping in order to escape fiscal measures, or because it was considered that the notes would be more valuable if provided with the real or forged stamp of another country. A lively trade sprang up in these notes and they commanded a premium. These conditions created chaos for a while in the central European monetary situation and complicated estimates of probable circulation.

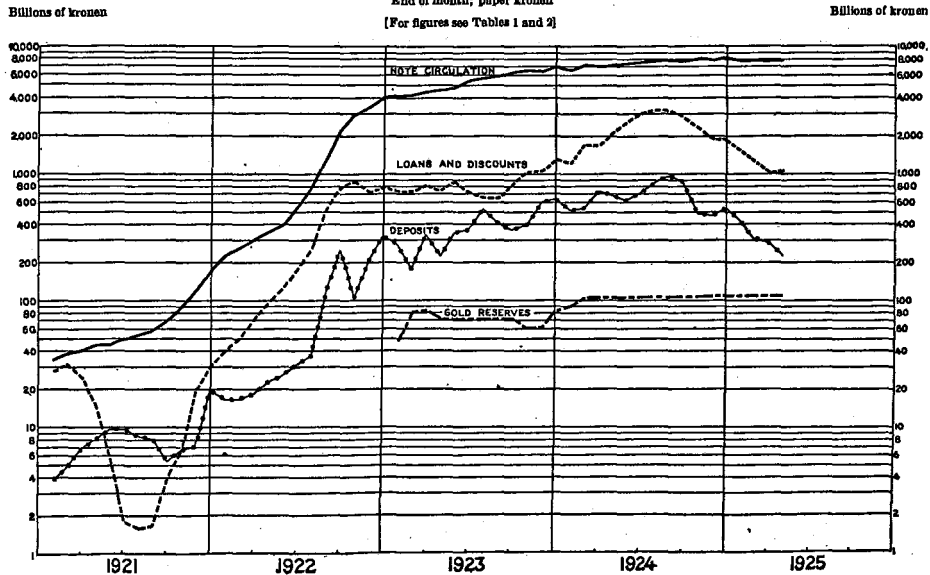
In Austria only 4,687,000,000 crowns were stamped out of the total circulation of the Austro-Hungarian Bank of 37,965,000,000 at the end of March, 1919. From this time on a separate account was kept of notes issued for circulation in the Austrian Republic, and by December 31, 1919, the outstanding circulation for Austria had progressed to 12,134,473,970 crowns. On January 1, 1920, the Austro-Hungarian Bank was placed in liquidation, and the "Oesterreichische Geschäftsführung" took over the central bank function for the new Republic.

Chart 2, showing the condition of the central bank, shows that under the new system expansion of currency did not cease but grew rapidly, a result of increases in advances to the State. Compared with an estimated circulation in 1913 of 500,000,000 crowns for what constitutes present Austria, the increase was 2,427 per cent at the end of 1919, 6,129 per cent at the end of 1920, 34,800 per cent at the end of 1921, 816,000 per cent at the end of 1922, and 1,425,100 per cent at the end of 1923.³ The heavy burden laid upon state finances by food subsidies and salaries of a large number of employees contributed to ever-increasing deficits which were met by operating the note-printing presses.

Late in 1921 another factor began to contribute to the growth of bank-note circulation, i. e., an increase in bills, warrants, etc., presented for discount. From the chart it is seen that loans and discounts rose from 29,374,000,000 crowns at the end of 1921 to 175,000,000,000 at the end of June, six months later. The low discount rate maintained by the bank, 6 per cent from April 14 to November 28, 1921, and 7 per cent from November 29 to September 3, 1922, in comparison with high market rates which prevailed as a result of rapid depreciation, caused individuals to borrow from the bank in order to buy goods or foreign exchange and hold for speculative gain. To combat this tendency the bank raised its rate on September 4, 1922, to 9 per cent and adopted a vigorous policy of discount rationing. In this

³ The figure of 500,000,000 crowns for the circulation of present Austria in 1913 is an estimate by Dr. de Bordes. He arrives at it by taking the entire note and coin circulation of the monarchy as 2,500,000,000 crowns and estimates from population, business activity, and tax returns that the present Austria employed one-fifth of this circulation.

CHART 2
 AUSTRIAN NATIONAL BANK, MONTHLY, 1921-1925. NOTE CIRCULATION, LOANS AND DISCOUNTS, DEPOSITS AND GOLD RESERVES
 (1921-1923, Austrian branch of the Austro-Hungarian Bank)



respect it is to be noted that of all bills held the percentage of pure commercial bills declined to less than 50 per cent, from 61 per cent before the war.

Metallic money disappeared from circulation in Austria early in 1914. In regard to bank credits as a means of payment, the check system has only been slightly developed in Austria, and its influence upon the general price level has never been very great. Credit operations were hampered, especially during the postwar period, because the banks were compelled to charge enormous rates of interest to cover losses as a result of depreciation of the crown. Cash payments thus became the rule. Operations of Vienna clearing houses increased in terms of paper crowns, but when measured in gold showed a large falling off. Thus for the year 1923 clearings of the important "Wiener Giro und Kassenverein" were 199,762,311,000 crowns, or 13,872,000 gold crowns, which is only 48.8 per cent of the 1913 figure of 28,404,000 gold crowns. For the "Wiener Saldierungsverein" the decrease is even more marked with clearings for 1923 of 16,858,856,000 crowns (1,171,000,000 gold crowns, or 13.1 per cent of the 1913 figure). These two are local institutions upon which the breaking up of the empire had no great influence. The postal savings bank clearings, on the other hand, in 1923 were only 16.4 per cent of those in 1913, while those of the Austrian National Bank, which undertakes clearing operations throughout the entire country, were 111,172,448,000 crowns (7,720,000,000 gold crowns, or only 10.7 per cent of the pre-war figure). In all these instances the 1923 figure is taken for comparison with that of pre-war times; the 1922 and 1921 clearings were much smaller than in 1923, both in paper and in gold crowns. In 1923 reviving industry accompanied by stock-exchange speculation brought an increase in clearings.

Accompanying the rapid increases in paper money was a great rise in prices, which became especially steep in 1921 and in 1922 until stabilization was accomplished in the latter part of that year. In tracing the effect of Austria's expanding currency upon the internal price level the deficiency in available index numbers is somewhat of a handicap. A useful index of price movements is the cost of living index of the Paritätische Kommission, a commission composed of an equal number of representatives of employers and employees which determines each month the cost of living level used to regulate wages. In the construction of this index number an item for rent is included, which fact should be borne in mind since rents are controlled artificially by the Government. It should also be remembered that raw materials are not included in the index number, and also that in recent years inferior qualities of food were used as compared to 1913. The tendency is for food prices to lag behind those of industrial raw materials, which are more sensitive to price changes.

The periods of greatest rise in Austrian prices were as follows: 1918, when the allied economic blockade began seriously to interfere with the nation's food supply; at the end of 1921, and from May to September, 1922, on both of which occasions prices showed a disposition to follow exchange depreciation. Price movements since the period of stabilization began are shown in chart 6 below.

III. EXCHANGE RATES, 1914-1922

During the early years of the war, although Austria was already issuing large amounts of notes, and although prices were rapidly rising, the foreign exchange value of the crown held comparatively firm. Until the armistice the crown never fell lower than about 8 cents in American money. On the other hand, the note circulation in October, 1918, was over 30,000,000,000 crowns as compared to less than two and one-half billions in the middle of 1914. This lag in exchange depreciation was due largely to the vigorous control exercised over exchange rates during the war, and to the fact that the blockade kept down imports and consequently the demand in Austria for foreign exchange.

Control over exchange rates in Austria was first exercised by an association of banks in Vienna established in February, 1916. Since all banks were not members of the association, the result was not a complete success, and on December 19, 1916, a strict control was established by Government decree. Free commerce in foreign exchange was abolished, and a "Devisenzentrale" was formed under direction of the Austro-Hungarian Bank to receive and apportion foreign exchange resources available. On June 18, 1918, the restrictive measures were made more severe, with the result that not only did all purchases of exchange have to be approved by the Devisenzentrale, but exports of goods and capital had to be viséed by that organization in order to insure the return of the full equivalent amount. To this control may be attributed the high exchange value of the crown during the war.

In April, 1919, the Government reorganized the Devisenzentrale, separating it from the Austro-Hungarian Bank, which was about to be liquidated, and placing it under the control of the ministry of finance. As depreciation became greater the effectiveness of exchange control became less. An illegal market sprang up, and after October, 1920, exchange restrictions were relaxed. In December, 1921, after the value of a gold crown had risen rapidly—from 241 paper crowns in the first week of September to 1,502 in the last week of November—exchange restrictions were again introduced, and in July, 1922, the restrictions were made more severe. Restrictions are still in force, but since December, 1922, they have been gradually relaxed.

The restrictive measures of December, 1921, were not responsible for the relative stability of early 1922 which was due to utilization of foreign credits. When these were exhausted and internal depreciation was continuing at a rapid pace, exchange rates again fell sharply. From quotations showing a gold crown to be worth 2,175 paper units at the end of May, 1922, exchange declined so that by the end of September the gold crown was worth 16,160 paper units. The dollar, which was quoted at 11,100 crowns on May 31, was

quoted on August 25, 1922, at about 83,600, its highest point. The illegal market gained in activity under the policy of restriction, and dollars were often quoted 5,000 crowns higher on the street than in banks. It has been estimated that one-half of the foreign bills bought in Vienna were purchased in this illegal fashion. The Devisenzentrale was allotting only about 15 per cent of the amount of foreign currency asked for food imports, and only 10 per cent of that asked to cover imports of raw materials. The system of restriction became completely disorganized when merchants began requesting sometimes as much as ten times their real requirements.

As a result of exchange control there came about the creation by the Devisenzentrale of two sorts of accounts in Viennese banks. They were: (a) Ausland kronen accounts, which could be transferred abroad as well as used within Austria, and (b) inland kronen accounts, which could be used only within the country. This was done to prevent transfer of crowns to parties abroad except with the permission of the Devisenzentrale, which had charge of transfers from inland to ausland accounts. Also, the crediting of sums to inland accounts of foreigners was forbidden, unless—

- (a) Austrian stamped bank notes had been imported.
- (b) Foreign exchange and stocks had been sold in Austria.
- (c) The Devisenzentrale had given its approval.

Further measures which the Devisenzentrale used in carrying out its policy were the prohibition of importation of Austrian notes into Austria, and the invoicing of Austrian exports in crowns. Since ausland crowns were free from restrictions they were more valuable than inland crowns. The relationship between the two may be illustrated by quotations in the first week of January, 1921, when inland crowns were quoted at rates implying only 88.90 paper crowns to the gold crown. Toward the end of 1921 the value of the gold crown was 1,228 inland crowns and 510.29 ausland crowns. In 1922, transfers to ausland crown accounts were more liberally permitted, and the two rates tended to come together by a rapid decline in the value of the ausland crown.

A serviceable benefit rendered by this arrangement was that it restricted a tendency to "Ausverkauf," foreign buyers being otherwise tempted to bleed the country of its material resources because of low prices of goods. Being compelled, however, to buy ausland crowns in settlement of their debt, the cost to foreign purchasers of goods was considerably greater.

The depreciation and fluctuations in the value of the Austrian crown were to an important extent based upon political and economic events which had a psychological effect on the exchange market and influenced the rate at which the money circulated. The disintegration of the monarchy caused a hasty decline in rates on Vienna, which were in any event headed downward as a result of the much greater depreciation of internal prices than exchange rates. The publication of the treaty of St. Germain in 1919 was followed by a further fall in the crown. The fact that during this year the crown did not fall further is due in part to food credits granted to Austria by the allied and associated powers. During 1920 a sensational rise

¹The Austrian crown, Dr. de Barden, p. 112.

in the crown took place as a result of Government intervention on the exchange market. But this improvement was only temporary.

In 1921 plans for a credit to help Austria contributed to keep the crown fairly stable during the first part of the year. However, when it was discovered that difficulty was being experienced in securing support for the plan, exchange rates fell rapidly. The movement was continually downward until early 1922, when use of the British credit of 2,250,000 pounds sterling helped to check depreciation. When further loans failed to materialize, a new wave of pessimism swept over the country, and exchange rates declined to record levels. This was just before the installation of the Geneva protocols signed in October, 1922.

The following table shows the high and low exchange rates, New York on Vienna, annually from 1914 through 1922, in which latter year stabilization was accomplished:

Austria, exchange rates, 1914-1922, high and low, New York on Vienna, cents per crown

(See Table 7 in Part II)

Year	High	Low	Year	High	Low
1914.....	20.38	17.30	1919.....	5.80	0.53
1915.....	17.50	12.96	1920.....	.91	.22
1916.....	15.25	10.98	1921.....	.33	.03
1917.....	12.03	8.30	1922.....	.0389	.0013
1918.....	14.33	6.09			

IV. LEAGUE OF NATIONS INTERVENTION AND CURRENCY STABILIZATION

Soon after the signing of the armistice it was generally recognized in Europe that something must be done by foreign nations to help place the new Republic of Austria on its feet economically. Many plans were advanced, but none got very far. Early in 1919 a call was sent out by relief missions in Austria for food credits. Practically all the allied and many of the neutral nations responded, and before October of 1921, 26,686,690 pounds sterling had been placed at the disposal of Austria. In February of 1920 Doctor Renner took Austria's case before the Reparations Commission, which in its Austrian section produced the "Goode scheme" calling for a reconstruction loan of \$250,000,000. The supreme council rejected this scheme as too expensive, and the committee then drafted the "Loucheur scheme," which endeavored to find a way to interest private capital in Austria. This scheme also failed.

In March, 1921, Doctor Mayr took the Austrian case up with the supreme council, which referred it to the financial committee of the League of Nations. This committee studied the situation in Vienna and gave an excellent report in June, 1921, proposing a foreign loan sufficient to cover temporarily Government deficits, and to provide for stabilization of the currency. In order to sell the bonds to subscribers, however, it was necessary to secure the loan upon revenues of the Austrian State. But these revenues were already mortgaged to meet claims for occupation costs, reparations, and relief credits, and it was necessary first to secure the release of these prior liens. Some 18 nations were concerned in this question and a number, including the United States, were slow in according the release. Meanwhile, conditions in Austria had so changed that another plan had to be evolved.

In December, 1921, conditions became serious in Austria, and allied nations again granted credits as follows: Great Britain, 2,250,000 pounds; France, 55,000,000 francs; Italy, 70,000,000 lire; and Czechoslovakia, 500,000,000 crowns. There was also some discussion of a loan in the United States market. It was expected that Austria would accept financial supervision by a commissioner appointed by the League of Nations. However, the Vienna government pleaded that the internal political situation made such foreign intrusion impossible at the moment. Thereupon the French and Italian credits became unavailable and the United States loan fell through, with the result that the aid was reduced to the English credit and the Czechoslovak credit, most of which latter had to be used in paying debts resulting from coal purchases.

When this attempt at reconstruction failed, exchange rates declined rapidly. Conditions became so disturbed that in August, 1922, the Austrian Government was prepared to accept almost any arrangement. A final request was made by Austria at the interallied con-

ference in London for a guaranteed loan of 15,000,000 pounds sterling. But the allied Governments were tired of loaning money to Austria and referred the entire question back to the League of Nations. After a few weeks of negotiations the Geneva protocols were signed on October 4, 1922, and the reconstruction of Austria began.

These protocols were three in number. The first assured political independence of Austria, a necessary step in order to insure confidence of future subscribers to Austrian loans. The second fixed conditions of the loan of 650,000,000 gold crowns which the league estimated would be necessary to carry out the reconstruction plan. The third protocol, signed by Chancellor Seipel alone on behalf of Austria, gave Austria's promises of financial and economic reform. In particular it contained a program of reforms, a draft proposition for securing extraordinary powers to carry out this program, a promise to cease inflation, and plans for the new and independent bank of issue. At the same time it was provided that the league should appoint a commissioner general who should reside in Vienna, have complete control over proceeds of all foreign loans, and see that the reconstruction plan was carried out.

The international loan of 650,000,000 gold crowns, which was floated in the leading financial markets of the world in the middle of 1923, netted Austria 585,000,000 gold crowns, or about \$120,000,000. Of this amount Austria at the end of 1924 still had about \$42,000,000.

One of the important sections of the third Geneva protocol provided for the creation of the new Bank of Austria to take over the Austrian section of the old Austro-Hungarian Bank, as well as certain assets resulting from the liquidation of the latter. The League of Nations found it necessary to modify considerably the original Austrian project. The revised statutes were thus not passed until November 14, 1922 and the bank came into operation on January 1, 1923. As eventually arranged, the institution was capitalized at 30,000,000 gold crowns and given exclusive note issue privileges for 20 years. No governmental body could have recourse to the bank for advances without deposit of an equivalent amount in gold or foreign bills. Inflation from government sources was thus prevented.

In regard to reserve requirements it was provided that total bank-note circulation, plus current liabilities (but exclusive of existing Federal debt, as manifest by treasury bonds taken over from the Austrian section of the Austro-Hungarian Bank) should be covered by a minimum reserve of gold and foreign exchange holdings to the extent of 20 per cent for the first five years, 24 per cent for the next five years, 28 per cent for the next five years, and 33½ per cent thereafter. Whenever specie payments are resumed the proportion of cover must be maintained at a minimum of 33½ per cent.

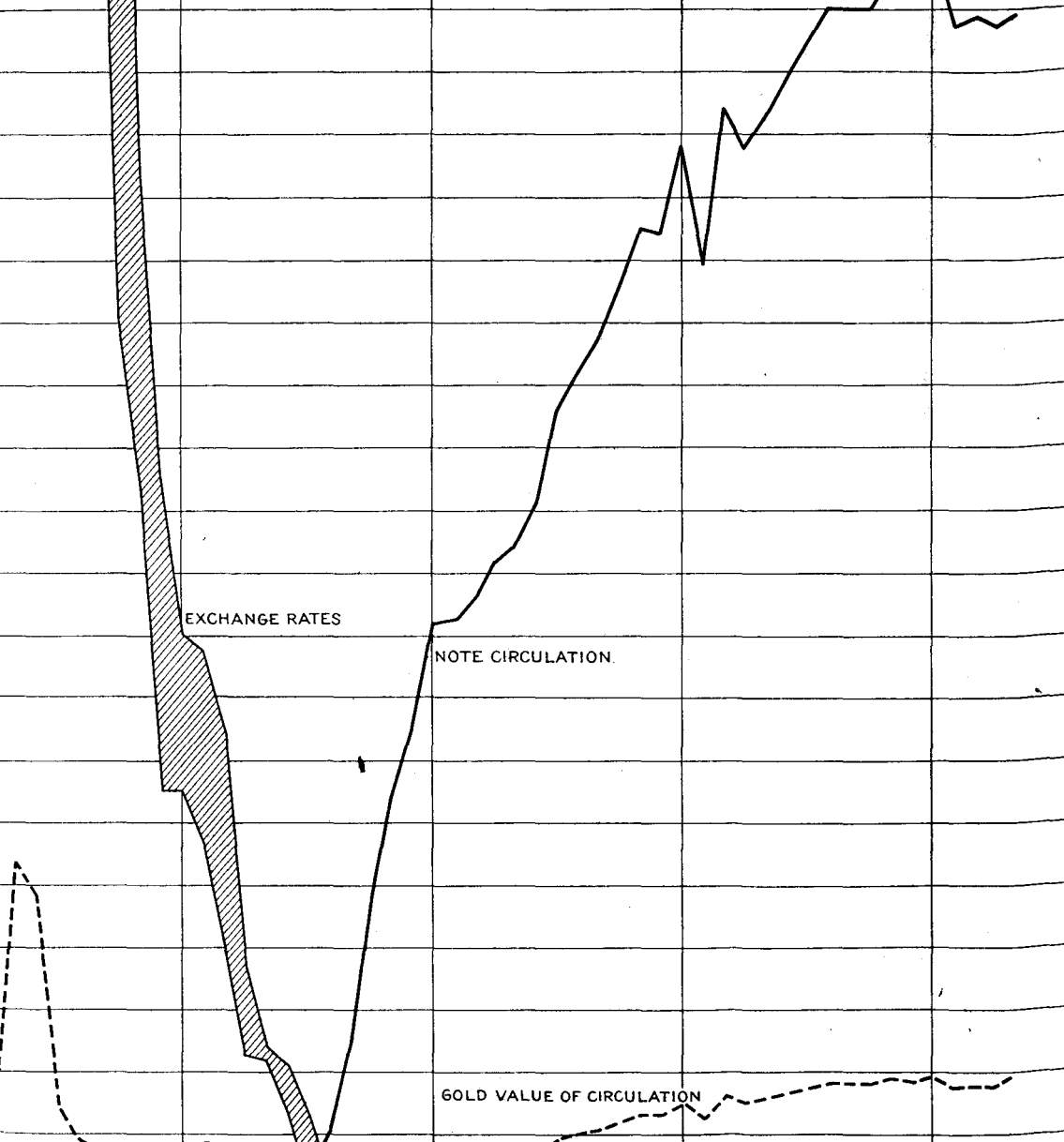
As regards resumption of specie payments, it was provided that when the Government had succeeded in reducing its debt to the bank, which amounted to 2,557,948,000,000 paper crowns when the new bank went into operation—to the equivalent of 30,000,000 gold crowns, specie payments must be resumed and maintained. In February, 1925, this debt had been reduced to 2,168,169,600,000 crowns which is the equivalent of a trifle over 150,000,000 gold crowns, or about \$30,000,000. The debt of 30,000,000 gold crowns will constitute a permanent advance from the bank to the State,

As a nucleus for its reserves the bank received the following: (1) the meager gold and foreign exchange holdings of the Austria section of the Austro-Hungarian Bank, and (2) assets of the *Devisenzentrale*, which institution the bank took over in its entirety. The bank also received the proceeds of government foreign loans. Furthermore the bank's capital was subscribed in gold or in foreign exchange.

Signing of the Geneva protocols in October, 1922, was not followed by an immediate cessation of note printing in Austria. In fact, one of the interesting developments in Austrian reconstruction is that the note issue increased almost continuously to the present time. Chart 3 shows that from about 2,500,000,000 crowns outstanding on October 7, 1922, the circulation increased to about 4,000,000,000 crowns on December 31, 1922, when the new bank came into operation. By the end of 1923 the circulation had increased to over 7,000,000,000 crowns, and in the latter part of 1924 was over 8,000,000,000 crowns, after which time the circulation declined somewhat. This circulation has always been covered by a generous reserve.

This great increase in the note circulation of Austria was a result largely of increased confidence in the currency, combined with a recovery of industry and accompanying speculation. When confidence in the currency was restored the rapidity with which the currency circulated became much less. People who formerly avoided holding the money for fear of depreciation now learned that the money would retain its value and could safely be held until it was needed. Employers who formerly kept their cash in dollars and other foreign units and converted these into crowns when pay-day came, now kept their cash in crowns from one week to the next. The demand for domestic currency thus increased greatly and the bank received foreign currencies and exchange, giving in return local money. Thus the bank's reserve at the same time was built up. The reserves against the circulation and current accounts rose from 62.4 per cent on January 7, 1923, to 74.7 per cent on December 31, after having reached 82.9 per cent at the end of August.

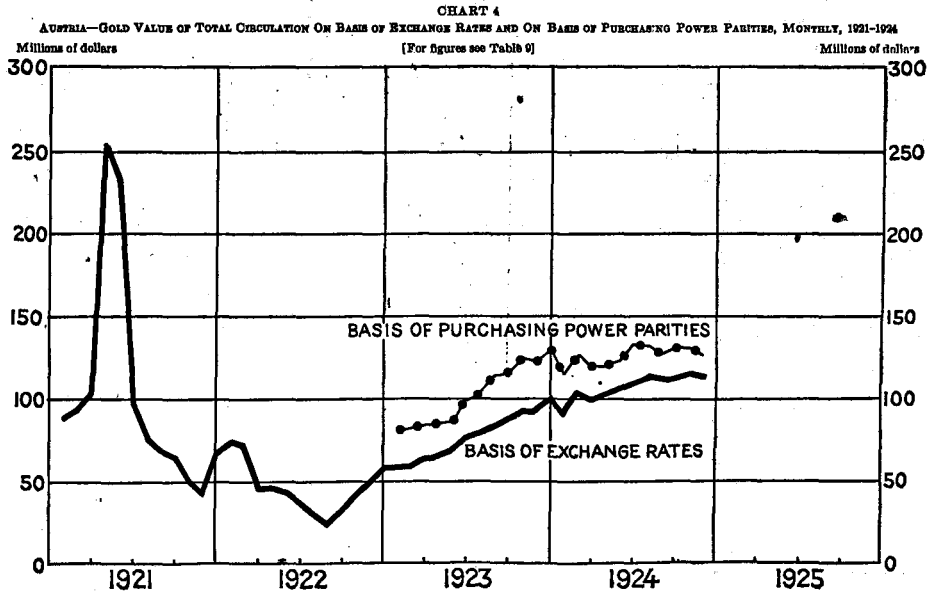
As the note circulation increased the gold value of the circulation also increased, as shown in the chart, since exchange rates were no longer depreciating. Chart 4 shows the gold value of the circulation computed according to two indices of the value of the crown, first exchange rates, and second, purchasing power parities. Chart 5 shows the gold value of the circulation computed according to exchange rates. After the currency was stabilized the *Devisenzentrale* received large amounts of foreign exchange resulting from the return of capital to Austria. Some of the capital came by way of private banks, and some from the Government, which was now receiving foreign exchange representing subscriptions to international gold loans. The *Devisenzentrale* paid for this foreign exchange by borrowing notes from the Austrian Bank, thereby increasing the latter's circulation. Thus reserves of the *Devisenzentrale* rose from £700,000 sterling in October, 1922, to £4,000,000 at the end of the year. The largest part of this amount came in when, after November 18, printing of notes for the Government ceased. Of the total reserves more than two-thirds represented conversions for



EXCHANGE RATES

NOTE CIRCULATION.

GOLD VALUE OF CIRCULATION



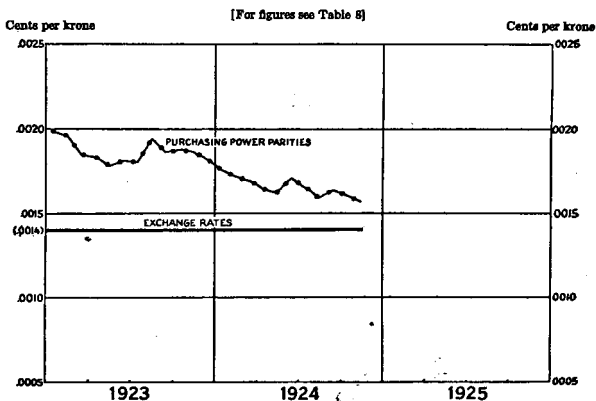
private persons, while one-third represented conversions for the Government.

When the new Austrian Bank absorbed the Devisenzentrale on January 1, 1923, it took over the function of regulating exchange rates. During the first two months, however, conditions changed and the demand for foreign exchange was again strong, due largely to a feeling that foreign credits might not be forthcoming. With the assurance brought by the short-term foreign loan of February, 1923, and still more by the long-term international loan of June, 1923, private capital again flowed back more rapidly toward Austria. In the spring of 1925 Austria abolished restrictions on dealings in foreign currencies.

CHART 5

AUSTRIA—PURCHASING POWER PARITIES AND EXCHANGE RATES, MONTHLY, 1922-1925

[Purchasing power parities based on Statistische Nachrichten index numbers of prices for Austria, 47 commodities, fifth of month; Jan.-Apr., 1914=100; and Federal Reserve Board index numbers for the United States, 104 commodities, monthly average, 1913=100]



The accompanying chart (No. 5) shows how exchange rates have remained constantly at .0014 cent per crown since stabilization was undertaken in the latter part of 1922, and how the purchasing power parities between the dollar and the crown (the parities based on the relationship between the two price levels) have been approaching exchange rates, which is as would be expected.

Beginning at the first of 1924 Austria experienced a financial crisis, following a stock exchange speculative movement. There resulted important strikes and failures among speculators in francs. The year 1924 was a difficult one for Austria in many ways, and although considerable liquidation took place, the result has been a sounder basis for business than that during the period of boom and speculation which followed stabilization. The speculation was first on the

stock exchange and then in foreign currencies, especially the French franc, which many individuals in Austria believed early in 1924 was going the way of the German mark and other currencies which had yielded speculators handsome profits.

Chart 6 shows the course of prices in Austria since the first of 1923, and also the course of prices in the United States for comparative purposes. (Federal Reserve Board.) It will be noticed that prices in Austria were considerably higher in 1924, especially at the end of the year, as compared with 1923.

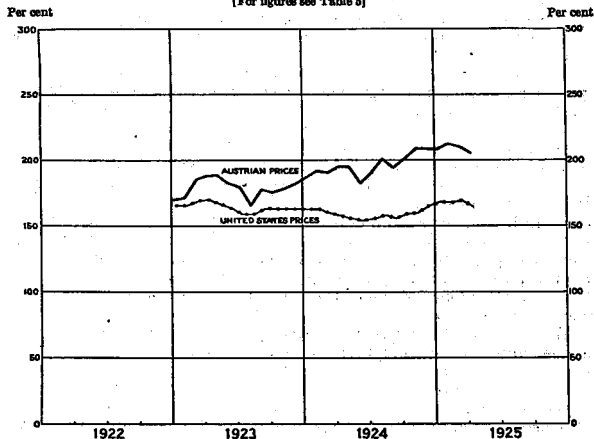
Government finances in Austria are showing gradual improvement. The budget, however, has not yet been balanced and 1925 estimates, conforming to the new limits as agreed upon between the Austrian

CHART 6

AUSTRIA—WHOLESALE PRICES, MONTHLY, 1923-1925

[Statistische Nachrichten index numbers for Austria; 0,000 omitted; January-April, 1914=100; 47 commodities, fifth of month; Federal Reserve Board index numbers for United States, 104 commodities, monthly average, 1913=100

[For figures see Table 5]



Government and the League of Nations in 1924, allow for a monthly deficit of 49,000,000,000 paper crowns (about \$3,052,000 for the year). Estimated total expenditures for 1925 are 654,000,000,000 crowns a month, while estimated net revenues are 605,000,000,000 crowns a month. The deficit for the year 1924 amounted to 600,000,000,000 crowns (60,000,000 schillings) or \$8,400,000. A new agreement in regard to Austrian finances was concluded September 16, 1924, at Geneva by the Austrian Government, the League of Nations financial committee, and the Commissioner General of Austria, Doctor Zimmerman. According to this agreement current expenditures must not exceed a maximum of 495,000,000 gold crowns for the year, while capital expenditures must be limited to a maximum of 50,000,000 gold crowns.

The foreign trade of Austria shows an excess of imports as the following figures indicate:

Austria—Imports and exports

[000 omitted; gold crowns]

Year	Imports	Exports	Excess of imports
1922.....	1,756, 188	1,103, 712	652, 476
1923.....	1,949, 037	1,030, 551	918, 486
1924.....	2,238, 220	1,223, 764	1,014, 456

The principal invisible credit items in Austria's foreign trade are expenditures of tourists, income from foreign investments—which is the largest item—income from transit trade, and income from banking and financial services rendered. Vienna is the financial center for much of the surrounding territory of Europe, including the Balkan States. The chief invisible debit item is interest and amortization charges payable abroad.

In the latter part of December, 1923, Austria introduced a new coin, the silver schilling, divided into 100 groschen. The word schilling is of German origin and the coin is not related to the British shilling. The Austrian schilling has a monetary value of 10,000 paper crowns, or thus about 14 cents in American money. It was introduced originally as a matter of convenience since the large denominations of depreciated paper money were cumbersome and unpopular, and for small purchases coins are much more useful. Prior to the introduction of the schilling 10,000 paper crowns had come to be somewhat of a unit in quoting prices, so that this denomination was a logical one to adopt for the schilling. Silver schillings were first put into circulation in June, 1924, and were well received by the public. In fact, although the silver in the coins was worth less than the money value of the coins, the coins almost immediately were withdrawn from circulation and were hoarded.

When the schilling was introduced the intention was not to create a new unit, but merely to provide a temporary convenience until comprehensive currency reform could be accomplished. The schilling, however, proved to be a very useful unit, and, as was to be expected, soon came to be the actual currency unit of the country. Business shifted quickly to the schilling, and the next step was taken in December, 1924, when a law was adopted which made the schilling the unit in place of the crown. The gold schilling according to the new law contains 0.21172086 gram of fine gold. Provision was made for the minting of gold coins of 100 and 25 schillings. The mint is directed to strike gold coins for private account when gold is presented for this purpose. The national bank must also pay out its notes in return for gold, coin or bar gold, on the basis of the new standard. The bank also may not issue notes in terms of crowns after December 31, 1926. The bank issued its first balance sheet in terms of schillings on February 23, 1925. Public accounts are being converted into schillings and must be so converted by June 30, 1925.

Thus a new currency unit has been added to those already existing in Europe, a unit the gold value of which was determined more or

less by accident, i. e., by the rate of exchange existing between the dollar and the crown when stabilization was accomplished in 1922. It is regretted in Austria, as well as elsewhere, that in currency reform a unit could not have been selected which was in closer harmony with some of the leading currency units—such as the dollar, pound, or franc.

Austria desires to place its currency system completely upon the gold basis, and according to present plans, this event may soon transpire. Freedom of importation and exportation of gold, and complete convertibility are the principal requirements. In the meantime, exchange rates have been kept stable with reference to gold by operations of the national bank. Although these efforts toward stability have been successful, as a permanent arrangement the simple gold standard without restrictions is to be preferred. It offers more advantages and provides greater security for the stability of the currency system, since its operation is more or less automatic. The gold reserves of the Austrian National Bank—exclusive of foreign credits and exchange holdings—now amount to only about \$1,500,000, compared to gold reserves of the former Austro-Hungarian Bank at the end of 1913 of about \$250,000,000. Although the territory of Austria is much reduced, it is clear that before resumption of specie payments can take place a large amount of gold must be imported. The bank has large holdings of foreign bills and credits which can easily be converted into gold and returned to Austria when desired, so that the introduction of the complete gold standard into Austria does not involve very great difficulties.

BELGIUM¹

I. PRE-WAR CURRENCY

Currency conditions in Belgium since the formation of the Latin Monetary Union, and even before, have been closely allied with those in France. In fact it was often claimed before the war that the real backing for the paper and silver circulation in Belgium was the gold reserve in the vaults of the Bank of France. This was because the bank notes in Belgium were exchanged only for silver, which then could be exchanged at the Bank of France for gold. The Bank of Belgium had the option of redeeming either in gold or silver and usually redeemed in the latter metal.

As in France, since the conference of the Latin Union in 1878 the monetary unit of Belgium has been the gold franc, weighing 0.32258 gram of gold 0.900 fine, and with a mint parity in United States money of \$0.192947. The monetary experiences of Belgium follow closely those of other countries of the Latin Union. The monetary law of Belgium, passed on June 5, 1832, is almost a literal reproduction of the French Law of 7 Germinal an XI, in which free coinage was proclaimed and a standard unit of 5 grams of silver nine-tenths fine created under the name of the franc. Article 7 of the Belgian law provided for the coinage of gold pieces of 20 and 40 francs at a ratio between gold and silver of $15\frac{1}{2}$ to 1. Between 1832 and 1847 very little coining took place in Belgium, and during this period French silver and Dutch gold, the latter coined at the ratio of 15.875 to 1, circulated in the country. This was due, in the case of gold, to the fact that Belgian gold commanded a premium of 8 to 10 francs per thousand over silver.

In 1847 Belgium broke away from the bimetallic ratio of $15\frac{1}{2}$ to 1, discarded the 20 and 40 franc gold pieces, which were the same as the French, and began the coinage of new coins of 10 and 25 francs at an issue price of 3,495 francs per kilogram 0.900 fine, or at a ratio with silver of 15.80 to 1. A law of March 4, 1848 gave legal tender to English sovereigns and Dutch 10-florin gold pieces. Belgium, in an effort to provide itself with adequate metallic circulation, had thus made legal tender four different gold coins, each with a different relation to silver, as follows:

	Francs per kilogram	Ratio to silver
French gold.....	3, 444. 44	15. 50
British gold.....	3, 485. 64	15. 67
Belgian gold.....	3, 495	15. 80
Dutch gold.....	3, 500	15. 87

At about this time the relation between gold and silver changed. The gold discoveries in California and Australia had begun to show their effects upon the value of the yellow metal, and the value of the

¹ This section was prepared largely by E. V. D. Wight.

gold in Belgian gold coins declined below that of the face value of the coins. In December, 1850, gold coins were at a discount in terms of silver of about 2 francs per thousand. As a result, the country was flooded by the gold currencies to which it had given legal tender, and experienced difficulty in retaining its silver coins. The legal tender quality was withdrawn from the British sovereigns on September 28, 1849, from the Dutch gold 10-florin pieces on June 14, 1850, and from the French gold coins on December 28, 1850. Silver was recognized as the sole standard, the coinage of gold ceased, and Royal decree of August 11, 1854 demonetized gold coins, struck under the law of 1847, and provided for their payment into the treasury for taxes.² Although gold was demonetized the people retained for some time the French 20-franc gold pieces, even though the National Bank accepted these coins only at 19.75 francs silver.

A monetary commission appointed in 1859 found that French gold had driven all silver out of Belgium except a quantity of French silver pieces which were underweight. The law of June 4, 1861, reestablished the legal tender of French gold, and Belgium returned to the double standard of 1832-1850. Difficulties still existed, however, the most important of which was the great scarcity of small silver coins. Informal discussions on this subject between France and Belgium in 1865 gave the former nation the opportunity of calling the first monetary conference, held November 20 to December 23, 1865, which resulted in the formation of the Latin Monetary Union.

As has been indicated, the main purpose of the conference was to regulate the coinage of subsidiary coins. Since the relatively high value of silver had placed all the participants on a gold basis the presumption was they would stay on the gold basis. Article 4 of the agreement provided that subsidiary coins should have a fineness of 0.835 and should not be issued to a greater amount than 6 francs per inhabitant. The coinage ratio for these forms of money was 15.8 to 1. Article 3 preserved the French ratio of 15.5 to 1 for the 5-franc pieces and extended to the issues of all participating powers either legal tender quality or the promise of acceptability in unlimited quantities by the banks of issue of all nations members of the union.

The Latin Union in its original form, providing for the free coinage of both silver and gold, lasted only nine years. The primary reason for the restrictions on silver coinage which were introduced in 1874, and which resulted finally in the cessation of silver coinage in 1878, was the alteration in the relative values of the two metals in the market. After 1865 gold coins began again to command a premium over silver coins. As a result gold tended to disappear from circulation and to be replaced by silver. This tendency was especially evident in Belgium, where large quantities of silver were coined and put into circulation. Several reasons have been put forward to account for these excessive silver coinings in Belgium. In the first place Austria suspended specie payments at about that time; also Austrian florins were being demonetized in Berlin. A lively trade sprang up between Berlin and Brussels of shipping silver to Brussels to be coined. In the second place the Belgian mint was one of the best equipped in the Latin Union, and the other members appeared to be willing to let Belgium coin under her own stamp while their own mints were inactive. In the third place the settlement of the

² Conant, Charles A. *The National Bank of Belgium*. pp. 164, 165.

French indemnity after the Franco-German war involved large settlements via Brussels and heavy drains on the Belgian metallic reserves. To restore these reserves the National Bank coined silver which, according to law, might be used in redeeming its notes. However, the responsibility for the large coinings of silver rests with Belgium for failure to adopt the restrictive measures which were adopted in other countries belonging to the union, notably Switzerland. During the nine years of complete free coinage of both silver and gold Belgium minted coins as follows:

	Gold	Silver
	Francs	Francs
1866.....	10, 639, 260	
1867.....	26, 826, 140	18, 465, 720
1868.....	27, 634, 980	32, 852, 820
1869.....	26, 889, 470	63, 287, 710
1870.....	63, 824, 000	82, 340, 375
1871.....	45, 179, 440	23, 917, 170
1872.....		10, 225, 000
1873.....		111, 704, 796

On September 5, 1873, a decree of the Government limited the coinage of silver to 150,000 francs per day, a considerable reduction in the rate of coinage, and on December 18, 1873, coinage became no longer free but was reserved for the State.

In 1874 a convention of the members of the Latin Union allocated certain sums which should constitute a maximum of silver 5-franc pieces which each might coin during the succeeding five years. While other members were very moderate in using this permission, Belgium coined close to her maximum, as shown below:

	Maximum permitted	Actual coinage
	Francs	Francs
1874.....	12, 000, 000	12, 000, 000
1875.....	15, 000, 000	14, 904, 705
1876.....	10, 800, 000	10, 799, 425
1877.....	5, 400, 000	

In 1878 the union suspended indefinitely the coinage of silver.

The year 1885 was one in which members of the Latin Monetary Union might call for a cancellation of the agreement, and in that year both France and Switzerland served notice of an amendment in the shape of a liquidation clause which provided that at the termination of the union each nation should reimburse in gold or foreign exchange the face value of its silver 5-franc pieces found in circulation in other member countries. France had seven hundred to eight hundred million francs in 5-franc pieces of Belgium and Italy, which would have involved an expense to these two latter countries of 22 per cent, of the nominal amount of these pieces, or one hundred and fifty-four to one hundred and seventy-six million francs, had the coins been melted down and the silver been sold to provide funds for redemption.

Belgium naturally opposed this form of liquidation. Professor Ansiaux, of Brussels, estimated that the aggregate loans required to cover the loss on sale of silver and to provide the necessary supplement to Belgium's gold reserve in order to insure the convertibility of notes, would have amounted in 1885 to 300,000,000 francs, which at that moment would have inflicted a serious burden on Belgian finances.

Belgium proposed that this liquidation of expatriated coins should take place pro rata to the inhabitants of each country, i. e., that all coins circulating outside of their countries should be pooled for redemption and the expense divided according to population. This was not acceptable to either France or Switzerland, and, since it was more unfavorable to Italy than the plan of France, Italy also sided with France, which left Belgium alone.

The Belgians withdrew from the conference, but nevertheless an agreement was signed on November 6, 1885, embodying the French plan of liquidation. The Belgians immediately resumed negotiations with the French, and based their new plans upon what they called the repatriation of coins by natural or commercial means. By this they meant that the coins, having ceased to have legal tender abroad should return to the home country in payment of commercial balances. In this fashion the home treasury was to be saved the danger of having a sudden burden thrust upon it. The French accepted this thesis in part, and on December 12, 1885, it was agreed that, in case of liquidation of the union, of the first 200,000,000 francs of Belgian coins withdrawn from French circulation 100,000,000 would be immediately redeemed by Belgium. As for the remainder Belgium agreed not to adopt during the next five years any measures which might interfere with the repatriation by ordinary commercial and financial processes. Since the Bank of France held 170,000,000 silver Belgian coins which it might throw on the Brussels market, the danger of a disagreement had forced Paris exchange up and caused foreign exporters to demand London or Paris credits.

The 1908 convention of the Latin Monetary Union was the next which had a bearing upon the Belgian situation. Belgian coins had continued to appear in the vaults of the Bank of France and in French circulation. It was estimated that the amount of Belgian 5-franc coins in circulation in France at this time was 100,000,000 francs and that those held by the Bank of France amounted to 153,000,000 francs. By the terms of the 1908 convention the Belgian Congo was admitted to the union, and Belgium immediately began to ship some of her excess silver to her colony. In 1909 and 1910, 7,346,000 francs, for the most part silver, and in 1911, 10,000,000 more, were sent to the Congo.

The National Bank of Belgium, which is the sole bank of issue, was founded by the law of May 5, 1850, and was given a charter for 25 years. This charter has been prolonged, by laws of May 20, 1872, and of March 26, 1900, each time with important modifications. The original capital of the bank was fixed at 25,000,000 francs, but in 1872 this amount was increased to 50,000,000 francs, at which sum it now stands. The National Bank, although the sole institution exercising at present the right of issuing bank notes, does not, however, have an exclusive privilege of note issue. Nevertheless, since the statutes and powers of any corporation founded in Belgium must have legal sanction, the Government is in a position to prevent any other organization of that type from exercising the privilege. There is nothing in Belgian law, however, to prevent a partnership or an individual from issuing notes, with the difference, of course, that these notes will not be legal tender nor accepted by public offices.

The bank discounts three-name paper with maturity of 100 days or less, with provisions that in certain cases collateral with a market value over 100 per cent the amount of the bill may be substituted for

the third signature. An interesting peculiarity of the Belgian system is found in "Comptoirs," or discount houses more or less dependent upon the different agencies of the bank, which for a slight commission supply the third indorsement on bills and guarantee them to the bank. The effect of this is to increase greatly the number of small promissory notes, arising none the less from commercial transactions, which the bank discounts for shopkeepers and laborers.

According to article 34 of the statutes, the bank must keep a metallic reserve equal to one-third of the demand liabilities. This provision was suspended at the beginning of August, 1914. Likewise, according to article 23 the bank may not hold in its portfolio discounted treasury obligations to a sum exceeding 20,000,000 francs.

This provision was suspended in 1918, when the bank undertook to advance funds for the exchange of marks left in Belgium by the German occupying forces.*

The National Bank of Belgium may, according to its statutes, redeem its notes in either gold or silver, and it has constantly made use of this option to redeem in the latter metal, retaining its gold and using its foreign portfolio to reduce exchange fluctuations. Before the war the bank had never been compelled to suspend specie payments.

The State shares importantly in the profits of the bank. The entire profit from loans and discounts resulting from rates charged customers in excess of 3½ per cent (i. e., the profit over and above 3½ per cent) goes to the Government. One-quarter per cent per semester of the average productive circulation above 275,000,000 must also go to the State; the bank also pays a stamp tax on its notes. The bank pays 230,000 francs per year toward treasury expenses in the Provinces. Finally, the State takes one-quarter of the net profits after a dividend of 4 per cent per annum on the capital is deducted. Thus in 1923 out of total profits amounting to 83,380,705 francs, the National Bank was compelled to turn over 40,214,387 francs to the Government.

The following table shows the condition of the bank from 1851 to 1914:

National Bank of Belgium, 1851-1914

c. [000 omitted; December 31]

[Source: Statements of National Bank]

Dec. 31—	Metallic reserve	Foreign exchange holdings	Domestic bills	Note circulation	Deposits	Total notes and deposits	Percentage of metallic reserves to notes and deposits
	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	
1851.....	20,265			50,346	25,981	76,327	26
1860.....	63,024			117,900	81,825	119,725	53
1870.....	95,615	64,144	132,050	202,528	51,320	253,848	34
1875.....	122,662	10,844	258,227	340,254	68,705	408,959	30
1880.....	96,767	84,910	228,082	339,969	72,143	412,112	24
1890.....	103,413	74,650	238,011	404,721	67,724	472,445	22
1895.....	101,062	107,638	257,625	476,502	72,104	548,606	18
1900.....	106,757	135,944	329,300	631,632	81,754	713,386	15
1905.....	117,621	134,856	435,166	724,082	96,616	822,698	14
1910.....	203,401	173,432	634,458	906,534	106,119	1,009,653	20
1911.....	246,707	149,311	566,520	969,763	133,541	1,103,304	22
1912.....	253,463	153,290	631,741	1,034,616	144,568	1,179,204	24
1913.....	305,393	186,624	634,794	1,057,407	117,098	1,184,505	26
1914.....	334,982	138,535	566,344	1,007,468	113,664	1,121,132	30

* Total borrowings for this operation amounted to 5,864,000,000 francs, of which over 600,000,000 francs have been repaid.

II. CURRENCY, CREDIT, AND PRICE MOVEMENTS, 1914-1925

The progress of inflation in Belgium from August 3, 1914, until the end of 1918 can only be roughly inferred from scattered statistics and from a comparison of the known circulation at the beginning of the period with that at the end of the period. No statistics are available covering the continuously increasing circulation of German marks, which were declared legal tender by the occupying forces on October 3, 1914.

At the beginning of the war in 1914 the National Bank of Belgium, like other banks of issue throughout the world, passed through a most trying period. A run on private institutions compelled the National Bank to absorb huge quantities of commercial paper, and the portfolio of commercial discounts rose from 425,000,000 francs on July 25 to 616,000,000 on July 30 to 830,000,000 on August 6, and to 883,000,000 on August 13. Advances on public securities advanced from 58,000,000 to 102,000,000 between July 25 and August 6.

The bank was besieged by holders of notes who wished to convert them into hard cash. From the 27th of July to the 1st of August, 1914, 50,000,000 francs in silver were paid out by the bank which was permitted by law to redeem in either gold or silver. The silver reserve fell from 74,000,000 on June 30 to 4,800,000 on December 31, 1914. As a measure of protection against these panicky conditions the bank raised its discount rate from 4 per cent to 7 per cent. At the same time the bank was permitted to apply paragraph 2, article 34, of the statutes, which allows reserves to fall below one-third of the demand liabilities under circumstances and within limits approved by the Minister of Finance. The 5-franc silver pieces withdrawn from the bank passed immediately into hoards and the bank was compelled to put into circulation 5-franc notes, which had been prepared some years previously with a view to such an emergency.

On August 3, 1914, after receipt of the German ultimatum, the Belgian Government declared a moratorium on commercial bills, and the forced circulation and nonconvertibility of bank notes. On the same day, by a third decree the Government declared a moratorium on bank deposits, limiting withdrawals to a thousand francs per fortnight. Thus began Belgium's inconvertible paper money experience.

The Minister of Finance on August 3 ordered the bank to transfer its metallic reserves, unissued notes, government securities, and the plates for printing notes to Antwerp. Later these things were transferred from Antwerp to London where they were deposited with the Bank of England. The bank, however, retained its office in Brussels during the entire war. The effect of this move was to leave the country without a convenient means of increasing its circulation, and at the same time to leave in the hands of the Belgian Government in London, the means of issuing paper money which enjoyed circulation behind the German lines, i. e., in occupied Belgium, and thus possibly to secure funds in this way.

The German authorities demanded the return of the metal and plates. When the National Bank in occupied Belgium had sent two missions across the lines to persuade the Belgian Government to accept this return, and when each mission was unsuccessful, the Germans, on December 24, 1914, withdrew the right of issue from the National Bank and conferred it upon the Société Générale, Belgium's largest private banking institution. The National Bank agreed to this after consulting with leading banks in order to avoid the introduction into Belgium of currency under German control.¹

The circulation in Belgium during and after the war was composed as follows: (1) National Bank notes, (2) current account notes (issued by the National Bank), (3) notes issued by the Société Générale de Belgique, (4) notes issued by the Communes, and (5) German marks.

National Bank of Belgium, 1915-1924

[Millions of francs; end of month figures. Source: Rapports de la Banque Nationale de Belgique]

	Gold	Silver	Foreign exchange	Total gold, silver, and foreign exchange	% Notes outstanding	Current account deposits	Total notes and deposits
1915—June.....	227.4	67.0	141.9	436.4	1,006.8	112.5	1,119.4
December.....	249.0	56.3	171.8	477.2	1,067.4	117.0	1,184.4
1914—June.....	260.2	74.6	138.4	473.4	1,007.4	113.6	1,121.0
December.....	264.1	4.8	145.8	414.8	1,614.2	97.9	1,712.1
1915—June.....	262.8	5.5	346.8	615.2	1,462.4	182.8	1,645.2
December.....	262.0	5.8	326.1	594.9	1,320.3	216.0	1,536.4
1916—June.....	262.9	5.7	463.4	732.0	1,291.0	202.2	1,493.3
December.....	262.9	6.2	220.3	489.5	1,281.5	191.8	1,473.4
1917—June.....	262.9	6.5	226.0	494.5	1,268.4	140.8	1,409.3
December.....	262.9	6.5	253.6	563.1	1,267.9	108.5	1,456.5
1918—June.....	262.9	11.0	215.6	489.6	1,262.1	145.7	1,407.9
December.....	264.8	24.8	100.6	390.4	3,210.4	582.6	3,793.1
1919—June.....	264.0	27.8	27.8	319.5	4,698.0	2,628.0	7,224.1
December.....	266.4	27.1	56.8	350.4	4,785.9	2,481.7	7,267.6
1920—June.....	266.4	29.2	64.6	360.4	5,265.3	1,981.6	7,246.9
December.....	266.5	27.8	27.1	321.5	6,280.4	1,159.3	7,439.8
1921—June.....	266.5	38.8	26.8	331.2	6,113.0	1,116.6	7,228.6
December.....	266.5	40.5	20.0	327.1	6,415.0	667.1	7,082.1
1922—June.....	266.5	41.9	19.6	328.1	6,284.7	827.9	7,114.7
December.....	268.0	55.0	17.3	341.3	6,876.3	456.8	7,333.1
1923—June.....	268.9	62.1	16.8	347.8	6,832.2	451.8	7,284.1
December.....	270.5	75.0	18.2	363.7	7,537.1	430.2	7,967.4
1924—June.....	270.5	65.9	17.5	354.9	7,668.8	348.2	8,017.0
December.....	272.2	74.0	30.0	376.2	7,673.1	497.7	8,170.8

Reference to the accompanying table shows that the outstanding circulation of national bank notes on June 30, 1914, amounted to 1,007.4 million francs, from which figure it rose to 1,614.2 millions at the close of that year. On December 22, 1914, the bank was forbidden to issue any new notes or to reissue old notes which came into its possession. Further orders from the German authorities on April 28 and July 5, 1915, required all customs and tax receivers to exchange National Bank of Belgium notes for those of the Société Générale. Thus the circulation of the national bank declined gradually until the end of the war. Practically all the notes outstanding were hoarded, and they were seldom seen in circulation, where they commanded a premium over other forms of payment.

From the beginning of 1915 the national bank made efforts to reduce its portfolio of discounts rendered immobile by the moratorium

¹ Immediately after the withdrawal of Germany from Belgium the Société Générale restored the issue department to the National Bank as previously contemplated.

decree. An offer of a rebate of 2 per cent on interest charged brought in repayment to the extent of 200,000,000 francs between February 20, 1915, and March 31, 1915, payments being made largely by banks having surplus funds and in German marks. Presentations to drawees were made in July and November of 1915, with the result that the portfolio fell to 522,837,000 francs on December 31, 1915, from 933,248,000 at the end of 1914. On January 6, 1916, the German administration declared the gradual removal of the moratorium beginning March 1.

CURRENT ACCOUNT NOTES

The removal of bank notes and plates from the vaults of the national bank placed that institution and the nation in a difficult position in view of the monetary crisis following the outbreak of the war. On August 26, 1914, therefore, the national bank decided at the request of Brussels banks to issue a special form of bank notes known as "compte courant" notes. This issue was made and was carried along through five months. The issue at its maximum amounted to 189,310,500 francs. About 100,000,000 francs of this issue served to liquidate the demand deposits of the national bank, and the rest were withdrawn by the State Savings Bank, the Communal Credit Bank, etc. When the Société Générale began to issue notes, the withdrawal of the compte courant notes commenced, the latter being exchanged for notes of the Société Générale. At the beginning of 1916 about 50,000,000 francs of these compte courant notes still remained in circulation.

NOTES OF THE SOCIÉTÉ GÉNÉRALE DE BELGIQUE

The German authorities on December 22, 1914, gave the Société Générale de Belgique the right to issue notes. Notes of this institution increased rapidly during the war and reached a maximum on February 1, 1919, of 1,898,178,000 francs, declining promptly thereafter. The following figures show this development:

Circulation of Société Générale

Feb. 4, 1915.....	94, 322, 000	June 30, 1918.....	1, 405, 289, 000
June 30, 1915.....	289, 853, 000	Oct. 31, 1918.....	1, 525, 649, 000
Dec. 31, 1915.....	609, 185, 000	Dec. 31, 1918.....	1, 888, 352, 000
June 30, 1916.....	722, 628, 000	Feb. 1, 1919.....	1, 898, 178, 000
Dec. 31, 1916.....	850, 465, 000	Dec. 31, 1919.....	981, 449, 000
June 30, 1917.....	928, 711, 000	Dec. 31, 1920.....	261, 537, 000
Dec. 31, 1917.....	1, 116, 082, 000	Dec. 31, 1921.....	45, 712, 000

Behind these notes was the paper of financial institutions responsible for the war contributions levied by Germany, the third signature required by Belgium's law to make paper eligible for rediscounting being replaced by provincial bonds taken at 80 per cent of their value. Thus the issue department of the Société Générale remained within statutory limits. A small amount of notes was issued against commercial paper representing transactions of the relief organizations and of those few industries which produced for domestic needs.

Both the national bank and the issue department of the Société Générale retained whatever German marks they received and regarded the marks as representing gold in the Reichsbank. The

Société Générale issued its own bank notes against these marks. The German administration objected to this practice and said that it really placed the burden of security of the notes of the Société Générale on the metallic reserves of the Reichsbank. The Germans, therefore, ordered that the mark notes be returned to Germany for credits in German banks, and when the two Belgian institutions refused, the marks were seized and forced credits for the institutions created, credits which, however, could not be availed of by the creditors. On December 12, 1916, 189,500,000 marks were seized in the vaults of the national bank. Similar seizures were made at the issue department of the Société Générale, and in the December 31, 1918, balance sheet we find a credit of 1,481,000,000 francs against the German Government representing these forced credits. By the terms of the armistice these sums were returned to Belgium in the form of mark notes, these latter being exchanged for paper money of the Belgian National Bank in accordance with the conversion policy of 1918 and 1919, discussed below.

The seizure of mark notes changed the policy of the Société Générale, and thereafter this institution forced into circulation all the marks it received, thus reducing the circulation of its own notes and enabling it to avoid loans of marks to the German Government.

NOTES ISSUED BY THE COMMUNES

When the Germans occupied Belgium the communes became practically autonomous, as far as the central government was concerned, since the central government of Belgium had left the country. The communes in occupied Belgium then issued notes to relieve the monetary situation, the former currency being hoarded in large part. An investigation by the national bank found that in August, 1915, there were in circulation, for the most part in the two Provinces of Flanders, 57,000,000 francs in communal notes, based in large part on Government securities. The serious danger of counterfeiting and the nonacceptability of these notes outside the issuing commune led the bank to urge their withdrawal. They practically all disappeared within a year following these recommendations.

MARK NOTES

The fifth kind of circulation in Belgium, and probably the largest in amount, at least at the close of the war, was that of German mark notes. These on October 3, 1914, were declared legal tender by the German civil administration for all payments. The rate of exchange with francs was established at 1.25 francs for 1 mark.

The number of marks introduced into Belgium has been the subject of controversy between the Belgian and the German Governments since the close of the war. Belgian claims go as high as 6,100,000,000 marks, i. e., the amount held to-day in the vaults of the National Bank. German representatives claim that only 4,000,000,000 marks were introduced and that the remainder represents sums brought in by fraud from Holland, France, and Germany at the time of the conversion of 1918-19.

On October 22, 1918 a decree law of the Belgian Government forbade the introduction into Belgium of all moneys of enemy powers;

a second decree law of October 24 authorized the taking of measures necessary for the reorganization of the circulation and the withdrawal of foreign notes. Obviously these laws were effective only within the limits of the Belgian military advance. On November 9, 1918, an issue of 5 per cent treasury bonds, of three years' maturity, was authorized; three-fourths of the subscription was to be paid for in marks and one-fourth in Belgian francs. The loan closed on January 15, 1919, with subscriptions amounting to 3,100,000,000 francs, of which 1,792,000,000 francs were paid for in marks at 1.25 francs to the mark. About 1,433,600,000 marks were thus withdrawn from circulation.

Marks having ceased to possess legal-tender qualities in Belgium, their prompt retirement was urgent and was demanded by public sentiment. A ministerial decree of December 7, 1918, arranged for this retirement. Technical difficulties prevented the beginning of the operation before the end of December, 1918, but it was practically completed during the month of January, 1919. Sums less than 1,000 marks, i. e., equivalent to 1,250 francs, were immediately exchanged by the bank as agent for the Government. For larger sums other arrangements were made. About 4,666,400,000 marks were eventually withdrawn from circulation, which together with the 1,433,600,000 paid in for the loan made a total of 6,100,000,000 marks withdrawn, valued at 7,592,000,000 francs. The rate of 1.25 francs to the mark probably overvalued the mark in view of the relative depreciation of the two currencies at this time.

In effecting this operation the National Bank of Belgium was compelled to issue large amounts of notes. As cover for these notes the Government gave the bank bonds, taking the marks in return. Article 23 of the bank's statutes provides that the institution can not hold in its portfolio discounted treasury bills for more than 20,000,000 francs. In 1919 the bank made advances to the Government of 5,800,000,000 francs, all of which was used in redemption of mark notes. A contract giving lawful form to the bank's advances to the State was later signed July 19, 1919. By its terms the bank renounced all claims for interest, and the debt took the form of renewable three months' bills of 100,000,000 francs each. The Government can not demand prolongation of the bills once it requires the bank to resume specie payments. On August 29, 1919, in extraordinary session, the stockholders of the National Bank voted approval of the agreement and modified the statutes accordingly.

Before the war deposits of the Bank of Belgium fluctuated in the neighborhood of one hundred and ten to one hundred and twenty million francs. By December 31, 1918, they had reached the figure of about five hundred and eighty-three million francs, and by June 30, 1919, reached the high figure of 2,526,000,000 francs. After this date they declined gradually exhibiting considerable stability since the first of 1923 as shown in chart 7.

It will be noticed also that the note circulation increased continually from the close of the war almost to the present, showing more stability, however, in 1924. The increase in circulation was due in part to the utilization of current-account credits created in favor of holders of German marks when the marks were converted, and in part to the fact that the Belgian franc has now to meet the currency requirements of the Grand Duchy of Luxemburg. In 1921 and 1922

the business depression prevailing throughout most parts of the world was felt also in Belgium. In the autumn of 1922, however, an industrial revival commenced, and business at the present time in Belgium is fairly prosperous.

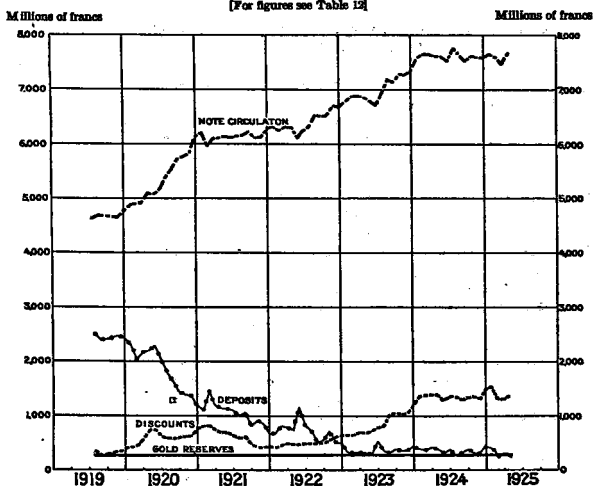
Since the advance from the bank to the Government of 5,800,000,000 francs to finance the conversion of marks into francs in 1918 and 1919, the Government has not borrowed from the bank, with the exception of a credit of 64,000,000 received in 1922 and paid off promptly. (This credit was for the withdrawal of marks from German territory ceded to Belgium by the treaty of Versailles.) The Gov-

CHART 7

NATIONAL BANK OF BELGIUM—NOTE CIRCULATION, DEPOSITS, DISCOUNTS, AND GOLD RESERVES, MONTHLY, 1919-1925

End of month

[For figures see Table 12]



ernment debt to the bank has been gradually reduced and at the close of 1924 stood at 5,200,000,000 francs. It was the original intention of the Government to reduce the debt more rapidly but demands upon the treasury, and various difficulties interfered.

Belgium has held Germany responsible for the funds necessary to cancel the indebtedness incurred in withdrawing the mark circulation from Belgium. The treaty of Versailles denied Belgium the right to reimbursement as a reparation charge, and left the settlement to be worked out in a separate accord between the two interested nations. Negotiations were undertaken, and in the Erzberger agreement Germany accepted responsibility for a part of the mark circulation

in dispute. According to the agreement four billions were to be reimbursed by Germany. In return the Germans were to receive their property, held in the custody of the Belgian Government, property which had not been liquidated. The value of property already liquidated was to be retained by Belgium as security for the reimbursement. However, the German Reichstag failed to ratify the agreement, and in the meanwhile the marks seriously declined in value. At different occasions, and in fact whenever they met the Germans at conference, the Belgian representatives attempted to take up the question of reimbursement for the marks. In 1923, when prospects for a settlement seemed discouraging, the Belgian Parliament passed a law creating a special fund for reimbursement of the State's debt in question. The matter is still in dispute.

In 1914 the National Bank met the run on its vaults by paying, in accordance with law, silver against its notes, and the silver reserves consequently fell from 74,000,000 francs to 4,800,000 on December 31, 1914. Since the war there has been a large increase in the silver reserves of the bank, due to the unloading of peasant hoards, and to a small extent to liquidation of claims of Switzerland arising out of the Latin Monetary Union. During and after the war large amounts of silver coins minted by other members of the Latin Union found their way into Switzerland because of their higher purchasing power in that country. This was in spite of the laws of 1915 forbidding the exportation of the coins from France and Belgium, and of 1920 forbidding the importation of the coins into Switzerland. In December, 1921, Switzerland found that there were circulating within her borders 231,985,000 francs in silver coins of other members of the Latin Union, of which 35,410,000 francs bore the Belgian stamp.

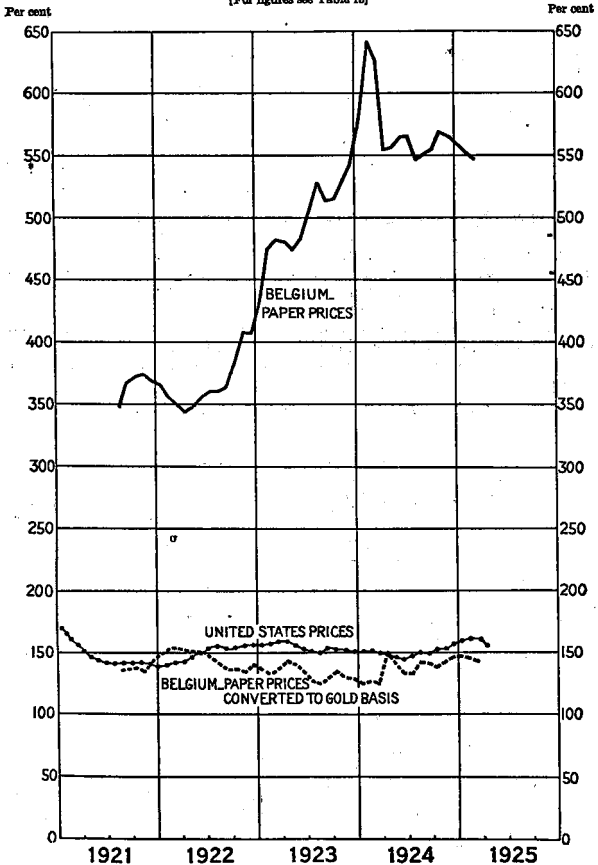
On December 9, 1921, an important agreement in the history of the Latin Monetary Union was entered into by which this silver in the coffers of the Bank of Switzerland was liquidated. The conditions affecting Belgium were as follows: The major part of the holdings, to a nominal value of 29,410,000 francs, were taken over by the Swiss Government, melted down, and recoined as Swiss currency. Switzerland was to be reimbursed for the remainder, 6,000,000 francs, as follows: 2,000,000 in gold and 4,000,000 in Swiss 5-franc pieces or in drafts on Switzerland. Thus, in addition to the large quantities of silver coins melted down fraudently during and after the war to take advantage of high silver prices and the low monetary value of the Belgian franc, nearly 30,000,000 francs of Belgian silver pieces were disposed of.

The National Bank of Belgium, since early in its history, has kept an important part of its funds in foreign exchange holdings, a practice which has in the last few years become general for European banks of issue. In 1870 the foreign portfolio of the bank was useful in securing metal to meet a run on the bank. The foreign portfolio was useful at the outbreak of the war in 1914, when it served as a means of redeeming francs carried out of Belgium by refugees in England, France, and Holland. The foreign exchange holdings of the bank increased during the first two years of the war, as seen in the table on page 33. Since 1916 these holdings have declined greatly and at present amount to only about 30,000,000 francs, as compared to 138,000,000 in June, 1914.

The National Bank of Belgium has maintained during and after the war relatively low discount rates. This has been due to a desire to assist industry and commerce as far as possible, especially in the

CHART 8

BELGIUM—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1921-1925
 [Ministry of Labor index for Belgium, 128 commodities, last half of month; April, 1914=100; United States Bureau of Labor Statistics index, 404 commodities, monthly average, 1913=100]
 [For figures see Table 13]



period of reconstruction following the war. Low interest rates were also desired to facilitate government borrowing on favorable terms. However, low discount rates have probably contributed to inflation and the resulting depreciation of the franc. The following table shows the course of the discount rates since 1851:

Discount rates of the National Bank of Belgium

[Source: *Annuaire Statistique de la Belgique et du Congo Belge, and Rapports de la Banque Nationale de Belgique*]

	Average	High	Low		Average	High	Low
1851.....	4.00			1911.....	4.15	5.00	3.50
1860.....	3.23			1912.....	4.41	5.00	4.00
1870.....	3.37			1913.....	5.00	5.00	5.00
1880.....	3.35			1919.....	4.20	5.00	3.50
1885.....	3.28	4.00	3.00	1920.....	4.93	5.50	3.50
1890.....	3.22	4.00	3.00	1921.....	5.19	5.50	5.00
1895.....	2.60	3.00	2.50	1922.....	4.72	5.00	4.50
1900.....	4.09	5.00	4.00	1923.....	5.44	5.50	4.50
1905.....	3.17	4.00	3.00	1924.....	5.50	5.50	5.50
1910.....	4.13	5.00	3.50				

The price level in Belgium has increased considerably since the outbreak of the war, and reached its high point in February, 1924, as shown in Chart 8, when the index number was 642 (April, 1914 = 100). The rise in prices during the war is accounted for by a scarcity of commodities as well as by an increase in the amount of purchasing media. During the period of German occupation the difference between index numbers based on artificially fixed prices and those based on free prices was great, the latter of course being much higher. The following figures show index numbers of retail prices during the German occupation:

Belgium—Index Numbers of retail prices, 1914–1918

(April, 1914 = 100)

[Source: "Revue du Travail," Belgium]

	Articles of free trade (9 articles)	Controlled products (4 articles)		Articles of free trade (9 articles)	Controlled products (4 articles)
1914—October.....	128	105	1916—November.....	518	162
November.....	129	104	December.....	538	163
December.....	130	108	1917—January.....	510	160
1915—January.....	128	118	February.....	557	164
February.....	147	127	March.....	624	168
March.....	149	128	April.....	665	174
April.....	154	134	May.....	726	183
May.....	158	130	June.....	746	183
June.....	156	125	July.....	818	221
July.....	166	134	August.....	901	213
August.....	174	130	September.....	915	213
September.....	174	125	October.....	941	213
October.....	180	129	November.....	970	219
November.....	192	131	December.....	1,008	219
December.....	213	141	1918—January.....	1,056	224
1916—January.....	221	152	February.....	1,070	223
February.....	224	131	March.....	1,108	249
March.....	268	133	April.....	1,173	249
April.....	280	133	May.....	1,429	288
May.....	310	137	June.....	1,434	271
June.....	328	137	July.....	1,467	284
July.....	363	193	August.....	1,544	384
August.....	373	166	September.....	1,492	407
September.....	385	154	October.....	1,189	407
October.....	416	158			

In 1919 prices declined and index numbers of prices in the last half of the year were about 340 to 350. In 1920 prices rose again and reached about 477 in October. In 1921 there was a reaction, but beginning in the fall of 1922 a sharp rise took place, which continued with some reactions until February, 1924, as shown in the accompanying chart of wholesale prices. This great rise early in 1924 was partly a reflection of exchange depreciation when the franc touched new low levels. A marked fall in prices took place in March and April, and for the remainder of 1924 the level was around 550 or 560.

III. FOREIGN TRADE

Belgium has long had an excess of imports, as shown in Chart 9. Until the present century, however, this excess never exceeded 300,000,000 francs, and frequently fell below 200,000,000 francs. After 1900 the excess of imports began to mount steadily, reaching 720,000,000 francs in 1905, 733,902,000 francs in 1910, and 1,006,799,000 francs in 1913. In 1901 the excess represented 18 per cent of total imports and in 1913 22 per cent. To this excess of merchandise imports must be added an excess of gold and silver imports for most of the pre-war years, in fact, for all of them since 1906, when Belgium exported an excess of 56,397,000 in gold. The continued excess of silver imports has been discussed above, but in this connection it is important to remember that this excess of silver imports took place in spite of the fact that the exchange premium on Paris continually favored an export of silver coins. The export traffic in silver coins escaped the customs records because it could be accomplished more simply clandestinely, while the repurchases by the national bank were faithfully recorded. It is therefore probable that the net silver imports were much less than the figures indicate.

Offsetting the excess of imports, Belgium had in her foreign trade several credit items. In the first place, there were sums brought back from France by Belgian laborers who migrated for short periods for seasonal employment. Another credit item resulted from the transit trade through Antwerp to Germany, Switzerland, France, and in some cases, as for instance fast freight, to Italy. The importance of this transit traffic is shown by the attached table.

Belgium—Transit traffic, 1901–1923

[Source: Tableau du commerce extérieur de la Belgique et du Grand-Duché de Luxembourg, 1923]

	Quantity		Value			Quantity		Value	
	Metric tons	Francs	Metric tons	Francs		Metric tons	Francs		
1901.....	2,679,452	1,411,211,208	1910.....	6,537,907	2,287,211,884				
1902.....	2,544,188	1,547,670,637	1911.....	6,123,752	2,286,932,013				
1903.....	2,596,746	1,779,513,630	1912.....	6,561,067	2,437,294,501				
1904.....	2,285,473	1,065,646,159	1913.....	7,803,734	2,639,924,818				
1905.....	2,692,598	1,922,332,708	1919.....	1,644,953	2,354,528,308				
1906.....	4,406,065	2,268,892,014	1920.....	8,574,196	7,423,028,927				
1907.....	4,337,063	2,343,015,892	1921.....	3,432,390	4,728,625,541				
1908.....	4,308,840	2,021,034,628	1922.....	7,790,265	6,085,779,363				
1909.....	4,786,428	2,290,365,565	1923.....	8,694,657	7,581,394,579				

Perhaps the most important credit item in Belgium's international accounts is found in the large holdings of foreign securities by Belgian citizens and the foreign assets of Belgian companies. The large amount of foreign investments was due principally to the low interest rates prevailing in Belgium before the war, as a result in part of the advanced state of industrialization which Belgium had attained and which reduced the opportunities of employing capital

CHART 9

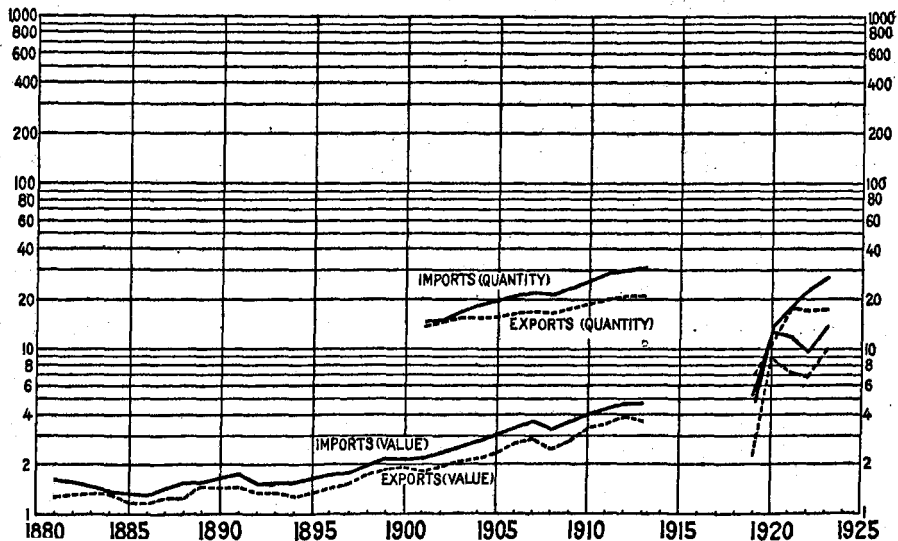
BELGIUM.—Imports and Exports of Merchandise, Annually, 1881-1923

Special Imports—i. e., imports for domestic consumption. Special Exports—i. e., exports of domestic merchandise

For figures see Table 17

Quantity: Billions of kilograms

Value: Billions of francs



profitably in Belgium. M. Clavier in his pamphlet on Belgian wealth before the war estimated the holdings of foreign securities by Belgium at 5,000,000,000 gold francs. The foreign assets possessed by Belgian corporations he placed at 3,000,000,000 gold francs, of which about 1,000,000,000 were invested in Russia. The total of these revenue-bearing sources was thus 8,000,000,000 francs, from which, estimating an average return of 5 per cent, Belgium probably received about 400,000,000 gold francs per year. This accounts for about half the excess of imports of most pre-war years. The remainder is accounted for by the transit traffic of Antwerp, by banking services, and certain other items. The most important debit item in Belgium's invisible trade is that resulting from shipping services rendered Belgium. A large part of the country's foreign trade prior to 1914 was carried in British and German ships.

For the war period, when Belgium was occupied by German forces, foreign trade figures are not available. Figures for 1919 show a great reduction in quantities imported and exported, and also an important reduction in the value of goods exported. Since 1919 quantity figures have increased although they are still below pre-war figures. Import and export values, however, are above pre-war figures, due largely to higher prices. The increase in values but not in quantities, as compared to 1913, is due also to the fact that Belgium is carrying her goods to a higher point of manufacture than before the war. Instead of exporting pig iron to Germany and England, as in 1913, Belgium machine shops with their modern equipment, installed since the war, are turning more to the production of finished machines and tools which have a greater value per unit of weight than the unfinished iron or steel. The same tendency is taking place to a certain extent in textile production.

Belgium imports large quantities of food products, especially cereals and meats, also raw materials such as wool, cotton, iron ore, coking coal, and other products. The exports are largely textiles and other manufactured articles.

In spite of the war disturbances Belgium has not lost entirely her investments abroad, and the director of direct taxation estimates that 500,000,000 francs was declared in 1922 as revenue coming from foreign securities. On the other hand, Belgium has borrowed extensively in foreign markets, especially in France, Great Britain, the United States, and Canada. The borrowing has been by both the Belgian Government and private interests. Interest is not being paid on all these foreign obligations, and the significance of the revenue being received from foreign securities should be interpreted accordingly. Probably on net account Belgium is now a debtor nation. In addition to credits borrowed abroad, Belgium has received credits for reparation account, a large part of which, however, has been received in kind.

In interpreting Belgian trade statistics allowance should be made for the economic agreement between Belgium and the Grand Duchy of Luxembourg, which went into effect May 1, 1922. By its terms tariff barriers between the two countries were abolished and a single system of rates and statistics applied to both. The effect of this is probably a slight increase in both exports and imports, but leaving the excess of imports at about the same proportion of total trade.

The following table shows the trade of Belgium with the principal countries:

Belgium—Imports and exports, by countries, 1913 and 1923

[Source: Bulletins Mensuels du Commerce Spécial. Quantity in metric tons; value in thousands of francs]

	Imports				Exports			
	1913		1923		1913		1923	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Argentina.....	1,068,965	316,797	911,523	990,501	457,184	91,154	316,380	343,742
Belgian Congo.....	15,702	48,674	8,813	32,074	110,778	28,978	54,091	112,365
France.....	7,465,941	1,000,297	9,345,352	2,784,554	8,563,184	762,187	8,252,739	1,979,561
Germany.....	10,413,300	761,765	3,120,308	912,049	4,441,699	940,378	706,391	453,286
Great Britain.....	3,177,504	518,475	5,425,092	1,928,048	1,810,388	511,710	1,694,951	1,762,232
Italy.....	169,763	44,007	135,323	200,885	303,332	75,931	67,472	172,632
Netherlands.....	2,499,965	356,998	2,925,008	1,285,379	2,460,573	320,630	2,600,960	1,182,755
Switzerland.....	7,190	19,379	8,652	15,653	101,892	53,416	396,295	122,440
United States.....	1,532,283	420,496	1,009,268	1,481,634	268,186	106,381	376,589	340,365

IV. EXCHANGE RATES AND PURCHASING POWER PARITIES

During the war there were no quotations for Belgian francs in any of the important foreign exchange centers since Belgium was occupied by Germany. Certain sales and purchases of Belgian currency took place in Amsterdam and in Zurich, but the rates were nominal and have not been preserved in statistical form. The rate of exchange between Belgian francs and German marks during the war was fixed by the occupying forces at 1.25 francs per mark.

Pounds sterling, dollars, and French francs were quoted again in Brussels the second week in January, 1919. New York banks, however, did not quote rates on Brussels to any extent until the month of April. Dollar quotations in Brussels began at about 6 francs to the dollar, compared with a parity of 5.18 francs; sterling was quoted at 27.75 francs, compared with a parity of 25.2215 francs; and French francs were quoted at 105 Belgian francs, compared with a parity of 100.

New York exchange rates on Brussels fell rapidly during 1919, as can be seen in Chart 10. The fall of the Belgian franc in this year was largely a reflection of internal depreciation which had been taking place for several years. Early in 1919 the Belgian franc was at a high level due to the artificial support given currencies of the allied countries by the United States. In March, 1919, artificial stabilization was withdrawn and the rates were left to themselves. Although further credits ceased, Belgium still held in New York a considerable amount of dollars, so that she was enabled to retard somewhat the fall in the franc.

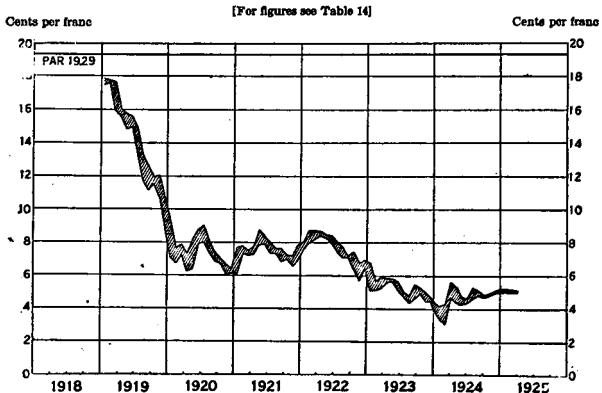
The course of the Belgian franc follows very closely that of the French franc, and a comparison of the accompanying chart (No. 10) with that for the French franc (chart 21, vol. 1, p. 326) shows a striking similarity. The two curves appear almost identical. In Brussels the rate on Paris is the leading rate quoted, and the two countries have very close economic and financial relations. In October, 1919, the Belgian franc commanded a premium over the French franc. Most of the time, however, the Belgian franc has been at a slight discount in terms of French francs, which is the case at the present time.

From the first of 1920 to the latter part of 1922 the Belgian franc fluctuated around 7 cents, going as high occasionally as about 9 cents and as low as about 6 cents. In June, 1922, after the breakdown of new efforts to settle the reparations question, and the separation of France from the rest of the group, a decline in the Belgian franc began which continued with some interruptions until March, 1924, when a low point of about 3.16 cents was reached. Contributing to the decline in 1923 was an important outward movement of capital as a result of weakening confidence in Belgium and France. There had been in the previous years some exportation of funds, but in 1923 a pronounced "flight from the franc" developed.

In August, 1923, as a result of the exportation of capital, the Belgian Government placed severe restrictions upon dealings in foreign exchange. The purchase of foreign currencies was forbidden except for certain purposes which were permitted by the decree. These restrictions prevented some speculation but like previous measures were not entirely effective.

The rapid rise in the Belgian franc in March and April, 1924—going from a low of about 3.16 cents in March to a high of about 5.72 cents in April—was largely a reflection of a similar rise in the French franc at this time. The French Government in March, 1924, established a credit of about \$100,000,000 in New York to be used in protecting the franc against further depreciation. The announcement of this positive action on the part of the French Government,

CHART 10
BELGIUM—EXCHANGE RATES, HIGH AND LOW, MONTHLY, 1919-1925
[Cable Rates, New York on Brussels]



coupled with satisfactory progress of the Dawes Committee in Paris, served to revive confidence and check the selling of francs by speculators and others. Also, Belgium, to help meet the exchange situation, in January, had arranged with the Schweizerischer Bankverein foreign credits to the extent of £600,000, \$1,000,000 and 16,000,000 Swiss francs.

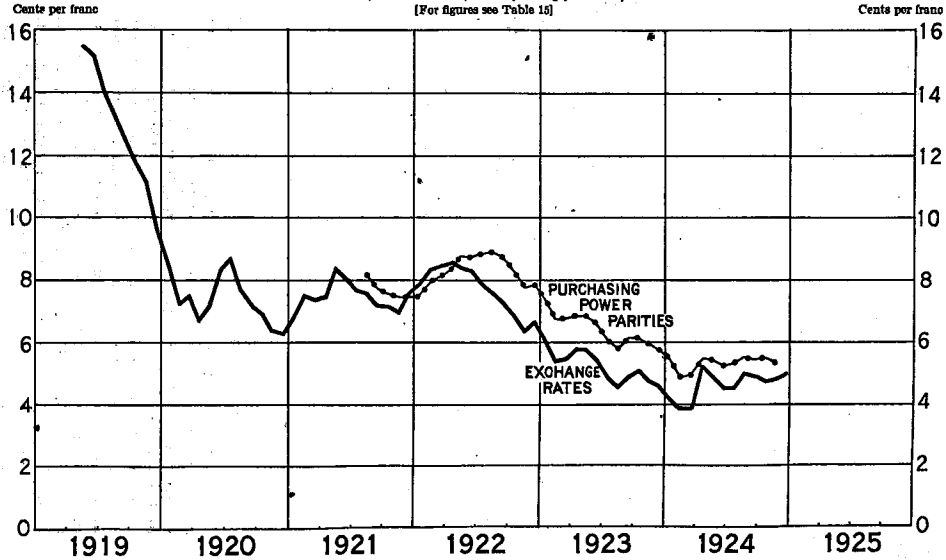
During the last half of 1924 and the first part of 1925 the Belgian franc remained around 5 cents, and the fluctuations became much narrower than they had been. This increasing stability of exchange rates has been of assistance to exporters, importers, and others who must deal in foreign currencies and who find the uncertainties of exchange fluctuations a considerable handicap in doing business.

The purchasing power parities of the Belgian franc with the dollar are shown in Chart 11, which also shows average exchange

CHART 11

BELGIUM—PURCHASING POWER PARITIES AND EXCHANGE RATES, MONTHLY, 1919-1924

[Based on Ministry of Labor index numbers for Belgium, 128 commodities, last half of month, April, 1914=100; and on Federal Reserve Board index numbers for United States, 104 commodities, monthly average, 1913=100]
 [For figures see Table 15]



rates. The purchasing power parity is the parity between the two units based upon the relationship between the price levels of the two countries, i. e., the parity according to purchasing power of the units. It will be noticed that most of the time exchange rates have shown greater depreciation than purchasing power parities. This has been due in part to lack of confidence, and to disturbed conditions in Europe which caused exchange rates to depreciate somewhat below the level warranted by the internal value of the unit. For various reasons, discussed in volume 1, the two curves should not be expected to coincide, although the tendency is for them to approach each other. It will be noticed that in 1924 the two curves came closer together and that the purchasing power parity curve showed increasing stability, which is a result of increasing stability of internal prices.

V. STABILIZATION

Since the middle of 1924 increasing stability has been exhibited by the Belgian franc. This has been the result of a combination of factors, the most important of which are greater stability of internal prices, and improved conditions in governmental finance. The price level in Belgium as shown in the previous chart (No. 7) has not shown any pronounced tendency either upward or downward since the spring of 1924, although minor fluctuations have taken place.

While deficits in the budget have not yet been eliminated, expenditures are more nearly being met out of current revenues. Since the end of the war the demands on the Belgium treasury have been heavy, and large deficits, amounting to nearly 3,000,000,000 francs in 1923, have resulted. Reparation receipts from Germany were not as large as anticipated by Belgium, which did not contribute to the establishment of a balanced budget. The following figures show the budgets of Belgium since the war, and also for the pre-war years 1910-1913. No figures are available, of course, for the war years, when Belgium was occupied by German forces.

Belgium—Receipts and expenditures, 1910-1913

[Source: *Annuaire Statistique de la Belgique*]

[000 omitted]

Year	Receipts			Expenditures			Deficit
	Ordinary	Extraordinary	Total	Ordinary	Extraordinary	Total	
1910.....	Francs 682,487	Francs 132,918	Francs 815,405	Francs 672,954	Francs 156,502	Francs 829,456	Francs 14,051
1911.....	695,252	42,771	738,024	680,186	121,761	810,926	72,902
1912.....	755,464	21,816	777,280	749,255	146,519	895,772	118,492
1913.....	788,614	19,174	807,788	787,856	140,663	928,519	120,731

Belgium—Receipts and expenditures, 1920-1925

[Source: *Annuaire Statistique de la Belgique*]

[000 omitted]

	1920 ¹	1921 ¹	1922 ¹	1923 ¹	1924 ¹	1925 ²
RECEIPTS						
Ordinary.....	Francs 1, 106, 736	Francs 1, 308, 942	Francs 1, 724, 639	Francs 2, 940, 000	Francs 3, 345, 000	Francs
Extraordinary.....	1, 750	26, 550	2, 600	8, 000	15, 000	.....
Nonpermanent.....	400, 230	252, 500	36, 550	.....	.....	.....
Receipts from Germany:						
On reparations account.....	92, 252	296, 752	2, 933, 870	1, 049, 000	1, 636, 000	.....
Occupation and other.....	95, 000	540, 000	807, 240	.....	.....	.....
Government railroads and other enterprises.....	712, 377	1, 077, 562	1, 142, 175	1, 341, 000	1, 693, 000	.....
Food administration.....	1, 359, 000	1, 150, 400	75, 550	4, 000	.....	.....
Total.....	3, 767, 345	4, 652, 706	6, 722, 624	5, 942, 000	6, 689, 000	7, 450, 000
EXPENDITURES						
Ordinary.....	2, 082, 419	2, 473, 473	2, 895, 912	2, 958, 000	3, 392, 000	.....
Extraordinary.....	376, 974	1, 368, 011	1, 034, 721	695, 000	452, 000	.....
Recoverable.....	4, 944, 533	2, 982, 985	3, 658, 512	2, 940, 000	1, 835, 000	.....
Government railroads and other enterprises.....	1, 451, 642	1, 783, 731	1, 678, 910	1, 689, 000	1, 931, 000	.....
Food administration.....	2, 088, 074	1, 199, 992	80, 659	4, 000	.....	.....
Total.....	10, 943, 642	9, 808, 192	8, 748, 714	8, 186, 000	8, 322, 000	8, 220, 000
Deficit.....	7, 176, 297	5, 155, 486	2, 026, 090	2, 244, 000	1, 633, 000	770, 000

¹ Budget laws passed.² Budget estimates.³ Includes nonpermanent, occupation and other.

Although complete figures are not yet available, the budgetary deficit in 1924 was less than estimated, due largely to increased receipts from taxation. Budgetary estimates for 1925, when all items are included, show a deficit of about 770,000,000 francs. However, if capital outlays are excluded, the estimated receipts and expenditures for 1925 will come closer to balancing. The following figures show the budgetary estimates for 1925.

Belgium—Receipts and expenditures, 1925

[Estimated but not yet voted, March, 1925]

Receipts:		Francs
Direct taxes.....	.....	1, 240, 500, 000
Indirect taxes.....	.....	2, 299, 952, 000
Railroad operating receipts.....	.....	1, 752, 358, 000
Reparations.....	.....	858, 000, 000
Other receipts.....	.....	1, 299, 190, 000
Total.....	.....	7, 450, 000, 000
Expenditures:		
Public debt charges.....	.....	1, 968, 994, 000
Ministry of national defense.....	.....	776, 757, 000
Ministry of finance.....	.....	375, 047, 000
Ministry of economic affairs.....	.....	625, 427, 000
Government monopolies.....	.....	2, 375, 994, 000
Extraordinary and other expenditures.....	.....	2, 097, 781, 000
Total.....	.....	8, 220, 000, 000
Deficit.....	.....	770, 000, 000

The total indebtedness of the Belgian Government at the present time amounts to about 41,000,000,000 francs: A large part of the debt is in terms of foreign currencies, dollars, pounds, French francs, and Dutch florins, and since the value of these currencies in terms of Belgian francs fluctuates, no precise figure for Belgium's total debt can be given. The following figures show the total debt as calculated by the ministry of finance according to prevailing exchange rates on the corresponding dates:

Belgium—Public debt on September 30

	Francs		Francs
1919.....	25,470,000,000	1922.....	39,502,000,000
1920.....	31,000,000,000	1923.....	40,485,000,000
1921.....	37,026,000,000	1924.....	40,684,000,000

The indebtedness of Belgium to the United States Government amounted on November 15, 1924, to \$471,823,713.39, of which \$94,794,143.33 was interest accrued. The following table shows the details of Belgium's total indebtedness:

Belgium—National debt

[Source: *Annuaire Statistique de la Belgique*]

[000 omitted]

Dec. 31—	Funded	Floating	Total indebtedness
1900—Belgian francs.....	2,660,898	57,651	2,708,549
1910—Belgian francs.....	4,065,512	136,205	4,201,717
1914—Belgian francs.....	4,478,092	504,380	4,982,472
1919—Belgian francs.....	6,336,129	12,431,206	18,767,335
Pounds sterling.....	9,871	7,568	17,439
French francs.....		833,831	833,831
Dollars.....		213,060	213,060
1920—Belgian francs.....	8,700,899	14,224,521	22,925,420
Pounds sterling.....	9,478	14,483	23,961
French francs.....		833,831	833,831
Dollars.....	50,000	243,013	293,013
1921—Belgian francs.....	11,117,378	16,347,374	27,464,752
Pounds sterling.....	9,420	16,363	25,783
French francs.....		833,831	833,831
Dollars.....	76,875	238,833	315,708
1922—Belgian francs.....	12,602,103	16,225,732	28,827,835
Pounds sterling.....	8,669	11,358	20,027
French francs.....		833,831	833,831
Dollars.....	73,375	232,503	305,878
1923—Belgian francs.....	14,782,916	16,436,722	31,219,638
Pounds sterling.....	8,341	9,930	18,271
French francs.....	400,000	297,279	697,279
Dollars.....	69,875	232,409	302,284
Dutch florins.....	44,583		44,583

The improved conditions which have been taking place in government finance provide a good background for currency reform. Nevertheless, in Belgium, budgetary deficits have never been allowed to lead to inflation to the same extent as in some other countries, so that currency reform in Belgium is not dependent upon a balanced budget.

Currency reform in Belgium involves the question of determining a level at which to stabilize the franc. According to its gold par, the Belgian franc is worth 19.29 cents, which was its value before the war. However, at the present time, according to current exchange rates, it is worth only about 5 cents, and in 1924 was as low as a little over 3 cents. Opposition to stabilizing the franc at

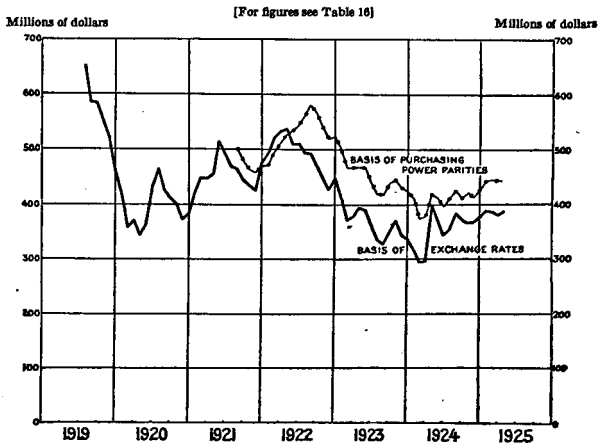
its present low level has existed in Belgium, and there has been some sentiment for a gradual raising of the franc to its pre-war level. However, this policy would not undo the evil already done by depreciation, but would merely add new difficulties. A rising franc is depressing to business and industry, and at the same time causes injustice in the settling of contracts and other obligations. Financial and business interests in Belgium have generally come to accept the necessity of devaluation, i. e., stabilization at approximately the present low level, and would be opposed to measures of contraction and deflation with a view to raising the value of the franc. The monetary authorities of Belgium realize the difficulties and evils in the way of raising the value of the franc, but prefer not to deal with the question until currency reform is undertaken.

The present value of the franc according to purchasing power parities is about 5.85 cents, which is slightly above that according to exchange rates of about 5.15 cents (April, 1925). These two indices indicate that a value of around 5 cents would be an appropriate one at which to stabilize the franc at the present time, a value at which stability could be most easily maintained and which would involve little change in wages and prices. For some time the franc has been fluctuating at a value of about 5 cents, so that business has become adjusted to the present franc. The present franc is an entirely different unit from the pre-war franc, although they both have the same name.

The gold value of the total note circulation of Belgium is shown in Chart 12, computed according to two different indices of the value

CHART 12

BELGIUM—GOLD VALUE OF TOTAL NOTE CIRCULATION ON BASIS OF EXCHANGE RATES AND ON BASIS OF PURCHASING POWER PARITIES, MONTHLY, 1919-1925



of the franc, that expressed by the purchasing power parities and that expressed by exchange rates. The gold value of the total circulation is computed by multiplying the amount of notes outstanding by the value of the unit. The decline in the gold value of the total circulation in the early part of 1924 was due largely to the depreciation of the franc, since the amount of currency outstanding did not decrease; in fact, the amount of currency outstanding was larger than it had been in 1923. Normally, if the amount of currency outstanding increases, the value of the unit tends to depreciate, so that when the two are multiplied the value of the total circulation tends to remain fairly constant. Under disturbed conditions, however, this may not be the case, since the rapidity with which the money circulates and other factors change. The upward tendency of the curves in the latter part of 1924 and the first of 1925 was the result largely of an increased value of the franc, since the amount of currency outstanding remained fairly constant. Relative stability in the gold value of the total circulation usually indicates more healthy conditions.

When Belgium has determined at what level the franc is to be stabilized, the next step is the accumulation of a sufficient gold reserve, or gold credits, so that redemption can take place with perfect freedom and all demands for gold can be met. Convertibility of all forms of currency in gold on demand, and freedom regarding the exportation and importation of gold, is the surest way to maintain the franc stable with reference to gold. The Bank of Belgium now holds gold in its vaults to the extent of about \$55,000,000, as compared with gold reserves of about \$48,000,000 at the end of 1913. Since gold is depreciated in value compared with 1913 a larger gold reserve is now necessary, and it is probable that before full redemption could safely be undertaken Belgium would need a somewhat larger gold reserve than that now held. Acquiring the necessary gold or gold credits would not be a very difficult task for Belgium and could be accomplished most easily through foreign borrowing. Foreign borrowing is probably necessary since the national bank's foreign credits are very much reduced as compared to before the war, and internal borrowing for the establishment of foreign credits may involve difficulties. At the end of 1913 foreign exchange holdings of the bank amounted to about 172,000,000 francs (about \$34,000,000), while in March, 1925, they amounted to only about 30,000,000 francs (about \$6,000,000).

Exchange rates have now become much more stable than they have been, as a result of fundamental improvement in underlying conditions. This relative stability should be maintained and followed by a gradual restoration of free gold movements and the ultimate resumption of specie payments at a new value for the franc. The introduction of a new currency unit at some multiple of the current value of the franc, so that the new value would be convenient in size and conform to that of other international units, is chiefly a matter of arithmetic in conversion. Now that conditions are approaching normal, the immediate program for Belgium should be the selection of a rate at which stabilization is to be accomplished, and then the taking of positive measures to maintain this rate, such as has been done recently by several European countries, notably Germany, Austria, Hungary, Poland, Czechoslovakia, Russia, Finland, Latvia, and Lithuania.

CZECHOSLOVAKIA¹

I. CURRENCY PRIOR TO INDEPENDENCE

The Republic of Czechoslovakia declared its independence October 28, 1918, following the collapse of the Austro-Hungarian Army. Czechoslovakia had been a part of Austria-Hungary for several centuries, although the people of Czechoslovakia were different racially and had long had nationalistic aspirations. On October 28, 1918, the national committee (Národní Výbor) in Czechoslovakia assumed the power and declared the country independent. The committee promptly called upon the political parties in Czechoslovakia to nominate deputies for the National Assembly. The different parties were asked to nominate deputies in proportion to the strength shown in the general elections of 1911. The National Assembly met November 14 and declared Czechoslovakia a Republic. A president was elected, Thomas Garrigue Masaryk, and the organization of the Government was then undertaken.

Masaryk, who was later elected president for life, was the principal figure in the securing of independence. He had left Czechoslovakia during the war to further the interests of the country abroad, going to America and the allied countries, where he obtained the support of the American and allied Governments. The people of Czechoslovakia hailed Woodrow Wilson's pronouncements on self-determination of peoples as especially in line with their aspirations, and after the United States entered the war became increasingly friendly to the allied cause. A Czechoslovak Army was organized in France during the war, composed of Czechs in America, and of those taken prisoners by allied armies, to fight now with the allied armies. Czechoslovakia had been forced to fight on the side of the Central Powers, although the people were not in sympathy with the Austro-Hungarian Government. An army was also organized in Russia from Czechoslovak prisoners captured by Russia, and fought against the Central Powers. After the inauguration of the Bolshevik régime in Russia in 1917 the Czechoslovak Army there fought against the Bolsheviks, and after the armistice, went across Siberia, finally joining the American forces in Vladivostok. The Government of Czechoslovakia repatriated these legionaries, as they were called, from Siberia, France, and also from Italy.

The status of Czechoslovakia was arranged in the treaties of Versailles, St. Germain and Trianon. On February 29, 1920, the National Assembly of Czechoslovakia adopted a constitution, which went into effect a few days later. On April 18, 1920, the first general election was held for deputies to the National Assembly.

As a part of the Austro-Hungarian monarchy, Czechoslovakia before the war had the Austro-Hungarian system of currency. The

¹Prepared by John Parks Young.

gold standard was nominally introduced into Austria-Hungary by the law of August 2, 1892. According to this law the monetary unit was the krone, containing 0.338753 gram of gold 0.900 fine, which thus made it the equivalent of about 20.26 cents in American money.² The crown was divided into 100 hellers. The silver coins were the 1, 2, and 5 crown pieces, which were legal tender only in limited amounts. There was free coinage of gold, and gold was legal tender in unlimited amounts.

In addition to the metallic money before the war were the notes of the Austro-Hungarian Bank, which circulated widely. The smallest denomination of the bank notes was the 10-crown note. The bank enjoyed a monopoly of note issue and was required to hold a metallic reserve in gold or silver to the extent of 40 per cent of the notes outstanding. Foreign exchange holdings payable in gold could be counted as metal up to 60,000,000 crowns according to the law of 1911. Additional circulation was allowed, but above a certain minimum bore a tax of 5 per cent.

The bank never was required by law to redeem its notes in gold. When the charter was renewed in 1911 the matter was discussed at length, and the arrangement made was that the bank should propose to the two Governments redemption in specie whenever the bank thought the time proper. In the meantime the bank was to use its efforts to maintain exchange rates stable at the gold par. This the bank was able to do most of the time, so that the paper and silver money was practically identical in value with gold money.

After the beginning of the war, restrictions on note issues were relaxed and the bank proceeded to issue large quantities of paper money, the notes being issued in small denominations. The Government borrowed freely from the bank, and as a result inflation of currency and credit took place. In July, 1914, the note circulation of the bank amounted to a little over 2,000,000,000 kronen. By the first of 1919 this had risen to over 35,000,000,000 kronen. The gold and silver reserves of the bank were very greatly depleted during the war and at the time of the armistice were about one-fifth the amount in 1914. In the middle of 1914 the reserves amounted to about 1,500,000,000 kronen, of which about 1,238,000,000 kronen was gold. At the time of the armistice in 1918 the reserves were only about 342,000,000 kronen, of which about 268,000,000 was gold. The increase in the bank's notes circulation during the war is shown in Chart 1 in the section on Austria.

² The law provided that one kilogram of fine gold should be coined into 3,280 kronen.

II. CURRENCY MEASURES FOLLOWING INDEPENDENCE

After the collapse of Austria-Hungary in October, 1918, and the pronouncement of independence by Czechoslovakia, the notes of the Austro-Hungarian Bank continued to circulate as before in the various sections. They also were increasing in amount, since there had been no cessation of inflation. Czechoslovakia was entirely independent of the old Austro-Hungarian monarchy, yet the country's circulating media were the depreciated notes of the Austro-Hungarian Bank, which were out of the control of the new Republic. Czechoslovakia desired to complete the separation from the dual monarchy, and one of the first problems with which the new Republic had to deal, therefore, was that regarding the bank notes of the Austro-Hungarian Bank. The notes continued to be issued in increasing amounts, and protest was made by the Czechoslovak Government.

The method adopted by Doctor Rasin, minister of finance, in dealing with the problem was unusual. Preparations were made quietly for several weeks and discussed confidentially with the financial committee of the National Assembly. There was no intimation to the general public as to what was about to happen. On February 25, 1919, the plans were laid before the National Assembly in secret session, and were immediately adopted and put into operation. According to the plan, the frontiers of the country were closed from February 26 to March 9, and what travel took place was scrutinized very closely to avoid smuggling of money. Foreign-mail service was suspended. During the period all the notes of the Austro-Hungarian bank were ordered to be brought to the public offices and banks to be stamped with the Czechoslovak stamp. Part of the notes were to be retained by the Government as a compulsory loan. Large posters were placed in conspicuous places telling the people what to do. The closing of the frontiers prevented any influx of bank notes from Vienna and Budapest, and after March 9 only the notes with the Czechoslovak stamp were legal tender.

There were presented for stamping during the allotted time about 8,000,000,000 kronen in notes of the Austro-Hungarian Bank and about one-half billion kronen in Kassenscheine, certificates issued by the bank and which circulated as money. The Government also took over the deposit accounts in the branches in Czechoslovakia of the Austro-Hungarian Bank, which amounted to 1,616,885,000 kronen, giving a total liability of over 10,000,000,000 kronen. Of the 8,000,000,000 notes presented 2,134,149,000 kronen were retained by the Government in the form of a forced loan from the public, bearing interest at 1 per cent. Receipts given for these were made receivable by the Government in payment of the capital levy. In addition to the notes stamped and returned, there were about 300,000,000 kronen in 1 and 2 krone bank notes which were not included in the order for stamping, and a few million kronen of

iron, nickel, and copper coins. The total circulation after the stamping was thus about 7,000,000,000 kronen. The stamped notes were later exchanged for Czechoslovak notes, or Czechoslovak crowns as they are called.

The treaty of St. Germain, signed September 10, 1919, provided in article 206 that each of the States which had been formerly a part of Austria-Hungary should stamp the notes of the Austro-Hungarian Bank with the stamp of its own Government. These measures, it will be noted, were undertaken by Czechoslovakia several months prior to the signing of the treaty.³

A law was passed by Czechoslovakia April 10, 1919, which limited the amount of fiduciary circulation which might be issued. Article 10 of this law is summarized by the banking office of the Government as follows:

Any increase in the circulation of the State notes which exceeds (1) the total amount of the bank notes stamped according to the law of February 25, 1919, (2) one-half of the check accounts, and (3) one-half of the short-term cash vouchers of the Austro-Hungarian Bank taken over by the banking office is strictly forbidden, except when the overissue of State notes is entirely covered by a security of a purely private commercial nature.

No other increase is allowed except when authorized by a special law.⁴

The maximum fiduciary issue allowed according to this law is about 7,000,000,000 crowns. This provision has been rigidly observed, and the increases in circulation have been covered by gold, silver, or legal security. The law is thus a safeguard against paper money inflation, since legislative action is necessary before the fiduciary circulation can be increased. The following figures issued by the banking office of the ministry of finance show the details of the conversion transactions and the determination of the maximum fiduciary issue:

Czechoslovakia—Legal maximum fiduciary circulation

Austro-Hungarian bank notes withdrawn from circulation.....	Kr. 8, 015, 119, 794
Less bank notes retained on occasion of stamping and less bank notes retained on occasion of exchange (purchase).....	2, 134, 348, 809
Bank notes stamped and exchanged.....	Kr. 5, 880, 770, 985
Check accounts of the treasury departments at the Austro-Hungarian Bank.....	789, 720, 443

³ The words of the treaty are as follows:

"1. Within two months of the coming into force of the present treaty, each one of the States to which territory of the former Austro-Hungarian monarchy is transferred, and each one of the States arising from the dismemberment of that monarchy, including Austria and the present Hungary, shall, if it has not already done so, stamp with the stamp of its own government the currency notes of the Austro-Hungarian Bank existing in its territory.

"2. Within 12 months of the coming into force of the present treaty, each one of the States to which territory of the former Austro-Hungarian monarchy is transferred, and each one of the States arising from the dismemberment of that monarchy, including Austria and the present Hungary, shall replace, as it may think fit, the stamped notes referred to above by its own or a new currency. (Treaty of peace between the allied and associated powers and Austria. Edition of H. M. Stationery Office, London, 1919, art. 206.)"

⁴ Par. 2 in sec. 10 of the law provides that notes may be issued to the extent of one-half the current accounts and treasury bills of the Austro-Hungarian Bank taken over by Czechoslovakia. The law does not declare that notes might also be issued equal to the amount of the treasury accounts with the Austro-Hungarian Bank—also taken over—but by interpretation the banking office considers note issues not only to 50 per cent but to the full amount of these accounts logical and permissible. Note issues only to one-half of the other accounts were allowed for, because half of each of these accounts was retained as a forced loan, and would therefore not cause a demand for currency. The Government accounts with the bank, however—amounting to 789,700,000 kronen—could be withdrawn in notes, and therefore it is held that the law should be interpreted liberally and according to its purpose.

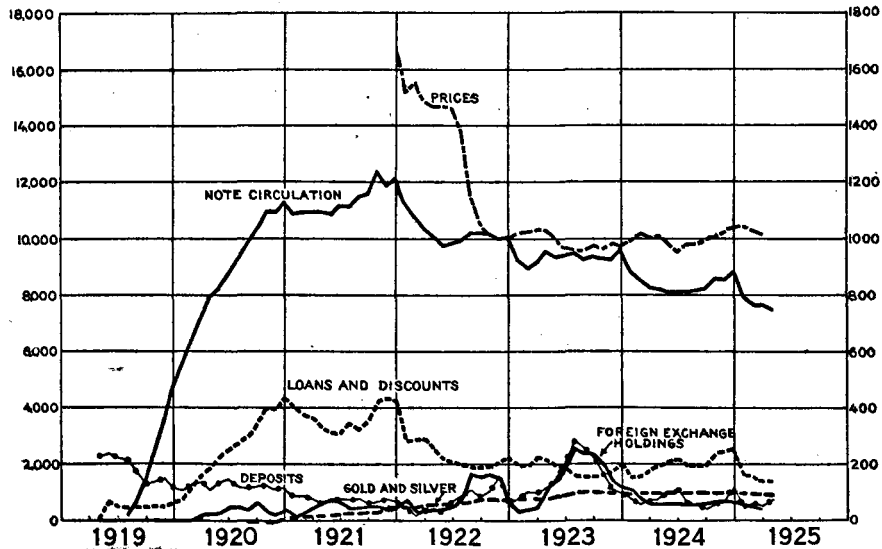
CHART 13

CZECHOSLOVAKIA—Banking Office of Ministry of Finance.—Note Circulation, Loans and Discounts, Deposits, Foreign Exchange Holdings, Gold and Silver, and Prices, 1919–1925

Index numbers of Central Bureau of Statistics, 126 commodities, first of month, July, 1914=100. Banking figures, end of month
For figures see Tables 22 and 23

Millions of crowns

Prices: Per cent



Check accounts taken over.....	Kr. 1, 616, 884, 522	
Less above Government accounts.....	789, 720, 443	
	<hr/>	
50 per cent of private check accounts.....	827, 164, 079	Kr. 413, 582, 039
50 per cent of cash vouchers (Kassenscheine) of Austro-Hungarian Bank.....		233, 767, 000
	<hr/>	
Total.....		7, 317, 840, 467

The administration of the currency system was delegated by the Government to the banking office, which was established under the ministry of finance. The banking office took over the branches in Czechoslovakia of the Austro-Hungarian Bank and is similar to a State bank of issue. Loaning to the Government by the banking office is prohibited, with certain exceptions, such as discounting bills against customs receipts. According to the treaty of St. Germain, Czechoslovakia was to share in the distribution of the reserves and the assets of the Austro-Hungarian Bank, which went into liquidation at the first of 1920. Claims against the Austro-Hungarian Bank thus tend to offset the liabilities assumed by the Government for notes and deposits of the defunct bank.

The banking office has endeavored to accumulate a metallic reserve and in this endeavor has been reasonably successful. At the time it began operations it had no metallic reserve, but in May, 1925, the gold and silver holdings amounted to over 1,000,000,000 Czechoslovak crowns and the foreign currency and balances abroad to about 568,000,000 crowns. In the middle of 1923 the latter amounted to over two and one-half billion crowns, but in order to maintain exchange stability the bulk of this was disposed of. The metallic reserves (largely gold) were built up by means of loans and also from gold received from the Austro-Hungarian Bank. Soon after the stamping of the notes, a patriotic appeal was made to the people to turn over to the banking office as much gold as possible. A certain amount was turned over also in the shape of gifts.

During 1919 and 1920 the circulation increased rapidly, as can be seen in Chart 13. In the latter part of 1921 the tendency was again upward and a high point of over 12,000,000,000 crowns was reached. The increases, however, were entirely covered by gold, silver, securities, or other assets, so that the legal maximum of uncovered issue was not exceeded. The circulation declined sharply during the first part of 1922 and continued downward with some reactions until the middle of 1924, when the notes outstanding amounted to a little over 8,000,000,000 crowns.

Prices declined very rapidly in 1922, as can be seen in Chart 14, accompanying the contraction in the currency and the general business depression, which prevailed at this time. The index numbers of prices declined from nearly 1,700 in January, 1922, to 1,000 in December, 1922. (July, 1914, =100.) Since this precipitous drop the price level has remained relatively stable in the neighborhood of 1,000.

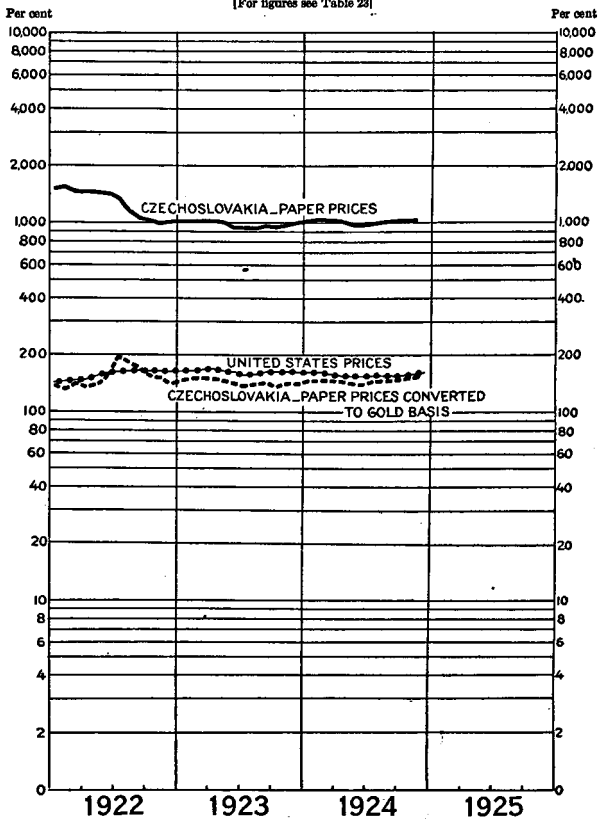
The contraction of the currency in 1919 was accomplished by Czechoslovakia at a time when practically all the other countries of Europe were still inflating and printing large quantities of paper money. The deflation which Czechoslovakia accomplished under the Minister of Finance, Dr. Alois Rasin, has been criticized as being too

CHART 14

CZECHOSLOVAKIA—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, 1922-1925

[Index numbers of Central Bureau of Statistics for Czechoslovakia, 126 commodities, beginning of month, July, 1914=100; and Federal Reserve Board index numbers for United States, 104 commodities, monthly average, 1913=100]

[For figures see Table 23]



drastic and pushed too rapidly in view of the difficult economic conditions at that time. As a result of the conservative currency policy, Czechoslovakia did not have the artificial stimulus of paper money inflation, and conditions in Czechoslovakia during the first few years of the country's history were not prosperous. However, the country's firm stand against inflation was well rewarded, and Czechoslovakia did not experience the extreme conditions which came to exist in the five States bordering upon Czechoslovakia.

In the summer of 1922 when the Czechoslovak crown increased in value from 2 to 3.5 cents, both internally and in foreign markets, the business depression in Czechoslovakia became severe. The crown rose in a few week's time from less than 2 cents to about 3.5 cents. Wages and general prices became adjusted to the new value more slowly, which fact was the source of difficulty. The textile and glass industries were seriously affected and were forced to reduce their output to only a small percentage of their capacity. Liquidation and business failures were prevalent. The crown became expensive in foreign countries, while at the same time in these countries the depreciated currencies of other countries were relatively cheap. The relatively high value of the Czechoslovak crown was a handicap to the Czechoslovak export trade, which normally is of considerable magnitude, and thus of great importance to Czechoslovak prosperity. Although Czechoslovakia was following conservative principles of finance, the fact that the countries about her continued to inflate and experience depreciation contributed to the unsettled conditions in Czechoslovakia.

The establishment of the banking office of the ministry of finance to perform the function of a central bank and to control the currency was regarded as a temporary measure to meet the emergency, since Czechoslovakia had to have some sort of a central financial institution to provide the country with a national currency under the control of Czechoslovakia, and to take over the affairs of the branches of the Austro-Hungarian Bank in Czechoslovakia.

When the banking office was organized the time was not opportune to take subscriptions and establish a national bank such as Czechoslovakia would ultimately want. Since this time conditions have improved so that Czechoslovakia is now making plans for a new national bank having a capital stock subscribed by private individuals to take over the present banking office of the ministry of finance. These plans are discussed below.

III. FOREIGN TRADE

Czechoslovakia is to a large extent an industrial country and is dependent upon the export trade as an outlet for much of the country's production. About one-third of the population is engaged in agriculture, but a large part of the agricultural products are such articles as sugar beets, barley, and hops, which are the raw materials for the sugar and liquors which are exported. Czechoslovakia is one of the largest exporters of beet sugar in the world, and the price of sugar has been an important factor in the country's prosperity. During the period of the high price of sugar Czechoslovakia was assisted in securing foreign food and other products by the sale of sugar abroad. The precipitous drop in the price of sugar in 1920 and 1921 contributed to the depression in the country. In 1922 Czechoslovakia exported about 30 per cent more sugar than in 1920, yet due to the fall in price the value of the sugar exported in 1922 was considerably less than one-half that in 1920.

A large part of the industries of former Austria-Hungary were located in Czechoslovakia, especially the textile industry, the porcelain, and the iron and steel industries. It has been estimated that before the war only about one-third of the articles manufactured in Czechoslovakia were consumed there, the remainder going to Austria-Hungary, Germany, and other countries. The following table shows the principal items entering into Czechoslovakia's foreign trade:

The trade of Austria-Hungary with the United States before the war was not large, and of this trade the part that was with Czecho-

Czechoslovakia—Imports and exports of principal commodities, 1920-1924

[Source: Commerce Extérieur de la République Tchécoslovaque. See Chart.]

Articles	1920	1921	1922	1923	1924
IMPORTS					
Tobacco.....	Crowns 296, 294	Crowns 778, 836	Crowns 373, 934	Crowns 308, 286	Crowns 488, 055
Grain, flour, mill products, rice.....	2, 300, 054	4, 532, 054	1, 261, 141	870, 357	2, 355, 242
Fruits and vegetables.....	681, 079	713, 679	448, 622	334, 908	519, 313
Livestock.....	138, 314	71, 817	512, 508	646, 043	827, 142
Fats and greases.....	1, 060, 375	819, 482	837, 797	858, 358	800, 015
Wood, coal, and peat.....	520, 934	578, 279	298, 003	249, 976	266, 778
Minerals.....	702, 349	967, 849	342, 338	302, 912	383, 926
Cotton, yarn, and cotton manufactures.....	5, 029, 643	3, 446, 546	1, 972, 482	1, 768, 636	2, 858, 102
Flax, hemp, jute, yarns, etc.....	311, 348	507, 397	296, 904	213, 182	429, 069
Wool, yarns, and woollen manufactures.....	2, 211, 535	3, 125, 485	1, 605, 615	1, 268, 013	1, 756, 094
Base metals and manufactures.....	785, 763	538, 221	379, 457	296, 433	386, 394
Machinery and electrical goods.....	1, 329, 284	1, 297, 347	559, 157	295, 831	421, 612
Chemicals.....	571, 247	604, 013	317, 257	238, 285	344, 719
EXPORTS					
Sugar.....	3, 405, 244	3, 748, 751	1, 400, 338	1, 982, 800	2, 431, 065
Grain, flour, mill products, rice.....	731, 256	321, 512	619, 824	546, 996	452, 170
Fruits and vegetables.....	909, 933	657, 790	280, 615	264, 320	663, 087
Wood, coal, and peat.....	1, 740, 807	1, 805, 733	2, 549, 621	2, 235, 710	2, 223, 969
Minerals.....	328, 062	244, 862	280, 740	124, 352	147, 522
Cotton, yarn, and cotton manufactures.....	2, 525, 613	3, 801, 563	2, 566, 099	1, 985, 498	2, 547, 349
Flax, hemp, jute, yarns, etc.....	350, 959	422, 410	378, 632	298, 635	588, 758
Wool, yarns, and woollen manufactures.....	6, 683, 794	4, 104, 014	2, 807, 307	1, 150, 817	1, 745, 088
Clothing, etc.....	904, 817	795, 088	650, 430	208, 102	249, 145
Paper and paper wares.....	685, 434	633, 963	422, 508	251, 743	265, 203
Leather and leather goods.....	642, 242	882, 108	478, 958	358, 374	368, 643
Wooden and other wares.....	407, 180	400, 142	362, 947	143, 046	218, 468
Glass and glassware.....	1, 896, 025	2, 072, 702	2, 046, 413	961, 973	1, 238, 718
Earthenware.....	295, 467	468, 087	383, 328	256, 927	319, 941
Iron and iron manufactures.....	1, 511, 288	1, 368, 518	769, 005	908, 175	1, 080, 970

slovakia can not be accurately determined, but was not of great magnitude. The chief exports to the United States from this part of Austria-Hungary were glass and glassware. However, since the war, Czechoslovakia has sent an increasing amount of products to the United States, one of the reasons being the high value of dollars in Europe and the relatively large number of crowns obtainable for dollar drafts, either directly in Prague or by arbitrage through Vienna, Berlin, Paris, or elsewhere. There are also permanent economic reasons for an important trade between Czechoslovakia and the United States.

The exports to the United States from Czechoslovakia are chiefly glass and glassware, flax, hemp, and jute manufactures, wood products, such as bent wood furniture and musical instruments, woolen manufactures, and cotton goods. The principal imports from the United States are raw cotton, lard, grain, and flour. Imports from the United States have increased very greatly since the war and now rank second to those from Germany, with Austria third and Hungary fourth. Exports from Czechoslovakia go largely to Austria, Germany, Hungary, Great Britain, and the United States, in order of importance. The following table shows the foreign trade of Czechoslovakia with the different countries:

Czechoslovakia—Imports and exports of merchandise, by principal countries, 1920-1924

[Source: Commerce Extérieur de la République Tchécoslovaque. Quantity in thousands of metric quintals of 220.46 lbs. value in thousands of crowns.]

Country	1920		1921		1922		1923		1924	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
IMPORTS										
Germany.....	20,785	5,903,858	18,940	5,862,123	18,948	3,536,466	13,249	4,182,750	19,106	5,583,254
Austria.....	3,272	3,041,923	3,181	1,982,699	2,181	986,337	2,843	665,250	3,482	1,246,437
United States.....	2,094	4,111,315	3,777	4,547,248	2,300	2,286,336	1,028	714,000	1,026	886,336
Hungary.....	871	658,806	2,519	925,378	1,823	683,748	1,446	333,250	4,560	890,132
France.....	247	958,261	219	638,498	800	444,944	369	338,500	474	535,615
Poland ¹	1,061	396,160	1,444	383,728	2,209	324,337	8,749	378,330	8,598	728,721
Italy.....	523	1,002,612	853	733,159	1,012	295,751	1,225	462,750	2,474	988,579
Netherlands.....	677	1,316,134	917	1,106,110	1,290	428,360	931	415,330	826	478,350
Belgium.....	837	1,627,860	396	447,358	525	227,954	58	80,000	60	113,726
Great Britain.....	323	1,006,005	979	1,341,598	485	651,061	348	336,750	331	447,898
Rumania.....	547	308,477	887	481,662	785	430,315	561	186,000	1,054	467,281
Jugoslavia ²	313	340,064	606	367,447	509	367,447	1,442	276,200	3,048	417,537
Switzerland.....	159	624,661	60	315,588	73	169,332	111	214,750	119	369,352
Other countries.....	7,402	2,978,280	5,017	3,300,498	4,004	1,961,824	9,557	1,558,330	10,922	2,716,730
Total imports	39,102	23,384,412	39,912	22,438,203	31,942	12,695,517	41,914	10,127,190	56,656	15,862,298
EXPORTS										
Germany.....	30,881	3,330,500	36,252	3,061,260	39,582	3,407,475	56,345	2,554,000	58,413	3,317,671
Austria.....	23,931	9,678,483	33,381	7,835,186	29,444	3,969,091	24,964	2,639,000	29,111	3,523,121
United States.....	211	544,227	266	770,798	516	931,572	463	556,500	674	718,481
Hungary.....	3,225	2,512,426	13,287	3,060,439	8,764	1,588,621	11,429	713,500	13,668	1,134,155
France.....	1,958	2,373,616	1,728	1,317,261	3,258	868,068	2,105	302,500	2,017	290,947
Poland ¹	1,763	1,425,439	3,697	1,424,061	2,139	604,852	2,613	368,000	2,083	567,892
Italy.....	1,739	1,300,906	1,464	920,809	1,112	663,252	1,275	464,000	2,007	831,548
Netherlands.....	667	867,065	788	866,633	1,063	403,021	1,291	232,000	914	261,960
Belgium.....	81	134,964	278	293,572	497	294,600	252	96,500	258	101,474
Great Britain.....	259	813,208	1,560	2,104,017	1,290	1,346,935	2,636	1,216,500	3,843	1,586,155
Rumania.....	348	732,083	816	1,175,428	662	522,782	819	405,000	1,346	795,938
Jugoslavia ²	636	1,081,766	1,335	2,008,219	1,102	782,029	1,464	548,000	1,769	829,724
Switzerland.....	917	796,422	805	519,655	2,278	294,536	3,458	487,500	2,152	450,050
Other countries.....	2,406	2,318,258	1,869	2,248,138	3,254	2,419,194	3,964	1,944,000	5,244	2,633,146
Total exports	69,022	27,569,416	97,427	27,311,586	94,903	18,086,349	113,094	12,517,000	124,268	17,022,251

¹Includes Danzig.

²Includes Grand Duchy of Luxemburg.

³Includes Fiume.

In 1919 and 1920, when the Czechoslovak crown was relatively depressed, the export trade was stimulated by relatively low export production within Czechoslovakia compared to the prices obtained abroad. Since 1921 the export trade of Czechoslovakia has suffered considerably and has been a factor in the depressed conditions of the country. During 1922 the crown was appreciating, which made Czechoslovak goods expensive abroad, especially in competition with those from countries with depreciated currencies, so that the Czechoslovak export trade was interfered with. In view of the relatively large proportion of the country's production which is exported abroad, the decline in the export trade was a serious blow to the country's domestic prosperity. Imports also declined very greatly during 1922 and 1923. In 1924 both imports and exports showed considerable improvement. The chief factor in the reduction in the foreign trade of Czechoslovakia was doubtless the general fall in prices throughout the world and especially in Czechoslovakia, so that total values became less. It will be noticed in the table below that quantity figures in 1922 showed relatively less decrease than value figures, and in 1923 showed a large increase. The general fall in prices was rendered more severe in Czechoslovakia by the policy of a great contraction in the currency. At the present time adjustments have taken place, so that the foreign trade of Czechoslovakia is prospering.

Imports and exports of merchandise, 1920-1924

Including gold and silver

[Source: Zahranicni Obchod Republiky Ceskoslovenske—Prague]

	Imports		Exports		Excess of exports	
	Metric quintals	Thousands of crowns	Metric quintals	Thousands of crowns	Metric quintals	Thousands of crowns
1920.....	30, 101, 560	23, 334, 412	60, 022, 209	27, 566, 415	29, 920, 649	4, 111, 835
1921.....	39, 911, 743	22, 433, 293	97, 427, 354	27, 311, 596	57, 515, 611	4, 871, 611
1922.....	31, 942, 150	12, 665, 516	94, 902, 625	18, 066, 349	62, 960, 475	5, 341, 126
1923.....	41, 914, 808	10, 134, 615	113, 097, 725	12, 518, 611	71, 182, 917	2, 331, 182
1924.....	56, 656, 440	15, 862, 298	124, 246, 253	17, 022, 251	67, 641, 812	1, 111, 111

During the period that figures have been available for Czechoslovak trade, independently of Austro-Hungarian trade, Czechoslovakia has had each year an excess of exports. The excess of exports is accounted for to a certain extent by interest and dividends on industrial and other securities of Czechoslovakia held by foreigners. An accurate estimate of the invisible trade of Czechoslovakia is difficult. Czechoslovakia receives payments for an important amount of transit trade across the country. Money also is sent home by Czechoslovaks abroad, largely by those who left the country before the war, and especially those from Slovakia. Another credit item in the country's invisible trade is that of tourist expenditures. Czechoslovakia has several famous resorts, such as Carlsbad, which are attracting an increasing number of tourists and travelers. The Government encourages tourists to visit its resorts.

CHART 15

CZECHOSLOVAKIA.—Imports and Exports of Merchandise, Monthly, 1921–1925
Special Imports—i. e., imports for domestic consumption. Special Exports—i. e., exports of domestic merchandise
For figures see Table 28

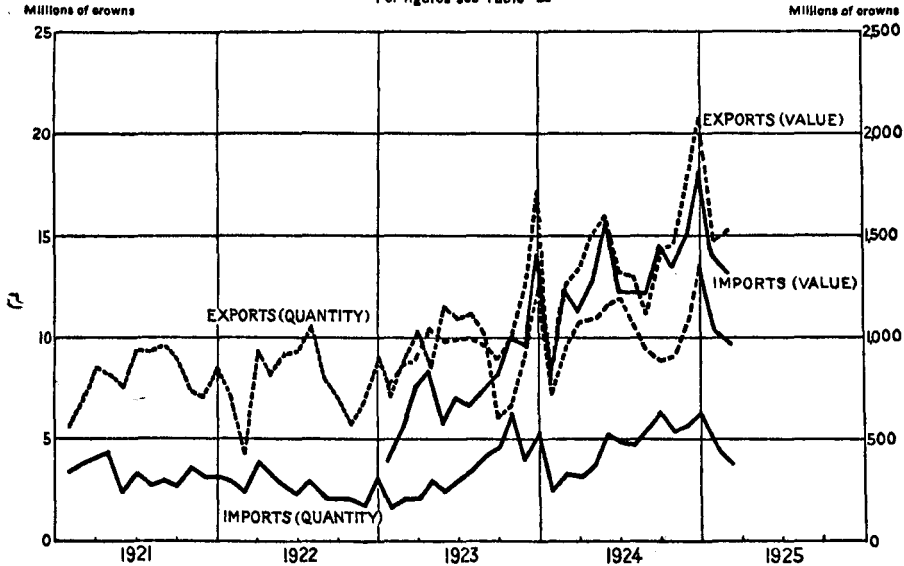


Chart 15 shows the imports and exports of Czechoslovakia since the first of 1921. Prior to this date no figures are available. Only quantity figures are shown for 1921 and 1922 since value figures for this period have not been computed on a monthly basis. Quantity figures are unsatisfactory since they do not show the effects of price movements upon the balance of trade and since heavy articles have an unwarranted importance. Value figures are shown for 1923 and 1924. It will be noticed that since the latter part of 1923 the foreign trade on the basis of both value and quantity has shown considerable increase.

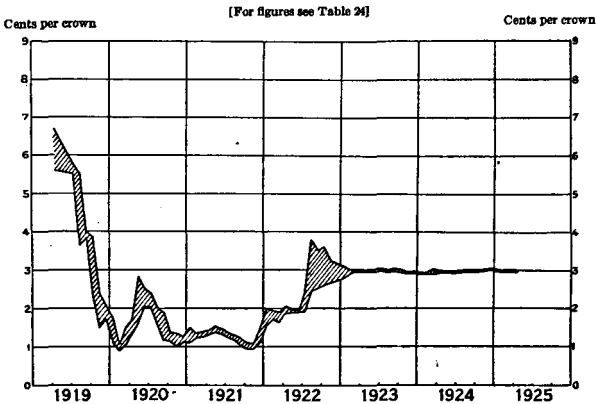
IV. EXCHANGE RATES AND PURCHASING POWER PARITIES

The course of exchange rates during the brief period of Czechoslovakia's history exhibits some interesting movements. In spite of the rigid policy against further inflation, and the currency measures undertaken early in 1919 when the circulation was reduced, the Czechoslovak crown continued to depreciate during 1919 and the early part of 1920. Although nominally worth a little over 20 cents (20.26), according to its pre-war gold value, the crown fell precipitously during 1919, and was worth a little less than 1 cent for a time early in 1920, as can be seen in chart 16. A sharp reaction took place in the spring of 1920 when the crown more than doubled in value in two or three months' time, and in May was worth over 2½ cents. However, by the end of the year the crown had fallen again, and was down to a little over 1 cent in value.

CHART 16

CZECHOSLOVAKIA—EXCHANGE RATES, HIGH AND LOW, MONTHLY, 1919-1925

[New York on Prague; July, 1919-June, 1921, sight drafts; July, 1921-1925, noon buying rates for cable transfers]



On the foreign exchange markets the Czechoslovak crown was worth practically the same as the German mark, and for some time the two currencies moved almost in unison.* This parallel movement continued until the latter part of 1921, when the reparations situation,

* Compare the accompanying chart (16) with that showing exchange rates for the mark. (Vol. I, Chart 37, p. 413.)

inflation, and disturbed conditions in Germany had a very depressing influence on the mark. The mark then went downward while the crown went upward. The close uniformity in the movements of the two currencies is very striking, and was due largely to intimate trade relations between Czechoslovakia and Germany and to psychological factors. Many people looked upon the two units as of equal worth on account of the close economic relationship between the countries, not distinguishing the difference in the currency situation. Germany is the chief source of Czechoslovak imports, and next to Austria receives more Czechoslovak exports than any other country. The two countries were looked upon more or less as an economic unit. The countries were so closely related that forces which influenced mark exchange also influenced crown exchange.

In the fall of 1921 the crown was depressed as a result of the return to Hungary of the former Emperor Charles. This led the Little Entente, Czechoslovakia, Rumania, and Yugoslavia, to mobilize against Hungary. As the crisis passed, exchange rates improved and soon had much more than recovered the ground lost.

During 1922 the crown experienced a marked appreciation, rising from about 1 cent late in 1921 to over $3\frac{1}{2}$ cents in the summer and fall of 1922. Several factors account for this appreciation, among which were the decreased currency circulation and low internal prices, so that the domestic purchasing power of the crown was much greater than it had been. Furthermore, the metallic reserves were built up during 1922 so that there was greater confidence in the currency system. This affected the value by creating a greater demand for the currency. Another factor in the rise in the value of the crown was the increased excess of exports from Czechoslovakia in 1922. Exports declined in 1922 but not to the extent that did imports, so that the excess of exports was greater in 1922 than in previous years.

The condition of the Government's finances improved during 1922, reacting favorably upon exchange rates. Revenues in 1922 were greater than during the preceding years and the general position of the Government was becoming stronger. The internal debt of the Government was reduced during 1922 from about 10,000,000,000 crowns at the end of 1921 to a little under 7,000,000,000 crowns at the end of 1922. The improvement of the Government's finances strengthened the Government's credit and loans were floated successfully in New York, London, and Amsterdam.

Perhaps the most important cause of the appreciation of the crown was, as already mentioned, an increase in the internal value of the crown. As can be seen in Charts 13 and 14 above, the circulation contracted considerably during the first part of 1922, and at the same time the price level fell very sharply. In January, 1922, the price index was nearly 1,700 (July, 1914=100), while for December, 1922, the index was 1,000. An increased external value of the crown was thus to a large extent merely a reflection of an increased internal value. Since the first of 1923 exchange rates, prices, and the amount of circulation have remained relatively stable.

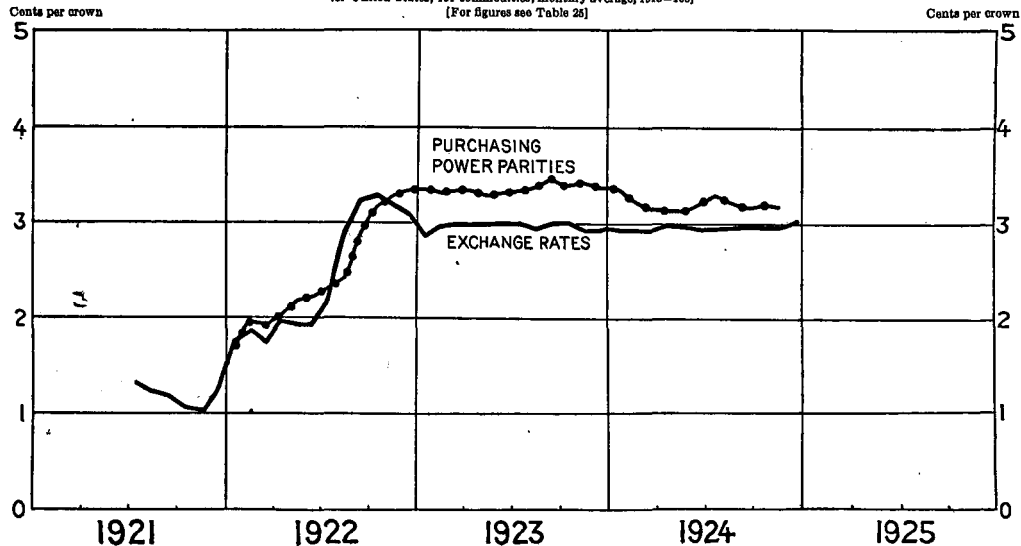
The relation between exchange rates and the internal price level is shown graphically by curves for purchasing power parities and for exchange rates. Chart 17 shows the value of the crown in terms of

CHART 17

CZECHOSLOVAKIA—PURCHASING POWER PARITIES AND EXCHANGE RATES, MONTHLY, 1921-1924

[Based on index numbers of Central Bureau of Statistics for Czechoslovakia, 126 commodities, beginning month, of July, 1914=100; and on Federal Reserve Board index numbers for United States, 104 commodities, monthly average, 1913=100]

[For figures see Table 25]



dollars on the basis of the relationship between the purchasing power of the crown and of the dollar. It will be noticed that the parities of the two units on the basis of purchasing power correspond fairly closely to current exchange rates. The value of the crown on the basis of purchasing power parities increased from a little over 1½ cents at the first of 1922 to nearly 3½ in the latter part of the year. This alone accounts to a very large degree for the rise in exchange rates. Exchange rates reached their high point in the fall of 1922 when they were in the neighborhood of 3½ cents to the crown. The purchasing power parities continued around this point during all of 1923, and declined somewhat in the first part of 1924. The tendency recently has been for the two curves to come closer together, which is as would be expected under normal conditions.

Exchange rates declined rather abruptly in the last few weeks of 1922 and the first part of 1923 from the high points of a short time previously. However, since the early part of 1923, exchange rates have remained fairly constant at about 3 cents, as a result of efforts toward stabilization on the part of the Government. The banking office buys and sells bills, and as can be seen in Chart 16, has been very successful in maintaining exchange rates stable since early 1923. In doing this, however, it has had to dispose of a large part of its foreign exchange holdings, as shown in Chart 13. In the latter part of 1923 and the first part of 1924 exchange rates tended to decline. The foreign exchange holdings of the banking office declined as follows:

Czechoslovakia—Foreign exchange holdings (end of month)

	Crowns
1923, September.....	2, 433, 067, 000
December.....	1, 236, 280, 000
1924, March.....	661, 669, 000
June.....	674, 283, 000
December.....	736, 952, 000
1925, April.....	566, 109, 000

Since the middle of 1924 the foreign exchange holdings have shown no great change, and the banking office has found it easier to maintain the value of the crown. In fact, plans have been made to stabilize permanently at the present level of about 3 cents to the crown.

V. STABILIZATION AND REFORM

Czechoslovakia is unique in that it is one of the few countries of Europe which did not inflate its currency in response to Government needs for revenue, but, on the contrary, brought about a sudden contraction in the circulation in 1919. Expansion soon took place in response to business needs, but did not lead to depreciation of the crown. In 1922 the crown tripled in value from its low point, going to over 3½ cents, and since the first of 1923 has remained relatively stable at about 3 cents.

In the brief period of Czechoslovakia's independent existence the country has made a satisfactory record, and although conditions have been disturbed, prosperity is now increasing.

About three-fourths of the industries of the former Austro-Hungarian Monarchy were located in Czechoslovakia and as a result the country industrially is in a strong position. The sugar, glass, textile, and other industries are important in Czechoslovakia, and the country has a considerable amount of iron and coal deposits; also extensive forests. The agricultural production is large but the country nevertheless has to import foodstuffs. Banking and commerce are well developed. The banking office has 31 branches scattered throughout the Republic. Foreign banks are also active in Czechoslovakia, so that with the country's varied resources and industrial equipment, the basis exists for an economically strong and prosperous country.

Severe depression and unemployment existed in Czechoslovakia for several years, but at the present time conditions are much improved. The progress of Czechoslovakia was interfered with by the disturbed conditions surrounding the country, and goods from Czechoslovak industries had to compete with foreign goods, low in price on account of depreciated currencies in these countries. On the other hand, when conditions in neighboring countries became extremely disturbed, as during the currency collapse in Germany, Czechoslovakia was able to supply goods both at home and abroad which formerly had been bought in Germany, for example. This situation was only temporary and what benefits there may have been to Czechoslovakia from the currency collapses in Germany and other countries were more than offset by various disadvantages.

The condition of the Government's finances has been improving continually, and the deficits in the budget have been reduced from the large amounts in 1919 and 1920. Revenues and expenditures have increased greatly, but revenues have increased more rapidly than expenditures so that the deficits have become less. The budget does not yet balance and Czechoslovakia must follow a policy of strict economy until equilibrium is attained. During the period following the obtaining of independence, the country was confronted with various abnormal expenses, expenses which had to do with the organization of the Government and the establishment of new offices,

military requirements, repatriation of legionaries, unemployment, food subsidies, and rehabilitation of the properties of the railways and other State enterprises which had been allowed to deteriorate during the war. The burden of most of these abnormal expenses is now reduced so that the Government is getting in a stronger position financially. The following table shows the revenues and expenditures since 1919:

Czechoslovakia—Receipts and expenditures, 1919–1925

(Exclusive of expenditures for capital improvements covered by loans)

[Source: Documents of the International Financial Conference, Brussels, 1920, and United States Department of Commerce. Millions of crowns]

	1919		1920		1922		1923	
	Estimated	Actual	Estimated	Actual	Estimated	Actual	Estimated	Actual
Revenue:								
Ordinary.....	2,614		7,950		15,923		17,291	
Extraordinary.....	1,096		2,477		1,376		1,693	
Total.....	3,710		10,427	13,455	17,299	21,894	18,984	17,733
Expenditure:								
Ordinary.....	2,610		7,175		10,672		13,289	
Extraordinary.....	6,005		8,103		7,354		6,524	
Total.....	8,615	7,450	15,278	13,631	18,026	18,558	19,813	18,663
Deficit.....	4,905		4,851	476	737		929	1,930
Surplus.....						3,336		

	1923		1924		1925	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Revenue:						
Ordinary.....	17,961		15,987			
Extraordinary.....	851		404			
Total.....	18,812	15,664	16,391		15,702	
Expenditure:						
Ordinary.....	13,605		12,290			
Extraordinary.....	5,773		4,708			
Total.....	19,378	16,540	16,998		15,974	
Deficit.....	565	1,876	603		372	
Surplus.....						

¹ Provisional.

The deficits shown in the above table do not include expenditures for capital improvements, which have been met by loans. Although such expenditures increase the actual deficit, their exclusion is legitimate in so far as the undertakings are profit-yielding investments. The following are the sums which the Minister of Finance was authorized to spend for "Capital investments." He was authorized to negotiate loans to cover these amounts. These are estimates in the budgets, and in 1921 (the only year for which final figures are available) actual expenditures for capital purposes were

only 1,775,000,000 crowns as compared with the estimate of 3,173,000,000 crowns.

	Crowns
1921.....	3, 173, 000, 000
1922.....	3, 263, 000, 000
1923.....	2, 999, 000, 000
1924.....	2, 229, 000, 000
1925.....	1, 319, 000, 000

The total debt of Czechoslovakia at the present time is undetermined but is probably about 40,000,000,000 Czechoslovak crowns.¹ According to the peace treaties² the pre-war debt of Austria-Hungary was to be apportioned among the succession states by the Reparation Commission. The exact amount of Czechoslovakia's share of this debt has not been determined. From the total are to be offset amounts representing the value of Austrian property, railways, etc., acquired by Czechoslovakia. In addition, Czechoslovakia was charged with a so-called liberation payment of 750,000,000 gold francs. Czechoslovakia hopes to have some adjustment made of these debts when the matter comes up again for discussion.

In addition to these obligations resulting from the country's former relations with Austria-Hungary, Czechoslovakia has borrowed at home and abroad, especially in the United States, Great Britain, France, and Italy. In the 1925 budget an amount of a little over 2,000,000,000 crowns is provided for service of the Government's debt. This is a slight increase over the amount in the 1924 budget. On the basis of the 1925 budget estimates the service of the national debt represents about 14 per cent of the total expenditures.

The debt of Czechoslovakia to the United States Government on November 15, 1924, amounted to \$115,528,440, of which \$23,648,769 was interest accrued. The 1925 budget, like that of 1924, does not provide for payments of interest or principal to the United States on this debt. The 1923 budget included an item for payments to the United States, but no payments were made.

Czechoslovakia adopted the capital levy and the increment tax in the spring of 1920. The increment tax was a tax on the increase of wealth of individuals as determined by the difference between the wealth before the war and in March, 1919. The rate progressed from 5 per cent on increments of 10,000 crowns to 40 per cent on increments in excess of 10,000,000 crowns. The capital levy was assessed on the basis of property held on March 1, 1919, valued in excess of 10,000 crowns. The tax was made progressive from 1 per cent to 30 per cent (30 per cent on property valued at more than 10,000,000 crowns). The capital levy and increment tax were made payable in the certificates of deposit, among other things, which were issued in return for bank notes retained by the Government at the time of the stamping of the Austro-Hungarian bank notes. The capital levy had yielded up to the 1st of February, 1925, a total of 10,814,940,000 crowns, as shown by the following figures.

¹ According to an estimate of a Czechoslovak delegate at the Brussels conference in 1920 the total debt at that time amounted to 35,000,000,000 crowns.

² Cf. art. 203 of the treaty of St. Germain and articles 182 and 186 of the treaty of Trianon.

Czechoslovakia—Net proceeds of the capital levy

[Source: Banking office of the ministry of finance. Czechoslovak crowns]

Receipts during year ending Jan. 31:

1921.....	205, 493, 000
1922.....	861, 667, 000
1923.....	2, 156, 955, 000
1924.....	3, 463, 378, 000
1925.....	4, 128, 447, 000

The Government of Czechoslovakia has not been financing itself by inflation, as have most of the other countries of Europe, and although the currency is Government paper money, the currency system has not been made subservient to the Government's needs, so that the condition of the Government's finances has not been as great a factor in the currency situation in Czechoslovakia as in some other countries. Nevertheless, the Government must eventually bring its budget into balance, and pay off part of its large debt, since unhealthy conditions in the Government's finances do not provide a good background for currency and banking stability.

The banking office of the ministry of finance, which Czechoslovakia established early in 1919, was looked upon as a temporary institution which was to pass out of existence when a national bank of issue more independent of the Government could later be founded. In March, 1925, a bill was submitted to Parliament regarding the establishment of such a private bank. The proposed bank would have a capital of \$12,000,000, of which one-third would be subscribed by the State and two-thirds by domestic subscribers. The Government would secure funds to subscribe for its share of the capital out of funds provided by the liquidation of the Austro-Hungarian Bank, and out of the reserve holdings of the present banking office, substituting Government securities in place of the reserve. The amount of reserve removed would be turned over to the new bank so that there would really be no dissipation of reserves. Inasmuch as the banking office is to be taken over by the new bank, this method amounts to the Government subscribing to the capital in its own securities.

The administration of the bank is to be vested in a governor, appointed by the President of the Republic, and a board of directors of 9 or 10 members. Of these members, three are to be named by the president and six by the stockholders in their general meeting. In this general meeting the Government has only one vote for its entire stock, while each stockholder has one vote for every 10 shares. The tenth member of the board of directors is chosen by the board itself in agreement with the governor.

In the proposed measure the Czechoslovak crown is definitely established as the lawful currency unit. The bank is directed to maintain the crown stable in value, i. e., within the limits of 2.9 cents to 3.03 cents to the crown, which represents the fluctuations of the crown during the last two years. The crown will thus be given a relatively fixed relation to stable currencies.

The reserve provisions for the circulation of the projected bank are similar to those of the present Austrian and Hungarian national banks. The reserve may consist of both metal and net holdings of foreign exchange, i. e., the excess amount in foreign credit, bills, etc., held over like amounts owed abroad by the bank. At the outset

the reserve is to amount to 20 per cent of the notes in actual circulation, excluding the existing uncovered notes amounting to about 5,500,000,000 crowns, plus all other demand liabilities. Each successive year this reserve of 20 per cent is to be increased by 1 per cent, so that at the beginning of the sixteenth year a reserve of 35 per cent will have to be maintained.

In order that the bank may have the necessary means of maintaining the stability of the currency, the Government is authorized to negotiate a foreign loan to a maximum amount of \$50,000,000. The proceeds of this loan would be turned over to the bank, which is to maintain the funds separate from other funds of the bank. The withdrawal of the present circulation is provided for through the payment of the existing notes in purchase of foreign exchange and when so paid in the notes are to be retired.

The following figures show the condition of the banking office of the ministry of finance on March 7, 1925. The new bank would take over the present banking office.

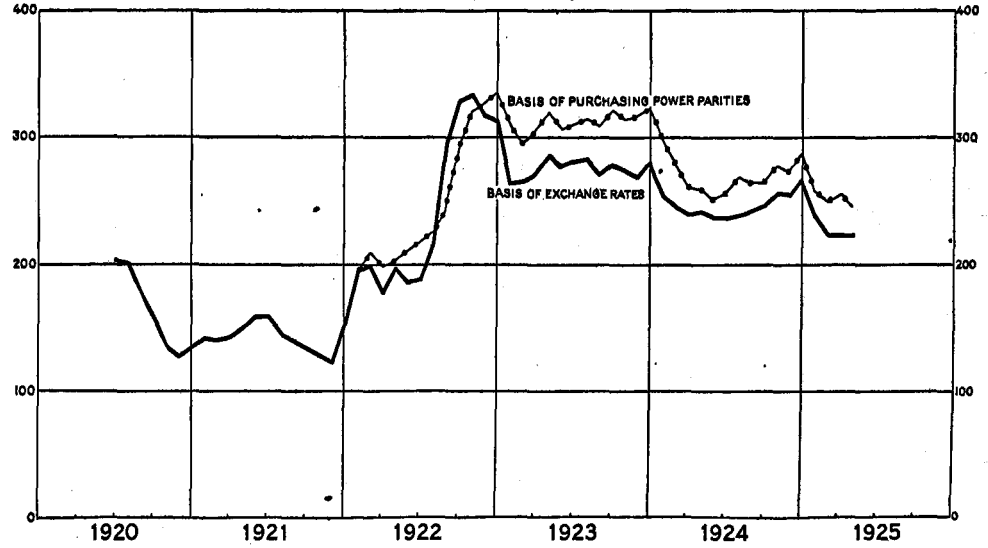
Czechoslovakia—Banking office of ministry of finance, condition March 7, 1925

Assets:	Czechoslovak crowns
Gold reserve.....	1, 028, 821, 000
Balances abroad and foreign currency.....	567, 922, 000
Bills discounted.....	957, 872, 000
Securities discounted.....	102, 845, 000
Advances on collateral.....	538, 886, 000
Uncovered state notes debt balance.....	5, 524, 283, 000
Sundry assets.....	293, 586, 000
	<u>9, 014, 215, 000</u>
Liabilities:	
State notes in circulation.....	7, 464, 455, 000
Check account balances.....	682, 902, 000
Short-term cash vouchers.....	6, 519, 000
Sundry liabilities.....	860, 339, 000
	<u>9, 014, 215, 000</u>

Chart 18 shows the gold value of the total note circulation of Czechoslovakia computed according to the value of the crown expressed in exchange rates, and according to that expressed in purchasing power parities. It will be noticed that on both bases the total gold value rose very greatly during 1922, and in 1923 was about double what it was in 1921. The cause of this rise in the gold value of the total currency was the sudden appreciation of the value of the crown, without a corresponding contraction in the total note circulation. The crown more than doubled in value, while the note circulation declined by not more than 15 or 20 per cent. Accompanying the increase in the value of the crown was a decrease in the velocity of circulation as confidence in the currency increased.

Normally an increase in the volume of note circulation tends to be accompanied by a decrease in the value of the unit, and vice versa, so that the total value of the circulation tends to remain fairly constant. In the case of Czechoslovakia, conditions have been so disturbed that no regularity in the total value of the circulation exists. The low value of the crown in 1921 was not due to large issues of paper money, but appears to have been due to disturbed

CHART 18
CZECHOSLOVAKIA—GOLD VALUE OF TOTAL NOTE CIRCULATION ON BASIS OF EXCHANGE RATES AND ON BASIS OF PURCHASING POWER PARITIES, MONTHLY, 1920-1925
[For figures see Table 26]



political and economic conditions, during which time production was curtailed and there was a rapid turnover of money. Changes in the rate of turnover tend to cause fluctuations in the value of the unit and thus of the total circulation. In 1922 the crown separated from the mark, and as the demand for the crown increased, its value rose, and thus the value of the total circulation also rose.

The curves in Chart 18 showing the gold value of the circulation, assist in determining what might be considered a normal value for the crown in view of the amount of circulation outstanding. The problem is, with a circulation of 10,000,000,000 crowns for example, what would be the average value of the crown under normal circumstances? This can be approximated if the point around which the total value of the circulation would fluctuate in normal times, can be determined. If this total value, obtained by inspection, is divided by the amount of currency units outstanding, a value for the unit will be arrived at which will be close to what would be the average value of the unit in normal times, assuming that the amount of circulation remains about the same as at present.

The assumption in this computation is that the curves would remain fairly constant in normal times, perhaps tending slightly upward as business expanded in a growing country. This assumption is borne out by the facts, although difficulties exist which limit the usefulness of this method of determining the value of the unit. The principal difficulty is that where checks are used widely they serve the same purpose as money, and therefore deposit credits should be included in the calculations. The inclusion of deposits complicates the computations, but since the relation between deposits and currency in circulation is fairly constant, this omission is not as serious as it might otherwise be.

Conditions in Czechoslovakia have been so extremely disturbed and the curves have moved so erratically that what may be considered a normal total value of the circulation can not be accurately determined. Furthermore, as conditions return to normal and the gold standard is adopted, the velocity of circulation may decline; also hoarding of paper money would take place to some extent. Increased business activity would create a greater demand for money. These factors would tend to raise the value of the crown. In view of this, the present gold value of the total circulation may be too low, compared to what it will be as conditions become more settled.

Using the figures of Czechoslovakia shown in the chart, the total value of the circulation in 1923 and 1924 appeared to fluctuate on the average at about \$275,000,000 or \$280,000,000. The circulation outstanding during 1923 and 1924 averaged about 9,000,000,000 crowns. This would give a value to the crown of about 3 cents, which is close to that expressed in current exchange rates and in purchasing power parities. The indications thus are that the value selected by Czechoslovakia of about 3 cents is an appropriate level at which to stabilize the crown.

Since the first part of 1923 exchange rates on New York have been kept stable at close to 3 cents to the crown. The former gold par value of the crown was 20.26 cents, but Czechoslovakia has discarded this value in making plans for currency reform. In accepting the present level for stabilization Czechoslovakia has set a good example

for other European countries. Devaluation is perhaps easier for Czechoslovakia than some other countries, since the country has no sentimental tie to the old Austrian crown, but on the contrary is glad to get away from it.

The present crown, worth about 3 cents, is a rather small currency unit, and Czechoslovakia may eventually find it desirable to adopt a larger unit equal to 10 or more of the present crowns. Such a reform should ultimately be made, and when it is undertaken a unit should be selected which harmonizes well with some of the leading existing units. Before the war there were too many different units in Europe and the permanent introduction of a new unit worth 3 cents should be avoided.

Czechoslovakia hopes eventually to have the gold standard and is making plans in that direction. Such a step is very desirable and would contribute to the economic recovery and prosperity of the country. The gold standard would facilitate foreign trade, especially with countries which have the gold standard. A healthy export trade is essential to Czechoslovakia since the country has a larger industrial capacity than is necessary for home consumption and must dispose of her products in foreign markets. The import trade is also of importance since the country depends upon outside sources for many articles. The introduction of the complete gold standard would give greater assurance regarding the stability of the crown than can exist under methods of artificial control.

DENMARK¹

I. PRE-WAR CURRENCY

Before the war Denmark was on the gold standard. The standard monetary unit was the krone, containing 0.44803 of a gram of gold 0.900 fine, and worth 26.798456 cents. In practice, gold was usually taken to the National Bank of Denmark, which was required to buy it at the rate of 2,480 kroner per kilogram of fine gold, less one-fourth per cent for cost of minting (i. e., at the rate of 1 krone for 0.44691 of a gram of gold 0.900 fine). Practically no gold coin was in actual circulation. The currency circulating consisted of notes of the national bank (which were in denominations as low as 5 kroner²) and about twenty-five millions of silver and small coin. Silver was coined in denominations of 2, 1, 0.25 and 0.10 krone.

Denmark was a member of the Scandinavian Monetary Union. According to the treaties of 1873 and 1875, the gold and silver coins of any one of the three Scandinavian countries were lawful money in all of them. In practice the bank notes of the Scandinavian central banks were also accepted at par in all three countries. The three central banks held balances for one another and sold drafts against those balances usually at par. In this way they kept exchange rates between any two of the Scandinavian countries usually at par. The National Bank of Denmark also kept an account with the German Imperial Bank.

The National Bank of Denmark (Nationalbanken i København) is the central bank of issue and maintains general control over Danish credit. It has enjoyed the monopoly of issue since 1818. It is a joint-stock bank with its shares privately owned, but of its five managing directors two are appointed by the Government, and in practice the Government exerts considerable influence over the bank's policy.

The national bank holds deposits for the other banks, rediscounts for the other banks, and acts as fiscal agent for the Government. In general its functions are those usually performed by central banks. As is the case with most of the European central banks, the National Bank of Denmark also does business with private individuals and firms.

The notes of the national bank were redeemable in gold on demand prior to August 2, 1914. The issue was unlimited, except that the bank had to maintain a cash reserve of 50 per cent against the notes outstanding and liquid assets equal to 125 per cent of the remainder. The reserve might consist of legally current coin, gold bullion, and noninterest-bearing balances with the central banks of Norway, Sweden, and Germany. However, it was provided that legal coin (gold and silver) must equal not less than 60 per cent of the note

¹ Prepared by Mr. Elmer Wood.

² By an act of Aug. 15, 1914, the national bank was authorized to issue notes of 1 and 2 kroner denominations, and did issue notes of 1 krone denomination.

reserve.* However, in case of emergency, such as in the autumn of 1907, reserve requirements could be suspended by an order in council, in which case a special tax had to be paid to the Government.

The bank controls the supply of credit available to the business community by regulating the amount of trade paper and Government bills that it buys. The Danish private banks hold most of their reserves in the form of deposit credits at the national bank, and also in national-bank notes. The central institution, by regulating the amount of its advances to the private banks, can affect the reserves of these banks, and so affect the amount of their advances.

The gold reserve of the country was mostly in the hands of the national bank. The principal demand for gold was for export when the exchanges became "unfavorable"; so the bank had to regulate credit in such a manner that the exchanges would remain usually within the gold points. It might meet extra demands for exchange by drawing against its foreign balances and selling some of its assets payable in foreign currency. But any heavy and sustained demand for foreign exchange could be met only by tightening credit.

* An act of Aug. 30, 1919, changed the legal reserve from 50 to 33 $\frac{1}{4}$ per cent. Of the total amount not less than 12 $\frac{1}{2}$ per cent must consist of legal coin and not less than 30 per cent must consist of gold coin and bullion.

II. CURRENCY, CREDIT, AND PRICE MOVEMENTS, 1914-1925

Immediately after the outbreak of the war, both wholesale and retail prices in Denmark began to rise. The average of wholesale prices in 1915 was 38 per cent higher than the average for 1914. When there is a sudden shortage of important commodities and an increase in purchasing power, as was the case in Denmark, there is a tendency for the average of prices to rise.

The increase in media of payment in Denmark in 1914 and 1915 was primarily in note circulation, although there was also some growth of deposits. The discount rate of the National Bank of Denmark was raised from 5 to 6 per cent on August 1, 1914, and to 7 per cent August 4; it was then lowered to 6 per cent August 11, and remained there for the rest of 1914. But that pressure on the money market was not sufficient to prevent expansion, and thus keep the average of prices from rising. The note circulation increased from 156,000,000 kroner at the end of July, 1914, to 224,000,000 kroner at the end of October. After this time there was a considerable decline. This early increase in note circulation was due in part to the fact that on account of the general business uncertainty people held larger amounts of cash than usual in proportion to their money outlays. To the extent that the money was held and not expended, it was not a factor in the rise of prices.

There was also an increase of loans and discounts at the national bank. Loans against stock-exchange securities increased from 10,600,000 at the end of July to 17,300,000 at the end of October,¹ but declined to 13,000,000 at the end of January, 1915. Domestic bills discounted increased from 57,900,000 at the end of July to 80,500,000 at the end of October, but declined to 47,900,000 at the end of January, 1915.

During this early period of the war exchange rates on London, Paris, New York, and Hamburg (until October, 1914), were above the gold export point as credits in these centers were called home. Curiously enough, during part of this period, kroner were quoted at a premium in New York at the same time that dollars were quoted at a premium in Copenhagen. Ordinarily, under such circumstances as existed in 1914, drastic measures would have been taken to bring the exchange down to the gold point by a very high discount rate. But the circumstances of the war were considered so unusual that no such action was taken. Instead, the convertibility of the notes of the national bank was suspended (August 2, 1914) and an embargo was placed on the exportation of gold (August 6, 1914).

During the first few months of the war the disturbed conditions brought on a business depression in Denmark. Raw materials could

¹ During the same period there was a heavy decline in the value of stock-exchange securities.

not be obtained in sufficient amounts, and there was considerable unemployment. But the depression did not last long. In the early part of 1915 an agreement was reached with the British Government with regard to the importation into Denmark of raw materials and their ultimate destination. As the war continued there was a strong demand for Danish manufactures and agricultural products, both at home and abroad. Business confidence was high, and so there was a strong demand for credit. The discount rate of the national bank remained at 5 per cent from July 10, 1915, to January 3, 1919, which was inadequate under the circumstances to prevent inflation. This rate was not a high one in Denmark, since the rate had not been below 5 per cent since 1911.

Exchange rates on other countries did not long remain above par, and soon went below par.² Gold began to be imported; but only in such amounts, of course, as the various governments (except the United States) saw fit to send. By 1916 gold was being imported in large amounts. The national bank did not want to take so much gold, and so asked to be relieved of the obligation to buy gold at the old legal rate. The bank was relieved of this obligation April 17, 1916; and the free coinage of gold at the mint was suspended May 1, 1916. Although the bank was relieved of the obligation of buying gold at the legal rate, nevertheless the bank's gold reserve continued to increase.

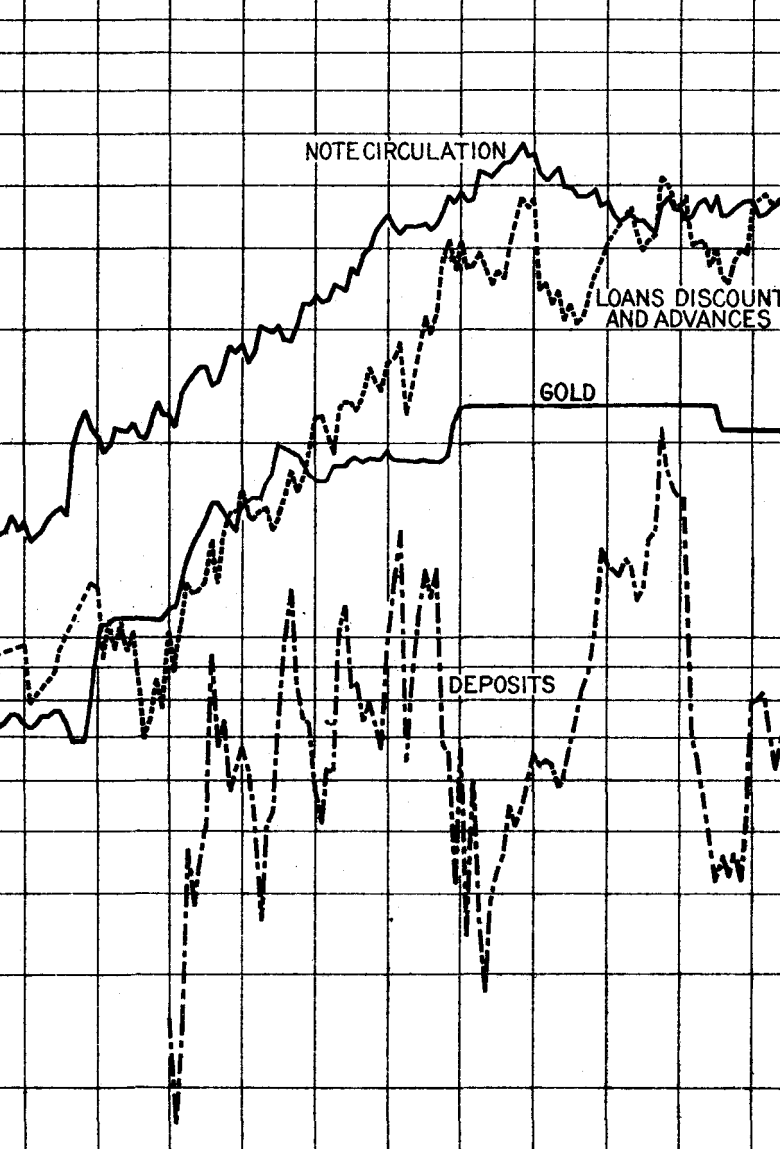
The gold reserve grew from 144,000,000 kroner in May, 1916, to 227,000,000 kroner in May, 1920. The purchase of gold was a factor tending to increase the demand liabilities of the bank, and increased the reserve basis for the extension of credit by the private banks. (The reserves of the private banks consist of deposit credits with the national bank, and of national-bank notes.) The bank might have diminished its earning assets in amounts equal to its purchases of gold, but such a diminution of its earning assets would have been difficult, and, in fact, did not occur.

The purchases of gold facilitated inflation, not only because bank currency was given in return for the gold purchased but also because an enlargement of the gold reserve appeared to sanction and make feasible the purchase of additional earning assets. The business community had become accustomed to look at the gold reserve ratio as an important index of the amount of credit that might safely be issued by the central institution. Since the ratio of the metallic reserve³ to note circulation continued well above the legal limit, going as high as 68 per cent in 1917, the credit position appeared to be very strong. Furthermore, the Danish krone was above par in practically all countries except Norway and Sweden, and there appeared to be little danger of the bank being faced with the alternative of losing part of its gold reserve and having to contract credit, or of having the notes of the bank depreciate in terms of gold.

The demand for foreign credits was very urgent, both at the Danish private banks and at the national bank. However, the supply of foreign bills increased as a result of larger exports, so that the foreign

² Exchange in Hamburg went below par in October, 1914; exchange on Paris, in May, 1915; exchange on London, in June, 1915; exchange on New York, in November, 1915.

³ The metallic reserve consisted almost entirely of gold.



assets of the bank increased during the war. After 1918 these assets diminished. In December, 1924, the bank's foreign balances show an increase from 25,500,000 to 42,800,000 kroner, as the result of loan operations in the London and New York markets. During March of 1925 these balances show an increase from 23,600,000 to 34,900,000 kroner. The amount of the foreign assets of the national bank, by years, is shown in the following table:

Denmark—Foreign assets of the national bank

[Source: Annual reports of the National Bank of Denmark. Millions of kroner]

End of July	Balances with central banks of Norway, Sweden, and Germany	Other balances abroad	Foreign bills	Foreign securities	Total
1914	1.9	14.1	7.5	8.1	27.8
1915	4.8	37.6	1.1	9.0	42.9
1916	5.7	69.9	11.0	8.9	74.1
1917	1.8	41.8	10.1	8.6	68.7
1918	.1	64.0	10.1	4.0	78.2
1919	27.5	43.7	7.5	4.8	83.0
1920	27.5	36.8	.7	4.1	69.4
1921	33.1	18.7	1.8	4.0	57.6
1922	2.5	25.9	2.9	3.8	35.1
1923	1.8	22.7	1.7	.2	26.2
1924	5.5	15.9	1.1	.2	21.7
1925 ¹	6.3	34.9	.6	.2	42.0

¹ Net debits.² Mar. 31.

Developments in the condition of the National Bank of Denmark from 1913 to the present can be seen clearly from the accompanying chart (No. 19). It will be noticed that until the latter part of 1920 the circulation moved continually upward. The amount of loans, discounts, and advances also increased at about the same rate during this period. Deposits show an erratic movement, sudden increases followed by large decreases, although the tendency was upward. The gold holdings of the bank continued to increase until the first of 1920, reaching at this time about 227,000,000 kroner, as compared with about seventy-two or seventy-three million prior to the war. Since the first of 1920 the gold reserve has remained practically constant, with the exception of a loss of about 20,000,000 kroner in July, 1923, when gold was sent to the United States to support exchange rates.

Government financing contributed to the inflation in Denmark during and after the war, since large amounts of government paper found their way into the bank's assets and served as security for deposits and notes in circulation. The Danish treasury keeps an account at the national bank. This account may have either a debit or a credit balance. The condition of this account at the end of July for recent years is shown in the following table:

Denmark—Account of the Danish State Treasury with the National Bank of Denmark ¹

[Source: Annual reports of the National Bank of Denmark. Thousands of kroner]

End of July	Debit balance or overdraft	Credit balance	End of July	Debit balance or overdraft	Credit balance
1915.....	20,200		1921.....	60,661	
1916.....	16,068		1922.....		26,296
1917.....	2,225		1923.....		3,435
1918.....	43,628		1924.....	24,745	
1919.....	81,986		1925 ²		3,289
1920.....	75,573				

¹ This item is shown among the bank's "miscellaneous debits" and "miscellaneous credits."² Approximate.³ Mar. 31.

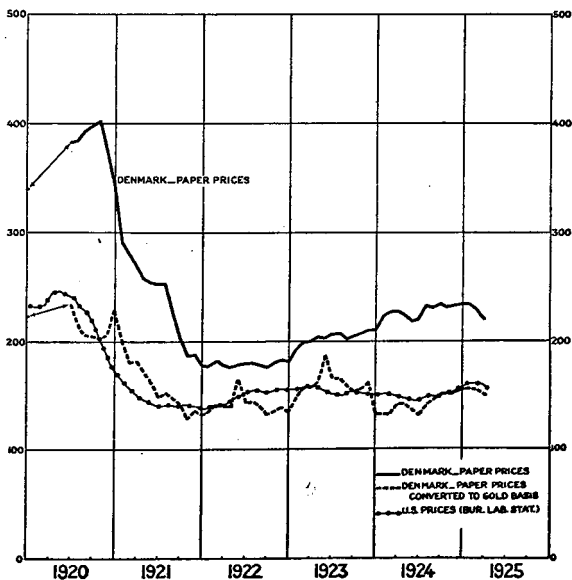
The bank rate was raised to 6 per cent on October 7, 1919. This rate, however, did not seem to check borrowing materially, and thus did not keep prices from moving upward. The *Finanstidende* index number of wholesale prices for 1919 was 294. In 1920 it rose to

CHART 20

DENMARK—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1920-1925

[*Finanstidende* index numbers, 33 commodities, beginning of month, July, 1912=100; United States Bureau of Labor Statistics index 404 commodities, monthly average, 1913=100]

Per cent [For figures see Table 31] Per cent



382, reaching a maximum of 403 in November. The bank rate was raised to 7 per cent April 17, 1920. Even this rate seems to have been inadequate to stop inflation. So long as prices were rising at a rapid rate, and profits were high, business men could easily afford to pay 7 per cent for loans. But as soon as the tide of business prosperity had turned, and there appeared to be no longer any profit from the mere holding of goods—rather indeed a loss—a rate of 7 per cent became a burden. Liquidation was therefore rapid. It will be noticed in the above chart that loans and discounts and note circulation declined considerably in 1921.

The index number of wholesale prices fell from 403 in November, 1920 to 186 in November, 1921, a decline of 54 per cent. As Denmark is so largely dependent upon agriculture, and as the prices of farm products fall more than the average, it is not surprising that business confidence in Denmark should have been undermined.

Average wholesale prices in Denmark remained very steady throughout 1922. But beginning in 1923 there was a considerable rise. This upward tendency has continued to the present time, although since the latter part of 1924 more stability has been shown. The accompanying chart (No. 20) shows the course of prices in Denmark from 1920 to the present.

III. FOREIGN TRADE

The foreign trade of Denmark has experienced considerable expansion since the war. During the war disturbed transportation and other conditions interfered with the country's trade, but in 1919 and 1920-imports and exports were both large. A reaction took place in 1921 but since then the foreign trade has shown a decided improvement, more in fact than in almost any other European country.

The principal exports of Denmark are food products, butter, bacon, eggs, and milk. The leading imports are iron and steel manufactures, and coal. The trade of Denmark, now as before the war, is largely with Great Britain, Germany, and the United States. The following tables show the principal articles entering into Denmark's foreign trade and also the percentages of the total trade with different countries.

Denmark—Imports and exports of principal articles, 1925

[Source: Danmarks Vareindførsel Og-Udførsel]

	Kroger.
Exports:	
Butter.....	504, 492, 000
Bacon.....	444, 670, 000
Eggs.....	126, 583, 000
Milk, condensed and powdered.....	34, 547, 000
Automobiles and parts.....	18, 054, 000
Imports:	
Iron and steel manufactures.....	136, 589, 000
Coal.....	126, 784, 000
Wood and manufactures of wood.....	109, 177, 000
Oleaginous seeds and nuts.....	108, 188, 000
Corn.....	71, 945, 000
Woolen piece goods.....	55, 363, 000
Cottonseed.....	49, 985, 000
Rye.....	45, 871, 000
Coffee and substitutes.....	38, 376, 000
Sugar.....	33, 720, 000

Denmark—Percentages of foreign trade with principal countries

[Source: League of Nations, foreign trade balances]

	1913	1920	1922		1913	1920	1922
IMPORTS				EXPORTS			
Great Britain.....	15.7	27.4	21.9	Great Britain.....	56.9	34.2	50.5
Germany.....	38.3	16.4	30.7	Germany.....	24.8	18.6	7.9
United States.....	10.2	23.2	14.4	United States.....	1.1	4.6	1.3
France.....	2.5	2.0	2.0	France.....	.5	1.1	2.0
Sweden.....	8.3	5.8	6.7	Sweden.....	4.7	18.3	7.3
Norway.....	1.0	2.3	2.2	Norway.....	2.7	9.4	6.7

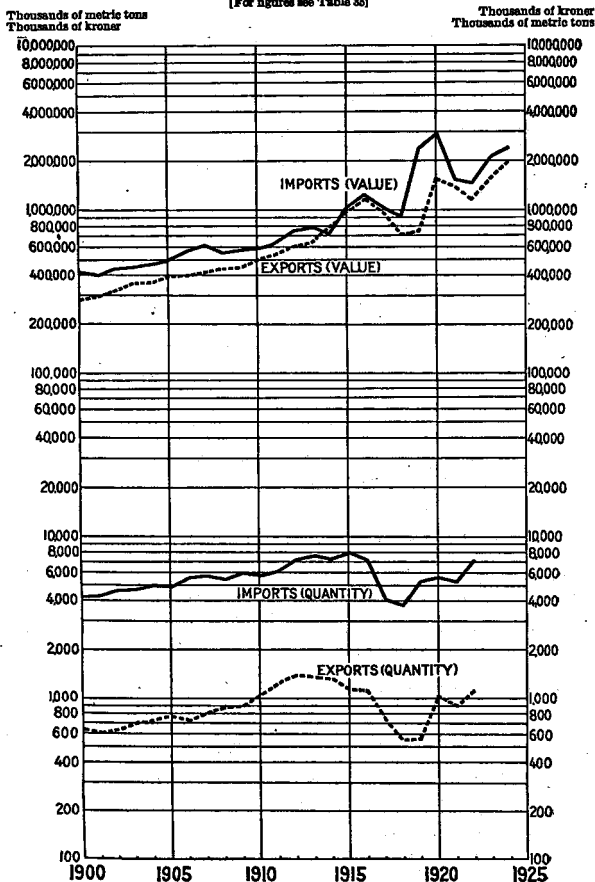
Before 1914 Denmark regularly had an excess of merchandise imports, as can be seen from the accompanying chart (No. 21), showing trade on the basis of both quantity and value since 1900. This pre-

CHART 21

DENMARK—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1900-1924

[Quantity and value special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

[For figures see Table 35]



war position of Denmark should be borne in mind when it is noted that in recent years there has been an "unfavorable" balance of trade, i. e., an excess of imports. Also, Denmark was a debtor to other countries (in the net) to the extent of about 800,000,000 kroner.¹⁴ Interest and profits on this money invested in Denmark had to be remitted abroad. These two important debit items—an excess of imports and interest due by Denmark—were offset largely by the credits on account of foreign freight receipts of Danish vessels and charges for handling goods transhipped in Danish ports.

Other items in the balance of international payments were of less importance. It does not appear that there were any large net capital movements in either direction during the years just prior to the war; although there may have been some seasonal movement. The following table gives the estimated amounts of foreign indebtedness for certain years.

Denmark—International balance of indebtedness (capital account)

[Source: Danish Statistical Yearbook. Millions of kroner]

End of year	Credit items			Debit items			Balance	
	Foreign securities in Danish hands	Credits extended to foreigners	Total credits	Danish securities held abroad	Floating debt held abroad	Total debits	Debit	Credit
1906.....	69	82	121	608	100	708	587	-----
1909.....	60	60	120	897	70	967	847	-----
1911.....	70	64	134	941	70	1,011	877	-----
1914.....	80	120	180	858	70	928	748	-----
1915.....	250	200	450	350	-----	350	-----	100
1920.....	100	800	900	800	900	1,700	800	-----
1921.....	75	800	875	835	565	1,400	825	-----
1922.....	65	315	380	945	535	1,480	1,100	-----
1923.....	125	450	575	1,125	675	1,800	1,225	-----
1924.....	135	635	770	1,190	855	2,045	1,275	-----

The excess of merchandise imports continued during the war, except for the one year 1914. For the years 1915, 1916, and 1917 the balance was considerably reduced as compared with 1913. This was due especially to greater exports. The reduction in debit items on account of a smaller excess of imports was coupled with an increase in credit items on account of greater foreign earnings of Danish shipping. Thus the balance of indebtedness declined in these years.

The gold reserve of the national bank increased from 91,400,000 kroner at the end of 1914 to 194,600,000 at the end of 1918. Since practically no gold had been circulating in Denmark, most of this increase came from abroad. Another factor helping to account for the reductions in indebtedness was the increase of foreign assets of Danish banks. The foreign assets of the national bank increased from 27,800,000 at the end of July, 1914, to 78,200,000 at the end of July, 1918. What data are available show there was a return of Danish securities on a large scale early in the war. This export of capital in one form or another doubtless continued through 1918.

The great increase in Danish foreign trade in 1919 and 1920 was one phase of the post-war business boom. It was due partly to the re-

¹⁴ The estimated amount was 877,000,000 kroner, end of 1911, and 748,000,000 kroner, end of 1914.

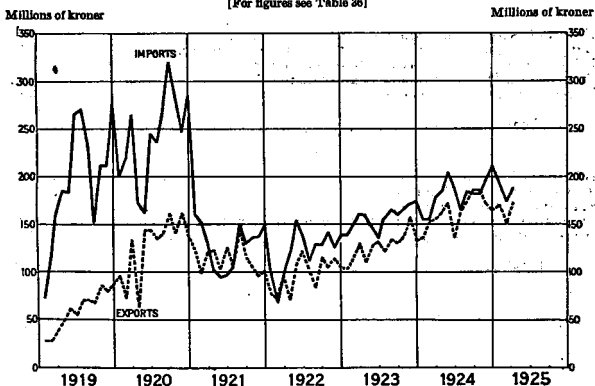
removal of trade restrictions. In both these years the values of imports, exports, and the excess of imports passed all records. This was to a large extent due to the inflation of prices. This fact is indicated in a general way by figures for quantities of imports and exports, wherein everything is reduced to tons. The reduction in quantities since the outbreak of the war is shown in Chart 21 above. The monthly imports and exports of Denmark (values) are shown in the accompanying chart (No. 22).

CHART 22

DENMARK—IMPORTS AND EXPORTS OF MERCHANDISE, MONTHLY, 1919-1925

[Value special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

[For figures see Table 26]



The excess of merchandise imports was large in 1919 and 1920, and for these years combined amounted to 3,000,000,000 kroner. This large excess had to be paid for, of course. The high ocean freight rates prevailing during this period swelled the item of foreign freight receipts of Danish shipping and thus helped to pay for the excess of imports. In addition, Denmark once more became a borrowing country. The city of Copenhagen floated a loan of \$15,000,000 in the United States in 1919 and the State floated a loan of \$25,000,000 in 1920. There was also liquidation of foreign assets that had been held by the Danish banks. Between July, 1918, and July, 1921, the balances abroad of the national bank declined by about 45,000,000 kroner, while its total foreign assets declined by over 20,000,000 kroner.

Another item helping to offset the large merchandise imports was the losses sustained by Danish holders of foreign exchange. No estimates of the actual amounts can be given, but they were probably considerable. For during 1919 and 1920 confidence in the exchanges that later collapsed had not been undermined and large quantities of foreign bills were bought up at what was thought to be bargain rates.

The excess of imports since 1920 has not been unusually large. In fact, after making allowance for the difference in wholesale prices, the average excess of imports has been even less than before the war. This shows that the present depreciation of the Danish krone is not due to the "unfavorable" balance of trade. Furthermore, the Government and municipalities of Denmark have received loans in the United States to the amount of \$100,000,000 since January, 1921, and loans in England to the amount of £4,700,000.

The following table gives an estimate of the items in Denmark's balance of international payments for 1922:

Denmark—Balance of payments in 1922

[Source: Danish Statistical Department. In millions of kroner]

DEBIT	
Excess of merchandise imports.....	210
Bunker coal purchased abroad, net tourists' expenditure, etc.....	75
Interest and dividends payable to other countries.....	70
Purchase by Denmark of stocks and bonds.....	15
Increase of miscellaneous credits.....	185
Total.....	555
CREDIT	
Earnings of merchant marine.....	270
Export of stocks and bonds.....	35
Stabilization funds utilized.....	55
Profit from commercial and insurance activities abroad.....	25
Increase of miscellaneous debits.....	125
Total.....	510

IV. EXCHANGE RATES AND PURCHASING-POWER PARITIES

The Danish krone, unlike sterling and francs, did not go to any considerable premium in New York at the outbreak of the war or during 1914. The rates continued to sag from month to month, reaching a low of 25 cents per krone in December, 1914, and a low of 24.13 in February, 1915. The gold par is 26.80 cents.

In Denmark the exchanges followed practically the same course they did in Sweden. Until the autumn of 1915 the three Scandinavian monetary units remained "pegged" together. Sterling, francs, and dollars rose in Denmark from the outbreak of the war until the spring of 1915. There was then a general drop; so that by the end of 1915 sterling and francs were below par and dollars had reached par. The extent of this movement is shown by the following figures:

Denmark—Percentage rates of exchange, Copenhagen on various countries

[Source: Federal Reserve Bulletin]

	High, July-De- cember, 1914	High, 1915	Low, 1915
Great Britain.....	105.73	107.38	98.06
France.....	107.64	109.03	86.11
United States.....	107.73	110.68	99.16
Germany.....	100.85	98.27	77.68

The explanation of this rise of foreign currencies in Denmark during the early months of the war is not difficult. During the crisis following the outbreak of the war there was a severe contraction of credit at the various financial centers. Those centers which were the largest creditors in the international money market were able in the short run to bring in their favor the balance of payments with countries in a technically weaker position. There was not sufficient time for the countries in the technically weaker positions to influence exports greatly and so create a greater supply of commercial bills payable in the stronger markets. London and Paris were in an exceptionally strong position. Consequently, sterling and francs were at a premium in practically all other markets. New York, by the liberal use of gold reserves, soon brought sterling down to par again. Thus, dollar exchange soon went to a premium in those markets where sterling and francs were already at a premium.

After the war had continued a few months the demand for supplies by the allied countries soon created a large supply of commercial bills payable in London and Paris. Although this turn of events perhaps was foreseen, nevertheless during the early period of the war private business men were too busy trying to protect their own solvency to take advantage of a profitable speculation. While the allied countries were buying in large amounts in neutral markets, they were restricting

the export of goods to those markets. The result of this situation was that francs went below par in Copenhagen after May, 1915, and sterling after June, 1915. They continued below par for the period of the war. The following figures show the percentage which sterling was of par during the war years:

Denmark—Percentage of par of the pound sterling in Copenhagen

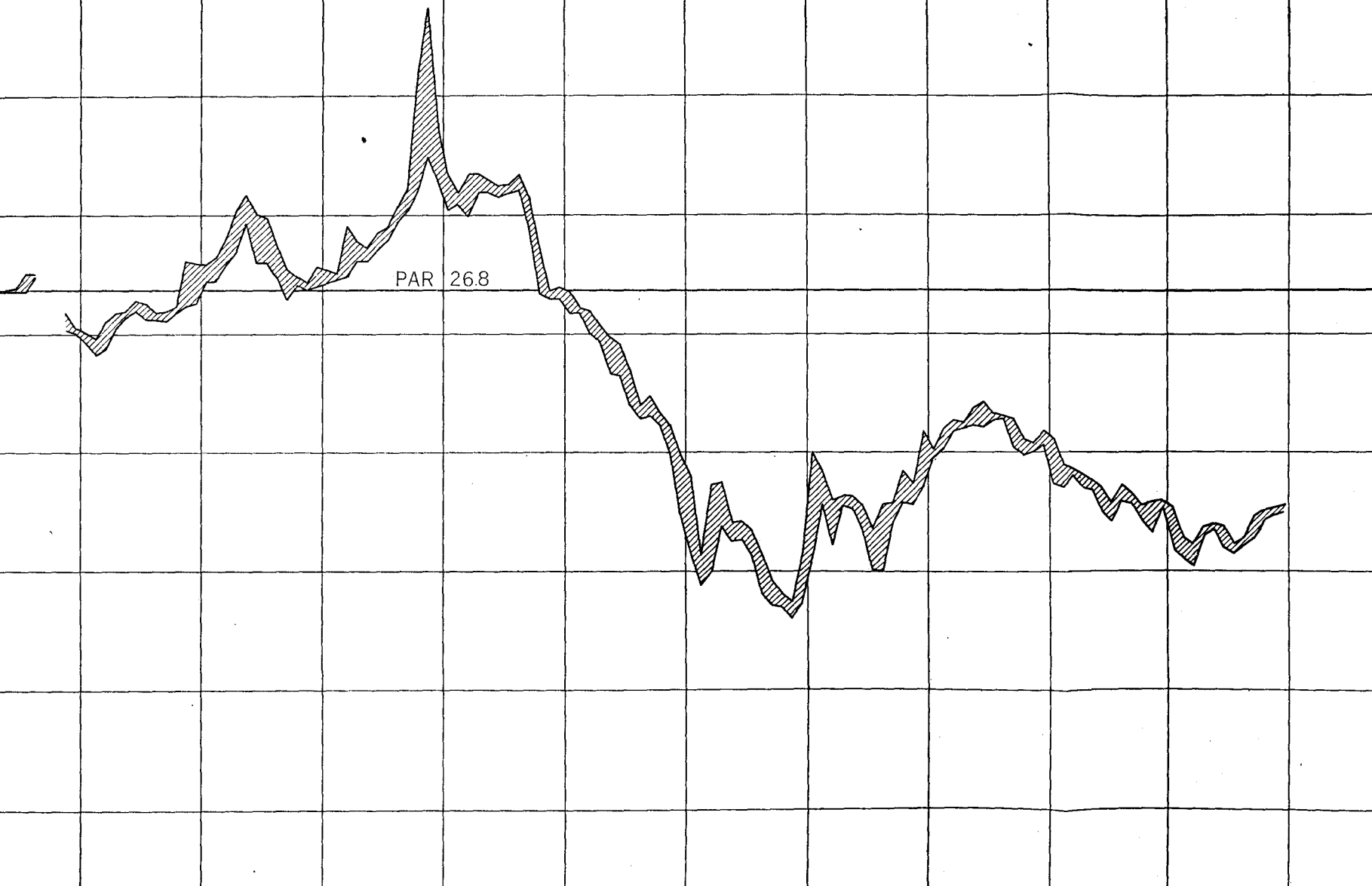
[Source: Federal Reserve Bulletin]

	July-December, 1914	1915	1916	1917	1918	1919
High.....	105.73	107.38	97.30	95.82	98.35	109.00
Low.....	100.44	93.05	84.53	71.59	82.60	97.63

An explanation of the exchange relations between the allied countries and Denmark, especially between Great Britain and Denmark, is necessary to an understanding of the exchange relations between the United States and Denmark. The allied countries protected their exchanges in the United States. Before the United States entered the war they sent gold to New York and obtained dollar loans through American banking houses. After the United States entered the war the necessary support was furnished by United States Treasury advances to the fiscal agent of the allied governments in New York. Since bills in sterling, francs, etc., could be disposed of on more favorable terms in the United States than elsewhere, such bills tended to come to this market. If the dollar funds thus obtained by bankers and dealers in Denmark, for example, could have been taken out in gold, sent to Denmark without interference, and then freely coined at the Danish mint, obviously no considerable discount on dollar exchange in Denmark could have arisen. But a good deal of the time these conditions did not exist. The risk in sending gold from the United States to Denmark was very great. Besides, there was an embargo on gold exports from the United States from September 7, 1917, to June 30, 1919. And then if the gold had reached Denmark it could not have been coined after May 1, 1916.

But even though there were difficulties in the way of the transfer and coinage of gold, dollar exchange might still have been maintained close to par in Denmark if it had not been for trade restrictions. Before the United States entered the war the main hindrance was the allied restrictions on merchandise imports into Denmark. After the United States entered the war there was the additional hindrance of American restrictions on merchandise exports from this country.

The krone reached a high point of 38.75 cents in November, 1917. It averaged around 31 cents for the first nine months of 1918, and then fell to about par in November. From that time the rate fell rapidly, reaching a low of 14.40 during the exchange crisis of February, 1920, and a low of 13.05 during the crisis of November, 1920. The course of the krone from 1914 to the end of 1924 can be seen in the accompanying chart (No. 23).



PAR 26.8

In the spring of 1919 the allied exchanges were "unpegged." American Treasury advances to the allied governments practically stopped. Consequently, the supply of dollar exchange in other markets was greatly curtailed. Thus, even if the United States restrictions on merchandise exports had remained in force the dollar would have risen as against the Danish krone. The reduction in the artificial supply of dollars was coupled with the removal of restrictions in the United States upon exports, which led to an increased demand for dollar exchange generally to buy the much-desired American goods at the relatively low prices prevailing in this country. Index numbers of prices in the United States in 1919 averaged 206, compared to 294 in Denmark and 235 in Great Britain.

As soon as the trade restrictions were removed, Danish importers began to take advantage of the lower prices in the United States and in Great Britain. The balance of imports in 1919 and 1920 amounted to 3,000,000,000 kroner.

The precipitate drop in Danish exchange in February, 1920, and again in November, 1920, was due largely to exchange crises in the United States. Most of the European exchanges participated in these drops. American merchants and dealers had been holding large amounts of foreign exchange (mostly sterling) on which they suddenly tried to realize. The foreign exchange crisis at the end of 1920 was aggravated by the general business crisis in the United States. Business men were trying to realize on stocks of goods and securities as well as on foreign exchange.

The fundamental reason for the depreciation of the krone has been the reduced purchasing power of the krone in Denmark; that is, a rise in prices relatively greater than in the United States. A numerical expression of this relatively greater inflation of prices in Denmark than in the United States is found in purchasing-power parities. Purchasing-power parities are parities, as the name implies, on the basis of the purchasing power of the currency units in the countries in question. Purchasing power parities computed on the basis of index numbers of prices in the United States and in Denmark are shown in the accompanying chart (No. 24). It will be noticed that exchange rates since the fall of 1921 have exhibited greater depreciation than warranted by the purchasing power of the krone in comparison to that of the dollar. The two curves in general move more or less together.

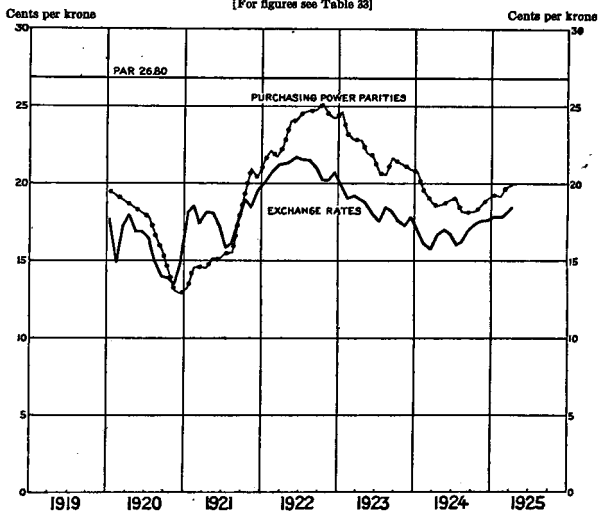
In the early part of 1921 the krone made a rapid recovery, but did not hold the gain. However, beginning in July, 1921, there was a steady improvement that lasted for a year. The principal factor making for the recovery was the fall of prices in Denmark. Imports were thus discouraged relatively to exports. The balance of imports for 1921 and 1922 combined was 418,000,000 kroner, as against 3,006,000,000 kroner for 1919 and 1920 combined. Although prices in the United States were falling rapidly in 1921, they were falling still more rapidly in Denmark. Prices continued steady in Denmark after they began to rise in the United States in 1922. This relatively greater increase in the value of the krone than in that of the dollar is shown in the purchasing-power parities. For example, the purchasing-power parity rose from 12.82 cents in December, 1920, to 24.63 cents in July, 1922.

CHART 24

DENMARK—PURCHASING POWER PARITIES AND EXCHANGE RATES, 1920-1925

Based on *Finanstidende* index numbers for Denmark, 33 commodities, beginning of month, July, 1912-June, 1914=100; and on Federal Reserve Board index numbers for the United States, 104 commodities monthly average, 1913=100]

[For figures see Table 23]



The Danish krona also received support from loans floated abroad especially in 1922. The following list of State and local government flotations is significant in this connection:

Denmark—Borrowings abroad, 1920-1925

Borrower	Year	Amount	Rate
Kingdom of Denmark	1920	\$25,000,000	8
Danish consolidated municipals	1921	\$15,000,000	8
Kingdom of Denmark	1921	\$20,000,000	6
City of Copenhagen	1922	\$15,000,000	5½
Kingdom of Denmark	1922	\$20,000,000	6
Danish associated municipalities	1922	£2,000,000	5
National bank and syndicate ¹	1923	\$10,000,000	5½
Do	1923	£2,700,000	.....
Do	1924	\$5,000,000	.....
Do	1925	\$40,000,000	.....
Do	1925	£5,000,000	.....

¹ The credits negotiated by the national bank and syndicate were for purposes of currency and exchange stabilization.

The krona reached a high point (since 1919) of 22.18 cents in June, 1922. It declined almost continuously after that until the spring of 1924. The principal cause of this depreciation was a rise

of prices in Denmark. In May, 1923, the bank rate was raised from 5 to 6 per cent. This served to check the rise in prices for a time. In July, 1923, the bank sent a shipment of gold to the United States in an effort to support the krone. Imports of Danish gold to the United States amounted to \$3,600,000 for that month. In September, 1923, the bank gave some further support to exchange by selling some of its own foreign holdings.

In the autumn of 1923 the Government agreed to a proposal to establish (December 15, 1923) an exchange equalization fund. The fund was to consist of foreign credits against which the committee of control was to sell drafts in times of emergency. The credits were to be supplied to the market only in times of exceptionally high foreign exchange rates. It was expected that the fund would be gradually increased again as foreign currencies became cheaper. A credit of \$10,000,000 was obtained from the National City Bank of New York and a credit of £2,700,000 from a syndicate of London bankers.¹ In Denmark participation in the exchange equalization fund was as follows: The Government, 40 per cent; the National Bank of Denmark, 40 per cent; and four important Danish private banks, 20 per cent.

Immediately after the announcement (in November, 1923) that an agreement had been reached regarding the fund the krone rose in value. From a low of 16.64 cents around the middle of November, the rate went to 18 cents in December. The national bank took advantage of this improvement to increase its own exchange holdings. Had it not done so the krone would doubtless have gone even higher. In January, 1924, there was a panicky demand for foreign exchange and the krone declined rapidly. A large part of this demand represented a real flight of capital.

The krone reached a low point of 15.30 cents in March, 1924, from a high of 17.58 in January, a decline of 13 per cent. The wholesale price index number rose from 210 at the beginning of January to 227 at the beginning of March. The committee controlling the exchange equalization fund tried at first to stop this downward movement of the krone by large offers of foreign exchange. The committee used up about half of its foreign credits in this way. It then relinquished its efforts and allowed the krone to find its own level in the market.

The national bank raised its rate to 7 per cent in January, 1924. The bank issued a circular in March in which it announced a policy of credit restriction. It urged the private banks, however, not to restrict credit to commerce and industry more than was necessary.

In March, 1924, the Valuta Central was established (effective March 31) with power to regulate foreign-exchange transactions. All exchange holdings worth more than 5,000 kroner must be registered. Foreign exchange can be requisitioned by the Valuta Central unless the holder of the bill is able to show that the bill is needed to pay for imports within three months. The Valuta Central may also issue regulations designed to prevent the acquisition of foreign credit balances by roundabout methods; e. g., allowing someone abroad to draw on a bank account in Denmark. A proposal to allow the Valuta Central to control imports of merchandise was disapproved.

¹ In January, 1925, these amounts were increased to \$40,000,000 and £5,000,000.

The Government in January, 1925, fixed rates for stabilization, rates which provide for a gradual raising of the value of the krone over a period of about two years. In order to maintain these rates the bank has at its disposal the \$40,000,000 revolving credit arranged in New York in January, 1925.² The stabilization rates are as follows:

- 17.42 cents per krone to July, 1925.
- 17.86 cents per krone to January, 1926.
- 18.30 cents per krone to July, 1926.
- 18.80 cents per krone to January, 1927.

During recent months there has been quite a notable rise in the New York quotations of the Danish krone, from an average of 17.55 cents for November, 1924, to over 18 cents for March, 1925. By the end of June, 1925, the rates were close to 20 cents. Thus the prevailing rates have been above those provided for in the stabilization plan.

² To be utilized in consultation with the Minister of Finance.

V. STABILIZATION

It should be said at the outset that the main problem in stabilizing the Danish krone is not how to balance the budget, although this is important. Treasury financing, of course, has its difficulties; but Government borrowing is not leading to much inflation of currency or credit. The deficits in the budget are met to a large extent out of funds coming from investment sources, and not out of bank credit or issues of paper money. The deficits, however, are large and must be reduced if sound conditions are to prevail. For the five fiscal years 1919-1923 (end of March) ordinary receipts averaged only about 78 per cent of ordinary expenditures.

The following figures show the receipts and expenditures of Denmark since 1911, and also the total Government debt. It will be noticed that the finances of Denmark are not in a very bad condition compared to those of some of the other European countries. The credit of Denmark in the United States is good, as indicated by the fact that the 6 per cent bonds of 1942 are selling in New York at about 101.

Denmark—Receipts and expenditures, 1911-1923

[Source: Statistisk Aarbog, København. 000 omitted]

Year ending Mar. 31—	Receipts			Expenditures			Deficit (excluding new loans and amortization of debt)	Proceeds from new loans	Amortization of debt
	Current revenue (including surplus from public enterprises)	Capital receipts (less loans)	Total receipts	Current expenditure (including interest)	Capital expenditure (less amortization of debt)	Total expenditure			
1911.....	91,354	52,083	143,437	103,755	34,993	138,748	14,689	-----	1,748
1912.....	102,102	66,833	171,935	107,803	65,230	173,033	1,068	-----	1,725
1913.....	114,176	9,479	123,655	106,332	81,925	188,257	64,602	70,864	1,676
1914.....	123,675	1,392	125,067	111,404	10,458	121,869	3,408	2,817	1,731
1915.....	121,781	12,346	134,127	156,130	12,295	189,525	35,398	22,548	3,063
1916.....	142,179	1,766	143,945	185,247	27,336	212,583	68,638	80,585	4,999
1917.....	242,315	162,858	405,173	250,699	42,417	293,116	102,057	88,624	4,369
1918.....	375,429	4,491	379,920	368,582	58,065	426,647	46,727	59,400	4,323
1919.....	462,218	4,360	466,578	615,762	36,820	652,572	185,994	176,050	4,269
1920.....	553,894	12,067	605,961	532,558	65,847	598,405	17,556	146,000	4,191
1921.....	498,049	5,586	504,235	555,156	201,051	756,207	251,972	149,995	4,193
1922.....	409,237	37,048	446,285	499,352	181,205	680,557	184,542	131,550	4,188
1923.....	426,925	33,154	460,079	423,536	65,936	519,439	59,360	9,200	10,118

¹ Surplus.

Denmark—National debt, 1910-1923

[Source: Statistisk Aarbog. In thousands of kroner]

March 31—	Internal debt	External debt ¹	Total indebtedness	March 31—	Internal debt	External debt ¹	Total indebtedness
1910.....	81,867	219,867	301,734	1917.....	325,776	263,310	589,086
1911.....	81,693	236,167	335,860	1918.....	345,937	230,321	603,358
1912.....	81,511	270,467	351,978	1919.....	325,874	237,333	783,607
1913.....	84,333	272,287	356,620	1920.....	671,916	254,344	926,260
1914.....	88,397	272,482	360,879	1921.....	669,888	404,772	1,074,658
1915.....	123,060	269,578	392,638	1922.....	667,865	334,562	1,202,427
1916.....	194,657	265,298	460,955	1923.....	669,888	531,982	1,201,870

¹ The foreign debt has been converted into kroner at par with the following exceptions: \$25,000,000 loan of 1920 at 16.66 cents per krone; \$30,000,000 loan of 1921 at 22.88 cents per krone.

The main problems to be faced by Denmark with reference to currency reform are: (1) What price level should be maintained, i.e., what value should be given the krone, and (2) how can stabilization be accomplished and external depreciation of the krone brought on by panicky demands for foreign exchange be avoided?

The krone at the present time has a value, according to current exchange rates, of only about 18 cents, as compared with 26.80 cents before the war, which is the gold par. The question thus arises whether Denmark should stabilize at approximately the present value or endeavor to return ultimately to the pre-war level. Returning to the pre-war level would, of course, mean a fall in prices, and any change in the general scale of prices is disturbing to the industry of a country. Falling prices are almost always accompanied by depression and unemployment. A change in the value of the unit also results in an injustice to borrowers or lenders. Inasmuch as business in Denmark has become adjusted to the present krone, it would seem preferable to stabilize the currency at approximately the present level of prices.

Stabilization of the currency below its gold parity is sometimes regarded as partial repudiation of the Government's debts contracted before the depreciation began, or had gone so far. This same scaling down also applies to private debts. However, at the present time the bulk of indebtedness outstanding, private and governmental, was contracted at a time when the krone was depreciated in value, so that if debtors were made to pay back gold kroner greater injustice would be done than if stabilization at the present level were accomplished. It would be possible for the law providing for stabilization to arrange that obligations be repaid according to a fixed scale determined on the basis of the value of the krone at different dates. Thus a debt contracted in 1920, when the krone averaged about 15 cents, would be repaid on a different basis than one contracted in 1922 when the krone averaged over 20 cents, according to the exchange rates. In determining such a scale index numbers of internal prices should also be taken into consideration. Although devaluation of the krone has its difficulties, when the depreciation is so great as it is in Denmark restoring the krone to its former par offers many serious disadvantages and but few advantages.

The problem of how to maintain stable exchange rates has to do largely with the maintenance of a stable price level internally. On the other hand even though internal prices are stable, a sudden demand for foreign exchange might lead to depreciation. The external value of the currency may depreciate not because internal prices are rising but because of heavy purchases of foreign exchange to get capital out of the country. Under such circumstances the best way to meet the situation is by liberal use of the central bank's reserve. The central bank at the same time would have to take measures designed to restore exchange rates; that is, the bank should endeavor to keep the market rate of discount high. This tends to attract capital to the country and at the same time by contracting credit tends to increase the purchasing power of the currency unit. While the bank should not hesitate to draw heavily on its exchange reserves in the face of rising exchange rates, it should at the same time take precautions to deflate prices if the krone appeared to be "overvalued."

Internal prices in Denmark have now become relatively stable, so that there seems to be little danger of much depreciation of exchange rates resulting from internal depreciation. In addition to its gold reserve the National Bank of Denmark has a credit with the National City Bank of New York and also a credit in London. With these resources the national bank is in a position to control exchange rates within substantial limits, provided there is no inflation or other fundamental disturbance. Once the currency is stabilized and the market is assured that the bank will unreservedly maintain the stabilized rate, much of the work of equalizing the demand for and the supply of bills will be done by private dealers. They will buy when the dollar rate goes much lower than the stabilized rate and sell when it goes much higher.

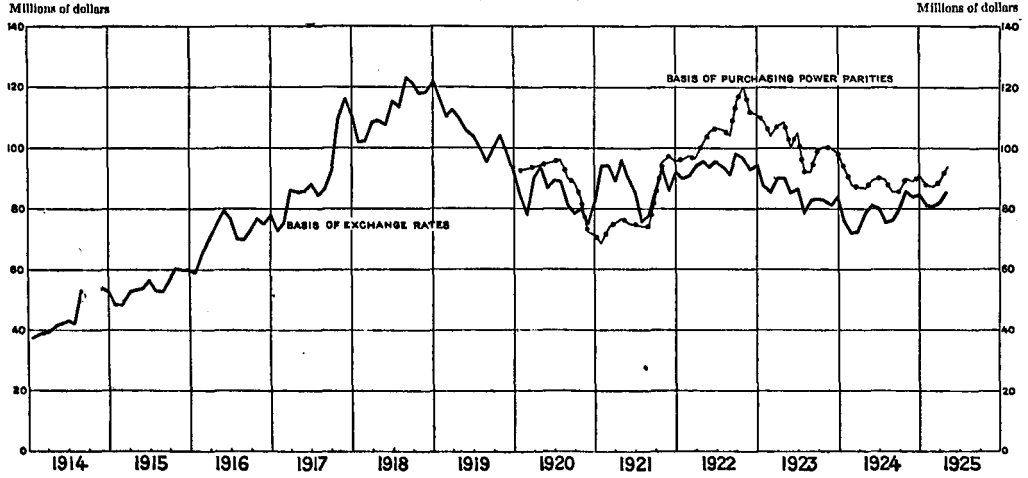
The National Bank of Denmark at the present time has a gold reserve of about \$56,000,000 (210,000,000 kroner), compared to about \$20,000,000 at the end of 1913. This constitutes a reserve of about 45 per cent of the note circulation of about 460,000,000 kroner. The bank also has balances abroad to the extent of about 34,000,000 kroner. Denmark is thus not in a weak position as regards gold reserves. If the country should adopt a new gold unit close in value to the current value of the krone, as indicated by exchange rates and purchasing power parities, little difficulty would be experienced in maintaining the gold standard on the basis of the new unit. The stabilization law of January, 1925, provides that the bank be relieved of its obligation to redeem its notes in specie until December 31, 1926.

An attempt by the Government to control exchange rates through restrictions on the purchase and sale of foreign bills may make stabilization more difficult. If trading is allowed to be absolutely free, there are automatic remedies which tend to restore the rates. If external depreciation is due to a rise in prices internally, or some other fundamental reason, the condition should be remedied at its source as outlined above, rather than by restrictions on exchange dealings. Experience has shown that an arbitrary limitation on purchases is ineffective, and at the same time interferes with trade.

Once the krone has been stabilized and has a definitely established value with reference to the dollar, the return to the full gold standard is largely a matter of detail. If the national bank should fear an excessive drain of gold the bank could redeem for a time only in gold bars of large denominations. People in Denmark have become accustomed to paper money and do not regard it with the same suspicion as in some of the other countries, so that the bank could discourage the actual circulation of gold, and cause the bulk of the circulating medium to consist largely of paper money. To do this the bank would have to adopt a bold policy with reference to redemption so that there would be no question as to the value of the currency or of another suspension of specie payments.

The gold value of the total circulation of Denmark is shown in the accompanying chart (No. 25). Figures for the gold value are computed by multiplying the total amount of circulation outstanding by the value of the unit. The chart shows two curves, one on the basis of the value of the krone, as indicated by exchange rates, and the other on the basis of the value of the krone as indicated by purchasing power parities. The value of the total circulation fluctuated erratically during and after the war as the amounts of circulation out-

CHART 25
DENMARK—GOLD VALUE OF TOTAL NOTE CIRCULATION ON BASIS OF EXCHANGE RATES AND ON BASIS OF PURCHASING POWER PARITIES, MONTHLY, 1914-1925
[For figures see Table 34]



standing changed and as the value of the krone also fluctuated. During 1924, however, while the fluctuations continued, there was no net movement either up or down of any extent.

The countries with which Denmark has the most important trade relations either are now on the gold standard or soon will be. It therefore is of importance that exchange rates with such countries be stable. Otherwise the prices of import and export commodities will continue to fluctuate with exchange rates. Also the foreign trade transactions themselves are rendered more hazardous by fluctuating rates.

HUNGARY¹

I. CURRENCY PRIOR TO 1918²

On the break-up of the Austro-Hungarian monarchy at the end of October, 1918, Hungary became an independent State. Hungary had been united with Austria since about 400 years ago when Hungary, Austria, and Bohemia formed a single State under a common sovereign. Hungary was distinct from Austria in many ways, and retained in large measure her independent existence, although much of this was only nominal. The two countries had common departments of foreign affairs and of war. They had a common customs frontier, and various other things in common.

Matters pertaining to currency and banking, however, were not common, although in actual practice the two countries by agreement had adopted similar systems. In this way the old Austrian National Bank, founded in 1816, was made the Austro-Hungarian Bank in 1878. At intervals of every 10 years the bank received from the Parliaments of both States the right of issuing notes.

Hungary was practically upon the gold standard prior to the war, in accordance with the law of 1892, adopted by both countries. Prior to 1892 Austria-Hungary had three different currency units, the silver florin, the gold florin, and the paper florin. The silver florin was based upon the law of 1857 which attempted to end the period of inconvertible paper money.³ War with Italy interfered and in April, 1859, the bank was again relieved of its obligation of redeeming its notes in coin. As a result of the large issues of paper money, the silver coins were at a premium in terms of paper until the price of silver declined, beginning in the early seventies. As a result of the decline in the gold value of silver the free coinage of silver was suspended in 1879.

A gold coin, the Napoleon d'or, was introduced in 1868 and was of the same weight and fineness as the 20-franc gold piece of the Latin Monetary Union, worth about \$3.858 in American money. The Napoleon was to be the equivalent of 8 silver florins. When the price of silver fell, however, this was not the case. The gold florin was worth a little over 48 cents (one-eighth of \$3.858), while the silver florin, as the price of silver continued to fall, became ultimately worth only about 40 cents. The silver florin in this way came to be on a par with the depreciated paper florin.

The unsatisfactory currency situation was remedied by the gold standard law of August, 1892, which established the gold krone, containing 0.33875 gram of gold 0.900 fine. The krone was thus the equivalent of about 20.26 cents in American money. The krone was divided into 100 hellers. The silver coins were the 1, 2, and

¹ This section was prepared by John Parke Young.

² See also Sec. 1 of Austria and of Czechoslovakia in regard to the Austro-Hungarian system of currency.

³ The unit according to the law of 1857 was the florin. Forty-five florins were to be minted out of 507 grams of fine silver.

5 krone pieces, which were legal tender only in limited amounts. Gold was unlimited legal tender and there was free coinage of gold.⁴

On account of the large amounts of silver and paper currency in circulation the transition to the gold standard did not take place until January, 1900. The silver and the paper florin were made the equivalent of two gold crowns, or about 40.52 cents. However, none of the silver or paper currency of Austria was ever made legally redeemable in gold.

In addition to the metallic money, notes of the Austro-Hungarian Bank circulated widely before the war, the smallest denomination being the 10-krone note. The Austro-Hungarian Bank was reorganized in 1878 from the former Austrian National Bank, founded in 1816. The bank enjoyed a monopoly of note issue, and its notes were legal tender except for payments which specially stipulated coin. The bank was required to hold a metallic reserve against its notes outstanding to the extent of 40 per cent in gold or silver. Foreign exchange holdings payable in gold could be counted as metal up to the limit of 60,000,000 crowns, as arranged by the law of 1911. Additional circulation was allowed, but above a certain minimum bore a tax of 5 per cent. Notes not covered by gold or foreign bills were to be covered by domestic bills, securities, and certain other types of assets.

In the administration of the bank, the Governments of both Austria and Hungary were represented. After the payment of a dividend of 7 per cent to the shareholders, three-fourths of the net profits were turned over to the State. The capital of the bank amounted to 210,000,000 crowns in 1914.

The notes of the bank were never redeemable in gold, although the bank in practice maintained them at a parity with gold. The matter came up for discussion when the charter was renewed in 1911, and it was arranged that the bank should propose to the two Governments redemption in specie whenever the bank thought the time proper. In the meantime, the bank was to use its efforts to maintain stable exchange rates with reference to gold. When the first Balkan war broke out in 1912, hoarding of gold took place, and the gold was replaced by silver. During that war the notes of the bank were at a slight discount in terms of both gold and silver.

In addition to the Austro-Hungarian Bank, Hungary, in 1913, had 6,062 credit institutions. Of these 2,035 were banks and 4,023 were, so-called credit cooperative societies, with a membership of 1,312,000. The aggregate capital of all these institutions amounted to 2,568,400,000 crowns. Hungary also had a postal savings system. The Postal Savings Bank dated from 1885 and in 1913 had 4,695 offices.

When the war broke out in 1914 restrictions on note issues of the Austro-Hungarian Bank were relaxed. The bank then proceeded to issue large quantities of paper money, the notes being issued in small denominations. The Government turned to the bank for funds, and as government borrowing increased, inflation of currency and credit took place. In July, 1914, the note circulation of the bank amounted

⁴ In addition to these silver and gold coins, there might be coined for individual account gold dusts and silver thalers of the Maria Theresa type of 1780. These, however, were for trade purposes and were not legal tender. The gold dust contained 2.4909 grams of gold 0.999 $\frac{1}{2}$ fine, which gave it a fine weight a little greater than that of the 10-krone gold piece. The Maria Theresa thaler contained 26.0968 grams of silver 0.833 $\frac{1}{4}$ fine, which was somewhat more than the silver in the 5-krone silver piece, which contained 24 grams 0.900 fine.

to a little over 2,000,000,000 kronen. By the first of 1919 the circulation had increased to over 35,000,000,000 kronen.

The gold and silver reserves of the Austro-Hungarian Bank became greatly depleted during the war, and at the time of the armistice, in November, 1918, were about one-fifth of what they had been in 1914. In the middle of 1914 the metallic reserves amounted to about 1,500,000,000 kronen, of which about 1,238,000,000 kronen was gold. At the time of the armistice in 1918 the reserves amounted to only about 342,000,000 kronen, of which about 286,000,000 was gold. Part of the gold had been sent to Germany and was in the vaults of the Reichsbank. Part also had been sent to other countries in payments for goods imported into Austria-Hungary.

II. CURRENCY MEASURES FOLLOWING SEPARATION

After the break-up of the Austro-Hungarian monarchy at the end of October, 1918, political conditions in Hungary were disturbed. A revolution took place, King Charles abdicating November 13, and on November 16 a republic was declared. Count Michael Karolyi was proclaimed provisional president. The Karolyi government had only a short and disturbed existence. In March, 1919, it was overthrown and a Bolshevist government set up under Bela Kun. During the period of Bolshevist rule and reign of terror affairs in Hungary were greatly disorganized, financially as well as politically and in other ways. The Bolshevist government lasted only about four months, and Bela Kun was finally overthrown by a Rumanian army, which occupied Hungary. The Rumanian army withdrew after a few weeks and a National Government was reestablished in August, 1918, under Admiral Horthy, who became regent. In March, 1920, the Government of Hungary formally declared the country a monarchy.

The international status of Hungary was arranged in the peace treaties of St. Germain and Trianon. The territory of the country was greatly reduced by these treaties. Other succession States had occupied territory belonging to the former Hungary, and according to the rearranged borders the territory of Hungary was reduced to about 36,000 square miles from about 125,000 square miles before the war.

Various changes in government in Hungary during the first few years following the war, and the attempts of the late King and Emperor Charles to regain the throne in 1921, did not conduce to the establishment of healthy financial conditions. The currency was depreciating rapidly in consequence of increasing issues of paper money. The country's credit was weak; revenues were disorganized and were reduced in purchasing power by the depreciation of the currency; at the same time expenditures were large.

When the Bolshevists were in power in Hungary the plates for printing small denominations (1 and 2 crowns) of bank notes of the Austro-Hungarian Bank were in Budapest, the capital. The Bolshevist government used these plates to print paper money which was put into circulation, money which later came to be called counterfeit money, but which was nevertheless honored by the subsequent government. The Bolshevist government also printed its own money in the larger denominations. These larger notes of the Bolshevist government were known as "white notes," since they were printed on white paper because the government had insufficient material to print the customary kind of notes. The white notes were regarded with suspicion by the public, which preferred the blue ones with the stamp of the Austro-Hungarian Bank. These white notes were later redeemed by the Government at only 25 per cent of their face value. The 1 and 2 crown bank notes of the Bolshevists, however, were redeemed in full partly because it was impossible to distinguish them.

After Hungary separated from the Austro-Hungarian Monarchy in 1918, the Austro-Hungarian Bank continued to operate and to

issue notes which were current in Hungary. The treaty of St. Germain signed September, 1919, provided that each of the States which had been formerly a part of Austria-Hungary should stamp the notes of the Austro-Hungarian Bank with the stamp of its own Government. This was done first by Czechoslovakia in March, 1919, prior to the treaty and later by the other succession States. The treaty also provided that the respective Governments should within one year replace the stamped notes by new national currency.

The stamping of the Austro-Hungarian notes was undertaken by Hungary according to a decree of March, 1920. Inasmuch as Hungary was the last State to stamp these notes, those which had not been presented for stamping in other States were brought into Hungary. The small denominations of notes were not stamped promptly, due to their large number and the labor involved in stamping such large quantities of notes. This omission resulted in a certain amount of confusion, since in Vienna the krone was more depreciated in terms of dollars than in Budapest. Consequently, the small notes were brought from Vienna to Budapest and used to purchase dollars there which were then taken back to Vienna and sold for a larger amount of kronen. The process could thus be repeated indefinitely.

The Austro-Hungarian Bank, according to the treaties of St. Germain and Trianon, was to pass into liquidation, and its assets were to be divided among the succession States. The gold reserve of the bank was its chief liquid asset. On January 1, 1920, the bank was divided into two sections, an Austrian section and a Hungarian section. In August, 1920, liquidators were appointed, as provided in the treaties, and the bank has now passed completely out of existence.

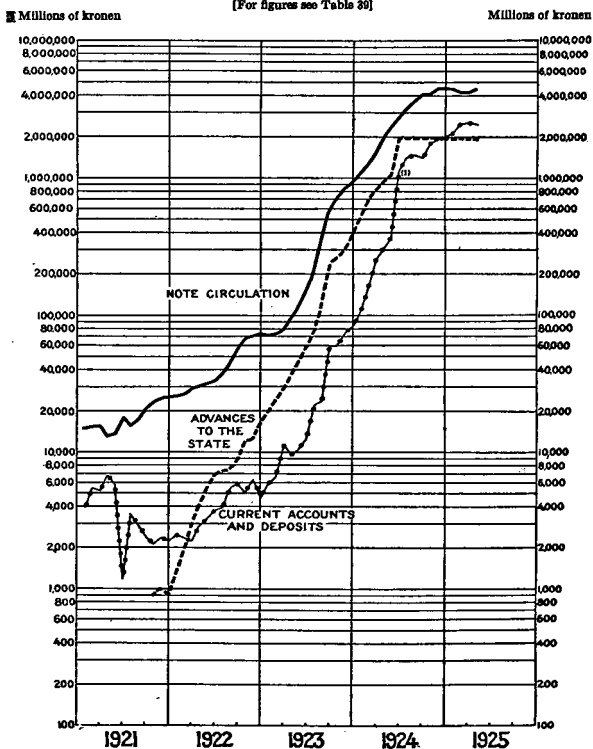
A national system of currency was introduced into Hungary by the law of May 4, 1921. This law provided, among other things, for the withdrawal of the paper currency then in circulation, which was chiefly that of the Austro-Hungarian Bank, and the substitution of national currency. It also provided for the establishment of a State note institute, which was to be under the control of the Minister of Finance. This institute was to be a more or less temporary organization to take over the affairs of the Hungarian section of the Austro-Hungarian Bank and to perform the function of a central bank of issue. The note institute was authorized to issue notes in exchange for the stamped notes of the Austro-Hungarian Bank, the postal savings notes, and also to issue various other amounts of notes, including those issued in connection with ordinary commercial operations.

The note institute began operations the first of August, 1921, and began promptly to issue its own notes in exchange for the stamped notes of the Austro-Hungarian Bank, as well as for the small amount of other notes in circulation, the postal savings notes, and the so-called counterfeit notes issued by the Bolsheviks.

Notes of the Austro-Hungarian Bank which had been stamped with the Hungarian insignia amounted to 20,689,412,775 crowns, of which 15,827,190,632 crowns were later exchanged for State notes. The remainder were retired. State notes were also issued in exchange for 793,400,000 crowns in notes with the Yugoslav stamp, notes which had been circulating in territory regained from Yugoslavia, and in exchange for 87,300,000 crowns of counterfeit or forged notes of 1 and 2 crown denominations issued during the Bolshevik régime.

These notes were recognized at their face value, although the "white notes" of the Bolsheviks—those issued in larger denominations—were redeemed at only 25 per cent of their value.⁵ These and other

CHART 26
NATIONAL BANK OF HUNGARY—NOTE CIRCULATION, ADVANCES TO THE STATE, AND CURRENT ACCOUNTS
AND DEPOSITS, MONTHLY, 1921-1925
[State Note Institute prior to June, 1924]
End of month
[For figures see Table 39]



(1) Figures for current accounts and deposits beginning with June, 1924, are not comparable with figures prior to this date due to the organization of the new bank and to regrouping of items which make up current accounts and deposits.

notes presented for exchange brought the total amount of State notes issued to retire other circulation up to the figure of 18,396,000,000 crowns.

⁵ The amount of white notes issued has been estimated at 2,500,000,000 kronen. League of Nations; Memorandum of Currency, 1924.

According to the law of May, 1921, the maximum amount of notes which might be issued by the note institute was limited. It was intended to make the institute independent of the Government's finances, and the law prohibited the granting of credits to the State. These ambitions, however, were realized only for a short time, and in October, 1921, advances in the form of notes were made to the State against treasury bills, in order to cover the budgetary deficits. Inflation, which had been checked for a short time, thus began again and led to the progressive depreciation of the crown.

The State note institute had no capital, and its assets behind the notes were largely claims against the Austro-Hungarian Bank as a result especially of the notes of that bank taken over, and also Hungarian treasury bills against which notes had been issued. The note institute had only meager metallic reserves, and its chief function came to be that of supplying funds to the Government in the form of notes.

As the advances to the State continued to increase from the end of 1921 to the middle of 1924 the note circulation also increased rapidly. The accompanying chart (No. 26) shows how these two items increased together. As depreciation took place, borrowing on the part of speculators became profitable, inasmuch as the money borrowed could be repaid later in depreciated money. This led to a large demand for credit, and it will be noticed from the chart how current accounts and deposits also increased during these years of depreciation.

The State note institute was organized as a temporary institution and was to pass out of existence later when a central bank of the customary type could be established. Such a bank, the National Bank of Hungary, was organized in June, 1924, and took over the affairs of the State note institute at that time. This new bank is discussed below in Section V.

III. FOREIGN TRADE

No accurate statistics for Hungarian trade, as distinct from that of Austria, are available for the pre-war period, inasmuch as the two countries of the dual monarchy had a common customs frontier. Furthermore, Hungary lost a large amount of territory in the rearrangement of borders according to the treaties following the war, the present Hungary comprising only 28 per cent of pre-war Hungary, and only 36 per cent of the pre-war population.

Hungary is essentially an agricultural country, and produces each year, in addition to her own food supply, large quantities of agricultural products for export purposes. The principal crops exported are wheat, maize, rye, barley, and oats. Sugar beets are also grown in considerable quantities, and refined sugar is exported. Other important exports are live animals and food products, such as meat, wines, eggs, and poultry.

Hungary has been endeavoring to develop some industries within the country, especially the textile industry, since large amounts of textiles are imported and Hungary feels it would be a good thing to be less dependent upon foreign textiles. The raw cotton imported into Hungary practically all comes from the United States. An industry of considerable importance to Hungary is that of milling, and a large part of the wheat and barley grown is exported in the form of flour. Budapest is one of the leading flour milling cities of Europe. Hungary also manufactures a certain amount of iron and steel products and also leather products, especially shoes. The greater part of the coal used in Hungary is mined within the country, although importations of coal are of considerable amount. In addition to cotton and woolen textiles, and coal, Hungary imports a large amount of lumber. The following table shows the principal articles imported and exported by Hungary.

Hungary—Imports and exports of merchandise, by principal commodities, 1920-1923

[Source: Magyar Statistikal Szemle. Quantity in metric quintals; value in thousands of crowns]

Articles	1920		1921		1922		1923	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
IMPORTS								
Cotton fabrics.....	63,758	4,781,900	115,584	9,246,700	116,373	28,894,700	72,091	119,777,900
Woolen fabrics.....	18,798	1,579,300	34,329	4,462,800	38,987	14,139,400	23,687	89,134,400
Coal.....	350,121	148,600	6,132,949	2,474,400	7,630,830	11,677,300	8,380,926	90,980,300
Timber and lumber.....	1,577,627	530,700	10,998,723	1,932,700	16,683,790	18,444,300	20,674,231	189,228,700
Cotton yarn and thread.....	8,598	343,900	27,193	1,767,500	41,738	6,075,700	49,790	72,169,900
Paper and paper goods.....	813,117	1,237,900	839,309	1,734,200	482,062	6,162,200	358,287	46,043,100
Leather.....	23,404	498,900	33,940	1,529,300	29,949	7,007,100	17,202	51,857,300
Iron manufactures.....	292,570	1,169,700	299,638	1,336,900	190,755	3,392,700	141,169	26,741,300
Mineral oils.....	172,892	532,900	429,418	1,139,200	888,077	3,286,100	841,856	51,680,000
Machinery and apparatus.....	179,100	925,400	92,378	1,091,900	177,646	4,006,200	161,980	46,008,800
Footwear.....	9,809	392,400	9,511	760,900	7,177	2,809,000	2,941	13,458,800
Electrical machinery and apparatus.....	10,949	332,700	14,347	434,500	10,909	1,761,800	8,688	8,749,600
Raw and scrap iron.....	14,791	9,100	118,915	187,900	553,191	2,095,800	554,665	29,597,700
EXPORTS								
Wheat and barley flour.....	18,202	66,000	1,250,062	5,280,300	1,623,686	18,004,300	1,849,688	268,650,800
Wines.....	976,308	2,719,300	628,374	1,632,700	824,811	3,698,300	170,050	88,210,600
Animals for slaughter and draft animals.....	7,295	189,900	68,170	1,318,200	227,751	11,741,300	110,333	46,568,000
Machinery and apparatus.....	25,477	201,600	109,092	1,272,400	257,999	5,712,100	129,626	38,126,900
Electrical machinery and apparatus.....	11,374	740,600	23,848	1,195,700	35,147	6,213,400	38,451	58,487,100
Wool.....	36,890	442,700	68,472	684,700	42,663	2,473,200	38,164	32,126,900
Fresh and prepared meat.....	1,470	26,200	45,687	645,700	91,266	2,911,100	94,647	51,541,000
Feathers.....	9,078	335,700	21,168	465,700	26,213	2,142,400	16,077	12,235,800
Fatty oils.....	3,852	31,800	33,169	899,700	47,487	522,600	26,031	8,848,300
Raw hides.....	60,426	617,900	35,764	324,200	28,994	1,785,200	35,210	13,042,400
Eggs.....	46	700	17,820	304,500	30,712	80,780	80,780	13,042,400
Alcohol.....	121	1,200	14,376	167,000	68,439			

Hungary's foreign trade is predominantly with Austria, largely as a result of the former close relations between these two countries. In 1924 about 23 per cent of the imports into Hungary came from Austria and about 37 per cent of the exports went to Austria. Czechoslovakia ranks second as a destination of Hungarian exports, and as a source of imports into Hungary in 1924 ranked first, being ahead of Austria. The trade with Germany and with Rumania is also large. Exports to the United States are not very large from the standpoint of value, although imports from the United States are of considerable importance. The following table shows the trade of Hungary with the principal countries:

Hungary—Imports and exports of merchandise, by principal countries, 1923 and 1924

[Source: Statisztikai Havi Közlemények]

	1923	1924
IMPORTS		
Czechoslovakia.....	Gold kronen 101,838,000	Gold kronen 176,805,000
Austria.....	109,323,000	162,979,000
Germany.....	80,460,000	86,071,000
Rumania.....	43,375,000	55,024,000
Poland.....	27,182,000	28,866,000
Italy.....	12,816,000	20,474,000
Jugoslavia.....	13,337,000	28,341,000
Switzerland.....	9,662,000	26,502,000
United States.....	15,924,000	17,735,000
Great Britain.....	6,501,000	15,306,000
France.....	3,244,000	11,328,000
Netherlands.....	6,128,000	8,019,000
All other countries.....	13,065,000	44,366,000
Total.....	422,985,000	702,806,000
EXPORTS		
Austria.....	147,509,000	209,610,000
Czechoslovakia.....	139,340,000	129,534,000
Germany.....	20,838,000	45,424,000
Italy.....	27,789,000	24,770,000
Jugoslavia.....	23,618,000	33,485,000
Rumania.....	29,442,000	20,322,000
Poland.....	5,796,000	14,861,000
Switzerland.....	18,838,000	11,617,000
Great Britain.....	8,511,000	9,431,000
Netherlands.....	990,000	3,672,000
United States.....	2,063,000	3,094,000
France.....	1,841,000	2,180,000
All other countries.....	11,534,000	28,070,000
Total.....	328,088,000	575,016,000

Hungary has an excess of merchandise imports almost regularly. Only four months in the last few years have shown an excess of exports, and none of these amounts were large. The excess of imports for 1924 amounted to about 126,000,000 gold kronen (about \$25,000,000). Before the war Hungary had an excess of merchandise imports estimated at about 176,000,000 kronen (about \$35,000,000). This "unfavorable" balance represented to a large extent the flow of foreign capital into Hungary. One of the chief credit items in the present balance of trade of Hungary—an item which helps to account for the excess of merchandise imports—is the money remitted to Hungary by Hungarians in foreign countries. This amount has been estimated for 1922 at about 19,000,000 gold kronen. Inasmuch as Hungary has large interest payments to make abroad, the excess

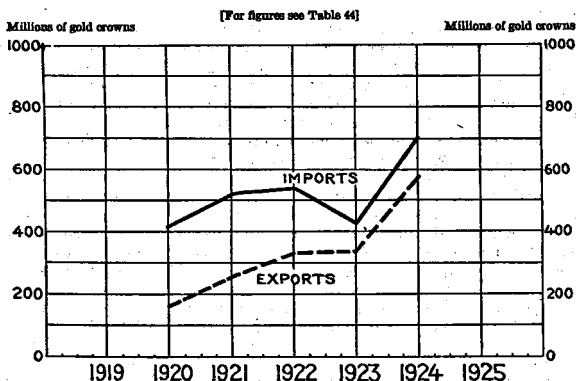
of merchandise imports must ultimately be reduced, or various credit items increased. Whatever adjustment is necessary in this direction will take place automatically, and no artificial measures, of course, are needed.

The accompanying chart (No. 27) shows the imports and exports of Hungary annually during the last five years. In examining this chart, it should be remembered that the figures used have been converted from paper kronen into gold kronen according to current exchange rates, which have fluctuated rapidly. Monthly figures may be found in the statistical tables below, but these have not

CHART 27

HUNGARY—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1920-1924

[Value special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]



been charted on account of the large extent to which they reflect erratic exchange fluctuations, since they have been converted into gold kronen on the basis of current exchange rates. In the annual figures the abnormalities in current exchange rates tend more to offset each other.

Various restrictions upon the importation of articles into Hungary have existed, and still exist to a certain extent. Restrictions were placed especially upon the importation of luxuries, notably textile products. Such articles could not be imported except under license which was granted only for limited quantities. Restrictions upon exports were largely abolished in the spring of 1924. The restrictions had to do especially with the exportation of food products. The trade between the succession States, which formerly was practically all within one country, was greatly interfered with by tariffs and other restrictive measures which the States began to adopt after they became independent. These measures are being abolished in large measure so that the economic system of this part of Europe is being able to function more as it used to.

IV. EXCHANGE RATES AND PURCHASING POWER PARITIES

The Hungarian krone, according to its gold par, is worth 20.26 cents. Before the war the Austro-Hungarian krone, out of which the Hungarian krone developed, was maintained by the Austro-Hungarian bank practically at par. On the outbreak of war the Austro-Hungarian krone began to depreciate in the New York market, and at the end of 1914 was down to between 17 and 18 cents. The depreciation continued during 1915, accompanying increased note issues by the Austro-Hungarian Bank, and at the end of that year the krone was worth only about 13 cents. During most of 1916 the krone was fairly stable at about that rate, although at the end of the year it declined to about 11 or 12 cents.

When the United States entered the war in the spring of 1917 quotations in New York on Vienna ceased, but by comparing New York quotations on Amsterdam with Amsterdam quotations for Austrian currency, it appears that the krone was worth between 8 and 10 cents during most of 1917. During the first part of 1918 the value of the krone was greater than it had been during 1917, and quotations in January, 1918, indicated a value of about 14 cents. The tendency of the krone during 1918 was continually downward and at the same time the fluctuations were wide. By November, 1918, the krone was worth only about 7 cents.

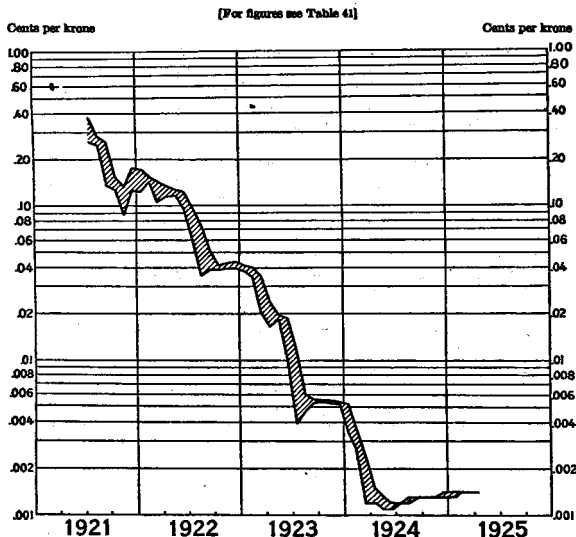
After the close of the war New York quotations on Vienna were not resumed until about the summer of 1919, when the krone was quoted at between only 2 and 3 cents. During 1919 the Hungarian krone became separated from the Austro-Hungarian krone, as Austria and Hungary became separate countries. The currencies of both countries declined rapidly during that year and in December were worth only a little over half of a cent. During the first two months of 1920 the Hungarian krone continued to depreciate (as did also the Austrian krone), but recovered somewhat during the spring and early summer. At the end of 1920 it was worth about a fifth of a cent. The Hungarian krone and the Austrian krone moved more or less together during the years immediately following the war, although during 1921 and 1922 the Austrian krone fell more rapidly, until it was stabilized in the latter part of 1922.

The Hungarian krone rose considerably in value in March, April, and May of 1921. It was at this time that the Government was making efforts to check inflation and that plans were being made for the withdrawal of the old paper currency and the substitution of State notes by the establishment of the State note institute. The currency in circulation had increased only slightly during the first three months of 1921, and actually declined to 13,100,000,000 kronen at the end of April from 15,700,000,000 at the end of March. The krone in April and May was quoted at more than double what it had been quoted at in February.

The efforts to prevent inflation were only temporarily successful, and the printing presses for turning out notes were again soon active. As the Government turned once more to the bank for advances in the fall of 1921, the note circulation increased rapidly. At the end of 1921 about 25,000,000,000 notes were outstanding, compared with about 15,000,000,000 at the first of the year.

The krone declined rapidly in October and November, 1921, being worth less than a tenth of a cent in November. From this time until the spring of 1924 the krone continued downward with some reactions. The value of the krone seemed almost to disappear, and in May and June, 1924, was down to 0.0011 cent. The accompanying chart (No. 28) shows the course of exchange rates in New York for Hungarian kronen from the middle of 1921 to date. The depreciation in exchange rates was a result of internal depreciation following very large issues of paper money. The notes in circulation in-

CHART 28
HUNGARY—EXCHANGE RATES, HIGH AND LOW, MONTHLY, 1921-1925
[Noon buying rates for cable transfers; New York on Budapest]



creased from about 25,000,000,000 kronen at the end of 1921 to about 76,000,000,000 at the end of 1922, to 931,000,000,000 at the end of 1923, and to nearly 3,000,000,000,000 in the middle of 1924, when the currency was stabilized.

The depreciation in exchange rates became very great in the summer and fall of 1922, and the Government at this time endeavored to check depreciation through placing restrictions upon the buying and selling of drafts. The Devisenzentrale (central foreign exchange office), which had been established during the war but later abandoned, was again placed in operation in August, 1922. The Devisenzentrale was under the State note institute and all dealings in exchange were restricted to members of the Zentrale. Official

rates were published daily and were to be observed by the members of the Zentrale.

For a short time these measures of official control over exchange rates produced a certain amount of stability, but inasmuch as the fundamental causes of depreciation were not removed the efforts were not successful, and in the spring and summer of 1923 the krone plunged downward again. Only a small portion of the demand for foreign currencies could be satisfied at the artificial rates published by the Devisenzentrale. As a result there came into existence an illegal market for foreign currencies, where a large amount of business was carried on. Rates on the illegal exchange were uniformly higher than the official rates, until the middle of 1924, when currency reform was undertaken. With the opening of the new bank in June, 1924, the Devisenzentrale passed out of existence. What control continued to exist was in the hands of the national bank.

In order to provide a more or less stable unit for business the Government early in 1924 endeavored to introduce the so-called sparkrone. The number of paper kronen contained in the theoretical sparkrone was to be fixed daily by a committee under the State note institute. In determining this rate for the sparkrone the committee was to consider especially three factors—(1) the rate for dollars in Budapest, (2) the rate for Hungarian crowns in Zurich and Vienna, and (3) the relative quotations of securities in Budapest and Vienna. The sparkrone was utilized only a short time since the currency became stabilized and the National Bank of Hungary came into existence in June, 1924. The sparkrone was used for awhile by the State note institute, since in February, 1924, the Government declared that loans and discounts granted by the institute should be payable at a rate determined on the date of maturity; that is, at the rate for the sparkrone.

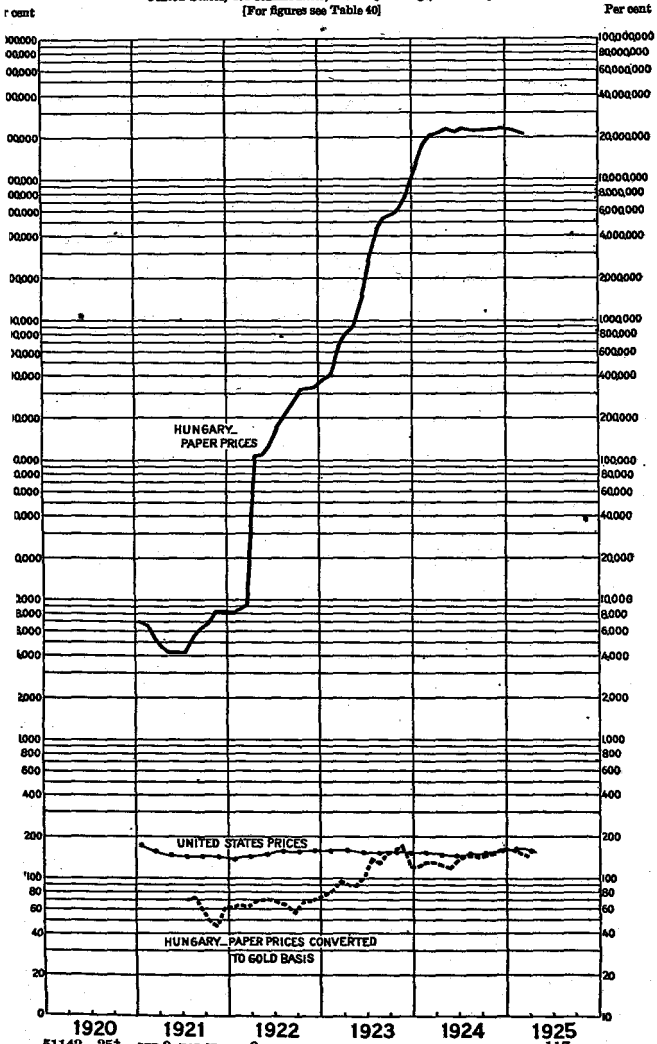
The depreciation of the krone in the exchange markets was in the main a reflection of the internal depreciation, and the rise in prices within Hungary. Prices in Hungary rose rapidly during these years, as seen in the accompanying chart (No. 29). This chart shows prices on the basis of paper kronen, and these same prices converted to a gold basis by reducing them according to the depreciation indicated by exchange rates. The chart also shows United States prices for purposes of comparison.

The relation between the krone and the dollar on the basis of the purchasing power of each currency within its own country is shown in purchasing power parities, which are parities computed from index number of prices in the respective countries. These purchasing power parities, shown in the accompanying chart (No. 30), were above current exchange rates most of the time, indicating that the krone was depreciated to a greater extent in the exchange market than warranted solely by the amount of internal depreciation. The two curves moved continually downward in more or less parallel lines and in the latter part of the period shown have been in fairly close agreement.

In the latter part of 1923, when negotiations were under way regarding control of Hungarian finances by the League of Nations, the krone ceased to depreciate and showed considerable stability in the exchange market. However, inasmuch as internal depreciation was still continuing, as shown by the fall in the purchasing power parity

CHART 29

HUNGARY--WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1920-1925
 Magyar Statisztikai Index for Hungary, 53 commodities, end of month, 1913=100; Federal Reserve Board index for
 United States, 104 commodities, monthly average, 1913=100
 [For figures see Table 40]

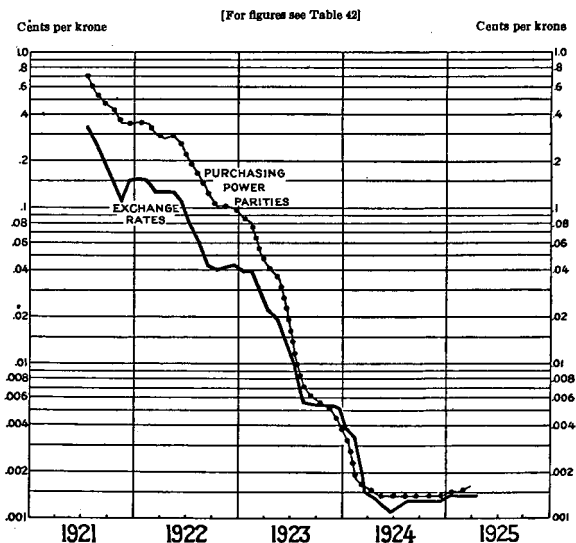


curve (Chart 30) and in the price curve (Chart 29), exchange rates were soon falling again. With the inauguration of control under the League of Nations and the organization of the new bank in June, 1924, inflation to meet government deficits ceased. During 1924, with inflation finally checked, the internal price level became fairly stable, and since the early part of that year prices, exchange rates, and purchasing power parities have all shown considerable stability.

CHART 30

HUNGARY—PURCHASING POWER PARITIES AND EXCHANGE RATES, MONTHLY, 1921-1925

[According to Magyar Statiztikai index for Hungary, 52 commodities, end of month, 1913=100; and Federal Reserve Board index for United States, 104 commodities, monthly average, 1913=100]



The krona was definitely stabilized in the middle of 1924 with reference to sterling. Sterling was selected in preference to the dollar or gold. As sterling returned to par in 1925 the krona thus became also stabilized with reference to the dollar. The rate of stabilization finally selected and maintained is the same as that of the Austrian krona, namely, 0.0014 cent to the krona, or 346,000 kronen to the pound sterling. This is discussed further in the following section.

V. FINANCIAL RECONSTRUCTION

Economic and financial conditions in Hungary became progressively worse during 1923. The currency was depreciating rapidly as result of large issues of paper money to meet budgetary deficits of the Government. In order to stop inflation and to stabilize the currency it seemed that an external loan was essential, so that the Government would not have to resort to further issues of paper money. The credit of Hungary was weak and the country was burdened with reparations and other charges, so that little security could be offered for a loan.

In April, 1923, the Hungarian Government requested the Reparation Commission to release the country from the charges imposed by the treaty of Trianon, so that the country's resources might thereby serve as security for an external loan. The Reparation Commission replied that it would lift the charges provided the loan scheme were submitted to it and provided that part of the funds obtained from the loan would go to reparation purposes. Hungary endeavored to negotiate a loan on this basis, but the arrangement was found to be unsatisfactory to the bankers in the chief financial markets, so that funds were not available.

The financial reconstruction and control of Austria under the League of Nations by this time had been proving successful, and a similar scheme was proposed for Hungary. The political situation in the countries around Hungary had improved, and in October the Reparation Commission declared it would lift the charges on Hungarian assets and revenues to permit a loan and the financial reconstruction of Hungary under the League of Nations along the lines of the arrangement in Austria. The Reparation Commission then asked the League of Nations to prepare plans. The League sent a delegation to Budapest in November, 1923, and about the first of February, 1924, submitted its plan to the Reparation Commission.

On February 21 the Reparation Commission formally notified the League that it would remove the liens on Hungary's resources, so that the new loan could be a first charge on these resources. The commission agreed that no reparation payments should be made during the first two and a half years of reconstruction, and that during the period of 20 years of repayment of the reconstruction loan reparation charges should not exceed 10,000,000 gold crowns per year on the average.⁶

Another step was necessary in order to free Hungarian assets and revenues so that they could serve as the basis for a reconstruction loan. It was necessary to remove the prior liens in favor of holders of relief bonds so that the new loan could have a clear first charge on Hungarian revenues. Consent for this release was finally obtained from the nations holding relief bonds, viz, France, Great Britain, Sweden, Norway, Denmark, Switzerland, Netherlands, and the United States.

The plans for reconstruction under the League of Nations were adopted by Hungary in the form of laws April 17, 1924, and became effective April 26. The nations concerned had signed the necessary

⁶ Reparation payments during the 20-year period, as fixed by the commission and accepted by Hungary begin with the payment of 5,000,000 gold crowns in 1927, and increase to 14,000,000 in 1942. The total amount of reparation Hungary is to pay under the treaty of Trianon was not fixed.

protocols in March, agreeing to respect the political, economic, and territorial integrity of Hungary. These plans of the League provided especially for a cessation of inflation, currency stabilization, a budget balanced by June 30, 1926, and a reconstruction loan negotiated to meet the deficits until June, 1926. The plans provided also for the appointment of a commissioner general to exercise supervision over the financial situation in Hungary and to insure the proper fulfillment of the entire program, and for the establishment of a central bank with a foreign adviser. Mr. Jeremiah Smith, of the United States, was appointed commissioner general by the council of the League of Nations. The commissioner general is responsible to the council of the League and is removable by it.

A reconstruction loan to the amount of 250,000,000 gold kronen was floated by Hungary in the leading financial centers in July, 1924.⁷ The loan is secured by customs receipts, by revenues from the tobacco monopoly, the salt monopoly, and by receipts from the sugar tax. Revenues from these sources have been considerably in excess of the amounts necessary for the service of the loan. The bonds are 20-year bonds, bearing $7\frac{1}{2}$ per cent interest and were issued at a price of $87\frac{1}{2}$.

The plan of reconstruction provided for the establishment of a national bank to take over the affairs of the State Note Institute and to serve as a central bank of issue. Such a bank was organized with a capital of 30,000,000 gold crowns (about \$6,000,000) and opened for business June 24, 1924, in the premises of the former State Note Institute, which had also been the premises of the Austro-Hungarian Bank. The bank is modeled along the lines of the National Bank of Austria. It is a private corporation, although the Government participates in the administration in that the governor is appointed by the State on the recommendation of the Minister of Finance. The board of directors consists of the governor and 13 members, elected by the stockholders. The general manager and other managers are appointed by the board of directors and have charge of the actual administration of the bank. They constitute the board of management. The Government appoints a government commissioner whose duty it is to see that the bank conforms to the law. The Government participates in the net profits of the bank to the extent of two-thirds after the payment of a dividend of 8 per cent to the shareholders. After the payment of a dividend of 10 per cent the share going to the State increases to three-fourths.

As regards reserve requirements the bank is obliged to maintain a reserve against its notes and demand liabilities of 20 per cent during the first five years of the bank's existence; during the second five years, 24 per cent; during the succeeding five years, 28 per cent; and thereafter $33\frac{1}{3}$ per cent. As soon as specie payments are resumed, however, the bank is liable to a tax on the notes whenever the cover falls below 40 per cent. The reserve may consist of gold or foreign currency and bills of exchange of countries where the currency is relatively stable. Until specie payments are resumed these reserve requirements do not apply to notes arising out of the debt of the Government to the bank.

The new bank has a monopoly of note issue, and its notes enjoy full legal tender in respect to all payments, public and private, with the

⁷ The British, American, Swedish, Netherland, and Italian shares were issued early in July. The other shares, viz. the Swiss, Hungarian, and Czechoslovak, were issued a few weeks later. The United States bankers at first declined to participate in the loan, but ultimately participated.

exception of those which specify metallic currency. This legal tender quality lapses with the introduction of specie payments. The bank took over the note circulation and affairs of the State Note Institute, which passed out of existence with the opening of the new bank. The liabilities taken over, i. e., the notes and current accounts, were larger than the assets, partly because the bank found that some of the bills in the portfolio were unacceptable. The Government, therefore, had to increase its debt to the bank to make up the difference.

The Government is not permitted to borrow from the bank except against foreign currency or foreign bills given over to the bank to the extent of 100 per cent of the loan.

The bank's statutes provide for the ultimate resumption of specie payments and the introduction of the gold standard. This may take place when the Government's debt to the bank shall have been reduced to 30,000,000 gold kronen. When either the Government or the board of directors of the bank think specie payments should be resumed, negotiations must be commenced and a bill for such resumption submitted to the legislature.

On account of the intimate financial relations between Hungary and Great Britain the krone was stabilized in the middle of 1924 with reference to the pound sterling, which at that time was not a gold unit, in preference to gold. The original stabilization rate adopted was 360,000 kronen to the pound, which meant about 83,000 kronen to the dollar since the pound was quoted then at about \$4.32. As conditions in Hungary improved, and as a slowing down in the rate of turnover of the currency took place, the value of the krone increased so that a rate of 346,000 kronen to the pound (the same as the Austrian rate) was adopted, which is the equivalent of about 71,000 kronen to the dollar or about 0.0014 cent to the krone. While the krone was stable with reference to sterling, it was not stable with reference to the dollar, inasmuch as sterling was fluctuating in terms of dollars. As sterling rose, practically reaching par in April, 1925, the krone also increased in value, and is therefore now stabilized in terms of dollars at the same level as the Austrian crown, namely, the above rate of 0.0014 cent to the krone.

The stabilization of the krone has been one of the outstanding events in Hungarian reconstruction, and has been of great benefit to the industry and prosperity of the country. When the currency was fluctuating rapidly the economic life was deranged and production reduced. Since the country now has a definite unit, in which it can do business, a unit stable in terms of gold, transactions are carried on with a greater degree of certainty. The Government's revenues have reflected the benefits of a stabilized currency, and have increased more than expected. The country has recovered remarkably from the chaotic conditions prevailing at the first of 1924.

The accompanying chart (No. 31) shows how the gold value of the total circulation in Hungary has increased since stabilization began. The chart shows two curves for the gold value of the circulation, one computed on the basis of the value of the krone as indicated by exchange rates, and the other computed by the value of the krone as indicated by purchasing power parities.

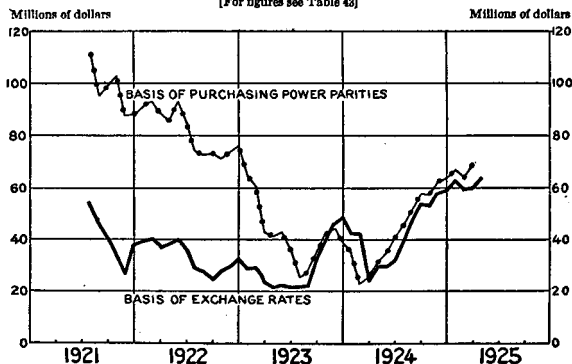
It will be noticed that both curves in the summer of 1923 and the spring of 1924 were low. The rise at the end of 1923 was when

control by the League of Nations was anticipated so that the value of the krone rose. But as long as inflation was continuing this rise was not maintained. When stabilization finally commenced in the middle of 1924, both curves rose continually. This rise in total value was due to the increased amount of circulation which the country was able to absorb once the currency became stabilized. When the krone was depreciating and fluctuating rapidly, business avoided its use and turned to foreign currencies and bills as far as possible. No one desired to possess paper kronen very long, since holding them usually meant a loss in value. Consequently, the field for the domestic currency was restricted and the krone's value declined all the more on that account.

However, after stabilization took place, business which formerly avoided the use of kronen now accepted them. Confidence increased

CHART 31

HUNGARY—GOLD VALUE OF TOTAL CIRCULATION, MONTHLY, 1921-1925. ON BASIS OF EXCHANGE RATES AND ON BASIS OF PURCHASING POWER PARITIES
[For figures see Table 43]



and individuals were no longer afraid to hold the money from one day to the next. The rate of turnover thus slowed down. The circulation of the bank increased from about two and one-half trillion kronen in the middle of June, 1924, to over four and one-half trillion at the end of December, 1924. This increase took place through the presentation at the bank of foreign exchange and other eligible collateral for notes. These events were similar to those which transpired in Austria a year or two earlier.

The gold reserve of the Bank of Hungary increased from about 247,000,000,000 kronen (paper) at the end of June to about 654,000,000,000 (paper) at the end of April, 1925.⁸ On the same dates the holdings of foreign currencies and exchange increased from about 681,000,000,000 kronen to about 2,082,000,000,000.

The reserves which may serve as legal cover for notes and demand liabilities may consist of "metal"—gold or silver—and foreign

⁸ During February the bank received about 90,000,000,000 kronen (paper) in gold from the State railways, which acquired it in the form of fares and freight receipts.

currencies, foreign bills, and deposits in countries with stable currencies. The following figures show how the legal reserves of the bank have increased; they now amount to about 61 per cent of the notes outstanding to the extent of 4,526,000,000,000.

Hungarian National Bank
[Paper kronen; one krone=0.0014 cent]

	June 30, 1924	Apr. 30, 1925
Gold coin and bullion.....	246,947,000,000	653,534,000,000
Silver coin and bullion.....	9,823,000,000	12,136,000,000
Foreign currency and exchange.....	661,263,000,000	2,081,998,000,000
Total legal reserves.....	928,088,000,000	2,747,668,000,000

The bank is thus in a fairly strong position to maintain the currency at its present level. Prices, exchange rates, government finances, and conditions generally are such as to permit convertibility into gold and the establishment of the complete gold standard at an early date. The bank reduced its discount rate in March, 1925, from 12½ per cent to 11 per cent on account of improved credit conditions. The demand for credit had become reduced, and it was hoped lower rates would help to stimulate business and the economic recovery of the country.

The Government finances of Hungary have shown continued improvement under the control of the League of Nations. Revenues pledged for the reconstruction loan have been much more than required to meet the payments, and the entire program of reconstruction has made more rapid progress than was anticipated. The plan of reconstruction did not contemplate a balanced budget until June, 1926. However, in October, 1924, a surplus of revenue was realized, and this condition has continued each month since then. Although the budget is already balanced there is still much to be accomplished before the country may be said to be in an entirely satisfactory condition and deficits may occur again from time to time. The following tables show the receipts and expenditures of Hungary for the year 1924-25, and also receipts and expenditures during the war and the years following when depreciation was taking place rapidly.

Hungary—Net receipts and expenditures, 1924-25

[Source: Monthly reports of commissioner general for Hungary. Gold kronen]

Estimated budget, July 1, 1924-June 30, 1925:	
Net receipts.....	307,350,680
Net expenditures.....	407,281,180
Deficit.....	99,930,500

RESULTS FIRST SIX MONTHS

	Receipts	Expenditures	Deficit	Surplus
1924				
July.....	17,900,000	30,600,000	12,600,000	-----
August.....	29,500,000	33,800,000	4,300,000	-----
September.....	30,900,000	36,700,000	5,800,000	-----
October.....	35,600,000	33,700,000	-----	1,900,000
November.....	49,200,000	34,000,000	-----	15,200,000
December.....	44,900,000	37,200,000	-----	7,700,000
Total for six months.....	208,000,000	206,900,000	-----	1,100,000

¹ Net.

NOTE.—Net receipts and expenditures exclude (a) revenues other than taxation collected by different departments of the Government; (b) railway traffic tax; (c) working expenses of the tobacco monopoly.

Hungary—Receipts and expenditures, 1913-1924

[Source: Magyar Kir. Pénzügyminis.ter. 000 omitted]

	Budget estimates				Closed accounts ¹			
	Receipts	Expenditures	Surplus	Deficit	Receipts	Expenditures	Surplus	Deficit
1913.....	Kronen 2,073	Kronen 2,073	Kronen	Kronen	Kronen 2,547	Kronen 2,319	Kronen 228	Kronen
1914 (January-June) ¹	1,073	1,111		38	1,356	1,444		88
1914-15.....	2,264	2,264			7,265	6,659	606	
1915-16 ²					12,089	12,248		159
1916-17 ³								
1917-18 ⁴	3,460	3,443	26					
1918-19 ⁵								
1920 (February-June) ⁶	1,950	4,749		2,799				
1920-21 ⁷	10,521	20,211		9,690				
1921-22 ⁸	20,315	26,784		6,469				
1922-23 ⁹	152,802	193,455		40,653				
1923-24 ¹⁰	2,168,140	3,307,069		1,138,929				

¹ Fiscal year changed from calendar year to year ending June 30.² Finances were carried on by means of indemnity acts.³ Budget estimates were prepared, but finances were carried on by means of indemnity acts.⁴ No budget was prepared on account of revolution and Bolshevik regime.⁵ Indemnity act for period indicated.⁶ Budget act for 1920-21.⁷ Beginning with 1916-17, closed accounts were not dealt with by legislation.

Inasmuch as the reconstruction of Hungary has progressed so satisfactorily the Government has not found it necessary to utilize as much of the 1924 loan as expected. The loan was floated to provide funds to meet deficits which were expected to occur until June, 1926. Out of the 254,000,000 gold kronen realized, only 148,000,000 had been utilized at the end of March, 1925. On account of the rise in the value of currencies of countries in which the proceeds of the loan were held on deposit, that portion still available for use at the end of March had increased in value and amounted to about 116,000,000 gold kronen.

Hungary in the spring of 1924 funded its debt to the United States Government. This debt, which is repayable over a period of 62 years, amounted on November 15, 1924, to \$1,953,542.50. The debt bears interest at 3 per cent over the first 10 years and 3½ per cent thereafter. The following table shows the total debt of Hungary, internal and external, at the end of 1913 and at the end of the years since the war:

Hungary—National Debt

[Source: Magyar Kir. Pénzügyminis.ter. Paper kronen]

Dec. 31	Internal	External ¹	Total
1913.....	2,161,911,624	5,645,449,618	8,007,361,242
1919.....	17,474,944,131	60,868,818,194	84,343,762,325
1920.....	27,488,553,021	96,854,227,244	124,342,780,265
1921.....	56,300,376,599	128,047,219,365	184,347,595,964
1922.....	82,397,517,719	424,246,457,875	506,643,975,594
1923.....	416,392,267,640	3,370,659,310,968	3,787,051,578,608

¹ Debts expressed in gold or foreign currencies have been converted into paper kronen at rates of exchange in Zurich on the last day of the corresponding year.

NETHERLANDS¹

1. PRE-WAR CURRENCY

Before the war the Netherlands was practically upon the gold standard. The currency unit was the guilder, or florin, as it is sometimes called, and the gold coins contained gold at the rate of 0.672 gram 0.900 fine per guilder. The guilder was thus worth about 40.20 cents in United States money. The gold coins were the pieces of 10 guilders and 5 guilders. There was free coinage of gold (a small charge was made for the minting) and the gold coins were unlimited legal tender. The silver and subsidiary coins were coined only for the account of the Government. Some of the silver coins were unlimited legal tender, namely, the 2½ guilder, 1 guilder, and ½ guilder pieces. These silver coins contained silver at the rate of 10 grams 0.900 fine per guilder.² The silver coins, it will be noticed, are subsidiary coins, and although they are not all full legal tender they circulated before the war at a parity with gold.

The Netherlands, like most other European countries, experienced currency difficulties during the nineteenth century, much of the trouble resulting from efforts to maintain the bimetallic standard in the face of fluctuating market ratios between gold and silver. The mint act of September 28, 1816, fixed the 10-guilder gold piece at 93.465 grains of fine gold and the 1-guilder silver piece at 148.39 grains of fine silver. This gave a bimetallic ratio of about 15.88 to 1. In 1847 gold was demonetized in the Netherlands and the silver standard adopted. The metallic contents of the silver guilder was lowered to 145.85 grains. The Netherlands continued on the silver standard until 1875, and during this period large quantities of silver coins were minted. The price of silver declined beginning about 1875, and on June 6, 1875, the free coinage of silver was definitely suspended. The law of 1875 established the gold guilder as the unit, with a metallic content of 0.672 grams 0.900 fine (0.6048 gram 0.1000 fine), which is the weight of the present gold guilder.

The large quantities of silver in circulation were a menace to the gold standard, and since the coins could not be exported profitably, gold was exported instead to meet the demands resulting from unfavorable exchange rates. The gold reserve of the Netherlands Bank declined from about 57,000,000 guilders at the end of 1880 to 11,000,000 guilders in October, 1882, and to about 5,000,000 guilders in February, 1883. In April, 1884, the melting down of 25,000,000 guilders in silver coins was authorized. However, about this time gold began to flow back into the country so that the Government did not find it necessary to melt down this amount of silver.

The gold standard continued in the Netherlands down to the middle of 1914. The bank met demands for gold for export freely, but discouraged as far as possible the circulation of gold within the country. The currency system in 1914 was based upon the coinage act of 1901,

¹ This section was prepared largely by Mr. E. V. D. Wight. Grateful acknowledgment is made of the valuable assistance of Dr. Wilhelm Maurer, of the Rotterdamse Bankvereeniging.

² The fineness of the coins was reduced to 0.720 November 27, 1912, on account of the high price of silver which prevailed at that time.

amended by acts of December, 1906, July, 1909, and October, 1912. These laws embodied the gold standard and gave the Netherlands the currency system described above.

In addition to the metallic currency circulating before the war were the notes of the National Bank. These notes were unlimited legal tender and were redeemable by the bank on demand in other legal tender currency, i. e., gold or silver, before the war. Gold did not circulate before the war in Netherlands to any extent, but was concentrated largely in the vaults of the Netherlands Bank. The amount of silver, nickel, and bronze currency circulating in the first part of 1914 was approximately 65,000,000 guilders. The circulation of bank notes at this same time was about 325,000,000 guilders.

The Netherlands Bank (*Nederlandsche Bank*) was founded in 1814 under a charter from King William I.³ It had been hoped that the old *Amsterdamsche Wisselbank* could be revived, but when this was seen to be impractical, the existing bank was organized as its successor. The Bank of Amsterdam (*Amsterdamsche Wisselbank*) was one of the famous early banks, and was founded in January, 1609. It began its career by accepting bullion and coin according to weight and giving receipts in return. These metallic deposits were accepted for safe-keeping and a charge was made. The receipts of the bank for deposited bullion came to enjoy extensive circulation and were known as "bank money."

It was generally supposed that this early bank retained in its vaults an amount of coin and bullion equal to the bank money or receipts issued. However, this was not the case; but since the affairs of the bank were secret, the public did not become aware of the situation until about 1789, although as early as 1657 individual were permitted to overdraw their accounts. Loans of specie had also been made to the Dutch East India Co. Efforts were made to reorganize the bank, but were unsuccessful and the bank was finally closed by decree of December, 1819.

The Netherlands Bank (*Nederlandsche Bank*) is the sole bank of issue. It is a private institution with a capital stock of 20,000,000 guilders and a surplus of 5,999,469 guilders. Although the bank is a private institution as regards ownership, the president and secretary are appointed by the Crown, as well as a government commissioner, who exercises a certain amount of authority in the management. The Government participates in the net profits of the bank to the extent of 25 per cent until a dividend of 7 per cent has been paid the shareholders. After this the Government receives seven-eighths of the net profits. Although the Government appoints the officials mentioned above, the bank formulates its own policies.

As regards reserve requirements, the bank must keep a reserve in gold or silver against all its sight obligations to the extent of at least 40 per cent.⁴ There are no provisions determining how much silver might be kept, but in actual practice silver in recent years has constituted a very small portion of the bank's metallic reserve. There is no fixed limit to the amount of notes the bank might have outstanding so long as reserve requirements are met.

The bank is the fiscal agent of the Government and is required to make temporary advances to the Government without interest to a maximum amount of 15,000,000 guilders.

³ The charter has been renewed at various times and the present charter runs until March 31, 1934.

⁴ At the outbreak of the war this figure was reduced to 20 per cent.

II. CURRENCY, CREDIT, AND PRICE MOVEMENTS, 1914-1925

Although the Netherlands was not one of the belligerent nations, nevertheless the outbreak of war in 1914 caused considerable disturbance to the economic and financial life of the country. Upon the outbreak of war the financial centers of London, Paris, and Berlin recalled credits, so that exchange rates on these cities rose and gold began to leave the Netherlands. The Government promptly placed a prohibition upon the exportation of gold. Several of the articles of the bank act were suspended, and the Government was authorized to exempt the bank from the obligation of redeeming its notes in specie. The reserve required to be held against demand liabilities was reduced from 40 per cent to 20 per cent.⁵

In order to help meet the crisis in the middle of 1914, about 30 municipalities, including Amsterdam and Rotterdam, issued emergency currency after consultation with the bank. These issues were illegal according to the Netherlands stamp act, and the notes were withdrawn when the crisis subsided.

Prior to the war the only paper currency in the Netherlands for some time had been the notes of the Netherlands Bank. However, in the early days of the war the Government, in accord with the bank, issued currency notes known as silver bonds (zilverbons) in denominations of 1, 2½, and 5 guilders. The smallest bank note had been 10 guilders. These Government notes were unlimited legal tender. By October 17, 1914, the amount of such notes outstanding was 16,906,000 guilders. The act authorizing these issues provided that the notes were to be withdrawn as soon as the Netherlands Bank could place a sufficient amount of silver currency at the disposal of the Government. At the present time most of these notes have been withdrawn, although a certain number of the 2½ guilder notes is still in circulation. These ultimately are to be replaced by silver.

The Netherlands Bank raised its rate of discount upon the outbreak of war, as did other central banks of Europe. The rate was raised on July 29 from 3½ per cent to 4½ per cent and on August 1 to 6 per cent. On August 20 the rate was lowered to 5 per cent, where it remained for nearly a year (until July 1, 1915).

On account of the stringent credit conditions there was organized the General Netherlands Central Currency Bank for the Middle Classes. This institution created with the support of the Netherlands Bank was to aid especially the small shopkeepers and professional classes who were embarrassed by the suspension of credit.

The note circulation of the Netherlands Bank increased very greatly on the outbreak of the war, and continued to rise until the time of the armistice in 1918. Prior to the war the circulation outstanding amounted to a trifle over 300,000,000 guilders. The circulation increased from about 306,000,000 guilders at the end of June, 1914, to about 444,000,000 at the end of August and to about 473,000,000 at the end of December, 1914. Deposits also increased

⁵ The circulation of the bank increased rapidly, so that the actual reserve fell to about 32 per cent in October, 1914. However, the situation changed so that the percentage of reserve rose to above 40 per cent in December, 1914.

very sharply from about 5,000,000 at the end of June, to about 32,000,000 at the end of August, 1914, declining to about 17,000,000 by the end of December. The accompanying chart (No. 32) shows the principal items in the Netherlands Bank from 1912 to 1925. It will be noticed that the note circulation rose from the pre-war figure of about 300,000,000 guilders to over a billion guilders by the end of 1918.

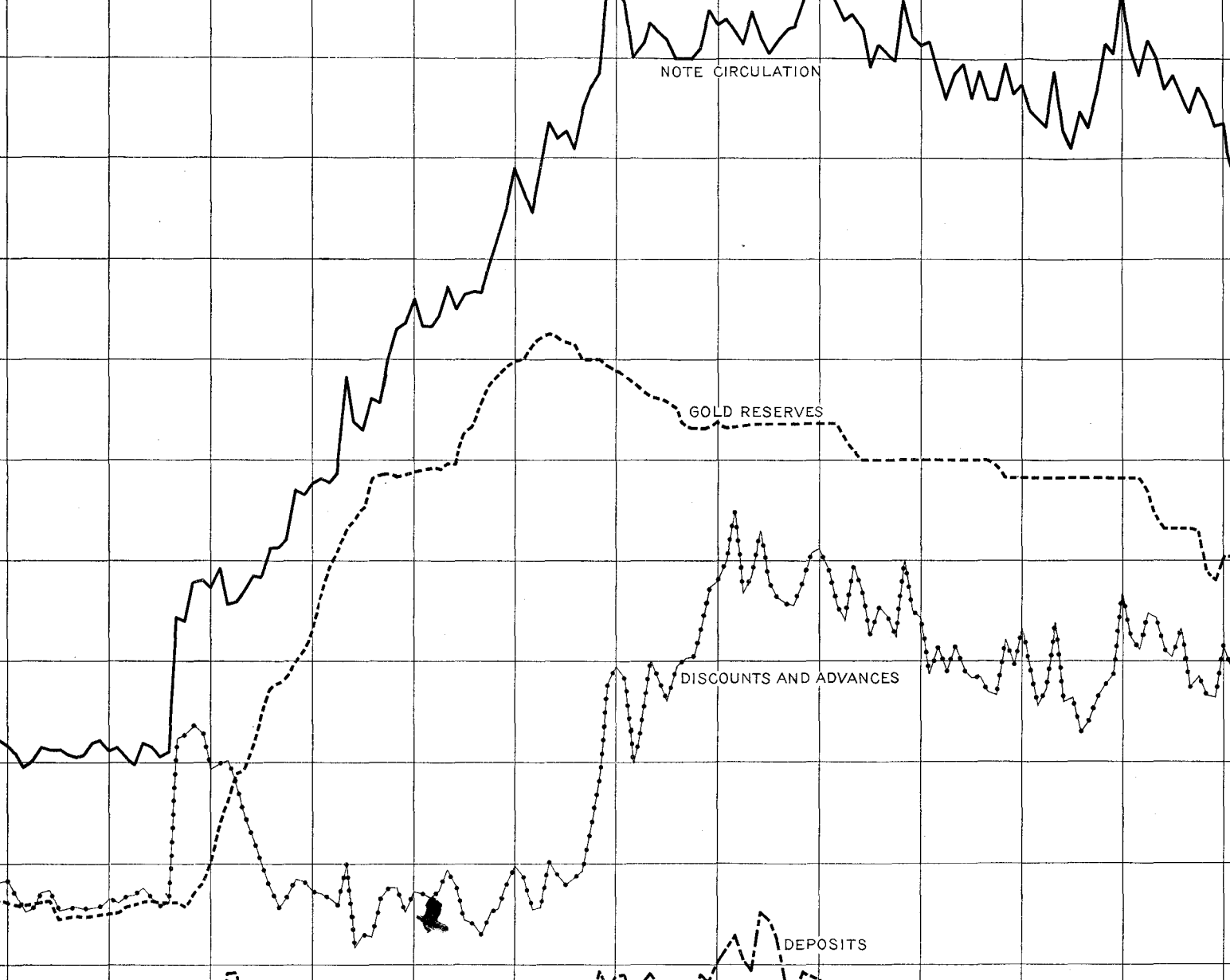
The increase in the note circulation of the Netherlands during the war was due to a large extent to the influx of gold into the country. The bank issued notes in return for deposits of gold. It will be noticed in the chart that the gold reserves increased from about 160,000,000 guilders in June, 1914, to 208,000,000 by the end of the year, to 429,000,000 by the end of 1915, and to a maximum of over 725,000,000 in April, 1918. The increase in the note circulation was caused also by the bank discounting large quantities of government securities. This was especially the case during 1918 when purchases of gold had practically come to an end.

The Government had need for increased revenue to meet abnormal expenditures growing out of the disturbed conditions, and at the close of 1914, in consultation with the Netherlands Bank, decided to float a 5 per cent loan to the extent of 275,000,000 guilders. The Netherlands Bank offered to make loans against the new securities on a margin of 5 per cent instead of the customary 30 per cent. Similar provisions were made in the case of loans in 1916 and 1917. This special privilege afforded government securities was canceled in June, 1920, and as loans matured the full 30 per cent margin was required for new borrowings. As a result of this change, loans against securities decreased from the high point of 332,000,000 guilders on July 26, 1920, to about 248,000,000 guilders on December 27, 1920.

During a part of the war money rates in the Netherlands were very low. In July, 1914, prior to the war, the private discount rate in Amsterdam was in the neighborhood of 3 per cent. The outbreak of the war pushed rates up to over 6 per cent, but this condition did not prevail long, since funds from abroad began to come into Holland. At the same time there was almost a complete shutdown of industry within the country so that large amounts of capital funds were at the disposal of the market for short periods. During 1915 and 1916 the rates were fluctuating around 2 and 3 per cent and occasionally even 1 per cent.

It is reported that for a short time in the autumn of 1916 short term money could be had for even less than 1 per cent. This situation changed so that by 1919 rates were around 3 and 4 per cent. In 1922, however, German capital in large quantities flowed into Holland due to disturbed conditions in Germany, and especially to the depreciation of the mark and to reparation difficulties. The effect of this influx of funds was to reduce the price of short term money. The discount rate of the Bank of the Netherlands remained at $4\frac{1}{2}$ per cent from the 1st of July, 1915, to July 18, 1922, when the rate was lowered to 4 per cent.

The Bank of the Netherlands during and since the war discounted large quantities of municipal securities as well as State securities. With the growth of borrowing by cities, increasing amounts of these securities passed into the hands of the bank. This borrowing on



the part of municipalities was a factor in the increase in issues of bank notes.

After the outbreak of war an increase in the use of checks for settling transactions took place in the Netherlands. The amount of bank clearings has increased almost continually from 1914 to the present.

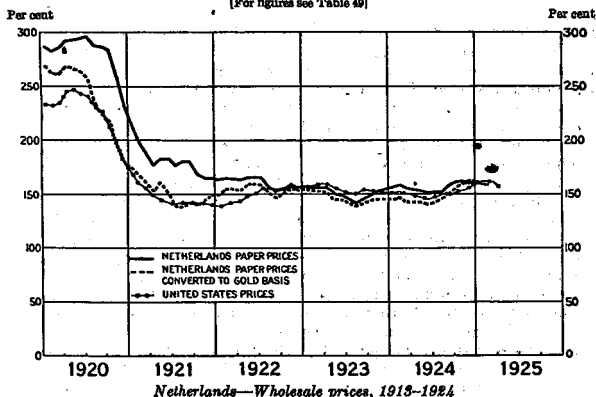
The effect of the expansion of currency and credit in the Netherlands on prices was marked. The following figures show how the index numbers rose from 100 in 1913 to nearly 400 for 1918.

CHART 33

NETHERLANDS—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1920-1925

[Central Bureau of Statistics index numbers for Netherlands, 53 commodities, monthly average, 1913=100; United States Bureau of Labor Statistics index, 404 commodities, monthly averages, 1913=100]

[For figures see Table 49]



[Source: Central Bureau of Statistics. Annual averages; 1913=100

1913	100	1917	286	1921	181
1914	105	1918	392	1922	160
1915	145	1919	297	1923	151
1916	222	1920	281	1924	156

The rise in prices was not due entirely to inflation, but was due also to the scarcity of goods. Especially was this true as the war progressed and stocks of goods were exhausted and could not be replaced. After the depression of 1920 prices declined from their high levels. The decline was especially precipitous in the last few months of 1920 and the first few months of 1921. The course of prices since 1920 can be seen in chart 33, which shows Netherlands prices on the basis of paper currency, and on the gold basis. The chart also shows prices in the United States for comparative purposes. It will be noticed that since the first of 1922 prices in the Netherlands have shown practically as much stability as prices in the United States, both fluctuating around 150. This stability in prices in the

Netherlands is due primarily to the fact that little inflation has taken place since the end of the war, as already noted in the previous chart (No. 32), which shows how the note circulation has fluctuated around 1,000,000,000 guilders most of the time since the armistice.

In examining the amount of inflation in the Netherlands it should be pointed out that considerable hoarding of guilders has taken place, not only in the Netherlands but also in Germany and other countries. Silver coins and also paper money have been hoarded. The actual circulation of the Netherlands Bank is thus less than shown by the reports of the bank.

Silver money began to disappear from circulation soon after the outbreak of war, and silver bonds were issued by the Government to replace the silver coins which had been in circulation. These silver bonds, as discussed above, were in small denominations, namely, $2\frac{1}{2}$ guilders, 1 guilder, and one-half guilder. The amount of currency of this type reached its high point at the end of 1918, when about 70,000,000 guilders were outstanding. Since that time the amount has gradually declined.

As a result of the rise in the prices of silver in the latter part of the war and in the years following the war, silver guilders were at a premium in terms of paper guilders. In order to remedy the situation the Government, November 27, 1919, reduced the fineness of the coins from 0.945 to 0.720.

The Netherlands Bank does not include its foreign-bill portfolio as part of its reserve. These foreign holdings, however, are useful in controlling exchange rates. At the end of December, 1913, the foreign portfolio amounted to about 14,000,000 guilders. By May, 1915, it had been reduced to about 170,000 guilders, but by the end of 1918 it amounted to nearly 9,000,000 guilders. Since that date the amount of foreign-bill holdings has increased, and in the middle of April, 1925, amounted to about 119,000,000 guilders.

The Bank of the Netherlands has at various times exported its gold in order to replenish its foreign-bill holdings and to sustain exchange rates. It will be noticed in the previous chart how the gold reserves have declined from a maximum of 785,000,000 guilders in April, 1918, to about 500,000,000 at the first of 1925. This reserve in 1925 amounted to about 54 per cent of the note circulation. Thus the Netherlands has a large gold reserve behind its currency.

III. FOREIGN TRADE

To a small country like the Netherlands, which does not produce a sufficient variety of articles to be self-sufficing, foreign trade is of considerable importance. The Netherlands finds it necessary to import large quantities of coal and coke, and also textiles and manufactured articles, especially iron and steel products and industrial machinery. The principal food imports are wheat, corn, and coffee. The principal exports from the Netherlands are various textile manufactures, vegetable oils, confectionery, and seeds, and dairy products—cheese, milk, and butter. The following table shows the principal commodities imported and exported by the Netherlands:

Netherlands—Imports and exports by principal commodities, 1923

	[Source: Jaarlijken voor Nederland]	Gulden
Imports:		
Coal, coke, etc.....		122,532,000
Textile manufactures.....		108,463,000
Iron and steel products.....		91,778,000
Industrial machinery.....		77,950,000
Lumber.....		75,320,000
Yarns.....		72,057,000
Wheat.....		68,290,000
Corn.....		67,115,000
Seeds.....		60,385,000
Clothing.....		57,495,000
Copra.....		46,878,000
Raw cotton.....		45,929,000
Coffee.....		42,883,000
Automobiles and vehicles.....		42,911,000
Mineral oil (excluding petroleum).....		33,692,000
Chemical products.....		30,785,000
Tobacco.....		30,170,000
Exports:		
Textile manufactures.....		114,588,000
Vegetable oils.....		85,382,000
Confectionery.....		71,595,000
Seeds.....		60,385,000
Coal, coke, etc.....		56,273,000
Cheese.....		54,226,000
Fresh meat.....		49,594,000
Margarine.....		49,620,000
Milk.....		48,472,000
Butter.....		41,330,000
Paper and stationery.....		34,036,000
Iron and steel products.....		27,990,000
Bulbs.....		26,383,000
Industrial machinery.....		26,049,000
Electric-light bulbs.....		25,862,000

Germany is the chief source of imports into the Netherlands and is followed in order by Great Britain, United States, and Belgium. As regards exports, Great Britain receives more goods from the Netherlands than any other country and is followed in order by Germany,

Belgium, and France. The trade of the Netherlands with the principal countries in 1913 and 1923 is shown in the following table:

Netherlands—Imports and exports of merchandise, by principal countries, 1913 and 1923

[Source: Jaarcijfers voor Nederland. In thousands of guilders]

	1913	1923		1913	1923
IMPORTS			EXPORTS		
Germany ¹	1,138,529	494,868	Great Britain.....	656,315	359,801
Great Britain.....	339,635	308,217	Germany.....	1,569,518	186,790
United States.....	442,733	256,017	Belgium.....	339,628	139,338
Belgium.....	352,051	215,250	France.....	31,423	126,115
Dutch East Indies.....	528,452	114,184	Dutch East Indies.....	162,769	110,851
Argentina.....	.....	100,063	United States.....	181,271	69,452
France.....	33,211	68,744	Sweden.....	26,084	23,665
India.....	.....	40,675	Denmark.....	18,260	20,852
Finland.....	.....	27,881	Norway.....	23,182	20,288
Brazil.....	42,148	25,919	Switzerland.....	.....	19,573
Sweden.....	68,864	24,499	Argentina.....	.....	18,491
Canada.....	.....	14,641	Spain.....	11,927	17,922
Spain.....	99,401	14,484	India.....	.....	14,045
Switzerland.....	.....	12,763	Italy.....	22,239	12,728
Other countries.....	872,861	290,912	Other countries.....	90,369	163,515
Total.....	3,917,885	2,009,226	Total.....	3,082,985	1,303,221

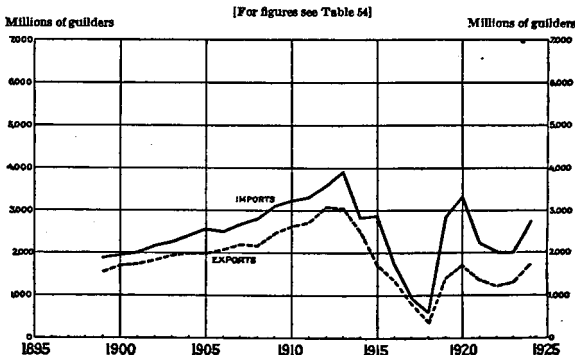
¹ Bremen, Hamburg, Lubeck, Mecklenburg, Oldenburg, Prussia.

² Includes Fiume.

CHART 34

NETHERLANDS—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1899-1924

Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]



The foreign trade of the Netherlands suffered severely during the war. The geographical location of the Netherlands, between two hostile countries, made it difficult for the country to import and export. Furthermore, much of the trade of the Netherlands is transit trade, and this was very greatly reduced as a result of the hostilities.

The accompanying chart (No. 34) shows the foreign trade of the Netherlands from 1899 through 1923. During the years 1914-1918

both imports and exports declined continually, with the exception of 1915, when the imports were a trifle larger than the preceding year. In 1913 imports amounted to about 4,000,000,000 guilders, while in 1918 they were reduced to only 608,000,000 guilders. Exports declined from 3,000,000,000 guilders in 1913 to 381,000,000 in 1918. The United States, Great Britain, and other allied countries placed restrictions upon shipments of goods to the Netherlands, since the goods found their way into Germany, the Netherlands serving as a gateway.

The Netherlands changed its method of computing foreign trade values beginning with 1917, so that comparisons of the different years are apt to be misleading. From 1847 to 1916 the official values of the different goods imported were not changed, although important price changes had taken place during this period. The 1917 figures are based upon values declared by the importers and exporters.

After the close of the war, the opening of markets and freer transportation permitted a recovery of trade, so that in 1919 the foreign trade of the Netherlands experienced considerable expansion. Imports for 1919 amounted to 2,826,000,000 guilders compared to only 608,000,000 in the preceding year, while exports for 1919 amounted to 1,411,000,000 guilders compared to only 381,000,000 the preceding year. The trade in 1920 was also large. As business depression developed throughout the world the trade in 1921 and 1922 was less than in the two preceding years.

The Netherlands, as shown in the chart, has continuously had an excess of merchandise imports, the excess in 1913 being over 800,000,000 guilders, an unusually large amount. During the war the excess of imports increased very greatly as exports declined to a greater extent than did imports. At the present time the excess of imports is back to about the same figure as before the war.

The excess of merchandise imports represents payments due the Netherlands for various types of services rendered foreigners. Among the most important of these services is that of handling transit trade through the country. A large part of the goods which are received in Rotterdam and Amsterdam are destined for reshipment to central European points. The reshipment of these goods involves profits to the Netherlands. During and after the war this item in the balance of payments was very much reduced. The profit from the transit trade for 1923 has been estimated at about 40,000,000 guilders.

Another service which the Netherlands renders and which is paid for by merchandise and other imports, is that of carrying goods in her ships for foreigners. For 1920 such shipping earnings have been estimated at 450,000,000 guilders. Earnings have declined since then until for 1923 they are estimated at about 145,000,000 guilders. Part of this reduction is due to the Ruhr occupation and other disturbed conditions, which reduced the trade of the Netherlands, both the transit trade and trade destined for domestic consumption.

Interest and dividends from foreign and colonial investments constitute a net credit item on the Netherlands balance sheet. The Netherlands has a large amount of capital invested abroad. Large sums, however, were invested in Russia, most of which money is now looked upon as lost. Returns on foreign investments are estimated for 1923 at 275,000,000 guilders.

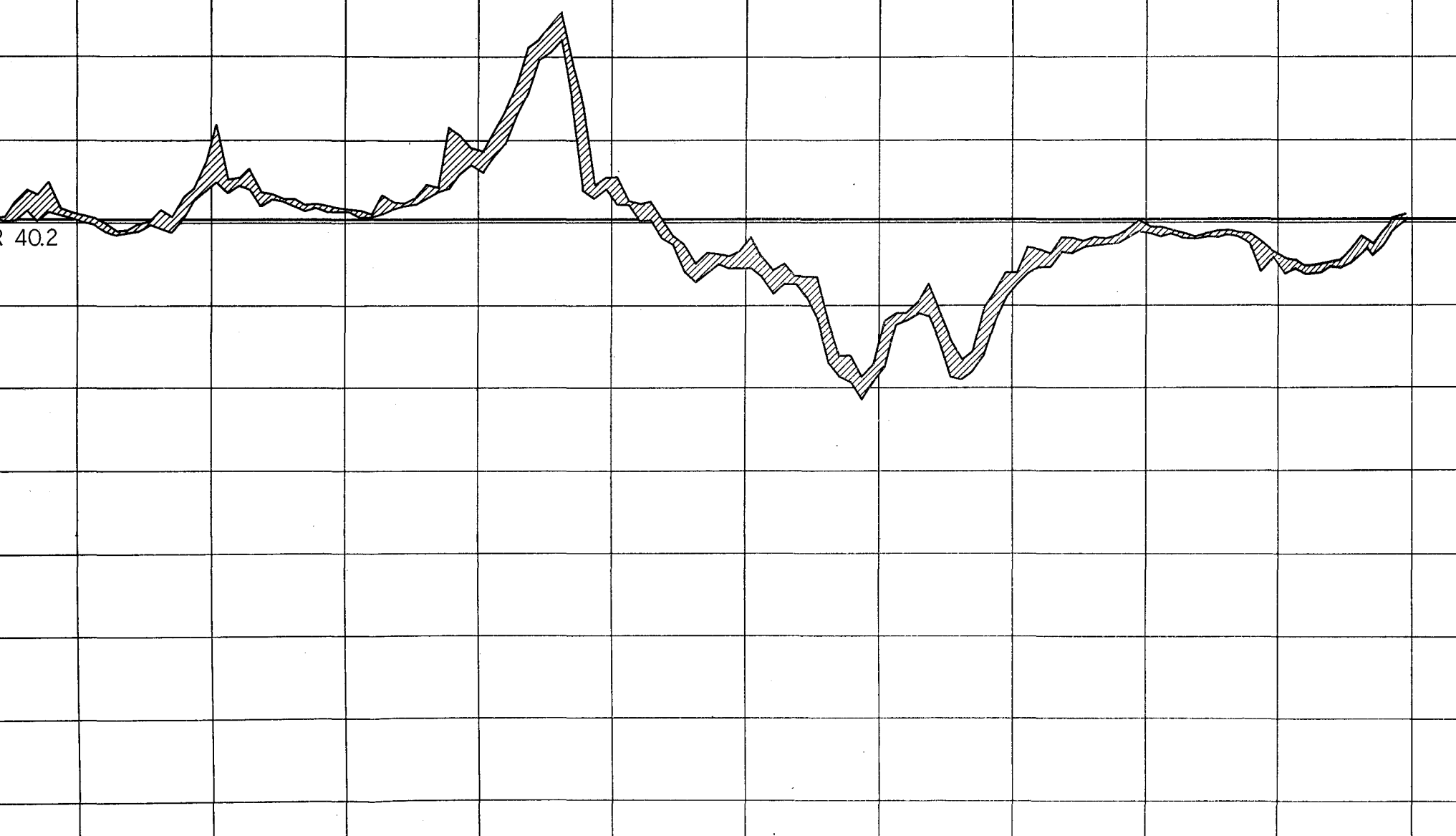
A further source of revenue to the Netherlands is found in the payments from the colonies, especially from the Dutch East Indies, to the home government. The colonies owe substantial amounts to the Netherlands, and payments in 1923 are estimated at 155,000,000 guilders.

Offsetting these invisible credit items are invisible debit items, such as investments which are made abroad each year by the Netherlands. In 1921 there was an important influx of German capital into the Netherlands. There has also been a flow of capital into the Netherlands from France and Belgium, and other countries which experienced either severe currency depreciation or threatened currency depreciation and other disturbances. Hoarding of guilder notes abroad has been a factor in the balance of payments and such notes exported are an offset to an excess of imports. The following table shows an estimate of the balance of payments for the Netherlands.

Netherlands—Balance of payments

[Source: De Economische Toestand van Nederland, H. Colijn, quoting Van Leeuwen. In millions of guilders]

	1920	1921	1922	1923
CREDITS				
Exports of merchandise.....	1,701	1,370	1,221	1,303
Additional exports out of storehouse.....		50		
Net gold exports.....	11	50	30	
Excess of polished diamonds exported over rough diamonds imported.....	10	10	15	10
Profits from transit trade.....	70	60	60	40
Profits from shipping service.....	450	200	160	145
Return on foreign investments.....	150	90	175	275
Return on colonial investments.....	325	140		
Colonial reimbursements and payments in Holland.....	100			155
Dutch sales of foreign security holdings.....	655	100		
Imports of foreign capital (largely German).....		225	150	
Funds borrowed abroad.....			325	
Net withdrawals of Dutch balances abroad.....		25		40
Miscellaneous.....	60	25	30	
	2,532	2,245	2,106	1,968
DEBITS				
Imports.....	3,336	2,240	2,028	2,000
Investments abroad and in colonies.....	250			
Net cost ship construction abroad.....		65		
Net sum lent colonies in excess of payments and reimbursements mentioned above.....		50		
Expenditures of Dutch tourists abroad.....		10		
Repurchase guilder securities issued in New York.....			50	
Repurchase dollar securities issued in New York.....			45	
	3,586	2,365	2,158	2,000



IV. EXCHANGE RATES AND PURCHASING POWER PARITIES

The guilder, the currency unit of the Netherlands, is worth, according to its gold contents, about 40.20 cents in American money; or, as the rates are quoted in the Netherlands, there are 2.4875 guilders to a dollar. Before the war exchange rates on New York were practically at par inasmuch as gold movements were permitted to take place freely. At that time if the price of dollars in the Netherlands rose very much, it soon became cheaper to export gold than to pay much more than the gold par. Thus before the war fluctuations in exchange rates were confined within narrow limits marked by the "gold points."

The outbreak of the war in 1914 brought confusion into the exchange market in the Netherlands as in other countries. London and Paris exchange immediately went to a premium in Amsterdam, due largely to a recall of credits by these financial centers. Gold started to go out under these circumstances, and an embargo upon its exportation was imposed by the Netherlands. On account of increased freight rates and insurance charges the shipping of gold became more expensive. It is thus doubtful whether much would have left the Netherlands without the embargo, especially since the premium on London and Paris exchange did not continue very long. After the first few weeks of the war, sterling bills declined below par in Amsterdam. In the spring of 1915 London exchange again rose above par, but did not continue there long, and after May, 1915, the rates were again below par.

Exchange rates in Amsterdam for American dollars rose during the early months of the war, or, in other words, in New York guilders were at a premium. The accompanying chart (No. 35) shows the course of exchange rates in New York on Amsterdam from the first of 1914 to 1925. It will be noticed that in February, 1915, the guilder went below par (40.20 cents), where it remained until August of that year. In November and December of 1915 and in January, 1916, guilders rose rapidly, reaching a high point of over 45 cents. The rates gradually declined and were down practically to par in February, 1917. However, a new rise commenced at this time, which became more precipitate after the United States entered the war, until the guilder was selling for about 53 cents in August, 1918. This was when the military situation seemed to be favoring Germany.

As the military fortunes changed rapidly in the summer of 1918, the discount in Amsterdam upon dollars declined rapidly, or, in other words, the premium in New York on guilders became much less. Guilders gradually declined from about 53 cents in August, 1918, to about 42 or 43 cents at the end of November, 1918.

Rates in Amsterdam upon Berlin began to fall soon after the outbreak of war. Reactions occurred from time to time as gold shipments from Germany were made. The currencies of the Scandinavian countries also went below par in the Netherlands during the first part of the war. Thus in November, 1915, practically all foreign currencies were at a discount in the Netherlands.

The rise in exchange rates on the Netherlands during the war was due in part to the flight of capital from belligerent countries to the Netherlands, where neutrality existed. The result of this situation was that gold flowed into the Netherlands in large quantities. The chart (No. 32) in the previous section shows how the gold reserves of the Bank of the Netherlands increased continually from about 160,000,000 guilders before the war to about 725,000,000 guilders in April, 1918. After this date gold was exported from time to time and the gold reserve now amounts to about 500,000,000 guilders.

Inasmuch as exchange rates between the allied countries and the United States were "pegged" at relatively fixed points during most of the war, these different currencies moved in more or less parallel lines in Amsterdam. After March, 1919, when the artificial support to the pound, the franc, and other currencies was withdrawn, the dollar pursued an independent course in the Netherlands. The dollar rose to a premium; or, in other words, the guilder went to a discount in New York. This decline was due in large part to the relatively greater depreciation of the purchasing power of the guilder in the Netherlands than that of the dollar in the United States. The decline continued until November, 1920, when the guilder was quoted at about 30 cents.

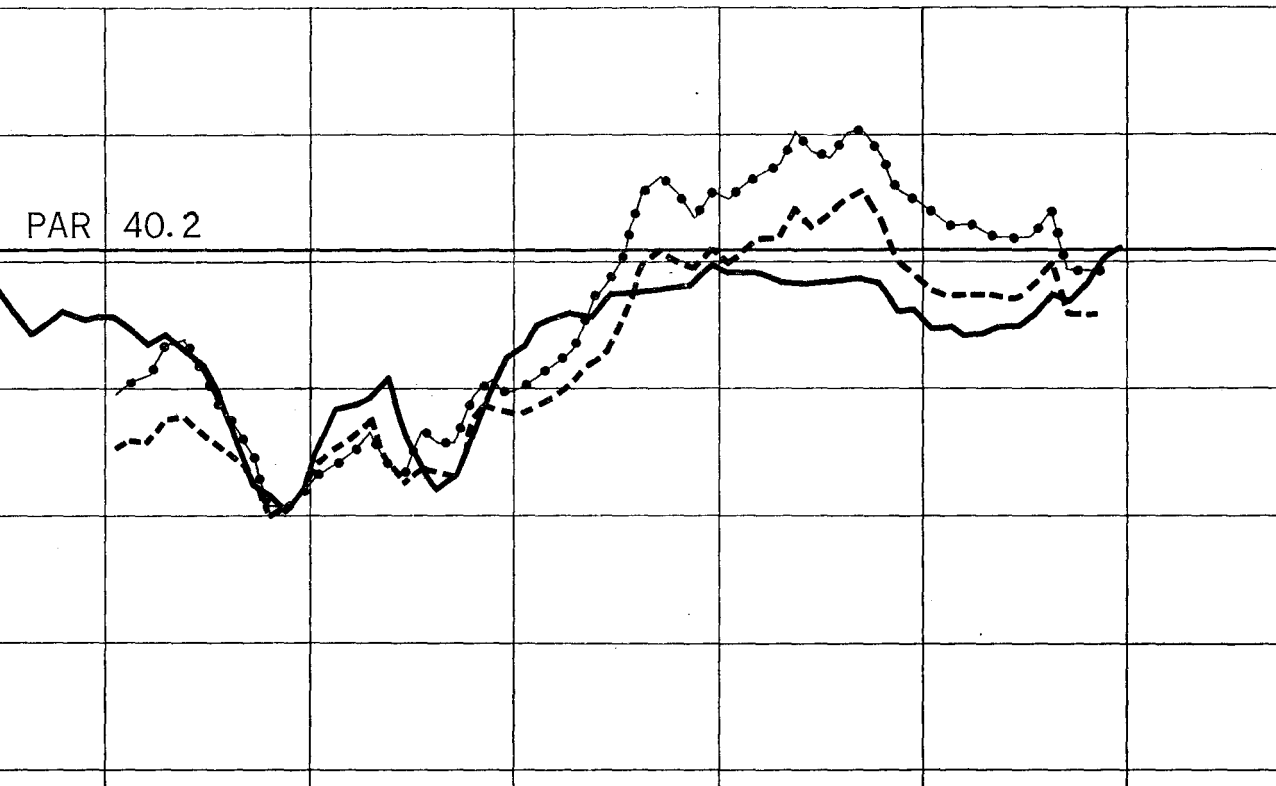
A rapid recovery took place in the first part of 1921 when the guilder by May had risen to over 35 cents. This recovery was short-lived and exchange rates by the end of the summer were down almost to where they had been in 1920. However, this decline marked the end of very great depreciation of the guilder and rates rose rapidly in the last part of 1921. From that date until par was reached at the end of 1924 the depreciation was seldom more than 2 or 3 cents to the guilder. In fact, at the end of 1922 the guilder was practically at par for a short time, although it did not remain there long.

A comparison between the depreciation of the guilder within the Netherlands and that of the dollar in the United States is shown in the purchasing-power parities computed from index numbers of prices. These parities, based upon the index numbers of the respective countries, are, as the name implies, parities according to the purchasing power of the two currency units, each within its own country.

The accompanying chart (No. 36) shows the purchasing-power parities of the guilder and the dollar from 1920 to 1925, and also for comparative purposes, average current exchange rates. Two curves for purchasing-power parities are shown, computed according to two index numbers of prices for the United States, those of the Federal Reserve Board, and those of the Bureau of Labor Statistics. From the middle of 1922 to the end of 1924 it will be noticed that purchasing-power parities according to both curves were above exchange rates; that is, the guilder, according to market exchange rates, was depreciated to a greater extent than might be expected from the internal depreciation of the guilder, i. e., from the rise in prices within the Netherlands as compared to the rise in prices within the United States.

Since the latter part of 1924 exchange rates and purchasing-power parities have been close together, which is as would be expected. Exact uniformity is not to be expected, since purchasing-power | ari-

PAR 40.2



———— EXCHANGE RATES

———— PURCHASING POWER PARITIES

●●●●●● BASED ON CENTRAL BUREAU OF STATISTICS
INDEX FOR NETHERLANDS AND FEDERAL RE-
SERVE BOARD INDEX FOR UNITED STATES

----- BASED ON CENTRAL BUREAU OF STATISTICS
INDEX FOR NETHERLANDS AND BUREAU OF
LABOR STATISTICS FOR UNITED STATES

ties do not allow for such things as freight rates or tariff barriers. Cheap goods within the Netherlands, for example, might not lead to increased purchases of guilders in New York on account of tariff and other barriers, and thus might not be reflected in exchange rates. The fact that purchasing-power parities and exchange rates are now close together indicates a return to more normal conditions.*

Exchange rates by the end of 1924 had returned to par and, in fact, the guilder was at a slight premium. During the first part of 1924 and the last few weeks of 1923 the guilder had been down to a little below 37 cents. This was the period when almost all European currencies in New York were weak, and when the French franc touched new low points; it was when the flight of capital to the United States took place in considerable quantities. During 1925 the guilder has been practically at par.

Inasmuch as Holland at the end of April, 1925, returned to the gold standard, permitting the free exportation of gold, very great fluctuations in exchange rates are a thing of the past. The fluctuations may now be expected to be confined within the "gold points." Thus exchange rates upon the Netherlands will not depart far from par.

* For a discussion of purchasing-power parities, see Volume I, especially pp. 36-39.

V. RETURN TO GOLD STANDARD

The Netherlands, simultaneously with Great Britain, announced on April 28, 1925, that the country was returning immediately to the gold standard. The principal change introduced was the removal of restrictions upon the exportation of gold. These restrictions had been the principal interference with the gold standard. The step was not entirely unexpected, since exchange rates between guilders and dollars (i. e., gold) had been practically at par since the latter part of 1924; in fact, the rates for guilders part of the time had been above par.

The formal restoration of the gold standard in the Netherlands marked an important step in the country's financial and economic reconstruction following the disturbances of the war. Although the Netherlands was not a participant in the war, the country did not escape many of its consequences. The restoration of the gold standard in the Netherlands was necessary if Amsterdam was to retain its position among the leading international financial centers of the world.

Amsterdam for many centuries has been an important financial and trading market and was one of the earliest homes of banking. Down to the present time Amsterdam has played an important part in most all international financial operations of consequence. The guilder is one of the currencies which is quoted on the exchanges of most markets where foreign trade transactions take place. Therefore, unless the guilder had not been made a gold unit again, it could not have expected to compete long with other gold units such as the dollar or pound.

Before the war not much gold was in circulation in the Netherlands. The Netherlands Bank adopted a policy of discouraging the hand-to-hand circulation of gold and retained its gold reserve, as far as possible, to meet foreign demands. This policy will be continued, and since gold has circulated scarcely at all since the middle of 1914 it is not to be expected that gold will again appear in circulation in the Netherlands in any great quantities.

This policy of keeping gold out of circulation is significant. Centralizing gold in banks permits greater expansion of credit and currency than when the gold is scattered throughout the pockets of the people. If such expansion takes place, the effect may be a cheapening of the value of gold; or, in other words, a rise in prices, unless artificial control can counteract this result. If other countries follow the lead of Great Britain and Holland in discouraging the circulation of gold, an important economy in the use of gold will take place and gold will tend to become centralized so that its value may become altered.

The guilder, as already noted, is worth 40.2 cents in American money, according to the gold par of the two currencies. This means that there are 2.4875 guilders to the dollar, or that there is this many times the amount of gold in the dollar as in the guilder. Since the movement of gold between the United States and the Netherlands and vice versa can now take place freely, the rates at which the two currencies will exchange can not depart far from this gold par, the

premium or the discount being approximately equal to the cost of shipping gold.

The gold reserve of the Netherlands Bank on April 14, 1925, amounted to 491,982,361 guilders, which was 54 per cent of the total circulation at that date. This compares with a gold reserve of about 48 or 49 per cent prior to the war. Thus the bank is in a relatively strong position as regards gold and is prepared to resume specie payments. The bank also possesses a considerable amount of foreign credits. The price level in the Netherlands has been relatively stable since the first of 1922 and is approximately at the same level as that of the United States. These factors indicate that the Netherlands will have no difficulty in maintaining the gold standard.

The condition of the Government's finances is not unhealthy, although budgetary deficits have not yet been removed. The deficits have been reduced from a maximum of 490,000,000 guilders in 1918 to an estimated deficit for 1925 of 80,000,000 guilders (about \$32,000,000). The following table shows the receipts and expenditures of the Netherlands since 1910:

Netherlands—Receipts and expenditures, 1910-1925

[Source: Jaarlijfers voor het Koninkrijk der Nederlanden. In thousands of guilders]

	1910	1911	1912	1913	1914	1915	1916	1917
RECEIPTS								
Ordinary.....	198,781	203,787	211,443	223,507	224,910	221,643	262,790	304,306
Extraordinary.....	1,811	1,816	1,958	3,915	20,661	41,848	13,778	10,638
Special temporary.....							33,410	219,894
Total receipts ¹	200,592	205,603	213,401	227,422	245,571	263,492	309,979	534,777
EXPENDITURES								
Ordinary.....	197,091	201,160	208,061	219,345	242,585	241,432	242,514	267,990
Extraordinary.....	4,866	7,329	16,906	19,382	32,583	54,403	33,907	40,881
Special temporary.....					84,105	206,650	266,050	380,055
Total expenditures ²	202,947	208,490	224,966	238,727	359,273	504,484	532,531	688,926
Deficit.....	2,855	2,887	11,564	11,304	113,702	240,992	222,553	153,919
SINKING FUND FOR LOANS								
Receipts.....						25,038	33,993	42,173
Expenditures.....						8,499	31,263	36,492

	1918	1919	1920	1921	1922	1923 ¹	1924 ²	1925 ³
RECEIPTS								
Ordinary.....	329,058	466,359	613,695	608,303	597,404	566,712	558,628	590,023
Extraordinary.....	12,160	8,741	12,113	5,655	16,966	40,106	40,793	21,055
Special temporary.....	219,868	219,948	184,984	95,287	49,266	19,980	1,000	(⁴)
Total receipts ²	561,086	695,049	810,792	709,246	663,636	626,797	600,422	611,078
EXPENDITURES								
Ordinary.....	333,370	444,073	613,031	621,189	632,022	615,830	622,950	605,200
Extraordinary.....	80,136	116,473	188,006	289,676	189,639	122,230	113,729	86,188
Special temporary.....	637,431	260,626	110,190	79,307	262,424	39,183	5,666	(⁴)
Total expenditures ²	1,050,937	811,173	911,228	990,172	1,084,086	777,242	742,346	691,448
Deficit.....	489,851	116,123	100,436	280,927	420,449	150,475	141,925	80,370
SINKING FUND FOR LOANS								
Receipts.....	42,809	51,707	108,238	139,140	117,625	120,013	92,740	97,861
Expenditures.....	30,840	56,390	76,743	106,663	94,593	92,318	85,518	84,768

¹ Provisional.

² Estimated receipts; expenditures as voted by the chambers. ³ Exclusive of sinking-fund operations.

⁴ Estimated receipts; expenditures asked by the treasury.

Small deficits existed in the budget prior to the war, due largely to educational and labor reforms which entailed greater expenditures. While the Netherlands was not one of the combatants, she was nevertheless compelled to meet many extraordinary expenditures incident to the war. The size of the army was increased and army and navy expenditures became greater. Another source of expenditures arose from the efforts of the Government to keep prices of food low. Through the Netherlands Oversea Trust Co., the Government bought and sold grains, meats, and other foodstuffs. Furthermore, important sums were paid out in relief work, in unemployment insurance benefits, and in caring for Belgian refugees. Expenditures of the foreign service were heavier, since the Netherlands was continually being called upon to look after the interests of the belligerents. Total expenditures in 1913 were 239,000,000 guilders, while those in 1918 amounted to slightly over a billion guilders. Estimated expenditures for 1925 amount to 691,000,000 guilders.

In order to meet the additional expenditures growing out of the war the Netherlands in 1916 introduced the war profits and the defense taxes. The country already had an income tax, a personal property tax, a tax on capital, a land tax, and an inheritance tax. Most of these taxes were increased shortly before the war to meet the needs of growing expenditures. The new taxes adopted in 1916 yielded considerable revenue, but the total receipts of the Government were insufficient to meet the heavy expenditures. In the first part of 1919 the rates of progression of the income tax were raised. The tax on capital was doubled and the four defense taxes of 1916, which were about to expire, since they were given life originally for only three years, were prolonged for four years more with some decrease in the rates. Indirect taxes have been increased, especially on such articles as tobacco and alcohol.

The Government is making a strenuous effort to balance the budget and has reduced salaries and adopted other economies. Largely through salary reductions the postal and railway budgets for 1925 will approximately balance.

On account of the deficits during and since the war the total indebtedness of the Government has increased considerably. The total debt at the present time amounts to about a billion and a half dollars, as compared to less than \$500,000,000 before the war. Before the war the total debt had been relatively constant for several years; in fact, the funded debt had increased from only 1,082,564,000 at the first of 1887 to 1,148,000,000 at the first of 1914. Of a floating debt at the opening of the war amounting to 84,000,000 guilders, 69,000,000 represented advances to the East India colonies.

Most of the long-term issues of bonds since 1914 have been consolidation loans. Money to meet the current expenses was raised by short-term bills, and later the short-term bills were consolidated into long-term bonds.

At the end of April, 1924, Holland negotiated a loan in the United States to the extent of \$40,000,000. The bonds, issued at 98½, bear 6 per cent interest and are due the 1st of April, 1954. Interest and principal are payable in United States gold dollars. The purpose of this loan was to consolidate part of the floating debt of the Netherlands. The dollars were turned over to the Bank of the Netherlands

CURRENCY AND FINANCIAL CONDITIONS—NETHERLANDS 141

and thus increased the foreign holdings of the bank, facilitating control over exchange rates. The following table shows the national debt of the Netherlands at the first of each year from 1913 to the present.

Netherlands—National debt, 1913–1925

[Source: Jaarlijfers voor Nederland]

	Consolidated	Floating	Total indebtedness		Consolidated	Floating	Total indebtedness
Jan. 1:	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	Jan. 1:	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>
1913....	1,158,000,000	3,000,000	1,159,000,000	1920....	2,183,000,000	643,000,000	2,826,000,000
1914....	1,148,000,000	13,000,000	1,161,000,000	1921....	2,569,000,000	514,000,000	3,083,000,000
1915....	1,140,000,000	174,000,000	1,314,000,000	1922....	2,502,000,000	839,000,000	3,341,000,000
1916....	1,408,000,000	188,000,000	1,574,000,000	1923....	2,745,000,000	838,000,000	3,583,000,000
1917....	1,508,000,000	251,000,000	1,759,000,000	1924....	2,788,000,000	583,000,000	3,371,000,000
1918....	1,809,000,000	335,000,000	1,944,000,000	1925....	2,929,000,000	-----	-----
1919....	1,851,000,000	614,000,000	2,465,000,000				

NORWAY²¹

I. PRE-WAR CURRENCY

Norway was on the gold standard before the war, like the other members of the Scandinavian Monetary Union, Denmark and Sweden. The standard monetary unit was the krone, containing 0.44803 of a gram of gold 0.900 fine, and thus worth 26.798 cents in United States money. The gold standard was introduced into Norway in 1876.

Little gold was in hand to hand circulation before the war. Most of it was held by the Bank of Norway. The currency in actual use consisted of notes of the Bank of Norway (which were in denominations as low as 5 kroner) and silver and other coins. Silver was coined in denominations of 2, 1, 0.25, and 0.10 kroner, and could be coined only for government account. Its supply being sufficiently limited, it circulated on a parity with gold.

Norway signed the Scandinavian monetary convention in 1875 (Sweden and Denmark in 1873), and from that time onward the gold and silver coins of Sweden and Denmark were lawful money also in Norway. Scandinavian silver coin was legal tender only up to certain amounts in all three of the countries. The bank notes of the Scandinavian central banks were also generally accepted at par in all three countries. The three central banks held balances for one another, and sold drafts against those balances, usually at par. In this way exchange rates between any two of the Scandinavian countries were kept usually at par.

The Bank of Norway (Norges Bank) is the central bank of issue, and maintains general control over the country's credit structure. It was established June 14, 1816, to replace the branch of the Danish National Bank after the separation of Norway from Denmark. It is a joint-stock bank with its shares privately owned. The capital was secured by a tax on land, the landowners becoming shareholders in proportion to their payments. The bank's board of directors—15 in all—is appointed by the Storting (Parliament). The president of the board, or managing director, is appointed by the Crown. The actual administration of the bank is in the hands of the managing director and four other directors designated by the Storting. The Government shares in the profits of the bank after the payment of dividends of 6 per cent on the capital of 35,000,000 kroner.

The notes of the bank, which are legal tender, were redeemable in gold on demand until August 4, 1914, when on account of the war the bank was relieved of its obligation to redeem in gold. Of the total circulation, there was a fiduciary issue of 45,000,000 kroner.²² Beyond this amount, the notes had to be covered in full by

²¹ This section was prepared by Mr. Elmer Wood.

²² The amount of the fiduciary issue has been raised at different times since then. It was first raised to 70,000,000 kroner. The law of Nov. 26, 1920, fixed the amount at 250,000,000 kroner; a royal decree of Feb. 3, 1922, raised the amount to 275,000,000 kroner.

gold and foreign balances payable in gold, provided that the balances abroad should not exceed one third of the total reserve. Any excess issues above these amounts were subject to a high tax so that they would not continue outstanding.

The Bank of Norway does a general banking business. Because of the fact that its deposit liabilities and its notes are the reserve basis for the private banks, it can exercise a general control over the entire credit structure. By regulating the amount of its own advances—either in the form of rediscounts for banks, advances to the Treasury, or purchases of commercial paper from private individuals—the central bank can control the amount of the reserves of the private banks, and so affect indirectly the amount of their advances.

The gold in the country before the war was only a small percentage of the total media of payment. The bank consequently endeavored to counteract any tendency of exchange rates to go above the gold export point, in advance of an actual drain of gold. The bank held foreign bills and securities which it could sell in foreign markets when necessary and so give support to Norwegian exchange. If the tendency of exchange to go above the gold export point was persistent, the bank exerted pressure on the money market, and thus on the price level. That is to say, the bank kept the purchasing power of the currency at such a level that foreigners were willing to "buy" the currency at approximately its par value in terms of their own currency.

II. CURRENCY, CREDIT, AND PRICE MOVEMENTS, 1914-1925

The gold standard ceased to exist in Norway in August, 1914, when specie payments by the Bank of Norway were suspended. Inconvertibility was provided for by the provisional law of August 4, 1914, which was superseded later by various orders in council.

During the crisis at the outbreak of the war the discount rate of the bank was raised from 5 to 6 per cent, August 1, 1914, and to 6½ per cent on August 4. It was lowered again to 6 per cent on August 20, where it remained until May 26, 1915. Although Norway was not a participant in the war, here relations with the belligerent countries were so close that financial and business conditions in Norway became greatly disturbed. There was an increased demand for loans at the bank and also expansion of the note circulation. Demand deposits increased from less than 7,000,000 kroner at the end of June, 1914, to over 14,000,000 kroner at the end of July, and to nearly 21,000,000 kroner at the end of August. The increase in note circulation did not take place until August, and the expansion was not relatively as great as in deposits. Notes outstanding rose from about 124,000,000 kroner at the end of June, 1914, to a little over 140,000,000 at the end of August. Loans and discounts increased from about 79,000,000 at the end of June to 115,000,000 at the end of August, 1914.

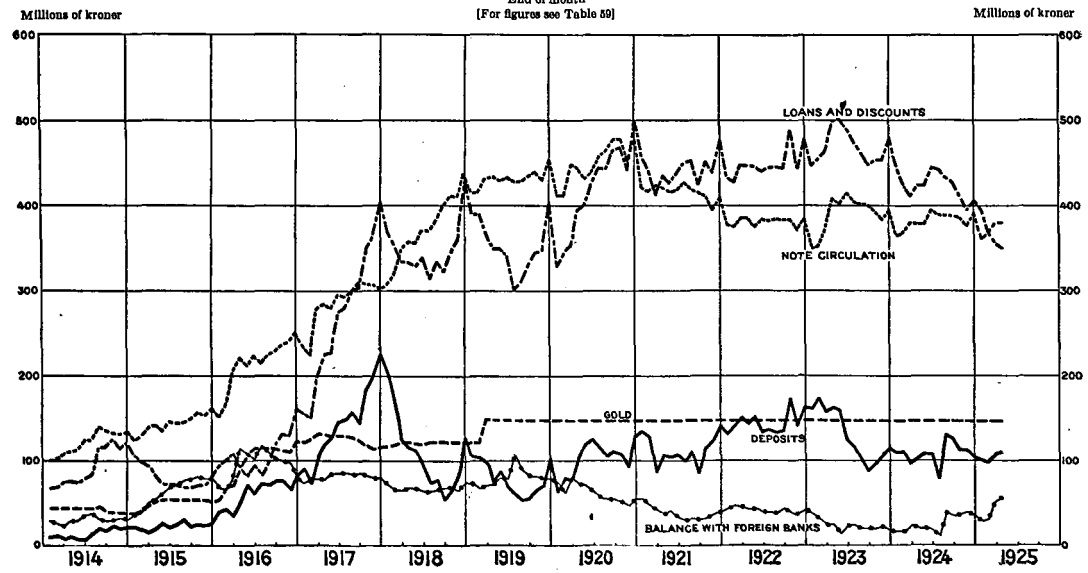
The principal items in the statements of the Bank of Norway are shown in the accompanying chart (No. 37) from 1914 to date. It will be noticed that the note circulation did not increase very greatly until the latter part of 1915, and that during the first part of 1916 the increase was especially rapid. As the war progressed Norway experienced considerable prosperity. The demand for Norwegian products grew intensely, both at home and abroad. Profits were good and business confidence was high. Many new enterprises were started. High freight rates brought prosperity to the shipping industry. The result of these conditions was that there was a strong demand for credit. Furthermore, large credits were granted to foreign countries. Loans and discounts of the Bank of Norway increased from about 71,000,000 kroner at the end of 1913 to about 429,000,000 kroner at the end of 1918. The note circulation increased during the same period from about 108,000,000 kroner to about 436,000,000.

The discount rate of the Bank of Norway was fairly high during most of this war period. It was less than 5 per cent only for a short period and from December 13, 1917, to May 9, 1919, was maintained at 6 per cent. It is to be remembered, however, that Norway normally had a higher rate of interest than many other countries.

Exchange rates on London, Paris, Hamburg, and New York were at a discount in Norway except during the early part of the war.³³

³³ Exchange rates on Hamburg went below par October, 1914; exchange on Paris, May, 1915; exchange on London, June, 1915, and exchange on New York, November, 1915.

CHART 37
 BANK OF NORWAY—NOTE CIRCULATION, LOANS AND DISCOUNTS, DEPOSITS, BALANCES WITH FOREIGN BANKS, AND GOLD, MONTHLY, 1914-1925
 End of month
 [For figures see Table 59]



With the krone at a premium in foreign countries, the tendency was for gold to flow to Norway. Although the gold embargo and suspension of specie payments in practically all countries prevented free gold movements to Norway, nevertheless, belligerent governments and central banks shipped gold to Norway to help pay for the goods which they were purchasing there. The gold reserve of the Bank of Norway began to increase about the middle of 1915, and grew rapidly during 1916. Most of the gold coming into the country went to the Bank of Norway. The gold reserve at the outbreak of the war amounted to about 44,000,000 kroner. At the end of 1915 this reserve had increased to about 52,000,000, and at the end of 1916 amounted to 123,000,000. The bank did not desire to increase its gold reserve by such large amounts and asked the Government to relieve it of its obligation to buy gold at the legal rate. Accordingly, on April 4, 1916, the Government relieved the bank of its obligation to buy gold at the fixed rate. Although forced purchases by the bank were abolished the bank continued to acquire gold, as can be seen in the chart.

The purchase of gold by the bank tended toward inflation, because bank notes and deposit credits—which serve as reserve for the private banks—were given in return for the gold purchases. The increased gold reserves of the bank also provided the basis for expansion of its own currency and credit. The enlarged gold reserves, coupled with the premium on the Norwegian krone, gave the appearance of soundness in the country's credit position and thus encouraged inflation. There appeared to be no danger of the bank having to face a rapid drain of gold.

The inflation which took place in Norway was in part a result of the issuance of government securities which went into the banks and served as the basis for borrowing. The internal debt of Norway increased from about 22,000,000 kroner at the end of June, 1913, to over 400,000,000 at the end of June, 1918, and to over a billion kroner at the end of June, 1924. The deposits of the joint-stock banks in Norway increased from 592,000,000 kroner at the end of 1913 to 2,721,000,000 at the end of 1918. Deposits in savings banks increased on the same dates from 607,000,000 to 1,566,000,000.

The laws in regard to the amount of bank note circulation which might be outstanding were modified during the course of the war. Before the war the bank was allowed to have a fiduciary issue of 45,000,000 kroner. Above this amount all the notes were to be covered in full by gold and foreign balances payable in gold, the foreign balances not to exceed one-third of the reserve. Any excess issues were subject to a tax. In November, 1920, the fiduciary issue was raised to 250,000,000 kroner to take care of the large issues which had already been made. This same law of 1920 provided that only gold held in vault by the bank could serve as reserve for the notes. Thus foreign gold balances of the bank were no longer available as cover. The law also provided for an extraordinary issue of 100,000,000 kroner which was gradually to be retired. This extraordinary issue was reduced January, 1921, to 80,000,000 kroner; July, 1921, to 50,000,000 kroner; and February, 1922, to 25,000,000 kroner, where it still remains.

Norway's leading industries, shipping, lumber and wood products, fishing and mining, depend to a large extent upon foreign mar-

kets. During the war the foreign business had been greatly stimulated by the commercial banks, which took an active part in the flotation of shares and debentures of new concerns besides financing the current requirements of their customers. The general trade depression of 1920-21 affected seriously each of the four basic industries of the country, through losses of foreign freight earnings, the wholesale cancellation of foreign orders and contracts, and the sudden decline in demand for the surplus products of the country's export industries. In 1921 there were 1,061 business failures in Norway, about ten times as many as in 1918, and almost immediately the commercial banks of the country came to feel the adverse turn of business. Following the failure of a number of smaller banks the Centralbanken for Norge, one of the largest banks of the country, early in 1922 found itself in difficulties and underwent reconstruction involving a loan of 50,000,000 crowns supplied by the State, the Bank of Norway, and the other leading private banks. Later in the year similar action had to be taken in order to save the Foreningsbanken, representing a merger of two powerful banks, the Andresens Bank of Christiania and the Bergens Kreditbank of Bergen. Another large bank which had to undergo reorganization was the Norske Handelsbank, which likewise had sustained heavy losses in its support of trade and industry.

Early in 1923 a new run on the banks developed, which forced new suspensions. In order to save the situation the Government passed a bank administration act, which provided for the temporary public administration for a period not exceeding one year of joint-stock banks and savings banks which suspended payments, in case this is considered necessary for the benefit of creditors and in the public interest, provided the application by the bank is indorsed by the Bank of Norway. During 1923 not less than 27 banks were placed under public administration, while the aggregate number of all banks under administration or liquidated as a result of the banking crisis of 1922-23 was not less than 25 per cent of the total number of all the banks in the country, including three of the seven large banks.

No special provisions had been made by the Government to safeguard the interests of the foreign banks and other foreign creditors of the banks under public administration. In the face of the numerous and important bank failures this omission was thought to have weakened the position of the Norwegian banks with their foreign correspondents, and to have caused the temporary impairment of Norwegian credit in foreign banking centers. Subsequently, therefore, the Government announced that in order "to avoid an interruption of regular business transactions with foreign banks" the Government would see to it that existing liabilities due to ordinary exchanges of goods between countries (i. e., documentary credits and export bills) should be promptly honored. For the more recent period a general but slow improvement in the banking situation has been taking place. The Bank of Norway has come to exercise an administrative power previously unknown, controlling, in the opening of 1924, the operation of some 28 banking institutions under public administration. The bank followed a policy of credit restriction by maintaining until November, 1924, a 7 per cent discount rate and also "played an active part in the market in order to prevent unsound speculation in exchange." The results of this active policy are seen in a gradual im-

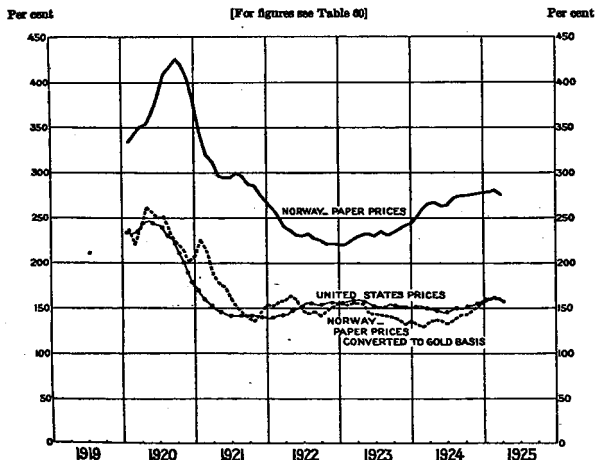
provement of business and the banking situation—and more recently also in a substantial rise of the krone in the foreign exchange markets.

Prices began to rise in Norway promptly after the outbreak of the war and by the end of 1914 wholesale prices had risen about 15 per cent. This early rise in prices was a result largely of a scarcity of commodities caused by the war. Prices continued to rise as the war progressed, reaching a high point in September, 1920, of 425 (December, 1913–June, 1914 = 100). This rise in prices during and after the war was due in part to the scarcity of commodities, but more especially to the increase in purchasing power, i. e., an expansion of notes and deposits. By the end of 1916 the price level had risen to 233 and by the end of 1918 to 345. The discount rate of the Bank of Norway was over 6 per cent from May 26, 1915, to December 13, 1917. The rise in the discount rate at this latter date helped to check the course of inflation. In 1919 there was a slight decline in prices, which was followed, however, by a renewed upward movement in 1920, when the high point of 425 was reached in September.

CHART 38

NORWAY—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1920-1925

[Okonomisk Revus index numbers for Norway, 92 commodities, end of month, December, 1913–June, 1914 = 100; United States Bureau of Labor index numbers, 404 commodities, monthly average, 1913 = 100.]



The accompanying chart (No. 38) shows the course of prices in Norway from the first of 1920 to the present, and these same prices converted to a theoretical gold basis. It will be noticed that the prices converted to a gold basis correspond closely to those in the United States. Prices in Norway fell very sharply in the last few months of 1920 and the first part of 1921. This was part of a general

fall in prices throughout the world, accompanying business depression and liquidation. The decline in prices in Norway continued until January, 1923. The liquidation of credit and prices in Norway did not go as far as it did in Sweden, although it was of considerable extent and the country suffered severe depression.

Since January, 1923, prices in Norway have been gradually rising, with some reactions. The rise has been from 220 in January, 1923, to 281 in February, 1925, followed by a decline to 276 in March, 1925. This rise in prices which took place, especially in the first part of 1924, was in the face of a discount rate at the Bank of Norway of 7 per cent from November 10, 1923, to November, 1924. On the latter date the rate was lowered to $6\frac{1}{2}$ per cent. Since the fall of 1924 the rise in prices has not been of as great an extent as previously. When the index numbers are reduced to a gold basis (i. e., discounted according to the discount on the krone in the exchange market) the price level in Norway and the price level in the United States are in close harmony, as can be seen in the preceding chart.

III. FOREIGN TRADE

The merchandise imports of Norway for many years have regularly exceeded the exports. The accompanying chart (No. 39) shows imports and exports since 1890, by values and quantities. The excess of imports is paid for principally by shipping services furnished to foreigners. Before the European war these two items nearly balanced. Norway was a debtor country, but apparently the interest and dividends that had to be remitted abroad before the war were about offset by new loans to Norway. Of the total government debt in 1913 of 363,000,000 kroner, 341,000,000 was foreign debt. The following table shows the excess of merchandise imports, and the receipts from shipping services since 1910:

CHART 39

NORWAY—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1890-1923

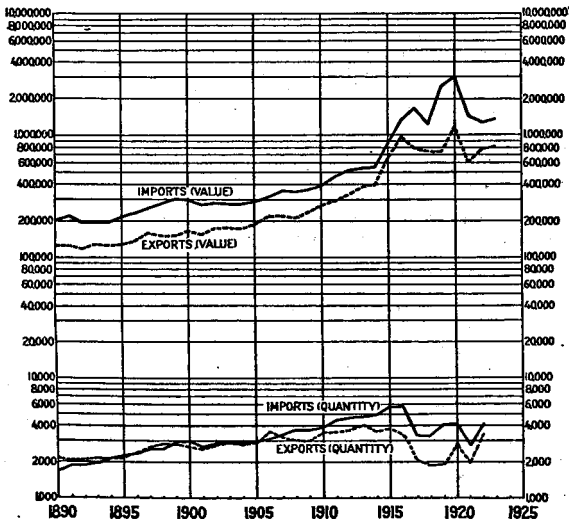
Quantity and value

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

Thousands of metric tons
Thousands of kroner

[For figures see Table 64]

Thousands of metric tons
Thousands of kroner



Norway—Excess of merchandise imports and foreign shipping receipts

[Source: Norwegian Statistical Yearbook]

Year	Excess of merchandise imports	Receipts from shipping services rendered foreigners	Credit	Debit
	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
1910.....	119,500,000	139,900,000	20,400,000	.....
1911.....	170,300,000	161,100,000	9,200,000	.....
1912.....	190,100,000	188,400,000	1,700,000	.....
1913.....	159,700,000	218,600,000	.....	58,900,000
1914.....	157,300,000	211,500,000	54,200,000	.....
1915.....	191,200,000	474,500,000	283,300,000	.....
1916.....	365,300,000	1,062,700,000	697,400,000	.....
1917.....	869,900,000	1,107,200,000	237,300,000	.....
1918.....	497,500,000	905,000,000	407,500,000	.....
1919.....	1,801,700,000	1,032,500,000	.....	769,200,000
1920.....	1,786,500,000	1,280,000,000	.....	506,500,000
1921.....	825,600,000	544,200,000	.....	281,400,000
1922.....	825,000,000	462,600,000	.....	62,400,000
1923.....	519,000,000	483,200,000	.....	35,800,000
1924.....	484,100,000	550,000,000	65,900,000	.....

After the outbreak of the war, imports and exports of merchandise both increased. This was the result of the rise in prices, and also of increased sales to belligerent countries. The fact that it was to a large extent merely a reflection of higher prices is shown by the decrease in physical quantities imported and exported during most of the war years. On the other hand, because of higher freight rates the tendency was to reduce shipments of more bulky articles.

Although the balance of merchandise imports increased considerably during the war years, the receipts from foreign shipping increased in even greater amount as a result largely of high freight rates, so that the credit balance for the two items amounted to 1,680,000,000 kroner for the years 1914–1918. Net imports of gold during this period amounted to only about 78,000,000 kroner, so that Norway received payment for the shipping services in other ways to an important extent. There was a return to Norway of Norwegian securities. Also, there was the purchase (in Norway) of foreign securities, and the extension of foreign credits by Norwegian banks.

In 1919 and 1920, a very great increase in import values took place. The excess of imports for these two years amounted to three and one-half billion kroner. Although receipts from foreign shipping continued large, they were insufficient to pay for the large excess of imports, and the debit balance of these two items for the two years amounted to 1,276,000,000 kroner. After 1920, import values declined greatly, but export values declined at the same time, so that the excess of merchandise imports, while it was much reduced, was still large compared to pre-war figures. Furthermore, the depression in the shipping trade led to a heavy decline in freight receipts, which help to pay for the excess of merchandise imports. In fact, the decline in freight receipts was in part responsible for the reduction in imports. During the five years 1919–1923 the debit balance on account of merchandise trade and receipts from foreign shipping amounted to 1,655,000,000 kroner.

This large debit balance was offset in part by the liquidation of foreign assets by the Norwegian banks. Also, several loans were floated in New York and London.

A large foreign floating debt existed during 1920 and 1921. For instance, the \$20,000,000 loan placed in New York in 1921 was used largely to liquidate floating debts on account of ships built for Norway in England, ships contracted for at very high prices before shipping became depressed. During 1924 shipbuilding contracts placed abroad had a value of 128,000,000 crowns, of which 60,000,000 were either paid in advance or were payable before January 1, 1925. The following are the principal loans floated abroad by Norway during the last five years. The net foreign debt of Norway on October 1, 1924—Government and private—has been estimated at 1,600,000,000 crowns.

Norway—Foreign borrowings

Borrower	Year	Amount	Nominal rate
City of Christiania.....	1920	\$5,000,000	8
City of Bergen.....	1920	\$4,000,000	8
Do.....	1922	£1,000,000	5½
Do.....	1922	\$2,000,000	6
City of Trondheim.....	1924	\$2,500,000	6½
Kingdom of Norway.....	1920	\$20,000,000	8
Do.....	1921	£4,000,000	6
Do.....	1922	\$18,000,000	6
Do.....	1923	\$20,000,000	6
Do.....	1924	\$25,000,000	6
Do.....	1925	\$30,000,000	5½

The trade between Norway and Germany is of considerable size. As before the war, Germany is now the chief source of the imports into Norway. Next in importance as a source of imports is Great Britain, followed by the United States, Sweden, and Denmark. The trade with France is relatively small compared to that with the countries mentioned above. The exports of Norway go largely to Great Britain, followed by the United States, Germany, France, and Sweden. Germany, which before the war was the second best customer for Norwegian goods, has now yielded second place to the United States.

The principal export of Norway is paper and paper products. Norway also exports large amounts of animal food products, especially fish. In 1923 Norway exported about 155,000,000 kroner of fish products. The imports of Norway consist principally of textile fabrics, grains, coal, and coke. The following tables show the foreign

trade of Norway according to principal countries and according to principal commodities:

Norway—Imports and exports of merchandise, by principal countries, 1913, 1922, and 1923

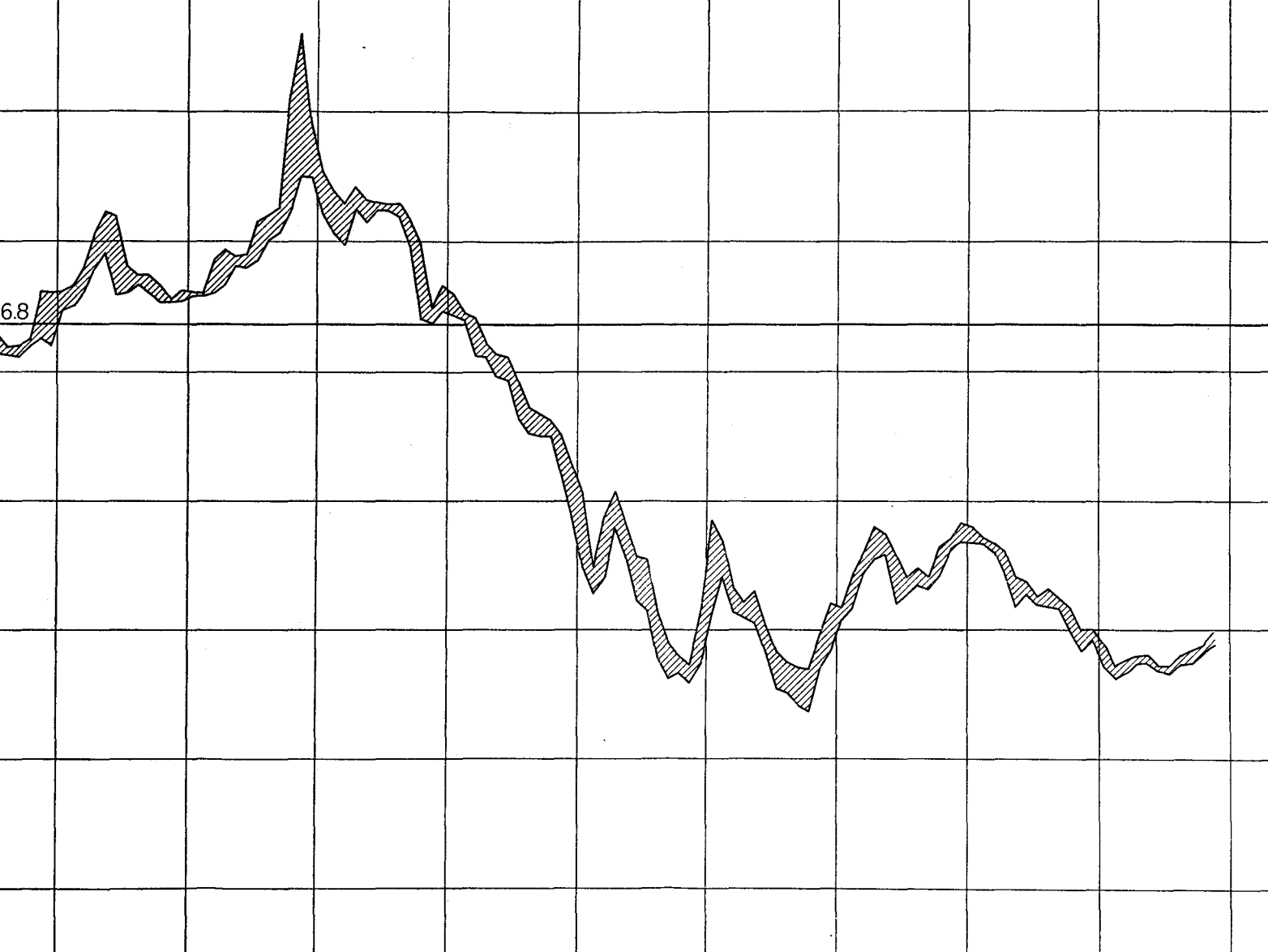
[Source: Norges Handel]

	1913	1922	1923
IMPORTS			
	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
Germany.....	176,064,000	283,314,000	308,118,000
Great Britain and Ireland.....	146,244,000	294,372,000	263,829,000
United States.....	39,201,000	243,450,000	223,659,000
Sweden.....	46,328,000	128,049,000	91,063,000
Denmark.....	28,347,000	103,920,000	90,390,000
Netherlands.....	21,081,000	58,594,000	65,710,000
Belgium.....	17,926,000	36,464,000	53,267,000
France.....	11,719,000	28,579,000	31,528,000
Argentina.....	4,058,000	23,315,000	30,699,000
British East Indies.....	2,187,000	11,601,000	20,610,000
All other countries.....	59,166,000	102,272,000	123,997,000
Total.....	582,321,000	1,313,930,000	1,342,870,000
EXPORTS			
Great Britain and Ireland.....	98,648,000	221,717,000	283,946,000
United States.....	30,211,000	90,340,000	112,150,000
Germany.....	67,228,000	78,364,000	78,351,000
France.....	14,223,000	55,107,000	53,455,000
Sweden.....	26,439,000	52,147,000	62,149,000
Denmark.....	9,158,000	35,891,000	41,416,000
Belgium.....	14,690,000	24,806,000	25,447,000
Australia.....	14,406,000	31,660,000	24,483,000
Italy.....	10,598,000	20,344,000	20,072,000
Spain and the Canaries.....	12,163,000	19,954,000	17,371,000
All other countries.....	94,869,000	149,030,000	152,106,000
Total.....	392,613,000	787,390,000	830,945,000

Norway—Imports and exports of merchandise, by principal commodities, 1913 and 1923

[Source: Norges Handel]

	1913	1923
IMPORTS		
	<i>Kroner</i>	<i>Kroner</i>
Textile fabrics.....	45,160,100	167,444,360
Grains.....	64,068,200	140,186,300
Coal and coke.....	59,934,300	124,191,600
Ships, carriages, machines, etc.....	73,204,000	119,773,160
Colonial products.....	39,054,500	115,191,000
Fat, oil, tar, etc.....	37,283,300	90,366,100
Food products of animal origin.....	16,310,600	86,459,870
Metal manufactures.....	28,560,700	75,257,090
Fruit, green vegetables, etc.....	11,283,000	52,955,400
Mineral manufactures.....	6,547,100	52,922,870
EXPORTS		
Paper and paper products.....	32,248,100	269,491,478
Fish and other food products of animal origin.....	132,038,300	170,727,652
Mineral manufactures.....	19,680,100	75,818,064
Wood.....	56,760,100	70,282,195
Fat, oil, tar, gum, etc.....	16,067,900	65,781,229
Hides, skins, plumes, etc.....	33,567,000	24,069,904
Metals, raw and partly manufactured.....	17,896,100	31,867,124
Ships, carriages, machines.....	7,813,400	24,000,248
Metal manufactures.....	1,862,700	7,196,969



6.8

IV. EXCHANGE RATES AND PURCHASING POWER PARTIES

The Norwegian krone according to its gold par is worth about 26.8 cents in United States money. Before the war exchange rates were practically at par most of the time, since gold movements were free. Upon the outbreak of war in 1914 the krone went to a discount in most foreign markets, or, in other words, foreign currencies were at a premium in Norway.

The high rates in Norway for foreign exchange during the last half of 1914 and the early part of 1915 were due principally to a practical refusal of banks in financial centers outside Norway to discount foreign bills. Inasmuch as Norway was a debtor in the money markets of Paris and London, the difficulties of discounting bills in those markets seriously curtailed the supply of sterling and francs in Norway. Dollar exchange was also at a discount in London and Paris during the early days of the war, but the autumn shipping of American commodities and the exportation of American gold to Canada for the account of the Bank of England soon brought dollars back to par. Consequently, the krone, being at a discount in London, went to a discount in New York. The following table shows the percentage rates of exchange in Norway on some of the leading countries during the early days of the war:

*Norway—Percentage rates of exchange, Christiania (Oslo) on certain countries*¹

(Source: Norwegian Statistical Yearbook)

	High, 1914	High, 1915	Low, 1915	High, 1916	Low, 1916
Great Britain.....	106.83	107.99	92.24	96.92	84.25
Germany.....	100.46	98.72	78.47	78.47	64.07
France.....	108.33	108.83	86.11	88.54	75.00
Netherlands.....	108.67	109.84	100.01	111.24	88.34
United States.....	107.20	109.88	95.94	100.50	86.29

¹ Rates for sight drafts.

By November, 1915, the krone was again at par in New York, rising from a low point of 24.23 cents in February to 28.10 cents in November. It continued to rise rapidly during the spring of 1916 and in May, 1916, was over 31 cents. The accompanying chart (No. 40) shows the course of New York exchange rates on Christiania (Oslo) since the first of 1915.

The factors responsible for the rise above par of the krone, beginning at the end of 1915, were essentially the same as those for Sweden and Denmark. The belligerent nations, while making large purchases in Norway, curtailed the exportation of their own merchandise. Trade restrictions upon the exportation of goods from Great Britain and other countries reduced the demand for sterling and other bills in Norway and thus tended to cause these currencies to go to a dis-

count. Part of the purchases by belligerent nations was paid for in gold, but after April 4, 1916, the Bank of Norway was not obliged to purchase gold at the legal rate. The following figures show the percentage of par of the pound in Norway from 1914 to 1923. It will be noticed that in 1916, 1917, and 1918 the pound was continuously below par:

Norway—Percentage rates of exchange for the pound sterling in Christiania (Oslo)

[Source: Norwegian Statistical Yearbook]

	High	Low	Average		High	Low	Average
1914.....	106.83	100.00	101.71	1919.....	104.63	92.95	99.78
1915.....	107.99	92.24	101.43	1920.....	146.48	102.43	123.85
1916.....	96.92	84.25	92.40	1921.....	174.84	107.66	143.95
1917.....	94.17	71.04	86.95	1922.....	151.16	126.65	139.87
1918.....	96.09	79.57	85.85	1923.....	170.71	134.86	151.44

Sterling and other allied currencies received support in New York during most of the war from American advances to the allied governments. Before the United States entered the war the advances were made by private American bankers. After the United States entered the war advances from the United States Government were utilized in maintaining exchange. Norwegians, rather than accept a large discount in selling sterling bills in Norway, could dispose of their bills in New York, where exchange rates were maintained at the high level of about \$4.76 to the pound. But the dollar funds thus obtained could not be used freely to purchase American goods to be shipped to Norway because of export restrictions in the United States and shipping difficulties in view of the submarine campaign. Nor could the funds be drawn out in gold on account of the gold embargo in the United States. Dollars, therefore, went to a discount in Norway along with sterling and other allied currencies.

The discount of the dollar in Norway was not due to reduced purchasing power in the United States, i. e., a higher price level, since prices in the United States had not risen to as great an extent as those in Norway. In fact, prices in Norway were higher than in either Great Britain or the United States, as shown in the following table:

Yearly average wholesale prices in Norway, the United States, and Great Britain

[Source: Federal Reserve Bulletin]

Average	United States (Bureau of Labor Statistics Index)	Norway (Centralbyrå Index)	Great Britain (Economist Index)	Average	United States (Bureau of Labor Statistics Index)	Norway (Centralbyrå Index)	Great Britain (Economist Index)
1913.....	100		100	1919.....	205	1 322	235
1914.....	98	1 115	99	1920.....	226	262	263
1915.....	101	1 159	123	1921.....	147	298	181
1916.....	127	1 233	161	1922.....	149	233	159
1917.....	177	1 341	204	1923.....	154	233	162
1918.....	194	1 345	225	1924.....	150	299	174

1 December figures.

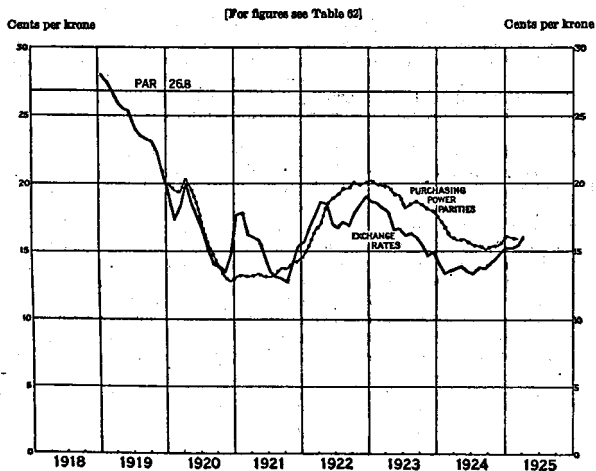
The premium in New York on kroner declined during the latter part of 1918 when the end of the war appeared near, and in November, 1918, the rates were down to par. After a slight rise, which lasted only for a few weeks, the krone fell below par in March, 1919, and depreciated almost continuously during the entire year, being quoted at less than 20 cents in December. This fall of the krone, which continued also during 1920 with a reaction in the spring, was due largely to the removal of trade restrictions, resulting in large orders being placed abroad by Norway, and was due also to the fact that the artificial support given the allied currencies was removed in March, 1919, so that after this time the greater rise of prices in Norway than in the United States could exert its influence on exchange rates. This greater depreciation of the krone in Norway, relative to that of the dollar in the United States, has been the fundamental cause of the continued low value of the krone in New York since shortly after the close of the war.

The relationship between the krone and the dollar on the basis of the purchasing power of the two units is shown in computations of purchasing-power parities prepared from index numbers of prices in the two countries. The accompanying chart (No. 41) shows purchasing-power parities between the dollar and the krone since the first of 1920, and shows also market exchange rates for comparative purposes. According to the purchasing-power parity,

CHART 41

NORWAY—PURCHASING POWER PARITIES AND RATES OF EXCHANGE, MONTHLY, 1919-1925

[Purchasing Power Parities based on *Okonomisk Revue* index numbers for Norway, 82 commodities, End of month, December, 1913-June, 1914=100; and Federal Reserve Board index numbers for United States, 104 commodities, monthly averages, 1913=100]



the krone was worth a little less than 20 cents at the first of 1920, and as prices in Norway rose faster than in the United States during this year, by the end of 1920 it was worth only 12.72 cents. At the first of 1921 the krone rose in value in New York, due to a reduced excess of imports and to foreign borrowing which had been taking place.⁴⁴ These factors increased the value of the krone in the exchange market, but inasmuch as the internal purchasing power of the krone relative to that of the dollar had not increased, a fundamental basis for the rise in exchange rates was lacking, and exchange rates by the fall of the year declined considerably, to a point in harmony with purchasing-power parities, as can be seen in the chart. This overvaluation of the krone on the exchange market in the first part of 1921 led Norwegian importers to take advantage of the relatively low price of foreign goods, and therefore raised the price of dollar drafts.

The shortage of foreign goods in Norway at the close of the war and the removal of restrictions on the exportation of these goods would have led to an even greater depreciation of the krone had it not been for the accumulation of foreign bills and securities in Norway which could now be used to purchase goods abroad.

Another factor which tended to depress the krone in the latter part of 1920 was the money stringency in New York and London during the crisis and business depression. Individuals in these financial centers endeavored to liquidate their holdings of kroner. The decline in shipping receipts of Norwegian vessels after 1920 was also a factor which depressed the krone. Shipping receipts, as already noted, declined from 1,280,000,000 kroner in 1920 to an average of about 500,000,000 for the three years 1921-1923.

The fall of prices in Norway, which began September, 1920, and continued to the end of 1922, was of considerable magnitude, and inasmuch as prices in Norway fell to a greater extent than did those in the United States, quotations for kroner in New York rose. The krone, according to its purchasing-power parity, was worth about 20 cents at the end of 1922. During 1923 and the first part of 1924, however, both purchasing-power parities and exchange rates declined.

During the last half of 1924 and the first part of 1925 the krone participated in the general rise of exchange rates in New York. This general rise was a result partly of large loan flotations in the United States and improved conditions in Europe. The rise of the krone was due also to the continued improvement in the shipping trade. Since exchange rates for kroner during 1923 and 1924 were depreciated considerably more than warranted by purchasing-power parities, part of the rise of the krone in the latter part of 1924 and the first part of 1925 was merely the removal of the undervaluation of the krone in the exchange market. Purchasing-power parities and exchange rates are now in close agreement so that existing exchange rates seem to be fairly normal in view of the underlying conditions.

⁴⁴ At the end of 1920 Norway borrowed \$20,000,000 in the United States.

V. STABILIZATION

The Norwegian krone at the present time is worth a little less than 17 cents in American money, compared to its pre-war gold par of 26.80 cents. The present depreciation of the krone in exchange rates is merely a reflection of the depreciation of the krone within Norway. The external and internal depreciation of the krone at present are of about the same extent.

The question of currency reform in Norway centers around the question of at what level the krone should be stabilized, whether it would be preferable to reduce the price level and restore the former purchasing power of the krone, or whether it would be better to maintain the krone at its present level. The question is thus one of devaluation versus deflation. The krone has lost about one-third of its former purchasing power, and to raise it by this amount would be a most difficult task and one which would be accompanied by severe disturbances and depression to the business and industry of the country. A declining price level, even if gradual and spread over a considerable period of time, is not conducive to prosperity. Furthermore, it interferes with the relations between debtors and creditors, debtors being called upon to pay back units more valuable than those they borrowed. Business in Norway has become adjusted to the present level of values and would find readjustment to a new level a source of serious difficulty.

A further question in regard to determining the level at which to stabilize the krone is that regarding the repayment of the Government debt. If the debt is to be repaid in gold kroner the burden becomes much greater. Norway, no doubt, is in a sufficiently strong position to meet the tax burden necessary to pay interest and to amortize the debt in gold at the old par, but since a large part of this money was borrowed by the Government at a time when the krone was depreciated in value, paying back on the gold basis would require the Government to repay greater purchasing power than was borrowed. Justice, therefore, does not require that the Government should pay back its debt in gold kroner. An equitable revaluation, worked out on the basis of the internal value of the money at the time a particular loan was contracted could be arranged. A similar scale could be applied also to the repayment of private debts within Norway, contracted at a time when the purchasing power of the krone differed considerably from that at present. The question of repayment of debts is the chief hindrance to devaluation of the krone, and thus to currency stabilization and return to the gold standard.

The selection of a new gold par for the krone is not very difficult, and several guides for this are available. Current exchange rates on gold-standard countries provide a useful index of the present gold value of the krone. Also, purchasing-power parities—parities on the basis of the purchasing power of the krone compared to that of gold-

currency units— are serviceable in determining the gold value of the krone. According to exchange rates for dollars, the krone is worth between 16 and 17 cents, which is about the same as the value indicated by purchasing-power parities.

A method of procedure in stabilization would be for Norway to announce a rate at which the krone would be maintained, a rate in agreement with existing rates of exchange and purchasing-power parities. Norway would have little difficulty in maintaining this rate, inasmuch as prevailing exchange rates do not seem to be out of harmony with fundamental conditions as they exist in Norway to-day. Stabilizing the krone at the present level would be introducing a new currency unit into Europe, a unit determined more or less by accident and one which might not be desirable for Norway as a permanent unit. Therefore, a new gold unit in harmony with other currency units could be selected and introduced in place of the present krone, the rate of exchange between the two being determined by simple arithmetic. Thus, if a 50-cent gold unit were adopted and the krone stabilized at its present level of a little over 16 cents, approximately three of the present kroner would be exchanged for one of the new gold units. Adjustments of wages and prices to the new unit would take place also by simple arithmetic.

The return of Sweden, Great Britain, and the Netherlands to the gold basis, and stabilization by Denmark, Germany, Russia, and other neighboring countries to Norway makes an early solution of the currency question in Norway very desirable.

The gold reserve (when taken at its nominal value) of the Bank of Norway at the present time amounts to about 39 per cent of the note circulation, compared with 36 per cent in June, 1914. In addition to gold in its vaults to the extent of about 147,000,000 kroner, the bank holds balances with foreign banks to the extent of about 57,000,000 kroner. The note circulation outstanding April 22, 1925, amounted to about 373,000,000 kroner. If the gold reserve is computed according to its value in paper kroner, it amounts to over one-half more, or the equivalent of about 232,000,000 kroner (about 62 per cent of the notes). The Bank of Norway, therefore, is not in a weak position as regards gold backing for its notes and could maintain the gold standard at the present level of values. Improvement in the shipping industry and other industries important to Norway also will facilitate currency reform.

The government finances of Norway have shown a considerable deficit of receipts over expenditures. This deficit must be reduced if healthy conditions are to prevail. Progress is being made in this direction. During the war years, although expenditures increased by large amounts, revenues also increased, so that with the exception of 1915 a surplus regularly occurred. In fact, not until 1920, when expenditures were increased very much more than revenues, did a deficit appear.

The debt of Norway has increased greatly since 1913, a large part of the proceeds of the loans, however, going to productive purposes. At the end of June, 1919, the total debt amounted to about 1,000,000,000 kroner, and at the end of June, 1924, to about 2,000,000,000 kroner. Part of this increased indebtedness, however, is merely a reflection of the rise in prices; or, in other words, of the depreciation of the krone. The following tables show the receipts

and expenditures of Norway since 1910 and also the amounts of the public debt:

Norway—Receipts and expenditures, 1910-1924

[Source: Statistisk Årbok for Kongeriket Norge. In thousands of kroner]

Year ending June 30--	Receipts not including loans	Expenditures less amortisation	Surplus	Deficit	Proceeds from new loans	Amortisation of debt
1910.....	116,431	112,245	4,186	-----	5,818	4,506
1911.....	123,408	116,307	7,101	-----	4,872	4,508
1912.....	134,913	128,086	6,828	-----	5,817	4,847
1913.....	155,071	147,944	7,127	-----	5,804	5,032
1914.....	166,921	161,467	5,454	-----	9,041	5,249
1915.....	182,872	203,137	-----	20,265	14,487	5,157
1916.....	226,656	212,692	13,964	-----	13,727	5,698
1917.....	374,833	298,394	76,289	-----	19,843	11,471
1918.....	594,568	543,148	51,415	-----	25,230	14,425
1919.....	718,930	738,598	10,332	-----	68,728	5,337
1920.....	904,249	952,136	-----	157,887	56,235	5,965
1921.....	750,682	891,708	-----	143,225	64,601	4,499
1922.....	630,907	758,775	-----	125,920	75,538	3,528
1923.....	487,356	633,128	-----	145,782	58,866	4,155
1924.....	-----	-----	-----	-----	62,868	-----

Norway—National debt, 1900-1924

[Source: Statistisk Årbok for Kongeriket Norge. In thousands of kroner]

Year ending June 30--	Domestic debt	Foreign debt ¹	Total debt	Year ending June 30--	Domestic debt	Foreign debt ¹	Total debt
1900.....	11,902	219,153	231,055	1917.....	108,643	346,861	455,505
1906.....	15,522	280,401	304,924	1918.....	400,272	336,328	736,600
1910.....	16,341	312,957	329,298	1919.....	676,175	331,863	1,008,039
1911.....	18,649	349,004	367,653	1920.....	792,266	337,339	1,129,605
1912.....	17,839	344,966	362,806	1921.....	782,249	433,711	1,215,960
1913.....	21,953	340,791	362,743	1922.....	815,186	492,287	1,307,473
1914.....	20,922	335,472	357,394	1923.....	883,010	536,398	1,419,407
1915.....	67,230	354,094	421,324	1924.....	1,050,000	948,700	2,007,700
1916.....	85,745	367,231	452,975				

¹ Converted to kroner at the rate of 5 kroner to the dollar, with the exception of the 1924 figure which is converted at the rate of exchange prevailing on June 30, 1924, which was about 13.5 cents per krone, considerably below existing rates. Thus, this figure for 1924 shows a very considerable increase when compared with figures for the preceding years.

POLAND¹

I. CURRENCY CONDITIONS PRIOR TO STABILIZATION

The Republic of Poland, which came into existence at the time of the armistice in November, 1918, is composed of former parts of Germany, Austria-Hungary, and Russia, territory which had constituted in the main the Poland dismembered about 150 years ago by Russia, Austria, and Prussia. The independence of Poland was provided for by the treaties of Versailles and of St. Germain. The eastern boundaries of the country were arranged in the treaty of Riga in 1920, which ended the war between Poland and Russia. Upper Silesia was transferred to Poland from Germany in June, 1922, under a decision of the League of Nations. In the spring of 1921 Poland adopted a constitution providing for a Parliament of two chambers, the Diet and the Senate, and providing for a President with a seven-year term. The President is elected by Parliament and appoints his cabinet of ministers.

Upon the outbreak of war in 1914 Germany invaded Russian or Congress Poland and soon had taken over most of this section of country, which was occupied until the armistice in 1918. In 1916 the Germans introduced a new currency into this section of Poland, the German-Polish mark of 100 pfennigs. This was accomplished through the establishment of a government bank of issue, the Polska Krajowa Kasa Pożyczkowa, or Polish State Loan Bank. Prior to this time, the currency in Congress Poland had been the Russian ruble, which was legal tender.

After the entry of the German troops, German marks began to appear in circulation. The German Government paid the troops in marks and the marks were spent locally by the men. Also, property in Poland, requisitioned by the German Government, was paid for in German marks. The Polish population received the marks but preferred Russian rubles, with which they were familiar, and disposed of the marks as promptly as possible. Due to the German occupation of this part of Russia (Congress Poland) the amount of ruble circulation available was limited, and since the demand for rubles was strong the value of the ruble in terms of marks was high compared to what it was in outside markets. In Galicia, which at this time belonged to Austria, the Austrian krone circulated.

The bank established in Warsaw by the Germans in 1916 was received with disfavor by the Polish people, and was looked upon as a German institution serving German interests. The Bank issued German-Polish marks, paper currency which was declared to have a value equivalent to that of the German mark. The German Governor-General of Warsaw in April, 1917, issued a decree demonetizing the ruble and forbidding the quoting of prices, the transacting of business, or the keeping of accounts in terms of rubles. Polish marks

¹ This section was prepared by John Parke Young.

and German marks were decreed the only legal money. These rigorous measures on the part of the Governor-General sufficed to gain general currency for the new Polish mark.

After the armistice, when Poland became independent, the currency was very much confused, consisting of a variety of currency units fluctuating in value in relation to each other. Posen or German Poland, had the German mark; Galicia, or Austrian Poland, had the krone of the Austro-Hungarian Bank; Congress, or Russian Poland, had the German-Polish mark, and in the east beyond the German occupied area, the Russian ruble. In some sections different currencies were circulating side by side.

The Polish Government when it came into power took over the bank formed by the Germans and accepted the bank's note circulation as the temporary currency of the country pending the issue of a national currency. According to the treaty of St. Germain, Poland was to convert the kronen of the Austro-Hungarian Bank circulating in Poland into national currency. This conversion of kronen into Polish marks was undertaken at a rate of 70 marks to 100 kronen. The German marks in Poland were deprived of their legal tender quality in the latter part of 1919, but few were in circulation at that time, so that the new Polish mark and the former German-Polish mark were the sole monetary units.

The history of Polish currency from the armistice until the spring of 1924 is chiefly an account of continued paper money inflation and accompanying depreciation in the value of the mark, both internally and externally. The depreciation of the mark was practically continuous, sometimes taking place precipitously and again more slowly. The circulation of the Polish State Loan Bank at the end of 1918 amounted to a little over 1,000,000,000 marks. By the end of 1919 this had increased to over 5,000,000,000 marks, and by the end of 1920 to nearly 50,000,000,000 marks. However, during this time there was a withdrawal of German marks and other currencies from Poland, and an extension of the area over which the Polish mark had to circulate, so that a certain amount of increase was legitimate. The currency continued to increase, as can be seen in Chart 42, and from the following figures, until it reached a maximum of about 600,000,000,000 marks early in 1924.

Note circulation of Polish State Loan Bank (end of year; Polish marks)

1918-----	1, 023, 800, 000	1922-----	793, 437, 500, 000
1919-----	5, 318, 300, 000	1923-----	125, 372, 000, 000, 000
1920-----	49, 361, 500, 000	1924 (Mar. 31)-	596, 244, 000, 000, 000
1921-----	229, 537, 600, 000		

The inflation took place largely as a result of advances to the Government by the Bank. On account of budgetary deficits the Government had recourse to the Bank to supply its fiscal needs. The importance of the government advances in the Bank's statements as compared to advances made to private individuals, can be seen from the accompanying chart (No. 42). The almost parallel movement of the curves representing note circulation and advances to the Government, is very striking, and shows how the large issues of paper money were caused by the Government borrowing from the Bank.

CHART 42

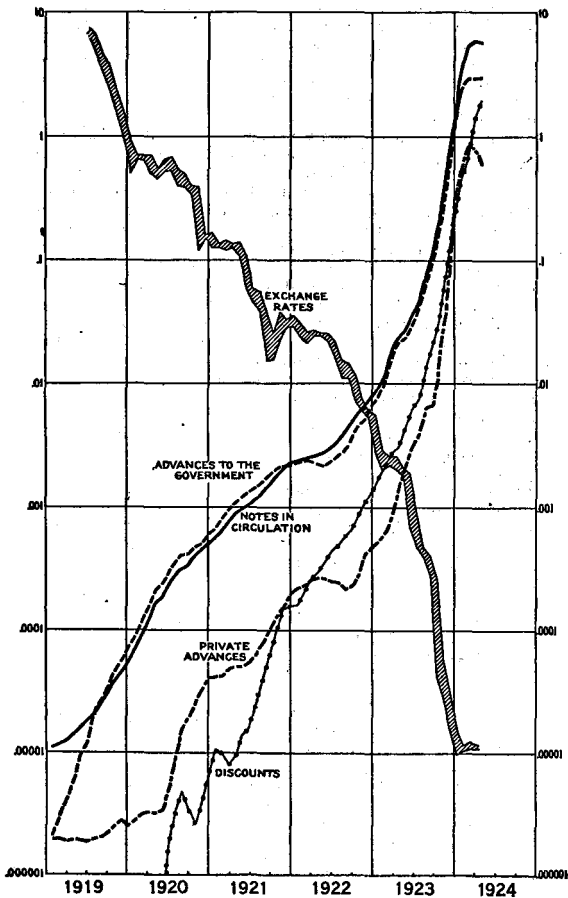
POLAND—EXCHANGE RATES (HIGH AND LOW) NOTE CIRCULATION, DISCOUNTS AND ADVANCES OF STATE LOAN BANK, MONTHLY, 1919-1924

[Exchange rates, New York on Warsaw, July, 1919, sight drafts; August, 1919-1925, cable transfers]

Cents per mark

[For figures see Tables 67 and 68]

Millions of marks



The financial burdens of the Government were heavy, and the country was in a weak economic condition. When the German troops were in possession of Poland a large amount of the industrial equipment and raw materials were taken out of the country, so that when the new Polish State came into existence it found the country stripped of much necessary equipment. The railways and other industries were in a deteriorated condition. The country had been the scene of severe fighting and large areas had been laid waste. The expenses of reconstruction and of organizing the new Government were thus a heavy burden upon the treasury. Furthermore, the armistice did not end the war for Poland, but until 1920 the country was involved in war with Russia.

The war with Soviet Russia was very costly and was the principal factor in reducing Poland's finances to a state of practical bankruptcy and in preventing the rehabilitation of the country. In the middle of 1920 the Bolshevik troops invaded Poland and caused considerable devastation. The Bolshevik invasion led to a run on the banks and caused a general stringency of credit.³ Individuals who were unable to get sufficient funds from the private banks began turning to the Polish State Loan Bank for accommodation after this time and the increase in discounts and advances to private persons was very marked, as can be seen in the chart (No. 42). The chart shows how the advances to private parties rose sharply in the last half of 1920, and continued to increase along with the advances to the Government and with the note circulation. Discounts at the bank exhibited a similar increase beginning in the last half of 1920.

The war with Russia came to an end in the fall of 1920 with the defeat of the Bolsheviks. By the treaty of Riga, Poland and Russia in March, 1921, agreed to terms of peace. Russia agreed to pay Poland 30,000,000 rubles in gold for Poland's share in the assets of the Russian State Bank. With hostilities ended, Poland now had an opportunity to organize and rehabilitate the country. Although the Russian troops did not remove or requisition machinery and materials as did the Germans, Poland was exhausted and industry was suffering from the strain and ravages of the long period of war.

The demands upon the Polish treasury for conducting the war and for various civil and other purposes were great, so that the total expenses of the Government during these years were very much more than current revenues. The end of war, however, did not bring an end to the deficits. The Government met its expenses by loans, by the capital levy, by current revenues from taxation, and especially by large issues of paper money advanced to the Government by the Bank.

During 1921 and 1922 the increases in paper money did not take place as rapidly as during the two preceding years. This was partly accounted for by the receipt of extraordinary revenue and by the fact that the war with Russia had ended. However, inflation continued, and in the year 1923 the printing presses turned out such large quantities of notes that the value of the mark seemed almost to disappear. The total circulation increased from 793,000,000,000 marks at the end of 1922 to 125,000,000,000,000 marks at the end

³ A moratorium was granted to protect the banks against a withdrawal of their funds.

of 1923. In the spring of 1924 the maximum of about 600,000,000,-000,000 was reached.

The effects of these large issues of paper money were, as would be expected, a very great increase in the cost of living, depreciation of the Polish mark in foreign countries, and greatly disturbed industrial and economic conditions within Poland. The fluctuations and depreciation in the value of the mark were so great that business became all but impossible. Chart 43 shows the rise in prices charted on logarithmic scale, where equal vertical distances indicate equal percentages of increase. It will be noticed that the rise in prices from the middle of 1922 to the spring of 1924 was very precipitous. Corresponding index numbers for 1919 and 1920 are not available. The rise in prices in 1919 and 1920, however, was not as great as in the following years.

About 1921 people in Poland began to realize the effects of depreciation, and in order to avoid loss through the depreciation of paper money, resorted to the expedient of purchasing raw materials, manufactured articles, real estate, and various other articles the values of which rose along with general prices. Some of these purchases were made for speculation, and good profits are reported to have been made, due to the unevenness with which prices fluctuated.

During 1921 and the first half of 1922 prices did not move upward continuously. Inflation was at a slower rate during this period, since the Government was receiving increased revenues, which improved the general situation. The improvement, however, was only temporary. After the middle of 1922 prices rose very steeply. The following are the index numbers of wholesale prices in Poland at the periods indicated—January, 1914, equals 100:

1921.....	57, 046	1924—Jan. 31.....	252, 168, 000
1922.....	346, 400	Feb. 28.....	248, 430, 000
1923.....	142, 301, 000	Mar. 31.....	245, 278, 000
		Apr. 30.....	242, 322, 000

The above chart shows also prices on the new zloty basis since August, 1923. It will be noticed that since the first of 1924, when currency reform was undertaken, prices have been relatively stable.

In the middle of 1920 the general business depression throughout the world added to Poland's troubles, and industry there suffered severely. Prices declined somewhat for a time, although the note circulation continued to increase. Industry was inactive and unemployment resulted. The textile trade was especially depressed and many of the mills were working only a few days a week. The political and military situation in the middle of 1920 was unsatisfactory, which also had a depressing effect upon industry. The business depression continued in Poland through 1921 and to the middle of 1922. Some improvement then took place, but conditions since that time have not been prosperous.

CHART 43

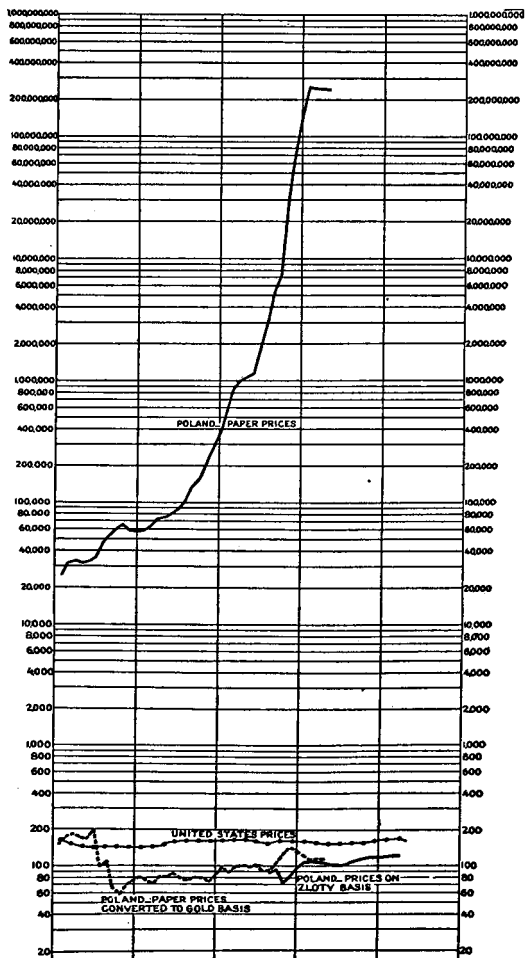
POLAND—WHOLESALE PRICES ON PAPER MARK BASIS AND CONVERTED TO GOLD BASIS, AND ON ZŁOTY BASIS, MONTHLY, 1921-1925

[Index numbers from Rocznik Statystyki Rzeczypolitej Polskiej, 64 commodities, end of month, January, 1914=100. January-August, 1921, are index numbers of retail prices of food, July, 1914=100; from the Economist, London]

Per cent

[For figures see Table 68]

Per cent



II. EXCHANGE RATES AND PURCHASING POWER PARITIES

The course of exchange rates in Poland during the first five years of the country's history was continually downward, the rates sometimes falling rapidly and again temporarily showing signs of stability. Poland has close economic relations with Germany, and the Polish mark for several years moved in sympathy with the German mark. The two separated in the latter part of 1923, when the depreciation of the German mark became more precipitous than that of the Polish mark. The depreciation of the Polish mark, like that of the German mark, is accounted for by very large issues of paper money. Chart 42 above shows the relationship between exchange rates and the note circulation in Poland, exchange rates moving downward as the note circulation and advances to the Government moved upward.

The Polish Government endeavored by various means to control the depreciation of the mark, but as long as inflation continued none of the efforts was successful. An office was established by the Government to control exchange rates. This expedient was not successful, since the rates established were too low to equilibrate demand and supply, and requests for foreign bills frequently had to be refused. As a result, the so-called "Black Exchange" came into existence. This was an illegal market where foreign currencies were dealt in. The exchange rates prevailing on the "Black Exchange" were always in excess of those of the government body.

The efforts to prevent exchange depreciation were futile, and the interference by the Government was disturbing to trade. Importers found the procuring of foreign currencies difficult. Exchange rates continued to fall and the office was soon abolished, only to come into existence again, however, in a somewhat different form. Since the official rates of exchange were usually below the market rates, exporters and others possessing foreign currencies were reluctant to dispose of their currencies through the official channels.

Exchange control still continues. The right to deal in exchange is restricted to the exchange banks or devisa banks and to exchange commissioners, of whom there are 10 in different parts of the country. These various agencies, which are authorized to deal in foreign exchange, endeavor to restrict the sales of bills to legal purposes.

In the first part of 1921 exchange rates in New York on Poland were more stable than previously, due largely to improved governmental conditions in Poland and to the holding down of exchange rates artificially. Other European currencies apparently were undervalued in Poland at this time, and it is reported that foreign goods were imported into Poland and sold at less than the cost of competing Polish goods. The foreign goods came especially from Great Britain and Germany. The stability in exchange rates in the spring of 1921 was only temporary, and soon the rates were again falling more rapidly than ever.

In the spring of 1923 the minister of finance attempted to prevent further depreciation of the mark, and in this endeavor disposed of

part of the gold reserve and foreign assets of the Polish State Loan Bank. The efforts to stabilize exchange, however, again were unsuccessful, and on the illicit exchange the rates for foreign currencies showed a depreciation of the mark 20 or 30 per cent greater than that shown in the official rates.

The banks which were obliged to quote the official rates did not receive many foreign bills, since better rates could be obtained elsewhere. With their supply of bills thus reduced, the banks were unable to furnish foreign remittances even to individuals with a license to purchase. The Government was forced to abandon the drastic policy and in the middle of 1923 returned to the system of permitting certain banks to sell bills for purposes growing out of commercial transactions, although nominal legal rates continued to be fixed by the Government. With the inauguration of this more liberal policy, the rates of exchange fell rapidly. The rates prevailing were determined by the demand and supply of bills and not by artificial measures. This new policy was welcomed by business in Poland, and the supply of drafts appeared ample.

The great drop in exchange rates which occurred in the last half of 1923 was caused by very large issues of paper money and a resulting collapse of public confidence. The circulation increased from 3,566,649,100,000 marks on June 30, 1923, to 82,188,343,000,000 marks on December 20, 1923, and 528,913,418,744,000 by March 1, 1924. In the first part of 1924 Poland stabilized the currency and adopted the zloty as the unit with a gold par of 19.29 cents, the same as the franc. The zloty was made the equivalent of 1,800,000 Polish marks, which was in close harmony with current exchange rates. Since this time Poland has been successful in maintaining exchange rates practically at par. The Bank of Poland holds balances abroad, which are used in maintaining exchange rates. The reform measures inaugurated in 1924 are discussed below.

The purchasing power parities of the mark with the dollar are shown in Charts 44 and 45. The purchasing power parity is merely the parity of the two currencies on the basis of purchasing power, and is determined according to the relationship of the price levels in the two countries. Since the Polish mark until 1924 had no real par and was merely a paper unit, the gold par of the German mark, 23.82 cents, was used as a point of departure in the computations. The German mark was introduced into present Poland during the German occupation and became the basis for the Polish currency until the zloty was introduced in 1924. The index numbers used are computed on the basis of prices in terms of gold marks in 1914 as 100. Whatever error may be introduced by the use of a more or less hypothetical par is a constant amount all the time so that the movements of the curve are unaffected, and only the absolute value is altered.¹

The purchasing power parity curve, which shows the value of the mark based on the relationship between the price level in Poland and the price level in the United States, moves in very close ratio to the curve showing market exchange rates. Inspection will show that at the different dates the distance between the two curves is fairly constant, even during the period of precipitous fall in 1923.

¹ For a discussion of purchasing power parities and methods of calculation, see Volume I, pp. 26-29.

CHART 44

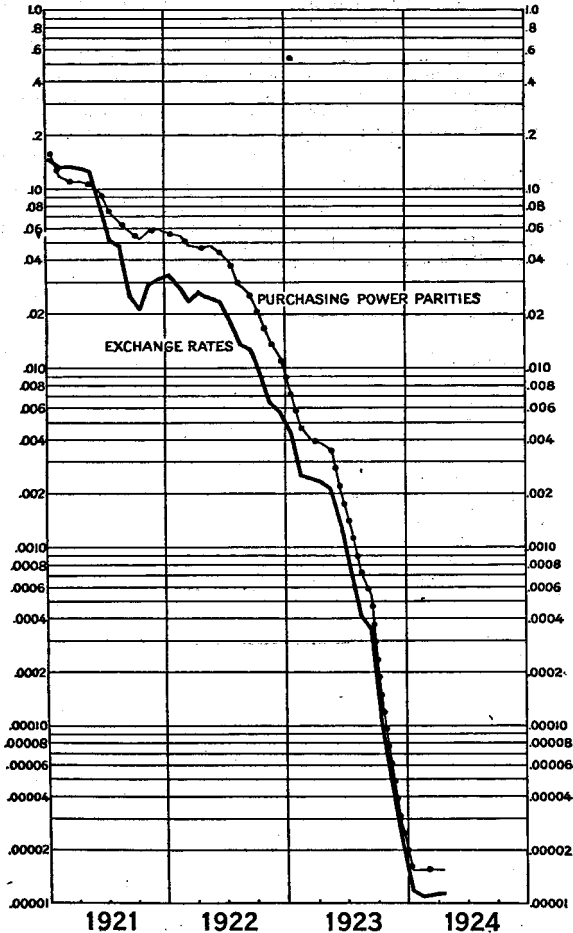
POLAND—PURCHASING POWER PARITIES AND EXCHANGE RATES, MONTHLY, 1921-1924

Based on Rocznik Statystyki Rzeczypospolitej Polskiej index numbers for Poland, 1921-June, 1922, 87 commodities, July, 1922-1925, 66 commodities, monthly average, 1914=100; and on Federal Reserve Board index numbers for United States, 104 commodities, monthly average, 1913=100

Cents per mark

[For figures see Table 70]

Cents per mark



Due to the sharp fall in the rates in 1923 the area inclosed between the two curves is reduced, although the ratio of movement remained fairly uniform most of the time.

The very similar movement in the two curves is accountable in part to artificial control over prices and exchange rates. Exact uniformity in the curves is not to be expected, inasmuch as the price indexes used reflect domestic prices in the respective countries. Domestic prices may not move in exact uniformity with the prices of articles which enter into international trade, and it is the prices of these articles entering into international trade that influence exchange rates. When the prices of such goods become cheap exports tend to increase; on the other hand, when the prices of such goods are higher within the country than prices of similar goods in other countries imports tend to increase.

Chart 45 shows the purchasing power parities since the period of stabilization began in 1924. The figures begin with November, 1923, since price index numbers on the zloty basis are available back to this date. It will be noticed that the purchasing power parity curve has gradually been approaching that of exchange rates.

CHART 45

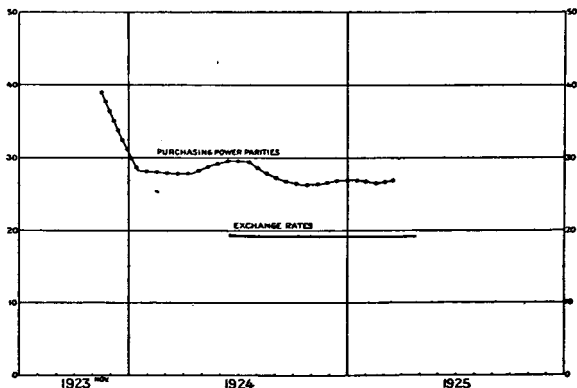
POLAND—PURCHASING POWER PARITIES AND EXCHANGE RATES, MONTHLY, 1923-1925

Purchasing power parities based on index numbers of Central Statistical Office for Poland, 88 commodities, end of month, January, 1914=100; and on index numbers of Federal Reserve Board for United States, 104 commodities, monthly average, 1913=100. Exchange rates, New York on Warsaw, monthly averages of daily quotations, cable transfers

Cents per zloty

[For figures see Table 71]

Cents per zloty



III. FOREIGN TRADE

Foreign trade is important to Poland since Poland has very close economic relations with the countries about her. Poland imports a large amount of raw cotton and wool and makes them up into fabrics, a large part of which are exported. Poland also imports tobacco, manufactured metal products, skins, and various other articles. In addition to textiles, Poland exports petroleum products, lumber and wood manufactures, and various food products, such as sugar. Since the acquisition of Upper Silesia in 1922, coal is also exported.

Imports into Poland come primarily from Germany (44 per cent) followed by the United States, Austria, Great Britain, and Czechoslovakia. About 50 per cent of Poland's exports go to Germany; then come Rumania, Austria, Great Britain, and Czechoslovakia. The United States receives very little from Poland. As soon as normal conditions in Russia and the Ukraine are restored, trade between Poland and these countries will no doubt increase. Judging by pre-war conditions, these countries may be expected to import from Poland textiles, machinery, and other articles. Poland also will doubtless have considerable transit trade between Russia and western countries. The following table shows Poland's trade with the principal countries:

Poland—Imports and exports of merchandise by countries

[Value in zlotys; 1 zloty=19.3 cents]

[Source: *Annuaire du Commerce Extérieur de la République Polonaise—1922-23*, p. XI]

	1922		1923	
	Value	Per cent of total	Value	Per cent of total
IMPORTS				
Great Britain.....	59,307,055	7.0	90,529,530	8.1
Austria.....	85,852,282	10.2	96,913,749	8.7
Czechoslovakia.....	55,138,433	6.5	53,705,019	4.8
France.....	36,396,689	4.3	42,955,277	3.8
Germany.....	312,412,908	37.0	486,996,204	43.6
Rumania.....	3,485,795	.4	5,916,238	.5
United States.....	131,563,690	15.6	171,323,137	15.3
Argentina.....	4,719,924	.6	3,873,187	.4
Belgium.....	33,573,585	4.0	15,250,398	1.4
Brazil.....	6,519,878	.8	5,279,557	.5
Chile.....	1,488,372	.2	5,364,126	.5
China.....	1,535,339	.2	2,587,537	.2
Netherlands.....	14,358,278	1.7	17,340,345	1.6
British India.....	12,623,167	1.4	12,230,473	1.1
Dutch Indies.....	3,744,412	.4	2,188,345	.2
Norway.....	8,878,902	1.0	6,547,963	.6
Russia.....	2,854,994	.3	4,839,226	.4
Switzerland.....	10,529,177	1.2	12,645,560	1.1
Sweden.....	2,246,617	.3	5,994,698	.5
Turkey.....	2,716,892	.4	3,912,258	.4
Hungary.....	6,616,589	.8	6,305,891	.6
Italy.....	15,025,496	1.8	21,731,349	1.9
Other countries.....	32,657,942	3.9	41,992,572	3.8
Total.....	945,355,374	100.0	1,116,481,702	100.0
EXPORTS				
Great Britain.....	26,701,761	4.1	70,041,622	5.8
Austria.....	72,125,303	11.0	110,949,378	9.3
Czechoslovakia.....	31,406,020	4.8	57,505,537	4.8
France.....	11,818,446	1.8	24,662,227	2.1
Germany.....	324,320,654	49.5	604,624,202	50.6
Rumania.....	72,304,502	11.1	136,067,110	11.4
United States.....	5,601,165	.8	6,918,087	.6
Denmark.....	11,144,625	1.7	24,262,416	2.0
Finland.....	10,744,171	1.6	9,857,614	.8
Netherlands.....	6,935,173	1.1	13,059,453	1.1
Latvia.....	11,249,431	1.7	24,598,612	2.0
Russia.....	20,937,952	3.2	22,575,938	1.9
Switzerland.....	2,533,550	.4	9,700,290	.8
Hungary.....	18,161,618	2.8	19,112,612	1.6
Italy.....	2,225,956	.3	6,801,567	.6
Other countries.....	26,890,144	4.1	54,819,956	4.6
Total.....	655,150,671	100.0	1,198,586,652	100.0

Figures for Poland's foreign trade are not very satisfactory for several reasons. Until 1922 value figures were not shown. Furthermore, trade passing through Danzig was not included in Polish figures until the latter part of 1922. In the middle of 1922 Upper Silesia, formerly belonging to Germany, became a part of Poland, according to an award of the League of Nations. Coal from this district, which formerly constituted a considerable item in the imports into Poland, disappeared from the import figures, and exports of coal from Upper Silesia to other countries became a part of Polish exports.

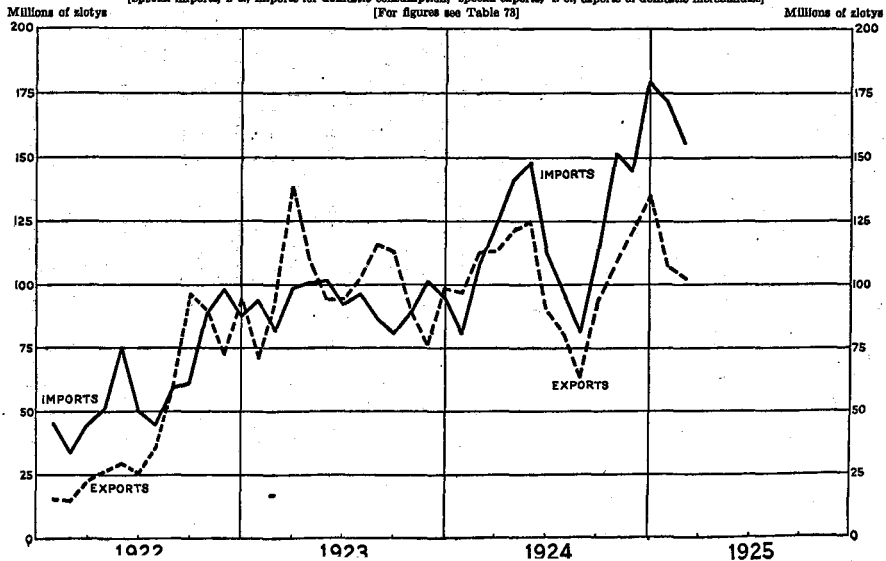
Quantity figures are unsatisfactory for a study of foreign trade, since heavy or bulky articles assume an undue importance. In the case of Poland value figures are available only since the first of 1922. Chart 46 shows imports and exports of Poland since the first of 1922, according to value, and Chart 47 shows imports and exports since the first of 1920 according to quantity. Imports and exports

CHART 46

POLAND—IMPORTS AND EXPORTS OF MERCHANDISE, MONTHLY, 1922-1926

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

[For figures see Table 78]



(value) have been more or less in balance since the middle of 1922, sometimes the excess being of imports and again of exports. During the few years prior to the middle of 1922, according to quantity figures and such value figures as are available, Poland had an excess of imports. The change in the country's position after the middle of 1922 appears to have been due in large measure to the acquisition of Upper Silesia at this time, and the effect of exportations of coal and industrial products from this newly acquired district. On the basis of quantity Poland has had a large excess of exports since the middle of 1922. On the basis of value the excess has sometimes been one way and sometimes the other; in recent months an excess of imports has existed.

In Poland's so-called invisible trade an important item is the money sent home by Polish immigrants in the United States and in countries in Europe. These remittances have been estimated to amount to about thirty or forty million dollars annually. Poland has also been paying interest upon part of the external debt of about \$300,000,000. The debt to the United States Government amounts to about \$178,566,000. Funding arrangements in regard to this debt have been concluded and have received formal ratification.

The wide fluctuations and depreciation in exchange rates which existed until 1924 were very disturbing to Polish foreign trade. When wide fluctuations existed, before a transaction could be completed exchange rates frequently became altered so that the transaction was no longer profitable. In addition Government control over exchange rates and over the buying and selling of bills interfered with the conduct of foreign trade. Transportation and communication difficulties were also a handicap to foreign trade. Due to the depreciation of the mark, the Government collected import duties with an agio which was increased as depreciation became greater. Since the stabilization of the currency, it has been possible to conduct foreign trade with a greater degree of certainty.

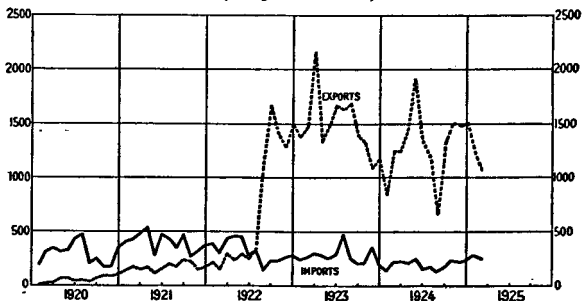
CHART 47

POLAND—IMPORTS AND EXPORTS OF MERCHANDISE, MONTHLY, 1920-1925

Quantity

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

Thousands of metric tons [For figures see Table 73] Thousands of metric tons



IV. STABILIZATION AND REFORM

Poland from the beginning of the country's independence in 1918 desired to institute an independent currency system based upon gold. The Polish mark was looked upon as an emergency currency to be supplanted later by a stable currency. In 1919 Poland adopted the zloty as the unit (zlot meaning gold in Polish), the value of the zloty to be equal to that of the gold franc. However, at this time Poland did not attempt any real currency reform involving the introduction of the new unit into circulation. The zloty was to be, for the time being, only a theoretical unit. The intention was later to create a State bank which should issue currency in zlotys. The creation of such a bank was thought to be inopportune until fiscal stability had been attained.

Until 1924 the zloty was a theoretical unit used for purposes of computation to avoid the difficulties resulting from the fluctuations of the mark. In 1923 the Government issued bonds, half of each bond being in terms of zlotys and the other half in terms of Polish marks. Marks were received in payment for the bonds at the rate of one zloty for 1,400 marks. Thus a bond of 100,000 marks and 100 zlotys cost 240,000 marks. In June, 1923, the Government began converting its statistics into zlotys, retroactively, using a rate for each month based upon the price of rye and upon exchange rates for Swiss francs. The value of the zloty was determined differently at different times, but was based generally on a combination of the price of rye and other commodities, with exchange rates for Swiss francs.

In the spring of 1924, after the organization of the Bank of Poland (Bank Polski), which took over the former Polish State Loan Bank, zloty currency was put into circulation. According to the monetary decree the zloty is equivalent to the gold franc, i. e., 19.29 cents.^a The zloty is divided into 100 groszy. Gold coins have not yet been minted, although it is the intention of Poland later to mint such coins. Silver coins, however, have been minted and were put into circulation in 1924. Some of these silver coins were minted for Poland by the United States mint in Philadelphia, and others were minted in Great Britain. Silver coins are legal tender only to the amount of 100 zlotys. The Government may not issue silver currency in excess of 8 zlotys per capita. Nickel and bronze coins have also been put into circulation.

The conversion of marks into zlotys began in the spring of 1924, after the cessation of inflation and the establishment of the new bank. The exchange was made at the rate of 1,800,000 marks to the zloty, which corresponded to the current exchange rates at that time (on the basis of 19.29 cents to the zloty). This rate of 1,800,000 marks

^a Three thousand and one hundred zlotys were to be struck from 1 kilogram of gold 0.900 fine. The zloty thus contains 33,256 grams of gold 0.900 fine and is worth 19.29 cents in American money according to the gold par.

was established in February, 1924, at which time about 9,200,000 marks were worth \$1. At 19.29 cents to the zloty this gives the rate of about 1,800,000 marks to the zloty. The exchange of new zloty currency for marks was carried out by the Bank of Poland. During the few weeks when marks and zlotys circulated side by side considerable confusion existed in making change. The zloty notes are the obligations of the Bank, and ultimately will be made redeemable on demand in gold.

During 1923 Poland witnessed Austria's success in stabilizing the currency, and the sentiment in Poland became favorable to the immediate establishment of a central bank of issue. The establishment of such a bank had been discussed in Poland for several years. The Minister of Finance, who had been granted liberal powers in January, 1924, decided upon the immediate establishment of a bank of issue. The British financial adviser, Mr. E. Hilton Young, who went to Poland in the latter part of 1923, when conditions were practically at their worst, was opposed to the establishment of a bank as a means of currency reform, until budgetary reform had been accomplished, believing that currency reform would be premature and of uncertain success unless the Government's finances could be divorced from the currency system so that further issues of paper money would not be made.

The Minister of Finance proceeded to the organization of the Bank and opened subscriptions to its stock by the general public. Difficulty was encountered at first in the sale of the shares to the public, but soon the entire capital of 100,000,000 zlotys was entirely subscribed. The Bank is a semiprivate institution, although controlled by the Government. The stockholders of the Bank (all private citizens) are to receive a dividend of 8 per cent, and above this the profits are to be divided between the Government and the bank in varying amounts.⁴ Before the payment of dividends, 10 per cent of the annual net profits is carried to surplus. The Bank enjoys a monopoly of note issue for 30 years, the notes being full legal tender.⁵

Although the notes are to be convertible into gold, the date when such convertibility is to begin is to be determined later. In this connection article 47 of the Bank's statutes reads:

The date for the beginning of the convertibility of bank notes for gold coins according to the monetary bill will be fixed by an order of the council of ministers, or the proposal of the Minister of Finance based on the resolution of the board of directors.

Thus the reform does not actually bring with it the complete gold standard.

The Bank of Poland (Bank Polski) took over the affairs of the former Polish State Loan Bank. The present bank is thus a continuation of the bank organized in Poland by Germany during the period that Germany was in occupation of Poland.

The minimum reserve which the Bank must hold against its notes is 30 per cent and may consist of the following: (a) Gold bars or coin; (b) foreign paper currencies which are not subject to great fluctuations; (c) checks, drafts, and balances in foreign banks of undoubted solvency, payable in the above currencies. Items in (b)

⁴ In January, 1925, a provisional dividend of 12½ per cent was agreed upon.

⁵ Contracts which specify payment in gold coin must be so paid.

and (c) must be valued at their current exchange value in gold, and must be net amounts, i. e., after deductions of the Bank's liabilities in foreign currencies. As soon as convertibility of bank notes in gold is established, only foreign currencies redeemable on demand in gold can serve as cover for bank notes.

Above the 30 per cent minimum reserve, notes in circulation may be secured by the following: (a) Bills of exchange and various other securities; (b) silver according to its bullion value; (c) Polish silver and subsidiary coin at its face value, which amount, however, must not exceed 5 per cent of the total notes outstanding; (d) the noninterest-bearing credit of 50,000,000 zlotys granted the Government for the privilege of issuing notes. This credit of 50,000,000 zlotys is the maximum amount the Bank may loan the Government.

A novel feature in regard to the Bank has been adopted in the tax on the notes in circulation. The tax varies with the amount of gold behind the notes, being greater as the gold cover decreases and becoming less as the gold increases. This arrangement differs from that of the Federal reserve system, whereby a progressive tax is levied when reserves fall below a legal minimum, in that the tax in Poland is not a penalty tax when reserves fall below a certain point, but is a permanent tax on all notes outstanding, the rate of taxation varying with the percentage of gold reserves.

The accompanying chart (No. 48) shows the condition of the new bank since it began business in May, 1924. It will be noticed that the note circulation increased greatly as conditions became stabilized.

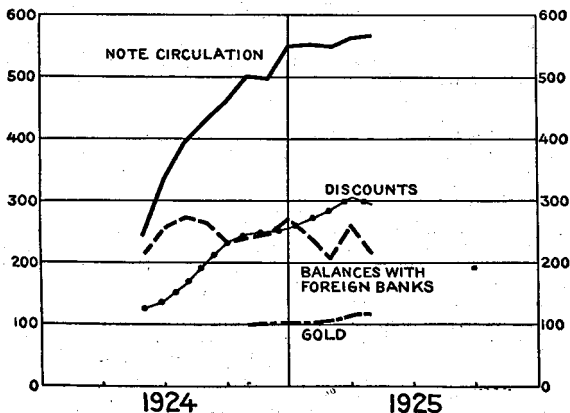
CHART 48

BANK OF POLAND—NOTE CIRCULATION, DISCOUNTS, BALANCES WITH FOREIGN BANKS, AND GOLD RESERVES, MONTHLY, 1924-1925

Millions of zlotys

[For figures see Table 67]

Millions of zlotys



The gold reserve which the bank maintains behind its notes is gradually being increased. At the first of 1925 the gold reserve of the Bank amounted to slightly over 100,000,000 zlotys, while the note circulation amounted to about 550,000,000. The Bank also held foreign currency and balances abroad to the extent of about 270,000,000 zlotys. Although at the present time the Bank does not redeem the notes in gold, nevertheless the Bank has been successful in maintaining their value on the exchange market practically at par. This has been possible chiefly because the Government is no longer inflating the currency by borrowing from the Bank. In fact, such borrowings are prohibited by law, with the exception of the noninterest-bearing credit to the Government to a maximum of 50,000,000 zlotys.

Chart 49 shows the gold value of the total note circulation of Poland. This total value is obtained by multiplying the total note circulation outstanding by the gold value of the unit on corresponding dates. The total value has been computed according to two different indices for the gold value of the unit—first, exchange rates and, second, purchasing-power parities.

The total value of the circulation has shown interesting fluctuations. When inflation and depreciation were at their worst, in 1923, the total value was lowest. This was because the depreciation in the value of the mark at this time was so great that it had even outstripped the rate of increase in the amount of notes outstanding. People lost confidence in the currency and in the Government's financial policy, so that the rapidity with which the currency circulated was greatly increased. The people did not desire to hold money which was continually becoming of less value. The increase in the rate of turnover, in the same way as though more currency had been issued, thus made the depreciation greater.

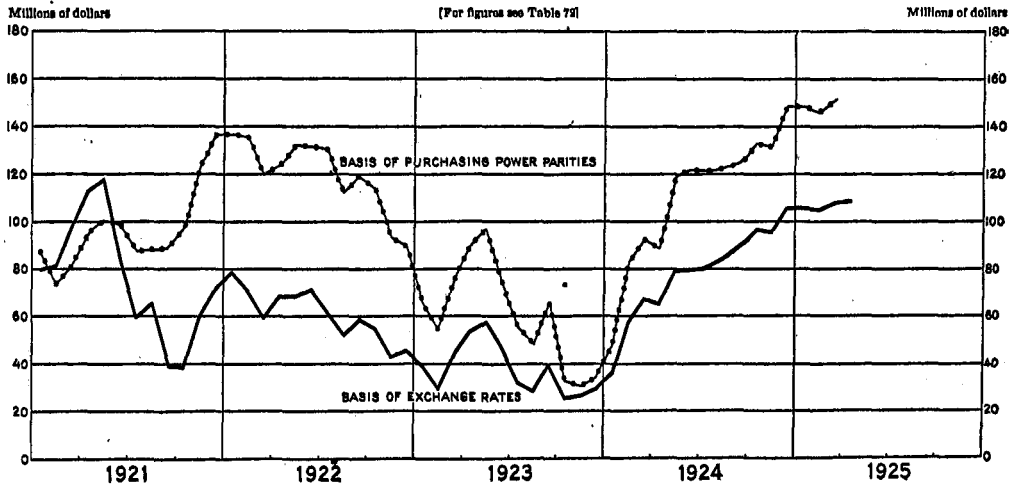
As soon as the currency was stabilized in 1924 the total value increased sharply. Business which formerly avoided the use of the domestic money now did not hesitate to use it, so that the demand for the currency was greater. The rate of turnover slowed down, and more currency was absorbed into circulation. Thus the gold value of the total circulation increased. These same events transpired first in Austria and later in Russia, Germany, and Hungary.

Poland has been faced with the task of uniting the different parts of the country into a homogeneous State. The country which now constitutes Poland, prior to 1918 was ruled by three different nations, and the Polish population, with the exception of that in Austrian Poland, had been prevented from participating in the administration of government affairs. Thus the Polish people were inexperienced in governmental matters. Furthermore, the nations which governed Poland had endeavored to suppress as far as possible the idea of Polish unity.

The territory comprising Poland is rich in resources; it has extensive forests, valuable mineral deposits, and a fertile soil, also petroleum fields and refineries. Poland has several important industries, such as the textile, iron and steel, lumber, and sugar industries. Although the economic background in Poland is satisfactory, the Republic has not enjoyed much prosperity. Disturbed conditions throughout Europe and within Poland itself have prevented any real prosperity.

CHART 49

POLAND—GOLD VALUE OF TOTAL NOTE CIRCULATION ON BASIS OF EXCHANGE RATES AND ON BASIS OF PURCHASING POWER PARITIES. MONTHLY 1921-1925



An unhealthy condition of Polish government finances was the chief disturbing factor in Poland. Now that government finances are being established upon a more sound basis, and since budgetary equilibrium is practically accomplished, considerable improvement is taking place. The internal funded debt of Poland amounted to \$26,441,000 at the end of 1924. The external funded debt on the same date amounted to the equivalent of \$320,380,000.¹ In January 1925 Poland borrowed \$35,000,000 in the United States. The bonds were 25-year 8 per cent bonds and were issued to the public at 95. The following figures show the Polish debt, also the revenues and expenditures of Poland during the last four years and the estimates for 1925.

Poland—National debt, 1919-1924

End of year

[Source: Rocznik Statystyki Rzeczypospolitej Polskiej]

(Millions of Polish marks)

Items	1919	1920	1921	1922	1923	1924 ¹
Internal debt:						
Funded—						
Loan of 1918 at 5 per cent	2,032,052	418,246	155,960	106,750		
Short term, 1920, 5 per cent		2,129,336	2,129,336	1,505,556		
Long term, 1920, 5 per cent		5,212,477	10,844,153	6,241,863		
Premium loan, 4 per cent		930,256	1,991,614	4,903,176		
Gold loan, 8 per cent				7,050,000		
Total funded	2,032,052	8,690,315	15,121,113	19,807,345		
Floating—						
Loans covered by paper money	6,825,000	59,825,000	221,000,000	675,600,000		
Treasury bonds		947,376	15,108,197	47,946,000		
Total floating	6,825,000	60,772,376	236,108,197	723,546,000		
Total internal	8,857,052	69,462,691	251,229,310	743,353,345		137,064,380
External debt:						
United States—dollars	116,835,144	183,675,310	183,475,310	186,393,262		238,205,400
France—French francs	795,216,116	924,638,593	867,671,338	912,455,222		891,106,222
England—pounds sterling	1,629,853	3,651,945	3,847,351	4,530,818		4,530,828
Italy—						
Gold francs	36,325,490	36,325,490	36,325,490			469,000,000
Lire	15,968,232	15,968,232	18,203,732	75,000,000		
Holland—Holland florins		1,259,605	1,259,605			
Norway—Norwegian kroner	17,800,000	17,800,000	18,218,687	14,218,686		9,089,830
Denmark—Danish kroner		13,241,836	16,497,417	16,497,417		16,497,417
Sweden—Swedish kroner			358,850	358,849		358,849
Switzerland—Swiss francs			173,080	935,805		5,106,580
Total external			73,600	73,600		73,600
						21,840,866,400

¹ Figures furnished by the Polish Legation, Washington.

² Zloty.

³ As of Mar. 1, 1925.

⁴ As of May 1, 1924.

⁵ This does not include obligations assumed by Poland under the treaty of Versailles in connection with former German and Austrian Provinces given to Poland.

Poland—Receipts and expenditures

[Converted from marks to zloty on following basis: 1921, 1 zloty=303.75 marks. First quarter 1922, 1 zloty=513.52 marks; second quarter, 601.49 marks; third quarter, 1,024.97 marks; and fourth quarter, 1,033.87 marks. (In thousands of zlotys)]

[Source: Annuaire Statistique de la République Polonaise, II^e Année, 1923]

	1921	1922	1923 ¹	1924 ¹	1925 ¹
RECEIPTS					
Administration.....	261,676	467,979			1,491,743
State enterprises.....	11,413	14,556			133,530
Monopolies ²	72,222	47,893			356,611
Total	345,311	530,428	426,000	1,703,000	1,981,884
EXPENDITURES					
Administration.....	765,263	734,310			1,880,231
State enterprises.....	115,589	146,003			106,343
Monopolies ²					45,019
Total	880,852	879,313	1,119,800	1,629,000	1,981,603
Deficit.....	535,541	348,885	692,000		
Surplus.....				74,000	251

¹ Figures furnished by the Polish Legation, Washington.

² Preliminary.

³ Sugar, salt, tobacco, lotteries.

Polish budget—Estimate for 1925

[In Zlotys; 1 zloty=19.26 cents]

	Revenues	Expenditures
President of the Republic.....	134,380	1,414,471
Dist and Senate.....	23,900	6,744,578
State control.....	96,598	3,471,368
Præsidium of the council of ministers.....	16,501	1,544,657
Ministry of—		
Foreign affairs.....	7,985,580	18,525,000
War.....	13,366,734	640,500,000
Interior.....	25,758,551	188,090,907
Finance.....	1,294,288,801	315,804,151
Justice.....	21,693,370	75,400,461
Industry and commerce.....	108,971,659	97,741,461
Railways.....	133,030	2,864,000
Agriculture and State domains.....	25,492,208	23,017,551
Religion and public instruction.....	6,710,352	311,755,540
Public works.....	21,561,412	75,051,233
Labor and social welfare.....	697,860	18,325,911
Agrarian reform.....	35,742,549	49,979,200
Total	1,491,743,435	1,830,230,972
ENTERPRISES		
Præsidium of the council of ministers:		
(a) Polish telegraphic agency.....		76,755
(b) Government printing offices.....	139,119	
(c) "Monitor Polski".....	244,930	
Ministry of war: Military plants.....		15,000,000
Ministry of interior: Government health resorts.....	1,057,554	536,000
Ministry of industry and commerce:		
(a) Mining, smelting, and industrial enterprises.....	4,639,451	614,000
(b) Telephone and telegraph apparatus plant.....	70,534	30,000
(c) Radiotelegraph.....		464,779
Ministry of railways: Railroads.....	86,172,500	86,172,500
Ministry of agriculture and State domains: State forests.....	40,971,499	3,593,388
Ministry of labor and social welfare:		
(a) Industrial establishments for invalids in Piotrkow.....	62,450	62,450
(b) Barracks of the immigration office.....	78,122	
Total	133,630,159	106,342,872
MONOPOLIES		
Saccharine.....	15,000	
Salt.....	28,769,500	
Tobacco.....	151,778,300	5,969,000
Alcohol.....	174,050,000	89,050,000
Government lottery.....	2,000,000	
Grand total	1,981,884,894	1,981,602,844

Since the first of 1924 the revenues and expenditures of Poland have been upon a gold basis and have been expressed in terms of the new Polish unit, the zloty, which is the equivalent of the gold franc. This change assisted the Government materially and permitted the balancing of the budget. When the currency was depreciating rapidly, taxes were gathered in depreciated money and revenues did not increase as rapidly as did expenditures. As the cost of living went up government salaries were increased, while the adjustment of revenues to depreciation was accomplished more slowly. Railway rates also did not keep pace with depreciation, and losses of the state railways were a large item in the Government's deficits.

The new cabinet formed at the end of 1923 was pledged to financial reform. In January, 1924, the Premier, and also Minister of Finance, Mr. Grabski, was given very broad powers in the field of finance for a period of six months, during which time it was expected he would accomplish considerable reform. He was authorized to change the tax system, float loans, reform the currency, and do various other things. These powers were later extended and expired at the first of 1925. During this time, the Polish National Bank was organized, the currency stabilized, the debt to the United States funded, and various other fiscal reforms introduced. A capital levy was also put into effect which yielded considerable revenue.

The placing of revenues and expenditures upon a gold basis at the first of 1924 was a very important move. Formerly revenues had depreciated so rapidly that by the time they were collected they were insufficient to meet the growing expenditures. In the spring of 1924 the budget was actually brought into balance. While since this time some months have shown a deficit, the results at the close of the year showed a surplus of revenue of about 74 million zlotys. The position of the Government has continually been increasing in strength, and present conditions are in marked contrast to the chaotic conditions which prevailed during currency depreciation. Although stabilization has been accomplished Poland has not yet placed the currency completely upon the gold basis. Poland desires the gold standard and intends ultimately to introduce convertibility and the full gold standard.

RUSSIA¹

. I. PRE-WAR CURRENCY

At the outbreak of the Great War the Russian currency system was based upon the gold ruble, which contained 11.94792 grains of fine gold (as against 23.22 grains of fine gold in \$1), and was equivalent therefore to 51.455 cents of American money. This system was adopted in 1897 under the direction of the Finance Minister, Witte. Prior to that time Russia's currency, while nominally on a silver basis, was composed in fact largely of irredeemable paper, so-called credit notes (*kreditnye billéty*), issued by the State bank. Owing to excessive issues of these State bank notes, especially during the Russo-Turkish War of 1877-78, the foreign-exchange value of these notes had declined below their normal par, the average exchange value of the paper (credit) ruble for the years 1888 to 1895 being about two-thirds of a ruble in gold.

After the Government had decided to place the circulation on a gold basis, the bank accumulated gradually a gold reserve against its outstanding notes. Between January 1, 1888, and January 1, 1897, the gold reserve of the bank was increased from 390,000,000 to 1,095,000,000 rubles. This additional gold came in part from the country's own gold production, partly from customs duties, which since 1877 were made payable in gold, but chiefly from foreign gold loans and the imports of the proceeds of these loans. In 1896 the value of the existing half imperial (5 rubles) was fixed at 7½ rubles paper, and the State bank announced that it would redeem in gold in the same ratio all its notes upon presentation. This secured the stability of the paper ruble in terms of gold.

In 1897 a law was passed providing for the continued coinage of the "imperials" and half imperials at their former weight and fineness, but with the new legends of 15 and 7½ rubles, instead of the former legends of 10 and 5 rubles. This change of the ratio was tantamount to a one-third devaluation of the paper currency and a corresponding raise of the value of the gold coins in terms of paper.

In November, 1897, the coinage of new gold coins of 5 rubles was ordered, while in December, 1898, a new gold piece of 10 rubles was authorized, which soon superseded the older pieces and became the standard gold coin of the country. Provision was also made for the bank to issue and receive gold coin at the legally fixed ratios. In 1899 the law declared that the monetary system of Russia was henceforth to be based on gold. In addition to gold there also circulated silver and copper coins, which, however, were legal tender only in limited amounts. Moreover, the amount of silver coin in circulation could not exceed 3 rubles per head of population, while a special imperial order was required for additional issues of copper coins.

In connection with the monetary reform, the Russian State Bank underwent certain changes. This institution, as its name implies, was

¹ This section was prepared by Mr. M. L. Jacobson.

owned by the State, and after its reorganization in 1894 assumed the functions of a modern central bank of issue, although continuing operations under the direct control of the Minister of Finance. In 1897 the former separation of the issue department from the banking department was abandoned and the accounts were merged into one general balance sheet. The authorized maximum "fiduciary" issue was fixed at 600,000,000 rubles, and of this amount one-half had to be secured by gold; issues in excess of 600,000,000 rubles could be made only when fully secured by gold. Silver could not serve as note cover. Foreign bills and deposits were to be regarded as gold, however. It was further stated in the act that note issues were to be kept within limits strictly determined by the actual needs of the money market, though the customary provision for commercial paper to serve as part cover for note issues is not found in the Russian act. The restrictive provisions were more rigorous than in the bank acts of most other countries and were thought to be warranted by the peculiar position of the bank, as a State institution, subject to the control of the Minister of Finance, and thus more exposed to political and administrative pressure than the privately owned central banks in other countries. Experience even before the Great War proved that these provisions while insuring adequate cover for the note issues, made these issues inelastic and insufficiently responsive to normal trade requirements. The State bank notes were unlimited legal tender, on a par with gold coin.

In accordance with the officially held view that the new gold standard could be made secure only if a sufficient amount of gold were in actual circulation, the bank met the demand for currency by paying out gold. Between January 1, 1897, and January 1, 1914, the volume of the outstanding circulation (exclusive of the amounts of subsidiary silver and copper in the smaller denominations) increased from 1,134,000,000 to 1,486,000,000 rubles. But while the amount of bank notes in actual circulation during this period shows a decrease from 1,068,000,000 to 578,000,000 rubles, the amount of gold coin in circulation shows an increase from 36,000,000 to 775,000,000. Silver coin of the larger denominations after reaching the point of saturation in 1900, when over 145,000,000 rubles were outstanding, shows a small decrease for the following years. The following table shows the composition of the Russian circulation at the beginning of each year from January 1, 1896, to January 1, 1916:

Russia—Gold, silver, and paper money in circulation January 1, 1896, to January 1, 1916

[Source: Annual reports of the State bank. In millions of rubles]

Jan. 1	Gold †	Silver †	Bank notes	Total	Jan. 1	Gold †	Silver †	Bank notes	Total
1896			1,055.3	1,055.3	1907	641.9	119.8	1,194.6	1,956.3
1897	36.0	29.9	1,067.9	1,333.8	1908	622.4	119.6	1,154.7	1,896.7
1898	147.8	78.9	901.0	1,127.7	1909	561.1	110.5	1,087.1	1,758.7
1899	451.4	121.5	661.8	1,234.7	1910	580.9	112.5	1,173.8	1,867.2
1900	641.3	145.3	491.1	1,277.7	1911	641.7	115.9	1,234.5	1,992.1
1901	683.1	145.7	555.0	1,383.8	1912	658.8	117.6	1,326.5	2,099.9
1902	694.2	140.3	542.4	1,376.9	1913	628.7	120.5	1,494.8	2,244.0
1903	731.9	137.5	553.8	1,423.2	1914	494.2	122.7	1,664.7	2,281.6
1904	774.8	133.2	578.4	1,486.4	1915	450.8	141.2	2,046.6	2,547.6
1905	683.6	123.0	853.7	1,660.3	1916	442.9	145.4	2,616.8	3,205.1
1906	837.8	133.4	1,207.5	2,178.7					

† Figures do not take account of coins melted down or lost to circulation in ways not shown by official records.

During the difficult years of the Russo-Japanese War and the subsequent domestic disturbances (1904-1907) the amount of outstanding bank notes increased from 578,000,000 to 1,195,000,000 rubles, i. e., more than doubled, while the gold circulation actually declined from 775,000,000 to 642,000,000 rubles. Additional note issues during that period were made without specific cover almost exclusively for Government account, though in accordance with the provisions of the act, i. e., the amount of notes issued without legal cover (largely gold) at no time during these three years exceeded 300,000,000 rubles. During the Japanese War the bank never suspended specie payments. It goes without saying that these issues were not "determined by the needs of the money market," but were made to supply the Government with the means of conducting the war against Japan and later on to meet the extraordinary expenditures caused by the revolutionary outbreaks within the country. But the fact that the amounts of currency issued during these years did not flow back to the bank tended to prove that the bank's previous issue policy had been excessively cautious.

About the same time, i. e., in 1903-4, the bank adopted a more active policy in meeting the currency requirements of private trade by increasing its note issues in the autumn months when the crops were being moved, following in this respect the example of other banks of issue. This action was regarded as a new departure in opposition circles, and the Government in an official statement undertook to explain that these increases in the note issue were but of a temporary seasonal character and in no way endangered the status of the bank, since the newly issued notes after the marketing of the crops were sure to flow back to the bank. It was in this manner that the Russian bank note issues partook of some element of elasticity, though the "spread" between the high and low figures of note circulation before the war at no time was in excess of 300,000,000 rubles, the maximum of uncovered note issue permitted by the act.

As a rule the volume of outstanding notes during the years immediately preceding the Great War was largest in October, when general business showed the largest volume, and smallest in July, when general business was at its lowest point. At the time of the adoption of the gold standard in 1897 the bank's gold reserve was in excess of 1,000,000,000 rubles, a substantial portion of which was held abroad, largely in the form of demand gold deposits with foreign leading banks. These balances represented mainly assignments to the bank by the State Treasury of sums realized or about to be realized from foreign loans, the equivalents of which were delivered to the Treasury by the bank at home in the shape of its notes. Foreign balances of the State bank served largely the fiscal purposes of the Government or else were drawn on to maintain the stability of the exchanges. During the entire period since reorganization they were reckoned by the bank as part of the gold cover against its outstanding notes. Between 1898 and 1904 the amounts were relatively small; moreover, the outstanding notes were more than fully secured by the amount of gold held in the vaults of the bank. But during the period 1904-1907, as stated above, the bank had to issue on Government account large amounts of notes not

covered by gold, although these uncovered notes were kept within the legal limit of 300,000,000. As there was no legal provision regarding any specific coverage of these notes, they were found at times to lack any specific cover, in particular the amount of uncovered notes was found to be in excess of the bank's bill portfolio, the ultimate security being long-term loans and other assets.

It should be borne in mind that commercial bills eligible for discount at the Russian State bank might run 9 and even 12 months and that other earning assets of the bank had an even less liquid character. This relative lack of liquidity of the central bank's earning assets accounts largely for the peculiar reserve provisions of the bank act and also for the noted disinclination of the bank to issue any but gold secured notes. In the following table are shown the amounts of the State bank's gold reserve held on the first of the year from 1896 to 1916 under the twofold head of gold held at home and gold held abroad.

Russia—Gold holdings of the State bank at home and abroad, January 1, 1896, to January 1, 1916

[Source: Annual reports of the State bank. In millions of rubles]

Jan. 1	Gold held at home	Gold held abroad	Total gold holdings	Jan. 1	Gold held at home	Gold held abroad	Total gold holdings
1896.....	944.4	19.5	963.9	1907.....	889.9	300.6	1,190.5
1897.....	904.8	190.6	1,095.4	1908.....	948.5	219.8	1,168.3
1898.....	1,146.8	17.4	1,164.2	1909.....	1,079.0	141.0	1,220.0
1899.....	990.3	15.1	1,005.4	1910.....	1,173.6	240.9	1,414.5
1900.....	838.4	5.4	838.8	1911.....	1,231.6	218.7	1,450.3
1901.....	708.2	24.3	732.5	1912.....	1,259.3	179.9	1,439.2
1902.....	682.2	18.6	700.8	1913.....	1,327.9	227.5	1,555.4
1903.....	708.5	57.3	765.8	1914.....	1,527.8	367.4	1,895.2
1904.....	734.0	169.0	903.0	1915.....	1,560.0	172.5	1,732.5
1905.....	880.4	149.0	1,029.4	1916.....	1,614.0	646.1	2,260.1
1906.....	716.0	203.7	919.7				

II. CURRENCY INFLATION AND GOVERNMENT FINANCES, 1914-1921

Immediately after the outbreak of the Great War the state bank was relieved of its legal obligation to redeem its notes in gold, while the maximum limit of its uncovered note issue was raised from 300,000,000 to 1,500,000,000 rubles. Prior to the March, 1917, revolution the limit was raised altogether five times to 6,500,000,000 rubles, while under the provisional revolutionary government until its overthrow by the Bolsheviks in November, 1917, this limit was raised five more times to a maximum of 16,500,000,000 rubles. Furthermore, the bank was authorized to discount short-term obligations of the state treasury issued to cover the war expenses.

The gold reserve of the bank at the beginning of the war, including its gold holdings abroad (140.7 million rubles) amounted to 1,774.4 million rubles. In October, 1914, the bank shipped 75.3 million rubles of gold to England to serve as a basis for a war credit. This credit was immediately utilized for the payment of war orders placed in Great Britain and the United States. Further shipments of £60,000,000 of gold were made to England in 1915, 1916, and early in 1917, just before the revolution. In consideration of these shipments and with the view of enabling the Russian State Bank to increase its note issue, the British Treasury agreed to open to the Russian Government a credit of £200,000,000, which was shown in the accounts of the state bank as "gold held abroad." Former Assistant Minister of Finance Novitzky¹ quotes the part of the agreement between the two Governments relating to the opening of this credit as follows:

In view of the issue of Russian credit notes and as a temporary measure until the time when Russia shall have successfully consolidated its domestic debt, the British Government agrees to exchange with the Russian Government obligations of equal value to be transmitted by installments upon order of the Russian Government to an amount not exceeding £200,000,000 in British currency ("en valuta britannique"). On the part of the Russian Government these obligations shall consist of noninterest bearing obligations of the Russian Treasury. On the part of the British Government these obligations shall consist of nontangible credits.

The effects of this agreement immediately became reflected in the balance sheet of the Russian State Bank. In November, 1915, the amount of gold held abroad by the bank showed an increase of almost 200,000,000 rubles. During December the amount almost trebled, while at the end of June, 1916, the amount—1,588,600,000 rubles—for the first time was shown in excess of the amount of gold held at home. In August, 1916, the total had increased to over 2,000,000,000 rubles, an amount larger than the total gold reserve of the bank before the war, also in excess of the world output of gold and the net gold imports into the United States for the previous two

¹ Novitzky, *Le Stock d'or de la Russie* in the collection of essays entitled "La Dette Publique de la Russie" (Paris, 1922), pp. 208-209.

years. Because of the fictitious character of this item, the total of uncovered notes issued by the bank under the old régime (i. e., to March, 1917) must be increased by about 2,000,000,000 rubles.

Another new class of cover for bank notes issued since the outbreak of the war is represented by discounted short-term obligations of the Government, which made their first appearance in the balance sheets of the bank about the middle of August, 1914. By far the larger portion of the notes issued during the war was secured by these obligations. At the close of 1914 the bank held 663.1 million rubles of these obligations; at the close of 1915 its holdings had gone up to 3,270.1 millions, and at the close of 1916 to 6,866 millions. At the time of the fall of the old régime the total held by the bank reached 7,882 millions. Under the Provisional Revolutionary Government these holdings about doubled, reaching a total of 15,221.5 millions in October 29, 1917, the date of the last bank statement published before the overthrow of the Kérenski government. Corresponding increases are shown by the total amounts of outstanding notes, as may be seen from the following figures and chart (no. 50):

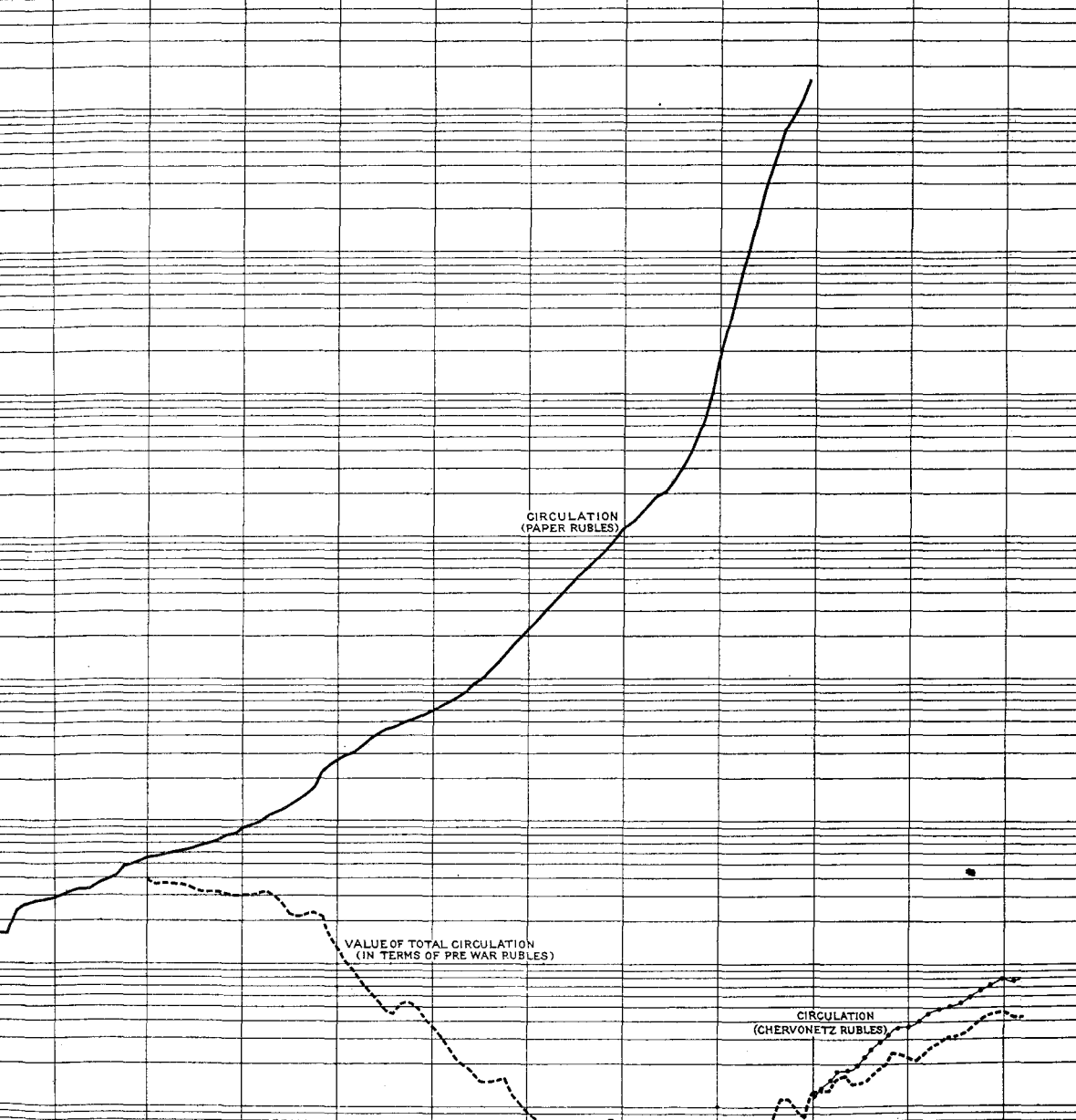
Russia—Notes outstanding

(Dates in parenthesis are according to the Gregorian calendar which now prevails in Russia)

	Rubles
July 16 (29), 1914.....	1,633,348,000
August 1 (14), 1914.....	2,321,062,000
January 1 (14), 1915.....	2,946,583,000
January 1 (14), 1916.....	5,616,824,000
January 1 (14), 1917.....	9,097,393,000
March 1 (14), 1917.....	9,949,628,000
October 16 (29), 1917.....	18,362,167,000

For the first two years of the war the figures of note circulation are not fully indicative of the total volume of monetary circulation in the country. In the first place, during the earlier period there were still considerable amounts of metallic money in actual circulation, although hoarding of hard money, especially gold, began as soon as the bank suspended gold payments. After a while silver coins likewise began to disappear from circulation, so that by the summer of 1915 a shortage of small change began to be felt all over the country. This want of small change the Government tried to meet about the end of 1915 by the issue of treasury paper stamps or tokens of small denominations, which were declared to be legal tender equally with small silver and copper coins. The appearance of these paper tokens speedily completed the disappearance from circulation of the remainder of metallic currency, so that since the beginning of 1916 Russian currency came to consist only of paper.

In addition to the notes of the State bank and the fractional paper currency issued by the treasury, there were injected into circulation also short-term obligations of the State treasury. At first these obligations were issued only to the State bank in exchange for bank notes, though some part (724,000,000 rubles out of 3,200,000,000 taken over from the Government in 1915) was placed by the State bank with the private banks and the public at large. Later on these obligations were placed also directly in the open market by being forced on contractors and purveyors of war supplies in pay-



CIRCULATION
(PAPER RUBLES)

VALUE OF TOTAL CIRCULATION
(IN TERMS OF PRE WAR RUBLES)

CIRCULATION
(CHERVONETZ RUBLES)

ment for services, materials, and goods furnished to the Government. These obligations were discounted by the private banks, like any other commercial and treasury bills, and soon became a sort of currency, the total sold in the open market to the end of 1916 being about 2,600,000,000 rubles. After the October revolution the Soviet authorities put all the short-term obligations on a par with currency by enacting that further interest on them was to cease.²

During 1914 almost two-thirds of the budget deficit was covered by note issues. During the next two years, although the deficit was much larger, the Government was able to cover it to a large extent by loan operations so that the percentage covered by note issues declined to about one-third, and then to one-quarter. But in 1917, a year of both war and revolution, this percentage rose to nearly three-quarters of the budget deficit, as can be seen from the following table:

Russia—Revenues, expenditures, and note issues, and proportions of the annual deficits covered by note issues, 1914-1917¹

(In millions of rubles)

	(1) Revenues	(2) Expenditures	(3) Deficits	(4) Note Issues	(5) Per cent of 4 to 3
1914.....	2,061	4,890	1,808	1,282	67
1915.....	3,001	11,562	8,561	2,670	31
1916.....	4,345	18,101	13,756	3,480	25
1917.....	5,039	27,607	22,568	10,403	78

¹ Yurovski, Prof. L. N. *On the Way to Monetary Reform* (in Russian), Moscow, 1924, p.10.

The large note issues during the early period of the war affected but little the purchasing power of the currency. On the contrary, the closing of the European frontiers, which practically stopped the exports of Russian grain and raw materials, caused at first a decline in the domestic prices of these articles. On the other hand, industry and trade, because of the large war requirements of the Government, showed a large development; moreover, mobilization of a large proportion of the country's male population made necessary the purchase in larger volume in the market of articles of common consumption which before the war had been consumed within the household without ever reaching the market. Gold, as mentioned before, went into hiding, and a corresponding amount of paper currency had to take its place in the total circulation of the country. An increase of 2,183,000,000 rubles in the note circulation in 1914 therefore hardly caused any rise of prices during the early months of the war. However, in 1915 and 1916 prices rose considerably.

Average retail prices in 1915 were about 30 per cent higher than before the war, and by January 1, 1916, they were about 43 per cent above the pre-war level. At the close of 1916 the price index had risen to 294 (1913=100), and on the eve of the March revolution it reached 315. The purchasing power of the paper ruble had thus declined to about 32 pre-war kopeks (1 ruble = 100 kopeks). Prices, it is seen, nearly trebled, while the note circulation of the country increased from 1,744,000,000 to 9,950,000,000 rubles, or nearly six-

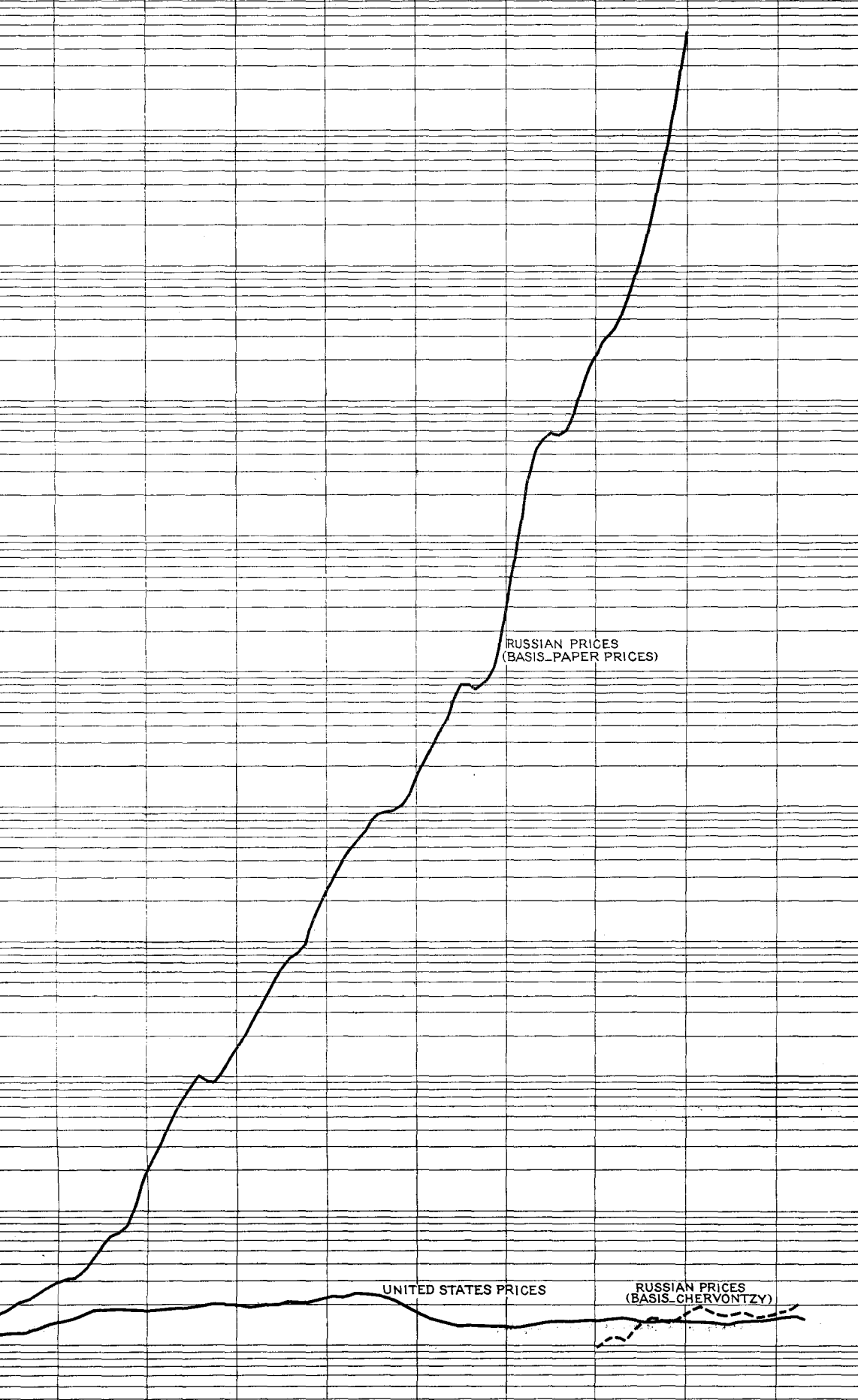
² Katzenellenbaum S. S., *Russian Currency and Banking, 1914-1924*, London, 1924, p. 68.

fold. The accompanying chart (No. 51) shows the movement of prices since 1916.

It is probable that this divergence between the rates of increase in the volume of note issues and the depreciation of the notes was due in part to the diminished use of credit and credit instruments as the result of the economic disorganization of the country, and also to the considerable hoarding of paper money by the peasantry, whose money income during the war years and even as late as 1918 was higher than ever before. Under the provisional government, in 1917, signs of the economic deterioration of the country as the result of prolonged warfare and domestic disturbances became more and more manifest. Labor productivity declined, transportation lagged in a dangerous degree, the war industries could be kept going only by the payment of increasing subsidies, proceeds from taxation declined perceptibly, while Government expenses continued to increase, and Government credit, as shown by the very moderate success of the Russian Liberty loan, showed all the marks of exhaustion. During 1917 about 73 per cent of the deficit had to be met by further note issues, and at the time of the overthrow of the provisional government in the first week of November, 1917, the amount of outstanding notes had risen to nearly 19,000,000,000 rubles, having almost doubled during the eight months the provisional government had been in power. During this period the rise of prices had more than kept pace with the increase in the volume of note circulation. The November 1, 1917, retail price index was 1,020, compared with 315 on March 1 of the same year; at the time of the November revolution the ruble was thus worth 10 pre-war kopecks.

The ruble's foreign exchange value during the three years following the outbreak of the war reflected only imperfectly the progressive fall of the domestic purchasing power of the ruble. In the first place, while the ruble was never "pegged" directly, it is evident that the pegging of the allied currencies must have indirectly benefited the Russian ruble in the foreign exchange markets. On the other hand, the vicissitudes of the war, particularly the successes and reverses of the Russian armies, undoubtedly affected to a considerable extent the foreign quotations of the ruble, while the practical suspension of Russian exports to Europe following the outbreak of the war was a most important factor in depressing the exchange value of the ruble. The accompanying chart (No. 52) shows exchange rates in New York 1914-1918.

During 1915 the average exchange value of the ruble in New York declined from about 43 cents to about 31 cents; the December quotation being about 40 per cent below par. Its value remained fairly constant around 30 cents in 1916, and slightly below this level during the early months of 1917. The March revolution produced no sudden fall in the rate of exchange and it was only in May that the ruble began its rapid decline. In October 1917 the New York average quotation of the ruble was 14.504 cents, while its purchasing power parity, i. e. the theoretical purchasing power of the ruble in terms of dollars—considering the rise of prices in the United States and in Russia—was about 12.5 cents.



Purchasing power parities for the period 1916–1922 are shown in the accompanying chart (No. 53).

Under the Soviet régime which began in November 1917, currency inflation assumed increasingly large proportions, since during the first three years of the new régime practically the entire money deficit of the State budget was being covered by note issues, as may be seen from the following figures:

Russia—Revenues, expenditures, and note issues,¹ 1918 to 1921

[In millions of paper rubles]

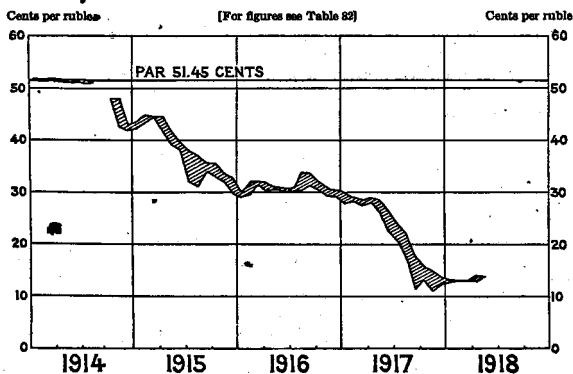
	State revenue	State expenditure	Deficit	Additional note issues during year
1918.....	15,580	46,706	31,126	33,500
1919.....	48,959	215,402	166,443	164,200
1920.....	159,604	1,215,159	1,055,555	943,600
1921.....	4,139,900	26,076,816	21,936,916	16,375,300

¹ Katzenellenbaum. Op. cit., p. 69.

CHART 53

RUSSIA—EXCHANGE RATES, HIGH AND LOW, MONTHLY, 1914–1918

New York on Petrograd; bankers' sight bills ..



Nationalization of industry, transport, domestic and foreign trade, and banking were proclaimed by the new Government soon after its accession to power in the latter part of 1917, and all the processes of mining and industrial production, also of exchange and distribution, were concentrated in the hands of the State. All trade and commerce were nationalized by the decree of June 28, 1918. Free trade, in the sense of exchange of commodities for money at prices agreed between buyer and seller, was officially abolished; the Government became the only seller, and it fixed the prices and arranged the terms of exchange. Only agricultural production was left uncontrolled in the hands of the peasants; but the products of the

soil—except the portion required to support the peasants and their families—together with those of the nationalized industry, were to go into a common State fund, thence to be distributed according to a general plan on the basis of public requirements and class principles. Commodity markets, with their free prices, were regarded as an outlived economic category and merely standing in the way of the newly forming communist system. They were to be tolerated only to the extent that small industries could not be fully nationalized or subjected to State control.

Realization in money form of the products of the State establishments, or payment in money for services or raw materials furnished them by other branches of the Government, gradually lost all practical importance, for the consumers of these articles were largely State establishments, and their workmen or employees who in turn received their wages and salaries from the same establishments. Moreover, distribution, to the extent that it was made in money, was made at fixed prices, which showed a steadily increasing lag behind the market prices and therefore no longer represented the money equivalents of the products and services rendered. Accordingly the Government before long adopted the principle of gratuitous distribution. Thus, in October, 1920, it was proposed to abolish payments by State institutions and establishments for the use of all public services, including postal, telegraph, telephone, water, gas, electricity, fuel, and for articles of food furnished by the commissariat of food supply; also for the use by State workers of living quarters in the nationalized or municipalized apartments. Not merely were cash payments abolished, but even no bookkeeping or accounting entries with respect to these items were to be made. About the same time traffic on railroads and waterways was declared free. Under these conditions any imposition of money taxes on production, exchange, or even consumption became unnecessary and in most cases even impracticable.

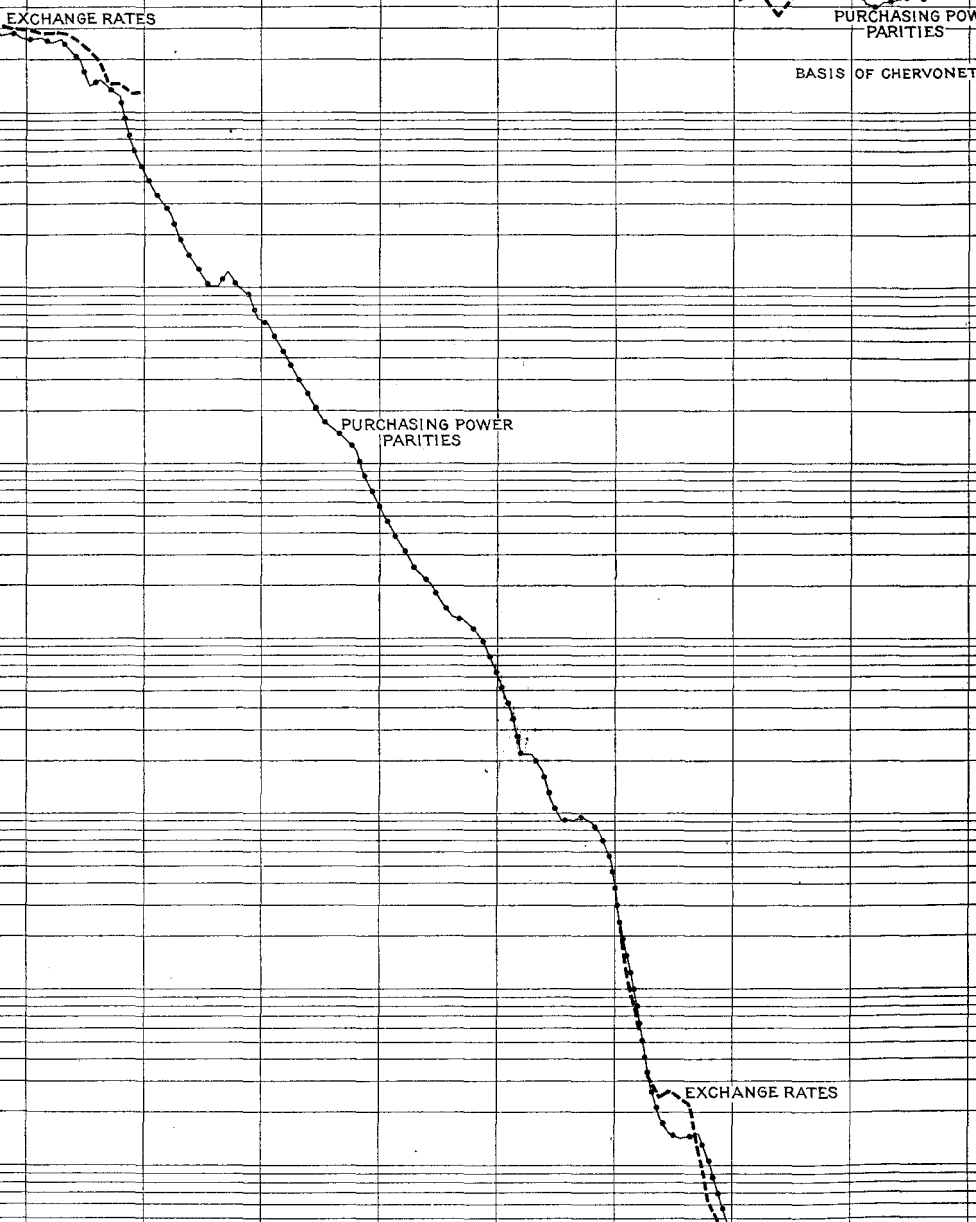
Reform of taxation with the view of adapting it to the changed economic conditions continued for some time after, and in April, 1921, almost on the eve of the adoption of the "new economic policy," the collection of money taxes was altogether discontinued. According to semi-official estimates, cited by Yurovski,⁴ expected receipts from taxes in the 1918 budget were 153.2 millions in terms of "gold" rubles (calculated on the basis of the Labor Office Index), in 1919 they were 10.2 million rubles, and in 1920 only 0.2 rubles. Actual receipts were even smaller. With the gradual disappearance of money receipts from taxation, monetary expenses of the Government more and more had to be met by note issues. For money was needed to conduct the war operations on the various fronts during the civil war period, since the financing of the war could not be done merely by means of those products which were obtained from the grain monopoly, the nationalized industries, from requisitions and confiscations. Money was also required for maintaining the various organs of state administration, for financing the transport service and the various state industries which were operating at a loss. The only means of covering these monetary expenses under the given conditions was the issue of notes, though with the gradual change from a money to a moneyless econ-

⁴ Yurovski, L. N. Op. cit., p. 17.

EXCHANGE RATES

PURCHASING POWER PARITIES

BASIS OF CHERVONET



omy, the part played by money in the scheme of Soviet state finance was growing smaller and smaller. In 1920, it is estimated, the total value of Government exactions in the shape of goods, services, and money taxes, including gross revenues from state enterprises amounted to over 1,700,000,000 pre-war rubles. This total admittedly includes besides current revenue, the value of capital belonging to industry and the transportation service consumed as a result of deficits incurred under State management. Of this total of over 1,700,000,000 of pre-war rubles, the money receipts (nearly all from note issues) probably did not exceed 10 per cent, although the aggregate nominal amount of these issues for the year was about 944,000,000,000 rubles.

The above figure, while far from accurate, gives, however, some idea of the relatively small importance of the money part of the state revenue at the time when the communist scheme of abolishing all money taxes had been largely realized. As a matter of fact, during this period the mainstay of the Russian budget were the taxes in kind (grain, drayage, labor) exacted from the peasantry, whose money equivalent according to authoritative estimates shows the following growth (in millions of pre-war rubles): 1918-19, 127; 1919-20, 253; 1920-21, about 500.⁵

These figures do not include the considerable quantities of bread-stuffs and feed, nor the large number of horses requisitioned from the agricultural population for the use of the army during the civil war. There are no data regarding the money equivalents of these requisitions, but if it is borne in mind that during the height of the civil war no less than 5,000,000 men were drawn into active military service some idea may be had of the burden imposed upon the peasantry during these troublous years.

Other important sources of revenue during the initial period of the Soviet régime (the period of "war-time communism") were the stocks and reserves of raw materials (cotton, mineral oil, coal, pig iron, lumber, etc.) which had come into the possession of the Soviet authorities mainly through the nationalization of the large industries, also the gold reserves of the former state bank (over 1,000,000,000 rubles). The greater part of these stocks and reserves were used up during the civil war and the period immediately following.

On the whole, it would appear that currency issues during that period, notwithstanding their large volume, merely supplemented the deficient revenues from taxes and other supplies in kind, requisitions, compulsory contributions, and the steadily declining revenues from the state domains and industrial undertakings. It will be noted that the communist fiscal scheme provided for little or no taxation of the city population, and that taxes in kind were collected from the rural population largely for the support of the city population. To the extent that this arrangement did not require the use of currency it narrowed its sphere of circulation and thus tended to depress the value of the existing volume. Factors working in the same direction were the decreased volume of business caused by the decline of national agriculture and industry, the gradual discarding of the

⁵ E. Preobrazhénsky, *Five Years of Finance and Currency in the Soviet Republic*, Moscow, 1922 (in Collection of essays entitled "Za plat let" (A review of five years), Moscow, 1922 (in Russian), p. 321.

practice of accumulation and saving, the substitution of taxes in kind for the former money taxes, the adoption of moneyless methods of exchange and distribution by the state undertakings, and the increasing speed of circulation, which went hand in hand with the progressive depreciation of the currency. On the other hand, with the closing of all banks and the discontinuance of bank clearings and credit operations, all trade, or what was left of it, had to be conducted on a cash basis, and this naturally increased the demand for currency. Hoarding of paper currency in peasant circles had a similar effect.

In analyzing and comparing the circulation figures of this period (1917-1921) account must also be had of the shifting size of the territory and population over which the Soviet rule extended at various times. Between 1917 and 1920 various border districts and provinces passed under the temporary control of foreign occupants and contending partisan forces (Yudénich, Kolchák, Deniskin, Wrangel, etc.) who set up their own taxing machinery and introduced their own currency to the exclusion of Soviet taxes and currency. Between November, 1918 and July, 1920 the population of the Soviet-controlled territory varied between fifty-two and one hundred thirty-two millions, and the continuous changes in the geographic bounds of Soviet money circulation affected the purchasing power of the outstanding paper currency as much as did its changing volume.

During the period of war-time or militant communism, i. e., from November, 1917, to the middle of 1921 the nominal amount of outstanding paper currency increased from 22,446,000,000 rubles to 2,346,139,000,000 rubles, i. e., more than one hundredfold. The following table shows the nominal amounts of the circulation outstanding at various dates during this period and their equivalents in terms of pre-war rubles, converted on the basis of the retail price index of the office of Labor Statistics (in millions of rubles).

	Nominal amount outstanding	Retail price index (1913=1)	Value of circulation in terms of pre-war rubles
Nov. 1, 1917.....	22,446	10.2	2,200.6
Jan. 1, 1918.....	27,313	20.8	1,313.0
Jan. 1, 1919.....	61,625	164.0	373.0
Jan. 1, 1920.....	225,016	2,420.0	93.0
Jan. 1, 1921.....	1,168,597	16,800.0	70.0
July 1, 1921.....	2,346,139	80,700.0	29.0

As may be seen from the table, the growth in the volume of outstanding currency during this period proceeded at a progressive rate. Thus for the year 1918 the increase was about 125 per cent, in 1919, 265 per cent, in 1920, 420 per cent, and for the six months of 1921, over 100 per cent. Prices during the same period are shown to have increased about eight thousandfold, the rate of rise of the price level in each year by far exceeding the rate of increase in the volume of circulation, particularly during the earlier part of the period. The result is seen in a continuous depreciation (in terms of pre-war rubles) of the total outstanding circulation. This depreciation was relatively greatest in 1918 and 1919, when the ter-

ritory of Soviet Russia showed the largest shrinkage in consequence of invasion by foreign and partisan armies; in 1920, on the other hand, with the defeat of the "white" forces and the reconquest of the occupied territories, the pre-war value of the outstanding currency showed a much more moderate decline than for any previous year, notwithstanding the much larger amount of currency injected into circulation. By July 1, 1921 as the combined result of a doubling in the volume of circulation and a 380 per cent rise in the price level, the value of the circulation had declined to about 29,000,000 in terms of pre-war rubles. Table 85 on page 363 and chart No. 50 in illustration of this movement bring out also the effect of seasonal factors operating in the autumn of each year, i. e., the larger amount of currency required at the height of the crop moving season about October and the consequent rise or at least the break in the fall of the value in terms of pre-war rubles of the total currency outstanding, notwithstanding the continued rise in the price level.

It may be noted in this connection that the price movement for the entire period since 1916 can be traced only according to the "budget" index of the Soviet office of labor statistics. This index is based upon the retail prices of commodities that enter the consumption budget of a workingman's family. While such an index is but an imperfect yardstick to measure changes in the general price level in countries with well developed commodity markets, it can be used with fairly satisfactory results to measure price changes during the Russian revolutionary period when wholesale commodity markets were losing more and more of their former significance and by far the larger portion of the declining supply of commodities was sold in the market direct to consumers.

To the extent that retail trade and distribution, because of government prohibition or the breakdown in production, became disorganized or ceased to function altogether, giving place to clandestine profiteering, known as "speculiatsiya," even the official retail index came to reflect less and less the actual cost of living and the true depreciation of the currency.

III. CURRENCY AND PRICES UNDER THE NEW ECONOMIC POLICY

In March, 1921, the Soviet Government suddenly announced the abandonment of the extreme communist policy and the adoption of a new economic policy. The first practical measures signifying the ushering in of this new policy were the abolition of the Government grain monopoly, and the setting free of the trade in agricultural products. This change implied essentially the recognition to a limited extent of the right of private property of the peasants in their products, including the right of selling these products in the market.

The next step was to place the nationalized industrial establishments on an "economic" basis and to permit them to buy the raw materials and sell their products in the open market. Attempts at compulsory organization ("militarization") of industrial labor were dropped and qualified workmen who had abandoned their tasks, because under the former régime their wages in many cases did not provide even for a physical minimum of existence, were encouraged to return to the works and factories by the lure of higher money wages and of voluntary wage contracts. Operating expenses of the state industries not merely came to be expressed in money but actually required the use of actual cash, since fuel, raw materials and other articles could be obtained only at free competitive market prices and no longer by requisition on some other Government establishment at artificially low "fixed" prices.

In the summer and fall of 1921 all public services, including mail, telegraph, telephone, electric light and power, transportation, etc., were placed again on a money basis, while during 1921 and 1922 the state budget was reorganized and based largely upon a system of direct and indirect money taxes, which were to be collected alike from the city and rural population.

Under such circumstances, money which only a short time before had been characterized by some as a "dying economic category" or as mere pieces of "colored paper," regained its old importance as a general instrument of exchange and measure of value.

As a palliative device to simplify calculations which were becoming increasingly cumbersome and difficult, as larger and larger denominations of paper money were coming into use, a new type of ruble currency was issued in 1922, one ruble of which was decreed equal to 10,000 rubles of previous issues. A second "denominalization" was decreed in October, 1922, by which one ruble of the latest 1923 type was to equal 100 rubles of the 1922 type. If the aim of these successive "denominalizations" was to get a currency unit with a purchasing power equal to pre-war, the scheme manifestly proved a failure because of the continuous depreciation of the Soviet currency, which could not be halted by purely formal or technical devices.

At the close of 1921 the All Russian Congress of the Soviets directed the Commissariat of Finance to use its utmost efforts in effecting with the least possible delay the reduction and ultimate discon-

tinuance of the issues of paper money and the restoration of a normal currency system based upon gold.¹ The Commissariat of Finance was also instructed to prepare an estimate of state revenues expected in 1922, including the revenue from the issue of paper money, with an indication of the true value of such issues. This marks the first attempt of expressing the budget estimates in terms of stable currency, i. e., imaginary rubles having a theoretical purchasing power equal to that of the 1913 ruble. On the basis of the price level prevailing in October, 1921, one pre-war ruble was proclaimed equal to 60,000 current soviet rubles. This "stable" budget estimate, however, soon lost all practical usefulness, when after temporary stabilization, between July and September, 1921, prices resumed their upward course in a much more emphatic manner than at any previous period. Budget estimates in terms of pre-war rubles in consequence had to be revised every month. The official rates were, however, considerably below the open market rates and out of accord with the retail price index. Accordingly, in March, 1922, the use of the ideal pre-war gold ruble for budgetary purposes was abandoned. Meanwhile, this unit of account had come to be adopted in general business practice, and in order to meet the general business needs the publication of the rates was taken up in April, 1922, by the newly founded state bank and subsequently by a special quotation committee.

In October, 1921, as part of the general scheme of economic reorganization a new State bank was opened, whose principal function was to finance the nationalized industries and the renescent foreign trade. The bank's capital was furnished by the state treasury and, as in the case of the old state bank, a considerable portion of the new bank's resources soon became immobilized through the financing of the nationalized industries which used the bank credit largely to restore their operating capital.²

During 1922 public expenditures, due to the abandonment of "moneyless" forms of public finance, showed a large increase, while public revenues, except for the food taxes, which continued to be collected in kind almost to the end of 1923, were quite insignificant. Issues of paper money thus became a much more important means of carrying on the government than under the former régime of "natural" or "moneyless" economy. On the other hand, as trade and industry revived, the demand for currency increased and for a time at least—during the summer of 1921—it seemed as if the increasing demand for currency might without disturbing the existing price level absorb the very large additional money issues, made necessary by the increasing budget deficits. These hopes, however, were dashed completely by the crop failure and the consequent famine of 1921-22, which affected most adversely the industrial and trade revival of the country, as well as the scanty resources of the state treasury. During the second half of 1921 the volume of outstanding circulation shows a nominal increase from 2,346,000,000 to 17,533,000,000 rubles—i. e., a 7.5 fold increase, compared with a twofold increase only for the immediately preceding six months. The situation became even worse in 1922, the first six

¹ Yurovski, *op. cit.*, p. 31.

² For a more detailed discussion of banking reform, see p. 214 and following.

months of which saw an 18.3-fold increase in the circulation. Retail prices, which from July to October had continued on a practically stable level, started on an unprecedentedly rapid rise, increasing more than twentyfold during the first six months of 1922.

As a result the pre-war value of the outstanding circulation (calculated on the basis of the Labor Statistics price index) which had more than doubled during the second half of 1921, on May 1, 1922 declined to about 31,000,000 rubles, a figure only slightly higher than the minimum of 29,000,000 reached on July 1 of the preceding year.

In view of these developments the financial returns to the state treasury from the steadily increasing outpourings of paper money were becoming less and less sufficient to meet even the most modest needs of the Government. According to estimates by Professor Yurovski² the gold or pre-war value of the 223,844,000,000 paper rubles issued in June, 1921, did not exceed 3.1 millions, while the aggregate pre-war value of the 16,370,838,000,000 rubles of paper money issued during that entire year was not quite 150,000,000 rubles. In 1922 according to official calculation⁴ the total revenue from issue operations (in terms of pre-war rubles) was 344.5 million rubles, or about 60 per cent of a total of 570.3 million rubles of money revenue for the year, and while money revenues from taxes and government undertakings were visibly increasing, it was evident that for some time to come the revenue from note issues would continue to figure quite prominently in the Russian state budget.

With the steady decline in the value of the paper ruble the financial difficulties of the Government were becoming more serious. For, as pointed out by Professor Katzenellenbaum,⁵ the revenue of the Government from note issues was by no means all net revenue. Soviet notes depreciated as much in the tills of the treasury of the state railways and of state enterprises as in the hands of the people.

The issue tax was therefore paid to a large extent by the state itself. The covering of the budget deficit through the issue of depreciating notes increased the exchange losses and the deficits of the State institutions and enterprises, and these losses in turn caused an increase in budget expenditure.

Thus both general economic and financial considerations called for currency reform. The several phases of this reform have been discussed quite fully by Professor Yurovski on pages 253 to 269 in the first volume of this report. Briefly stated, the restoration of a stable currency system in Soviet Russia passed through two stages, first the issue of secured bank notes "chervontzi" by the State bank alongside of Soviet "fiat" notes, which continued to circulate in increasing volume. A peculiar feature of this dual currency system was the absence of any legally fixed ratio between the value of the two classes of notes. The chervonetz, not being legal tender, was quoted in terms of Soviet rubles just the same as the pound sterling or the dollar, and although losing in purchasing power during its early career, represented a relatively stable currency as compared with the precipitously declining Soviet ruble.

² Yurovski, *op. cit.*, p. 49.

⁴ Narodnoye i Gosudarstvennoye Khozjalstvo, 1922-23, p. 583.

⁵ Katzenellenbaum, *op. cit.*, p. 119.

This situation continued throughout the year 1923. The decision to keep the soviet ruble side by side with the chervonetz was prompted largely by the desire of the Government to obtain revenue from the issue of Soviet notes.

To have issued bank notes for revenue purposes was out of the question, as this would have endangered the integrity of the new currency and jeopardized the whole scheme of currency reform. Chervonetz notes (bank notes), because of their large sizes (the smallest denomination being 10 rubles) had at first but little circulation outside the large cities, while soviet notes (issued by the Government) found their way chiefly into the open country and became for a time a currency used mainly by the rural population. Hence the main burden of depreciation was shifted to the peasantry in the shape of losses on the sales of agricultural products. By the fall of 1923 the peasantry throughout the country refused any longer to part with their grain and other produce in exchange for soviet money, and workmen would not accept it in payment of their wages. The chervonetz was too large a denomination for the payment of these small wages.

This brought on the second-stage of currency reform, the final liquidation of the soviet ruble and its replacement by the chervonetz during the early part of 1924.

It is estimated officially that the aggregate pre-war circulation of both metallic and paper currency within the territory comprised by present-day Soviet Russia was in the neighborhood of 2,000,000,000 rubles, or a little over \$1,000,000,000. For the first two war years reliable circulation figures are lacking, as part of the circulation was still composed of metallic currency. By 1916, however, the circulation may be said to have become composed exclusively of notes issued by the state bank and of relatively small amounts of subsidiary currency issued direct by the treasury. Chart 54 shows the gold value (in dollars) by months of the bank note circulation in 1916 and 1917 on the basis of New York quotations of the ruble, also on the basis of purchasing power parities. It will be noted that the exchange value of the currency continued to rise steadily until May 1, 1917, two months after the overthrow of the old régime, reaching a high of \$3,133,500,000 on that date. Until July 1, 1916, the gold value of the Russian note circulation continued higher on the basis of purchasing power parities than on the basis of foreign exchange values. During the rest of the year and the greater part of 1917 the value of the circulation on the basis of purchasing power parities was lagging behind that based on exchange values, the lag increasing perceptibly after the Bolshevik coup in the late part of the year. For the next four years the depreciation of the ruble can be measured only on the basis of purchasing power parities, as foreign exchange dealings with Russia had been practically suspended in Europe and in the United States, and as there was no legal foreign exchange market in Russia itself. Illegal clandestine operations in gold and foreign exchange continued in the principal Russian cities, but reliable exchange quotations are lacking. It was only in February, 1922, that the Government sanctioned the opening of a foreign exchange department at the Moscow Commodity Bourse.

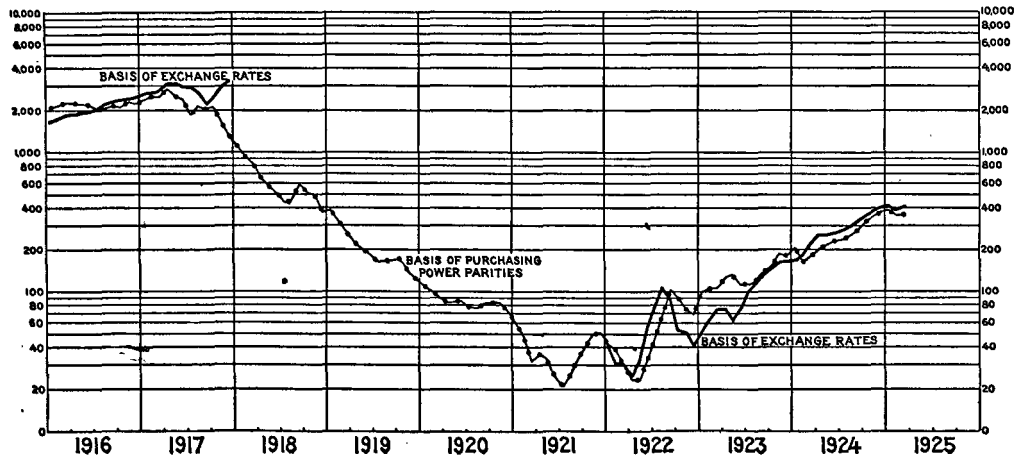
CHART 54

RUSSIA—GOLD VALUE OF TOTAL NOTE CIRCULATION ON BASIS OF EXCHANGE RATES AND ON BASIS OF PURCHASING POWER PARITIES, 1916-1925

Millions of dollars

[For figures see Table 86]

Millions of dollars



At the beginning of 1922 the gold or dollar value of the outstanding circulation calculated on the basis of Moscow exchange quotations of the dollar had declined to about \$42,000,000, agreeing fairly well with the gold value of the circulation reckoned on the basis of the purchasing power parity of the ruble. This agreement continued, within moderate limits, during the early part of the year. For the remainder of the year, however, the spread between the two valuations was quite considerable, the exchange value at first exceeding the purchasing power parity, while about the end of the year the purchasing power parity stood much higher than the exchange value of the ruble.

Since 1923, when the chervonetz began to be quoted on the Moscow exchange, purchasing power parities, exchange rates, and gold values of the currency have been calculated with reference to the new chervonetz currency. (See Table 87, on p. 366.)

IV. DISSIPATION OF THE RUSSIAN GOLD RESERVE

At the outbreak of the war the total gold holdings of the state bank were about 1,744,000,000 rubles, of which about 1,604,000,000 constituted the portion held in the country. One of the earliest financial measures following the declaration of war was the law of July 27 (August 9, Gregorian Calendar) 1914, which suspended gold payments by the bank and modified the provision of the bank act, which restricted the issue of uncovered bank notes to 300,000,000 rubles. This opened the era of paper money inflation, discussed in previous sections. The bank was authorized to issue an additional 1,200,000,000 of uncovered notes, and the new issues were made largely for account of the Government and against the security of short-term Government obligations. But these measures were insufficient to meet the war necessities of the Government. Large war orders for munitions had to be placed abroad, funds had also to be sent to foreign financial centers to pay the interest and amortization on Russian state and corporate obligations held in the allied and neutral countries, while the efforts of the Government to obtain foreign credits did not prove immediately successful.

In October, 1914, therefore, the Russian Government in accord with the British Government made a first shipment of gold to England of 75.3 million rubles (equivalent to about £8,000,000 sterling), which was to cover a credit granted by the British Government for war orders placed in Great Britain and in the United States. As the war proved more protracted than expected, and the British Government found it impossible to extend further credits, unless the allied Governments shared in gold shipments to the United States for the purpose of maintaining sterling exchange in New York, the Russian Government in conjunction with the French and Italian Governments undertook to make further shipments of gold. These shipments up to the outbreak of the revolution in 1917 totaled 60,000,000 pounds sterling, viz:

December, 1915.....	£10,000,000
June, 1916.....	10,000,000
November, 1916.....	20,000,000
February, 1917.....	20,000,000

Including the initial shipment of £8,000,000, the Russian gold reserve suffered a loss of £68,000,000, equivalent to 640,200,000 rubles. In addition, the Kérenski provisional government on the eve of the November, 1917, revolution shipped 4,850,000 rubles gold to Stockholm, where they were to serve as the basis of bank credits. Deducting the amounts of gold shipped abroad and including the amounts of newly mined gold, also the relatively small amounts of gold withdrawn from circulation, the portion of the gold reserve of the State bank held within the country at the time of the October revo-

lution totaled about 1,164,000,000 rubles, or 440,000,000 rubles less than on July 16-29, 1914, just before the outbreak of the war.⁵

Of this total, less than one-half was held in Moscow and Petrograd (Leningrad), while slightly more than one-half had been removed out of the danger zone to Samára and Kazán. A further loss of 120,400,000 rubles in gold was caused by the payment to the German Government of part of the war indemnity under the Berlin agreement supplementary to the Brest-Litóvsk treaty. Under the terms of the armistice this gold was turned over to the Allies, and subsequently divided between the French and British treasuries.

According to W. Novitsky, former Assistant Minister of Finance,⁶ the amount of gold abandoned by the Soviet authorities in Kazán and subsequently appropriated by the Kolchák Government totaled 633,600,000 rubles. In the published accounts of the Omsk Office of the State bank gold holdings (including small amounts of silver) figure to a total of 645,256,000 rubles. During 1919 a considerable part of this reserve had to be shipped to Vladivostók in payment of munitions, and as collateral for credits opened to the Kolchák Government by Japanese, British, and American banking interests. Part of the gold thus shipped (viz., 42,200,000 rubles) fell into the hands of Atamán Semiónov, and it does not appear that this gold was ever recovered by the Soviet authorities. Of the 237,200,000 rubles of gold which arrived at Vladivostók, 68,300,000 rubles were paid over outright and 126,800,000 rubles were pledged to Allied financial interests, leaving a balance of 42,200,000 rubles in the vaults of the Vladivostók office of the State bank. About the end of October, 1919 when Omsk and Western Siberia had to be evacuated by the Kolchák Government, the balance of the gold reserve was shipped east on a special train, which was abandoned by Admiral Kolchák at Nizhneúinsk and for some time was guarded by the Czechoslovak troops, who delivered the gold to the Soviet authorities about the close of January, 1920, prior to their final evacuation of the country.

In addition to the gold of the Russian State Bank the Soviet authorities also held about 118,200,000 rubles of Rumanian gold, shipped to Moscow by the Rumanian Government for safe-keeping during the German invasion late in 1916 and at the beginning of 1917. Their holdings were also augmented to a small extent by requisitions and confiscations of church and private treasure, and the output of the Ural and Siberian gold mines. All in all the amount of gold in the hands of the Soviet Government at the close of the Civil War in 1920 is estimated by Novitsky at about 900,000,000, or 1,000,000,000 rubles, composed of, first, about 450,000,000 rubles, the balance left in their hands after payment of the German indemnity and the loss of gold in Kazán in 1918, and second, another 450,000,000, which comprises the gold which fell into their hands at Omsk, Nizhneúinsk and Irkutsk following the overthrow of the Kolchák and other Anti-Soviet governments, and

⁵According to E. Preobrajénski (Five Years of Finance and Currency in the Soviet Republic, Moscow, 1922) the entire gold stock taken over by the Soviet authorities amounted to about 1,000,000,000 rubles, of which 651,000,000 fell into the hands of Admiral Kolchák. Of the latter amount only two-thirds (about 20,000 poods=722,240 pounds) was recovered in Siberia.

⁶See chapter entitled "Le stock d'Or de la Russie" in the collection of essays under the general title *Le Problème Financier Russe, La dette publique de la Russie*, Paris, 1922.

finally the Rumanian gold and the small amounts of new production. The official Statistical Annual of the Soviet Government for 1918-1920 (Vol. II, p. 41) shows the following amounts of gold held by the central office of the Budget and Accounts, the temporary successor to the former State bank, and in charge of its liquidation:

[In gold rubles]

	Jan. 1, 1920	July 1, 1920	Jan. 1, 1921
Held in the central treasury.....	3,052,022	87,194,036	153,745,759
Account of the State bank in liquidation:			
Gold at the mint.....	10,450,764	19,450,764	19,450,764
Gold in transit.....	319,365,841	376,381,351	568,479,353
Total.....	341,869,227	483,026,751	741,676,876

Figures for the earlier dates apparently are incomplete and do not include the accounts of outlying offices in Siberia, data for which became available only in the latter part of 1920 with the progressive pacification of the country. Meanwhile, however, the Government in order to pay for indispensable imports, also to meet international obligations assumed under the peace treaties with the new contiguous states (Esthonia, Latvia, Poland) began to export gold in large quantities, chiefly to Sweden, whence after further refining and stamping, the gold found its way to the United States direct, or to other European countries (e. g., Switzerland, France, etc.) and ultimately to the United States. There are no Russian data regarding the volume of these gold exports, which commenced in 1920, reached their peak in 1921 and continued in large volume during the following year. According to the Swedish official trade statistics, gold imports from Russia and total gold exports from Sweden during the three years mentioned were as follows (in thousands of kronor of 26.8 cents each):

Swedish imports of gold from Russia and total exports of gold from Sweden, 1920-1922

	Gold imports from Russia	Total gold exports from Sweden
	<i>Kronor</i>	<i>Kronor</i>
1920.....	272,487,000	63,791,000
1921.....	670,028,000	934,356,000
1922.....	265,318,000	330,372,000
Total.....	1,207,833,000	1,328,559,000
Equivalent in dollars.....	231,730,000	355,963,000

Of the gold exported from Sweden during these three years, 563,319,000 kronor, or 42.4 per cent of the total exported, went to the United States; 433,854,000 kronor, or 32.6 per cent, was shipped to Switzerland; while 215,386,000 kronor, or 16.2 per cent of the three years' total, was forwarded to France. Smaller amounts are shown to have been consigned from Sweden to the Netherlands, Great Britain, Germany, and Finland. Gold exports (largely coin) to Switzerland from Sweden were particularly heavy during 1921 and 1922. The Swiss figures of gold imports from Sweden for the same

period differ but little from the corresponding Swedish export figures. Most of the gold imported into Switzerland in coin form was re-exported to the United States in the shape of bullion so as to comply formally with the provisions of the American regulations which prohibited the official assaying of gold traceable to Russia under Bolshevik control. A small part of the gold thus received was re-exported from Switzerland to India.

Gold imports into the United States from Sweden during the three years under consideration are shown in the official United States trade returns as \$101,278,000, or about \$50,000,000 below the corresponding Swedish export figures, while reported gold imports from Switzerland into the United States for the three-year period under discussion are quite insignificant. On the other hand, gold imports from France into the United States for the three years exceed by far not merely the corresponding exports but even the total gold exports from that country. It is evident, therefore, that American figures of gold imports from France include shipments to the United States from Sweden and mainly Switzerland by way of French ports. Aggregate gold imports into the United States from Sweden and France during the three years under discussion are shown as slightly over \$350,000,000, or in excess of 1,300,000,000 kronor, the approximate amount of gold exported from Sweden during this period. This total is equivalent to about 680,000,000 rubles, which may therefore be regarded as a conservative estimate of the gold exported from Russia by the soviet authorities during the three years following the Civil War. These imports include also \$11,400,000 of Russian gold, which in accordance with an agreement with the American Relief Administration were turned over by the Soviet authorities to the American Relief Administration for the purchase of food. This gold apparently must have reached the United States by way of some other European country, as the American import statistics fail to show any direct gold imports from Russia during the past few years. The Soviet Commissariat of Finance has a small gold reserve of its own apart from the gold reserve of the newly established state bank. No statement of its size has ever been made. On the other hand, the early statements of the new state bank show but insignificant amounts of gold, and the present more important gold holdings of the issue department of the bank on May 1, 1925—viz, 180 million rubles—largely represent new output, imports, and gold brought out of hoards since the reestablishment of a relatively stable currency.

V. FOREIGN TRADE AND INTERNATIONAL BALANCE OF PAYMENTS

Russian foreign-trade development before the World War reflects on its import side the progressive industrialization of the country which began in the nineties of the last century and became especially noticeable since the war with Japan. During the decade immediately preceding the Great War merchandise imports show an increase from 651,000,000 rubles in 1904 to 1,374,000,000 in 1913. About one-half of the imports into Russia before the war constituted raw and partially manufactured materials for use in her industries, while between one-fourth and one-third of her pre-war imports were composed of manufactures, largely machinery.

While part of the 100 per cent increase in the value of imports is undoubtedly due to the rise of prices during the period, it is, however, true that industrial expansion at home required a steadily expanding volume of imports of industrial equipment as well as of certain raw materials (such as cotton, wool, jute, silk, rubber, etc.) which were not produced at all or produced only in insufficient quantities within the country. These imports were paid only in part by Russian exports; to a large extent they represented new investments of foreign, largely French, capital. As a consequence a large number of Russian industrial securities, in addition to Government securities, came to be listed on the principal European stock exchanges during the two decades before the Great War. Currency reform and the maintenance of the gold standard encouraged foreign investments, with the result that the foreign indebtedness of the country steadily increased.

This indebtedness was the consequence in the first place of Government borrowings, either for productive purposes such as the construction of railways, elevators, river and harbor works, port improvements, etc., but more largely for defraying the cost of armaments, of the preparations for war, and the actual pursuit of war operations during the conflict with Japan.

It is estimated that of the total state debt of 8,811,000,000 rubles on January 1, 1914, about 48 per cent was held abroad,¹ and that possibly one-half of this foreign-held debt was contracted during the 20-year period preceding the World War. Foreign loans were also raised during this period by Russian municipalities for the development of their public utilities, while considerable amounts of bonds of private railroads, bearing the indorsement of the Government, were also placed abroad. All in all, the two decades immediately preceding the Great War saw increases of the foreign Russian state debt by about 2.5 billion rubles and of municipal and Government guaranteed loans by about 600,000,000 rubles, while foreign industrial investments increased by not less than 1,000,000,000 rubles.¹ Annual interest, during the five-year period immediately preceding the war, on the foreign indebtedness of Russia, both Government and cor-

¹ Pavlovsky and Moulton—*Russian Debts and Russian Reconstruction*, N. Y. 1924, p. 16-20.

porate, aggregated about 350,000,000 rubles, out of a total of invisible debits of about 440,000,000 rubles, representing annual payments due on account of total foreign obligations and services, including banking, brokerage, insurance, tourist and official expenditures, etc.² What were the offsetting credit items in Russia's international balance sheet? As distinct from the industrial countries of Europe, Russia's international account had no sizable offsetting credit items, except an excess of merchandise exports. By far the larger part of her sea-borne trade (about 92 per cent, according to official estimate) has been and is still being carried in foreign bottoms. The annual tribute paid to foreign vessel owners before the war was about 100,000,000 rubles.³

French and German banks either directly or through branches and allied banking institutions in Russia did the greater part of trade financing, while the number of foreign tourists in Russia was relatively small, as compared with the number of Russian tourists and students travelling or having their temporary residence abroad. During the years immediately preceding the Great War the only credit item of importance outside of the export surplus was the remittances made to relatives and friends by Russian immigrants settled in the United States and other foreign countries. But as a large part of these remittances were used by the recipients to buy transportation to the United States and other foreign destinations, and as these people after liquidating their property at home before leaving the country would invest the proceeds in ocean transportation and foreign funds, it is evident that these remittances could not affect the Russian balance of international payments to any appreciable extent.

Russia's merchandise exports increased during the 10-year period preceding the war from 1,006,000,000 rubles in 1904 to 1,520,000,000 in 1913, and averaged slightly over 1,500,000,000 rubles during the 5-year period 1909-1913, compared with an average of about 1,140,000,000 rubles of imports for the same period. The average export surplus for the period—360,000,000 rubles—was thus insufficient to cover all annual payments on account of foreign debts and services.

Between 55 and 60 per cent of the exports during the 10-year period before the war were composed of foodstuffs and between 35 and 40 per cent of raw and partly manufactured materials. Agricultural products constituted about 80 per cent of the total exports, while fully one-third of the exports consisted of the four principal grains produced in the country, viz, wheat, rye, barley, and oats. Butter and eggs, sugar, corn, flour, bran, oil seeds, oil cake, flax and hemp complete the list of the more important agricultural exports before the war. Lumber and wood products followed next in importance among pre-war exports. Petroleum exports were of less importance, a growing share of the annual production being retained for domestic consumption. Manganese and platinum comprised the bulk of the metals exported, Russia maintaining a leading position in the world markets of these two metals. Exports of manufactures, largely cotton goods shipped to Persia and other Asiatic markets, constituted about 5 per cent of the total exports

² Parvolsky and Moulton op. cit., p. 82.

³ Explanatory memorandum to the State Budget of the U. S. S. R. for the 1924-25 budget year, Part 2, p. 148 (in Russian).

during the pre-war period. Every effort was made by the Government to expand exports, so as to ward off gold exports and a possible breakdown of the gold standard and the country's international credit.

War with the Central European powers and Turkey resulted in the closing to trade of the Empire's western frontier and the "bottling up" of Russia's seaports on the Baltic and Black Seas, which in 1913 had handled by far the larger part of the country's foreign commerce. The effect of the war was to reduce the volume of the total trade carried, but chiefly the volume and value of the exports. Imports on private account (apart from munitions and other war supplies brought in by the Government and not recorded in the trade statistics), though much diminished in weight, did not decline in value, the articles imported during the war period apparently being of relatively high value and small bulk and thus able to bear the high freight charges. In fact, total imports into Russia for the calendar years 1916 and 1917, while only 36 and 26 per cent in weight of the five-year average 1909-1913, nevertheless on the basis of 1913 prices were valued 50 and 72 per cent higher than the average yearly imports for the five-year period 1909 to 1913. Exports, on the other hand, normally composed chiefly of low-priced and bulky agricultural products, fell off enormously both in volume and value. Thus in 1915 they were but 26.7 per cent in value and 10 per cent in weight of the average exports for the five-year period 1909-1913, while in 1917 they declined to about 30 per cent in value and to less than 4 per cent in weight of the five-year pre-war average. If the surplus of merchandise exports before the war was insufficient to cover all required foreign payments on government and private account, and the equilibrium of international accounts was maintained by new borrowings, this was even more the case during the war, with the steady decline of exports. As interest payments on the foreign held part of the debt continued until the advent of the Soviet régime and even part of matured obligations were redeemed—foreign borrowings in even larger volume than before the war became necessary. In fact, the foreign indebtedness of Russia increased during the war period by about 7,681,000,000 rubles,⁴ i. e., almost doubled.

Under the communist régime one of the first measures passed in the early part of 1918 was the nationalization of foreign trade. Private trading with foreign countries was prohibited and foreign trade was to be carried on exclusively by the Commissariat of Foreign Trade (Vneshtorg) in accordance with a yearly import and export scheme or schedule worked out by the planning organs of the Government.

In the spring of 1921 after the adoption of the new economic policy the foreign trade monopoly was modified, and several state trading organizations, the central cooperative bodies and in special cases also private corporations and individuals were given the right to engage in foreign trade through their own agencies at home and abroad, but in strict accordance with the Government's general import and export plan and under the supervision of the Commis-

⁴Including \$187,729,750 of credits obtained from the United States Treasury during the period July to November, 1917, on which interest of \$62,486,284 has accrued up to May 15, 1925.

sariat of Foreign Trade. No goods are permitted to enter or leave the country without special certificates or licenses issued by the commissariat, which examines into the expediency of each transaction from the governmental point of view, its profitableness and its accord with the general foreign trade policy of the Government.

As the result of war, revolution, and secession about 225,000 square miles with a population of about 25,000,000 were lost to Russia. In this territory, it is estimated, were found over 30 per cent of all industrial establishments with 17 per cent of the industrial workers and 18.6 per cent of the entire industrial output of the country.⁶ This does not include Finland, with an area of about 150,000 square miles and a population of 3,400,000, since this country was economically autonomous before the war and treated as foreign territory in the Russian pre-war trade returns. The setting up of the new independent States (Poland, Lithuania, Latvia, Esthonia, etc.) was followed by protracted warfare, which of course, made trade recovery impossible.

During the first three years of the soviet régime foreign trade of Soviet Russia was practically extinct, as may be seen from the trade figures for the years 1918-1920, shown in Table 88 on page 366. Most of the import trade in 1918 and of the export trade in 1919 was with the Ukraine, which was the only "foreign" country with which Soviet Russia maintained trade relations at that time. Trade with the rest of the world was practically suspended during these years owing to the actual blockade maintained by the Allied Powers. About the close of 1920 with the termination of the civil war and hostilities against the border States trade relations were reestablished at first with the Scandinavian countries and soon after also with other European countries. In 1922 by the treaty of Rapallo trading was formally resumed with Germany. During the years 1921 and 1922 imports by far exceeded exports and as shown in Section IV the soviet authorities during the three years 1920 to 1922 had to ship abroad not less than 680,000,000 rubles of gold to pay for indispensable imports in addition to the 104,000,000 rubles of merchandise exported during these three years. According to Table 88 on page 366 the excess of imports over exports for the three years was only 456,000,000 rubles, but as the official figures are based upon 1913 prices, the difference of about 225,000,000 rubles, or 50 per cent, between the estimated amount of gold shipments and the official estimate of the excess of merchandise imports over exports for the three years, seems quite reasonable, since this excess, when figured on the basis of current prices, must have been at least 50 per cent larger than shown in the official trade returns. Imports for 1922 are exclusive of famine relief supplies, the value of which is officially given as 183.8 million rubles. This amount affects the Russian balance of payments only to the extent that an amount of \$11,400,000 in gold was contributed by the soviet authorities for the use of the American Relief Administration in the purchase of food for the population in the famine area.⁶

For the last two fiscal years (ending September 30, 1923, and 1924) the official trade figures show export surpluses of 15,000,000 and

⁶ Нарóдно́е и́ Госудáръственно́е Khozjáistvo, 1922-23, pp. 8-9.

⁶ League of Nations Report on Economic Conditions in Russia with special reference to the famine, 1921-1922, p. 41.

68,000,000 rubles. This change is due largely to the resumption of grain exports, which totaled 39,300,000 rubles in 1923 but increased in 1923-24 to 145,000,000 rubles, constituting over 40 per cent of the total exports for that year. It is worth while noting that rye, the cheaper grain, now holds first rank among the total grain exported, whereas before the war wheat was leading all other grain exports. Owing to the partial crop failure in 1924 grain exports during the current year have been practically suspended, and the Government has been obliged to import substantial amounts of grain and flour for the benefit of the population in the districts affected, incidentally, also, for the purpose of preventing an excessive rise of domestic grain and flour prices. Other agricultural products which have assumed some importance among Russian exports for the more recent period are butter, oil cake and eggs. Raw and semimanufactured materials constituted slightly over 40 per cent of the 1924 exports. Leading items in this class of exports were petroleum and products thereof, lumber and wood products (boards, planks, etc.), flax, furs, seeds, oil cake, manganese, and bristles. With the decline of grain exports in the current fiscal year, the Government is promoting the export of petroleum, eggs, flax, oil seeds, and manganese, for which there is an active foreign demand.

Nearly 75 per cent of the total imports during the past fiscal year (1923-24) were composed of raw and partly manufactured materials for use in industry. Imports of raw cotton, chiefly from the United States, totaled 53,000,000 rubles, or over 25 per cent of the total imports, constituting by far the largest single import item for the year. Colors and dyes, crude rubber and metals are some of the other important import items. Imports of machinery and plant equipment, though indispensable for the rehabilitation of Russian industry, were quite inconsiderable, with the consequence that Russia's iron and steel industries are still in a state of partial disorganization and their 1924 output does not exceed 15-20 per cent of pre-war. Imports of articles for immediate consumption, such as tea, coffee, rice, etc., are subject to official restriction and showed smaller absolute and relative figures for 1924 than for the immediately preceding years.

As compared with the pre-war figures both imports and exports for the most recent period are relatively small. In fact, imports for the last fiscal year (1924) were only about 18 per cent of the average for 1909-1913, compared with 22 per cent in 1922 and 24 per cent in 1923. Exports, while showing a steady growth since 1921, were but 22.6 per cent of the 1909-1913 average.

In connection with the monetary reform and with the view of maintaining the stability of the currency the foreign trade policy of the Government during the most recent period has been concerned largely with attaining a substantial "favorable" trade balance through the encouragement of exports and the systematic restriction of imports. As a result of this policy, it is pointed out, the State bank was able to increase largely during 1924 its gold and foreign exchange reserves (see Table 77 on page 358) while maintaining the value of the newly adopted monetary unit (the chervonetz) at about par with the dollar. For the current year (1924-25), however, the export plan of the Government provides for total imports of about 500,000,000 rubles as against exports of 472,000,000 rubles (on the

basis of current prices), i. e., a large increase of imports over 1923-24, mainly of raw materials, agricultural machinery, and plant equipment without any decrease of exports, notwithstanding the practical elimination of grain exports. This would leave a small "adverse" trade balance, which is to be covered by the disposal of some of the foreign exchange reserve, accumulated during the previous two years. As a matter of fact, the foreign exchange holdings of the new State bank, which at the beginning of the present fiscal year (October 1, 1924) stood in excess of 10,000,000 chervontzi (100,000,000 gold rubles), declined to 4,700,000 chervontzi by May 1 of the present year, this decline indicating a much larger "unfavorable" balance of trade and payments for the year than reckoned by the Foreign Trade Administration at the time of the adoption of the national import and export schedule. Preliminary estimates of foreign trade for the seven months ending April, 1925, show 291,357,000 rubles of imports and 260,705,000 rubles of exports, with an excess of imports over exports of 30,652,000 rubles.

Prior to the Great War, as may be seen from the table on page 367, Germany's importance in Russia's foreign trade was paramount. Her imports into Russia in 1913 were over 47 per cent of the total imports, while of the total exports of Russia almost 30 per cent were shipped to Germany direct and an additional 12 per cent to the Netherlands, largely for transshipment to western Germany. During the war all this trade disappeared, and Germany's position was taken by Great Britain, the United States, and to a smaller extent by France and the neutral countries.

Since 1922 Germany's share in Russian foreign trade has shown a substantial growth, and in the year 1923-24 Germany supplied 21.3 per cent of Russia's imports, while taking 18.5 per cent of her exports. Great Britain's share in Russia's foreign trade for the same year was somewhat larger, imports from Great Britain constituting 22.4 of total Russian imports and exports to Great Britain forming 21.7 per cent of the total exports. Russian trade with the United States grew considerably during the war and the year following (1919). In the famine year 1921-22 imports from the United States were largely composed of articles of food and constituted over 16 per cent of the total imports for that year. During the most recent period trade with the United States has been subject to large fluctuations, mainly by reason of the changing volume of cotton imports. Thus in 1922-23, when cotton imports were heavily restricted, the share of the United States in the total imports was only 3 per cent, while in 1923-24, in consequence of larger raw-cotton imports from this country, this share rose to 19.1 per cent. Exports to the United States even before the war were small, the leading articles sent to this country being furs and skins, carpet wool, manganese ore, platinum, and licorice. At present the leading article of exportation to this country is furs. Considerable imports and exports from and to the contiguous border States of Esthonia and Latvia are shown in the Russian trade returns. This trade is largely in transit from and to Great Britain. Table 90 on page 367 shows the foreign trade of Russia by countries for the calendar year 1913 and the years ending September 30, 1923 and 1924.

VI. FINANCIAL RECONSTRUCTION

A new state bank was founded by decree of October 12, 1921, and opened for operations on November 16 of the same year. With the adoption in the early part of 1921 of the new economic policy, the subsequent reestablishment of private trade and the growth of commodity markets, the need for credit machinery became more and more pressing. Plans began to be made for the recreation of credit institutions, which had been destroyed in the beginning of the revolution as useless under a system of communist moneyless economy. In accordance with the new economic policy, "Nep," all governmental undertakings were placed on an economic or business basis; i. e., they were to continue only as self-supporting enterprises without drawing upon the state treasury for their operating expenses or deficits of operation. But all these establishments lacked operating capital and unless short-term credit was to be forthcoming, the economic operations of the Government could not proceed. The reestablishment of the state bank was thus absolutely indispensable, if nationalized industry was to continue. The purpose of the bank, as stated in the October decree, was to "aid the development of industry, agriculture, and trade by means of credit and other banking operations with the object of concentrating monetary transactions and adopting other measures for the establishment of a sound monetary system."

The new State bank started operations under most unfavorable circumstances. The whole credit machinery of the country had been destroyed and the use and legal regulation of credit instruments (bills, drafts, notes, etc.) had been discarded. Nationalization of the banks, confiscation of bank deposits, and nullification of loans had created a general feeling of insecurity, which seriously hampered the efforts of the bank authorities to attract deposits. Another factor, which interfered with the normal growth of the bank during the first year of its existence was the steady depreciation of the national currency. During 1921 the amount of soviet rubles in circulation rose from 17.5 trillions to 1.994.5 trillion rubles, a one hundred and sixteenfold increase, while the purchasing power of the Soviet ruble decreased 72 times. In the face of this situation the bank, in order to protect its capital funds against loss from depreciation, had to charge high rates of interest. During the early period of its existence these rates varied from 8 to 12 per cent per month, and reached 23 per cent per month in May of 1922, declining precipitately to 2 per cent shortly after when the soviet ruble seemed to have attained relative stability in the summer of 1922. Another means of self-protection was the sharing by the bank in the profits from the sale of goods of the borrowers. Later on loans were made in terms of foreign currency or gold rubles, especially to finance export transactions. Besides safeguarding the bank against financial losses, these operations enabled the bank also to accumulate a gold and foreign exchange reserve which was found of great

use later in connection with the assumption by the bank of note issue functions at the end of 1922. This and direct purchases in the open market were apparently the main sources of the bank's gold and foreign exchange reserves. It does not appear that the Government ever used any of its own gold for financing the bank, the Government endowment being exclusively in the shape of paper money.

The bank constitutes part of the commissariat of finance and is subject to the direct authority of the commissar of finance, who exercises supreme control over its activity, approves all general regulations concerning the bank's operations, determines the bank's policy, sanctions its rates of interest and commission, and has general supervision over its operations. He also approves the bank's annual budget and report.

Actual administration of the bank is vested in a managing board (Pravléniye), whose chairman is confirmed by the council of the commissars upon recommendation of the commissar of finance; the other members of the board are appointed by the commissar of finance. (Secs. 6 and 7 of the bank act.)

The board is assisted in its work by a committee on loans and discounts which determines the lines of credit to be granted to both state-controlled enterprises and private organizations. Similar committees form part of the bank's branches and agencies. The committee at the central office comprises, besides the chairman and a member of the managing board, also two representatives each from the leading Government departments, including those of finance and foreign trade; also representatives of the principal cooperative organizations and of trade and industry.

When in November, 1922, the bank was given the right of note issue and a special issue department was created, a council on issue operations was instituted whose functions include the continuous scrutiny of the securities used as cover for the bank's notes, the examination and approval of the balance sheets of the issue department, the examination at frequent intervals of the vaults of the department, and the control over the issue, retirement, and destruction of the bank's notes. The notes are issued in denominations of 1, 2, 3, 5, 10, 25, and 50 chervóntzi of 10 "gold" rubles each and must be covered, to an extent of not less than 25 per cent, by precious metals and stable foreign currency. This cover must be kept in the vaults of the issue department. Gold and foreign currency held abroad for account of the state bank can not serve as cover for note issues. The remainder of the note cover consists of easily marketable merchandise, short-term bills of exchange, and domestic and foreign securities. Not less than two-thirds of this part of the cover must be composed of commercial bills. The new unit of currency, the chervónetz, according to the law is equal to 10 rubles gold. For the present chervóntzi are not exchangeable for gold, the law merely stating that the date from which they are to be redeemed in gold is to be fixed by future decree.

Bank notes were made legal tender only at the beginning of 1925, though they were accepted before at their face value in payment of State taxes and dues (customs, railway fares, etc.), and in all cases where the law required payments in gold. Loans in bank notes made to the commissariat of finance must be secured by precious

metals to a minimum of 50 per cent of the face value, and as to the remainder by interest-bearing bonds of the commissariat. It is to be noted that up to the present no loans have been made by the bank to the Government.

The bank acts as the Government's fiscal agent and makes all cash disbursements in connection with the execution of the Government budget of revenues and expenditures. Its capital resources were composed originally of 200,000,000 rubles of the 1922 issue (equal to 20,000,000,000 of former issues), furnished to the bank from the resources of the state treasury. In February, 1922, the capital of the bank was increased to 575,000,000 rubles of the 1922 type. The progressive depreciation of the soviet ruble impaired seriously the resources of the bank, and in the autumn of 1922 the capital of the bank had to be reinforced again, this time to 13,017,000,000 rubles of the 1922 type. The surplus is to be formed out of the net profits of the bank, which are distributed in the following manner: 50 per cent goes to surplus, not more than 20 per cent for the improvement of the living conditions of the employees of the bank, and the remainder to the state treasury. There is no limit upon the total of the surplus.

When the chervonetz currency was adopted the capital of the bank was fixed at 5,000,000 chervontzi, while on October 1, 1924, it was raised to 10,000,000 chervontzi, equal to 100,000,000 gold rubles, compared with 55,000,000 gold rubles, the capital of the former State bank. In addition 7,900,000 chervonetz rubles were carried to surplus at the close of the last fiscal year.

In addition to its own capital and deposits proper the bank shows among its liabilities large amounts under the caption "Funds of and amounts due the commissariat of finance." These funds constituted about 34 per cent of the bank's liabilities in October, 1923, and about 20 per cent of the much larger liabilities on April 1, 1925. Some of these funds the bank uses for specific purposes, designated by the commissariat of finance, for instance, the financing of certain industries, or of grain operations, advances to cooperative organizations, etc. In so doing it acts merely as the disbursing agent for the Government, which at times operates in the same fields without the intermediation of the bank. Other funds, standing in the name of the commissariat are gold and foreign exchange deposits, or else time deposits (Vklady), which the bank apparently is able to use for current operations. As compared with the total deposit account of the finance department, other deposits credited largely to nationalized industrial and trading concerns were in the early period of the bank's existence of smaller importance. They have shown only moderate growth, especially since the opening in 1923 of other special Government banks, such as the Industrial Bank, the Bank for Foreign Trade, the Moscow Municipal Bank, the All Russian Co-operative Bank (all four in Moscow), and the several provincial banks.

The general financing scheme adopted in the spring of 1922 provided for a distribution of the burden between the treasury and the bank in the manner that long-term advances to "heavy" industries (coal, petroleum, iron and steel, munitions, etc.) were to be made by the treasury, the bank merely acting as its disbursing agent, while the shorter-term advances to the "light" industries (textile, food, lumber, chemical, leather, etc.) were to be carried by the bank

direct. With the assumption of the note issue function in November, 1922, the credits accorded to the various industries came more and more to be granted in the shape of chervonetz bank notes, and the rapid growth of the bank's note liability during 1923 reflects largely the volume of industrial and trade financing carried out by the Government through the intermediation of the banks.

Table 78, on page 358, gives the monthly figures of both loans and discounts and deposits for the State Bank and the four leading commercial and industrial credit banks in Moscow. Figures for the State Bank are exclusive of loans extended on account of the commissariat of finance as well as of balances due to the commissariat. During 1923 industrial and commercial loans and discounts of the State Bank increased from 30.8 to 313.7 million chervonetz rubles, while in 1924 they more than doubled. Loan operations of the four Moscow stock banks (their stock being owned either directly by the Government or jointly by the larger State industrial and trading organizations), which commenced only in 1923, show a more rapid development in 1924, and on February, 1925, stood at 384,000,000 rubles, compared with 659,000,000 reported by the State Bank. On the same date commercial deposits of the four Moscow banks totaled 252,000,000, compared with 299,000,000 at the State Bank, the four "big" Moscow banks showing much larger relative gains in deposits for the year than the State Bank, mainly because of the higher rates of interest they were paying on current accounts.

Only a small proportion—a little over 7 per cent on October 1, 1924—of the State Bank's loan and discount portfolio is composed of paper rediscounted for other banks. As distinct from the banks of issue in central and western Europe, the Russian State Bank acts at present primarily not as a bankers' bank but as a bank of short-term industrial and commercial credit for the leading State enterprises, dividing the field with the other banks especially created for the purpose of serving the credit needs of State trade and industry.

The following table shows in summary form the condition of the State Bank at six months' intervals between October 1, 1923, and April 1, 1925. The figures are inclusive of those shown in Table 77 for the issue department and cover all the operations of the bank:

Russia—Condition of the State Bank of the Union of the Socialist Soviet Republics, 1923-1925

[In thousands of chervonetz of \$5.145 each]

	Oct. 1, 1923	Apr. 1, 1924	Oct. 1, 1924	Apr. 1, 1925
ASSETS				
Cash in vault and in transit.....	2,052.1	3,610.3	6,222.7	7,315.3
Precious metals and foreign currency.....	15,852.4	30,112.1	30,883.6	35,517.1
Securities and commodities.....	2,550.1	4,342.7	5,082.6	5,845.3
Discounted bills.....	12,430.4	17,704.6	27,984.2	40,620.2
Special productive credits.....				20,993.1
Advances on goods.....	17,108.4	22,308.0	25,110.0	13,455.3
All other loans and discounts.....		2,271.9		2,750.9
Grain operations account (loans % finance commissariat).....	12,762.6	12,260.7	18,063.0	22,141.4
Correspondents.....				184.0
Due from branches and offices.....	17,808.7	29,107.0	36,677.1	60,952.1
All other assets.....	3,368.8	14,700.4	10,764.1	7,938.7
Total assets.....	83,654.7	130,719.9	161,388.5	243,470.4

Russia—Condition of the State Bank of the Union of the Socialist Soviet Republics, 1923-1925—Continued

	Oct. 1, 1923	Apr. 1, 1924	Oct. 1, 1924	Apr. 1, 1925
LIABILITIES				
Capital.....	5,000.0	5,000.0	10,000.0	10,000.0
Surplus.....			790.0	790.0
Notes in circulation.....	23,500.0	33,800.0	52,186.1	59,026.5
Special funds for long-term loans to industry, % commissariat of finance.....	10,899.7	12,417.5	16,011.7	22,150.8
Current account and other deposits: Due to the commissariat of finance— Time deposits (Vklady).....				4,294.8
Current accounts.....	17,899.1	11,557.4	86,119.5	19,652.8
Other.....			24,732.8	30,147.5
Drafts and transfers unpaid.....	1,062.0	1,476.1	1,196.5	539.2
Grain operations account.....				11,711.5
Correspondents.....				201.2
Due to branches and offices.....	17,116.8	30,068.3	26,496.1	69,373.4
Interest, commissions, and other earnings.....	83.6	5,024.5	248.3	5,807.7
Profit and loss.....	1,568.4	1,068.4	2,860.8	1,569.8
All other liabilities.....	6,535.1	11,544.9	5,480.5	8,261.5
Total liabilities.....	83,654.7	126,719.9	161,288.5	243,470.4

¹ As against 51,887,000 chervontsi shown in the report of the issue department.

Since the beginning of the present fiscal year (October 1, 1924) the gold reserve of the issue department increased by 48,540,000 chervonetz rubles and on May 1 of the present year stood at 179,940,000 chervonetz rubles. The department holds no silver at present, but reports among its reserves a considerable amount of platinum bullion, valued at 18,390,000 chervonetz rubles, an increase since October 1, 1924, by 10,960,000 rubles. Combined gold and platinum reserves show an increase for the seven months of 59,500,000 chervonetz rubles. As against this increase the department reports, however, a reduction in foreign currency holdings of 53,280,000 chervonetz rubles, so that its total reserve shows an increase for the period of but 6,220,000 chervonetz rubles. Meanwhile note liabilities of the bank have gone up from 518,870,000 chervonetz rubles to 604,390,000 chervonetz rubles, an increase for the period of 85,520,000 chervonetz rubles, notwithstanding the heavy seasonal decline in January. The ratio of issue department reserves to note liabilities thus shows a decline from 46 to 40 per cent. The remainder of the note cover is made up of discounted paper, including paper secured by liens on merchandise (advances on goods). The latter item shows a large decline during the present year, which is, however, fully offset by the increase in unsecured paper held in the issue department. In addition to the amounts held as note cover by the issue department, considerable amounts of precious metals and foreign currency are held unpledged in the banking department. Thus on April 1, 1924, the issue department held 173,600,000 rubles of metallic and foreign currency, while the aggregate bank holdings (i. e., including both amounts held as note cover in the issue department and amounts held in the banking department proper) of precious metals and foreign currency on that date are given as 301,131,000 rubles. On April 1 of the present year the holdings of the issue department were 254,140,000 rubles, while aggregate bank holdings were 335,171,000 rubles. Apparently with expanding note issues an increasing propor-

tion of the bank's metallic and foreign currency reserves is finding its way into the vaults of the issue department to serve as note cover.

Table 77 on page 358 shows monthly figures of assets and liabilities of the issue department of the State Bank for the period November, 1922, to May 1, of the present year.

Besides chervonetz (bank) notes, treasury notes of smaller denominations, silver and copper coin and temporary fractional currency to be exchanged for silver and copper coin, there are in circulation also so-called certificates of the commissariat of finance, issued in denominations of 1,000, 2,500, and 5,000 gold rubles, and used largely by the State institutions and the industrial and trading State enterprises for purposes of mutual settlements. During the winter of 1923 and the first half of the following year there were also in circulation 5-ruble certificates issued by the commissariat of communications (so-called transportation certificates) receivable in payment for all classes of State transportation services. These certificates, limited in amount, circulated as ordinary currency and were used as divisionary money with relation to the bank notes. They were replaced by treasury notes of the larger (3 and 5 ruble) denominations, which began to be issued in March, 1924. Of the total of 780.1 million rubles of currency (exclusive of certificates of the commissariat of finance) outstanding on May 1 of the present year, 408.6 millions, or 52.4 per cent, consisted of bank notes, 249.9 millions, or 32 per cent, of treasury notes, and 101.1 millions, or 13 per cent, of silver coin, while the remainder was made up of temporary fractional paper notes and copper coins. The silver in circulation is composed largely of 20-kopeck and 50-kopeck coins, and shows a larger relative growth during the more recent period than any other class of currency, as may be seen from Table 80 on page 359, which shows the changes in volume of the several classes of currency in Soviet Russia since January 1, 1923. Coinage of silver currency was started in March, 1924.

With the gradual consolidation of the new chervonetz (bank) currency in 1923 and its gradual infiltration into circulation channels, the spread between the exchange value and the purchasing power parity of the new currency became less, largely through the decline in the domestic purchasing power of the new currency unit, partly also through the steady rise of the exchange value of the chervonetz. But during the entire year the gold value of the outstanding circulation, reckoned on the basis of purchasing power parities, continued higher than its value based upon foreign exchange rates, notwithstanding the preponderant influence of the State Bank in the determination of the exchange rates (no exchange dealings in Russian currency have as yet been resumed in the leading European money markets). During 1924, in consequence of the general improvement of the financial and foreign trade situation, the exchange value of the chervonetz gradually approached par and has been maintained around that point since the early summer of that year. Since February, 1924, the purchasing power parity of the ruble (in terms of dollars) has been invariably below the exchange rate, reflecting in its movement the seasonal fluctuations of the domestic price level, especially the movement of prices of agricultural products.

The gold or dollar value of the aggregate circulation has shown a steady growth since the beginning of 1923 and at the beginning of the present year totaled about \$410,000,000, when calculated on the basis of exchange rates, and \$380,000,000 on the basis of purchasing power parities. As compared with pre-war the dollar value of all the Russian money in circulation shows a decline of about 60 per cent, notwithstanding the considerable rise in the general price level, and reflects more or less the decline in general business that has taken place since.

Monthly figures of exchange rates and purchasing power parities also of the gold value of the total circulation calculated on both bases for the period since January 1, 1923, are given in Table 87 on page 366.

Stabilization of the currency was made possible by financial reform, the rehabilitation of the State budget and the elimination of paper money issues for covering the budget deficits. Efforts to bring about an approximate equilibrium between State revenues and expenditures continued for several years, but it was only in the budget for the current fiscal year (1924-25) that the Government relinquished altogether note issues as a source of State revenue. As may be seen from the following table, note issues furnished nearly 30 per cent of the total State revenues for the fiscal year ending September 30, 1923, and about 8 per cent of the total revenue for the fiscal year 1924. The remainder of the deficit was covered by loan operations. Government borrowing began in May, 1922, with the launching of the first grain loan for 10,000,000 poods of rye (1 pood=36.112 lbs.), and was followed by a 6 per cent 10-year lottery gold loan which had however to be changed to a forced loan, as voluntary subscriptions to it yielded only 26,000,000 rubles out of the 100,000,000 rubles expected. In addition to the certificates of the commissariats of finance and of communication which were issued largely in anticipation of revenue there were issued in 1923 another grain loan for about 100,000,000 poods of rye, which yielded to the Government 46,700,000 rubles, and a sugar loan, totaling 1,000,000 poods of sugar, which was to furnish the sugar industry with some of the lacking operating capital.

During 1924 the Government placed an 8 per cent compulsory gold loan for 6 years among the trading and industrial State institutions, another 6 per cent lottery loan, also partaking of compulsory features, and a peasant loan for about 50,000,000 rubles, which was only partly successful. It is only in the current year that the Government announced the relinquishment of forced loan operations.

At the opening of the present fiscal year (October 1, 1924) the total debt recognized by the Soviet Government was 245,800,000 rubles, all of which had been concluded since 1922. During the current year it is proposed to raise from loans a total revenue of 110,000,000 rubles.

The following table shows the revenues and expenditures of the Soviet Government for the three fiscal years ending September, 1923, 1924, and 1925:

Russia—Receipts and expenditures of the Union of Soviet Republics

(Actual for the fiscal years ending Sept. 30, 1923, and 1924, and estimated for the fiscal year ending Sept. 30, 1925)

[Source: *Viestnik Finansov*, No. 1, 1925. In thousands of chervonets rubles]

	1923-23	1923-24	1924-25
REVENUES			
Ordinary:			
Direct taxes, including fees.....	242,472	358,570	519,689
Indirect taxes.....	194,838	307,718	453,200
Revenue from transportation, posts, and telegraphs.....	391,891	673,127	832,500
Revenue from State domains and undertakings.....	57,636	187,846	228,479
Total ordinary revenue.....	856,837	1,530,261	2,086,868
Extraordinary:			
Proceeds from loans (exclusive of certificates of the commissariat of finance).....	81,861	191,179	110,000
Revenue from the issue of silver and copper coin.....		49,041	80,000
Revenue from issue of paper currency.....	394,060	148,944	
Total revenue from loans and currency issues.....	475,981	387,164	190,000
Total revenue.....	1,332,818	1,917,425	2,276,868
EXPENDITURES			
Defense.....	204,895	394,584	407,247
Transportation.....	535,558	729,941	882,500
Industry: Advances and subsidies to.....	144,366	140,532	121,858
Agriculture.....	78,924	94,034	104,516
Cultural and social.....	120,014	150,500	244,959
Domestic administration.....	252,582	412,130	457,788
Total.....	1,336,319	1,921,721	2,278,868
In addition local expenditures (exclusive of the Far East Territory and Transcaucasia).....	285,500	553,000	672,300

SPAIN¹

I. CURRENCY SYSTEM OF SPAIN

The currency situation in Spain is peculiar in that the country for a long time has not been upon the gold standard, the silver standard, or the paper standard. Although nominally upon the bimetallic standard, Spain actually is upon a fiduciary standard of which the metallic money consists of silver coin. Spain can not be said to be upon the silver standard, however, since there is no free coinage of silver in Spain, and the value of the silver coins is not influenced to any great extent by the market value of the bullion in the coins. The coins have a scarcity value which is greater than that of the bullion in the coins, due to the fact that their quantity is limited. Spain is thus upon the fiduciary silver standard and exchange rates fluctuate with practically no relation to the price of silver, and about no fixed par with any other country. The silver coins have continually been worth as money more than the bullion value of the silver they contain, as can be seen in chart 55 which shows exchange rates on Paris (gold francs for 100 pesetas), and also the value in gold francs of the silver in 100 pesetas.

The monetary unit of Spain is the peseta, which is divided into 100 centimos. The gold coins contain 0.290322 gram of pure gold for each peseta, while the 5-peseta silver pieces contain 4.5 grams of pure silver for each peseta,² giving a bimetallic ratio of approximately $15\frac{1}{2}$ to 1. The gold peseta is thus worth 19.29 cents in American money, the same as the French franc and other units of the Latin Monetary Union. Since gold has not circulated in Spain for many years this gold par of exchange has little significance and exchange rates have been subject to considerable fluctuations.

Spain adopted the monetary system of the Latin Monetary Union in October, 1868, although Spain did not become a party to the agreement and was not a member of the union. The Spanish law of 1868 provided for unlimited coinage of both gold and silver. Gold coins were not struck, however, until 1877. By this time, the gold price of silver had begun to fall and the market ratio between gold and silver was not that of the monetary ratio of Spain, nor of the countries in the Latin Monetary Union. As silver fell in price and as the monetary circulation increased, the gold coins became more valuable as bullion than as money, and were driven from circulation in accord with Gresham's law.

Free coinage of silver by private individuals was abolished in Spain in 1878, so that the quantity of currency that could be put into circulation was restricted after this date. However, the Government continued to coin silver money for its own account, and increased the circulation in this way. As the price of silver fell the Government found these operations very profitable. This continual increase

¹ This section was prepared by John Parke Young.

² The smaller silver coins contain less silver per peseta.

in the circulation was largely responsible for the decline in exchange rates during the last quarter of the last century. After 1899 the coinings of silver money were very much reduced.

Although the Government coined large quantities of silver coins, especially 5-peseta pieces, or duros as they are called, the restrictions upon free coinage prevented the quantity of the coins becoming so

CHART 55

SPAIN—EXCHANGE RATES AND GOLD VALUE OF SILVER IN 100 PESETAS, 1868-1924

Exchange rates in Madrid on Paris

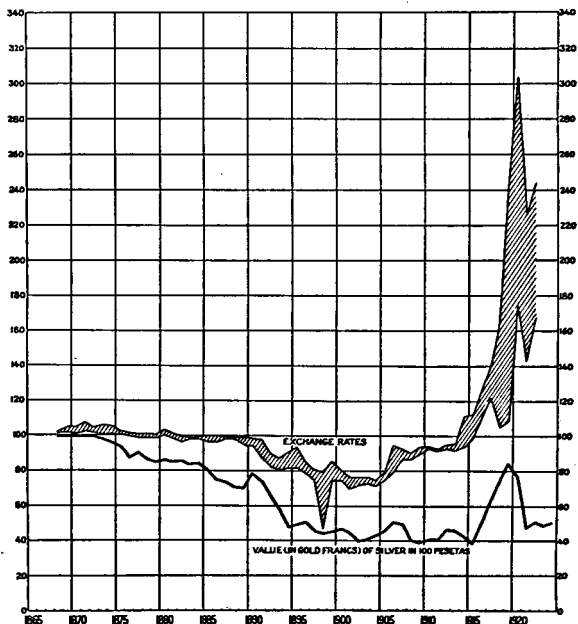
[For figures see Table 95]

Exchange rates, francs for 100 pesetas

Value in gold francs of silver in 100 pesetas

Exchange rates, francs for 100 pesetas

Value in gold francs of silver in 100 pesetas



great as to depreciate their value as rapidly as the price of silver was falling. The coins all the time have been sufficiently limited in number to prevent their value falling to that of the bullion they contain. At the same time, they have been sufficiently redundant to prevent their value being maintained at the gold par. A very large number of duros was coined in 1898, worth nearly 200,000,000 pesetas, a greater amount than had been coined in the previous seven years combined. The effect of these large coinings on exchange rates at this time can be seen in the above Chart (No. 55). In November,

1901, a law was adopted which prohibited the coining of the 5-peseta silver pieces. Since 1899 there have been no mintings of these coins, and since 1905 there have been practically no coinings of any description.

Spain coined large quantities of gold coins from 1877 to 1892. These coins, however, did not stay in circulation, as already noted, since their monetary value was less than that of the gold in the coins. The great majority of these coins were exported to foreign countries. Some also were melted down for use in the arts in Spain, or went into hoards.

At the present time the gold in the Bank of Spain, amounting to about 2,500,000,000 pesetas (\$500,000,000) is practically the only gold coin within the country. The Bank of Spain has used its option to redeem its notes in silver coin, since it was feared that had the Bank attempted to redeem the notes in gold, it would have promptly lost all its gold. Spain is thus upon the fiduciary silver standard, and the large amount of currency in existence has depreciated the value of the peseta below its nominal par, and kept Spanish exchange at a discount in foreign markets most of the time since about 1882.

The Bank of Spain, Banco de España, dates back originally to 1783, but under its present name only to 1856. Its predecessor, the Bank of San Fernando, was the outgrowth of the Bank of San Carlos, founded in 1783. The Bank of Spain, like other central banks, is a bankers' bank and serves as fiscal agent for the Government. The Bank holds the bulk of the country's specie reserve and rediscounts for private banks and bankers who look upon deposits at the Bank of Spain as cash. The Bank of Spain has enjoyed a monopoly of note issue since March, 1874, the notes being redeemable in either gold or silver at the option of the Bank. The Bank preforms most of the operations of other banks, but it is not regarded by other banks as a competitor. Its policies have long been very conservative, but in spite of this fact its profits have been large. The Bank transfers funds to any of its branches for a small charge, and serves as a clearing house for the other banks.

The maximum amount of notes which the Bank was permitted to have outstanding before the war was 2,000,000,000 pesetas. At the outbreak of the war there was a demand in Spain, as in other countries, for more cash and on August 5, 1914, the limit to the note issue was raised to 2,500,000,000 pesetas. This limit was subsequently increased several times.

Spain being neutral during the war received large quantities of gold in payment for exports. The gold reserves of the Bank of Spain increased very greatly, as can be seen from Chart 56. As the gold reserves increased and as the demand for currency increased during the course of the war, the limits to the note issue were raised so as to avoid the necessity of the Bank having to pay out its silver money. The policy of the Bank, however, in regard to note issues has been conservative, and the increased circulation has been almost equalled by new gold acquired.

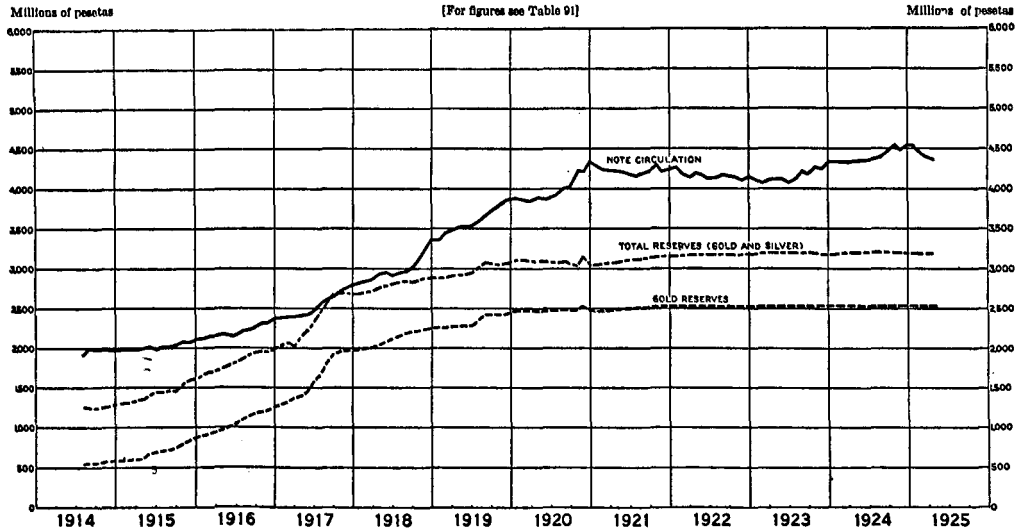
The legal reserve requirements against notes of the Bank of Spain are somewhat complicated. The reserves required before the war have been described as follows:

For notes up to the amount of 1,200,000,000 pesetas a specie reserve of one-third at least one-half of which must be gold; for notes from 1,200,000,000 to 1,500,000,000 a specie reserve of 60 per cent of such notes, of which at least two-

CHART 86
 BANK OF SPAIN—NOTE CIRCULATION, GOLD AND SILVER RESERVES, MONTHLY, 1914-1925

END OF MONTH

[For figures see Table 91]



thirds must be gold; for notes from 1,500,000,000 to 2,000,000,000 a specie reserve of 70 per cent of the amount of such notes, of which at least five-sevenths must be gold. Thus, for an issue of 2,000,000,000 pesetas, total reserves of 930,000,000 pesetas, or 46.5 per cent, must be kept, of which at least 570,000,000 must be gold. The kind of gold that may be held is either Spanish gold at par, foreign gold at the mint par of exchange, or bars at the rate of 3,444.44 pesetas per kilo of fine gold. The silver must be Spanish coin of legal currency.²

The decrees increasing the note issue after the beginning of the war provided that the increases should be backed by an equivalent amount of specie. The first decree did not specify whether silver or gold, but the other decrees provided that the increases authorized should be covered entirely by gold.

On the outbreak of war in 1914, the sudden demand in Spain for funds was met by the Bank through the extension of credit as well as by increasing the note circulation. In addition to the expansion of notes and deposits, the Bank paid out large quantities of silver coin from its vaults. As the war progressed both the note circulation and the deposits continued to expand.

The conditions brought about by the war caused a considerable development of the practice of rediscounting. As the private banks were called upon increasingly for funds, they found it convenient to go to the Bank of Spain and rediscount their paper. Rediscounting was also encouraged by the method used for financing credits to the belligerents. The Spanish banks accepted drafts drawn by foreign bankers, which drafts were then rediscounted to a great extent at the Bank of Spain.

The use of checks has never been developed in Spain as it has in the United States and elsewhere, and credits granted by the Bank of Spain are ordinarily taken out in notes. Checks payable to order are subject to a small tax which tends to discourage their use. A recent law has removed this tax when checks go through the clearing house, but checks are still used very slightly. The chief reason, however, for the nonuse of checks seems to be the fact that business in general is not familiar with the checking system and the convenience which it affords. Also people are inclined to be afraid of checks and prefer cash, which they know is good. On account of the little use made of checks the note circulation of the Bank of Spain has always been very much larger than the deposits.

As the belligerent countries made purchases in Spain, gold began to flow into Spain in payment for these goods. The large importations of gold which have taken place since 1914 have changed decidedly the complexion of the reserve in the Bank of Spain. Before the war the metallic reserves in the bank consisted of a larger percentage of silver than of gold. However, at the present time the gold reserve is about four times the size of the silver reserve, and the total reserve has much more than doubled since the first part of 1914.

The gold imported into Spain went almost entirely into the Bank of Spain, since there was practically no other market there for gold. The Bank of Spain is not required to purchase foreign gold at a fixed price, and therefore purchased the gold that was imported at a discount which varied from time to time. The discount on gold

² Spanish Finance and Trade, by Arthur N. Young. Special Agents Series—No. 202, Department of Commerce, 1920.

dollars at its maximum amounted to about 6 per cent, the bank paying 4.85 pesetas for the dollar in place of 5.18, the nominal par. Since there is no free coinage of gold in Spain, importers of the metal could not secure the full number of pesetas, but had to accept the current rate if they desired to dispose of their gold. These operations were very profitable to the bank. They were also profitable to those importing gold, since dollar drafts on the exchange market could be purchased at a lower figure than the rate quoted by the Bank of Spain for purchasing the gold. During 1916 and 1917 most of the gold that was acquired was American coin.

II. FOREIGN TRADE

Foreign commerce is important to Spain since the country depends upon foreign sources for many articles, especially manufactured articles, also raw cotton from the United States for the textile mills. The exports from Spain, which help to pay for the imports, consist chiefly of raw materials and foodstuffs, and comprise an important percentage of the country's total production. Spain is rich in resources and produces a large amount of agricultural and mineral products, part of which are sent abroad. Although Spain has not been considered an industrial country, certain industries exist there on a considerable scale, and industries seem to be increasing in number and importance. The most important industries of Spain are the textile industry and the iron and steel industry. The textiles which Spain exports go in a large degree to the Latin American countries, with which Spain has close affiliations due to a common language and to historical and other ties.

The leading products which Spain imports are raw cotton, (mostly from the United States), machinery, coal, cereals, iron and steel manufactures and other products. The chief exports of Spain consist of wines (mostly to France), iron ore, lead, oranges, textiles, copper, cork, olive oil, nuts, and other food products.

France has long been the leading country in Spain's foreign trade, from the standpoint of value, and has ranked first, both as a source of Spain's imports and as a recipient of Spain's exports. The geographical proximity of France has accounted for this to a large extent. In recent years, however, the United States has exported more to Spain than has France. The following table shows the chief countries with which Spain trades.

Spain—Imports and exports of merchandise by countries

[Source: Anuario Estadístico de España]

	Imports			Exports	
	1913	1920 ¹		1913	1920 ¹
	<i>Pescetas</i>	<i>Pescetas</i>		<i>Pescetas</i>	<i>Pescetas</i>
United States.....	167,485,782	331,345,958	France.....	327,744,316	280,579,000
France.....	204,268,202	219,228,629	Great Britain.....	231,571,221	218,704,144
Great Britain.....	244,666,199	213,814,723	Argentina.....	70,964,239	96,556,860
Argentina.....	110,970,694	134,131,582	Cuba.....	64,138,836	81,024,069
Germany.....	185,369,962	88,160,405	United States.....	72,194,898	77,351,628
Belgium.....	45,033,813	44,504,165	Belgium.....	45,278,431	44,940,464
Italy.....	18,805,757	33,305,707	Italy.....	34,722,408	36,457,347
Chile.....	5,899,083	32,949,988	Holland.....	63,874,331	22,806,033
Switzerland.....	24,926,797	31,562,000	Portugal.....	47,367,918	19,485,933
Brazil.....	14,436,889	28,684,106	Canaries.....	13,018,000	19,170,963
Philippines.....	21,400,064	26,034,763	Germany.....	74,418,506	15,883,356
Sweden.....	17,824,254	21,893,822	Mexico.....	15,251,807	13,505,529
Portugal.....	56,510,184	20,464,443	Uruguay.....	10,851,510	13,151,907
Holland.....	18,642,386	19,743,201	Switzerland.....	14,049,947	8,418,144
Venezuela.....	6,385,906	19,483,159	Brazil.....	5,468,845	7,981,496
Cuba.....	2,477,549	15,978,462	Sweden.....	14,828,907	7,303,481
Norway.....	16,404,405	16,547,037	Norway.....	2,240,177	4,386,210
Russia.....	44,973,518	1,344,979	Chile.....	7,584,278	3,359,373
			Philippines.....	7,050,385	2,384,658

¹ 1920 is the latest year for which figures are available according to countries.

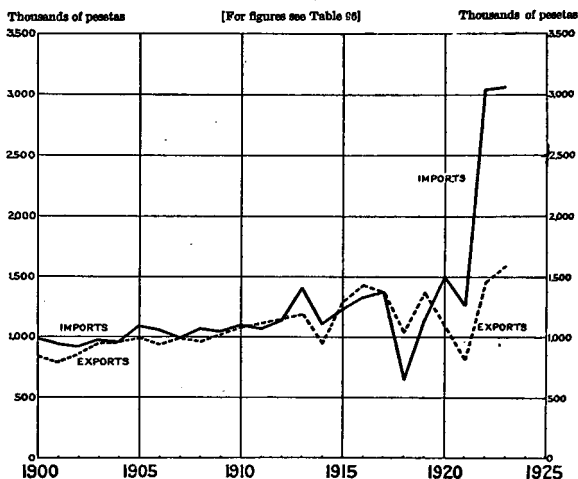
Trade with the United States has increased very greatly as a result of the war and it will be noticed that the United States now ranks first in Spain's import trade. On the other hand, exports from Spain to the United States are only one-fourth the size of those going to France and one-third the size of those going to Great Britain. Before the war Germany received a large quantity of Spanish goods, but at the present time this trade is very much reduced.

For a long period prior to the war Spain had an excess of imports most of the time. Nevertheless, Spain was not a creditor nation.

CHART 57

SPAIN—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1900-1923

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]



The war, however, has changed this condition and Spain is now to be regarded as a creditor nation. The excess of imports prior to the war represented a flow of investments into Spain from Great Britain, France, and other countries. These investments, which led to the importation of goods, were offset by the exportation of Spanish securities. In addition to private borrowing in foreign countries, the Spanish Government borrowed funds in France and in Great Britain. The excess of imports also represented remittances to Spain by Spaniards residing in foreign countries, especially in Latin America, and by expenditures of tourists in Spain, probably also by earnings of Spanish ships in excess of payments made to foreigners for shipping services rendered to Spain. Chart 57 shows the imports and exports of Spain since 1900.

Upon the outbreak of war, the belligerents turned to Spain to supply many of their war needs. The proximity of Spain and the various products which were available there, caused the other countries to look to Spain to a large extent for materials needed. It will be noticed from the above chart that exports increased after 1914, and that Spain had a large excess of exports during the entire war period. These exports were paid for by the foreign countries through shipments of gold, and also through credits granted by Spain. The excess of exports was also paid for by the return to Spain of Spanish securities, both governmental and private, from the warring countries. The following table shows the importation of gold into Spain since 1910:

Spain—Imports and exports of gold, 1910-1923

[Source: Resúmenes Mensuales de la Estadística del Comercio Exterior de España]

	Imports	Exports	Excess	
			Imports	Exports
			Pescetas	Pescetas
1910.....	704,420	237,440	266,980	
1911.....	298,800	357,120		58,320
1912.....	1,130,400	217,820	912,480	
1913.....	235,200	785,280		550,080
1914.....	25,488,240	224,400	25,263,840	
1915.....	220,298,080	360,280	219,937,800	
1916.....	355,379,207	133,120	355,246,087	
1917.....	690,774,325	12,280	690,762,045	
1918.....	33,858,720	215,600	33,643,120	
1919.....	184,060,428	628,720	183,431,708	
1920.....	7,467,840	4,904,880	2,562,960	
1921.....	175,220	4,912,800		4,737,580
1922.....	2,422,500	60,000	2,362,500	
1923.....	178,600	28,800	149,800	

The products which Spain exported during the war were sold at high prices, and therefore yielded attractive profits to Spanish merchants. As a result of the intense demand for Spanish products and the attractive prices which could be obtained, internal industry was stimulated. The character of Spain's production was also changed. Imports of coal were cut off and the high prices obtaining for coal caused the domestic production almost to double. The production of iron and steel and other manufactured articles was also extended. The large profits accruing to Spain as a result of the war increased the wealth of many individuals and also of the country as a whole, and brought about a period of great prosperity and a revival of enterprise.

When examining statistics on Spanish trade, it should be borne in mind that imports and exports are valued at officially fixed prices. The official prices for the articles remained the same during the entire period of the war and until the year 1921, although prices rose very greatly during this period. The amount of error introduced by this artificial method can be realized from the fact that prices of important articles which are imported, such as raw cotton, coal, and other articles, rose to several times their height existing in 1913. Exported articles also show a similar rise in price. The official values were changed and new values made applicable to trade figures beginning with the year 1921.³

³ The values are now fixed by the Consejo de la Economía Nacional, an organization dating from Mar. 8, 1924, when the Junta de Aranceles y de Valoraciones went out of existence. Prior to this date the Junta fixed the values. The values for 1923 were fixed by the Consejo de la Economía Nacional.

The method of determining the official values is as follows: The import prices for any year are based upon the average of prices for the year preceding as shown in the invoices of all the customs houses, plus the freight and commissions. If the difference between this price of the article and the domestic cost of production of a similar article is less than 10 per cent, the domestic cost of production is used instead. If the difference is more than 10 per cent, an arithmetic average is struck between the average domestic cost and the average foreign price, and the resulting price is the official price. Prices for exported articles are also fixed officially. These export prices for each year are the average of the factory prices of the article for the preceding year.³

The total excess of merchandise exports from Spain during the five years, 1915 to 1919, amounted to over 2,000,000,000 pesetas. This excess of exports is in contrast to an excess of imports of a little less than 500,000,000 pesetas during the five years prior to 1915. In spite of the artificial method of showing import and export values, it can be seen from these figures that Spain exported a very much larger amount than in normal times. Were actual values shown the figures would be much greater. In addition to this increase in merchandise exports, Spain's invisible exports increased as a result of the war. Spanish laborers migrated to France, attracted by lucrative wages there, and remitted large sums to Spain. Also, Spanish ships enjoyed large earnings as a result of the urgent demand for ships during the war and the high freight rates obtaining. It is known that during the war Spanish ships handled practically all of Spain's foreign commerce, as well as a large amount for other countries. The increase in the credit items in Spain's foreign trade resulting from large exports, both visible and invisible, has placed Spain in the position of a creditor nation and has reduced the external debt of the Government held abroad. The external debt of the Government now amounts to a little over 900,000,000 pesetas. Most of the obligations representing this foreign debt have now been purchased by Spaniards and are therefore domiciled in Spain.

The increase in the exports of Spain during the war was financed through the return to Spain of Spanish securities, both Government and private, especially railway securities; also through borrowings in Spain and through shipments of gold to Spain. The low prices prevailing in Spain for francs and other foreign currencies induced Spanish investors to purchase these currencies and with them buy Spanish securities abroad, which were thus cheap in terms of pesetas. On the other hand, in France and Great Britain pesetas were expensive, and the return to Spain of Spanish securities and their sale there, provided pesetas which yielded a relatively large amount of francs or pounds to the foreign owners of the securities.

In June, 1916, the Government issued a decree regulating the importation of securities into Spain. The Government, according to the law, reserved the right to prohibit the introduction of Spanish securities into Spain. Persons intending to bring Spanish securities into Spain were required to notify the Government to this effect. The law was not enforced strictly, but to the extent that it discouraged

³ Customs duties are payable in gold but are actually paid in current pesetas at official rates fixed each month.

the return of Spanish securities it tended to depreciate still further exchange rates in Spain on foreign countries.

According to an agreement between Spain and the United States, signed in August, 1918, an arrangement was made for the granting of credits by Spanish banks or bankers to American banks or bankers to the extent of 250,000,000 pesetas. The credits were to be used by the United States for purchases in Spain and were secured by the deposit in New York of obligations of the United States payable in pesetas. Although credits to the extent of 250,000,000 pesetas were provided for, only 155,000,000 pesetas of this amount were used. Credits were also granted by Spain to Great Britain and France. When the United States placed an embargo upon gold exportations in the latter part of 1917, the influx of gold into Spain declined greatly. Credits were then needed to finance the large balance of merchandise exports from Spain to the belligerents.⁴ Gold imports were resumed in 1919, after the embargo in the United States had been lifted.

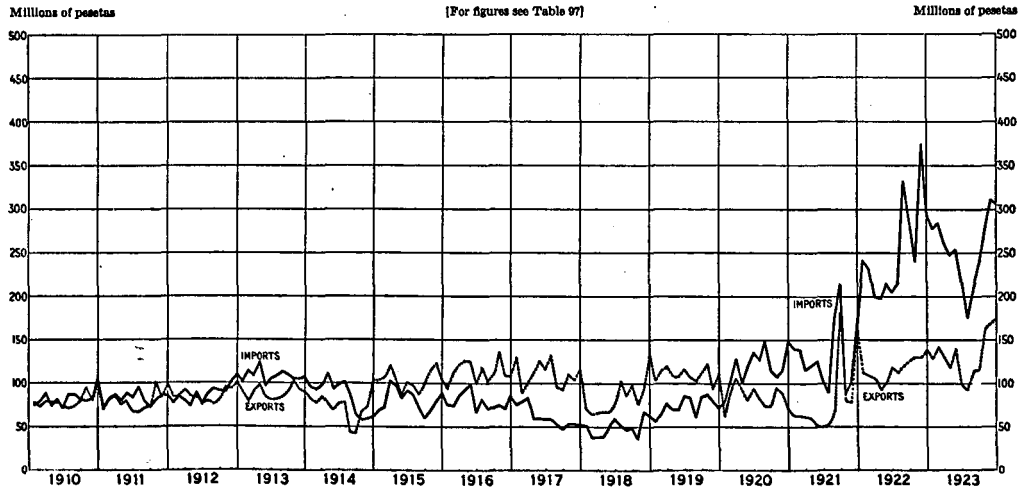
The events noted above show how the position of Spain has been changed since 1914. Chart 58 shows this situation and how Spain's trade since the first of 1920 has shifted back to an excess of imports. Although Spain's pre-war excess of imports has returned, the excess of imports is now due to different factors than in 1913. The excess of imports now instead of representing investments coming into Spain represents, to a large degree, payments on indebtedness to Spain contracted during the war. It also represents remittances of Spaniards to Spain, especially from Argentina and other countries in North and South America.

⁴ Importations of gold from Great Britain stopped early in 1916. Imports of gold from France, which had never been large, also ceased about this time. Gold from the United States continued to come in until the embargo in September, 1917, upon its exportation from the United States.

CHART 88

SPAIN—IMPORTS AND EXPORTS OF MERCHANDISE, MONTHLY, 1910-1923

[Special imports, i. e., imports for domestic consumption; special exports; i. e., exports of domestic merchandise]



III. EXCHANGE RATES AND PURCHASING POWER PARITIES

Exchange rates in Spain on gold-standard countries have been subject to fluctuations for several decades, since Spain has not been upon the gold standard and the equalizing influence of gold shipments has been absent. The currency in Spain before the war, as already noted, consisted of bank notes and silver coin, the monetary value of the coin being greater than that of the bullion in the coin. This greater monetary value was due to the fact that free coinage did not exist and the quantity of the coins was limited. The coins could not be exported profitably, and there was therefore not much limitation upon fluctuations of exchange rates other than that resulting from the demand and supply of bills.

Upon the outbreak of the war, banks and individuals in Spain holding funds in foreign countries desired to bring their funds home to Spain. Heavy offerings of francs, pounds, and other currencies resulted and rates of exchange on foreign money centers declined. Francs and pounds both went below their nominal par in August, 1914 (i. e., par determined upon the basis of the gold peseta, which did not circulate and which was more valuable than the silver peseta). Francs and pounds recovered from their discount by the latter part of 1914, but as exports from Spain increased, the recovery lasted for only a few months. From the first of 1915 to the middle of 1918 these currencies continued to fall, with slight reactions. During 1915 and 1916 the fall was not as rapid as later, since gold shipments tended to sustain exchange rates. Large gold shipments from Great Britain and to a less extent from France took place during 1915 and the early part of 1916, when they were discontinued. Gold shipments from the United States continued until the latter part of 1917. During 1916 and 1917 most of the gold imported into Spain came from the United States.

Prior to 1915 there was practically no foreign exchange business between Spain and the United States transacted in terms of dollars. Trade that took place between the two countries was financed chiefly through London by means of sterling drafts. However, conditions growing out of the war caused a change, and since about 1915 Spanish bankers have kept balances in New York and New York bankers have kept balances in Spain, so that a large amount of trade is now financed directly. Inasmuch as Spain's foreign trade is chiefly with Great Britain and France, pounds and francs have a wider market in Spain than dollars.

Dollars were at a discount in Spain from the first of 1916 to the latter part of 1919. This was in spite of the fact that during the entire period imports from the United States to Spain were greater than exports from Spain to the United States. The depreciation of the dollar during this period is to be accounted for by the fact that the dollar was tied up artificially with the pound and the franc. Exchange rates in New York on London and Paris were "pegged" at relatively fixed points. Heavy exports from Spain to Great

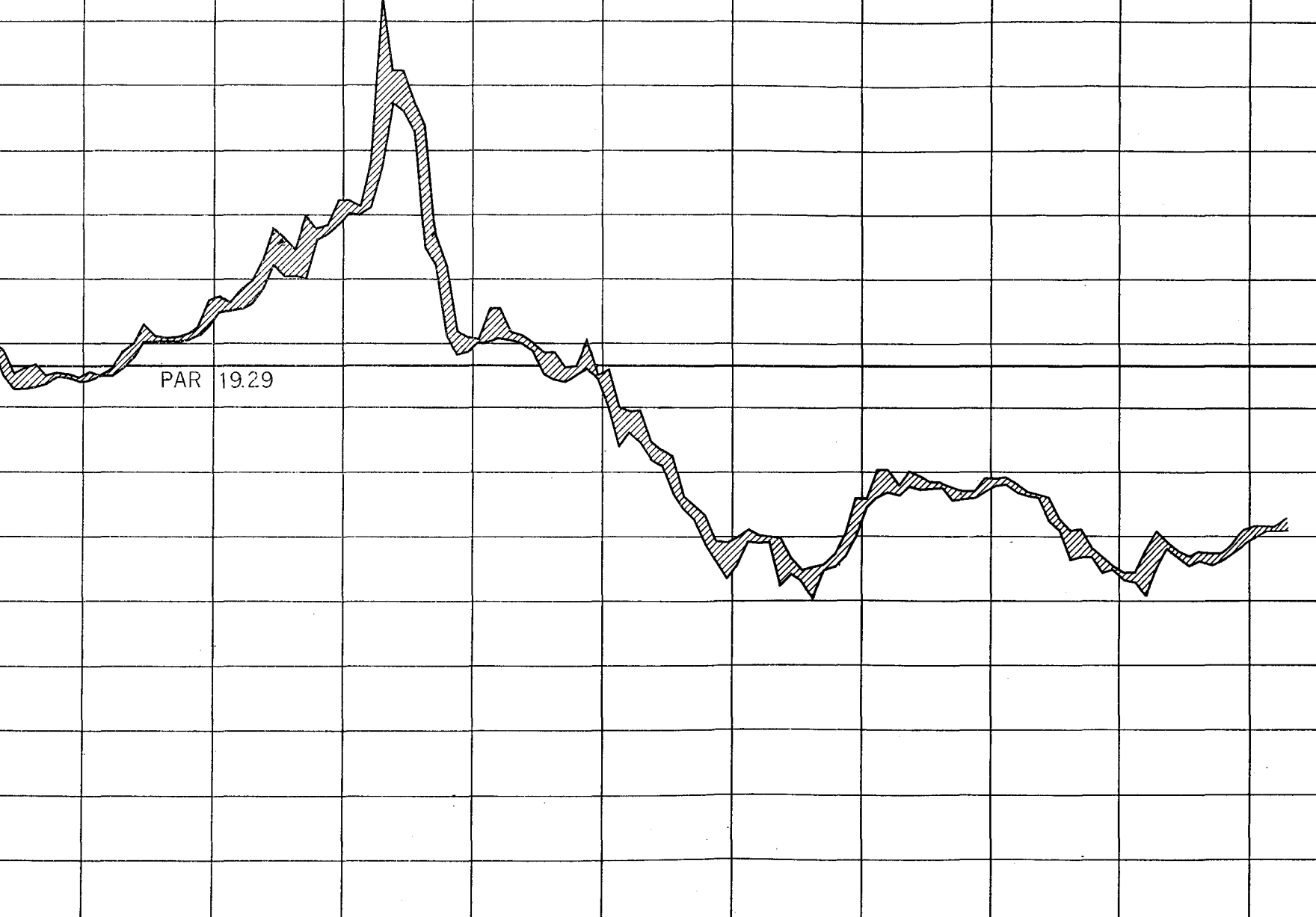
Britain and France, which depreciated the pound and the franc, thus also depreciated the dollar. The method by which this depreciation of the dollar took place may be illustrated as follows: Early in 1918 a draft in Spain for 100 francs could be purchased for only 70 pesetas (rather than 100 pesetas or par). The 100 francs could be sent to New York and sold at the artificially fixed rate of about \$18. At about the same time \$18 in New York would purchase approximately 72 pesetas in Spain. There was thus a profit of 2 pesetas in 70, less commissions. These operations took place to a considerable extent as long as the difference in the rates made them profitable. These operations thus depreciated the dollar along with the franc and the pound, by creating a large supply of dollars in Madrid on the part of banks and individuals who had sent their pounds and francs to New York to be sold and by creating a large demand for pesetas in New York.

The depreciation of foreign currencies on the Spanish exchange market was greatest in the middle of 1918. Coincident with the allied military successes beginning in the middle of 1918, the depreciation rapidly became much reduced, as can be seen in Chart 59. Exchange rates improved remarkably in the fall of 1918 as the end of the war appeared near, and at the time of the armistice were back approximately to where they had been a couple of years previously.

In Chart 59, which shows New York exchange rates on Madrid, it will be noticed that the value of the dollar returned to par during the last half of 1919, and that since 1919 the peseta has been at a discount in terms of dollars. In the spring of 1919 the "pegging" of the franc and the pound with the dollar was discontinued, and since that time the currencies have moved independently and the depreciation of the franc and the pound has not carried down with it the value of the dollar in Spain. The removal of the gold embargo by the United States in June, 1919, permitted the settlement of balances between the United States and Spain and was one of the factors improving the value of the dollar after the war.

At the first of 1920 pesetas started downward in New York and continued to fall during the entire year. Since the end of 1919 pesetas have continuously been depreciated in New York in terms of dollars. This depreciation of the peseta has been due mainly to relatively higher prices in Spain than in the United States. The purchasing power parities of the peseta with the dollar in Chart 60 show the value of the peseta in terms of dollars computed on the basis of the ratio between the price levels in the two countries, assuming 1913 to be 100. Bearing in mind that the index numbers for Spain and for the United States have been constructed according to different methods, and thus are not entirely comparable, it will be noted, nevertheless, that in 1921 the value of the peseta in New York according to exchange rates was almost the same as the hypothetical value of the peseta on the basis of the relation between the two price levels. The curves for exchange rates and purchasing power parities move more or less together until May, 1922, when the purchasing power parity value of the peseta rises above that according to exchange rates, and remains continuously above the latter.

The fact that exchange rates have been lower than purchasing power parities since May, 1922, is accounted for largely by the urgent



PAR 19.29

CHART 60

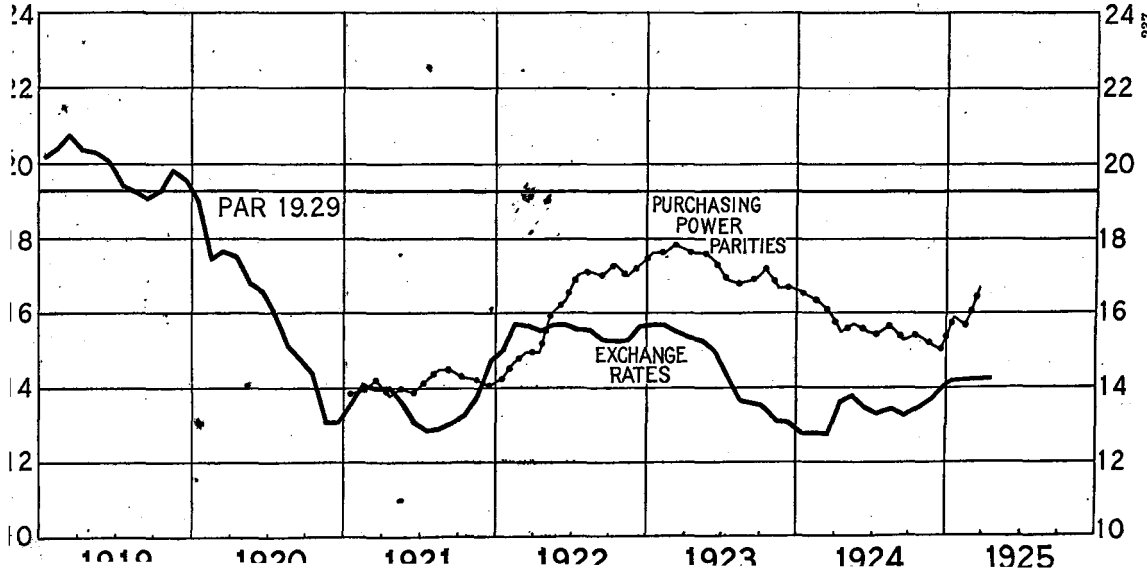
SPAIN—PURCHASING POWER PARITIES AND RATES OF EXCHANGE, MONTHLY, 1910-1925

Purchasing power parities based on index numbers of Institute of Geography and Statistics for Spain, 74 commodities, middle of month, 1913=100; and on index numbers of Federal Reserve Board for United States, 104 commodities, monthly average, 1913=100. Exchange rates, New York on Madrid, monthly average of daily quotations, cable transfers

Cents per peseta

[For figures see Table 94]

Cents per peseta

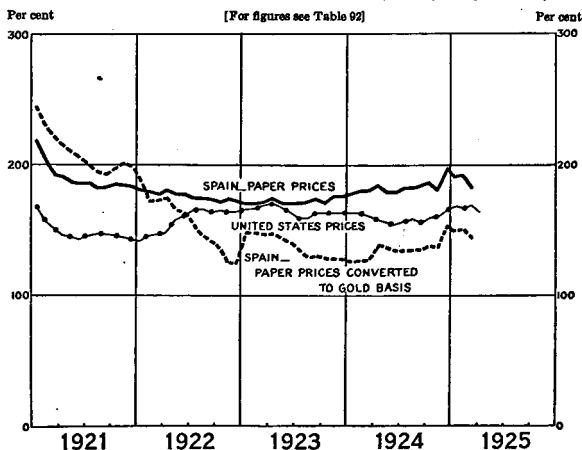


demand for dollars in Europe, due to political and other events, and to disturbed conditions in Spain. The fall in the peseta, or the rise in the dollar, has been due to an important extent to the intense demand for dollars in Europe and elsewhere, which reacted upon peseta exchange. The demand for dollars at some times became relatively greater in Paris and other European centers than in Madrid, and banks in Spain with dollars for sale found it profitable to transfer the dollars to London, Paris, or elsewhere and secure a relatively large amount of pounds or francs, which then could be converted into pesetas. These operations raised the price of dollars

CHART 61

SPAIN—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1921-1925

(Index numbers of Institute of Geography and Statistics, 74 commodities, middle of month, 1913=100. United States Federal Reserve Board index, 104 commodities, monthly average; 1913=100)



in Spain. The fall of the peseta in New York may also have been due in part to an excess of merchandise imports into Spain from the United States and elsewhere during the last few years.

In spite of reduced imports from the United States in 1923 the peseta fell in the United States during the entire year 1923, especially in the last half of the year.¹ The greater proportionate fall of the pound and the franc at this time tended to increase Spanish purchases in Great Britain and France. As the dollar became more expensive importations of American goods competing with British and French goods were affected.

The fall in the peseta during the last half of 1923 was also due to a slight fall in prices in the United States and to a slight rise in prices in Spain, as can be seen in Chart 61. The purchasing power parities

¹ Imports from the United States declined, due largely to depressed conditions in the Spanish textile industry, so that importations of raw cotton from the United States were reduced.

curve in Chart 60, which shows this situation clearly, turned downward in the spring of 1923. These curves also help to explain the improvement in the peseta from the middle of 1921 to the middle of 1922. Prices in the United States rose somewhat during this period and prices in Spain fell somewhat so that the two price curves came close together in the last half of 1922. Exchange movements were erratic in 1920 and 1921 due to the depression which prevailed at this time and which disrupted business and financial conditions. Nevertheless, the influence of the price levels upon exchange rates is very noticeable.

The financial situation in Spain in 1923 and 1924 was not satisfactory. The Government had to resort to borrowing to meet its needs and there was a tendency toward inflation. The note circulation increased, as shown in Chart 56, and the price level tended upward. Another factor in the fall in exchange rates during 1923 and the first part of 1924 was the Spanish campaign in Morocco, which was to a large extent the cause of the disturbed conditions in Spain. The campaign was expensive and did not seem to be meeting with much success. Internal political difficulties in Spain were also a factor which affected the demand and supply of drafts and thus exchange rates.

In the latter part of 1924 and the first of 1925 the value of the peseta in the United States increased to about fourteen and one-half cents, higher than it had been since the middle of 1923. This improvement was part of the general upward movement of European currencies as a result of improved conditions in Europe and large loan flotations in the United States.

During and after the war Spain's policy was conservative as regards credit and currency expansion. The note circulation of Spain increased during the course of the war chiefly as a result of very large gold reserves, rather than as a result of government financing, as was the case in other countries. Although the note circulation is adequately backed by gold, the expansion which has taken place is the chief cause of higher prices and depreciated exchange rates. The large gold importations were used as the basis for new currency, and the note circulation at the present time is more than double that of 1914. It is backed to the extent of about 71 per cent in gold and silver, the silver being about one-sixth of the total reserve. Bank deposits in Spain, both in the Bank of Spain and in the other banks, increased during the war but not to the extent that they did in many other countries. The checking system is used very little in Spain and thus the demand for deposit credit was not as great as it would otherwise have been. Different from most countries, the expansion which has taken place in Spain since 1914 has been to a great extent in note circulation.

IV. CURRENCY REFORM

The change which the war brought about in the character of the reserve behind the note circulation of Spain led to some discussion in Spain of currency reform, involving the establishment of the gold standard. Since 1914 Spain has received net gold importations amounting to about a billion and a half pesetas (about \$300,000,000). This gold went almost entirely into the Bank of Spain and the following figures and Chart 56 show how the reserve position of the bank has been strengthened.

Bank of Spain—Circulation and reserves, 1914-1924

[End of year; 000,000 omitted]

	Reserves			Notes in circulation	Percentage of gold and silver to notes	Percentage of gold to notes
	Silver	Gold	Total			
	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>
1914.....	709	573	1,282	1,974	64.9	29.0
1915.....	753	867	1,620	2,100	77.0	41.0
1916.....	741	1,251	1,992	2,360	84.0	53.9
1917.....	708	1,067	2,676	2,799	96.0	70.0
1918.....	641	2,228	2,870	3,334	86.0	67.0
1919.....	630	2,446	3,076	3,856	79.0	64.0
1920.....	574	2,457	3,031	4,326	70.0	56.7
1921.....	625	2,513	3,138	4,244	73.9	59.2
1922.....	646	2,525	3,170	4,137	76.6	60.9
1923.....	649	2,528	3,177	4,338	73.2	58.2
1924.....	652	2,535	3,187	4,535	70.3	56.1

The introduction of the gold standard into Spain would be very advantageous to the country, both from the standpoint of foreign trade and from that of domestic prosperity. It would create greater confidence in the conduct of business and would practically abolish exchange fluctuations with gold standard countries. A more stable currency than Spain now has under the fiduciary silver standard would encourage trade and intercourse with other countries and would be beneficial not only to Spain but to the other countries as well. If the peseta were a gold unit and were freely convertible into gold, it would soon acquire a prestige which it has never enjoyed, and would place Spain in a position of greater importance in international trade and finance.

A plan for the introduction of the gold standard into Spain was proposed in the spring of 1918 by the Minister of Finance. His measure, which provided that the silver coins be legal tender in limited quantities only, and that gold be placed in circulation, was widely discussed. However, the plan was never adopted. The general sentiment then was that a more propitious time would be found after the close of the war. Agitation for the gold standard has continued to the present time although the question is not now a very live one. Sentiment seems to be in favor of reform, but no definite action in this direction has been taken. Political and other events have occupied the attention of Spain recently.

The introduction of the gold standard involves the question of the gold value to be given the peseta. The general opinion in Spain seems to be that the nominal gold par of 19.29 cents is the most logical and desirable value to give the peseta. However, the present value of the peseta as expressed in exchange rates on New York is considerably below this nominal par. While it is possible that the peseta could gradually be raised to par in the course of a few years, a rising peseta is depressing to business. Stability is what is wanted, and a rising peseta is an evil just as a falling peseta is an evil. Furthermore, the nominal par of 19.29 cents has little practical significance in Spain, especially since the currency has never been at par for any length of time.

If Spain desired to restore the currency to its nominal par, and should announce a redemption date two or three years hence, at which time the silver and paper pesetas would be redeemed in gold, the value of the peseta would gradually rise toward par as the redemption date approached. The present peseta then would have value as an investment, and could not be worth much less than a non-interest-bearing Government security, maturing in three years for example, which the peseta in essence would become.

Spain at present has sufficient gold within the country to undertake redemption of the currency even at the nominal par. However, if this were done paper and silver money would be presented for redemption, which would tend to reduce materially the gold reserve. Therefore, to avoid a great reduction in the reserve, provision should be made for the redemption also of the money in interest-bearing securities, if the holders desired, the securities being made sufficiently attractive to protect the gold reserve, giving assurance that a large amount of the currency would be presented in exchange for securities and thus would become funded. Chart 56 shows the reserve position of the Bank of Spain, and the large amount of gold held.

The gold which is now in the vaults of the Bank of Spain is lying idle and is yielding no interest. It was received by Spain in exchange for goods and services but is at present serving practically no useful purpose to Spain. Most of the gold reserve is in the form of bars or foreign coin which is not legal tender in Spain, and a great part of it would have to be reminted before Spain could undertake redemption, if actual circulation of gold were desired.¹ Actual circulation of gold coin is not essential, and if redemption only in bars or large denominations of coins were made, protection would be afforded to the gold reserve. Arrangements could be made later for the introduction of gold coins into circulation.

The finances of the Spanish Government in recent years have not been in a satisfactory condition. While this does not provide a very good background for currency reform, it is nevertheless not a very serious obstacle, since in Spain the currency system is not tied closely to government finance, as in some other countries. The Government has not been obtaining much revenue through inflation of the currency, and since checks are used very little, credit inflation is not great.

Deficits in the Spanish budget have been occurring regularly since 1913. These deficits have been due to various causes—to the falling

¹ About 200 million dollars in United States gold coin are now held by the Bank of Spain.

off in revenue during the war (especially a reduction in receipts from import duties which are an important source of income), also to increased civil expenditures due to the rise in prices, to extraordinary expenditures, greater military and naval outlays, advances to the railways, and also to expenditures occasioned by the campaign in Morocco. These deficits have been met largely by issues of treasury bills or certificates, many of which have been funded into long-term obligations. The deficits have thus increased the total public debt of Spain and have not led to healthy financial conditions. The following tables show the public debt and the revenues and expenditures of Spain for several years:

Spain—National funded debt, 1900–1923

[Source: Anuario Estadístico de España]

[000 omitted]

	Pesetas		Pesetas
1900.....	10, 135, 265	1912.....	9, 310, 305
1901.....	10, 303, 036	1913.....	9, 321, 570
1902.....	10, 963, 142	1914.....	9, 313, 371
1903.....	10, 963, 055	1915.....	9, 309, 875
1904.....	10, 956, 717	1916.....	9, 275, 113
1905.....	10, 958, 193	1917.....	9, 256, 441
1906.....	11, 143, 555	1918.....	10, 314, 804
1907.....	11, 162, 364	1919.....	10, 306, 220
1908.....	11, 161, 229	1920.....	11, 926, 295
1909.....	11, 330, 209	1921.....	11, 900, 580
1910.....	9, 330, 375	1922.....	11, 859, 921
1911.....	9, 314, 972	1923.....	11, 822, 125

Spain—Receipts and expenditures, 1909–1923

[Source: Anuario Estadístico de España]

[000 omitted]

RECEIPTS

	Direct taxes	Indirect taxes	State monopolies, etc.	Fees, etc.	Miscellaneous	Total receipts
	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>	<i>Pesetas</i>
1909.....	457, 398	375, 016	182, 770	19, 020	31, 265	1, 065, 570
1910.....	460, 391	398, 343	207, 496	18, 356	84, 634	1, 171, 240
1911.....	475, 105	408, 439	195, 834	21, 800	75, 996	1, 177, 174
1912.....	488, 129	415, 383	207, 803	23, 363	27, 047	1, 161, 724
1913.....	496, 117	478, 272	311, 572	20, 710	197, 360	1, 604, 031
1914.....	483, 567	435, 661	308, 270	19, 519	95, 984	1, 343, 002
1915.....	491, 024	363, 882	304, 263	115, 760	641, 474	1, 916, 408
1916.....	517, 943	381, 311	332, 283	99, 027	428, 740	1, 756, 904
1917.....	540, 571	378, 128	348, 361	43, 778	950, 039	2, 290, 877
1918.....	573, 238	380, 802	349, 656	88, 825	442, 673	1, 829, 992
1919 (first quarter) ¹	143, 996	116, 520	80, 688	27, 425	297, 374	666, 028
1919–20.....	631, 876	353, 067	377, 242	100, 735	1, 377, 631	2, 020, 551
1920–21.....	710, 665	685, 214	396, 734	148, 352	357, 357	2, 798, 321
1921–22.....	816, 823	845, 104	801, 339	122, 383	2, 072, 226	4, 357, 874
1922–23.....	868, 717	945, 676	845, 404	51, 912	341, 263	2, 962, 972

Spain—Receipts and expenditures, 1909—1923—Continued

EXPENDITURES

	State	War	Navy	Government	Public Instruction, Treasury and Labor	Total ex- penditures	Deficit
	Pesetas	Pesetas	Pesetas	Pesetas	Pesetas	Pesetas	Pesetas
1909	250,000	64,875,000	273,000		731,000	66,129,000	64,063,430
1910	200,000	54,010,000			875,000	55,085,000	53,913,760
1911	667,000	73,759,000	1,920,000		679,000	77,025,000	75,847,826
1912	2,369,000	84,050,000	1,872,000		722,000	89,013,000	87,851,276
1913	2,089,000	101,089,000	1,436,000	481,000	3,523,000	108,618,000	107,113,969
1914	1,768,000	134,054,000	2,228,000	1,153,000	3,805,000	143,005,000	142,062,998
1915	1,122,000	136,940,000	1,698,000	745,000	3,580,000	143,991,000	142,074,597
1916	12,458,000	131,775,000	1,516,000	1,306,000	2,942,000	150,005,000	148,248,196
1917	4,623,000	103,271,000	1,614,000	845,000	3,030,000	113,383,000	111,122,123
1918	8,634,000	111,802,000	1,689,000	973,000	2,963,000	125,961,000	124,131,108
1919 (first quarter) ¹		29,248,000	471,000	183,000	710,000	30,612,000	29,945,977
1919-20	5,701,000	130,454,000	1,629,000	1,062,000	2,901,000	141,947,000	138,926,449
1920-21	9,683,000	173,047,000	3,272,000	2,347,000	2,887,000	191,236,000	188,437,479
1921-22	7,364,000	502,005,000	4,663,000	2,639,000	3,012,000	519,683,000	515,325,126
1922-23	64,806,000	447,131,000	9,908,000	2,851,000	5,996,000	520,783,000	517,829,028

¹ Fiscal year was changed from calendar year to year ending Mar. 31; later was changed to year ending June 30. Thus year 1922-24 was from Mar. 31, 1923 to June 30, 1924.

General fiscal reform and greater economy are needed in Spain, so that the budget can be brought into balance and the Government's position strengthened. This would react favorably upon private finance and upon the value of the peseta. Spain is not faced with a tremendous war debt as are many of the other countries, and the problem of government finance ought not to be very difficult. The situation in regard to Morocco is the chief source of disturbance in Spain, and until this matter is cleared up, substantial improvement in the finances of Spain is not to be expected.

The war brought somewhat of an industrial and economic revival to Spain. Large profits were made during the war in industry, commerce and banking, and as a result considerable economic development has taken place in the last ten years. There has been increased use of modern mechanical appliances, and a notable development in the use of electricity, and the manufacture in Spain of electrical equipment. The country desires to retain as far as possible the advantages gained during the war, and to become more of an industrial nation. A protective tariff has been adopted to encourage home industry, although the tariff has not proved entirely satisfactory. Banking underwent considerable expansion as a result of the war, and financial institutions have extended their facilities so that in the field of finance, Spain has advanced considerably; the discount market however, still needs development.

If Spain is to retain permanently the advantages gained during the past ten years and to continue to expand and to play a more important part in international trade and finance, which seems to be the ambition of the country at present, the adoption of the gold standard is very desirable. The peseta for several decades has moved not with gold currencies nor with silver currencies, but has been subject to fluctuations entirely of its own. If the peseta were to become a gold unit and if Spain were to become a free gold market the trade and general business conditions of the country would be greatly benefited.

SWEDEN¹

I. PRE-WAR CURRENCY

The present Swedish krona, worth 26.8 cents in American money, is the descendant of the old "debt certificate" daler. During the latter part of the eighteenth century Sweden was on a depreciated paper currency basis, although the theoretical monetary unit was the silver daler. The money which was largely in use, however, was the "debt certificate," paper dalers and the bank notes of the old State bank. The debt certificate dalers were more depreciated than the bank notes. In 1800 the Government arranged for the redemption (to take effect 1803) of the "debt certificate" dalers in bank-note dalers at two-thirds of their nominal value. At the same time, however, the bank-note dalers were depreciated in terms of silver. Legal recognition was given to this fact in 1834, and the bank notes were redeemed at 37½ per cent of their nominal value in silver. Their nominal value had been \$1.072 in American money, so after devaluation they were equal to only 40.2 cents.

In 1855 the "currency" daler or "debt certificate" daler was made the legal unit. Since its value, as noted above, had been reduced to two-thirds of a bank daler, the unit established by the law of 1855 was equal to two-thirds of 40.2 cents, or 26.8 cents, the present par. At that time the currency was redeemable in silver, but in 1873 Sweden adopted the gold standard, and after that date the currency was redeemable in gold continuously down to August, 1914.

The gold krona, the standard monetary unit after 1873, contains 0.44803 of a gram of gold 0.900 fine and is thus the equivalent of 26.798456 cents. Sweden was a member of the Scandinavian Monetary Union, established at this time, and the standard and subsidiary coins of Norway, Sweden, and Denmark were lawful money in all three countries.² In practice, the bank notes of the Scandinavian central banks were also accepted at par in all three countries. The three central banks all held balances for each other, and sold drafts against these balances, usually at par. In this way exchange rates between any two of the Scandinavian countries were kept usually at par.

The control of credit is in the hands of the Bank of Sweden or the Riksbank. This bank is a reorganization of an old State bank founded in 1668. The bank is owned and controlled by the Riksdag or Parliament. It is thus one of the few central banks that is entirely a State bank. The profits of the bank all go to the State, over and above the amounts which go into surplus. Since 1904 the bank has had the exclusive right of note issue. It has a capital of 50,000,000 kronor and a surplus of 12,500,000 kronor. The bank is governed by a board of seven directors, the chairman being appointed by the King and the other six elected by the Riksdag.

¹ This section was prepared by Mr. Elmer Wood.

² The monetary convention between Sweden and Denmark was signed in 1873, and was extended to Norway in 1875. The silver coins were not unlimited legal tender in any of the three countries.

The notes of the bank are legal tender and were so prior to the war. The bank is required to redeem them unconditionally in gold, except during the period of inconvertibility during the war, and thus maintains them at parity. Over and above a fiduciary issue of 125,000,000 kronor the bank must maintain a cash reserve against note circulation of not less than 50 per cent. However, under exceptional circumstances the Government might suspend the reserve requirements, in which case the bank has to pay a tax of 5 per cent per annum on the amount not covered by the 50 per cent reserve.

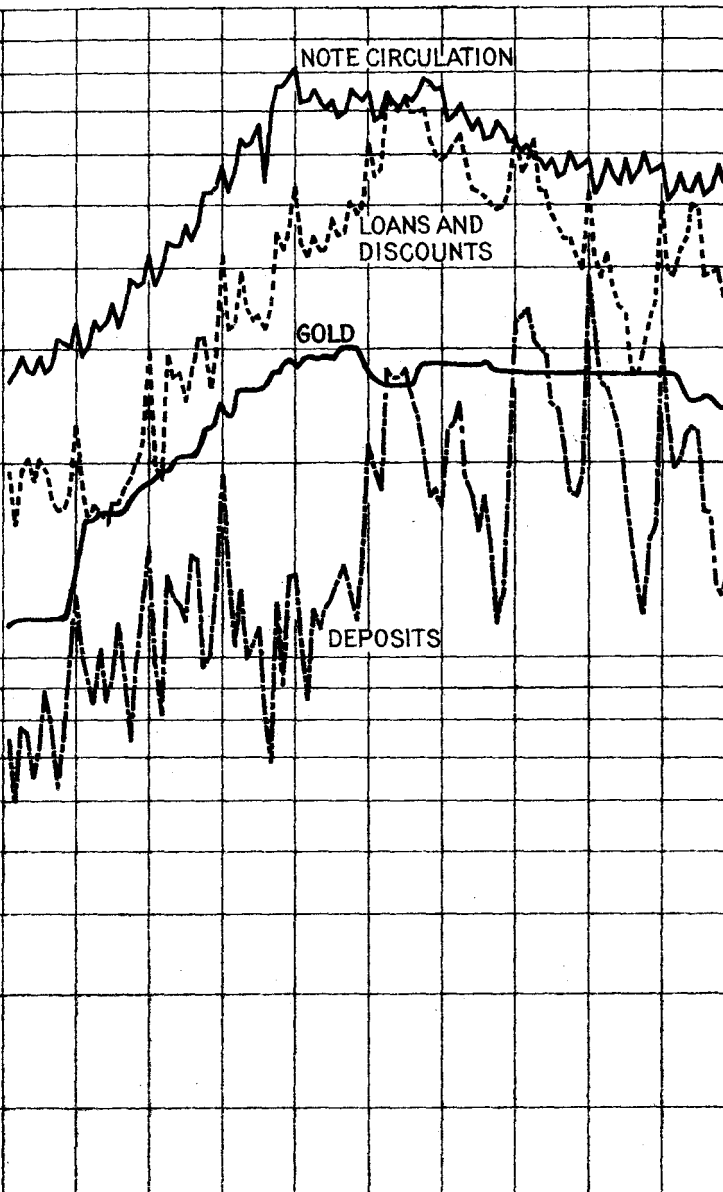
The bank, besides being a bank of rediscount, also does a general banking business. It buys bills of exchange, makes loans on personal guaranty and on collateral security in the form of stocks, bonds, real estate, and commodities in warehouses. It also makes advances to the State and the local governments.

The bank controls the supply of credit available to the business community by regulating the amount of its rediscounts for private banks, and the amount of its advances (in one form or another) to the Government and to the business community directly. The private banks in Sweden hold most of their reserves in the form of deposit credits with the Riksbank or in Riksbank notes. The central institution can therefore regulate the volume of credit put at the disposal of the business community by the private banks through its power of controlling the amount of their reserves.

Little gold circulated in Sweden prior to the war. Most of it was in the vaults of the Riksbank. Since the bank held the gold reserve of the country and was required to meet all demands made on it for redemption, it had to regulate its credit policy in such a manner that the demand for gold was kept within limits it could easily satisfy. Since the principal demand for gold was for export when the exchanges became "unfavorable," it controlled credit in such a manner that the exchanges would not stay unfavorable for too long a time. It would occasionally meet some extra demand for exchange on other countries by shipping gold abroad or selling some of its assets payable abroad. But any persistent tendency for exchange to go above the gold export point could be dealt with only by a curtailment of credit. By and large, therefore, the bank authorities looked to the foreign exchanges to guide them in their credit policy.

Besides the Riksbank, there are two other types of banks doing a general banking business in Sweden, the Enskilda banks and the joint stock banks. The Enskilda banks, of which there were 10 at the end of 1923, have unlimited liability of shareholders. They were favored by investors down to 1897, because they had the right of note issue. Since the banking law of 1897 gave the exclusive right of issue to the Riksbank,² no new Enskilda banks have been founded. The joint stock banks have limited liability of shareholders. There were four of this type of banks doing business at the end of 1923. Both types of banks have branch offices in different parts of Sweden.

² The monopoly of note issue did not become effective until the beginning of 1904.



NOTE CIRCULATION

LOANS AND DISCOUNTS

GOLD

DEPOSITS

II. CURRENCY, CREDIT, AND PRICE MOVEMENTS, 1914-1925

Although Sweden was not one of the belligerents, her economic relations with Germany, Russia, Great Britain, and other countries were so intimate that the outbreak of war in the middle of 1914 caused considerable derangement in the economic life of Sweden. The country abandoned the gold standard on August 3, 1914, when redemption of the notes of the Riksbank was suspended. This suspension continued only until January, 1916, when specie payments were resumed. However, in 1920, after the war, inconvertibility was again introduced and continued until the spring of 1924.

The note circulation of the Riksbank expanded continually during the course of the war, reaching the high point of over 800,000,000 kronor at the end of 1918. This is shown in the accompanying chart (No. 52) which shows the principal items in the Riksbank accounts from 1914 to date. It will be noticed that loans and discounts also expanded during the war, reaching their high points in 1920. The Riksbank received large amounts of gold from the end of 1915 to the latter part of 1919. This increase in gold reserves is also shown in the chart.

Immediately after the outbreak of the war, wholesale prices in Sweden began to rise. This early rise may be considered as due both to the relative scarcity of commodities, and to an expansion of purchasing power.

It must be remembered in speaking of the effect of scarcity of goods on prices that it is always in comparison with the supply of the means of payment. Average prices might have been held stable on the outbreak of the war by a contraction of the currency. But there would still have been a violent change in individual prices; many imported articles of necessity would still have risen and domestic goods would have been depressed. The discount rate of the bank of Sweden, which was $4\frac{1}{2}$ per cent at the outbreak of the war, was raised to $5\frac{1}{2}$ per cent on July 31, 1914, and to $6\frac{1}{2}$ per cent on August 3, 1914; lowered to 6 per cent August 28, and left there for the remainder of 1914.¹ That pressure was not sufficient to prevent the average of wholesale prices from rising, at last when heavily weighted with the prices of raw materials.

At that period and until the spring of 1915, several of the important exchanges, including exchange on London and Paris, were "unfavorable." Ordinarily under such circumstances, drastic measures would have been taken to restore the exchanges to the gold point by a very high bank rate. But the circumstances of the war were considered so unusual that no such action was taken. Prices were allowed to rise, bank notes and deposits increased, an embargo was placed on gold exports, and the exchanges were allowed to remain "unfavorable."

Business soon felt the stimulus of orders from the belligerent nations. The demand for loans at the banks increased. The Bank of Sweden increased its loans; and the private banks also increased

¹ The rediscount rate was lowered to 6 per cent on Aug. 12, 1914, and to $5\frac{1}{4}$ per cent Aug. 28, 1914. Since Apr. 9, 1920, the Riksbank has discontinued the practice of having the discount rate for private individuals and firms different from the rediscount rate for banks.

their loans—synchronizing their increases with those of the central bank. This increase in the means of payment, resulting in an increased amount of spending without a proportionate increase in production—in fact, the supply of goods in Sweden was somewhat less than normal—was the principal cause of the rise in prices which commenced almost immediately after the outbreak of war.

By about the middle of 1915 exchange rates on other countries (except the Netherlands) were down to par again, and after this time went below par. Gold began to come in about the end of 1915, and the reserve of the Riksbank therefore increased. The business community had become accustomed to look at the position of the exchanges and the amount of the gold reserve as guides to credit policy. So long as these indicators were favorable—and there seemed no early prospect of their becoming unfavorable—it was thought safe to continue the expansion of credit. The customary warning signals against an overextension of credit were thus removed, and the increase of the means of payment and the rise of prices continued. The "direct" discount rate, i. e., the rate to customers other than banks and the Government, was lowered to 5½ per cent January 7, 1915, and to 5 per cent May 1, 1916; the rediscount rate was lowered to 5 per cent January 8, 1915, and to 4½ May 1, 1916.

On February 4, 1916, the Riksbank asked the Government to relieve it of the obligation to accept gold at the legal rate. The bank gave as its reason that it held all the gold it needed, and that it could not dispose of gold purchased at the legal rate except at a considerable loss on account of the exchanges being then favorable to Sweden.

By the law of February 8, 1916, the Riksbank was relieved of the obligation to buy gold. The free coinage of gold at the mint was suspended April 28, 1916. The exclusion policy could not be applied immediately to Scandinavian gold coin on account of the Scandinavian monetary convention. Norway and Denmark had also abolished the free coinage of gold, but there was nothing to prevent the central banks of those countries from buying gold in the open market, coining it, and sending it to Sweden; or sending old Scandinavian gold coin. So long as exchange with Norway and Denmark was practically at par, there was no incentive for the central banks of those countries to send gold to Sweden.

However, by August, 1916 (for Denmark), and September, 1916 (for Norway), exchange rates on Sweden in those countries were high enough to make the sending of gold profitable and gold was sent. On advice from the Riksbank, the Swedish Government called a conference which met in Stockholm April 17, 1917, and at which the three Scandinavian central banks were represented. The conference recommended that the existing embargo on gold exports in all three countries be rigidly enforced. Shipments of Scandinavian gold coin to Sweden, however, continued until the autumn of 1917.

After the autumn of 1917 the Riksbank took only such amounts of gold as it saw fit to purchase in the open market, which were, however, quite considerable. The gold reserve grew from about 215,000,000 kronor in September, 1917, to a maximum of about 300,000,000 kronor in August, 1919. Obviously, the purchase of gold was a factor tending to increase the demand liabilities of the bank, and so the volume of credit put at the disposal of the business community.

Loans and discounts of the bank increased from about 312,000,000 kronor in September, 1917—which was near the time the gold exclusion policy became finally effective—to about 727,000,000 kronor in March, 1920. Just how much more inflation there would have been if gold had not been excluded it is not possible to say. The following tables show significant assets and liabilities in the Bank of Sweden and in the private banks of Sweden:

Sweden—Significant assets and liabilities of the Bank of Sweden and the Swedish private banks

[Source: Annual reports of the Bank of Sweden. Amounts in thousands of kronor. Average for the year]

BANK OF SWEDEN
(Riksbank)

	Assets					Liabilities			
	Domestic bills	Loans (against securities, merchandise, etc.)	Advances on current account (over-drafts)	Total domestic loans, discounts, and advances	Foreign bills and net foreign balances	Public deposits on current account	Other deposits on current account	Total deposits	Note circulation
1911	98,908	15,977	4,252	119,137	76,888	40,679	3,472	44,151	192,517
1912	101,790	13,127	3,017	117,933	98,190	45,411	3,954	50,365	202,401
1913	121,466	15,171	2,759	139,396	79,474	54,803	4,711	59,515	209,924
1914	119,265	16,735	2,519	138,518	86,000	67,144	5,233	72,377	243,300
1915	93,103	29,115	2,135	124,353	91,671	71,219	7,980	79,199	261,787
1916	54,274	18,686	1,945	74,905	150,650	84,458	14,311	98,767	333,862
1917	116,659	39,716	1,835	158,210	135,810	112,355	11,123	123,479	450,952
1918	176,375	102,628	1,155	280,159	132,451	91,895	17,520	109,415	651,220
1919	235,522	146,519	1,468	383,499	134,389	116,296	11,780	128,076	708,206
1920	537,350	65,716	1,284	604,350	96,279	208,668	17,091	225,759	710,710
1921	450,885	28,565	1,994	481,443	112,754	182,366	10,368	192,733	840,615
1922	413,250	28,585	2,629	454,464	93,686	259,671	9,477	269,148	654,848
1923	294,210	49,756	1,943	345,908	58,568	199,703	9,086	208,789	536,173
1924	366,318	48,544	2,036	416,897	45,004	187,171	9,052	196,223	510,169

PRIVATE BANKS

	Assets					Liabilities			
	Domestic bills	Loans (against securities, merchandise, etc.)	Advances on current account (over-drafts)	Total domestic loans, discounts, and advances	Foreign bills and net foreign balances	Giro (transfer) accounts	Deposits on current account	Deposits, time and subject to notice	Total (not including savings deposits)
1911	586,034	1,032,218	473,214	2,091,466	33,814	112,044	98,156	995,501	1,202,700
1912	576,368	1,097,772	409,395	2,143,535	15,951	160,631	52,578	1,038,044	1,248,151
1913	557,892	1,186,062	508,179	2,251,863	9,688	168,795	58,524	1,095,458	1,319,777
1914	588,614	1,250,703	516,917	2,356,234	12,558	181,675	68,608	1,143,628	1,393,911
1915	667,252	1,310,261	519,261	2,486,774	81,750	271,684	84,865	1,178,549	1,535,098
1916	773,528	1,407,981	567,067	2,748,575	198,708	401,526	116,624	1,296,189	1,814,339
1917	930,658	1,677,410	728,844	3,336,912	350,353	614,269	146,132	1,517,461	2,277,882
1918	1,306,455	2,079,512	1,180,196	4,565,162	351,500	913,482	155,382	2,138,491	3,207,355
1919	1,621,297	2,337,616	1,647,899	5,606,802	419,535	1,050,070	188,205	2,639,188	3,877,463
1920	1,809,867	2,545,738	1,653,146	5,008,295	215,726	1,105,574	271,372	2,768,628	4,144,999
1921	1,617,428	2,680,596	1,649,012	5,948,236	202,782	967,432	271,224	2,929,900	4,168,556
1922	1,176,492	2,913,306	1,226,623	5,316,421	170,033	799,249	341,693	2,065,470	3,507,512
1923	963,148	2,833,809	940,968	4,740,008	63,481	564,558	493,264	2,272,430	3,830,252
1924	935,972	2,673,108	881,259	4,490,338	49,046	474,610	485,232	2,078,469	3,638,811

Before the war the three Scandinavian countries had similar currencies in accordance with the Scandinavian Monetary Union, and the various coins circulated interchangeably in the three countries. However, when the currencies of Norway and Denmark became depreciated in Sweden, and when gold shipments were interfered with, the silver coins were sent to Sweden. Large quantities of fiduciary silver currency appeared in Sweden. The traffic was then stopped and Norway and Denmark bought back their silver at considerable expense.²

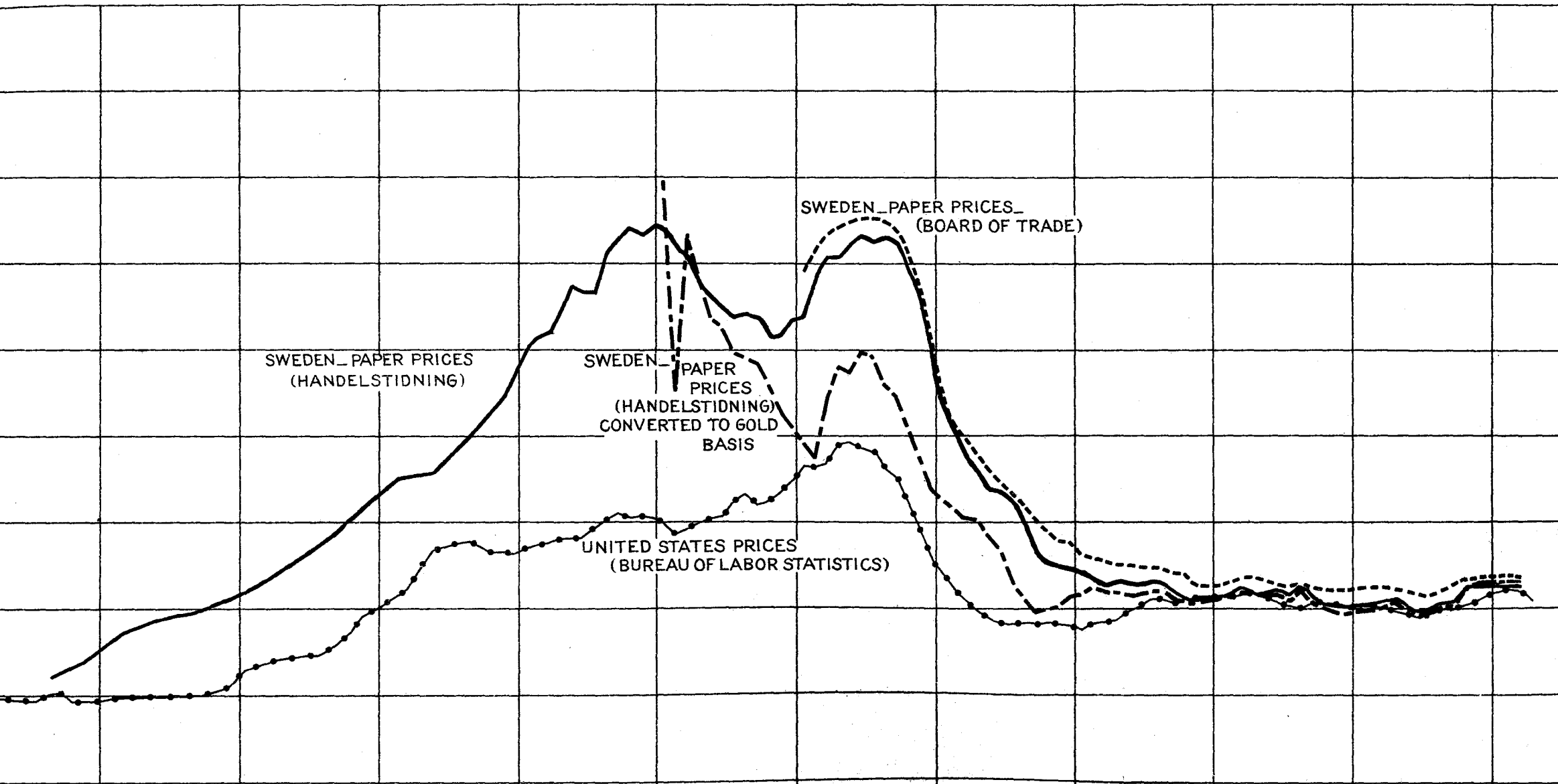
By the end of 1915, the average of wholesale prices in Sweden had risen more than 50 per cent as compared with the pre-war average; by the third quarter of 1916 the average had risen by 91 per cent; and by the third quarter of 1917 by 149 per cent. The accompanying chart (No. 63) shows the course of prices in Sweden since the middle of 1914. Except for the critical three weeks in August, 1914, the bank rate was not raised above 6 per cent until December 12, 1917, when it was raised to 7 per cent. In spite of this, high rate inflation continued until the end of 1918. The first peak in price inflation was reached in December, 1918, when the index number showed an average increase of 272 per cent over the pre-war level.

After the armistice, there was an appreciable fall in prices, which continued through most of 1919. The market almost immediately discounted an increase in the supply of commodities which soon took place. Furthermore, business men for several months were apprehensive as to the immediate effect of peace upon business activity and prosperity. However, the credit of the Riksbank showed little tendency to decline, making allowance for seasonal variations, and the average of loans and discounts in 1919 was even greater than in 1918.

Beginning in the latter part of 1919, there was a further expansion of credit, and another upward movement of prices. In June, 1920, loans and discounts of the Riksbank reached 726,000,000 kronor, as compared with 478,000,000 kronor for the corresponding month of the previous year; note circulation reached 736,000,000, as compared with 728,000,000, and current account deposits reached 280,000,000 as compared with 124,000,000. Prices reached their maximum about June, 1920, when the index number was 366. There was no very appreciable drop until September. From the latter part of 1920 to about the middle of 1922 the note circulation showed a gradual decline. Since the middle of 1922 the circulation has not shown a pronounced tendency either up or down.

The fall of wholesale prices in Sweden was even more precipitate than the fall in England and the United States. According to the Handelstidning index, prices fell from 362 in September, 1920, to 182 in September, 1921. After that there was a less precipitous fall lasting until the autumn of 1922—the index reached 155 in October. From the latter part of 1922 to the present, prices in Sweden have remained relatively stable at about 150.

² In February, 1924, Sweden declared the money of Denmark and Norway no longer valid in Sweden.



III. FOREIGN TRADE

Before 1914, Sweden regularly had an excess of merchandise imports, as can be seen from the accompanying chart (No. 64). The excess of imports for the years 1904-1913 averaged nearly 100,000,000 kronor. The excess in the latter part of this period had been becoming smaller. Another debit in the balance of international payments was interest and dividends to be paid by Sweden on her securities held abroad. Swedish Government bonds held abroad in 1913 amounted to about 570,000,000 kronor, which was by far the greater part of the Government debt.¹

On the credit side of the international balance of payments, the two most important items (in the net) were shipping receipts of Swedish vessels obtained from foreigners, and payments to Sweden for Swedish securities sold abroad. The amounts of the net shipping receipts and also the net credits or debits resulting from both the foreign trade in merchandise and the foreign shipping are given in the following table.

Sweden—Balance of merchandise trade and foreign shipping receipts

[Source: Sjöfart Berättelse För År 1922 av Kommerskollegium and Swedish Statistical Year Book, 1924. Amounts in thousands of kronor]

	Excess of merchandise		Foreign shipping receipts	Net debits	Net credits
	Imports	Exports			
1912.....	29,191	.....	124,460	.....	95,269
1914.....	.....	45,447	116,553	.....	162,000
1915.....	.....	173,859	240,768	.....	414,627
1916.....	.....	417,810	412,892	.....	830,702
1917.....	.....	590,941	285,482	.....	876,423
1918.....	.....	117,123	463,860	.....	570,983
1919.....	958,280	.....	473,490	484,790	.....
1920.....	1,035,816	.....	482,916	552,900	.....
1921.....	161,448	.....	182,708	21,260	.....
1922.....	.....	20,549	171,768	211,317	.....
1923.....	162,476	.....	.....	.....	.....

As to the sale of securities abroad, there has been, of course, some movement both ways; but in the net, Sweden has been a borrowing country. Capital in Sweden is scarce relative to other productive forces, and Sweden has borrowed from countries such as England where capital was relatively more plentiful. Another credit item of some importance is the remittances of Swedish emigrants to their relatives in Sweden.

During the war there was a very noticeable shift in Sweden's balance of merchandise trade. Belligerent countries made large purchases in Sweden, and during the five years 1914-1918 there was a balance of exports amounting in round numbers to 1,345,000,000 kronor. As ocean freight rates were high during the war, there was a large increase in foreign shipping receipts. If we consider both items,

¹ Ninety-two per cent of the total outstanding.

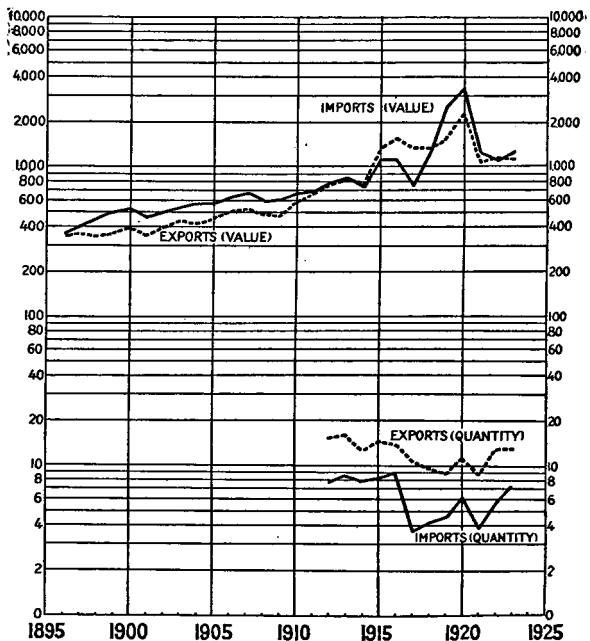
there was a credit balance for the five-year period of 2,855,000,000 kronor. Furthermore, there was a large reduction in the net amount of interest payable abroad on account of the return to Sweden of Swedish securities previously held abroad.

CHART 64

SWEDEN—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1895-1923

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

Millions of crowns or metric tons [For figures see Table 111] Millions of crowns or metric tons



This large increase on the credit side of the international balance of payments was, of course, offset by a corresponding increase on the debit side; but the items can not be given in detail. However, some of the outstanding debit items can be given. The excess of imports of gold and silver coin and bullion for the five years amounted to 200,000,000 kronor. Also there was a heavy increase in the foreign credits extended by the Riksbank and by the private banks. In December, 1913, foreign bills and foreign balances of the Riksbank amounted to 94,000,000 kronor. This item increased to 147,000,000

in February, 1919—an increase of 53,000,000. The private banks in December, 1913, were creditors (in the net) as regards foreign bills, and foreign balances to the amount of 22,000,000 kronor; while in February, 1919, they were creditors to the amount of 462,000,000. The net increase in the foreign credits extended by all banks during the five-year period was therefore about 490,000,000 kronor. Another important debit item already mentioned in another connection, was the return to Sweden of Swedish securities previously held abroad. At the end of 1913, the Swedish State debt held abroad amounted to about 570,200,000 kronor; while at the end of 1918 this amount had decreased to 465,500,000—a decline of 104,700,000. Altogether between July 1, 1914, and December 31, 1913, not less than 418,000,000 kronor of foreign-held State bonds were repurchased by Swedish nationals.² Also, large amounts of municipal and mortgage bank bonds and industrial securities were returned to Sweden. Finally, considerable investments were made by Sweden in foreign securities—principally British, French, and German. The accompanying chart (No. 65) shows the monthly imports and exports of Sweden from the first of 1913 to date.

The great increase in Swedish foreign trade in 1919 and 1920, shown clearly on the chart, was one phase of the post-war business boom, and was made possible largely by the partial removal of trade restrictions in Europe and the United States. In both of these years the values of imports, exports, and the balance of imports passed all records. This expansion was to a large extent due merely to very high prices. The following table gives an index number of imports and exports of important commodities computed on the basis of 1913 prices.³

Sweden—Index number of imports and exports of important commodities on the basis of 1913 prices

[Source: Ekonomisk översikt. Base is corresponding month in 1913]

	Imports	Exports		Imports	Exports
1913			1920		
January.....	100	100	September.....	115.6	78.9
February.....	100	100	October.....	97.1	68.7
March.....	100	100	November.....	88.8	58.7
April.....	100	100	December.....	98.9	58.8
May.....	100	100	Average.....	123.4	76.9
June.....	100	100	1921		
July.....	100	100	January.....	67.2	46.8
August.....	100	100	February.....	72.1	56.0
September.....	100	100	March.....	58.0	54.4
October.....	100	100	April.....	60.7	41.5
November.....	100	100	May.....	57.4	30.8
December.....	100	100	June.....	72.0	28.3
Average.....	100.2	82.8	July.....	96.6	45.5
1920			August.....	87.0	54.8
January.....	130.5	83.1	September.....	94.0	60.1
February.....	171.6	77.1	October.....	72.6	58.8
March.....	161.9	108.6	1921		
April.....	126.8	76.7	November.....	76.0	71.0
May.....	120.1	74.8	December.....	118.9	79.6
June.....	138.4	87.1	Average.....	77.6	63.0
July.....	133.1	98.0			
August.....	111.1	71.2			

² Riksgäldskontoret Årsbok 1923-24, p. 68.

³ The base for each month is the corresponding month in 1913. The element of seasonal variation is thus largely eliminated, assuming the variation in 1913 was representative.

Sweden—Index number of imports and exports of important commodities on the basis of 1913 prices—Continued

	Imports	Exports		Imports	Exports
1922			1923		
January.....	83.0	58.1	March.....	120.8	85.9
February.....	52.5	40.6	April.....	108.1	55.5
March.....	108.1	87.3	May.....	98.3	70.5
April.....	91.7	50.7	June.....	115.3	94.4
May.....	74.7	55.0	July.....	110.4	80.5
June.....	82.3	85.5	August.....	116.3	82.5
July.....	75.3	83.5	September.....	133.6	79.5
August.....	95.9	93.4	October.....	129.4	79.2
September.....	98.6	94.2	November.....	134.6	80.9
October.....	91.9	93.0	December.....	129.3	108.4
November.....	106.5	109.1	Average.....	117.5	80.9
December.....	129.5	108.8	1924		
Average.....	91.2	82.3	January.....	137.7	85.5
1923			February.....	122.0	77.3
January.....	103.8	82.8	March.....	111.2	95.2
February.....	104.9	66.8	April.....	148.9	72.3

Such an index should represent fairly well the change in the physical volume of imports and exports. The index shows an increase of imports of 23.4 per cent over 1913 for 1920. As regards exports, the index indicates that physical quantities in 1920 were much below quantities in 1913. The table in the back of the report shows imports and exports with everything reduced to tons. According to this table, both imports and exports measured in physical amounts were much less during the prosperous years of 1919 and 1920 than in 1913; and no larger than the average for the years 1916, 1917, and 1918; although this measure of the physical volume of trade appears less significant than the index computed from quantities weighted by 1913 prices.

The excess of import values for 1919 and 1920 amounted to 2,000,000,000 kronor. Nearly all stocks of imported commodities had become very low during the war, and with the power of buying abroad which Sweden possessed, it is not surprising that there should have been a large excess of imports. This excess of merchandise imports was paid for to the extent of about 1,000,000,000 kronor by foreign shipping receipts. The height of ocean freight rates during 1920 may be judged from the following: The rate on coal from England to Sweden in 1920 was 47.50 kronor per ton, while in 1923 it was only 5.55 kronor per ton. The rate on lumber from Sweden to England in 1920 was 182.50 kronor per standard; in 1923, 40.25 kronor.

Another credit which helped to pay for the large excess of imports during 1919 and 1920 was the liquidation of foreign assets by the Riksbank and private banks. From February, 1919, to March, 1921, there was a decline in the amount of such assets of 346,000,000 kronor. Also, trade credits were granted Swedish importers by New York and London.

There was a heavy decline in import and export values after 1920; and the trade was restored to something like the pre-war normal—after allowing for the difference in prices. The decline in the physical quantities of imports and exports in 1921 was very much less than the decline in values imported and exported. By 1923 the physical quantities of imports as measured by the index numbers were well

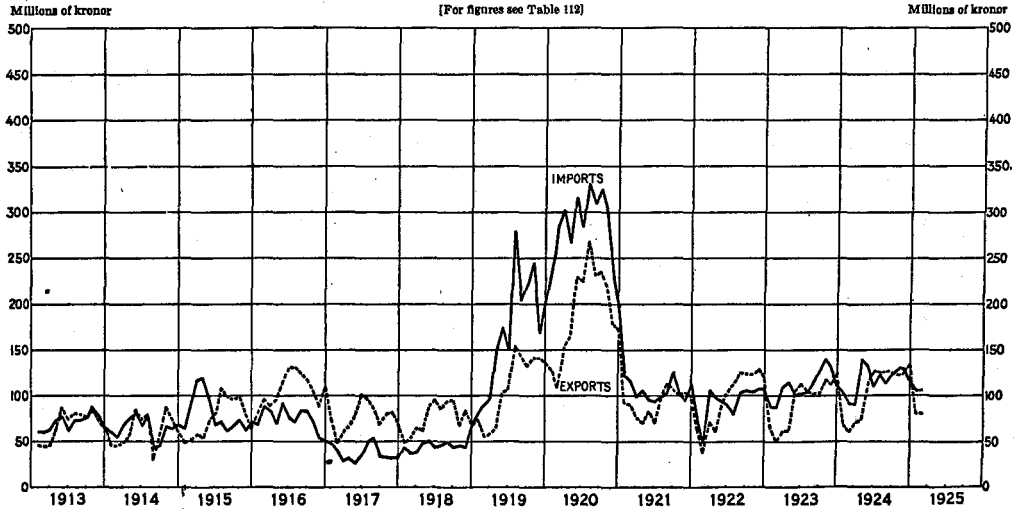
CHART 65

SWEDEN—IMPORTS AND EXPORTS OF MERCHANDISE, MONTHLY, 1913-1925

VALUE

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

[For figures see Table 112]



above the 1913 level—practically the same as for 1920. The physical quantities of exports, though considerably above the 1921 level, were still below the level for 1913.

The following table gives an estimate of the items in the balance of international payments for 1923.

Sweden—Balance of international payments, 1923

[Västnik Finansov, Moscow, November, 1924, p. 267-268]

DEBITS	Millions of kronor	CREDITS	Millions of kronor
1. Imports of merchandise.....	1, 295	1. Exports of merchandise.....	1, 142
2. Imports of gold and silver.....	6	2. Exports of gold and silver.....	21
3. Imports of foreign securities.....	22	3. Sales of Swedish securities abroad.....	20
4. Redemption of foreign-held Swedish securities.....	48	4. Other imports of foreign capital.....	20
5. Interest on and amortization of foreign-held Swedish State debt.....	10	5. Interest and amortization received from abroad.....	20
6. Interest on and amortization of foreign-held other Swedish securities.....	10	6. Emigrant remittances.....	20
7. Net tourist expenditures.....	25	7. Net freight earnings of Swedish merchant marine.....	125
8. Expenditures for charities abroad.....	15	8. Excess of debits.....	63
Total.....	1, 431	Total.....	1, 431

Swedish exports were severely affected by the depression beginning in 1920. Exports of lumber declined from 568,000,000 kronor in 1920 to 173,000,000 kronor in 1921; unmanufactured metals declined from 149,000,000 kronor to 58,000,000 kronor; wood pulp from 475,000,000 kronor to 175,000,000 kronor. The foreign demand for wood pulp soon improved, due in no small degree to increased buying in the United States. The advance of reconstruction work contributed to increased foreign purchases of lumber in 1922. The following figures show the imports and exports of Sweden according to principal countries:

Sweden—Imports and exports by principal countries

[Source: Statistisk Årsbok för Sverige. 000 omitted]

	1913	1923		1913	1923
IMPORTS			EXPORTS		
	<i>Kronor</i>	<i>Kronor</i>		<i>Kronor</i>	<i>Kronor</i>
Germany.....	289, 002	342, 063	Great Britain.....	237, 885	338, 448
Great Britain.....	206, 814	284, 335	United States.....	84, 403	128, 442
United States.....	76, 583	213, 700	Germany.....	179, 078	89, 649
Denmark.....	51, 823	103, 382	France.....	66, 290	88, 554
Netherlands.....	20, 884	51, 716	Denmark.....	70, 282	80, 859
France.....	35, 284	38, 463	Norway.....	54, 084	72, 737
Argentina.....	16, 988	36, 950	Spain.....	11, 219	26, 308
Norway.....	25, 928	33, 583	Netherlands.....	19, 226	24, 505
Brazil.....	17, 687	29, 945	Belgium.....	18, 598	33, 579
Belgium.....	13, 398	23, 115	Russia.....	32, 438	33, 547
Finland.....	21, 258	22, 405	Finland.....	14, 540	25, 406
Italy.....	5, 083	10, 791	Argentina.....	8, 785	9, 513
Spain.....	3, 966	5, 895	Italy.....	4, 443	7, 767
Russia.....	29, 262	3, 124	Brazil.....	2, 294	4, 998
All other countries.....	31, 078	95, 204	All other countries.....	63, 872	137, 053
Total.....	846, 538	1, 294, 571	Total.....	817, 347	1, 142, 086

The United States in 1923 was Sweden's second best customer, Swedish exports to Germany have declined considerably, owing to the industrial disorganization of Germany and other disturbances. Exports of iron ore to the Ruhr were especially affected, which is one reason why recovery in the Swedish iron-ore industry has been de-

layed. Exporters of ore have had to push their sales in other markets. The United States has been a large buyer of Swedish iron ore recently.

The chief exports of Sweden are wood pulp, lumber, ships, electrical apparatus, and iron ore. The chief imports consist of coal and coke, textile manufactures, automobiles, and other manufactured articles. The following table shows the principal articles imported and exported by Sweden:

Sweden—Imports and exports of merchandise, by principal commodities 1913, 1920, and 1923

[Source: Statistisk Årsbok för Sverige. See chart. 000 omitted]

Commodities	Imports			Exports		
	1913	1920	1923	1913	1920	1923
Live animals.....	Kronor 3,413	Kronor 23,877	Kronor 908	Kronor 19,922	Kronor 2,908	Kronor 9,536
Animal foods.....	28,827	152,075	48,785	73,452	36,137	45,993
Cereals and their products.....	65,290	141,185	100,937	11,031	19,425	6,492
Colonial products (sugar, coffee, etc.).....	60,068	253,350	99,526	686	8,781	897
Fruits, nuts, and other vegetable products.....	17,015	64,377	46,333	875	7,910	375
Alcoholic drinks.....	9,830	50,256	17,736	776	4,592	226
Textile materials.....	60,138	151,953	87,189	2,374	6,890	1,953
Yarn, thread, and cordages.....	21,083	116,688	39,473	2,628	3,381	4,217
Textile manufactures.....	62,062	368,173	119,850	5,692	23,241	16,635
Hides, hair, bones, horns, etc.....	47,646	134,013	52,709	23,284	32,978	21,676
Manufactures of hides, hair, bones, horns, etc.....	5,735	43,088	12,773	395	2,443	1,632
Tallow, oils, tars, resinous substances, etc.....	67,061	189,019	79,186	5,404	34,729	10,313
Manufactures of tallow, oils, etc.....	7,779	42,273	15,484	3,353	4,169	4,967
Wood, timber, and lumber (including pulp wood).....	15,355	17,627	13,916	20,893	48,975	32,959
Wood, sawed not planed.....	2,009	8,448	3,589	137,967	453,103	203,572
Other wood products manufactures.....	3,568	10,518	4,104	50,552	114,403	74,675
Paints and dyes.....	7,266	28,794	17,122	814	2,715	913
All other vegetable materials (including oil, etc.).....	43,192	79,454	46,505	2,084	8,070	6,171
Wood pulp, paper board, and manufactures of.....	4,948	43,364	13,112	142,784	736,842	311,758
Other vegetable products.....	4,444	16,260	7,993	765	2,757	779
Minerals, crude and partly worked (including coal and coke).....	148,807	659,335	180,362	94,142	123,346	97,362
Minerals, manufactures of.....	8,828	46,277	20,121	37,349	110,151	63,784
Metals, raw and partly worked.....	48,796	160,970	65,265	78,623	149,287	62,088
Metals, manufactures of.....	40,845	149,896	57,046	29,543	118,168	45,150
Ships, vehicles, including automobiles, electrical apparatus, instruments, watches, etc.....	51,267	325,564	119,263	62,966	213,860	114,191
Other articles.....	10,648	31,386	20,386	3,008	11,035	4,182
Total.....	846,538	3,314,111	1,294,571	817,347	2,278,295	1,142,096

IV. EXCHANGE RATES AND PURCHASING POWER PARITIES

Swedish exchange, unlike French and British, did not go to a premium in New York at the outbreak of the war or during 1914. The rate continued to sag from month to month, reaching a low point of 25.12 cents per krona in 1914, and a low of 24.28 in February, 1915. (The gold par is 26.8 cents per krona.) The explanation of the depreciation is in part that both dollars and kronor were at a discount in London and Paris. Thus individuals in New York could not avoid paying the premium on sterling by purchasing kronor and selling the kronor in London. The demand in New York for kronor, therefore, did not raise this currency to a premium. The various rates appear to have been imperfectly arbitrated, which is not very surprising considering the derangement of the exchange market at that time.

In Sweden, sterling, francs, dollars, and guilders all continued to rise from the outbreak of the war until February or March, 1915. There was then a sharp drop, followed by a slight recovery. By the end of the year all except guilders were below par. German marks went below par in October, 1914, and continued to sag through 1915. Russian rubles were already below par at the beginning of August, 1914, and fell very rapidly after that. Some general idea of the situation can be gathered from the following figures:

Sweden—Percentage rates of exchange, Stockholm on various countries

[Source: Report of the Bank of Sweden]

	High, 1914	High, 1915	Low, 1915
Great Britain.....	105. 73	107. 38	90. 58
France.....	107. 64	106. 33	82. 92
United States.....	106. 66	109. 34	93. 80
Netherlands.....	108. 67	109. 34	98. 01
Germany.....	100. 46	98. 78	78. 78

The explanation of the discount which attached to Swedish currency in the world's financial center in the early period of the war is found largely in the fact that London was the creditor of other financial centers both in the short time money market and in the long time capital market. London could regularly bring sterling exchange to a premium in foreign markets by calling in loans outstanding in other parts of the world. Under pre-war conditions this sort of pressure was seldom exerted. However, under conditions of the war, the restriction of credit to other markets became unusually severe. New York was placed in the same embarrassing position as Stockholm, and the rate for the pound sterling in dollars went unusually high. But while bankers in New York made strenuous efforts to send gold to meet their obligations, the Swedish Government prohibited the export of gold. Swedish exchange, therefore, remained at a discount longer in the London market than

did dollars in London. It followed logically that dollars, being soon brought close to par in London, rose to a premium in Stockholm. As the war progressed, the demand for Swedish imports by Great Britain and her allies increased. At the same time exports to Sweden were seriously curtailed. The result was that Swedish exchange went to a high premium in London—sterling to a heavy discount in Stockholm. The following figures show the per cent which sterling was of par from 1914 through 1924:

Sweden—Percentage rates for the pound sterling in Stockholm (sight drafts)

[Source: Annual reports of the Bank of Sweden]

Year	High	Low	Average	Year	High	Low	Average
1914.....	105.73	100.06	101.65	1920.....	102.43	94.33	98.74
1915.....	107.36	90.58	101.05	1921.....	97.74	90.31	94.28
1916.....	96.09	84.53	91.41	1922.....	95.87	90.59	93.23
1917.....	90.04	80.57	81.72	1923.....	97.63	89.59	94.04
1918.....	94.17	72.58	80.62	1924.....	96.81	88.93	91.74
1919.....	101.32	89.65	96.00				

It is necessary to consider exchange relations between Sweden and Great Britain in order to understand exchange relations between Sweden and the United States. Great Britain took measures to protect sterling in the United States. The other allied countries, aided by Great Britain, took similar measures to protect their exchanges. After a sharp drop in the early autumn of 1915 the sterling rate in New York remained at about \$4.76 compared with par of \$4.86. Before the United States entered the war sterling, francs, etc., were supported by gold sent to this country and by credits obtained through American banking houses. After the United States entered the war the necessary support was furnished by United States Treasury advances to the allied governments. Inasmuch as the allied exchanges were supported in New York, bills drawn on London, Paris, etc., originating in other markets, including Sweden, were sent to New York to be disposed of. If the dollar funds thus obtained by bankers and merchants in Sweden could have been freely turned into gold, the gold sent to Sweden and coined at the Swedish mint, obviously no considerable discount on dollar exchange could have arisen in Sweden. But a good deal of the time these conditions did not exist. There was great risk in sending gold from the United States to Sweden. Besides, there was an embargo on gold exports from the United States from September 7, 1917, to June 30, 1919. And then if the gold had reached Sweden, it could not have been coined after April 28, 1916.

Another factor which tended to depreciate dollars in Sweden had to do with the various restrictions placed on commodity imports into Sweden and commodity exports from the United States. Before the United States entered the war the chief hindrance on foreign trade was the allied restrictions on imports into Sweden. After the United States entered the war there was the additional hindrance of American restrictions on exports from the United States. Prices in the United States were not so high that a low rate for dollar exchange was required to attract purchasers of dollar drafts. On the con-

trary, prices were much higher in Sweden than in either Great Britain or the United States. The large supply of dollar drafts in relation to the demand for such drafts was due especially to the trade restrictions which interfered with the importation of American and other goods into Sweden. The accompanying chart (No. 66) shows the high and low exchange rates in New York for Swedish kronor since 1914.

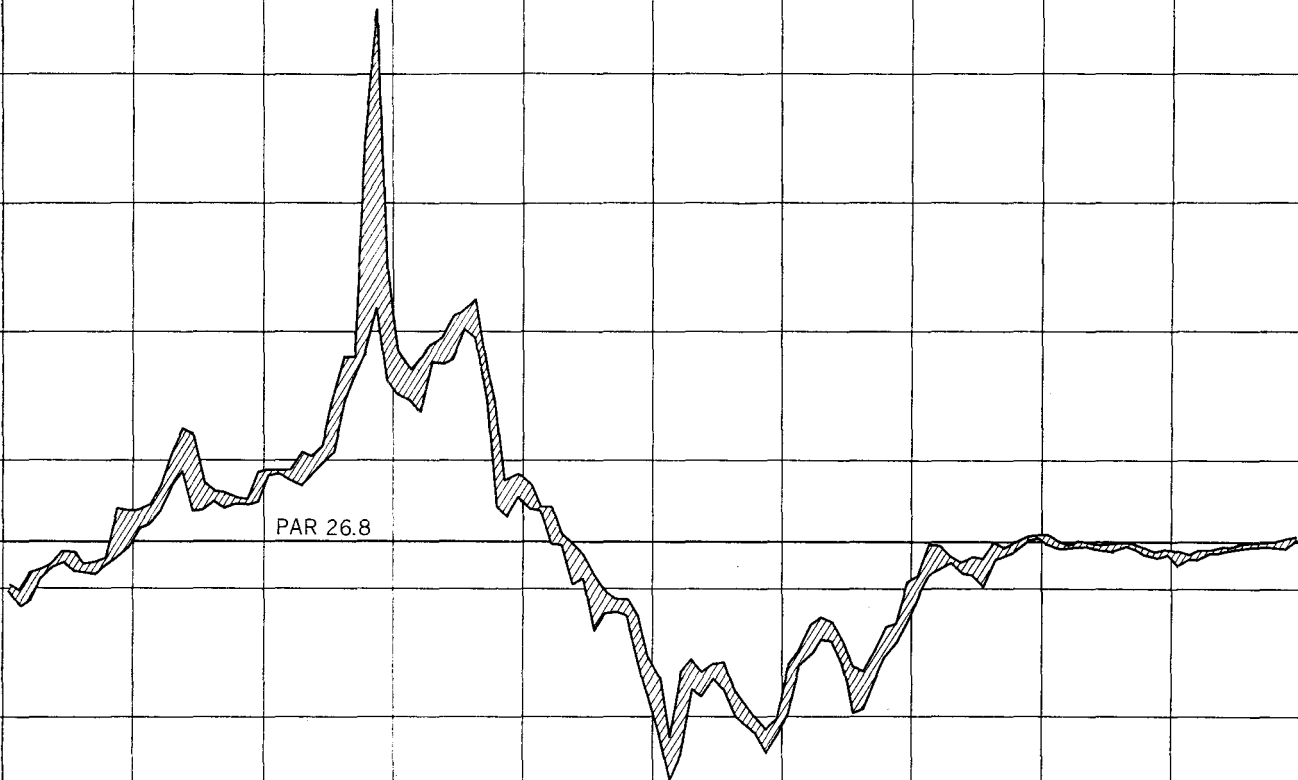
After the United States entered the war in 1917 the premium on the krona increased. In November, 1917, the krona was selling for over 47 cents, as compared with par of 26.8 cents. The decline from this high point was rapid, although a reaction took place in the spring and summer of 1918 when the allies were meeting with military reverses.

After August, 1918, the krona began to fall in New York—dollar exchange in Sweden began to rise rapidly. The krona reached par in March, 1919, and continued to decline rapidly, since it was in this month that the artificial support in New York was withdrawn from the pound and other allied currencies. The noon rate for cable transfers fell to 17.70 cents per krona February 4, 1920, and, after recovering to 22.35 cents in April, fell again to 18.60 cents November 8, 1920. The decline during the last half of 1920 was due in part to the business depression in the United States. The United States had become a creditor nation. American merchants and banks were holding large quantities of foreign bills, and when the credit stringency came endeavored to cash in on their holdings.

The value of the krona in New York recovered rapidly in the early part of 1921, reaching over 23 cents in March, April, and May, but fell again in the summer, and in July and August was down nearly to 20 cents per krona. However, this marked the end of depreciation of much extent, and beginning in August, 1921, the rise was continuous until par was practically touched in February, 1922. A slight reaction took place in July, but by November, 1922, the krona was a little above par. Since that time the depreciation has been minor, although until the end of 1924 the krona was slightly under par. Sweden returned practically to the gold standard in April, 1924, and exchange rates have thus been within the "gold points."

The rapid fall of the krona in 1919 was due in large measure to the fact that prices in Sweden were relatively higher than in the United States, and higher also than in some other countries when exchange rates are considered. Swedish merchants began to take advantage of these lower foreign prices soon after the armistice. The relatively greater depreciation of the krona in Sweden than of the dollar in the United States is shown in purchasing-power parities between the dollar and the krona. These are computed according to the index numbers of prices in the two countries and represent the parities of the two currencies on the basis of purchasing power each within its respective country.

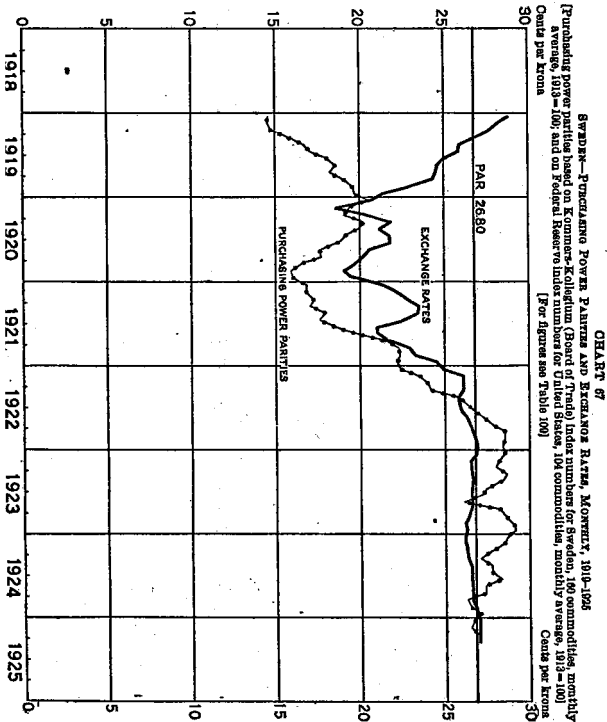
The accompanying chart (No. 67) shows the purchasing-power parities between Sweden and the United States from the first of 1919 to the present. It will be noticed that the wide discrepancy between exchange rates and purchasing-power parities at the first of 1919 rapidly became less. However, until May, 1922, the krona in New York was overvalued; i. e., was not as greatly depreciated on the ex-



PAR 26.8

change market as warranted by the relative internal purchasing powers of the two units. This undervaluation of the dollar, or overvaluation of the krona, was due partly to liberal grants of credit in the United States up until about the middle of 1922, after which time less credits were granted. This greater depreciation of purchasing-power parities than exchange rates can be seen in the chart.

From May, 1922, until the latter part of 1924 exchange rates most of the time were below purchasing-power parities. Since the fall of 1924 the two curves have been close together, which is as would be expected. Various factors prevent complete agreement in the curves, but under normal conditions the tendency is for the curves to come close together.



V. RETURN TO GOLD STANDARD

On March 29, 1924, the Swedish Parliament voted to resume specie payments effective April 1. Accordingly, the Riksbank was required to redeem in gold, and the embargo on the export of gold was removed. Importations of gold, however, was prohibited except to the Riksbank. As a matter of fact, the right to export gold was not completely free, although nominally there were no restrictions. For some time after the resumption of specie payments, April 1, 1924, the dollar was above the gold export point for dealers in exchange, although perhaps not for other individuals. The Riksbank requested dealers who might have exported gold with profit not to do so. Later all restrictions on gold exports were removed so that at present the exportation of gold is free to all parties.

As regards the restrictions on gold imports, the Minister of Finance gave assurances that they would soon be removed. The reason for including that feature in the act was the fear that there might be a large influx of gold and another period of inflation. If such inflation did occur, the Government did not want the Swedish currency to take part in it. Representatives of labor interests in Parliament were and still are strongly opposed to any policy which would lower appreciably the purchasing power of the krona. They realize that wages do not promptly become adjusted to rising prices. They therefore feel that a rise of prices would put the Swedish workingman in a less favorable position, unless existing wage agreements could be readjusted at the same time. Such a readjustment of wage agreements would be attended with difficulties. There is thus pronounced opposition in Sweden against rising prices.

When Sweden returned practically to the gold standard in April, 1924, prior to other European countries, fear was expressed in Sweden and also in Great Britain that the country was subordinating itself to the price policy of the United States. The krona was being tied to the dollar, it was said. The United States at that time was the only large country upon the gold standard. The United States had not permitted the value of gold to become depreciated, but had maintained prices at a more or less stable level. The United States did not inflate on the large gold reserve in the country, since the gold was not looked upon as a permanent possession and since inflation would have been disturbing to the economic life of the country.

The criticism directed against Sweden's policy was that the United States might not be able or would not continue to hold prices relatively stable, and that if Sweden were on the gold standard she would be powerless to prevent a rise in prices in Sweden should general depreciation of gold take place. These fears did not gain much headway, and subsequent events have shown them to have been unfounded. The United States had no desire to depreciate gold, and since the spring of 1921 prices in the United States have been relatively stable.

The early return to the gold standard in Sweden was made possible by the extremely rapid liquidation of credit and prices that occurred

during and after the business crisis of 1920. One of the most important conditioning factors of this rapid liquidation was the high discount rate maintained by the Bank of Sweden. The Bank of Sweden maintained its high discount rate of $7\frac{1}{2}$ per cent from September 17, 1920, until April 27, 1921. The rate was then lowered by degrees, but it did not reach 5 per cent until March 10, 1922. The index number of wholesale prices fell from 362 in September, 1920, to 182 in September, 1921; and toward the end of 1922, prices relative to the pre-war base were approximately the same in Sweden as in the United States.

This rapid rise in the internal value of the krona was the most important influence tending to increase the value of the krona in the exchange market. The rate was very close to par in August, 1922; and by November, it tended to stay a little above par. Cable transfers, as quoted in New York, touched 27 cents January 3, 1923.

The Riksbank did not welcome this tendency of exchange rates to go above par, and so began to accumulate a large amount of foreign assets in the latter part of 1922. Its holdings of foreign bills and securities and foreign bank balances increased from 166,763,800 kronor December 2 to 247,914,100 kronor on December 30, 1922. By February, 1923, there was a slight tendency for the krona to go below par. The Riksbank then supported the rates by selling some of its foreign assets. Total foreign assets—bank balances, bills, and securities—amounted to 247,313,500 kronor on January 5, 1923. By November 24, 1923, this total had declined to 122,652,000 kronor. Foreign bills, after reaching 56,953,500 kronor on February 10, 1923, declined quickly to 1,599,400 kronor on June 30, 1923.

The latter part of 1923, and in 1924, the Riksbank was convinced that the dollar rate in Sweden was higher than underlying conditions warranted. It therefore sold exchange to importers, but not to speculators, below the market rate. However, the difference between the two rates was not great.

In spite of the support given the krona by the Riksbank, the rate continued a little below par after the early part of 1923. At the close of the year it was at an average discount of about 2 per cent; although the discount rate at times was as high as 3 or 4 per cent. The Riksbank raised the bank discount rate from $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent on November 9, 1923. The effect of this measure seems to have been to keep the krona from sagging further. Prices were falling in the United States at this time.

At present the burden of stabilization of the krona is thrown upon the bank. Credits in New York were arranged in 1924 after resumption was begun, in order to facilitate exchange stabilization. The bank exported gold and the gold reserves declined from about 271,000,000 kronor at the end of March to about 237,000,000 at the end of December, 1924. The foreign assets of the bank declined from about 100,000,000 kronor at the end of March to about 66,000,000 early in June. By the end of the year they had been restored to about 136,000,000 kronor. Seasonal exports which begin in the summer months created a greater supply of bills so that the value of the krona rose, and the bank was assisted in its efforts to sustain exchange rates. Foreign loans also contributed to the increase in the bank's holdings of foreign assets in the latter part of the year. The following average figures show the reduction in the bank's foreign assets in 1924.

Sweden—Foreign assets of the Bank of Sweden

[Source: Annual reports of the Bank of Sweden. Yearly average of monthly totals. In thousands of kronor]

	Foreign government securities	Foreign bills	Current account balances abroad (net)	Total		Foreign government securities	Foreign bills	Current account balances abroad (net)	Total
1915.....	41,407	63,987	23,763	129,156	1920.....	41,393	54,140	41,998	137,554
1916.....	58,876	112,895	36,781	208,552	1921.....	13,039	70,677	40,980	124,696
1917.....	53,903	113,684	22,114	189,701	1922.....	60,313	51,246	40,270	151,829
1918.....	51,941	100,043	32,443	184,427	1923.....	119,497	14,332	45,691	179,520
1919.....	49,597	80,382	53,505	184,086	1924.....	55,408	1,179	40,136	96,718

¹ Includes a "special account" of (average) 22.2 thousand kronor.

The government finances in Sweden have been in better shape since the outbreak of the war than those in most other European countries. Sweden found it necessary to increase expenditures considerably as a result of war-time conditions. However, revenues were increased at the same time, and in some years revenues increased to even a greater extent than did expenditures so that a surplus resulted. For the years 1920 to the present expenditures have been greater than revenues, although the deficits have not been sufficiently large to cause much disturbance to currency or exchange conditions.

The total debt of Sweden is now about three times what it was before the war. At the end of 1913 the total debt amounted to 648,-287,000 kronor, while at the end of 1923 it amounted to 1,643,000,000 kronor, all of which latter amount was funded debt with the exception of about 46,000,000 kronor. The condition of the Government's finances is thus not such as to lead to inflation. The following tables show the receipts and expenditures since 1912 and the condition of the debt at the end of each year since 1910.

Sweden—National debt, 1900–1924

[Source: Riksgäldskontoret-Årsbok, 1923-24]

Year	State bonds	Other funded debt	Floating debt	Total debt
	Kronor	Kronor	Kronor	Kronor
1900.....	337,899,000	5,191,000	.....	343,090,000
1901.....	349,132,000	5,145,000	.....	354,277,000
1902.....	346,693,000	7,347,000	.....	354,040,000
1903.....	345,214,000	7,297,000	.....	352,511,000
1904.....	383,944,000	7,246,000	.....	391,190,000
1905.....	408,158,000	6,085,000	.....	412,243,000
1906.....	420,852,000	6,055,000	.....	426,907,000
1907.....	464,360,000	3,743,000	.....	468,102,000
1908.....	515,378,000	3,695,000	.....	519,071,000
1909.....	548,126,000	6,047,000	.....	554,173,000
1910.....	537,426,000	5,957,000	.....	543,383,000
1911.....	606,096,000	5,863,000	.....	611,959,000
1912.....	602,200,000	5,784,000	.....	607,984,000
1913.....	622,561,000	5,662,000	20,064,000	648,287,000
1914.....	695,825,000	5,556,000	43,064,000	744,455,000
1915.....	812,609,000	5,443,000	36,819,000	854,871,000
1916.....	930,217,000	5,326,000	57,703,000	993,246,000
1917.....	997,996,000	10,916,000	140,311,000	1,149,223,000
1918.....	1,086,197,000	11,669,000	359,313,000	1,457,179,000
1919.....	1,271,116,000	10,408,000	285,474,000	1,566,998,000
1920.....	1,270,441,000	10,143,000	215,941,000	1,496,524,000
1921.....	1,423,465,000	9,892,000	277,630,000	1,710,987,000
1922.....	1,455,379,000	9,637,000	280,448,000	1,745,464,000
1923.....	1,560,651,000	26,299,000	46,106,000	1,643,056,000
1924 ¹	1,457,616,000	24,549,000	35,872,000	1,518,037,000

¹ June 30.

² Includes loan from State pension institution.

Sweden—Receipts and expenditures, 1912-1922

[Source: Statistisk Årsbok; 000 omitted]

Year	Ordinary revenue	Net revenue from public enterprises and productive funds	Total receipts (not including proceeds from loans)	Ordinary expenditure (not including interest and amortization of debt)	Deficit	Surplus	Capital expenditure	Proceeds from new loans	Amortization of debt
1912	Kronor 194,686	Kronor 64,109	Kronor 248,735	Kronor 196,066	-----	Kronor 52,629	Kronor 51,293	Kronor 41,602	Kronor 6,204
1913	203,834	60,404	264,238	205,320	-----	58,918	47,396	40,429	6,377
1914	198,111	63,291	261,402	215,458	-----	45,944	47,177	37,705	7,099
1915	228,655	76,232	304,887	278,714	-----	86,173	127,680	49,345	5,196
1916	331,947	81,422	413,369	361,165	-----	52,204	66,667	58,685	4,839
1917	535,248	100,444	635,692	393,329	-----	240,368	247,448	347,685	4,977
1918	749,407	98,498	847,905	904,959	87,054	-----	645,397	725,085	167,901
1919	845,298	16,740	862,038	663,604	-----	198,434	179,879	179,840	5,454
1920	802,453	32,109	834,562	722,494	-----	112,068	183,745	186,540	38,383
1921	692,929	96,232	789,161	891,072	131,911	-----	257,834	229,544	5,920
1922	642,652	109,440	652,092	778,913	126,821	-----	178,449	99,691	7,045

Sweden—Receipts and expenditures (budget estimates) for 1923-24 and 1924-25¹

[Source: Statistisk Årsbok för Sverige. Thousands of kronor]

	1923-24	1924-25
Taxes: RECEIPTS		
Income tax and tax on capital	130,000	135,000
Stamp duties	48,000	40,000
Customs duties	117,000	123,500
Sugar tax	26,000	25,000
Tobacco tax	43,000	50,000
Spirits, malt, and eau de vie	86,700	82,000
Sundry taxes	27,829	16,634
	478,529	472,134
Revenues from public enterprises:²		
Postal service	10,000	15,000
Telegraph service	18,000	17,000
Railways	28,000	36,000
Waterfalls and canals	8,300	10,000
Public domain	30,000	18,000
Revenue from iron ore properties and tobacco monopoly	12,380	12,280
Revenue from government loan fund	7,285	7,884
Revenue from spirits fund	2,200	1,900
Profit from Riksbank	16,000	14,000
	132,145	127,074
Revenue balances and surplus from previous loans	70,773	34,084
Proceeds from new loans	94,202	41,196
Total receipts	775,649	674,438
EXPENDITURES		
Ordinary expenditure:		
Civil list	1,778	1,797
Department of justice	13,407	12,951
Foreign office	6,224	5,621
Ministry of defense	149,942	147,512
Ministry of social welfare	76,980	77,690
Ministry of communications	19,702	19,783
Ministry of finance	42,488	41,792
Ministry of education and worship	122,117	122,550
Ministry of agriculture	21,859	21,238
Ministry of commerce	11,632	10,823
Pensions	32,589	33,937
Interest on national debt	83,170	79,172
Other expenditure	6,240	6,906
	687,123	681,633

¹ The fiscal year was changed in 1923 from the calendar year to the year ending June 30.² Only net amounts to be actually turned over to the treasury are included.

Sweden—Receipts and expenditures (budget estimates) for 1923-24 and 1924-25—
Continued

	1923-24	1924-25
EXPENDITURES—continued		
Capital expenditure:		
State enterprises, monopolies, public domain, etc.....	52, 102	29, 946
Amortization of national debt.....	7, 634	7, 909
Temperance fund.....	26, 500	27, 900
Repayment of loans.....	49, 191	.....
Investments.....	15, 000	4, 000
Appropriations for loan fund.....	31, 390	21, 050
Miscellaneous loans.....	6, 710	2, 000
	188, 526	92, 804
Total expenditures.....	775, 648	674, 438

SWITZERLAND ¹

1. PRE-WAR CURRENCY

Before the war Switzerland was upon the gold standard. The standard monetary unit was the gold franc, containing 0.32258 of a gram of gold 0.900 fine, and worth 19.2948 cents in American money. Switzerland was a member of the Latin Monetary Union, established in 1865 (ratified by Switzerland March 5, 1866). The Latin Monetary Union gave the countries the bimetallic standard at a mint ratio of silver to gold of 15.5 to 1. Before 1867 silver was undervalued at that ratio, and was therefore being gradually displaced by gold. But after 1867 gold was undervalued and began to be displaced by silver. After about 1873 the price of silver fell to such an extent that large quantities of silver were brought to the mints of the various countries to be coined, and the circulation began to be flooded with silver money. In Switzerland, however, free coinage of silver had never been allowed, and the coinings there were very moderate compared to those in France, Belgium, and Italy.

In 1874 the countries of the union agreed to limit the coinings of silver 5-franc pieces (écus) to 140,000,000 francs for that year. For 1875 the limit was raised to 155,000,000 francs, then reduced to 120,000,000 for 1876.² Italy in July, 1875, suspended the free coinage of silver to private individuals, and France in August, 1876, adopted a similar measure. Belgium in December, 1876, prohibited the free coinage of silver from the 1st of January, 1877. Free coinage of silver, as already noted, did not exist in Switzerland. A monetary conference in 1878 suspended completely the coinage of 5-franc pieces. However, the convention in 1885 restored the right of coining 5-franc pieces to the different States, but each State was obliged to redeem its own silver coins in gold on demand of any other contracting State.

Although Switzerland had stopped the coinage of silver, the silver 5-franc pieces continued to be legal tender,³ but their value no longer tended to conform to the value of their bullion content. They were not redeemable in gold, but were kept on a parity with gold because of the limitation of their supply. Thus Switzerland to all purposes had been upon the gold standard before the war from some time in the seventies.

The situation was very much like that in the United States after 1878. The banks in the United States had and still have the legal right to redeem their obligations in silver dollars, but in practice it has always been possible to get gold without paying any premium. This was the case in Switzerland, and the Swiss National Bank, the central bank of issue since 1907, has not followed the practice of some central banks of exercising its option to redeem in silver at times when gold was leaving the country and charging a slight premium for gold.

¹ This section was prepared by Mr. Elmer Wood.

² *Le Système Monétaire de la Suisse. Étude documentaire. Publication de la Banque nationale Suisse 1924, p. 24.*

³ Silver 5-franc pieces of the other countries of the Latin Union were legal tender in Switzerland by virtue of Swiss law.

The national bank was not legally required to buy gold at a fixed price, but it usually did buy at the rate of 3 francs per gram of gold 0.900 fine. The bank also frequently entered the foreign exchange market as a buyer or seller of bills in an effort to keep exchange rates as steady as possible.

At the end of 1913 there had been coined 161,600,000 francs of gold coin and 59,200,000 francs of silver coin, of which 10,600,000 were 5-franc pieces struck in accordance with the agreement with the other countries of the Latin Union. Besides these amounts there were 13,100,000 of nickel and a small amount of copper coin. It is not possible to say just how much of this money had been lost and sent abroad and how much foreign money was circulating in Switzerland. In addition to the metallic money, there were also in circulation at the end of 1913 about 314,000,000 francs in notes of the Swiss National Bank.

Banking was decentralized in Switzerland before 1907. Most of the cantons had their own banks of issue, and the notes usually did not have a wide circulation. The Federal Chambers passed an act October 6, 1905,⁴ creating the Swiss National Bank. This bank was given the exclusive right of note issue (after three years) and other powers commonly given to central banks.

No limit was set to the amount of the note issue, and no tax was laid upon any of the notes. The bank was simply required to keep a reserve against its notes of not less than 40 per cent. The reserve might be either gold or coined silver, but in practice the reserve has consisted largely of gold. The bank was required to redeem its notes unconditionally in either gold or silver. Before August, 1914, the notes were not legal tender, but government offices were required to accept them. The bank has several offices, but they are all coordinate and have in common one board of directors, which is selected by the Federal Council. The bank is thus under the general supervision of the Federal Government. The Federal Government and the cantons participate in the profits of the bank. The bank has a paid-in capital of 25,000,000 francs and a surplus of 6,941,000 francs.

The bank is authorized to hold demand and time deposits and to discount domestic and foreign bills of exchange. It is also authorized to buy treasury bills and to make loans on collateral security terminable in 10 days. It is not restricted to business with other banks and the Government, but it may carry on a general banking business with private customers. It is not allowed to deviate from its official rates in such business as does the Bank of England, and as do the Federal reserve banks in their open-market dealings.

In general, it can be said that the Swiss National Bank provides a means of control over the credit structure of Switzerland. Its notes, and the deposit credits on its books constitute a large part of the reserves of the private banks. If the central institution enlarges its note circulation and deposits (either through the receipt of gold and silver or through the purchase of eligible paper), the basis exists for an expansion of the deposit credits of the private banks. On the other hand, when the central institution curtails its credit by curtailing its loans and discounts, which it does by giving them on less attractive terms, the private banks have to curtail also.

⁴ This act went into force by resolution of the Federal Council Jan. 16, 1906. The bank opened June 30, 1907.

The bank is a bank of rediscount, but it controls the supply of credit in other ways than through influencing the amount of rediscounting. The official rates are usually higher than the rates charged by private banks for the better class of paper, and consequently the banks are discouraged from rediscounting any more than necessary. A large part of the paper which the bank holds is not that which commands the low rate quoted in the market but paper less well known (though doubtless just as secure) which commands a less favorable rate, and which the bank takes from its private customers. By regulating the amount of business it does of this character, the bank controls the supply of funds given to the market as effectively as by regulating the amount of rediscounting it does for banks. To the extent that the bank holds deposits of private individuals and firms, the multiple effect of credits granted is not felt.

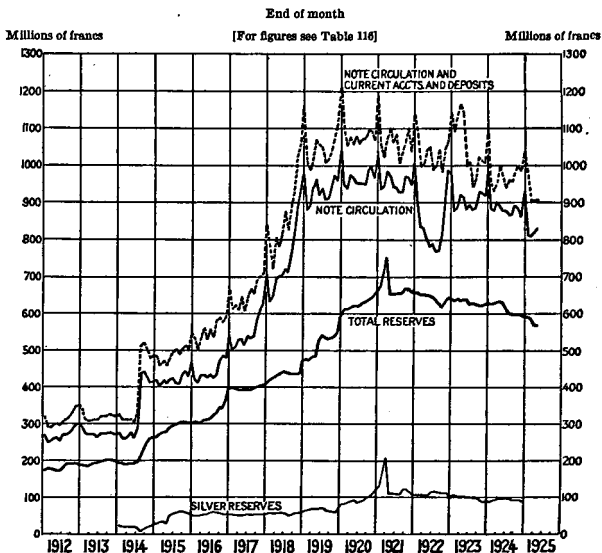
Since the bank held most of the gold in the country not in hand to hand circulation, it had to bear the burden of any demand for gold for export whenever exchange on other countries went above the gold export point. In order to protect its gold reserve it endeavored to keep foreign exchange rates within the gold export point. The bank watched business and credit conditions with special reference to developments that might affect the exchanges.

II. CURRENCY, CREDIT AND PRICE MOVEMENTS, 1914-1925

As in other European countries, immediately after the outbreak of the war there was a shortage of currency in Switzerland. Note circulation, as can be seen from the chart (No: 68) increased very sharply in the middle of 1914 from an average of 282,800,000 francs in July, 1914, to an average of 437,900,000 in August, 1914. Current accounts and deposits¹ of the Swiss National Bank increased from

CHART 68

NATIONAL BANK OF SWITZERLAND—NOTE CIRCULATION, GOLD AND SILVER RESERVES, CURRENT ACCOUNTS AND DEPOSITS AND NOTES, MONTHLY, 1912-1925



47,700,000 to 77,700,000 during the same interval. These increases were not on account of greater business activity, but to a large extent on account of hoarding of both coin and bank notes. Gold soon began to disappear from circulation. Part of it went into private hoards, and part of it went to increase the gold reserve of the national bank. The notes of the bank were made legal tender and the suspension of specie payments was authorized July 30, 1914.

¹ "Current accounts" are practically equivalent to demand deposits in the United States, and "deposits" are equivalent to time deposits callable at short notice.

An immediate effect of the war upon Switzerland was to depress business. Discounts and advances, which had increased sharply at the outbreak of the war, soon declined. In the second half of 1915 business began to improve, stimulated by orders for supplies from belligerent countries. The demand for credit increased. The chart shows the monthly increase in the credit issued by the Swiss National Bank.

Inasmuch as the notes of the bank can be used as till money by the private banks, and deposit credits with it can be used by them as reserve, an increase in the credit issued (both in the form of notes and deposits) by the bank tends to generate a concurrent increase in the credit issued by the private banks. The credit expansion in the Bank of Switzerland and in the private banks is illustrated by the following table, which gives amounts as of the end of the year.

Switzerland—Expansion and contraction of credit, 1912-1923

[Source: Statements of the Swiss National Bank and das Schweizerische Bankwesen im Jahre 1924. Figures are as of the end of December of each year; 000 omitted.]

Year	Swiss National Bank			Other banks		
	Note circulation	Current accounts and deposits	Discounts and advances	Number of banks ¹	Current accounts and deposits	Discounts and current accounts debitory
1912	Francs 339,240	Francs 55,491	Francs 197,310	314	Francs 1,557,336	Francs 8,116,537
1913	313,821	58,939	174,802	306	1,537,969	3,260,028
1914	455,889	70,930	215,749	320	1,619,634	3,066,791
1915	465,609	81,689	210,839	319	1,981,781	3,261,205
1916	538,518	128,916	244,276	319	2,451,441	3,726,099
1917	702,308	137,304	406,702	317	3,017,240	4,263,434
1918	975,706	183,708	624,181	316	3,534,931	4,761,309
1919	1,036,123	175,308	544,107	342	3,932,544	5,611,295
1920	1,023,712	163,156	511,241	340	4,008,278	5,792,071
1921	1,009,264	128,765	453,819	340	3,640,684	5,218,954
1922	976,426	165,031	486,566	343	3,397,245	4,816,889
1923	981,958	104,860	434,283	336	3,458,354	4,772,190
1924	913,912	120,000	381,522			

¹ Groups of banks included in 1923: 24 Kantonalbanken; 8 Grossbanken; 77 Lokal- und Mittelbanken; 46 Spar- und Leikassen; 1 Raiffeisenkasse; 18 Hypothekenbanken; 116 Sparkassen; 26 Trustbanken; 1 Übereisebank.

The reserve basis for the increase of credit during and after the war was furnished by gold, and by silver coin imported from the belligerent countries. Large amounts of gold were sent in by the various Governments—taken from the reserves of the central banks—and additional amounts were brought in by private individuals who were able to evade the embargo of the country of export. The gold reserves of the national bank at the end of 1913 amounted to about 170,000,000 francs. By the end of 1915 this had increased to 250,000,000; at the end of 1918 to 415,000,000; at the end of 1921 to 550,000,000, which was the high point. At the present time the gold reserve amounts to about 505,000,000 francs and the silver reserve to about 90,000,000.

There was especially a strong tendency for silver 5-franc pieces (écus) to gravitate to Switzerland after the outbreak of war. These coins were "official money" in all the countries of the Latin Monetary Union, regardless of which member of the Union had struck them.

Swiss exchange was at a premium in most of the other countries of the Union, and profits could be made by shipping the silver currency to Switzerland, although it was illegal to do so. Moreover, there was no tendency for the 5-franc pieces to go outside the Latin Union, because their monetary value (down to 1919 and again later) was much greater than the value of their bullion content.² The following table shows gold and silver imports into Switzerland by years:

Switzerland—Gold and silver imports and exports, 1910–1923

[Source: Statistik des Auswärtigen Handels der Schweiz. Thousands of francs]

Year	Gold coin and bullion			Silver coin			Silver bullion		
	Imports	Exports	Net imports	Imports	Exports	Net imports	Imports	Exports	Net imports
1910.....	82,697	24,350	58,347	22,012	7,411	14,601	7,453	1,097	6,356
1911.....	68,276	27,722	40,553	23,175	7,021	16,154	8,040	999	7,041
1912.....	78,728	27,822	50,906	49,920	8,681	41,339	8,709	756	7,953
1913.....	68,270	28,378	39,892	52,726	9,536	42,890	7,333	1,116	6,217
1914.....	58,532	6,144	52,388	15,702	4,517	11,185	6,061	827	5,234
1915.....	16,764	1,739	15,025	27,840	2,303	25,537	5,673	2,013	3,660
1916.....	118,634	828	117,706	23,779	1,365	22,414	10,315	1,156	9,159
1917.....	36,002	2,534	33,468	9,919	1,094	8,825	11,361	991	10,370
1918.....	94,556	1,408	93,148	1,469	85	1,384	5,215	29	5,186
1919.....	67,269	116	67,385	12,114	2,883	8,231	6,346	71	6,275
1920.....	39,513	1,884	37,269	40,401	40,415	114	9,054	861	8,193
1921.....	475,291	376,236	99,055	6,775	3,415	3,360	6,612	657	6,055
1922.....	179,653	79,992	99,661	822	2,607	1,785	5,499	1,108	4,391
1923.....	163,091	94,307	68,784	1,110	10,457	9,347	3,643	430	3,213
1924.....	22,563	129,657	107,094	912	432	480	7,170	12,443	15,278

¹ Net exports.

Gold imports during the war period, largely in the shape of coin, came chiefly from Germany and Austria, for the purpose of effecting payments and supporting exchange. These imports were particularly heavy in 1916. Gold exports, which were permitted only under license, were insignificant. The very large imports and exports of gold in 1921 represent chiefly a movement of Russian gold brought from Sweden and, to a small extent, from Russia direct. This gold, when in coin form, was melted, stamped, and then reexported to the United States. In 1922 and 1923 the gold imports include considerable amounts of German gold deposited as collateral by the German Reichsbank.

The reserve held against the notes has been much greater than the legal minimum of 40 per cent. This increase of the reserve—especially gold—was somewhat of a stimulus to credit inflation, because the business community had become accustomed to considering the reserve ratio as an important indicator of the amount of credit that may be issued. The accompanying chart (No. 69) shows certain

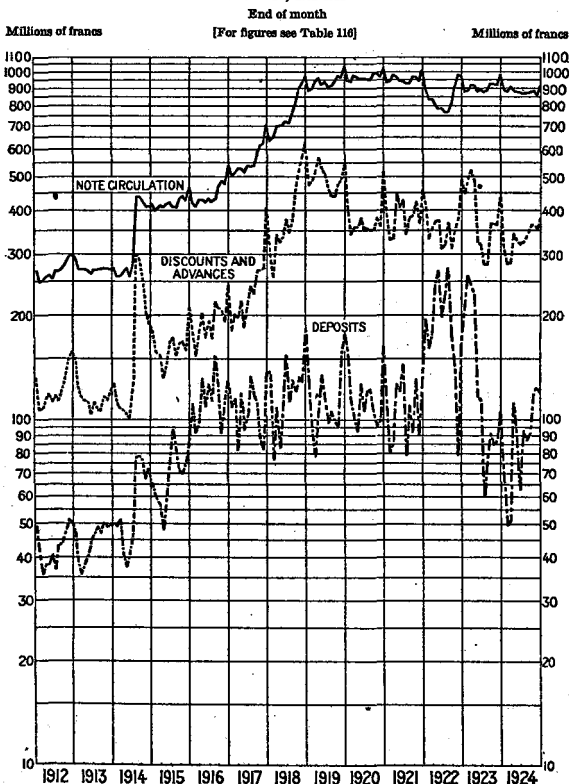
² This large inflow of silver 5-franc pieces became an embarrassment to the Swiss Government, and further imports were prohibited Oct. 4, 1920. People preferred the 5-franc notes, so a large part of the silver pieces found their way to the Swiss National Bank. At the monetary conference held in 1921 Switzerland was given authority to put the Swiss stamp on about 65.7 million francs which had formerly borne the stamp of other countries. The remaining 5-franc pieces, amounting to 166,000,000 francs, are to be held for the countries of their origin. Those countries have agreed to take them up in instalments, beginning in 1927 and continuing over a period not exceeding five years.

By a decree of Feb. 18, 1921, the Swiss National Bank was prohibited from counting the silver 5-franc pieces at more than their bullion value. The Government gave the bank a note for the difference between their nominal and their bullion value. At the end of 1923 the bank showed 168,000,000 francs in nominal value, which it carried in its cash account at 90,700,000. At the end of 1924 the nominal amount of foreign 5-franc pieces held by the bank had declined to 156,000,000 francs, carried in its cash account at 78,900,000 francs. By an act of Sept. 27, 1923, the 5-franc pieces bearing the Swiss stamp (but not the ones held for France) may be counted at their nominal value beginning Jan. 1, 1924. The foreign écus, even when counted at their bullion value, may not exceed one-fifth of the legal reserve.

items of the national bank plotted on logarithmic scale. The chart shows especially the relative credit expansion of the bank since 1914.

Government financing also had some effect upon the amount of inflation which took place, but it is impossible to judge how much

CHART 69
NATIONAL BANK OF SWITZERLAND—NOTE CIRCULATION, DISCOUNTS AND ADVANCES AND DEPOSITS,
MONTHLY, 1912-1924



effect. The Federal budget has not balanced since the war began, but an unbalanced budget does not necessarily mean inflation of the currency, since the deficits may be met out of savings. Switzerland has had good credit continuously, and at no time has the treasury borrowed from the national bank because it could not borrow else-

where. Nevertheless, treasury bills have been discounted at the bank in large amounts. The legal limit for three-month bills which the bank may hold was placed in 1923 at 200,000,000 francs for the Confederation and 150,000,000 for the Federal railways. The following table shows the amount of treasury bills held by the bank at the end of each year:

Switzerland—Treasury bills¹ discounted by the Swiss National Bank

[Source: Statements of Swiss National Bank. Millions of francs]

Year	Amounts discounted by the national bank during the year	Amounts sold by the bank in the open market during the year	Amounts held by the bank at the end of the year	Year	Amounts discounted by the national bank during the year	Amounts sold by the bank in the open market during the year	Amounts held by the bank at the end of the year
1914.....	124.0	1.5	58.5	1920.....	1,949.0	1,494.0	280.0
1915.....	444.1	175.5	75.3	1921.....	1,884.0	1,463.0	170.0
1916.....	953.7	519.1	123.3	1922.....	1,083.0	290.0	217.0
1917.....	* 1,392.0	880.0	233.0	1923.....	1,420.0	1,011.0	178.0
1918.....	1,962.0	1,293.0	312.0	1924.....	181.0	196.0	10.0
1919.....	2,365.0	1,331.0	301.0				

¹ Includes short-time obligations of the Federal railways.

* Excludes noninterest-bearing Federal obligations representing the difference between the nominal value and the bullion value of silver coin retired from circulation—1921, 117,300,000 francs; 1922, 108,100,000; 1923, 76,800,000; 1924, 78,000,000.

An abundant supply of funds kept discount rates at a low figure most of the time during the war, especially prior to 1918. Capital flowed into Switzerland from belligerent countries, since Swiss investments were considered more secure. The following table shows the discount rates of the national bank and also the discount rates of private institutions. The private rates are only for the better class of commercial bills. It will be noticed that the private rates are uniformly below those of the national bank. During the period immediately following the war the rate of the national bank was 5½ per cent. This was lowered to 5 per cent in the fall of 1919. At this time the bank was carrying a large amount of government securities, prices were rising, and the premium on dollar exchange was increasing. The rate was lowered by gradual steps until it reached 3 per cent in August, 1922, being raised to 4 per cent in July, 1923, where it still remains.

Switzerland—Discount rates (monthly averages), 1917–1923

[Source: Statistisches Jahrbuch der Schweiz and data furnished by the Swiss National Bank]

Month	1917		1918		1919		1920		1921	
	Swiss National Bank	Private	Swiss National Bank	Private	Swiss National Bank	Private	Swiss National Bank	Private	Swiss National Bank	Private
January.....	4.50	3.50	4.50	4.19	5.50	5.15	5.00	4.74	5.00	4.33
February.....	4.50	3.09	4.50	4.16	5.50	4.83	5.00	4.55	5.00	4.23
March.....	4.50	2.35	4.50	3.92	5.50	4.72	5.00	4.66	5.00	4.17
April.....	4.50	2.03	4.50	3.69	5.50	4.67	5.00	4.66	4.80	3.90
May.....	4.50	1.84	4.50	3.37	5.50	4.71	5.00	4.66	4.50	2.62
June.....	4.50	1.82	4.50	3.28	5.50	4.61	5.00	4.47	4.50	2.52
July.....	4.50	1.72	4.50	2.52	5.50	4.55	5.00	4.61	4.50	2.24
August.....	4.50	1.70	4.50	3.95	5.32	4.52	5.00	4.53	4.15	2.95
September.....	4.50	2.03	4.50	4.16	5.00	4.52	5.00	4.34	4.00	2.69
October.....	4.50	3.34	5.44	5.02	5.00	4.60	5.00	4.44	4.00	2.60
November.....	4.50	4.22	5.44	5.27	5.00	4.62	5.00	4.48	4.00	2.75
December.....	4.50	4.31	5.50	5.30	5.00	4.60	5.00	4.46	4.00	2.84
Yearly average.....	4.50	2.66	4.75	4.15	5.32	4.60	5.00	4.56	4.44	2.39

Switzerland—Discount rates (monthly averages), 1917-1923—Continued

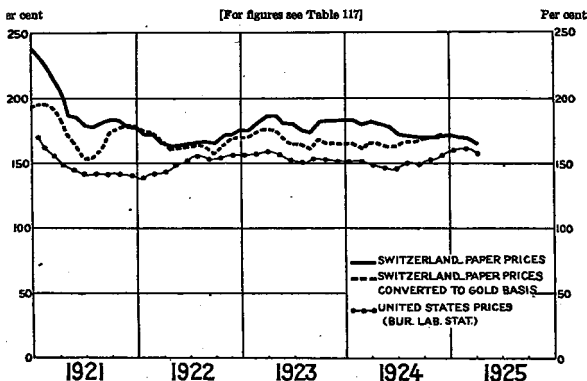
Month	1922		1923		1924		1925	
	Swiss National Bank	Private	Swiss National Bank	Private	Swiss National Bank	Private	Swiss National Bank	Private
January.....	4.00	2.65	3.00	2.20	4.00	3.56	4.00	2.55
February.....	4.00	2.30	3.00	1.85	4.00	3.58	4.00	2.25
March.....	3.52	2.01	3.00	1.85	4.00	3.69	4.00	2.44
April.....	3.50	1.72	3.00	1.25	4.00	3.69	4.00	2.50
May.....	3.50	1.44	3.00	1.45	4.00	3.33	4.00	2.47
June.....	3.50	1.35	3.00	2.15	4.00	3.22	4.00	-----
July.....	2.50	1.22	3.58	2.67	4.00	3.64	-----	-----
August.....	3.28	1.12	4.00	3.62	4.00	3.67	-----	-----
September.....	3.00	1.10	4.00	3.71	4.00	3.69	-----	-----
October.....	3.00	1.13	4.00	3.72	4.00	3.58	-----	-----
November.....	3.00	1.83	4.00	3.67	4.00	3.30	-----	-----
December.....	3.00	2.20	4.00	3.59	4.00	3.03	-----	-----
Yearly average.....	3.30	1.68	3.47	2.63	4.00	3.53	-----	-----

¹ Averages of 4 weekly quotations published by the Swiss National Bank.

CHART 70

SWITZERLAND—WHOLESALE PRICES ON PAPER BASIS AND ON GOLD BASIS, MONTHLY, 1921-1925

[Index numbers of Dr. J. Lorenz, 71 commodities, first of month; July, 1914=100]



Prices in Switzerland rose very greatly following the outbreak of war, food prices reaching their maximum in October, 1920. In 1920 prices began to fall and fell rapidly down to the middle of 1921. After a short period of recovery they continued to fall until June, 1922. The course of prices since the first of 1921 is shown in the accompanying chart (No. 70).

The fall of prices was relatively greater than the decline of notes and deposits at the national bank, which fact is accounted for partly by a decline in the velocity of circulation. People preferred to hold their money longer before spending it when it was increasing in value. Also, considerable amounts of both notes and bank deposits were

held by nationals of Germany, Austria, and other countries where unstable currency existed. The London Economist quotes an estimate that of the total of 856,000,000 of notes then in circulation, 130,000,000 to 150,000,000 were held abroad.

A rise of prices of considerable magnitude began in the second half of 1922 and continued until May, 1923. The Swiss National Bank July 14, 1923, raised its discount rate from 3 to 4 per cent and its Lombard (collateral loan) rate from 4 to 5 per cent.

This increase in rates contributed to a short and rather sharp drop in prices; the drop, however, had already started before the change in money rates took place. In September, 1923, prices began to rise again, and continued to do so until the end of the year. Since the middle of 1924 prices have remained relatively stable, accompanying relative stability in the note circulation.

III. FOREIGN TRADE

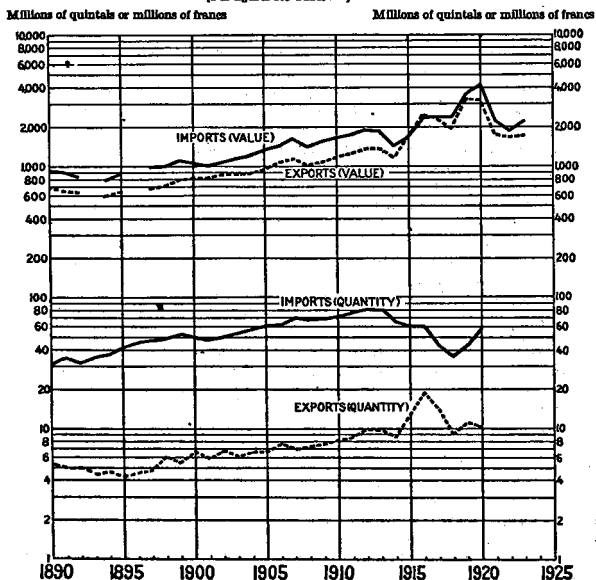
Switzerland normally has an excess of merchandise imports. In only one year (1916) since 1890 have merchandise exports exceeded imports, and in that year, if gold and silver coin and bullion are included, there was a balance of imports. The accompanying chart (No. 71) shows imports and exports since 1890, both value and

CHART 71

SWITZERLAND—IMPORTS AND EXPORTS OF MERCHANDISE, ANNUALLY, 1890-1923

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]

[For figures see Table 121]



quantity. It has been drawn to logarithmic scale in order to show the relative movement of physical quantities and values.

The balance of imports in the merchandise trade is offset by a balance of exports among the invisible items. The principal invisible items are tourists' expenditures, interest and profits on foreign investments, loans made to foreign countries, and loans received from foreign countries. In the case of the first two, the balance is decidedly

"in favor of" Switzerland. In the case of capital movements, there has been no uniformity of late years; sometimes foreign loans have exceeded borrowings and sometimes borrowings have exceeded loans. Prior to about 1919, Switzerland was (in the net) a lending country. Since that time, there have been times when borrowings considerably exceeded loans. Invisible credit items of less importance are receipts on through traffic passing over Swiss railways, and electric power furnished other countries.

For convenience we can list the net result of the items entering into the balance of international payments as follows:

Credits:

Interest and profits on old investments.

Tourists' expenditures.

Receipts for railway services and for electric power furnished other countries
(small in comparison with the first two items).

Debits:

Excess of merchandise imports.

Excess of gold and silver coin and bullion imports.

Loans to other countries (in excess of borrowings most of the time).

This list is not all inclusive, but includes the important items. No trustworthy figures for the actual amounts are available. It is obvious, however, that the balance of the invisible items (when all of them are included) must equal the balance of the visible items.

The accompanying chart (No. 72) shows merchandise imports and exports by quarters from 1910 to 1925. The first effect of the war, it will be observed, was to curtail both imports and exports; the former more than the latter. But this continued only for a few months, and as the war progressed exports increased heavily—largely because of war orders from belligerents. Imports also increased, but not so much as exports. Import quantities, however, actually declined, which indicates that the higher price level which prevailed was an important factor in the increased trade.

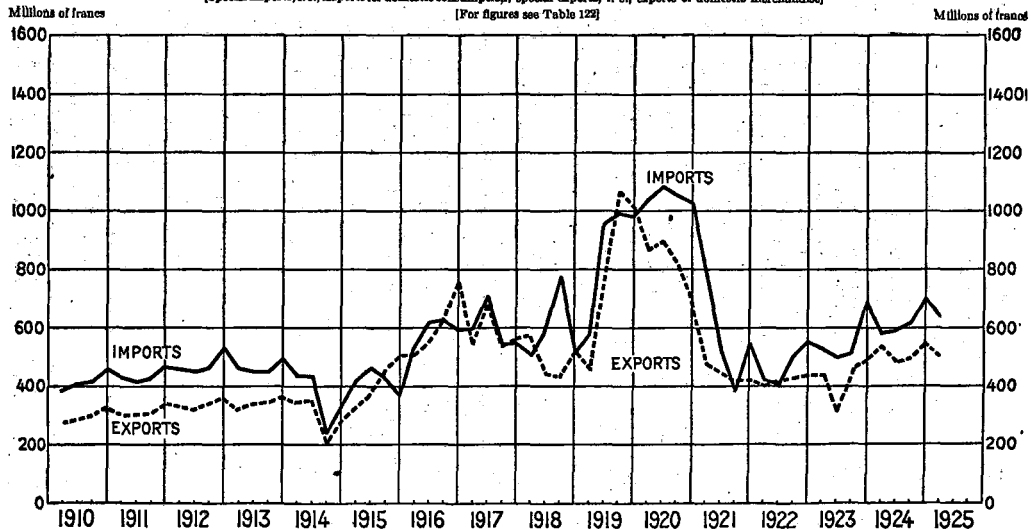
Switzerland received payments for part of the increased exports in coin and bullion. Also, Switzerland granted gold credits to various belligerents, totaling 600,000,000 francs, which are an offset to exports. In addition, Swiss private investors bought considerable amounts of foreign securities. Foreigners acquired Swiss funds in this way with which to help pay for Swiss goods.

After the close of the war in 1919 and 1920 imports increased to figures far above previous records, so far as values are concerned, but not so far as physical quantities are concerned. Exports were correspondingly large in 1919, but not in 1920. The greater part of Swiss imports are in the form of raw materials, while the greater part of the exports are manufactured goods. The strong demand for manufactured goods of the previous months had encouraged heavy purchases of raw materials at high prices. While the materials were in the process of manufacture and handling, prices fell. The sale of the manufactured goods in 1920 did not yield the amounts expected. Consequently, there was a record balance of merchandise imports. Large credits, as a result of bond sales in the United States, were indirectly available to help pay for this excess of imports. During the first part of 1921 imports and exports fell very sharply.

The great drop in the value of both imports and exports since 1920 was one phase of the decline in general business activity. A very considerable portion of Switzerland's exports are regarded as lux-

CHART 72
 SWITZERLAND—IMPORTS AND EXPORTS OF MERCHANDISE, QUARTERLY, 1910-1925
 Value

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise]
 [For figures see Table 122]



uries—for instance, silk cloth, the finer grades of cottons, embroidery, ribbons, watches, and jewelry. When business became depressed in Europe and elsewhere the demand for such goods declined relatively more than the demand for other things. Even the export of dairy products, measured in physical amounts, was much less than before the war. Although the depression was of relatively short duration in the United States, the American import duties prevented a great increase in sales to this country. However, exports to the United States are now much larger than before the war. The decline in exports to Germany where purchasing power was reduced was very marked.

The decline in foreign trade in 1921 seriously affected industry. It was estimated in 1921 that 70 per cent of the people usually engaged in the manufacture of watches were out of employment. In 1922 the number of those unemployed belonging to all industries ranged from 50,000 to 100,000. The State at this time spent large sums in unemployment doles.

In connection with foreign trade, some attention should be given to the tariff. Switzerland before the war, like most of the countries of continental Europe, had a general tariff, and a conventional tariff, or tariff based on treaties. The duties of the general tariff schedule were seldom applied, because in the first place there were treaties with several countries giving, along with "most favored nation" treatment, concessions for certain commodities. In addition, there were treaties with most of the other countries with which Switzerland had trade relations giving simply "most favored nation" treatment. Since the concessions to certain countries covered a wide variety of products, and since any concession granted to one country was given automatically to all "most favored" countries, the practical outcome was that the actual rates were usually below the nominal rates—somewhat the same as if Switzerland had had a maximum and minimum schedule of duties. In the rates fixed by convention, the commodities were usually so defined, or were of such a special nature, that other countries not parties to the convention but which enjoyed merely "most favored nation" treatment, in many cases did not receive much benefit from the concessions.

During or after the war all these treaties were renounced—some by Switzerland, as in the case of those with Germany, Austria-Hungary and Serbia; and some by the other countries concerned, as in the case of those with France, Spain, and Italy. But temporary working arrangements were continued down to July 1, 1921.

The duties in force in Switzerland were specific and so afforded less protection with prices at the postwar level than they afforded before the war. During the war no need for protection was felt. After the war, however, many Swiss producers feared especially the competition of countries with greatly depreciated currencies. An emergency tariff measure was enacted and became effective July 1, 1921. Duties on the common cereals, machinery, and tin plate were doubled. Those on boots and shoes were trebled. Duties on some of the raw materials were heavily increased—for instance, those on cotton and copper.

There was much opposition to this law, so that it barely passed. Switzerland at the time was having a heavy budget deficit, and the measure was partly the result of the needs of the treasury as well as

that of the demand for protection. In April, 1923, a bill for lowering the tariff was referred to the people, but failed to pass. A new tariff treaty was signed with Spain May, 1922, and one with Italy January, 1923.

Germany is the chief source of imports into Switzerland and is followed by France, Italy, Great Britain, the United States, and Belgium. On the export side Great Britain ranks first as the leading customer for Swiss goods. Next in order are France, the United States, Germany, and Italy.

The principal imports into Switzerland are raw materials and grains. Cotton, silk, and wool are imported and manufactured into textile materials which are exported. Manufactures of silk and cotton are the leading exports of Switzerland from the standpoint of value. Next in importance are clocks and watches. The following tables show the principal countries with which Switzerland trades, and the chief commodities imported and exported:

Switzerland—Imports and exports, by principal countries, 1913, 1922, 1923

[Source: Statistik des Auswärtigen Handels der Schweiz. 000 omitted]

Countries	Imports			Exports		
	1913	1922	1923	1913	1922	1923
Great Britain.....	112,666	173,917	181,991	236,165	347,947	363,385
France.....		302,598	394,957		240,188	214,192
United States.....	117,898	190,352	177,856	136,432	215,387	209,485
Germany.....		365,586	416,935		192,591	123,443
Italy.....		224,464	231,945		92,569	100,793
Austria.....		24,728	31,025		47,797	64,588
Spain.....	29,210	46,629	34,967	30,667	59,545	64,586
Japan.....	19,267	24,505	9,700	8,816	41,825	61,708
British Indies.....		14,439	25,930		59,721	47,239
Canada.....	19,847	65,601	80,524	30,955	40,656	45,770
Belgium.....	35,110	85,578	93,830	26,158	47,934	43,045
Argentina.....	36,943	54,588	65,747	29,894	26,920	38,261
Czechoslovakia.....		36,133	88,504		17,380	29,130
Netherlands.....	26,334	41,558	49,625	11,589	40,063	29,966
Sweden.....	2,360	12,709	9,507	9,114	22,047	24,326
All other countries.....	1,521,191	250,080	349,988	854,599	298,984	300,304
Total.....	1,919,816	1,914,465	2,243,061	1,376,899	1,761,674	1,760,211

Switzerland—Imports and exports by principal commodities, 1913 and 1924

[Source: Statistik des Auswärtigen Handels der Schweiz]

IMPORTS	1913	1924	EXPORTS	1913	1924
	Francs	Francs		Francs	Francs
Grains, etc.....	232,260,000	243,443,000	Silk, manufactures of	271,276,000	359,652,000
Cotton.....	131,845,000	206,695,000	Cotton, manufactures of.....	260,956,000	306,993,000
Minerals (unmanufactured).....	125,037,000	198,707,000	Clocks and watches.....	169,410,000	202,905,000
Silk.....	191,922,000	185,880,000	Machines.....	98,725,000	160,797,000
Wool.....	74,395,000	144,497,000	Food products of animal origin.....	121,349,000	168,841,000
Colonial produce.....	102,889,000	124,350,000	Dyes.....	29,588,000	69,075,000
Iron.....	103,265,000	93,682,000	Confectionery.....	22,767,000	60,543,000
Chemicals and chemical products.....	47,741,000	83,235,000	Hides and skins.....	47,271,000	49,033,000
Seeds, plants, etc.....	35,330,000	65,089,000	Precious metals, bullion.....	20,557,000	48,423,000
Hides and skins.....	56,284,000	64,476,000	Wood.....	8,368,000	42,767,000
Wood.....	41,704,000	56,332,000	Instruments and apparatus.....	16,191,000	35,731,000
Drinks.....	57,796,000	57,358,000	Iron.....	32,802,000	34,515,000

IV. EXCHANGE RATES AND PURCHASING POWER PARTIES

Exchange rates in New York on Switzerland, like those on France and Great Britain, went to a rather high premium at the outbreak of the war in 1914. The par value of the Swiss franc according to gold contents is 19.29 cents. The highest rate recorded in July, 1914, was 21.505 cents. It is possible that even higher rates were paid, for the market was very much disorganized. The cause of the high rates was largely the panic in London and Paris. Bankers in those markets refused to discount bills for New York at a time of the year when large amounts were usually discounted. The supply of sterling and francs in New York being thus seriously curtailed, rates for these currencies went to very high figures. In London and Paris Swiss exchange was at only a slight discount. Consequently, in New York bills on Switzerland also went to a high premium, since they were an acceptable means of payment in London and Paris.

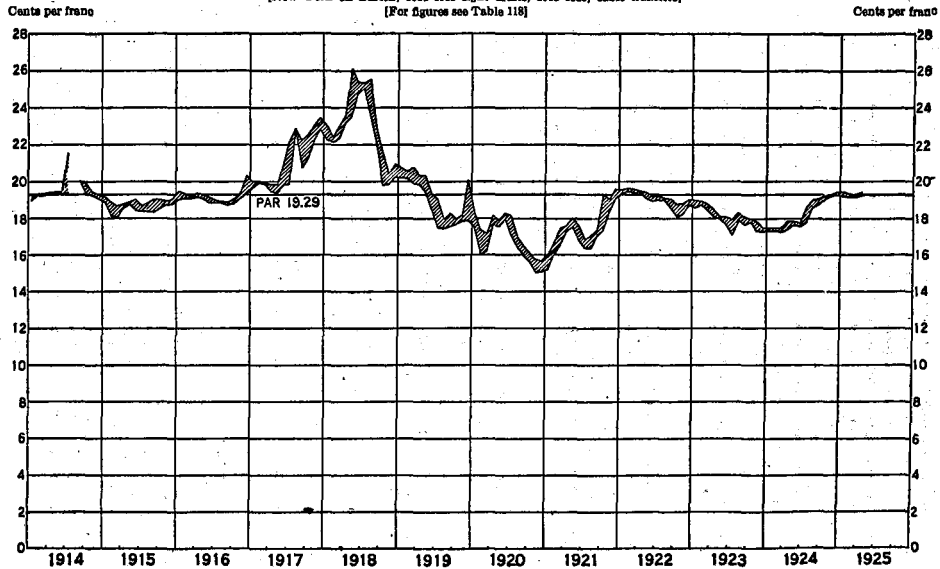
In the autumn of 1914 the Swiss franc was down to par again in New York, and even went a little below par toward the end of the year. In 1915 the rates most of the time were below the point where, under ordinary conditions, gold would have moved from Switzerland to the United States. But on account, of the war, gold could not be easily shipped. Besides, after July, 1915, the Swiss Government maintained an embargo on gold exportations. During 1916 exchange rates for Swiss francs were sometimes above and sometimes below par. The high rates for Swiss francs at the close of 1916 were doubtless due to the support given sterling and French francs by American financial interests, combined with the difficulty of shipping gold from the United States to Switzerland. Also, the increasing probability of American participation in the war doubtless prevented dollar exchange from receiving the speculative support it might otherwise have received.

The New York rates for Swiss francs began to advance sharply in the early summer of 1917. They continued upward, reaching a maximum of 25.81 cents in May, 1918, which was about 33.8 per cent above par. But as soon as the military fortunes changed and favored the Allies in the middle of 1918 the rates began to decline. The noon rate for cable transfers was down to 19.92 cents on November 4, 1918. The accompanying chart (No. 73) shows the high and low rates for Swiss francs from the first of 1914 to 1925.

On account of the embargo on gold exportations from the United States the high premium in New York on Swiss francs could not be reduced through shipments of gold as in normal times.¹ There was also an embargo upon the exportation of many kinds of commodities from the United States. Another factor and perhaps the most important one responsible for the premium on Swiss francs had to do with the "pegging" of exchange rates in New York on Allied countries. For example, the great supply of sterling bills which originated in Switzerland on account of supplies purchased there by the Allies was sent to New York, since that was the best market in which to dispose of them. Sterling in New York was fixed artificially at about \$4.76 to the pound. As a result of the sending of sterling bills

¹ The American embargo on gold went into effect September 7, 1917. Gold was shipped out after that date but only in such amounts as the Government saw fit.

CHART 78
SWITZERLAND—EXCHANGE RATES, HIGH AND LOW, MONTHLY, 1914-1925
[New York on Zurich; 1914-1918 sight drafts; 1918-1925, cable transfers]
[For figures see Table 118]



to New York in this way dollars became plentiful in Switzerland and their price declined. If the dollar credits received for the sterling bills could have been turned into gold and shipped to Switzerland, Swiss exchange would have remained near par.

Commodity prices in the United States at that time were not relatively as high as in Switzerland. If Swiss importers could have availed themselves of those prices in the United States—if they could have bought commodities freely in the United States and shipped them without interference from the American embargo regulations and the German submarines—Swiss exchange in that case also would doubtless have remained near par. But in the absence of the right to turn dollar funds into either gold or goods to be taken to Switzerland, and in the absence of sufficient Swiss credits at the disposal of the United States, Swiss francs went to a premium—dollars to a discount.

The exchanges of the allied countries were "unpegged" in March, 1919. The United States Treasury discontinued further advances to the fiscal agents of the allied Governments, and in the absence of such advances the allied Governments discontinued the purchase in New York of sterling, francs, and lire at artificially high rates. Also, exports from the United States greatly increased during the same time. Rates for Swiss francs, therefore, declined during these two years.

On June 5, 1919, the noon rate for cable transfers on Zurich went below par in New York. By an order of June 30, the embargo on gold exports from the United States was removed. Consequently, it was no longer possible for Swiss francs to go to any appreciable premium in New York, regardless of the balance of payments. But since there still was an embargo upon gold exports from Switzerland (since July, 1915) dollars might go to a premium in Switzerland, or Swiss francs to a discount in New York. As a matter of fact, the rate of francs went below 18 cents in July, 1919 (par is 19.3). It is probable that the removal of the embargo indirectly helped to hasten this drop, because the export of gold from the United States following the removal of the embargo was a factor in bringing down other neutral exchanges which had previously been at a premium in New York. By means of arbitrage transactions, dollar exchange was made dearer, not only in those countries to which gold was shipped, but in other countries as well, including Switzerland.

The underlying reason why exchange rates in New York for Swiss francs were so greatly depreciated in 1919 and 1920, after the dollar was relieved of carrying the burden of the pound, the French franc, and other currencies, was that prices in Switzerland had risen to a relatively greater extent than in the United States. The relationship between the price levels in the two countries is expressed in purchasing-power parities, computed from index numbers for the two countries. These parities, based upon the purchasing powers of the two currency units each within its own country, give an approximation to what exchange rates might be expected to be. Thus, if prices in Switzerland are depreciated 10 per cent as compared to prices in the United States, as indicated by index numbers, Swiss francs should be about 90 per cent of parity or 17.36 cents. There are, of course, many factors which influence exchange rates aside from the purchasing powers of the respective currency units, so that purchasing-power parities are not to be taken absolutely as a guide to exchange rates. Borrowing gives support to a country's exchange

and, conversely, foreign lending or the payment of former debts tends to depreciate it. Furthermore, the demand in the world markets for a country's commodities might change independently of capital movements. An increase in demand for a country's goods tends to be reflected in higher exchange rates, and vice versa. In other words, the country would trade with the rest of the world on different terms than before, and the change in exchange rates would be the mechanism by which the alteration in terms took place.

The rate foreign traders are willing to pay for exchange on a country depends to a large extent on how much the currency of that country will buy. Therefore, the relative greater price inflation in Switzerland was the principal factor in the depreciation of the franc. The balance of merchandise trade may influence exchange rates temporarily, but more fundamental than this is the purchasing power of the currency.

The accompanying chart (No. 74) shows purchasing-power parities between the Swiss franc and the dollar since the first of 1921, and also, for comparative purposes, current exchange rates. It will be noticed that until the middle of 1922 exchange rates were not depreciated as much as might seem to be warranted by purchasing-power parities. Relative prices in Switzerland at the first of 1921 were so much higher than those in the United States, that the purchasing-power parity at this time was down for a while to a little over 13 cents.

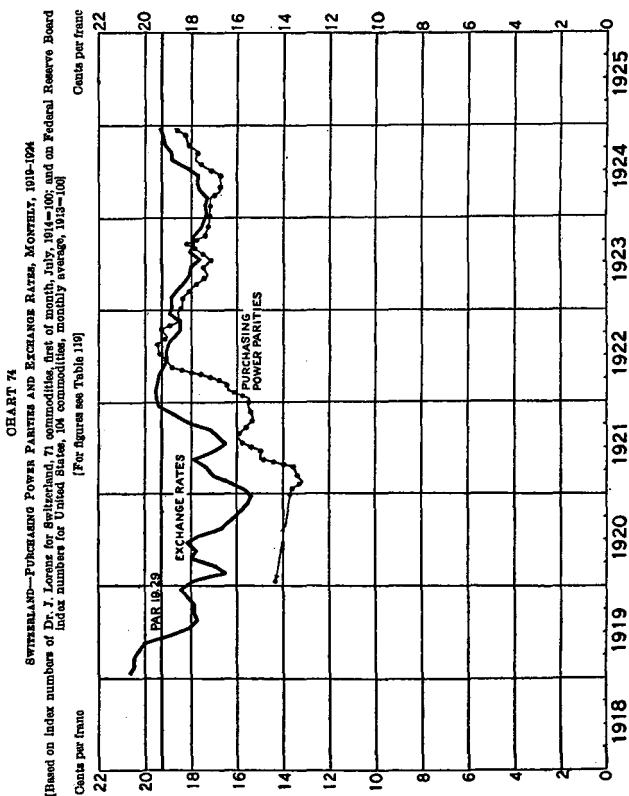
Since the middle of 1922 purchasing-power parities and exchange rates have been relatively close together, as can be seen in the chart. This agreement indicates more normal and healthy conditions. At the first of 1925 both exchange rates and purchasing-power parities were close to par.

Exchange rates for Swiss francs depend not only upon conditions in Switzerland but also upon conditions in the United States. In 1920 there were two drops in foreign currencies in general in the United States, one in February and another in December. The Swiss franc was involved in both of these. American merchants and bankers were holding large amounts of foreign bills, especially sterling. In February, 1920, and again in December they endeavored to realize substantially upon their holdings. The result was a fall in exchange rates on London and consequently upon other centers dependent upon London. The liquidation of December, 1920, was exaggerated by the general business crisis in the United States. Not only commodities and securities but foreign bills were in the process of liquidation at this time.

It is probable that Swiss exchange would have gone even lower in 1920 had it not been for loans placed in New York. The following data give the amounts (in dollars) of Federal and local government loans floated in New York during recent years:

Date	Borrower	Amount	Nominal rate
August, 1919.....	Swiss Confederation.....	\$30,000,000	5½
July, 1920.....	.....do.....	25,000,000	8
October, 1920.....	City of Zurich.....	5,000,000	8
November, 1920.....	City of Bern.....	5,000,000	8
August, 1923.....	Swiss Confederation.....	20,000,000	5
April, 1924.....	.....do.....	30,000,000	5½

In 1921 Swiss francs began to improve rapidly. The price index fell from 238 at the beginning of the year to 176 at the end of the year. This was only the continuation of the fall in prices that had begun in 1920. The effect of this fall on exchange rates was tempered by the fall of prices elsewhere. However, the price drop in Switzer-



land was enough greater than in the United States to raise the purchasing power parity from 13.62 in January, 1923, to 15.51 in December, or from 13.17 in February to 15.05 in May.

In 1921 various factors contributed to improve exchange rates. As a result, partly of the relative fall of Swiss prices, the excess of

merchandise imports fell from 927,000,000 francs in 1920 to 484,000,000 in 1921.² Also, gold loans previously granted by Switzerland to belligerent countries to the amount of 600,000,000 francs fell due and were repaid. There was an "inflow of funds" from countries with greatly fluctuating currencies. That is to say, there were purchases of bills on Switzerland to be exchanged for Swiss bank deposits. As a result of these influences, and of speculative support as well, the franc reached par again in New York in December, 1921.

In February, 1922, Swiss exchange was higher than that of any other country in the London market. It reached 19.6 cents in New York, a little above par. For a short time in 1922 the Swiss National Bank redeemed its notes in specie; about 200,000,000 francs in gold were put into circulation. But other influences were at work tending to depress the Swiss franc, and the bank, instead of using its gold reserve to protect exchange, together with a tightening of the money market, suspended specie payments. It had already lowered its discount rate from 4 to 3½ per cent in March, and on August 17, 1922, it lowered the rate further to 3 per cent. In May, 1922, the Swiss franc went below par again in New York, and continued to sag, except for slight recoveries, for the next 18 months.

One influence tending to depress the Swiss franc in the latter part of 1922 and in 1923 was the rise of prices in Switzerland which began in the middle of 1922 and lasted for nearly a year. Another depressing influence was the outflow of capital. Several foreign loans were placed in Switzerland. One for the Paris-Orleans Railway amounted to 50,000,000 francs. Also, there was a "repatriation" to Switzerland of dollar securities issued by Switzerland and previously sold in the United States. These dollar loans to Switzerland had been a valuable support to Swiss exchange at the time they were made, but their repurchase by Swiss investors now had a depressing effect on exchange rates.

In the autumn of 1922 a bill was introduced by the Socialists providing for a levy on capital. The bill was voted on by the electorate December 3, 1922, and although it failed to pass the possibility of its passage accelerated the "flight of capital." However, the flight of capital continued in 1923. There was a withdrawal of bank deposits by Germans as the Swiss franc continued to sag. The Germans offered bills on Swiss banks for bills on London and New York, where the currency was more stable (sterling was rising slightly).

The Swiss Government in August, 1923, placed a loan in New York for \$20,000,000 in an effort to support the Swiss franc. The effectiveness of the loan was reduced, since Swiss investors immediately began to repurchase the bonds just sold. In fact, they preferred Swiss dollar obligations to Swiss franc obligations.

On July 14, 1923, the Swiss National Bank raised its discount rate from 3 to 4 per cent and its collateral loan rate from 4 to 5 per cent. Exchange rates immediately responded. On July 14 the franc in New York was worth 17.39 cents; by July 25 it had risen to 17.89. In August and early September it was above 18, but began to decline again after that.

² Excluding bullion and specie.

During the first half of 1924 the Swiss franc was fluctuating around 17.5 cents. In July and August a marked rise took place, the franc rising from 17.76 cents in July to 19.01 in August. The franc went a little above par in November, 1924, and since that time has remained practically at par. Since Switzerland is preparing to return to the gold standard, very great depreciation appears to be ended.

V, RETURN TO GOLD

The Swiss franc has been practically at par since October, 1924. As late as April, 1924, it was down to about 90 per cent of par, but by August had recovered to over 97 per cent of par. The franc has now become stabilized at its pre-war level, and underlying conditions are such as to facilitate the maintenance of this level. The price level in Switzerland has shown practically as much stability as the price level in the United States for recent years, and since the end of 1924 the two have been in relatively close agreement.

One of the most important factors in the recovery of the Swiss franc in 1924, rising from about 17.25 cents in January to 19.48 cents in December, was the fall of prices in Switzerland, coupled with a slight rise of prices in the United States. Stated in another way, the purchasing power parity of the franc rose from 17.19 cents in January, 1924, to 18.73 cents in December, 1924, and in April, 1925, was 19.06 cents. Contributing to the rise in the franc was the loan of \$30,000,000 floated in the United States in April, 1924.

In the spring of 1924, when the franc was considerably depreciated, much opinion in Switzerland feared that the fall in prices necessary to restore the franc to par would involve business depression, unemployment, and a lower level of physical production. The discount rate of the national bank was retained at 4 per cent during the entire year, where it had been since July, 1923, when it was raised from 3 per cent. The rise in the franc during 1924 took place without much deflation or business depression.

The national bank at the end of March, 1925, held a gold reserve of 481,000,000 francs, which is about 58 per cent of the note circulation on that date of 836,000,000 francs. The silver reserve on the same date amounted to about 90,000,000 francs. The bank also has held for some time large amounts of foreign credits payable on demand and which are as useful as gold in maintaining exchange rates. These credits were reduced to less than 5,000,000 francs in May, 1924, when the franc was low on the exchange market. At the end of the year, however, they had risen to about 47,000,000 francs. At the end of March, 1925, foreign credits amounted to about 16,000,000 francs. The total cover at the end of March (gold, silver, and foreign credits) amounted to about 587,000,000 francs, or about 60 per cent of the outstanding circulation. This compares with total reserves at the end of June, 1914, of 193,000,000 (of which 176,000,000 was gold) against a circulation of 260,000,000, or, in other words, a reserve of about 74 per cent.

From the above it can be seen that Switzerland is in a position to return to the gold standard and that the country would have little difficulty in maintaining the gold standard once this standard was restored. Switzerland is planning to return soon to the gold standard. The return of Great Britain, Holland, Sweden, and other countries to the gold basis, as well as the stabilization with reference to gold by most countries of Europe, makes an early return to the gold standard in Switzerland very desirable, and also makes easier this return. The restoration of the gold standard in Switzerland will increase confidence and have a stimulating effect upon the trade and prosperity of the country.

During the period when most other European countries were experiencing very great depreciation and wide fluctuations in their currencies, the Swiss franc, which was more stable and of more certain value, was used extensively throughout Europe, so that its position as one of the important world currencies has been strengthened. This has increased the importance of Switzerland as a financial center. With the return of other countries to gold, competition is becoming keener, and if the Swiss franc is not to lose what it has gained, it must promptly be made a gold unit; a free gold market should be established in Switzerland.

The condition of the Government finances in Switzerland has not been very serious, and in the last year or two the budget deficits have been greatly reduced. The deficit in 1923 amounted to about 45,000,000,000 francs (about \$9,000,000). The Government is not indebted to the bank, and Government financing in Switzerland during the last year or two has not led to much inflation. In fact, for some time inflation has not been taking place in Switzerland.

The indebtedness of the Government has been increasing gradually and at the end of 1923 amounted to 4,694,180,000 francs, more than half of which was the debt of the Federal railways. This total indebtedness at the end of 1923 compares with a figure of 1,674,843,000 at the end of 1913, of which 1,564,000,000 was railway debt. The following tables show the receipts and expenditures of Switzerland since 1911 and the condition of the debt at various dates since 1850:

Switzerland—National debt, 1850-1923

(Source: Statistisches Jahrbuch der Schweiz. Thousands of francs)

Year	Funded debt ¹	Floating debt	Federal railways		Total indebtedness
			Funded debt	Floating debt	
1850	3,853	790			4,643
1860	4,250				4,250
1870	13,760	6,700			20,460
1880	24,754				24,754
1890	54,150				54,150
1900	64,437				64,437
1905	82,248		1,018,833	109,213	1,210,294
1910	91,150		1,363,818	120,906	1,575,874
1911	87,700		1,457,213	63,524	1,608,437
1912	94,200		1,474,385	64,609	1,633,194
1913	111,170		1,494,425	69,648	1,674,843
1914	180,310	56,000	1,559,750	34,429	1,856,489
1915	398,510	105,500	1,561,827	59,575	2,069,212
1916	543,019	222,500	1,568,811	64,951	2,399,281
1917	714,153	319,400	1,570,847	109,704	2,714,104
1918	1,049,232	428,660	1,637,419	175,998	3,291,009
1919	1,359,015	435,046	1,742,445	216,202	3,752,708
1920	1,587,697	311,633	1,790,142	352,072	4,041,544
1921	1,743,931	372,645	2,006,048	274,575	4,400,199
1922	1,889,205	200,497	2,153,664	230,470	4,473,736
1923	2,042,905	217,568	2,263,549	150,158	4,694,180

¹ Less money in sinking fund.

Switzerland—Receipts and expenditures, 1911-1924

(Source: Statistisches Jahrbuch der Schweiz)

	1911-1917			1918-1924			
	Receipts	Expenditures	Deficit	Receipts	Expenditures	Deficit	
	Francs	Francs	Francs	Francs	Francs	Francs	
1911 ¹	95,044,100	96,256,046	251,946	221,705,080	283,569,767	61,864,687	
1912 ¹	102,338,649	100,353,086	2,005,563	286,879,263	382,534,950	95,655,687	
1913 ¹	99,957,112	105,310,651	5,353,539	343,656,352	443,098,082	99,536,730	
1914 ¹	78,310,727	100,843,845	22,533,118	330,859,356	508,431,226	177,571,870	
1915 ¹	77,626,354	99,177,861	21,551,507	425,863,980	508,271,646	79,407,666	
1916	176,582,014	193,227,469	16,645,455	1923 ¹	253,445,119	298,915,573	45,468,754
1917	185,655,900	236,408,765	50,747,865	1924 ¹	256,915,000	295,179,000	38,264,000

¹ Only net amounts for administration of posts and telegraphs are included.

² Budget estimates.

³ Surplus.

PART II

STATISTICAL TABLES

AUSTRIA

TABLE 1.—*Austro-Hungarian Bank, 1920-1922*

[Source: Weekly Reports of the Oesterreichisch-Ungarische Bank. See chart 2. End of month; thousands of kronen]

Month	Gold coin and bullion	Silver coin	Foreign exchange and currency	Loans and discounts	Notes in circulation	Deposits
1920—December	53		8,754	23,790,904	30,645,658	3,780,416
1921—January	54		8,103	27,359,626	34,525,694	3,832,856
February	51		11,721	30,915,782	35,352,648	4,838,491
March	54		5,858	24,515,796	41,037,299	5,925,352
April	65	1	5,569	14,751,450	45,636,722	8,161,867
May	64	1	7,031	5,895,446	45,583,104	9,798,443
June	67	2	6,565	1,805,718	49,685,140	9,713,367
July	67	5	10,028	1,593,419	54,107,281	8,390,823
August	68	5	5,810	1,671,672	58,533,766	8,074,083
September	74	5	11,248	4,042,282	70,170,798	5,442,927
October	75	5	5,305	6,553,909	90,904,390	6,635,699
November	76	5	6,862	18,944,127	120,612,826	7,148,024
December	81	5	9,936	30,040,275	174,114,747	19,503,161
1922—January	44	5	2,459	39,764,924	227,015,925	16,818,745
February	44	5	1,460	49,654,549	256,931,138	16,878,773
March	45	5	662	70,663,364	304,063,642	18,263,398
April	45	20	1,014	95,618,907	346,697,776	22,896,786
May	45	20	1,695	124,365,171	397,629,318	25,447,377
June	45	20	1,851	173,881,680	549,915,676	31,525,368
July	45	21	1,328	256,331,478	786,225,601	36,688,359
August	45	21	751	532,453,547	1,353,403,633	116,011,372
September	45	21	698	784,916,252	2,277,677,738	249,971,029
October	45	21	389	877,621,743	2,970,916,607	108,205,383
November	45	8	420	721,946,863	3,417,786,498	307,846,951
December	46	8	303	782,262,180	4,080,177,238	327,991,960

TABLE 2.—*Austrian National Bank, 1923-1925*

[Source: Weekly reports of the Oesterreichische National bank. See chart 2. End of month; million of kronen]

Month	Gold	Foreign exchange and currency	Loans and discounts	Treasury bills	Notes in circulation	Deposits
1923—January	49,804	1,058,244	731,046	2,556,848	4,110,551	279,092
February	83,438	1,029,134	728,884	2,652,682	4,207,992	178,752
March	86,097	1,336,385	821,397	2,550,159	4,459,117	329,109
April	73,270	1,439,999	741,858	2,550,159	4,577,382	226,273
May	73,391	1,682,209	876,942	2,550,159	4,837,042	343,339
June	73,391	2,532,316	730,848	2,547,212	5,432,619	362,237
July	73,391	2,947,216	658,966	2,539,777	6,684,134	535,121
August	73,391	3,050,065	947,936	2,538,719	8,894,786	413,383
September	73,391	3,126,699	803,317	2,537,661	6,225,109	373,673
October	62,117	3,356,232	1,099,340	2,536,604	6,607,859	414,882
November	62,117	3,504,632	1,094,620	2,536,547	6,577,816	617,321
December	83,177	3,832,132	1,328,380	2,534,490	7,125,755	649,424
1924—January	91,274	3,811,148	1,253,110	2,533,434	6,735,109	535,983
February	105,536	3,921,594	1,737,334	2,532,379	7,394,441	558,800
March	106,663	3,953,872	1,733,400	2,295,428	7,144,901	762,814
April	107,059	3,669,333	1,811,984	2,294,471	7,315,471	696,141
May	107,443	3,344,337	2,660,449	2,259,839	7,554,620	641,001
June	107,762	3,178,389	3,082,470	2,237,794	7,774,958	741,400
July	108,342	3,254,477	3,304,876	2,231,173	7,995,647	896,032
August	108,256	3,453,177	3,226,962	2,218,459	8,002,142	997,677
September	108,950	3,724,916	2,652,688	2,210,527	7,998,509	890,537
October	109,327	4,032,485	2,379,700	2,202,106	8,213,063	502,579
November	110,943	4,312,355	1,945,827	2,196,181	8,072,921	494,750
December	110,890	4,770,548	1,851,595	2,178,185	8,337,681	553,450
1925—January	111,814	3,357,911	1,545,295	2,172,491	7,902,217	438,380
February	111,474	3,310,032	1,285,158	2,150,151	7,957,242	315,771
March	111,649	3,202,802	1,047,719	2,107,949	7,897,792	205,468
April	112,168	3,474,672	1,050,069	2,088,777	7,976,420	236,957

TABLE 3.—Austria—Total note circulation, 1914–1925

[1914–1918, monthly averages; 1919–1924, end of month. The Austrian National Bank came into existence Jan. 1, 1923, and took over the Austrian section of the former Austro-Hungarian Bank which was placed in liquidation Jan. 1, 1920. In 1919 notes of the Austro-Hungarian Bank were circulating in all of the succession States, although they were gradually exchanged for national currency in these States or stamped with the national stamp. See charts 1 and 3]

[Source: "The Austrian Crown," J. van Walraf de Bordes, and weekly bank statements. 000 omitted]

	Total circulation of Austro-Hungarian Bank	Note circulation within Austria		Total circulation of Austro-Hungarian Bank	Note circulation within Austria
	<i>Kronen</i>	<i>Kronen</i>		<i>Kronen</i>	<i>Kronen</i>
1914—July	2,403,351		1920—January	13,256,878	
August	3,693,443		February	14,252,809	
September	4,236,810		March	15,457,749	
October	4,645,101		April	15,523,832	
November	4,866,547		May	15,793,805	
December	4,970,107		June	16,971,344	
1915—January	5,061,924		July	18,721,495	
February	5,100,987		August	20,050,281	
March	5,354,258		September	22,271,686	
April	5,678,879		October	25,120,386	
May	5,931,182		November	28,072,331	
June	6,133,000		December	30,645,656	
July	6,248,960		1921—January	34,625,634	
August	6,413,350		February	38,352,648	
September	6,664,762		March	41,067,299	
October	6,957,697		April	45,030,723	
November	6,887,256		May	45,568,194	
December	7,011,209		June	49,685,140	
1916—January	7,116,779		July	54,107,251	
February	7,244,127		August	58,332,766	
March	7,426,897		September	70,170,798	
April	7,703,142		October	90,904,399	
May	7,830,747		November	120,612,825	
June	7,992,564		December	174,114,747	
July	8,352,456		1922—January	227,015,925	
August	8,786,560		February	269,931,138	
September	9,448,667		March	304,063,642	
October	10,057,328		April	346,697,776	
November	10,577,626		May	397,829,313	
December	10,781,949		June	549,915,678	
1917—January	10,738,352		July	796,225,001	
February	10,939,869		August	1,353,403,632	
March	11,321,893		September	2,277,677,738	
April	11,668,017		October	2,970,916,607	
May	11,935,393		November	3,417,786,496	
June	12,324,222		December	4,080,177,233	
July	12,882,741		1923—January	4,110,351,163	
August	13,785,102		February	4,207,991,722	
September	14,927,866		March	4,459,117,216	
October	16,152,908		April	4,577,392,333	
November	17,255,908		May	4,837,042,081	
December	18,009,261		June	5,432,619,312	
1918—January	18,234,641		July	5,684,133,721	
February	19,540,112		August	5,894,786,367	
March	20,736,905		September	6,225,109,352	
April	22,026,666		October	6,607,839,105	
May	22,239,768		November	6,577,616,341	
June	24,565,711		December	7,125,755,190	
August	26,250,461		1924—January	6,735,109,000	
September	27,789,301		February	7,364,441,000	
October	30,155,033		March	7,144,901,000	
November	32,915,769		April	7,315,471,000	
December	34,889,000		May	7,552,620,000	
1919—January	36,507,378		June	7,774,856,000	
February	37,569,606		July	7,935,647,000	
March	37,935,314	4,687,056	August	8,092,142,000	
April	39,438,775	5,577,851	September	7,966,509,000	
May	39,949,891	5,960,003	October	8,213,003,000	
June	41,781,391	7,397,892	November	8,072,021,000	
July	42,353,777	8,391,405	December	8,357,767,000	
August	43,452,737	9,241,135	1925—January	7,902,217,000	
September	45,780,793	9,781,112	February	7,957,242,000	
October	49,403,131	10,819,210	March	7,897,792,000	
November	51,344,147	11,192,570	April	7,976,420,000	
December	54,481,265	12,134,474			

TABLE 4.—Austria—Retail prices, 1921–1924 (on paper basis and on gold basis)

[Index numbers of Statistische Nachrichten. 52 commodities; monthly averages, January, 1921–1900. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par]

Month	On paper currency basis	Converted to gold basis	Month	On paper currency basis	Converted to gold basis
1921—January	100	1.250	1923—October	18,567	1.288
February	114	1.379	November	17,681	1.223
March	122	1.505	December	17,409	1.293
April	116	3.235	1923—January	17,526	1.211
May	121	3.034	February	17,851	1.234
June	150	1.481	March	18,205	1.258
July	143	2.012	April	19,428	1.342
August	187	1.030	May	20,450	1.418
September	215	.976	June	20,482	1.415
October	333	.887	July	19,368	1.368
November	596	1.090	August	18,511	1.279
December	942	1.813	September	20,955	1.448
1922—January	1,142	1.832	October	21,166	1.463
February	1,428	1.981	November	21,479	1.484
March	1,457	1.079	December	21,849	1.510
April	1,619	1.071	1924—January	22,941	1.585
May	2,028	1.121	February	23,336	1.613
June	3,431	1.135	March	23,336	1.613
July	4,530	.906	April	23,361	1.614
August	11,046	.927	May	23,797	1.644
September	20,090	1.388	June	24,267	1.677

TABLE 5.—Austria—Wholesale prices, 1923–1925

[Index numbers of Statistische Nachrichten. 47 commodities; prices on the 5th of each month. See chart 6] [January–April, 1914=100]

Month	Index	Month	Index
1923—January	1,696,600	1924—April	1,946,500
February	1,721,600	May	1,946,500
March	1,852,100	June	1,828,200
April	1,875,800	July	1,913,300
May	1,884,500	August	2,013,600
June	1,833,900	September	1,937,300
July	1,789,300	October	2,006,600
August	1,657,400	November	2,076,600
September	1,779,400	December	2,075,400
October	1,759,700	1925—January	2,118,100
November	1,779,600	February	2,108,100
December	1,818,100	March	2,064,800
1924—January	1,874,800	April	2,005,800
February	1,915,800	May	1,986,400
March	1,913,000		

TABLE 6.—Austria—Exchange rates, Vienna on New York, 1914–1924

[Kronen per dollar. Monthly averages through 1918; 1919–1920 average of last week of month; 1921–1924 last day of month. See chart 1]

[Source: "The Austrian Crown," J. van Walré de Bordes, and current publications]

	1914	1915	1916	1917	1918
January		5.85	8.14	9.44	8.17
February		6.07	7.92	9.74	8.16
March		6.54	8.16	9.93	8.06
April		6.56	7.99	10.26	8.00
May		6.57	7.75	10.37	8.25
June		6.62	7.68	11.24	9.17
July	4.95	6.95	8.05	11.30	9.37
August	5.21	6.67	8.18	11.19	10.51
September	5.31	6.71	8.54	11.42	12.01
October	5.54	6.93	8.59	11.50	11.11
November	5.81	7.04	9.47	11.19	14.33
December	5.76	7.53	9.81	9.46	15.16

TABLE 6.—Austria—Exchange rates, Vienna on New York, 1914—1924—Contd.

	1919	1920	1921	1922	1923	1924
January.....	17.09	271.43	654.00	7,375.00	71,500.00	70,760.00
February.....	20.72	250.00	722.50	6,350.00	71,150.00	70,760.00
March.....	25.85	206.66	676.00	7,487.50	71,000.00	70,760.00
April.....	26.03	200.00	661.00	7,937.50	70,850.00	70,760.00
May.....	24.75	155.83	604.00	11,100.00	70,800.00	70,760.00
June.....	29.63	145.00	720.00	18,900.00	70,900.00	70,760.00
July.....	37.24	165.00	957.00	42,350.00	70,760.00	70,760.00
August.....	42.50	237.14	1,081.50	77,300.00	70,760.00	70,760.00
September.....	68.50	255.00	2,520.00	74,210.00	70,760.00	70,760.00
October.....	96.50	358.33	4,355.00	73,550.00	70,760.00	70,760.00
November.....	130.00	493.66	8,520.00	71,400.00	70,760.00	70,760.00
December.....	155.00	659.40	8,275.00	70,025.00	70,760.00	70,760.00

TABLE 7.—Austria—Exchange rates, New York on Vienna, 1914—1924

(January, 1914—February, 1917, sight drafts; March, 1917—July, 1919, represent a combination of cable rates, New York on Amsterdam and spot quotations in Amsterdam of Austrian currency; August—December, 1919, cable transfers; 1920, sight drafts; January—June, 1921, cable transfers; July, 1921, to date, noon buying rates for cable transfers. Average rates, January, 1914, to October, 1918, are mid-points between the monthly high and low rates; from November, 1918, to date, the averages are monthly averages of daily rates.)

(Source: Federal Reserve Board, *Financial Review*, and Annual Reports of the Nederlandsche Bank—Par: 20.26 cents per krone)

Month	Cents per krone			Month	Cents per krone		
	High	Low	Average		High	Low	Average
1914—January.....	20.26	20.16	20.21	1918—January.....	14.33	11.40	12.87
February.....	20.28	20.24	20.26	February.....	13.42	11.77	12.60
March.....	20.26	20.24	20.26	March.....	13.02	11.47	12.23
April.....	20.29	20.25	20.27	April.....	12.78	12.28	12.53
May.....	20.32	20.27	20.30	May.....	12.82	11.41	12.12
June.....	20.32	20.23	20.28	June.....	12.21	9.87	11.04
July.....	20.38	20.15	20.27	July.....	10.63	9.57	10.10
August.....	20.28	20.31	20.35	August.....	9.97	9.01	9.49
September.....	17.98	17.85	18.87	September.....	8.88	8.06	8.47
October.....	19.98	17.85	18.87	October.....	11.61	7.83	9.72
November.....	17.98	17.45	17.67	November.....	8.06	6.37	7.21
December.....	18.00	17.80	17.65	December.....	6.59	6.09	6.34
1915—January.....	17.50	17.35	17.43	1919—January.....	6.50	5.95	6.23
February.....	17.35	15.95	16.65	February.....	5.88	4.63	5.26
March.....	15.88	15.50	15.69	March.....	5.04	3.67	4.36
April.....	15.55	15.40	15.48	April.....	4.25	3.46	3.86
May.....	15.70	15.45	15.58	May.....	4.68	3.78	4.23
June.....	15.18	15.55	15.37	June.....	4.30	3.13	3.73
July.....	15.18	15.10	15.14	July.....	3.42	2.37	2.90
August.....	15.20	14.97	15.09	August.....	3.11	2.00	2.55
September.....	15.55	14.97	15.26	September.....	2.15	1.45	1.80
October.....	15.55	14.65	15.10	October.....	1.70	.88	1.29
November.....	14.70	13.90	14.30	November.....	1.02	.70	.86
December.....	14.10	12.95	13.53	December.....	.76	.53	.65
1916—January.....	13.00	12.25	12.63	1920—January.....	.64	.30	.47
February.....	15.25	12.60	13.88	February.....	.45	.20	.33
March.....	13.20	12.25	12.73	March.....	.80	.37	.49
April.....	13.80	12.35	13.08	April.....	.50	.50	.55
May.....	13.45	12.10	13.28	May.....	.91	.48	.70
June.....	13.25	12.65	12.95	June.....	.85	.68	.77
July.....	13.05	12.20	12.62	July.....	.73	.59	.66
August.....	12.45	12.20	12.33	August.....	.57	.44	.51
September.....	12.16	11.95	12.06	September.....	.50	.42	.46
October.....	12.00	11.87	11.94	October.....	.44	.31	.38
November.....	11.89	11.70	11.80	November.....	.35	.26	.32
December.....	13.25	10.98	12.12	December.....	.32	.22	.27
1917—January.....	11.80	10.65	11.23	1921—January.....	.33	.19	.26
February.....	11.15	10.60	10.86	February.....	.28	.21	.25
March.....	10.25	9.92	10.09	March.....	.31	.20	.26
April.....	9.99	9.34	9.67	April.....	.22	.25	.29
May.....	9.74	9.60	9.67	May.....	.30	.21	.25
June.....	9.66	8.40	9.03	June.....	.25	.15	.20
July.....	9.20	8.71	8.96	July.....	.17	.12	.15
August.....	9.13	8.00	8.57	August.....	.14	.11	.13
September.....	9.00	8.74	8.87	September.....	.13	.06	.10
October.....	9.14	8.30	8.72	October.....	.07	.06	.06
November.....	9.98	8.85	9.36	November.....	.08	.03	.04
December.....	12.03	10.41	11.22	December.....	.04	.03	.04

TABLE 7.—Austria—Exchange rates, New York on Vienna, 1914—1924—Contd.

Month	Cents per krona			Month	Cents per krona		
	High	Low	Average		High	Low	Average
1922—January	.0380	.0287	.0325	1922—October	.0014	.0014	.0014
February	.0330	.0190	.0281	November	.0014	.0014	.0014
March	.0190	.0130	.0150	December	.0014	.0014	.0014
April	.0137	.0127	.0134	1924—January	.0014	.0014	.0014
May	.0125	.0095	.0112	February	.0014	.0014	.0014
June	.0063	.0048	.0067	March	.0014	.0014	.0014
July	.0052	.0028	.0039	April	.0014	.0014	.0014
August	.0022	.0012	.0017	May	.0014	.0014	.0014
September	.0015	.0013	.0014	June	.0014	.0014	.0014
October	.0014	.0014	.0014	July	.0014	.0014	.0014
November	.0014	.0013	.0014	August	.0014	.0014	.0014
December	.0014	.0014	.0014	September	.0014	.0014	.0014
1922—January	.0014	.0014	.0014	October	.0014	.0014	.0014
February	.0014	.0014	.0014	November	.0014	.0014	.0014
March	.0014	.0014	.0014	December	.0014	.0014	.0014
April	.0014	.0014	.0014	1925—January	.0014	.0014	.0014
May	.0014	.0014	.0014	February	.0014	.0014	.0014
June	.0014	.0014	.0014	March	.0014	.0014	.0014
July	.0014	.0014	.0014	April	.0014	.0014	.0014
August	.0014	.0014	.0014	May	.0014	.0014	.0014
September	.0014	.0014	.0014	June	.0014	.0014	.0014

TABLE 8.—Austria—Purchasing power parities, 1923—1924

(According to index numbers of Statistische Nachrichten for Austria, January-April, 1914=100, and Federal Reserve Board index numbers for United States, average for 1913=100. See Chart 5)

Month	United States index of prices	Austrian index of prices	Purchasing power parities (U. S. index X par Austrian index (cents per krona))	Average exchange rates (cents per krona)	Per cent purchasing power parities are of exchange
1923—January	166.153	1,698,600	0.001,982	0.0014	141.87
February	166.391	1,721,500	.001,956	.0014	139.86
March	169.374	1,852,100	.001,853	.0014	132.36
April	170.055	1,875,800	.001,837	.0014	131.21
May	167.068	1,894,500	.001,787	.0014	127.64
June	164.065	1,833,900	.001,812	.0014	129.43
July	159.488	1,789,800	.001,806	.0014	129.00
August	159.059	1,657,400	.001,944	.0014	138.86
September	163.387	1,779,400	.001,860	.0014	132.86
October	163.142	1,759,700	.001,878	.0014	134.14
November	163.400	1,779,500	.001,861	.0014	132.93
December	163.042	1,818,100	.001,817	.0014	129.79
1924—January	162.745	1,874,800	.001,799	.0014	125.64
February	162.519	1,915,800	.001,719	.0014	122.79
March	159.522	1,812,000	.001,890	.0014	120.71
April	157.076	1,946,500	.001,641	.0014	117.21
May	156.148	1,946,500	.001,625	.0014	116.07
June	154.394	1,828,200	.001,711	.0014	122.21
July	156.383	1,913,300	.001,656	.0014	118.29
August	157.936	2,013,000	.001,589	.0014	113.60
September	156.276	1,937,300	.001,634	.0014	116.71
October	158.673	2,008,600	.001,601	.0014	114.36
November	160.074	2,076,600	.001,568	.0014	112.00
December	164.515	2,075,400	.001,607	.0014	114.78
1925—January	167.782	2,118,100	.001,605	.0014	114.64
February	167.066	2,108,100	.001,606	.0014	114.71
March	169.395	2,064,800	.001,670	.0014	118.29
April	164.000	2,005,800	.001,656	.0014	118.29
May	163.000	1,985,400	.001,663	.0014	118.79

TABLE 9.—Austria—Gold value of total note circulation, 1921-1924

(On basis of exchange rates and on basis of purchasing power parities. See Charts 3 and 4)

Month	Total note circulation (millions of kronen)	Average exchange rates (New York on Vienna) (cents per krone)	Gold value of circulation on basis of exchange rates (thousands of dollars)	Purchasing power parities (cents per krone)	Gold value of circulation on basis of purchasing power parities (thousands of dollars)
1921—January	34,526	0.256	88,041		
February	38,353	.245	93,965		
March	41,067	.250	102,068		
April	45,037	.565	254,459		
May	45,683	.508	231,562		
June	49,685	.200	99,370		
July	54,107	.285	76,670		
August	58,534	.125	69,831		
September	70,171	.092	85,680		
October	90,904	.057	50,997		
November	120,613	.039	43,421		
December	174,115	.039	67,383		
1922—January	227,616	.0325	73,790		
February	259,881	.0281	73,041		
March	304,064	.0150	45,610		
April	346,698	.0134	46,458		
May	397,829	.0012	44,557		
June	549,916	.0067	36,844		
July	786,226	.0038	29,877		
August	1,353,404	.0017	23,008		
September	2,277,678	.0014	31,887		
October	2,970,917	.0014	41,593		
November	3,417,786	.0014	47,849		
December	4,080,177	.0014	57,122		
1923—January	4,110,551	.0014	57,548	0.001,982	81,471
February	4,207,992	.0014	58,912	.001,958	82,392
March	4,459,117	.0014	62,428	.001,853	82,627
April	4,577,382	.0014	64,083	.001,837	84,087
May	4,837,042	.0014	67,719	.001,787	86,438
June	5,432,619	.0014	76,087	.001,812	96,439
July	5,684,134	.0014	79,578	.001,806	102,655
August	5,894,788	.0014	82,827	.001,944	114,595
September	6,225,109	.0014	87,152	.001,860	115,787
October	6,607,639	.0014	92,510	.001,878	124,095
November	6,677,616	.0014	92,087	.001,861	122,409
December	7,125,755	.0014	99,761	.001,817	129,475
1924—January	6,375,109	.0014	89,282	.001,799	112,138
February	7,364,441	.0014	103,102	.001,719	126,596
March	7,114,901	.0014	99,609	.001,690	120,242
April	7,315,471	.0014	102,417	.001,641	120,047
May	7,554,620	.0014	105,766	.001,625	122,763
June	7,774,938	.0014	108,849	.001,711	133,030
July	7,995,647	.0014	111,939	.001,656	132,408
August	8,002,142	.0014	112,030	.001,689	137,154
September	7,968,500	.0014	111,979	.001,634	130,695
October	8,212,003	.0014	114,982	.001,601	131,490
November	8,072,021	.0014	113,008	.001,568	126,569
December	8,387,767	.0014	117,429	.001,607	134,791
1925—January	7,902,217	.0014	110,631	.001,605	126,831
February	7,957,242	.0014	111,401	.001,606	127,793
March	7,897,792	.0014	110,569	.001,670	131,898
April	7,976,420	.0014	111,670		

TABLE 10.—Austria—Imports and exports of merchandise by countries, 1922 (excluding gold and silver)

(Source: Statistik des auswärtigen Handels Österreichs.)

[In thousands of gold crowns]

	1922		1923	
	Imports	Exports	Imports	Exports
Czechoslovakia.....	414,428	113,112	428,908	104,857
Germany.....	392,402	161,855	307,734	131,250
Hungary.....	195,728	142,900	208,941	84,977
Italy.....	88,870	113,016	131,846	100,156
Poland.....	82,192	101,514	118,694	83,685
United States.....	144,450	15,262	114,657	17,563
Switzerland.....	89,654	62,423	113,108	70,644
Yugoslavia.....	72,056	138,449	95,787	137,091
Great Britain.....	41,382	38,571	43,381	43,727
Rumania.....	24,386	70,848	41,869	78,833
Bulgaria.....	22,067	12,367	26,474	13,927
British Indies.....	21,439	3,927	32,017	6,081
France.....	21,496	12,880	29,713	22,028
Netherlands.....	27,917	24,382	26,483	16,489
Argentine Republic.....	26,897		21,582	
Japan.....		19,466		22,279
Australia.....	14,569		11,877	
Belgium.....	9,269	12,750	7,442	9,867
Dutch Indies.....	10,327		6,762	
Sweden.....		12,396		13,001
All other countries.....	54,659	57,684	71,762	73,577
Total.....	1,766,188	1,103,712	1,849,037	1,030,551

TABLE 11.—Austria—Imports and exports of merchandise, 1920-1923 (by principal commodities)

(Source: Statistische Übersichten über den auswärtigen Handel)

[Quantity in metric tons; value in thousands of gold crowns]

Commodities	1920		1921		1922		1923	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Imports:								
Cotton, yarn and goods.....	20,103	153,151	48,439	188,022	48,494	252,027	43,190	289,627
Coal.....	3,906,257	131,778	5,842,978	135,656	5,812,267	200,528	5,024,943	182,983
Wool, yarn and goods.....	6,940	155,303	16,851	194,143	15,393	177,223	19,532	172,093
Grain.....	321,684	133,574	592,222	189,386	413,378	106,616	467,496	117,641
Draft animals and cattle for slaughter.....	187,141	19,897	133,151	47,147	106,915	88,068	114,804	110,592
Flour.....	230,357	157,811	128,543	56,182	210,627	92,140	282,885	120,534
Silk and silk goods.....	767	60,963	1,530	81,168	1,132	68,516	1,444	85,211
Fruits, vegetables, and plants.....	261,918	53,432	206,061	51,954	189,471	35,359	241,381	50,590
Sugar.....	63,538	32,802	95,338	50,101	126,371	60,501	102,662	47,792
Fats.....	54,174	114,781	52,797	54,950	58,151	58,770	73,422	81,923
Exports:								
Cotton, yarn and goods.....	10,822	112,945	16,744	79,324	24,004	134,974	21,390	126,799
Iron and iron goods.....	191,852	122,116	199,840	100,207	226,497	106,517	351,980	123,462
Paper and paper goods.....	95,708	55,856	116,285	65,578	108,994	78,781	214,858	91,230
Ready-made clothing.....	1,958	52,652	1,226	51,204	2,195	70,013	1,454	61,821
Wool, yarn and goods.....	2,461	28,552	3,961	38,435	6,253	61,268	6,730	66,240
Machines, apparatus, and parts.....	41,164	50,957	84,892	60,806	44,729	58,423	28,074	38,674
Wooden goods.....	28,130	49,761	40,660	50,388	41,745	44,438	38,114	81,870
Electrical machines, including bulbs.....	8,149	37,899	11,784	42,232	11,861	51,570	9,093	36,289
Sawed timber.....	321,669	39,478	326,166	34,643	640,889	57,742	647,677	58,262
Base metals and goods.....	13,913	30,745	19,280	38,641	21,202	59,492	20,530	62,646

1 Number.

2 In addition, 1,009,213 pieces.

3 In addition, 1,647,641 pieces.

4 In addition, 1,550,532 pieces.

BELGIUM

TABLE 12.—Bank of Belgium, 1919-1924

[Source: Weekly statements of the Banque Nationale de la Belgique. See chart 7. End of month; thousands of francs]

	Gold	Silver	Discounts	Notes in circulation	Current accounts and deposits
1919—July.....	266,027	30,986	350,530	4,665,815	2,508,439
August.....	266,038	34,358	285,739	4,690,763	2,410,533
September.....	266,032	29,067	272,180	4,687,684	2,397,101
October.....	266,338	26,715	324,030	4,680,065	2,424,871
November.....	266,410	26,221	341,225	4,670,895	2,467,919
December.....	266,409	26,902	392,308	4,763,802	2,433,618
1920—January.....	266,418	27,523	407,207	4,902,641	2,304,713
February.....	266,424	26,975	457,055	4,928,691	2,042,185
March.....	266,425	27,537	565,176	4,947,095	2,155,757
April.....	266,430	27,541	743,850	5,123,174	2,180,218
May.....	266,463	27,191	731,747	5,068,978	2,271,560
June.....	266,487	26,225	626,420	5,166,370	2,027,642
July.....	266,488	26,711	590,171	5,387,498	1,779,394
August.....	266,497	26,685	582,441	5,580,532	1,620,497
September.....	266,499	26,785	606,734	5,736,056	1,420,302
October.....	266,504	27,070	619,586	5,792,826	1,378,812
November.....	266,512	27,804	630,712	5,845,802	1,357,419
December.....	266,519	27,920	756,687	6,119,239	1,173,774
1921—January.....	266,534	28,106	795,409	6,224,107	1,164,783
February.....	266,537	29,946	813,814	6,968,667	1,441,943
March.....	266,565	35,321	735,408	6,104,823	1,186,998
April.....	266,567	37,182	694,575	6,106,858	1,135,817
May.....	266,578	37,528	691,939	6,141,082	1,115,629
June.....	266,569	38,609	641,661	6,110,162	1,094,586
July.....	266,571	39,902	581,803	6,138,109	990,706
August.....	266,581	39,655	611,219	6,152,046	1,024,137
September.....	266,582	39,730	467,973	6,212,237	821,237
October.....	266,582	40,045	424,225	6,110,722	901,981
November.....	266,583	40,013	418,081	6,127,136	859,869
December.....	266,584	40,490	425,972	6,289,576	675,918
1922—January.....	266,584	40,409	411,830	6,301,911	676,198
February.....	266,584	40,418	444,948	6,259,132	808,380
March.....	266,584	40,408	467,483	6,312,943	774,505
April.....	266,589	40,916	463,746	6,302,032	731,472
May.....	266,590	41,122	474,689	6,103,065	1,155,070
June.....	266,597	41,905	494,356	6,228,202	818,496
July.....	266,597	44,678	496,353	6,327,881	722,250
August.....	266,596	43,094	497,620	6,527,662	517,663
September.....	266,596	47,378	506,536	6,517,769	545,558
October.....	266,596	51,497	567,484	6,543,145	708,835
November.....	268,916	52,352	618,404	6,704,738	517,989
December.....	268,916	54,887	634,546	6,700,896	498,881
1923—January.....	268,917	57,869	635,598	6,779,618	320,162
February.....	268,917	62,397	661,763	6,870,616	306,011
March.....	268,918	59,359	703,121	6,884,334	316,167
April.....	268,920	61,580	691,371	6,869,823	304,491
May.....	268,920	62,219	728,018	6,818,159	290,654
June.....	268,920	62,361	778,991	6,718,838	520,301
July.....	269,722	62,425	821,386	6,888,836	340,179
August.....	269,725	60,374	1,015,509	7,193,628	304,196
September.....	269,730	59,774	1,027,765	7,150,206	282,336
October.....	269,730	63,720	1,024,505	7,281,186	354,316
November.....	269,730	64,722	1,051,602	7,277,657	364,351
December.....	270,486	74,340	1,210,341	7,345,431	428,326
1924—January.....	270,487	76,546	1,353,022	7,589,582	367,813
February.....	270,487	71,094	1,372,628	7,651,930	367,399
March.....	270,488	70,253	1,396,962	7,651,704	414,620
April.....	270,488	68,922	1,379,148	7,622,338	382,409
May.....	270,488	69,089	1,369,124	7,619,450	317,098
June.....	270,488	67,018	1,343,226	7,524,223	352,530
July.....	270,488	65,830	1,338,964	7,764,487	252,713
August.....	270,489	66,020	1,306,407	7,640,931	313,046
September.....	270,489	66,961	1,327,094	7,528,085	261,738
October.....	270,489	68,094	1,346,152	7,629,580	261,435
November.....	270,490	69,112	1,311,775	7,603,333	303,061
December.....	272,243	66,263	1,478,650	7,590,216	426,822
1925—January.....	272,255	74,307	1,645,294	7,647,967	405,963
February.....	272,282	74,747	1,324,757	7,596,872	259,764
March.....	272,283	75,582	1,317,876	7,457,980	315,754
April.....	272,283	75,231	1,374,080	7,666,424	327,451

TABLE 13.—Belgium—Wholesale prices, 1921-1924

(Index numbers of the Ministry of Labor; 128 commodities; last half of April, 1914=100. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See Chart 8.)

[On paper basis and on gold basis]

Month	On paper currency basis	Converted to gold basis	Month	On paper currency basis	Converted to gold basis
1921—August	347	135	1923—July	504	128
September	368	137	August	529	125
October	372	138	September	514	131
November	374	135	October	515	136
December	369	144	November	531	130
1922—January	366	148	December	545	129
February	356	154	1924—January	580	126
March	350	153	February	642	128
April	344	152	March	625	125
May	348	151	April	655	120
June	356	152	May	557	140
July	360	146	June	565	134
August	360	141	July	566	134
September	364	136	August	547	142
October	385	137	September	550	141
November	408	135	October	555	138
December	407	140	November	569	142
1923—January	434	137	December	566	146
February	474	133	1925—January	559	147
March	482	137	February	551	145
April	480	143	March	546	144
May	474	141	April	538	141
June	484	135	May	537	140

TABLE 14.—Belgium—Exchange rates, 1919-1924

(New York on Brussels, January-July, 1919, sight drafts; August-December, 1919, cable transfers; January, 1920-June, 1921, sight drafts; July, 1921, to date, noon buying rates for cable transfers. Average rates are monthly averages of daily rates. See Chart 10.)

[Source: Federal Reserve Board. Par: 10.20 cents per franc]

Month	Cents per franc			Month	Cents per franc		
	High	Low	Average		High	Low	Average
1919—January	17.86	17.54	17.70	1923—April	8.62	8.40	8.52
February	17.76	17.61	17.64	May	8.46	8.27	8.36
March	17.64	15.92	16.78	June	8.44	7.94	8.22
April	16.05	15.58	15.87	July	8.02	7.44	7.81
May	15.77	14.81	15.49	August	7.78	7.12	7.55
June	15.60	14.93	15.18	September	7.15	7.10	7.28
July	14.89	13.25	13.99	October	7.44	6.39	6.86
August	13.25	11.70	12.47	November	6.76	5.64	6.37
September	12.55	11.11	12.47	December	6.95	6.42	6.66
October	11.98	11.51	11.75	1923—January	6.81	5.12	6.08
November	12.02	10.63	11.15	February	6.66	5.11	5.40
December	10.64	8.93	9.64	March	6.94	5.21	5.48
1920—January	9.37	7.12	8.51	April	5.89	5.59	5.76
February	7.65	6.73	7.23	May	5.81	5.62	5.72
March	7.86	7.24	7.48	June	5.61	5.14	5.40
April	7.38	6.26	6.99	July	5.03	4.77	4.89
May	8.17	6.38	7.18	August	4.78	4.35	4.55
June	8.74	7.93	8.30	September	5.44	4.54	4.90
July	9.03	7.97	8.64	October	5.28	4.91	5.09
August	8.08	7.31	7.67	November	5.01	4.45	4.74
September	7.41	6.39	7.16	December	4.99	4.48	4.53
October	7.09	6.73	6.90	1924—January	4.43	4.02	4.18
November	6.70	6.07	6.37	February	4.17	3.42	3.84
December	6.43	6.12	6.25	March	4.33	3.16	3.87
1921—January	7.71	6.18	6.77	April	5.72	4.72	5.23
February	7.79	7.31	7.50	May	5.39	4.43	4.85
March	7.52	7.22	7.35	June	4.80	4.33	4.56
April	7.73	7.27	7.44	July	4.64	4.44	4.56
May	8.77	7.82	8.27	August	5.25	4.64	5.02
June	8.39	7.89	8.03	September	5.09	4.79	4.94
July	7.97	7.33	7.64	October	4.85	4.75	4.80
August	7.64	7.32	7.53	November	4.59	4.30	4.43
September	7.64	6.84	7.17	December	5.03	4.91	4.97
October	7.25	6.39	7.13	1925—January	5.22	4.37	4.95
November	7.13	6.33	6.94	February	5.12	5.00	5.08
December	7.88	6.93	7.54	March	5.15	5.01	5.07
1922—January	8.00	7.59	7.81	April	5.08	5.04	5.05
February	8.73	7.95	8.32	May	5.08	4.90	5.02
March	8.71	8.19	8.43	June	4.90	4.48	4.70

¹ Midpoints between high and low monthly rates.

TABLE 15.—Belgium—Purchasing power parities, 1921-1924

(According to index numbers of the ministry of labor for Belgium and Federal Reserve Board index numbers for the United States. See Chart 11)

Month	United States index of prices	Belgian index of prices	Purchasing power parities, (U. S. index X par) (Belgian index) (cents per franc)	Average exchange rates cables in New York (cents per franc)	Per cent purchasing power parities are of exchange rates
1921—August.....	147	247	8.18	7.53	108.63
September.....	147	268	7.71	7.17	107.63
October.....	146	372	7.58	7.13	106.31
November.....	145	374	7.48	6.94	107.78
December.....	143	369	7.48	7.54	99.20
1922—January.....	142	366	7.49	7.81	95.90
February.....	146	356	7.91	8.32	95.07
March.....	147	350	8.11	8.43	96.20
April.....	149	344	8.36	8.62	98.12
May.....	158	348	8.78	8.36	104.78
June.....	161	356	8.73	8.22	106.20
July.....	165	360	8.85	7.81	113.32
August.....	166	360	8.90	7.55	117.88
September.....	164	364	8.69	7.23	120.19
October.....	165	385	8.27	6.86	129.55
November.....	164	408	7.76	6.37	121.82
December.....	165	407	7.82	6.64	117.77
1923—January.....	166	434	7.38	6.08	121.38
February.....	166	474	6.76	5.40	126.19
March.....	169	482	6.77	5.48	122.64
April.....	170	480	6.84	5.76	118.75
May.....	167	474	6.80	5.72	118.88
June.....	164	484	6.54	5.40	121.11
July.....	169	504	6.09	4.88	124.60
August.....	159	520	5.80	4.55	127.47
September.....	163	514	6.12	4.90	124.90
October.....	163	515	6.11	5.09	120.04
November.....	163	531	5.93	4.74	126.11
December.....	163	545	5.77	4.58	125.98
1924—January.....	163	580	5.42	4.18	129.67
February.....	163	642	4.90	3.84	127.60
March.....	160	625	4.94	3.87	127.65
April.....	158	555	5.49	5.23	104.97
May.....	156	557	5.41	4.86	111.32
June.....	154	565	5.26	4.56	115.35
July.....	156	566	5.32	4.56	116.67
August.....	158	547	5.57	5.02	110.96
September.....	156	550	5.47	4.94	110.73
October.....	159	555	5.53	4.80	115.21
November.....	160	569	5.43	4.83	112.42
December.....	166	566	5.62	4.97	113.06
1925—January.....	168	559	5.80	5.06	114.62
February.....	167	551	5.85	5.06	115.16
March.....	169	548	5.97	5.07	117.75
April.....	164	538	5.88	5.06	116.44
May.....	163	537	5.86	5.02	116.73

TABLE 16.—Belgium—Gold value of total note circulation, 1919-1924

[On basis of exchange rates and on basis of purchasing power parities. See Chart 12]

Month	Total note circulation (thousands of francs)	Average exchange rates (cents per franc)	Gold value of circulation on basis of exchange rates (thousands of dollars)	Purchasing power parities (cents per franc)	Gold value of circulation on basis of purchasing power parities (thousands of dollars)
1919—July	4,665,315	13.99	652,678		
August	4,690,763	12.47	594,938		
September	4,687,684	12.47	583,554		
October	4,680,065	11.75	549,906		
November	4,670,895	11.15	520,805		
December	4,763,802	9.64	459,231		
1920—January	4,902,641	8.51	417,216		
February	4,928,691	7.23	356,344		
March	4,947,095	7.48	370,043		
April	5,123,174	6.69	342,740		
May	5,068,978	7.18	363,953		
June	5,166,370	8.30	428,809		
July	5,387,493	8.64	465,479		
August	5,530,332	7.67	424,176		
September	5,736,056	7.16	410,702		
October	5,792,826	6.80	399,705		
November	5,845,802	6.37	372,378		
December	6,119,239	6.25	382,452		
1921—January	6,224,107	6.77	421,372		
February	6,968,667	7.50	447,650		
March	6,104,823	7.35	448,704		
April	6,106,856	7.44	454,276		
May	6,141,082	8.37	514,009		
June	6,110,162	8.03	490,646		
July	6,138,109	7.64	468,952		
August	6,152,046	7.53	493,249	8.18	503,237
September	6,212,237	7.17	445,417	7.71	478,963
October	6,110,722	7.13	435,694	7.58	463,198
November	6,127,136	6.94	426,226	7.48	458,310
December	6,289,578	7.54	474,224	7.48	470,460
1922—January	6,301,911	7.81	492,179	7.49	472,013
February	6,259,132	8.32	520,780	7.91	495,097
March	6,312,943	8.43	532,181	8.11	511,980
April	6,302,032	8.52	536,933	8.36	526,850
May	6,103,066	8.36	510,216	8.76	534,628
June	6,228,202	8.22	511,958	8.78	543,722
July	6,327,881	7.81	494,206	8.85	560,017
August	6,527,662	7.55	492,838	8.90	580,962
September	6,517,769	7.23	471,235	8.69	566,894
October	6,543,145	6.86	448,860	8.27	541,118
November	6,704,738	6.37	427,092	7.76	520,288
December	6,700,886	6.66	446,279	7.82	524,039
1923—January	6,779,618	6.98	412,201	7.38	500,336
February	6,870,616	5.49	371,013	6.76	454,454
March	6,854,334	5.48	377,262	6.77	464,069
April	6,869,623	5.78	395,685	6.84	469,875
May	6,816,159	5.72	389,894	6.80	463,499
June	6,718,838	5.40	362,817	6.54	439,412
July	6,888,836	4.85	336,175	6.09	419,530
August	7,193,628	4.55	327,310	5.80	417,230
September	7,150,206	4.90	350,360	6.12	437,593
October	7,281,186	5.09	370,612	6.11	444,880
November	7,277,567	4.74	344,956	5.93	431,569
December	7,345,431	4.58	336,421	5.77	423,831
1924—January	7,589,582	4.18	317,245	5.42	411,235
February	7,651,580	3.84	263,830	4.80	374,940
March	7,651,704	3.37	236,121	4.64	377,694
April	7,622,338	5.23	398,648	5.49	418,466
May	7,619,650	4.88	370,314	5.41	412,223
June	7,524,223	4.56	343,105	5.26	395,774
July	7,764,487	4.56	354,061	5.32	413,071
August	7,640,931	5.02	382,575	5.57	426,600
September	7,526,085	4.94	371,789	5.47	411,577
October	7,629,560	4.80	366,220	5.53	421,916
November	7,603,353	4.83	367,242	5.43	412,862
December	7,590,216	4.97	377,234	5.62	426,570
1925—January	7,647,967	5.06	386,967	5.80	451,230
February	7,593,873	5.08	386,023	5.86	444,534
March	7,457,580	5.07	376,099	5.97	443,318
April	7,665,424	5.05	387,104	5.88	450,727

TABLE 17.—Belgium—Imports and exports of merchandise, annually, 1881—1923
(Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise)

[Source: Commerce Extérieur de la Belgique. See Chart 9. 000 omitted]

Year	Quantity		Value		
	Imports	Exports	Imports	Exports	Excess of imports
	Kilograms	Kilograms	Francs	Francs	Francs
1881			1,605,640	1,285,008	320,632
1882			1,560,585	1,304,551	256,034
1883			1,462,353	1,308,182	154,171
1884			1,382,123	1,306,763	75,360
1885			1,328,756	1,195,638	133,118
1886			1,310,746	1,178,389	132,357
1887			1,426,586	1,239,535	187,051
1888			1,519,252	1,239,416	279,836
1889			1,520,863	1,433,734	87,129
1890			1,655,506	1,430,913	224,593
1891			1,754,698	1,492,227	262,471
1892			1,506,890	1,347,501	159,389
1893			1,522,494	1,337,091	185,373
1894			1,555,735	1,280,677	269,058
1895			1,652,980	1,349,072	303,908
1896			1,723,303	1,433,269	290,034
1897			1,794,008	1,504,524	289,484
1898			1,970,239	1,703,894	266,345
1899			2,180,679	1,869,713	310,966
1900			2,109,711	1,907,455	202,256
1901	13,467,637	14,275,231	2,199,532	1,807,630	391,902
1902	14,947,751	14,903,075	2,300,860	1,914,604	446,256
1903	16,836,534	15,170,261	2,621,733	2,087,634	534,099
1904	18,063,636	15,633,684	2,755,907	2,167,154	588,753
1905	19,530,285	15,672,436	3,024,477	2,314,105	720,372
1906	20,964,186	14,593,308	3,337,486	2,681,409	656,077
1907	21,527,354	16,777,235	3,665,618	2,825,900	839,718
1908	21,063,719	16,356,172	3,237,419	2,478,284	759,135
1909	23,340,025	17,578,825	3,604,777	2,764,070	850,707
1910	25,765,748	18,744,660	4,065,194	3,331,292	733,902
1911	28,540,463	19,633,309	4,312,984	3,535,843	777,141
1912	29,899,272	20,616,670	4,660,733	3,901,600	759,133
1913	30,793,946	20,884,778	4,636,608	3,634,584	1,002,024
1914	4,752,758	6,893,902	5,238,279	2,292,923	2,945,356
1915	13,331,006	10,585,262	12,935,676	8,852,094	4,083,582
1916	17,658,690	17,226,231	10,196,462	7,264,896	2,930,566
1917	22,558,424	17,000,320	9,451,745	6,358,229	3,093,516
1918	26,608,129	16,974,341	13,204,780	9,725,064	3,479,726

TABLE 18.—Belgium—Imports and exports of merchandise, monthly 1923—24
(including gold and silver)

[Quantity in metric tons; value in thousands of francs]

[Source: Bulletin Mensuel du Commerce Spécial]

Month	Quantity		Value		
	Imports	Exports	Imports	Exports	Excess of imports
1923—January	2,183,192	1,345,577	931,214	488,004	443,210
February	1,797,743	1,239,685	805,326	569,409	215,917
March	1,704,851	1,308,170	968,167	715,353	272,814
April	2,603,021	1,546,065	973,736	700,393	273,343
May	1,897,913	1,166,240	898,165	579,257	318,908
June	2,261,682	1,366,878	1,195,763	756,606	437,257
July	2,196,789	1,501,615	1,023,184	732,152	291,032
August	2,178,510	1,512,462	1,107,151	728,565	378,586
September	3,264,243	1,520,481	1,099,378	825,120	274,258
October	2,230,558	1,481,092	1,107,741	894,442	223,299
November	2,326,802	1,386,677	1,124,242	868,445	255,797
December	2,226,950	1,394,509	1,267,963	1,060,608	247,355
1924—January	2,558,109	1,210,244	1,337,185	670,522	466,263
February	2,629,100	1,390,210	1,433,496	1,085,168	352,330
March	2,922,558	1,780,119	1,619,766	1,250,090	269,676
April	2,749,336	1,632,497	1,289,137	1,066,781	222,356
May	2,488,766	1,769,537	1,513,941	1,267,971	225,970
June	2,532,704	1,699,955	1,308,323	1,070,778	308,545
July	2,754,422	1,818,062	1,493,511	1,164,097	329,414
August	2,920,703	1,774,314	1,364,026	1,008,124	355,902
September	3,117,283	1,952,660	1,476,494	1,184,163	292,331
October	3,099,931	1,750,308	1,784,049	1,263,879	490,170
November	1,821,622	996,381	778,562	652,846	125,716
December	2,976,461	1,673,273	1,608,062	1,477,762	126,300
1925—January	3,576,175	1,905,311	1,372,030	1,064,998	317,032
February	3,267,114	1,510,073	1,266,723	961,766	305,956

TABLE 19.—Belgium—Imports and exports of gold and silver, annually, 1881—1923

(Quantity in kilograms; value in thousands of francs)

(Source: Commerce Extérieur de la Belgique)

Year	Gold						Silver							
	Quantity		Value				Quantity		Value					
	Im-ports	Ex-ports	Im-ports	Ex-ports	Excess of—		Im-ports	Ex-ports	Im-ports	Ex-ports	Excess of—			
					Im-ports	Ex-ports					Im-ports	Ex-ports		
1881	383	20	1,299	62	1,237			104,369	79,788	22,933	17,540	5,393		
1882	4,902	6,166	16,423	19,117	2,694			147,742	10,325	30,556	2,250	28,306		
1883	727	4,878	2,471	16,723	14,252			896,860	82,857	87,307	18,221	69,086		
1884	2,108	6,747	6,748	20,920	14,172			167,618	48,894	36,874	9,706	27,078		
1885	4,741	1,302	15,288	4,040	11,248			15,579	1,901	3,004	325	2,679		
1886	3,271	865	10,857	2,710	8,147			67,608	5,090	13,446	875	12,571		
1887	1,159	56	3,963	180	3,783			8,052	5,205	1,384	910	474		
1888	1,748	101	5,999	345	5,654			46,371	21,052	9,106	8,939	5,167		
1889	4,645	702	14,973	3,337	12,636			104,318	14,209	20,542	2,455	18,087		
1890	3,173	294	10,814	959	9,855			30,033	26,555	5,795	5,152	643		
1891	6,478	3,711	29,794	8,560	21,234			77,614	95,796	15,329	16,256	2,933		
1892	5,359	121	27,479	398	27,081			11,497	119,218	2,085	21,541	19,456		
1893	3,032	1,668	9,963	5,418	4,547			216,526	83,109	42,712	18,438	29,274		
1894	5,116	422	16,338	1,441	14,897			18,494	102,389	2,478	15,558	13,082		
1895	3,708	6,615	12,428	20,813	8,385			77,778	98,625	15,000	15,554	564		
1896	5,890	8,014	19,953	26,121	6,168			170,256	56,814	33,478	8,564	24,922		
1897	6,609	3,523	21,804	11,708	10,096			519,927	579,218	57,200	110,056	52,850		
1898	1,882	2,112	6,275	6,956	681			490,720	434,470	68,218	70,157	7,944		
1899	2,336	2,114	7,332	6,727	606			412,525	391,437	71,054	72,852	920		
1900	2,469	1,538	8,248	4,957	3,291			194,480	70,962	37,794	10,472	27,322		
1901	1,868	3,155	6,198	10,076	3,878			80,556	74,519	15,262	10,426	4,836		
1902	1,680	1,354	5,767	4,816	1,261			75,764	61,242	14,056	6,370	7,686		
1903	1,388	2,991	4,770	9,973	5,203			162,449	68,677	29,867	12,731	17,136		
1904	2,799	1,942	9,497	9,941	3,556			95,496	76,401	16,916	10,106	6,750		
1905	2,405	3,608	7,966	11,394	3,429			135,788	62,775	25,885	8,177	17,718		
1906	9,012	26,527	30,326	86,730	56,397			445,140	148,899	85,208	25,711	60,497		
1907	1,837	1,394	6,303	4,500	1,748			512,822	108,351	101,702	17,686	84,037		
1908	2,058	2,488	6,786	6,700	86			444,305	150,869	83,228	21,460	61,768		
1909	2,216	1,822	7,913	6,193	2,720			462,479	286,631	91,627	50,461	41,166		
1910	4,918	2,779	15,380	8,372	8,008			928,872	355,844	183,387	67,764	115,623		
1911	10,872	2,096	63,354	6,334	57,020			669,518	202,320	122,135	38,173	83,962		
1912	8,939	1,074	26,604	3,086	23,518			1,374,326	249,091	270,671	46,793	223,878		
1913	14,410	1,248	44,824	3,548	41,276			1,847,927	403,047	268,427	77,682	290,745		
1914														
1915														
1916														
1917														
1918														
1919	1,596	1,862	5,186	4,412	1,744			14,177	13,089	3,344	3,115	229		
1920	345	105	2,173	615	1,558			15,685	27,818	5,916	9,309	5,387		
1921	204	28	1,533	218	1,337			6,071	31,159	1,336	6,238	6,904		
1922	703	138	6,327	1,268	5,031			56,719	83,323	14,461	22,235	7,774		
1923	631	84	4,912	761	4,151			27,382	75,406	7,701	31,676	23,974		

¹ Includes trade of Grand Duchy of Luxemburg.

TABLE 20.—Belgium—National debt

[Source: Annuaire Statistique de la Belgique]

[000 omitted]

Dec. 31—	Funded	Floating	Total indebtedness
1900—Belgian francs	2,650,898	57,651	2,708,549
1910—Belgian francs	4,055,512	135,205	4,201,717
1914—Belgian francs	4,478,092	504,350	4,982,442
1919—Belgian francs	6,336,129	12,431,206	18,767,335
Pounds sterling	9,871	7,598	17,469
French francs		333,831	333,831
Dollars		213,060	213,060
1920—Belgian francs	8,700,899	14,224,531	22,925,430
Pounds sterling	9,478	14,483	23,961
French francs		333,831	333,831
Dollars	50,000	243,613	293,613
1921—Belgian francs	11,117,376	16,347,374	27,464,750
Pounds sterling	9,420	16,363	25,783
French francs		333,831	333,831
Dollars	76,875	238,533	315,708
1922—Belgian francs	13,602,103	16,228,732	29,827,835
Pounds sterling	8,669	11,358	20,027
French francs		333,831	333,831
Dollars		73,375	305,878
1923—Belgian francs	14,752,916	16,436,722	31,190,638
Pounds sterling	8,341	9,930	18,271
French francs	400,000	297,279	697,279
Dollars	69,875	232,409	302,284
Dutch florins	44,583		44,583

TABLE 21.—Belgium—Receipts and expenditures

[Source: Annuaire Statistique de la Belgique]

[000 omitted]

1910-1913

Year	Receipts			Expenditures			Deficit
	Ordinary	Extraordinary	Total	Ordinary	Extraordinary	Total	
1910	Francs 682,487	Francs 132,918	Francs 815,405	Francs 672,954	Francs 156,502	Francs 829,456	Francs 14,051
1911	695,252	42,771	738,024	689,166	121,761	810,926	72,902
1912	755,464	21,816	777,280	749,255	146,518	895,773	118,493
1913	788,614	19,174	807,788	787,856	140,663	928,519	120,731

1920-1925

	1920 ¹	1921 ¹	1922 ¹	1923 ¹	1924 ²	1925 ³
RECEIPTS						
Ordinary	Francs 1,106,736	Francs 1,308,942	Francs 1,724,639	Francs 2,940,000	Francs 3,245,000	Francs
Extraordinary	1,750	26,550	2,690	8,000	16,000	.....
Nonpermanent	400,230	252,500	36,550			.....
Receipts from Germany:						.....
On reparations account	92,252	298,782	2,933,870	1,649,000	1,636,000	.....
Occupation and other	95,000	540,000	807,240			.....
Government railroads and other enterprises	712,377	1,077,562	1,142,175	1,341,000	1,693,000	.....
Food administration	1,356,000	1,150,400	76,550	4,000		.....
Total	3,767,345	4,652,708	6,722,624	5,942,000	6,689,000	7,450,000
EXPENDITURES						
Ordinary	2,082,419	2,473,473	2,865,912	2,956,000	3,392,000	.....
Extraordinary	376,974	1,368,011	1,034,721	565,000	452,000	.....
Recoverable	4,944,533	2,982,985	3,058,512	2,940,000	1,835,000	.....
Government railroads and other enterprises	1,451,642	1,783,731	1,678,910	1,689,000	1,931,000	.....
Food administration	2,668,074	1,199,992	80,659	4,000		.....
Total	10,943,642	9,808,192	8,748,714	8,186,000	8,322,000	8,220,000
Deficit	7,176,297	5,156,486	2,026,090	2,244,000	1,633,000	770,000

¹ Budget laws passed.² Budget estimates.³ Includes nonpermanent, occupation and other.

CZECHOSLOVAKIA

TABLE 22.—Banking office of Czechoslovakia, 1919-1924

[Source: Statements of the Banking Office of the Ministry of Finance. See Chart 13. End of month; thousands of Czechoslovak crowns]

Month	State notes in circulation	Gold and silver	Foreign currency and balances abroad	Total reserves (gold, silver, foreign currency, and balances abroad)	Percentage total reserves are of note circulation	Loans and discounts			Deposits and current accounts		Payments received on account of capital levy
						Advances on collateral	Bills and securities	Total loans and discounts	Deposits	Certificates of retention not disposable	
1919—April			6,487	6,487			20,410	20,410	2,244,018		
May			9,561	9,561		630,171	26,343	656,514	2,331,763		
June			12,130	12,130		425,061	20,410	451,477	2,208,990		
July	161,106		8,265	8,265	5.13	424,291	26,606	450,797	2,166,716		
August	664,997		8,570	8,570	1.29	425,301	26,654	451,855	1,762,100		
September	1,443,570		8,435	8,435	.58	422,840	27,386	450,226	1,261,517		
October	2,512,199		9,560	9,560	.38	423,238	28,283	451,521	1,369,829		
November	3,513,405		11,789	11,789	.34	437,615	29,430	467,045	1,490,232		
December	4,723,303		13,954	13,954	.30	502,319	79,808	581,887	1,127,237		
1920—January	5,574,688		25,887	25,887	.46	669,189	160,886	730,074	1,069,480		
February	6,462,325		56,871	56,871	.88	638,394	245,828	1,184,132	1,255,477		
March	7,216,433		254,945	254,945	3.53	1,070,999	830,209	1,901,208	1,370,979		
April	7,965,635		263,419	263,419	3.31	1,238,867	599,492	1,838,359	1,082,740		
May	8,268,695		378,484	378,484	4.58	1,466,779	755,965	2,222,744	1,338,458		
June	8,729,233		511,156	511,156	5.86	1,828,363	691,805	2,520,168	1,468,502		
July	9,267,374		549,308	549,308	5.93	1,936,937	724,841	2,711,778	1,171,084		
August	9,814,920	2,806	447,597	450,403	4.59	2,142,149	797,300	2,939,509	1,147,878		
September	10,310,223	3,067	708,838	711,905	6.90	2,279,112	1,065,927	3,345,039	1,162,199		12,597
October	10,920,514	4,231	389,478	393,709	8.61	2,265,884	1,695,646	3,961,430	1,241,480		63,671
November	10,946,653	40,311	254,272	294,583	2.69	2,164,120	1,779,853	3,943,973	1,106,365	71,135	112,163
December	11,288,512	162,819	455,596	608,415	5.39	2,322,714	2,016,626	4,338,240	1,144,224	127,418	157,981
1921—January	10,886,319	164,491	165,383	329,874	3.03	2,296,943	1,794,018	4,090,961	637,075	262,815	205,493
February	10,914,786	175,336	352,744	528,200	4.66	2,065,858	1,672,662	3,738,490	848,647	428,226	247,618
March	10,921,939	216,585	518,745	734,830	6.72	1,936,532	1,667,163	3,603,715	767,464	428,983	283,024
April	10,928,560	232,383	647,533	880,516	8.06	1,956,583	1,352,284	3,308,867	636,118	421,127	320,368
May	10,851,403	248,626	780,155	1,028,781	9.48	2,031,694	1,085,950	3,117,644	695,264	433,746	368,122
June	11,167,515	304,561	783,472	1,088,033	9.74	1,998,012	1,085,254	3,083,266	429,241	429,493	429,493
July	11,134,327	320,708	507,497	828,205	7.44	2,354,959	1,083,971	3,438,930	723,353	430,799	443,603
August	11,455,175	337,609	845,934	1,183,543	10.34	2,399,533	810,246	3,209,779	777,693	441,010	466,703
September	11,570,881	351,194	546,942	898,126	7.76	2,508,330	984,375	3,493,205	696,787	451,811	483,494
October	12,327,159	374,795	599,733	974,528	7.91	2,451,237	1,751,344	4,202,631	4,202,631	449,648	525,747
November	11,871,647	535,284	488,720	1,024,004	8.68	1,756,876	2,582,610	4,339,486	745,324	428,063	591,776
December	12,129,573	552,289	532,632	1,084,921	8.94	1,714,534	2,511,318	4,226,853	652,525	398,121	693,278

TABLE 22.—Banking offices of Czechoslovakia, 1919—1924—Continued

Month	State notes in circulation	Gold and silver	Foreign currency and balances abroad	Total reserves (gold, silver, foreign currency, and balances abroad)	Percentage total reserves are of note circulation	Loans and discounts			Deposits and current accounts		Payments received on account of capital levy
						Advances on collateral	Bills and securities	Total loans and discounts	Deposits	(Certificates of relation not disposable)	
1922—											
January	11,280,065	594,967	870,004	1,464,831	12.88	1,522,614	1,347,728	2,870,337	460,127	398,017	861,667
February	10,743,938	569,785	812,000	1,381,785	15.15	1,473,105	1,317,494	2,800,598	348,537	348,537	966,921
March	10,323,069	600,208	832,707	1,432,915	9.68	1,470,799	1,410,594	2,809,292	300,034	310,204	1,194,401
April	10,075,737	621,533	850,968	1,472,501	10.64	1,502,757	1,635,238	2,837,005	300,034	274,662	1,204,491
May	9,717,750	640,382	874,005	1,514,367	11.37	1,480,013	1,600,113	2,149,520	208,357	274,412	1,306,023
June	9,838,205	670,570	868,711	1,539,281	12.55	1,484,728	1,600,376	2,149,520	208,357	274,412	1,306,023
July	9,916,077	690,952	871,248	1,562,200	13.84	1,476,053	1,600,807	1,960,807	226,305	226,305	1,409,027
August	10,171,383	724,952	877,831	1,602,783	24.11	1,467,275	1,488,522	1,960,807	1,088,461	1,088,461	1,409,027
September	10,196,860	807,237	1,636,127	2,443,364	23.96	1,483,080	1,895,639	1,888,669	865,178	865,178	1,683,488
October	10,130,366	812,351	1,692,655	2,505,016	23.62	1,508,166	1,900,183	1,900,183	1,041,905	1,041,905	1,707,021
November	9,994,850	820,200	1,840,670	2,660,870	14.66	1,496,925	1,840,404	2,040,404	1,041,905	1,041,905	1,707,021
December	9,954,949	821,060	1,858,000	2,679,060	14.66	1,496,925	1,840,404	2,040,404	1,041,905	1,041,905	1,707,021
1923—											
January	9,947,988	828,005	1,858,000	2,686,005	14.33	1,305,784	1,638,786	1,944,540	797,644	797,644	1,018,866
February	9,137,407	828,005	1,772,840	2,608,850	14.33	1,305,784	1,638,786	1,944,540	797,644	797,644	1,018,866
March	9,567,360	843,934	1,772,840	2,616,774	15.19	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
April	9,376,991	857,865	1,649,029	2,506,884	15.19	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
May	9,327,676	850,400	1,649,029	2,507,429	21.74	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
June	9,378,865	857,865	1,649,029	2,507,429	21.74	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
July	9,448,086	857,865	1,649,029	2,507,429	30.09	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
August	9,311,378	1,060,901	2,445,017	3,506,326	37.32	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
September	9,378,999	1,078,282	2,075,271	3,153,553	37.32	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
October	9,250,688	1,082,303	1,497,008	2,579,311	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
November	9,810,083	1,033,906	1,230,290	2,264,206	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
December	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
1924—											
January	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
February	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
March	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
April	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
May	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
June	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
July	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
August	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
September	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
October	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
November	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
December	8,906,467	1,039,078	1,230,290	2,268,368	37.56	1,268,166	1,638,786	1,944,540	797,644	797,644	1,018,866
1925—											
January	7,727,880	1,028,688	595,404	1,624,192	20.50	1,574,909	1,487,472	1,654,452	632,600	632,600	4,177,138
February	7,680,667	1,028,688	595,404	1,624,192	20.50	1,574,909	1,487,472	1,654,452	632,600	632,600	4,177,138
March	7,538,934	1,000,013	560,109	1,560,122	20.50	1,574,909	1,487,472	1,654,452	632,600	632,600	4,177,138
April	7,538,934	1,000,013	560,109	1,560,122	20.50	1,574,909	1,487,472	1,654,452	632,600	632,600	4,177,138

TABLE 23.—Czechoslovakia—Wholesale prices, 1922-1924

(On paper basis and on gold basis)

Central Bureau of Statistics index numbers; 126 commodities; figures are as list of month. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See Chart 14. July, 1914=100

Month	On paper currency basis	Converted to gold basis	Month	On paper currency basis	Converted to gold basis
1922—January	1,675	143	1922—October	973	143
February	1,520	139	November	965	138
March	1,552	133	December	984	142
April	1,491	144	1924—January	974	139
May	1,471	139	February	999	143
June	1,471	140	March	1,021	146
July	1,464	156	April	1,006	147
August	1,386	199	May	1,016	147
September	1,155	184	June	991	142
October	1,059	172	July	953	139
November	1,017	159	August	986	145
December	999	153	September	982	145
1923—January	1,003	141	October	999	147
February	1,019	149	November	1,013	149
March	1,028	151	December	1,024	153
April	1,031	153	1925—January	1,046	156
May	1,080	151	February	1,048	153
June	1,001	148	March	1,034	152
July	968	143	April	1,019	149
August	958	139	May	1,006	147
September	957	141			

TABLE 24.—Czechoslovakia—Exchange rates, 1919-1924

[New York on Prague. July, 1919, sight drafts; August, 1919, to March, 1921, cable transfers; April to June, 1921, sight drafts; July, 1921, to December, 1924, noon buying rates for cable transfers. Average rates, April, 1919, to June, 1921, are mid points between the monthly high and low rates; from July, 1921, to November, 1924, the rates are monthly averages of daily rates. See Chart 16]

(Source: Federal Reserve Board)
(Nominal par: 20.28 cents per crown)

Month	Cents per crown			Month	Cents per crown		
	High	Low	Average		High	Low	Average
1919—January				1922—April	2.039	1.857	1.960
February				May	1.949	1.891	1.921
March				June	1.948	1.906	1.924
April	6.670	5.600	6.138	July	2.412	1.910	2.185
May				August	3.757	2.436	2.902
June				September	3.508	3.002	3.231
July	5.730	5.500	5.625	October	3.692	3.100	3.285
August	5.500	3.650	4.575	November	3.244	2.150	3.176
September	4.000	3.856	3.425	December	3.188	2.726	3.097
October	3.850	2.360	3.100	1923—January	3.093	2.771	2.856
November	2.400	1.500	1.950	February	2.978	2.872	2.958
December	2.100	1.700	1.900	March	2.980	2.965	2.969
1920—January	1.750	1.100	1.425	April	2.987	2.968	2.978
February	1.050	900	.975	May	2.988	2.971	2.979
March	1.500	1.050	1.275	June	3.006	2.982	2.993
April	1.710	1.350	1.530	July	3.026	2.958	2.997
May	2.810	1.580	2.195	August	2.944	2.918	2.934
June	2.500	2.170	2.335	September	3.014	2.954	2.985
July	2.330	2.010	2.165	October	3.022	2.931	2.971
August	2.020	1.600	1.810	November	2.929	2.886	2.908
September	1.900	1.170	1.535	December	2.933	2.911	2.925
October	1.360	1.130	1.245	1924—January	2.908	2.873	2.898
November	1.330	1.100	1.165	February	2.907	2.885	2.900
December	1.250	1.130	1.190	March	2.998	2.879	2.902
1921—January	1.500	1.100	1.300	April	2.981	2.876	2.957
February	1.350	1.230	1.290	May	2.958	2.928	2.939
March	1.385	1.248	1.307	June	2.957	2.919	2.936
April	1.410	1.320	1.365	July	2.977	2.926	2.953
May	1.550	1.370	1.460	August	3.001	2.950	2.979
June	1.490	1.350	1.420	September	3.000	2.985	2.992
July	1.360	1.251	1.312	October	2.887	2.977	2.981
August	1.290	1.170	1.225	November	3.014	2.980	2.989
September	1.219	1.030	1.160	December	3.031	3.004	3.018
October	1.060	987	1.049	1925—January	3.02	2.97	3.00
November	1.079	924	1.038	February	2.97	2.95	2.96
December	1.475	1.065	1.249	March	2.97	2.96	2.97
1922—January	1.971	1.548	1.732	April	2.97	2.96	2.96
February	1.932	1.669	1.855	May	2.96	2.96	2.96
March	1.866	1.621	1.733	June	2.96	2.96	2.96

TABLE 25.—Czechoslovakia—Purchasing power parities, 1922-1924

[According to index numbers of Cenové Zprávy for Czechoslovakia and Federal Reserve Board index numbers for the United States. See Chart 17]

	United States index of prices	Czechoslovak index of prices	Purchasing power parities ($\frac{\text{U S. Index} \times \text{par}}{\text{Czechoslovak index}}$) (cents per crown)	Average exchange rates, cables in New York (cents per crown)	Per cent purchasing power parities are of exchange rates
1922—January	142	1,675	1,718	1,731	99.23
February	145	1,520	1,946	1,855	104.91
March	147	1,552	1,919	1,733	110.73
April	149	1,491	2,025	1,960	103.30
May	158	1,471	2,176	1,921	113.28
June	161	1,471	2,218	1,924	115.25
July	165	1,464	2,283	2,185	104.45
August	165	1,388	2,427	2,902	83.61
September	164	1,155	2,577	3,231	80.02
October	165	1,059	3,157	3,285	96.09
November	164	1,017	3,267	3,176	102.87
December	165	999	3,346	3,097	108.05
1923—January	166	1,003	3,353	2,856	117.40
February	166	1,019	3,300	2,958	111.66
March	169	1,028	3,331	2,969	112.18
April	167	1,031	3,341	2,978	112.18
May	170	1,030	3,285	2,979	110.27
June	164	1,001	3,319	2,993	110.91
July	159	988	3,328	2,997	110.04
August	159	958	3,363	2,924	114.61
September	163	957	3,451	2,995	115.19
October	165	973	3,394	2,971	114.24
November	163	935	3,422	2,908	117.76
December	163	984	3,356	2,825	114.74
1924—January	163	974	3,391	2,898	117.01
February	163	999	3,308	2,902	113.92
March	160	1,021	3,175	2,902	109.41
April	158	1,008	3,176	2,957	107.41
May	156	1,015	3,114	2,939	105.95
June	154	981	3,180	2,936	108.32
July	150	953	3,316	2,953	112.29
August	158	986	3,246	2,979	108.96
September	156	962	3,219	2,998	107.65
October	159	999	3,225	2,961	108.19
November	160	1,013	3,200	2,999	107.05
December	165	1,024	3,264	3,020	108.16
1925—January	168	1,045	3,257	3,000	108.87
February	167	1,048	3,229	2,960	109.05
March	169	1,034	3,311	2,970	111.48
April	164	1,019	3,263	2,960	110.17
May	163	1,008	3,283	2,960	110.91

TABLE 26.—Czechoslovakia—Gold value of total note circulation, 1920-1924

[On basis of exchange rates and on basis of purchasing power parities. See Chart 18]

	Total note circulation (thousands of crowns)	Average exchange rates (cents per crown)	Gold value of circulation on basis of exchange rates (thousands of dollars)	Purchasing power parities (cents per crown)	Gold value of circulation on basis of purchasing power parities (thousands of dollars)
1920—June	8,729,228	2.335	208,827.5		
July	9,167,877	2.195	201,234.9		
August	9,814,920	1.810	177,650.1		
September	10,310,228	1.535	158,262.0		
October	10,920,514	1.245	138,960.4		
November	10,946,653	1.165	127,528.5		
December	11,238,512	1.190	124,855.8		
1921—January	10,688,319	1.300	141,548.1		
February	10,914,786	1.290	140,800.7		
March	10,921,956	1.306	142,640.7		
April	10,928,560	1.365	149,174.8		
May	10,851,403	1.460	158,430.5		
June	11,167,515	1.420	158,578.7		
July	11,134,327	1.312	146,082.4		
August	11,455,175	1.225	140,325.9		
September	11,570,881	1.160	134,222.2		
October	12,327,159	1.049	129,311.9		
November	11,871,647	1.038	123,227.7		
December	12,126,573	1.249	161,498.4		

TABLE 26.—Czechoslovakia—Gold value of total note circulation, 1920–1924—Con.

	Total note circulation (thousands of crowns)	Average exchange rates (cents per crown)	Gold value of circulation on basis of exchange rates (thousands of dollars)	Purchasing power parities (cents per crown)	Gold value of circulation on basis of purchasing power parities (thousands of dollars)
922—January	11,230,065	1.733	194,504.7	1.718	192,932.5
February	10,743,958	1.856	196,300.4	1.946	200,077.4
March	10,323,069	1.733	178,898.8	1.919	198,099.7
April	10,075,757	1.960	197,484.8	2.023	203,832.6
May	9,717,750	1.921	186,678.0	2.178	211,458.2
June	9,838,205	1.924	189,287.1	2.218	218,211.4
July	9,916,077	2.185	218,696.2	2.283	226,384.0
August	10,171,383	2.902	295,172.5	2.412	245,333.8
September	10,196,890	3.231	329,461.2	2.577	263,864.2
October	10,139,266	3.285	323,078.2	3.157	320,099.8
November	9,996,550	3.178	317,490.4	3.287	326,587.3
December	10,064,049	3.097	311,683.6	3.326	334,730.3
923—January	9,222,434	2.856	263,392.7	3.353	306,228.2
February	8,947,898	2.968	264,681.5	3.500	295,283.6
March	9,157,407	2.960	271,883.4	3.531	305,033.2
April	9,567,309	2.978	284,916.2	3.941	319,645.8
May	9,327,676	2.979	277,871.6	3.288	306,694.0
June	9,375,991	2.993	280,623.4	3.319	311,189.1
July	9,448,086	2.997	283,169.1	3.328	314,432.3
August	9,218,475	2.934	270,470.1	3.363	310,017.3
September	9,311,378	2.996	278,875.5	3.451	321,335.7
October	9,278,999	2.971	275,679.1	3.394	314,929.2
November	9,250,688	2.906	268,826.0	3.426	316,928.6
December	9,598,903	2.925	280,767.9	3.356	322,139.2
924—January	8,810,093	2.888	255,516.5	3.391	268,750.3
February	8,536,467	2.902	246,587.7	3.508	281,223.6
March	8,280,390	2.902	240,296.0	3.175	269,302.4
April	8,198,653	2.957	242,434.2	3.178	256,781.8
May	8,078,418	2.939	237,424.7	3.114	251,561.9
June	8,061,106	2.986	237,261.8	3.180	256,979.2
July	8,090,034	2.953	238,898.7	3.316	268,265.5
August	8,139,792	2.979	242,484.4	3.248	264,217.7
September	8,222,658	2.993	246,104.2	3.219	264,687.4
October	8,585,847	2.981	255,944.1	3.225	276,398.6
November	8,500,942	2.969	254,093.2	3.200	272,030.1
December	8,810,357	3.020	266,072.5	3.284	287,570.1
925—January	7,916,540	3.000	237,496.2	3.257	257,841.7
February	7,727,880	2.960	228,745.2	3.228	249,456.0
March	7,680,867	2.970	228,121.7	3.311	254,313.5
April	7,526,934	2.990	222,767.6	3.261	245,420.7

TABLE 27.—Czechoslovakia—Imports and exports of merchandise, 1920–1924 (including gold and silver)

[Source: Zahraniční Obchod Republiky Československé]

Year	Imports		Exports		Excess of exports	
	Quintals	Thousands of crowns	Quintals	Thousands of crowns	Quintals	Thousands of crowns
920	39,101,560	23,384,412	69,022,209	27,569,415	29,920,640	4,185,003
921	39,911,743	22,433,263	67,427,354	27,311,586	57,515,611	4,878,293
922	31,942,150	12,693,616	64,902,625	18,086,349	62,960,473	5,390,833
923	41,914,808	16,134,615	113,097,725	12,518,611	71,162,917	2,383,996
924	56,656,446	15,892,298	124,298,258	17,022,261	67,641,818	1,189,963

TABLE 28.—Czechoslovakia—Imports and exports of merchandise, monthly, 1921–1924

[Source: Zahraniční Obchod Republiky Československé. See Chart 15. Quantity in thousands of quintals value in thousands of crowns]

Month	Imports		Exports		Excess			
	Quantity	Value	Quantity	Value	Imports		Exports	
					Quantity	Value	Quantity	Value
1921								
January	3,279		5,552				2,273	
February	3,776		6,720				2,944	
March	4,044		8,501				4,456	
April	4,359		8,147				3,779	
May	2,390		7,576				5,186	
June	3,501		9,298				5,797	
July	2,756		9,285				6,529	
August	2,986		9,587				6,600	
September	2,676		8,858				6,181	
October	3,600		7,380				3,780	
November	3,120		7,058				3,937	
December	3,120		8,496				5,377	
1922								
January	2,989		6,951				3,962	
February	2,384		4,264				1,880	
March	3,833		9,309				5,476	
April	3,247		8,191				4,944	
May	2,753		9,201				6,438	
June	2,373		9,350				6,977	
July	2,986		10,502				7,516	
August	2,084		7,926				5,843	
September	2,019		7,053				5,034	
October	2,058		5,748				3,690	
November	1,759		7,082				5,323	
December	3,105		8,972				5,868	
1923¹								
January	1,609	402,583	7,108	767,344	5,499			364,762
February	2,037	547,699	8,977	861,955	6,940			314,256
March	2,070	750,308	10,233	891,749	8,163			141,442
April	2,977	837,189	8,570	1,044,739	5,598			207,570
May	2,489	580,678	11,551	986,171	9,062			405,493
June	3,001	713,056	10,944	996,636	7,944			383,580
July	3,413	678,828	11,156	998,039	7,742			319,212
August	4,174	741,021	10,210	971,876	6,036			230,856
September	4,568	822,095	6,052	889,726	1,426			67,631
October	6,316	987,266	6,638	1,006,984	1,422			19,717
November	4,014	971,715	9,162	1,229,383	5,168			257,668
December	5,289	1,411,821	12,482	1,709,221	7,193			297,460
1924								
January	2,478	809,788	7,293	800,274		9,514	4,816	
February	3,316	1,245,519	9,574	1,254,173			6,258	8,654
March	3,159	1,124,189	10,774	1,341,958			7,615	217,799
April	3,626	1,274,165	10,881	1,508,070			7,255	233,915
May	5,203	1,575,688	11,642	1,600,164			6,439	24,476
June	4,889	1,230,125	12,013	1,327,023			7,124	96,996
July	4,654	1,229,527	10,431	1,311,889			5,788	82,268
August	5,520	1,220,941	9,254	1,111,006		109,833	2,733	
September	6,291	1,456,382	8,850	1,426,463		27,919	2,429	
October	6,425	1,354,700	9,103	1,461,813			3,678	106,913
November	5,748	1,515,785	10,634	1,765,427			4,886	249,643
December	6,337	1,821,642	13,868	2,112,189			7,531	260,547

¹ Including gold and silver.

TABLE 29.—Czechoslovakia—Receipts and expenditures, 1919–1925

[Exclusive of expenditures for capital improvements covered by loans]

Source: Documents of the International Financial Conference, Brussels, 1920, and Department of Commerce]

[Millions of crowns]

Items	1919		1920		1921		1922	
	Estimated	Actual	Estimated	Actual	Estimated	Actual	Estimated	Actual
Revenue:								
Ordinary	2,614		7,950		15,923		17,291	
Extraordinary	1,006		2,477		1,376		1,593	
Total	3,710		10,427	18,455	17,299	21,894	18,884	17,733
Expenditures:								
Ordinary	2,610		7,175		10,672		13,289	
Extraordinary	6,006		8,103		7,364		6,524	
Total	8,615	7,450	15,278	18,931	18,036	18,568	19,813	18,663
Deficit				476	727		929	1,930
Surplus	4,905		4,851			3,326		
Items	1923		1924		1925			
	Estimated	Actual	Estimated	Actual	Estimated	Actual		
Revenue:								
Ordinary			17,961		15,987			
Extraordinary			861		404			
Total			18,812	15,664	16,391		15,702	
Expenditures:								
Ordinary			13,605		12,290			
Extraordinary			5,773		4,703			
Total			19,378	16,540	16,993		15,974	
Deficit				1,876	603		272	
Surplus			565					

1 Provisional.

DENMARK

TABLE 30.—National Bank of Denmark, 1913–1925

[Source: Weekly statements of the Nationalbanken i København. See chart 19. End of month; 000 omitted]

Month	Gold	Balances abroad	Loans, discounts, and advances	Note circulation	Current accounts and deposits
1913					
January.....	<i>Kroner</i> 71, 715			<i>Kroner</i> 135, 448	
February.....	71, 317			137, 431	
March.....	71, 012			141, 726	
April.....	70, 931			148, 731	
May.....	72, 696			148, 385	
June.....	74, 493	21, 280	92, 941	155, 488	5, 114
July.....	74, 248			147, 483	
August.....	72, 220			144, 649	
September.....	73, 865			146, 177	
October.....	75, 515			154, 354	
November.....	75, 416			146, 987	
December.....	73, 381	12, 232	97, 460	151, 552	6, 910
1914					
January.....	72, 275	21, 889	79, 300	140, 557	7, 971
February.....	73, 103			143, 895	
March.....	75, 024			146, 575	
April.....	74, 962			153, 026	
May.....	76, 647	24, 102	88, 475	157, 273	5, 702
June.....	76, 607	19, 839	95, 571	159, 836	6, 647
July.....	73, 807			150, 473	
August.....	68, 934			194, 187	
September.....	68, 976			211, 349	
October.....	69, 030			224, 178	
November.....	78, 010	21, 349	120, 839	211, 079	20, 362
December.....	91, 439	37, 162	119, 715	206, 628	12, 101
1915					
January.....	104, 794	35, 965	93, 028	194, 020	7, 568
February.....	104, 869	37, 581	105, 714	199, 272	26, 267
March.....	107, 135	35, 354	95, 851	211, 459	9, 551
April.....	107, 162	31, 925	105, 731	209, 059	12, 298
May.....	107, 047	41, 291	95, 791	208, 228	11, 660
June.....	107, 093	39, 378	102, 084	214, 965	12, 898
July.....	107, 029	37, 575	88, 141	204, 387	9, 090
August.....	107, 023	52, 428	70, 324	203, 267	10, 452
September.....	106, 704	61, 675	74, 791	220, 468	8, 563
October.....	106, 496	64, 469	85, 898	231, 479	7, 518
November.....	106, 763	65, 784	77, 889	221, 157	7, 556
December.....	111, 318	28, 741	102, 127	220, 450	25, 429
1916					
January.....	111, 446	43, 424	99, 118	213, 426	17, 567
February.....	119, 857	49, 910	104, 029	226, 102	24, 322
March.....	122, 613	58, 513	120, 692	247, 169	45, 809
April.....	129, 562	61, 890	117, 263	255, 588	28, 420
May.....	144, 239	61, 927	118, 146	262, 626	45, 153
June.....	151, 579	64, 232	121, 710	263, 310	51, 252
July.....	161, 455	59, 915	140, 853	245, 013	93, 909
August.....	161, 068	55, 312	120, 706	249, 542	67, 569
September.....	155, 644	51, 512	148, 969	298, 388	73, 926
October.....	150, 121	41, 482	156, 309	261, 472	57, 568
November.....	145, 369	41, 337	157, 136	277, 601	62, 913
December.....	159, 877	41, 958	168, 825	284, 864	67, 289
1917					
January.....	162, 351	42, 273	154, 063	294, 369	62, 155
February.....	164, 794	45, 168	152, 585	273, 791	52, 757
March.....	164, 183	43, 860	157, 259	303, 499	26, 548
April.....	172, 710	37, 433	158, 540	300, 903	50, 707
May.....	179, 921	43, 806	147, 131	298, 610	53, 798
June.....	197, 349	44, 378	152, 674	304, 189	74, 067
July.....	195, 113	41, 775	165, 479	288, 308	99, 487
August.....	194, 295	41, 212	161, 580	287, 068	117, 083
September.....	190, 517	42, 720	187, 841	308, 036	85, 148
October.....	189, 275	53, 725	177, 626	326, 906	74, 494
November.....	178, 601	45, 901	191, 962	325, 762	73, 765
December.....	173, 922	44, 918	218, 797	337, 864	69, 001

TABLE 30.—National Bank of Denmark, 1915-1925—Continued

Month	Gold	Balances abroad	Loans, discounts, and advances	Note circulation	Current accounts and deposits
1918					
January	173,706	44,028	221,141	328,896	51,549
February	173,541	48,813	205,568	332,603	62,081
March	184,835	56,861	194,125	350,978	62,015
April	184,113	62,795	225,458	347,702	103,109
May	184,111	66,666	231,987	344,943	112,026
June	188,867	66,021	230,629	372,435	83,788
July	189,778	64,000	225,469	385,335	84,809
August	186,582	70,255	239,788	391,908	74,160
September	188,182	85,695	261,770	402,425	78,943
October	188,373	87,270	248,428	424,167	73,181
November	187,643	105,274	242,384	440,202	67,287
December	194,624	119,156	265,849	450,035	90,490
1919					
January	187,300	126,308	271,636	430,846	121,319
February	187,202	124,297	286,602	421,235	145,516
March	186,921	103,208	220,605	434,464	94,488
April	186,732	102,632	247,968	434,080	87,830
May	186,390	91,658	279,925	433,971	106,332
June	187,783	81,157	312,801	435,995	126,493
July	187,380	71,173	296,602	428,652	115,170
August	186,870	73,796	318,304	435,670	127,046
September	187,484	69,082	337,553	455,018	67,951
October	191,035	63,240	412,738	481,407	66,299
November	212,170	54,658	373,082	471,743	43,208
December	226,892	55,033	409,053	488,347	72,103
1920					
January	226,842	42,420	374,832	474,747	34,536
February	226,741	37,871	377,245	475,131	59,698
March	226,636	37,555	394,033	524,217	30,006
April	226,578	43,975	378,006	521,678	66,293
May	227,487	61,053	352,366	515,651	38,748
June	228,030	60,594	367,531	528,650	43,451
July	227,849	64,568	361,570	541,192	45,752
August	227,579	56,428	408,217	542,338	54,487
September	227,600	61,089	442,515	559,468	50,995
October	227,590	51,684	479,282	578,045	54,416
November	227,586	45,598	462,602	555,220	60,139
December	227,582	41,523	476,200	555,906	65,745
1921					
January	227,578	50,738	348,327	522,163	63,036
February	227,578	45,989	353,559	508,500	64,266
March	227,572	53,991	329,303	517,049	63,569
April	227,571	48,229	344,743	532,108	58,680
May	227,570	50,571	311,289	496,688	60,205
June	227,564	43,283	326,726	496,213	67,910
July	227,564	51,871	306,152	481,581	75,256
August	227,548	46,874	314,665	480,589	83,405
September	228,326	45,329	339,901	481,391	88,029
October	228,336	40,146	363,111	499,580	103,324
November	228,335	35,605	379,791	465,041	130,988
December	228,330	39,306	403,321	470,964	129,078
1922					
January	228,330	32,752	417,255	480,018	127,210
February	228,330	23,796	424,127	440,822	124,731
March	228,325	21,460	444,618	446,163	132,092
April	228,325	17,782	461,386	451,796	128,858
May	228,324	18,583	430,193	438,743	114,766
June	228,311	23,278	398,401	441,941	119,029
July	228,304	28,443	410,941	432,396	142,399
August	228,304	19,119	421,515	423,751	147,015
September	228,299	15,029	516,854	466,555	211,065
October	228,301	10,790	500,093	478,134	181,481
November	228,290	12,470	462,035	469,310	169,211
December	228,267	7,521	467,599	459,354	163,710
1923					
January	228,241	11,422	462,786	442,872	164,744
February	228,244	4,913	404,446	447,946	70,804
March	228,237	2,861	409,785	469,633	66,082
April	228,225	6,088	408,258	476,216	55,469
May	228,213	4,957	375,185	456,277	48,471
June	228,194	15,929	399,235	462,301	41,767
July	209,682	24,297	360,838	447,269	45,800
August	209,672	35,120	353,990	449,256	42,583
September	209,654	20,382	382,896	458,801	46,433
October	209,631	18,384	397,544	471,258	41,773
November	209,613	40,056	394,719	472,805	52,764
December	209,594	15,896	466,472	472,626	79,244

TABLE 30.—National Bank of Denmark, 1913–1925—Continued

Month	Gold	Balances abroad	Loans, discounts, and advances	Note circulation	Current accounts and deposits
1924					
January.....	<i>Kroner</i> 209, 581	<i>Kroner</i> 18, 027	<i>Kroner</i> 475, 433	<i>Kroner</i> 445, 152	<i>Kroner</i> 79, 717
February.....	208, 578	19, 973	485, 099	450, 132	82, 045
March.....	208, 567	20, 298	468, 808	462, 631	73, 313
April.....	208, 562	28, 683	472, 543	468, 767	62, 327
May.....	208, 562	28, 644	480, 042	480, 979	69, 668
June.....	208, 554	8, 895	510, 451	477, 411	78, 582
July.....	209, 554	21, 448	480, 010	470, 344	84, 359
August.....	209, 544	30, 519	499, 683	471, 089	84, 054
September.....	209, 540	40, 880	476, 731	472, 720	70, 542
October.....	209, 529	31, 333	514, 683	495, 122	76, 798
November.....	209, 506	31, 112	495, 596	479, 124	71, 701
December.....	209, 495	48, 636	463, 950	478, 256	81, 762
1925					
January.....	209, 478	33, 763	447, 491	455, 739	67, 596
February.....	209, 409	29, 778	448, 456	453, 497	63, 749
March.....	209, 462	41, 158	421, 022	452, 845	45, 891
April.....	209, 456	44, 598	421, 315	464, 901	29, 945

TABLE 31.—Denmark—Wholesale, prices, 1920–1925

[On paper basis and on gold basis. Index numbers of *Finanstidende*, 33 commodities; July 1, 1912–June 30, 1914=100. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See chart 20.]

Month	On paper currency basis	Con- verted to gold basis	Month	On paper currency basis	Con- verted to gold basis
1920			1922		
January.....	<i>Kroner</i> 340	<i>Kroner</i> 232	November.....	<i>Kroner</i> 180	<i>Kroner</i> 136
February.....			December.....	182	140
March.....			1923		
April.....			January.....	181	135
May.....			February.....	192	148
June.....			March.....	199	157
July.....	383	235	April.....	200	158
August.....	385	215	May.....	204	163
September.....	394	206	June.....	202	186
October.....	398	206	July.....	207	196
November.....	403	202	August.....	207	185
December.....	374	207	September.....	202	159
1921			October.....	205	154
January.....	341	230	November.....	207	156
February.....	290	201	December.....	210	162
March.....	280	181	1924		
April.....	270	182	January.....	210	133
May.....	257	173	February.....	222	133
June.....	254	163	March.....	227	133
July.....	253	149	April.....	228	142
August.....	254	153	May.....	225	142
September.....	224	148	June.....	219	137
October.....	202	142	July.....	220	132
November.....	186	128	August.....	233	141
December.....	188	127	September.....	231	146
1922			October.....	234	151
January.....	178	133	November.....	231	151
February.....	177	136	December.....	232	153
March.....	182	143	1925		
April.....	178	141	January.....	234	156
May.....	177	141	February.....	234	156
June.....	179	165	March.....	230	155
July.....	180	145	April.....	220	151
August.....	180	145	May.....	216	162
September.....	178	140			
October.....	176	133			

TABLE 32.—Denmark—Exchange rates, 1914-1925

[New York on Copenhagen. January, 1914-June, 1921, sight drafts; July, 1921-December, 1924, noon buying rates for cable transfers. Average rates, January, 1914-October, 1918, are midpoints between the monthly high and low rates; from November, 1918 to date, the averages are monthly averages of daily rates. See Chart 23. Source: Federal Reserve Board]

Month	Cents per krone			Month	Cents per krone		
	High	Low	Average		High	Low	Average
1914				1919			
January	26.88	26.68	26.75	November	21.20	20.00	20.83
February	26.88	26.82	26.85	December	19.90	17.45	18.78
March	26.86	26.80	26.83	1920			
April	26.88	22.84	26.86	January	19.10	15.75	17.60
May	26.88	26.84	26.86	February	15.65	14.40	14.90
June	26.90	26.82	26.86	March	18.65	15.00	17.23
July	27.50	26.81	27.16	April	18.80	16.92	18.01
August	27.50	27.38	27.44	May	17.05	16.27	16.83
September				June	17.15	16.35	16.87
October				July	18.73	15.70	16.82
November	26.88	25.13	25.51	August	15.70	14.00	14.96
December	25.25	25.00	25.13	September	14.55	13.55	14.01
1915				October	14.05	13.52	13.87
January	25.00	24.69	24.85	November	13.75	12.05	13.41
February	24.81	24.13	24.47	December	15.75	13.70	14.85
March	25.50	24.38	24.94	1921			
April	25.75	25.25	25.50	January	20.10	15.60	18.06
May	25.95	23.75	25.85	February	19.30	17.85	18.54
June	26.42	25.95	26.19	March	18.10	16.15	17.31
July	20.35	25.65	26.00	April	18.25	17.80	18.09
August	25.90	25.60	25.75	May	18.23	17.70	18.07
September	25.95	25.55	25.75	June	17.80	16.77	17.21
October	26.20	25.90	26.05	July	16.82	15.10	15.78
November	28.05	26.20	27.13	August	17.85	15.10	16.19
December	28.00	26.30	27.15	September	17.88	17.16	17.67
1916				October	19.35	17.94	18.92
January	27.90	27.25	27.58	November	18.78	17.87	18.47
February	28.25	27.25	27.75	December	20.93	18.64	19.62
March	29.00	27.90	28.45	1922			
April	30.20	26.40	29.30	January	20.19	19.79	19.97
May	30.80	29.70	30.25	February	21.07	20.19	20.64
June	30.10	28.00	29.05	March	21.36	20.87	21.11
July	29.10	28.05	28.88	April	21.30	21.07	21.22
August	28.70	27.40	28.05	May	21.92	21.19	21.40
September	27.75	26.50	27.13	June	22.18	21.15	21.66
October	27.40	27.10	27.25	July	21.70	21.42	21.54
November	27.15	26.90	27.03	August	21.63	21.44	21.53
December	27.80	27.00	27.40	September	21.47	20.27	21.06
1917				October	20.59	19.92	20.19
January	27.70	27.20	27.45	November	20.41	20.13	20.21
February	27.55	27.30	27.43	December	20.99	20.88	20.67
March	29.60	27.45	28.53	1923			
April	28.90	28.10	28.50	January	20.55	18.73	19.79
May	28.70	28.19	28.40	February	19.52	18.64	19.09
June	29.25	28.60	28.93	March	19.31	19.08	19.20
July	29.50	28.95	29.23	April	19.15	18.61	18.92
August	30.40	29.75	30.08	May	18.85	18.46	18.65
September	31.15	30.20	30.68	June	18.51	17.83	17.96
October	35.75	31.13	33.44	July	17.90	17.16	17.54
November	38.75	32.50	35.63	August	18.69	17.99	18.45
December	38.75	31.50	32.63	September	18.29	17.85	18.16
1918				October	17.77	17.15	17.53
January	31.75	30.25	31.00	November	17.99	16.94	17.20
February	31.00	30.50	30.75	December	18.00	17.71	17.82
March	31.75	30.00	30.88	1924			
April	31.75	31.00	31.38	January	17.58	16.02	16.94
May	31.50	31.00	31.25	February	16.42	15.63	16.00
June	31.25	30.80	31.03	March	16.21	15.80	15.68
July	31.30	30.90	31.10	April	16.87	16.44	16.64
August	31.75	31.13	31.44	May	17.04	16.79	16.92
September	30.75	29.40	30.08	June	16.91	15.99	16.78
October	28.75	26.75	27.75	July	16.21	15.76	16.05
November	26.80	26.50	26.90	August	16.42	16.10	16.21
December	27.00	26.50	27.06	September	17.30	16.39	16.95
1919				October	17.61	17.09	17.33
January	26.80	25.90	26.70	November	17.65	17.33	17.55
February	26.13	25.90	26.13	December	17.76	17.49	17.64
March	26.00	25.10	25.89	1925			
April	25.38	24.75	25.19	January	17.92	17.67	17.81
May	24.90	23.35	24.32	February	17.87	17.77	17.81
June	24.63	23.30	23.89	March	18.34	17.85	18.07
July	23.50	22.05	22.83	April	18.66	18.31	18.44
August	22.05	21.45	21.86	May	18.95	18.71	18.81
September	22.40	21.35	22.03	June	20.18	18.73	19.11
October	21.75	21.20	21.64				

TABLE 33.—Denmark—Purchasing-power parities, 1920-1925

[According to index numbers of the *Finanstidende* for Denmark and index numbers of Federal Reserve Board for the United States. See chart 24]

Month	United States index of prices	Danish index of prices	Purchasing-power parities (U. S. index X par Danish index)	Average exchange rates (cables in New York)	Per cent purchasing-power parities are of exchange rates
1920					
January	247.615	340	<i>Cents per krone</i> 19.52	<i>Cents per krone</i> 17.00	110.91
February	247.895			14.90	
March	252.734			17.23	
April	267.375			18.01	
May	268.731			16.83	
June	262.262			16.87	
July	254.417	383	17.80	16.42	108.40
August	239.692	385	16.68	14.96	111.60
September	231.902	394	15.77	14.01	112.56
October	214.120	398	14.43	13.87	103.97
November	166.453	403	13.07	13.41	97.40
December	178.960	374	12.82	14.85	88.33
1921					
January	167.723	341	13.18	18.06	72.96
February	156.922	290	14.50	18.54	78.21
March	152.299	280	14.58	17.31	84.23
April	143.505	270	14.44	18.09	79.82
May	145.461	257	15.17	16.07	93.95
June	142.818	254	15.07	17.21	87.67
July	145.893	263	15.45	15.78	97.91
August	146.686	254	15.48	16.19	95.61
September	146.962	224	17.88	17.67	90.49
October	145.692	202	19.33	18.92	102.17
November	145.284	186	20.93	18.47	113.32
December	142.744	188	20.35	19.52	104.26
1922					
January	142.277	178	21.42	19.97	107.26
February	146.101	177	22.12	20.64	107.17
March	147.306	182	21.69	21.11	102.75
April	149.130	178	22.45	21.22	105.90
May	158.182	177	23.95	21.40	111.92
June	161.246	179	24.14	21.66	111.45
July	165.417	180	24.63	21.54	114.35
August	165.880	180	24.70	21.53	114.72
September	164.312	178	24.74	21.06	117.47
October	165.165	176	25.15	20.19	124.57
November	164.015	180	24.42	20.21	120.93
December	164.327	182	24.20	20.67	117.06
1923					
January	166.153	181	24.60	19.79	124.21
February	166.391	192	23.22	19.09	121.63
March	169.374	199	22.81	19.20	118.90
April	170.655	200	22.79	18.92	120.45
May	167.098	204	21.95	18.65	117.69
June	164.065	202	21.77	17.96	121.21
July	159.458	207	20.65	17.54	117.73
August	159.059	207	20.59	18.48	111.54
September	163.387	222	21.68	18.16	116.38
October	163.142	206	21.33	17.83	121.68
November	163.460	207	21.16	17.20	123.02
December	163.042	210	20.81	17.82	116.78
1924					
January	162.745	210	20.77	18.94	122.61
February	162.519	223	19.53	18.00	122.06
March	159.622	227	18.83	16.68	120.09
April	157.678	226	18.63	16.64	111.26
May	156.148	225	18.60	16.92	109.93
June	154.394	219	18.89	16.78	112.67
July	156.383	220	19.06	16.06	118.60
August	157.966	223	18.17	16.21	112.09
September	156.276	231	18.13	16.95	106.96
October	158.673	224	18.17	17.32	104.85
November	160.074	231	18.57	17.55	105.81
December	164.615	232	19.01	17.64	107.77
1925					
January	167.783	234	19.22	17.81	107.92
February	167.086	234	19.14	17.81	107.47
March	169.395	230	19.74	18.07	106.24
April	164.000	220	19.08	18.44	108.35
May	163.200	216	20.25	18.81	107.68

STATISTICAL TABLES—DENMARK

317

TABLE 34.—Denmark—Gold value of total note circulation, 1914—1926
(On basis of exchange rates and on basis of purchasing-power parities. See chart 28)

	Total note circulation	Average exchange rates	Gold value of circulation on basis of exchange rates	Purchasing power parities	Gold value of circulation on basis of purchasing power parities
		Cents per krona	Dollars	Cents per krona	Dollars
1914					
	<i>Kroner</i>				
January	140,557,000	26.78	52,641,000		
February	143,895,000	26.85	53,636,000		
March	146,675,000	26.83	54,326,000		
April	153,026,000	26.86	56,103,000		
May	157,273,000	26.86	58,244,000		
June	159,834,000	26.86	59,632,000		
July	156,473,000	27.16	57,496,000		
August	194,187,000	27.44	70,285,000		
September	211,349,000				
October	224,178,000				
November	211,079,000	25.51	82,846,000		
December	206,628,000	25.13	82,226,000		
1915					
January	194,020,000	24.85	78,314,000		
February	196,272,000	24.47	80,762,000		
March	211,425,000	24.94	84,730,000		
April	209,059,000	25.50	82,010,000		
May	208,228,000	25.85	80,527,000		
June	214,965,000	26.19	82,035,000		
July	204,387,000	26.00	78,214,000		
August	203,267,000	25.75	79,341,000		
September	220,468,000	25.75	85,771,000		
October	231,470,000	26.05	89,000,000		
November	221,157,000	27.13	81,500,000		
December	220,450,000	27.15	81,252,000		
1916					
January	213,426,000	27.58	77,888,000		
February	236,163,000	27.75	85,819,000		
March	247,169,000	28.45	87,000,000		
April	255,688,000	29.30	87,387,000		
May	262,626,000	30.25	87,145,000		
June	263,310,000	29.05	91,000,000		
July	245,013,000	28.58	85,725,000		
August	249,542,000	28.05	89,000,000		
September	268,388,000	27.13	99,000,000		
October	281,472,000	27.25	103,000,000		
November	277,601,000	27.03	102,000,000		
December	264,864,000	27.40	97,000,000		
1917					
January	266,369,000	27.45	97,000,000		
February	275,791,000	27.43	100,000,000		
March	303,499,000	28.53	106,388,000		
April	300,903,000	28.50	105,757,000		
May	288,610,000	28.40	101,600,000		
June	304,189,000	28.93	105,100,000		
July	289,308,000	29.22	99,000,000		
August	287,063,000	30.05	95,350,000		
September	303,036,000	30.86	98,100,000		
October	326,905,000	33.44	97,817,000		
November	325,762,000	35.93	90,800,000		
December	337,864,000	32.63	103,245,000		
1918					
January	328,894,000	31.00	106,000,000		
February	332,603,000	30.75	108,275,000		
March	350,978,000	30.88	113,682,000		
April	347,702,000	31.25	111,500,000		
May	344,943,000	31.25	109,795,000		
June	372,435,000	31.03	119,900,000		
July	365,335,000	31.10	117,610,000		
August	391,908,000	31.44	124,610,000		
September	402,425,000	30.06	134,000,000		
October	424,167,000	27.75	153,000,000		
November	440,202,000	26.90	163,610,000		
December	460,085,000	27.06	170,000,000		
1919					
January	430,846,000	26.70	161,000,000		
February	421,235,000	26.13	161,000,000		
March	434,464,000	25.80	164,500,000		
April	434,080,000	25.10	173,000,000		
May	433,971,000	24.32	178,240,000		
June	435,965,000	23.89	182,500,000		
July	428,552,000	22.83	188,000,000		
August	435,670,000	21.86	199,237,000		
September	458,618,000	22.08	207,570,000		

TABLE 34.—Denmark—Gold value of total note circulation, 1914-1926

	Total note circulation	Average exchange rates	Gold value of circulation on basis of exchange rates	Purchasing power parities	Gold value of circulation on basis of purchasing power parities
1919	Kroner	Cents per kroner	Dollars	Cents per kroner	Dollars
October.....	481,407,000	21.64	104,176,000		
November.....	471,743,000	20.83	98,264,000		
December.....	489,347,000	18.78	91,899,000		
1920					
January.....	474,747,000	17.60	83,555,000	19.52	92,671,000
February.....	478,131,000	14.90	70,795,000		
March.....	524,217,000	17.23	90,323,000		
April.....	521,678,000	18.01	92,954,000		
May.....	515,651,000	18.83	86,794,000		
June.....	528,660,000	16.87	89,185,000		
July.....	541,192,000	16.42	88,864,000	17.80	96,332,000
August.....	542,338,000	14.96	81,134,000	16.68	90,462,000
September.....	559,468,000	14.01	78,381,000	15.77	88,228,000
October.....	578,045,000	13.87	80,175,000	14.42	83,354,000
November.....	555,220,000	13.41	74,556,000	13.07	72,567,000
December.....	556,706,000	14.85	82,671,000	12.82	71,370,000
1921					
January.....	522,163,000	18.06	94,303,000	13.18	68,821,000
February.....	508,500,000	18.54	94,276,000	14.50	73,733,000
March.....	517,049,000	17.31	89,501,000	14.88	75,386,000
April.....	532,108,000	18.09	96,258,000	14.44	76,836,000
May.....	496,688,000	18.07	89,752,000	15.17	75,348,000
June.....	496,213,000	17.21	85,398,000	15.07	74,779,000
July.....	481,581,000	15.78	75,993,000	15.45	74,404,000
August.....	480,589,000	16.19	77,807,000	15.48	74,365,000
September.....	481,391,000	17.67	85,062,000	17.58	84,629,000
October.....	493,380,000	18.92	93,347,000	19.33	95,370,000
November.....	485,041,000	18.47	86,893,000	20.93	97,333,000
December.....	470,964,000	19.52	91,932,000	20.35	96,841,000
1922					
January.....	450,018,000	19.97	89,869,000	21.42	94,394,000
February.....	440,822,000	20.84	90,986,000	22.12	97,510,000
March.....	446,163,000	21.11	94,185,000	21.69	96,773,000
April.....	451,790,000	21.22	95,870,000	22.45	101,427,000
May.....	438,743,000	21.40	93,891,000	23.95	105,079,000
June.....	441,941,000	21.66	95,794,000	24.14	106,685,000
July.....	432,308,000	21.54	93,119,000	24.63	106,477,000
August.....	423,751,000	21.53	91,234,000	24.70	104,656,000
September.....	466,555,000	21.06	98,256,000	24.74	115,426,000
October.....	478,134,000	20.19	96,535,000	25.15	120,251,000
November.....	456,310,000	20.21	92,827,000	24.42	112,164,000
December.....	456,354,000	20.67	94,948,000	24.20	111,164,000
1923					
January.....	442,872,000	19.79	87,644,000	24.60	108,947,000
February.....	447,948,000	19.09	85,513,000	22.22	104,013,000
March.....	469,633,000	19.20	90,170,000	22.81	107,123,000
April.....	476,216,000	18.92	90,100,000	22.79	108,530,000
May.....	456,277,000	18.65	85,096,000	21.95	100,153,000
June.....	482,301,000	17.96	86,621,000	21.77	104,997,000
July.....	447,269,000	17.64	78,451,000	20.65	92,361,000
August.....	449,256,000	18.46	82,933,000	20.50	92,502,000
September.....	458,861,000	18.16	83,329,000	21.68	99,481,000
October.....	471,258,000	17.53	82,612,000	21.33	100,519,000
November.....	472,905,000	17.20	81,340,000	21.16	100,067,000
December.....	472,626,000	17.82	84,222,000	20.81	98,353,000
1924					
January.....	446,152,000	16.94	75,578,000	20.77	92,666,000
February.....	450,132,000	16.00	72,021,000	19.53	87,911,000
March.....	462,631,000	16.08	72,541,000	18.83	87,113,000
April.....	468,767,000	16.64	78,003,000	18.53	86,803,000
May.....	480,979,000	16.92	81,382,000	18.60	89,462,000
June.....	477,411,000	16.78	80,110,000	18.89	90,133,000
July.....	470,344,000	16.05	75,490,000	19.05	89,601,000
August.....	471,089,000	16.21	76,364,000	18.17	85,567,000
September.....	472,726,000	16.95	80,127,000	18.13	85,705,000
October.....	485,122,000	17.53	85,305,000	18.17	89,964,000
November.....	479,124,000	17.55	84,066,000	18.57	88,973,000
December.....	478,256,000	17.64	84,364,000	19.01	90,916,000
1925					
January.....	455,739,000	17.81	81,167,000	19.22	87,593,000
February.....	453,487,000	17.81	80,766,000	19.14	86,797,000
March.....	452,345,000	18.07	81,739,000	19.74	89,233,000
April.....	464,901,000	18.44	85,728,000	19.98	92,687,000

TABLE 35.—Denmark—Imports and exports of merchandise, 1900—1924

[Source: Statistisk Aarbog. See chart 21. 000 omitted]

Year	Imports (net)	Exports	Reex-ports	Excess of imports	Year	Imports (net)	Exports	Reex-ports	Excess of imports
	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>		<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
900	416, 174	281, 915	111, 655	134, 259	1913	777, 424	637, 360	83, 930	140, 064
901	396, 908	290, 604	116, 439	108, 304	1914	717, 791	780, 220	87, 220	1 62, 435
902	433, 544	318, 265	128, 653	115, 279	1915	1, 029, 398	978, 984	150, 279	50, 414
903	443, 793	352, 221	142, 068	91, 573	1916	1, 249, 612	1, 177, 326	131, 560	72, 284
904	465, 710	358, 629	139, 207	107, 081	1917	1, 023, 932	969, 502	96, 772	54, 430
905	482, 529	390, 916	142, 632	91, 613	1918	910, 211	710, 490	47, 956	199, 721
906	559, 328	393, 512	165, 996	165, 816	1919	2, 393, 655	740, 001	267, 648	1, 653, 264
907	901, 129	416, 863	198, 059	184, 296	1920	2, 943, 328	1, 591, 020	370, 872	1, 352, 664
908	530, 739	439, 518	177, 425	111, 221	1921	1, 548, 699	1, 410, 220	154, 184	138, 479
909	568, 732	443, 822	164, 259	122, 980	1922	1, 455, 863	1, 175, 983	107, 219	279, 900
910	577, 166	490, 402	62, 700	86, 764	1923	2, 030, 975	1, 543, 399	150, 381	487, 582
911	623, 314	536, 647	90, 114	86, 667	1924	2, 360, 676	1, 973, 614	178, 187	367, 161
912	738, 665	666, 728	85, 359	141, 942					

¹ Excess of exports.

TABLE 36.—Denmark—Imports and exports of merchandise, 1919—1925

[Source: Vareomsætningen med udlandet. See chart 22]

Month	Imports	Exports	Reexports	Excess of	
				Imports	Exports
	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
1919					
January	73, 669, 000	28, 112, 000	1, 410, 000	45, 557, 000	.....
February	114, 601, 000	28, 185, 000	2, 368, 000	85, 416, 000	.....
March	162, 650, 000	38, 042, 000	3, 062, 000	124, 608, 000	.....
April	184, 634, 000	48, 538, 000	5, 374, 000	136, 096, 000	.....
May	182, 637, 000	61, 329, 000	3, 757, 000	121, 308, 000	.....
June	265, 272, 000	55, 349, 000	7, 527, 000	209, 923, 000	.....
July	299, 550, 000	70, 096, 000	11, 282, 000	199, 451, 000	.....
August	230, 362, 000	70, 089, 000	22, 221, 000	160, 273, 000	.....
September	151, 692, 000	67, 023, 000	19, 004, 000	132, 698, 000	.....
October	212, 267, 000	85, 853, 000	32, 481, 000	170, 789, 000	.....
November	210, 640, 000	79, 867, 000	29, 106, 000	181, 534, 000	.....
December	275, 645, 000	86, 785, 000	25, 879, 000	188, 860, 000	.....
1920					
January	200, 183, 000	96, 468, 000	19, 316, 000	103, 715, 000	.....
February	218, 207, 000	74, 328, 000	23, 574, 000	143, 881, 000	.....
March	283, 653, 000	186, 260, 000	31, 861, 000	128, 293, 000	.....
April	172, 669, 000	63, 083, 000	11, 053, 000	109, 586, 000	.....
May	160, 729, 000	142, 694, 000	20, 147, 000	160, 729, 000	.....
June	244, 962, 000	144, 218, 000	20, 313, 000	100, 744, 000	.....
July	236, 405, 000	135, 298, 000	22, 877, 000	101, 107, 000	.....
August	268, 611, 000	139, 700, 000	13, 755, 000	128, 911, 000	.....
September	320, 483, 000	160, 646, 000	17, 077, 000	159, 837, 000	.....
October	284, 666, 000	140, 404, 000	16, 117, 000	144, 262, 000	.....
November	247, 428, 000	162, 238, 000	14, 446, 000	85, 190, 000	.....
December	282, 941, 000	137, 341, 000	11, 528, 000	145, 600, 000	.....
1921					
January	159, 696, 000	123, 210, 000	7, 233, 000	36, 789, 000	.....
February	150, 872, 000	97, 875, 000	9, 003, 000	52, 997, 000	.....
March	129, 239, 000	121, 068, 000	6, 360, 000	8, 171, 000	.....
April	102, 362, 000	123, 090, 000	8, 996, 000	.....	20, 723, 000
May	95, 284, 000	102, 973, 000	10, 381, 000	.....	7, 689, 000
June	97, 140, 000	125, 758, 000	7, 093, 000	.....	28, 618, 000
July	105, 948, 000	105, 197, 000	6, 843, 000	751, 000	.....
August	150, 798, 000	145, 595, 000	7, 222, 000	5, 203, 000	.....
September	129, 136, 000	117, 963, 000	7, 267, 000	11, 173, 000	.....
October	135, 417, 000	105, 287, 000	6, 675, 000	30, 130, 000	.....
November	134, 856, 000	95, 922, 000	6, 367, 000	38, 934, 000	.....
December	146, 913, 000	100, 697, 000	6, 073, 000	146, 913, 000	.....
1922					
January	97, 968, 000	75, 868, 000	3, 940, 000	22, 098, 000	.....
February	68, 572, 000	72, 596, 000	2, 890, 000	.....	4, 024, 000
March	98, 363, 000	95, 058, 000	4, 714, 000	3, 325, 000	.....
April	119, 633, 000	79, 113, 000	9, 917, 000	49, 520, 000	.....
May	153, 800, 000	108, 032, 000	6, 396, 000	45, 768, 000	.....
June	137, 381, 000	120, 425, 000	4, 684, 000	16, 756, 000	.....
July	112, 893, 000	102, 209, 000	4, 509, 000	10, 684, 000	.....
August	127, 859, 000	84, 008, 000	8, 462, 000	43, 851, 000	.....
September	128, 002, 000	114, 762, 000	6, 552, 000	13, 240, 000	.....
October	140, 420, 000	105, 106, 000	7, 265, 000	35, 314, 000	.....
November	125, 649, 000	113, 745, 000	6, 336, 000	11, 904, 000	.....
December	138, 078, 000	104, 777, 000	4, 729, 000	33, 301, 000	.....

TABLE 36.—Denmark—Imports and exports of merchandise, 1919-1925—Con.

Month	Imports	Exports	Reexports	Excess of	
				Imports	Exports
1923					
January.....	Kroner 137,801,000	Kroner 102,891,000	Kroner 8,492,000	Kroner 34,910,000	.....
February.....	147,712,000	112,310,000	10,846,000	36,402,000	.....
March.....	161,109,000	129,576,000	11,291,000	31,533,000	.....
April.....	160,383,000	109,784,000	11,730,000	60,599,000	.....
May.....	145,968,000	127,014,000	11,961,000	18,984,000	.....
June.....	138,047,000	130,866,000	10,834,000	7,181,000	.....
July.....	156,688,000	121,231,000	10,490,000	35,457,000	.....
August.....	164,319,000	134,223,000	11,955,000	30,096,000	.....
September.....	159,697,000	130,060,000	12,620,000	29,537,000	.....
October.....	166,461,000	140,047,000	16,632,000	26,414,000	.....
November.....	172,343,000	160,273,000	15,335,000	12,070,000	.....
December.....	172,698,000	132,330,000	6,902,000	40,368,000	.....
1924					
January.....	155,830,000	135,518,000	11,145,000	20,312,000	.....
February.....	153,401,000	151,759,000	15,233,000	1,642,000	.....
March.....	178,621,000	155,943,000	16,822,000	23,578,000	.....
April.....	183,714,000	162,630,000	16,995,000	21,084,000	.....
May.....	204,704,000	172,391,000	14,471,000	32,403,000	.....
June.....	188,243,000	136,195,000	10,505,000	62,048,000	.....
July.....	164,901,000	164,859,000	12,407,000	242,000	.....
August.....	184,245,000	174,069,000	15,407,000	10,276,000	.....
September.....	182,070,000	185,533,000	17,738,000	.....	3,463,000
October.....	181,913,000	186,267,000	17,734,000	.....	4,354,000
November.....	195,558,000	172,136,000	15,837,000	23,422,000	.....
December.....	211,028,000	165,110,000	14,000,000	45,918,000	.....
1925					
January.....	191,794,000	170,312,000	12,323,000	21,482,000	.....
February.....	174,661,000	152,220,000	13,806,000	22,441,000	.....
March.....	187,005,000	172,000,000	14,036,000	15,006,000	.....

TABLE 37.—Denmark—National debt, 1910-1925

[Source: Statistisk Aarbog]

Mar. 31—	Internal debt	External debt ¹	Total indebtedness	Mar. 31—	Internal debt	External debt ¹	Total indebtedness
1910.....	Kroner 81,887,000	Kroner 219,867,000	Kroner 301,754,000	1917.....	Kroner 325,776,000	Kroner 265,310,000	Kroner 591,086,000
1911.....	81,693,000	254,167,000	335,860,000	1918.....	343,037,000	290,321,000	633,358,000
1912.....	81,511,000	270,467,000	351,978,000	1919.....	523,174,000	257,323,000	780,507,000
1913.....	94,352,000	272,287,000	356,639,000	1920.....	671,916,000	254,344,000	926,260,000
1914.....	88,397,000	272,482,000	360,879,000	1921.....	669,896,000	404,772,000	1,074,668,000
1915.....	123,060,000	299,576,000	392,636,000	1922.....	667,966,000	534,562,000	1,202,528,000
1916.....	194,657,000	266,288,000	460,945,000	1923.....	669,868,000	531,982,000	1,201,850,000

¹ The foreign debt has been converted into kroner at par with the following exceptions: \$26,000,000 loan of 1920 at 16.66 cents per kroner; \$30,000,000 loan of 1921 at 22.88 cents per kroner.

TABLE 38.—Denmark—Receipts and expenditures, 1911-1925

[Source: Statistisk Aarbog; 000 omitted]

Year ending Mar. 31—	Receipts			Expenditures			Deficit (excluding new loans and amortization of debt)	Proceeds from new loans	Amortization of debt
	Current revenue (including surplus from public enterprises)	Capital receipts (less loans)	Total receipts	Current expenditure (including interest)	Capital expenditure (less amortization of debt)	Total expenditure			
1911.....	Kroner 91,354	Kroner 52,083	Kroner 143,437	Kroner 103,755	Kroner 34,963	Kroner 138,718	Kroner 1,689	.....	Kroner 1,748
1912.....	102,132	66,831	171,963	107,938	65,230	173,168	1,098	.....	1,725
1913.....	114,176	9,479	123,655	108,332	61,925	168,257	64,602	70,864	1,676
1914.....	123,875	1,362	125,237	111,404	10,455	121,859	3,408	2,817	1,731
1915.....	121,781	12,346	134,127	156,130	13,395	169,525	35,396	22,548	3,063
1916.....	142,179	1,766	143,945	185,247	27,336	212,583	68,638	80,595	4,699
1917.....	242,315	152,858	395,173	250,699	42,417	293,116	102,057	88,624	4,369
1918.....	375,429	4,491	379,920	368,582	88,065	456,647	66,727	59,400	4,223
1919.....	462,218	4,360	466,578	615,752	36,820	652,572	185,994	175,060	4,369
1920.....	593,894	12,067	605,961	532,558	65,847	598,405	17,556	145,000	4,191
1921.....	496,649	5,586	502,235	555,156	201,051	756,207	251,772	149,995	4,193
1922.....	400,297	37,048	446,345	499,382	131,305	630,687	184,342	131,550	4,188
1923.....	426,925	33,154	460,079	423,503	95,936	519,439	50,360	9,200	10,118

¹ Surplus.

HUNGARY

TABLE 39.—Hungarian National Bank, 1921—1925

Prior to June, 1924, figures are of the State Note Institute. The Hungarian National Bank opened June 24, 1924, and took over the affairs of the Institute. Source: Weekly statements of l'Office Nationale d'Emission du Royaume de Hongrie and since June, 1924, of Magyar Nemzeti Bank; 000,000 omitted. See chart 20]

Month	Gold coin and bullion	Silver coin	Foreign currency and exchange	Bills discounted	Advances on securities	Advances to treasury	Notes in circulation	Current accounts and deposits
	Kronen	Kronen	Kronen	Kronen	Kronen	Kronen	Kronen	Kronen
1921								
January				10,924	195		15,206	3,851
February				12,202	162		15,571	5,531
March				12,852	160		15,650	5,246
April				12,178	110		15,114	6,822
May				11,847	111		13,688	5,760
June				11,693	108		12,096	1,162
July				11,787	107		15,799	3,532
August	4	1		17,799	1,199		17,326	2,975
September	5	1		20,994	1,194		20,645	2,407
October	12	1		22,403	1,185	900	23,643	2,154
November	12	1		23,650	1,176	1,000	24,742	2,353
December	12	1		23,850	1,158	900	25,176	2,240
1922								
January	13	1		24,195	1,147	1,300	25,680	2,488
February	13	1		23,952	1,504	1,900	26,758	2,354
March	13	1		24,574	1,565	3,000	29,327	2,224
April	13	1		25,120	1,565	4,100	30,580	2,901
May	13	1		25,328	1,560	5,500	31,930	3,289
June	13	1		25,445	1,556	6,900	33,600	3,741
July	13	1		28,783	1,546	7,200	38,357	3,929
August	13	1		37,617	1,773	7,600	46,242	5,417
September	14	1		46,963	1,848	8,900	58,458	5,029
October	14	1		51,631	1,728	12,000	70,905	5,189
November	15	1		49,246	1,801	12,500	72,016	6,406
December	16	1		50,702	2,016	16,500	75,867	4,761
1923								
January	14	1		54,516	2,007	20,000	73,717	5,886
February	23	1		58,358	2,013	24,000	75,185	5,000
March	23	1		71,264	2,584	29,000	82,203	11,152
April	23	1		88,800	2,817	37,000	100,101	9,793
May	23	1		93,396	1,763	47,200	119,285	10,609
June	23	1		120,608	2,490	66,700	154,996	12,742
July	22	1		165,927	1,762	78,700	226,285	21,977
August	22	1		273,605	1,789	143,000	399,487	23,629
September	22	1		380,454	1,776	243,000	568,810	60,240
October	23	1		494,501	1,663	269,000	744,926	60,176
November	23	1		531,403	1,047	306,000	853,989	74,970
December	23	1		682,117	936	401,000	931,887	84,791
1924								
January	24	1		654,294	9,346	526,000	1,084,677	105,481
February	23	1		746,471	34,025	699,000	1,278,437	164,838
March	24	1		802,756	4,598	824,000	1,606,875	253,936
April	24	1		1,125,898	12,456	944,000	2,068,091	368,121
May	24	1		1,420,385	13,437	1,064,000	2,486,267	627,137
June 1	246,947	9,823	681,268	1,192,517	17,566	1,980,000	2,893,719	1,135,710
July	441,852	13,545	1,110,926	1,257,697		1,980,000	3,277,943	1,424,578
August	449,945	13,553	1,332,835	1,436,454		1,978,130	3,689,787	1,473,221
September	540,426	13,560	1,385,830	1,736,334		1,977,306	4,115,925	1,416,400
October	503,377	13,301	1,638,674	1,672,385		1,976,455	4,635,090	1,465,356
November	508,411	13,301	1,816,102	1,984,540		1,975,631	4,442,644	1,629,754
December	532,843	13,299	1,933,356	1,970,888		1,974,781	4,513,990	2,069,468
1925								
January	509,848	12,373	1,967,314	1,848,620		1,973,930	4,449,650	2,138,629
February	594,334	12,374	1,989,096	1,676,594		1,973,163	4,237,985	2,542,262
March	699,107	12,374	1,994,006	1,514,532		1,969,806	4,270,096	2,552,732
April	653,584	12,136	2,081,998	1,483,898		1,968,687	4,528,216	2,470,507

¹After this date gold and silver holdings are shown in terms of paper crowns. Other changes were also made in the presentation of accounts after the opening of the new Hungarian National Bank in June.

TABLE 40.—Hungary—Prices, 1921-1925

[From July, 1921, to November, 1923, the index numbers (from the Pester Lloyd) represent retail prices, and are based on 60 commodities, with July, 1914, equal to 100. From December, 1923, to date the figures are the new index numbers of wholesale prices computed by the Hungarian Central Statistical Office. They refer to prices of about 52 commodities on the last day of the month. The year 1913 equals 100. The conversions to the gold basis have been made on the basis of the depreciation of the krona as indicated by current exchange rates. See chart 29.]

Month	On paper currency basis	Converted to gold basis	Month	On paper currency basis	Converted to gold basis
1921			1923		
July.....	4,200	69	June.....	144,500	100
August.....	5,400	70	July.....	286,000	137
September.....	6,250	60	August.....	462,500	128
October.....	6,750	48	September.....	554,000	150
November.....	8,300	44	October.....	587,000	155
December.....	8,250	62	November.....	635,000	159
			December.....	791,500	122
1922			1924		
January.....	8,100	61	January.....	1,026,600	123
February.....	8,500	63	February.....	1,839,100	131
March.....	9,900	61	March.....	2,076,700	130
April.....	10,750	67	April.....	2,124,600	125
May.....	11,000	68	May.....	2,260,600	119
June.....	12,900	69	June.....	2,207,800	133
July.....	17,400	65	July.....	2,204,500	145
August.....	21,400	63	August.....	2,242,000	145
September.....	26,600	56	September.....	2,236,600	142
October.....	32,900	65	October.....	2,285,200	149
November.....	32,600	66	November.....	2,309,500	134
December.....	33,400	71	December.....	2,346,600	160
1923			1925		
January.....	38,500	74	January.....	2,307,500	159
February.....	41,800	82	February.....	2,218,700	152
March.....	66,000	94	March.....	2,117,800	145
April.....	83,500	89			
May.....	94,000	89			

TABLE 41.—Hungary—Exchange rates, 1921-1925

[New York on Budapest. Noon buying rates for cable transfers. Average rates are monthly averages of daily rates. See chart 28. Source: Federal Reserve Board. Par: 20.26 cents per krona]

Month	Cents per krona			Month	Cents per krona		
	High	Low	Average		High	Low	Average
1921				1923			
July.....	0.3800	0.2619	0.3323	July.....	.0118	.0039	.0097
August.....	.2890	.2500	.2629	August.....	.0050	.0047	.0056
September.....	.2606	.1375	.1944	September.....	.0057	.0053	.0055
October.....	.1561	.1272	.1432	October.....	.0055	.0054	.0054
November.....	.1328	.0875	.1078	November.....	.0055	.0053	.0054
December.....	.1789	.1273	.1512	December.....	.0058	.0052	.0052
1922				1924			
January.....	.1722	.1244	.1525	January.....	.0052	.0034	.0039
February.....	.1563	.1425	.1497	February.....	.0035	.0026	.0033
March.....	.1450	.1082	.1256	March.....	.0024	.0012	.0015
April.....	.1351	.1154	.1258	April.....	.0015	.0012	.0014
May.....	.1299	.1188	.1261	May.....	.0013	.0011	.0012
June.....	.0744	.0953	.1079	June.....	.0012	.0011	.0011
July.....	.0978	.0581	.0760	July.....	.0012	.0012	.0012
August.....	.0744	.0353	.0565	August.....	.0013	.0012	.0013
September.....	.0515	.0390	.0423	September.....	.0013	.0013	.0013
October.....	.0411	.0390	.0402	October.....	.0013	.0013	.0013
November.....	.0429	.0399	.0413	November.....	.0013	.0013	.0013
December.....	.0437	.0396	.0430	December.....	.0014	.0013	.0013
1923				1925			
January.....	.0411	.0378	.0392	January.....	.0014	.0013	.0014
February.....	.0395	.0343	.0395	February.....	.0014	.0014	.0014
March.....	.0346	.0203	.0289	March.....	.0014	.0014	.0014
April.....	.0237	.0198	.0217	April.....	.0014	.0014	.0014
May.....	.0197	.0182	.0191	May.....	.0014	.0014	.0014
June.....	.0189	.0099	.0140	June.....	.0014	.0014	.0014

TABLE 42.—Hungary—Purchasing-power parities, 1921-1925

[According to index numbers shown in Table 40 for Hungary and index numbers of Federal Reserve Board for the United States. See chart 30]

Month	United States index of prices	Hungarian index of prices	Purchasing-power parities (U. S. index X par Hungarian index)	Average exchange rates (cables in New York)	Per cent purchasing-power parities are of exchange rates
1921					
July.....	145,863	4,200	0.7036	0.3323	211.74
August.....	146,686	5,400	.5603	.2629	209.32
September.....	146,932	6,250	.4764	.1944	245.06
October.....	145,622	6,750	.4374	.1432	305.38
November.....	145,284	8,300	.3546	.1078	328.94
December.....	142,744	8,250	.3605	.1512	231.81
1922					
January.....	142,277	8,100	.3660	.1526	233.44
February.....	146,101	8,500	.3482	.1497	132.60
March.....	147,306	9,900	.3015	.1256	240.06
April.....	149,130	10,750	.2811	.1258	223.45
May.....	158,182	11,000	.2913	.1261	231.01
June.....	161,246	12,900	.2632	.1079	234.66
July.....	165,417	17,400	.1926	.0760	253.42
August.....	166,880	21,400	.1670	.0695	263.87
September.....	164,312	26,600	.1251	.0423	296.76
October.....	164,166	32,900	.1017	.0402	252.99
November.....	164,016	32,600	.1019	.0413	246.73
December.....	164,227	33,400	.0967	.0430	251.86
1923					
January.....	166,158	38,500	.0874	.0392	222.96
February.....	166,391	41,800	.0806	.0395	204.05
March.....	166,374	66,000	.0520	.0289	179.93
April.....	170,655	83,500	.0413	.0217	190.32
May.....	167,098	94,000	.0360	.0191	188.48
June.....	164,065	144,500	.0230	.0140	164.29
July.....	159,488	286,000	.0113	.0067	116.50
August.....	159,639	462,500	.0070	.0056	125.00
September.....	163,387	554,000	.0060	.0056	109.09
October.....	163,142	587,000	.0056	.0054	103.70
November.....	163,460	635,000	.0052	.0054	96.30
December.....	163,042	714,000	.0046	.0052	88.46
1924					
January.....	162,745	1,026,000	.0032	.0039	82.051
February.....	162,619	1,839,100	.0018	.0033	64.545
March.....	159,522	2,076,700	.0016	.0015	106.666
April.....	157,676	2,134,600	.0015	.0014	107.143
May.....	156,148	2,269,600	.0014	.0012	116.667
June.....	154,394	2,207,800	.0014	.0011	127.273
July.....	160,383	2,294,500	.0014	.0012	116.667
August.....	157,966	2,242,000	.0014	.0013	107.692
September.....	156,276	2,235,600	.0014	.0013	107.692
October.....	158,673	2,285,200	.0014	.0013	107.692
November.....	160,074	2,308,500	.0014	.0013	107.692
December.....	164,616	2,346,600	.0014	.0013	107.692
1925					
January.....	167,782	2,807,500	.0015	.0014	107.143
February.....	167,086	2,218,700	.0015	.0014	107.143
March.....	169,895	2,117,800	.0016	.0014	114.286

TABLE 43.—Hungary—Gold value of total note circulation, 1921-1925

[On basis of exchange rates and on basis of purchasing-power parities. See chart 31]

	Total note cir- culation (000,000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000,000 omitted)	Pur- chasing- power parities	Gold value of circulation on basis of pur- chasing- power parities (000,000 omitted)
	<i>Kronen</i>	<i>Cents per krona</i>	<i>Dollars</i>	<i>Cents per krona</i>	<i>Dollars</i>
1921					
July.....	15,799	0.3323	5,250	0.7036	11,116
August.....	17,326	.2629	4,555	.5598	9,534
September.....	20,845	.1944	4,052	.4764	8,931
October.....	22,643	.1432	3,386	.4374	10,341
November.....	24,742	.1078	2,667	.3546	8,774
December.....	25,175	.1512	3,806	.3505	8,824
1922					
January.....	25,680	.1525	3,916	.3560	9,142
February.....	26,758	.1497	4,006	.3482	9,317
March.....	29,327	.1256	3,683	.3015	8,843
April.....	30,580	.1258	3,847	.2811	8,596
May.....	31,930	.1261	4,026	.2913	9,301
June.....	33,600	.1079	3,625	.2532	8,508
July.....	38,357	.0780	2,915	.1926	7,388
August.....	46,242	.0696	2,761	.1570	7,260
September.....	58,458	.0423	2,473	.1251	7,313
October.....	70,005	.0402	2,814	.1017	7,120
November.....	72,016	.0413	2,974	.1019	7,338
December.....	75,887	.0430	3,263	.0997	7,566
1923					
January.....	73,717	.0392	2,860	.0874	6,443
February.....	75,135	.0395	2,968	.0806	6,056
March.....	82,205	.0289	2,376	.0520	4,275
April.....	100,101	.0217	2,172	.0413	4,134
May.....	119,285	.0191	2,278	.0260	4,294
June.....	154,998	.0140	2,170	.0220	3,565
July.....	226,285	.0097	2,195	.0113	3,557
August.....	399,487	.0056	2,237	.0070	2,796
September.....	588,810	.0035	2,238	.0060	3,533
October.....	744,926	.0064	4,023	.0056	4,172
November.....	833,969	.0054	4,812	.0052	4,441
December.....	961,387	.0032	4,848	.0042	3,912
1924					
January.....	1,064,677	.0039	4,230	.0032	3,471
February.....	1,278,437	.0032	4,219	.0018	2,201
March.....	1,606,875	.0016	2,410	.0016	2,571
April.....	2,098,001	.0014	2,937	.0015	3,147
May.....	2,486,257	.0012	2,964	.0014	3,481
June.....	2,893,719	.0011	3,182	.0014	4,061
July.....	3,277,943	.0012	3,934	.0014	4,569
August.....	3,659,757	.0013	4,756	.0014	5,124
September.....	4,115,925	.0013	5,351	.0014	5,762
October.....	4,074,487	.0013	5,297	.0014	5,704
November.....	4,442,644	.0013	5,778	.0014	6,220
December.....	4,513,990	.0013	5,898	.0014	6,320
1925					
January.....	4,449,650	.0014	6,280	.0015	6,674
February.....	4,237,985	.0014	5,933	.0015	6,257
March.....	4,270,096	.0014	5,978	.0016	6,532
April.....	4,526,218	.0014	6,327		

TABLE 44.—Hungary—Imports and exports of merchandise, 1911–1925

[Source: Statisztikai Havi Közlemények. In gold kronen, calculated on the basis of dollar exchange rates. See chart 27. 000 omitted.]

	Imports	Exports	Excess of—	
			Imports	Exports
Annual average 1911–1913 ¹	813,000	777,400	35,600	
1920				
January–June	161,800	72,400	89,400	
July–December	255,600	91,900	163,600	
Total	417,400	164,300	253,000	
1921				
January–June	292,400	106,000	186,400	
July–December	228,300	147,900	80,400	
Total	520,700	253,900	266,800	
1922				
January	29,200	31,600		2,400
February	26,400	25,500	900	
March	42,600	39,000	3,600	
April	36,100	24,800	11,300	
May	39,700	27,300	12,400	
June	52,500	29,400	23,100	
July	48,700	25,800	22,900	
August	61,600	24,200	37,400	
September	47,900	29,600	18,300	
October	50,800	25,800	25,000	
November	52,100	25,900	26,200	
December	51,800	21,200	30,600	
Total	539,400	330,100		
Net excess of imports			209,300	
1923				
January	45,800	17,600	28,200	
February	46,100	21,100	25,000	
March	41,600	26,700	14,900	
April	37,800	33,300	4,500	
May	39,100	29,000	10,100	
June	34,400	20,100	14,300	
July	25,800	23,900	1,900	
August	25,800	22,700	3,100	
September	26,900	24,500	2,400	
October	30,800	29,000	1,800	8,200
November	23,300	38,300		5,000
December	26,100	41,900		5,800
Total	423,000	338,100		
Net excess of imports			84,900	
1924				
January	37,600	32,800	4,800	
February	44,100	30,300	13,800	
March	51,400	44,500	6,900	
April	59,000	51,400	7,600	
May	57,400	45,700	11,700	
June	48,500	35,600	12,900	
July	59,600	41,100	18,400	
August	54,100	34,500	19,600	
September	62,100	37,600	4,500	
October	76,600	79,000	2,400	
November	70,500	58,400	12,100	
December	81,200	65,300	15,900	
Total	702,100	576,200		
Net excess of imports			125,900	
1925				
January	63,300	38,400	26,900	
February	57,700	40,100	17,600	

¹ Estimate of Dr. Aloisius Szabóky, Director of Royal Hungarian Bureau of Statistics.

TABLE 45.—*Hungary—National debt*
(Paper kronen)

[Source: Magyar Kir. Pénzügyminister]

	Internal	External ¹	Total
Dec. 31—			
1913.....	2,161,911,624	5,845,449,618	8,007,361,242
1919.....	17,474,944,131	66,808,818,194	84,283,762,325
1920.....	27,488,553,021	96,854,227,244	124,342,780,265
1921.....	56,300,376,599	128,047,219,365	187,347,595,964
1922.....	82,397,517,719	424,246,457,875	506,643,975,594
1923.....	416,392,267,640	3,370,669,310,695	3,787,061,578,335

¹ Debts expressed in gold or foreign currencies have been converted into paper kronen at rates of exchange in Zurich on the last day of the corresponding year.

TABLE 46.—*Hungary—Receipts and expenditures, 1913-1924*

[Source: Magyar Kir. Pénzügyminister; 000 omitted]

	Budget estimates				Closed accounts ¹			
	Receipts	Expenditures	Surplus	Deficit	Receipts	Expenditures	Surplus	Deficit
	<i>Kronen</i>	<i>Kronen</i>	<i>Kronen</i>	<i>Kronen</i>	<i>Kronen</i>	<i>Kronen</i>	<i>Kronen</i>	<i>Kronen</i>
1913.....	2,373	2,073	-----	-----	2,547	2,319	228	-----
1914 (January-June) ²	1,073	1,111	-----	38	1,356	1,444	-----	88
1914-15.....	2,264	2,264	-----	-----	7,265	6,669	606	-----
1915-16 ³	-----	-----	-----	-----	12,089	12,248	-----	159
1916-17 ⁴	-----	-----	-----	-----	-----	-----	-----	-----
1917-18 ⁵	3,469	3,443	26	-----	-----	-----	-----	-----
1918-19 ⁶	-----	-----	-----	-----	-----	-----	-----	-----
1920 (February-June) ⁷	1,950	4,749	-----	2,799	-----	-----	-----	-----
1920-21 ⁸	10,521	20,211	-----	9,690	-----	-----	-----	-----
1921-22.....	20,315	25,784	-----	5,469	-----	-----	-----	-----
1922-23.....	152,802	193,455	-----	40,653	-----	-----	-----	-----
1923-24.....	2,168,140	3,307,099	-----	1,138,959	-----	-----	-----	-----

¹ Beginning with 1916-17, closed accounts were not dealt with by legislation.

² Fiscal year changed from calendar year to year ending June 30.

³ Finances were carried on by means of indemnity acts.

⁴ Budget estimates were prepared but finances were carried on by means of indemnity acts.

⁵ No budget was prepared on account of revolution and Bolshevik régime.

⁶ Indemnity act for period indicated.

⁷ Budget act for 1920-21.

TABLE 47.—*Hungary—Net receipts and expenditures, 1924-25*

[Source: Monthly Reports of Commissioner-General for Hungary. Gold kronen]

Estimated budget, July 1, 1924-June 30, 1925:	Kronen
Net receipts.....	307,350,680
Net expenditures.....	407,281,180
Deficit.....	99,930,500

Results first 6 months.

	Receipts	Expenditures	Deficit	Surplus
1924				
July.....	17,900,000	20,500,000	12,600,000	-----
August.....	29,500,000	33,800,000	4,300,000	-----
September.....	20,900,000	26,700,000	5,800,000	-----
October.....	35,600,000	33,700,000	-----	1,900,000
November.....	49,200,000	34,000,000	-----	15,200,000
December.....	44,900,000	37,200,000	-----	7,700,000
Total for six months.....	208,000,000	206,900,000	-----	1,200,000

¹ Net.

NOTE.—Net receipts and expenditures exclude (a) revenues other than taxation collected by different departments of the Government; (b) railway traffic tax; (c) working expenses of the tobacco monopoly.

NETHERLANDS

TABLE 48.—Netherlands Bank, 1912-1925

[Source: Annual Reports of the Netherlands Bank. See chart 32. End of month; 000 omitted]

Month	Gold	Silver	Discounts		Advances		Total discounts and advances	Notes in circulation	Deposits
			Domestic bills discounted	Foreign bills in portfolio	Advances to the Government	Other advances			
1912									
April	144,852	12,065	64,781	18,314	14,632	73,359	171,086	303,046	2,949
May	146,308	12,938	66,500	18,339	—	76,109	160,948	283,708	9,685
June	143,592	12,157	65,240	18,604	4,405	77,331	164,580	296,735	6,275
July	144,219	11,699	61,835	18,430	315	73,945	154,525	239,664	3,080
August	142,922	9,947	65,294	18,628	874	79,071	163,877	295,465	2,431
September	149,665	7,467	69,812	18,414	4,192	77,051	169,469	304,173	3,336
October	158,553	6,799	75,522	18,104	7,989	72,108	173,721	317,243	3,527
November	164,462	7,115	84,086	18,955	—	77,856	180,897	321,720	10,464
December	161,774	8,082	82,736	18,397	—	82,090	183,222	317,117	15,120
1913									
January	159,118	9,183	77,939	18,661	—	70,580	167,180	309,997	4,419
February	159,261	10,061	72,459	19,046	2,236	68,795	162,824	294,699	5,789
March	161,569	9,827	62,061	18,063	13,653	62,942	156,769	303,253	3,321
April	162,549	8,989	71,224	15,971	13,247	65,312	171,536	315,460	4,004
May	164,605	8,378	69,266	18,877	6,778	67,993	173,983	313,064	6,766
June	145,287	8,934	77,671	16,512	11,533	82,009	154,221	313,125	11,564
July	147,283	8,204	70,001	12,543	10,850	78,567	155,487	308,444	4,847
August	148,327	8,807	58,412	9,038	12,028	84,899	167,134	305,342	3,540
September	147,338	8,268	59,756	9,837	9,111	90,262	165,596	307,961	2,567
October	148,384	7,841	76,366	14,397	12,612	83,185	166,228	320,499	3,203
November	149,499	8,425	76,365	14,732	12,928	83,246	167,924	321,707	2,922
December	151,490	9,016	67,604	14,300	9,235	80,026	160,506	312,666	4,333
1914									
January	161,478	10,252	66,265	14,571	13,378	85,679	161,730	315,437	4,175
February	157,614	10,112	62,653	17,658	14,304	69,313	167,726	305,874	3,408
March	159,988	9,616	51,753	19,712	9,358	74,819	169,484	297,894	4,276
April	162,469	8,934	70,290	20,052	13,370	72,376	170,088	320,090	4,723
May	163,096	8,432	66,825	20,407	13,377	66,276	160,885	310,636	5,014
June	160,627	9,358	66,440	19,923	13,074	59,003	158,440	306,154	5,089
July	162,113	8,228	67,947	20,188	12,444	61,686	162,265	310,437	4,737
August	162,146	2,296	171,669	6,435	7,379	136,192	323,675	444,233	32,150
September	157,353	4,894	171,932	6,752	14,761	134,332	327,677	440,845	32,737
October	171,142	4,310	185,162	3,251	14,078	134,193	336,684	478,986	17,420
November	181,183	4,894	179,194	843	12,968	135,548	328,653	481,145	20,479
December	208,119	3,592	164,784	667	4,240	133,354	293,046	473,107	17,455
1915									
January	238,445	1,715	147,411	667	14,948	134,828	297,854	492,280	28,999
February	261,777	1,245	90,065	652	—	210,601	301,318	457,055	91,969
March	289,194	2,027	75,024	401	—	202,263	277,688	459,684	93,808
April	293,626	3,151	62,178	347	—	182,746	245,268	470,066	54,624
May	316,831	3,128	62,416	171	14,168	148,778	225,630	485,131	40,706
June	347,136	2,360	73,513	2,307	3,414	119,046	198,260	483,500	54,907
July	373,458	2,297	65,287	3,117	7,659	101,332	177,395	512,708	35,782
August	378,437	2,322	61,365	3,069	2,760	90,010	157,195	513,706	21,178
September	386,237	2,273	65,204	3,653	13,515	85,158	167,490	522,066	29,286
October	399,824	2,522	77,945	4,278	5,103	97,470	184,798	569,580	13,488
November	411,436	3,777	71,762	4,230	14,912	91,230	182,134	555,479	32,595
December	429,182	6,196	76,348	2,506	—	98,589	172,434	577,066	24,289
1916									
January	406,637	6,059	77,756	4,313	4,831	88,602	170,602	581,722	81,983
February	495,112	5,249	74,137	3,920	14,863	73,631	166,551	577,978	78,381
March	610,643	4,569	72,500	4,280	14,479	68,700	159,999	588,443	78,106
April	529,896	1,873	100,630	8,672	12,219	79,127	200,648	681,864	59,492
May	640,030	4,486	37,694	8,557	10,967	69,184	116,422	636,963	65,913
June	552,028	8,407	42,314	8,084	—	60,094	130,492	630,911	69,635
July	681,664	10,784	37,521	8,020	13,779	68,101	126,421	661,679	55,993
August	685,813	8,291	78,868	7,873	14,961	64,758	163,480	657,106	68,371
September	587,361	6,597	106,418	8,176	1,678	60,662	176,039	709,732	67,907
October	583,642	6,531	99,034	8,007	5,406	63,159	178,600	739,338	62,659
November	584,691	6,725	68,260	8,014	8,719	66,229	151,242	736,284	60,104
December	567,602	6,966	66,666	8,024	11,577	66,508	171,792	768,379	53,632

TABLE 48.—Netherlands Bank, 1912-1925—Continued

Month	Gold	Silver	Discounts		Advances		Total discounts and advances	Notes in circulation	Deposits
			Domestic bills discounted	Foreign bills in portfolio	Advances to the Government	Other advances			
1917									
	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>
January	589,861	6,814	78,223	8,001	14,899	68,517	109,730	732,759	81,983
February	591,555	6,577	58,722	8,007	12,871	86,208	165,898	732,694	78,381
March	590,515	6,917	77,537	8,209		86,849	172,595	745,649	76,106
April	596,527	6,859	86,942	8,094	11,658	88,963	194,377	773,592	69,492
May	596,273	7,393	69,561	8,110	14,952	85,307	177,030	760,550	65,913
June	626,729	7,454	52,545	7,807	4,588	79,146	144,136	764,224	69,935
July	633,303	7,247	44,781	8,006	12,463	75,194	140,444	767,152	55,908
August	656,910	7,375	31,950	8,228	13,341	74,821	128,140	766,667	68,371
September	675,917	7,264	57,628	7,913	14,046	72,055	151,642	808,812	67,907
October	685,231	7,366	64,248	8,113		82,743	155,104	824,973	62,639
November	692,377	6,883	66,631	8,202	11,766	91,066	178,564	852,947	60,104
December	698,233	7,028	81,820	8,039		107,448	197,307	890,273	53,632
1918									
January	707,000	7,176	76,114	8,141	11,259	90,515	186,029	871,588	74,999
February	714,678	7,295	20,575	8,195		116,029	154,799	845,856	81,226
March	722,184	7,289	19,166	7,164	14,704	116,737	156,771	889,692	66,764
April	725,771	7,274	46,520	8,816		153,925	204,261	936,472	69,305
May	721,439	7,799	50,096	7,479		131,743	189,317	919,163	70,859
June	717,559	7,692	43,816	7,732	4,566	122,968	178,229	927,335	68,614
July	715,123	7,703	52,139	8,676	12,663	112,269	185,777	906,750	76,779
August	709,317	7,953	75,116	8,435	3,867	104,715	192,153	946,362	43,260
September	708,708	8,042	117,418	7,802		112,782	238,002	971,557	60,490
October	706,477	8,154	142,966	8,690	14,903	119,685	286,274	985,317	74,614
November	693,392	8,230	225,288	7,990		144,367	377,045	1,082,164	94,000
December	689,441	8,545	243,661	8,630	3,729	136,515	395,865	1,068,947	88,478
1919									
January	684,369	8,791	221,901	8,567	14,544	135,057	386,129	1,053,508	89,095
February	677,319	9,108	92,519	8,546	14,932	182,230	298,227	1,000,194	63,966
March	659,324	9,750	119,689	8,766	14,921	195,749	339,121	1,011,223	80,368
April	663,348	8,114	139,716	27,080	14,904	225,976	407,675	1,054,638	92,094
May	661,968	7,938	117,371	27,582		224,150	379,103	1,025,962	81,952
June	657,722	8,214	108,941	25,546		225,186	359,673	1,018,076	69,876
July	651,408	6,417	112,536	26,478	13,503	208,158	395,673	1,033,290	68,067
August	636,563	5,823	111,649	44,126	9,283	236,647	401,705	1,002,879	70,800
September	631,763	5,068	123,673	47,390	14,471	216,579	402,113	1,030,138	65,032
October	632,167	4,907	141,166	48,273	7,268	238,945	435,649	1,010,411	60,923
November	632,156	6,325	146,039	48,556	14,630	262,904	472,186	1,048,397	81,192
December	637,323	6,103	168,861	48,354	12,241	260,115	479,671	1,032,732	102,343
1920									
January	631,845	8,229	232,621	48,904	12,067	214,065	507,677	1,030,092	114,852
February	633,240	9,390	242,008	54,783	14,965	199,823	511,681	1,026,549	128,130
March	634,166	10,426	195,809	56,192	13,342	201,154	466,887	1,013,315	106,267
April	635,171	11,323	232,329	53,882	8,045	191,079	485,331	1,045,948	92,338
May	635,805	12,646	149,159	71,356		309,858	530,373	1,020,829	152,845
June	636,304	13,894	117,252	49,668	13,647	296,977	477,574	1,004,806	143,717
July	636,388	16,015	90,255	41,068		332,237	463,690	1,017,208	123,096
August	636,240	16,530	95,257	46,484	3,205	312,002	466,948	1,026,033	81,228
September	636,348	17,732	101,917	39,435	479	313,942	455,772	1,030,210	67,862
October	636,141	18,945	138,024	29,041	6,523	303,193	476,781	1,057,317	93,348
November	636,141	20,171	182,934	44,415	14,951	264,131	508,431	1,078,032	87,892
December	636,141	21,190	196,824	52,764	13,832	247,606	511,016	1,072,146	86,261
1921									
January	636,141	22,456	206,121	43,017	4,900	238,656	492,724	1,072,109	67,618
February	636,141	20,392	180,086	35,962	14,573	227,777	458,428	1,055,417	60,172
March	621,034	16,687	192,969	18,708	14,740	215,637	441,784	1,036,816	41,570
April	610,976	14,434	244,145	39,502	14,916	196,016	494,882	1,043,276	60,795
May	605,965	13,065	225,043	48,695	13,493	183,926	471,157	1,029,565	67,814
June	605,969	12,331	220,117	49,234	1,276	154,854	425,481	991,929	60,638
July	605,969	11,159	260,224	48,583	13,138	131,777	453,722	1,012,700	53,438
August	605,969	10,566	223,674	47,895	14,257	158,777	445,303	1,004,169	48,927
September	605,969	10,327	236,348	43,694	14,254	128,458	422,704	990,026	32,857
October	605,969	8,921	317,965	39,707	13,509	129,264	500,465	1,056,405	46,864
November	605,969	8,614	278,618	38,509	14,328	117,763	449,218	1,021,063	31,443
December	605,969	8,241	270,186	33,794	13,474	124,554	442,008	1,012,876	30,573

TABLE 48.—Netherlands—Bank, 1912—1926—Continued.

Month	Gold	Silver	Discounts		Advances		Total discounts and advances	Notes in circulation	Deposits
			Dome- stic bills dis- counted	Foreign bills in port- folio	Ad- vances to the Govern- ment	Other ad- vances			
1922									
January	605,969	7,104	217,536	17,861	8,596	142,177	386,170	1,016,538	30,804
February	605,969	7,127	192,367	57,495	8,610	155,711	414,183	987,389	29,365
March	605,953	5,885	199,080	44,962	14,994	131,961	390,697	959,631	26,126
April	605,889	5,608	180,170	92,854	8,632	135,096	414,732	985,085	35,068
May	605,889	5,600	195,365	93,022	-----	105,944	393,451	992,777	31,190
June	605,890	7,541	176,418	93,231	13,267	109,968	383,894	968,192	46,545
July	605,855	8,156	166,530	67,439	14,992	132,879	384,840	958,449	34,958
August	605,855	8,898	182,101	74,402	14,537	99,948	370,888	990,385	32,365
September	593,859	9,033	182,353	64,536	13,853	105,436	366,182	959,638	22,117
October	581,789	8,912	214,979	75,709	11,759	119,486	421,924	994,242	22,989
November	581,789	7,563	194,625	75,166	13,231	113,242	396,254	964,195	25,639
December	581,789	8,990	217,192	75,399	14,939	126,776	434,366	974,101	48,965
1923									
January	581,789	8,089	82,667	78,052	13,880	116,981	391,580	947,422	25,518
February	581,789	7,448	100,118	79,064	11,569	105,339	356,600	939,834	29,797
March	581,789	7,110	138,573	114,010	10,276	112,949	373,814	932,433	33,907
April	581,789	8,099	176,891	84,933	14,798	159,623	435,245	958,861	31,818
May	581,790	9,710	155,405	59,634	9,927	135,369	360,335	928,044	27,939
June	581,791	10,539	154,716	51,571	-----	157,453	363,740	910,631	53,157
July	581,792	10,934	149,697	39,836	-----	149,314	329,767	947,433	34,981
August	581,794	10,856	141,170	52,691	14,676	132,241	341,677	931,910	33,987
September	581,775	10,309	163,743	51,776	13,542	134,434	363,455	965,541	42,674
October	581,775	9,096	155,048	68,916	14,075	139,382	377,421	1,014,701	30,889
November	581,783	8,181	188,238	67,040	-----	142,236	387,514	1,004,306	40,961
December	581,781	8,064	252,060	29,797	6,279	180,198	465,329	1,066,136	39,196
1924									
January	581,745	8,752	235,770	26,094	14,832	149,192	424,826	1,008,309	30,171
February	581,718	11,051	229,358	24,760	14,827	142,205	411,150	984,085	24,396
March	569,138	9,267	264,185	23,412	12,438	167,533	447,568	1,018,014	17,317
April	548,979	9,791	263,021	30,360	12,750	146,705	442,866	1,001,099	22,451
May	531,408	9,919	174,657	94,863	979	142,302	412,231	958,918	59,565
June	531,511	10,299	144,850	95,968	6,169	159,828	404,643	933,010	47,808
July	531,511	10,883	137,655	95,283	-----	168,776	431,724	953,604	74,065
August	531,511	11,836	129,930	67,434	-----	177,296	374,650	945,735	51,756
September	529,090	11,290	135,868	40,297	14,948	194,041	385,154	971,711	22,229
October	489,345	10,855	138,083	53,748	9,727	164,588	366,141	956,661	23,287
November	490,233	12,240	143,112	48,158	5,059	167,896	364,146	932,717	19,949
December	504,612	12,619	119,683	112,086	11,817	171,776	415,311	936,446	59,265
1925									
January	504,643	14,103	114,563	124,516	-----	167,024	396,103	892,988	75,065
February	504,485	19,427	102,576	127,872	-----	149,808	380,253	879,793	64,369
March	504,492	20,769	93,496	131,644	-----	161,951	387,101	898,424	43,299
April	479,478	21,029	95,022	146,667	-----	162,721	394,400	886,741	40,228

TABLE 49.—Netherlands—Wholesale prices, 1920-1925

[Index numbers of Central Bureau of Statistics; 53 commodities; 1913=100. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See chart 33]

Month	On paper currency basis	Con- verted to gold basis	Month	On paper currency basis	Con- verted to gold basis
1920			1922		
January	287	270	November	158	154
February	283	263	December	155	154
March	266	262	1923		
April	292	270	January	157	155
May	293	267	February	156	152
June	294	264	March	156	153
July	296	267	April	156	152
August	288	236	May	149	145
September	287	223	June	149	145
October	283	217	July	145	142
November	260	195	August	142	139
December	233	179	September	145	142
1921			1924		
January	213	174	January	156	145
February	197	168	February	156	147
March	188	161	March	155	145
April	176	152	April	154	142
May	182	161	May	153	142
June	182	151	June	151	141
July	176	139	July	151	143
August	180	139	August	151	146
September	180	142	September	158	151
October	169	141	October	161	157
November	165	144	November	161	160
December	165	149	December	160	161
1922			1925		
January	163	149	January	160	161
February	165	154	February	148	158
March	164	154	March	155	154
April	163	154	April	151	151
May	165	159	May	161	161
June	165	189			
July	164	158			
August	156	151			
September	152	147			
October	185	150			

TABLE 50.—Netherlands—Exchange rates, 1914-1925

[New York on Amsterdam. January, 1914-June, 1921, sight drafts; July, 1921, to date, noon buying rates for cable transfers. Average rates, January, 1914-October, 1918, are midpoints between monthly high and low rates; from November, 1918, to date, the averages are monthly averages of daily rates. See chart 35. Source: Federal Reserve Board. Par, 40.2 cents per guilder]

Month	Cents per guilder			Month	Cents per guilder		
	High	Low	Average		High	Low	Average
1914				1915			
January	40.31	40.13	40.22	January	40.50	40.06	40.28
February	40.25	40.25	40.25	February	40.31	39.75	40.03
March	40.25	40.25	40.25	March	40.00	39.50	39.75
April	40.31	40.31	40.31	April	39.50	39.21	39.41
May	40.31	40.31	40.31	May	39.56	39.44	39.50
June	40.31	40.19	40.25	June	39.94	39.50	39.72
July	41.25	40.19	40.72	July	40.06	39.94	40.00
August	42.00	40.75	41.38	August	40.80	39.63	40.22
September	41.75	40.13	40.94	September	40.38	39.44	39.91
October	42.50	40.03	41.57	October	41.50	40.38	40.94
November	40.98	40.50	40.69	November	42.00	41.38	41.69
December	40.63	40.38	40.51	December	43.50	41.88	42.69

TABLE 50.—Netherlands—Exchange rates, 1914—1925—Continued

Month	Cents per guilder			Month	Cents per guilder		
	High	Low	Average		High	Low	Average
1916				1920			
January	45.88	42.50	44.19	November	30.65	29.25	30.19
February	42.63	41.88	42.26	December	31.40	30.38	30.98
March	42.75	42.25	42.50	1921			
April	43.25	42.00	42.63	January	34.05	31.28	32.88
May	41.88	41.00	41.44	February	34.52	33.80	34.20
June	41.75	41.44	41.60	March	34.58	34.08	34.40
July	41.44	41.38	41.41	April	35.15	34.48	34.75
August	41.44	41.06	41.25	May	36.27	34.33	35.56
September	41.13	40.75	40.94	June	34.56	32.78	33.28
October	41.19	40.94	41.07	July	32.88	30.68	31.78
November	41.00	40.75	40.88	August	31.76	30.52	31.00
December	40.88	40.75	40.82	September	32.19	31.00	31.66
1917				October	34.71	31.99	33.45
January	40.81	40.75	40.78	November	35.79	34.02	34.97
February	40.75	40.38	40.57	December	36.98	35.50	36.31
March	40.50	40.31	40.41	1922			
April	41.75	40.56	41.16	January	36.94	36.30	36.68
May	41.25	40.81	41.08	February	38.47	36.99	37.61
June	41.19	41.06	41.13	March	38.36	37.34	37.85
July	41.47	41.13	41.30	April	38.16	37.73	37.93
August	42.38	41.50	41.94	May	39.04	38.22	38.65
September	42.13	41.88	42.01	June	39.09	38.18	38.71
October	45.75	42.13	43.94	July	38.89	38.50	38.77
November	45.25	43.00	44.13	August	39.07	38.00	38.55
December	44.50	43.50	44.00	September	39.01	38.63	38.79
1918				October	39.20	38.70	38.96
January	44.25	43.00	43.63	November	39.58	39.07	39.27
February	45.50	44.00	44.75	December	40.13	39.52	39.84
March	46.75	44.75	45.75	1923			
April	48.25	46.50	47.38	January	39.72	39.37	39.56
May	50.50	47.75	49.13	February	39.69	39.19	39.43
June	51.00	49.75	50.38	March	39.50	39.36	39.49
July	52.00	50.25	51.13	April	39.37	39.06	39.18
August	52.75	51.00	51.88	May	39.19	39.03	39.13
September	49.50	47.25	48.28	June	39.26	39.15	39.20
October	46.75	42.00	44.38	July	39.43	39.08	39.23
November	42.25	41.50	42.15	August	39.45	39.30	39.34
December	42.75	42.00	42.67	September	39.36	39.18	39.30
1919				October	39.33	38.78	39.13
January	42.75	41.13	42.31	November	38.84	37.00	38.02
February	41.25	41.10	41.35	December	38.24	37.86	38.04
March	41.13	40.13	40.57	1924			
April	41.25	40.13	40.43	January	37.82	36.92	37.35
May	40.25	39.10	39.63	February	37.75	37.23	37.42
June	39.25	38.69	39.12	March	37.28	36.86	37.07
July	38.75	37.06	38.00	April	37.40	36.98	37.19
August	37.56	36.44	37.22	May	37.50	37.33	37.41
September	38.13	36.94	37.53	June	37.64	37.31	37.44
October	38.06	37.44	37.98	July	38.32	37.59	37.94
November	38.00	37.25	37.75	August	39.14	38.23	38.80
December	38.25	37.25	37.85	September	38.69	38.16	38.45
1920				October	39.40	38.65	39.10
January	39.13	37.25	37.80	November	40.40	39.62	40.05
February	37.88	36.63	37.25	December	40.51	40.28	40.42
March	37.13	35.63	36.79	1925			
April	37.50	36.25	37.12	January	40.61	40.30	40.41
May	36.70	35.25	36.60	February	40.31	40.01	40.17
June	36.63	35.45	36.14	March	39.99	39.83	39.92
July	36.30	34.05	34.97	April	40.18	39.84	39.95
August	33.88	31.55	32.90	May	40.21	40.13	40.18
September	31.90	30.63	31.27	June	40.18	40.05	40.14
October	31.94	30.38	30.87				

TABLE 51.—Netherlands—Purchasing-power parities, 1920-1925

According to index numbers of the Central Bureau of Statistics for Netherlands and Bureau of Labor Statistics index numbers for the United States.

[See chart 36]

Month	United States index of prices	Dutch index of prices	Purchasing power parities (U. S. index X par Dutch index)	Average exchange rates (cables in New York)	Per cent purchasing power parities are of exchange rates
1920					
January.....	233	287	32.63	37.80	86.32
February.....	232	283	32.96	37.30	88.35
March.....	234	286	32.89	36.79	89.40
April.....	245	292	33.73	37.12	90.87
May.....	247	293	33.89	36.60	92.80
June.....	243	294	33.23	36.14	91.95
July.....	241	296	32.73	34.97	93.59
August.....	231	288	32.24	32.90	97.99
September.....	228	287	31.66	31.27	101.25
October.....	211	283	29.97	30.87	97.08
November.....	198	280	30.30	30.19	100.36
December.....	179	233	30.88	30.95	99.77
1921					
January.....	170	213	32.08	32.88	97.57
February.....	160	197	32.65	34.20	95.47
March.....	155	188	33.14	34.40	96.34
April.....	148	176	33.99	34.75	97.27
May.....	146	182	32.03	35.56	90.07
June.....	142	182	31.36	33.28	94.23
July.....	141	176	31.80	31.78	100.05
August.....	142	180	31.71	31.00	102.30
September.....	141	180	31.49	31.66	99.45
October.....	142	199	33.78	33.45	100.99
November.....	141	165	34.25	34.97	98.23
December.....	140	165	34.11	36.31	98.94
1922					
January.....	138	163	34.03	36.68	92.78
February.....	141	165	34.25	37.61	91.33
March.....	142	164	34.81	37.85	91.97
April.....	143	163	35.27	37.93	92.99
May.....	148	165	36.05	38.65	93.30
June.....	150	165	36.55	38.71	94.42
July.....	155	164	37.99	38.77	97.99
August.....	155	156	39.94	38.85	102.81
September.....	153	152	40.47	38.79	104.33
October.....	154	155	39.94	38.95	102.52
November.....	156	158	39.69	39.27	101.07
December.....	156	155	40.46	39.84	101.86
1923					
January.....	156	187	39.94	39.56	100.95
February.....	157	155	40.46	39.53	102.25
March.....	159	156	40.97	39.49	108.75
April.....	159	156	40.97	39.18	104.57
May.....	156	149	42.09	39.13	107.56
June.....	153	149	41.28	39.20	105.31
July.....	151	145	41.98	39.23	108.79
August.....	150	142	42.45	39.34	107.98
September.....	154	145	42.70	39.20	108.65
October.....	153	148	41.56	39.13	108.21
November.....	152	153	39.94	38.02	105.05
December.....	151	154	39.42	38.04	108.68
1924					
January.....	151	156	38.91	37.25	104.18
February.....	152	156	38.67	37.42	103.35
March.....	150	155	38.90	37.07	104.95
April.....	148	154	38.63	37.19	103.86
May.....	147	153	38.62	37.41	103.25
June.....	145	151	38.60	37.44	103.11
July.....	147	151	39.13	37.94	103.13
August.....	150	151	39.93	38.80	102.90
September.....	149	158	37.91	38.45	98.59
October.....	152	161	37.95	39.10	97.05
November.....	153	162	37.98	40.05	94.78
December.....	157	160	39.45	40.42	97.60
1925					
January.....	160	160	40.20	40.41	99.48
February.....	161	158	40.95	40.17	101.97
March.....	161	155	41.78	39.92	104.61
April.....	156	151	41.53	39.98	103.95

TABLE 52.—Netherlands—Purchasing power parities, 1920-1925

According to index numbers of the Central Bureau of Statistics for Netherlands and Federal Reserve Board index numbers for the United States
[See chart 36]

Month	United States index of prices	Dutch index of prices	Purchasing power parities (U. S. index X par Dutch index)	Average exchange rates (cables in New York)	Per cent purchasing power parities are of exchange rates
1920					
January	248	287	34.74	37.80	91.90
February	248	283	35.22	37.55	94.32
March	253	286	35.56	36.79	95.06
April	267	292	36.76	37.12	99.03
May	269	293	35.91	35.90	100.84
June	262	294	35.33	35.14	93.14
July	254	296	34.50	34.97	98.66
August	240	288	33.50	32.90	101.82
September	232	287	32.50	31.27	103.93
October	214	283	30.40	30.87	98.48
November	196	260	30.80	30.19	100.26
December	179	223	30.88	30.95	99.77
1921					
January	168	213	31.71	32.68	96.44
February	157	197	32.04	34.20	93.68
March	152	188	32.50	34.40	94.48
April	146	176	33.35	34.75	95.97
May	146	182	32.03	35.56	90.07
June	143	182	31.59	33.28	94.92
July	146	176	33.35	31.78	104.94
August	147	180	32.83	31.00	105.90
September	147	180	32.83	31.06	103.70
October	146	169	34.73	33.45	103.83
November	145	165	35.33	34.97	101.03
December	143	165	34.84	33.31	95.95
1922					
January	142	163	35.02	36.68	95.47
February	146	165	35.57	37.61	94.58
March	147	164	36.03	37.85	95.19
April	149	163	36.75	37.93	96.89
May	158	166	38.50	38.65	99.61
June	161	165	39.22	38.71	101.34
July	166	164	40.45	38.77	104.33
August	160	166	42.78	38.55	110.12
September	164	163	45.37	38.79	111.81
October	165	165	42.79	38.96	109.58
November	164	158	41.73	39.27	105.26
December	165	165	42.79	39.84	107.40
1923					
January	166	187	42.50	39.56	107.43
February	163	185	45.05	39.53	108.90
March	169	186	45.55	39.49	110.28
April	170	186	48.51	39.18	111.82
May	167	149	45.06	39.13	115.15
June	164	149	44.25	39.20	112.68
July	159	145	44.08	39.23	112.36
August	169	142	45.01	39.34	114.41
September	163	145	45.19	39.30	114.99
October	163	148	44.28	39.13	113.16
November	163	153	42.83	38.02	112.05
December	163	164	42.55	38.04	111.86
1924					
January	163	156	42.00	37.35	112.45
February	163	158	41.47	37.42	110.82
March	160	155	41.50	37.07	111.95
April	158	154	41.26	37.19	110.92
May	156	153	40.99	37.41	109.67
June	154	161	41.00	37.44	109.51
July	156	161	41.53	37.94	109.46
August	158	161	42.07	38.80	108.43
September	156	158	39.69	38.45	103.22
October	159	161	39.70	39.10	101.53
November	160	162	39.71	40.05	99.15
December	165	160	41.46	40.42	102.67
1925					
January	168	160	42.21	40.41	104.97
February	167	158	40.17	42.49	105.78
March	169	155	39.92	43.83	109.79
April	164	151	39.95	43.95	109.29
May	163	151	43.39	40.18	107.99

TABLE 53.—Netherlands—Gold value of total note circulation, 1914–1925

[On basis of exchange rates and on basis of purchasing power parities]

Month	Total note circulation (000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)	Purchasing power parities	Gold value of circulation on basis of purchasing power parities (000 omitted)
1914					
	<i>Guilders</i>	<i>Cents per guilder</i>	<i>Dollars</i>	<i>Cents per guilder</i>	<i>Dollars</i>
January	315,437	40.22	126,969		
February	305,874	40.25	123,114		
March	297,894	40.25	119,922		
April	320,960	40.31	129,028		
May	316,636	40.31	127,636		
June	306,154	40.25	123,227		
July	310,437	40.72	126,410		
August	444,233	41.38	183,824		
September	440,845	40.94	180,482		
October	478,966	41.57	199,114		
November	481,145	40.69	195,778		
December	473,107	40.61	191,556		
1915					
January	492,280	40.26	198,290		
February	457,055	40.03	182,959		
March	459,084	39.75	182,486		
April	470,080	39.41	185,261		
May	485,131	39.50	191,627		
June	483,850	39.72	192,185		
July	512,708	40.00	205,083		
August	513,706	40.22	206,613		
September	522,056	39.91	208,353		
October	569,850	40.94	233,297		
November	566,479	41.69	235,748		
December	577,066	42.96	246,345		
1916					
January	581,722	44.19	257,063		
February	577,978	42.26	244,254		
March	588,443	42.50	250,088		
April	681,864	42.03	290,679		
May	636,963	41.44	263,966		
June	630,911	41.60	262,459		
July	661,679	41.41	274,001		
August	657,109	41.25	271,057		
September	700,782	40.94	286,900		
October	730,338	41.07	299,950		
November	736,284	40.88	300,993		
December	758,379	40.82	309,570		
1917					
January	732,759	40.78	298,819		
February	732,694	40.57	297,254		
March	745,649	40.41	301,317		
April	773,592	41.16	318,410		
May	750,550	41.03	307,951		
June	764,224	41.13	314,325		
July	767,152	41.30	316,834		
August	766,667	41.94	321,540		
September	808,812	42.01	339,782		
October	824,973	43.94	362,493		
November	852,847	44.13	376,361		
December	860,273	44.00	391,720		
1918					
January	871,566	43.63	380,273		
February	845,856	44.76	378,521		
March	889,692	45.76	407,034		
April	936,472	47.38	443,700		
May	919,162	49.13	451,584		
June	927,335	50.38	467,191		
July	908,750	51.13	455,155		
August	945,322	51.38	480,988		
September	971,557	48.38	470,039		
October	985,317	44.38	437,284		
November	1,082,164	42.15	456,132		
December	1,088,947	42.67	456,120		
1919					
January	1,053,508	42.31	445,739		
February	1,000,194	41.35	413,380		
March	1,011,223	40.87	413,287		
April	1,034,638	40.43	418,304		
May	1,025,962	39.83	408,641		
June	1,018,076	39.12	398,271		
July	1,003,290	38.00	381,250		
August	1,002,579	37.22	373,272		

TABLE 53.—Netherlands—Gold value of total note circulation, 1914-1926—Contd.

Month	Total note circulation (000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)		Purchasing power parities	Gold value of circulation on basis of purchasing power parities (000 omitted)
			Cents per guilder	Dollars			Cents per guilder	Dollars
1919						
September	1,000,139	37.53	375,352			
October	1,010,411	37.98	383,754			
November	1,048,397	37.78	395,875			
December	1,032,732	37.85	390,889			
1920						
January	1,039,022	37.80	392,765	32.83	339,046	
February	1,026,549	37.30	382,933	32.96	338,351	
March	1,013,315	36.79	372,799	32.89	333,279	
April	1,045,948	37.12	388,256	33.78	352,798	
May	1,030,829	36.60	373,623	33.89	345,959	
June	1,004,808	36.14	363,138	33.23	333,898	
July	1,017,308	34.97	355,718	32.73	332,932	
August	1,026,033	32.90	337,565	32.24	330,793	
September	1,030,310	31.27	322,178	31.66	326,196	
October	1,057,317	30.87	326,394	29.97	316,878	
November	1,078,032	30.19	325,458	30.20	326,644	
December	1,072,145	30.95	331,829	30.88	331,078	
1921						
January	1,072,109	32.88	352,509	32.08	343,933	
February	1,053,417	34.20	360,269	32.65	348,941	
March	1,036,816	34.40	356,655	33.14	343,601	
April	1,043,276	34.75	362,538	33.80	352,627	
May	1,029,665	35.56	365,113	32.03	329,770	
June	991,929	33.28	330,114	31.36	311,069	
July	1,012,790	31.78	321,865	31.80	322,067	
August	1,004,129	31.00	311,280	31.71	318,409	
September	996,095	31.66	315,894	31.49	313,670	
October	1,056,405	33.45	353,367	33.78	346,854	
November	1,021,065	34.97	357,066	34.35	350,736	
December	1,012,878	33.31	337,776	34.11	345,493	
1922						
January	1,016,638	36.08	372,866	34.03	345,928	
February	987,889	37.61	371,357	34.25	336,168	
March	959,631	37.85	363,220	34.31	334,048	
April	965,065	37.93	373,643	35.27	347,439	
May	992,777	38.65	383,708	36.06	357,996	
June	959,192	38.71	371,303	36.55	350,585	
July	988,449	38.77	383,222	37.99	376,812	
August	960,385	38.35	373,110	39.94	388,578	
September	959,638	38.79	372,244	40.47	389,365	
October	994,242	38.56	387,337	39.94	397,100	
November	964,195	39.27	378,639	39.69	382,689	
December	974,101	39.84	388,082	40.46	394,121	
1923						
January	947,422	39.56	374,800	39.94	378,400	
February	939,834	39.53	371,516	40.46	380,257	
March	932,433	39.49	368,218	40.97	382,019	
April	983,851	39.18	387,444	40.97	405,145	
May	928,044	39.13	365,144	42.09	390,614	
June	910,631	39.20	356,967	41.28	375,908	
July	947,432	39.23	371,678	41.86	394,495	
August	931,910	39.34	366,613	42.46	395,689	
September	966,541	39.30	379,851	42.70	412,718	
October	1,014,701	39.13	397,083	41.56	421,710	
November	1,004,308	38.02	381,838	39.94	401,121	
December	1,066,186	38.04	405,568	39.42	420,271	
1924						
January	1,008,309	37.35	376,603	38.91	392,338	
February	984,065	37.42	368,245	38.67	380,546	
March	1,018,014	37.07	377,378	38.90	396,007	
April	1,001,099	37.19	372,309	38.03	386,725	
May	968,918	37.41	362,472	38.62	374,196	
June	963,010	37.44	368,039	38.60	379,442	
July	963,504	37.94	365,553	39.13	377,019	
August	945,735	38.80	366,945	39.03	377,632	
September	971,711	38.46	373,623	37.91	368,376	
October	956,861	39.10	374,064	37.95	365,053	
November	932,717	40.05	373,553	38.20	356,298	
December	935,446	40.42	378,107	39.44	368,164	
1925						
January	892,988	40.41	360,856	40.30	358,961	
February	879,793	40.31	354,645	40.96	360,363	
March	898,424	39.99	358,651	41.76	375,182	
April	895,741	39.95	357,849	41.63	372,001	

TABLE 54.—Netherlands—Imports and exports of merchandise, 1899-1924

[Excluding gold and silver]

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise. Source: Official Reports. See chart 34]

Year	Imports	Exports	Excess of imports
	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>
1899.....	1,908,294,000	1,867,214,000	339,080,000
1900.....	1,950,563,000	1,691,792,000	258,771,000
1901.....	2,029,390,000	1,730,653,000	299,337,000
1902.....	2,158,632,000	1,823,867,000	334,165,000
1903.....	2,269,620,000	1,944,723,000	324,897,000
1904.....	2,402,237,000	1,982,098,000	419,169,000
1905.....	2,565,019,000	1,989,459,000	575,560,000
1906.....	2,519,883,000	2,078,080,000	441,803,000
1907.....	2,659,207,000	2,198,915,000	460,292,000
1908.....	2,809,852,000	2,171,641,000	638,211,000
1909.....	2,103,105,000	2,448,799,000	659,306,000
1910.....	2,233,645,000	2,620,875,000	612,770,000
1911.....	2,315,847,000	2,713,598,000	602,251,000
1912.....	2,667,952,000	2,096,757,000	472,195,000
1913.....	3,902,792,000	3,065,445,000	837,347,000
1914.....	2,826,617,000	2,493,839,000	332,778,000
1915.....	2,874,190,000	1,739,088,000	1,135,102,000
1916.....	1,714,772,000	1,344,018,000	370,754,000
1917.....	964,731,000	819,245,000	145,486,000
1918.....	608,356,000	361,269,000	247,147,000
1919.....	2,825,739,000	1,411,398,000	1,414,341,000
1920.....	3,335,714,000	1,701,492,000	1,634,222,000
1921.....	2,249,219,000	1,369,599,000	879,620,000
1922.....	2,027,598,000	1,221,231,000	806,367,000
1923.....	2,009,226,000	1,303,221,000	706,005,000
1924.....	2,364,629,000	1,660,670,000	703,959,000

TABLE 55.—Netherlands—Imports and exports of merchandise, 1920-1925

[Excluding gold and silver]

[Source: League of Nations Monthly Bulletin of Statistics]

Month	Imports	Exports	Month	Imports	Exports
	<i>Guilders</i>	<i>Guilders</i>		<i>Guilders</i>	<i>Guilders</i>
1920			1922		
January.....	256,207,615	123,932,785	October.....	186,643,442	112,003,008
February.....	233,591,043	113,309,645	November.....	172,205,111	104,359,396
March.....	187,916,138	68,210,466	December.....	163,762,355	100,225,239
April.....	203,592,812	99,448,337			
May.....	298,514,162	170,393,137	1923		
June.....	345,402,373	179,478,445	January.....	173,045,949	91,487,819
July.....	314,861,366	177,114,162	February.....	162,189,535	94,601,855
August.....	267,956,122	130,018,833	March.....	165,440,620	106,977,347
September.....	317,368,670	165,965,569	April.....	169,639,064	97,005,415
October.....	337,338,332	148,140,438	May.....	160,129,701	104,128,702
November.....	270,811,334	156,557,011	June.....	159,633,444	97,890,255
December.....	302,154,125	158,922,833	July.....	157,464,622	96,693,919
			August.....	150,975,666	107,953,682
1921			September.....	166,474,263	127,720,549
January.....	214,136,278	115,835,310	October.....	192,923,258	126,848,400
February.....	170,369,270	120,956,498	November.....	176,090,045	126,123,548
March.....	213,830,220	107,204,662	December.....	174,760,818	127,839,661
April.....	195,772,602	108,819,697			
May.....	168,114,451	93,818,710	1924		
June.....	188,559,719	120,815,908	January.....	177,884,958	116,522,007
July.....	170,674,007	105,420,129	February.....	185,307,111	125,465,290
August.....	186,640,179	142,544,083	March.....	180,545,160	131,906,705
September.....	197,271,439	135,749,765	April.....	189,679,735	136,430,618
October.....	179,043,171	114,694,641	May.....	218,738,134	135,531,201
November.....	175,806,364	106,623,879	June.....	183,781,540	110,794,000
December.....	180,000,908	97,115,318	July.....	198,162,000	134,417,000
			August.....	174,417,000	127,773,000
1922			September.....	189,645,000	162,791,000
January.....	152,495,668	86,106,447	October.....	218,062,000	173,457,000
February.....	152,353,594	84,204,248	November.....	217,689,000	159,327,000
March.....	180,328,763	112,879,875	December.....	219,516,000	136,235,000
April.....	167,451,702	92,729,841			
May.....	194,080,257	108,423,679	1925		
June.....	150,899,735	100,860,880	January.....	210,648,000	139,992,000
July.....	163,863,700	104,572,575	February.....	190,853,000	136,318,000
August.....	178,807,927	99,442,892	March.....	204,000,000	146,000,000
September.....	164,616,506	115,612,131			

TABLE 56.—*Netherlands—Imports and exports of gold and silver, 1881—1925*

[Coin and bullion]

[Source: Jaarlijks voor Nederland]

Year	Imports	Exports	Year	Imports	Exports
	<i>Guilders</i>	<i>Guilders</i>		<i>Guilders</i>	<i>Guilders</i>
1881	9,063,357	7,906,446	1903	8,080,829	6,277,234
1882	12,625,015	4,674,517	1904	17,263,464	2,531,748
1883	30,646,188	1,044,530	1905	18,481,346	4,340,835
1884	15,532,963	3,052,025	1906	3,617,426	5,818,610
1885	18,773,279	1,762,207	1907	32,892,953	13,084,802
1886	29,315,634	1,945,652	1908	13,848,053	9,458,172
1887	3,876,826	119,484	1909	29,295,457	6,001,138
1888	10,332,824	17,872,516	1910	31,555,495	11,524,719
1889	3,715,563	15,190,308	1911	17,453,104	18,803,728
1890	8,018,434	5,882,060	1912	45,147,790	17,343,491
1891	20,940,737	3,037,710	1913	15,108,013	17,554,543
1892	15,182,517	4,228,080	1914	62,583,306	11,361,476
1893	20,713,313	3,636,000	1915	236,706,587	10,112,390
1894	13,659,057	2,239,880	1916	168,228,370	2,982,101
1895	5,158,752	1,342,700	1917	117,858,827	18,250,462
1896	6,353,799	779,718	1918	29,069,866	39,297,529
1897	22,193,521	80,894	1919	470,346,846	320,413,060
1898	32,656,292	2,371,655	1920	35,344,568	47,037,180
1899	10,235,539	15,355,866	1921	42,258,433	101,964,974
1900	17,237,191	3,507,809	1922	7,142,009	85,480,000
1901	17,710,366	2,647,395	1923	15,582,000	12,266,000
1902	13,767,745	4,032,752			

TABLE 57.—*Netherlands—National debt, 1913—1925*

[Source: Jaarlijks voor Nederland]

	Consolidated	Floating	Total indebtedness
Jan. 1—	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>
1913	1,156,000,000	2,000,000	1,158,000,000
1914	1,146,000,000	15,000,000	1,161,000,000
1915	1,140,000,000	174,000,000	1,314,000,000
1916	1,406,000,000	168,000,000	1,574,000,000
1917	1,698,000,000	251,000,000	1,949,000,000
1918	1,809,000,000	335,000,000	2,144,000,000
1919	1,851,000,000	614,000,000	2,465,000,000
1920	2,183,000,000	643,000,000	2,826,000,000
1921	2,559,000,000	514,000,000	3,073,000,000
1922	2,502,000,000	836,000,000	3,338,000,000
1923	2,745,000,000	838,000,000	3,583,000,000
1924	2,788,000,000	583,000,000	3,371,000,000
1925	2,929,000,000		

TABLE 58.—*Netherlands—Receipts and expenditures, 1910-1925*

[Source: Jaarcijfers voor het Koninkrijk der Nederlanden; 000 omitted]

	1910	1911	1912	1913	1914	1915	1916	1917
Receipts:	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>
Ordinary.....	198,781	203,787	211,443	223,507	224,910	221,643	262,790	304,365
Extraordinary.....	1,311	1,816	1,958	3,915	20,061	41,848	13,778	10,638
Special temporary.....							33,410	219,834
Total receipts ¹	200,092	205,603	213,401	227,422	245,571	263,492	309,979	534,777
Expenditures:								
Ordinary.....	197,091	201,160	208,001	219,345	242,585	241,432	242,514	267,960
Extraordinary.....	6,856	7,329	16,665	19,382	32,883	54,403	33,967	40,681
Special temporary.....					84,165	208,650	256,050	380,055
Total expenditures ¹	203,947	208,490	224,666	238,727	359,273	504,484	532,531	688,696
Deficit.....	3,855	2,887	11,264	11,304	113,702	240,992	222,553	153,919
Sinking fund for loans:								
Receipts.....						25,038	33,993	42,173
Expenditures.....						8,469	31,288	36,492
	1918	1919	1920	1921	1922	1923 ²	1924 ²	1925 ²
Receipts:	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>	<i>Guilders</i>
Ordinary.....	329,058	466,359	613,695	608,303	597,404	566,712	558,628	590,023
Extraordinary.....	12,100	8,741	12,113	5,655	16,966	40,106	40,793	21,055
Special temporary.....	219,868	219,948	184,984	95,287	49,266	19,950	1,000	(³)
Total receipts ¹	561,086	695,049	810,792	709,245	663,636	626,767	600,422	611,078
Expenditures:								
Ordinary.....	333,370	444,073	618,031	621,189	632,022	615,830	622,050	605,290
Extraordinary.....	80,136	116,473	188,006	239,676	189,639	122,230	113,729	86,188
Special temporary.....	637,431	250,628	110,190	79,307	262,424	39,183	6,666	(³)
Total expenditures ¹	1,050,937	811,173	911,228	940,172	1,084,085	777,242	742,346	691,448
Deficit.....	489,851	116,123	100,436	230,927	420,449	150,475	141,925	80,370
Sinking fund for loans:								
Receipts.....	42,809	51,707	108,288	139,140	117,625	120,018	92,740	97,861
Expenditures.....	20,840	56,390	76,743	105,653	94,593	92,318	85,518	84,763

¹ Exclusive of sinking-fund operations.² Provisional.³ Estimated receipts; expenditures as voted by the chambers.⁴ Estimated receipts; expenditures asked by the treasury.⁵ Included in ordinary budget.

NORWAY

TABLE 59.—Bank of Norway, 1919-1925

[Source: Weekly statements of the Bank of Norway. See chart 37. End of month; 000 omitted]

Month	Gold	Balances with foreign banks	Loans and discounts	Notes in circulation	Demand deposits
1914					
January	Kroner 44,356	Kroner 28,002	Kroner 67,407	Kroner 90,808	10,084
February	44,850	26,761	69,151	101,984	10,761
March	44,284	23,531	75,088	107,579	7,732
April	44,234	28,842	76,204	110,795	10,622
May	44,224	29,931	74,520	112,941	7,735
June	44,228	25,667	79,306	123,945	6,967
July	43,566	38,243	84,912	123,726	14,410
August	46,618	32,887	115,437	140,367	20,888
September	40,695	29,701	115,655	135,348	18,144
October	39,710	30,604	120,150	132,830	23,297
November	39,745	32,894	114,612	131,439	20,454
December	38,894	31,211	121,966	134,182	21,140
1915					
January	38,418	36,763	108,019	124,018	32,219
February	42,425	39,789	99,360	128,901	18,478
March	46,252	50,976	94,691	130,208	15,358
April	54,096	52,976	81,340	141,455	20,030
May	54,104	62,315	73,286	135,059	26,834
June	54,105	68,334	73,125	146,752	20,867
July	54,113	71,788	71,632	143,784	25,373
August	54,120	76,761	69,696	144,558	31,150
September	54,113	75,252	68,540	149,287	23,011
October	54,111	82,036	71,310	156,181	24,794
November	64,142	79,619	71,647	152,717	24,107
December	61,630	78,878	82,905	162,211	26,540
1916					
January	63,526	67,619	95,525	152,138	40,211
February	68,085	66,023	100,272	167,514	43,425
March	72,079	81,455	109,795	205,628	34,787
April	91,801	114,013	92,946	222,441	51,679
May	106,031	108,231	82,453	211,533	72,935
June	114,848	102,096	95,184	224,107	62,834
July	114,821	117,308	83,004	215,269	73,496
August	114,836	110,826	98,768	224,890	72,145
September	113,879	102,060	118,497	229,794	76,313
October	111,216	99,622	121,062	236,759	78,761
November	110,079	96,123	130,121	239,957	65,339
December	122,236	80,085	160,196	261,453	81,045
1917					
January	121,185	73,356	164,221	233,966	90,393
February	125,120	77,383	150,337	225,076	73,660
March	131,176	76,760	201,911	280,680	104,977
April	130,050	77,143	225,248	284,680	119,676
May	129,977	84,028	228,876	279,193	127,505
June	129,909	85,310	274,909	295,510	145,327
July	129,845	85,340	281,259	293,306	149,626
August	129,656	83,363	301,064	300,056	167,781
September	122,694	85,978	303,692	310,645	145,536
October	117,786	82,130	348,659	308,015	183,447
November	114,923	79,774	365,963	306,386	201,688
December	116,393	80,286	404,445	326,319	225,301
1918					
January	116,423	71,267	372,848	308,008	204,145
February	118,422	65,194	352,285	320,879	168,365
March	122,394	65,398	335,084	349,432	128,699
April	122,252	68,217	354,385	358,289	116,253
May	120,091	67,356	329,192	356,587	112,320
June	119,991	65,990	338,728	371,214	94,390
July	122,720	63,601	314,913	371,014	73,463
August	122,586	65,900	334,947	383,609	77,387
September	122,433	67,371	322,469	401,013	63,200
October	122,203	68,637	343,729	411,774	65,243
November	122,142	64,859	362,890	410,180	80,934
December	121,980	73,016	426,041	436,212	127,055
1919					
January	121,873	72,621	399,832	414,571	106,973
February	121,779	67,656	390,374	416,237	103,784
March	148,842	71,075	369,641	432,069	97,263
April	148,663	72,950	349,925	434,067	76,290
May	148,563	80,297	349,542	429,454	87,688

TABLE 59.—Bank of Norway, 1919-1925—Continued

Month	Gold	Balances with foreign banks	Loans and discounts	Notes in circulation	Demand deposits
1919					
June.....	Kroner 148,423	Kroner 79,272	Kroner 341,444	Kroner 433,332	Kroner 70,386
July.....	148,342	108,042	300,970	428,902	60,712
August.....	148,253	90,087	311,989	428,756	53,970
September.....	148,148	82,804	330,218	435,175	55,792
October.....	148,004	81,763	345,722	439,205	65,108
November.....	147,886	79,942	347,911	430,306	71,458
December.....	147,724	79,314	405,727	454,306	101,152
1920					
January.....	147,594	74,570	329,240	413,542	63,500
February.....	147,510	62,834	346,296	412,305	79,950
March.....	147,414	80,867	355,587	450,046	75,618
April.....	147,417	73,802	395,454	444,838	103,999
May.....	147,397	70,895	402,472	430,954	119,258
June.....	147,379	63,807	428,539	440,684	123,349
July.....	147,359	56,965	445,415	458,300	115,764
August.....	147,344	54,790	444,308	466,521	105,376
September.....	147,352	54,405	466,778	478,907	110,986
October.....	147,325	50,883	469,742	478,450	107,909
November.....	147,296	47,269	443,526	453,417	92,865
December.....	147,283	55,195	600,228	478,376	127,736
1921					
January.....	147,289	55,747	457,054	423,269	133,661
February.....	147,292	47,243	440,685	417,034	127,490
March.....	147,293	42,374	414,019	424,781	86,766
April.....	147,290	37,721	436,987	421,622	106,237
May.....	147,289	42,048	427,420	416,184	105,490
June.....	147,295	34,233	440,179	418,400	107,124
July.....	147,291	30,060	451,996	428,427	99,983
August.....	147,292	31,762	454,532	420,951	110,186
September.....	147,293	30,794	425,977	415,835	84,579
October.....	147,293	32,239	452,539	411,371	112,908
November.....	147,293	37,068	438,616	395,383	121,334
December.....	147,293	39,064	476,236	406,781	140,638
1922					
January.....	147,294	43,257	433,212	378,064	120,767
February.....	147,293	47,383	428,168	375,986	140,504
March.....	147,292	45,968	448,507	385,104	150,471
April.....	147,292	41,304	447,207	385,520	143,431
May.....	147,292	42,492	446,396	375,152	151,662
June.....	147,292	39,146	441,118	384,710	133,230
July.....	147,292	38,592	445,281	382,407	136,940
August.....	147,292	37,610	445,100	384,683	133,062
September.....	147,292	42,793	444,009	383,571	134,805
October.....	147,292	37,592	489,473	383,393	173,442
November.....	147,291	36,303	446,269	371,650	141,437
December.....	147,291	42,406	479,354	384,776	163,428
1923					
January.....	147,290	37,185	447,636	349,653	160,977
February.....	147,289	30,686	455,748	353,877	174,251
March.....	147,289	23,825	463,959	374,773	157,693
April.....	147,289	24,887	500,359	406,894	162,494
May.....	147,289	13,400	517,955	401,902	159,381
June.....	147,288	22,702	490,128	415,033	126,494
July.....	147,287	24,065	475,943	404,840	117,509
August.....	147,287	19,926	462,416	402,199	103,737
September.....	147,287	19,700	448,391	401,990	86,123
October.....	147,286	18,995	453,570	394,078	96,744
November.....	147,286	21,362	454,464	383,614	106,895
December.....	147,284	16,737	479,965	395,857	114,171
1924					
January.....	147,284	15,233	447,123	364,721	100,704
February.....	147,284	15,978	423,800	368,806	110,905
March.....	147,284	22,875	412,860	380,221	96,291
April.....	147,284	19,500	424,283	379,861	104,075
May.....	147,285	20,129	424,693	378,511	108,590
June.....	147,285	17,801	446,214	365,297	107,341
July.....	147,285	10,100	442,606	359,838	79,190
August.....	146,286	38,853	439,970	368,617	133,212
September.....	147,227	34,954	428,961	386,073	112,756
October.....	147,227	38,749	410,491	396,401	112,682
November.....	147,227	38,776	394,892	376,343	111,786
December.....	147,226	35,657	406,632	391,300	104,847
1925					
January.....	147,226	28,030	394,974	380,985	110,145
February.....	147,226	31,249	370,163	367,792	96,888
March.....	147,226	51,438	355,310	373,513	107,917
April.....	147,226	56,723	350,468	380,287	110,229
May.....	147,226	56,454	335,717	375,496	106,637

TABLE 60.—Norway—Wholesale prices, 1920-1925, on paper basis and on gold basis

[Index numbers of Økonomisk Revy; 92 commodities. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See chart 38. December, 1913-June, 1914=100]

Month	On paper currency basis	Con- verted to gold basis	Month	On paper currency basis	Con- verted to gold basis
1920			1922		
January	333	228	October	221	147
February	342	221	November	221	151
March	351	238	December	220	155
April	354	232	1923		
May	368	256	January	220	153
June	332	250	February	224	155
July	409	252	March	229	155
August	417	233	April	231	154
September	425	222	May	233	144
October	419	216	June	230	148
November	403	201	July	235	142
December	377	207	August	231	141
1921			September	224	140
January	344	226	October	237	137
February	319	212	November	242	132
March	312	188	December	244	136
April	297	177	1924		
May	294	178	January	250	131
June	294	180	February	260	129
July	300	150	March	266	134
August	297	144	April	267	137
September	287	138	May	263	136
October	286	135	June	264	133
November	276	145	July	271	136
December	269	153	August	274	142
1922			September	275	142
January	260	152	October	278	147
February	253	157	November	277	152
March	240	158	December	278	156
April	236	164	1925		
May	231	159	January	279	159
June	230	147	February	281	160
July	232	144	March	276	159
August	227	146	April	267	161
September	225	141	May	260	163

TABLE 61.—Norway—Exchange rates, 1915-1925

[New York on Oslo (Christiania), 1915-1918, bankers' checks; January, 1919, to June, 1921, sight drafts; July, 1921, to date, noon buying rates for cable transfers. Average rates, January, 1918-December, 1918, are midpoints between the monthly high and low rates; from January, 1919, to date the averages are monthly averages of daily rates. See chart 40. Source: Financial Review and Federal Reserve Board. Par: 26.8 cents per krona]

Month	Cents per krona			Month	Cents per krona		
	High	Low	Average		High	Low	Average
1915				1916			
January	25.10	24.80	25.05	January	28.10	27.35	27.78
February	24.90	24.23	24.57	February	28.30	27.55	27.93
March	25.60	24.48	25.04	March	28.95	28.10	28.53
April	25.80	25.35	25.58	April	30.30	28.95	29.63
May	25.00	25.80	25.90	May	31.15	28.55	30.35
June	26.47	26.00	26.24	June	33.95	27.95	29.45
July	26.40	25.70	26.05	July	29.15	28.05	28.60
August	25.95	25.65	25.80	August	28.75	28.35	28.55
September	26.00	25.60	25.80	September	28.70	28.05	28.38
October	25.25	25.95	26.10	October	28.35	27.65	28.00
November	28.10	26.25	27.18	November	27.75	27.65	27.70
December	28.05	26.60	27.33	December	28.15	27.69	27.92

TABLE 61.—Norway—Exchange rates, 1915—1925—Continued

Month	Cents per krone			Month	Cents per krone		
	High	Low	Average		High	Low	Average
1917				1921			
January.....	28.10	27.90	28.00	April.....	18.15	15.55	15.97
February.....	28.00	27.90	27.95	May.....	16.57	15.30	15.77
March.....	29.30	28.00	28.65	June.....	18.30	14.20	14.61
April.....	29.70	28.30	29.00	July.....	14.25	12.79	13.38
May.....	29.40	29.10	29.25	August.....	13.81	12.62	13.07
June.....	29.50	29.00	29.25	September.....	13.62	12.27	12.86
July.....	30.75	28.25	30.00	October.....	12.55	11.93	12.64
August.....	31.00	30.00	30.50	November.....	14.94	13.53	14.13
September.....	31.30	30.30	30.80	December.....	16.07	14.25	15.23
October.....	35.50	31.13	33.32	1922			
November.....	38.00	32.50	35.25	January.....	15.87	15.47	15.66
December.....	34.50	32.50	33.50	February.....	17.27	16.87	16.66
1918				March.....	18.09	17.28	17.62
January.....	32.75	31.00	31.88	April.....	19.09	17.74	18.61
February.....	32.00	30.25	31.13	May.....	18.78	17.99	18.47
March.....	31.50	29.88	30.69	June.....	17.90	16.03	17.07
April.....	32.13	31.25	31.69	July.....	17.13	16.39	16.68
May.....	31.60	30.75	31.18	August.....	17.44	16.75	17.18
June.....	31.50	31.20	31.35	September.....	17.13	16.61	16.83
July.....	31.40	31.20	31.30	October.....	18.26	17.16	17.86
August.....	31.45	30.90	31.18	November.....	18.54	18.19	18.57
September.....	30.80	29.75	30.28	December.....	19.24	18.49	18.94
October.....	29.80	27.00	28.40	1923			
November.....	27.40	26.80	27.10	January.....	19.05	18.41	18.67
December.....	28.30	27.30	27.80	February.....	18.66	18.40	18.55
1919				March.....	18.41	18.00	18.16
January.....	28.10	27.25	27.93	April.....	18.10	17.26	17.94
February.....	27.38	27.10	27.40	May.....	17.14	15.90	16.64
March.....	27.15	25.65	26.78	June.....	16.92	16.37	16.64
April.....	26.13	25.63	25.90	July.....	16.32	16.01	16.20
May.....	25.75	24.90	25.45	August.....	16.63	15.91	16.30
June.....	25.80	24.75	25.32	September.....	16.20	15.88	16.06
July.....	24.85	23.30	24.10	October.....	18.85	15.04	16.50
August.....	23.70	22.70	23.42	November.....	18.01	14.25	14.65
September.....	23.50	22.60	23.24	December.....	18.04	14.62	14.91
October.....	23.20	22.60	23.05	1924			
November.....	22.65	21.50	22.26	January.....	14.46	13.53	14.06
December.....	21.50	19.45	20.60	February.....	13.61	13.14	13.32
1920				March.....	13.79	13.31	13.55
January.....	20.35	17.50	19.19	April.....	13.95	13.62	13.79
February.....	17.55	16.50	17.30	May.....	14.03	13.60	13.87
March.....	19.38	17.10	18.18	June.....	13.58	12.42	13.61
April.....	20.40	19.10	19.83	July.....	13.58	13.29	13.42
May.....	19.20	17.92	18.63	August.....	14.02	13.57	13.87
June.....	17.95	16.27	17.54	September.....	14.20	12.69	13.83
July.....	17.80	15.78	16.52	October.....	14.35	14.10	14.28
August.....	15.75	14.00	14.99	November.....	14.86	14.36	14.72
September.....	14.65	13.20	13.99	December.....	15.21	14.82	15.06
October.....	14.05	13.37	13.79	1925			
November.....	13.70	13.05	13.38	January.....	15.23	15.11	15.27
December.....	15.76	13.70	14.74	February.....	15.31	15.21	15.26
1921				March.....	15.83	15.28	15.43
January.....	19.30	15.60	17.63	April.....	16.48	15.77	16.13
February.....	18.50	17.10	17.78	May.....	17.02	16.63	16.82
March.....	18.75	15.75	16.19	June.....	17.88	16.74	17.01

TABLE 62.—Norway—Purchasing-power parities, 1920-1925

[According to index numbers of Økonomisk Revue for Norway and index numbers of Federal Reserve Board for the United States. See chart 71.]

Month	United States index of prices	Norwegian index of prices	Purchasing-power parities (U. S. index X par) (Norwegian index)	Average exchange rates (cables in New York)	Per cent purchasing-power parities are of exchange rates
1920					
January	247.615	333	19.93	19.19	103.86
February	247.895	342	19.42	17.30	112.25
March	252.734	351	19.30	18.18	106.16
April	276.375	354	20.24	19.83	102.07
May	268.731	368	19.57	18.63	105.05
June	262.263	362	18.40	17.54	104.90
July	254.417	406	16.07	16.52	100.91
August	236.592	417	15.40	14.99	102.74
September	231.902	426	14.62	13.99	104.50
October	214.120	419	13.69	13.79	99.27
November	196.453	403	13.07	13.38	97.68
December	178.960	377	12.72	14.74	86.30
1921					
January	167.723	344	13.07	17.63	74.13
February	156.922	319	13.18	17.78	74.13
March	152.299	312	13.08	16.19	80.79
April	145.505	297	13.13	15.07	82.22
May	148.461	294	13.26	15.77	84.08
June	142.818	294	13.02	14.61	89.12
July	145.893	300	13.03	13.38	97.38
August	146.656	297	13.24	13.07	101.30
September	146.962	287	13.72	12.86	104.99
October	145.692	286	13.65	12.64	107.99
November	145.284	276	14.11	14.12	99.93
December	142.744	269	14.22	15.22	93.37
1922					
January	142.277	260	14.66	15.66	93.61
February	146.101	253	15.48	16.66	92.93
March	147.306	240	16.45	17.62	93.36
April	149.130	236	16.93	18.61	90.97
May	158.182	231	18.35	18.47	99.35
June	161.246	230	18.79	17.07	110.08
July	165.417	232	19.11	16.68	114.57
August	165.890	227	19.58	17.16	113.97
September	164.312	225	19.57	16.83	116.26
October	165.105	221	20.03	17.36	112.15
November	164.016	221	19.89	18.37	108.27
December	164.327	220	20.02	18.94	105.70
1923					
January	166.153	220	20.24	18.67	108.41
February	166.391	224	19.91	18.55	107.33
March	169.374	229	19.82	18.16	109.14
April	170.056	231	19.73	17.84	110.69
May	167.098	233	19.22	16.54	116.20
June	164.905	230	19.12	16.64	114.90
July	159.488	236	18.19	16.20	112.28
August	159.059	231	18.45	16.30	113.19
September	163.387	234	18.71	16.08	116.38
October	163.142	237	18.45	15.30	119.08
November	163.460	242	18.10	14.65	123.54
December	162.042	244	17.91	14.91	120.12
1924					
January	162.745	250	17.45	14.08	123.98
February	162.510	250	16.75	13.32	125.75
March	159.522	268	16.07	12.55	118.90
April	157.676	267	18.83	13.79	114.79
May	150.148	263	15.91	13.87	114.71
June	154.394	264	15.67	13.51	115.99
July	150.383	271	15.47	13.42	115.28
August	157.036	274	15.45	13.87	111.39
September	156.276	275	15.23	13.88	110.12
October	153.673	276	15.41	14.25	108.14
November	160.074	277	15.40	14.72	105.28
December	164.615	278	15.87	15.06	105.28
1925					
January	167.782	279	16.12	15.27	105.67
February	167.086	281	16.94	15.25	104.52
March	169.395	276	16.45	15.43	106.61
April	164.000	267	16.46	16.13	102.06
May	163.000	260	16.30	16.82	99.88

TABLE 63.—Norway—Gold value of total note circulation, 1919-1925

[On basis of exchange rates and on basis of purchasing-power parities]

	Total note circulation	Average exchange rates	Gold value of circulation on basis of exchange rates	Purchasing-power parities	Gold value of circulation on basis of purchasing-power parities
	Kroner	Cents per krona	Dollars	Cents per krona	Dollars
1919					
April.....	434,067,000	25.90	112,423,000	.....	.....
May.....	429,454,000	25.45	109,206,000	.....	.....
June.....	433,332,000	25.32	109,720,000	.....	.....
July.....	428,902,000	24.10	103,305,000	.....	.....
August.....	428,756,000	23.42	100,415,000	.....	.....
September.....	435,175,000	23.24	101,135,000	.....	.....
October.....	439,205,000	23.05	101,237,000	.....	.....
November.....	430,306,000	22.26	95,798,000	.....	.....
December.....	454,306,000	20.60	93,587,000	.....	.....
1920					
January.....	413,542,000	19.19	79,359,000	19.93	82,419,000
February.....	412,305,000	17.30	71,329,000	19.42	80,070,000
March.....	450,046,000	18.18	81,818,000	19.30	86,859,000
April.....	444,838,000	19.33	88,211,000	20.24	90,035,000
May.....	430,954,000	18.63	80,287,000	19.67	84,338,000
June.....	440,684,000	17.54	77,296,000	18.40	81,080,000
July.....	458,300,000	16.52	75,711,000	18.67	76,399,000
August.....	466,521,000	14.99	69,931,000	15.40	71,844,000
September.....	478,097,000	13.99	66,886,000	14.62	69,868,000
October.....	478,450,000	13.79	65,078,000	13.69	65,500,000
November.....	453,417,000	13.38	60,667,000	13.07	59,262,000
December.....	478,376,000	14.74	70,513,000	12.72	60,849,000
1921					
January.....	423,269,000	17.63	74,622,000	13.07	55,321,000
February.....	417,034,000	17.78	74,149,000	12.18	54,965,000
March.....	424,781,000	16.19	68,772,000	13.06	55,561,000
April.....	421,623,000	15.97	67,353,000	13.13	55,359,000
May.....	416,184,000	15.77	65,632,000	13.26	56,186,000
June.....	418,400,000	14.61	61,128,000	13.02	54,476,000
July.....	428,427,000	13.38	57,324,000	13.02	55,824,000
August.....	420,951,000	13.07	55,018,000	13.24	55,724,000
September.....	415,885,000	12.86	53,483,000	13.72	57,050,000
October.....	411,371,000	12.64	51,997,000	13.65	56,152,000
November.....	395,383,000	14.12	55,828,000	14.11	55,799,000
December.....	406,781,000	15.23	62,410,000	14.22	58,271,000
1922					
January.....	378,064,000	15.66	59,205,000	14.66	55,424,000
February.....	375,986,000	16.66	62,639,000	15.48	58,293,000
March.....	385,104,000	17.62	67,855,000	16.45	63,350,000
April.....	385,520,000	18.61	71,745,000	16.93	65,269,000
May.....	375,152,000	18.47	69,291,000	18.35	66,840,000
June.....	384,710,000	17.07	65,670,000	18.79	72,287,000
July.....	382,407,000	16.08	63,785,000	19.11	73,378,000
August.....	384,683,000	17.18	66,089,000	19.58	75,321,000
September.....	383,571,000	16.83	64,555,000	19.57	75,065,000
October.....	383,383,000	17.86	68,474,000	20.03	76,794,000
November.....	371,650,000	18.37	68,272,000	19.89	73,921,000
December.....	384,776,000	18.94	72,876,000	20.02	77,032,000
1923					
January.....	349,653,000	18.67	65,290,000	20.24	70,770,000
February.....	353,877,000	18.55	65,644,000	19.91	70,457,000
March.....	374,773,000	18.16	68,059,000	19.82	74,290,000
April.....	408,864,000	17.94	72,941,000	19.73	80,069,000
May.....	401,932,000	18.54	66,475,000	19.22	77,246,000
June.....	415,033,000	18.64	69,061,000	19.12	79,354,000
July.....	404,849,000	16.20	65,888,000	18.19	73,642,000
August.....	402,169,000	16.30	65,554,000	18.45	74,200,000
September.....	401,960,000	16.08	64,640,000	18.71	75,212,000
October.....	394,078,000	15.50	61,082,000	18.45	72,707,000
November.....	383,614,000	14.65	56,199,000	18.10	66,424,000
December.....	396,857,000	14.91	59,022,000	17.91	70,868,000

TABLE 63.—Norway—Gold value of total note circulation, 1919—1925—Continued

	Total note circulation	Average exchange rates	Gold value of circulation on basis of exchange rates	Purchasing power parities	Gold value of circulation on basis of purchasing-power parities
	<i>Kroner</i>	<i>Cents per krona</i>	<i>Dollars</i>	<i>Cents per krona</i>	<i>Dollars</i>
1924					
January.....	364,721,000	14.06	51,353,000	17.45	63,644,000
February.....	368,898,000	13.32	49,137,000	16.76	61,790,000
March.....	380,221,000	13.55	51,520,000	16.07	61,102,000
April.....	379,861,000	13.79	52,383,000	15.83	60,132,000
May.....	378,511,000	13.87	52,499,000	15.91	60,221,000
June.....	395,297,000	13.51	53,405,000	15.67	61,943,000
July.....	389,838,000	13.42	52,316,000	15.47	60,308,000
August.....	389,617,000	13.87	54,040,000	15.45	60,196,000
September.....	389,073,000	13.83	53,809,000	15.28	59,286,000
October.....	386,401,000	14.25	55,062,000	15.41	59,544,000
November.....	376,343,000	14.72	55,398,000	15.49	58,296,000
December.....	391,360,000	15.06	58,939,000	15.87	62,109,000
1925					
January.....	360,985,000	15.27	55,122,000	16.12	58,191,000
February.....	367,722,000	15.26	56,068,000	15.94	58,626,000
March.....	379,513,000	15.43	58,559,000	16.45	62,429,899
April.....	380,287,000	16.13	61,340,000	16.46	62,595,240
May.....	375,495,000	16.82	63,168,259		

TABLE 64.—Norway—Imports and exports of merchandise, 1890—1924

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise. Source: Statistisk Arbok for Kongeriket Norge. See chart 39]

Year	Quantity		Value		
	Imports (net)	Exports	Imports (net)	Exports	Excess of imports
	<i>Kilograms</i>	<i>Kilograms</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
1890.....	1,693,000	2,130,000	201,995,000	124,432,000	77,563,000
1891.....	1,875,000	2,081,000	216,724,000	124,082,000	92,642,000
1892.....	1,664,000	2,117,000	192,342,000	118,779,000	73,563,000
1893.....	1,941,000	2,152,000	198,201,000	126,719,000	68,482,000
1894.....	2,130,000	2,114,000	198,026,000	124,032,000	73,994,000
1895.....	2,224,000	2,129,000	213,438,000	128,408,000	85,030,000
1896.....	2,328,000	2,418,000	230,202,000	137,758,000	92,444,000
1897.....	2,544,000	2,654,000	255,700,000	169,679,000	96,021,000
1898.....	2,561,000	2,870,000	272,302,000	161,472,000	110,830,000
1899.....	2,904,000	2,819,000	301,130,000	160,032,000	151,098,000
1900.....	2,956,000	2,640,000	300,452,000	162,745,000	137,707,000
1901.....	2,680,000	2,574,000	276,823,000	164,685,000	122,138,000
1902.....	2,886,000	2,771,000	279,853,000	170,474,000	109,379,000
1903.....	2,906,000	2,896,000	273,817,000	173,624,000	99,893,000
1904.....	2,889,000	2,790,000	271,468,000	170,911,000	100,577,000
1905.....	2,953,000	2,694,000	284,694,000	168,920,000	95,774,000
1906.....	3,106,000	3,510,000	314,894,000	214,850,000	100,038,000
1907.....	3,334,000	3,200,000	332,878,000	210,921,000	132,697,000
1908.....	3,644,000	3,039,000	347,269,000	211,247,000	136,022,000
1909.....	3,665,000	3,015,000	356,930,000	224,640,000	122,290,000
1910.....	3,859,000	3,506,000	387,358,000	267,856,000	119,499,000
1911.....	4,427,000	3,563,000	459,027,000	288,684,000	170,343,000
1912.....	4,666,000	3,682,000	514,685,000	324,622,000	190,063,000
1913.....	4,780,000	4,013,000	540,620,000	380,912,000	159,708,000
1914.....	4,997,000	3,560,000	551,645,000	394,390,000	157,255,000
1915.....	5,633,000	3,749,000	552,204,000	660,996,000	191,208,000
1916.....	5,736,000	3,330,000	1,340,807,000	975,476,000	365,331,000
1917.....	3,807,000	2,077,000	1,657,951,000	788,016,000	869,935,000
1918.....	5,285,000	1,896,000	1,949,541,000	752,033,000	1,197,508,000
1919.....	4,080,000	1,813,000	2,504,988,000	739,327,000	1,801,658,000
1920.....	4,194,000	2,670,000	2,971,833,000	1,185,032,000	1,786,801,000
1921.....	2,716,000	1,979,000	1,430,887,000	605,273,000	825,614,000
1922.....	4,065,000	3,323,000	1,292,005,000	765,465,000	526,540,000
1923.....			1,329,000,000	810,000,000	519,000,000
1924.....			1,647,800,000	1,063,700,000	484,100,000

1 Subject to revision.

TABLE 65.—Norway—National debt, 1900–1924

[Source: Statistisk Arbok for Kongeriket Norge]

Year ending June 30—	Domestic debt	Foreign debt ¹	Total debt	Year ending June 30—	Domestic debt	Foreign debt ¹	Total debt
	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>		<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
1900----	11,902,000	219,163,000	231,065,000	1917----	106,643,000	346,861,000	455,505,000
1905----	15,522,000	289,401,000	304,924,000	1918----	400,272,000	336,328,000	736,600,000
1910----	16,341,000	312,967,000	329,298,000	1919----	676,175,000	331,863,000	1,008,039,000
1911----	18,649,000	349,004,000	367,653,000	1920----	792,266,000	337,339,000	1,129,605,000
1912----	17,839,000	344,966,000	362,806,000	1921----	782,249,000	433,711,000	1,216,960,000
1913----	21,953,000	340,791,000	362,743,000	1922----	815,186,000	492,287,000	1,307,473,000
1914----	20,922,000	336,473,000	357,394,000	1923----	868,010,000	536,398,000	1,404,408,000
1915----	67,230,000	354,094,000	421,324,000	1924----	1,056,000,000	948,700,000	2,004,700,000
1916----	65,745,000	357,231,000	422,976,000				

¹ Converted to kroner at the rate of 5 kroner to the dollar, with the exception of the 1924 figure which is converted at the rate of exchange prevailing on June 30, 1924, which was about 13.5 cents per krone, considerably below existing rates. Thus, this figure for 1924 shows a very considerable increase when compared with figures for the preceding years.

TABLE 66.—Norway—Receipts and expenditures, 1910–1924

[Source: Statistisk Arbok for Kongeriket Norge]

Year ending June 30—	Receipts not including loans	Expenditures less amortization	Surplus	Deficit	Proceeds from new loans	Amortization of debt
	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>	<i>Kroner</i>
1910-----	116,431,000	112,245,000	4,186,000	-----	5,813,000	4,506,000
1911-----	123,408,000	116,307,000	7,101,000	-----	4,872,000	4,508,000
1912-----	134,913,000	128,065,000	6,828,000	-----	5,817,000	4,847,000
1913-----	155,071,000	147,944,000	7,127,000	-----	5,604,000	5,062,000
1914-----	166,921,000	161,467,000	5,454,000	-----	9,041,000	5,249,000
1915-----	182,872,000	203,137,000	-----	20,265,000	14,467,000	5,157,000
1916-----	226,656,000	212,692,000	13,964,000	-----	13,727,000	5,696,000
1917-----	374,833,000	298,594,000	76,239,000	-----	19,843,000	11,471,000
1918-----	594,563,000	543,148,000	51,415,000	-----	25,290,000	14,425,000
1919-----	718,930,000	708,568,000	10,362,000	-----	68,728,000	5,957,000
1920-----	794,249,000	852,136,000	-----	157,887,000	56,235,000	5,966,000
1921-----	750,682,000	891,798,000	-----	143,225,000	64,601,000	4,499,000
1922-----	630,907,000	758,775,000	-----	126,929,000	75,538,000	3,528,000
1923-----	497,356,000	633,138,000	-----	145,782,000	68,866,000	4,165,000
1924-----	-----	-----	-----	62,868,000	-----	-----

POLAND

TABLE 67.—Bank of Poland, 1918-1925 (Polish State Loan Bank prior to May, 1924)

End of month; 000,000 omitted. Source: October, 1918-December, 1922, Rocznik Statystyki Rzeczypospolitej Polskiej; 1923 to date, weekly statement of the bank. See charts 42 and 48)

Month	Gold ¹	Silver ¹ (including base coin)	Balances with for- eign banks	Discounts	Advances		Note circula- tion
					Commer- cial	Govern- ment	
1918							
October	Marks	Marks	Marks	Marks	Marks	Marks	Marks
November				7.0	180.8		880.2
December				7.0	184.0	13.9	930.5
1919							
January				6.4	183.7	117.8	1,023.8
1919							
January				5.0	194.7	300.0	1,068.1
February				4.2	196.4	315.0	1,160.0
March	2.7	4.2	2.9	3.5	180.7	400.0	1,223.2
April	2.7	4.4	9.4	2.5	192.8	575.0	1,346.0
May	2.7	8.9	5.8	1.8	193.2	925.0	1,548.3
June	4.9	14.8	14.6	1.3	186.9	1,125.0	1,784.6
July	5.7	20.1	13.2	1.1	193.9	1,925.0	2,087.9
August	6.1	20.5	29.3	.7	197.4	2,625.0	2,466.6
September	6.3	21.6	69.8	.1	218.9	3,225.0	2,964.7
October	6.5	24.3	91.0	.3	242.4	4,375.0	3,723.6
November	6.6	24.6	151.6	3.4	270.2	5,375.0	4,236.2
December	6.6	25.5	244.6	8.9	243.8	6,825.0	5,316.3
1920							
January	6.6	25.5	244.1	3.7	278.5	8,275.0	6,719.9
February	6.8	25.9	565.7	8.4	303.0	10,775.0	8,300.3
March	6.8	25.9	685.4	8.2	319.1	14,775.0	10,660.6
April	6.8	25.9	685.5	14.8	316.7	19,375.0	16,027.9
May	6.8	25.9	685.7	47.2	320.9	22,375.0	17,934.7
June	6.8	25.9	694.7	161.4	488.2	27,625.0	21,730.1
July	6.8	25.9	1,130.9	325.9	547.5	33,375.0	26,811.4
August	9.0	33.8	1,273.6	465.8	1,468.1	39,625.0	31,055.8
September	9.1	34.1	1,174.9	333.9	1,862.9	40,625.0	33,266.5
October	9.5	34.4	233.7	259.1	2,527.0	46,625.0	38,456.8
November	10.1	35.4	203.8	396.0	3,278.4	49,625.0	43,236.2
December	12.4	37.6	80.7	611.6	3,999.2	59,625.0	49,361.5
1921							
January	12.7	39.2	205.8	1,040.2	4,100.2	65,625.0	65,079.5
February	12.9	39.2	476.0	965.1	4,143.5	77,125.0	62,560.4
March	13.1	39.8	908.5	781.0	4,746.7	93,625.0	74,087.4
April	13.4	40.3	870.7	927.0	4,994.4	106,625.0	86,756.3
May	13.5	40.1	536.6	1,395.2	4,979.0	117,625.0	94,575.8
June	14.3	41.1	493.3	1,537.2	5,306.5	130,625.0	102,697.3
July	19.1	41.5	601.3	2,504.2	6,291.5	140,625.0	115,242.8
August	19.2	42.0	368.7	3,855.4	7,776.9	158,000.0	133,734.2
September	19.4	42.5	1,217.5	6,237.3	9,578.6	178,000.0	152,792.1
October	20.2	42.9	2,341.3	9,529.5	12,022.3	198,500.0	182,777.8
November	22.6	43.5	7,040.1	14,347.2	15,144.3	214,000.0	207,020.0
December	24.9	43.9	12,707.9	15,324.4	19,300.0	221,000.0	229,537.6
1922							
January	26.3	44.2	13,614.2	15,951.6	21,776.9	227,350.0	230,615.3
February	28.3	44.4	14,297.7	19,555.0	22,327.7	230,600.0	247,299.5
March	29.0	44.7	1,156.4	25,451.1	25,473.3	232,100.0	250,665.5
April	29.5	45.2	7,383.0	28,663.8	26,063.7	220,000.0	260,553.8
May	30.1	45.3	23,073.4	34,555.0	26,067.0	217,000.0	276,931.1
June	30.9	45.2	20,521.4	42,629.8	24,492.5	235,000.0	300,101.1
July	31.6	45.4	21,741.0	47,661.2	24,054.4	260,000.0	335,426.6
August	31.6	45.4	51,747.2	50,366.6	21,079.9	265,000.0	385,767.5
September	32.4	45.4	67,384.1	64,063.0	22,239.4	342,000.0	463,706.0
October	33.5	45.4	64,060.9	81,751.9	26,876.5	463,500.0	579,972.7
November	33.8	45.4	78,959.0	107,320.1	41,278.1	519,500.0	661,062.4
December	41.0	45.4	48,580.4	133,400.8	47,904.1	675,600.0	793,437.5

¹ Gold at par; silver coin at face value

TABLE 67.—Bank of Poland, 1918-1925 (Polish State Loan Bank prior to May, 1924)—Continued

Month	Gold ¹	Silver ¹ (including base coin)	Balances with for- eign banks	Discounts	Advances		Note circula- tion
					Commer- cial	Govern- ment	
1923							
January.....	Marks 41.1	Marks 44.1	Marks 34,721.8	Marks 174,950.1	Marks 51,899.9	Marks 799,500.0	Marks 909,160.3
February.....	41.4	44.1	72,883.7	219,610.7	61,037.1	1,085,000.0	1,177,300.8
March.....	41.7	44.2	29,868.7	274,657.8	85,323.2	1,762,000.0	1,841,205.6
April.....	41.9	44.2	50,851.9	304,725.4	156,815.4	2,161,500.0	2,332,306.8
May.....	41.9	44.3	43,900.7	449,440.7	217,162.3	2,377,000.0	2,733,794.1
June.....	43.9	39.8	276,506.3	627,339.6	210,862.7	2,996,500.0	3,566,649.1
July.....	46.9	34.8	384,375.1	758,112.9	390,850.9	4,190,500.0	4,478,709.0
August.....	48.0	32.9	340,354.4	1,372,150.9	637,268.2	6,473,000.0	6,871,776.5
September.....	53.2	20.7	857,084.5	2,077,128.6	670,019.6	10,265,500.0	11,197,737.8
October.....	54.2	19.1	1,510,794.3	3,540,434.4	1,836,712.7	19,080,500.0	23,060,402.2
November.....	54.3	19.5	6,496,791.5	8,467,033.7	3,951,781.9	42,854,000.0	53,217,494.6
December.....	54.9	19.6	57,499,741.7	20,568,037.9	28,065,396.8	111,332,000.0	128,371,956.3
1924							
January.....	66.2	19.8	91,533,085.2	43,916,902.8	54,181,445.2	238,300,000.0	313,659,830.0
February.....	66.7	19.8	172,628,128.8	67,216,289.7	83,829,440.5	291,700,000.0	528,913,418.7
March.....	68.0	20.3	220,658,210.7	138,649,934.8	81,231,988.5	301,700,000.0	596,244,205.6
April.....	55.7	21.1	277,346,925.7	199,248,956.4	60,589,081.0	291,700,000.0	670,697,550.5

AFTER CONVERSION OF STATE LOAN BANK INTO BANK OF POLAND

[Figures in gold zlotys; no ciphers omitted; 1 zloty=19.3 cents]

May.....	11,684,963	214,191,336	126,522,906	1,801,936	244,977,010
June.....	83,392,914	256,972,386	138,862,243	6,826,971	334,405,730
July.....	93,683,430	372,137,898	166,713,469	8,236,093	394,262,550
August.....	98,288,324	296,390,583	199,710,736	8,224,610	430,263,045
September.....	99,900,015	233,646,562	233,768,177	9,230,850	460,383,770
October.....	100,686,634	216,521,223	241,894,738	12,374,242	503,701,830
November.....	102,899,235	21,951,829	247,034,974	249,560,949	497,600,470
December.....	103,362,870	27,543,686	269,045,551	256,964,853	550,873,960
1925					
January.....	104,249,258	27,658,749	242,115,259	270,423,615	553,174,980
February.....	107,032,735	27,481,871	206,317,320	286,229,180	549,637,420
March.....	116,619,825	28,158,597	256,392,902	306,562,690	563,171,945
April.....	117,428,697	28,368,000	216,114,621	294,632,506	567,178,830

¹ Gold at par; silver coin at face value.² Gold and silver.

TABLE 68.—Poland—Index numbers of wholesale prices, 1921–1925

[Index numbers from Rocznik Statystyki Rzeczypospolitej Polskiej, January, 1914=100; January–August, 1921, are index numbers of retail prices of food, July, 1914=100, from the Economist, London, December 24, 1921. Until the sloty currency was introduced, the index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See chart 43]

	On paper currency basis	Con- verted to gold basis	On sloty basis		On paper currency basis	Con- verted to gold basis	On sloty basis
1921				1922			
January	25, 139	153		March	988, 800	100	
February	31, 827	174		April	1, 058, 920	102	
March	32, 582	182		May	1, 125, 350	99	
April	31, 710	173		June	1, 881, 410	103	
May	32, 639	170		July	3, 069, 970	98	
June	35, 322	198		August	5, 284, 080	98	89
July	45, 654	190		September	7, 302, 200	107	95
August	53, 100	109		October	27, 380, 680	128	78
September	60, 203	65		November	67, 943, 700	143	81
October	65, 639	68		December	142, 300, 700	140	95
November	58, 583	71		1924			
December	57, 046	75		January	242, 167, 700	123	107
1922				February	248, 429, 600	114	113
January	59, 231	81		March	245, 277, 900	118	110
February	63, 445	76		April	243, 331, 800	116	109
March	72, 465	73		May			104
April	75, 106	83		June			101
May	78, 634	82		July			102
June	87, 694	87		August			109
July	101, 357	79		September			113
August	135, 786	77		October			116
September	152, 365	81		November			117
October	201, 328	80		December			118
November	275, 647	76		1925			
December	348, 353	83		January			120
1923				February			121
January	544, 690	98		March			122
February	859, 110	90		April			119
				May			118

TABLE 69.—*Poland—Exchange rates, 1919-1925*

[New York on Warsaw, July, 1919, sight drafts; August, 1919, to date, cable transfers. Average rate¹ July, 1919-June, 1921, are mid-points between the high and low rates; from July, 1921, to date, the averages are simple arithmetic monthly averages of daily rates. Since May, 1924, rates are in cents per zloty. The par value of the zloty is 19.29 cents. The zloty is the equivalent of 1,800,000 former marks. Source: Federal Reserve Board. See chart 42]

Month	Cents per Polish mark			Month	Cents per Polish mark		
	High	Low	Average		High	Low	Average
1919				1922			
July.....	7.50	6.25	6.88	August.....	0.0155	0.0112	0.0135
August.....	6.75	4.50	5.63	September.....	.0146	.0112	.0127
September.....	4.50	3.25	3.88	October.....	.0118	.0071	.0065
October.....	3.85	2.30	3.08	November.....	.0072	.0060	.0065
November.....	2.35	1.40	1.88	December.....	.0060	.0064	.0067
December.....	1.65	.92	1.29	1923			
1920				1924			
January.....	.90	.50	.70	January.....	.0057	.0027	.0043
February.....	.70	.65	.68	February.....	.0029	.0020	.0025
March.....	.70	.63	.67	March.....	.0026	.0022	.0024
April.....	.70	.50	.60	April.....	.0028	.0020	.0023
May.....	.55	.46	.51	May.....	.0021	.0018	.0021
June.....	.65	.52	.59	June.....	.0019	.0007	.0013
July.....	.68	.54	.61	July.....	.0009	.00048	.0007
August.....	.54	.40	.47	August.....	.00047	.00040	.0004
September.....	.60	.39	.45	September.....	.00041	.00028	.00035
October.....	.40	.34	.37	October.....	.00026	.0000425	.0001113
November.....	.39	.12	.29	November.....	.000059	.000028	.0000502
December.....	.16	.15	.16	December.....	.0000308	.0000154	.0000284
1921				1925			
January.....	.165	.125	.145	January.....	.0000159	.0000099	.0000116
February.....	.135	.125	.130	February.....	.0000114	.0000102	.0000109
March.....	.143	.120	.132	March.....	.0000122	.0000108	.0000113
April.....	.135	.125	.130	April.....	.0000118	.0000109	.0000114
May.....	.140	.108	.124	<i>Cents per zloty</i>			
June.....	.105	.058	.082	June.....	19.37	19.24	19.29
July.....	.0588	.045	.0516	July.....	19.30	19.22	19.25
August.....	.0563	.0392	.0489	August.....	19.27	19.18	19.23
September.....	.0383	.0150	.0256	September.....	19.25	19.18	19.22
October.....	.0256	.0156	.0212	October.....	19.24	19.19	19.22
November.....	.0370	.0223	.0290	November.....	19.24	19.19	19.21
December.....	.0338	.0285	.0313	December.....	19.24	19.18	19.20
1922				1925			
January.....	.0356	.0288	.0327	January.....	19.20	19.17	19.18
February.....	.0310	.0237	.0266	February.....	19.20	19.17	19.18
March.....	.0262	.0213	.0236	March.....	19.20	19.18	19.18
April.....	.0271	.0241	.0252	April.....	19.22	19.17	19.18
May.....	.0250	.0244	.0249	May.....	19.22	19.16	19.19
June.....	.0255	.0220	.0237	June.....	19.21	19.17	19.19
July.....	.0221	.0163	.0185				

TABLE 70.—Poland—Purchasing-power parities, 1921—1924

[On basis of Polish mark]

[According to Rocznik Statystyki Rzeczypospolitej Polskiej for Poland (prices in terms of marks), and Federal Reserve Board index numbers for United States. Par used was the pre-war value of the German mark, 23.82 cents per mark. See chart 44]

Month	United States index of prices	Polish index of prices	Purchasing-power parities (U. S. index X par Polish index)	Average exchange rates (cables in New York)	Per cent purchasing-power parities are of exchange rates
1921					
January.....	167.723	25,139	<i>Cents per mark</i> 0.15389	<i>Cents per mark</i> 0.145	109.57
February.....	164.922	31,827	.11743	.130	90.33
March.....	152.299	32,889	.11029	.132	83.55
April.....	145.565	31,710	.10633	.130	84.10
May.....	145.461	32,639	.10624	.124	85.68
June.....	142.818	35,392	.09623	.082	117.35
July.....	145.863	45,654	.07599	.0616	147.27
August.....	146.686	53,100	.06574	.0489	134.44
September.....	146.962	60,203	.05812	.0256	227.03
October.....	145.692	65,639	.05288	.0212	249.43
November.....	145.284	55,583	.05907	.0290	203.69
December.....	142.744	57,046	.05935	.0313	190.26
1922					
January.....	142.277	59,221	.05717	.0327	174.68
February.....	146.101	63,445	.05479	.0286	191.57
March.....	147.306	73,465	.04788	.0236	202.85
April.....	149.130	75,106	.0474	.0262	180.92
May.....	158.182	78,634	.04788	.0249	192.26
June.....	161.246	87,694	.04383	.0237	184.94
July.....	165.417	101,587	.03883	.0185	209.99
August.....	165.880	135,786	.02966	.0135	215.36
September.....	164.312	153,400	.02573	.0127	202.60
October.....	165.165	201,300	.01953	.0095	205.53
November.....	164.015	275,600	.01417	.0065	218.00
December.....	164.327	346,400	.01129	.0067	198.07
1923					
January.....	166.153	544,700	.007265	.0043	168.95
February.....	166.391	851,680	.004653	.0025	185.00
March.....	169.374	988,500	.004080	.0024	170.00
April.....	170.055	1,058,900	.003825	.0022	166.20
May.....	167.098	1,125,400	.003537	.0021	168.43
June.....	164.065	1,894,100	.002074	.0013	169.54
July.....	169.488	3,070,000	.001237	.000734	170.86
August.....	169.059	5,356,900	.000772	.00042	168.38
September.....	163.387	7,302,200	.0005331	.00035	152.31
October.....	163.142	27,380,700	.0001419	.0001113	127.49
November.....	163.469	68,642,700	.00005672	.0000502	112.99
December.....	163.042	142,801,000	.00002730	.0000284	116.67
1924					
January.....	162.745	252,611,000	.00001635	.0000116	132.83
February.....	162.619	248,430,000	.00001558	.0000109	142.94
March.....	159.522	245,278,000	.00001549	.0000113	137.08
April.....	157.676	242,320,000	.00001550	.0000114	135.96

TABLE 71.—*Poland—Purchasing power parities, 1923-1925*

[On basis of zloty]

[According to index numbers of Rocznik Statystyki Rzeczypospolitej Polskiej for Poland (prices in terms of zlotys), and Federal Reserve Board index numbers for the United States. See chart 46]

	United States index of prices	Polish index of prices (on zloty basis)	Purchasing power parities (U. S. index \times par Polish index)	Exchange rates (cables in New York)	Percentage purchasing power parities are of exchange rates
1923					
November.....	163.460	81.1	<i>Cents per zloty</i> 38.88		
December.....	163.042	95.0	33.11		
1924					
January.....	162.745	111.2	28.23		
February.....	162.519	111.9	28.02		
March.....	159.522	110.5	27.85		
April.....	157.676	109.1	27.88		
May.....	156.148	104.0	28.96		
June.....	154.394	100.6	29.60	19.29	153.45
July.....	156.383	102.3	29.49	19.26	153.19
August.....	157.906	106.2	27.90	19.23	145.00
September.....	156.276	112.4	28.52	19.22	139.54
October.....	158.672	116.4	28.30	19.22	138.84
November.....	160.074	116.6	28.48	19.21	137.84
December.....	164.615	118.0	28.91	19.20	140.16
1925					
January.....	167.782	120.0	28.97	19.18	140.62
February.....	167.086	121.0	28.64	19.18	138.80
March.....	169.295	122.0	28.97	19.18	140.62
April.....	164.000	119.0	28.60	19.18	138.00
May.....	163.000	118.0	28.66	19.19	128.03

TABLE 72.—Poland—Gold value of total note circulation, 1921-1925

[On basis of exchange rates and on basis of purchasing power parities. See chart 49]

Month	Total note circulation (end of month)			Exchange rates, monthly average; New York on Warsaw	Circulation on basis of exchange rates	Purchas- ing power parities	Circulation on basis of purchasing power parities
	Marks (000 omitted)	Zlotys (no zeros omitted)					
		Zloty circulation	Total circulation (including marks con- verted into zlotys)				
1921							
January	Marks 55,060	Zlotys	Zlotys	Cents per mark 0.145	\$79,860,000	Cents per mark 0.15888	\$87,511,104
February	62,560			.130	81,328,000	.11743	73,464,208
March	74,087			.132	97,794,840	.11029	81,710,532
April	86,755			.130	112,781,500	.10933	94,849,242
May	94,578			.124	117,274,240	.10624	100,477,542
June	102,697			.082	84,211,540	.09623	96,826,328
July	116,242			.0816	59,464,872	.07899	87,572,396
August	133,734			.0489	65,395,926	.06574	87,916,732
September	152,792			.0256	38,114,752	.05812	88,802,710
October	182,777			.0112	38,748,724	.05288	96,652,478
November	207,029			.0280	60,038,410	.05907	122,292,030
December	229,538			.0313	71,845,400	.05855	136,689,879
1922							
January	239,615			.0327	78,354,100	.06717	136,987,896
February	247,210			.0286	70,702,100	.05479	135,445,359
March	250,660			.0236	59,187,200	.04788	120,018,880
April	260,554			.0262	68,265,100	.04740	123,602,596
May	276,001			.0249	68,724,200	.04788	132,149,279
June	300,101			.0737	71,123,900	.04383	131,534,268
July	335,427			.0185	62,054,000	.08883	130,246,304
August	385,788			.0135	52,081,400	.02906	112,100,936
September	463,706			.0127	58,890,700	.02573	119,311,554
October	579,973			.0086	55,097,400	.01953	113,268,727
November	661,082			.0085	42,971,000	.01417	98,670,736
December	795,438			.0087	45,226,000	.01129	89,579,160
1923							
January	909,160			.0043	30,093,900	.007265	66,050,474
February	1,177,361			.0025	26,432,500	.004652	54,798,043
March	1,841,206			.0024	44,188,900	.004080	75,121,205
April	2,332,397			.0023	58,645,100	.003826	89,214,185
May	2,733,794			.0021	67,409,700	.003537	96,694,294
June	3,666,649			.0013	46,366,400	.002074	73,972,300
July	4,478,709			.000724	32,425,900	.001237	65,401,630
August	6,871,777			.000420	28,861,500	.0007072	48,597,207
September	11,197,738			.000350	39,192,100	.0005831	65,294,010
October	26,080,402			.0001113	25,688,500	.0001419	32,751,090
November	68,217,485			.0000302	26,715,200	.00003673	30,184,963
December	125,371,856			.0000234	29,337,037	.00002730	34,226,544
1924							
January	313,659,820			.0000116	36,384,540	.00001535	48,146,784
February	528,913,419			.0000109	57,651,563	.00001568	82,404,711
March	696,244,206			.0000113	67,375,595	.00001549	92,368,228
April	570,697,550			.0000114	65,059,521	.00001560	88,458,120
May	299,388,687	244,977,010	411,276,281	Cents per zloty 19.29	79,335,195	Cents per zloty 28.96	119,105,011
June	141,858,462	334,465,730	413,215,953	19.29	79,769,357	29.60	122,311,932
July	94,229,367	394,252,550	418,278,865	19.26	79,555,182	29.49	121,875,927
August	18,182,615	439,283,945	446,364,526	19.23	84,682,066	27.93	122,861,703
September	10,804,550	460,353,770	436,886,301	19.22	89,639,447	26.82	125,694,306
October		503,701,530		19.22	96,811,492	26.30	132,473,581
November		497,600,470		19.21	95,589,050	26.48	131,764,652
December		550,823,960		19.20	106,767,800	26.91	148,240,188
1925							
January		553,174,980		19.18	106,098,961	26.97	149,191,292
February		549,637,420		19.18	105,420,457	26.64	146,423,409
March		663,171,945		19.18	108,016,379	26.97	151,687,474
April				19.18			

TABLE 73.—*Poland—Imports and exports of merchandise, 1920-1925*

[Source: Office Central du Statistique de la Republique Polonaise; 000 omitted. See charts 46 and 47]

Month	Value				Quantity	
	Imports	Exports	Excess of—		Imports	Exports
			Imports	Exports		
	Zlotys	Zlotys	Zlotys	Zlotys	Metric tons	Metric tons
1920						
January.....					192	7
February.....					311	20
March.....					343	21
April.....					307	61
May.....					323	61
June.....					433	40
July.....					469	46
August.....					209	34
September.....					244	68
October.....					174	81
November.....					172	81
December.....					354	102
1921						
January.....					410	119
February.....					430	174
March.....					485	147
April.....					535	168
May.....					280	115
June.....					477	155
July.....					438	196
August.....					350	177
September.....					469	240
October.....					271	221
November.....					321	147
December.....					375	170
1922						
January.....	45,164	15,287	29,877		386	214
February.....	33,579	14,262	19,317		310	129
March.....	44,745	22,464	22,281		434	297
April.....	50,956	26,525	24,433		455	234
May.....	75,467	29,277	46,190		448	290
June.....	50,083	25,392	24,691		280	251
July.....	44,664	35,718	8,946		336	340
August.....	59,219	59,516		297	151	1,154
September.....	61,455	90,352		34,897	224	1,650
October.....	83,514	80,868		1,554	220	1,408
November.....	98,419	72,718	25,701		271	1,315
December.....	87,946	94,896		6,950	286	1,501
1923						
January.....	93,650	70,579	23,071		220	1,369
February.....	81,504	93,974		12,470	261	1,469
March.....	98,213	138,374		40,161	300	2,151
April.....	100,487	109,761		9,274	286	1,335
May.....	101,700	94,067	7,633		252	1,463
June.....	91,915	94,166		2,251	291	1,698
July.....	96,464	102,254		5,790	394	1,627
August.....	86,808	115,988		29,180	239	1,600
September.....	80,519	113,001		32,482	204	1,385
October.....	88,854	88,930		76	211	1,324
November.....	101,354	75,848	25,506		347	1,086
December.....	95,014	98,645	3,631		189	1,171
1924						
January.....	80,800	96,818		15,949	140	846
February.....	107,110	112,562		5,452	220	1,242
March.....	123,441	113,211	10,230		229	1,243
April.....	141,450	121,381	20,069		212	1,456
May.....	148,110	124,979	23,131		249	1,919
June.....	112,142	89,535	22,607		156	1,353
July.....	90,667	80,429	10,238		173	1,197
August.....	81,304	65,431	17,873		126	674
September.....	112,578	93,739	18,839		177	1,309
October.....	151,022	108,975	42,047		245	1,507
November.....	144,972	123,033	21,939		233	1,496
December.....	179,916	135,574	44,242		245	1,508
1925						
January.....	172,638	107,554	65,104		268	1,239
February.....	151,101	103,015	48,086		260	1,079

TABLE 74.—Poland—National debt, 1919-1924

[End of year]

[Source: Rocznik Statystyki Rzeczypospolitej Polskiej. Millions of Polish marks]

Items	1919	1920	1921	1922	1923	1924 ¹
Internal debt:						
Funded—						
Loan of 1918 at 5 per cent.....	2,032,052	418,246	155,980	106,750		
Short term, 1920, 5 per cent.....		2,129,836	2,129,336	1,505,556		
Long term, 1920, 5 per cent.....		5,212,477	10,844,163	8,241,863		
Premium loan, 4 per cent.....		930,266	1,091,614	4,908,176		
Gold loan, 8 per cent.....				7,050,000		
Total funded.....	2,032,052	8,690,315	15,121,113	19,807,345		
Floating—						
Loans covered by paper money.....	6,826,000	59,625,000	221,000,000	675,600,000		
Treasury bonds.....		947,376	15,108,197	47,946,000		
Total floating.....	6,826,000	60,572,376	236,108,197	723,546,000		
Total internal.....	8,857,052	69,262,691	251,229,310	743,353,345		* 137,064,380
External debt:						
United States—dollars.....	116,635,144	183,675,310	183,476,310	180,393,262		* 238,205,400
France—French francs.....	795,216,116	924,638,698	867,671,338	912,455,222		* 891,105,222
England—pounds sterling.....	1,629,853	3,651,945	3,847,351	4,530,818		* 4,630,828
Italy—						
Gold francs.....	36,325,490	36,325,490	36,325,490			* 469,000,000
Lire.....	15,988,232	15,988,232	15,203,732	75,000,000		
France—French francs.....		1,259,606	1,259,606			
Holland—Holland florins.....	17,800,000	17,800,000	18,218,687	14,218,686		* 9,069,830
Norway—Norwegian kroner.....						* 16,497,417
Denmark—Danish kroner.....			358,850	358,849		* 358,849
Sweden—Swedish kroner.....			173,080	935,805		* 5,106,560
Switzerland—Swiss francs.....			73,600	73,600		* 73,600
Total external.....						** 1,840,866,400

¹ Figures furnished by the Polish Legation, Washington.

² Zlotys.

³ As of Mar. 1, 1925.

⁴ As of May 1, 1924.

TABLE 75.—Poland—Receipts and expenditures, 1921-1925

[Converted from marks to zloty on following basis: 1921, 1 zloty=303.75 marks. First quarter 1922, 1 zloty=513.52 marks; second quarter, 691.49 marks; third quarter, 1,024.97 marks; and fourth quarter, 1,933.87 marks. (In thousands of zlotys)]

[Source: Annuaire Statistique de la République Polonaise, II^{me} Année, 1923]

	1921	1922	1923 ¹	1924 ¹	1925 ²
RECEIPTS					
Administration.....	261,676	467,979			1,491,743
State enterprises.....	11,413	14,556			133,530
Monopolies ³	72,222	47,898			856,611
Total.....	345,311	530,428	426,000	1,703,000	1,681,884
EXPENDITURES					
Administration.....	765,263	734,310			1,830,231
State enterprises.....	115,589	145,003			106,343
Monopolies ³					45,019
Total.....	880,852	879,313	1,119,800	1,629,000	1,981,593
Deficit.....	535,541	348,885	693,800		
Surplus.....				74,000	281

¹ Figures furnished by the Polish Legation, Washington.

² Sugar, salt, tobacco, lotteries.

³ Preliminary.

RUSSIA

TABLE 76.—Russian State Bank, 1914-1917

[First of month figures, according to the Julian calendar, now discarded; in thousands of rubles. Source: Reports of the State Bank]

	Gold bullion and specie held in Russia	Gold held abroad	Silver and copper coin	Bills dis- counted	Short-term treasury obligations discounted	All other loans and discounts	Total loans and discounts	Bank notes in circulation	Government deposits	Other deposits
1914										
January.....	1,527,728	167,506	60,674	595,660	-----	476,327	1,071,987	1,664,652	607,698	620,287
February.....	1,832,159	164,184	67,436	566,858	-----	472,778	1,039,636	1,821,326	664,132	572,626
March.....	1,855,951	230,960	71,922	456,052	-----	372,228	828,280	1,821,073	493,408	615,643
April.....	1,569,334	210,326	69,593	423,947	-----	371,196	795,143	1,649,067	457,113	630,626
May.....	1,581,571	200,801	74,374	376,035	-----	363,057	739,092	1,626,354	439,908	619,214
June.....	1,591,862	192,774	73,138	385,130	-----	362,989	748,119	1,633,748	433,870	608,270
July.....	1,599,747	143,786	73,393	406,120	-----	368,114	774,234	1,630,374	491,065	571,079
August.....	1,604,908	116,776	63,168	711,729	-----	490,462	1,202,191	2,321,062	517,933	693,236
September.....	1,611,639	177,807	55,064	733,829	175,000	464,127	1,372,933	2,553,575	230,850	726,289
October.....	1,616,090	215,753	43,772	709,386	239,438	481,282	1,430,106	2,697,483	208,350	716,989
November.....	1,649,285	215,437	42,640	646,217	434,241	491,172	1,671,630	2,790,978	210,504	803,692
December.....	1,553,343	214,618	46,602	637,744	473,371	524,069	1,635,814	2,846,046	211,173	771,739
1915										
January.....	1,559,966	172,510	44,927	618,808	663,150	504,322	1,786,280	2,946,583	229,685	593,619
February.....	1,569,672	138,939	49,540	543,614	1,006,230	454,029	2,003,873	3,059,141	207,676	896,280
March.....	1,567,707	140,202	54,167	513,400	1,130,438	452,865	2,096,703	3,151,514	202,060	1,130,892
April.....	1,570,099	139,804	51,005	459,142	1,286,703	553,702	2,299,547	3,312,710	204,588	1,081,933
May.....	1,571,237	139,020	55,417	390,209	1,489,829	478,948	2,358,986	3,361,846	206,148	1,164,385
June.....	1,573,511	124,310	56,011	418,201	1,573,166	818,174	2,809,541	3,477,342	490,961	1,147,712
July.....	1,578,861	99,967	54,302	413,236	1,589,361	770,620	2,773,217	3,755,565	226,335	1,116,412
August.....	1,583,329	89,480	42,976	384,181	2,146,748	724,117	3,255,046	3,962,466	201,210	1,201,239
September.....	1,588,842	32,208	27,964	433,322	2,423,021	836,222	3,692,565	4,210,836	212,991	1,169,064
October.....	1,595,150	37,415	17,934	440,082	2,650,417	971,105	4,061,604	4,893,223	203,358	1,125,451
November.....	1,603,162	136,173	27,503	393,743	3,318,955	804,269	4,516,967	5,040,538	211,370	1,264,826
December.....	1,607,263	227,704	33,672	395,032	3,289,089	1,000,729	4,684,870	5,201,318	214,194	1,274,412
1916										
January.....	1,614,015	646,135	39,797	382,232	3,270,138	853,680	4,505,950	5,616,824	271,174	1,489,809
February.....	1,618,628	758,505	44,439	375,673	3,504,953	709,308	4,589,934	5,709,481	201,452	1,425,743
March.....	1,624,997	945,675	51,393	348,541	3,867,187	612,269	4,828,027	5,896,088	208,701	1,695,947
April.....	1,628,466	1,137,277	62,151	379,391	3,744,598	729,596	4,853,885	6,078,258	211,922	1,533,167
May.....	1,630,900	1,293,800	61,600	345,700	3,646,600	(1)	4,853,885	6,212,900	223,600	(1)

June.....	1, 689, 890	1, 493, 717	78, 159	847, 898	8, 670, 265	861, 452	4, 888, 115	6, 379, 535	264, 811	1, 550, 940
July.....	1, 543, 295	1, 683, 048	76, 382	867, 872	8, 823, 715	704, 466	4, 896, 053	6, 628, 347	200, 583	1, 788, 406
August.....	1, 549, 301	1, 962, 354	83, 029	383, 301	8, 873, 370	600, 141	4, 850, 812	5, 876, 205	200, 011	1, 800, 152
September.....	1, 552, 065	2, 054, 915	92, 614	294, 136	4, 420, 318	597, 470	5, 281, 924	7, 122, 259	207, 189	1, 842, 962
October.....	1, 554, 185	2, 054, 938	103, 567	208, 880	5, 144, 455	844, 824	5, 957, 059	7, 587, 118	201, 888	1, 962, 184
November.....	1, 560, 488	2, 055, 082	112, 694	260, 615	6, 202, 180	844, 624	7, 107, 419	8, 083, 891	211, 919	2, 049, 775
December.....	1, 473, 432	2, 149, 860	111, 044	268, 470	6, 185, 124	659, 159	7, 102, 763	8, 383, 458	210, 088	2, 181, 908
1917										
January.....	1, 474, 858	2, 149, 682	119, 169	250, 658	6, 866, 099	811, 714	7, 928, 466	9, 097, 893	244, 620	2, 239, 789
February.....	1, 476, 066	2, 140, 885	124, 178	231, 278	7, 397, 021	782, 082	8, 390, 381	9, 459, 764	221, 958	2, 341, 688
March.....	1, 476, 310	2, 141, 024	120, 870	213, 637	7, 882, 032	714, 448	8, 810, 117	9, 949, 626	212, 698	2, 399, 091
April.....	1, 476, 586	2, 118, 884	121, 093	211, 889	9, 983, 531	868, 399	10, 158, 299	10, 980, 897	418, 947	2, 737, 077
May.....	1, 478, 178	2, 118, 918	119, 114	252, 839	9, 101, 294	1, 026, 005	10, 383, 135	11, 467, 142	211, 169	2, 818, 967
June.....	1, 482, 707	2, 119, 065	124, 695	327, 287	9, 462, 375	1, 437, 665	11, 227, 327	12, 175, 742	219, 732	2, 880, 386
July.....	1, 481, 424	2, 118, 988	126, 434	407, 870	10, 392, 400	1, 552, 270	12, 352, 840	13, 055, 371	219, 495	2, 858, 325
August.....	1, 294, 945	2, 308, 014	124, 264	350, 038	12, 067, 885	1, 408, 388	13, 022, 311	14, 125, 264	283, 098	3, 034, 849
September.....	1, 292, 606	2, 308, 647	129, 615	303, 454	12, 958, 599	1, 659, 548	14, 921, 601	15, 397, 518	210, 480	3, 135, 562
October.....	1, 296, 469	2, 308, 623	155, 437	379, 316	15, 166, 688	1, 791, 491	17, 337, 475	17, 290, 079	210, 639	3, 232, 268

¹ Data missing.

² Includes "Advances to the treasury for food purchases."

TABLE 77.—Russia—Soviet State Bank, condition of the issue department, November, 1922, to May, 1925

[In thousands of chevrontzi, of 10 gold rubles each (\$5.146). Source: Official semimonthly bank statements]

	Gold coin and bullion	Silver coin and bullion	Platinum bullion	Foreign currency	Drafts in foreign currencies	Bills discounted	Advances on goods	Total assets and liabilities	Notes transferred to banking department	Additional note issue permitted by bank act
1922										
November 28.....	407			108				515	200	315
1923										
January 1.....	1,507			585	410			1,503	1,118	385
February 1.....	1,139			384	245	911		2,079	1,930	749
March 1.....	1,534			455	240	414	1,140	3,789	3,000	789
April 1.....	2,711			79	304	830	1,140	5,064	4,500	564
May 1.....	3,765			65	424	1,114	2,291	7,659	6,000	1,659
June 1.....	3,929	58		316	427	1,018	2,664	9,005	8,000	1,005
July 1.....	4,959	65		291	438	2,310	2,700	10,761	9,600	1,161
August 1.....	5,140	74		551	397	4,113	5,130	14,405	12,500	1,905
September 1.....	7,450	73		1,896	404	5,695	5,080	18,638	18,400	238
October 1.....	8,487	73		3,408	523	6,955	4,269	23,755	23,500	255
November 1.....	8,694	73		4,008	461	7,796	4,568	25,600	25,450	150
December 1.....	8,741	90		4,677	447	6,720	6,288	26,961	26,776	185
1924										
January 1.....	8,573	110		5,485	446	6,720	6,572	28,086	28,000	86
February 1.....	8,754	110		6,502	437	7,320	7,272	30,395	30,300	95
March 1.....	8,754	110	515	7,376	444	8,529	7,572	33,300	32,800	500
April 1.....	8,784	110	722	7,744	445	9,536	7,359	34,700	33,800	900
May 1.....	8,784	110	743	9,096	343	10,472	7,152	36,700	35,200	1,500
June 1.....	8,841	111	743	9,875	348	12,188	6,094	38,200	36,700	1,500
July 1.....	9,299	111	743	10,007	342	13,783	5,905	40,250	38,750	1,500
August 1.....	11,429		743	10,003	243	15,891	5,891	44,300	41,750	2,550
September 1.....	12,680		743	9,989	243	19,340	6,875	49,950	46,156	3,795
October 1.....	13,140		743	10,017	353	21,540	8,507	54,300	51,887	2,413
November 1.....	13,140		1,198	10,070	353	23,382	9,207	57,350	56,211	1,139
December 1.....	13,140		1,298	10,139	360	25,022	8,727	58,686	57,719	967
1925										
January 1.....	14,195		1,298	9,807	376	29,143	4,871	59,750	59,597	153
February 1.....	14,914		1,298	9,865	382	29,144	2,146	57,750	56,025	2,725
March 1.....	15,214		1,298	9,566	290	30,592	686	57,750	56,056	1,695
April 1.....	16,888		1,688	6,828	407	32,842	1,087	59,750	59,030	720
May 1.....	17,994		1,689	4,689	409	35,264	1,065	61,250	60,439	811

TABLE 78.—Russia—Banking statistics, 1922—1925

(In millions of chevrontz rubles)

[Source: Economic Bulletin of the Moscow Institute of Conjunction]

	State bank								Moscow joint stock banks ^a					
	Loans and discounts ¹				Current accounts and other deposits ²				Loans and discounts			Current accounts and other deposits		
	1922	1923	1924	1925	1922	1923	1924	1925	1922	1924	1925	1922	1924	1925
January 1.....		20.8	313.7	640.5		26.9	125.6	256.1		141.7	363.0		80.0	226.0
February 1.....		35.2	333.3	656.5		32.1	146.5	268.8		7.4	163.4		3.9	97.7
March 1.....		48.7	357.9			44.4	146.2			15.5	181.6		8.8	98.7
April 1.....		74.2	375.4			60.9	134.3			27.3	184.7		20.1	100.3
May 1.....		91.6	395.6			76.5	128.6			36.2	203.9		32.1	113.7
June 1.....		120.0	426.9			81.1	164.5			47.4	226.9		37.6	136.1
July 1.....		170.5	470.4			89.4	158.5			62.4	252.0		40.1	151.4
August 1.....		212.2	466.5			89.2	169.2			77.9	269.4		53.3	170.3
September 1.....		264.4	483.0			94.3	172.0			94.6	297.6		56.3	185.8
October 1.....	33.6	281.8	531.1		38.0	92.4	193.9			107.3	328.2		61.2	206.4
November 1.....	22.9	307.7	565.2		21.9	95.6	217.9			115.0	342.1		59.9	217.5
December 1.....	17.5	308.3	608.9		22.7	117.7	231.2			123.8	350.5		66.4	214.1

¹ From bank funds proper, exclusive of grain operations.² Exclusive of Government (Commissariat of Finance) funds and time deposits.³ Viz, Bank for Industry, All Russian Cooperative Bank, Russian Bank for Foreign Trade, Moscow Municipal Bank.

TABLE 79.—Russia—Nominal amounts of paper money in circulation, 1914-1922

(In millions of rubles)

[Figures to Oct. 1, 1917, from annual reports and statements of the (Imperial) State Bank; from Nov. 1, 1917, to Dec. 1, 1920, from S. S. Katzenellenbaum's Russian Currency and Banking, 1914-1924; 1921 and 1922, revised data of the Currency Administration, *Viestnik Finansov* (No. 11, 1924). See chart 50]

First of month	1914	1915	1916	1917	1918	1919	1920	1921	1922
January.....	1,664.7	2,946.6	5,616.8	9,097.4	27,213	61,625	225,016	1,168,597	17,533,435
February.....	1,621.4	2,059.1	5,709.5	9,439.8	29,200	65,092	260,232	1,298,829	29,561,340
March.....	1,621.2	2,151.5	5,899.1	9,949.7	30,648	69,061	293,054	1,485,223	48,393,465
April.....	1,649.2	2,312.7	6,078.8	10,980.9	33,573	74,834	340,663	1,686,683	80,743,969
May.....	1,626.4	2,351.8	6,260.8	11,457.1	37,833	80,362	387,707	1,917,267	129,291,877
June.....	1,633.7	2,477.3	6,379.5	12,175.7	40,296	92,280	450,670	2,122,295	213,714,766
July.....	1,630.4	2,755.6	6,628.3	13,055.4	43,261	100,319	511,817	2,346,139	320,497,400
August.....	2,321.1	3,962.5	6,876.2	14,125.4	45,921	112,350	580,705	2,808,079	474,793,206
September.....	2,553.6	4,210.8	7,122.3	15,397.5	48,185	126,208	651,346	3,510,723	696,141,625
October.....	2,697.5	4,893.2	7,587.1	17,290.1	51,021	147,479	745,148	4,529,428	851,486,339
November.....	2,791.6	5,040.5	8,083.4	22,446.0	53,773	170,109	862,766	6,479,722	1,095,488,941
December.....	2,848.0	5,201.8	8,383.5	26,000.0	56,826	192,453	995,637	9,845,249	1,479,218,791

¹ Last report of the Old (Imperial) State Bank dated Oct. 23, 1917, showed a total note circulation of 18,917,000,000 rubles.

TABLE 80.—Russia—Amounts of money in circulation, 1923-1925

(In thousands of chevronets rubles; 1 chevronet ruble worth about 51.5 cents)

[Source: *Economichekiye Obozreniye* No. 23-24, 1924, and No. 4, 1925

First of month	Soviet notes	State bank notes	State treasury notes	Silver coin	Copper coin	Temporary fractional currency	Certificates of the Commissariat of Transportation	Total currency in circulation	Nominal amount of certificates of the "Contra-essca" of the Commissariat of Finance	Grand total
1923										
January.....	113,969	3,583	-----	-----	-----	-----	-----	117,532	-----	117,532
February.....	127,014	8,546	-----	-----	-----	-----	-----	135,560	-----	135,560
March.....	138,139	16,040	-----	-----	-----	-----	-----	151,179	-----	151,179
April.....	148,485	25,667	-----	-----	-----	-----	-----	174,102	3,266	177,368
May.....	132,973	37,642	-----	-----	-----	-----	-----	170,515	8,500	179,015
June.....	123,711	47,483	-----	-----	-----	-----	-----	171,194	12,575	183,769
July.....	118,848	70,001	-----	-----	-----	-----	-----	188,849	22,872	211,721
August.....	111,220	111,206	-----	-----	-----	-----	-----	222,426	26,322	247,747
September.....	83,422	164,158	-----	-----	-----	-----	-----	247,580	31,942	279,522
October.....	58,755	207,869	-----	-----	-----	250	-----	264,365	38,111	302,476
November.....	78,561	224,782	-----	-----	-----	4,172	-----	305,515	51,263	356,778
December.....	72,145	226,018	-----	-----	-----	4,969	-----	303,157	61,865	365,022
1924										
January.....	59,503	237,159	-----	-----	-----	-----	9,576	306,238	67,346	373,584
February.....	40,612	259,190	-----	-----	-----	-----	12,434	312,242	81,402	393,644
March.....	27,101	288,883	19,609	8,812	-----	210	19,213	356,828	92,074	448,902
April.....	15,319	289,668	54,802	9,965	-----	3,143	20,750	393,447	85,778	479,225
May.....	14,797	295,099	85,229	12,721	-----	10,642	21,054	439,542	90,347	499,889
June.....	-----	283,066	124,098	16,650	-----	16,704	20,482	450,033	54,823	514,881
July.....	-----	294,576	143,558	21,009	-----	18,353	3,051	480,547	51,636	532,183
August.....	-----	290,891	162,146	34,565	16	20,091	-----	507,781	61,344	569,126
September.....	-----	312,116	181,044	42,322	29	22,720	-----	558,234	94,268	622,502
October.....	-----	346,499	201,763	48,944	127	25,347	-----	622,670	48,728	671,398
November.....	-----	370,286	218,462	59,561	-----	283	-----	675,501	48,721	724,222
December.....	-----	398,969	225,675	67,504	-----	826	-----	720,670	52,163	772,833
1925										
January.....	-----	410,832	229,148	73,551	1,820	27,798	-----	742,649	53,143	795,792
February.....	-----	365,092	233,638	83,479	2,031	26,275	-----	710,516	56,012	766,527
March.....	-----	376,868	235,930	91,559	2,729	22,934	-----	730,020	57,694	787,614
April.....	-----	402,387	244,549	95,819	3,321	19,638	-----	765,714	57,248	822,962
May.....	-----	408,621	246,950	101,144	3,766	16,580	-----	780,061	65,947	846,008

TABLE 81.—Russia—Retail prices, 1916-1924

[According to the All-Russian Index of the Central Bureau of Labor Statistics. First of month data, 1913-1. Source: Narodnoye i Gosudarstvennoye Khoziaistvo, and Statisticheski Sbornik po Gosudarstvennomu budgetu, 1922-23, published by the Commissariat of Finance. See chart 51]

	1916	1917	1918	1919	1920	1921	1922	1923	1924
January.....	1.43	2.04	20.8	164	2,420	16,800	288,000	21,240,000	5,460,000,000
February.....	1.55	3.10	27.0	203	3,090	21,600	545,000	27,700,000	17,100,000,000
March.....	1.57	3.15	33.0	258	3,810	27,600	1,153,000	31,100,000	.....
April.....	1.63	3.35	43.2	336	4,770	35,700	2,524,000	39,290,000	.....
May.....	1.71	3.80	57.5	414	5,780	42,790	4,162,000	54,740,000	.....
June.....	1.79	4.50	70.6	516	6,570	62,000	5,087,000	79,930,000	.....
July.....	1.95	5.76	98.6	656	8,140	80,700	5,795,000	117,569,000	.....
August.....	2.11	6.55	101.0	750	9,070	80,300	5,589,000	194,830,000	.....
September.....	2.17	6.80	93.5	814	9,230	76,400	5,995,000	335,360,000	.....
October.....	2.35	7.40	93.5	923	9,620	81,900	7,342,000	659,840,000	.....
November.....	2.57	10.20	107.5	1,360	10,500	95,500	11,561,000	1,101,070,000	.....
December.....	2.75	15.45	135.0	1,790	12,000	138,000	16,972,720	2,314,080,000	.....

TABLE 82.—Russia—Exchange rates, 1914-1919

[Exchange rates on New York for bankers' sight bills. Source: Harvard Review of Economic Statistics July, 1919. See chart 52. Par=51.46 cents per ruble]

	Cents per ruble				Cents per ruble		
	High	Low	Average		High	Low	Average
1914				1916			
January.....	51.75	51.50	51.62	October.....	32.00	30.40	31.20
February.....	51.69	51.50	51.59	November.....	30.85	29.40	30.12
March.....	51.75	51.50	51.62	December.....	30.30	29.25	29.77
April.....	51.62	51.44	51.53	1917			
May.....	51.56	51.25	51.40	January.....	30.00	28.00	29.00
June.....	51.56	51.38	51.47	February.....	28.95	28.20	28.57
July.....	51.56	51.00	51.28	March.....	28.55	27.00	28.07
August.....	51.12	51.00	51.06	April.....	28.95	28.10	28.52
September.....	48.00	48.00	48.00	May.....	28.40	26.30	27.35
October.....	48.00	42.75	45.37	June.....	26.35	22.35	24.35
November.....	43.00	42.00	42.00	July.....	23.90	20.80	22.35
December.....	43.00	42.00	42.00	August.....	21.70	17.00	19.35
1915				September.....	17.75	11.25	14.50
January.....	43.50	42.38	42.94	October.....	15.75	13.25	14.50
February.....	44.88	43.50	44.19	November.....	15.00	11.00	13.00
March.....	44.50	44.50	44.50	December.....	12.75	12.25	13.00
April.....	44.50	41.75	43.12	1918			
May.....	41.75	39.00	40.37	January.....	13.25	12.75	13.00
June.....	39.75	38.00	38.87	February.....	13.00	13.00	13.00
July.....	38.00	32.00	35.00	March.....	13.00	13.00	13.00
August.....	37.00	31.00	34.00	April.....	.....	.....	14.00
September.....	35.75	34.00	34.87	May.....	.....	.....	14.00
October.....	35.50	33.00	34.25	June.....	.....	.....	14.00
November.....	33.75	32.00	32.87	July.....	.....	.....	14.00
December.....	32.75	29.75	31.25	August.....	.....	.....	14.00
1916				September.....	.....	.....	14.00
January.....	30.00	29.38	29.69	October.....	.....	.....	14.00
February.....	32.00	29.62	30.81	November.....	.....	.....	14.00
March.....	32.00	31.50	31.75	December.....	.....	.....	14.00
April.....	31.75	30.25	31.00	1919			
May.....	31.00	30.62	30.81	January.....	.....	.....	14.00
June.....	30.75	30.35	30.55	February.....	.....	.....	14.50
July.....	30.80	30.32	30.56	March.....	.....	.....	14.00
August.....	33.75	30.40	32.07				
September.....	33.00	31.40	32.50				

¹ Nominal.

² Foreign exchange business with Russia suspended after March, 1919.

TABLE 83.—Russia—Purchasing-power parities, 1916–1922

[According to first of month retail price index of the Soviet Office of Labor Statistics and the average monthly wholesale price index of the U. S. Bureau of Labor Statistics. See chart 83]

	United States index of prices	Russian index of prices	Purchasing-power parities (U. S. index X par Russian index)	Average exchange rates	Per cent purchasing power parities are of exchange rates
1916					
January	113	155	37.44	29.69	126.10
February	115	156	37.93	30.81	123.11
March	119	158	38.76	31.75	122.06
April	121	167	37.29	31.00	120.29
May	122	174	35.61	30.81	115.26
June	123	184	34.40	30.55	112.60
July	123	205	30.88	30.56	101.05
August	126	216	30.02	32.07	98.61
September	130	218	30.69	32.50	105.90
October	136	232	27.77	31.20	89.01
November	146	262	28.60	30.12	94.95
December	149	287	26.72	29.77	89.75
1917					
January	153	300	26.24	29.00	90.48
February	157	302	26.75	28.57	93.03
March	162	330	25.90	28.07	89.98
April	173	340	26.18	28.52	91.90
May	183	420	22.40	27.35	81.90
June	185	480	19.33	24.35	81.44
July	188	675	14.33	22.35	79.17
August	189	635	15.32	19.35	79.17
September	187	725	13.41	14.50	92.48
October	183	755	12.47	14.50	86.00
November	183	1,285	7.33	13.00	56.38
December	182	1,805	6.19	13.00	39.92
1918					
January	184	2,350	4.03	13.00	31.00
February	186	3,040	3.15	13.00	24.23
March	187	3,560	2.70	13.00	20.77
April	190	5,080	1.92	13.50	14.22
May	190	6,410	1.525	14.00	10.89
June	191	7,710	1.27	14.00	9.07
July	196	10,000	1.008	14.00	7.20
August	200	10,200	1.009	14.00	7.21
September	204	8,500	1.235	14.00	8.82
October	202	10,200	1.019	14.00	7.28
November	203	11,300	.924	14.00	6.60
December	202	15,700	.662	14.00	4.73
1919					
January	199	15,400	.624	14.00	4.45
February	193	20,300	.489	14.50	3.37
March	196	25,800	.390	14.00	2.79
April	199	33,600	.304		
May	202	41,400	.231		
June	203	51,600	.202		
July	212	85,000	.164		
August	216	75,000	.143		
September	210	81,400	.133		
October	211	92,300	.117		
November	217	130,000	.0821		
December	223	170,000	.0641		
1920					
January	233	242,000	.0495		
February	232	300,000	.0386		
March	224	381,000	.0316		
April	245	477,000	.0246		
May	247	578,000	.0219		
June	243	657,000	.0190		
July	241	814,000	.0152		
August	231	907,000	.0131		
September	226	923,000	.0126		
October	211	962,000	.0112		
November	196	1,050,000	.00960		
December	179	1,260,000	.00731		
1921					
January	170	1,080,000	.00520		
February	160	2,160,000	.00381		
March	165	2,760,000	.00216		
April	148	3,670,000	.00213		

¹ Nominal.

TABLE 83.—Russia—Purchasing-power parities, 1918–1922—Continued

	United States index of prices	Russian index of prices	Purchasing-power parities (U. S. index X par Russian index)	Average exchange rates	Per cent purchasing-power parities are of exchange rates
1921					
May.....	145	4,270,000	Cents per ruble .00174		
June.....	142	6,200,000	.00117		
July.....	141	8,070,000	.000899		
August.....	142	8,030,000	.000910		
September.....	141	7,640,000	.000949		
October.....	142	8,190,000	.000892		
November.....	141	9,550,000	.000754		
December.....	140	13,800,000	.000522		
1922					
January.....	138	28,800,000	.000246	.0002381	103.32
February.....	141	54,500,000	.000133	.0001042	127.64
March.....	142	115,000,000	.0000635	.0000549	115.66
April.....	143	262,000,000	.0000292	.0000308	94.81
May.....	148	416,000,000	.0000183	.0000247	74.09
June.....	150	509,000,000	.0000151	.0000294	87.20
July.....	155	557,000,000	.0000143	.0000243	88.86
August.....	155	550,000,000	.0000145	.0000226	84.16
September.....	153	588,000,000	.0000150	.0000128	117.19
October.....	154	734,000,000	.0000107	.0000062	172.58
November.....	156	1,149,700,000	.0000060	.0000047	146.80
December.....	156	1,722,600,000	.0000040	.0000028	166.42

TABLE 84.—Russia—Purchasing-power parities, 1923–1925

[First of month and average monthly wholesale price index of the Russian State Planning Commission (Gosplan) and average monthly wholesale price index of the United States Bureau of Labor Statistics. See chart 53]

	United States index (average per month)	Russian index		Purchasing-power parities (U. S. index X par Russian index)		Average exchange rates (Moscow quotations)	Per cent purchasing-power parities are of exchange rates	
		First of month	Average per month	First of month index	Average monthly index		Basis—Russian first of month index	Basis—Russian average monthly price index
1923								
January.....	156	96		Cents per ruble 83.6		43.6	191.74	
February.....	157	104		77.7		46.2	168.18	
March.....	159	116		70.5		49.0	143.88	
April.....	159	115		71.2		42.4	167.92	
May.....	156	109		73.2		35.6	205.90	
June.....	153	126		62.5		41.4	150.97	
July.....	151	145		53.6		47.4	113.08	
August.....	150	158		48.5		47.0	108.83	
September.....	154	157	149	50.2	52.8	49.2	104.32	107.22
October.....	153	157	149	50.2	52.8	49.2	104.32	107.22
November.....	152	149	152	52.5	51.5	45.4	115.64	113.44
December.....	151	157	162	49.5	44.7	45.3	109.27	98.68
1924								
January.....	151	160	174	45.9	44.7	45.5	100.88	98.24
February.....	152	167	192	41.8	40.7	45.3	90.26	87.90
March.....	150	193	186	40.0	41.5	50.0	80.00	83.00
April.....	148	181	178	42.1	42.8	53.2	79.14	80.45
May.....	147	175	171	43.2	44.2	51.5	83.88	85.83
June.....	145	166	166	44.9	44.9	51.8	86.06	86.06
July.....	147	169	172	44.8	43.7	51.5	86.09	84.85
August.....	150	175	176	44.1	43.9	51.5	85.63	85.24
September.....	149	173	167	44.2	45.9	51.5	86.02	96.13
October.....	152	164	164	47.7	47.7	51.5	92.82	92.82
November.....	153	164	166	48.0	47.4	51.5	93.20	92.04
December.....	157	168	171	48.1	47.2	51.5	93.40	91.66
1925								
January.....	160	172	174	47.8	47.3	51.5	92.82	91.84
February.....	161	178	180	46.5	46.0	51.5	90.29	87.38
March.....	161	183	188	45.2	44.1	51.5	87.96	86.63
April.....	156	195		41.2		51.5	80.00	
May.....	155	197		40.5		51.5	78.41	

TABLE 85.—Russia—Value of note circulation in terms of pre-war rubles, 1916–1922

[Millions of rubles. See Chart 50]

First of month	Note circulation	Retail prices	Value of circulation in terms of pre-war rubles	First of month	Note circulation	Retail prices	Value of circulation in terms of pre-war rubles
1916				1916			
January	5,616.8	1.43	3,927.6	July	100,319	656	158
February	5,709.5	1.55	3,683.5	August	112,350	750	150
March	5,899.1	1.57	3,757.4	September	126,206	514	155
April	6,078.3	1.63	3,729.0	October	147,479	9,323	160
May	6,260.8	1.71	3,651.3	November	170,109	1,360	125
June	6,379.5	1.79	3,564.0	December	192,453	1,790	108
July	6,628.3	1.95	3,399.1	1920			
August	6,876.2	2.11	3,258.9	January	225,016	2,420	93
September	7,122.3	2.17	3,282.2	February	260,232	3,090	84
October	7,587.1	2.35	3,228.6	March	293,054	3,810	77
November	8,083.4	2.57	3,145.3	April	340,563	4,770	71
December	8,383.5	2.75	3,048.5	May	387,707	5,780	67
1917				June	450,670	6,570	69
January	9,097.4	2.94	3,094.4	July	511,817	8,140	63
February	9,439.8	3.10	3,045.1	August	680,705	9,070	64
March	9,942.7	3.15	3,158.6	September	651,946	9,230	71
April	10,980.9	3.35	3,277.9	October	745,158	9,629	77
May	11,457.1	3.80	3,015.0	November	822,766	10,500	82
June	12,175.7	4.50	2,705.7	December	995,637	12,600	79
July	13,055.4	5.78	2,266.6	1921			
August	14,125.4	6.55	2,156.5	January	1,168,597	16,800	70
September	15,397.5	6.80	2,264.3	February	1,298,829	21,600	60
October	17,290.1	7.40	2,336.5	March	1,485,223	27,600	54
November	22,446.0	10.20	2,200.6	April	1,688,683	35,700	47
December	25,000.0	15.45	1,618.1	May	1,917,267	42,700	45
1918				June	2,122,295	62,000	34
January	27,313	20.5	1,313	July	2,346,139	80,700	29
February	29,200	27.0	1,081	August	2,606,076	85,300	35
March	30,648	33.0	929	September	3,510,732	78,400	46
April	33,572	43.2	777	October	4,529,428	81,900	55
May	37,833	57.5	658	November	6,479,722	95,500	68
June	40,296	70.5	571	December	9,845,249	138,000	71
July	43,261	88.6	468	1922			
August	45,921	101.0	455	January	17,533,435	288,000	61
September	48,185	93.5	515	February	29,561,340	545,000	54
October	51,021	93.5	546	March	43,393,465	1,153,000	37
November	53,773	107.5	500	April	80,743,969	2,524,000	32
December	56,828	135.0	421	May	129,291,877	4,162,000	31
1919				June	213,714,755	5,087,000	42
January	61,625	164	373	July	320,497,040	5,795,000	55
February	65,092	203	321	August	474,793,206	5,589,000	85
March	69,081	258	268	September	696,141,625	5,995,000	116
April	74,834	330	223	October	851,488,389	7,342,000	116
May	80,362	414	194	November	1,095,488,941	11,561,000	95
June	92,280	616	179	December	1,479,218,791	16,972,720	87

¹ Last report of the old (Imperial) State Bank dated Oct. 23, 1917, showed a total note circulation of 18,917,000,000 rubles.

TABLE 86.—Russia—Gold value of total note circulation, 1916-1922

[On basis of exchange rates and on basis of purchasing-power parities. See chart 54]

Month	Total note circulation ¹ (000 omitted)	Average exchange rates ²	Gold value of circulation on basis of exchange rates (000 omitted)	Purchasing power parities ³	Gold value of circulation on basis of purchasing-power parities (000 omitted)
1916					
	<i>Rubles</i>	<i>Cents per ruble</i>	<i>Dollars</i>	<i>Cents per ruble</i>	<i>Dollars</i>
January.....	5,616,800	29.69	1,668,200	37.44	2,103,700
February.....	5,709,500	30.81	1,759,100	37.93	2,165,600
March.....	5,896,100	31.75	1,873,000	38.76	2,266,500
April.....	6,078,300	31.00	1,894,300	37.29	2,266,000
May.....	6,260,300	33.81	1,929,000	35.81	2,223,200
June.....	6,379,600	33.55	1,949,000	34.40	2,194,500
July.....	6,628,300	30.56	2,025,600	30.88	2,046,800
August.....	6,876,200	32.07	2,205,200	30.02	2,064,200
September.....	7,122,300	32.50	2,314,700	30.69	2,185,800
October.....	7,587,100	31.20	2,367,200	27.77	2,106,900
November.....	8,083,400	30.12	2,434,700	28.60	2,311,900
December.....	8,383,600	29.77	2,495,800	28.72	2,240,100
1917					
January.....	9,079,400	29.00	2,633,000	26.24	2,382,400
February.....	9,439,800	28.57	2,697,000	26.75	2,525,100
March.....	9,949,700	28.07	2,792,900	25.26	2,513,300
April.....	10,980,900	28.52	3,131,800	26.18	2,874,800
May.....	11,457,100	27.35	3,133,500	22.40	2,566,400
June.....	12,175,000	24.35	2,964,800	19.83	2,414,400
July.....	13,055,400	22.35	2,917,900	14.33	1,870,800
August.....	14,125,400	19.35	2,733,300	15.32	2,164,000
September.....	15,397,500	14.50	2,232,600	13.41	2,064,800
October.....	17,290,100	14.50	2,507,100	12.47	2,156,100
November.....	22,440,000	13.00	2,917,200	7.33	1,644,900
December.....	25,000,000	13.00	3,250,000	5.19	1,297,600
1918					
January.....	27,313,000			4.03	1,100,700
February.....	29,200,000			3.15	919,600
March.....	30,648,000			2.70	827,500
April.....	33,572,000			1.92	644,000
May.....	37,533,000			1.525	577,000
June.....	43,298,000			1.27	511,800
July.....	43,261,000			1.008	436,100
August.....	45,921,000			1.009	463,300
September.....	48,185,000			1.235	565,100
October.....	51,021,000			1.019	519,900
November.....	53,773,000			.924	496,900
December.....	56,826,000			.662	376,200
1919					
January.....	61,265,000			.624	382,300
February.....	65,092,000			.489	318,300
March.....	66,081,000			.260	269,400
April.....	74,834,000			.304	227,500
May.....	80,362,000			.251	201,700
June.....	92,280,000			.202	186,400
July.....	100,319,000			.164	164,500
August.....	112,350,000			.148	166,300
September.....	126,208,000			.133	167,900
October.....	147,479,000			.117	172,600
November.....	179,193,000			.0821	139,700
December.....	192,452,000			.0641	123,400

¹ Note circulation figures taken from the Statistical Yearbooks, published by the central statistical office (Statisticheski Yezhogodnik, Trudy Tsentrálnava Statisticheskavo Upravleniya, and checked by data given in the studies of Yurovski and Katzenellenbaum. Figures given represent amounts outstanding on the first of each month and include amounts held in the exchange offices of the Commissariat of Finance; also amounts in transit.

² Exchange rates to the end of 1917, taken from the Harvard Review of Economic Statistics July, 1919, p. 599; exchange rates for 1922—from the official Narodnoye i Gosudarstvennoye Khozaistvo 1922-23, p. 599.

³ Purchasing-power parities based upon the retail price index computed by the Russian office of labor statistics and continued by the State planning commission, and on the wholesale price index computed by the U. S. Bureau of Labor Statistics; Russian figures relate to the first of the month, while American figures are averages for the month.

TABLE 86.—Russia—Gold value of total note circulation, 1916-1922—Continued

Month	Total note circulation (000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)	Purchasing power parities	Gold value of circulation on basis of purchasing-power parities (000 omitted)
1920					
	<i>Rubles</i>	<i>Cents per ruble</i>	<i>Dollars</i>	<i>Cents per ruble</i>	<i>Dollars</i>
January.....	225,016,000	.....	.....	.0495	111,400
February.....	260,232,000	.....	.....	.0586	100,400
March.....	293,054,000	.....	.....	.0316	92,600
April.....	340,623,000	.....	.....	.0248	83,800
May.....	337,707,000	.....	.....	.0219	84,900
June.....	450,670,000	.....	.....	.0190	85,600
July.....	511,817,000	.....	.....	.0152	77,800
August.....	580,705,000	.....	.....	.0131	76,100
September.....	651,346,000	.....	.....	.0126	82,100
October.....	745,158,000	.....	.....	.0112	83,600
November.....	862,766,000	.....	.....	.0096	82,800
December.....	995,637,000	.....	.....	.00731	72,800
1921					
January.....	1,168,597,000	.....	.....	.00520	60,800
February.....	1,296,829,000	.....	.....	.00381	49,500
March.....	1,488,223,000	.....	.....	.00216	32,100
April.....	1,686,683,000	.....	.....	.00213	35,900
May.....	1,917,267,000	.....	.....	.00174	33,400
June.....	2,122,296,000	.....	.....	.00117	24,800
July.....	2,347,134,000	.....	.....	.000899	21,100
August.....	2,608,076,000	.....	.....	.000910	25,600
September.....	3,510,723,000	.....	.....	.000649	33,300
October.....	4,529,428,000	.....	.....	.000822	40,400
November.....	6,478,722,000	.....	.....	.000754	48,900
December.....	9,846,249,000	.....	.....	.000522	51,400
1922					
January.....	17,883,435,000	.0002381	41,747	.000246	43,100
February.....	29,561,340,000	.0001042	30,803	.000133	39,300
March.....	48,303,466,000	.0000549	20,730	.0000338	30,700
April.....	80,743,869,000	.0000308	24,869	.0000222	23,600
May.....	129,591,877,000	.0000247	31,935	.0000183	23,700
June.....	213,714,756,000	.0000264	56,421	.0000151	32,300
July.....	320,497,040,000	.0000243	77,881	.0000143	45,800
August.....	474,793,206,000	.0000226	107,303	.0000145	68,900
September.....	696,141,625,000	.0000128	89,106	.0000150	104,400
October.....	851,496,389,000	.0000062	52,792	.0000107	91,100
November.....	1,095,488,941,000	.0000047	51,488	.0000099	75,600
December.....	1,479,218,791,000	.0000028	41,418	.00000460	68,900

TABLE 87.—Russia—Gold value of total money in circulation, 1923-1925

[On basis of exchange rates and on basis of purchasing power parities. See chart 54]

First of month	Total money circulation ¹ beginning of month	Exchange rates ²		Gold value of circulation on basis of exchange rates (000 omitted); on basis of—		Purchasing power parities ³	Gold value of circulation on basis of purchasing power parities (000 mitted)
		First of month	Average per month	First of month rates.	Average monthly rates		
1923							
	<i>Thousands of chevronets rubles</i>	<i>Cents per ruble</i>	<i>Cents per ruble</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Cents per ruble</i>	<i>Dollars</i>
January.....	117,532	38.9	43.6	45,720	51,244	83.6	98,257
February.....	135,560	41.8	46.2	56,664	62,629	77.7	105,330
March.....	151,179	51.8	49.0	78,311	74,078	70.5	106,581
April.....	177,368	52.6	42.4	93,296	75,204	71.2	126,286
May.....	179,015	41.8	35.6	74,828	63,729	73.3	131,118
June.....	183,769	28.1	41.4	66,341	76,080	62.5	114,856
July.....	211,721	46.9	47.4	90,297	100,356	53.6	113,482
August.....	247,747	47.2	47.0	116,937	116,441	48.8	120,901
September.....	279,522	48.3	47.5	135,009	132,773	50.5	141,159
October.....	302,478	48.3	49.2	146,096	148,818	50.2	151,943
November.....	356,778	45.5	45.4	162,334	161,977	52.5	187,308
December.....	366,022	45.5	45.3	166,085	165,355	49.5	190,686
1924							
January.....	373,584	44.8	45.5	167,366	169,981	45.9	171,475
February.....	393,644	45.7	46.3	179,895	182,257	41.8	194,543
March.....	448,002	47.4	50.0	212,780	224,451	40.0	179,561
April.....	479,225	52.4	53.2	251,114	254,948	42.1	201,754
May.....	499,889	51.3	51.5	256,443	257,443	43.2	215,952
June.....	514,861	52.6	51.8	270,817	266,698	44.9	231,173
July.....	532,183	51.5	51.5	274,074	274,074	44.6	238,418
August.....	569,126	51.5	51.5	293,100	293,100	44.1	250,985
September.....	622,502	51.5	51.5	320,589	320,589	44.3	275,768
October.....	671,368	51.5	51.5	345,770	345,770	47.7	320,257
November.....	725,222	51.5	51.5	373,489	373,489	48.0	348,204
December.....	772,832	51.5	51.5	398,008	398,008	48.1	370,978
1925							
January.....	795,792	51.6	51.5	410,629	409,833	47.8	390,389
February.....	766,527	51.5	51.5	394,761	394,761	46.5	356,435
March.....	787,614	51.4	51.5	404,834	405,621	45.3	356,790
April.....	822,961	51.4	51.5	423,002	423,825	41.2	339,090
May.....	846,006	51.4	-----	434,848	-----	40.5	342,633

¹ Circulation figures, as of the 1st of each month, include notes issued both by the treasury and the State bank, silver and copper coins, and temporary scrip therefor, also certificates issued by the Commissariats of Finance and of Means of communication. Amounts of treasury notes outstanding have been reduced to their equivalents in terms of chevronets (State bank notes) rubles.

² Based upon "free" Moscow quotations of the dollar.

³ Purchasing-power parities are based upon 1st-of-month index numbers of wholesale prices, published by the Russian State Planning Commission, and on the average wholesale price index numbers of the U. S. Bureau of Labor Statistics.

TABLE 88.—Russia—Imports and exports of merchandise, annually, 1909-1924

[Quantities in millions of pounds of 36.112 pounds each; values in millions of rubles on the basis of 1913 values. Source: Gosudarstvennoye Narodnoye Khozjalstvo, U. S. S. R., 1922-23, published by the Commissariat of Finance, and Ekonomicheskoye Obozreniye, April, 1925]

	Imports				Exports			
	Quantities		Values		Quantities		Values	
	Millions of pounds	In percentages of 1909-1913	Millions of rubles	In percentages of 1909-1913	Millions of pounds	In percentages of 1909-1913	Millions of rubles	In percentages of 1909-1913
1909-1913.....	686	100	1,139.6	100	1,501	100	1,501	100
1914.....	649	93.2	1,098.0	95.3	814	54.4	956	63.6
1915.....	240	35.0	1,138.6	99.9	150	10.0	402	26.7
1916 ¹	250	36.4	1,716.5	150.6	144	9.1	476	31.7
1917 ¹	178	26.0	1,965.8	172.5	59.6	4.0	464	30.9
1918.....	11.5	1.7	61.1	5.3	1.8	.1	7.5	.5
1919.....	.5	.1	3.0	.3	1	-----	52.4	3.5
1920.....	5.2	.8	37.2	3.2	-----	-----	1.1	.1
1921.....	53.3	8.1	248.7	21.8	13.0	.9	21.3	1.4
1922.....	124.6	18.5	374.5	34.1	56.3	3.8	81.6	5.6
1923.....	55.3	8.1	147.9	13.0	131.9	8.8	133.2	8.9
1924.....	51.8	7.6	207.7	18.1	374.4	24.9	339.9	22.6

¹ Figures of trade over the European frontier only.

² Fiscal years and Sept. 30; trade over European frontier only.

TABLE 89.—Russia—Imports and exports of merchandise, monthly, 1922—1924

Quantities in thousands of poods of 36.112 pounds each; values in thousands of rubles on basis of 1913 prices¹

	Imports (commercial only)				Exports			
	Quantities		Values		Quantities		Values	
	1922-23	1923-24	1922-23	1923-24	1922-23	1923-24	1922-23	1923-24
October.....	12,386	7,061	24,154	16,644	10,295	37,311	12,107	26,719
November.....	6,877	9,920	13,873	14,767	4,650	41,223	9,190	39,290
December.....	3,577	8,611	11,426	14,207	4,418	37,420	6,636	35,500
January.....	2,604	3,039	6,219	12,490	3,449	22,945	5,115	22,871
February.....	2,135	2,350	5,839	13,368	4,634	22,231	6,095	24,878
March.....	2,993	5,324	8,170	12,015	7,478	20,294	8,739	31,019
April.....	1,788	3,037	9,023	12,300	5,936	21,954	7,372	22,109
May.....	1,833	1,985	9,747	15,090	12,989	31,747	10,839	24,378
June.....	7,623	3,586	17,973	18,685	14,963	29,041	15,875	25,151
July.....	3,358	3,990	10,176	23,511	21,451	33,088	17,080	29,790
August.....	3,628	4,721	10,574	28,615	21,506	27,058	16,193	24,042
September.....	6,808	5,076	20,729	26,116	20,143	32,091	18,000	28,196
Total ²	55,310	151,750	147,892	1,206,808	131,912	1,265,103	133,241	1,332,941

¹ Exclusive of imports and exports by way of Black Sea ports, for which only annual figures are shown, viz: imports, 1922-24, 81,000 poods, valued at 878,000 pre-war rubles; exports, 1922-24, 9,266,000 poods, valued at 6,921,000 pre-war rubles.

TABLE 90.—Russia—Imports and exports, by countries, 1913, 1923, and 1924

[In thousands of rubles on the basis of 1913 prices]

	Imports			Exports		
	1913 (calendar year)	Years ending Sept. 30—		1913 (calendar year)	Years ending Sept. 30—	
		1923	1924		1923	1924
Great Britain.....	173,012	37,130	53,521	267,801	28,918	78,645
Germany.....	652,209	60,967	52,893	463,584	42,631	94,403
Latvia.....	.....	7,246	1,740	.....	18,983	37,311
Estonia.....	.....	4,946	5,311	.....	8,486	14,791
Netherlands.....	21,389	2,369	2,067	177,412	7,148	21,593
Finland.....	50,959	5,093	7,862	55,284	6,127	9,417
Turkey.....	18,440	757	.....	35,783	5,169	24,176
Belgium.....	8,874	773	.....	64,663	1,694	6,484
Poland.....	.....	8,967	3,961	.....	3,135	.....
Austria-Hungary.....	85,698	26	2,532	65,297	615	.....
Italy.....	16,808	743	1,067	73,761	3,869	15,268
France.....	56,990	164	2,077	100,879	581	14,010
Sweden.....	16,926	7,294	10,214	11,422	799	2,484
Norway.....	9,770	3,298	4,052	6,696	703	.....
Denmark.....	12,867	19	.....	36,425	1,794	10,680
United States.....	79,093	4,426	42,833	14,155	546	6,009
Persia.....	43,626	2,311	.....	57,703	452	.....
China.....	84,054	1	.....	31,490	.....	.....
Rumania.....	1,403	.....	.....	21,692	366	.....
All other countries.....	91,916	782	16,981	56,068	2,732	31,027
Total.....	1,374,084	147,892	207,691	1,520,135	133,241	339,868

On the basis of current prices imports for 1923 are estimated at 187,000,000 rubles and exports at 235,600,000 to 252,000,000 rubles; imports for 1924 at 348,000,000 rubles and exports at 480,400,000 rubles.

SPAIN

TABLE 91.—Bank of Spain—Circulation and reserves, 1914-1925

[Source: Weekly statements of the Bank of Spain, and Spanish Finance and Trade, Special Agents' Series No. 202, Department of Commerce. See chart 56. 000,000 omitted]

Month	Reserves			Notes in circulation	Per cent- age of gold and silver to notes	Per cent- age of gold to notes
	Silver	Gold	Total			
	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>		
'14						
July.....	730	543	1,273	1,919	66.3	28.2
August.....	686	545	1,231	1,997	61.6	27.2
September.....	688	549	1,237	1,986	62.2	27.6
October.....	697	552	1,249	1,985	62.9	27.8
November.....	706	565	1,271	1,960	64.8	28.8
December.....	709	573	1,282	1,974	64.9	29.0
1915						
January.....	721	581	1,302	1,984	65.6	29.2
February.....	729	588	1,316	1,983	66.3	29.6
March.....	735	596	1,331	1,976	67.2	30.1
April.....	738	608	1,344	1,993	67.4	30.5
May.....	744	671	1,415	2,001	70.7	32.5
June.....	747	690	1,437	1,972	72.8	34.9
July.....	744	698	1,442	2,001	70.7	34.8
August.....	744	718	1,462	2,011	72.8	35.7
September.....	710	742	1,452	2,023	71.8	36.5
October.....	739	793	1,534	2,074	73.9	38.3
November.....	753	843	1,596	2,060	77.4	40.9
December.....	753	867	1,620	2,100	77.0	41.0
1916						
January.....	760	895	1,655	2,115	78.2	42.2
February.....	762	915	1,677	2,137	78.4	42.8
March.....	766	934	1,700	2,122	80.1	44.0
April.....	765	972	1,737	2,158	80.4	45.0
May.....	768	1,006	1,776	2,152	83.5	46.8
June.....	767	1,032	1,799	2,152	82.5	47.9
July.....	765	1,091	1,856	2,212	83.9	49.2
August.....	760	1,143	1,903	2,222	85.6	51.4
September.....	755	1,173	1,928	2,259	83.7	51.9
October.....	747	1,186	1,933	2,309	83.7	51.2
November.....	746	1,201	1,947	2,317	84.0	51.8
December.....	741	1,251	1,992	2,360	84.0	52.0
1917						
January.....	748	1,285	2,033	2,365	85.9	54.2
February.....	748	1,318	2,066	2,388	86.5	55.1
March.....	754	1,357	2,011	2,377	84.6	57.0
April.....	755	1,384	2,139	2,410	88.7	59.6
May.....	757	1,444	2,202	2,422	90.8	61.8
June.....	756	1,574	2,330	2,477	94.0	65.0
July.....	750	1,661	2,411	2,553	94.4	66.0
August.....	742	1,812	2,554	2,592	96.5	69.9
September.....	735	1,926	2,661	2,645	96.6	72.8
October.....	725	1,949	2,674	2,718	96.3	71.7
November.....	721	1,962	2,683	2,741	97.7	71.5
December.....	709	1,967	2,676	2,790	96.0	70.0
1918						
January.....	713	1,975	2,688	2,811	96.6	70.2
February.....	710	1,989	2,699	2,833	95.2	70.2
March.....	709	2,007	2,716	2,853	95.1	70.2
April.....	711	2,040	2,751	2,911	94.5	70.0
May.....	709	2,061	2,770	2,927	94.6	70.4
June.....	704	2,101	2,805	2,911	96.2	72.8
July.....	676	2,144	2,820	2,944	98.7	73.9
August.....	653	2,186	2,838	2,954	96.0	72.9
September.....	655	2,196	2,850	2,915	95.5	70.6
October.....	649	2,208	2,855	3,121	91.4	68.8
November.....	646	2,228	2,874	3,234	88.8	67.0
December.....	641	2,228	2,870	3,234	86.0	67.0
1919						
January.....	645	2,220	2,874	3,337	86.1	66.7
February.....	644	2,225	2,873	3,436	83.6	64.8
March.....	648	2,250	2,907	3,471	83.7	65.0
April.....	650	2,291	2,911	3,508	83.1	64.5
May.....	655	2,266	2,921	3,516	83.0	64.4
June.....	657	2,271	2,928	3,517	83.2	64.5
July.....	651	2,348	2,999	3,564	83.6	65.5
August.....	649	2,410	3,059	3,645	83.9	64.8
September.....	641	2,410	3,051	3,715	82.1	63.5
October.....	633	2,415	3,048	3,798	80.2	62.5
November.....	634	2,420	3,054	3,831	79.7	62.1
December.....	630	2,446	3,076	3,856	78.0	61.0

TABLE 91.—Bank of Spain—Circulation and reserves, 1914—1925—Continued

Month	Reserves			Notes in circulation	Per cent- age of gold and silver to notes	Per cent- age of gold to notes
	Silver	Gold	Total			
1920						
January.....	Pesetas 638	Pesetas 2,453	Pesetas 3,091	Pesetas 3,859	80.0	63.6
February.....	637	2,453	3,090	3,851	80.2	63.6
March.....	633	2,453	3,086	3,843	80.3	63.6
April.....	628	2,453	3,081	3,879	79.4	63.2
May.....	623	2,453	3,075	3,868	79.4	63.2
June.....	621	2,463	3,073	3,872	79.3	63.3
July.....	609	2,452	3,061	3,920	78.0	61.6
August.....	610	2,474	3,084	3,985	77.3	62.0
September.....	594	2,453	3,047	4,046	75.3	60.5
October.....	583	2,454	3,037	4,218	72.0	58.1
November.....	628	2,509	3,136	4,206	73.6	58.5
December.....	574	2,467	3,041	4,230	70.0	56.7
1921						
January.....	582	2,468	3,045	4,299	70.8	57.2
February.....	586	2,471	3,057	4,243	70.1	58.2
March.....	588	2,473	3,066	4,223	72.6	58.6
April.....	606	2,483	3,086	4,223	72.6	58.9
May.....	613	2,485	3,098	4,202	73.7	59.1
June.....	623	2,488	3,110	4,171	74.5	59.6
July.....	628	2,492	3,120	4,160	75.0	59.9
August.....	626	2,496	3,122	4,183	74.6	59.6
September.....	624	2,502	3,126	4,207	74.3	59.4
October.....	621	2,505	3,126	4,222	72.8	56.3
November.....	628	2,524	3,136	4,206	73.6	60.0
December.....	625	2,513	3,138	4,244	73.9	59.2
1922						
January.....	631	2,516	3,147	4,263	73.8	76.8
February.....	635	2,518	3,153	4,172	75.5	60.3
March.....	637	2,520	3,157	4,135	76.2	60.9
April.....	639	2,522	3,161	4,179	75.6	60.3
May.....	642	2,522	3,164	4,150	76.0	60.6
June.....	648	2,523	3,171	4,127	75.1	60.8
July.....	641	2,522	3,174	4,128	76.8	60.8
August.....	648	2,523	3,171	4,154	76.3	60.7
September.....	648	2,523	3,172	4,149	76.6	60.9
October.....	643	2,523	3,166	4,136	76.5	60.9
November.....	648	2,524	3,172	4,090	77.5	60.2
December.....	646	2,525	3,170	4,137	76.6	60.9
1923						
January.....	654	2,525	3,179	4,103	77.4	60.4
February.....	657	2,525	3,182	4,077	78.0	60.0
March.....	658	2,525	3,184	4,101	77.6	60.4
April.....	663	2,525	3,184	4,105	77.6	60.4
May.....	664	2,526	3,189	4,105	77.0	60.4
June.....	668	2,526	3,194	4,074	78.3	60.1
July.....	667	2,526	3,193	4,122	77.4	60.7
August.....	661	2,526	3,187	4,203	75.8	60.0
September.....	661	2,526	3,187	4,170	76.4	60.5
October.....	651	2,527	3,178	4,270	74.4	59.1
November.....	650	2,528	3,178	4,263	74.5	59.3
December.....	649	2,528	3,177	4,338	73.2	58.2
1924						
January.....	655	2,528	3,183	4,336	73.4	58.3
February.....	657	2,528	3,185	4,322	73.7	58.5
March.....	660	2,528	3,188	4,322	73.8	58.6
April.....	659	2,530	3,190	4,337	73.6	58.3
May.....	661	2,533	3,194	4,339	73.6	58.4
June.....	661	2,534	3,195	4,343	73.6	58.3
July.....	661	2,535	3,196	4,364	73.2	58.1
August.....	655	2,535	3,196	4,385	72.7	57.7
September.....	651	2,535	3,190	4,458	71.6	56.9
October.....	651	2,535	3,186	4,529	70.3	56.0
November.....	656	2,535	3,191	4,474	71.3	56.7
December.....	652	2,535	3,187	4,535	70.3	56.0
1925						
January.....	662	2,536	3,198	4,529	70.6	56.0
February.....	659	2,536	3,195	4,472	71.4	56.7
March.....	655	2,536	3,191	4,397	72.5	57.7
April.....	648	2,536	3,184	4,364	73.0	58.1
May.....	652	2,536	3,188	4,296	74.2	59.0

TABLE 92.—Spain—Wholesale prices, 1921-1925

[Index numbers of the Institute of Geography and Statistics; 74 commodities, 1913=100. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of the 1913 average exchange rate of 18.026 cents per peseta. See chart 61]

Month	On paper currency basis	Converted to gold basis	Month	On paper currency basis	Converted to gold basis
1921			1923		
January.....	219	245	March.....	171	147
February.....	203	230	April.....	174	148
March.....	193	222	May.....	171	144
April.....	191	215	June.....	170	141
May.....	187	210	July.....	170	135
June.....	186	206	August.....	171	130
July.....	186	200	September.....	174	131
August.....	183	195	October.....	171	128
September.....	183	193	November.....	176	128
October.....	185	197	December.....	178	127
November.....	184	202	1924		
December.....	183	198	January.....	178	126
1922			February.....	180	127
January.....	180	189	March.....	180	127
February.....	179	173	April.....	184	129
March.....	177	173	May.....	179	137
April.....	180	175	June.....	179	134
May.....	178	166	July.....	182	134
June.....	178	164	August.....	182	135
July.....	176	155	September.....	184	135
August.....	176	147	October.....	186	138
September.....	174	142	November.....	181	137
October.....	172	137	December.....	198	153
November.....	174	128	1925		
December.....	172	125	January.....	191	150
1923			February.....	192	151
January.....	170	148	March.....	193	152
February.....	170	148	April.....	190	151

TABLE 93.—Spain—Exchange rates, 1915-1925

1915-1917, Madrid on New York; 1918 to date, New York on Madrid. From 1915 to 1918, bankers' checks; January, 1919, to June, 1921, sight drafts; July, 1921, to date, noon buying rates for cable transfers. Average rates, January, 1915, to October, 1918, are mid points between the monthly high and low rates; from January, 1921, to date the averages are monthly averages of daily rates. Source: Financial Review and Federal Reserve Board. See Chart 59. Par., 19.29 cents per peseta]

Month	Cents per peseta			Month	Cents per peseta		
	High	Low	Average		High	Low	Average
1915				1916			
January.....	19.24	19.22	19.23	July.....	20.25	20.07	20.16
February.....	19.49	19.30	19.40	August.....	20.18	20.10	20.14
March.....	19.78	19.51	19.65	September.....	20.17	20.10	20.14
April.....	20.05	19.92	19.99	October.....	20.30	20.10	20.20
May.....	19.80	19.01	19.41	November.....	20.58	20.22	20.39
June.....	19.08	18.58	18.83	December.....	21.35	20.55	20.96
July.....	19.23	18.60	18.92	1917			
August.....	19.36	18.64	19.00	January.....	21.50	21.09	21.25
September.....	19.00	18.72	18.86	February.....	21.30	21.00	21.15
October.....	19.05	18.95	19.00	March.....	21.70	21.08	21.39
November.....	19.03	18.95	18.99	April.....	21.95	21.25	21.60
December.....	18.90	18.80	18.85	May.....	22.60	21.70	22.15
1916				June.....	23.60	22.45	23.03
January.....	19.15	18.85	19.00	July.....	23.30	22.10	22.70
February.....	19.00	19.00	19.00	August.....	22.90	22.10	22.50
March.....	19.20	19.00	19.10	September.....	24.00	22.05	23.03
April.....	19.75	19.20	19.48	October.....	23.60	23.25	23.43
May.....	20.00	19.55	19.78	November.....	23.70	23.40	23.55
June.....	20.60	20.05	20.33	December.....	24.45	23.70	24.08

STATISTICAL TABLES—SPAIN

371

TABLE 93.—Spain—Exchange rates, 1916—1925—Continued

Month	Cents per peseta			Month	Cents per peseta		
	High	Low	Average		High	Low	Average
1918				1921			
January.....	24.45	24.05	24.25	October.....	13.45	13.03	13.25
February.....	24.25	24.00	24.13	November.....	14.07	13.53	13.72
March.....	25.30	24.25	24.93	December.....	15.19	13.95	14.05
April.....	30.75	25.45	28.10	1922			
May.....	28.50	27.50	28.00	January.....	15.18	14.85	14.98
June.....	28.50	27.25	27.88	February.....	15.08	15.20	15.09
July.....	27.55	26.50	27.03	March.....	15.03	15.36	15.05
August.....	26.75	23.00	24.88	April.....	15.58	15.27	15.51
September.....	23.40	22.50	22.95	May.....	16.00	15.53	15.68
October.....	22.40	20.30	21.35	June.....	15.87	15.45	15.63
November.....	20.40	19.65	20.10	July.....	15.07	15.47	15.56
December.....	20.20	19.73	20.06	August.....	15.65	15.49	15.56
1919				September.....	15.52	15.10	15.30
January.....	20.14	20.05	20.17	October.....	15.39	15.13	15.25
February.....	21.10	20.08	20.80	November.....	15.39	15.16	15.28
March.....	21.10	20.13	20.71	December.....	15.79	15.36	15.64
April.....	20.38	20.10	20.32	1923			
May.....	20.25	20.00	20.24	January.....	15.79	15.53	15.66
June.....	20.06	19.75	20.01	February.....	15.81	15.59	15.66
July.....	19.72	19.05	19.40	March.....	15.61	15.36	15.47
August.....	19.75	18.88	19.20	April.....	15.35	15.26	15.32
September.....	19.25	18.80	19.06	May.....	15.29	15.20	15.23
October.....	19.28	19.08	19.21	June.....	15.20	14.49	14.92
November.....	20.10	19.28	19.78	July.....	14.50	14.19	14.30
December.....	19.90	18.90	19.51	August.....	14.18	13.28	13.66
1920				September.....	14.19	13.33	13.58
January.....	19.20	18.05	18.91	October.....	13.52	13.55	13.47
February.....	18.00	16.80	17.45	November.....	13.35	12.83	13.08
March.....	17.90	17.25	17.60	December.....	13.09	12.91	13.04
April.....	17.90	16.95	17.48	1924			
May.....	18.97	16.40	16.80	January.....	12.83	12.65	12.75
June.....	16.70	16.25	16.56	February.....	12.89	12.58	12.74
July.....	16.52	16.32	16.90	March.....	13.58	12.13	12.73
August.....	15.27	14.85	15.10	April.....	14.16	13.03	13.64
September.....	14.95	14.51	14.78	May.....	13.88	13.61	13.80
October.....	14.66	13.71	14.33	June.....	13.58	13.38	13.45
November.....	13.85	11.80	13.03	July.....	13.40	13.12	13.30
December.....	13.81	12.71	13.07	August.....	13.53	13.25	13.41
1921				September.....	13.49	13.12	13.24
January.....	13.97	13.11	13.51	October.....	13.48	13.27	13.40
February.....	14.20	13.82	14.02	November.....	13.78	13.48	13.60
March.....	14.04	13.81	13.97	December.....	14.20	13.73	13.96
April.....	14.00	13.84	13.95	1925			
May.....	13.98	12.50	13.59	January.....	14.32	13.99	14.18
June.....	13.34	12.84	13.08	February.....	14.31	14.15	14.22
July.....	12.94	12.62	12.82	March.....	14.28	14.17	14.29
August.....	13.07	12.02	12.93	April.....	14.57	14.20	14.29
September.....	13.10	12.96	13.02	May.....	14.70	14.42	14.53
				June.....	14.64	14.52	14.57

TABLE 94.—Spain—Purchasing-power parities, 1921-1925

(According to index numbers of Instituto Geográfico y Estadístico for Spain, and of Federal Reserve Board for United States. See chart 60)

Month	United States index of prices	Spanish index of prices	Purchasing-power parities (U. S. index X par Spanish index)	Average exchange rates, cables in New York	Per cent purchasing-power parities are of exchange rates
1921					
January.....	168	219	13.23	13.51	68.57
February.....	157	203	13.94	14.02	68.37
March.....	152	193	14.20	13.97	68.67
April.....	146	191	13.78	13.95	67.81
May.....	145	187	13.98	13.59	69.07
June.....	142	186	13.86	13.08	69.27
July.....	146	186	14.15	12.82	72.94
August.....	147	183	14.48	12.89	75.42
September.....	147	183	14.48	13.02	75.97
October.....	146	185	14.23	13.25	74.08
November.....	145	184	14.20	13.72	71.79
December.....	143	183	14.09	14.65	72.22
1922					
January.....	142	180	14.22	14.98	75.20
February.....	146	179	14.70	15.89	84.24
March.....	147	177	14.97	15.65	85.06
April.....	149	180	14.92	15.51	85.35
May.....	158	178	16.00	15.68	95.24
June.....	161	178	16.30	15.69	99.43
July.....	165	175	17.00	15.56	106.52
August.....	166	176	17.10	15.55	113.25
September.....	164	174	16.99	16.30	115.11
October.....	165	172	17.29	16.25	120.66
November.....	164	174	16.99	15.28	130.39
December.....	165	172	17.29	15.64	132.29
1923					
January.....	166	170	17.60	15.66	112.39
February.....	166	170	17.60	15.66	112.39
March.....	169	171	17.82	15.47	115.19
April.....	170	174	17.61	15.32	114.95
May.....	167	171	17.60	15.23	115.56
June.....	164	170	17.39	14.92	116.55
July.....	159	170	16.86	14.30	117.90
August.....	159	171	16.78	13.66	122.69
September.....	163	174	16.89	13.58	124.37
October.....	163	171	17.18	13.47	127.54
November.....	163	176	16.69	13.08	127.60
December.....	163	176	16.69	13.04	127.99
1924					
January.....	163	178	16.51	12.75	129.49
February.....	163	180	16.32	12.74	128.10
March.....	160	180	16.02	12.73	125.84
April.....	158	184	15.48	13.64	113.49
May.....	156	179	15.71	13.80	113.84
June.....	154	179	15.51	13.46	115.28
July.....	156	182	15.45	13.30	116.17
August.....	158	182	15.65	13.41	116.70
September.....	156	184	15.28	13.24	115.41
October.....	159	186	15.41	13.40	115.00
November.....	160	181	15.93	13.60	117.13
December.....	165	196	15.02	13.96	107.66
1925					
January.....	168	191	15.86	14.18	111.85
February.....	167	192	15.68	14.22	110.27
March.....	169	193	15.78	14.29	110.43
April.....	164	190	15.56	14.29	108.89

NOTE.—In place of the nominal par of exchange (19.29 cents), which has little practical significance, there was used in the computations the average value of the peseta in dollars for 1913, computed from Madrid rates on London and on Paris in 1913, namely, 18.026 cents per peseta.

TABLE 95.—Spain—Exchange rates and gold value of silver in 100 pesetas, 1868—1924

[Exchange rates, Madrid on Paris, sight drafts. Price of silver in London, 1868-1914, and in New York, 1914-1924. Silver content of the 5-peseta piece was used; the 5-peseta piece contains 25 grams of silver 0.900 fin. See chart 55]

Year	Francs for 100 pesetas		Value in gold francs of silver in 100 pesetas	Year	Francs for 100 pesetas		Value in gold francs of silver in 100 pesetas
	High	Low			High	Low	
1868	102.20	101.20	99.4	1897	80.91	74.68	45.3
1869	104.60	101.60	99.4	1898	79.37	46.51	44.3
1870	104.80	100.80	99.6	1899	85.47	74.29	45.1
1871	107.20	102.20	99.4	1900	80.39	74.40	46.5
1872	104.60	101.20	99.1	1901	76.63	69.71	44.7
1873	105.80	100.40	97.3	1902	76.48	71.89	39.5
1874	105.20	100.80	95.9	1903	76.34	72.67	40.7
1875	102.20	100.60	93.2	1904	74.63	71.43	43.4
1876	101.40	99.60	87.3	1905	79.11	74.60	46.8
1877	100.80	98.60	90.1	1906	94.25	79.27	50.8
1878	100.89	98.80	80.5	1907	92.76	86.84	49.6
1879	100.60	98.20	84.3	1908	90.09	86.69	40.1
1880	103.20	100.20	85.9	1909	93.72	89.37	39.0
1881	101.10	98.20	84.9	1910	92.90	92.51	40.5
1882	99.40	96.81	85.2	1911	93.24	91.58	40.4
1883	98.90	96.20	83.1	1912	94.88	92.64	46.1
1884	99.40	97.90	83.3	1913	95.33	91.74	45.3
1885	99.80	96.60	79.9	1914	111.11	93.81	42.2
1886	99.80	96.50	74.6	1915	112.61	98.77	38.3
1887	99.40	98.20	73.4	1916	128.90	110.99	50.4
1888	99.06	97.90	70.5	1917	139.37	121.80	63.0
1889	99.06	94.88	70.1	1918	163.18	104.99	73.8
1890	98.67	94.03	75.5	1919	246.91	108.58	84.1
1891	97.85	87.64	74.1	1920	300.30	174.52	76.4
1892	90.09	82.64	65.4	1921	226.24	142.86	47.3
1893	87.15	80.74	58.5	1922	243.31	166.25	50.9
1894	90.70	81.29	47.6	1923			48.9
1895	93.50	81.97	49.0	1924			56.3
1896	84.89	78.77	50.7				

TABLE 96.—Spain—Imports and exports of merchandise, 1900—1923

Excluding gold and silver

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise. Source: Anuario Estadístico de España. See chart 57]

Year	Imports	Exports	Excess of	
			Imports	Exports
	Pesetas	Pesetas	Pesetas	Pesetas
1900	986,441,000	838,122,000	150,319,000	
1901	943,401,000	790,545,000	152,856,000	
1902	921,615,000	850,638,000	70,979,000	
1903	975,860,000	945,978,000	29,882,000	
1904	955,422,000	950,889,000		1,267,000
1905	1,087,062,000	993,871,000	93,191,000	
1906	1,056,090,000	937,184,000	118,906,000	
1907	997,374,000	991,994,000	5,380,000	
1908	1,070,363,000	869,496,000	200,867,000	
1909	1,049,999,000	1,019,264,000	30,735,000	
1910	1,104,448,000	1,075,296,000	29,152,000	
1911	1,071,821,000	1,101,260,000		29,439,000
1912	1,140,651,000	1,146,962,000		6,311,000
1913	1,414,948,000	1,186,008,000	218,940,000	
1914	1,110,866,000	942,061,000	167,775,000	
1915	1,232,527,000	1,286,277,000		53,750,000
1916	1,328,766,000	1,428,772,000		97,006,000
1917	1,370,963,000	1,375,618,000		4,655,000
1918	650,182,000	1,037,104,000		386,922,000
1919	1,183,889,000	1,372,862,000		238,973,000
1920	1,503,785,000	1,095,725,000	408,060,000	
1921	1,261,397,000	812,441,000	448,956,000	
1922	3,036,880,000	1,483,265,000	1,553,615,000	
1923	3,059,541,000	1,891,719,000	1,467,822,000	

TABLE 97.—Spain—Imports and exports of merchandise, 1910-1923

[Source: Resúmenes Mensuales de la Estadística del Comercio de España. See chart 58]

Month	Imports	Exports	Excess	
			Imports	Exports
1910				
January.....	Pesetas 74,253,209	Pesetas 77,763,512		
February.....	78,217,544	72,906,447	5,221,097	3,410,308
March.....	87,965,454	79,142,035	8,823,419	
April.....	74,025,525	78,952,703		4,927,238
May.....	81,161,280	77,638,481	3,522,805	
June.....	71,960,354	73,479,127		1,518,778
July.....	87,102,611	71,158,290	15,944,381	
August.....	86,678,575	73,403,716	13,275,859	
September.....	81,319,220	78,885,615	2,433,605	
October.....	79,327,673	94,210,436		14,882,763
November.....	82,035,987	79,855,523	2,180,464	
December.....	106,398,767	96,782,482	8,616,285	
1911				
January.....	72,010,374	69,508,606	2,501,768	
February.....	81,758,856	82,571,835		912,979
March.....	80,235,425	84,555,625	1,679,773	
April.....	79,247,707	75,606,299	3,641,408	
May.....	88,089,812	79,642,156	8,447,656	
June.....	83,466,435	67,787,908	15,678,527	
July.....	94,946,933	67,627,290	27,318,643	
August.....	78,940,301	71,494,854	7,445,667	
September.....	75,028,778	74,311,909		1,283,131
October.....	89,435,439	99,724,525		19,289,087
November.....	86,013,495	83,113,026	2,900,469	
December.....	85,864,407	97,796,574		11,935,067
1912				
January.....	76,615,637	83,526,309		6,910,672
February.....	83,761,845	86,949,144		2,187,299
March.....	79,784,126	81,936,032		12,171,906
April.....	73,997,251	84,413,297		10,416,046
May.....	87,593,875	82,924,362	4,669,513	
June.....	75,409,164	77,583,301		2,174,197
July.....	86,933,268	79,208,517	7,724,781	
August.....	93,294,084	75,878,976	17,415,108	
September.....	91,015,150	81,950,925	9,064,225	
October.....	90,007,429	95,010,708		5,003,279
November.....	101,396,035	93,334,433	8,061,602	
December.....	109,696,213	99,772,330	9,923,883	
1913				
January.....	100,936,871	89,124,854	11,811,717	
February.....	112,911,104	78,368,077	34,543,027	
March.....	106,724,819	90,346,105	18,378,714	
April.....	123,425,235	97,423,202	26,002,033	
May.....	96,491,942	84,028,411	12,373,531	
June.....	104,975,111	81,093,203	23,881,908	
July.....	107,583,132	81,026,539	26,556,593	
August.....	112,256,884	84,046,579	28,210,306	
September.....	109,772,019	90,575,716	19,196,303	
October.....	103,264,086	102,472,275	2,791,821	
November.....	104,936,870	95,476,003	9,460,867	
December.....	107,128,787	89,311,908	17,816,879	
1914				
January.....	95,991,046	82,094,876	13,816,170	
February.....	93,024,608	77,335,756	15,688,852	
March.....	97,250,013	84,277,281	12,972,732	
April.....	110,647,454	77,263,583	33,383,871	
May.....	93,263,643	69,631,964	23,631,679	
June.....	98,762,338	76,427,390	22,334,949	
July.....	109,691,877	78,024,756	22,667,121	
August.....	86,040,300	43,855,332	42,184,968	
September.....	93,580,230	42,900,478	20,619,762	
October.....	57,740,571	67,033,566		9,292,996
November.....	59,664,544	72,494,384		12,829,840
December.....	81,470,809	103,745,856		42,275,047
1915				
January.....	66,739,702	103,858,878		35,119,176
February.....	72,481,236	107,364,068		34,883,462
March.....	102,376,363	119,815,282		17,438,919
April.....	96,907,379	103,456,184		6,548,805
May.....	82,657,076	87,784,020		5,126,944
June.....	91,275,881	100,496,880		9,220,999
July.....	87,026,642	97,255,715		10,229,074
August.....	73,439,540	87,628,637		14,189,097
September.....	60,497,497	90,229,866		29,729,066
October.....	67,368,421	114,841,269		47,442,848
November.....	79,400,508	121,659,271		42,158,763
December.....	86,261,377	104,624,011		18,623,734

TABLE 97.—Spain—Imports and exports of merchandise, 1910—1923—Continued

Month	Imports	Exports	Excess	
			Imports	Exports
1916				
January	75,922,822	94,017,471		18,094,649
February	74,105,441	111,797,508		37,691,808
March	85,668,072	121,074,330		35,405,658
April	92,500,313	125,659,256		33,158,943
May	99,266,917	125,096,012		25,829,095
June	67,987,205	99,682,856		31,695,651
July	81,522,954	118,479,826		36,956,872
August	71,174,602	102,153,892		30,979,290
September	72,445,081	100,935,566		27,490,476
October	74,785,814	134,486,555		59,700,741
November	70,551,033	109,939,378		39,388,345
December	84,990,540	107,945,211		22,955,671
1917				
January	74,904,374	129,338,874		54,434,500
February	78,861,304	89,240,056		10,378,752
March	83,242,349	101,458,765		18,216,416
April	59,744,424	111,702,977		51,958,553
May	59,509,017	125,611,385		66,102,368
June	59,611,362	116,475,036		56,864,574
July	58,154,045	130,996,929		72,842,884
August	53,038,112	95,463,394		42,425,282
September	47,000,275	92,578,125		45,577,850
October	53,096,916	109,513,523		56,416,607
November	53,724,622	103,670,453		49,945,831
December	52,906,668	115,304,037		62,397,369
1918				
January	51,887,899	70,685,930		18,798,031
February	38,171,757	64,182,159		26,010,402
March	38,551,070	60,138,635		27,586,965
April	38,353,193	67,306,909		28,953,716
May	51,290,980	67,185,918		15,894,938
June	59,148,202	76,261,603		17,113,401
July	51,472,474	101,511,931		50,039,457
August	46,531,532	86,155,383		39,623,851
September	48,462,246	97,701,219		49,238,973
October	36,216,580	76,553,669		40,337,089
November	66,885,328	92,114,178		25,228,850
December	62,906,161	131,981,568		69,075,407
1919				
January	56,114,167	103,771,443		47,657,276
February	64,230,328	114,001,121		49,770,793
March	76,768,955	118,851,032		42,082,077
April	69,574,746	109,047,703		39,472,957
May	68,778,658	107,815,381		39,036,673
June	64,871,832	115,926,009		51,054,177
July	63,638,415	107,636,229		44,000,814
August	61,921,779	102,211,229		40,289,449
September	84,261,095	110,392,529		26,131,434
October	87,070,511	121,862,329		34,821,818
November	79,176,990	98,194,548		19,017,558
December	71,703,811	111,344,403		39,580,592
1920				
January	79,051,127	62,239,349	16,811,778	
February	103,436,695	88,353,116	15,083,579	
March	127,865,248	105,896,435	21,968,813	
April	100,424,344	94,060,333	6,364,011	
May	119,825,038	81,342,846	38,482,192	
June	135,436,849	93,616,062	41,820,787	
July	120,711,544	82,906,678	37,804,866	
August	148,651,420	73,966,781	74,684,639	
September	115,297,242	74,263,470	41,033,772	
October	107,960,590	64,668,503	43,292,087	
November	115,008,118	88,628,639	26,379,479	
December	147,966,695	70,052,328	77,904,367	
1921				
January	139,890,728	62,961,907	76,928,821	
February	138,639,761	62,527,881	76,111,880	
March	115,970,004	61,758,430	54,211,574	
April	120,120,527	59,093,615	61,026,911	
May	125,452,188	51,733,614	73,718,574	
June	103,966,294	49,767,939	54,198,355	
July	86,961,715	52,902,444	33,999,271	
August	175,463,951	67,421,383	108,042,568	
September	215,695,593	180,900,283	34,795,310	
October	97,571,661	80,645,354	16,926,307	
November	101,578,531	78,420,969	23,157,562	
December	168,527,710	165,837,205	2,690,505	

TABLE 97.—Spain—Imports and exports of merchandise, 1910–1923—Continued

Month	Imports	Exports	Excess	
			Imports	Exports
1922				
January.....	Pescas 240,271,034	Pescas 111,259,644	Pescas 129,011,390	
February.....	231,461,722	108,644,629	122,979,093	
March.....	199,566,153	105,315,493	94,250,660	
April.....	196,967,443	92,585,086	104,382,357	
May.....	214,220,253	100,838,227	113,382,026	
June.....	204,816,737	117,655,951	87,160,806	
July.....	215,642,240	112,693,837	102,958,403	
August.....	332,180,356	120,494,277	211,716,079	
September.....	289,189,159	125,752,213	163,435,946	
October.....	240,837,400	130,896,897	110,038,503	
November.....	374,676,838	130,165,058	244,513,778	
December.....	299,162,467	139,230,535	169,931,932	
1923 ¹				
January.....	277,688,189	129,017,237	148,670,952	
February.....	282,246,835	141,701,099	140,545,736	
March.....	259,207,781	132,086,482	127,121,299	
April.....	247,978,190	118,589,623	129,388,567	
May.....	253,380,518	139,124,639	114,255,879	
June.....	214,811,213	98,756,974	116,054,239	
July.....	176,977,805	93,184,689	83,793,116	
August.....	210,538,215	115,316,351	95,221,864	
September.....	239,445,618	116,237,951	123,207,667	
October.....	280,236,271	103,450,384	116,785,887	
November.....	310,674,961	108,851,201	141,823,760	
December.....	306,354,924	175,402,730	130,952,194	

¹ Unrevised figures.

TABLE 98.—Spain—Imports and exports of gold and silver bullion and coin annually, 1900–1923

[Source: Resúmenes Mensuales de la Estadística del Comercio Exterior de España]

Year	Gold				Silver			
	Imports	Exports	Excess		Imports	Exports	Excess	
			Imports	Exports			Imports	Exports
	Pescas	Pescas	Pescas	Pescas	Pescas	Pescas	Pescas	Pescas
1900.....	161,330	745,500		584,170	5,405,070	20,119,268		14,704,198
1901.....	314,543	320,420		5,877	7,672,740	21,369,604		13,696,864
1902.....	1,862,580	244,900		1,617,540	10,499,394	14,655,694		4,156,300
1903.....	230,285	175,523	54,765		13,805,841	20,151,222		6,345,381
1904.....	260,381	151,293	109,088		7,569,361	36,359,559		28,800,198
1905.....	611,330	88,160	523,170		6,914,605	11,666,632		4,662,027
1906.....	295,850	169,280	126,570		6,390,041	8,373,631	1,016,410	
1907.....	622,050	148,160	473,890		4,764,494	15,191,208		10,426,714
1908.....	688,200	3,380,560		2,692,360	7,228,062	17,446,666		10,217,604
1909.....	44,474	478,040		433,566	5,715,806	14,853,399		9,137,593
1910.....	704,429	337,440	366,989		3,988,320	14,243,054		10,266,734
1911.....	268,800	357,120		88,320	21,668,669	14,090,960	7,577,699	
1912.....	1,130,400	217,920		912,480	2,223,469	13,921,933		11,698,466
1913.....	235,200	788,280	912,480		2,828,617	20,917,344		18,088,727
1914.....	25,488,240	224,400	26,253,640	583,060	2,868,350	12,942,308		9,673,958
1915.....	220,298,680	369,280	219,929,400		18,690,358	15,464,825	3,226,533	
1916.....	355,379,207	133,120	355,246,087		12,619,325	16,053,094		3,433,769
1917.....	590,774,325	12,280	590,782,045		1,570,428	13,263,677		11,693,249
1918.....	33,858,720	215,600	33,643,120		285,209	9,367,842		9,082,133
1919.....	184,060,423	526,720	183,533,703		861,723	6,368,220		5,806,497
1920.....	7,467,840	4,904,880	2,562,960		1,653,564	9,850,210		8,225,646
1921.....	175,220	4,912,800		4,737,580	627,500	12,715,856		12,088,356
1922.....	2,422,500	80,000	2,362,500		616,680	4,080,832		3,414,152
1923.....	178,600	26,800	149,800		3,167,800	473,424	2,694,376	

TABLE 99.—Spain—Imports and exports of gold and silver, monthly, 1910-1923

[Source: Resúmenes Mensuales de la Estadística del Comercio Exterior de España]

	Gold				Silver			
	Imports	Exports	Excess		Imports	Exports	Excess	
			Imports	Exports			Imports	Exports
1910	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>
January	26,000	50,400		24,400	697,020	1,189,338		492,318
February	3,609	19,840		16,240	442,096	957,610		515,515
March	510,800	19,520	491,280		706,720	1,024,153		317,433
April	38,000	15,040	22,960		440,300	1,268,839		858,539
May	10,800		10,800		545,170	1,140,537		595,367
June	16,420	32,320		15,900	176,650	1,078,049		901,399
July	14,400	23,680		9,280	193,285	1,094,844		901,559
August	18,000	87,680		69,680	41,550	1,204,060		1,162,510
September	7,200		7,200		84,190	1,452,035		1,397,845
October	21,800	20,720		9,120	87,000	1,075,090		988,090
November	21,800	18,880	2,720		435,410	1,782,430		1,347,020
December	18,000	38,720		20,720	157,100	1,571,100		1,414,000
1911								
January	26,000	3,200	22,800		69,160	958,120		916,960
February	10,800	12,800		2,000	162,920	734,840		571,920
March	64,800	14,400	50,400		62,760	2,050,020		1,987,260
April	32,400	36,160		3,760	217,760	1,620,960		1,403,200
May	39,600	34,560	5,040		61,126	1,007,730		946,605
June	21,600		21,600		12,480	1,004,560		992,080
July	32,400	31,680	720		60,530	1,314,019		1,253,490
August	7,200	83,840		76,640	20,830	1,047,540		1,026,710
September	18,000	37,120		19,120	38,610	1,261,570		1,222,960
October	7,200	39,040		31,840	68,990	971,430		902,430
November	21,800	19,200	2,400		34,330	1,349,860		1,315,530
December	7,200	45,060		38,860	1,029,220	1,802,210		1,026,710
1912								
January	10,800		10,800		50,650	952,380		901,730
February	26,200	7,680	17,520		76,620	1,323,810		1,247,190
March	39,600	3,200	36,400		35,750	1,254,720		1,218,970
April	936,000	40,000	896,000		1,820	1,070,110		1,068,290
May		10,240		10,240	88,790	1,078,890		990,100
June	25,200	4,800	20,400		223,010	925,650		699,640
July	14,400	40,960		26,560	81,640	944,640		863,000
August	10,800	40,960		30,160	403,780	1,250,003		846,223
September	14,400	10,240	4,160		175,940	704,944		529,094
October	14,400	22,720		8,320	105,500	1,400,952		1,295,452
November	25,800	25,800	3,200		509,715	1,344,786		835,071
December	10,800	6,400	4,400		401,788	1,671,040		1,269,252
1913								
January	14,400	5,120	9,280		335,477	1,764,950		1,428,478
February	26,200	10,880	14,320		133,250	753,480		620,230
March	14,400	6,080	8,320		146,528	3,453,770		3,307,242
April	14,400	26,560		12,160	168,700	2,127,740		1,959,040
May	14,400	720	13,680		127,530	1,947,508		1,819,978
June	14,400	25,920		11,520	100,320	3,095,190		2,994,870
July	25,200	310,640		285,440	127,660	1,110,750		983,090
August	14,400	67,200		52,800	198,760	1,326,670		1,129,870
September	14,400	135,280		120,880	80,750	1,255,770		1,173,040
October	25,200	21,840		3,360	121,280	1,035,308		914,028
November	10,800	21,840		11,040	225,200	2,000,910		1,774,710
December	18,000	65,200		47,200	1,021,170	1,809,630		288,460
1914								
January		26,320		26,320	61,380	1,273,670		1,192,290
February	39,400	6,400	33,000		137,540	718,294		580,754
March	5,202	15,920		10,718	178,150	158,650	18,500	2,282,624
April	10,800	128,000		117,200	228,420	2,509,044		381,158
May	25,200	6,400	18,800		145,990	527,148		672,875
June	10,800	21,600		10,800	206,890	679,765		329,711
July	522,000	16,320	505,680		148,720	478,431		635,160
August	4,808	5,120		312	94,330	729,430		
September	620,000	8,000	612,000		782,600	87,730	694,870	
October	197,760		197,760		360,000	138,445	221,555	
November	9,443,920		9,443,920		533,930	1,425,909		891,970
December	4,818,480		4,818,480		72,300	2,749,630		2,677,270

TABLE 99.—Spain—Imports and exports of gold and silver, monthly, 1910-1923—Continued

	Gold				Silver			
	Imports	Exports	Excess		Imports	Exports	Excess	
			Imports	Exports			Imports	Exports
1915	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>
January	7,200,000		7,200,000		48,392	365,685		317,293
February	53,240		53,240		657,735	208,698	349,037	
March	4,414,880	39,040	4,375,840		445,910	208,480	237,430	
April	5,760	19,200		13,440	44,551	1,241,109		1,295,555
May	37,470,040	16,000	37,454,040		702	968,382		967,680
June	5,005,840		5,005,840		82,420	1,335,267		1,252,847
July	496,200	64,000	432,200		91,900	313,672		221,772
August	14,578,060	62,720	14,515,340		122,170	116,588	5,582	
September	27,093,100	14,720	27,078,380		5,044	272,013		266,969
October	63,216,860	48,000	63,168,860		3,297,986	500,828	2,791,161	
November	48,249,760		48,249,760		2,710,968	1,234,250	1,476,718	
December	22,505,920	28,800	22,477,120		11,191,566	8,476,835	2,716,730	
1916								
January					4,600,740	310,917	4,289,823	
February	53,334,640		53,334,640		3,328,200	354,407	2,973,793	
March	18,750,134		18,750,134		1,108,463	1,126,308		17,845
April	27,955,400		27,955,400		222,772	1,453,931		1,231,159
May	31,881,500	23,040	31,858,460		946,790	221,887	724,903	
June	24,856,700	51,840	24,804,860		271,240	1,130,921		859,681
July	38,433,027	30,480	38,392,547		392,823	1,659,690		1,266,867
August	70,375,355	5,120	70,370,235		596,910	5,094,282		4,497,372
September	26,159,681	2,560	26,157,121		232,604	1,041,903		809,299
October	11,484,565	14,060	11,470,505		164,520	56,542	104,978	
November	11,165,000		11,165,000		13,419	1,312,100		1,298,774
December	41,983,175		41,983,175		740,847	1,447,496		706,648
1917								
January	40,330,251		40,330,251		332,373	797,550		465,177
February	32,907,734		32,907,734		150,800	456,252		305,452
March	30,657,962		30,657,962		176,940	700,060		523,120
April	32,671,126		32,671,126		296,807	1,398,758		1,101,951
May	52,864,670	10,240	52,854,430		28,730	698,256		659,526
June	93,789,212		93,789,212		11,800	837,697		825,897
July	119,976,700		119,976,700		131,433	755,420		623,987
August	113,408,470	720	113,407,750		117,625	2,602,640		2,485,015
September	57,094,705		57,094,705		38,740	1,183,641		1,144,901
October	10,780,500	3,600	10,776,900		56,330	1,691,858		1,635,528
November	2,623,790		2,623,790		68,640	1,171,850		1,103,210
December	3,669,205	720	3,668,485		166,504	982,645		816,141
1918								
January	1,163,260		1,163,260		127,840	696,170		568,330
February	87,130	3,600	83,530		67,879	911,109		843,231
March	671,040		671,040		37,050	655,340		618,290
April					37,570	1,003,820		966,250
May	8,000	18,000		10,000		908,110		900,110
June	19,050	3,600	15,450			517,790		517,790
July	12,854,000	16,200	12,837,800		2,000	1,196,746		1,194,746
August		3,200		3,200	12,870	2,647,172		2,634,302
September	25,300		25,300			581,590		581,590
October						128,000		128,000
November		1,440		1,440		4,767		4,767
December		123,120		123,120		1,117,077		1,117,077
1919								
January						1,020,530		1,020,530
February		226,800		226,800		260,820		260,820
March	848	91,200		90,352	26,869	515,820		488,951
April		57,600		57,600	73,580	765,170		691,590
May		11,520		11,520		393,450		363,450
June		31,320		31,320	24,190	257,300		233,120
July	73,921,000	87,520	73,833,480		42,640	47,539		4,919
August	52,038,800		52,038,800		26,840	758	26,072	
September	19,603,520		19,603,520		1,924	398,530		396,606
October	5,000,000	26,920	4,973,080		164,125	37,670	126,455	
November		11,200		11,200	111,191	545,940		434,749
December	33,500,253	12,180,33	488,066		90,374	2,479,243		2,388,869

TABLE 99.—Spain—Imports and exports of gold and silver, monthly, 1910—1923—Continued

	Gold				Silver			
	Imports	Exports	Excess		Imports	Exports	Excess	
			Imports	Exports			Imports	Exports
1920	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>	<i>Pescas</i>
January	2,802,080		2,802,080		345,550	465,050		119,500
February	1,695,520		1,695,520		135,000	475,210		340,210
March	1,000,000	1,699,200		699,200	82,130	1,130,610	1,048,480	1,048,480
April		594,000		594,000	80,970	789,910		699,940
May		799,200		799,200	50,760	343,980		293,220
June		17,280		17,280		196,820		196,820
July		241,200		241,200	135,850	333,265		197,415
August	2,570,240	847,080	1,722,560		98,800	1,382,807		1,284,007
September		450,000		450,000	126,780	1,449,318		1,322,538
October		256,320		256,320	154,830	720,070		565,240
November					314,110	1,567,650		1,253,540
December					108,780	1,018,520		904,740
1921								
January	17,640		17,640		101,879	1,732,403		1,630,524
February					57,692	985,410		927,718
March	19,080	244,440		225,360	70,618	1,569,870		1,499,252
April		731,160		731,160		745,296		745,296
May	42,120	945,240		303,120	149,602	778,260		628,758
June		1,498,180		1,498,180		185,710		185,710
July	82,820	168,400		126,080		54,584		54,584
August					20,540	28,728		1,812
September		120,000		120,000	43,400	727,680		684,280
October		450,000				1,842,100		1,842,100
November	26,720		26,720					
December						924,632		924,632
1922								
January	500,000		500,000		18,260	197,120		178,860
February						1,771,104		1,771,104
March	1,273,240	60,000	1,213,240		7,420	764,832		757,412
April	515,200		515,200			24,832		24,832
May	686,600		686,600		150,200	16,128	134,072	
June	54,600		54,600		14,400	28,192		13,792
July					37,800		37,800	
August					24,000	312,628		288,628
September					35,000	157,200		122,200
October								
November								
December	20,880		20,880		27,600	368	27,232	
1923								
January					6,400	880		5,520
February	16,800		16,800		136,600	18,808	122,792	
March	42,000		42,000		39,800	2,224	37,576	
April					126,200	118,944	7,256	
May						213,252		213,252
June					197,000	1,088	195,912	

¹ No figures published.

² Unrevised figures.

TABLE 100.—Spain—National funded debt, 1900—1923

[Source: Anuario Estadístico de España]

	<i>Pescas</i>		<i>Pescas</i>
1900	10,135,265,000	1912	9,310,305,000
1901	10,303,036,000	1913	9,321,570,000
1902	10,963,142,000	1914	9,313,371,000
1903	10,963,055,000	1915	9,309,875,000
1904	10,958,717,000	1916	9,275,113,000
1905	10,958,193,000	1917	9,256,441,000
1906	11,143,555,000	1918	10,314,804,000
1907	11,162,364,000	1919	10,306,220,000
1908	11,161,229,000	1920	11,926,295,000
1909	11,330,209,000	1921	11,900,580,000
1910	9,330,375,000	1922	11,859,921,000
1911	9,314,972,000	1923	11,822,125,000

TABLE 101.—Spain—Receipts and expenditures, 1909-1923

[Source: Anuario Estadístico de España. 000 omitted]

RECEIPTS

	Direct taxes	Indirect taxes	State monopolies, etc.	Fees, etc.	Miscellaneous	Total receipts
	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>
1909	457,398	375,016	182,770	10,020	31,355	1,005,570
1910	480,391	398,363	207,496	18,256	86,634	1,171,240
1911	475,105	408,439	195,834	21,800	75,996	1,177,174
1912	488,129	415,383	207,808	22,363	27,047	1,161,724
1913	496,117	478,272	311,572	20,710	197,360	1,504,031
1914	383,567	435,661	308,270	19,519	95,984	1,243,002
1915	491,024	363,882	304,283	115,760	641,474	1,916,408
1916	517,943	381,311	332,283	99,027	425,740	1,756,303
1917	540,571	378,128	348,361	43,778	950,039	2,260,877
1918	573,238	380,502	349,655	83,825	442,673	1,826,892
1919 (first quarter) ¹	143,996	116,520	80,899	27,425	297,674	656,023
1919-20	631,876	533,067	377,242	100,735	1,377,531	3,020,551
1920-21	710,665	685,214	396,734	148,552	857,257	2,798,521
1921-22	816,823	845,104	501,339	122,283	2,072,226	4,357,874
1922-23	868,717	945,676	545,404	51,912	541,263	2,952,972

EXPENDITURES

	State	War	Navy	Government	Public instruction, Treasury and Labor	Total expenditures	Deficit
	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>	<i>Pescetas</i>
1909	250,000	64,875,000	273,000	731,000	66,129,000	64,063,430	
1910	200,000	54,010,000	—	875,000	55,085,000	53,913,760	
1911	667,000	73,756,000	1,920,000	679,000	77,025,000	75,847,826	
1912	2,369,000	84,050,000	1,872,000	722,000	89,013,000	87,861,276	
1913	2,089,000	101,089,000	1,436,000	481,000	3,523,000	107,113,969	
1914	1,768,000	134,054,000	2,228,000	1,153,000	3,808,000	142,662,996	
1915	1,122,000	136,940,000	1,698,000	745,000	3,686,000	143,991,000	142,074,567
1916	12,468,000	131,773,000	1,616,000	1,308,000	2,942,000	150,005,000	148,248,196
1917	4,623,000	103,271,000	1,614,000	845,000	3,059,000	113,368,000	111,122,123
1918	8,534,000	111,802,000	1,689,000	973,000	2,963,000	125,961,000	124,151,108
1919 (first quarter) ¹	—	29,248,000	471,000	183,000	710,000	30,612,000	29,946,977
1919-20	5,701,000	130,454,000	1,829,000	1,062,000	2,901,000	141,947,000	138,926,440
1920-21	9,683,000	172,047,000	3,272,000	2,347,000	2,887,000	191,226,000	198,437,479
1921-22	7,364,000	502,008,000	4,663,000	2,639,000	3,012,000	519,663,000	515,325,126
1922-23	54,896,000	447,131,000	9,909,000	2,851,000	4,996,000	520,782,000	517,829,026

¹ Fiscal year was changed from calendar year to year ending Mar. 31; later was changed to year ending June 30. Thus year 1923-24 was from Mar. 31, 1923, to June 30, 1924.

SWEDEN

TABLE 102.—Swedish Riksbank, monthly, 1915-1925

[Source: Statements of the Sveriges Riksbank. End of month; 000 omitted. See chart 62]

Month	Gold	Balance abroad and foreign demand bills	Government securities	Loans and discounts	Note circulation	Deposits ¹
1915						
January	Kronor 108,592	Kronor 15,350	Kronor 27,878	Kronor 188,897	Kronor 267,479	Kronor 74,680
February	113,165	17,394	32,488	160,925	276,906	69,833
March	113,340	33,514	31,543	196,200	292,388	77,538
April	113,426	23,708	49,853	203,287	278,377	76,445
May	113,443	19,083	51,255	189,743	275,541	65,543
June	113,461	26,689	49,521	204,423	293,321	73,182
July	113,401	24,749	50,086	195,066	276,160	88,605
August	113,402	41,575	48,987	176,382	282,070	79,888
September	113,415	44,267	55,382	168,821	309,534	62,920
October	113,376	49,222	54,095	170,939	308,719	76,032
November	113,294	53,771	52,489	181,170	302,600	89,946
December	124,573	61,084	52,156	226,641	327,866	126,576
1916						
January	142,278	44,786	49,600	182,537	263,597	103,416
February	160,908	47,151	60,688	162,103	303,587	93,429
March	180,813	47,999	67,059	172,042	331,606	85,406
April	164,991	56,408	71,219	169,894	322,392	102,515
May	166,311	41,555	72,945	161,584	328,812	86,684
June	166,131	41,681	76,091	173,484	352,475	91,795
July	165,918	49,459	66,954	174,486	324,793	113,032
August	165,759	56,830	68,384	184,719	345,547	96,722
September	170,947	62,218	67,577	191,548	386,885	74,479
October	177,952	49,784	68,580	200,543	375,984	99,371
November	182,380	32,356	67,918	217,768	380,745	91,296
December	183,620	39,070	62,911	266,934	417,517	148,420
1917						
January	186,682	43,723	68,577	200,324	376,183	100,233
February	191,374	33,763	67,675	189,000	398,468	81,767
March	193,173	26,902	67,576	264,195	438,826	128,854
April	194,281	26,456	66,715	271,607	434,333	124,179
May	202,941	18,742	68,373	276,492	483,388	121,310
June	202,701	21,936	91,182	248,682	466,021	113,838
July	204,638	20,713	69,292	279,101	442,413	144,837
August	204,501	24,012	61,027	312,265	467,063	142,294
September	214,564	22,730	51,537	812,749	520,962	96,825
October	223,494	19,204	106,626	263,738	622,632	101,091
November	226,399	18,352	114,961	268,400	531,001	130,652
December	244,457	19,160	89,866	437,770	572,728	191,018
1918						
January	285,961	24,684	62,856	322,600	524,662	136,367
February	236,268	23,863	56,506	327,321	560,200	103,846
March	268,071	24,204	70,569	393,261	630,669	127,122
April	257,690	31,543	69,916	345,742	614,889	99,091
May	258,693	32,686	96,970	332,156	624,996	104,816
June	257,909	34,324	96,466	338,690	667,518	110,896
July	257,398	35,269	95,606	322,973	645,168	83,022
August	263,326	35,690	106,802	248,487	688,663	69,026
September	272,608	37,484	116,513	451,453	761,678	120,836
October	274,488	45,337	105,612	431,459	791,034	91,142
November	263,380	46,048	125,503	453,113	783,969	132,556
December	285,566	45,667	64,618	531,343	812,534	134,198
1919						
January	279,799	69,759	54,618	439,178	720,983	106,069
February	288,303	70,323	54,618	415,415	721,648	86,225
March	288,062	67,003	54,055	447,976	760,693	117,862
April	287,444	63,318	54,064	427,746	722,170	110,622
May	290,013	66,210	51,845	428,994	702,570	116,759
June	288,928	69,604	62,575	477,918	727,950	124,307
July	288,348	67,493	54,561	450,289	683,135	131,728
August	300,366	62,216	63,414	453,717	694,101	138,505
September	300,086	59,639	51,912	507,995	751,067	128,379
October	299,703	60,869	51,909	484,317	732,812	113,786
November	299,956	48,074	50,148	506,470	723,486	145,950
December	261,166	48,780	48,369	621,736	747,662	213,725

¹ Not including deposit liabilities to foreign banks.

TABLE 102.—Swedish Riksbank, monthly, 1915-1925—Continued

Month	Gold	Balances abroad and foreign demand bills	Government securities	Loans and discounts	Note circulation	Deposits
1920						
January.....	Kronor 271,470	Kronor 45,049	Kronor 48,348	Kronor 559,276	Kronor 673,255	Kronor 190,014
February.....	235,244	40,184	48,320	571,530	685,536	184,253
March.....	231,062	28,470	45,877	727,490	741,622	277,610
April.....	261,011	30,013	45,444	711,771	718,273	270,247
May.....	231,013	29,765	45,444	696,890	708,291	271,174
June.....	261,070	38,834	45,599	723,435	736,458	280,265
July.....	231,291	53,389	45,351	692,408	724,782	253,785
August.....	261,357	51,232	45,351	694,058	742,192	236,572
September.....	279,813	44,443	45,351	702,997	779,767	208,299
October.....	232,410	64,181	44,964	633,370	772,808	177,682
November.....	282,353	90,510	33,342	595,268	752,838	182,691
December.....	281,777	73,661	12,696	588,415	759,877	171,518
1921						
January.....	281,865	53,223	12,696	598,216	672,507	224,057
February.....	281,786	33,511	12,696	621,055	687,623	228,351
March.....	281,711	46,393	12,696	644,239	716,876	246,770
April.....	281,853	52,180	12,696	574,766	680,505	191,997
May.....	281,570	52,896	14,003	527,838	651,076	177,681
June.....	281,424	50,764	16,014	527,199	678,810	156,586
July.....	280,335	42,640	18,134	515,926	629,414	177,174
August.....	284,980	33,403	19,763	500,854	632,437	152,097
September.....	276,948	38,214	20,661	494,142	672,396	113,443
October.....	275,479	33,139	20,754	497,883	650,344	126,361
November.....	274,965	36,970	20,720	526,794	628,031	187,559
December.....	274,743	55,351	15,498	636,903	627,699	331,359
1922						
January.....	274,455	53,919	15,896	601,731	563,039	337,268
February.....	274,403	46,311	17,440	617,022	579,027	345,762
March.....	274,355	37,018	63,376	563,788	626,073	311,468
April.....	274,326	45,660	72,208	526,480	588,211	300,565
May.....	274,107	38,682	72,184	525,009	567,378	293,083
June.....	273,990	38,612	72,465	484,192	585,437	246,524
July.....	273,923	32,806	72,843	465,494	650,972	243,390
August.....	273,801	32,913	73,045	444,724	558,510	212,517
September.....	273,616	33,489	73,966	445,258	604,616	180,196
October.....	273,505	36,372	73,941	415,823	568,547	178,141
November.....	274,033	49,708	92,819	399,087	575,313	191,413
December.....	273,984	129,020	92,648	622,742	584,191	386,480
1923						
January.....	273,950	72,348	122,828	419,856	620,259	315,451
February.....	273,875	64,451	122,828	387,912	637,765	265,674
March.....	273,598	59,440	136,421	422,754	586,990	260,254
April.....	273,438	44,313	148,316	375,261	556,534	240,179
May.....	273,234	36,129	148,066	348,817	538,830	224,426
June.....	273,057	42,892	151,129	343,029	580,211	183,405
July.....	272,800	42,339	143,866	279,988	543,329	149,496
August.....	272,752	56,441	130,118	271,570	560,944	127,602
September.....	272,558	49,784	135,729	299,789	600,165	117,407
October.....	272,326	36,175	120,419	328,311	560,480	154,128
November.....	272,112	37,329	104,797	354,806	567,881	162,124
December.....	271,839	43,265	115,005	497,853	576,290	305,222
1924						
January.....	271,687	39,782	88,101	396,110	599,302	232,147
February.....	271,496	29,112	84,697	389,560	622,695	197,623
March.....	271,235	23,568	91,225	421,179	657,179	201,292
April.....	264,999	29,344	76,033	441,407	621,790	220,712
May.....	247,514	21,801	62,290	498,598	522,732	254,501
June.....	247,320	31,465	56,724	494,905	557,498	225,825
July.....	249,201	67,741	56,156	386,838	515,490	168,734
August.....	250,858	59,490	56,114	491,371	528,184	166,923
September.....	248,701	56,726	55,876	393,166	564,222	129,159
October.....	240,155	63,465	56,123	357,874	536,421	123,238
November.....	238,995	51,702	54,362	378,944	537,085	132,703
December.....	236,970	94,843	50,991	505,275	537,298	302,727
1925						
January.....	234,470	96,231	56,267	441,114	482,577	297,293
February.....	234,077	97,940	55,123	422,745	492,255	278,717
March.....	233,732	67,714	54,442	452,511	520,794	236,960
April.....	233,404	60,843	53,958	407,977	493,242	255,135
May.....	224,385	68,002	53,197	433,847	490,560	242,000

TABLE 103.—*Swedish Riksbank, annually, 1911—1925*

[Source: Annual reports of the Sveriges Riksbank. Yearly averages. 000 omitted]

Year	Domes- tic bills	Loans against securi- ties, mer- chan- dise, etc.	Ad- vances on current ac- counts (over- drafts)	Total domes- tic bills, loans, and ad- vances	Foreign bills and net foreign bal- ances	Publi- c de- posits on current ac- counts	Other de- posits on current ac- counts	Total de- posits	Note circu- lation
1911.....	Kronor 98,908	Kronor 15,977	Kronor 4,252	Kronor 119,137	Kronor 76,888	Kronor 40,679	Kronor 3,472	Kronor 44,161	Kronor 102,517
1912.....	101,790	13,127	3,017	117,932	98,190	46,411	3,954	50,365	202,401
1913.....	121,486	15,171	2,769	139,396	79,474	54,803	4,711	59,515	209,984
1914.....	119,265	16,735	2,519	138,518	88,000	67,144	5,233	72,377	243,300
1915.....	93,103	29,115	2,135	124,353	91,671	71,219	7,980	79,199	251,787
1916.....	54,274	18,686	1,845	74,805	150,860	84,456	14,311	98,797	333,852
1917.....	116,659	39,716	1,835	158,210	135,810	112,358	11,128	122,479	450,852
1918.....	176,878	102,628	1,156	280,159	132,481	91,893	17,820	109,415	651,220
1919.....	235,222	146,519	1,458	383,499	134,389	116,298	11,780	128,078	708,206
1920.....	537,350	65,716	1,284	604,350	96,279	308,668	17,091	225,759	710,710
1921.....	450,885	28,565	1,994	481,443	112,754	182,386	10,368	192,753	640,615
1922.....	413,250	38,585	2,629	454,464	93,686	259,671	9,477	269,148	554,848
1923.....	294,210	49,756	1,943	345,908	68,688	199,703	9,086	208,789	536,173
1924.....	360,318	48,544	2,036	418,897	45,004	187,171	9,052	196,223	510,169

TABLE 104.—*Sweden—Private banks, annually, 1911—1924*

[Source: Annual reports of the Sveriges Riksbank. Yearly averages. 000 omitted]

Year	Domes- tic bills	Loans against securi- ties, mer- chan- dise, etc.	Ad- vances on current ac- counts (over- drafts)	Total domes- tic bills, loans, and ad- vances	Foreign bills and net foreign bal- ances	Giro (transfer ac- counts)	De- posits on current ac- count	De- posits, time and subject to notice	Total deposits and Giro accounts
1911.....	Kronor 588,034	Kronor 1,032,218	Kronor 473,214	Kronor 2,091,466	Kronor 33,814	Kronor 112,044	Kronor 95,155	Kronor 965,501	Kronor 1,202,700
1912.....	576,368	1,097,772	469,395	2,143,535	15,951	160,531	62,570	1,035,044	1,249,151
1913.....	557,692	1,186,082	508,179	2,251,853	9,688	168,795	55,524	1,095,458	1,319,777
1914.....	588,614	1,250,703	516,917	2,356,234	12,558	181,675	68,608	1,143,628	1,393,911
1915.....	657,252	1,310,261	519,261	2,486,774	81,750	271,684	84,865	1,178,549	1,535,098
1916.....	775,528	1,407,681	567,067	2,748,575	198,708	401,526	116,264	1,290,189	1,814,339
1917.....	930,658	1,677,910	728,844	3,338,912	350,353	614,289	146,132	1,517,461	2,277,882
1918.....	1,305,456	2,079,512	1,180,196	4,565,162	351,500	913,482	155,382	2,138,491	3,207,355
1919.....	1,621,297	2,337,616	1,647,889	5,606,802	419,535	1,050,070	188,205	2,639,188	3,877,463
1920.....	1,809,357	2,545,793	1,663,145	6,008,295	215,726	1,105,574	271,372	2,768,023	4,144,999
1921.....	1,617,428	2,690,896	1,649,912	5,948,239	202,782	967,432	271,224	2,929,900	4,168,556
1922.....	1,176,492	2,913,306	1,226,623	5,316,421	170,083	799,849	341,693	2,665,470	3,807,512
1923.....	963,143	2,835,899	940,060	4,740,008	63,481	564,558	483,264	2,272,430	3,350,252
1924.....	935,972	2,073,108	881,269	4,490,338	49,046	474,610	485,232	2,078,469	3,038,511

TABLE 105.—*Sweden—Unemployment, 1913—1925*

[Number of applications for every 100 vacancies. Source: Kommersiella Meddelanden]

Month	1913	1915	1919	1920	1921	1922	1923	1924	1925
January.....	153	137	179	125	245	482	346	239	296
February.....	133	167	162	112	301	479	308	214	256
March.....	110	168	141	91	240	381	231	177	207
April.....	97	143	111	80	203	366	165	151	-----
May.....	99	136	99	84	213	257	135	131	-----
June.....	112	166	100	92	258	215	146	132	-----
July.....	107	147	101	94	261	203	141	141	-----
August.....	96	131	97	95	235	172	140	135	-----
September.....	89	115	92	98	227	155	126	128	-----
October.....	96	109	92	110	263	177	129	146	-----
November.....	129	125	113	155	384	269	191	220	-----
December.....	117	139	110	153	473	321	195	225	-----

TABLE 106.—Sweden—Index numbers of wholesale prices, 1864-1925

[According to Karl Åmarz. Source: Årsbok för Sverige. 1881-1885-100]

Year	Index	Con- verted to 1913 base	Year	Index	Con- verted to 1913 base
1864	128	108.47	1894	84	71.19
1865	122	103.39	1895	83	70.24
1866	112	97.46	1896	84	71.19
1867	114	96.61	1897	86	72.88
1868	112	94.92	1898	90	76.27
1869	110	93.22	1899	96	81.36
1870	109	92.37	1900	100	84.75
1871	112	94.92	1901	97	82.20
1872	125	105.93	1902	96	81.36
1873	134	113.56	1903	96	81.36
1874	126	106.78	1904	97	82.20
1875	120	101.69	1905	98	83.06
1876	116	98.31	1906	104	88.14
1877	115	97.46	1907	109	92.87
1878	104	88.14	1908	104	88.14
1879	102	86.44	1909	105	88.98
1880	108	91.53	1910	108	91.53
1881	105	88.98	1911	111	94.07
1882	104	88.14	1912	116	98.31
1883	101	85.59	1913	118	100.00
1884	97	82.20	1914	128	108.47
1885	93	78.81	1915	168	151.62
1886	89	75.42	1916	215	182.20
1887	85	72.03	1917	253	239.93
1888	94	79.66	1918	394	333.90
1889	94	79.66	1919	383	324.58
1890	97	82.20	1920	403	341.53
1891	97	82.20	1921	245	207.63
1892	91	77.12	1922	188	169.32
1893	88	74.58	1923	182	154.24

TABLE 107.—Sweden—Wholesale prices, 1914-1925

[Index numbers of Handelstidning; 47 commodities; July, 1913, to June, 1914=100; 1914-1917, quarterly figures; 1918 to date, middle of each month. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See chart 63.]

Month	On paper currency basis	Con- verted to gold basis	Month	On paper currency basis	Con- verted to gold basis
1914			1916		
January			January		
February			February	164	
March			March		
April			April		
May			May	176	
June			June		
July			July		
August	111		August	191	
September			September		
October			October		
November	120		November	200	
December			December		
Yearly average	116		Yearly average	185	
1915			1917		
January			January		
February	126		February	225	
March			March		
April			April		
May	143		May	226	
June			June		
July			July		
August	147		August	249	
September			September		
October			October		
November	155		November	272	
December			December		
Yearly average	145		Yearly average	244	

TABLE 107.—Sweden—Wholesale prices, 1914—1925—Continued

Month	On paper currency basis	Con- verted to gold basis	Month	On paper currency basis	Con- verted to gold basis
1918			1921		
January.....	290		November.....	174	151
February.....	306		December.....	172	157
March.....	309		Yearly average.....	211	177
April.....	322		1922		
May.....	337		January.....	170	158
June.....	334		February.....	166	162
July.....	333		March.....	164	160
August.....	355		April.....	165	160
September.....	364		May.....	164	158
October.....	370		June.....	164	158
November.....	367		July.....	165	160
December.....	372		August.....	163	160
Yearly average.....	339		September.....	158	156
1919			October.....	165	154
January.....	360	308	November.....	164	154
February.....	258	277	December.....	165	156
March.....	354	309	Yearly average.....	162	158
April.....	339	340	1923		
May.....	330	319	January.....	160	166
June.....	324	313	February.....	158	157
July.....	320	296	March.....	162	161
August.....	321	285	April.....	159	158
September.....	319	292	May.....	158	157
October.....	307	279	June.....	160	159
November.....	308	285	July.....	157	155
December.....	317	286	August.....	163	162
Yearly average.....	330	308	September.....	155	154
1920			October.....	163	151
January.....	319	246	November.....	161	148
February.....	342	237	December.....	160	147
March.....	354	269	Yearly average.....	157	155
April.....	354	289	1924		
May.....	361	289	January.....	152	149
June.....	366	288	February.....	153	149
July.....	363	296	March.....	154	151
August.....	365	280	April.....	156	154
September.....	332	273	May.....	151	149
October.....	346	254	June.....	149	148
November.....	331	236	July.....	148	147
December.....	299	219	August.....	152	151
Yearly average.....	347	266	September.....	153	152
1921			October.....	162	161
January.....	267	213	November.....	162	162
February.....	250	208	December.....	163	164
March.....	237	202	Yearly average.....	155	153
April.....	229	201	1925		
May.....	218	191	January.....	164	165
June.....	218	184	February.....	164	165
July.....	211	186	March.....	164	165
August.....	198	160	April.....	163	164
September.....	182	148	May.....	163	164
October.....	176	150			

TABLE 108.—Sweden—Exchange rates, 1915—1925

[New York on Stockholm. 1915-1917, bankers' checks; January, 1918, to June, 1921, sight drafts; July, 1921, to December, 1924, noon buying rates for cable transfers. Average rates, January, 1915, to October, 1918, are midpoints between the monthly high and low rates; from November, 1918, to date the averages are monthly averages of daily rates. See chart 66. Par: 26.8 cents per krona]

Month	Cents per krona			Month	Cents per krona		
	High	Low	Average		High	Low	Average
1915				1920			
January.....	25.15	24.85	25.00	April.....	22.20	21.05	21.67
February.....	24.95	24.28	24.62	May.....	21.65	20.75	21.23
March.....	25.65	24.53	25.09	June.....	22.00	21.45	21.83
April.....	25.80	25.40	25.60	July.....	22.10	21.00	21.55
May.....	26.00	25.80	25.90	August.....	21.00	20.05	20.50
June.....	26.47	26.00	26.24	September.....	20.40	19.70	20.29
July.....	26.40	25.70	26.05	October.....	19.90	19.30	19.70
August.....	25.95	25.65	25.80	November.....	19.45	18.55	19.10
September.....	26.00	25.60	25.80	December.....	19.90	19.20	19.59
October.....	26.25	25.95	26.10				
November.....	26.10	26.25	27.18	1921			
December.....	26.05	26.60	27.33	January.....	22.00	20.05	21.40
				February.....	22.57	21.85	22.26
1916				March.....	23.52	22.25	22.83
January.....	28.10	27.35	27.73	April.....	23.83	22.95	23.57
February.....	28.30	27.55	27.93	May.....	23.68	22.92	23.49
March.....	29.00	28.10	28.55	June.....	22.98	22.00	22.56
April.....	30.35	29.00	29.68	July.....	21.94	20.10	21.04
May.....	31.25	29.60	30.43	August.....	21.73	20.27	21.11
June.....	31.00	28.00	29.50	September.....	22.44	21.39	21.78
July.....	29.20	28.05	28.63	October.....	23.42	22.29	22.96
August.....	28.80	28.40	28.60	November.....	23.59	22.78	23.23
September.....	28.75	28.10	28.43	December.....	25.22	23.66	24.43
October.....	28.60	28.30	28.40				
November.....	28.45	28.25	28.35	1922			
December.....	29.50	28.34	28.92	January.....	25.42	24.65	24.95
				February.....	26.66	25.44	26.15
1917				March.....	26.63	25.63	26.16
January.....	29.60	29.35	29.48	April.....	26.18	25.94	26.03
February.....	29.55	29.45	29.50	May.....	25.95	25.60	25.77
March.....	29.60	29.15	29.38	June.....	25.14	25.49	25.61
April.....	30.25	29.00	29.63	July.....	26.11	25.00	25.95
May.....	30.10	29.40	29.75	August.....	26.78	26.03	26.34
June.....	30.50	29.90	30.20	September.....	26.58	26.24	26.46
July.....	32.60	30.30	31.45	October.....	26.77	26.39	26.65
August.....	34.00	32.25	33.13	November.....	26.95	26.76	26.84
September.....	34.00	33.30	33.65	December.....	27.08	26.90	26.95
October.....	42.50	34.25	38.38				
November.....	47.50	36.00	41.75	1923			
December.....	37.50	33.00	35.25	January.....	27.02	26.66	26.86
				February.....	26.76	26.52	26.80
1918				March.....	26.63	26.56	26.80
January.....	34.25	32.50	33.38	April.....	26.77	26.56	26.64
February.....	33.50	32.25	32.88	May.....	26.74	26.56	26.65
March.....	34.00	31.75	32.88	June.....	26.06	26.47	26.55
April.....	34.50	33.75	34.13	July.....	26.70	26.40	26.53
May.....	34.75	33.70	34.23	August.....	26.70	26.57	26.63
June.....	35.60	34.00	34.80	September.....	26.69	26.50	26.55
July.....	35.80	35.00	35.40	October.....	26.52	26.25	26.40
August.....	36.25	34.75	35.50	November.....	26.35	26.19	26.29
September.....	33.75	32.40	33.08	December.....	26.47	26.26	26.23
October.....	31.80	28.25	30.03				
November.....	28.50	27.75	28.20	1924			
December.....	29.45	28.50	29.11	January.....	26.40	25.87	26.18
				February.....	26.33	26.05	26.18
1919				March.....	26.49	26.05	26.29
January.....	29.10	28.10	28.89	April.....	26.49	26.29	26.28
February.....	28.15	28.00	28.22	May.....	26.56	26.37	26.50
March.....	28.15	26.70	27.77	June.....	26.57	26.50	26.54
April.....	27.13	26.63	26.90	July.....	26.65	26.53	26.60
May.....	26.70	25.13	25.94	August.....	26.67	26.56	26.61
June.....	26.25	25.35	25.88	September.....	26.63	26.55	26.60
July.....	25.50	23.35	25.00	October.....	26.63	26.60	26.61
August.....	24.90	24.00	24.67	November.....	26.91	26.61	26.81
September.....	24.60	24.10	24.56	December.....	26.98	26.62	26.95
October.....	24.60	23.90	24.39				
November.....	23.55	22.50	23.06	1925			
December.....	22.90	20.65	21.60	January.....	26.96	26.92	26.95
				February.....	26.95	26.92	26.94
1920				March.....	26.98	26.94	26.95
January.....	21.55	19.30	20.70	April.....	26.95	26.78	26.94
February.....	19.15	17.50	18.60	May.....	26.77	26.74	26.75
March.....	21.70	18.80	20.37	June.....	26.80	26.95	26.78

TABLE 109.—Sweden—Purchasing-power parities, 1920-1925

According to Federal Reserve Board index numbers for the United States and the Kommerz-Kollegium index numbers for Sweden. See chart 87)

	United States index of prices	Swedish index of prices	Purchasing-power parities (U. S. index x par / Swedish index)	Average exchange rates (cables in New York)	Per cent purchasing-power parities are of exchange rates
1920					
January.....	248	343	19.38	20.70	93.6
February.....	248	357	18.62	18.60	100.1
March.....	263	366	18.53	20.37	91.0
April.....	267	371	19.29	21.87	88.2
May.....	269	374	19.28	21.22	90.9
June.....	262	376	18.67	21.83	85.5
July.....	254	376	18.10	21.85	82.8
August.....	240	376	17.15	20.89	83.3
September.....	232	370	16.80	20.21	83.1
October.....	214	368	16.02	19.70	81.3
November.....	196	358	15.54	19.10	81.8
December.....	179	306	15.68	19.59	80.0
1921					
January.....	168	272	16.55	21.40	77.3
February.....	157	256	16.44	22.26	73.9
March.....	153	249	16.38	22.83	71.7
April.....	146	239	16.37	23.57	69.4
May.....	145	230	16.90	23.49	71.9
June.....	143	223	17.19	22.56	76.2
July.....	146	216	18.11	21.04	86.1
August.....	147	211	18.67	21.11	88.4
September.....	147	201	19.60	21.78	90.0
October.....	146	194	20.17	22.94	87.9
November.....	145	189	20.66	23.28	88.5
December.....	143	188	20.39	24.53	83.1
1922					
January.....	142	181	21.03	24.95	84.3
February.....	146	179	21.88	26.15	83.6
March.....	147	177	22.26	26.16	85.1
April.....	149	175	22.82	26.05	87.6
May.....	158	175	24.20	25.77	93.9
June.....	161	174	24.80	25.81	96.1
July.....	165	173	25.56	25.91	98.6
August.....	166	173	23.71	26.34	97.6
September.....	164	170	25.85	26.46	97.7
October.....	166	169	26.17	26.65	98.2
November.....	164	163	26.96	26.84	100.4
December.....	165	163	26.98	26.98	100.0
1923					
January.....	166	163	27.29	26.88	101.6
February.....	166	165	26.98	26.60	101.4
March.....	169	168	26.96	26.60	101.4
April.....	170	168	27.12	26.64	101.8
May.....	167	166	26.95	26.65	101.2
June.....	164	164	26.80	26.56	100.9
July.....	159	162	26.30	26.53	99.1
August.....	159	162	26.30	26.63	98.8
September.....	163	162	26.97	26.55	101.6
October.....	163	161	27.13	26.46	102.8
November.....	163	160	27.33	26.29	104.1
December.....	163	160	27.30	26.33	103.7
1924					
January.....	163	161	27.13	26.18	103.6
February.....	163	162	26.97	26.18	103.0
March.....	160	162	26.47	26.29	100.7
April.....	158	161	26.30	26.30	99.7
May.....	156	160	26.12	26.50	98.6
June.....	154	158	26.12	26.54	98.4
July.....	156	157	26.63	26.60	100.1
August.....	158	160	26.47	26.61	99.5
September.....	156	163	25.65	26.60	96.4
October.....	159	167	25.52	26.61	95.9
November.....	160	167	25.68	26.81	95.8
December.....	165	168	25.32	26.93	97.7
1925					
January.....	168	160	26.64	26.95	98.35
February.....	167	160	26.43	26.94	98.20
March.....	160	168	26.96	26.93	100.04
April.....	164	163	26.96	26.94	100.07
May.....	163	162	26.97	26.78	100.83

TABLE 110.—Sweden—Gold value of total note circulation, 1915-1925

[On basis of exchange rates and on basis of purchasing-power parities]

	Total note circulation (000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)	Purchasing-power parities	Gold value of circulation on basis of purchasing-power parities (000 omitted)
		Cents per krona	Dollars	Cents per krona	Dollars
1915					
January.....	267,479	25.00	66,870		
February.....	276,905	24.62	68,174		
March.....	292,388	25.09	73,360		
April.....	278,377	25.60	71,265		
May.....	275,541	25.90	71,365		
June.....	293,321	26.24	76,967		
July.....	276,160	26.06	71,940		
August.....	282,070	25.80	72,774		
September.....	306,534	25.80	79,860		
October.....	308,719	26.10	80,576		
November.....	302,600	27.18	82,247		
December.....	327,886	27.53	89,611		
1916					
January.....	293,597	27.73	81,414		
February.....	303,587	27.93	84,792		
March.....	331,606	28.55	94,674		
April.....	322,362	29.68	95,686		
May.....	326,812	30.43	100,057		
June.....	352,475	29.50	103,960		
July.....	324,793	28.63	92,988		
August.....	345,547	28.60	98,826		
September.....	386,885	28.43	109,991		
October.....	375,984	28.40	106,779		
November.....	380,745	28.25	107,941		
December.....	417,517	28.92	120,746		
1917					
January.....	376,133	29.48	110,894		
February.....	393,468	29.50	116,073		
March.....	438,826	29.38	128,927		
April.....	434,333	29.63	128,663		
May.....	433,338	29.75	128,918		
June.....	466,021	30.20	140,738		
July.....	442,413	31.45	139,139		
August.....	467,083	33.12	154,745		
September.....	520,962	33.65	175,304		
October.....	522,632	36.38	200,696		
November.....	535,001	41.75	223,363		
December.....	572,723	36.25	201,886		
1918					
January.....	524,662	33.38	175,132		
February.....	560,200	32.88	184,194		
March.....	630,669	32.86	207,364		
April.....	614,889	34.13	209,562		
May.....	624,965	34.23	213,936		
June.....	667,518	34.80	222,296		
July.....	645,198	35.40	228,389		
August.....	688,963	35.50	244,473		
September.....	761,678	33.06	251,963		
October.....	761,034	30.08	228,539		
November.....	783,969	28.20	221,065		
December.....	813,534	29.11	236,820		
1919					
January.....	720,963	28.89	206,292		
February.....	721,648	28.22	203,649		
March.....	750,693	27.77	208,467		
April.....	722,179	26.90	194,266		
May.....	702,570	25.94	182,247		
June.....	727,950	25.88	188,393		
July.....	683,135	25.00	170,784		
August.....	694,161	24.67	171,250		
September.....	751,067	24.56	184,467		
October.....	732,612	24.39	178,738		
November.....	723,485	22.09	167,653		
December.....	747,562	31.60	161,478		

TABLE 110.—Sweden—Gold value of total note circulation, 1915-1925—Continued

	Total note circulation (000 omitted).	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)	Purchas- ing- power parities	Gold value of circulation on basis of purchas- ing- power parities (000 omitted)
		Cents per krona	Dollars per krona	Cents per krona	Dollars
1920					
January.....	673,265	20.70	139,304	19.38	130,477
February.....	685,536	18.60	127,510	18.62	127,647
March.....	741,622	20.37	151,068	18.52	137,423
April.....	718,273	21.87	157,086	19.29	138,555
May.....	708,291	21.22	150,299	19.28	136,559
June.....	726,458	21.83	160,769	18.67	137,497
July.....	724,782	21.85	158,365	18.10	131,186
August.....	742,192	20.59	152,817	17.15	127,286
September.....	779,767	20.21	157,591	16.80	131,001
October.....	772,808	19.70	152,243	16.02	123,804
November.....	752,838	19.10	143,792	15.54	116,991
December.....	759,877	19.59	148,860	15.68	119,149
1921					
January.....	672,507	21.40	143,916	16.55	111,300
February.....	587,623	22.26	130,805	16.44	96,605
March.....	716,876	22.83	163,663	16.36	117,281
April.....	680,505	23.57	160,395	16.37	111,399
May.....	651,076	23.49	152,938	16.90	110,032
June.....	678,810	22.56	153,140	17.19	116,687
July.....	629,414	21.04	132,429	18.11	113,987
August.....	632,437	21.11	133,507	18.67	118,076
September.....	672,396	21.78	146,448	19.69	131,790
October.....	650,344	22.94	149,189	20.17	131,174
November.....	628,031	23.23	145,692	20.59	129,123
December.....	627,699	24.53	138,976	20.39	127,668
1922					
January.....	563,039	24.95	140,478	21.03	118,407
February.....	579,027	26.15	151,416	21.86	126,575
March.....	628,073	26.16	163,781	22.26	139,364
April.....	558,211	25.05	153,229	22.32	124,230
May.....	567,378	25.77	146,213	24.20	137,305
June.....	585,437	25.81	151,101	24.80	145,188
July.....	550,973	25.95	142,977	25.56	140,829
August.....	558,510	26.34	147,112	25.71	143,690
September.....	604,016	26.46	159,981	25.85	156,293
October.....	568,547	26.65	151,618	26.17	148,789
November.....	575,313	26.84	154,414	26.96	155,104
December.....	584,191	26.95	157,439	26.96	157,498
1923					
January.....	520,259	26.86	139,742	27.29	141,979
February.....	537,765	26.60	143,045	26.96	144,981
March.....	586,990	26.60	156,139	26.96	158,253
April.....	556,584	26.64	148,261	27.12	150,032
May.....	538,830	26.65	143,696	26.96	145,209
June.....	566,211	26.56	155,698	26.80	157,105
July.....	543,329	26.53	144,145	26.30	142,896
August.....	600,944	26.63	149,379	26.30	147,328
September.....	600,185	26.05	159,344	26.97	161,865
October.....	650,480	26.40	147,967	27.13	152,058
November.....	567,381	26.29	149,296	27.33	153,489
December.....	576,290	26.33	151,763	27.30	157,356
1924					
January.....	509,302	26.18	133,835	27.13	138,174
February.....	522,695	26.18	136,842	26.97	140,971
March.....	557,179	26.29	145,482	26.47	147,485
April.....	621,790	26.38	137,646	26.39	137,231
May.....	522,732	26.50	138,524	26.13	126,590
June.....	557,489	26.54	147,958	26.12	145,616
July.....	515,460	26.60	137,112	26.63	137,267
August.....	528,184	26.61	140,550	26.47	139,810
September.....	564,222	26.60	150,083	25.65	144,723
October.....	536,421	26.61	142,742	25.52	136,895
November.....	537,065	26.81	143,992	26.32	141,361
December.....	537,293	26.95	144,800	26.32	141,416
1925					
January.....	482,577	26.95	130,055	26.64	128,559
February.....	493,255	26.94	132,863	26.48	130,614
March.....	520,794	26.95	140,354	26.96	140,405
April.....	493,242	26.94	132,679	26.96	132,978
May.....	499,560	26.75	133,632		

TABLE 111.—Sweden—Imports and exports of merchandise, 1898-1923

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise. Source: Statistik Årsbok för Sverige. See chart 64]

Year	Quantity		Value			
	Imports	Exports	Imports	Exports	Excess	
					Imports	Exports
	Metric tons	Metric tons	Kronor	Kronor	Kronor	Kronor
1896.....			258,899,000	240,219,000	16,680,000	
1897.....			298,888,000	258,106,000	40,722,000	
1898.....			446,271,000	344,906,000	101,371,000	
1899.....			503,116,000	358,158,000	144,958,000	
1900.....			525,550,000	391,312,000	134,244,000	
1901.....			459,679,000	353,493,000	106,186,000	
1902.....			502,252,000	392,366,000	109,886,000	
1903.....			529,767,000	441,386,000	88,382,000	
1904.....			572,012,000	414,716,000	157,296,000	
1905.....			573,804,000	450,211,000	123,593,000	
1906.....			638,243,000	504,279,000	134,064,000	
1907.....			673,841,000	524,603,000	149,178,000	
1908.....			897,609,000	482,016,000	115,493,000	
1909.....			613,602,000	472,978,000	140,624,000	
1910.....			669,211,000	592,853,000	76,358,000	
1911.....			690,449,000	658,536,000	28,913,000	
1912.....	7,706,705	15,126,063	782,394,000	760,469,000	22,425,000	
1913.....	8,549,141	15,964,319	846,538,000	817,347,000	29,191,000	
1914.....	7,920,379	12,633,844	726,908,000	772,355,000		45,447,000
1915.....	8,263,582	14,415,815	1,142,505,000	1,216,364,000		173,859,000
1916.....	8,966,832	13,875,411	1,138,567,000	1,556,377,000		417,810,000
1917.....	3,706,032	10,863,472	758,610,000	1,349,551,000		590,941,000
1918.....	4,155,164	9,595,766	1,233,310,000	1,350,433,000		117,123,000
1919.....	4,490,558	8,779,973	2,633,977,000	1,575,697,000		958,280,000
1920.....	6,090,662	11,052,002	3,314,111,000	2,278,295,000		1,035,816,000
1921.....	3,864,598	8,729,131	1,258,719,000	1,097,271,000		161,448,000
1922.....	5,508,926	12,940,667	1,114,162,000	1,153,711,000		39,549,000
1923 ¹	7,182,260	12,826,373	1,294,571,000	1,142,095,000		152,475,000

¹ Preliminary figures.

TABLE 112.—Sweden—Imports and exports of merchandise, 1913-1924

[Special imports, i. e., imports for domestic consumption; special exports, i. e., exports of domestic merchandise. Source: Kommerziella Meddelanden. See chart 65. 000,000 omitted]

Month	Im-ports	Ex-ports	Excess of		Month	Im-ports	Ex-ports	Excess of			
			Im-ports	Ex-ports				Im-ports	Ex-ports		
1913				1914				1915			
January.....	Kronor 60.5	Kronor 46.6	Kronor 13.9	Kronor	July.....	Kronor 76.7	Kronor 78.2	Kronor	Kronor 1.5		
February.....	60.5	44.7	15.8		August.....	42.1	27.2	14.9			
March.....	62.8	45.4	17.4		September.....	45.6	62.3		16.7		
April.....	73.2	63.6	9.6		October.....	65.6	86.9		21.3		
May.....	76.6	87.3		10.7	November.....	64.5	72.6		9.1		
June.....	62.1	73.4		11.3	December.....	67.7	68.1		9.6		
July.....	72.7	79.9		7.2	1916						
August.....	72.8	79.4		6.6	January.....	63.3	48.4	14.9			
September.....	75.7	76.5		8	February.....	85.8	50.7	35.1			
October.....	58.2	85.1		3.1	March.....	116.5	57.6	58.9			
November.....	77.4	72.4		5.0	April.....	119.4	53.4	66.0			
December.....	64.0	63.0		1.0	May.....	96.2	71.5	24.8			
1914				1917				1918			
January.....	60.7	45.0	15.7		June.....	67.9	79.9		12.0		
February.....	54.1	44.5	9.6		July.....	71.4	106.4		35.0		
March.....	67.3	48.2	19.1		August.....	61.5	96.3		34.8		
April.....	75.6	56.5	19.1		September.....	66.0	95.5		29.5		
May.....	80.3	83.7		3.4	October.....	72.5	96.2		23.7		
June.....	67.1	72.8		5.7	November.....	61.3	80.6		19.3		
					December.....	70.6	62.3		8.3		

TABLE 112.—Sweden—Imports and exports of merchandise, 1913—1924—Contd.

Month	Imports	Exports	Excess of		Month	Imports	Exports	Excess of	
			Imports	Exports				Imports	Exports
1916					1920				
January	Kronor 67.8	Kronor 79.2	Kronor	Kronor 11.4	October	Kronor 299.3	Kronor 217.8	Kronor	Kronor 81.5
February	87.5	95.6		8.1	November	228.2	176.5		51.7
March	82.8	87.8		5.2	December	197.1	171.3		25.8
April	68.6	94.6		26.0	1921				
May	91.0	114.8		23.8	January	121.8	91.2		30.4
June	77.0	130.0		53.0	February	115.6	88.8		26.8
July	71.0	130.4		59.4	March	93.2	75.2		18.0
August	83.2	123.5		40.3	April	104.9	68.8		36.1
September	82.7	118.4		35.7	May	94.4	82.1		12.3
October	71.7	104.9		33.2	June	92.0	68.6		23.4
November	53.8	86.9		33.1	July	97.2	94.2		3.1
December	49.9	108.5		58.6	August	102.7	112.6		9.9
1917					1922				
January	47.4	73.9		26.5	September	125.2	105.4		19.8
February	33.1	46.5		13.4	October	100.6	99.3		1.3
March	27.8	38.9		11.1	November	94.1	108.0		13.9
April	32.7	63.7		31.0	December	111.4	108.1		3.3
May	25.9	77.6		51.7	1923				
June	33.6	100.2		66.7	January	78.3	61.0		17.3
July	46.5	94.5		48.0	February	47.0	37.6		9.4
August	52.9	85.4		32.5	March	104.4	71.2		33.2
September	33.9	67.7		33.8	April	97.2	60.0		37.2
October	32.2	78.8		46.6	May	92.9	86.9		6.0
November	30.9	81.0		50.1	June	89.1	104.2		15.2
December	31.6	66.0		34.5	July	79.8	112.8		33.2
1918					1924				
January	41.8	47.7		5.9	January	108.3	68.9		39.4
February	36.5	52.0		15.5	February	91.0	59.0		32.0
March	32.7	64.0		31.3	March	89.7	69.1		20.6
April	45.3	61.6		16.3	April	139.5	74.4		65.1
May	50.0	83.2		33.2	May	131.9	102.2		29.7
June	42.2	95.2		53.0	June	108.8	127.0		18.2
July	45.9	85.2		39.4	July	122.8	134.6		11.8
August	48.3	92.2		43.9	August	113.7	125.8		12.1
September	42.4	93.5		51.1	September	123.5	124.2		.8
October	44.6	67.2		22.6	October	129.5	122.1		7.4
November	42.2	82.8		40.6	November	128.8	122.4		6.4
December	67.8	66.3	1.5		December	119.0	124.0		5.0
1919					1925				
January	77.2	72.3	4.9		January	106.1	80.2		25.9
February	88.1	64.2	23.9		February	105.2	80.2		25.0
March	96.6	64.8	31.8		March	112.0	71.0		41.0
April	146.6	63.8	82.7		1926				
May	171.6	102.2	69.2		January	106.1	80.2		25.9
June	147.7	105.7	42.0		February	105.2	80.2		25.0
July	278.4	153.1	125.2		March	112.0	71.0		41.0
August	203.4	142.6	60.8		1927				
September	219.6	131.1	88.4		January	106.1	80.2		25.9
October	242.7	140.0	102.7		February	105.2	80.2		25.0
November	166.6	129.8	36.8		March	112.0	71.0		41.0
December					1928				
1920					1929				
January	238.0	136.8	101.2		January	106.1	80.2		25.9
February	262.1	108.0	154.1		February	105.2	80.2		25.0
March	301.1	150.6	150.5		March	112.0	71.0		41.0
April	296.9	163.7	133.2		1930				
May	314.2	227.1	87.1		January	106.1	80.2		25.9
June	283.2	223.6	59.6		February	105.2	80.2		25.0
July	331.1	267.7	63.4		March	112.0	71.0		41.0
August	307.8	229.8	77.9		1931				
September	294.5	222.8	71.7		January	106.1	80.2		25.9

TABLE 113.—Sweden—Imports and exports of gold and silver coin and bullion, 1911–1923

[Source: Statistisk Årsbok for Sverige; 000 omitted]

Year	Imports					Exports				
	Gold bars	Gold coin	Silver bars	Silver and other coin	Total imports	Gold bars	Gold coin	Silver bars	Silver and other coin	Total exports
1911	Kronor 800	Kronor 4,081	Kronor 725	Kronor 502	Kronor 5,108	Kronor 1	Kronor	Kronor 38	Kronor	Kronor 40
1912	784	8,678	1,189	168	10,820	26		131		156
1913	5,251	5,180	1,437	256	12,125			283		283
1914	617	6,937	1,888	218	9,659			71	3	114
1915	3,466	46,871	3,148	1,452	54,937	78		542		620
1916	5,636	13,100	3,157	3	21,896	95	4	1,206		1,304
1917	11,160	63,580	5,751	9	80,499	202		693		895
1918	9,923	25,793	855	12	36,583	231		339		570
1919	163	16	1,768	828	2,774	130		144		275
1920	68,252	200,758	2,738	31	280,780	38,488	25,236	282	2	64,108
1921	39,233	644,734	617	139	684,722	254,053	680,337	376	43	934,809
1922	3,309	292,954	1,390	1,478	299,130	92,652	237,708	609	259	331,227
1923	2,396	16	2,419	356	5,187	688	1,978	1,065	19,810	20,561

TABLE 114.—Sweden—National debt, 1900–1924

[Source: Riksgäldskontoret Årsbok, 1923–24]

	State bonds	Other funded debt	Floating debt	Total debt
	Kronor	Kronor	Kronor	Kronor
1900	337,699,000	5,191,000		343,090,000
1901	349,132,000	5,145,000		354,277,000
1902	346,693,000	7,347,000		354,040,000
1903	345,214,000	7,297,000		352,511,000
1904	383,944,000	7,246,000		391,190,000
1905	406,158,000	6,085,000		412,243,000
1906	420,852,000	6,055,000		426,907,000
1907	464,360,000	3,743,000		468,102,000
1908	515,376,000	3,696,000		519,071,000
1909	548,128,000	6,047,000		554,175,000
1910	537,428,000	5,937,000		543,365,000
1911	606,096,000	5,863,000		611,959,000
1912	602,200,000	5,764,000		607,964,000
1913	622,561,000	5,662,000	20,064,000	648,287,000
1914	695,635,000	5,595,000	43,064,000	744,455,000
1915	812,608,000	5,444,000	26,819,000	854,871,000
1916	930,217,000	5,326,000	57,703,000	993,246,000
1917	997,999,000	10,916,000	140,311,000	1,149,226,000
1918	1,086,197,000	11,699,000	559,313,000	1,656,179,000
1919	1,271,118,000	10,408,000	285,474,000	1,566,996,000
1920	1,270,441,000	10,143,000	1,215,941,000	1,496,524,000
1921	1,423,465,000	9,892,000	1,77,630,000	1,510,987,000
1922	1,455,379,000	9,637,000	1,88,448,000	1,551,464,000
1923	1,580,650,000	26,299,000	46,108,000	1,653,056,000
1924 ¹	1,557,616,000	40,549,000	35,873,000	1,634,038,000

¹ Includes loan from State pension institution.² June 30.

TABLE 115.—Sweden—Receipts and expenditures, 1912—1922

[Source: Statistisk Årbok; 000 omitted]

	Revenue			Ordinary expenditure (not including interest and amortization of debt)	Deficit	Surplus	Capital expenditure	Proceeds from new loans	Amortisation of debt
	Ordinary revenue	Net revenue from public enterprises and productive funds	Total receipts (not including proceeds from loans)						
1912.....	Kronor 194, 586	Kronor 54, 109	Kronor 248, 735	Kronor 196, 096	-----	Kronor 52, 639	Kronor 51, 263	Kronor 41, 602	Kronor 8, 204
1913.....	203, 834	50, 404	254, 238	205, 320	-----	58, 918	47, 396	40, 420	8, 377
1914.....	198, 111	63, 291	261, 402	215, 458	-----	45, 944	47, 177	37, 705	7, 099
1915.....	288, 655	76, 232	364, 887	278, 714	-----	86, 173	127, 680	49, 245	5, 166
1916.....	331, 947	81, 422	413, 369	361, 165	-----	52, 204	66, 067	53, 695	4, 839
1917.....	535, 243	100, 444	635, 687	395, 329	-----	240, 358	247, 446	247, 685	4, 977
1918.....	749, 407	68, 498	817, 905	904, 959	87, 054	-----	645, 357	725, 086	167, 901
1919.....	845, 288	16, 740	862, 028	863, 604	-----	198, 434	179, 879	179, 840	5, 454
1920.....	802, 453	22, 100	824, 552	722, 494	-----	112, 058	183, 745	186, 540	28, 283
1921.....	692, 929	66, 232	759, 161	851, 072	131, 911	-----	267, 834	226, 544	5, 920
1922.....	542, 652	106, 440	652, 092	778, 913	126, 821	-----	173, 449	96, 691	7, 045

SWITZERLAND

TABLE 116.—Swiss National Bank, 1912-1925

[Source: Statistisches Jahrbuch der Schweiz and Weekly Statements of the Swiss National Bank. Figures for 1912-1914 are monthly averages; 1915-1925 are end of month; 000 omitted. See charts 68 and 69]

Month	Gold reserves	Silver reserves	Total reserves	Foreign credits payable on demand	Loans and discounts	Notes in circulation	Current accounts and other deposits	Note circulation current accounts and deposits
1912								
January	Francs 163,690	Francs 11,820	Francs 172,736	Francs 132,145	Francs 266,182	Francs 49,161	Francs 819,351	
February	163,311	13,271	175,429	107,136	249,884	41,637	291,521	
March	161,902	10,778	173,563	107,357	252,612	35,725	298,337	
April	160,928	10,729	173,224	115,494	258,033	38,321	296,354	
May	160,003	10,129	171,807	118,082	260,920	38,151	296,071	
June	162,510	10,760	173,927	113,289	254,026	40,580	294,606	
July	168,578	13,398	178,244	117,288	268,789	36,828	305,587	
August	178,257	14,004	188,193	118,658	268,579	43,260	311,859	
September	174,729	14,887	190,924	121,728	273,117	43,914	317,061	
October	174,119	16,716	190,930	132,746	282,307	47,142	323,449	
November	170,688	10,620	191,932	150,293	295,620	51,367	346,987	
December	173,138	12,776	189,376	157,098	298,290	50,740	349,030	
1913								
January	170,280	17,902	186,881	149,409	291,562	47,719	339,281	
February	167,780	15,514	185,611	124,548	273,552	38,867	312,419	
March	173,007	14,490	184,161	115,949	270,423	35,815	305,285	
April	172,657	15,847	188,164	114,860	270,624	38,265	308,789	
May	172,233	20,299	190,914	113,092	269,546	40,389	309,735	
June	166,453	24,275	198,540	104,405	262,244	44,814	307,058	
July	168,466	30,520	197,382	113,277	271,606	46,833	318,439	
August	168,406	31,546	199,877	107,926	270,189	49,044	319,233	
September	170,238	29,073	200,353	107,927	271,969	47,027	318,896	
October	171,413	27,363	200,384	116,820	273,922	50,671	324,593	
November	171,303	25,780	199,185	114,886	272,173	49,042	321,207	
December	169,955	20,836	195,323	121,823	270,101	49,606	319,707	
1914								
January	170,265	21,633	192,792	127,647	274,160	50,092	324,262	
February	169,600	19,697	192,208	113,316	259,964	49,267	309,231	
March	169,819	16,965	188,740	108,018	259,968	51,482	311,450	
April	169,474	17,840	187,730	106,499	266,435	40,695	307,130	
May	171,183	18,351	188,950	104,691	274,358	37,557	311,895	
June	175,843	17,788	192,990	101,142	290,224	41,467	301,691	
July	191,861	5,942	194,526	125,657	282,832	46,731	329,563	
August	215,031	7,408	212,856	229,455	437,944	77,660	515,643	
September	224,307	11,746	228,103	289,125	460,697	78,560	519,260	
October	232,332	16,450	243,096	251,790	423,626	76,434	502,090	
November	237,701	20,541	256,565	203,493	411,765	67,829	479,594	
December	237,036	24,913	261,080	189,596	412,377	72,022	464,839	
1915								
January	215,266	28,369						
February	238,535	31,316						
March	240,910	34,928	275,838	153,619	414,043	56,375	471,018	
April	240,889	38,870	279,769	132,072	408,910	48,344	457,264	
May	240,469	49,952	290,421	145,551	419,836	60,439	479,795	
June	240,218	54,090	294,308	165,728	422,557	74,410	496,067	
July	240,048	58,644	298,692	172,541	410,173	93,140	503,313	
August	240,768	59,084	300,447	154,435	407,048	82,670	490,618	
September	243,150	61,539	304,690	165,217	435,798	75,192	507,990	
October	244,252	59,596	306,645	168,248	443,112	69,771	512,853	
November	247,553	55,283	302,846	158,220	427,461	74,374	502,035	
December	250,132	51,238	301,370	210,839	405,609	81,689	547,236	
1916								
January	253,326	60,452	303,779	181,283	423,372	110,740	581,112	
February	252,686	48,714	301,399	153,865	410,386	91,827	562,210	
March	252,730	49,453	302,200	179,165	431,259	95,018	529,268	
April	257,735	51,069	308,747	202,401	481,186	150,496	561,672	
May	255,276	35,720	302,995	173,190	425,213	109,456	534,669	
June	254,755	56,475	311,230	198,429	431,165	125,129	538,234	
July	273,726	68,877	322,605	172,362	425,373	113,069	583,711	
August	272,322	67,452	329,774	177,522	411,055	122,676	583,711	
September	268,832	55,092	343,971	206,426	471,500	118,654	590,133	
October	256,310	54,188	340,498	209,148	485,518	91,711	677,229	
November	308,572	54,720	363,293	192,917	479,176	113,267	592,463	
December	344,988	62,454	397,462	244,270	536,518	128,910	665,434	

TABLE 116.—*Swiss National Bank, 1912-1925*

Month	Gold reserves	Silver reserves	Total reserves	Foreign credits payable on demand	Loans and discounts	Notes in circulation	Current accounts and other deposits	Note circulation current accounts and deposits
1917								
January	France 344,022	Francs 52,841	Francs 396,863	Francs 184,080	Francs 503,186	Francs 109,880	Francs 612,566	Francs 612,566
February	343,633	51,995	395,628	202,223	508,770	114,960	623,760	610,088
March	343,167	50,615	393,782	196,938	528,217	81,871	610,088	610,088
April	342,368	51,044	393,410	219,049	528,882	118,026	646,908	646,908
May	341,759	52,082	393,841	185,236	516,549	93,575	609,124	609,124
June	340,479	52,066	392,565	216,802	540,168	102,897	643,055	643,055
July	339,304	52,598	391,902	242,531	534,381	132,890	607,071	607,071
August	343,060	53,425	396,488	232,947	537,794	117,192	654,986	654,986
September	346,677	52,681	399,358	208,182	580,206	111,425	691,631	691,631
October	350,866	53,091	403,957	259,010	613,104	88,995	702,099	702,099
November	350,755	53,651	404,406	272,736	627,590	82,261	709,851	709,851
December	357,643	51,830	409,474	406,702	702,303	137,304	839,607	839,607
1918								
January	361,913	55,433	417,346	306,454	633,102	138,148	771,250	771,250
February	366,523	56,022	422,585	269,744	646,669	78,987	723,656	723,656
March	371,652	54,840	426,492	340,098	695,629	109,396	805,025	805,025
April	376,529	55,819	432,348	325,011	700,215	82,882	783,097	783,097
May	381,079	57,359	438,439	336,187	705,026	105,979	811,005	811,005
June	384,400	56,899	441,299	374,802	721,164	153,968	875,162	875,162
July	382,626	54,390	437,016	347,279	713,776	114,527	828,303	828,303
August	384,375	55,352	439,727	380,103	764,694	130,725	893,419	893,419
September	382,333	52,945	435,278	453,435	813,451	121,885	934,336	934,336
October	380,807	55,215	436,112	527,133	891,540	133,723	1,025,263	1,025,263
November	378,767	56,569	435,336	576,928	934,564	129,291	1,063,855	1,063,855
December	414,719	58,412	473,131	624,181	975,706	183,706	1,159,412	1,159,412
1919								
January	412,615	62,846	475,461	53,157	475,455	882,374	1,008,957	1,008,957
February	410,480	64,501	474,981	31,127	484,177	892,064	95,218	957,282
March	418,281	65,362	483,643	29,188	512,260	940,087	78,064	1,018,751
April	420,040	65,815	485,855	26,010	567,412	962,748	105,413	1,068,101
May	438,510	67,585	506,095	18,669	526,074	920,583	134,812	1,055,425
June	471,420	68,882	540,302	15,814	510,008	936,349	114,822	1,051,171
July	467,650	67,789	535,439	13,508	468,214	909,995	98,213	1,008,208
August	467,393	64,892	532,285	53,395	441,022	911,729	105,370	1,017,099
September	471,331	62,922	534,253	77,746	440,883	940,292	99,970	1,040,262
October	475,528	60,788	536,316	65,890	477,777	974,447	95,238	1,069,865
November	491,137	68,767	559,904	77,537	493,176	965,984	153,413	1,114,307
December	516,992	73,640	590,641	70,182	544,107	1,036,123	175,308	1,211,431
1920								
January	529,461	82,169	611,620	74,159	410,841	948,320	155,153	1,103,473
February	528,821	84,865	613,686	96,725	342,094	939,544	114,419	1,053,963
March	528,724	86,872	615,596	94,703	358,819	973,637	102,860	1,076,497
April	530,864	89,389	620,253	61,785	359,827	966,066	92,543	1,058,609
May	530,593	91,173	622,111	61,033	381,398	953,902	125,364	1,079,266
June	533,124	87,111	620,235	59,729	355,847	963,510	105,941	1,059,461
July	540,911	88,783	629,694	67,987	355,574	951,073	120,941	1,072,014
August	539,904	92,645	632,609	68,451	352,096	951,896	122,344	1,074,210
September	540,479	98,024	638,493	78,850	352,038	989,979	165,199	1,095,178
October	540,679	103,134	643,814	58,718	350,418	997,125	96,174	1,093,299
November	540,963	112,373	653,336	36,464	361,901	968,603	99,088	1,068,291
December	542,903	121,571	664,474	3,114	511,241	1,023,712	163,158	1,186,808
1921								
January	543,000	131,998	674,999	3,299	383,893	938,926	118,000	1,056,926
February	543,155	137,513	710,668	3,807	350,458	947,396	80,906	1,025,302
March	543,410	237,928	781,337	2,670	353,622	985,493	86,192	1,071,685
April	543,612	111,146	654,758	6,062	411,162	971,466	120,337	1,093,303
May	543,843	111,107	654,950	4,886	400,854	944,575	120,266	1,064,841
June	544,076	110,784	654,860	4,892	425,004	941,083	144,520	1,085,603
July	544,386	110,711	655,096	6,797	433,961	927,041	79,194	1,006,236
August	544,511	110,531	655,042	4,009	383,421	927,134	109,861	1,035,994
September	544,744	124,025	668,769	4,221	387,665	970,883	92,452	1,063,336
October	544,870	124,025	668,895	5,254	423,929	970,013	131,030	1,101,043
November	545,123	115,005	660,128	7,931	368,739	949,068	90,071	1,039,139
December	549,521	108,240	657,761	15,300	453,819	1,000,264	128,766	1,128,029

1 Beginning with April, 1921, 5-franc pieces of the Latin Monetary Union are shown at the market price of silver.

TABLE 116.—*Swiss National Bank, 1912-1925*—Continued

Month	Gold reserve	Silver reserve	Total reserve	Foreign credits payable on demand	Loans and discounts	Notes in circulation	Current accounts and other deposits	Note circulation current accounts and deposits
1922								
January.....	Frans 550,011	Frans 108,240	Frans 658,251	Frans 11,069	Frans 415,499	Frans 890,126	Frans 194,464	Frans 1,084,500
February.....	544,181	108,000	652,181	16,411	332,170	837,728	161,138	998,863
March.....	545,535	108,000	653,535	5,359	356,181	830,859	175,090	1,005,949
April.....	543,081	106,000	651,081	7,604	374,623	801,516	242,936	1,044,453
May.....	543,943	107,520	651,463	14,490	372,698	781,791	268,762	1,060,554
June.....	530,882	116,865	647,747	16,901	309,541	789,083	198,591	987,676
July.....	519,409	116,282	635,691	41,322	317,934	799,114	231,385	1,000,499
August.....	510,445	116,222	626,667	44,879	365,909	771,113	271,840	1,042,953
September.....	508,292	114,689	619,982	29,199	311,636	811,008	173,972	994,981
October.....	520,099	113,947	634,047	33,639	352,621	903,874	148,297	1,047,170
November.....	531,915	113,391	645,306	35,904	379,986	887,985	79,117	1,027,103
December.....	535,146	103,865	639,011	7,516	486,567	976,426	165,031	1,141,457
1923								
January.....	529,867	104,827	636,694	5,849	445,707	878,899	213,365	1,092,264
February.....	535,088	105,618	640,706	15,635	491,228	883,832	258,789	1,142,620
March.....	532,901	104,702	637,602	13,921	520,041	920,231	244,167	1,164,398
April.....	534,322	104,365	638,677	8,214	486,107	915,059	227,858	1,142,917
May.....	536,056	103,149	639,205	4,471	326,752	851,728	116,655	998,383
June.....	524,484	102,017	626,501	26,851	316,683	893,671	114,614	1,008,285
July.....	525,851	101,411	627,262	7,066	280,821	880,025	60,638	940,663
August.....	526,585	100,412	626,997	24,408	279,981	885,862	75,565	961,428
September.....	526,993	97,026	624,019	19,781	367,998	930,003	91,818	1,021,821
October.....	527,498	94,885	622,382	16,001	366,486	977,422	84,870	1,012,292
November.....	527,283	88,098	625,382	11,378	363,238	919,630	88,760	1,008,390
December.....	527,144	90,741	627,884	9,766	434,283	981,958	104,860	1,086,818
1924								
January.....	526,850	89,061	625,911	17,340	310,320	864,060	74,241	958,231
February.....	526,263	92,419	628,682	15,929	281,900	878,208	49,720	927,928
March.....	526,224	94,507	620,731	25,545	282,678	900,925	51,261	952,286
April.....	526,291	96,586	622,877	17,765	243,769	885,532	111,671	997,203
May.....	529,991	97,821	627,812	4,742	327,610	877,219	89,069	966,308
June.....	512,872	99,573	612,445	14,169	319,308	877,104	62,915	940,819
July.....	505,808	98,646	604,454	20,079	325,324	866,216	93,000	959,246
August.....	505,194	94,069	599,263	23,978	240,395	868,909	85,681	955,590
September.....	504,838	92,972	597,810	25,476	360,950	891,282	90,923	982,205
October.....	505,232	93,219	598,451	41,061	360,897	882,153	116,995	998,848
November.....	505,444	93,534	598,978	37,976	350,892	859,113	122,904	982,017
December.....	505,916	87,175	593,091	46,560	381,522	913,912	120,000	1,033,912
1925								
January.....	505,688	89,468	595,156	46,783	355,796	825,016	163,700	988,726
February.....	497,952	89,928	587,880	18,108	308,692	819,299	80,337	899,636
March.....	481,284	89,672	570,956	15,806	223,648	835,640	70,456	905,098
April.....	480,127	89,813	569,940	16,312	260,708	829,934	75,163	905,097
May.....	482,036	89,217	571,253	19,664	286,811	821,963	79,825	901,788

TABLE 117.—Switzerland—Wholesale prices, 1921—1925

On paper basis and on gold basis

[Index numbers of Dr. J. Lorenz, 71 commodities; July, 1914=100. The index numbers have been converted to a gold basis by applying to them the percentages which the corresponding average monthly exchange rates for dollars are of par. See chart 70]

Month	On paper-currency basis	Converted to gold basis	Month	On paper-currency basis	Converted to gold basis
1921			1923		
January.....	228	193	March.....	181	174
February.....	230	195	April.....	186	176
March.....	219	194	May.....	187	175
April.....	208	187	June.....	181	168
May.....	186	172	July.....	180	164
June.....	185	163	August.....	175	164
July.....	179	153	September.....	173	160
August.....	177	154	October.....	181	168
September.....	181	161	November.....	182	165
October.....	184	174	December.....	183	165
November.....	182	177	1924		
December.....	178	170	January.....	183	164
1922			February.....	183	165
January.....	177	178	March.....	180	161
February.....	172	174	April.....	182	166
March.....	172	173	May.....	180	165
April.....	165	166	June.....	178	163
May.....	162	161	July.....	173	163
June.....	163	161	August.....	171	167
July.....	164	162	September.....	170	166
August.....	165	163	October.....	169	166
September.....	166	162	November.....	169	169
October.....	165	167	December.....	170	171
November.....	171	163	1925		
December.....	172	169	January.....	171	171
1923			February.....	171	171
January.....	175	170	March.....	170	170
February.....	175	170	April.....	166	166
			May.....	163	163

TABLE 118.—Switzerland—Exchange rates, 1914—1925

[New York on Zurich. January, 1914-June, 1921, sight drafts; July, 1921, to date, noon buying rates for cable transfers. Average rates, January, 1914-October, 1918, are midpoints between high and low rates for each month; from November, 1918, to date the averages are monthly averages of daily rates. See chart 73. Source: Federal Reserve Board. Par: 19.29 cents per franc]

Month	Cents per franc			Month	Cents per franc		
	High	Low	Average		High	Low	Average
1914				1915			
January.....	19.26	19.16	19.22	July.....	18.69	18.38	18.54
February.....	19.30	19.23	19.29	August.....	18.89	18.38	18.61
March.....	19.32	19.28	19.30	September.....	19.06	18.36	18.70
April.....	19.37	19.22	19.35	October.....	19.01	18.53	18.77
May.....	19.39	19.37	19.38	November.....	18.83	18.73	18.78
June.....	19.42	19.35	19.39	December.....	19.08	18.74	18.91
July.....	21.51	19.35	20.43	1916			
August.....				January.....	19.49	19.01	19.25
September.....	20.00	19.96	19.98	February.....	19.31	19.08	19.20
October.....	19.88	19.31	19.60	March.....	19.19	19.03	19.14
November.....	19.42	19.28	19.33	April.....	19.34	19.17	19.25
December.....	19.29	19.06	19.19	May.....	19.31	19.06	19.20
1915				June.....	19.12	18.83	18.98
January.....	19.14	18.89	19.02	July.....	18.94	18.87	18.91
February.....	18.89	18.12	18.51	August.....	18.80	18.86	18.89
March.....	18.69	18.10	18.49	September.....	18.90	18.75	18.83
April.....	18.79	18.67	18.68	October.....	19.04	18.81	18.93
May.....	18.86	18.75	18.82	November.....	19.34	19.10	19.22
June.....	19.01	18.42	18.72	December.....	20.28	19.31	19.80

TABLE 118—Switzerland—Exchange rates, 1914-1925—Continued

Month	Cents per franc			Month	Cents per franc		
	High	Low	Average		High	Low	Average
1917				1921			
January.....	20.00	19.68	19.84	May.....	18.00	17.50	17.86
February.....	20.00	19.92	19.96	June.....	17.62	16.75	17.01
March.....	19.94	19.84	19.89	July.....	16.84	16.37	16.55
April.....	19.84	19.48	19.65	August.....	17.06	16.38	16.82
May.....	19.82	19.38	19.60	September.....	17.31	17.03	17.20
June.....	20.70	19.80	20.25	October.....	19.26	17.36	18.23
July.....	22.12	19.83	20.98	November.....	19.02	18.37	18.80
August.....	22.83	22.83	22.83	December.....	19.54	19.09	19.39
September.....	22.22	20.79	21.51	1922			
October.....	22.73	21.23	21.98	January.....	19.52	19.30	19.42
November.....	23.04	22.22	22.63	February.....	19.60	19.44	19.52
December.....	23.42	22.86	23.14	March.....	19.59	19.33	19.45
1918				April.....	19.48	19.42	19.45
January.....	22.99	22.22	22.61	May.....	19.39	19.06	19.21
February.....	22.42	22.15	22.29	June.....	19.18	18.90	19.04
March.....	23.18	22.82	22.76	July.....	19.21	18.97	19.10
April.....	23.53	23.18	23.36	August.....	19.08	19.00	19.04
May.....	26.11	23.63	24.82	September.....	19.02	18.60	18.79
June.....	25.38	24.75	25.07	October.....	18.73	18.03	18.42
July.....	25.38	25.03	25.21	November.....	18.79	18.21	18.44
August.....	25.54	23.53	24.54	December.....	19.00	18.71	18.91
September.....	22.88	22.12	22.50	1923			
October.....	21.65	19.80	20.73	January.....	18.95	18.56	18.75
November.....	20.41	19.84	20.12	February.....	18.91	18.72	18.80
December.....	20.92	20.24	20.62	March.....	18.76	18.44	18.59
1919				April.....	18.48	18.07	18.24
January.....	20.75	20.20	20.66	May.....	18.09	17.95	18.02
February.....	20.60	20.16	20.49	June.....	18.06	17.63	17.94
March.....	20.70	19.90	20.45	July.....	17.92	17.08	17.55
April.....	20.33	19.88	20.28	August.....	18.28	17.84	18.06
May.....	20.33	19.42	19.98	September.....	18.06	17.66	17.86
June.....	19.31	18.35	18.90	October.....	17.96	17.78	17.87
July.....	19.06	17.48	18.08	November.....	17.81	17.29	17.55
August.....	17.92	17.42	17.73	December.....	17.43	17.26	17.45
September.....	18.28	17.51	17.89	1924			
October.....	17.99	17.67	17.86	January.....	17.43	17.25	17.32
November.....	18.18	17.86	18.15	February.....	17.46	17.30	17.37
December.....	20.08	17.86	18.42	March.....	17.44	17.22	17.29
1920				April.....	17.83	17.28	17.60
January.....	18.28	17.48	17.89	May.....	17.81	17.51	17.72
February.....	17.83	16.80	16.47	June.....	17.76	17.57	17.66
March.....	17.18	16.21	16.96	July.....	18.59	17.76	18.19
April.....	18.12	17.64	17.93	August.....	19.01	18.59	18.82
May.....	17.90	17.52	17.72	September.....	19.08	18.75	18.88
June.....	18.25	17.95	18.21	October.....	19.24	19.06	19.18
July.....	18.14	17.00	17.62	November.....	19.31	19.25	19.28
August.....	16.95	16.36	16.65	December.....	19.48	19.32	19.38
September.....	16.45	15.97	16.26	1925			
October.....	16.07	15.65	15.90	January.....	19.50	19.25	19.34
November.....	15.75	15.03	15.53	February.....	19.30	19.21	19.26
December.....	15.67	15.07	15.39	March.....	19.29	19.22	19.26
1921				April.....	19.39	19.28	19.33
January.....	16.00	15.22	15.68	May.....	19.38	19.33	19.36
February.....	16.62	16.00	16.36	June.....	19.42	19.35	19.40
March.....	17.43	16.87	17.08				
April.....	17.57	17.26	17.36				

TABLE 119.—Switzerland—Purchasing-power parities, 1921—1925

[According to index numbers of Dr. J. Lorenz for Switzerland and index numbers of Federal Reserve Board for the United States. See chart 74.]

Month	United States index of prices	Swiss index of prices	Purchasing-power parities ($\frac{\text{U. S. index} \times \text{par}}{\text{Swiss index}}$)	Average exchange rates (cables in New York)	Per cent purchasing-power parities are of exchange rates
1921					
January.....	168	238	Cents per franc 13.62	Cents per franc 16.68	86.86
February.....	167	230	13.17	16.26	80.50
March.....	152	219	13.40	17.06	78.45
April.....	146	208	13.55	17.36	78.05
May.....	145	186	15.05	17.86	84.27
June.....	143	185	14.92	17.01	87.71
July.....	146	179	15.74	16.55	95.11
August.....	147	177	16.03	16.82	95.30
September.....	147	181	15.68	17.20	91.16
October.....	146	184	15.31	18.23	83.98
November.....	145	182	15.38	18.80	81.81
December.....	143	178	15.51	19.39	79.99
1922					
January.....	142	177	15.48	19.42	79.71
February.....	146	172	16.38	19.62	83.91
March.....	147	172	16.49	19.46	84.78
April.....	149	165	17.43	19.46	89.61
May.....	158	162	18.82	19.21	97.97
June.....	161	163	19.06	19.04	100.11
July.....	165	164	19.42	19.10	101.68
August.....	166	166	19.42	19.04	102.00
September.....	164	166	19.07	18.79	101.49
October.....	165	166	19.30	18.42	104.78
November.....	164	171	18.51	18.44	100.38
December.....	165	172	18.51	18.91	97.88
1923					
January.....	166	175	18.31	18.78	97.50
February.....	166	175	18.31	18.80	97.39
March.....	169	181	18.02	18.59	96.93
April.....	170	186	17.64	18.24	96.71
May.....	167	187	17.23	18.08	95.56
June.....	164	181	17.49	17.94	97.49
July.....	159	180	17.05	17.55	97.15
August.....	159	175	17.54	18.06	97.17
September.....	163	178	18.18	17.86	101.79
October.....	163	181	17.38	17.87	97.25
November.....	163	182	17.29	17.56	98.62
December.....	163	183	17.19	17.45	98.51
1924					
January.....	163	183	17.19	17.32	99.25
February.....	163	183	17.19	17.37	98.96
March.....	160	180	17.16	17.29	99.25
April.....	158	182	16.75	17.60	95.17
May.....	156	180	16.73	17.72	94.41
June.....	154	178	16.70	17.66	94.56
July.....	156	178	17.40	18.19	95.66
August.....	158	171	17.84	18.82	94.79
September.....	156	170	17.71	18.88	93.80
October.....	159	169	18.15	19.18	94.63
November.....	160	169	18.28	19.28	94.71
December.....	166	170	18.73	19.38	96.65
1925					
January.....	168	171	18.95	19.34	97.96
February.....	167	171	18.84	19.26	97.81
March.....	169	170	19.18	19.26	99.58
April.....	164	166	19.06	19.33	98.60
May.....	163	163	19.29	19.35	99.69

TABLE 120.—Switzerland—Gold value of total note circulation, 1914–1925

[On basis of exchange rates and on basis of purchasing-power parities]

	Total note circulation (000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)	Purchasing-power parities	Gold value of circulation on basis of purchasing-power parities (000 omitted)
	Francs	Cents per franc	Dollars	Cents per franc	Dollars
1914					
January.....	274,160	19.22	62,694		
February.....	259,964	19.29	60,147		
March.....	259,968	19.30	60,174		
April.....	266,435	19.25	61,555		
May.....	274,338	19.28	63,167		
June.....	260,224	19.39	60,457		
July.....	282,632	20.43	67,783		
August.....	437,944				
September.....	440,697	19.98	88,051		
October.....	425,628	19.60	83,423		
November.....	411,765	19.33	79,594		
December.....	412,877	19.19	79,281		
1915					
January.....		19.02			
February.....		18.51			
March.....	414,643	18.40	76,294		
April.....	408,910	18.68	78,384		
May.....	419,356	18.82	78,923		
June.....	422,657	18.72	79,103		
July.....	410,173	18.54	76,046		
August.....	407,648	18.61	75,863		
September.....	438,798	18.70	81,489		
October.....	443,112	18.77	83,172		
November.....	427,461	18.78	80,277		
December.....	465,609	18.91	88,047		
1916					
January.....	420,372	19.26	80,922		
February.....	420,383	19.20	78,794		
March.....	431,250	19.14	82,541		
April.....	431,186	19.26	83,046		
May.....	425,213	19.20	81,641		
June.....	433,155	18.98	82,213		
July.....	425,573	18.91	80,476		
August.....	431,665	18.89	81,542		
September.....	471,509	18.93	88,785		
October.....	485,518	18.93	91,909		
November.....	479,176	19.22	92,096		
December.....	536,518	19.80	106,231		
1917					
January.....	503,186	19.84	99,832		
February.....	508,770	19.95	101,560		
March.....	528,217	19.89	106,062		
April.....	528,882	19.65	103,925		
May.....	515,549	19.00	101,048		
June.....	540,158	20.25	109,382		
July.....	534,481	20.98	112,134		
August.....	537,794	22.53	122,778		
September.....	580,206	21.51	124,802		
October.....	613,104	21.98	124,760		
November.....	627,590	22.63	142,024		
December.....	702,308	23.14	162,513		
1918					
January.....	633,102	22.61	143,144		
February.....	646,669	22.29	144,143		
March.....	685,629	22.75	158,256		
April.....	700,215	23.36	163,570		
May.....	705,026	24.32	174,987		
June.....	721,164	25.07	180,796		
July.....	713,776	25.21	179,943		
August.....	762,694	24.54	187,165		
September.....	813,451	22.50	183,026		
October.....	891,540	20.73	184,816		
November.....	934,564	20.12	188,034		
December.....	975,706	20.62	201,191		

TABLE 120.—Switzerland—Gold value of total note circulation, 1914-1925—Contd.

	Total note circulation (000 omitted)	Average exchange rate	Gold value of circulation on basis of exchange rates (000 omitted)	Purchasing-power parities	Gold value of circulation on basis of purchasing-power parities (000 omitted)
	Francs	Cents per franc	Dollars	Cents per franc	Dollars
1919					
January	882, 874	20. 08	182, 288		
February	882, 064	20. 49	182, 784		
March	940, 087	20. 45	192, 248		
April	962, 748	20. 28	195, 245		
May	920, 583	19. 96	183, 748		
June	938, 249	18. 90	176, 970		
July	909, 995	18. 08	164, 627		
August	911, 729	17. 78	161, 650		
September	940, 292	17. 89	168, 218		
October	974, 447	17. 86	174, 036		
November	960, 984	18. 15	174, 419		
December	1, 036, 123	18. 42	190, 854		
1920					
January	948, 320	17. 89	169, 654		
February	939, 544	16. 47	154, 743		
March	973, 637	16. 96	165, 031		
April	966, 066	17. 93	173, 216		
May	953, 902	17. 73	169, 127		
June	953, 510	18. 21	173, 634		
July	951, 073	17. 62	167, 579		
August	961, 806	16. 65	158, 486		
September	889, 979	16. 26	160, 971		
October	967, 125	15. 90	158, 543		
November	968, 903	15. 53	159, 424		
December	1, 023, 712	15. 39	157, 649		
1921					
January	938, 926	15. 68	147, 924	13. 62	127, 887
February	947, 393	16. 36	154, 994	13. 17	124, 772
March	955, 483	17. 08	163, 322	13. 40	132, 056
April	971, 466	17. 36	168, 546	13. 55	131, 934
May	944, 676	17. 86	168, 701	15. 05	142, 159
June	941, 083	17. 01	160, 078	14. 92	140, 410
July	927, 041	16. 55	153, 425	15. 74	145, 916
August	927, 134	16. 82	155, 944	16. 03	148, 620
September	970, 883	17. 20	160, 992	15. 98	152, 234
October	970, 013	18. 23	176, 833	15. 31	148, 609
November	949, 068	18. 80	178, 425	15. 38	145, 967
December	1, 006, 264	19. 39	195, 696	15. 51	156, 637
1922					
January	890, 126	19. 42	172, 862	15. 48	137, 792
February	837, 726	19. 52	163, 624	16. 38	137, 220
March	830, 859	19. 45	161, 602	16. 49	137, 009
April	801, 516	19. 45	155, 895	17. 43	139, 704
May	781, 791	19. 21	150, 182	18. 62	147, 133
June	789, 083	19. 04	150, 241	19. 06	150, 399
July	769, 114	19. 10	146, 901	19. 42	149, 362
August	771, 113	19. 04	146, 820	19. 42	149, 750
September	811, 008	18. 79	152, 368	19. 07	154, 659
October	835, 874	18. 42	165, 494	19. 30	174, 442
November	837, 985	18. 44	162, 184	18. 61	162, 876
December	976, 426	18. 91	184, 642	18. 61	180, 736
1923					
January	878, 899	18. 78	165, 057	18. 31	160, 926
February	883, 832	18. 80	166, 160	18. 31	161, 830
March	920, 231	18. 50	171, 071	18. 02	165, 828
April	915, 059	18. 24	166, 907	17. 64	161, 416
May	881, 728	18. 03	158, 976	17. 28	151, 922
June	893, 671	17. 94	160, 326	17. 49	156, 303
July	880, 026	17. 55	154, 444	17. 05	150, 044
August	885, 862	18. 05	156, 898	17. 54	155, 380
September	930, 003	17. 86	166, 099	18. 18	169, 075
October	927, 422	17. 57	165, 730	17. 38	161, 186
November	919, 630	17. 56	161, 396	17. 39	159, 004
December	981, 968	17. 45	171, 352	17. 19	168, 799

TABLE 120.—Switzerland—Gold value of total note circulation, 1914-1925—Contd.

	Total note circulation (000 omitted)	Average exchange rates	Gold value of circulation on basis of exchange rates (000 omitted)		Purchasing-power parities	Gold value of circulation on basis of purchasing-power parities (000 omitted)
			Cents per franc	Dollars		
1924						
January.....	884,080	17.32	153,123	17.19	151,973	
February.....	878,208	17.37	152,545	17.19	150,904	
March.....	900,925	17.29	155,770	17.18	154,599	
April.....	885,532	17.60	155,854	16.76	148,327	
May.....	877,219	17.72	155,443	16.73	146,759	
June.....	877,104	17.66	154,897	16.70	146,476	
July.....	866,216	18.19	157,565	17.40	150,722	
August.....	868,009	18.82	163,529	17.84	155,013	
September.....	891,282	18.88	168,274	17.71	157,846	
October.....	882,153	19.18	169,197	18.15	160,111	
November.....	859,113	19.28	166,637	18.26	156,674	
December.....	913,912	19.38	177,116	18.73	171,176	
1925						
January.....	825,016	19.34	159,558	18.95	156,341	
February.....	819,299	19.26	157,797	18.94	154,356	
March.....	835,640	19.26	160,944	19.18	160,276	
April.....	829,934	19.83	160,426	19.06	158,185	
May.....	821,963	19.36	159,080	19.29	158,557	

TABLE 121.—Switzerland—Imports and exports of merchandise and gold and silver, 1890-1924

[Source: Statistisches Jahrbuch der Schweiz und Statistik des auswärtigen Handels der Schweiz. See chart 71. 000 omitted]

	Merchandise					Gold and silver			Total excess of visible imports
	Quantity ¹		Value ²		Excess of imports	Value		Excess of imports	
	Imports	Exports	Imports	Exports		Imports	Exports		
	Quintals	Quintals	Francs	Francs	Francs	Francs	Francs	Francs	
1890.....	31,074	5,301	925,781	698,800	226,981	75,860	26,273	49,587	276,568
1891.....	34,453	4,969	914,022	666,778	247,245	67,998	37,079	30,919	278,164
1892.....	31,774	4,994	849,933	652,787	197,146	62,653	33,233	27,420	224,556
1893.....	34,886	4,508							
1894.....	36,994	4,694	800,337	618,741	183,596	80,508	56,115	24,393	207,989
1895.....	41,962	4,217	889,697	658,650	231,047	90,423	45,778	44,645	275,692
1896.....	45,196	4,530	956,577	681,962	274,616	105,256	56,854	48,401	323,018
1897.....	47,143	4,776							
1898.....	48,419	6,004	1,026,366	717,851	308,516	127,974	76,628	52,246	360,781
1899.....	50,385	6,411	1,118,100	789,523	328,577	165,889	76,144	89,744	418,321
1900.....	49,748	6,607	1,068,069	829,783	238,306	138,721	55,116	83,605	321,911
1901.....	47,300	5,933	1,005,914	829,421	176,493	112,656	33,694	68,110	255,455
1902.....	49,847	6,673	1,087,950	868,138	218,812	119,295	48,778	70,517	290,329
1903.....	53,605	6,158	1,159,148	881,897	277,251	192,946	34,836	68,110	338,361
1904.....	56,713	6,523	1,206,401	883,349	323,052	116,909	51,216	65,693	388,745
1905.....	60,653	6,537	1,339,895	959,745	380,150	118,427	48,078	70,349	450,499
1906.....	61,191	7,546	1,421,748	1,060,225	361,523	132,446	39,392	93,054	454,577
1907.....	69,312	6,939	1,628,488	1,140,021	486,467	169,885	48,959	80,726	547,983
1908.....	66,520	7,242	1,429,038	1,026,112	402,946	104,918	33,691	71,227	474,173
1909.....	68,223	7,446	1,556,206	1,089,686	466,520	85,902	47,874	88,028	504,548
1910.....	71,166	8,109	1,674,543	1,191,272	485,271	113,369	32,836	80,511	568,782
1911.....	76,266	8,458	1,743,641	1,253,065	490,546	102,372	25,743	64,459	535,005
1912.....	80,257	9,828	1,902,072	1,353,575	548,497	137,359	37,360	99,999	648,498
1913.....	80,778	9,648	1,859,542	1,371,477	488,065	118,329	39,332	78,997	567,062
1914.....	65,321	8,524	1,430,590	1,183,510	247,080	80,008	11,498	66,520	318,000
1915.....	60,366	12,637	1,673,454	1,666,857	6,597	50,278	6,655	64,223	50,820
1916.....	59,803	19,029	2,367,495	2,445,730	³ 78,235	152,628	3,350	149,278	71,043
1917.....	43,218	14,051	2,392,981	2,321,129	71,752	57,282	4,917	52,365	124,117
1918.....	38,895	9,122	2,392,168	1,962,735	429,433	91,241	2,822	88,419	517,852
1919.....	42,677	11,123	3,508,765	3,297,901	210,864	75,826	4,070	71,736	262,620
1920.....	57,558	10,280	4,430,197	3,274,368	926,829	88,966	43,162	45,804	972,633
1921.....	44,208	6,091	2,247,512	1,763,351	484,432	488,079	373,372	115,307	599,739
1922.....			1,882,399	1,688,053	194,316	185,971	83,707	102,264	286,880
1923.....	65,608	7,188	2,224,812	1,716,101	508,711	177,844	108,190	72,654	661,365
1924.....	66,170	8,119	1,968,569	1,967,214	³ 80,645	80,645	142,532	³ 111,987	142,532

¹ Quantity figures include gold and silver.² Excluding gold and silver.³ Excess of exports.

TABLE 122.—Switzerland—Imports and exports of merchandise and gold and silver, 1910-1925

[Source: Statistik des auswärtigen Handels der Schweiz. See chart 72. 000 omitted]

	Merchandise				Gold and silver				Total excess of visible—	
	Imports	Exports	Excess		Imports	Exports	Excess		Imports	Exports
			Imports	Exports			Imports	Exports		
1910										
First quarter	389,529	279,870	109,659	-----	25,545	9,830	15,735	-----	123,394	-----
Second quarter	409,037	287,210	121,818	-----	28,124	6,458	21,666	-----	143,484	-----
Third quarter	417,440	297,488	119,952	-----	38,964	9,976	29,988	-----	149,940	-----
Fourth quarter	458,537	326,965	131,542	-----	19,509	7,594	11,915	-----	143,757	-----
1911										
First quarter	430,591	302,480	128,111	-----	19,372	6,007	13,365	-----	141,476	-----
Second quarter	418,559	301,929	116,630	-----	25,159	4,068	21,071	-----	137,701	-----
Third quarter	429,174	307,396	121,808	-----	24,485	9,359	15,116	-----	136,924	-----
Fourth quarter	465,300	341,230	123,880	-----	30,494	16,298	14,196	-----	133,076	-----
1912										
First quarter	457,034	332,475	124,549	-----	23,908	6,065	17,843	-----	142,392	-----
Second quarter	450,221	319,437	130,784	-----	23,182	5,449	17,733	-----	148,517	-----
Third quarter	465,358	341,548	123,811	-----	44,685	8,124	36,561	-----	160,372	-----
Fourth quarter	529,488	360,115	169,373	-----	45,682	17,521	28,061	-----	197,434	-----
1913										
First quarter	460,712	322,788	137,924	-----	38,196	15,854	22,342	-----	160,296	-----
Second quarter	463,134	338,164	114,970	-----	34,438	7,981	26,457	-----	141,427	-----
Third quarter	454,216	346,340	107,876	-----	32,950	6,354	26,596	-----	134,472	-----
Fourth quarter	491,479	364,186	127,293	-----	12,745	9,131	3,614	-----	136,907	-----
1914										
First quarter	439,141	344,592	94,549	-----	14,866	3,653	11,213	-----	105,762	-----
Second quarter	434,808	352,211	82,597	-----	24,550	4,292	20,258	-----	102,855	-----
Third quarter	238,308	204,927	33,381	-----	17,452	1,857	15,595	-----	49,146	-----
Fourth quarter	318,044	281,780	36,264	-----	23,427	1,856	21,571	-----	57,835	-----
1915										
First quarter	416,614	329,861	86,633	-----	23,210	2,629	20,581	-----	107,214	-----
Second quarter	454,921	375,411	89,510	-----	17,735	1,583	16,152	-----	105,662	-----
Third quarter	428,528	457,001	-----	-----	5,676	1,046	4,628	-----	-----	26,445
Fourth quarter	365,362	563,801	-----	138,439	3,656	795	2,861	-----	-----	135,578
1916										
First quarter	531,916	506,988	24,918	-----	16,811	174	16,637	-----	41,555	-----
Second quarter	617,445	551,791	65,654	-----	14,340	480	13,860	-----	79,514	-----
Third quarter	624,738	629,296	-----	4,558	48,637	1,548	47,089	-----	43,631	-----
Fourth quarter	563,922	757,961	-----	194,039	73,840	1,147	71,693	-----	-----	92,346
1917										
First quarter	599,040	547,958	51,082	-----	3,989	1,154	2,835	-----	53,917	-----
Second quarter	706,528	678,394	28,434	-----	4,658	689	3,969	-----	32,403	-----
Third quarter	541,406	530,940	10,466	-----	23,033	106	22,927	-----	33,333	-----
Fourth quarter	645,453	563,883	-----	18,420	26,602	2,910	22,692	-----	4,272	-----
1918										
First quarter	595,507	567,954	-----	61,447	23,873	183	23,690	-----	-----	37,757
Second quarter	591,387	442,644	148,743	-----	12,901	1,482	11,419	-----	160,162	-----
Third quarter	774,861	431,998	342,863	-----	5,193	146	5,037	-----	347,930	-----
Fourth quarter	519,952	519,997	-----	48	49,283	1,012	48,271	-----	48,226	-----
1919										
First quarter	578,677	461,335	117,342	-----	70	656	789	-----	116,553	-----
Second quarter	965,705	753,063	202,612	-----	40,926	2	40,924	-----	243,536	-----
Third quarter	991,720	1,068,590	-----	76,789	5,252	31	5,221	-----	-----	82,010
Fourth quarter	982,662	1,014,964	-----	32,302	29,581	3,178	26,403	-----	-----	5,899
1920										
First quarter	1,038,829	865,972	172,857	-----	9,719	432	9,287	-----	182,144	-----
Second quarter	1,083,449	897,771	185,678	-----	16,535	5,930	10,605	-----	196,283	-----
Third quarter	1,065,199	820,022	233,177	-----	39,198	17,754	21,444	-----	254,621	-----
Fourth quarter	1,025,718	960,906	335,113	-----	23,516	19,044	4,472	-----	339,685	-----

TABLE 122.—Switzerland—Imports and exports of merchandise and gold and silver, 1910-1925—Continued

	Merchandise				Gold and silver				Total excess of visible—	
	Imports	Exports	Excess		Imports	Exports	Excess			
			Imports	Exports			Imports	Exports		
1921	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>	<i>Francs</i>
First quarter.....	778,974	476,619	302,355	-----	34,612	22,656	11,957	-----	314,312	-----
Second quarter.....	533,966	446,491	87,505	-----	121,115	66,584	54,531	-----	142,036	-----
Third quarter.....	356,470	418,928	-----	33,458	195,517	211,568	-----	16,051	-----	49,500
Fourth quarter.....	549,072	421,313	127,759	-----	137,434	79,401	58,033	-----	185,792	-----
1922										
First quarter.....	422,710	402,106	20,604	-----	180,845	19,550	111,295	-----	131,899	-----
Second quarter.....	405,911	417,305	-----	11,394	32,224	44,958	-----	12,734	-----	24,128
Third quarter.....	501,994	429,010	72,984	-----	-----	2,566	-----	10,115	-----	62,869
Fourth quarter.....	551,761	439,631	112,130	-----	20,349	6,258	13,821	-----	125,951	-----
1923										
First quarter.....	530,038	441,329	88,712	-----	143,461	34,369	109,092	-----	197,804	-----
Second quarter.....	504,031	505,395	138,636	-----	6,460	1,044	5,416	-----	144,062	-----
Third quarter.....	515,103	453,058	52,045	-----	4,394	1,106	3,288	-----	55,353	-----
Fourth quarter.....	693,924	460,835	202,969	-----	23,530	68,673	-----	45,145	-----	157,824
1924										
First quarter.....	587,730	539,069	48,691	-----	9,811	66,620	-----	56,809	-----	8,118
Second quarter.....	594,257	489,365	104,952	-----	3,215	57,362	-----	54,147	-----	50,805
Third quarter.....	619,069	497,709	121,330	-----	3,254	7,931	-----	4,677	-----	116,653
Fourth quarter.....	701,937	544,304	157,633	-----	14,403	10,620	3,785	-----	161,418	-----
1925										
First quarter.....	-----	-----	-----	-----	21,468	49,327	-----	27,859	-----	-----

TABLE 123.—Switzerland—Imports and exports of gold and silver, annually, 1910-1923

[Source: Statistik des auswärtigen Handels der Schweiz. 000 omitted]

Year	Gold coin and bullion			Silver coin			Silver bullion		
	Imports	Exports	Excess of imports	Imports	Exports	Excess of imports	Imports	Exports	Excess of imports
1910.....	<i>Francs</i> 82,697	<i>Francs</i> 24,360	<i>Francs</i> 58,347	<i>Francs</i> 22,012	<i>Francs</i> 7,411	<i>Francs</i> 14,601	<i>Francs</i> 7,453	<i>Francs</i> 1,097	<i>Francs</i> 6,356
1911.....	68,275	27,722	40,553	23,175	7,021	16,154	8,040	999	7,041
1912.....	78,728	27,822	50,906	49,920	8,581	41,339	8,769	756	7,953
1913.....	58,270	28,378	29,892	52,726	9,536	42,890	7,333	1,116	6,217
1914.....	58,582	6,144	52,388	15,702	4,517	11,185	6,061	827	5,234
1915.....	16,764	1,739	15,025	27,840	2,363	25,557	5,673	2,013	3,660
1916.....	118,534	828	117,706	23,779	1,365	22,414	10,315	1,156	9,159
1917.....	36,002	2,834	33,168	4,919	1,094	8,825	11,361	991	10,370
1918.....	84,556	1,408	83,148	1,460	1,386	33	5,215	29	5,186
1919.....	57,369	116	57,253	12,114	3,893	8,231	6,346	71	6,275
1920.....	39,513	1,884	37,269	40,401	40,418	14	9,054	861	8,193
1921.....	475,291	376,236	99,055	6,775	3,415	3,360	6,612	557	6,055
1922.....	179,553	79,992	99,661	822	2,607	1,785	5,499	1,108	4,391
1923.....	163,091	94,307	68,784	1,110	10,457	9,347	3,643	430	3,213

1. Excess of exports.

TABLE 124.—Switzerland—National debt, 1850-1923

[Source: Statistisches Jahrbuch der Schweiz; 000 omitted]

Year	Funded debt ¹	Floating debt	Federal railways		Total indebtedness
			Funded debt	Floating debt	
			Francs	Francs	
1850	3,858	790			4,648
1860	4,250				4,250
1870	13,760	6,700			20,460
1880	34,794				34,794
1890	54,150				54,150
1900	64,437				64,437
1905	82,248		1,018,833	100,213	1,210,294
1910	91,150		1,363,818	120,906	1,575,874
1911	87,700		1,457,213	63,524	1,608,437
1912	84,200		1,474,385	64,609	1,623,194
1913	112,270		1,494,425	69,648	1,676,343
1914	139,310	50,000	1,533,750	34,429	1,819,489
1915	371,510	105,500	1,861,827	33,375	2,092,212
1916	646,019	222,500	1,968,811	64,951	2,402,281
1917	717,153	319,400	1,570,847	109,704	2,717,104
1918	1,052,232	428,600	1,637,419	175,098	3,294,009
1919	1,404,057	435,046	1,742,445	216,202	3,752,708
1920	1,587,097	311,633	1,730,142	352,072	4,041,544
1921	1,743,931	372,645	2,003,048	274,575	4,400,199
1922	1,889,205	200,497	2,153,664	230,470	4,474,736
1923	2,042,905	217,598	2,283,549	150,158	4,694,180

¹ Less money in sinking fund.

TABLE 125.—Switzerland—Receipts and expenditures, 1911-1924

[Source: Statistisches Jahrbuch der Schweiz]

Year	Receipts		Expenditures	Deficit
	Francs	Francs		
1911 ¹	98,044,100	98,296,046		251,946
1912 ¹	102,358,649	100,933,088		1,405,531
1913 ¹	99,957,112	105,310,651		5,353,539
1914 ¹	78,310,727	100,843,845		22,533,118
1915 ¹	77,626,354	99,177,891		21,551,537
1916	176,582,014	193,227,469		16,645,455
1917	185,655,900	236,403,765		50,747,865
1918	221,705,080	283,599,767		61,894,687
1919	286,879,263	382,534,960		95,655,697
1920	343,556,352	443,069,082		99,532,730
1921	380,839,356	508,431,226		127,571,870
1922	425,863,980	505,271,646		79,407,666
1923 ¹	233,445,119	298,913,874		65,468,754
1924 ¹	236,915,000	295,179,000		58,264,000

¹ Only net amounts for administration of posts and telegraphs are included.

² Surplus.

³ Budget estimates.

INDEX

	Page
American Relief Administration (in Russia).....	207
Amsterdamsche Wisselbank.....	126
Australia, restoration of gold standard.....	1
Austria:	
Ausland kronen.....	16
Currency, credit, and price movements, 1914-1922.....	11
Devisenzentrale.....	15, 16, 20
Exchange control.....	15, 16
Exchange rates, 1914-1922.....	15
Geneva protocols.....	19
Goode scheme.....	18
Imports and exports.....	24
Inland kronen.....	16
League of Nations intervention and currency stabilization.....	18
Loucheur scheme.....	18
National Bank.....	19
Paritätische kommission.....	14
Pre-war currency.....	9
Revenues and expenditures.....	23
Schilling.....	24
Silver schilling.....	24
Stamping of bank notes.....	12
Wiener Giro und Kassensverein.....	14
Wiener Saldierungsverein.....	14
Austria-Hungary, metallic currency in 1913.....	10
Austro-Hungarian Bank.....	104, 105
Divided into two sections.....	107
Placed in liquidation.....	12
Bela Kun.....	106
Belgium:	
Currency, credit and price movements, 1914-1925.....	32
Current account notes.....	34
Discount rates of National Bank of (table).....	40
Economic agreement with Luxemburg.....	43
Erzberger agreement.....	37, 38
Exchange rates and purchasing power parities.....	45
Foreign trade.....	42
German mark circulation.....	35
Imports and exports by countries (table).....	44
Inconvertibility of bank notes.....	32
Index numbers of prices (table).....	40
Latin Monetary Union.....	27-30, 38
National Bank of.....	30-31
National debt (table).....	51
Notes issued by communes.....	35
Pre-war currency.....	27
Receipts and expenditures (table).....	49, 50
Société Générale de Belgique.....	33
Société Générale de Belgique, note circulation of.....	34
Stabilization.....	49
Transit traffic (table).....	42
Brest-Litovsk treaty.....	205
Charles, Emperor of Hungary.....	67, 106

	Page
Chervonetz.....	200, 201, 203, 215, 219
Czechoslovakia:	
Banking Office of Ministry of Finance.....	59, 74
Capital levy.....	72
Currency measures following independence.....	57
Currency prior to independence.....	55
Debt to the United States Government.....	72
Exchange rates and purchasing power parities.....	46
Foreign trade.....	62
Gold value of total circulation.....	74, 76
Imports and exports of merchandise (table).....	64
Imports and exports by principal commodities (table).....	62
Imports and exports by principal countries (table).....	63
Independence established.....	55
Legal maximum fiduciary circulation.....	58
Proposed national bank.....	73
Receipts and expenditures (table).....	71
Stabilization and reform.....	70
Stamping of bank notes.....	57
Trade with the United States.....	62, 63
Treaty of St. Germain.....	58
De Bordes, J. van Walrè.....	10
Denikin.....	196
Denmark:	
Balance of payments (table).....	89, 90
Currency, credit, and price movements, 1914-1925.....	81
Exchange equalization fund.....	95
Exchange rates and purchasing power parities.....	91
Foreign assets of the National Bank of (table).....	83
Foreign borrowings (table).....	94
Foreign trade.....	86
Gold reserve of National Bank of.....	99
Imports and exports of principal articles (table).....	86
National Bank of.....	79
National debt.....	97
Pre-war currency.....	79
Receipts and expenditures.....	97
Stabilization.....	97
Valuta Central.....	95
Devaluation.....	3
Dutch East Indies, restoration of gold standard.....	1
Entente, Little.....	67
Ecus.....	267
France, financial crisis, April, 1925.....	3
German Reichsbank.....	4
Gold coin, circulation of.....	4
Gold, controlling the value of.....	4
Gold, redistribution of United States gold.....	5
Grabski, Premier of Poland, given plenary powers.....	184
Great Britain:	
Bank of England, gold reserves.....	2
Credit provided by Federal Reserve Bank of New York.....	2
Credit provided by J. P. Morgan & Co.....	1
Restoration of gold standard.....	1
Guyot, Yves.....	9
Horthy, Admiral Nicholas von.....	106
Hungary:	
Currency measures following separation.....	106
Currency prior to 1918.....	103
Devisenzentrale.....	115
Exchange rates and purchasing power parities.....	114
Financial reconstruction.....	119
Foreign trade.....	110
Imports and exports by principal commodities (table).....	111
Imports and exports by principal countries (table).....	112
Napoleon d'or.....	103

	Page
Hungary—Continued.	
National Bank of.....	120-123
National debt (table).....	124
Receipts and expenditures (table).....	123-124
Reconstruction loan.....	120
Relief bonds lien removed.....	119
Stamping of bank notes.....	107
State Note Institute.....	107
Italy, credit established in New York.....	3
Károlyi, Michael.....	106
Katzenellenbaum, S. S.....	191, 200
Knapp, Georg Friedrich.....	10
Kerensky.....	204
Kolchák.....	196, 205
Latin Monetary Union.....	27-30, 38, 223, 267, 271, 272
Luxembourg, economic agreement with Belgium.....	43
Masaryk, Thomas Garrigue.....	55
Moulton, Harold G.....	208
Napoleon d'or.....	103
Netherlands:	
Advances to East India colonies.....	140
Balance of payments (table).....	134
Bank.....	126
Currency, credit, and price movements, 1914-1925.....	127
Emergency currency.....	127
Exchange rates and purchasing power parities.....	135
Foreign trade.....	131
Imports and exports by principal commodities (table).....	131
Imports and exports by principal countries (table).....	132
Increase in taxes.....	140
National debt (table).....	141
Pre-war currency.....	125
Receipts and expenditures (table).....	139
Return to gold standard.....	138
Silver money, disappearance of.....	130
Zilberbons.....	127
New Zealand, restoration of gold standard.....	1
Norske Handelsbank.....	148
Norway:	
Andresens Bank of Christiania.....	148
Bank of.....	148
Bank not required to buy gold at fixed rate.....	147
Bergens Kreditbank of Bergen.....	148
Centralbanken for Norges.....	148
Currency, credit and price movements, 1914-1925.....	145
Exchange rates and purchasing power parities.....	155
Foreign borrowings (table).....	153
Foreign trade.....	151
Foreningsbanken.....	148
Gold reserve of Bank of.....	160
Imports and exports, by principal commodities (table).....	154
Imports and exports, by principal countries (table).....	154
National debt (table).....	161
Pre-war currency.....	143
Prices in Norway, United States, and Great Britain (table).....	156
Receipts and expenditures (table).....	161
Stabilization.....	159
Suspension of specie payments.....	145
Novitsky, W.....	189, 205
Pasvolsky, Leo.....	208
Poland:	
Acquisition of Upper Silesia.....	163, 174
Bank of.....	178-180
Conversion of kronen into Polish marks.....	164
Currency conditions prior to stabilization.....	163
Exchange rates and purchasing power parities.....	169
Foreign trade.....	173

CHECKED
2000-04