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**BUREAU OF FOREIGN AND DOMESTIC COMMERCE**  
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**HANDBOOK  
OF FOREIGN CURRENCY  
AND EXCHANGE**

**Prepared in the Division of Statistical Research**

**BY  
JAMES R. MOOD**



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## FOREWORD

Since 1924, currencies in most of the countries of Europe and of Latin America have been stabilized, and their conversion to United States dollar equivalents is now simply a matter of knowing the par value. From the outbreak of the World War in 1914 until recently, however, inflation appeared in nearly every quarter of the globe, with the result that exchange values in terms of United States dollars were exceedingly unstable and tended to depreciate.

The purpose of this monograph, prepared by James R. Mood in the Division of Statistical Research, is to furnish economists, bankers, business firms, and men in the foreign field with a brief history of world currency conditions and recent legislation, together with such average exchange rates as are available since 1900.

The practical usefulness of a study of this character, covering 115 countries, is obvious. Commercial houses, banking institutions, and construction companies doing a foreign business are vitally interested in the monetary situation of the localities with which they deal; and economists and statisticians should find the data herein equally helpful, for understanding of the economic situation in any area can not be complete without a thorough acquaintance with currency and exchange conditions—factors essential to the computation of economic and commercial indices and in the compilation of foreign-trade values.

WILLIAM L. COOPER, *Director,*  
*Bureau of Foreign and Domestic Commerce.*

SEPTEMBER, 1930.

# HANDBOOK OF FOREIGN CURRENCY AND EXCHANGE

## INTRODUCTION

Surprising as it may seem, up to this time there has been no standardized system for converting the values of foreign currencies into United States dollars uniform for all the branches of our Government. While a slight variation in the rate employed is immaterial so long as small sums are involved, the divergence becomes glaringly apparent as the amounts increase. Actual values can be misinterpreted because of the spread between the gold mint par and the commercial value—for example, when converting Egyptian pounds, whose mint par is \$4.9431 and commercial value \$4.9913; or through disregarding disparities in quotations for currencies such as the rupee, the rate for Ceylon not always being identical with that for India. Further, silver currency can not always be converted simply at its actual bullion worth, for sometimes back of it are gold or gold-exchange reserves that practically guarantee its stability even when the market price of silver is falling.

As is well known, paper currency seldom is used outside the issuing country, and its actual value within the particular country is dependent, not only upon the amount of gold or foreign exchange behind it, but also upon various internal factors.

The usual method of quoting exchange is: New York on a foreign country, the exchange value in United States dollars; a foreign country on New York, number of units to the United States dollar. (Illustration: French franc at par—New York on Paris, \$0.0392; Paris on New York, 25.26 francs.)

An absolute exchange value can not be given for any extended period; this is especially true of the months immediately following the World War, when exchange fluctuated, not merely from day to day, but from hour to hour. Wherever possible the rate in New York on the country concerned has been used in the tables throughout this study; when this rate was not ascertainable, then the rate in that country on New York; in a few instances, when neither of these figures was procurable, the rates given have been computed from quotations on London or Paris. Official exchange quotations have been used when available.

While the dollar mark (\$) is uniformly employed herein to indicate only United States money, certain countries of the Western Hemisphere use that symbol to represent their own national currencies; and in the Far East it often is employed for the various "dollars" (Hong Kong, Mexican, Straits) circulating there.

In the preparation of this monograph liberal use has been made of official and standard yearbooks and statistics of the several countries, of publications of the League of Nations, and of other general compilations, particularly: Monetary Units and Coinage Systems of the



Principal Countries of the World, compiled in the Office of the Director of the Mint, United States Treasury Department, Washington, 1929; Foreign Currency and Exchange Investigation, by John Parke Young (Commission of Gold and Silver Inquiry, United States Senate), Government Printing Office, Washington, 1925; Central American Currency and Finance, by John Parke Young, Princeton University Press, 1925; Exchange Rates of the World, by Emil Diesen, Christiania, Norway, 1921; Foreign Exchange in Latin America, and Latin American Monetary and Exchange Conditions, by Charles A. McQueen (Trade Information Bulletins Nos. 316 and 430, issued by the Bureau of Foreign and Domestic Commerce, Washington, 1925 and 1926); Indian Finance and Banking, by G. Findlay Shirras, MacMillan & Co., London, 1920; and the Bulletin of the Federal Reserve Board, Washington. Special acknowledgment is made of the cooperation extended by the Division of Regional Information and the Finance and Investment Division of this Bureau.

#### ADEN (BRITISH ARABIA)

In the British settlement of Aden, Arabia, the monetary unit is the Indian rupee, the present par value of which is \$0.365 United States currency. (See British India, p. 35, for average exchange rates, etc.)

Government accounts are kept in Indian rupees, and all trading transactions also are on that basis. The circulating medium consists of rupees and subsidiary coins. Among the native population a small quantity of Maria Theresa dollars (thaler) still circulate.

There is a branch of the National Bank of India (Ltd.) at Aden.

#### ALBANIA

Albania's monetary unit is the Albanian gold franc (plural, francs), representing 322.58 milligrams of gold 0.900 fine (290.32 milligrams of fine gold), the par value of which is \$0.192948 United States currency.

On September 2, 1925, the National Bank of Albania was established in Rome, with branches in Albania (Tirana, Durazzo, etc.). This bank, with a capital of 12,500,000 gold francs, has the exclusive right of issuing paper money and metallic currency. This paper money is freely convertible into gold coin. The bank already has issued notes of 100, 20, 5, and 1 franc denominations, gold 100 and 20 franc pieces, and subsidiary coins of silver, nickel, and bronze in franc and lek denominations. (1 lek =  $\frac{1}{2}$  franc.) Since the opening of the bank exchange has been stable within the gold points. On December 31, 1928, notes in circulation totaled 10,095,000 francs; on the same date the bank held gold to the amount of 1,249,000 francs, silver 315,000 francs, and foreign currency 16,403,000 francs.

From the close of the World War down to 1925 the circulating media consisted of gold and silver coins of the several States of the Latin Monetary Union<sup>1</sup> (the silver coins, however, being valued only at the market price of their silver content) and Italian paper currency.

<sup>1</sup> Details of the formation of the Latin Monetary Union appear on p. 15.

## ANDORRA

The Republic of Andorra, which is under the joint suzerainty of France and the Spanish Bishop of Urgel, employs for its circulating medium mainly French francs and Spanish pesetas. Local subsidiary coins of both France and Spain also are current. (See France, p. 69, and Spain, p. 157, for details.)

## ARGENTINA

The monetary unit of Argentina as established by the law of November 5, 1881, is the gold peso (plural, pesos) of 100 centavos, representing 1.6129 grams of gold 0.900 fine (1.4516 grams of fine gold). Its par value is \$0.9648 United States currency.

The principal circulating medium, apart from the metallic currency (in peso and centavo denominations), consists of Government-issued paper money.

Rapid depreciation of the paper currency after the Argentine banking crisis in 1890 led to the currency reform of November 4, 1899. By this law the value of the paper peso was fixed officially at 44 per cent of the gold peso, and in order to maintain this ratio the Caja de Conversion (Conversion Office) was authorized to pay out gold in exchange for legal-tender notes at the rate of 44 centavos for 1 paper peso. In practice, all domestic transactions in Argentina were conducted on the basis of paper money, known as moneda nacional (designated by the suffix m/n), while trade statistics and transactions with foreign countries were made on the basis of the gold peso (designated by the suffix o/s, meaning oro sellado ["coined gold"]).<sup>2</sup> This system continued in operation until the outbreak of the World War, when by the laws of August 9 and September 30, 1914, the obligation of the Caja de Conversion to deliver gold in exchange for notes was suspended and the export of gold was prohibited.

## WAR-TIME EXCHANGE SITUATION

Before the World War Argentina's trade was mostly with Europe and practically no direct financial contact with New York existed. Dollar exchange was nominal and was computed on the basis of settlement through London or other European centers. New York was used chiefly as a source from which European bankers might draw gold for direct shipment to Buenos Aires when such course was advantageous. These conditions changed after the outbreak of hostilities; Argentine imports from the United States expanded, direct trade relations were established, and United States banks opened offices in Buenos Aires.

An increasing world demand for Argentine food products was noticeable early in 1915; at the same time the country's imports were much reduced, and a favorable trade balance was developed. Argentina was in a position where it would normally have received gold from abroad, but, in view of the dangers attending ocean transport at that time, an arrangement was made whereby foreign importers could deposit gold to the credit of the Argentine diplomatic officers in their respective countries. This gold was treated as though it

<sup>2</sup> Official publications of the Argentine Government use the dollar mark as the symbol for the peso, writing, for example, the sum of 1,234,567 gold pesos (or 1,234,567 pesos o/s) thus: \$1,234,567 oro.

were actually in the vaults of the Caja de Conversion, and paper currency was issued in Buenos Aires against it. Thus Argentine exporters received their payment and exchange fluctuations were moderated. By the end of 1915 gold deposited abroad totaled 68,000,000 gold pesos.

After the United States entered the war the situation created by the great volume of high-priced exports from Argentina to markets that could not settle by ordinary means was accentuated. The embargo upon gold exports from the United States was met by an official arrangement providing that up to \$100,000,000 might be deposited in gold in the United States in payment of commercial accounts due Argentine interests, such gold to be exportable after the close of hostilities. During this period the prices of Argentine products advanced considerably and productive and commercial activities were pushed to the utmost. The value of the peso in American currency rose, largely owing to the "pegging" of the United States dollar with the pound sterling and the franc. Following the armistice and the resumption of gold shipments from the United States the peso tended to lose the premium which it had enjoyed over the dollar. During the first five months of 1920 the Caja de Conversion accumulated over 81,000,000 gold pesos against which no paper currency had been issued.

#### POST-WAR GOLD HOLDINGS

A rapid appreciation of the United States dollar in terms of pesos began in May, 1920, and soon the Argentine gold stock of about \$75,000,000 still on deposit in New York was exhausted. No gold could be shipped from Argentina because of the embargo. The peso fell rapidly and reached its lowest point in July, 1921, when it stood at \$0.65. Recovery from this point was consistent, except in 1923, when Argentina's merchandise imports were excessive.

During and immediately following the World War the gold holdings of the Caja de Conversion increased rapidly and by the close of 1920 amounted to 471,000,000 pesos, as compared with 233,198,000 pesos for 1913. The fiduciary circulation reached its maximum in 1920, standing at 1,362,564,000 pesos, as compared with 823,000,000 pesos in December, 1913. At the end of December, 1929, the note circulation stood at 1,246,800,000 pesos and the gold reserve in the Caja de Conversion at 953,700,000 pesos.

#### GOLD PAYMENTS SUSPENDED

Resumption of gold payments in Argentina was accomplished by a presidential decree effective August 27, 1927, reopening the Caja de Conversion and reimposing upon it the obligation to redeem paper pesos at the legal ratio of 44 centavos in gold for 1 peso in paper currency. This action was made possible by Argentina's favorable balance of international payments during recent years, by the consequent strength of Argentine exchange, and by the growth of the country's stock of gold.

This situation held until the latter part of 1929, when, because of continued heavy exports of gold, owing to a negligible trade balance and no external loans, and heavy invisible items such as dividends, debt-service payments, immigrants' remittances, and Argentine investments abroad, a presidential decree of December 11 again brought into effect law No. 9479 of August 9, 1914, prohibiting the

exportation of gold, and ordered a moratorium on international operations.

With the conversion of paper into gold suspended, the only duties of the Caja de Conversion were (1) the exchange of new currency notes for old, (2) the changing of currency notes for others of larger or similar denominations, (3) reception and delivery of nickel coins, (4) acceptance of gold currency in exchange for paper, and (5) the acceptance of bonds deposited in guarantee of foreign insurance companies.

The President of Argentina issued a decree closing the Caja de Conversion December 16, 1929.

BASIS OF STATISTICS

In Tables 1 and 2 following the average rates of exchange are given for both the gold and the paper peso. The basis is: For 1905-1913, Buenos Aires on London (pence converted at \$0.02028); 1914-1918, dollar exchange in Buenos Aires (cable rates); 1919-1929, noon buying rates for cable transfers, New York on Buenos Aires. Yearly average rates, 1905 to 1918, are mid-points between the yearly high and low rates; from 1919 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 1.—YEARLY AVERAGE EXCHANGE RATES OF THE ARGENTINE GOLD AND PAPER PESOS

Year	Average rate		Year	Average rate		Year	Average rate	
	Gold	Paper <sup>1</sup>		Gold	Paper <sup>1</sup>		Gold	Paper <sup>1</sup>
1905.....	\$0.9858	\$0.4338	1914.....	\$0.9638	\$0.4241	1923.....	\$0.7857	\$0.3457
1906.....	.9937	.4372	1915.....	.9390	.4132	1924.....	.7813	.3438
1907.....	.9937	.4372	1916.....	.9724	.4278	1925.....	.9138	.4021
1908.....	.9880	.4347	1917.....	1.0144	.4463	1926.....	.9215	.4055
1909.....	.9817	.4319	1918.....	1.0093	.4441	1927.....	.9630	.4237
1910.....	.9833	.4326	1919.....	.9902	.4357	1928.....	.9648	.4245
1911.....	.9795	.4310	1920.....	.9070	.3991	1929.....	.9513	.4186
1912.....	.9836	.4328	1921.....	.7300	.3212			
1913.....	.9829	.4326	1922.....	.8182	.3600			

<sup>1</sup> Computed at 44 per cent of the gold peso.

TABLE 2.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE ARGENTINE GOLD AND PAPER PESOS

Period	1910		1920		1921		1922	
	Gold	Paper <sup>1</sup>	Gold	Paper <sup>1</sup>	Gold	Paper <sup>1</sup>	Gold	Paper <sup>1</sup>
First quarter.....	\$1.0179	\$0.4470	\$0.9850	\$0.4334	\$0.7932	\$0.3490	\$0.8065	\$0.3557
Second quarter.....	1.0005	.4402	.9716	.4275	.7189	.3163	.8167	.3593
Third quarter.....	.9666	.4253	.8708	.3671	.6733	.2063	.8167	.3593
Fourth quarter.....	.9748	.4289	.7899	.3476	.7378	.3246	.8307	.3655
January.....	1.0191	.4484	.9823	.4322	.7938	.3493	.7719	.3396
February.....	1.0195	.4486	.9854	.4336	.8039	.3537	.8258	.3634
March.....	1.0150	.4466	.9872	.4344	.7820	.3441	.8278	.3642
April.....	1.0030	.4413	.9831	.4326	.7396	.3254	.8075	.3553
May.....	1.0083	.4437	.9706	.4271	.7185	.3161	.8241	.3626
June.....	.9904	.4358	.9611	.4229	.6986	.3074	.8188	.3602
July.....	.9714	.4274	.9227	.4060	.6580	.2895	.8185	.3601
August.....	.9627	.4236	.8710	.3832	.6956	.2929	.8208	.3612
September.....	.9658	.4250	.8457	.3721	.6963	.3064	.8108	.3568
October.....	.9649	.4245	.8337	.3630	.7396	.3216	.8141	.3582
November.....	.9766	.4307	.7687	.3382	.7347	.3233	.8223	.3618
December.....	.9831	.4326	.7873	.3464	.7480	.3291	.8567	.3766

<sup>1</sup> Computed at 44 per cent of the gold peso.

## FOREIGN CURRENCY AND EXCHANGE

TABLE 2.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE ARGENTINE GOLD AND PAPER PESOS—Continued

Period	1923		1924		1925		1926	
	Gold	Paper †	Gold	Paper †	Gold	Paper †	Gold	Paper †
First quarter.....	\$0.8437	\$0.3712	\$0.7555	\$0.3324	\$0.9037	\$0.3976	\$0.9258	\$0.4074
Second quarter.....	.8177	.3598	.7444	.3275	.8948	.3937	.9125	.4015
Third quarter.....	.7568	.3330	.7694	.3385	.9172	.4036	.9207	.4051
Fourth quarter.....	.7238	.3185	.8578	.3774	.9400	.4136	.9280	.4083
January.....	.8474	.3729	.7385	.3241	.9108	.4008	.9413	.4142
February.....	.8422	.3706	.7645	.3364	.9033	.3975	.9327	.4104
March.....	.8414	.3702	.7655	.3368	.8971	.3947	.9333	.3975
April.....	.8315	.3659	.7480	.3291	.8688	.3823	.9079	.3995
May.....	.8168	.3594	.7463	.3284	.9024	.3971	.9131	.4018
June.....	.8047	.3541	.7389	.3251	.9133	.4019	.9166	.4033
July.....	.7774	.3421	.7412	.3261	.9175	.4037	.9205	.4050
August.....	.7446	.3276	.7666	.3373	.9170	.4035	.9196	.4046
September.....	.7485	.3293	.8003	.3521	.9171	.4035	.9220	.4057
October.....	.7366	.3241	.8354	.3676	.9336	.4108	.9275	.4081
November.....	.7114	.3130	.8549	.3762	.9444	.4155	.9238	.4065
December.....	.7233	.3183	.8832	.3886	.9421	.4145	.9328	.4104

Period	1927		1928		1929	
	Gold	Paper †	Gold	Paper †	Gold	Paper †
First quarter.....	\$0.9485	\$0.4173	\$0.9717	\$0.4275	\$0.9570	\$0.4211
Second quarter.....	.9627	.4236	.9711	.4273	.9545	.4200
Third quarter.....	.9684	.4261	.9590	.4220	.9537	.4196
Fourth quarter.....	.9715	.4275	.9572	.4212	.9397	.4135
January.....	.9385	.4129	.9711	.4273	.9576	.4213
February.....	.9472	.4168	.9714	.4274	.9577	.4214
March.....	.9598	.4223	.9725	.4279	.9556	.4205
April.....	.9617	.4231	.9719	.4276	.9556	.4205
May.....	.9620	.4233	.9720	.4277	.9552	.4203
June.....	.9644	.4243	.9694	.4265	.9528	.4192
July.....	.9655	.4248	.9614	.4230	.9537	.4196
August.....	.9684	.4261	.9590	.4220	.9539	.4197
September.....	.9712	.4273	.9566	.4209	.9534	.4195
October.....	.9716	.4275	.9559	.4206	.9500	.4180
November.....	.9705	.4270	.9582	.4216	.9392	.4132
December.....	.9723	.4278	.9575	.4213	.9300	.4092

† Computed at 44 per cent of the gold peso.

## AUSTRALIA

Australia's monetary unit is the Australian pound (symbol £) par 4.8665. The metallic currency in circulation is practically the same as in Great Britain; there is little or no gold passing.

In addition to the metallic currency, the circulating medium consists mainly of notes of the Commonwealth Bank, essentially a Government institution.

Prior to 1910 the right to issue paper money was vested in private banks, which paid for the privilege a tax of 2 per cent (3 per cent in Queensland). In that year the Commonwealth Parliament passed the Australian notes act (No. 11 of 1910), regulating the note issue of Australia and providing for the emission of notes by the Commonwealth Treasury. The act imposed a tax of 10 per cent upon notes of private banks and prohibited the issuance of notes by the Australian States. Against these Treasury notes—which were declared legal tender throughout Australia, but were redeemable only at the seat of

the Commonwealth Government—there was required a gold reserve of not less than 25 per cent of notes issued up to £7,000,000 and of 100 per cent against any excess over this amount.

In December, 1920, the Australian note issue was handed over to the Commonwealth Bank established under act No. 18, of December 22, 1911; the notes, however, still remained Treasury notes, and required a gold reserve of at least 25 per cent of the notes outstanding. The Commonwealth Bank became the central bank of issue for the whole of Australia; the redemption of its notes is guaranteed by the Commonwealth Treasury. On December 31, 1929, notes outstanding totaled £42,423,000, against which was a gold reserve of £18,264,000.

The Australian pound normally fluctuates with the British pound, (see p. 174) the difference being only a spread in the case of telegraphic transfers, etc. The spread, however, increased considerably immediately following the World War.

While yearly average exchange rates are not available, there are quoted in the tabulation following such rates as could be obtained by American Trade Commissioner E. G. Pauly, at Melbourne, from the secretary of the Associated Banks. These rates represent selling rates (telegraphic transfers) in Melbourne on London for £100 sterling; the premium or discount is given in shillings and pence, the usual method of quoting.

*Selling rates (cable transfers) in Melbourne on London*

	s.	d.
1913:		
Oct. 17.....premium.....	15	0
1914:		
Aug. 19.....do.....	25	0
Sept. 29.....do.....	30	0
Oct. 24.....do.....	35	0
1915:		
May 14.....do.....	32	6
Oct. 1.....do.....	32	6
1916:		
Jan. 6.....do.....	32	6
Feb. 24.....do.....	37	6
Nov. 16.....do.....	32	6
1917:		
May 31.....do.....	27	6
Oct. 3.....do.....	22	6
1920:		
Jan. 12.....do.....	17	6
Aug. 10.....do.....	17	6
Oct. 8.....do.....	30	0
Oct. 14.....do.....	30	0
Nov. 1.....do.....	40	0
Dec. 1.....do.....	50	0
1921:		
Dec. 23.....do.....	45	0
1922:		
Feb. 17.....do.....	35	0
Apr. 6.....do.....	30	0
May 15.....do.....	25	0
July 14.....do.....	17	6
Sept. 8.....do.....	10	0
Oct. 10.....do.....	5	0
Nov. 8.....do.....	5	0

## FOREIGN CURRENCY AND EXCHANGE

	s.	d.
1924:		
Jan. 14.....discount.....	10	0
Feb. 22.....do.....	15	0
Mar. 10.....do.....	20	0
May 6.....do.....	30	0
Sept. 8.....do.....	35	0
Sept. 29.....do.....	40	0
Oct. 14.....do.....	50	0
1925:		
May 6.....do.....	10	0
June 10.....do.....	Par.	
Dec. 4.....do.....	Par.	
1926:		
June 9.....premium.....	2	6
July 12.....do.....	5	0
Aug. 5.....do.....	7	6
Oct. 1.....do.....	2	6
1927:		
Apr. 20.....do.....	10	0
June 27.....do.....	12	6
July 25.....do.....	15	0
Nov. 7.....do.....	15	0

## AUSTRIA

Austria's monetary unit is the schilling (anglicized plural, schillings), of 100 groschen, representing 235.2454 milligrams of gold 0.900 fine (211.72086 milligrams of fine gold), the par value of which is about \$0.1407 United States currency.

The schilling was adopted in accordance with the federal law of December 20, 1924, some of the more important provisions of which are:

Article 9: The Federal Government will coin on behalf of the Austrian Federal State federal gold coins of 25 and 100 schillings.

Article 13: Silver coins in circulation must not exceed 10 schillings per capita of the population. In business transactions no one is obliged to accept silver for a larger amount than 50 schillings. The silver schilling contains 6 grams of silver 0.640 fine.

Article 16: Former Austro-Hungarian gold coins will not be legal tender after December 31, 1925.

Article 17: The Austrian National Bank must discontinue the issue of kronen notes after December 31, 1926.

Apart from the metallic currency (gold, silver, and subsidiary coins of nickel and bronze in schilling and groschen denominations), the circulating medium consists of the notes of the Austrian National Bank. In December, 1929, notes outstanding totaled 1,094,000,000 schillings, gold reserve 169,000,000 schillings, and foreign-exchange reserve 238,000,000 schillings.

## CAPITAL, RESERVE, AND FUNCTIONS OF NATIONAL BANK

The Austrian National Bank came into operation on January 1, 1923; it was capitalized at 30,000,000 gold kronen and given exclusive note-issue privileges for 20 years. There were to be no advances to the Government without deposit of an equivalent amount in gold or foreign bills.

In regard to reserve requirements, it was provided that the total bank-note circulation plus current liabilities (but exclusive of the existing Federal debt, as evidenced 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 33½ per cent. It was provided that specie payments must be resumed and maintained when the Government succeeds in reducing its debt to the bank, which amounted to 2,557,948,000,000 paper kronen when the new bank went into operation, to an equivalent of 30,000,000 gold kronen—the latter amount to constitute a permanent advance from the bank to the State.

As a nucleus for its reserves the bank received (1) the meager gold and foreign exchange holdings of the Austro-Hungarian Bank and (2) assets of the Devisenzentrale (Central Exchange Office), which institution the bank took over in its entirety. The bank also received the proceeds of the Government foreign loans. Furthermore the capital of the bank was subscribed in gold or foreign exchange.

When the Austrian National Bank absorbed the Devisenzentrale on January 1, 1923, it assumed likewise the function of regulating exchange rates. During the first two months, however, conditions altered and the demand for foreign exchange was again strong, owing largely to a feeling that the obtaining of foreign credits for Austria was doubtful. 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 flowed back more rapidly toward Austria. In the spring of 1925 Austria abolished restrictions on dealings in foreign currencies.

#### INTRODUCTION OF GOLD STANDARD

On January 24, 1857, Austria concluded with Prussia and other German States a monetary convention by which it was agreed that 45 Austrian standard florins or gulden should be coined from the mint pound of 500 grams fine silver. The silver florin, the monetary unit at that time, thus weighed 12.34568 grams 0.900 fine. In 1879 Austria abandoned the silver standard and placed itself legally on a paper standard, not having at the time gold resources sufficient to establish a gold standard.

In 1892 Austria introduced a monetary reform by which the gold krone (there are 2 kronen to the florin) was substituted as a standard for the silver florin of prior to 1879 and for the paper florin of after that date. The krone was to contain 338.753 milligrams of gold 0.900 fine, which made it the equivalent of \$0.2026 United States currency.

The Austro-Hungarian Bank experienced difficulty in establishing the gold standard. A financial crisis in 1893 arrested progress toward its adoption and gold commanded a premium of from 3 to 7 per cent. The large holdings of silver amassed during the period of the silver standard proved to be very embarrassing to the bank. The Government bought part of the metal, recoined it, and tried to substitute silver coins for its own 1 and 5 florin notes; however, the people preferred the bank notes to the bulky silver and the metal was returned to the bank. It was not until 1900 that the currency of Austria was actually established on a gold basis. In that year the Austro-Hungarian Bank began gold payments. From 1900 until the outbreak of the World War Austrian exchange was practically at par and its paper money was protected by strong reserves.



## PERIOD OF INFLATION

Rapid increase in note issues in Austria-Hungary after August, 1914, constitutes the dominant feature of the recent monetary history. The Austro-Hungarian Bank placed its facilities for financing at the disposal of the Government upon the outbreak of the war. On August 4, 1914, 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 from its obligation to buy gold at parity. The provisions for a 40 per cent gold cover against outstanding notes were suspended and treasury bonds permitted as cover for notes; excess circulation caused by advances to the Government was freed from the 5 per cent tax. The bank was authorized to print small notes to take the place of metallic money. Finally it received permission to suspend publishing weekly statements.

From December, 1913, to December, 1918, the note circulation of the Austro-Hungarian Bank rose from 2,494,000,000 to 34,889,000,000 kronen, or about 1,300 per cent, and advances to the State increased from nothing to around 80 per cent of this latter sum. Meanwhile the gold reserve declined from 1,241,000,000 to 261,000,000 kronen, or about 79 per cent.

Beginning with the Czechoslovak revolution in October, 1918, the old monarchy broke up into several states. A distinction as to the money circulation in the different sections soon followed. Early in March, 1919, Czechoslovakia stamped with its stamp the notes of the Austro-Hungarian Bank found within its borders; Austria followed the same course a few days later (March 12 to 24).

In Austria only 4,687,000,000 kronen were stamped out of the total circulation of the Austro-Hungarian Bank of 37,965,000,000 kronen at the end of March, 1919. From this time on a separate account was kept of the new notes issued for circulation in the Austrian Republic, and by December, 1919, these had increased to about 12,135,000,000 kronen.

On January 1, 1920, the Austro-Hungarian Bank was placed in liquidation, and the Oesterreichische Geschäftsführung (Austrian Economic Administration) took over the central banking function for the new Republic. Under the new system expansion of currency did not cease. Compared with an estimated circulation in 1913 of 500,000,000 kronen for what constitutes present Austria, the circulation stood at 8,387,767,000,000 kronen in December, 1924.

## FINANCIAL RECONSTRUCTION

Soon after the signing of the armistice it was generally recognized in Europe that something must be done by foreign nations to place the new Republic of Austria on its feet economically. Various schemes were tried out, but without success. In March, 1921, the case of Austria was referred to the financial committee of the League of Nations, which proposed 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 various claims (occupation costs, reparations, relief credits, etc.), and the release of these prior

liens had to be obtained. The nations concerned were slow in according the release.

In December, 1921, conditions became very serious and the Allied Nations granted further credits. On October 4, 1922, the Geneva protocols were signed.

These protocols were three in number. The first assured political independence to Austria, a step necessary to win the confidence of future subscribers to Austrian loans. The second fixed conditions of the loan of 650,000,000 gold kronen which the League of Nations 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. An important section of the third protocol provided for the creation of the new National Bank of Austria (Oesterreichische National Bank), to take over the Austrian section of the old Austro-Hungarian Bank and certain assets resulting from the liquidation of the latter.

In December, 1923, Austria introduced a new coin, the silver schilling, divided into 100 groschen. The Austrian schilling was given a monetary value of 10,000 of the then outstanding paper kronen, or about \$0.1407 United States currency. This was done as a matter of convenience inasmuch as, before its introduction, 10,000 paper kronen had come to be regarded as a unit in quoting prices. The silver schilling was first put into circulation in June, 1924, and was well received by the public. It proved to be so useful that, on December 20, 1924, the gold schilling was adopted as the monetary unit.

During the early years of the World War, although Austria was already issuing large amounts of notes, and although prices were rapidly rising, the foreign-exchange value of the krone held comparatively firm. Until the armistice the krone never fell lower than about \$0.08 United States currency. This lag in exchange depreciation was largely the result of the vigorous control exercised over exchange rates during the war and of the blockade (which kept down imports and, consequently, the demand in Austria for foreign exchange).

#### EXCHANGE CONTROL

Control over exchange rates was first exercised by an association of banks in Vienna established in February, 1916. However, since all banks were not members, the plan was not a complete success, and on December 19, 1916, a strict supervision was established by governmental decree. Free commerce in foreign exchange was abolished, and a "Devisenzentrale" was formed under the direction of the Austro-Hungarian Bank. On June 18, 1918, more stringent measures were adopted. 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 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, the paper krone having fallen rapidly (the value of the gold krone rose from 241 paper kronen in the first week of September to 1,502 in the last week of November), exchange restrictions were again introduced and in July, 1922, were made more severe. Since December, 1922, however, they have been gradually relaxed.

As a result of exchange control there came about the creation, by the Devisenzentrale, of two kinds of accounts in Viennese banks—(a) *ausland* (foreign) kronen accounts, which could be transferred abroad as well as used within Austria, and (b) *inland* (home) kronen accounts, which could be used only within the country. This was done to prevent transfer of kronen 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, or (c) the Devisenzentrale had give its approval. Since "ausland" kronen were free from restrictions, they were more valuable than "inland" kronen; for example, toward the end of 1921 the value of the gold krone was 1,228 "inland" kronen and 510 "ausland" kronen.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 3 and 4 is: January, 1914, to February, 1917, sight drafts, New York on Vienna; March, 1917, to 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, New York on Vienna; 1920, sight drafts, New York on Vienna; 1921–1929, noon buying rates for cable transfers, New York on Vienna. Yearly average rates from January, 1914, to October, 1918, are computed from mid-points between the monthly high and low rates; from November, 1918, to December, 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$0.2026) may be used from 1900 to 1913, since deviations from par during that period were only slight.

TABLE 3.—YEARLY AVERAGE EXCHANGE RATES OF THE AUSTRIAN KRONE AND SCHILLING<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.1967	1920.....	\$0.00497	1926.....	\$0.1407
1915.....	.1539	1921.....	.00170	1927.....	.1408
1916.....	.1371	1922.....	.000098	1928.....	.1407
1917.....	.0973	1923.....	.000014	1929.....	.1406
1918.....	.1040	1924.....	.000014		
1919.....	.0314	1925.....	.1406		

<sup>1</sup> 1914–1924, krone; 1925–January–February krone (\$0.000014), March–December schilling (average for the last 10 months); 1926–1929, schilling.

TABLE 4.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE AUSTRIAN KRONE AND SCHILLING<sup>1</sup>

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0. 2024	\$0. 1659	\$0. 1310	\$0. 1073	\$0. 1257	\$0. 0528	\$0. 0045	\$0. 0026
Second quarter.....	. 2028	. 1548	. 1310	. 0946	. 1190	. 0394	. 0067	. 0025
Third quarter.....	( <sup>2</sup> )	. 1516	. 1238	. 0895	. 0935	. 0242	. 0054	. 0012
Fourth quarter.....	. 1806	. 1431	. 1195	. 0978	. 0776	. 0093	. 0032	. 0005
January.....	. 2021	. 1743	. 1263	. 1123	. 1267	. 0623	. 0047	. 0026
February.....	. 2026	. 1665	. 1388	. 1088	. 1260	. 0526	. 0038	. 0025
March.....	. 2026	. 1569	. 1278	. 1009	. 1225	. 0436	. 0049	. 0026
April.....	. 2027	. 1548	. 1308	. 0967	. 1253	. 0386	. 0055	. 0029
May.....	. 2030	. 1558	. 1328	. 0967	. 1212	. 0423	. 0070	. 0026
June.....	. 2028	. 1537	. 1295	. 0903	. 1104	. 0372	. 0077	. 0020
July.....	. 2027	. 1514	. 1268	. 0896	. 1010	. 0290	. 0066	. 0014
August.....	. 2035	. 1509	. 1233	. 0902	. 0949	. 0256	. 0051	. 0012
September.....	( <sup>3</sup> )	. 1526	. 1206	. 0887	. 0847	. 0180	. 0046	. 0010
October.....	. 1887	. 1510	. 1194	. 0872	. 0972	. 0129	. 0038	. 0006
November.....	. 1767	. 1430	. 1180	. 0939	. 0721	. 0086	. 0032	. 0004
December.....	. 1765	. 1353	. 1212	. 1122	. 0634	. 0065	. 0027	. 0004

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 000252	\$0. 000014	\$0. 000014	( <sup>4</sup> )	\$0. 1406	\$0. 1408	\$0. 1408	\$0. 1405
Second quarter.....	. 000104	. 000014	. 000014	*\$0. 1406	. 1407	. 1407	. 1407	. 1406
Third quarter.....	. 000023	. 000014	. 000014	. 1406	. 1408	. 1407	. 1409	. 1406
Fourth quarter.....	. 000014	. 000014	. 000014	. 1406	. 1408	. 1409	. 1406	. 1406
January.....	. 000325	. 000014	. 000014	*. 000014	. 1406	. 1408	. 1409	. 1406
February.....	. 000281	. 000014	. 000014	*. 000014	. 1406	. 1408	. 1408	. 1405
March.....	. 000150	. 000014	. 000014	*. 1406	. 1406	. 1407	. 1407	. 1405
April.....	. 000134	. 000014	. 000014	. 1406	. 1407	. 1407	. 1407	. 1405
May.....	. 000112	. 000014	. 000014	. 1406	. 1407	. 1407	. 1407	. 1405
June.....	. 000067	. 000014	. 000014	. 1405	. 1408	. 1406	. 1407	. 1405
July.....	. 000038	. 000014	. 000014	. 1405	. 1408	. 1407	. 1409	. 1405
August.....	. 000017	. 000014	. 000014	. 1406	. 1408	. 1406	. 1409	. 1407
September.....	. 000014	. 000014	. 000014	. 1407	. 1408	. 1408	. 1408	. 1407
October.....	. 000014	. 000014	. 000014	. 1407	. 1408	. 1408	. 1407	. 1407
November.....	. 000014	. 000014	. 000014	. 1406	. 1408	. 1409	. 1406	. 1405
December.....	. 000014	. 000014	. 000014	. 1406	. 1408	. 1406	. 1406	. 1406

<sup>1</sup>1914-1924, krona; 1925-January-February krona, March-December schilling; 1926-1929, schilling.  
<sup>2</sup>Indeterminable.  
<sup>3</sup>Not available.  
<sup>4</sup>Schilling.  
<sup>\*</sup>Krona.

**AZORES**

The Azores are regarded as an integral part of the Republic of Portugal. Accordingly, the monetary unit is the Portuguese escudo (gold) of 100 centavos, the par value of which is \$1.0805 United States currency. (See Portugal, p. 139.) This coin, however, is not in circulation although customs duties are estimated in it. The actual circulating medium is the Azorean paper escudo certificate, which is frequently designated as "milreis"; it is also termed the "weak" escudo, as compared with the "strong," or Portuguese, escudo. The strong escudo has the value of 1½ weak escudos; this ratio has been steadily maintained during recent years. For example, the average exchange rate of the Portuguese, or strong escudo for 1929 was \$0.04471; the value of the Azorean, or weak, escudo was \$0.03726.

**BELGIAN AFRICA**

**BELGIAN CONGO**

In the Belgian Congo the monetary unit is the Belgian franc of 100 centimes, the par value of which is \$0.02784 United States currency (but see Belgium, p. 14).

According to the law of October 18, 1908, gold and silver money current in Belgium is also current in the Belgian Congo. These coins were gold pieces of 20 and 10 francs and silver pieces of 1, 2, and 5 francs and 50 centimes. In 1914 most of the gold and silver disappeared, but by January 1, 1926, gold and silver pieces had reappeared in circulation to the extent of about 18,000,000 francs; of this sum gold pieces comprised 700,000 francs.

The conferences at Paris of March 25, 1920, and December 9, 1921, authorized the Belgian Government to mint for the colony pieces (of inferior metal) of 1 franc and of 50 centimes nominal value, which are current neither in Belgium nor in any other country formerly belonging to the Latin Monetary Union. The total amount minted from the date of the law to January 1, 1926, was 144,250,000 francs and the total amount in circulation on that date was 94,800,000 francs.

In addition to the metallic currency, the principal circulating medium is the notes of the Banque du Congo Belge (capital 20,000,000 francs), established 1909, which was given the right of note issue by the convention of July 7, 1911. The notes of the Banque du Congo Belge are of 1, 5, 20, 100, and 1,000 franc denominations; they totaled 107,451,000 francs on June 30, 1927.

#### BELGIUM

The Belgian franc (plural, francs) of 100 centimes, stabilized under the royal decree of October 25, 1926, is the monetary unit of Belgium. The new franc represents 46.491 milligrams of gold 0.900 fine (41.842 milligrams of fine gold), the par value of which is \$0.02784 United States currency. The same decree created the belga (plural, belgas), the equivalent of 5 new Belgian francs; it therefore represents 232.457 milligrams of gold 0.900 fine (209.211 milligrams of fine gold), and its par value is \$0.1392 United States currency. The belga serves merely as the basis for foreign-exchange transactions; for all domestic business the new franc (not the belga) is the unit employed. The former unit was the old Belgian franc of 100 centimes, representing 322.58 milligrams of gold 0.900 fine, the par value of which was \$0.192948. There are subsidiary coins of nickel and copper in franc and centime denominations.

On October 5, 1926, an agreement was concluded between the National Bank of Belgium and the principal banks of issue of other countries by the terms of which the signatory banks undertook, in case of need, to support the Belgian currency reform by means of credits, advances, or rediscounts. On October 23, 1926, a loan of \$100,000,000 to Belgium was arranged between the Government and an important group of foreign banks. The loan was successfully floated in New York, London, Amsterdam, Zurich, and Stockholm. Additional support (if necessary) was made available in the form of a rediscount credit of \$35,000,000, obtained by the National Bank of Belgium from the issue banks of nine large countries.

Notes of the National Bank of Belgium (La Banque Nationale de Belgique), the sole bank of issue, founded by the law of May 5, 1850, are the principal circulating medium. These notes, which had been on an inconvertible basis since August 3, 1914, were made redeemable at sight by the decree of October 25, 1926, and required to be covered by gold and foreign exchange. This cover is fixed legally at 40 per cent of the demand obligations, including both notes and deposits.

Gold must form a minimum of three-fourths of the reserve against demand obligations; the remainder may consist of foreign exchange.

#### BIMETALLIC COINAGE

Currency conditions in Belgium have been closely allied with those in France since about the middle of the nineteenth century. The monetary law of Belgium, passed on June 5, 1832, is almost a literal reproduction of the French law of 7 Germinal an XI (1799), in which free coinage was proclaimed and a standard unit of 5 grams of silver 0.900 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. In 1847 Belgium broke away from this bimetallic ratio, discarded the 20 and 40 franc gold pieces, which were the same as the French, and began the coinage of new gold coins of 10 and 25 francs representing 286.409 milligrams of gold 0.900 fine per franc, or at a ratio of 15.80 to 1. At about this time gold discoveries in California and Australia had begun to show their effects on the value of the yellow metal and the value of the gold in the Belgian gold coins fell below the face value of the coins in terms of silver. In December, 1850, gold coins were at a discount of about 2 francs per thousand. As a result, the country was flooded by the foreign gold currencies to which it had given legal-tender quality (British sovereigns, Netherland florins, and French francs) and experienced difficulty in retaining its silver coins.

During 1850 legal-tender quality was withdrawn from the above-mentioned coins. Silver was recognized as the sole standard, the coinage of gold ceased, and a 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.

#### FORMATION OF LATIN MONETARY UNION

A monetary commission appointed in 1859 found that French gold had driven all silver out of Belgium except some French silver which was underweight. The law of June 4, 1861, reestablished the legal-tender quality of French gold, and Belgium returned to the double standard of 1832-1850. The chief difficulty at the time was the great scarcity of small silver coins. Informal discussions on the subject between France and Belgium in 1865 gave the former nation the opportunity of calling the monetary conference (held November 20 to December 23, 1865) which resulted in the formation of the Latin Monetary Union. Since the relatively high value of silver had placed all the participants on a gold basis, the presumption was they would remain 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 of these forms of money was 15.80 to 1. Article 3 preserved the French ratio of  $15\frac{1}{2}$  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.

## DISSOLUTION OF MONETARY UNION

The Latin Monetary Union in its original form, providing for the free coinage of both silver and gold, lasted only nine years. Restrictions on silver coinage were introduced in 1874, and in 1878 the Union suspended indefinitely the coinage of silver. In 1885 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 at that time had a considerable amount of Belgian 5-franc pieces and the cost of reimbursement by Belgium would have inflicted a serious burden on Belgian finances. A compromise was finally effected between Belgium and France by which a gradual reimbursement by Belgium was made possible.

The Latin Monetary Union was denounced by Belgium<sup>3</sup> in December, 1925 (see also under Switzerland, p. 165), but it was not until October 1, 1927, that the circulation in Belgium of French, Swiss, Italian, and Greek silver coins (which had been accepted in public and private dealings by virtue of the law of December 30, 1885, ratifying the monetary convention of November 6, 1885) was declared to be no longer acceptable by Government institutions in Belgium. Since that date only Belgian silver coins have been accepted by the Government.

## NATIONAL BANK OF BELGIUM

The National Bank of Belgium (*La Banque Nationale de Belgique*), the sole bank of issue in the Kingdom, 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. On October 25, 1926, the bank was reorganized and its charter extended to December 31, 1952. The original capital was fixed at 25,000,000 francs, but in 1872 this was increased to 50,000,000 francs. Prior to the World War the bank was required to keep a metallic reserve equal to one-third of its demand liabilities; this provision was suspended in August, 1914. Likewise the bank could not hold in its portfolio discounted Treasury obligations 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. (Total borrowings for this operation amounted to 5,864,000,000 francs.) The bank may 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.

At the beginning of the war in 1914 the National Bank of Belgium passed through a most trying period. A run on private institutions compelled the National Bank to absorb huge quantities of commercial paper. The bank was besieged by holders of notes who wished to convert them into hard cash. From July 27 to August 1, 1914, 50,000,000 francs in silver was paid out by the bank; between June 30

<sup>3</sup> While the Latin Monetary Union, consisting of Switzerland, France, Belgium, Italy, and Greece, was in existence, other nonmember countries adopted monetary units of like value—Spain (peseta), Rumania (leu), Bulgaria (lev), Serbia (dinar), and Venezuela (bolivar), and, later on, Latvia (lat). Switzerland is the only one of the original signatories now actually adhering to the par value established by the Union, and monetary units of like value are to be found only in Spain, Latvia, Venezuela, and, among the newer countries, Albania and Yugoslavia.

and December 31, 1914, the silver reserve fell from 74,000,000 to 4,800,000 francs.

On August 3, 1914, after receipt of the German ultimatum, the Belgian Government declared a moratorium on commercial bills, and established the forced circulation and inconvertibility of bank notes. On the same day the Government also declared a moratorium on bank deposits, limiting withdrawals to 1,000 francs per fortnight. Thus began Belgium's inconvertible-paper-money experience.

The Minister of Finance on August 3, 1914, ordered the bank to transfer its metallic reserve, unissued notes, Government securities, and the plates for printing the notes to Antwerp. Later on they were sent to London and deposited in the Bank of England. The German authorities demanded the return of the metal and plates, and when this was refused they transferred the right of issue from the National Bank to La Société Générale (Belgium's largest private banking institution) on December 24, 1914. Upon the withdrawal of the Germans the Société Générale restored the issue privilege to the National Bank.

#### WAR AND POSTWAR CURRENCY

During and immediately after the war the circulation was made up of (1) notes of the National Bank of Belgium, (2) current-account notes (issued by the National Bank), (3) notes issued by La Société Générale de Belgique, (4) notes issued by the communes, and (5) German marks.

Because of the removal of bank notes and plates from the vaults of the National Bank at the outbreak of the war, the National Bank decided on August 26, 1914, at the request of the Brussels banks, to issue a special form of bank notes known as "compte courant" notes. This issue was made and carried along through five months; at its maximum it amounted to 189,310,500 francs.

The notes of La Société Générale de Belgique increased rapidly during the war and reached a maximum of 1,898,178,000 francs on February 1, 1919, but by December 31, 1921, had dropped to only 45,712,000 francs. Both the National Bank and La Société Générale de Belgique retained whatever German marks they received and regarded them as gold in the Reichsbank. La Société Générale issued its own notes against these marks. Upon the German withdrawal La Société Générale changed its policy, and forced into circulation all the marks it received, thus reducing the circulation of its own notes and avoiding loans of marks to the German Government.

The communes became practically independent when the Germans occupied Belgium, since the Central Government had left the country. They issued notes to relieve the monetary situation. In August, 1915, there were in circulation—chiefly in the two Provinces of Flanders—57,000,000 francs of 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 to their withdrawal within a year.

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



mark. The number of marks introduced into Belgium is variously stated at between 4,000,000,000 and 6,000,000,000.

In order to retire these marks at the close of the war, inasmuch as they ceased to possess legal-tender qualities in Belgium, the National Bank in 1919 loaned the Government 5,800,000,000 francs. As cover for these notes the Government gave the bank its bonds, taking the marks in return.

#### RETIREMENT OF MARK NOTES

Belgium has held Germany responsible for the funds necessary to cancel the indebtedness incurred in withdrawing the mark circulation. By the Erzberger agreement 4,000,000,000 marks (worth about \$540,000,000 in November, 1918) were to be reimbursed. On July 13, 1929, an internationally binding agreement on the mark claim was signed, following negotiations between plenipotentiaries of the Belgian and German Governments. The official statement of the Belgian Ministry of Foreign Affairs outlining the settlement is as follows: Germany engages to pay to Belgium the following 37 annuities, with maturities as indicated below:

TABLE 5.—GERMAN ANNUITIES FOR RETIREMENT OF MARKS IN BELGIUM

Period of payment	Belgian francs	Reichsmarks <sup>1</sup>	Dollars <sup>1</sup>
Sept. 1, 1929, to Mar. 31, 1930.....	138,769,000	16,200,000	3,850,000
Apr. 1, 1930, to Mar. 31, 1933, annually.....	184,169,000	21,500,000	5,122,000
Apr. 1, 1933, to Mar. 31, 1941, annually.....	222,716,000	26,000,000	6,194,000
Apr. 1, 1941, to Mar. 31, 1949, annually.....	172,177,000	20,100,000	4,783,000
Apr. 1, 1949, to Mar. 31, 1956, annually.....	79,664,000	9,300,000	2,215,000
Total payments.....	5,204,708,000	607,600,000	144,736,000

<sup>1</sup> The figures in the official statement are given only in terms of Belgian francs.

These annuities will have the same form as those provided for in the Young plan.

#### EXCHANGE TREND—NOTE CIRCULATION

During the war there were no quotations for Belgian francs, as Belgium was under German occupation, but by the second week in January, 1919, pounds sterling, United States dollars, and French francs again were quoted in Brussels. Because of the artificial support given by the United States Government the Belgian franc was at a fairly high level during the early part of 1919; although this support was withdrawn in March, the fall in the Belgian franc was somewhat retarded owing to the fact that Belgium still held in New York a considerable amount of dollar credit. The course of the Belgian franc followed rather closely that of the French franc from 1919 up to the time of stabilization.

At the end of December, 1913, the note circulation of the Bank of Belgium was 1,067,407,000 francs; the gold reserves totaled 249,027,000 francs, and the foreign assets 167,000,000 francs. By the close of 1919 the note circulation had increased to 4,785,916,000 francs and the gold reserves to only 266,000,000 francs; there were no foreign assets. On September 30, 1926 (just prior to stabilization), note circulation amounted to 9,507,000,000 francs, the gold reserves to

274,000,000 francs, and foreign assets to 30,000,000 francs. While the note circulation has increased somewhat since that date, it has been adequately covered by gold and foreign exchange. At the end of December, 1929, notes outstanding totaled 13,425,000,000 francs, gold reserves 5,875,000,000 francs, and foreign assets 2,890,000,000 francs.

BASIS OF STATISTICS

The basis for the average exchange rates given in Tables 6 and 7 is: 1915-1918, the arbitrary rate, 1 reichsmark=1.25 Belgian francs; January-July, 1919, sight drafts, New York on Brussels; August-December, 1919, cable transfers; January, 1920, to June, 1921, sight drafts; July, 1921, to December, 1929, cable transfers (noon buying rates). The rate for 1927 has been computed by taking the exchange value of the belga for November and December as equivalent to 5 Belgian francs; the franc value was approximately \$0.02784 for the year. Average rates from 1915 to 1918 are computed from monthly averages of daily rates; from 1919 to 1929 averages are as computed from daily rates by the Federal Reserve Board.

For conversion purposes, the par value (\$0.192948) may be used from 1900 to 1913.

TABLE 6.—YEARLY AVERAGE EXCHANGE RATES OF THE BELGIAN FRANC

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	( <sup>1</sup> )	1920.....	\$0. 0738	1926.....	\$0. 0326
1915.....	\$0. 1649	1921.....	. 0745	1927.....	. 0278
1916.....	. 1454	1922.....	. 0768	1928.....	. 0278
1917.....	. 1288	1923.....	. 0522	1929.....	. 0278
1918.....	. 1374	1924.....	. 0464		
1919.....	. 1277	1925.....	. 0476		

<sup>1</sup> Indeterminable.

TABLE 7.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BELGIAN FRANC

Period	1919	1920	1921	1922	1923	1924
First quarter.....	( <sup>1</sup> )	\$0. 0772	\$0. 0721	\$0. 0819	\$0. 0565	\$0. 0396
Second quarter.....	\$0. 1551	. 0738	. 0794	. 0837	. 0563	. 0488
Third quarter.....	( <sup>1</sup> )	. 0782	. 0745	. 0753	. 0478	. 0484
Fourth quarter.....	. 1084	. 0651	. 0720	. 0662	. 0480	. 0486
January.....	( <sup>1</sup> )	. 0848	. 0677	. 0781	. 0608	. 0418
February.....	( <sup>1</sup> )	. 0723	. 0750	. 0832	. 0540	. 0384
March.....	( <sup>1</sup> )	. 0746	. 0735	. 0843	. 0548	. 0386
April.....	. 1587	. 0667	. 0744	. 0852	. 0576	. 0523
May.....	. 1648	. 0718	. 0836	. 0836	. 0572	. 0486
June.....	. 1517	. 0850	. 0803	. 0822	. 0540	. 0456
July.....	. 1307	. 0864	. 0764	. 0781	. 0488	. 0456
August.....	( <sup>1</sup> )	. 0767	. 0753	. 0754	. 0455	. 0502
September.....	. 1247	. 0716	. 0717	. 0723	. 0490	. 0494
October.....	. 1175	. 0690	. 0713	. 0686	. 0539	. 0480
November.....	. 1115	. 0637	. 0694	. 0637	. 0474	. 0483
December.....	. 0961	. 0625	. 0754	. 0664	. 0458	. 0496

<sup>1</sup> Not available.

<sup>2</sup> Indeterminable.

TABLE 7.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BELGIAN FRANC—Continued

Period	1925	1926	1927	1928	1929
First quarter.....	\$0.0507	\$0.0444	\$0.0278	\$0.0279	\$0.0278
Second quarter.....	.0492	.0325	.0278	.0279	.0278
Third quarter.....	.0452	.0263	.0278	.0278	.0278
Fourth quarter.....	.0453	.0278	.0279	.0278	.0278
January.....	.0506	.0454	.0278	.0279	.0278
February.....	.0508	.0454	.0278	.0278	.0278
March.....	.0507	.0423	.0278	.0279	.0278
April.....	.0505	.0367	.0278	.0279	.0278
May.....	.0502	.0312	.0278	.0279	.0278
June.....	.0470	.0296	.0278	.0279	.0278
July.....	.0462	.0242	.0278	.0279	.0278
August.....	.0453	.0275	.0278	.0278	.0278
September.....	.0440	.0272	.0278	.0278	.0278
October.....	.0453	.0278	.0278	.0278	.0278
November.....	.0453	.0278	.0279	.0278	.0278
December.....	.0453	.0278	.0280	.0278	.0278

## BOLIVIA

Bolivia's monetary unit is the boliviano (plural, bolivianos) of 100 centavos, representing 610.19 milligrams of gold 0.900 fine (549.17 milligrams of fine gold), the par value of which is \$0.364986 United States currency. The new legal parity of the boliviano was established by the law of July 11, 1928, which law provided for the minting of gold coins of 10 and 20 bolivianos, the former to be called a "bolivar" and the latter a "double bolivar." (This bolivar is not to be confused with the Venezuelan coin of that name.) British and Peruvian gold coins are legal tender at the rate of 13½ to 1. Gold coins of the United States circulate at the ratio of 2.7398 bolivianos to the dollar.

The principal circulating medium, apart from the metallic currency (gold, silver, and copper-nickel coins in boliviano and centavo denominations), consists of the notes of the Banco de la Nacion Boliviana, which institution has the sole right of issue. The law provides that these notes are convertible on demand into gold or foreign exchange.

## ADOPTION OF GOLD STANDARD

From 1900 to 1904 Bolivia was on the silver basis, the unit being the silver boliviano (25 grams or 385.81 grains of silver 0.900 fine). Soon after 1900, partly through the rise in tin production, the country entered upon practically its first sustained period of prosperity.

To prepare the way for the gold standard, a law of November 30, 1904, gave British pounds and Peruvian libras (pounds) legal-tender value at the fixed ratio of 12.50 bolivianos, and provided that 50 per cent of the customs duties were to be paid in gold. The exportation of silver was declared duty free and its importation was prohibited. This measure had the desired effect of stabilizing exchange.

By the law of December 31, 1908, British and Peruvian gold coins were given unlimited and exclusive legal-tender power. The Government bound itself to purchase and retire all the old silver coins still in the country; the banks were obligated to convert their outstanding notes into gold on demand at the legal ratio of 12.50 bolivianos

to the pound sterling; and the further coinage of silver was to be limited to subsidiary pieces of 50 and 20 centavos.

BANK OF THE BOLIVIAN NATION

The Banco de la Nacion Boliviana was established by the law of January 7, 1911. By a law of January 1, 1914, this bank was accorded the sole right of note issue after December 31, 1924, the other banks (the number of which had been reduced from six in 1910 to three in 1922, that is, Banco Francisco Argandoña, Banco Nacional, and Banco Mercantil) being required to gradually reduce their outstanding notes. On June 30, 1928, the note circulation of the Banco de la Nacion Boliviana stood at 38,981,000 bolivianos; the reserve consisted of gold to the amount of 17,788,000 bolivianos and foreign exchange 6,253,000 bolivianos.

The Banco de la Nacion Boliviana was reorganized as a central bank by the law of July 20, 1928, but on July 1, 1929, was superseded by the Banco Central de Bolivia as the bank of issue.

BASIS OF STATISTICS

The basis for the average exchange rates given in Tables 8 and 9 is: 1904-1917, 90-day sight drafts, La Paz on London (pence converted; see United Kingdom, p. 175); 1918-1925, sight drafts, La Paz on New York; 1926-1929, cable transfers, New York on La Paz. Rates from 1904 to 1908 represent mid-points between the yearly high and low rate; from 1909 to 1925, yearly averages are computed from monthly averages; from 1926 to 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 8.—YEARLY AVERAGE EXCHANGE RATES OF THE BOLIVIANO

Year	Average rate	Year	Average rate	Year	Average rate
1904.....	\$0. 3955	1913.....	\$0. 3690	1922.....	\$0. 2770
1905.....	. 4031	1914.....	. 3210	1923.....	. 3086
1906.....	. 4031	1915.....	. 2985	1924.....	. 3086
1907.....	. 3980	1916.....	. 3711	1925.....	. 3439
1908.....	. 3600	1917.....	. 3781	1926.....	. 3409
1909.....	. 3782	1918.....	. 4115	1927.....	. 3439
1910.....	. 3923	1919.....	. 3484	1928.....	. 3539
1911.....	. 3883	1920.....	. 3174	1929.....	. 3623
1912.....	. 3752	1921.....	. 2331		

TABLE 9.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BOLIVIANO

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0. 4514	\$0. 2970	\$0. 3834	\$0. 3764	\$0. 4149	\$0. 3765	\$0. 3308	\$0. 2708
Second quarter.....	. 4463	. 3003	. 3842	. 3764	. 4114	. 3497	. 3312	. 2407
Third quarter.....	. 4203	. 3152	. 3780	. 3780	. 4225	. 3394	. 3174	. 2135
Fourth quarter.....	. 3863	. 3292	. 3768	. 4102	. 3974	. 3316	. 2776	. 2179
January.....	. 4514	. 2970	. 3693	. 3764	. 4149	. 3790	. 3086	. 2825
February.....	. 4514	. 2970	. 3892	. 3764	. 4167	. 3802	. 3307	. 2755
March.....	. 4514	. 2970	. 3916	. 3764	. 4132	. 3704	. 3472	. 2544
April.....	. 4514	. 3007	. 3916	. 3764	. 4079	. 3443	. 3390	. 2881
May.....	. 4453	. 3007	. 3805	. 3764	. 4115	. 3509	. 3311	. 2445
June.....	. 4422	. 2995	. 3805	. 3764	. 4149	. 3534	. 3236	. 2294
July.....	. 4392	. 3069	. 3805	. 3764	. 4202	. 3460	. 3280	. 2193
August.....	. 4392	. 3168	. 3768	. 3764	. 4219	. 3390	. 3106	. 2130
September.....	. 4026	. 3218	. 3768	. 3813	. 4255	. 3333	. 3135	. 2083
October.....	. 4087	. 3267	. 3768	. 3888	. 4167	. 3390	. 2817	. 2045
November.....	. 3843	. 3292	. 3768	. 4061	. 3952	. 3333	. 2732	. 2146
December.....	. 3660	. 3316	. 3768	. 4358	. 3802	. 3226	. 2778	. 2247

TABLE 9.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BOLIVIANO—Continued

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 2471	\$0. 3227	\$0. 3038	\$0. 3378	\$0. 3450	\$0. 3390	\$0. 3480	\$0. 3644
Second quarter.....	. 242	. 3105	. 2953	. 3432	. 3437	. 3414	. 3480	. 3650
Third quarter.....	. 2961	. 3109	. 3145	. 3352	. 3377	. 3472	. 3553	. 3617
Fourth quarter.....	. 3131	. 2959	. 3161	. 3461	. 3375	. 3460	. 3648	. 3600
January.....	. 2439	. 3175	. 2960	. 3378	. 3450	. 3375	. 3480	. 3733
February.....	. 2500	. 3195	. 3106	. 3378	. 3450	. 3394	. 3480	. 3750
March.....	. 2475	. 3311	. 3049	. 3378	. 3450	. 3400	. 3460	. 3750
April.....	. 2454	. 3145	. 2967	. 3401	. 3450	. 3400	. 3480	. 3650
May.....	. 2557	. 3086	. 2932	. 3435	. 3450	. 3400	. 3480	. 3650
June.....	. 2874	. 3086	. 2960	. 3460	. 3410	. 3442	. 3480	. 3650
July.....	. 2941	. 3108	. 3106	. 3480	. 3381	. 3460	. 3480	. 3650
August.....	. 2976	. 3115	. 3205	. 3496	. 3375	. 3475	. 3530	. 3700
September.....	. 2967	. 3106	. 3125	. 3470	. 3375	. 3480	. 3749	. 3700
October.....	. 2960	. 2924	. 3096	. 3448	. 3375	. 3450	. 3649	. 3600
November.....	. 3257	. 2941	. 3300	. 3466	. 3375	. 3480	. 3649	. 3700
December.....	. 3175	. 3012	. 3086	. 3470	. 3375	. 3460	. 3647	. 3600

## BRAZIL

Theoretically the cruzeiro (of 100 centesimos), a gold coin representing 2 grams of gold 0.900 fine (1.8 grams of fine gold), the par value of which is \$1.1963 United States currency, is the monetary unit of Brazil under the law of December 18, 1926, which law provided also that all the paper currency in circulation "be convertible into gold on the basis of 200 milligrams per milreis." This new system, however, has not been fully established and the milreis is still the money of account. The milreis is written 1\$000, and the conto (1,000 milreis) is written 1,000\$000.<sup>4</sup> The Stabilization Bureau (Caixa de Estabilização) was established under the above-mentioned law for the purpose of effecting the stabilization of the currency.

At the end of December, 1929, Treasury notes totaled 1,952,000,000 milreis, Bank of Brazil notes 592,000,000 milreis, and Stabilization Bureau notes 851,000,000 milreis. On the same date gold reserves of the Bank of Brazil against note circulation amounted to £10,000,000 and those of the Stabilization Bureau to 851,000,000 milreis. (Since its foundation the reserves of the Stabilization Bureau balance with its outstanding notes.)

## ADOPTION OF GOLD STANDARD

Brazil adopted the gold standard in 1849; the milreis represented 821.778 milligrams of fine gold, and its par value was 26.934d., or \$0.5463 United States currency. The gold milreis up to the present time has been exclusively a unit of account employed only in certain official transactions, such as the payment of a portion of the import duties. Payments nominally in gold milreis are made actually in paper milreis, at a premium depending upon the exchange value of the paper milreis.

Decree No. 18257 of May 23, 1928 (published in the Diario Oficial of July 6, 1928), fixed the value of the gold milreis in relation to the paper milreis for the payment of public dues. In accordance with the terms of this decree calculations for the conversion of gold milreis in connec-

<sup>4</sup> Sums less than 1 milreis, for example, one-half milreis, are written either 500 reis or \$500.

tion with the collection and repayment of duties, taxes, or any other collections or payments in gold by Brazilian public administrative branches will be made on the basis of 4.567 paper milreis to 1 gold milreis.

#### PAPER CURRENCY

While a certain amount of foreign gold is in circulation, there are no Brazilian gold coins. The circulating medium, since 1900, has consisted of various paper currencies, which, with the exception of Stabilization Bureau notes, are not redeemable in gold on demand and have no legal or nominal par. The greater part of this currency was issued by the Government and is known as treasury notes and Conversion Office notes; the balance consists of notes of the Bank of Brazil (Banco do Brasil) and the Stabilization Bureau. All kinds of paper money are used indiscriminately.

Treasury notes consist of the balance of the old fiduciary circulation which had its beginning in 1833, and, in addition, of new issues which were authorized from 1914 to 1919. They also include notes issued by the rediscount department of the Bank of Brazil during 1921-1923, responsibility for which was subsequently assumed by the Government.

The notes of the Conversion Office (Caixa de Conversão), which was established in 1906, were known as convertible bills, to distinguish them from the outstanding inconvertible Treasury notes issued by the Government. The Conversion Office originally issued paper money for deposits of gold at the ratio of 15d. per milreis and redeemed them on demand. In 1910 the rate of conversion was changed to 16d. The panic of 1914 brought a demand for the redemption of convertible notes in gold and caused a diminution of both gold and convertible notes in circulation until the Conversion Office was closed by a decree of December, 1914. Thereafter, the convertible notes still outstanding, covered by gold at the rate of 16d. per milreis, were held by the banks or hoarded by the people. However, the Treasury gradually accumulated the majority of them. A small quantity is still outstanding.

In 1921 an autonomous "rediscount department" was added to the Banco do Brasil for the express purpose of furnishing rediscount facilities and thus ameliorating the currency shortage, especially troublesome at that time. The profits of this department were to be shared equally by the Government and the bank. Under the law, circulating notes might be issued by the rediscount department against commercial paper on a self-liquidating basis. The original issue was limited to 100,000,000 milreis, but was subject to expansion to 400,000,000 milreis conditioned upon approval by the President of the Republic. The rediscount department later came to be utilized chiefly as a means for turning into currency the Government notes or drafts representing operations in coffee valorization. The maximum amount was soon issued, but the self-liquidation theory was abandoned, with the result that these notes have remained in circulation.

#### BANK OF BRAZIL

A contract between the Government and the Banco do Brasil signed on May 2, 1923, gave the bank the sole right of note issue, the notes to be secured by gold and commercial paper in the proportion of one-third and two-thirds, respectively. The Government

owns a 51 per cent interest in the bank in nontransferable shares. The contract was to provide means for a steady reduction and the ultimate withdrawal of the Treasury notes. During the term of the agreement (10 years) the public Treasury is deprived of the power of issuing notes. It was stipulated that when the reserve fund of the Banco do Brasil reached 100,000,000 milreis a special guaranty and conversion fund for the redemption of the Treasury notes was to be formed from the following sources: (1) The profits of the bank, after setting aside 10 per cent thereof for the reserve fund and 20 per cent for dividends; (2) the dividends paid on the Government's shares in the bank; (3) appropriations for the purpose made in the national budget, in amounts at least equal to the profits of the bank. In 1924 the reserve fund reached 100,000,000 milreis and the guaranty and conversion fund was put in operation.

In settlement of part of the Government's debt to the bank, the latter received the gold stock of £10,000,000 held as a general reserve against the paper money. This gold may not be exported from the country nor used otherwise than as a reserve against the paper currency. The gold was to have a hypothetical value of 12d. per milreis in computing its status as a reserve, and, in general, the aim was to attain eventually the exchange value of 12d. for the milreis.

The note issue of the Bank of Brazil was reduced early in 1924, but internal political disorders in the middle of the year brought about conditions that required expansion of the bank's note issue. An emergency decree in September authorized the bank to issue an additional 100,000,000 milreis. The net result for 1924 was an increase in the circulation of paper money despite the retirement of a portion of the Treasury notes. In the first part of 1925 the bank retired its extraordinary issues and brought its circulation down to 592,000,000 milreis, at which figure it has remained. Treasury notes were reduced from 2,260,000,000 milreis in December, 1923, to 1,952,000,000 milreis at the close of 1929.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 10 and 11 is: 1900-1909, 90-day drafts on London in Rio de Janeiro (pence converted at \$0.02028); 1910-1918, sight drafts, Rio de Janeiro on New York; 1919-1929, noon buying rates for cable transfers, New York on Rio de Janeiro. The averages from 1900 to 1909 are the mean yearly averages as quoted in *L'Annuaire Statistique du Bresil*, 1908-1912, Volume II; from 1910 to 1918, the averages are yearly average rates; from 1919 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 10.—YEARLY AVERAGE EXCHANGE RATES OF THE BRAZILIAN MILREIS

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0. 1927	1910.....	\$0. 3247	1920.....	\$0. 2251
1901.....	. 2307	1911.....	. 3228	1921.....	. 1312
1902.....	. 2427	1912.....	. 3236	1922.....	. 1295
1903.....	. 2434	1913.....	. 3216	1923.....	. 1023
1904.....	. 2478	1914.....	. 2926	1924.....	. 1094
1905.....	. 3223	1915.....	. 2467	1925.....	. 1220
1906.....	. 3280	1916.....	. 2351	1926.....	. 1444
1907.....	. 3105	1917.....	. 2601	1927.....	. 1184
1908.....	. 3074	1918.....	. 2534	1928.....	. 1197
1909.....	. 3071	1919.....	. 2674	1929.....	. 1181

TABLE 11.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BRAZILIAN MILREIS

Period	1919	1920	1921	1922	1923	1924
First quarter.....	\$0. 2595	\$0. 2674	\$0. 1529	\$0. 1317	\$0. 1130	\$0. 1143
Second quarter.....	. 2725	. 2609	. 1312	. 1368	. 1047	. 1101
Third quarter.....	. 2623	. 2060	. 1153	. 1316	. 0995	. 0998
Fourth quarter.....	. 2735	. 1645	. 1266	. 1175	. 0919	. 1140
January.....	. 2580	. 2753	. 1514	. 1258	. 1138	. 1085
February.....	. 2596	. 2619	. 1560	. 1325	. 1143	. 1198
March.....	. 2610	. 2650	. 1513	. 1367	. 1109	. 1145
April.....	. 2620	. 2684	. 1402	. 1357	. 1064	. 1123
May.....	. 2769	. 2633	. 1370	. 1374	. 1035	. 1105
June.....	. 2787	. 2510	. 1165	. 1372	. 1043	. 1075
July.....	. 2732	. 2280	. 1045	. 1355	. 1037	. 0992
August.....	. 2600	. 2072	. 1176	. 1338	. 0975	. 0992
September.....	. 2537	. 1829	. 1237	. 1254	. 0973	. 1009
October.....	. 2578	. 1751	. 1271	. 1135	. 0948	. 1122
November.....	. 2752	. 1660	. 1260	. 1195	. 0876	. 1147
December.....	. 2876	. 1525	. 1267	. 1195	. 0934	. 1151

Period	1925	1926	1927	1928	1929
First quarter.....	\$0. 1134	\$0. 1470	\$0. 1179	\$0. 1201	\$0. 1189
Second quarter.....	. 1061	. 1474	. 1180	. 1202	. 1185
Third quarter.....	. 1234	. 1537	. 1182	. 1194	. 1186
Fourth quarter.....	. 1453	. 1293	. 1194	. 1193	. 1164
January.....	. 1172	. 1484	. 1168	. 1200	. 1192
February.....	. 1127	. 1478	. 1184	. 1201	. 1192
March.....	. 1104	. 1449	. 1184	. 1203	. 1182
April.....	. 1063	. 1401	. 1180	. 1203	. 1183
May.....	. 1031	. 1468	. 1181	. 1203	. 1186
June.....	. 1089	. 1552	. 1180	. 1199	. 1186
July.....	. 1136	. 1556	. 1179	. 1194	. 1186
August.....	. 1213	. 1537	. 1182	. 1194	. 1186
September.....	. 1352	. 1519	. 1186	. 1193	. 1186
October.....	. 1481	. 1398	. 1192	. 1195	. 1187
November.....	. 1461	. 1297	. 1193	. 1194	. 1175
December.....	. 1417	. 1185	. 1197	. 1189	. 1129

BRITISH AFRICA

ANGLO-EGYPTIAN SUDAN

In the Anglo-Egyptian Sudan the monetary unit is the Egyptian pound (gold) of 100 piastres or 1,000 millièmes, the gold mint par of which is \$4.9431 United States currency. (See Egypt, p. 65, for exchange rates, etc.)



## BRITISH EAST AFRICA

## KENYA, UGANDA, TANGANYIKA, AND ZANZIBAR

*Kenya Colony, Uganda Protectorate, and Tanganyika Territory:* The currency is controlled by the East African Currency Board, which maintains a stable rate of sterling exchange. The standard coin is the East African shilling, introduced as from January 1, 1922, which is legal tender to any amount. (Par, \$0.2433.) Other coins are silver 50-cent and bronze 10-cent, 5-cent, and 1-cent pieces. Paper currency consists of notes of 5, 10, 20, 100, 200, and 1,000 shilling denominations. (For British currency, see United Kingdom, p. 170.)

*Zanzibar:* the monetary unit is the British Indian rupee of 16 annas, the par value of which is \$0.365 United States currency. (See British India, pp. 34-35, for exchange rates, etc.) The rupee is legal tender to any amount. The circulating media consist of rupees and subsidiary coins and Protectorate Government currency notes; the amount of the latter in circulation at the end of 1927 was 2,405,000 rupees. Accounts are kept by the Government in rupees and cents; by the public, in rupees, annas, and pice.

## BRITISH WEST AFRICA

## NIGERIA, GAMBIA, GOLD COAST, AND SIERRA LEONE

In addition to British currency, a special silver coinage for British West Africa was introduced in 1913, the denominations being 2 shillings, 1 shilling, sixpence, and threepence, of the same weight and fineness as the corresponding coins of the United Kingdom. The new currency, with adequate reserves in London, in gold and securities, is under the control of the West African Currency Board. A nickel coinage (penny, halfpenny, and tenth of a penny) is also in use. In 1916 local currency notes of 1 and 5 pounds and 1, 2, and 10 shillings were introduced, and in 1920 an alloy coinage of the same denominations as the silver coinage was added.

Exchange is quoted on London, there being a small spread. (See United Kingdom, pp. 173-175, for exchange rates, etc.) The Bank of British West Africa (Ltd.)<sup>5</sup> and Barclay's (Dominion, Colonial, and Overseas) Bank (Ltd.)<sup>6</sup> have branches in these territories.

## NYASALAND PROTECTORATE

Throughout the Nyasaland Protectorate the monetary unit is the British pound sterling, the par value of which is \$4.8665 United States currency. (See United Kingdom, pp. 173-175, for exchange rates, etc.) The currency is the same as that in England; exchange is quoted on London, there being only a small spread. There is no local paper money in circulation. According to official statistics, the amount of coin in circulation at the end of 1927 was between £250,000 and £300,000. The banks are Barclay's (Dominion, Colonial, and Overseas) Bank (Ltd.) and Standard Bank of South Africa (Ltd.).<sup>7</sup>

<sup>5</sup> The Bank of British West Africa (Ltd.), head office in London, was established in March, 1894, to acquire the business carried on at Lagos by the African Banking Corporation (Ltd.), and Messrs. Elder, Dempster & Co. From July 1, 1912, the business of the Bank of Nigeria (Ltd.) was taken over.

<sup>6</sup> Barclay's (Dominion, Colonial, and Overseas) Bank (Ltd.), head office in London, was established by royal charter June 1, 1836; reincorporated under the same title with wider powers and new constitution by the colonial bank act, 1925; name changed September 15, 1925, upon acquisition, as from July 1, 1925, of undertakings of the Anglo-Egyptian Bank (Ltd.) and the National Bank of South Africa (Ltd.).

<sup>7</sup> Standard Bank of South Africa (Ltd.), head office in London, was established in 1862; in November, 1920, absorbed the African Banking Corporation (Ltd.).

## RHODESIA (NORTHERN AND SOUTHERN)

In both Northern and Southern Rhodesia the monetary unit is the British pound sterling, par \$4.8665. (See United Kingdom, p. 174, for exchange rates, etc.)

Monetary conditions are the same as in the Union of South Africa.

## SOMALILAND PROTECTORATE

In the Somaliland Protectorate the monetary unit is the Indian rupee of 16 annas, the present par value of which is \$0.365 United States currency. (See British India, pp. 34-35, for exchange rates, etc.) Government of India currency notes also circulate.

## UNION OF SOUTH AFRICA

Enactments of the Union of South Africa in 1922 provided for the issue of a Union coinage with denominations identical in name with those of Great Britain. (See p. 170.) The unit is the South African pound, containing 7.9881 grams of gold 0.916% fine, the par value of which is \$4.8665 United States currency. The minor metallic currency is practically the same as that of Great Britain in weight and fineness.

Establishment of a branch of the Royal Mint at Pretoria was authorized by Union Act No. 45 of 1919. A royal proclamation of December 14, 1922, declared the Pretoria Mint to be a branch of the Royal Mint, London, for the purpose of minting British sovereigns and half-sovereigns. Act No. 31 of 1922 determines the powers of the Ministry of Finance in respect to the coinage of South African silver and bronze pieces and of the governor general in respect to dimensions and designs, etc.; provision is also made for the purchase of metals for coinage. The sovereign and half-sovereign coined at the Pretoria Mint bear on the reverse side "S. A." as a distinguishing mark. The silver coins are of a fineness of 0.800; the bronze coins are a mixture of copper, tin, and zinc.

Some gold is in circulation. In addition to British gold coins, gold sovereigns issued by the Pretoria Mint from the time of its opening to the end of 1927 amounted to £32,762,000, of which £15,943,000 was issued during 1927. Half-sovereigns began to be issued in 1925; at the end of 1927, the total amount issued was £876,000.

## GOLD CERTIFICATES—RESERVE BANK NOTES

The currency and banking act of 1920 gave authority for the Treasury to receive deposits of gold coin and bullion to the value of not less than 10 shillings, and to issue therefor certificates, known as gold certificates, legal tender for the payment of any amount up to their face value. Whenever the market price of gold in the Union exceeds £3 17s. 10½d. per standard ounce (0.916% fine), a proclamation may be issued suspending the redemption of gold certificates; otherwise gold certificates are redeemable at the Treasury in gold specie on demand.

In line with this authorization, redemption in gold of these certificates was suspended by Proclamation No. 220 of December 15, 1920, with a stipulation that gold certificates should be convertible into gold after June 30, 1923; but on the recommendation of the currency

conference of 1921 the period of inconvertibility was extended by an amending act (No. 22 of 1923) to June 30, 1925. Owing, however, to the return of the United Kingdom to the gold standard at the end of April, 1925, gold certificates were proclaimed convertible into gold on May 11, 1925 (Proclamation No. 110). They are now being withdrawn and cancelled.

The currency and banking act of 1920 as amended by Act No. 22 of 1923 provided for the establishment at Pretoria of the South African Reserve Bank, capitalized at £1,000,000. The bank has the sole right of note issue in the Union for 25 years. Its notes, which are legal tender except when tendered by the bank itself, are in denominations of 1, 5, 20, and 100 pounds. The note issue is secured to an amount of not less than 40 per cent in gold, and the remainder in commercial paper or trade bills, or, until June 30, 1928, in British or Union Government Treasury bills, which must not exceed 35 per cent of the total note issue nor 140 per cent of the commercial paper or trade bills held by the bank. It is also secured by a first charge on all the assets of the bank. The notes are now convertible into gold on demand.

#### BASIS OF STATISTICS

The table of exchange rates and explanatory introductory note below have been taken from the Official Yearbook of the Union of South Africa, 1927-28. (For exchange rates of the British pound sterling in terms of United States dollars see United Kingdom, p. 174.)

The average exchange rates, South Africa on London, for each year for the last 19 years are published below. The calculations have been confined solely to the telegraph transfer, sight, and 90 days' sight buying and selling rates. The column headed "Mean value of £100 sterling" has been calculated by taking the mean point between the buying and selling T. T. rates and represents the average price of sterling in terms of South African money. The column headed "Average discount rate per annum" is calculated from the difference between the 90 days' sight and the T. T. buying rates, the period allowed for sight being taken as 20 days; it represents the average annual discount rate charged by the banks on money advanced on exporters' bills and excludes charges for exchange accommodation.

During the 19 years, the highest mean value of sterling was £105; this took place between November 30, 1920, and January 5, 1921; and the lowest, £92½, between May 1 and June 15, 1920.

The highest discount rate on 90 days' sight was 11.614 per cent per annum, between August 4, 1920, and August 7, 1921; and the lowest, 3.94 per cent per annum, between March 1, 1911, and October 6, 1913, and again from February 16 to August 3, 1914.

The greatest margin between the T. T. buying and selling rates was 2½ per cent, between February 12 and March 7, 1920, and the smallest, ¾ per cent, between March 11 and April 25, 1910.

TABLE 12.—AVERAGE ANNUAL EXCHANGE RATES, SOUTH AFRICA ON LONDON, AND PRICE OF £100 IN LONDON IN TERMS OF SOUTH AFRICAN MONEY, 1910 TO 1928

Year	Buying rates			Selling rates			Mean value of sterling	Average discount rate per annum (per cent)
	Tele-graph transfers	Sight	90 days' sight	Tele-graph transfers	Sight	90 days' sight		
1910.....	99.628	99.422	98.233	100.104	100.025	99.035	99.865	4.62
1911.....	99.562	99.375	98.324	100.063	100.000	99.000	99.812	4.11
1912.....	99.562	99.375	98.375	100.063	100.000	99.000	99.812	3.94
1913.....	99.562	99.375	98.316	100.063	100.000	99.000	99.812	4.12
1914.....	99.585	99.412	98.053	100.248	100.157	99.000	99.916	5.08
1915.....	99.625	99.500	97.750	100.382	100.257	(?)	100.003	6.22
1916.....	99.625	99.500	97.750	100.313	100.187	(?)	99.969	6.22
1917.....	99.625	99.290	97.540	100.313	100.187	(?)	99.969	6.92
1918.....	99.625	99.250	97.500	100.313	100.187	(?)	99.969	7.05
1919.....	99.591	99.374	97.605	100.271	100.154	(?)	99.931	6.59
1920.....	98.070	97.515	94.978	99.047	98.835	97.672	98.858	10.26
1921.....	98.762	98.112	96.512	100.762	100.512	99.387	100.262	10.78
1922.....	98.296	97.849	95.840	99.214	98.964	98.084	98.753	8.15
1923.....	97.866	97.491	95.374	98.741	98.521	97.949	98.303	6.61
1924.....	97.120	96.745	95.182	97.995	97.807	97.432	97.557	6.43
1925.....	99.392	99.019	97.462	100.009	99.827	99.451	99.700	6.40
1926.....	100.219	99.907	98.532	100.719	100.532	100.157	100.469	5.60
1927.....	100.212	99.899	98.524	100.712	100.524	100.149	100.462	5.60
1928.....	100.238	99.925	98.550	100.738	100.550	100.175	100.488	5.60

1 Not quoted after Aug. 3, 1914.

2 Not quoted.

#### BRITISH HONDURAS

British Honduras employs the United States gold dollar as its monetary unit. The British pound sterling and half-pound are legal tender. Coins in circulation are the United States quarter-eagle, half-eagle, eagle, and double eagle; British pound sterling and half-pound; local subsidiary coins of silver, nickel, and mixed metal in cent denominations.

In addition to the metallic currency, the circulating medium consists of currency notes issued by the central government. The face value of Government currency notes in circulation at the end of March, 1926, was \$407,000; on the same date the currency reserve amounted to \$288,400—\$153,500 in gold and \$134,900 in British and colonial investments.

The principal banking institution is the Royal Bank of Canada.

Financial accounts and trade statistics are kept in dollars and cents.

#### BRITISH INDIA

In British India the monetary unit is the silver rupee (of 16 annas), containing 11.6638 grams (180 grains) of silver 0.916% fine. On August 4, 1926, a royal commission appointed to study Indian currency and finance recommended that the rupee be stabilized at 1s. 6d. sterling, or about \$0.36499 United States currency, and in March, 1927, the Indian currency act made this stabilization statutory.

The circulating medium now consists of silver rupees and fractional parts of the rupee—anna ( $\frac{1}{16}$  rupee), pice ( $\frac{1}{4}$  anna), and pie ( $\frac{1}{2}$  anna)—and paper notes which are mutually convertible. Notes of 1, 2½, 5, 10, 50, and 100 rupees are legal tender throughout British India.

The total value of notes in circulation on August 22, 1929, including notes held in Government treasuries and the head office of the Impe-

rial Bank of India, was 1,859,257,000 rupees.<sup>8</sup> The reserve of the same date was made up of:

Coin and bullion:	Rupees
Silver coin.....	1,059,700,000
Gold bullion.....	322,165,000
Silver bullion under coinage.....	44,613,000
Securities (purchase price):	
In India.....	412,353,000
In England.....	20,426,000
Total.....	1,859,257,000

#### THE GOLD-STANDARD RESERVE

Under Act XVII, approved by the Governor General in Council on August 17, 1835, to become effective on September 1, 1835, the silver rupee (gross weight 1 tola, or 11.6638 grams [180 grains troy]), containing 165 grains troy (10.6918 grams) of fine silver and 15 grains troy of alloy, was made the sole standard of value throughout British India. From time to time during the succeeding 40 years efforts were made to introduce gold into circulation, but with little result.

The period from 1874 to 1893 saw the agitation for bimetallism. The final outcome was the legislation of 1893, which provided for the closing of the Indian mints to the free coinage of silver, the Government retaining power to coin silver on its own account.

After the closing of the mints, rupee exchange advanced from about 14½d. to 16d., a speculative rate that could not be maintained, and rupee exchange continued to fall throughout 1894 also, but recovered in 1895 and again reached 16d. in 1898. Meanwhile suggestions were being made for the establishment of a gold standard without a gold currency.

On July 25, 1899, five recommendations of the commission sent out by England under the chairmanship of Sir Henry Fowler were accepted. The main features were that the British sovereign should be legal tender and a current coin in India; that while Indian mints should remain closed to the unrestricted coinage of silver, they should be opened to the unrestricted coinage of gold; that the exchange value of the rupee should be 16d.; that there be no legal obligation to give gold for rupees; that while the Government should continue to give rupees for gold, fresh rupees should not be coined until an adequate reserve of gold had been built up; that any profit on the coinage of rupees should be kept in gold as a special reserve, to be called the gold-standard reserve.

Thus the gold-standard reserve was established; but, instead of holding the reserve in gold, it was invested in British securities, and a part was kept in silver to facilitate the coining of rupees.

#### PART PLAYED BY "COUNCIL BILLS" AND "REVERSE COUNCILS"

The cost in England of the Government of India, which at that time amounted to about £17,000,000 a year, was met by the sale of "council bills"; that is, the British Secretary of State for India in London, acting on behalf of the Government of India, sold bills (drafts) against gold deposited in the Bank of England. These bills of exchange when presented in India were cashed at the Government

<sup>8</sup> In this connection it is well to remember that 1 lakh is equal to 100,000 rupees (customarily written 1,00,000, in India) and 1 crore is equal to 100 lakhs (that is, 10,000,000 rupees, but written 1,00,00,000 in India).

treasuries. In these transactions the Government acts in the capacity of an exchange bank.

Failure of the policy to encourage an active gold circulation to support the gold standard caused gold to accumulate in India in embarrassing quantities, owing especially to the shipments of gold to cover India's favorable trade balances. In 1904, therefore, the Secretary of State for India declared his intention of selling council bills on India without limit at the price of 1s. 4½d. (the gold import point). The effect of this was to limit the importation of gold into India.

This system worked until 1907-8. A partial failure of the rains in India in 1907 and the general financial stringency all over the world which followed the United States financial crisis in the fall of that year caused the Indian exchange to become weak in November. There had been very heavy coining of rupees in India and the balance in the gold-standard reserve was ample; but the reserve was in securities, not in gold, and was therefore not in a liquid form, nor was the time opportune for the realization of securities. There was an insistent demand for the export of gold or the equivalent of gold. The Government of India refused and exchange fell to 1s. 3¼d.

#### REPORT OF THE CHAMBERLAIN COMMISSION

Thus were gradually evolved the main principles of the Indian currency system. It consisted of silver rupees and rupee notes in India, with the sovereign and half-sovereign unlimited legal tender at the rate of 15 rupees to the sovereign, or 1s. 4d. (16d.) to the rupee. The rate of exchange was prevented from rising above the gold-import point by the unlimited sale of council bills at the gold point in London; it was prevented from falling below the gold-export point by the sale of sterling bills (commonly called reverse councils) at the gold-export point in India. As a matter of fact, it was not the gold-exchange standard, but rather, so far as it amounted to a definite standard at all, a standard of sterling exchange. It might possibly be defined as the so-called "limping standard."

Criticism of this system brought about the appointment of a commission under the chairmanship of the Right Hon. Austen Chamberlain, which reported in February, 1914. The commission's conclusions were that it was unnecessary to support the gold standard by a gold currency; that it was not to the advantage of India to encourage the internal use of gold as currency; that the internal currency should be supported by a thoroughly adequate reserve of gold and sterling exchange; that no limit should be fixed to the gold-standard reserve, one-half of which should be held in gold; that the silver branch of the gold-standard reserve should be abolished; that reverse councils should be sold on demand; that the paper currency should be made more elastic. The commission gave a passing commendation to the idea of a state bank. Before the Government could deal with these recommendations the World War broke out.

#### EFFECTS OF THE WORLD WAR

The early effects of the war were precisely those anticipated. There was a call for sterling remittances which was met by the sale of reverse councils, £8,707,000 being sold up to the end of January, 1915. There were withdrawals from the post office savings banks and a net sum of

80,000,000 rupees was taken away. There was some lack of confidence in the note issue, and a demand for gold. Notes amounting to 100,000,000 rupees were presented for cashing and the Government was obliged to suspend the issue of gold. But there was no request for a moratorium.

Difficulties which arose afterwards were of a serious nature. There was a large balance of trade in favor of India caused by the demand for Indian produce for the United Kingdom and the Allies and the decline in the export trade from these countries; a heavy expenditure in India on behalf of the British Government; and a phenomenal rise in the price of silver. This balance of trade and expenditure for Imperial purposes could be financed neither by the import of the precious metals, owing to the universal embargo on the movement of gold and silver, nor by credits in India; it could be financed only by the expansion of the note issue against sterling securities in England, chiefly Treasury bills, and the issue of coined rupees. But at this time there was a reduction in the output of the silver mines of the world and an increased demand for this metal. The price of silver advanced from 27½d. per standard ounce in 1915 to 78d. in December, 1919. The main concern in India was, not to keep the rupee from falling below the ratio of 15 to 1, but to keep it within any limits and to provide a sufficiency to meet the demand.

Among the measures adopted by the Government of India to bring exchange under control was the confining of remittances to the financing of articles of national importance. It raised the rate for the sale of council bills so that silver might be purchased at a price which would allow rupees to be coined without loss. The minimum rate for immediate telegraphic transfers was raised as follows:

	s.	d.
Jan. 3, 1917.....	1	4¼
Aug. 28, 1917.....	1	5
Apr. 12, 1918.....	1	6
May 13, 1919.....	1	8
Aug. 12, 1919.....	1	10
Sept. 15, 1919.....	2	0
Nov. 22, 1919.....	2	2
Dec. 12, 1919.....	2	4

Silver for coining was purchased in large quantities and gold and silver were taken under control and measures adopted to prevent export and melting. Gold went to a premium and ceased to function as currency. The note issue was expanded and small notes of 1 and 2½ rupees were specially prepared to economize the use of silver rupees. The gross note circulation increased from 661,200,000 rupees at the end of March, 1914, to 1,796,700,000 rupees at the end of November, 1919. The percentage of total metallic reserve on the latter date was 44.6.

#### NEW RUPEE-STERLING RATIO INTRODUCED

Some of the more important recommendations of the Babington-Smith Committee, appointed in 1919 to advise in regard to the future of Indian exchange and currency, were that it was desirable to restore stability to the rupee and to reestablish the automatic working of the Indian currency system; that the rupee should remain unchanged in

weight and fineness and should remain unlimited legal tender; that maintenance of the convertibility of the note issue was essential; that the exchange value of the rupee should be fixed in terms of gold rather than in terms of sterling; that a stable relation should be established between the rupee and gold at the rate of 10 rupees to the pound sterling; that the statutory minimum for the metallic portion of paper currency reserve should be 40 per cent of the gross circulation.

The changing of the official monetary standard from 15 rupees to 10 rupees to the pound sterling occasioned the greatest fluctuations in exchange of any solvent country, widespread disturbance of trade, and heavy losses to the Government, and brought hundreds of big traders to the verge of bankruptcy. While the rise in exchange weakened the export trade, it was a strong stimulus for increased imports.

Unexpected forces, such as the financial crisis in Japan, lack of buying power on the Continent, and the movement for the transfer of capital from India to England at the artificially high rate of exchange, had a severe effect on Indian business. Exporters were loaded with Indian produce for which there was no foreign demand; importers were loaded with foreign goods, bought in the expectation of the continuance of a high rate of exchange but delivered when it had fallen considerably. The Government sold reverse councils amounting to £55,000,000 before abandoning this effort to stabilize exchange at the new ratio; the loss on these was 350,000,000 rupees.

Left alone exchange established itself at about the old ratio of 15 to 1, or 1s. 4d. to the rupee. The three presidency banks of Bengal, Bombay, and Madras were merged in the Imperial Bank of India, a state bank in all but name, and the bank entered into a contract with the Government to open a hundred new branches in the first five years of its existence. The bank mobilized and widened Indian credit. The metallic backing of the paper currency was strengthened and the fiduciary portion of the reserve brought within negligible proportions. The Government of India now purchases sterling in India to meet its London charges when the conditions are favorable, instead of relying entirely on the sales of council bills in London. A notable feature has been the rise of exchange of its own strength, reaching 1s. 6d. in 1924 and remaining there.

#### RECOMMENDATIONS OF YOUNG COMMISSION

The currency system recommended by the commission appointed in the autumn of 1925 under the chairmanship of Commander Hilton Young is a gold-bullion standard. The commission proposed that gold should be bought and sold without limit but in quantities of not less than 400 fine ounces; that the ordinary medium of circulation in India should remain, as at present, the currency note and the silver rupee; that the stability of the currency in terms of gold should be secured by making the currency directly convertible into gold for all purposes, but that gold should not circulate as money; and that stabilization of the rupee should be effected forthwith at a rate corresponding to an exchange rate of 1s. 6d.

Exchange was maintained at this figure by the Government. However, as the wholly artificial ratio of the rupee at 2s. remained on the



statute book, the demand for an authoritative inquiry to fix the ratio of the rupee to gold or sterling was insistent, and the Young committee was delegated to make further study of the subject.

In breaking away from any idea of a sterling-exchange or gold-exchange standard, this commission was influenced by two factors—the necessity for safeguarding the Indian system from the price of silver rising above the melting-down point of the rupee and the desirability of establishing confidence by giving the country not only a real but a conspicuously visible link between the currency and gold. The commission proposed that, while the legal obligation to convert into rupees all the notes in circulation should remain, this obligation should not attach to the new notes to be issued by the central bank and that the 1-rupee note should be reissued.

The new ratio to the pound sterling was brought before the Legislative Assembly in February–March, 1927, and the Indian currency bill, establishing the ratio of 1s. 6d., was accepted.

An essential part of the scheme formulated by the currency commission was the formation of a reserve bank to take over the note issue and custody of Government remittances and to act as a true banker's bank. The Government accepted this recommendation and in January, 1927, introduced a bill proposing a shareholders' bank. This bill came up for action in January, 1928, but failed to receive the support of the Legislature and was withdrawn.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 13 and 14 is: For the fiscal years (ended March 31) 1900 to 1919, telegraphic transfers drawn on India in London (pence converted; see United Kingdom, p. 175); for the calendar years 1919 to 1929, cable transfers, New York on Calcutta. The rates for the fiscal years 1900 to 1919 are average yearly rates as quoted in the Statistical Abstract of British India; for the calendar years 1919 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 13.—YEARLY AVERAGE EXCHANGE RATES OF THE INDIAN RUPEE

Year	Average rate	Year	Average rate	Year	Average rate
FISCAL		FISCAL		CALENDAR	
1899-1900.....	\$0. 3258	1910-11.....	\$0. 3257	1919.....	\$0. 4030
1900-1.....	. 3239	1911-12.....	. 3262	1920.....	. 3888
1901-2.....	. 3242	1912-13.....	. 3257	1921.....	. 2622
1902-3.....	. 3245	1913-14.....	. 3257	1922.....	. 2874
1903-4.....	. 3255	1914-15.....	. 3265	1923.....	. 3111
1904-5.....	. 3254	1915-16.....	. 3174	1924.....	. 3178
1905-6.....	. 3254	1916-17.....	. 3201	1925.....	. 3626
1906-7.....	. 3262	1917-18.....	. 3275	1926.....	. 3633
1907-8.....	. 3251	1918-19.....	. 3534	1927.....	. 3631
1908-9.....	. 3237			1928.....	. 3647
1909-10.....	. 3253			1929.....	. 3620

TABLE 14.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE INDIAN RUPEE

Period	1919	1920	1921	1922	1923	1924
First quarter.....	\$0. 3578	\$0. 4647	\$0. 2742	\$0. 2792	\$0. 3171	\$0. 3021
Second quarter.....	. 3865	. 4371	. 2577	. 2849	. 3114	. 3049
Third quarter.....	. 4241	. 3613	. 2456	. 2888	. 3662	. 3201
Fourth quarter.....	. 4417	. 2906	. 2725	. 2967	. 3097	. 3446
January.....	. 3575	. 4400	. 2861	. 2781	. 3173	. 3045
February.....	. 3575	. 4760	. 2770	. 2814	. 3185	. 3032
March.....	. 3533	. 4780	. 2595	. 2732	. 3156	. 2986
April.....	. 3552	. 4682	. 2630	. 2781	. 3135	. 3040
May.....	. 3833	. 4331	. 2647	. 2875	. 3108	. 3058
June.....	. 4210	. 4100	. 2455	. 2891	. 3099	. 3049
July.....	. 4160	. 3838	. 2306	. 2889	. 3080	. 3125
August.....	. 4170	. 3640	. 2422	. 2901	. 3046	. 3226
September.....	. 4394	. 3361	. 2639	. 2874	. 3060	. 3252
October.....	. 4368	. 3059	. 2742	. 2884	. 3106	. 3369
November.....	. 4330	. 2970	. 2687	. 2951	. 3086	. 3439
December.....	. 4553	. 2690	. 2745	. 3065	. 3100	. 3529

Period	1925	1926	1927	1928	1929
First quarter.....	\$0. 3570	\$0. 3667	\$0. 3634	\$0. 3659	\$0. 3639
Second quarter.....	. 3610	. 3624	. 3619	. 3654	. 3617
Third quarter.....	. 3662	. 3633	. 3619	. 3628	. 3599
Fourth quarter.....	. 3662	. 3608	. 3653	. 3646	. 3626
January.....	. 3571	. 3668	. 3642	. 3672	. 3645
February.....	. 3573	. 3676	. 3630	. 3652	. 3636
March.....	. 3567	. 3658	. 3630	. 3653	. 3636
April.....	. 3560	. 3618	. 3614	. 3656	. 3631
May.....	. 3623	. 3626	. 3623	. 3659	. 3118
June.....	. 3648	. 3629	. 3620	. 3646	. 3603
July.....	. 3661	. 3629	. 3611	. 3626	. 3597
August.....	. 3662	. 3636	. 3612	. 3625	. 3597
September.....	. 3663	. 3633	. 3634	. 3633	. 3603
October.....	. 3660	. 3615	. 3641	. 3646	. 3616
November.....	. 3662	. 3603	. 3645	. 3646	. 3625
December.....	. 3664	. 3605	. 3674	. 3646	. 3636

BRITISH MALAYA  
STRAITS SETTLEMENTS

In the Crown colony of the Straits Settlements (comprised of the islands of Singapore and Penang and their dependencies, the mainland areas of Malacca and Province Wellesley, and the Dindings) the monetary unit is the Straits dollar of 100 cents, containing 20.2173 grams (312 grains) of silver 0.900 fine, the value of which was fixed at 2s. 4d., or about \$0.56784 United States currency, on January 29, 1906.

By an order in council of October 22, 1906, the pound sterling was made legal tender but the silver Straits dollar continued to be the standard coin. Prior to 1906 the old British and Mexican dollars<sup>o</sup> were current, but thereafter were revalued in terms of Straits dollars and further importation prohibited. At the present time, the Straits dollar, half-dollar, and pound sterling are legal tender for the payment of any amount.

The present metallic currency consists of silver dollars and subsidiary coins of silver, nickel, and copper in denominations from 1 to 50 cents.

Currency notes make up the greater part of the actual circulation; the legal minimum reserve requirement (currency guarantee fund) is 40 per cent against notes in circulation.

<sup>o</sup> See also under Hong Kong, p. 92.

The note circulation expanded steadily up to the outbreak of the World War, the rate of expansion being accelerated by the necessity for financing the rubber boom at the end of the first decade of this century. During the war it also increased steadily but at a greater rate than previously. Since the war its fluctuations have been extraordinary. On January 10, 1901, the gross circulation stood at 6,205,000 Straits dollars; on December 31, 1908, it had risen to 25,671,000 Straits dollars; at the end of 1918, it was 86,409,000 dollars, and reached its peak, 183,212,000 dollars, on March 4, 1920. On September 30, 1923, it had fallen to 80,223,000 dollars, the lowest point in recent years. During the 12 months ending September 30, 1927, note circulation dropped from 163,361,000 Straits dollars gross (active, 114,066,000 dollars) to 117,396,000 dollars gross (active, 95,027,000 dollars); the active circulation is arrived at by subtracting from the gross circulation the notes held by the government treasuries and banks.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 15 and 16 is: 1900-1921, 4 months' sight drafts, Singapore on London (pence converted; see United Kingdom, p. 175); 1922-1929, cable transfers, New York on Singapore. The rates from 1900 to 1921 are yearly averages as quoted in the Straits Settlements Blue Book; from 1922 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 15.—YEARLY AVERAGE EXCHANGE RATES OF THE STRAITS SETTLEMENTS DOLLAR

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0. 5064	1910.....	\$0. 5792	1920.....	\$0. 4333
1901.....	.4804	1911.....	.5742	1921.....	.4546
1902.....	.4189	1912.....	.5754	1922.....	.5078
1903.....	.4386	1913.....	.5767	1923.....	.5350
1904.....	.4702	1914.....	.5793	1924.....	.5125
1905.....	.5057	1915.....	.5634	1925.....	.5615
1906.....	.5767	1916.....	.5689	1926.....	.5627
1907.....	.5704	1917.....	.5683	1927.....	.5605
1908.....	.5704	1918.....	.5627	1928.....	.5629
1909.....	.5691	1919.....	.5273	1929.....	.5601

TABLE 16.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE STRAITS SETTLEMENTS DOLLAR

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0. 4892	\$0. 5460	\$0. 5040	\$0. 5525	\$0. 5663	\$0. 5596	\$0. 5660	\$0. 5602
Second quarter.....	(1)	.5063	.5428	.5041	.5612	.5632	.5597	.5618	.5596
Third quarter.....	\$0. 4208	.5125	.5324	.5126	.5664	.5614	.5597	.5603	.5591
Fourth quarter.....	.4542	.5227	.5185	.5298	.5659	.5600	.5628	.5634	.5617
January.....	(1)	.4793	.5414	.5035	.5531	.5662	.5596	.5676	.5600
February.....	(1)	.4930	.5485	.5056	.5534	.5663	.5596	.5670	.5597
March.....	(1)	.4953	.5481	.5028	.5510	.5663	.5596	.5635	.5608
April.....	(1)	.4999	.5473	.5050	.5542	.5655	.5595	.5625	.5598
May.....	(1)	.5076	.5426	.5053	.5637	.5620	.5599	.5614	.5598
June.....	(1)	.5114	.5385	.5019	.5658	.5621	.5598	.5614	.5593
July.....	.4198	.5072	.5327	.5052	.5663	.5621	.5596	.5604	.5598
August.....	.4181	.5140	.5325	.5176	.5670	.5615	.5597	.5598	.5587
September.....	.4246	.5164	.5319	.5151	.5659	.5607	.5596	.5607	.5599
October.....	.4392	.5178	.5298	.5183	.5651	.5607	.5603	.5634	.5622
November.....	.4547	.5201	.5173	.5311	.5663	.5598	.5607	.5644	.5621
December.....	.4686	.5301	.5066	.5399	.5663	.5594	.5673	.5625	.5607

<sup>1</sup> Not available.

## FEDERATED AND UNFEDERATED MALAY STATES

The same circulating media found in the Straits Settlements are current also in the Federated Malay States of Perak, Selangor, Negri Sembilan, and Pahang and in the Unfederated States of Johore, Kedah, Perlis, Kelantan, and Trengganu.

## BRITISH OCEANIA

## FIJI ISLANDS

In the British Fiji Islands the monetary unit is the pound sterling, the par value of which is \$4.8665 United States currency. (See United Kingdom, p. 174, for exchange rates, etc.) The currency is the same as that of England. There also are current colonial government notes and private bank notes; these, at the end of 1928, totaled £432,000 and £900, respectively. All accounts are kept in sterling. Exchange is quoted on London, there being a small spread.

## BRITISH WEST INDIES

## BAHAMAS, BARBADOS, BERMUDA, JAMAICA, TRINIDAD AND TOBAGO, AND WINDWARD AND LEEWARD ISLANDS

The unit of currency in all the islands of the several British West Indian groups is the pound sterling, the par value of which is \$4.8665 United States currency. (See United Kingdom, p. 174, for exchange rates, etc.)

*Bahamas.*—Accounts are kept in sterling, but United States money circulates freely. The Government has issued local currency notes of £1 and 10 and 4 shillings; the amount in circulation on January 10, 1929, was about £110,000, and the note-guaranty fund consisted of coin to the value of £36,700 and investments to the value of £80,500. Bank of England notes also are current.

*Barbados.*—Accounts are kept in sterling. British silver coins are unlimited legal tender and constitute the principal medium of circulation. Little gold is available. There is also a local dollar paper currency, the exchange value of which is fixed at 4.80 to the pound sterling.

*Bermuda.*—Little gold is in circulation. Apart from the metallic currency, the principal circulating medium is the £1 and 10s. notes of the Bank of England and the Bermuda Government; the legal limit to the latter is £40,000. A considerable quantity of United States notes also is in circulation, being largely used for remittances to the United States.

*Jamaica.*—British coins, gold and silver of all denominations, are legal tender; also United States gold coins, the exchange value being based on the United States dollar as equivalent to 4s. 1d. Jamaica minor coins—penny, half-penny, and farthing—also are in circulation. On March 31, 1928, Government currency notes (which are legal tender under section 5 of law No. 27 of 1904) amounted to £87,000; on the same date the note-guaranty fund was £92,600.

*Trinidad and Tobago.*—British currency and United States gold are legal tender. There is no colonial coinage, but the Government issues 1 and 2 dollar notes (4s. 2d. and 8s. 4d.) and 1,000-dollar notes.

*Windward and Leeward Islands.*—British currency and United States gold are legal tender. In many of the islands trading accounts are kept in dollars and cents at the ratio of 4.80 to the pound sterling.

#### BULGARIA

Bulgaria's monetary unit is the lev (plural, leva) of 100 stotinki (centimes), representing 12.0773 milligrams of gold 0.900 fine (10.-8696 milligrams of fine gold), the par value of which is \$0.00722 United States currency. The lev was stabilized under the law of November 22, 1928; stabilization was effected at the actual rate of exchange maintained for the preceding four years. Stabilization was made possible by the 7½ per cent loan dated November 15, 1928, for \$13,000,000. This loan was authorized and approved by the Council of the League of Nations. The former lev represented 322.58 milligrams of gold 0.900 fine, the par value of which was the same as the French franc, \$0.192948.

The principal circulating medium, apart from subsidiary coins of silver and nickel, in lev and stotinki denominations is the notes of the National Bank of Bulgaria. The legal minimum reserve requirement is 40 per cent gold and foreign exchange against notes and other demand liabilities. According to article 10 of the law made effective January 1, 1927, the bank must raise its discount rate whenever the reserve falls below 33½ per cent.

Bulgaria was nominally an adherent of the gold standard, which was adopted in 1893; its currency, in the main, corresponded to that of the Latin Monetary Union.<sup>10</sup>

The National Bank of Bulgaria, founded in 1879, was given the sole right of note issue in 1885; its original capital was 2,000,000 leva, provided by the Government. The bank was reorganized on January 1, 1927, in accordance with a special act the main provisions of which are: The bank becomes exclusively a bank of issue of a special legal character and is intrusted with the safeguarding of the national currency. Its duty is to maintain the value of notes issued on a gold-exchange standard. The share capital is to be increased from 500,000,000 leva (1924) to 1,000,000,000 leva. By a decree of the Reparations Commission, the issue of paper money is not to exceed 4,700,000,000 leva. At the end of December, 1929, the outstanding note circulation of the Bank of Bulgaria amounted to 3,609,000,000 leva. On the same date the gold reserve (in terms of the new lev) totaled 1,389,000,000 leva and foreign assets 1,307,000,000 leva.

From 1900 to 1912 the lev was practically at par. Minor fluctuations in 1913 and the beginning of 1914 reflect unstable conditions during the Balkan Wars. The lev did not fall sharply until 1919, chiefly owing to increased note circulation, representing, for the most part, loans by the National Bank to the State.

#### BASIS OF STATISTICS

Rates given in Tables 17 and 18 represent: For 1910-1918, Sofia on Vienna (kronen converted; see Austria, p. 13); 1919-1921, Sofia on New York; 1922-1929, noon buying rates for cable transfers, New York on Sofia. The rates from 1910 to 1921 are those quoted in Le

<sup>10</sup> Formation of the Latin Monetary Union is discussed on p. 15.

Bulletin Mensuel de Statistique of July, 1927; from 1922 to 1929, those quoted by the Federal Reserve Board. Averages from 1922 to 1929 are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes the par value (\$0.193) may be used from 1900 to 1909.

TABLE 17.—YEARLY AVERAGE EXCHANGE RATES OF THE BULGARIAN LEV

Year	Average rate	Year	Average rate	Year	Average rate
1909.....	\$0. 1930	1916.....	\$0. 1581	1923.....	\$0. 00884
1910.....	. 1926	1917.....	. 1240	1924.....	. 00728
1911.....	. 1930	1918.....	. 1276	1925.....	. 00732
1912.....	. 1930	1919.....	. 0427	1926.....	. 00721
1913.....	. 1879	1920.....	. 0163	1927.....	. 00724
1914.....	. 1717	1921.....	. 00887	1928.....	. 00721
1915.....	. 1472	1922.....	. 00688	1929.....	. 00722

<sup>1</sup> Nominal.

TABLE 18.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BULGARIAN LEV

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0. 00697	\$0. 00662	\$0. 00728	\$0. 00733	\$0. 00709	\$0. 00724	\$0. 00722	\$0. 00720
Second quarter.....	(1)	. 00706	. 00916	. 00723	. 00732	. 00723	. 00724	. 00720	. 00721
Third quarter.....	\$0. 00685	. 00673	. 01034	. 00729	. 00733	. 00726	. 00724	. 00721	. 00722
Fourth quarter.....	. 00691	. 00677	. 00918	. 00733	. 00729	. 00726	. 00723	. 00719	. 00724
January.....	(1)	. 00710	. 00695	. 00714	. 00734	. 00701	. 00723	. 00723	. 00719
February.....	(1)	. 00693	. 00637	. 00732	. 00732	. 00705	. 00724	. 00721	. 00720
March.....	(1)	. 00688	. 00654	. 00738	. 00734	. 00720	. 00725	. 00722	. 00721
April.....	(1)	. 00690	. 00774	. 00728	. 00732	. 00723	. 00725	. 00721	. 00721
May.....	(1)	. 00693	. 00798	. 00723	. 00732	. 00724	. 00724	. 00719	. 00721
June.....	(1)	. 00736	. 01175	. 00717	. 00732	. 00722	. 00722	. 00720	. 00722
July.....	. 00955	. 00729	. 01185	. 00724	. 00734	. 00727	. 00723	. 00721	. 00721
August.....	. 00880	. 00652	. 00958	. 00733	. 00733	. 00726	. 00723	. 00721	. 00722
September.....	. 00759	. 00638	. 00959	. 00731	. 00731	. 00725	. 00725	. 00721	. 00722
October.....	. 00681	. 00648	. 01015	. 00732	. 00729	. 00726	. 00723	. 00720	. 00724
November.....	. 00670	. 00684	. 00922	. 00733	. 00728	. 00727	. 00723	. 00719	. 00724
December.....	. 00722	. 00700	. 00816	. 00734	. 00729	. 00724	. 00724	. 00719	. 00723

<sup>1</sup> Not available.

CANADA

The Canadian dollar of 100 cents, representing 1.6718 grams of gold 0.900 fine (1.5046 grams of fine gold), is the exact equivalent of the United States dollar and its par value is the same (\$1). This unit was adopted by Canada in 1853. At the same time the British pound sterling was made legal tender at 4.8665 Canadian dollars. A law requiring all Government accounts to be kept in dollars and cents came into force in the Provinces of Canada on January 1, 1858; the formal adoption of decimal currency in Canada dates from that time. After confederation, the uniform currency act of 1871 extended the decimal currency throughout the Dominion, the British sovereign being made legal tender for 4.86% Canadian dollars and the United States eagle for 10 Canadian dollars.

METALLIC CURRENCY

Gold.—Gold is used to an insignificant extent as a circulating medium in Canada, its monetary use being practically confined to reserves, but 5 and 10 dollar gold pieces have been coined; these were

first issued in 1912 under the currency act of 1910. By the same act, British gold coin and the 5-dollar, 10-dollar, and 20-dollar gold coins of the United States were made legal tender.

*Token currency.*—Canadian silver dollars to contain 23.3276 grams (360 grains troy) of silver 0.925 fine were authorized by the currency act of 1910, but no dollars of this fineness have been struck by the mint. Silver 50, 25, 10, and 5 cent pieces, of weight proportionate to their respective fractions of the dollar and of the same fineness, are in circulation, but by the statutes of 1920 the standard of fineness was reduced to 0.800 and coinage since that date has been to the new standard. Coining of the silver 5-cent piece was discontinued in 1921 in favor of the nickel 5-cent piece weighing 4.5359 grams (70 grains), and a number of these coins have appeared.

#### DOMINION NOTES

After confederation, by act of 1868 authority was given for the issue of Dominion notes to the extent of 8,000,000 Canadian dollars. The gold reserve was fixed at 20 per cent up to a circulation of 5,000,000 dollars; beyond that, 25 per cent was required. Various changes were made by later legislation both in the size of the note issue and in the reserve ratio until 1880, when the basis of the present standard—a reserve of 25 per cent in gold and guaranteed debentures, three-fifths of which must be gold—was established. Under the Dominion notes act, 1914, the Dominion Government is authorized to issue notes not exceeding 50,000,000 Canadian dollars against a 25 per cent gold reserve. In addition, by "An act respecting the issue of Dominion notes," the Dominion Government in 1915 was authorized to issue notes up to 26,000,000 Canadian dollars without any gold reserve, 16,000,000 dollars of the notes to be against certain specified Canadian railway securities guaranteed by the Government.

Further, the finance act of 1923 perpetuates the provisions of the finance act of 1914. Part II, paragraph 5, of this law reads:

At any time when there is no proclamation in force under the authority of paragraph (a) of section 4 of this act, the Minister may make advances to the chartered banks and to the savings banks to which the Quebec savings banks act applies by the issue of Dominion notes upon the pledge of the securities hereinafter mentioned:

- (a) Treasury bills, bonds, debentures, or stocks of the Dominion of Canada, Great Britain, any Province of Canada, and of any British possession;
- (b) Public securities of the Government of the United States;
- (c) Canadian municipal securities;
- (d) Promissory notes and bills of exchange secured by documentary title to wheat, oats, rye, barley, corn, buckwheat, flax, or other commodity;
- (e) Promissory notes and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes and which have been used or are to be used for such purposes.

These advances shall be for a period not exceeding one year and interest thereon shall be payable at such rate as may from time to time be fixed by the Treasury Board.

Thus the Treasury statement of December 31, 1929, reads (in Canadian money): Dominion notes outstanding, 234,287,000 dollars; gold reserve, 62,757,000 dollars; loans to banks (under finance act), 112,900,000 dollars.

#### BANK NOTES

Bank notes represent the principal circulating medium in Canada. Under the Canadian bank act of 1881 the banks are authorized to issue notes of the denominations of 5 Canadian dollars and multiples

thereof to the amount of their paid-up capital. These notes are not legal tender in normal times. In addition, during the period of the movement of crops (September 1 to February 28) the banks may issue "excess" circulation to the amount of 15 per cent of their combined capital and "rest or reserve" funds. In the event of war or panic, the Government may permit the "excess" to run the entire year. The banks pay interest on this excess at 5 per cent. If a bank desires to extend its circulation, it may also do so by depositing dollar for dollar in gold or Dominion notes in the central gold reserves. In case of insolvency, the notes of a bank are the first lien upon its assets; they are further secured by the bank circulation redemption fund, to which all banks contribute on the basis of 5 per cent of their average circulation not covered by gold or Dominion notes deposited in the central gold reserves established in 1913.

The bank act contains no specific provisions as to the amount of gold to be held against either note circulation or general liabilities of a bank. It requires, however, that 40 per cent of whatever cash reserves a bank finds it expedient to carry shall be in Dominion notes. A second provision instructs the Minister of Finance to arrange for the delivery of Dominion notes to any bank in exchange for specie. The other cash element in bank reserves is specie in hand. In addition to this cash on hand, Canadian banks carry other kinds of assets which are regarded as reserves—(1) cash balances in banks outside Canada, (2) call and short loans in New York (the favorite call-loan market), and (3) readily marketable securities.

Government notes are of denominations of 25 cents and 1, 2, 4, 5, 50, 100, 500, and 1,000 Canadian dollars. In addition "special notes" of the denominations of 500, 1,000, 5,000, and 50,000 Canadian dollars (first emission of the last-mentioned, September, 1918) are issued for use between banks only, the purpose being to safeguard against theft.

## BASIS OF STATISTICS

The Canadian dollar was practically at par from 1900 to 1914; fluctuations since 1914 are given in Tables 19 and 20. The basis is as follows: 1915-1918, sight drafts, Montreal on New York; 1919-1929, noon buying rates for telegraphic transfers, New York on Montreal. From 1915 to 1918 the averages are computed from monthly averages of daily rates; from 1919 to 1929, yearly and monthly averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 19.—YEARLY AVERAGE EXCHANGE RATES OF THE CANADIAN DOLLAR

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$1.0000	1920.....	\$0.8928	1926.....	\$0.9989
1915.....	.9957	1921.....	.8965	1927.....	.9997
1916.....	.9980	1922.....	.8848	1928.....	.9991
1917.....	.9982	1923.....	.8804	1929.....	.9925
1918.....	.9834	1924.....	.8873		
1919.....	.9560	1925.....	.9996		

<sup>1</sup> Nominal.



TABLE 20.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE CANADIAN DOLLAR

Period	1919	1920	1921	1922	1923	1924
First quarter.....	\$0. 9798	\$0. 8913	\$0. 8784	\$0. 9600	\$0. 9861	\$0. 9708
Second quarter.....	. 9725	. 8995	. 8916	. 9846	. 9787	. 9828
Third quarter.....	. 9626	. 8903	. 8928	. 9953	. 9758	. 9668
Fourth quarter.....	. 9502	. 8881	. 9189	. 9865	. 9809	. 9867
January.....	. 9797	. 9151	. 8764	. 9482	. 9909	. 9736
February.....	. 9805	. 8650	. 8807	. 9631	. 9867	. 9694
March.....	. 9792	. 8938	. 8780	. 9688	. 9806	. 9695
April.....	. 9746	. 9161	. 8906	. 9776	. 9802	. 9809
May.....	. 9716	. 9004	. 8965	. 9879	. 9794	. 9830
June.....	. 9712	. 8819	. 8876	. 9884	. 9766	. 9844
July.....	. 9661	. 8808	. 8820	. 9892	. 9742	. 9926
August.....	. 9584	. 8864	. 8978	. 9875	. 9767	. 9685
September.....	. 9633	. 9037	. 8985	. 9993	. 9765	. 9994
October.....	. 9638	. 9085	. 9139	1. 0008	. 9855	. 9997
November.....	. 9586	. 8927	. 9151	1. 0003	. 9813	. 9988
December.....	. 9281	. 8632	. 9277	. 9945	. 9759	. 9965

Period	1925	1926	1927	1928	1929
First quarter.....	\$0. 9981	\$0. 9969	\$0. 9986	\$0. 9988	\$0. 9960
Second quarter.....	. 9996	1. 0007	1. 0002	. 9990	. 9923
Third quarter.....	1. 0002	1. 0014	. 9995	. 9994	. 9939
Fourth quarter.....	1. 0004	1. 0004	1. 0005	. 9992	. 9876
January.....	. 9969	. 9960	. 9984	. 9982	. 9975
February.....	. 9986	. 9965	. 9984	. 9981	. 9964
March.....	. 9987	. 9963	. 9990	1. 0000	. 9940
April.....	. 9994	1. 0004	1. 0009	1. 0003	. 9924
May.....	1. 0000	1. 0007	1. 0006	. 9991	. 9930
June.....	1. 0000	1. 0010	. 9994	. 9976	. 9916
July.....	1. 0003	1. 0013	. 9985	. 9979	. 9948
August.....	1. 0003	1. 0014	. 9994	1. 0000	. 9944
September.....	. 9989	1. 0014	1. 0005	1. 0004	. 9924
October.....	1. 0009	1. 0007	1. 0011	. 9997	. 9933
November.....	1. 0008	1. 0013	1. 0014	1. 0000	. 9938
December.....	. 9996	. 9993	. 9990	. 9979	. 9907

## CEYLON

Ceylon's monetary unit is the silver rupee of British India (par \$0.36499 United States currency), legal tender for any amount. (See British India, p. 29.) There are also the half-rupee, the quarter-rupee, and subsidiary coins of cent denominations. (In British India the subsidiary coins are the anna, pice, and pie.)

The principal circulating medium consists of the Ceylon Government currency notes, issued in denominations of 1, 2, 5, 10, 50, 100, and 1,000 rupees. These notes are legal tender for any amount. Their emission was authorized by the Ceylon paper currency ordinance, No. 32 of 1884, as added to and amended by ordinances Nos. 12 of 1886, 13 of 1901, 6 of 1903, 11 of 1909, 33 of 1914, and 1 of 1917. These notes on December 31, 1928, amounted to 57,416,000 rupees, as against 62,471,000 rupees at the close of the preceding year.

The exchange value of the rupee in Ceylon is fairly close to that of the Indian rupee; however, as there is more than a shade of difference in some years, the average rates of the rupee in Ceylon are given in Table 21 for such years as are available. These rates have been taken from the Ceylon Blue Book.

The basis for the rates as given is as follows: 1902-1914, demand drafts on London at the National Bank of India (Ltd.); 1915, 1916, demand drafts on London at the Mercantile Bank of India (Ltd.);

1917, demand drafts on London at the Hong Kong & Shanghai Banking Corporation. Since 1918 both buying and selling rates are given. From 1918 to 1926, the rates are as quoted by the Mercantile Bank of India (Ltd.); for 1927, by the Chartered Bank of India, Australia, and China; for 1928, by the Hong Kong & Shanghai Banking Corporation. All of the rates are as quoted in pence, converted in accordance with the fluctuations of the pound sterling. (See United Kingdom, p. 175.)

TABLE 21.—YEARLY AVERAGE EXCHANGE RATES OF THE RUPEE IN CEYLON

Year <sup>1</sup>	Average rate	Year	Average rate	
			Buying	Selling
1902.....	\$0. 3244	1918.....	\$0. 3550	\$0. 3520
1903.....	. 3251	1919.....	. 3934	. 3894
1906.....	. 3261	1920.....	. 3767	. 3681
1907.....	. 3258	1921.....	(?)	(?)
1908.....	. 3231	1922.....	. 2904	. 2879
1910-11 <sup>2</sup> .....	. 3259	1923.....	. 3132	. 3108
1913.....	. 3264	1924.....	. 3207	. 3175
1914.....	. 3290	1925.....	. 3670	. 3633
1915.....	. 3169	1926.....	. 3661	. 3637
1916.....	. 3257	1927.....	. 3657	. 3621
1917.....	. 3283	1928.....	. 3638	. 3641

<sup>1</sup> For the years 1904, 1905, 1908, 1910, and 1912 no rate is quoted.

<sup>2</sup> Fiscal year ending June 30.

<sup>3</sup> Buying and selling rates not available.

CHILE

On October 14, 1925, Chile adopted the peso (plural, pesos; symbol, \$) of 100 centavos, representing 203.395 milligrams of gold 0.900 fine (183.057 milligrams of fine gold) and having a par value of 6d., or \$0.12166 United States currency, as its monetary unit. The condor, the equivalent of 10 pesos (written \$10 m<sup>a</sup>—that is, moneda legal, or “lawful money”), represents 2.03395 grams of gold 0.900 fine. The terms “peso” and “condor” may be used indiscriminately in public or private financial obligations. A new gold currency, consisting of coins of 20 and 40 pesos, is now being minted in accordance with the law of November 27, 1928. A decree of December 31, 1926, modified the silver-coinage specifications. Subsidiary coins are of silver and nickel-copper in peso and centavo denominations.

CENTRAL BANK OF CHILE

The Central Bank of Chile (Banco Central de Chile), established by the law of August 21, 1925, opened for business on January 11, 1926. The bank took over the fiduciary circulation and issues its own notes, which henceforth are to be the only paper money (indicated by the abbreviation m/c, that is, moneda corriente or “current money”) in circulation. All of the paper money is convertible into gold at 6d. per peso or, at the option of the bank, into demand drafts or 3 days’ sight drafts on London or New York, payable in gold. The conversion fund of the Government, comprising the stock of gold which had been accumulated over a long period of years to provide for the ultimate redemption of the fiduciary issues, was turned over to the bank.

The legal minimum reserve requirement is 50 per cent gold and foreign exchange against notes and deposits; foreign exchange may consist only of demand deposits payable in New York or London.

The bank is specifically authorized, subject to a tax, to permit the reserve ratio to fall below the legal minimum.

#### TREASURY-NOTE ISSUE

From 1895 to 1898 Chile was on a gold basis, the unit of currency being the gold peso, par 18d., or \$0.365. From 1898 down to the latter part of 1925 inconvertible paper money was the principal circulating medium. This paper money consisted of various note issues which, in all, amounted to 150,000,000 pesos in 1907.

There was no further note issue until 1914, when the outbreak of the World War introduced disturbances which so affected generally all branches of business and finance that a larger supply of currency was necessary. On August 3, 1914, there was passed law No. 2912, which provided for the issue of vales del tesoro, or treasury notes of high denominations, to banks which secured such circulation by the deposit of mortgage or other approved bonds. This measure, however, was made use of only sparingly. In 1920 Government financial stringency became oppressive, and law No. 3772 authorized a further issue of these treasury notes, which amounted to 76,092,000 pesos at the end of 1921. On March 12, 1929, there was 1,396,000 pesos of these notes outstanding.

#### NITRATE ADVANCES

In the latter part of 1914 an entirely new form of currency, which might be called "nitrate advances," was introduced. The procedure was somewhat as follows: The producer would have a mortgage drawn up in favor of the Government upon a quantity of his product (nitrate) stored at the seacoast or at his plant in the interior. With evidence of this, and with other necessary documents, he would draw upon the national treasury at 180 days' sight (since the duration of each credit was fixed at six months) and either discount this draft with a bank or, by going direct to the treasury, obtain the net proceeds in treasury notes issued especially for the purpose. Law No. 3795 of September, 1921, modified somewhat the procedure of advances to nitrate producers and changed the designation of the corresponding paper money from "treasury notes" to "fiscal bills." These notes, representing nitrate advances, reached their peak in 1920, totaling 75,895,000 pesos. At the close of 1927 they had practically disappeared, amounting to only 765,000 pesos of 6d. (265,000 pesos of 18d.).

#### NOTE CIRCULATION—EXCHANGE RECOVERY

The total amount of notes in circulation on March 12, 1929, was 374,366,000 pesos; of this sum, bank notes represented 358,195,000 pesos. On the same date, reserves totaled 474,573,000 pesos, of which 60,700,000 pesos was actual gold. The reserve ratio on this date (against notes and deposits) was 93.49 per cent.

Since no par value existed for the paper peso in terms of foreign currencies, it was subject to violent fluctuations, caused largely by the increase or decrease in exports of nitrate of soda, which, indirectly, brought on currency inflation. Following the slump in 1914 and 1915, recovery began in the latter year with a great increase in exports of nitrate of soda. During the last quarter of 1918 and for the three

subsequent years the nitrate trade suffered a severe depression. Since the Government obtained more than 50 per cent of its revenues from the export duty on nitrate, the inactivity of the nitrate industry in 1919, 1920, and 1921 resulted in large Government deficits, which were covered by fiduciary issues. Early in 1922 the nitrate trade revived and this was reflected in exchange recovery. However, in 1924 and 1925, owing to political disturbances, exchange again depreciated.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 22 and 23 is: 1900-1918, Santiago on London (pence converted; see United Kingdom, p. 175); 1919-1929, noon buying rates for cable transfers, New York on Santiago. From 1900 to 1918, the averages are computed from monthly averages; from 1919 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the rates given are applicable only for financial transactions other than official trade statistics. Such statistics, from 1900 down to the stabilization of the currency in 1926, were expressed in pesos of 18d., which naturally fluctuated with the pound sterling. Certain statistics for earlier years have in recent publications been converted by the Government itself to the basis of the peso of 6d. Since stabilization the peso of 6d. may be used.

TABLE 22.—YEARLY AVERAGE EXCHANGE RATES OF THE CHILEAN PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0. 3407	1910.....	\$0. 2186	1920.....	\$0. 1845
1901.....	. 3219	1911.....	. 2155	1921.....	. 1206
1902.....	. 3080	1912.....	. 2053	1922.....	. 1222
1903.....	. 3372	1913.....	. 1977	1923.....	. 1224
1904.....	. 3321	1914.....	. 1833	1924.....	. 1054
1905.....	. 3169	1915.....	. 1634	1925.....	. 1160
1906.....	. 2915	1916.....	. 1878	1926.....	. 1208
1907.....	. 2586	1917.....	. 2522	1927.....	. 1207
1908.....	. 1952	1918.....	. 2890	1928.....	. 1215
1909.....	. 2186	1919.....	. 2256	1929.....	. 1206

TABLE 23.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE CHILEAN PESO

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0. 2282	\$0. 1509	\$0. 1685	\$0. 2216	\$0. 2842	\$0. 2771	\$0. 2116	\$0. 1449
Second quarter.....	. 2356	. 1588	. 1739	. 1303	. 3271	. 2565	. 1998	. 1190
Third quarter.....	. 2285	. 1604	. 1905	. 2706	. 3299	. 1882	. 1800	. 1048
Fourth quarter.....	. 1865	. 1769	. 2175	. 2863	. 2414	. 1933	. 1460	. 1118
January.....	. 2188	. 1485	. 1691	. 2310	. 2771	. 2584	. 2074	. 1432
February.....	. 2310	. 1501	. 1673	. 2210	. 2756	. 2770	. 2133	. 1440
March.....	. 2348	. 1541	. 1691	. 2128	. 3000	. 2960	. 2140	. 1476
April.....	. 2371	. 1637	. 1707	. 2143	. 3104	. 2640	. 2126	. 1298
May.....	. 2333	. 1559	. 1726	. 2316	. 3308	. 2474	. 1970	. 1187
June.....	. 2364	. 1568	. 1785	. 2449	. 3401	. 2580	. 1898	. 1066
July.....	. 2318	. 1584	. 1835	. 2498	. 3346	. 1935	. 1911	. 1044
August.....	. 2211	. 1624	. 1858	. 2621	. 3288	. 1818	. 1810	. 1024
September.....	. 2356	. 1785	. 2022	. 2968	. 3262	. 1894	. 1679	. 1071
October.....	. 1906	. 1793	. 2081	. 2848	. 2790	. 2007	. 1559	. 1173
November.....	. 1845	. 1784	. 2143	. 2870	. 2359	. 1920	. 1400	. 1104
December.....	. 1845	. 1731	. 2301	. 2870	. 2152	. 1873	. 1422	. 1078

TABLE 23.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE CHILEAN PESO—Continued

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 1064	\$0. 1249	\$0. 1009	\$0. 1110	\$0. 1208	\$0. 1201	\$0. 1221	\$0. 1206
Second quarter.....	. 1198	. 1284	. 1070	. 1130	. 1207	. 1202	. 1220	. 1205
Third quarter.....	. 1348	. 1241	. 1018	. 1187	. 1210	. 1204	. 1210	. 1205
Fourth quarter.....	. 1280	. 1116	. 1122	. 1214	. 1206	. 1219	. 1207	. 1208
January.....	. 1013	. 1282	. 1036	. 1135	. 1204	. 1202	. 1221	. 1206
February.....	. 1040	. 1199	. 1013	. 1084	. 1212	. 1200	. 1221	. 1205
March.....	. 1140	. 1267	. 0977	. 1110	. 1208	. 1200	. 1221	. 1206
April.....	. 1128	. 1231	. 1084	. 1117	. 1212	. 1203	. 1220	. 1206
May.....	. 1187	. 1282	. 1097	. 1140	. 1204	. 1202	. 1219	. 1204
June.....	. 1284	. 1340	. 1060	. 1132	. 1204	. 1202	. 1220	. 1204
July.....	. 1297	. 1263	. 1011	. 1169	. 1205	. 1202	. 1214	. 1204
August.....	. 1375	. 1221	. 1000	. 1191	. 1212	. 1203	. 1208	. 1206
September.....	. 1373	. 1238	. 1044	. 1202	. 1213	. 1207	. 1209	. 1206
October.....	. 1361	. 1178	. 1105	. 1206	. 1210	. 1217	. 1208	. 1207
November.....	. 1238	. 1108	. 1127	. 1219	. 1205	. 1218	. 1206	. 1208
December.....	. 1241	. 1086	. 1133	. 1216	. 1204	. 1221	. 1207	. 1209

## CHINA

Many varieties of coins are in circulation in China, also notes of several foreign national banks and provincial Chinese banks.

*Yuan Shih-kai dollar.*—The theoretical standard coin of China is the Yuan Shih-kai dollar, commonly known as the Yuan dollar or simply the yuan. This coin (about 26.8567 grams [414.46 grains] of silver 0.890 fine), bearing the image of President Yuan Shih-kai, began to be minted in 1914. Up to March, 1920, 383,903,000 Yuan dollars had been minted. They are now widely circulated in the Northern Provinces and the Yangtze Valley.

## THE SEVERAL TAEIS IN COMMON USE

*Haikwan or customs tael.*—The word "tael" signifies a weight and, by extension, also a medium of currency in silver. The word "tael," however, is not Chinese; it is derived either from the Malayan word "tahl" or from the Indian word "tola." The Chinese word for "tael" is "liang," meaning a certain measure of weight.

All duties levied by the Maritime Customs are calculated in the haikwan tael, which is an arbitrary standard of currency not used for commercial or business transactions of any other kind. In theory it is a pure silver tael weighing about 37.797 grams (583.3 grains). The haikwan tael is entirely a money of account, duties being paid, as a matter of fact, in the local currency of the port at a rate of exchange established on the opening of the customhouse at each port. The exchange rates of the haikwan tael in foreign currency are fixed each month by the customs authorities. Par in terms of the United States dollar varies with the price of silver.

*Tsaoping or Shanghai tael.*—The Tsaoping or Shanghai tael is the tael in general use in Shanghai, in which foreign exchange rates are quoted by the banks. This tael contains 35.332 grams (545.25 grains) of silver 0.980 fine. Par in terms of United States dollars varies with the price of silver.

Other well-known taels circulating in China are the Tientsin tael, the Peking or Kungfah tael, the Hankow tael, and the Chefoo tael. Exchange values of these are not at hand.

## POPULARITY OF DOLLAR COINS

The silver dollar coin has become very popular in China and enjoys an extensive circulation throughout the entire country. The Kemmerer Commission (composed of American experts invited by the

Chinese Government to advise upon financial matters) has recently recommended the gradual adoption of the gold standard, with a silver coin, to be called a "sun" and to have a par value of \$0.40 United States currency, as the monetary unit.

In addition to the Yuan dollar, there are now in circulation the Hong Kong dollar, the British dollar, and the Mexican dollar. The Hong Kong dollar and British dollar each contain 26.957 grams (416 grains) of silver 0.900 fine; the Mexican dollar, 27.07 grams (417.74 grains) of silver 0.9027 fine. The Hong Kong dollar and British dollar have the same exchange value. The Hong Kong dollar is confined more or less to Hong Kong and its vicinity. The British dollar became popular in North China, where it was imported in considerable quantities until 1914, when it had to make way for the Yuan Shih-kai dollar. It is reported that the Mexican dollar is fast disappearing from China, circulation thereof being now confined to the Shanghai district. The par value of these coins, in terms of United States dollars, varies with the price of silver.

## BASIS OF STATISTICS

The basis for the exchange rates given in the tables following is as follows:

*For the Shanghai tael:* 1900-1918, official quotations, bank's selling rate on London for cable transfers (pence converted to United States dollars; see United Kingdom, p. 175, for the exchange value of the penny); 1919-1929, cable transfers, New York on Shanghai. From 1900 to 1918 the rates are mid-points between yearly high and low rates; from 1919 to 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

*For the haikwan tael:* 1900-1928, demand drafts on New York, as settled each month by the customs authorities. Yearly averages are computed from monthly averages.

*For the Yuan dollar:* 1922-1929, cable transfers, New York on Shanghai. Yearly averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For average exchange rates of the Hong Kong dollar and Mexican dollar, see Hong Kong, p. 94.

TABLE 24.—YEARLY AVERAGE EXCHANGE RATES OF THE SHANGHAI TAEI AND THE HAIKWAN TAEI

Year	Average rate		Year	Average rate	
	Shanghai tael	Haikwan tael		Shanghai tael	Haikwan tael
1900.....	\$0. 6819	\$0. 75	1915.....	\$0. 5519	\$0. 62
1901.....	. 6439	. 72	1916.....	. 7077	. 79
1902.....	. 5704	. 63	1917.....	. 9187	1. 03
1903.....	. 5767	. 64	1918.....	1. 1230	1. 26
1904.....	. 6147	. 66	1919.....	1. 2884	1. 39
1905.....	. 6604	. 73	1920.....	1. 1830	1. 24
1906.....	. 7250	. 80	1921.....	. 7078	. 76
1907.....	. 6553	. 79	1922.....	. 7493	. 83
1908.....	. 5818	. 65	1923.....	. 7202	. 80
1909.....	. 5653	. 63	1924.....	. 7268	. 81
1910.....	. 5869	. 66	1925.....	. 7577	. 84
1911.....	. 5869	. 65	1926.....	. 6842	. 76
1912.....	. 6616	. 74	1927.....	. 6210	. 69
1913.....	. 6591	. 73	1928.....	. 6430	. 71
1914.....	. 6004	. 67	1929.....	. 5842	. 64

## FOREIGN CURRENCY AND EXCHANGE

TABLE 25.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SHANGHAI TAEI

Period	1919	1920	1921	1922	1923	1924
First quarter.....	\$1.1839	\$1.5700	\$0.6984	\$0.7235	\$0.7309	\$0.7049
Second quarter.....	1.2048	1.2143	.6731	.7729	.7373	.7066
Third quarter.....	1.2856	1.0752	.6926	.7726	.7017	.7342
Fourth quarter.....	1.5146	.8962	.7654	.7259	.7099	.7625
January.....	1.2430	1.6130	.7690	.7415	.7193	.7027
February.....	1.1870	1.6100	.6840	.7215	.7182	.7120
March.....	1.1216	1.4870	.6422	.7075	.7553	.7000
April.....	1.1345	1.3840	.6730	.7394	.7450	.6974
May.....	1.2311	1.1984	.6827	.7894	.7453	.7653
June.....	1.2488	1.0605	.6635	.7903	.7217	.7137
July.....	1.2350	1.0355	.6692	.7782	.7003	.7167
August.....	1.3000	1.1210	.6786	.7696	.6971	.7332
September.....	1.3219	1.0690	.7300	.7701	.7078	.7527
October.....	1.3870	.9874	.7840	.7485	.6995	.7698
November.....	1.5390	.9130	.7590	.7187	.7076	.7630
December.....	1.6188	.7883	.7532	.7104	.7225	.7547

Period	1925	1926	1927	1928	1929
First quarter.....	\$0.7465	\$0.7373	\$0.6198	\$0.6330	\$0.6252
Second quarter.....	.7453	.7161	.6231	.6531	.5954
Third quarter.....	.7744	.6886	.6129	.6464	.5719
Fourth quarter.....	.7647	.5946	.6296	.6386	.5439
January.....	.7534	.7475	.6167	.6375	.6312
February.....	.7526	.7374	.6378	.6311	.6220
March.....	.7336	.7271	.6050	.6305	.6223
April.....	.7323	.7087	.6201	.6325	.6125
May.....	.7426	.7178	.6217	.6644	.5962
June.....	.7609	.7217	.6274	.6623	.5776
July.....	.7656	.7130	.6228	.6523	.5784
August.....	.7729	.6869	.6038	.6500	.5769
September.....	.7847	.6660	.6121	.6369	.5604
October.....	.7790	.5998	.6183	.6404	.5477
November.....	.7582	.5942	.6327	.6400	.5472
December.....	.7568	.5897	.6379	.6355	.5368

TABLE 26.—YEARLY AVERAGE EXCHANGE RATES OF THE YUAN DOLLAR

Year	Average rate	Year	Average rate	Year	Average rate
1922.....	\$0.5561	1925.....	\$0.5691	1928.....	\$0.4614
1923.....	.5262	1926.....	.4998	1929.....	.4190
1924.....	.5270	1927.....	.4394		

TABLE 27.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE YUAN DOLLAR

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.5415	\$0.5367	\$0.5058	\$0.5603	\$0.5531	\$0.4398	\$0.4516	\$0.4486
Second quarter.....	.5688	.5414	.5155	.5579	.5278	.4404	.4676	.4276
Third quarter.....	.5713	.5151	.5303	.5814	.4932	.4314	.4655	.4100
Fourth quarter.....	.5398	.5108	.5567	.5767	.4253	.4470	.4602	.3896
January.....	.5475	.5283	.5041	.5671	.5572	.4392	.4514	.4541
February.....	.5436	.5287	.5087	.5647	.5551	.4512	.4498	.4466
March.....	.5335	.5531	.5046	.5490	.5469	.4290	.4537	.4462
April.....	.5505	.5461	.5090	.5480	.5254	.4391	.4550	.4398
May.....	.5798	.5455	.5180	.5567	.5285	.4370	.4729	.4280
June.....	.5762	.5327	.5194	.5691	.5294	.4462	.4748	.4149
July.....	.5738	.5216	.5231	.5746	.5082	.4358	.4685	.4155
August.....	.5705	.5107	.5307	.5767	.4984	.4233	.4685	.4136
September.....	.5697	.5131	.5372	.5928	.4731	.4322	.4595	.4010
October.....	.5594	.5110	.5515	.5915	.4254	.4406	.4620	.3911
November.....	.5348	.5092	.5567	.5721	.4255	.4486	.4617	.3920
December.....	.5281	.5121	.5620	.5666	.4249	.4519	.4568	.3857

## CHOSEN (KOREA)

The monetary unit of Chosen is the same as that of Japan, namely, the yen of 100 sen, representing 833.33 milligrams of gold 0.900 fine (750 milligrams of fine gold), the par value of which is \$0.4985 United States currency. (See Japan, p. 107, for exchange rates, etc.) The currency consists of 5, 10, and 20 yen gold pieces and subsidiary coins of silver, nickel, and bronze, in yen, sen, and rin denominations.

Notes of the Bank of Chosen (which was established in August, 1909) constitute the principal circulating medium. These notes are convertible. Besides issuing, under its charter, convertible notes on the security of gold specie, gold and silver bullion, and the convertible notes of the Bank of Japan, the Bank of Chosen is authorized to issue notes, not exceeding 50,000,000 yen, on the security of Exchequer bills and other reliable bills or trade paper.

## COLOMBIA

The gold peso (plural, pesos) of 100 centavos, the equivalent of one-fifth of the pound sterling, or \$0.9733 United States currency, was established as Colombia's monetary unit by the law of June 12, 1907. The 5-peso gold piece is of the same weight and fineness as the pound sterling (7.9881 grams of gold 0.916% fine). Gold coins are of 2½, 5, and 10 peso denominations; there are also subsidiary coins of silver (0.900 fine) and nickel in peso and centavo denominations. Colombia uses the dollar mark (\$) as the symbol for the peso.

The circulating medium in addition to gold and silver coins consists chiefly of notes of the Banco de la Republica and balances of issues of old paper money not convertible into gold but circulating indiscriminately and at parity with other currency. The legal minimum reserve requirement of the Bank of the Republic is 60 per cent gold and foreign exchange against notes and deposits; the actual gold requirement is 36 per cent. The bank is specifically authorized, subject to the payment of a tax, to permit the reserve ratio to fall below the legal minimum.

During the three years of civil war (1899-1902) paper money was issued in large quantities—estimated at the close of 1902 at some 850,000,000 pesos—by the central Government, by the various provinces, and by military leaders in the field.

Law No. 59 of 1905 authorized the coinage of a new gold currency and fixed the value of the paper money at 100 to 1 for the payment of all obligations contracted in gold. The new peso was to be the exact equivalent of the United States dollar, but it does not appear that any of this money was actually minted.

## OPERATIONS OF THE JUNTA DE CONVERSION

Law No. 69 of 1909 created a conversion board (Junta de Conversion) whose principal functions included the exchange of worn-out paper currency for new standard notes, the issue of new subsidiary coins, the stabilization of the value of the paper money, and the charge of the conversion fund which was gradually to be formed as a tangible backing for the fiduciary currency. The Junta de Conversion began operations in January, 1910, and remained in existence until it was superseded by the Banco de la Republica in July, 1923. In 1910 the British gold coins were made legal tender



at the rate of 500 Colombian paper pesos to the pound sterling. In 1913 the Junta de Conversion was directed by law to replace all paper money in circulation with a new issue of notes representing gold pesos, at the ratio of 100 to 1. The new notes were called "gold notes" (billetes representativos de oro). The entire issue ultimately amounted to about 10,361,000 pesos.

Soon after the outbreak of the World War in 1914 gold disappeared from the country, leaving in circulation only the paper money supplemented by fractional silver and minor nickel coins. The stock of actual money was only about 10,000,000 pesos.

The first new element to appear in the currency was the "cedulas hipotecarias," or mortgage bonds of very small denominations bearing nominal interest rates (2 or 4 per cent); these were put out by banks which were legally authorized to issue interest-bearing bonds against mortgages on real estate. Law No. 89 of 1920 provided that arrangements should be made by the Government and the banks for the gradual withdrawal of these issues.

To provide more currency for general use, law No. 51 of 1918 authorized the issue of special notes (bonos bancarios). These were all withdrawn by the middle of 1924.

The Government, although its finances were severely restricted during the greater part of the World War, did not resort to the issuance of paper money with which to balance accounts until 1919. In that year 4,000,000 pesos of "cedulas de tesoreria," or Treasury notes, were issued; these bore 2 per cent interest. They were put into circulation in payment of accounts and services. The final addition to the inconvertible paper circulation was made in 1922, when the Government, to meet part of the deficit or floating debt, issued 6,000,000 pesos in notes of small denomination, called "bonos del tesoro," or treasury bonds. (Law No. 6 of 1922.)

#### BANK OF THE REPUBLIC

In July, 1923, the Banco de la Republica took over the duties of the Junta de Conversion. While it was designed to serve as the cornerstone of the commercial banking system of the country, its functions of note issue, unification of the currency, and stabilization of exchange have overshadowed its general relation to the national banking structure. Its capital was placed at 10,000,000 pesos, of which the Government subscribed 5,000,000 pesos. The exclusive right of note issue was granted the bank for the term of its charter, 20 years. The notes are not legal tender but are receivable in payment of public dues so long as they are convertible into gold.

The bank acts as the instrumentality for the withdrawal from circulation of the various kinds of fiduciary paper money. As a matter of fact the inconvertible paper has been reduced from 23,397,000 pesos in June, 1923, to 7,930,000 pesos at the end of December, 1929; meanwhile the notes of the Banco de la Republica have increased from 10,180,000 pesos to 39,074,000 pesos, against which latter sum it had reserves of: Gold at home, 22,371,000 pesos; gold abroad, 15,377,000 pesos.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 28 and 29 is: 1900-1912, approximate rates, sight drafts, Bogota on New York; 1913-1925, sight drafts, Bogota on New York; 1926-

1929, cable transfers, New York on Bogota. From 1913 to 1925, yearly averages are computed from monthly averages; from 1926 to 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 28.—YEARLY AVERAGE EXCHANGE RATES OF THE COLOMBIAN PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.0950	1910.....	\$0.9709	1920.....	\$0.9019
1901.....	1.0299	1911.....	1.9709	1921.....	.8809
1902.....	1.0150	1912.....	1.9709	1922.....	.9239
1903.....	1.0101	1913.....	.9664	1923.....	.9518
1904.....	1.0103	1914.....	.9606	1924.....	.9917
1905.....	1.0101	1915.....	.9398	1925.....	.9835
1906.....	1.0100	1916.....	.9706	1926.....	.9845
1907.....	1.0100	1917.....	.9302	1927.....	.9769
1908.....	1.0100	1918.....	1.0572	1928.....	.9769
1909.....	1.0100	1919.....	1.1059	1929.....	.9655

<sup>1</sup> Approximate. Paper peso, 1900-1909; gold peso, 1910-1929.

TABLE 29.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE COLOMBIAN PESO

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0.9643	\$0.9524	\$0.9598	\$0.9457	\$0.9902	\$1.2739	\$0.9730	\$0.8652
Second quarter.....	.9700	.9395	.9763	.9228	1.0804	1.1409	.9294	.8761
Third quarter.....	.9578	.9390	.9705	.9308	1.0496	1.0129	.8680	.8836
Fourth quarter.....	.9449	.9315	.9753	.9226	1.1401	1.0024	.8529	.9006
January.....	.9740	.9459	.9597	.9588	.9590	1.2739	.9999	.8680
February.....	.9456	.9658	.9652	.9490	.9804	1.2739	.9734	.8735
March.....	.9732	.9456	.9546	.9323	1.0013	1.2739	.9458	.8540
April.....	.9615	.9396	.9630	.9195	1.0030	1.2179	.9487	.8467
May.....	.9683	.9390	.9748	.9074	1.1797	1.1631	.9285	.8787
June.....	.9802	.9398	.9911	.9416	1.0584	1.0417	.9111	.9028
July.....	.9762	.9372	.9687	.9353	1.0460	1.0297	.8981	.8993
August.....	.9537	.9397	.9690	.9346	1.0442	1.0037	.8719	.8719
September.....	.9434	.9311	.9737	.9225	1.0585	1.0052	.8339	.8797
October.....	.9390	.9239	.9794	.9114	1.0669	1.0015	.8163	.8804
November.....	.9434	.9289	.9804	.9230	1.1111	1.0021	.8394	.9039
December.....	.9524	.9416	.9660	.9333	1.2422	1.0035	.9031	.9174

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.9140	\$0.9531	\$0.9773	\$0.9902	\$0.9862	\$0.9785	\$0.9794	\$0.9698
Second quarter.....	.9156	.9407	.9967	.9788	.9872	.9740	.9817	.9640
Third quarter.....	.9137	.9501	.9961	.9820	.9898	.9793	.9754	.9645
Fourth quarter.....	.9537	.9637	.9973	.9867	.9746	.9757	.9724	.9639
January.....	.9194	.9588	.9685	.9922	.9882	.9803	.9800	.9709
February.....	.9072	.9557	.9756	.9920	.9862	.9795	.9804	.9709
March.....	.9155	.9449	.9877	.9865	.9862	.9757	.9779	.9677
April.....	.9122	.9416	.9950	.9874	.9862	.9732	.9821	.9639
May.....	.9158	.9352	1.0000	.9804	.9862	.9747	.9819	.9639
June.....	.9187	.9452	.9950	.9685	.9893	.9742	.9810	.9643
July.....	.9147	.9455	.9974	.9762	.9929	.9763	.9810	.9657
August.....	.9105	.9510	.9957	.9842	.9938	.9828	.9726	.9639
September.....	.9159	.9537	.9952	.9856	.9826	.9799	.9726	.9639
October.....	.9430	.9557	.9961	.9864	.9766	.9747	.9751	.9639
November.....	.9633	.9703	.9976	.9867	.9732	.9750	.9711	.9638
December.....	.9548	.9651	.9983	.9871	.9740	.9774	.9709	.9639

## COSTA RICA

Costa Rica has as its monetary unit the colon (plural, colones) of 100 centimos, stabilized at \$0.25 United States currency, and therefore representing 417.95 milligrams of gold 0.900 fine. Prior to March, 1924, the gold colon, representing 778 milligrams of gold 0.900 fine, had a par value of \$0.4653. Since March, 1924, Costa Rican exchange has been stabilized at 4 colones to the United States dollar as the result of measures taken by the Government, including the establishment of a conversion office (Caja de Conversion) in connection with the Banco Internacional, a Government-owned institution.

The circulating media consist of paper money issued by the Banco Internacional and of subsidiary coins in colon and centimo denominations. The paper currency is divided into two classes, inconvertible and convertible. Inconvertible notes are those issued in 1918 and 1919 by order of the Government. The convertible notes are those issued by the conversion office attached to the Banco Internacional against deposits of United States gold coin or sight drafts on New York in equivalent amounts. All paper money circulates at the new par; the total amount in circulation at the end of December, 1928, was 24,138,000 colones.

## NEW MONETARY SYSTEM INAUGURATED

The monetary law of October, 1896, was adopted pursuant to a contract negotiated between the Government and the Banco de Costa Rica in July of that year which contained the details of a plan of reform. This plan included the establishment of a new monetary unit, the "colon," which was to take the place of the old "peso" established in 1871. The colon was to be divided into 100 "centimos" instead of "centavos." The gold value of the new monetary unit was to be a little less than one-half that of the old peso. The Banco de Costa Rica was to relinquish the exclusive privilege of note issue. The Government estimated that to establish successfully the gold standard about 4,000,000 colones in gold would be needed. Coining of these was completed at Philadelphia by 1900; they were deposited in the Banco de Costa Rica and the Government issued gold certificates against them. The bank redeemed the certificates in silver money and they were treated as the bank's own notes. Meanwhile, the various foreign silver coins in circulation were to be presented at the treasury in exchange for national money. In May, 1900, the President decreed that gold of the United States, England, France, and Germany should be legal tender and circulate on an equal basis with the colon at the following ratios:

	Colones
United States dollar.....	2. 15
Pound sterling.....	10. 45
20-franc piece.....	8. 25
20-mark piece.....	10. 20

In August, 1900, the importation of all silver coins, both national and foreign, was prohibited, but the importation and exportation of all gold coins remained free and untaxed. Another important provision of this decree was that individuals might present gold for coining, paying a brassage charge of 1 per cent.

From the inauguration of the gold standard in 1900 until the middle of 1914, the exchange rate of the colon was relatively stable at about \$0.4651, but the outbreak of the World War forced Costa Rica to resort to the expediency of irredeemable paper money. At that time gold began to move out of the country.

#### NOTE-ISSUE PRIVILEGE ACCORDED BANCO INTERNACIONAL

The Banco Internacional was founded by executive decree of October 9, 1914, its capital (about 2,000,000 colones) being contributed by the Government. It was authorized to issue notes to the amount of 4,000,000 colones; these notes were to be guaranteed by bonds deposited in the National City Bank of New York, together with treasury bonds of 1914 which were guaranteed by customs duties and by the national income from liquor. The bank was to loan 2,000,000 colones to the Government against the above treasury bonds; the other 2,000,000 colones was to be available to the public as an emergency fund (such as for financing the harvesting of crops). The law also provided that the bank accumulate a gold reserve by utilizing its net profits to import gold from abroad. On October 31, 1916, the gold reserve had risen to 750,000 colones. The notes of the Banco Internacional were to be received in the Government offices on the same basis as the other notes. In November, 1914, the exportation of gold was prohibited.

After the revolution of January, 1917, the policy of the bank was changed. The reserves were exhausted and its note issue in 1918 was increased by 10,000,000 colones, of which amount 6,000,000 colones was to be turned over to the Government without interest and 4,000,000 colones was to be loaned to individuals at 8 per cent interest. In 1919 another issue of 15,000,000 colones was authorized, 10,000,000 colones to be turned over to the Government. However, before this issue was effected came the overthrow of the Government in September, 1919.

During 1917, to permit the Government to receive the benefit of the rise in the price of silver, two laws were passed; the first, in June, authorized the issue of silver notes (billetes de plata), with a metallic reserve of only 40 per cent; the second, in September, authorized the coining of silver of a fineness of only 0.500, instead of 0.900, as the original monetary law provided.<sup>11</sup> The amount of these silver notes advanced from 618,750 colones in January, 1918, to 3,272,000 in January, 1919; however, in July, 1924, they had been reduced to about 900,000 colones and had practically disappeared in 1925.

#### CONVERSION OFFICE CREATED TO STABILIZE COLON

One of the first acts of the new administration that came into office in September, 1919, was to grant to the Banco Internacional and the public Treasury a moratorium of one year, and on March 31, 1921, Congress decreed that the notes of the Banco Internacional should continue inconvertible until a later law. On July 15, 1921, the private banks were deprived of their right of note issue. (This circulation had risen to 3,136,000 colones in June, 1918, but was reduced to 143,000 colones in December, 1923.)

<sup>11</sup> The 50-centimo piece, the largest silver coin, contained 10 grams (154.3236 grains) of silver 0.900 fine, as arranged by the monetary law of 1900.

To simplify the paper currency of Costa Rica a law was passed, on May 19, 1922, by which the only paper money of the country was to be the notes of the Banco Internacional, which institution was authorized to increase its circulation by 4,282,000 colones in order to take over the other paper money. In October, 1922, the Conversion Office (Caja de Conversion) was created to provide the means for stabilizing the colon at the new legal ratio of 4 to the United States dollar. The Caja came into active operation in March, 1924.

## BASIS OF STATISTICS

The basis for the exchange rates in Table 30 is: 1914-1929, sight drafts on New York.

For conversion purposes the ratio of 2.15 colones to the United States dollar, or \$0.4651, may be used from 1900 to 1913; thereafter, the rates as shown. However, trade statistics should be converted in accordance with the rate as given in the Anuario Estadístico—that is, at the ratio of 4 colones to the United States dollar.

TABLE 30.—YEARLY AVERAGE EXCHANGE RATES OF THE COSTA RICAN COLON

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.4545	1920.....	\$0.2994	1926.....	1 \$0.2497
1915.....	.3891	1921.....	.2257	1927.....	1.2497
1916.....	.3937	1922.....	.2299	1928.....	1.2497
1917.....	.2653	1923.....	.2217	1929.....	1.2497
1918.....	.2237	1924.....	.2461		
1919.....	.2551	1925.....	1.2497		

<sup>1</sup> Approximate.

## CUBA

Cuba's monetary unit is the peso (plural, pesos) of 100 centavos, representing 1.6718 grams of gold 0.900 fine (1.5046 grams of fine gold—the same content as that of the United States gold dollar), the par value of which is \$1 United States currency. The gold peso was established by the law of October, 1914, promulgated on November 7 of the same year. The gold coins are of 1, 2, 4, 5, 10, and 20 pesos. There are also subsidiary coins of silver, nickel, and copper in peso and centavo denominations. The coinage of gold is unlimited, but that of silver is restricted to 12,000,000 pesos.

Apart from the metallic currency, bank notes of the United States (mostly Federal Reserve notes) are the principal circulating medium; these notes are estimated at about \$150,000,000 at the present time. There is no Cuban paper money.

## UNITED STATES CURRENCY THE OFFICIAL MONEY OF ACCOUNT

Immediately after the establishment of Cuban independence by the treaty of Paris (December 10, 1898) United States currency began to circulate and was adopted as the official money of account, while the old Spanish coins circulated side by side at approximate equivalence.

Dealings in foreign exchange in Cuba during the World War and thereafter followed exactly the rates established in the United States. Transfer of funds between Habana and New York in very small amounts costs one-half of 1 per cent; for larger amounts, the rates are from one-fourth to one-eighth of 1 per cent.

BASIS OF STATISTICS

While exact exchange rates from 1900 to 1921 are not available, the par value may be used for that period. The rates as given in Tables 31 and 32 are quoted from the Bulletin of the Federal Reserve Board; they represent noon buying rates for cable transfers, New York on Habana. Yearly and monthly averages are computed from daily rates; quarterly averages are computed from monthly averages.

TABLE 31.—YEARLY AVERAGE EXCHANGE RATES OF THE CUBAN PESO

Year	Average rate	Year	Average rate	Year	Average rate
1922.....	\$0.9985	1925.....	\$0.9994	1928.....	\$0.9996
1923.....	.9995	1926.....	.9993	1929.....	.9996
1924.....	.9998	1927.....	.9997		

TABLE 32.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE CUBAN PESO

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0.9982	\$0.9996	\$1.0000	\$0.9997	\$0.9994	\$1.0002	\$1.0001	\$1.0001
Second quarter.....	(1)	.9983	.9999	1.0003	.9997	.9993	.9997	.9997	.9998
Third quarter.....	\$0.9922	.9985	.9990	.9993	.9988	.9993	.9996	.9995	.9994
Fourth quarter.....	.9957	.9990	.9995	.9995	.9992	.9993	.9993	.9993	.9994
January.....	(1)	.9972	.9995	.9997	.9998	.9990	.9995	.9992	.9996
February.....	(1)	.9985	.9996	.9997	1.0001	.9996	1.0007	1.0004	1.0003
March.....	(1)	.9989	.9998	1.0005	.9995	.9995	1.0003	1.0006	1.0003
April.....	(1)	.9981	1.0000	1.0004	.9993	.9992	1.0003	.9999	.9997
May.....	(1)	.9985	1.0000	1.0004	1.0000	.9994	.9996	.9996	1.0001
June.....	(1)	.9984	.9998	1.0001	.9997	.9993	.9992	.9995	.9995
July.....	.9902	.9980	.9993	.9994	.9991	.9992	.9993	.9993	.9991
August.....	.9932	.9987	.9988	.9992	.9989	.9992	1.0001	.9997	.9997
September.....	.9932	.9987	.9988	.9993	.9985	.9994	.9995	.9994	.9993
October.....	.9952	.9988	.9991	.9994	.9992	.9992	.9994	.9993	.9994
November.....	.9959	.9988	.9999	.9995	.9994	.9995	.9995	.9993	.9996
December.....	.9960	.9994	.9995	.9996	.9991	.9992	.9992	.9993	.9993

<sup>1</sup> Not available.

CYPRUS <sup>12</sup>

In the island of Cyprus the monetary unit is the pound sterling, par \$4.8665 United States currency (see United Kingdom, p. 174, for exchange rates, etc.), which is the equivalent of 180 Cyprus piastres. Coins current are gold sovereigns and subsidiary piastre pieces of silver, copper, and bronze.

Currency notes of denominations from 5s. to £10 were issued by the Government authorized by proclamation, under martial law, of the high commissioner, dated September 5, 1917, and have been continued in force by various succeeding orders in council. These notes are limited to a maximum of £700,000. The amount of such notes outstanding at the end of December, 1927, was £474,000.

Government accounts and banking and commercial accounts are kept in pounds sterling, shillings, and piastres.

<sup>12</sup> In 1878 the island of Cyprus passed under the administration of Great Britain, and on the outbreak of the war with Turkey in 1914 was definitely annexed to the British Crown by an order in council of November 5, 1914. This annexation was formally recognized by Turkey under the treaty of Lausanne, ratified August 6, 1924.

## CZECHOSLOVAKIA

Czechoslovakia has for its monetary unit the Czechoslovak koruna (plural, koruny) of 100 heller, representing 49.53 milligrams of gold 0.900 fine (44.58 milligrams of fine gold), the new par value of which is \$0.0296 United States currency. The law stabilizing the Czechoslovak koruna in relation to gold was enacted by the Standing Committee of the Czechoslovak National Assembly on November 7, 1929, and became effective November 27. It was ratified by both houses of Parliament February 5, 1930. The koruna has been stable at \$0.0296 since the opening of the National Bank of Czechoslovakia on April 1, 1926. Prior to that date its nominal par was that of the Austro-Hungarian krone, or \$0.2026.

The principal circulating medium, apart from subsidiary coins of nickel-bronze and bronze in koruna and heller denominations consists of the notes of the National Bank of Czechoslovakia, which is the sole bank of issue. When this bank opened in 1926 the legal minimum reserve requirement was 20 per cent gold (and silver) against notes plus other demand liabilities, minus the amount represented by debt in respect of State notes outstanding; this ratio was to be increased 1 per cent each year over a period of 15 years; silver in the reserve must not exceed one-fourth. Under the decision of the cabinet council of October 16, 1929, the bank must hold a minimum gold cover of 25 per cent by the end of 1929, 30 per cent by the end of 1930, and 35 per cent by the end of 1935.

## "NATIONALIZATION" OF EARLIER NOTES

On attainment of national independence by the treaty of St. Germain September 10, 1919, the notes of the Austro-Hungarian Bank continued to circulate as before in the various sections of Czechoslovakia. Article 206 of the treaty required each of the States which formerly had been a part of Austria-Hungary to stamp the notes of the Austro-Hungarian Bank then circulating in its territory. Meanwhile, the National Assembly of Czechoslovakia, anticipating this move, closed its frontiers from February 26 to March 9, 1919; during this 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. After March 9, 1919, only notes with the Czechoslovak stamp were legal tender.

There were presented for stamping about 8,000,000,000 kronen in notes of the Austro-Hungarian Bank. The Government also took over the deposit accounts of the Austro-Hungarian Bank in its branches in Czechoslovakia, which amounted to 1,617,000,000 kronen, giving a total liability of about 10,000,000,000 kronen. Of the 8,000,000,000 kronen presented, 2,134,000,000 kronen was retained by the Government in the form of a forced loan from the public, bearing interest at 1 per cent. Receipts given for these kronen were declared acceptable by the Government in payment of the levy on capital.

## BANKING OFFICE REPLACED BY NATIONAL BANK

Administration of the currency system was delegated by the Government to the Banking Office established under the Ministry of Finance. By the treaty of St. Germain, Czechoslovakia was to share in the distribution of the reserves and assets of the Austro-

Hungarian Bank, which went into liquidation in January, 1920. Claims of the Government against the bank thus tended to offset the liabilities assumed by the Government. The Banking Office endeavored to accumulate a metallic reserve, and by May, 1925, had built up the gold and silver holdings to 1,000,000,000 Czechoslovak koruny and the foreign currency and balances abroad to about 568,000,000 koruny.

During 1919 and 1920 the note circulation increased rapidly; at the end of December, 1921, it amounted to 12,130,000,000 koruny; after that, however, it began to decrease and stood at 8,810,000,000 koruny at the close of 1924, and at 8,230,000,000 koruny by the end of December, 1929. On the same date reserves consisted of: Gold, 1,258,000,000 koruny; balances abroad and foreign bank notes, 2,270,000,000 koruny.

The Banking Office of the Ministry of Finance was looked upon as a temporary institution, and in March, 1925, a bill was submitted to Parliament providing for the establishment of a national bank to replace it. This bank was to have a capital of \$12,000,000, of which one-third would be subscribed by the State and two-thirds by domestic subscribers. As already said, the National Bank of Czechoslovakia opened for business on April 1, 1926.

#### COURSE OF EXCHANGE

Despite a rigid policy against further inflation and the currency measures undertaken in 1919 when the circulation was reduced, the Czechoslovak koruna continued to depreciate during 1919 and 1920 and was worth a little less than \$0.01 United States currency early in 1920. A sharp reaction took place in the spring of 1920, and in May the koruna advanced to about \$0.025. However, by the end of the year it had fallen again to about \$0.01. On the foreign exchange markets the Czechoslovak koruna was worth practically the same as the German mark until the latter part of 1921. This parallelism was probably due to the close economic and trade relationship between the two countries. In the fall of 1921 the koruna was depressed as a result of the mobilization against Hungary upon the return of the former Emperor Charles. During 1922 the koruna advanced rapidly, reaching the high point of \$0.035. This appreciation was owing to better trade conditions, decreased currency circulation, and low internal prices, so that the domestic purchasing power of the koruna was much greater than it had been. Furthermore, the metallic reserve had increased during 1922, giving greater confidence to the currency system. Since 1923 the koruna has remained fairly stable.

#### BASIS OF STATISTICS

The basis for the exchange rates as given in Tables 33 and 34 is: July, 1919, sight drafts, New York on Prague; August, 1919, to March, 1921, cable transfers, New York on Prague; April-June, 1921, sight drafts, New York on Prague; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Prague. Average rates from July, 1919, to June, 1921, are computed from mid-points between the monthly high and low rates; from July, 1921, to December 1929, average rates are as computed from daily rates by the Federal



Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 33.—YEARLY AVERAGE EXCHANGE RATES OF THE CZECHOSLOVAK KORUNA

Year	Average rate	Year	Average rate	Year	Average rate
1919.....	\$0.0343	1923.....	\$0.0296	1927.....	\$0.0296
1920.....	.0157	1924.....	.0295	1928.....	.0296
1921.....	.0126	1925.....	.0296	1929.....	.0296
1922.....	.0242	1926.....	.0296		

<sup>1</sup> July-December.

TABLE 34.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE CZECHOSLOVAK KORUNA

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0.0177	\$0.0293	\$0.0290	\$0.0299	\$0.0296	\$0.0296	\$0.0296	\$0.0296
Second quarter.....	(1)	.0194	.0298	.0295	.0296	.0296	.0296	.0296	.0296
Third quarter.....	\$0.0123	.0277	.0297	.0297	.0295	.0296	.0296	.0296	.0296
Fourth quarter.....	.0111	.0319	.0293	.0300	.0296	.0296	.0296	.0296	.0296
January.....	(1)	.0173	.0286	.0290	.0300	.0296	.0296	.0296	.0296
February.....	(1)	.0186	.0296	.0290	.0299	.0296	.0296	.0296	.0296
March.....	(1)	.0173	.0297	.0290	.0297	.0296	.0296	.0296	.0296
April.....	(1)	.0196	.0298	.0296	.0296	.0296	.0296	.0296	.0296
May.....	(1)	.0192	.0298	.0294	.0296	.0296	.0296	.0296	.0296
June.....	(1)	.0193	.0299	.0294	.0296	.0296	.0296	.0296	.0296
July.....	.0131	.0218	.0300	.0295	.0296	.0296	.0296	.0296	.0296
August.....	.0122	.0290	.0293	.0298	.0296	.0296	.0296	.0296	.0296
September.....	.0116	.0323	.0299	.0299	.0296	.0296	.0296	.0296	.0296
October.....	.0105	.0328	.0297	.0298	.0296	.0296	.0296	.0296	.0296
November.....	.0104	.0318	.0291	.0299	.0296	.0296	.0296	.0296	.0296
December.....	.0125	.0310	.0292	.0302	.0296	.0296	.0296	.0296	.0297

<sup>1</sup> Not available.

### DANZIG

In the Free City of Danzig the Danzig gulden (plural gulden) of 100 pfennige, equivalent at par to \$0.19466 United States currency, is the monetary unit. Prior to 1924 the unit of currency was the German mark, par \$0.2382. Current coins are gold pieces of 25 and 100 gulden and silver pieces of 1, 2, and 5 gulden.

On April 28, 1925, the gulden—having been officially stabilized at 25 gulden to the pound sterling on March 17, 1924 (when the Bank of Danzig opened under legal obligation to buy and sell sterling at fixed rates)—came into fixed relation with gold when England returned to the gold standard. The gulden although effectively on the gold standard is, strictly speaking, on the sterling standard and therefore represents 319.524 milligrams of gold 0.916% fine (292.912 milligrams of fine gold).

The Bank of Danzig has the sole right of note issue to 1953. The legal minimum reserve requirement is 33½ per cent gold and foreign exchange against outstanding notes. The reserve held against notes in circulation in excess of 100 gulden per capita must be 100 per cent. Foreign exchange may consist only of demand claims on the Bank of England. At the end of December, 1929, note circulation amounted to 37,797,000 gulden; on the same date, balances with the Bank of England amounted to 16,660,000 gulden and foreign bills, etc., 12,433,000 gulden.

## DENMARK

Denmark has for its monetary unit the krone (plural, kroner), representing 448.03 milligrams of gold 0.900 fine (403.23 milligrams of fine gold), the par value of which is \$0.26798 United States currency.

The krone is divided into 100 ører. Gold coins are of 10 and 20 kroner; there are also subsidiary coins in krone and øre denominations. Practically no gold coins are now in circulation, the same being true of the period preceding the World War.

The principal circulating medium since 1818 has been the notes of the National Bank of Denmark. The minimum legal reserve requirement is 50 per cent gold and foreign exchange against outstanding notes; of this 50 per cent, at least three-fifths must be gold. Foreign exchange may consist only of the bank's noninterest-bearing demand balances with the Bank of Norway and the Swedish Riksbank, less indebtedness to these two banks, and noninterest-bearing demand balances in a special account with the German Reichsbank. The bank, when authorized by royal proclamation, and subject to payment of a tax, may permit the reserve ratio to fall below the legal minimum.

## PARITY OF CURRENCIES OF SCANDINAVIAN MONETARY UNION

Prior to the World War Denmark was a member of the Scandinavian Monetary Union. Under the treaties of 1873 and 1875 the gold and silver coins of any one of the three Scandinavian countries were legal tender in all of them. In practice the bank notes of the Scandinavian central banks were also accepted at par in all three countries. After the outbreak of the war, the monetary units of Norway, Sweden, and Denmark remained "pegged" together until the autumn of 1915.

The notes of the National Bank of Denmark 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 convertibility of notes of the National Bank of Denmark was suspended on August 2, 1914, and four days later an embargo was placed on the exportation of gold. The gold reserve at that time stood at 68,934,000 kroner and the note circulation at 194,187,000 kroner. In November, 1920, the gold reserve had risen to 227,581,000 kroner and the note circulation to 555,220,000 kroner. Government financing contributed to the inflation during the war and afterwards, since large amounts of Government paper found their way into the assets of the National Bank and served as security for deposits and notes in circulation. Since 1920 the note circulation of the Bank of Denmark has been gradually reduced and redemption in gold was resumed on January 1, 1927. At the end of December, 1929, notes outstanding amounted to 367,000,000 kroner; at the same time gold reserves stood at 172,000,000 kroner and net foreign assets at 91,000,000 kroner.

## EFFECT OF WAR ON DANISH EXCHANGE

In relation to the United States dollar, the krone reached the high point of \$0.3875 in November, 1917, and averaged about \$0.31 during the first nine months of 1918; this was due in some measure to the difficulties in the way of the transfer of gold, to trade restrictions on the part of the United States, and especially to the fact that

the United States dollar was "pegged" with the currencies of the European Allies. In the spring of 1919 the Allied exchanges were "unpegged." United States Treasury advances to the Allied Governments practically stopped, consequently the supply of dollar exchange in other markets was greatly reduced. 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 United States goods at relatively low prices.

The sharp drop in the dollar value of the krone in 1920 was the result largely of exchange crises in the United States. Merchants and dealers in the United States had been holding large amounts of foreign exchange on which they suddenly tried to realize. However, the fundamental reason for the depreciation of the krone was the reduced purchasing power of the krone in Denmark; that is, a rise in prices relatively greater than in the United States. Additional causes were the unfavorable trade balance, the reacquisition of the South Jutland Provinces (which necessitated the mobilization of very large capital sums), and the world-wide trade slump in 1920.

In the autumn of 1923 the Government agreed to a proposal to establish (December 15, 1923) an exchange equalization fund, to consist of foreign credits against which a committee of control was to sell drafts in times of emergency. Effective March 31, 1924, the Valuta Central was established with power to regulate foreign-exchange transactions.

#### STABILIZATION LAW OF 1924

The improvement of krone exchange following the establishment of the central currency office (Valuta Central), however, was of brief duration. In July, 1924, the Government called a conference of representatives of industry and trade and of the several political parties to consider the exchange question; the outcome was the currency stabilization law of December 20, 1924, exempting the National Bank of Denmark from the obligation to redeem its notes in gold until January 1, 1927. The bank at the same time agreed to sell United States dollars (the par value of which is 3.73 kroner per dollar) at a rate which up to July 1, 1925, should not exceed 5.74; from this date to December 31, 1925, 5.64; and during the first half of 1926 at a rate not exceeding 5.32. Thus it was intended gradually to raise the exchange value of the krone. To assist in carrying out these measures the National Bank obtained an exchange credit for one year in the United States of \$40,000,000, guaranteed by the Danish Government, which also agreed to repay within two years to the National Bank a loan of 40,000,000 kroner which it had obtained in 1922. The Government was to procure this money from special taxes.

As a matter of fact krone exchange rose too rapidly, and on December 15, 1925, the currency stabilization act was amended. The National Bank was obligated to maintain a minimum dollar-exchange rate of \$0.238 per krone during 1926, with the proviso, however, that if exceptional circumstances should arise the Minister of Commerce might authorize a temporary lowering of the rate, but not below \$0.23. The exchange credit of \$40,000,000, which had not been drawn upon, was renewed for another year.

On January 3, 1927, the first business day after the return to gold, the krone was quoted at \$0.2668 and gradually rose until the average for December, 1927, was \$0.268192.

BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 35 and 36 is: January, 1914, to June, 1921, sight drafts, New York on Copenhagen; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Copenhagen. Average rates from January, 1914, to October, 1918, are computed from mid-points between the monthly high and low rates; from November, 1918, to December, 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value may be used from 1900 to 1913.

TABLE 35.—YEARLY AVERAGE EXCHANGE RATES OF THE DANISH KRONE

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.2663	1920.....	\$0.1578	1926.....	\$0.2623
1915.....	.2580	1921.....	.1780	1927.....	.2673
1916.....	.2815	1922.....	.2095	1928.....	.2674
1917.....	.3006	1923.....	.1836	1929.....	.2668
1918.....	.3005	1924.....	.1672		
1919.....	.2328	1925.....	.2113		

TABLE 36.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE DANISH KRONE

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0.2682	\$0.2475	\$0.2793	\$0.2780	\$0.3088	\$0.2624	\$0.1658	\$0.1797
Second quarter.....	.2686	.2585	.2953	.2861	.3122	.2447	.1724	.1779
Third quarter.....	( <sup>1</sup> )	.2583	.2792	.3000	.3087	.2224	.1513	.1655
Fourth quarter.....	( <sup>1</sup> )	.2678	.2723	.3390	.2724	.2042	.1404	.1897
January.....	.2678	.2485	.2758	.2745	.3100	.2670	.1760	.1806
February.....	.2685	.2447	.2775	.2743	.3075	.2613	.1490	.1854
March.....	.2683	.2494	.2845	.2853	.3088	.2589	.1723	.1731
April.....	.2688	.2550	.2930	.2859	.3138	.2519	.1801	.1809
May.....	.2686	.2585	.3025	.2840	.3125	.2432	.1683	.1807
June.....	.2686	.2619	.2905	.2893	.3103	.2389	.1687	.1721
July.....	.2716	.2600	.2858	.2923	.3110	.2283	.1642	.1578
August.....	.2744	.2575	.2905	.3008	.3144	.2186	.1496	.1619
September.....	( <sup>2</sup> )	.2575	.2713	.3068	.3008	.2203	.1401	.1767
October.....	( <sup>2</sup> )	.2605	.2725	.3344	.2775	.2164	.1387	.1892
November.....	.2551	.2713	.2703	.3563	.2690	.2083	.1341	.1847
December.....	.2513	.2715	.2740	.3263	.2706	.1878	.1485	.1952

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.2057	\$0.1936	\$0.1631	\$0.1790	\$0.2543	\$0.2665	\$0.2678	\$0.2666
Second quarter.....	.2143	.1851	.1878	.1879	.2628	.2669	.2682	.2664
Third quarter.....	.2138.	.1805	.1640	.2306	.2653	.2676	.2670	.2663
Fourth quarter.....	.2036	.1752	.1751	.2477	.2661	.2680	.2667	.2679
January.....	.1997	.1979	.1694	.1781	.2480	.2665	.2678	.2667
February.....	.2064	.1909	.1800	.1781	.2538	.2665	.2677	.2667
March.....	.2111	.1919	.1588	.1807	.2611	.2665	.2679	.2665
April.....	.2122	.1891	.1684	.1844	.2617	.2667	.2682	.2665
May.....	.2140	.1865	.1692	.1881	.2620	.2668	.2682	.2665
June.....	.2166	.1796	.1678	.1911	.2648	.2672	.2682	.2663
July.....	.2154	.1754	.1605	.2136	.2650	.2673	.2673	.2664
August.....	.2153	.1846	.1621	.2330	.2654	.2678	.2669	.2662
September.....	.2106	.1816	.1695	.2452	.2655	.2677	.2687	.2662
October.....	.2019	.1753	.1733	.2458	.2657	.2679	.2666	.2674
November.....	.2021	.1720	.1755	.2466	.2662	.2680	.2665	.2679
December.....	.2067	.1782	.1764	.2486	.2664	.2682	.2669	.2683

<sup>1</sup> Indeterminable.

<sup>2</sup> Not available.

## DOMINICAN REPUBLIC

By law of June 21, 1905, the Dominican Republic adopted the United States gold dollar as its monetary unit. The national silver currency in use at that time was given the arbitrary value of \$0.20 to the peso. In 1918 an arrangement was made whereby a large portion of the old silver was exported by the Government to realize upon its bullion value, then in excess of the legal parity, and United States currency has been the principal circulating medium ever since. There is no Dominican paper money in circulation.

## ECUADOR

The new sucre (plural, sucres) of 100 centavos, representing 334.37 milligrams of gold 0.900 fine (300.933 milligrams of fine gold), the par value of which is approximately \$0.20 United States currency, is Ecuador's present monetary unit. This new sucre was adopted by virtue of a law, passed March 4, 1927, embodying the recommendations of a commission of experts from the United States under the chairmanship of Prof. E. W. Kemmerer. Gold coins in denominations of 25 sucres (or 1 condor) and 50 sucres (or 2 condors) are authorized; also silver and subsidiary coins of nickel and copper in sucre and centavo denominations.

By the monetary law of 1898, which went into force on June 4, 1900, Ecuador fixed the value of the sucre at one-tenth of the pound sterling. The gold sucre therefore represented 813.6 milligrams of gold 0.900 fine, and its value in United States currency was \$0.486. The Government issued no paper money and the actual coinage of gold and silver was inconsiderable. Bank notes supplied the needs of the country for a circulating medium. Properly constituted banks were by law permitted to issue notes up to three times their paid-in capital, against which a metallic reserve of 50 per cent was required.

## BANCO CENTRAL NOW SOLE BANK OF ISSUE

The law of March 4, 1927, provided for the establishment of the Banco Central del Ecuador; this bank is granted a charter for 50 years and is to have the sole right of note issue during this period. These notes are redeemable on demand in gold or in exchange on New York or London. The minimum legal reserve requirement is 50 per cent. The bank opened for business August 10, 1927.

Prior to the establishment of the Banco Central del Ecuador, the note-issue privilege was enjoyed by a number of banks. In order to amalgamate these issues, the note liabilities of the former banks of issue were transferred to the Caja Central, created for that purpose by the law of June 23, 1926. In compensation for the note liabilities the Caja Central took over the metallic reserves held against these notes, together with Government obligations and other assets, which when added to the metallic reserves were sufficient to furnish a cover of 100 per cent against the note liability thus transferred. The Banco Central, on the day of its opening, took over the assets and liabilities of the Caja Central, which thereupon ceased to exist.

The law abrogates, as of August 10, 1927, all restrictions upon the free importation and exportation of gold and silver. On the same date the moratorium which had been in force since 1914 was abolished.

## GOVERNMENTAL CONTROL OF EXCHANGE TRANSACTIONS

The principal effects of the World War on Ecuador's currency and exchange were (1) a prohibition of the exportation of gold coin and the liberation of the banks from the obligation to convert their notes into gold, decreed immediately after the outbreak of the war; (2) the decline in the exchange value of the sucre that took place after the end of 1918; (3) the increasing indebtedness of the Government to the banks; and (4) a persistent effort at official control of exchange rates and dealings, carried to an extent not attempted elsewhere in Latin America.

At various times since 1917 the Government has sought to fix an official exchange rate, with practically no effect upon conditions. By a law of November, 1922, an official commission was established to which exporters were obliged to sell the drafts representing the full value of their shipments at an official rate fixed by the commission; this control was relinquished October 22, 1924.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 37 and 38 is: 1914-1925, sight drafts, Quito on New York (rates as quoted in the Comercio Exterior del Ecuador, 1916-1926, Quito, 1927); 1926-1929, cable transfers, New York on Guayaquil (rates as quoted by the Federal Reserve Board from the New York Journal of Commerce). Yearly averages from 1914 to 1925 are computed from mid-points between the semimonthly high and low rates (quotations by the Banco de Descuento); from 1926 to 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$0.486) may be used from 1900 to 1913.

TABLE 37.—YEARLY AVERAGE EXCHANGE RATES OF THE ECUADOREAN SUCRE

Year	Average rate	Year	Average rate	Year	Average rate
1914	\$0.4757	1920	\$0.4462	1926	\$0.2006
1915	.4714	1921	.2833	1927	.1897
1916	.4414	1922	.2372	1928	.1991
1917	.4000	1923	.2057	1929	.2000
1918	.3874	1924	.1948		
1919	.4647	1925	.2314		

TABLE 38.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE ECUADOREAN SUCRE

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter	\$0.4808	\$0.4831	\$0.4237	\$0.4000	\$0.4104	\$0.4616	\$0.4721	\$0.3419
Second quarter	.4808	.5022	.4393	.4000	.4115	.4675	.4715	.2597
Third quarter	.4765	.4642	.4680	.4000	.3795	.4651	.4495	.2773
Fourth quarter	.4651	.4419	.4367	.4011	.3582	.4651	.4004	.2700
January	.4808	.4678	.4237	.4000	.4082	.4415	.4684	.3738
February	.4808	.4872	.4237	.4000	.4115	.4739	.4739	.3524
March	.4808	.4944	.4237	.4000	.4115	.4695	.4739	.3994
April	.4808	.5115	.4237	.4000	.4115	.4651	.4739	.3632
May	.4808	.5161	.4343	.4000	.4115	.4678	.4739	.2530
June	.4808	.4790	.4598	.4000	.4115	.4695	.4667	.2623
July	.4808	.4651	.4673	.4000	.4115	.4651	.4545	.2738
August	.4808	.4603	.4684	.4000	.3910	.4651	.4545	.2780
September	.4678	.4673	.4684	.4000	.3361	.4651	.4396	.2803
October	.4651	.4673	.4630	.4000	.3298	.4651	.4167	.2803
November	.4651	.4348	.4454	.4000	.3562	.4651	.4000	.2729
December	.4651	.4237	.4077	.4032	.3887	.4651	.3846	.2567

TABLE 38.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE ECUADOREAN SUCRE—Continued

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 2541	\$0. 2203	\$0. 2150	\$0. 2426	\$0. 2250	\$0. 1831	\$0. 1964	\$0. 2000
Second quarter.....	.2601	.2391	.1891	.2305	.2199	.1874	.2000	.2000
Third quarter.....	.2239	.1833	.1798	.2265	.1756	.1945	.2000	.2000
Fourth quarter.....	.2171	.1959	.1996	.2278	.1824	.1938	.2000	.2000
January.....	.2469	.1966	.2078	.2424	.2250	.1831	.1938	.2000
February.....	.2477	.1966	.2192	.2381	.2250	.1831	.1959	.2000
March.....	.2676	.2677	.2180	.2474	.2250	.1831	.1995	.2000
April.....	.2623	.2721	.2005	.2360	.2250	.1831	.2000	.2000
May.....	.2609	.2410	.1874	.2370	.2250	.1831	.2000	.2000
June.....	.2572	.2041	.1794	.2186	.2098	.1960	.2000	.2000
July.....	.2326	.1932	.1774	.2089	.1768	.1958	.2000	.2000
August.....	.2222	.1735	.1802	.2266	.1680	.1938	.2000	.2000
September.....	.2168	.1831	.1818	.2439	.1819	.1938	.2000	.2000
October.....	.2151	.1937	.1891	.2299	.1819	.1938	.2000	.2000
November.....	.2122	.1960	.1987	.2256	.1821	.1938	.2000	.2000
December.....	.2241	.1961	.2111	.2279	.1831	.1938	.2000	.2000

## EGYPT

The monetary unit of Egypt is the Egyptian gold pound (symbol, £E or LE) of 100 piastres, or 1,000 millièmes, adopted by decree of November 14, 1885. The Egyptian pound represents 8.50 grams of gold 0.875 fine, or 7.4375 grams of fine gold. The gold mint par value of the Egyptian pound in sterling is £1 0s. 6.154d., and in United States currency \$4.9431. By law No. 25 of October 18, 1916, a new coinage was introduced replacing the monogram of the Sultan of Turkey with that of the Sultan of Egypt. Coins in circulation are the gold Egyptian pound and half-pound; there are also subsidiary coins of silver, nickel, and bronze (in piastres and millièmes).

According to the law of October 18, 1916, the pound sterling is legal tender at the ratio of 975 millièmes, and gold coins of the Latin Monetary Union that had (before stabilization) a value of 20 gold francs are legal tender at the ratio of 771.5 millièmes; the Indian rupee is made legal tender provisionally at the ratio of 65 millièmes. Prior to 1916 the Turkish gold pound was also legal tender, at the ratio of 877.5 millièmes.

## NOTE CIRCULATION

By decree of June 15, 1898, the National Bank of Egypt was given the sole right of note issue; the notes were not legal tender and those in circulation were largely covered by gold. By decree of August 2, 1914, these notes were made legal tender and certain British and Egyptian Government securities were made available as the reserve; the total of these securities, with the gold, must equal the par value of the notes in circulation.

Note circulation reached its peak in December, 1919, aggregating 67,300,000 Egyptian pounds; since that time it has gradually decreased, being 25,100,000 Egyptian pounds at the end of May, 1929. The reserves on the latter date included gold to the amount of 3,600,000 Egyptian pounds and foreign assets (mostly British Government securities, and in addition foreign bills of exchange and net balances of foreign accounts) to the amount of 26,400,000 Egyptian pounds.

BASIS OF STATISTICS

The exchange value of the Egyptian pound since 1900 has fluctuated with the pound sterling (see United Kingdom, p. 174), maintaining therewith a practically constant ratio. In Table 39 average exchange rates of the Egyptian pound, computed on the exchange value of the pound sterling at the ratio of 97½ per cent, are given only for the years 1914 to 1929, as the pound sterling was practically at par from 1900 to 1913.

For conversion purposes, the par exchange value of the Egyptian pound (\$4.9913) may be used from 1900 to 1913.

TABLE 39.—YEARLY AVERAGE EXCHANGE RATES OF THE EGYPTIAN POUND

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$5.0312	1920.....	\$3.7582	1926.....	\$4.9828
1915.....	4.8732	1921.....	3.9478	1927.....	4.9857
1916.....	4.8806	1922.....	4.5428	1928.....	4.9910
1917.....	4.8761	1923.....	4.6921	1929.....	4.9814
1918.....	4.8766	1924.....	4.5303		
1919.....	4.5393	1925.....	4.9527		

ESTONIA

Estonia's unit of currency is the gold kroon (plural, krooni; anglicized, kroons), established in accordance with a law passed on May 3, 1927, by the Estonian Government acting upon the recommendations of the financial committee of the League of Nations. The kroon<sup>13</sup> (divided into 100 sents) represents 448.03 milligrams of gold 0.900 fine (403.23 milligrams of fine gold) and is the equivalent of the Swedish krona, the par value of which is \$0.268. The estmark, or Estonian mark, which has been practically stable for three years at the ratio of 100 to 1 Swedish krona, will be temporarily retained as the sent (cent).

The principal circulating medium, apart from subsidiary silver and nickel coins in kroon and sent (cent) denominations, consists of the notes of the Bank of Estonia (Eesti Pank), established in 1919. The legal minimum reserve requirement is 40 per cent gold and foreign exchange against notes and other demand liabilities; the power to suspend this requirement is vested in the Government.

CURRENCY CONFUSION FOLLOWING WAR

Estonia, like most of the new States that entered upon separate existence as a result of the World War, found itself with a heterogeneous currency; there was not one monetary unit, but many. The circulating medium consisted of Estonian marks, Czarist rubles, Suma rubles, Kerensky rubles, ostmarks and ostrubles. Owing to

<sup>13</sup> Abbreviation for internal use, Kr. for "kroon"; for international use, Ekr. for "Estonian kroon"; for both internal and external use, Eksr. for "sent" (that is, 15 sents is written Eksr. 0.15).



the existing chaos and the varying depreciation of these monetary units, commercial transactions were also taking place on the basis of the Finnish markka, Danish krone, and Swedish krona. At first the ostmarks were fairly stable as they were based on the value of the German reichsmark, but with that unit quickly depreciating it became apparent that a new national monetary unit must be devised.

The law passed on May 3, 1927, was to become effective upon the flotation of an international loan under the auspices of the League of Nations. On July 20, 1927, an international loan of £1,350,000, as approved by the financial committee of the League of Nations, was floated by the Estonian Government. The sterling portion of the loan was £700,000 and the dollar portion \$4,000,000.

#### BANK OF ESTONIA TO UNIFY NOTE CIRCULATION

According to this law, the Eesti Pank is to be the sole bank of issue for 25 years; its notes are made legal tender. Prior to the reform there were two classes of notes in circulation—Treasury notes issued by the State, against which a special reserve was held by the Government, and notes issued by the Eesti Pank. The present law provides for the amalgamation of these two forms of notes. The Eesti Pank will take over the note liability of the Treasury, and the latter will turn over to the bank the reserve held against outstanding Treasury notes. For that part of the note liability not covered by the reserve the bank will be compensated through the transfer of the necessary amount of Government securities or other assets.

The new Eesti Pank was opened for business on January 1, 1928. For the first three years of its operation there will be associated with the bank an adviser nominated by the Council of the League of Nations.

At the end of December, 1929, outstanding notes totaled 34,042,000 kroons; gold reserves, 27,191,000 kroons.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 40 and 41 is: February, 1920, to December, 1929, Tallinn exchange on New York. Yearly and quarterly averages are computed from monthly averages.

TABLE 40.—YEARLY AVERAGE EXCHANGE RATES OF THE ESTONIAN MARK AND KROON <sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1920.....	\$0.00587	1924.....	\$0.00255	1928.....	\$0.2674
1921.....	.00283	1925.....	.00267	1929.....	.2670
1922.....	.00292	1926.....	.00287		
1923.....	.00289	1927.....	.00268		

<sup>1</sup> Mark, 1920-1927; kroon, 1928, 1929.

TABLE 41.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE ESTONIAN MARK AND KROON<sup>1</sup>

Period	1920	1921	1922	1923	1924
First quarter.....	(?)	\$0. 00315	\$0. 00285	\$0. 00293	\$0. 00261
Second quarter.....	\$0. 01162	. 00311	. 00300	. 00293	. 00261
Third quarter.....	. 00498	. 00258	. 00293	. 00288	. 00237
Fourth quarter.....	. 00316	. 00260	. 00291	. 00281	. 00264
January.....	(?)	. 00274	. 00276	. 00291	. 00258
February.....	. 01149	. 00333	. 00290	. 00294	. 00262
March.....	. 01219	. 00339	. 00290	. 00295	. 00263
April.....	. 01408	. 00317	. 00295	. 00295	. 00263
May.....	. 01428	. 00317	. 00302	. 00293	. 00261
June.....	. 00649	. 00298	. 00302	. 00290	. 00260
July.....	. 00571	. 00263	. 00293	. 00288	. 00241
August.....	. 00514	. 00247	. 00294	. 00288	. 00231
September.....	. 00410	. 00263	. 00291	. 00287	. 00239
October.....	. 00369	. 00256	. 00290	. 00287	. 00258
November.....	. 00314	. 00256	. 00291	. 00286	. 00266
December.....	. 00264	. 00267	. 00291	. 00289	. 00267

Period	1925	1926	1927	1928	1929
First quarter.....	\$0. 00267	\$0. 00267	\$0. 00267	\$0. 2681	\$0. 2667
Second quarter.....	. 00267	. 00267	. 00267	. 2681	. 2662
Third quarter.....	. 00267	. 00267	. 00267	. 2674	. 2662
Fourth quarter.....	. 00267	. 00267	. 00267	. 2674	. 2678
January.....	. 00267	. 00267	. 00267	. 2681	. 2667
February.....	. 00267	. 00267	. 00267	. 2681	. 2667
March.....	. 00267	. 00267	. 00267	. 2681	. 2667
April.....	. 00267	. 00267	. 00267	. 2681	. 2667
May.....	. 00267	. 00267	. 00267	. 2681	. 2660
June.....	. 00267	. 00267	. 00267	. 2681	. 2660
July.....	. 00267	. 00267	. 00267	. 2674	. 2660
August.....	. 00267	. 00267	. 00267	. 2674	. 2660
September.....	. 00267	. 00267	. 00267	. 2674	. 2665
October.....	. 00267	. 00267	. 00266	. 2674	. 2676
November.....	. 00267	. 00267	. 00267	. 2674	. 2679
December.....	. 00267	. 00267	. 00268	. 2674	. 2680

<sup>1</sup> Mark, 1920-1927; kroon, 1928, 1929.

\* Indeterminable.

\* Not available.

## ETHIOPIA (ABYSSINIA)

The current coins of Ethiopia are the Maria Theresa thaler containing 28.0668 grams (433.1369 grains) of silver 0.833½ fine, and the Menelik dollar, containing 28.075 grams (433.2634 grains) of silver 0.835 fine. The par value of each varies with the price of silver; the nominal par, however, is about 2s., or approximately \$0.45 United States currency. There are also subsidiary coins of silver and copper. While the Menelik dollar has nominally the same value as the Maria Theresa thaler, in certain places it is not taken at all. Various articles (such as bars of salt) are used as media of exchange, and in most places barter prevails.

The Bank of Abyssinia, established May, 1905, under Egyptian law, with an authorized capital of £500,000 and a paid-up capital of £125,000, has its head office in Addis Ababa and branches in other cities; the National Bank of Egypt has an interest and appoints its governor. The bank-note issue at the end of December, 1928, was 1,324,000 dollars; these notes circulate mainly in Addis Ababa.

## FINLAND

Finland's monetary unit is the Finnish markka (plural, markkaa) of 100 pennia, representing 42.105 milligrams of gold 0.900 fine (37.895 milligrams of fine gold), the par value of which is \$0.025185 United States currency. The Finnish mark was stabilized under the new monetary law confirmed by the President of the Republic on December 21, 1925. The par value of the former Finnish mark was the same as that of the French franc, \$0.192948.

The principal circulating medium, apart from gold coins (100 and 200 markkaa) and subsidiary coins of aluminum-bronze, nickel-bronze, and copper (in markka and penni denominations), consists of the notes of the Bank of Finland, which bank has the sole right of note issue. The legal minimum reserve requirement is 100 per cent gold and foreign exchange against notes and other demand liabilities in excess of 1,200,000,000 markkaa; foreign exchange may consist only of undisputed balances with foreign correspondents; the gold stock in reserve must be maintained at not less than 300,000,000 markkaa.

## BANK OF FINLAND A GOVERNMENT INSTITUTION

The Bank of Finland, founded in 1811, is one of the oldest banks of issue in Europe. Its ownership is entirely vested in the State and its officials are appointed by the Government.

Prior to the World War the legal limit of the fiduciary issue was 40,000,000 markkaa; on April 24, 1914, the Diet extended the fiduciary issue to 70,000,000 markkaa; on July 27, 1918, section 18 of the bank act was amended, extending the fiduciary issue to 200,000,000 markkaa; on December 31, 1921, the fiduciary issue was extended to 1,500,000,000 markkaa and was not lowered until December 21, 1925.

Notes in circulation at the end of January, 1914, amounted to 110,314,000 markkaa; on December 31, 1921, to 1,356,108,000 markkaa, or somewhat less than the legal fiduciary issue. During the same period the gold cover rose from about 36,204,000 markkaa to 42,625,000 markkaa; meanwhile, various other securities were used to balance the note issue, more than 50 per cent of these consisting of State obligations. At the end of December, 1929, outstanding notes totaled 1,361,000,000 markkaa; gold reserves, 302,000,000 markkaa; and balances abroad and foreign credits, 670,000,000 markkaa.

The exchange value of the Finnish markka did not take a precipitous fall until the latter part of 1919, when (a) the increase in Russian ruble assets, (b) an increase in the amount of home loans to commercial banks and to the Government, and (c) losses sustained during the Red Revolution in 1918 combined to cause a sharp drop. Gold payment by the Bank of Finland was suspended by the edict of April 11, 1915, and was not resumed until December 21, 1925.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 42 and 43 is: 1900-1912, sight drafts, Helsingfors on London (pence converted at \$0.02028); 1913-1921, sight drafts, Helsingfors on New York; 1922-1929, noon buying rates for cable transfers, New York on Helsingfors. From 1900 to 1921, the rates are as given by the Bank of Finland;

from 1922 to 1929, yearly and monthly averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 42.—YEARLY AVERAGE EXCHANGE RATES OF THE FINNISH MARKKA

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.1915	1910.....	\$0.1918	1920.....	\$0.0242
1901.....	.1919	1911.....	.1919	1921.....	.0192
1902.....	.1919	1912.....	.1919	1922.....	.0216
1903.....	.1919	1913.....	.1912	1923.....	.0268
1904.....	.1921	1914.....	.1883	1924.....	.0251
1905.....	.1918	1915.....	.1548	1925.....	.0252
1906.....	.1916	1916.....	.1383	1926.....	.0252
1907.....	.1911	1917.....	.1344	1927.....	.0252
1908.....	.1916	1918.....	.1208	1928.....	.0252
1909.....	.1918	1919.....	.0642	1929.....	.0252

TABLE 43.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE FINNISH MARKKA

Period	1919	1920	1921	1922	1923	1924
First quarter.....	\$0.1059	\$0.0424	\$0.0302	\$0.0198	\$.0262	\$0.0250
Second quarter.....	.0981	.0506	.0203	.0208	.0276	.0251
Third quarter.....	.0660	.0339	.0152	.0215	.0275	.0251
Fourth quarter.....	.0377	.0236	.0176	.0246	.0260	.0252
January.....	.1109	.0358	.0314	.0189	.0248	.0248
February.....	.1059	.0403	.0328	.0200	.0262	.0250
March.....	.1008	.0510	.0285	.0206	.0276	.0251
April.....	.1035	.0548	.0226	.0193	.0275	.0251
May.....	.1014	.0512	.0213	.0208	.0277	.0251
June.....	.0895	.0457	.0171	.0216	.0277	.0251
July.....	.0760	.0393	.0164	.0215	.0277	.0251
August.....	.0655	.0316	.0150	.0213	.0277	.0251
September.....	.0564	.0309	.0141	.0217	.0270	.0251
October.....	.0452	.0254	.0153	.0232	.0267	.0251
November.....	.0371	.0215	.0187	.0256	.0264	.0252
December.....	.0307	.0240	.0189	.0251	.0248	.0252

Period	1925	1926	1927	1928	1929
First quarter.....	\$0.0252	\$0.0252	\$0.0252	\$0.0252	\$0.0252
Second quarter.....	.0252	.0252	.0252	.0252	.0252
Third quarter.....	.0252	.0252	.0252	.0252	.0251
Fourth quarter.....	.0252	.0252	.0252	.0252	.0252
January.....	.0252	.0252	.0252	.0252	.0252
February.....	.0252	.0252	.0252	.0252	.0252
March.....	.0252	.0252	.0252	.0252	.0252
April.....	.0252	.0252	.0252	.0252	.0252
May.....	.0252	.0252	.0252	.0252	.0252
June.....	.0252	.0252	.0252	.0252	.0251
July.....	.0252	.0252	.0252	.0252	.0251
August.....	.0252	.0252	.0252	.0252	.0251
September.....	.0252	.0252	.0252	.0252	.0252
October.....	.0252	.0252	.0252	.0252	.0252
November.....	.0252	.0252	.0252	.0252	.0252
December.....	.0252	.0252	.0252	.0252	.0252

FRANCE

The new gold French franc (plural, francs) of 100 centimes, representing 65.5 milligrams of gold 0.900 fine (58.95 milligrams of fine gold), the par value of which is \$0.039179 United States currency, is the present monetary unit of France. This new unit was adopted

in accordance with the stabilization law executed at Paris on June 25, 1928. Prior to that date the unit of currency was the former gold franc representing 322.58 milligrams of gold 0.900 fine, the par value of which was \$0.192948.

The Bank of France, founded in 1800, was given (in 1803) a monopoly of note issue in Paris. In 1848 the departmental banks were incorporated with the Bank of France, which then became the sole bank of issue. The Bank of France suspended specie payments during the revolution of 1848 and again from 1870 to 1873 because of the Franco-Prussian War. In 1873 specie payments were resumed, and from that time until August, 1914, the notes continued convertible and were also legal tender.

#### GOLD STANDARD ESTABLISHED BY NEW MONETARY LAW

Before the World War the currency system of France was based upon the gold franc, but the country was never completely upon the gold standard. Until 1873, as a member of the Latin Monetary Union,<sup>14</sup> France had the bimetallic standard; but with the fall in the price of silver, France closed its mints in that year to the free coinage of the metal. This measure, however, did not establish the gold standard, as there existed a large amount of silver coins which were legal tender but which were not redeemable in gold. France, therefore, was commonly said to be upon the "limping standard."

Adoption of the gold standard and convertibility of Bank of France notes into gold are two of the chief features of the law of June 25, 1928, that act providing:

(a) The franc, the monetary unit, shall contain 65.5 milligrams of gold 0.900 fine.

(b) The Bank of France shall guarantee the convertibility into gold of its notes to bearer and at sight; this conversion may be effected either by redeeming its notes in legal-tender gold coin or in gold bullion. Convertibility of the notes of the Bank of Algeria shall be guaranteed under similar conditions.

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

(d) There shall be struck by the mint gold pieces of 100 francs; these coins shall be unlimited legal tender. Silver pieces shall also be coined, for the account of the Government, of a nominal value of 10 and 20 francs, 0.680 fine; the total amount of silver coined shall not exceed 3,000,000,000 francs. The token currency of the chambers of commerce shall be replaced as it is retired from circulation by coins of the same denominations issued by the Government.

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

#### NOTE CIRCULATION

As already said, the paper money of France before the war consisted of notes of the Bank of France; these notes were redeemable in either gold or silver at the option of the bank. Their maximum circulation was limited in 1911 to 6,800,000,000 francs—at which figure it stood in 1914. The gold reserve in the vaults of the bank at that time was about 3,500,000,000 francs against all of its liabilities; the silver reserve was about 500,000,000 francs.

<sup>14</sup> Formation of the Latin Monetary Union is discussed under Belgium, p. 14.

To avoid a depletion of its reserve, the Bank of France suspended specie payments on August 5, 1914, coincidentally with which action its note circulation was raised to 12,000,000,000 francs. Other measures raising the limit followed at frequent intervals:

May 11, 1915, raised to 15,000,000,000 francs.  
 March 15, 1916, raised to 18,000,000,000 francs.  
 February 15, 1917, raised to 21,000,000,000 francs.  
 September 10, 1917, raised to 24,000,000,000 francs.  
 February 7, 1918, raised to 27,000,000,000 francs.  
 May 3, 1918, raised to 30,000,000,000 francs.  
 September 3, 1918, raised to 33,000,000,000 francs.  
 February 25, 1919, raised to 36,000,000,000 francs.  
 July 17, 1919, raised to 40,000,000,000 francs.  
 July 31, 1920, raised to 43,000,000,000 francs.  
 September 28, 1920, reduced to 41,000,000,000 francs.  
 April 15, 1925, raised to 45,000,000,000 francs.  
 June 27, 1925, raised to 51,000,000,000 francs.  
 December 4, 1925, raised to 58,500,000,000 francs.  
 July 22, 1926, raised to 60,000,000,000 francs.

At the end of December, 1928, the note circulation was 62,181,000,000 francs, and at the end of December, 1929, 68,571,000,000 francs. On the latter date gold reserves totaled 41,668,000,000 francs; sight balances abroad, 7,249,000,000 francs; and foreign bills, 18,665,000,000 francs.

#### "SMALL CHANGE" NOTES

Gold disappeared from circulation soon after inconvertibility was inaugurated in 1914. Silver continued to circulate, but these coins also finally disappeared, the silver in them being worth more than their face value.

To supply the demand for small currency resulting from the withdrawal of silver the French chambers of commerce were authorized to issue small notes secured by equivalent amounts of bank notes deposited with the Bank of France and later by funds in the Treasury. About 465,000,000 francs of these notes were issued. At the end of 1922 they amounted to about 280,000,000 francs. Since then they have been largely replaced by metal token coins (aluminum-bronze and nickel-bronze) of 50-centime, 1-franc, and 2-franc denominations; these token coins amounted to about 590,000,000 francs at the close of 1923.

#### BANK ADVANCES TO THE GOVERNMENT

When the war started, the French Government was in need of immediate funds and turned to the Bank of France; the bank responded, and by the end of 1914 had advanced nearly 4,000,000,000 francs to the Government. At the end of each year the Government ordinarily liquidated a portion of its debt to the bank, using the proceeds of other forms of internal borrowing<sup>15</sup> for that purpose.

In December, 1920, by a convention between the Government and the Bank of France it was agreed that the limit to the advances from the bank to the Government should be reduced from 27,000,000,000 francs to 25,000,000,000 francs at the end of 1921 and that thereafter they should be reduced 2,000,000,000 francs each year.

<sup>15</sup> The Government made arrangements to borrow internally by the issue of "bons de la defense nationale"; these were issued in small denominations and were of short maturity so that they often circulated as currency. They were bought by the people generally and also by the banks.

However, the Government could not meet this obligation but, on the contrary, because of increasing budget deficits, raised the legal limit of advances from the bank until they reached 39,500,000,000 francs on December 4, 1925. On January 1, 1926, these advances stood at 38,500,000,000 francs and on January 1, 1927, at 36,500,000,000 francs; but by the end of 1927 they had been reduced to 31,000,000,000 francs. The increase in the assets of the bank resulting from the revaluation of the franc in June, 1928, is being applied to cancelling the bank's advances to the Government.

#### EXCHANGE STEADIED BY "PEGGING"

The French franc did not fall precipitously until the latter part of 1919; this was owing to the concerted efforts of the French and British Governments and later of the United States Government. In April, 1916, an agreement was made between the two Governments first named arranging for the stabilization of the franc, stabilization being accomplished chiefly by gold exportation by the Bank of France and loan operations. When the United States entered the war in April, 1917, the rates improved somewhat. The United States cooperated with Great Britain and France in the stabilization, and American credits sustained both the franc and the pound sterling in relation to the dollar. Direct loans were made by the United States Government to the French Government. The amount of these credits utilized by the French Government reached \$2,997,478,000 in September, 1920. As a matter of fact the franc was "pegged" with the United States dollar until March, 1919. Immediately after the "unpegging" there was a sharp drop in the exchange value of the franc; from an average of \$0.175 in March, 1919, the franc declined to \$0.0625 in April, 1920.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 44 and 45 is: 1914-1929, noon buying rates for cable transfers, New York on Paris. Average rates from January, 1914, to October, 1918, are computed from mid-points between the monthly high and low rates; from November, 1918, to December, 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes the par value (\$0.192948) may be used from 1900 to 1913.

TABLE 44.—YEARLY AVERAGE EXCHANGE RATES OF THE FRENCH FRANC

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.1952	1920.....	\$0.0704	1926.....	\$0.0324
1915.....	.1798	1921.....	.0746	1927.....	.0392
1916.....	.1687	1922.....	.0820	1928.....	.0392
1917.....	.1730	1923.....	.0608	1929.....	.0392
1918.....	.1780	1924.....	.0524		
1919.....	.1368	1925.....	.0477		

TABLE 45.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE FRENCH FRANC

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0.1928	\$0.1910	\$0.1698	\$0.1710	\$0.1748	\$0.1810	\$0.0757	\$0.0689
Second quarter.....	.1938	.1847	.1684	.1740	.1750	.1605	.0701	.0789
Third quarter.....	.1990	.1732	.1697	.1732	.1788	.1297	.0735	.0762
Fourth quarter.....	.1952	.1702	.1710	.1740	.1833	.1049	.0615	.0743
January.....	.1925	.1930	.1710	.1710	.1745	.1830	.0648	.0643
February.....	.1930	.1910	.1700	.1710	.1750	.1830	.0704	.0717
March.....	.1930	.1830	.1685	.1710	.1750	.1770	.0719	.0703
April.....	.1935	.1880	.1670	.1735	.1750	.1669	.0625	.0724
May.....	.1940	.1860	.1685	.1745	.1750	.1580	.0686	.0837
June.....	.1940	.1800	.1690	.1740	.1750	.1565	.0792	.0807
July.....	.2050	.1780	.1690	.1740	.1750	.1430	.0813	.0781
August.....	.1955	.1715	.1695	.1730	.1790	.1276	.0718	.0776
September.....	.1965	.1700	.1705	.1725	.1825	.1176	.0674	.0728
October.....	.1960	.1700	.1710	.1740	.1825	.1162	.0653	.0725
November.....	.1950	.1695	.1710	.1735	.1838	.1062	.0601	.0720
December.....	.1945	.1710	.1710	.1745	.1836	.0924	.0592	.0784

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.0863	\$0.0638	\$0.0450	\$0.0528	\$0.0368	\$0.0393	\$0.0393	\$0.0391
Second quarter.....	.0904	.0654	.0573	.0504	.0316	.0392	.0394	.0391
Third quarter.....	.0795	.0580	.0529	.0470	.0272	.0392	.0391	.0391
Fourth quarter.....	.0715	.0557	.0530	.0404	.0344	.0393	.0391	.0394
January.....	.0816	.0668	.0466	.0539	.0377	.0396	.0393	.0391
February.....	.0873	.0614	.0442	.0528	.0368	.0392	.0393	.0391
March.....	.0900	.0632	.0468	.0518	.0358	.0391	.0393	.0391
April.....	.0923	.0667	.0616	.0519	.0339	.0392	.0394	.0391
May.....	.0912	.0664	.0579	.0516	.0315	.0392	.0394	.0391
June.....	.0876	.0630	.0525	.0477	.0294	.0392	.0393	.0391
July.....	.0824	.0589	.0512	.0470	.0247	.0391	.0392	.0392
August.....	.0796	.0565	.0546	.0469	.0283	.0392	.0391	.0391
September.....	.0766	.0586	.0530	.0471	.0285	.0392	.0391	.0391
October.....	.0737	.0595	.0523	.0443	.0294	.0392	.0391	.0393
November.....	.0696	.0552	.0528	.0396	.0342	.0393	.0391	.0394
December.....	.0723	.0528	.0540	.0374	.0395	.0394	.0391	.0394

## FRENCH AFRICA

## ALGERIA

In the French colony of Algeria the monetary unit is the franc of 100 centimes (representing 65.5 milligrams of gold 0.900 fine), the par value of which is \$0.039179 United States currency (but see also France, p. 69).

Variations in the exchange value of the paper currency in Algeria since 1914 have been approximately the same as in France.

The circulating media consist of French metallic and paper currency and the notes of the Banque de l'Algerie, the sole bank of issue, established in 1851. Notes of the bank in circulation on August 31, 1929, totaled 1,981,686,000 francs.

## FRENCH EQUATORIAL AFRICA

## GABUN, MIDDLE CONGO, UBANGI-SHARI, AND CHAD

French Equatorial Africa, or French Congo, comprising the colonies of Gabun, Middle Congo, Ubangi-Shari, and Chad, employs as its monetary unit the French franc of 100 centimes, recently stabilized at \$0.039179 United States currency. (See Table 45, above, for exchange rates.)



La Banque de l'Afrique Occidentale (capital 6,000,000 francs), established in 1901, is authorized to issue notes in denominations of 5 to 1,000 francs; these notes are receivable as legal tender at its branches where they are payable. The decree of March 9, 1920, fixed provisionally the amount of note circulation at three times the bank's metallic reserve and its balance at the Treasury in Paris.

#### FRENCH SOMALILAND

In the colony of French Somaliland the monetary unit is the French franc of 100 centimes, the par value of which is \$0.039179 United States currency. (See France, pp. 72-73 for exchange rates, etc.) The French franc has recently replaced almost entirely the Indian rupee and Maria Theresa thaler. A branch of the Bank of Indo-China is the bank of issue. The present note circulation is about 2,500,000 francs.

#### FRENCH WEST AFRICA

DAKAR, SENEGAL, FRENCH SUDAN, FRENCH GUINEA, IVORY COAST, DAHOMEY, UPPER VOLTA, MAURITANIA, AND NIGER

The French West African colonies of Dakar, Senegal, French Sudan, French Guinea, Ivory Coast, Dahomey, Upper Volta, Mauritania, and Niger use the French franc of 100 centimes, recently stabilized at \$0.039179 United States currency, as their monetary unit. (See France, pp. 72-73, for exchange rates, etc.)

La Banque de l'Afrique Occidentale, established in 1901 (capital 6,000,000 francs), is authorized to issue notes in denominations from 5 to 1,000 francs; these notes are receivable as legal tender at its branches where they are payable. The decree of March 9, 1920, fixed provisionally the amount of note circulation at three times the bank's metallic reserve and its balance at the treasury in Paris.

#### MADAGASCAR

In the French colony of Madagascar the monetary unit is the French franc of 100 centimes, recently stabilized at \$0.039179 United States currency. (See France, pp. 72-73, for exchange rates, etc.) All coins and notes which are legal tender in France are legal tender in Madagascar also.

The Bank of Madagascar, established February 5, 1926, was granted the sole right of note issue for a period of 20 years. Notes outstanding on December 31, 1928, totaled 294,015,000 French francs.

#### REUNION

In the French island of Reunion the monetary unit is the French franc of 100 centimes, the par value of which is \$0.039179 United States currency. (See France, pp. 69-73, for details and exchange rates.) The circulating medium consists of local nickel token currency and notes of the bank of issue, La Banque de la Reunion, established in 1851 at Saint-Denis, whose central office is in Paris. On June 30, 1928, notes in circulation totaled 36,538,000 francs. Exchange is nominally the same as in France.

#### TUNISIA

The French monetary system was established in Tunisia in 1891. The French franc of 100 centimes (new par, \$0.039179 United States currency) is the unit of currency. (See France, pp. 72-73, for exchange rates, etc.) La Banque d'Algerie et de Tunisie is the bank of issue.

## FRENCH INDO-CHINA

In French Indo-China (comprising the colony of Cochin China, the protectorates of Annam, Cambodia, Tongking, and Laos, and the territory leased from China) the monetary unit is the silver piastre (plural, piastres) of 100 centimes struck at Paris and known as the "piastre of commerce." This piastre contains 27 grams (416.6736 grains) of silver 0.900 fine. The Indo-China piastre was stabilized at 10 French francs (\$0.392) May 31, 1930.

Apart from the metallic currency, the circulating medium consists of the notes of the Bank of Indo-China, established in 1875.

## PIASTRE "PEGGED" FOR A SHORT TIME

Owing to the rapid rise in the price of silver, especially during the latter part of 1919 and the first part of 1920, the Government of Indo-China was compelled to decree a legal value (cours forcé) in March of the latter year. At the same time a commission was appointed to consider monetary reform. This commission advised the adoption of the gold standard and of a gold piastre as the unit of currency. However, before this plan had been acted upon by the Government, the price of silver had fallen considerably and the project was abandoned. The "cours forcé" lasted only until the close of 1921.

La Banque de l'Indo-Chine has the sole right of note issue; its authorized capital is 72,000,000 French francs, and it has reserve and redemption funds amounting to 80,000,000 French francs. The limit to its note issue was set in March, 1926, at 140,000,000 piastres. On December 31, 1927, the total circulation of paper and metallic currency was 129,902,000 piastres; the metallic reserve of the bank was 38,878,000 piastres.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 46 and 47 is: 1900-1922, sight drafts, Saigon on Paris (French francs converted; see France, p. 73); 1923-1929, sight drafts, selling rate, Saigon on New York. From 1900 to 1922 yearly averages are computed from mid points between monthly high and low rates; quarterly averages from 1914 to 1922 are computed from monthly averages. From 1923 to 1929 yearly and quarterly averages are computed from monthly averages.

TABLE 46.—YEARLY AVERAGE EXCHANGE RATES OF THE PIASTRE OF FRENCH INDO-CHINA

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.4979	1910.....	\$0.4458	1920.....	\$0.8206
1901.....	.4844	1911.....	.4400	1921.....	.8135
1902.....	.4265	1912.....	.4806	1922.....	.5528
1903.....	.4189	1913.....	.4902	1923.....	.5186
1904.....	.4478	1914.....	.4645	1924.....	.5228
1905.....	.4671	1915.....	.4423	1925.....	.5649
1906.....	.5250	1916.....	.5210	1926.....	.5454
1907.....	.5365	1917.....	.6211	1927.....	.5025
1908.....	.4748	1918.....	.7583	1928.....	.5003
1909.....	.4613	1919.....	.8495	1929.....	.4482

TABLE 47.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE PIASTRE OF FRENCH INDO-CHINA

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0. 4676	\$0. 4377	\$0. 4599	\$0. 5501	\$0. 6935	\$0. 8203	\$1. 0748	\$0. 4807
Second quarter.....	. 4830	. 4432	. 5115	. 5757	. 7452	. 8437	. 8663	. 4888
Third quarter.....	. 4612	. 4343	. 5076	. 6925	. 8229	. 8672	. 7377	. 5087
Fourth quarter.....	. 4408	. 4453	. 5372	. 6743	. 7728	. 9964	. 5032	. 5640
January.....	. 4668	. 4391	. 4531	. 5472	. 6849	. 8212	1. 0905	. 5224
February.....	. 4680	. 4345	. 4548	. 5515	. 6825	. 8212	1. 0912	. 4750
March.....	. 4680	. 4394	. 4718	. 5515	. 7131	. 8186	1. 0426	. 4446
April.....	. 4741	. 4465	. 4926	. 5595	. 7262	. 8136	. 9844	. 4923
May.....	. 4898	. 4510	. 5350	. 5715	. 7438	. 8334	. 8918	. 4959
June.....	. 4850	. 4320	. 5070	. 5960	. 7656	. 8842	. 7227	. 4781
July.....	. 4869	. 4406	. 4901	. 6351	. 7831	. 8778	. 7520	. 4979
August.....	. 4399	. 4330	. 5085	. 6834	. 8324	. 8900	. 7449	. 4986
September.....	. 4569	. 4262	. 5243	. 7590	. 8532	. 8938	. 7161	. 5296
October.....	. 4410	. 4335	. 5258	. 6612	. 7984	. 9122	. 6530	. 5728
November.....	. 4388	. 4492	. 5301	. 6680	. 7306	1. 0328	. 6085	. 5508
December.....	. 4425	. 4532	. 5588	. 6936	. 7895	1. 0441	. 5180	. 5684

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 5318	\$0. 5302	\$0. 5017	\$0. 5566	\$0. 5814	\$0. 5112	\$0. 5107	\$0. 4836
Second quarter.....	. 5699	. 5348	. 5164	. 5597	. 5671	. 5059	. 5110	. 4591
Third quarter.....	. 5617	. 5076	. 5282	. 5705	. 5466	. 4928	. 4921	. 4378
Fourth quarter.....	. 5302	. 5017	. 5445	. 5715	. 4863	. 5001	. 4891	. 4089
January.....	. 5365	. 5319	. 4975	. 5525	. 5848	. 5076	. 5088	. 4860
February.....	. 5325	. 5181	. 5081	. 5587	. 5780	. 5208	. 5112	. 4617
March.....	. 5265	. 5405	. 5025	. 5587	. 5814	. 5051	. 5121	. 4831
April.....	. 5653	. 5319	. 5128	. 5556	. 5714	. 5102	. 5121	. 4717
May.....	. 5837	. 5405	. 5208	. 5618	. 5618	. 5051	. 5131	. 4630
June.....	. 5606	. 5319	. 5155	. 5618	. 5682	. 5025	. 5079	. 4425
July.....	. 5665	. 5102	. 5208	. 5587	. 5587	. 5051	. 5024	. 4425
August.....	. 5672	. 5051	. 5319	. 5714	. 5435	. 4902	. 4943	. 4419
September.....	. 5515	. 5078	. 5319	. 5814	. 5376	. 4831	. 4797	. 4291
October.....	. 5417	. 5025	. 5435	. 5714	. 4926	. 4902	. 4865	. 4168
November.....	. 5282	. 5025	. 5464	. 5650	. 4808	. 5025	. 4914	. 4119
December.....	. 5206	. 5000	. 5435	. 5780	. 4854	. 5076	. 4895	. 3980

## FRENCH WEST INDIES

## MARTINIQUE AND GUADELOUPE

In the French West Indies Islands the monetary unit is the French franc of 100 centimes, the new par value of which is \$0.039179 United States currency. (See France, pp. 72-73, for exchange rates, etc.)

In Martinique, La Banque de la Martinique, established in 1851, is the bank of issue. At the end of June, 1928, the note circulation was 42,749,000 French francs.

In Guadeloupe, La Banque de la Guadeloupe, established on 1853, is the bank of issue. At the end of December, 1928, the note circulation was 38,330,000 French francs.

## GERMANY

The monetary unit of the German Republic is the new gold reichsmark (plural, reichsmark; anglicized, reichsmarks) of 100 pfennige, which represents 398.25 milligrams of gold 0.900 fine (358.42 milligrams of fine gold) and the par value of which is \$0.2382 United States currency. This new gold reichsmark was established by the law of August 30, 1924, which came into operation on October 11, 1924. By this law provision was made for gold coins of 10 and 20 reichsmarks, silver coins of 1, 2, 3, and 5 reichsmarks, and sub-

sidary coins in pfennig ("reichspfennig") denominations. The new gold reichsmark is identical with the former gold mark (established by the legislation of 1871-1875), which practically disappeared from circulation soon after the World War.

The principal circulating medium apart from the metallic currency consists of the notes of the Reichsbank. The bank is required to maintain a 40 per cent reserve against its notes in circulation. At least three-fourths of the reserve must be in the form of gold held either in the vaults of the bank or with foreign banks of issue at the free disposal of the Reichsbank; the remainder may be in the form of foreign exchange (devisen). While the law explicitly laid down the principle that the notes of the Reichsbank must be redeemed in gold or in foreign exchange upon presentation, the practical application of this principle has been deferred and will require the assent of the Government. According to the law concerning the retirement of Rentenbank notes (assumed by the Reichsbank), the Reichsbank must liquidate these notes within 10 years.

#### SILVER, THEN GOLD, THE BASIS

Prior to 1870, the German currency system was very complicated. Silver, which constituted the principal metallic stock of the German States and of the cash resources of the local note-issuing banks, was the basis of the monetary system. The thaler, equivalent to about \$0.70 at that time (with silver at about \$1.30 per ounce), was the current unit. Although there was some gold in circulation, it was not legal tender.

It was not until the payment of the indemnity by France (after the Franco-Prussian War) furnished the necessary gold reserve that Germany actually adopted the gold standard. The legislation of 1871-1875 by providing for free coinage of gold and its full legal-tender power—after a necessary period of transition—placed Germany completely on the gold standard.

To effect the change from the silver to the gold standard gradually, Germany adopted the "limping standard." The thaler which were still in circulation when the gold standard was adopted were declared legal tender at the rate of 3 gold marks per thaler, despite the fact that the bullion value of the thaler was less than 3 gold marks. These thaler remained in circulation until 1900. From that time until the outbreak of the World War, Germany was completely on the gold standard, and the variations in exchange rates were only those of a commercial character.

#### REICHSBANK FOUNDED

It was also necessary that Germany reform its banking system. In place of the numerous local banks of issue, whose notes, without legal-tender quality, circulated in all the German States, it was essential to have a central bank of issue. The Reichsbank, founded in 1875, was authorized, by an act of the same year, to absorb the circulation of the other note-issuing banks in Germany whenever they relinquished this privilege. Whereas in 1875 only 16 of the 33 note-issuing banks decided to accept this Federal legislation, by 1891 only 8 remained and in 1913 there were only 4.

The law of 1875 provided for a fixed limit of authorized note circulation of the Reichsbank known as the "kontingent." Against this

"kontingent," which at the date of the organization of the bank was 250,000,000 marks, the Reichsbank was to hold one-third in cash and two-thirds in bills of exchange. Cash might consist of money (gold, silver, nickel, and copper coins) having circulation in Germany, reichskassenscheine (imperial treasury notes), gold bullion, or foreign gold coins; after the amendment of 1909 the cash counted as reserve was to consist of gold only. For amounts of notes beyond the "kontingent" the bank was required to have actual cash in full (gold after 1909). However, in times of stress the Reichsbank and other banks of issue might, on payment of a 5 per cent tax, exceed the statutory limit without metallic reserve.

Before the World War the paper money in circulation in Germany thus consisted of notes of the Reichsbank and the four local banks still enjoying the privilege of note issue, and of Government paper money (reichskassenscheine) designed to provide notes of small denominations. The notes of the Reichsbank and local banks of issue were redeemable on demand in gold and were legal tender (amendment of 1909).

#### WAR-TIME EXPANSION OF NOTE CIRCULATION

To maintain the gold standard during the years of Germany's great industrial expansion the Reichsbank pursued the policy of accumulating gold. At the beginning of the World War Germany possessed about 4,000,000,000 gold marks, of which about 2,750,000,000 marks were in circulation and the remainder served largely as cover for the notes and deposit liabilities of the Reichsbank. The note circulation at that time totaled about 2,000,000,000 marks. The bank notes were all redeemable in gold on demand and there were no restrictions on the exportation of gold.

Immediately after the outbreak of the war the German Government adopted various financial measures with a view to liquefying all assets. To meet the need for increased currency, the law governing the reserves of the Reichsbank was changed. In place of bills of exchange as two-thirds cover for its notes, the Reichsbank might substitute discounted 3-month treasury bills. The 5 per cent tax provision was repealed. "Cash," which was to consist only of gold (amendment of 1909), might include reichskassenscheine and darlehnskassenscheine (Government paper money); the latter are loan bureau notes, issued by Government loan bureaus, or darlehnskassen, against the pledge of commodities or securities. The net effect of this legislation was to place Germany on an inconvertible paper basis.

The German Government also resorted to borrowing soon after the outbreak of the war. At the end of December, 1918, commercial bills, checks, and treasury bills held by the Reichsbank had risen to 27,416,000,000 marks; at the same time the note circulation amounted to 22,188,000,000 marks and the circulation of Government paper money (reichskassenscheine and darlehnskassenscheine) totaled 10,465,600,000 marks. Meanwhile the gold reserve continued at slightly less than 2,500,000,000 marks.

#### POST-WAR INFLATION

After the armistice, the German Government continued to rely on the Reichsbank for funds. Slow at first, the pace of Government borrowing and currency expansion became ever swifter until in 1923, after the Ruhr occupation by the French, the increases assumed

extreme proportions. Commercial bills, checks, and treasury bills held by the Reichsbank reached 229,331,045,000,000,000 marks by the middle of November, 1923, and Reichsbank notes reached 92,844,721,000,000,000,000 marks; however, darlehnskassenscheine amounted then to only 8,700,000,000 marks. Total note circulation reached 496,507,425,000,000,000,000 marks at the end of December, 1923, and at the end of September, 1924, stood at 1,520,511,000,000,000,000 marks, the gold value of which on the basis of the rate of exchange at that time was only \$361,900,000.

Recognizing the hopelessness of the prevailing currency system and realizing the impossibility of the new combined gold and paper mark method of calculation (German business early in 1923 began to reckon in terms of ideal or imaginary gold marks), the Federal Government, especially after 1921, attempted to stabilize the mark. After many tentative, artificial schemes, ranging from foreign-exchange regulation and gold-note issues to proposals for rye and currency banks (roggenbank and währungsbank), the German Government by decree of October 15, 1923, established the Rentenbank. This new bank was intended only as a measure of transition to the ultimate gold standard.

By the Rentenbank decree Germany officially enacted the devaluation of the mark. The rentenmark, issued by the Rentenbank, was proclaimed equivalent to 1,000,000,000,000 paper marks.

#### RENTENBANK A TEMPORARY DEVICE

Since Germany had adequate amounts of neither gold nor foreign exchange upon which to base its new currency, the decree of October 15, 1923, provided for a total mortgage of 3,200,000,000 gold marks on the entire German production, industry, and trade. Upon this security, the Rentenbank was permitted to issue notes up to, but not exceeding 3,200,000,000 marks. Of the total, 1,200,000,000 marks were for the use of the Government. By limiting the maximum amount of Rentenbank credit available to the Treasury to 1,200,000,000 marks and at the same time prohibiting further Government borrowing at the Reichsbank, the Rentenbank decree laid the foundation for the stabilization of the mark.

In April, 1924, special assistance was accorded the industrial and foreign-trade interests by the opening of the so-called Gold Discount Bank (Golddiskontobank), established by the law of March 19, 1924, which was expressly limited to providing the means of carrying on trade by securing necessary foreign credits. Its authorized capital was £10,000,000. This bank was given the privilege of issuing notes, expressed in terms of pounds sterling, but no use was made of this privilege.

Although the volume of note circulation of the Reichsbank continued to increase for several months after the introduction of the new currency (rentenmark), the devaluation of the former bank notes was so drastic that this increase in circulation did not threaten the stability of the Rentenbank. However, the Government realized that the Rentenbank was a mere temporary device to enable it to reorganize its finances.

#### REICHSBANK REORGANIZED UNDER DAWES PLAN

On August 20, 1924, in close agreement with the recommendations of the Dawes Committee as modified slightly by the London conference, the Reichstag passed the laws providing for the reorganization of the

old Reichsbank and the reform of the currency. For this purpose Germany received an international loan of about 800,000,000 gold marks. The remodelled bank, which began operations under the old name on October 11, 1924, was given a practically exclusive right of note issue for a period of 50 years. The further issue of Rentenbank notes was stopped, while the issue privilege of the Gold Discount Bank was revoked. Besides gold coins the notes of the Reichsbank were made the only unlimited legal tender in the country.

At the end of December, 1929, Reichsbank notes totaled 5,044,000,000 reichsmarks and Rentenbank notes totaled 410,000,000 rentenmarks (4,930,000,000 and 537,000,000, respectively, at the end of December, 1928). The reserves of the Reichsbank consisted of gold to the amount of 2,283,000,000 reichsmarks and foreign assets totaling 404,000,000 reichsmarks (2,730,000,000 and 155,000,000 respectively, at the end of December, 1928).

#### COURSE OF EXCHANGE

Prior to the World War, when Germany was on a gold basis, German exchange fluctuated only within the limits determined by the cost of shipping gold, or between the "gold points." From the beginning of the war, when inconvertibility began, until the close of 1923 depreciation became continually greater and fluctuations in exchange rates were very wide. Like the Allied countries, Germany tried during the war to stabilize its exchange, but not so successfully. At the close of 1914 the mark was only about 97 per cent of parity, and by December of the following year only about 84 per cent. On January 20, 1916, the Federal Council proclaimed the "devisenordnung" (decree for the regulation of foreign exchange). By the creation of a "Devisenzentrale" this decree placed all dealing in foreign exchange under the supervision of the Reichsbank. In January, 1917, the general importation and exportation of gold was prohibited, and in February of the same year the sanction of the Reichsbank was required for remittances to foreign countries of bills payable in marks.

When the United States entered the war in April, 1917, the mark was worth about \$0.16; in June, 1917, it had fallen to about \$0.14. There was a rise in February, 1918, owing to the armistice with Russia and the successful German offensive, but with the reversal of military fortunes the mark again declined and was worth only about \$0.12 in December, 1918. In the post-armistice years almost every political and economic event had an effect upon exchange rates. In addition to the swiftly increasing volume of paper-mark issues, there was the uncertainty concerning reparations, internal disorders, and the fear of a change of government; all these factors were reflected in the downward trend of the exchange value of the mark. After a brief rally from May to September, 1920, the mark gradually declined until September, 1921, after which date there was a precipitous fall, increasing in intensity until the collapse in 1923.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 48 and 49 is: January, 1914, to March, 1917, sight drafts, New York on Berlin; April, 1917, to June, 1919, a combination of cable rates, New York on Amsterdam, and spot quotations in Amsterdam of German currency; July, 1919, to December, 1919, cable transfers,

New York on Berlin; January, 1920, to June, 1921, sight drafts, New York on Berlin; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Berlin. Average rates from January, 1914, to October, 1918, are computed from mid-points between the monthly high and low rates; from November, 1918, to December, 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$.02382) may be used from 1900 to 1913.

TABLE 48.—YEARLY AVERAGE EXCHANGE RATES OF THE GERMAN MARK, RENTENMARK, AND REICHSMARK<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.2346	1920.....	\$0.0175	1926.....	\$0.2380
1915.....	.2061	1921.....	.0121	1927.....	.2376
1916.....	.1817	1922.....	.0023	1928.....	.2386
1917.....	.1572	1923.....	.000019	1929.....	.2386
1918.....	.1718	1924.....	.2306		
1919.....	.0670	1925.....	.2380		

<sup>1</sup> Mark, 1914-1923; rentenmark, January-October, 1924; reichsmark, 1924 (November)-1929.

TABLE 49.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE GERMAN MARK, RENTENMARK, AND REICHSMARK<sup>1</sup>

Period	1914	1915	1916	1917	1918	1919	1920	1921	1922
First quarter.....	\$0.2375	\$0.2127	\$0.1854	\$0.1734	\$0.1926	\$0.1094	\$0.0133	\$0.0161	\$0.0015
Second quarter.....	.2382	.2058	.1882	.1512	.1925	.0763	.0214	.0155	.0034
Third quarter.....	.2397	.2048	.1788	.1407	.1641	.0539	.0212	.0115	.0012
Fourth quarter.....	.2230	.2012	.1743	.1576	.1379	.0282	.0139	.0053	.0002
January.....	.2371	.2188	.1872	.1707	.1935	.1221	.0169	.0160	.0052
February.....	.2376	.2118	.1882	.1722	.1926	.1097	.0105	.0164	.0048
March.....	.2379	.2074	.1808	.1744	.1918	.0964	.0126	.0160	.0036
April.....	.2381	.2054	.1855	.1600	.1857	.0795	.0167	.0157	.0035
May.....	.2383	.2070	.1914	.1522	.1945	.0779	.0219	.0163	.0034
June.....	.2382	.2049	.1876	.1414	.1872	.0715	.0258	.0144	.0032
July.....	.2392	.2042	.1827	.1415	.1732	.0664	.0253	.0130	.0020
August.....	.2407	.2040	.1785	.1410	.1649	.0531	.0210	.0119	.0010
September.....	.2393	.2062	.1751	.1396	.1542	.0423	.0172	.0096	.0007
October.....	.2278	.2071	.1755	.1382	.1581	.0371	.0148	.0068	.0003
November.....	.2180	.2018	.1718	.1520	.1348	.0264	.0132	.0039	.0001
December.....	.2232	.1947	.1755	.1825	.1209	.0210	.0137	.0053	.0001

Period	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.00005	\$0.2213	\$0.2380	\$0.2380	\$0.2371	\$0.2386	\$0.2374
Second quarter.....	.000002	‡ 2257	.2380	.2380	.2369	.2391	.2377
Third quarter.....	.00000112	‡ 2383	.2380	.2380	.2377	.2394	.2382
Fourth quarter.....	.0000000022689	‡ 2380	.2381	.2378	.2387	.2382	.2391
January.....	.00007	‡ 2260	.2380	.2380	.2372	.2383	.2377
February.....	.00004	‡ 2180	.2380	.2380	.2370	.2386	.2373
March.....	.00005	‡ 2200	.2380	.2380	.2371	.2390	.2373
April.....	.00004	‡ 2200	.2380	.2380	.2370	.2391	.2370
May.....	.00002	‡ 2230	.2380	.2380	.2369	.2393	.2376
June.....	.00001	‡ 2340	.2380	.2380	.2369	.2390	.2384
July.....	.000003	‡ 2390	.2380	.2380	.2374	.2386	.2383
August.....	.00000034	‡ 2380	.2380	.2381	.2378	.2393	.2381
September.....	.0000000188	‡ 2380	.2380	.2381	.2380	.2383	.2381
October.....	.00000000068	‡ 2380	.2380	.2380	.2386	.2381	.2387
November.....	.0000000000043	‡ 2380	.2381	.2375	.2386	.2382	.2392
December.....	.0000000000023	‡ 2380	.2381	.2380	.2389	.2383	.2394

<sup>1</sup> Mark, 1914-1923; rentenmark, January-October, 1924; reichsmark, 1924 (November)-1929.

‡ Rentenmark.

‡ Reichsmark.



## GIBRALTAR

By an order in council of August 9, 1898, British currency was established as the sole legal tender in Gibraltar. (See United Kingdom, p. 170, for exchange rates, etc.) A great deal of business, however, is transacted in Spanish gold, silver, and bronze coins; notes of the Bank of Spain also circulate.

On the outbreak of the World War in August, 1914, an issue of local sterling notes was made by the Government through the Anglo-Egyptian Bank (Ltd.) to the extent of £100,000; this amount was subsequently increased to £250,000, but reduced later on. British Treasury currency notes also are current, the total on March 31, 1927, being roughly estimated at £800,000.

## GREECE

The monetary unit of Greece is the drachma (plural, drachmai; anglicized, drachmas) of 100 lepta, representing 21.696 milligrams of gold 0.900 fine (19.526 milligrams of fine gold), the new par value of which is \$0.013 United States currency. Prior to stabilization, the drachma had a par value of \$0.192948. On May 14, 1928, the reestablishment of the drachma on a gold basis became effective.

The principal circulating medium, apart from subsidiary coins of nickel, nickel-copper, aluminum alloy, and bronze in drachma and lepton denominations, consists of the notes of the Bank of Greece. This bank was opened on May 14, 1928.

## MEASURES TAKEN TO RELIEVE FINANCIAL SITUATION

From 1875 down to the World War Greece was a member of the Latin Monetary Union.<sup>16</sup> Provision was made for minting gold and silver pieces, but these coins have practically disappeared. The principal circulating medium prior to May, 1928, consisted of the notes of the National Bank of Greece, founded in 1841 and given the sole right of note issue.

Up to 1899 the right accorded the National Bank of Greece to issue bank notes for its own use was limited to 60,000,000 drachmas. Since 1900, however, by various decrees and confirmatory laws the limit has been raised until in December, 1925, the amount outstanding had reached 5,339,000,000 drachmas.

In addition to extending the limit of notes of the National Bank in circulation, the Greek Government, in March, 1922, finding it necessary to procure 1,600,000,000 drachmas to meet the needs of the Treasury without increasing the fiduciary circulation, submitted for the approval of the National Assembly a proposal for an internal forced loan up to 1,600,000,000 drachmas. The assembly ratified this arrangement by law No. 2749, dated March 25, 1922. The net product of this forced loan was only about 1,288,000,000 drachmas. (For a description of the economics and mechanical development of this forced loan, see Trade Information Bulletin No. 321, "Public Debt of Greece," issued by the Bureau of Foreign and Domestic Commerce, Washington; 1925.)

<sup>16</sup> Formation of the Latin Monetary Union is discussed under Belgium, p. 15.

Again, in January, 1926, to relieve the situation of the finances of the State and of the National Bank the Government imposed two new forced loans, one on the holders of bank notes at the rate of one-fourth of all the notes of 50 drachmas and over, and the other on the holders of the national defense bonds, the service of which was to be met, as it matured, half in cash and half in bonds of the new loan.

**BANK OF GREECE ORGANIZED UNDER LEAGUE PROTOCOL**

The final step in the program of monetary reform was effected in accordance with the protocol of the League of Nations accepted by Greece the latter part of 1927. Under the terms of the protocol a new and independent bank, known as the Bank of Greece, was to be established. The Bank of Greece opened its doors for business on May 14, 1928. It has the sole right of note issue and must maintain the stability of its notes in gold values. The Government may not hold shares of the bank aggregating more than one-tenth of the nominal issued capital. The minimum reserve requirements of the bank are 40 per cent of the amount of its notes in circulation and other demand liabilities. Power to suspend this requirement is vested in the Government. (For further particulars, see Federal Reserve Bulletin, June, 1928.)

In December, 1929, the note circulation of the Bank of Greece outstanding was (in terms of the stabilized drachma) 5,193,000,000 drachmas; its gold reserve, 640,000,000 drachmas; and foreign assets, 2,474,000,000 drachmas.

**BASIS OF STATISTICS**

The basis for the average exchange rates given in Tables 50 and 51 is: 1914-1921, sight drafts, Athens on New York; 1922-1929, noon buying rates for cable transfers, New York on Athens. The rates from 1914 to 1921 are the yearly average rates (drachmas to the United States dollar) as given in the Report of the Twenty-seventh Session of the Financial Committee of the League of Nations; from 1922 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$0.192948) may be used from 1900 to 1914.

**TABLE 50.—YEARLY AVERAGE EXCHANGE RATES OF THE GREEK DRACHMA**

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.1925	1920.....	\$0.1047	1926.....	\$0.0126
1915.....	.1868	1921.....	.0647	1927.....	.0132
1916.....	.1919	1922.....	.0331	1928.....	.0130
1917.....	.1929	1923.....	.0171	1929.....	.0129
1918.....	.1930	1924.....	.0179		
1919.....	.1806	1925.....	.0186		

TABLE 51.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE GREEK DRACHMA

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0.0444	\$0.0116	\$0.0176	\$0.0164	\$0.0138	\$0.0129	\$0.0132	\$0.0129
Second quarter.....	(1)	.0419	.0199	.0186	.0174	.0126	.0133	.0131	.0129
Third quarter.....	\$0.0545	.0344	.0203	.0176	.0153	.0115	.0132	.0130	.0129
Fourth quarter.....		.0422	.0174	.0167	.0178	.0133	.0123	.0133	.0129
January.....	(1)	.0436	.0122	.0194	.0176	.0135	.0129	.0132	.0129
February.....	(1)	.0451	.0117	.0170	.0161	.0143	.0130	.0132	.0129
March.....	(1)	.0444	.0110	.0163	.0155	.0137	.0129	.0132	.0129
April.....	(1)	.0447	.0117	.0184	.0178	.0128	.0133	.0132	.0129
May.....	(1)	.0427	.0169	.0201	.0179	.0127	.0132	.0130	.0129
June.....	(1)	.0383	.0310	.0173	.0166	.0124	.0134	.0130	.0129
July.....	.0555	.0296	.0255	.0171	.0160	.0118	.0132	.0130	.0129
August.....	.0555	.0308	.0175	.0179	.0154	.0112	.0131	.0130	.0129
September.....	.0524	.0427	.0179	.0178	.0146	.0116	.0132	.0129	.0129
October.....	.0438	.0239	.0154	.0174	.0136	.0121	.0133	.0129	.0130
November.....	.0414	.0159	.0156	.0178	.0134	.0123	.0132	.0129	.0130
December.....	.0414	.0123	.0190	.0181	.0129	.0126	.0133	.0129	.0130

<sup>1</sup> Not available.

#### GUATEMALA

Guatemala's monetary unit is the quetzal (plural, quetzales) of 100 centavos, representing 1.67185 grams of gold 0.900 fine (1.504665 grams of fine gold) and is nominally equal to the United States dollar. The quetzal was adopted in accordance with the law of November 26, 1924.

Gold coins in circulation are pieces of 5, 10, and 20 quetzales. There are also subsidiary coins of silver and copper-aluminum in quetzal, peso, and centavo denominations.

In addition to the metallic currency, the circulating medium consists of notes of the Banco Central de Guatemala and earlier issues of bank notes in pesos which circulate at the ratio of 60 pesos to 1 quetzal. United States currency also is in use.

#### EARLY METALLIC CURRENCY

By a decree of September, 1870, the silver peso (25 grams of silver 0.900 fine) was adopted as the unit of currency; the peso was divided into 100 centavos. Although gold coins were provided for in the law, the silver peso was made the unit of currency. By a decree issued in December, 1871, the gross weight of the silver peso was increased from 25 grams to 25.40 grams. The Guatemalan peso now contained 40 centigrams of silver more than the generally accepted pesos of other countries. The result was that the Guatemalan pesos began to be exported and replaced by lighter-weight pesos of Peru and Chile.

Coining of the 25.40-gram pesos ("pesos fuertes") was discontinued in 1878, and in April, 1881, a law was approved which provided for the return to the peso of 25 grams.

About 1875, gold onzas<sup>17</sup> began to be taken out of circulation and by 1879 had practically all disappeared. By this time the smaller gold coins also began to be withdrawn, so that by 1880 there was practically no gold in circulation. For the next two decades the chief metallic currency in Guatemala was silver.

#### BANK NOTES REPLACE HARD MONEY

In 1890, the gold price of silver rose, bringing about the exportation of some of the silver money. To check the exodus of silver currency, a law was passed in October, 1890, taxing the exportation of silver coin or bullion. The situation changed in 1891, when the gold price of silver began to fall. The result was that silver currency from Chile and Peru began to flow into Guatemala. In July, 1894, the importation of foreign silver was prohibited. After 1894 silver once more began to leave the country, the chief cause of which was the excessive amount of paper money.

Six banks of issue were operating in Guatemala at this time—Banco Internacional, founded in 1877; Banco Colombiano, 1878; Banco Occidente, 1881; Banco Agricola-Hipotecario, 1894; Banco de Guatemala, 1895; and Banco Americano, 1895. The banks were authorized to issue notes (billetes), redeemable on demand but not legal tender.

The years from 1897 to 1923 may be described as the period of paper-money inflation, during which the note circulation outstanding increased from about 10,000,000 pesos to about 370,000,000 pesos. Meanwhile the gold reserve had all but disappeared.

#### EXCHANGE STABILIZATION THROUGH CAJA REGULADORA

In September, 1923, the "Caja Reguladora" was established to stabilize exchange rates, which naturally had fallen sharply. The Caja was to buy and sell in paper currency foreign gold drafts. Its resources were to consist of a share in the gold export tax on coffee; this share was \$0.50 United States currency per quintal (about 100 pounds). A large part of its activities was simply the exchange of local money for United States currency (generally used throughout the Republic, except in the rural sections), and vice versa, at the prescribed ratio of 60 to 1. Notwithstanding the limited scope of its operations the Caja was successful in maintaining stability. The finances of the Government at the same time were so improved as to

<sup>17</sup> "The Spanish system of currency which was transplanted to the American continents was based upon the real as a unit. The real dates from 1369 and was a mixture of silver and copper. (The real was originally 1/2 of a mixture of 1 marc of silver (3560.16 grains troy) and 3 marcs of copper.) It was divided into 24 maravedí, which were small coins for minor transactions. Under the Spanish laws of 1497 silver pieces of eight reales were coined, which later came to be known variously as pesos, duros, duros fuertes, or pieces-of-eight. These silver pieces originally contained 423.716 grains troy, 830.55 fine, which would give them a pure-silver content of about 394.829 grains. However, the amount of silver in the peso was reduced at different times, and a mint test in 1626 indicated that it contained only about 386 grains of pure silver. Later tests showed still smaller amounts, and by 1800 they contained only about 371 grains on the average. The reales were also often debased, so that the pieces-of-eight were not always rated as the equivalent of 8 reales.

"In addition to silver coins, Spanish gold coins were brought over to America. The common gold coin was the onza. The onza, as its name implies, was supposed to contain about an ounce of gold, but in practice this was not the case. The onzas with which the American colonies were familiar appear to have contained about 27 grams of gold gross (an ounce troy is the equivalent of about 31.1 grams), and circulated as the equivalent of about 16 silver pesos. According to Spanish records they were coined first in 1615 by Phillip III. Another familiar gold coin was the doblón, or doubloon, as it is often called. It was of various denominations and was coined in multiples of the escudo, especially in the denominations of 2, 4, and 8 escudos. These were known respectively as 'doblores de 4 dos,' 'doblores de 6 cuátra,' and 'doblores de 8 ocho.' In America the onza was frequently known as a doblón."—Young's "Central American Currency and Finance," pp. 12 and 13.

enable it to dispense with bank loans, thus removing the likelihood of renewed currency inflation.

The Caja was reorganized by the decree of December 3, 1924, and its directorate was made up of three representatives of the Government, two of the old banks of issue, one of the chamber of commerce, and one of the Association of Agriculturalists. Its income came from a sliding surtax (collected in gold) upon coffee exports and a similar duty on exports of sugar. Under the monetary law the reserve fund to be accumulated under the charge of the Caja Reguladora was placed at 40 per cent of the outstanding bank notes (revalued at the ratio of 60 to 1). It was provided that when the 40 per cent reserve had been accumulated the banks should deliver other values sufficient to cover their entire note circulation, which should then be redeemed or assumed by the contemplated central bank of issue.

#### CENTRAL BANK OF GUATEMALA ORGANIZED

By a decree of December, 1925, the organization of a central bank of issue was proposed. This bank, Banco Central de Guatemala, was actually established on July 6, 1926. The Government subscribed and paid in 1,000,000 quetzales; the public subscribed a like amount.

The duration of the concession is to be 30 years, subject to extension; the exclusive right of note issue, however, is granted for only 10 years. The responsibility for the existing bank notes is assumed by the Banco Central, which must redeem them in metallic currency or in drafts on New York. The assets and liabilities of the Caja Reguladora were taken over and this institution dissolved. The Banco Central is gradually to replace the present paper money with its own notes issued against a gold reserve of 40 per cent. The notes will not be legal tender but will be accepted in payment of public dues.

On December 31, 1928, the total note circulation outstanding was 9,935,000 quetzales, of which 4,715,000 quetzales (282,929,000 pesos) represented notes of the old banks.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Table 52 is: 1900-1929, sight drafts on New York in Guatemala. From 1900 to 1921, the rates are the average rates as given in Boletín de la Dirección General de Estadística, No. 2 (Ministerio de Fomento), 1922; for 1922 the rate has been computed at the ratio of 56 pesos to the United States dollar; for 1923, at the ratio of 60.5 pesos; and for the remaining years at the ratio of 60 pesos to the quetzal.

The rates given are for the Guatemalan paper peso; the quetzal has been stable since its establishment.

TABLE 52.—YEARLY AVERAGE EXCHANGE RATES OF THE GUATEMALAN PAPER PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900	\$0. 1618	1910	\$0. 0586	1920	\$0. 0330
1901	. 1572	1911	. 0562	1921	. 0202
1902	. 1155	1912	. 0544	1922	. 0179
1903	. 0676	1913	. 0514	1923	. 0165
1904	. 0717	1914	. 0380	1924	. 0167
1905	. 0691	1915	. 0231	1925	. 0167
1906	. 0921	1916	. 0241	1926	. 0167
1907	. 0805	1917	. 0254	1927	. 0167
1908	. 0652	1918	. 0276	1928	. 0167
1909	. 0557	1919	. 0367	1929	. 0167

## THE GUIANAS

## BRITISH GUIANA

In British Guiana the monetary unit for Government and commercial accounts is the British Guiana dollar, divided into 100 cents. The British Guiana dollar is equivalent to 4s. 2d., or about \$1.014 United States currency. In circulation are British gold, silver, and bronze coins, with some local silver "bits"—fourpenny pieces. United States gold coins also are current and are legal tender.

In addition to Government currency notes of 1 and 2 dollars, there are notes issued by the Royal Bank of Canada, Barclay's Bank, and the Colonial Bank in denominations of 5, 20, and 100 dollars. At the end of 1927 Government currency notes amounted to 500,000 dollars and bank notes to 1,034,000 dollars.

From 1908 (the earliest statistics at hand) to 1920 exchange on New York was governed by quotations in New York for sight bills or 60-day bills on London; for the same period the rate on London was arranged by banks in concert and governed by bank rate of interest in London. The nominal 90-day selling rate on London for £100 has varied as follows:

	Dollars
1908-1917.....	481. 00
1918.....	475. 00
1919.....	462. 50
1920 (Jan. 1-Aug. 9) (Colonial Bank).....	470. 00
1920 (Aug. 10-Dec. 31) (Colonial Bank).....	480. 00
1921 (Colonial Bank).....	480. 00
1922 (Jan. 1-Sept. 3) (Colonial Bank).....	480. 00
1922 (Sept. 4-Dec. 31) (Colonial Bank).....	482. 50
1923-1927 (Royal Bank of Canada).....	482. 50

## FRENCH GUIANA

In French Guiana the monetary unit is the new revalued French franc of 100 centimes, par \$0.039179. (See France, p. 73, for rates of exchange, etc.)

La Banque de la Guyane is the sole bank of issue; its notes on June 30, 1925, amounted to 10,600,000 French francs and the metallic reserve was 3,600,000 French francs. Under the law of June 25, 1928, (see p. 70 for text of this enactment) the reserves of gold and silver at present held by the Bank of France and banks which have received from the Government the privilege of note issue in the colonies and protectorates where the franc is legal tender must be revalued on the basis of the new parity of the currency.

## NETHERLAND GUIANA (SURINAM)

In the Netherlands colony of Surinam the monetary unit is the florin (also termed gulden; plural, gulden) of 100 cents, representing 672 milligrams of gold 0.900 fine (604.8 milligrams of fine gold), the par value of which is about \$0.402 United States currency. Exchange is determined by that of the Netherlands. (See Netherlands, p. 118, for exchange rates, etc.)

The bank of issue is De Surinaamsche Bank, established in 1865; its head office is in Amsterdam, Netherlands. On December 31, 1928, bank notes in circulation amounted to 1,701,000 florins.

## HAITI

Haiti has adopted for its monetary unit the gourde (plural, gourdes) of 100 centimes (cents), stabilized in September, 1915, at \$0.20 United States currency; it therefore represents 334.36 milligrams of gold 0.900 fine (300.92 milligrams of fine gold). The treaty of September 16, 1915, between the Governments of the United States and Haiti, whereby the United States undertook to assist Haiti in effecting a thorough financial rehabilitation, resulted in the establishment of a monetary and exchange stability which has existed up to the present time.

The currency of Haiti now consists of bank notes issued by La Banque Nationale de la Republique d'Haiti (an affiliate of the National City Bank of New York since 1916), which has the sole right of note issue, and nickel and copper subsidiary coins in centime denominations. In the seaboard towns and commercial centers United States paper, gold, and subsidiary currency circulate freely at the established ratio of 5 gourdes to the dollar. There has been no fluctuation of exchange rates in Haiti since 1915.

Before the negotiation of the treaty of September 16, 1915, the nominal value of the gourde was 4s., or about \$0.97344. The circulating medium consisted of paper money, issued by La Banque Nationale d'Haiti under the control of the Government, and nickel and bronze coins. The currency of Haiti depreciated to such an extent that the premium on gold in 1905 was over 500 per cent, and there was little or no improvement up to 1916. On August 19, 1912, a law was approved providing for the withdrawal of 6,000,000 gourdes from circulation within two years (the circulation at that time consisted of bank notes amounting to about 8,000,000 gourdes and so-called nickel coins to the amount of 7,000,000 gourdes); however, no effective steps were taken until the signing of the treaty in 1915.

By an agreement between the Government and La Banque Nationale in April, 1919, the latter was authorized to issue notes up to three times the amount of its paid-in capital, with the proviso that a cash reserve be maintained in United States currency equal to at least one-third of the amount of the notes outstanding and that the difference between the cash reserve and the total amount of circulating notes be represented by two-name commercial bills maturing within four months. The Government withdrew the fiduciary paper money that had previously served as the medium of exchange.

## HONDURAS.

The unit of currency actually in use in Honduras at the present time is the silver peso (plural, pesos; symbol, \$) of 100 centavos, representing 25 grams of silver 0.900 fine, the par value of which theoretically would fluctuate with the price of silver. However, inasmuch as the Government prohibits the importation of silver, and since the scarcity of silver currency for commercial transactions makes the demand greater than the supply, the rate which was officially adopted in 1918—2 pesos to the United States dollar—has, with the exception of fluctuations caused almost entirely by revolutionary disturbances, remained fairly constant.

A decree of April 3, 1926, designated the lempira of 100 centavos, representing 835.906 milligrams of gold 0.900 fine (752.3154 milli-

grams of fine gold, as the official monetary unit of the Republic. The par value of the lempira is \$0.50 United States currency. The same decree authorized the minting of silver and copper coins of 50, 25, 5, and 1 centavo denominations. This system, however, has not yet been put into actual operation, and the peso is still the money of account.

Honduras has never felt the consequences of paper-money inflation.

#### FORMER MONETARY SYSTEM OF THE REPUBLIC

Until the promulgation of the decree of April 3, 1926, the monetary system of Honduras was based upon the law of 1879. Prior to that time, Honduras had a varied collection of coins (mostly silver) which included the old "macacas" (pieces of silver cut into odd shapes and bearing the official stamp), reales and half-reales, and a miscellaneous mixture of foreign money from Chile, Peru, Mexico, and other countries.

The law of 1879 provided that the unit of currency was to be the silver peso of 100 centavos containing 25 grams of silver 0.900 fine. It also provided for the reestablishment of the mint, which had not been in operation for over 20 years. Coinings by the mint in Tegucigalpa, though fairly large, were not sufficient to meet the demands of trade nor to displace completely the foreign coins. Furthermore, the Honduran silver coins, made from gold-bearing silver ores, contained such a large proportion of gold that most of them were promptly withdrawn from circulation and exported for the extraction of the gold.

The circulation of foreign money was recognized officially in 1894 when money of Nicaragua and El Salvador was made legal tender and Peruvian money might be received at the option of the public. Although the law recognized no other moneys, coins of other Latin American countries, especially those of Guatemala and Chile, were imported in considerable amount. Most of the fractional coins imported were 0.835 fine or less, and the result was that Honduran coins were exported.

#### REGULATORY MEASURES AFFECTING SILVER

To remedy the situation a law was passed in 1909 placing a tax of 25 per cent upon the importation of foreign silver coins of a weight and fineness less than the peso, and prohibited altogether the introduction of coins of a fineness less than 0.835.

In the latter part of 1915 the price of silver began to advance and silver money was exported in such quantities that business was embarrassed by a lack of sufficient currency. The law of 1909 was strengthened by a new law of January, 1916, placing an export tax of 15 per cent on the exportation of silver bullion proceeding from the melting down of silver money, but as the price of silver continued to advance this law proved to be ineffective. The scarcity of currency became so acute that in April, 1916, the exportation of silver money in any form was prohibited, but clandestine exportation continued.

On the northern coast of Honduras, where United States companies have the preponderant position in the economic life, a certain amount of United States money has been in circulation for several years, but



little of this money has found its way into the interior. The northern coast was therefore not affected by the exodus of silver to the same extent as the interior.

#### CONTRACT WITH AMERICAN-CONTROLLED BANK

Various remedies for alleviating the monetary situation were suggested. Owing to the fact that a certain amount of United States money was already circulating in the country, the Banco Atlantida, controlled by United States capital and with its main office at La Ceiba on the northern coast, proposed that this circulation be increased and extended to the entire country. Accordingly on March 21, 1918, a contract was negotiated between the bank and the Government which provided that, in addition to granting further credits to the Government, the bank "will exchange its notes at the option of bearer in current silver money, United States money, or in bank drafts at 2 to 1 as long as quotations of soles (pesos) in New York do not go below 53 cents." This phraseology was unsatisfactory to the bank, and on May 1, 1918, it was changed to read: "The bank will exchange its notes in current silver money, United States currency, or in bank drafts at 2 to 1 as long as quotations of soles (pesos) in New York do not go below 53 cents." This change gave the bank relief from the obligation to meet its notes in a class of money which was being rapidly withdrawn from business channels and was the first step toward the adoption of United States money.

The contract provided further that the Government would receive notes of the bank in payment of 50 per cent of fiscal dues, the other 50 per cent to be payable in silver or in United States money at the rate of 2 pesos to 1 United States dollar. On September 13, 1919, a decree was issued to the effect that the Banco Atlantida was to guarantee its notes in United States money in the same proportion established in its concession, that is, with a reserve of 50 per cent; this decree also relieved the bank of the obligation of redeeming its notes for a period of six months, during which time it would be able to import a sufficient quantity of United States money.

#### INDIVIDUAL UNITS OF TWO BANKS OF ISSUE

The Banco Atlantida is now firmly on the gold basis and since January, 1920, has transacted its business in terms of United States money, although it receives silver for deposit and does a certain amount of business in terms of silver, keeping the accounts separate and paying in the same currency as deposited.

Meanwhile, the Banco de Honduras, owned and controlled by native capital, has been meeting its obligations in silver. As United States money came into circulation and was adopted by the country at the ratio of 2 local pesos to 1 United States dollar, the bank received and paid out the new currency, but it still transacts the bulk of its business in terms of silver pesos and has remained on the silver basis.

#### DOLLARS USED IN THE NORTH, PESOS IN THE SOUTH

The fall in the price of silver in 1920 and 1921 complicated the situation in the southern part of the country by inducing a return to circulation of many of the old silver coins which had been hoarded. For a time this tendency threatened to destroy the existing standard, but

the fear of demonetization by the Government checked it, and in spite of the reduced amount of United States currency in circulation silver has since remained at a discount.

The situation in Honduras at the present time is somewhat as follows: On the northern coast all business is done on a dollar basis, since the large companies producing bananas and sugar are American organizations and require United States currency for their operations. The money in circulation is that of the United States and the notes of the Banco Atlantida redeemable at 2 pesos to 1 United States dollar, and exchange on New York is purchasable in these notes at a premium of one-fourth of 1 per cent. In the southern part of the country are found the silver currency (plata); notes of the Banco de Honduras (at Tegucigalpa), the other bank of issue (redeemable in silver); and, to a smaller extent, United States money, which usually is called simply "gold" (oro).

BASIS OF STATISTICS

The basis for the average exchange rates of the peso as given in Table 53 is: For fiscal years 1899-1900 to 1912-13, the rates represent exchange on London, pesos to the pound sterling, as quoted from the annual reports of the Corporation of Foreign Bondholders, London (for sterling rates see United Kingdom, p. 174); for the calendar years 1913 to 1929, the rates are the yearly average bank selling rates of New York sight drafts in Tegucigalpa.

For conversion purposes, from 1918 to 1929, the ratio of 2 pesos to the United States dollar (\$0.50) may be used for the northern coast of Honduras.

TABLE 53.—YEARLY AVERAGE EXCHANGE RATES OF THE HONDURAN SILVER PESO

Year	Average rate	Year	Average rate	Year	Average rate
FISCAL		FISCAL—continued		CALENDAR—continued	
1899-1900.....	\$0.4424	1911-12.....	\$0.4055	1920.....	\$0.4950
1900-1901.....	.3893	1912-13.....	.4055	1921.....	.4950
1901-2.....	.4065	CALENDAR		1922.....	.4739
1902-3.....	.4055	1913.....	.4184	1923.....	.4985
1903-4.....	.4055	1914.....	.4081	1924.....	.4784
1904-5.....	.4326	1915.....	.3378	1925.....	.4762
1905-6.....	.4424	1916.....	.3831	1926.....	.4717
1906-7.....	.4424	1917.....	.4525	1927.....	.4673
1907-8.....	.4055	1918.....	.4926	1928.....	.4938
1908-9.....	.3743	1919.....	.4950	1929.....	.4918
1909-10.....	.3893				
1910-11.....	.3893				

HONG KONG

In the British colony of Hong Kong the monetary unit is the Hong Kong dollar of 100 cents, containing 26.957 grams (416 grains) of silver 0.900 fine. There are also current the British silver dollar, of the same weight and fineness, and the old Mexican dollar, containing 27.07 grams (417.74 grains) of silver 0.9027 fine. The Hong Kong dollar and the British dollar have the same exchange value, but their par of exchange in terms of the United States dollar varies with the price of silver.

There is no Colonial Government paper money. However, notes issued by private banks (Hong Kong & Shanghai Banking Corpora-

tion; Chartered Bank of India, Australia, and China; Mercantile Bank of India) outstanding at the close of 1928 totaled 61,966,000 Hong Kong dollars, as against 64,806,000 dollars for the preceding year. These notes are backed by strong reserves.

#### HISTORY OF HONG KONG CURRENCY

Spalding, in his "Dictionary of World's Currencies and Foreign Exchanges," gives an interesting account of the sources and development of Hong Kong's present circulating media. At pages 92-94 he says, in part:

The existing currency of Hong Kong recalls the earliest phase of currency in seventeenth-century America; and, just as the old silver piece-of-eight<sup>18</sup> was found to be dominating the currency of the West Indian colonies, so the dollar, lineal descendant and modern representative of the piece-of-eight, in one form or another is still found to be the dominating currency of Hong Kong. \* \* \*

The circulation of silver trade dollars in Hong Kong was in a fairly advanced stage long before the advent of the British into the colony. The old Spanish dollars<sup>19</sup> had drifted to various parts of China—Amoy, Canton, Ningpo—in connection with the trade instituted by the Spaniards with the Chinese in 1575. The Spanish base was at Manila in the Philippine Islands, from which a desultory trade was carried on with China, and in course of time the Spanish dollar percolated to Hong Kong.

After the British took over the island from the Chinese in 1842 currency matters were allowed to drift for a short period; but on March 29, 1842, a proclamation was issued making legal tender Spanish, Mexican, and other silver dollars, the rupee of the East India Co., and the copper "cash" of China. This was applicable to all bazaar dealings but not to mercantile transactions. On April 27, 1842, a further proclamation was issued making "Mexican and other Republican dollars" the standard in all Government and mercantile transactions at Hong Kong. \* \* \* On November 23, 1844, a new proclamation was issued revoking the former one and fixing British silver as the nominal standard. \* \* \*

In course of time the Mexican dollar became the recognized standard coin of the colony. The Chinese thus came to regard the coins with favor; they were practically obliged to, for the stock of old Spanish dollars, which previously had reached them from the Philippines, had rapidly decreased in proportion to the increase in trade in the East.

However, Hong Kong was not formally and finally recognized as outside the currency area of Great Britain until January 9, 1863, when a new proclamation was issued cancelling all former proclamations and making the Mexican dollar or other silver dollar of equivalent value, as authorized from time to time, the only unlimited legal tender. Provision was also made for the minting in London of certain subsidiary coins of silver and copper. The authorities did not leave the position at that; soon they became convinced that the way was open for the introduction of a British dollar, and legal sanction was given for the opening of mints and the coinage of dollars in Hong Kong. \* \* \* Provision was therefore made for the minting of British dollars of a weight of 416 grains, 0.900 fine; half-dollars were also struck of proportionate weight and fineness; and of the subsidiary coins, a 20-cent piece and a 5-cent piece were issued.

These Hong Kong dollars were moulded after the fashion of the Mexican dollar, but they failed to meet with the favor of the Chinese. Other circumstances, to wit, an adverse exchange at the time of their introduction and a minting charge (seigniorage) of about 2 per cent, combined to make the new issue a failure, and before very long the dollars were accepted by the Chinese only at a discount of 1 per cent or more.

This failure led the Colonial authorities to abandon the idea of coining their own dollars. \* \* \* The mint had been open from May, 1866, to May, 1868. Some years afterward, it is recorded, British dollars were to be found circulating at par with the Mexican coin; while the sub-coin, which at one time

<sup>18</sup> See footnote 17, p. 85.

<sup>19</sup> Spanish dollar—the piastre or peso of 8 reales.

had depreciated to no less than 35 per cent, gradually rose until par was reached. \* \* \* As a matter of interest, it may be mentioned that 2,108,054 dollars were minted at Hong Kong. \* \* \*

However, as British dollars did eventually find favor in 1895, a new currency measure was passed in that year. Under this enactment a British dollar was coined at the Royal mints in Bombay and Calcutta, and these have continued to pass freely in Hong Kong. The British dollars have also been coined in fairly large quantities from time to time at the Royal mint in London. These dollars are all identical in weight and fineness with the former British dollars, viz, 416 grains 0.900 fine. \* \* \*

At the present day, however, Mexican dollars and "chopped" dollars remain legal tender. "Chopped" dollars are taken by weight and not by count, 717 Canton taels weight being equal to 1,000 dollars. The Mexican dollar is now a disappearing quantity, and the coin has practically disappeared from circulation in Hong Kong. The coins officially circulating in Hong Kong are: The British silver dollar, weighing 416 grains 0.900 fine=374.40 grains pure; 50-cent silver piece, 209.52 grains 0.800 fine, 20-cent silver piece, 83.81 grains 0.800 fine, 10-cent silver piece, 41.90 grains 0.800 fine, and 5-cent silver piece, 20.95 grains 0.800 fine. This group of subsidiary coins is known as "sub-coin."

The term "chopped" dollar requires explanation. The difference between a "chopped" dollar and a "clean" dollar is this: The Chinese stamp or place their seal on all dollars coming into their possession, the object \* \* \* [being] to guarantee that the dollar is a proper dollar. A dollar without any of these marks is termed a "clean" dollar; and when it is realized that dollars which have been stamped many times lose their "ring" in addition to part of their original worth, it will be readily understood that they are inferior in value to clean dollars, which for that reason frequently command a premium in Hong Kong over chopped dollars.

## BASIS OF STATISTICS

The basis for the average exchange rates given in Tables 54 to 56 is: 1914-1921, demand drafts on London in Hong Kong (pence converted; see United Kingdom, p. 175, for the exchange value of the penny); 1922-1929, cable transfers, New York on Hong Kong. From 1914 to 1921, yearly averages are taken from the Hong Kong Blue Book; from 1922 to 1929, yearly averages are as computed from daily rates by the Federal Reserve Board. From July, 1921, to December, 1929, the quarterly and monthly averages are computed from the rates given by the Federal Reserve Board.

TABLE 54.—YEARLY AVERAGE EXCHANGE RATES OF THE HONG KONG DOLLAR AND MEXICAN DOLLAR

Year	Average rate <sup>1</sup>		Year	Average rate <sup>1</sup>	
	Hong Kong dollar	Mexican dollar		Hong Kong dollar	Mexican dollar
1914.....	\$0. 4548	\$0. 4548	1922.....	\$0. 5571	\$0. 5463
1915.....	. 4306	. 4306	1923.....	. 5290	. 5202
1916.....	( <sup>2</sup> )	( <sup>2</sup> )	1924.....	. 5247	. 5236
1917.....	( <sup>2</sup> )	( <sup>2</sup> )	1925.....	. 5652	. 5555
1918.....	. 7676	. 7676	1926.....	. 5333	. 4992
1919.....	. 8252	. 8252	1927.....	. 4921	. 4533
1920.....	. 6833	. 6833	1928.....	. 5007	. 4647
1921.....	. 5133	. 5133	1929.....	. 4717	. 4215

<sup>1</sup> It will be noted that for demand drafts on London 1914-1921 the exchange values of the Hong Kong dollar and Mexican dollar are identical.

<sup>2</sup> No quotations.

TABLE 55.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE HONG KONG DOLLAR

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0.5405	\$0.5392	\$0.5044	\$0.5506	\$0.5741	\$0.4937	\$0.4989	\$0.4918
Second quarter.....	(1)	.5674	.5428	.5182	.5491	.5498	.4934	.5048	.4830
Third quarter.....	\$0.5061	.5760	.5210	.5303	.5783	.5335	.4855	.4987	.4792
Fourth quarter.....	.5496	.5434	.5119	.5482	.5829	.4761	.4965	.4991	.4320
January.....	(1)	.5499	.5342	.5021	.5655	.5807	.4906	.5041	.4982
February.....	(1)	.5398	.5297	.5061	.5635	.5786	.5036	.4946	.4888
March.....	(1)	.5318	.5538	.5049	.5427	.5631	.4869	.4980	.4884
April.....	(1)	.5473	.5482	.5113	.5410	.5464	.4969	.4987	.4870
May.....	(1)	.5778	.5480	.5180	.5462	.5508	.4927	.5102	.4834
June.....	(1)	.5772	.5321	.5194	.5602	.5522	.4907	.5054	.4786
July.....	.4932	.5794	.5204	.5230	.5685	.5459	.4988	.4999	.4812
August.....	.5007	.5754	.5187	.5332	.5731	.5319	.4816	.4990	.4794
September.....	.5244	.5731	.5238	.5346	.5932	.5228	.4850	.4971	.4770
October.....	.5649	.5596	.5185	.5436	.5934	.4777	.4886	.4995	.4415
November.....	.5414	.5382	.5066	.5486	.5781	.4746	.4979	.4998	.4322
December.....	.5426	.5323	.5066	.5525	.5771	.4759	.5031	.4979	.4223

<sup>1</sup> Not available.

TABLE 56.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE MEXICAN DOLLAR

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0.5282	\$0.5296	\$0.5059	\$0.5475	\$0.5363	\$0.4529	\$0.4557	\$0.4512
Second quarter.....	(1)	.5616	.5326	.5104	.5456	.5199	.4555	.4713	.4321
Third quarter.....	\$0.5023	.5639	.5083	.5269	.5675	.5004	.4398	.4674	.4111
Fourth quarter.....	.5535	.5302	.5092	.5520	.5613	.4407	.4542	.4639	.3916
January.....	(1)	.5410	.5230	.5097	.5550	.5429	.4521	.4574	.4568
February.....	(1)	.5274	.5205	.5101	.5509	.5375	.4653	.4536	.4479
March.....	(1)	.5163	.5453	.5039	.5365	.5285	.4413	.4561	.4489
April.....	(1)	.6392	.5382	.5052	.5356	.5144	.4654	.4580	.4423
May.....	(1)	.5738	.5384	.5131	.5423	.5207	.4681	.4779	.4328
June.....	(1)	.5719	.5213	.5128	.5589	.5227	.4551	.4779	.4211
July.....	.4867	.5675	.5083	.5146	.5614	.5171	.4460	.4708	.4163
August.....	.4943	.5626	.5050	.5272	.5655	.5015	.4338	.4696	.4144
September.....	.5258	.5615	.5116	.5390	.5757	.4825	.4366	.4618	.4026
October.....	.5686	.5455	.5069	.5508	.5743	.4467	.4474	.4656	.3937
November.....	.5459	.5248	.5074	.5531	.5577	.4377	.4580	.4655	.3937
December.....	.5460	.5203	.5134	.5521	.5518	.4377	.4591	.4605	.3879

<sup>1</sup> Not available.

## HUNGARY

The pengő (plural, pengő), of 100 filler, representing 292.40 milligrams of gold 0.900 fine (263.16 milligrams of fine gold), the par value of which is \$0.1749 United States currency, was adopted by act No. XXXV of November 4, 1925, as the monetary unit of Hungary; it came into official use on December 27, 1926. The pengő is equivalent to 12,500 paper korona. The former unit was the korona of 100 filler, representing 338.75 milligrams of gold 0.900 fine, the par value of which was \$0.2026. The korona was adopted in accordance with the gold standard law of 1892. There are subsidiary nickel-copper and bronze coins of 1, 2, 10, 20, and 50 filler.

The principal circulating medium is the notes of the National Bank of Hungary. This bank is modeled along the same lines as the National Bank of Austria. It must maintain a reserve against its outstanding notes and demand liabilities of 20 per cent during the first five years of its existence, 24 per cent during the next five years, 28 per cent during the next five years, and thereafter 33½ per cent. It has the sole right of note issue; its notes are legal tender in respect to

all payments, public and private, with the exception of those which specifically call for metallic currency. This legal-tender quality is to lapse with the introduction of specie payments. 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 also provide for the ultimate resumption of specie payments and the introduction of the gold standard.

#### CURRENCY OF THE DUAL MONARCHY

Before the break-up of the Austro-Hungarian Monarchy in October, 1918, currency and banking were not identical in Austria and in Hungary, although in actual practice the two countries by agreement had adopted similar systems. The old Austrian National Bank, founded in 1816, was made the Austro-Hungarian Bank in 1878.

Prior to 1892 Austria-Hungary had three different currency units, the gold florin, the silver florin, and the paper florin. The gold florin was equivalent to about \$0.48 United States currency.

On account of the large amount of silver and paper currency in circulation the transition to the gold standard did not take place until January, 1900. The silver and paper florins were made the equivalent of 2 gold korona. None of the silver or paper currency of Austria was ever made legally redeemable in gold.

In addition to the metallic money, the notes of the Austro-Hungarian Bank circulated freely. The bank had the sole right of note issue and its notes were legal tender except for payments which specifically 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. The notes of the bank were never redeemable in gold, although in practice the bank maintained them at a parity with gold. When the first Balkan war broke out in 1912 gold was hoarded and was replaced in common use by silver. During that war the notes of the bank were at a small discount in terms of both gold and silver.

When the World War broke out in 1914 restrictions on note issues of the Austro-Hungarian Bank were relaxed. The Government turned to the bank for funds, and, as Government borrowing increased, the result was inflation of currency. The note circulation expanded from about 2,000,000,000 korona in July, 1914, to over 35,000,000,000 korona at the beginning of 1919. Meanwhile the metallic reserves diminished from 1,500,000,000 korona to 342,000,000 korona.

#### KAROLYI AND BOLSHEVIST RÉGIMES

Political conditions in Hungary were disturbed immediately following the World War. Count Michael Karolyi was proclaimed provisional president on the abdication of King Charles. Karolyi had been president only about four months when a Bolshevist government was set up under Bela Kun; Bela Kun was overthrown by a Rumanian army. In March, 1920, the Government of Hungary formally declared the country a monarchy.

The Bolshevist government used the plates of the Austro-Hungarian Bank to print paper money, which was put in circulation. The Bolshevists also printed their own money in larger denominations. The larger notes were known as "white notes," being printed on white paper, and were redeemed at only 25 per cent of their face value.

## HUNGARIAN NATIONAL CURRENCY INTRODUCED

After 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 State which had formerly been a part of Austria-Hungary should stamp the notes of the Austro-Hungarian Bank then in its possession with the stamp of its own Government. 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. On January 1, 1920, the Austro-Hungarian Bank was divided into two sections, the Austrian section and the 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 in Hungary by the law of May 4, 1921. This law provided for the withdrawal of the paper currency then in circulation and the substitution of a national currency. It also provided for a State Note Institute, which was to be under the control of the Ministry of Finance. This institute was to be a more or less temporary organization to take over the business of the Austro-Hungarian Bank, etc.

## NOTE ISSUE OF STATE INSTITUTE

The State Note Institute opened for business on August 1, 1921, and began immediately to issue its own notes in exchange for the stamped notes of the Austro-Hungarian Bank; these amounted to about 20,689,000,000 korona, of which 15,827,000,000 korona were later exchanged for State notes and the remainder retired. State notes were also issued in exchange for 793,000,000 korona in notes with the Yugoslav stamp which had been circulating in territory regained from Yugoslavia, and in exchange for 87,000,000 korona of counterfeit or forged notes of 1 and 2 korona issued during the Bolshevik rule. The total amount of State notes issued to retire other circulation was about 18,396,000,000 korona.

Notwithstanding the passage of the law of May, 1921, limiting the issues of the State Note Institute, advances continued to be made to the Government (chiefly to meet budgetary deficits). In order to provide a more stable unit for business, the Government early in 1924 endeavored to introduce the so-called "sparkrone." The number of paper korona contained in the theoretical "sparkrone" was to be fixed daily by a committee under the State Note Institute. In determining the rate for the "sparkrone," three factors were to be considered—(a) the rate for United States dollars in Budapest, (b) the rate for Hungarian korona in Zurich and Vienna, and (c) the relative quotations of securities in Budapest and Vienna. The "sparkrone" was used only a short time.

## STABILIZATION ACHIEVED IN 1924

Upon its opening on June 24, 1924, the National Bank of Hungary took over the activities of the State Note Institute. The bank, a part of the reconstruction plan undertaken by the League of Nations, was to serve as a central bank of issue. The bank was organized with a capital of 30,000,000 gold korona. (A reconstruction loan of 250,000,000 gold korona was floated by Hungary in the leading financial centers in July, 1924.) At the time of the opening of the bank, the total note circulation was nearly 3,000,000,000,000 korona.

According to the annual report of the bank, the note circulation on December 31, 1929, totaled 500,600,000 pengő; of which amount 1,993,000 pengő represented 24,912,500,000 korona notes; the metallic reserve totaled 209,751,000 pengő.

On account of the intimate financial relations between Hungary and Great Britain, the korona 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 korona to the pound sterling, which meant about 83,000 korona to the United States dollar since the exchange value of the pound sterling was then about \$4.32. As conditions in Hungary improved the exchange value of the korona advanced, so that a rate of 346,000 korona to the pound sterling (the same as the Austrian rate) was adopted, which is the equivalent of about 71,000 korona to the United States dollar, or about \$0.000014. As the exchange value of the pound sterling advanced, practically reaching par in April, 1925, the korona also rose in value and remained stable at \$0.000014 until the adoption of the pengő as the monetary unit.

BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 57 and 58 is: From January, 1914, to June, 1921, the rates represent the approximate averages of rates on the New York market; from July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Budapest. Average rates from July, 1921, to December, 1929, are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value of the korona (\$0.2026) may be used from 1900 to 1913.

TABLE 57.—YEARLY AVERAGE EXCHANGE RATES OF THE HUNGARIAN KORONA AND PENGŐ<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$ 0.1900	1920.....	\$0.00366	1926.....	\$0.1756
1915.....	1.1550	1921.....	.00253	1927.....	.1747
1916.....	1.1300	1922.....	.000908	1928.....	.1744
1917.....	1.0650	1923.....	.000166	1929.....	.1744
1918.....	1.0625	1924.....	.000017		
1919.....	1.0314	1925.....	.000014		

<sup>1</sup> Korona, 1914-1925; pengő, 1926-1929.

<sup>2</sup> Approximate.

TABLE 58.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE HUNGARIAN KORONA AND PENGŐ<sup>1</sup>

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(?)	\$0.00143	\$0.00035	\$0.000029	\$0.000014	\$0.1756	\$0.1752	\$0.1747	\$0.1743
Second quarter.....	(?)	.00120	.00018	.000012	.000014	.1756	.1746	.1746	.1743
Third quarter.....	\$0.00263	.00059	.000069	.000013	.000014	.1756	.1745	.1743	.1744
Fourth quarter.....	.00134	.00041	.000053	.000013	.000014	.1756	.1747	.1742	.1748
January.....	(?)	.00152	.00039	.000039	.000014	.1755	.1753	.1747	.1742
February.....	(?)	.00150	.00038	.000033	.000014	.1756	.1753	.1747	.1743
March.....	(?)	.00126	.00029	.000015	.000014	.1756	.1751	.1747	.1743
April.....	(?)	.00126	.00022	.000014	.000014	.1756	.1748	.1746	.1742
May.....	(?)	.00126	.00019	.000012	.000014	.1756	.1746	.1746	.1743
June.....	(?)	.00108	.00014	.000011	.000014	.1756	.1744	.1745	.1743
July.....	.00332	.00076	.000097	.000012	.000014	.1757	.1744	.1744	.1743
August.....	.00263	.00060	.000056	.000013	.000014	.1756	.1744	.1743	.1744
September.....	.00194	.00042	.000055	.000013	.000014	.1756	.1747	.1742	.1744
October.....	.00143	.00040	.000054	.000013	.000014	.1756	.1746	.1742	.1745
November.....	.00108	.00041	.000054	.000013	.000014	.1756	.1746	.1742	.1748
December.....	.00151	.00043	.000052	.000013	.000014	.1756	.1748	.1742	.1751

<sup>1</sup> Korona, 1921-1925; pengő, 1926-1929.

<sup>2</sup> Not available.



## ICELAND

Iceland's monetary unit in the krona (plural, kronur) of 100 aurar, representing 448.03 milligrams of gold 0.900 fine (403.227 milligrams of fine gold), the par value of which is identical with that of the countries belonging to the Scandinavian Monetary Union,<sup>20</sup> or \$0.268 United States currency.

Apart from the subsidiary currency, consisting of copper coins of krona and aura denominations, the circulating medium consists of bank notes issued by the Bank of Iceland (Íslands Banki), established 1904, and the Government Treasury notes issued by the National Bank of Iceland (Landsbanki Íslands), established 1886. By the law of June 7, 1902, the Bank of Iceland was granted the monopoly of note issue for 30 years, the National Bank of Iceland, however, retaining the right to continue the circulation of Treasury notes to the amount of 750,000 kronur. By the law of May 4, 1922, it is provided that if a further issue of notes is required to meet the demands of legitimate home trade the Government may authorize the National Bank of Iceland to put the necessary amount of Treasury notes in circulation; but on notes thus issued in excess of 750,000 kronur 2 per cent interest is to be paid the Treasury.

## NOTE CIRCULATION

Under the bank act of 1905 the Bank of Iceland was granted the exclusive privilege of note issue, sufficient to meet the demands of commerce but not exceeding 2,500,000 kronur, payable in gold to bearer on demand. The reserves must consist of a metallic fund (legal tender, gold, and credit balances) covering three-eighths of the amount of notes outstanding; the remainder to be covered by convertible securities. Because of conditions created by the outbreak of the World War, on August 3, 1914, the Bank of Iceland was exempted from redeeming its notes in gold, and this exemption has been extended from year to year. By the law of November 30, 1914, the Bank of Iceland was authorized to increase its note issue by 500,000 kronur, provided that at least one-half of the cover for its outstanding notes beyond 2,500,000 kronur be gold according to the bank act of 1905 and that the bank at the close of each month pay interest at the rate of 2 per cent a year on the excess issue for which there is no gold cover. By the law of August 16, 1920, the bank was allowed to extend its note issue to 12,000,000 kronur without increasing the gold cover, subject to its complying with certain regulations fixed by the Government.

Notes in circulation increased from 2,062,000 kronur on June 30, 1913, to 9,336,000 kronur on December 31, 1920, when circulation reached its peak. On December 31, 1928, the total amount of notes outstanding was 8,100,000 kronur, on which date the gold reserve was 2,200,000 kronur.

## POST-WAR EXCHANGE RATES IN REYKJAVIK

Before the World War the Icelandic krona was practically stable at par (as were the monetary units of the countries belonging to the Scandinavian Monetary Union); from 1914 to the first part of 1920 it followed the fluctuations of the Danish krone (see Denmark, p.

<sup>20</sup> Formation of the Scandinavian Monetary Union is discussed under Denmark, p. 59.

61, for exchange rates); but from the latter half of 1920 to June, 1922, it was quoted (though not officially) independently of the Danish krone and at a lower rate. These rates, however, are not available.

The following are the rates as officially quoted at Reykjavik (yearly averages are computed from quarterly averages):

TABLE 59.—YEARLY AND QUARTERLY AVERAGE EXCHANGE RATES OF THE ICELANDIC KRONA

Period	1922	1923	1924	1925	1926	1927	1928	1929
Year.....	( <sup>1</sup> )	\$0.1561	\$0.1419	\$0.1912	\$0.2209	\$0.2209	\$0.2205	( <sup>1</sup> )
First quarter.....	( <sup>1</sup> )	.1638	.1316	.1740	.2214	.2206	.2208	\$0.2198
Second quarter.....	( <sup>1</sup> )	.1613	.1341	.1815	.2206	.2208	.2208	( <sup>1</sup> )
Third quarter.....	\$0.1718	.1820	.1417	.1919	.2208	.2208	.2203	( <sup>1</sup> )
Fourth quarter.....	.1748	.1472	.1600	.2174	.2208	.2214	.2200	( <sup>1</sup> )

<sup>1</sup> Indeterminable.

<sup>2</sup> Not available.

### IRAQ (MESOPOTAMIA)

In Iraq (former Mesopotamia) the monetary unit is the Indian rupee of 16 annas, par \$0.36499 United States currency. (See British India, p. 35, for exchange rates, etc.) It is reported, however, that the rupee will shortly be displaced by a new national Iraq currency and note issue.

### IRISH FREE STATE

By the currency act of August 20, 1927, the Irish Free State established the Saorstát pound as its monetary unit. This pound is a legal-tender note backed, pound for pound, by British Government securities and directly convertible into sterling, and therefore it has the same par value as the British pound, \$4.8665 United States currency, and represents 7.9881 grams of gold 0.916% fine (7.3224 grams of fine gold). Under the coinage act of April 13, 1926, the Government has issued silver, nickel, and bronze tokens distinctively Irish in design to replace the British token coinage then in use; however, no State mint will be set up.

Apart from the metallic currency and legal-tender notes referred to above, there is in circulation the consolidated bank-note issue, an obligation of the Government Currency Commission, protected by a lien on the entire assets of the eight issuing banks. A tax of 1½ per cent per annum is levied on the entire consolidated note issue. On January 25, 1930, the notes outstanding amounted to £6,466,000.

For exchange rates, see United Kingdom, p. 174.

### ITALIAN AFRICA

#### ERITREA (ITALIAN EAST AFRICA)

In the colony of Eritrea the monetary unit is the Italian lira, recently stabilized at \$0.0526 United States currency. (See Italy, p. 105, for exchange rates, etc.) The legal currency consists of Italian coins and Eritrean thaler. (The Italian mint in 1918 issued a new silver coin, the tallero d'Italia, the silver content of which is 28.0668 grams 0.835 fine, for circulation in Eritrea.)

## ITALIAN LIBYA

## CYRENAICA AND TRIPOLITANIA

Cyrenaica, which forms part of the Italian colony of Libya in northern Africa, employs as its monetary unit the lira of 100 centesimi, the present par value of which is \$0.0526 United States currency. (See Italy, below, for exchange rates and details.) The Banca d'Italia and Banco di Roma take care of financial operations.

In Tripolitania, while the official currency is that of Italy, British pounds sterling and French francs are also used in commercial transactions.

## ITALIAN SOMALILAND

In the colony of Italian Somaliland the monetary unit is the Italian lira of 100 centesimi, the par value of which is \$0.0526 United States currency. (See Italy, p. 105, for exchange rates.) The Italian lira replaced the Indian rupee as legal tender on July 1, 1925. A branch of the Bank of Italy at Mogadiscio is the bank of issue.

## ITALY

Italy's monetary unit is the lira (plural, lire) of 100 centesimi, stabilized, effective December 22, 1927, at \$0.0526315 United States currency. The new lira represents 87.9901 milligrams of gold 0.900 fine (79.1911 milligrams of fine gold).

Apart from the subsidiary metallic currency in lira and centesimo denominations the principal circulating medium consists of the notes of the Bank of Italy, which was given the sole right of note issue on June 30, 1926; on that date it took over the circulation of the Bank of Naples and the Bank of Sicily, which previously had shared with it the issue right. The legal minimum reserve requirement is 40 per cent gold against notes and deposits exclusive of the Treasury fixed-deposit account.

## BIMETALLIC STANDARD

After unification in 1859, Italy adopted a single monetary system to take the place of the separate standards of coinage of the various States, patterning its currency after that of France. By the law of August 24, 1862, the new monetary unit, the gold lira, was made exactly equivalent to the French gold franc (322.58 milligrams of gold 0.900 fine), the par value of which was \$0.193 United States currency.

The metallic currency consisted of gold and silver pieces, which were full legal tender. Italy then was on the double standard. The law granted the coins of France, Belgium, and Switzerland (which countries, together with Italy and, later, Greece, constituted the Latin Monetary Union; see p. 15) legal circulation in Italy and decreed the retirement of all nondecimal gold, silver, and bronze coins still circulating in the Kingdom.

Owing to the difference in fineness of the subsidiary coins of the four countries—Belgium, 0.900 fine; France, some 0.900 and some 0.835; Italy, 0.835; and Switzerland, 0.800—Belgian coins, proving Gresham's law,<sup>21</sup> disappeared from circulation. Trade and commerce suffered. To remedy this difficulty, the convention of 1865 provided for a standard fineness of 0.835, for the mutual redemption of sub-

<sup>21</sup> Gresham's law as stated by H. D. Macleod: "The worst form of currency in circulation regulates the value of the whole currency and drives all other forms of currency out of circulation."

sidary coins, and for the limitation of their output. In all other points the convention maintained the status quo, free coinage of both gold and silver at 15½ to 1 with mutual acceptance by the States of each other's coins.

#### "LIMPING STANDARD"

About this time war broke out with Austria, and Italy was compelled to suspend specie payments. On May 1, 1866, Italy decreed the forced legal tender of its paper currency (*corso forzoso*). The immediate result was a premium on gold; Italian paper money depreciated; Italian coins therefore were exported and flooded the other States of the Latin Monetary Union.

In 1875 Italy abrogated the right of free coinage of silver for private account, after a conference with Belgium, France, and Switzerland, which limited the amount of silver coinage for each country. By this law Italy practically adopted the "limping standard." In 1878 coinage of 5-lira silver pieces was completely suspended.

In 1883, with the aid of a foreign loan Italy abolished, as from the beginning of 1884, the "*corso forzoso*" established in 1866 and resumed specie payments in both gold and silver. Customs dues were made payable only in gold. Italy also decreed that at least two-thirds of the bank reserves should be gold.

In 1892, owing to the building crisis and the accompanying banking difficulties, Italy again suspended specie payments and consequently lost the larger part of its silver to the other countries of the Union. At a conference in 1893 it was arranged that the other countries should return the Italian subsidiary coins to Italy for redemption. After this time, to avoid recurrence of the trouble, Italy held its silver in reserve and issued notes of small denominations against it. Thus silver ceased to circulate.

#### BANKS OF ISSUE

At the time of the unification of Italy six banks—the National Bank of Italy, the Roman Bank, the National Bank of Tuscany, the Tuscan Bank of Credit, the Bank of Naples, and the Bank of Sicily—had the right of note issue. When specie payments were suspended in 1866 full legal-tender quality was accorded the National Bank notes; the notes of the other banks of issue were legal tender only within their own Provinces and redeemable in coin or National Bank notes. This gave rise to the technical distinction between "forced" currency (*corso forzoso*) and "legal tender" currency (*corso legale*) peculiar to Italian currency and banking, the distinction being only that between the notes of the National Bank and notes of the other banks of issue. Notes of the National Bank were not only receivable by the Government for all public dues, but were lawful legal tender for all private obligations throughout Italy as well; whereas notes of the other banks, although receivable for all public dues, were not legal tender for the discharge of private obligations outside their local territory.

In 1893 the Italian banking system was reorganized. In 1894 the Roman Bank was liquidated, the National Bank of Tuscany and the Tuscan Bank of Credit were consolidated with the National Bank of Italy to form the new Bank of Italy; only the new Bank of Italy,

the Bank of Naples, and the Bank of Sicily were to have the right of note issue. During the continuance of the forced-legal-tender policy, the maximum limit of circulation was not to exceed 1,097,000,000 lire for the three banks; this amount was to be reduced by 1907 to 864,000,000 lire, or three times the paid-in capital of the banks. This maximum limit was to be covered by 40 per cent reserve, thirty-three fortieths to be in specie and the remainder in prime foreign bills of exchange.

#### REVISION OF BANKING CODE

In 1900 the Government undertook the task of codifying most of the laws relating to the banks of issue. Partial changes were made during subsequent years, especially in 1908 and 1909, following the financial crisis of 1907. In 1910 another codification was undertaken, which embodied the principal provisions regarding reserves, redemption, and note issues which prevailed before the World War. The notes issued by the three issuing banks were either for the needs of trade or for account of the Government; a so-called "normal maximum limit" of issue was fixed at 908,000,000 lire during the period immediately preceding the World War. The Bank of Sicily was authorized to issue an additional 10,000,000 lire to assist the sulphur industry. Against the normal issue a minimum cash reserve of 40 per cent must be maintained; at least three-fourths of this must consist of gold coin or bullion. Any excess circulation above the "normal" limit must either be covered by metallic reserve to the full face value of the excess issue or be subject to a graduated supertax.

The banks were under obligation to make advances to the State at 1½ per cent interest up to a maximum of 155,000,000 lire, against which a metallic reserve of one-third was required. No issue of notes for account of the State had been made by the banks when Italy joined the Allies. In addition to bank notes there were in circulation Government notes, limited to 500,000,000 lire, against which a reserve of not less than 100,000,000 lire in gold was required. These notes had been inconvertible since 1894.

The Bank of Italy has a joint-stock form of organization; the Bank of Naples and the Bank of Sicily represent a type of institution not found in other countries and are unique in that they have no stockholders. Their capital was partly secured originally by gifts. Their profits go to increase the capital and surplus and are also distributed for public and charitable purposes. The Bank of Sicily and the Bank of Naples are described in the bank law as "autonomous public credit institutions operating under the supervision of the Government and owning their own capital or property" (*patrimonio*). On June 30, 1914, circulation totaled 499,000,000 lire of State notes and 2,199,000,000 lire of bank notes; against this total circulation there was a metallic reserve of 1,644,500,000 lire, of which 1,510,400,000 lire was gold.

#### WAR AND POSTWAR NOTE CIRCULATION

On the outbreak of the World War the maximum "normal" issues of the three banks were doubled; a special annual tax of 1 per cent was imposed on the first two-thirds of the excess over the old normal and of 2 per cent on the last third. The statutory advances to the State were raised from 155,000,000 to 485,000,000 lire; a metallic cover of one-

third was required. The Government paid 1½ per cent interest on these advances. Other bank advances to the Government increased considerably when Italy entered the war in May, 1915. By a series of nine decrees between June 27, 1915, and June 28, 1918, the banks' "extraordinary" advances were gradually increased from 200,000,000 to a maximum of 4,850,000,000 lire. Notes issued on this account were not covered by any metallic reserve and the Treasury paid interest on these advances only at a nominal rate of one-fourth of 1 per cent per annum to cover cost of printing. There were also "notes supplied to the Treasury" amounting to 700,000,000 lire issued at the outbreak of the war to enable the State Deposit and Loan Institution (Cassa Depositi e Prestiti) to grant loans, mainly to local authorities for public works.

In addition to the war issues, several other issues were made for account of the Government to meet postwar exigencies, such as 804,000,000 lire in substitution of the kronen notes circulating in the former Austro-Hungarian provinces and 1,000,000,000 lire to effect the retirement of an equal amount of Treasury bonds.

During 1919, following the armistice, Treasury requirements for demobilization and rehabilitation were extremely heavy and note circulation for State account increased accordingly. Commercial circulation also expanded considerably at the close of 1921 owing to the suspension of payments by the Banco Italiano di Sconto and the difficulties of other important Italian banks. About this time difficulties befell the Credito Italiano and the Banco di Roma.

At the end of 1918 total circulation amounted to 13,874,000,000 lire; at the end of 1919, to 18,552,000,000 lire; and at the end of 1920, to 22,000,000,000 lire. In December, 1929, the note circulation of the Bank of Italy stood at 16,774,000,000 lire; the reserves (in terms of the stabilized lira) consisted of gold at home to the amount of 5,190,000,000 lire and credits and balances abroad 5,151,000,000 lire.

#### STABILIZATION OF LIRA

At the beginning of the World War Italy called in funds from abroad, with the result that the exchange value of the lira advanced markedly (on account of the demand for lire); but exchange fell at the end of 1914 and continued to decline until the United States entered the war in 1917; when, through the use of credits obtained from the United States Government, the lira rallied. When this artificial support was withdrawn in March, 1919, the lira again fell rapidly—to less than 4 cents United States currency in April, 1920; and from that time until 1927 exchange fluctuated considerably.

At the international conference held in Genoa in 1922 it was recognized to be an essential condition for the economic reconstruction of Europe that each country should attain a stable value for its currency. Thereafter, one country after another proceeded toward the achievement of that object, and by 1927 Italy was numbered among the nations having a sound currency on a gold basis.

The royal decree of December 21, 1927, stabilized the lira, effective December 22. The Bank of Italy has the option of converting its notes either into gold or into the currency of foreign countries where

convertibility of bank notes into gold is in force, at rates to be fixed—which, rates must not exceed the gold-export points. Moreover the bank is required to regulate the circulation of its notes and the foreign-exchange market in order that the rate of the lira may always remain within the gold points,<sup>22</sup> which have been fixed against the United States dollar at 19.10 lire for export and 18.90 lire for import. The new currency system, by which the inconvertibility of notes is repealed, is known as the "gold-exchange standard." The conversion of notes into foreign currencies is effected in accordance with the royal decree of February 26, 1928.

By article 3 of the decree of December 21, 1927, the Bank of Italy is authorized to include among its assets in Italian lire, on the basis of the new gold parity, all of its existing gold or equivalent reserves which formerly were entered in the balance sheet at the old gold parity.

To insure the complete success of stabilization, it was considered desirable to obtain a foreign credit for a substantial amount. Consequently arrangements were made with the Federal Reserve Bank of New York, the Bank of England, and the central banks of a number of other countries for a 12-month credit, with option of renewal for a further 12 months by mutual consent, for an aggregate amount equivalent to \$125,000,000.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 60 and 61 is: 1914-1918, sight drafts, New York on Milan; 1919-1929, noon buying rates for cable transfers, New York on Milan. The yearly averages from 1914 to 1918 are computed from monthly average rates; from 1919 to 1929 the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from the monthly averages.

For conversion purposes, the par value (\$0.193) may be used from 1900 to 1913, inasmuch as in no one of these years did the rate vary more than 1 per cent.

TABLE 60.—YEARLY AVERAGE EXCHANGE RATES OF THE ITALIAN LIRA

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.1926	1920.....	\$0.0497	1926.....	\$0.0389
1915.....	.1655	1921.....	.0429	1927.....	.0316
1916.....	.1529	1922.....	.0478	1928.....	.0526
1917.....	.1331	1923.....	.0460	1929.....	.0523
1918.....	.1311	1924.....	.0436		
1919.....	.1137	1925.....	.0398		

<sup>22</sup> "The gold points are the rates of exchange at which gold will flow into or out of a country. . . . Generally speaking, the person who requires to purchase exchange, whether in the shape of telegraphic transfers, bills of exchange, or other form of remittance, will do so only so long as the price does not exceed the cost of shipping gold; and the point at which it is just as cheap to send the metal to a foreign country as to remit through other exchange media will, in normal times, mark the limit of premium on exchange. If the sellers of exchange demand a price above this point, bankers and exchange operators will send gold rather than pay the enhanced premium."—Spalding's "Dictionary of World's Currencies and Foreign Exchanges," pp. 79, 80.

TABLE 61.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE ITALIAN LIRA

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0. 1923	\$0. 1791	\$0. 1501	\$0. 1354	\$0. 1166	\$0. 1549	\$0. 0599	\$0. 0368
Second quarter.....	. 1933	. 1696	. 1564	. 1394	. 1114	. 1293	. 0518	. 0496
Third quarter.....	. 1961	. 1583	. 1549	. 1349	. 1390	. 1099	. 0500	. 0435
Fourth quarter.....	. 1889	. 1549	. 1495	. 1226	. 1572	. 0865	. 0368	. 0418
January.....	. 1919	. 1862	. 1502	. 1410	. 1183	. 1575	. 0714	. 0355
February.....	. 1923	. 1785	. 1487	. 1361	. 1157	. 1575	. 0551	. 0365
March.....	. 1927	. 1727	. 1515	. 1291	. 1159	. 1497	. 0532	. 0385
April.....	. 1929	. 1716	. 1546	. 1376	. 1124	. 1366	. 0446	. 0460
May.....	. 1934	. 1713	. 1580	. 1421	. 1104	. 1258	. 0517	. 0590
June.....	. 1935	. 1658	. 1567	. 1386	. 1114	. 1255	. 0591	. 0498
July.....	. 1985	. 1605	. 1554	. 1385	. 1192	. 1190	. 0578	. 0453
August.....	. 2021	. 1568	. 1544	. 1357	. 1410	. 1087	. 0489	. 0432
September.....	. 1877	. 1575	. 1550	. 1305	. 1568	. 1021	. 0434	. 0420
October.....	. 1909	. 1577	. 1519	. 1274	. 1572	. 0984	. 0394	. 0397
November.....	. 1866	. 1545	. 1495	. 1187	. 1573	. 0846	. 0362	. 0412
December.....	. 1892	. 1524	. 1471	. 1217	. 1572	. 0766	. 0349	. 0444

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 0480	\$0. 0485	\$0. 0432	\$0. 0412	\$0. 0403	\$0. 0439	\$0. 0529	\$0. 0523
Second quarter.....	. 0520	. 0479	. 0440	. 0400	. 0385	. 0533	. 0527	. 0524
Third quarter.....	. 0445	. 0436	. 0437	. 0380	. 0344	. 0544	. 0523	. 0523
Fourth quarter.....	. 0437	. 0440	. 0433	. 0401	. 0426	. 0543	. 0524	. 0524
January.....	. 0437	. 0488	. 0434	. 0417	. 0404	. 0434	. 0529	. 0523
February.....	. 0491	. 0482	. 0435	. 0411	. 0403	. 0432	. 0529	. 0523
March.....	. 0511	. 0486	. 0428	. 0407	. 0402	. 0451	. 0528	. 0524
April.....	. 0537	. 0496	. 0444	. 0410	. 0402	. 0502	. 0528	. 0524
May.....	. 0526	. 0484	. 0444	. 0407	. 0387	. 0540	. 0527	. 0524
June.....	. 0496	. 0457	. 0433	. 0393	. 0366	. 0558	. 0526	. 0523
July.....	. 0457	. 0433	. 0430	. 0367	. 0335	. 0545	. 0524	. 0523
August.....	. 0451	. 0431	. 0444	. 0366	. 0330	. 0544	. 0523	. 0523
September.....	. 0427	. 0444	. 0438	. 0406	. 0367	. 0544	. 0523	. 0523
October.....	. 0417	. 0451	. 0435	. 0399	. 0412	. 0546	. 0524	. 0524
November.....	. 0451	. 0436	. 0433	. 0400	. 0421	. 0545	. 0524	. 0524
December.....	. 0503	. 0434	. 0430	. 0403	. 0444	. 0538	. 0524	. 0524

## JAPAN

Japan's monetary unit is the yen (plural, yen) of 100 sen, representing 2 fun (750 milligrams) of fine gold—the equivalent of 833.33 milligrams of gold 0.900 fine—the par value of which is \$0.4985 United States currency. This unit of value was established in 1897 when the gold standard was adopted. The new gold yen, however, is not coined.

The metallic currency consists of gold pieces of 5, 10, and 20 yen and silver pieces of 1 yen and 20 and 50 sen (the former 5, 10, 20, and 50 sen pieces are allowed to circulate). There are also other subsidiary coins of nickel-copper and bronze in sen and rin denominations. The gold pieces are 0.900 fine; the silver pieces, 0.720 fine.

Apart from the metallic currency, the principal circulating medium consists of the notes of the Bank of Japan, established in 1882. In May, 1884, the convertible bank notes law was enacted, providing for the issuance by the Bank of Japan of notes which were to be convertible into silver; but with the adoption of the gold standard in 1897 the existing bank notes became convertible into gold.



## NOTE ISSUES

Emission of notes by the Bank of Japan is subject to the following regulations: The bank is required to hold as reserve against its outstanding notes an equal amount of gold and silver coins or bullion; silver coins and bullion, however, must not exceed one-fourth of the entire reserve. The bank may, in addition, issue notes, not exceeding 120,000,000 yen in all, against Government loan bonds, Treasury bills, commercial bills, or other reliable security; if, to increase the circulating medium, it is found necessary to exceed this sum, the bank must pay an issue tax of not less than 5 per cent per annum on the amount so issued. In December, 1929, outstanding notes of the Bank of Japan totaled 1,633,000,000 yen; and gold reserves, 1,065,000,000 yen.

To make up the deficiency of subsidiary silver coins caused by the World War, an imperial ordinance promulgated on October 29, 1917, authorized the issuance of paper money of small denominations. These notes reached their maximum, 218,000,000 yen, in February, 1922; the volume has since been greatly diminished by the minting of new subsidiary coins and in October, 1929, stood at 12,100,000 yen.

## METALLIC CURRENCY

The real currency of Japan, before the opening of the country to foreign trade, consisted of gold, silver, and copper coins. The gold coin was called "kobang." It weighed about 200 grains troy but appears to have varied greatly in fineness. The silver coin was called "boo" and was reckoned at one-fourth of a kobang.

Since 1871 the legal monetary unit has been the silver yen of 100 sen. The basis of the new monetary system was to be the Mexican dollar, whose equivalent, the new silver yen, weighed 27.07 grams (416 grains troy) 0.900 fine. At the same time gold yen pieces were coined of 0.900 fineness and containing 1.5 grams of fine gold; hence, the double valuation was established in Japan at the ratio of about 1 to 16. As this ratio gave to gold a higher value than its bullion value, it was more advantageous to coin gold and in 1872 silver ceased to be coined. Since 1872, however, the value of gold advanced considerably in its relation to silver, with the result that gold yen were exported to Europe and the actual standard was silver.

## ADOPTION OF GOLD STANDARD

In 1875 the Japanese Government resumed coinage of silver in the form of a "trade dollar" weighing 27.216 grams (420 grains troy) 0.900 fine, the exact equivalent of the United States trade dollar.<sup>23</sup> Japan afterwards attempted to introduce this coin as a monetary unit instead of the Mexican dollar, and in 1878 made it legal tender in all public and private transactions; however, it did not succeed in driving out the Mexican dollar, which, although weighing only about

<sup>23</sup> "Besides the silver legal-tender dollar [of 412.5 grains troy, 0.900 fine] the United States coined between 1873 and 1896 the 'trade dollar,' a commercial money intended to enter into competition with the Mexican and Spanish dollars in the Eastern trade, principally in China. This trade dollar weighed 420 grains 0.900 fine (about 4 grains more than the Mexican dollar), but as it did not answer expectations it was withdrawn." Spaulding's "Tate's Modern Cambist," p. 308.

26.957 grams (416 grains troy), circulated on a parity with the Japanese trade dollar.

In September, 1879, the silver yen of 26.957 grams (416 grains troy) 0.900 fine was declared by the Government to be legal tender and was to circulate on a parity with the Mexican dollar. This coin subsequently supplanted the Mexican dollar.

In 1897 the gold standard was adopted. When the United States instituted an embargo on gold in September, 1917, Japan found its chief source of gold imports cut off and immediately put down an embargo on gold shipments, which was not lifted until January 11, 1930 (law of November 21, 1929).

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 62 and 63 is: 1900-1918, buying rates for demand bills, Tokyo on San Francisco and New York; 1919-1929, cable transfers, New York on Tokyo. The average rates from 1900 to 1918 are the averages as quoted in *Le Résumé Statistique de l'Empire du Japon*; from 1919 to 1929, the yearly and monthly averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 62.—YEARLY AVERAGE EXCHANGE RATES OF THE JAPANESE YEN

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.4935	1910.....	\$0.4954	1920.....	\$0.5037
1901.....	.4950	1911.....	.4949	1921.....	.4826
1902.....	.4985	1912.....	.4954	1922.....	.4780
1903.....	.4981	1913.....	.4952	1923.....	.4858
1904.....	.4916	1914.....	.4934	1924.....	.4119
1905.....	.4941	1915.....	.4898	1925.....	.4104
1906.....	.4950	1916.....	.5016	1926.....	.4712
1907.....	.4954	1917.....	.5067	1927.....	.4741
1908.....	.4950	1918.....	.5147	1928.....	.4641
1909.....	.4964	1919.....	.5118	1929.....	.4610

TABLE 63.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE JAPANESE YEN

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0.4938	\$0.4901	\$0.4988	\$0.5050	\$0.5100	\$0.5153	\$0.4867	\$0.4866
Second quarter.....	.4945	.4888	.4997	.5056	.5110	.5153	.5049	.4834
Third quarter.....	.4941	.4873	.5030	.5071	.5165	.5099	.5154	.4819
Fourth quarter.....	.4913	.4933	.5048	.5092	.5213	.5076	.5060	.4783
January.....	.4938	.4913	.4988	.5050	.5100	.5199	.4997	.4870
February.....	.4938	.4902	.4988	.5050	.5100	.5154	.4854	.4869
March.....	.4938	.4888	.4988	.5050	.5100	.5106	.4751	.4859
April.....	.4938	.4888	.4988	.5050	.5100	.5138	.4862	.4850
May.....	.4938	.4888	.4988	.5065	.5106	.5174	.5145	.4855
June.....	.4900	.4888	.5006	.5068	.5125	.5146	.5141	.4797
July.....	.4963	.4888	.5020	.5063	.5144	.5110	.5102	.4901
August.....	.4947	.4868	.5031	.5075	.5163	.5100	.5158	.4837
September.....	.4913	.4862	.5038	.5075	.5188	.5087	.5141	.4820
October.....	.4913	.4913	.5045	.5086	.5194	.5091	.5130	.4766
November.....	.4913	.4920	.5050	.5089	.5219	.5094	.5075	.4790
December.....	.4913	.4966	.5050	.5100	.5225	.5042	.5034	.4792

TABLE 63.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE JAPANESE YEN—Continued

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.4745	\$0.4855	\$0.4441	\$0.3950	\$0.4499	\$0.4893	\$0.4696	\$0.4508
Second quarter.....	.4749	.4894	.4073	.4150	.4681	.4738	.4698	.4438
Third quarter.....	.4786	.4876	.4107	.4094	.4776	.4709	.4556	.4651
Fourth quarter.....	.4843	.4806	.3858	.4216	.4889	.4625	.4615	.4848
January.....	.4762	.4875	.4490	.3845	.4417	.4881	.4688	.4551
February.....	.4737	.4844	.4543	.3908	.4540	.4894	.4687	.4521
March.....	.4735	.4846	.4290	.4097	.4539	.4914	.4715	.4452
April.....	.4736	.4869	.4093	.4176	.4664	.4837	.4771	.4462
May.....	.4736	.4908	.4019	.4191	.4695	.4708	.4661	.4465
June.....	.4775	.4904	.4108	.4083	.4685	.4669	.4661	.4388
July.....	.4777	.4879	.4135	.4108	.4707	.4713	.4585	.4556
August.....	.4771	.4888	.4126	.4099	.4780	.4733	.4505	.4669
September.....	.4810	.4862	.4060	.4075	.4840	.4682	.4578	.4727
October.....	.4807	.4881	.3879	.4097	.4866	.4657	.4620	.4776
November.....	.4837	.4837	.3852	.4233	.4906	.4598	.4635	.4873
December.....	.4885	.4701	.3844	.4319	.4894	.4619	.4589	.4896

## LATVIA

In August, 1922, the Republic of Latvia adopted the lat (plural, latos; anglicized, lats) of 100 santimi (anglicized plural, santims) as its monetary unit. The lat, the equivalent of the former French franc, represents 322.58 milligrams of gold 0.900 fine (290.322 milligrams of fine gold), the par value of which is \$0.192948 United States currency.

The principal circulating medium, apart from subsidiary coins of silver, nickel, and copper in lat and santim denominations, consists of notes of the Bank of Latvia, which is the only bank of issue. The legal minimum reserve requirement against the issue of 100,000,000 lats must be 50 per cent gold and stable foreign exchange; the remaining cover to consist of prime short-term bills of exchange. Any excess over 100,000,000 lats, but not more than 50,000,000 lats, must be covered by 75 per cent gold and stable foreign currency and 25 per cent prime short-term bills of exchange; bank notes in excess of 100,000,000 lats must be covered in full by gold or stable foreign currency.

## NOTE CIRCULATION

The former units of currency were the Russian ruble and the Latvian ruble. After the establishment of the Republic in November, 1918, the Latvian Government first issued notes in rubles, guaranteed by all the property of the State. The exchange rate of these notes fluctuated to a certain extent and was finally stabilized at 50 Latvian rubles to the lat.

When the Bank of Latvia opened for business on November 1, 1922, it issued 10-lat notes by simply imprinting the existing 500-ruble notes. To do away with the dual monetary system, the Government decided to withdraw all ruble notes and replace them by notes in denominations of 1, 2, 5, 10, and 20 lats. Later on Government notes totaling 10,000,000 lats were replaced by subsidiary coins of nickel and copper.

Notes in circulation at the end of December, 1929, consisted of Government notes to the amount of 34,500,000 lats and Bank of Latvia notes 48,500,000 lats; the cover, on the same date, consisted

of gold coin and bullion to the value of 23,933,000 lats and foreign assets 45,290,000 lats.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 64 and 65 is: Sight drafts, Riga on New York. The yearly and quarterly averages are computed from the monthly averages quoted in the *Annuaire Statistique*, *Latvian Economist*, and *Bulletin Mensuel de Statistique de l'Etat Letton*.

TABLE 64.—YEARLY AVERAGE EXCHANGE RATES OF THE LATVIAN RUBLE AND LAT<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1920.....	\$0.00909	1924.....	\$0.1931	1928.....	\$0.1932
1921.....	.00323	1925.....	.1928	1929.....	.1928
1922.....	.00396	1926.....	.1929		
1923.....	.1951	1927.....	.1928		

<sup>1</sup> Latvian ruble, 1920-1922; lat, 1923-1929.

TABLE 65.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE LATVIAN RUBLE AND LAT<sup>1</sup>

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.00465	\$0.00414	\$0.1961	\$0.1935	\$0.1927	\$0.1931	\$0.1927	\$0.1932	\$0.1927
Second quarter.....	.00232	.00391	.1942	.1931	.1927	.1931	.1927	.1938	.1927
Third quarter.....	.00248	.00389	.1953	.1931	.1930	.1927	.1928	.1931	.1927
Fourth quarter.....	.00349	.00388	.1947	.1928	.1930	.1927	.1931	.1928	.1931
January.....	.00483	.00418	.1969	.1942	.1927	.1931	.1927	.1931	.1927
February.....	.00513	.00433	.1953	.1931	.1927	.1931	.1927	.1931	.1927
March.....	.00398	.00392	.1961	.1931	.1927	.1931	.1927	.1934	.1927
April.....	.00274	.00391	.1957	.1931	.1927	.1931	.1927	.1938	.1927
May.....	.00218	.00391	.1916	.1931	.1927	.1931	.1927	.1938	.1927
June.....	.00203	.00391	.1953	.1931	.1927	.1931	.1927	.1938	.1927
July.....	.00218	.00389	.1953	.1931	.1927	.1927	.1927	.1931	.1927
August.....	.00258	.00389	.1953	.1931	.1931	.1927	.1927	.1931	.1927
September.....	.00228	.00389	.1953	.1931	.1931	.1927	.1931	.1931	.1927
October.....	.00279	.00389	.1953	.1931	.1931	.1927	.1931	.1931	.1931
November.....	.00357	.00386	.1946	.1927	.1931	.1927	.1931	.1927	.1931
December.....	.00410	.00388	.1942	.1927	.1927	.1927	.1931	.1927	.1931

<sup>1</sup> Latvian ruble, 1921 and 1922; lat, 1923-1929.

## LIBERIA

The current money in the Republic of Liberia is chiefly British gold and silver; there is, however, a Liberian coinage in silver and copper. The Liberian dollar is fixed at 4s. 2d., or about \$1.014 United States currency. The Liberian coins actually circulating consist of 10, 25, and 50 cent silver pieces and 1 and 2 cent copper pieces.

Official accounts generally are kept in United States dollars and cents; commercial accounts in English currency.

## LIECHTENSTEIN

The Swiss franc of 100 centimes, representing 322.58 milligrams of gold 0.900 fine (290.322 milligrams of fine gold) and whose par value is \$0.192948 United States currency, was adopted by the principality of Liechtenstein as its monetary unit in February, 1921. (See Switzerland, pp. 166-167, for exchange rates, etc.) Since January, 1924, Liechtenstein has been included in the Swiss Customs Union.

## LITHUANIA

Lithuania's monetary unit is the lit (litas) (plural, litu; anglicized, lits), representing 167.18 milligrams of gold 0.900 fine (150.462 milligrams of fine gold), the par value of which is \$0.10 United States currency. The lit was adopted by a law passed by the Constituent Assembly on August 9, 1922, and promulgated on August 16 of the same year. The lit is divided into 100 cents (patterned after the United States dollar).

The former units of currency were the ost-mark, ost-ruble, and German mark; these were to be exchanged for lits on or before January, 1923.

The principal circulating medium, apart from subsidiary coins in lit (litas) and cent denominations, consists of the notes of the Bank of Lithuania, established in August, 1922. The bank has the sole right of note issue; its notes are to be covered by 33½ per cent gold and 66½ per cent stable foreign currencies or short-term securities. The note circulation in December, 1929, totaled 94,829,000 lits; the reserve, at the same time, was made up of gold to the amount of 35,079,000 lits and balances abroad, foreign bills, and bank notes, 76,210,000 lits.

The basis for the average exchange rates as given in Tables 66 and 67 is: From January, 1923, to April, 1925, monthly averages represent buying rates on New York at Kovno; May, 1925, to December, 1929, buying rates of United States dollar exchange at Kovno. Yearly and quarterly averages are computed from monthly averages.

TABLE 66.—YEARLY AVERAGE EXCHANGE RATES OF THE LITHUANIAN LITAS

Year	Average rate	Year	Average rate
1923.....	\$0.0992	1927.....	\$0.0993
1924.....	.0992	1928.....	.0997
1925.....	.0988	1929.....	.0997
1926.....	.0990		

TABLE 67.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE LITHUANIAN LITAS

Period	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.0997	\$0.0995	\$0.0986	\$0.0989	\$0.0991	\$0.0996	\$0.0995
Second quarter.....	.0993	.0994	.0987	.0989	.0992	.0993	.0995
Third quarter.....	.0985	.0989	.0989	.0989	.0992	.0996	.0996
Fourth quarter.....	.0993	.0991	.0989	.0992	.0996	.0996	.1001
January.....	.0997	.0996	.0985	.0989	.0989	.0997	.0995
February.....	.0996	.0994	.0988	.0989	.0992	.0996	.0995
March.....	.0999	.0996	.0986	.0989	.0993	.0996	.0995
April.....	.0996	.0997	.0984	.0989	.0992	.0997	.0995
May.....	.0996	.0995	.0988	.0989	.0992	.0999	.0995
June.....	.0988	.0990	.0989	.0989	.0992	.0999	.0995
July.....	.0986	.0988	.0989	.0989	.0992	.0996	.0996
August.....	.0985	.0989	.0989	.0989	.0992	.0996	.0996
September.....	.0988	.0990	.0988	.0990	.0993	.0995	.0997
October.....	.0988	.0991	.0990	.0991	.0995	.0995	.1000
November.....	.0995	.0993	.0989	.0996	.0996	.0995	.1002
December.....	.0996	.0996	.0989	.0992	.0996	.0995	.1001

## LUXEMBURG

The monetary system of the Grand Duchy of Luxemburg is the same as that of Belgium. (See Belgium, p. 14, for details.)

Since the establishment of the Belgian-Luxemburg Customs Union on May 1, 1922, when the Belgian Government undertook to guarantee the Luxemburg currency, the rates of exchange have been identical, but the currencies of neither country have circulated freely in the trade of the other and an exchange charge has always been made except in actual border towns.

Under a ruling of the National Bank of Belgium effective December 15, 1927, Luxemburg bank notes presented to the National Bank of Belgium in Brussels or to its agencies throughout the Kingdom have been honored without discount or charges; the same acceptances are extended to Belgian notes by the Luxemburg banks and Luxemburg Treasury.

## MALTA

In Malta the monetary unit is the British pound sterling, par \$4.8665. (See United Kingdom, p. 174, for exchange rates, etc.) Exchange is quoted on London and the spread is very small; the monthly rates for 1927 ranged from par to one-fourth of 1 per cent premium.

By order in council of September 24, 1886, British coins were made the only legal tender in the island, with the proviso that silver coins and bronze coins were legal tender for the payment of amounts not exceeding £5 and 1 shilling, respectively.

By ordinance No. V of 1915 and proclamation No. X of June 16, 1915, paper currency notes issued by the British Treasury under the currency and bank notes act of 1914 were also made legal tender in the island for the payment of any amount as from June 17, 1915. Treasury notes in circulation on March 31, 1928, were estimated roughly at £700,000.

Maltese coins in circulation prior to 1886 have been demonetized.

## MEXICO

Mexico's monetary unit is the peso (plural, pesos; symbol, \$) of 100 centavos, representing 833.33 milligrams of gold 0.900 fine (750 milligrams of fine gold), the par value of which is \$0.4985 United States currency. This unit was adopted by a decree of November 13, 1918—which decree also changed the weight and fineness of the silver coinage.

Gold coins in circulation are pieces of 2, 2½, 5, 10, 20, and 50 peso denominations; their fineness is 0.900. United States gold dollars also are legal tender, at the ratio of 2 pesos to the dollar. There are subsidiary coins of silver, nickel, and bronze in peso and centavo denominations. A decree of October 27, 1919, further reduced the fineness of the silver coins and established the new silver peso at 16.6667 grams (257.206 grains), 0.720 fine.

In addition to the metallic currency, the notes of the Bank of Mexico (Banco de Mexico, S. A.), the central bank of issue, go to make up the circulating media.

## EARLY METALLIC CURRENCY

Mexico had formerly a silver currency; gold coins for a limited amount were in circulation but stood at a premium. The gold coin

was the old "onza" or "doblón,"<sup>24</sup> which represented 418 grains troy of gold 0.875 fine. Its value was about \$15.75.

The silver dollar, or peso, was of an average weight of 26.989 grams (416.5 grains troy) 0.898 fine and was legally the equivalent of the old Spanish silver dollar as coined (1772-1848), containing 24.433 grams of fine silver. The coin was formerly a principal article of export from Mexico, and under its familiar name of "Mexican dollar" was known throughout the world. In many parts of the East it became the chief medium of exchange.

The gold dollar, or peso, represented 1.692 grams of gold 0.875 fine, but after 1890 was 0.900 fine, so that the ratio between gold and silver was 1 to 16.

#### NEW STANDARD ADOPTED

By a law of December 9, 1904, the old currency was abolished and from May 1, 1905, a gold currency was established. The unit was the peso, equivalent to 750 milligrams of fine gold, or about \$0.4985 United States currency. The gold 1-peso piece, however, was never coined, although multiples were minted and were in general use. There was also a silver peso, equivalent by law to the gold peso, and subsidiary coins. Business in the cities was conducted chiefly with bank notes issued by the various banks established under the law of 1897.

In 1913 there were 20 such banks of issue. In that year the banks were required to issue notes in excess of the legal limit, and these were declared inconvertible by the Government. At about this same time revolutionary paper money issued by the various factions in control began to flood the country. By August, 1914, practically all metallic currency had disappeared, and until the end of 1916 there was monetary confusion.

A monetary recovery marked 1916-17, owing partly to Mexico's domestic production of gold and silver and partly to its exceptional natural resources. Circulation of gold and silver was reestablished and no new paper money of any kind was issued down to the establishment of the Banco de Mexico in 1925.

#### SILVER COINS AT A DISCOUNT

Between 1916 and 1920, the remarkable advance in the price of silver caused the fineness of the silver peso to be reduced from 0.898 to 0.800, and still further to 0.720. During this same period silver coins disappeared from circulation, partly because of hoarding and partly through exportation. The shortage of currency in many parts of the Republic became so acute that United States paper and silver were drawn into general use.

Conditions were reversed in 1921 as the result of the lower price of silver and a more plentiful supply of subsidiary currency, and after a period of comparative equilibrium silver coins began to go to a discount in relation to gold. In January, 1923, the discount was 1.5 per cent, probably owing to overcoinage (more than 33,000,000 pesos in silver had been minted in 1922). At this time the preferential use of silver for all transactions and the mechanical labor involved in handling large quantities caused the banks to charge a commission for handling silver accounts. Gold and silver accounts were carried separately by the banks. During July a maximum of 4.8 per cent dis-

<sup>24</sup> See footnote 17, p. 85.

count on silver in relation to gold had been reached; however, owing to the cessation of minting, the premium on gold was only about 2 per cent at the close of the year. The mint's output of silver during 1923 was over 35,000,000 pesos. In the latter part of 1923 and during the first part of 1924 silver coinage was resumed, with the result that the premium on gold reached 5.12 per cent.

In July, the Government announced a reduction in the minting of silver to 50,000 pesos daily; thereafter the discount on silver was reduced to between 2.5 and 3 per cent. In December, while banks were still paying 2 per cent premium for gold over silver, the transactions of the Government Monetary Commission were effected at par

#### MEASURES TO ARREST DEPRECIATION

Various measures have been taken by the Government to arrest the depreciation of the silver currency. No foreign currency except gold may circulate in Mexico. The exportation of gold coins has long been prohibited, and this embargo was extended by a law of March, 1924, to include gold bullion. The most effective of the official measures has been the employment of the *Comision Monetaria* (the Monetary Commission, a Government banking agency organized early in 1916) as a seller of exchange at rates better than those quoted in the open market. The chief prop of the silver currency has been its acceptance by the Government in payment of taxes.

During recent times of disparity between gold and silver currency, the foreign-exchange value of the peso—or rate for United States dollars, in which practically all dealing is effected—has depended on whether silver or gold is offered. To reduce the surplus stock of silver coins the Government during 1927 and 1928 called in and melted down 2,730,500 silver pesos; this helped to reduce the discount on silver; in all 5,000,000 pesos will be demonetized in order to bring the silver currency nearer to par.

#### ORGANIZATION OF BANK OF MEXICO

In 1925 the Bank of Mexico (*Banco de Mexico, S. A.*) was established as an official bank of rediscount and issue; it opened for business on September 1. The bank, which is, in fact, a reorganization of the *Comision Monetaria*, is under Government control, although 49 per cent of the stock may be sold to the public. Its notes are convertible into gold on demand and are issued against gold coin or bullion or bills of foreign exchange or short-term commercial bills (payable in gold). The gold reserve must be at least 50 per cent of the outstanding notes. The notes are not legal tender but are received in payment of public dues. The total issue of paper money for the time being is limited to 10,000,000 pesos in 10, 20, 50 and 100 peso denominations. The notes of the Bank of Mexico now in circulation compose a very small percentage of the currency and are seldom seen in everyday business.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 68 and 69 is: 1901–1921, sight drafts, Mexico City on New York; 1922–1929, cable transfers, New York on Mexico City. From 1901 to 1921, yearly averages are computed from the monthly average rates as quoted in the *Anuario de Estadística Fiscal*; from 1922 to 1929, from



daily rates as quoted by the Federal Reserve Board. From July, 1921, to December, 1929, monthly averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 68.—YEARLY AVERAGE EXCHANGE RATES OF THE MEXICAN PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	(1)	1910.....	\$0.4979	1920.....	\$0.4961
1901.....	\$0.4677	1911.....	.4971	1921.....	.4891
1902.....	.4137	1912.....	.4968	1922.....	.4872
1903.....	.4176	1913.....	.4241	1923.....	.4855
1904.....	.4564	1914.....	1.3396	1924.....	.4851
1905.....	.4956	1915.....	(1)	1925.....	.4939
1906.....	.5022	1916.....	(1)	1926.....	.4831
1907.....	.4979	1917.....	1.5000	1927.....	.4720
1908.....	.4973	1918.....	1.5000	1928.....	.4811
1909.....	.4973	1919.....	.5067	1929.....	.4818

1 Not available.

2 January-March.

3 No quotations.

4 Approximate.

TABLE 69.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE MEXICAN PESO

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	(1)	\$0.4893	\$0.4893	\$0.4617	\$0.4930	\$0.4852	\$0.4697	\$0.4870	\$0.4829
Second quarter.....	(1)	.4897	.4842	.4824	.4961	.4860	.4663	.4838	.4802
Third quarter.....	\$0.4867	.4845	.4843	.4883	.4920	.4879	.4722	.4754	.4836
Fourth quarter.....	.4837	.4850	.4842	.4682	.4890	.4781	.4801	.4781	.4806
January.....	(1)	.4869	.4891	.4807	.4888	.4850	.4883	.4869	.4837
February.....	(1)	.4881	.4902	.4822	.4927	.4850	.4707	.4807	.4846
March.....	(1)	.4929	.4886	.4823	.4974	.4856	.4701	.4874	.4805
April.....	(1)	.4936	.4845	.4827	.4967	.4866	.4687	.4874	.4824
May.....	(1)	.4908	.4843	.4823	.4990	.4828	.4659	.4856	.4797
June.....	(1)	.4848	.4837	.4822	.4966	.4885	.4642	.4783	.4785
July.....	.4891	.4852	.4837	.4860	.4968	.4887	.4654	.4729	.4809
August.....	.4850	.4853	.4834	.4890	.4958	.4878	.4739	.4749	.4857
September.....	.4860	.4830	.4857	.4898	.4985	.4873	.4772	.4785	.4843
October.....	.4841	.4829	.4843	.4886	.4917	.4805	.4767	.4757	.4816
November.....	.4829	.4876	.4834	.4878	.4879	.4720	.4791	.4789	.4801
December.....	.4842	.4843	.4850	.4881	.4875	.4667	.4845	.4708	.4801

1 Not available.

## MONACO

In the principality of Monaco the currency is the same as that of France. (See France, p. 69, for details.)

## MOROCCO

## FRENCH ZONE

The monetary system of the French zone of Morocco is the same as that of France. The unit of currency is the French franc of 100 centimes recently stabilized at \$0.039179. (See France, p. 73, for exchange rates.)

Adaptation of the monetary régime of French Morocco to that of France was agreed upon a few months after the passage of French stabilization law of June 25, 1928. Two new conventions—one between the State Bank of Morocco and the Moroccan Government, and the other between the bank and the French Treasury—were

signed. The latter agreement has for its object the maintenance of the Moroccan franc [notes of the State Bank] on a parity with the French franc.

Since withdrawal of the old Hassani (or native silver) currency in 1920, the franc has been the sole currency in the French zone. The note-issuing bank is the State Bank of Morocco; its notes have been maintained at parity with the French franc since 1921 by a current-account arrangement.

#### SPANISH ZONE

In the Spanish zone of Morocco Spanish currency circulates along with the old Hassani silver currency. The value of the Hassani silver currency has undergone many changes since it became legal tender concurrently with the Spanish money under the Act of Algeciras in 1906. The Hassani peseta is now relatively stable at about \$0.10 United States currency. (See Spain, p. 157, regarding Spanish currency.)

#### TANGIER (INTERNATIONAL) ZONE

Moroccan francs and Spanish currency are legal tender in the Tangier zone of Morocco. However, the Hassani peseta continues to circulate freely.

#### NETHERLANDS

For its monetary unit the Netherlands employs the florin (plural, florins), also termed the gulden (plural, gulden), of 100 cents, representing 672 milligrams of gold 0.900 fine (604.8 milligrams of fine gold), the par value of which is about \$0.402 United States currency. (The coin is also known as the guilder.) Gold 5 and 10 florin pieces are in circulation. There are also current subsidiary coins of silver, nickel, and bronze in florin and cent denominations.

Apart from the metallic currency, the principal circulating medium consists of the notes of the Netherland Bank (Nederlandsche Bank). The Netherland Bank, founded in 1814 under a charter from King William I, was successor to the old Bank of Amsterdam (Amsterdamsche Wisselbank), one of the famous early banks, founded in 1609. The charter of the Netherland Bank has been renewed from time to time, the latest renewal running until March 31, 1934.

#### NETHERLAND BANK THE SOLE BANK OF ISSUE

The Netherland Bank is the sole bank of issue; although a private institution as regards ownership, the president and secretary are appointed by the Crown.

From 1864 until July 31, 1914, the obligatory minimum metallic cover of the demand liabilities of the bank was fixed at 40 per cent. On July 31, 1914, this ratio was reduced to 20 per cent as an emergency measure, to allow the bank greater liberty of action in the extraordinary circumstances then prevailing. During the first few months of the war the actual metallic cover of the bank's demand liabilities did fall below 40 per cent, but reached 40 per cent again in December, 1914. Since then the actual metallic cover has always been above 40 per cent; as a matter of fact, since 1918 it has been above 50 per cent. By royal decree of January 4, 1929, the obligatory minimum metallic cover was once more set at 40 per cent.

There is no fixed limit to its note issue 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 of 15,000,000 florins.

#### GOLD STANDARD ADOPTED

The Netherlands, like most other European countries, experienced currency difficulties during the nineteenth century, resulting chiefly from efforts to maintain a bimetallic standard. The mint act of September 28, 1816, fixed the 10-florin gold piece at 6.0565 grams (93.465 grains) of fine gold and the 1-florin silver piece at 9.615 grams (148.39 grains) of fine silver. This gave a bimetallic ratio of 15.88 to 1. In 1847 gold was demonetized in the Netherlands, the silver standard was adopted, and the metallic content of the silver florin lowered to 9.451 grams (145.85 grains). The Netherlands continued on the silver standard until 1875, and during this period large quantities of silver were minted.

About 1875 the price of silver declined, and on June 6 of that year the free coinage of silver was definitely suspended by a law which established the gold florin as the monetary unit, with metallic content of 672 milligrams of gold 0.900 fine—the same weight and fineness as the present gold florin.

The large quantity of silver in circulation was a menace to the gold standard, and inasmuch as coins could not be exported profitably gold bullion was exported instead to meet the demands resulting from unfavorable exchange rates. The gold reserve of the Netherland Bank declined from 57,000,000 florins at the end of 1880 to 5,000,000 florins in February, 1883. In April, 1884, the melting down of 25,000,000 florins in silver coins was authorized; however, about this time gold began to flow back into the country, and the Government did not find it necessary to melt down this amount of silver currency. Gold continued to be the monetary standard in the Netherlands down to the outbreak of the World War.

The Netherlands, simultaneously with the United Kingdom, announced on April 28, 1925, that the country was returning immediately to the gold standard. Before the war not much gold was in circulation in the Netherlands. The policy of the Netherland Bank was to discourage the hand-to-hand circulation of gold and retain its gold reserve, as far as possible, to meet foreign demands. This policy has been continued.

#### NOTE EXPANSION OF WAR PERIOD

Although the Netherlands was a neutral nation, the outbreak of the World War caused considerable disturbance to the economic life of the country. The financial centers, London, Paris, and Berlin, recalled credits, so that exchange rates on these cities advanced and gold began to leave the Netherlands. The Government promptly placed a prohibition upon the exportation of gold and exempted the Netherland Bank from the obligation of redeeming its notes in specie.

The only paper money in the Netherlands for some time had been the notes of the Netherland Bank. However, soon after the outbreak of the war the Government, under agreement with the bank, issued currency notes known as silver bonds (*zilverbons*) in denominations of 1, 2½, and 5 florins. These Government notes were unlimited legal tender and were to be withdrawn so soon as the Netherland Bank could place a sufficient supply of silver currency at the disposal

of the Government. On October 17, 1914, the amount outstanding was 16,906,000 florins, but most of these notes have now been withdrawn.

To meet the crisis in the middle of 1914 some 30 municipalities, including Amsterdam and Rotterdam, issued emergency currency after consultation with the Netherland Bank; these municipal notes were withdrawn when the crisis subsided.

The note circulation of the Netherland Bank increased very greatly on the outbreak of the war and continued to expand until the armistice. The circulation prior to the war totaled about 300,000,000 florins; at the end of 1918, about 1,069,000,000 florins. However, the gold reserve also increased during the same period from about 160,000,000 florins to about 689,000,000 florins. In December, 1929, the notes of the Netherland Bank outstanding totaled 851,000,000 florins; the gold reserve was 448,000,000 florins, and the foreign assets stood at 220,000,000 florins. The corresponding figures for 1928 were 854,000,000, 435,000,000, and 220,000,000 florins.

#### POSTWAR EXCHANGE RECOVERY

Prior to the war exchange rates on New York remained practically at par inasmuch as gold movements were free; fluctuations were confined within narrow limits marked by the "gold points."<sup>25</sup> The rise in exchange rates on the Netherlands during the war was partly due to the flight of capital from the belligerent countries to the Netherlands. Inasmuch as exchange rates between the European Allies and the United States were "pegged" after the United States entered the war, these different currencies moved in more or less parallel lines in Amsterdam. In August, 1918, the florin was quoted in New York at about \$0.53. After March, 1919, when the artificial support to the pound sterling, the franc, and other currencies was withdrawn, the United States dollar pursued an independent course in the Netherlands and the florin went to a discount in New York. This decline was attributable largely to the relatively greater shrinkage of the purchasing power of the florin in the Netherlands than of the dollar in the United States. The exchange value of the florin reached its lowest point in November, 1920, when the average rate for the month stood at \$0.3019. Since then it has gradually recovered, reaching par in 1928.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 70 and 71 is: 1914-1918, sight drafts, New York on Amsterdam; 1919-1929, noon buying rates for cable transfers, New York on Amsterdam. Average rates from January, 1914, to October, 1918, are computed from mid-points between monthly high and low rates; from November, 1918, to December, 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value of the florin (\$0.402) may be used from 1900 to 1913, since variations in exchange rates during that period did not exceed 1 per cent.

<sup>25</sup> See footnote 22, p.104.

TABLE 70.—YEARLY AVERAGE EXCHANGE RATES OF THE NETHERLAND FLORIN

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.4062	1920.....	\$0.3442	1925.....	\$0.4010
1915.....	.4035	1921.....	.3365	1927.....	.4011
1916.....	.4175	1922.....	.3850	1928.....	.4022
1917.....	.4187	1923.....	.3910	1929.....	.4016
1918.....	.4280	1924.....	.3821		
1919.....	.3941	1925.....	.4016		

TABLE 71.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE NETHERLAND FLORIN

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0.4024	\$0.4002	\$0.4298	\$0.4059	\$0.4471	\$0.4151	\$0.3730	\$0.3383
Second quarter.....	.4029	.3954	.4189	.4111	.4896	.3979	.3662	.3453
Third quarter.....	.4101	.4004	.4120	.4175	.5046	.3758	.3305	.3148
Fourth quarter.....	.4092	.4177	.4092	.4402	.4307	.3787	.3067	.3491
January.....	.4022	.4028	.4410	.4078	.4363	.4231	.3780	.3288
February.....	.4025	.4003	.4226	.4057	.4475	.4135	.3730	.3420
March.....	.4025	.3975	.4250	.4041	.4575	.4087	.3679	.3440
April.....	.4031	.3941	.4263	.4116	.4738	.4043	.3711	.3475
May.....	.4031	.3950	.4144	.4103	.4913	.3983	.3660	.3556
June.....	.4025	.3972	.4160	.4113	.5038	.3912	.3614	.3328
July.....	.4072	.4000	.4141	.4130	.5113	.3890	.3497	.3178
August.....	.4138	.4022	.4125	.4194	.5188	.3722	.3290	.3100
September.....	.4094	.3991	.4094	.4201	.4838	.3753	.3127	.3166
October.....	.4157	.4094	.4107	.4394	.4438	.3800	.3087	.3345
November.....	.4069	.4169	.4088	.4413	.4215	.3776	.3019	.3497
December.....	.4051	.4269	.4082	.4400	.4267	.3785	.3095	.3631

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.3738	\$0.3953	\$0.3728	\$0.4017	\$0.4011	\$0.4000	\$0.4028	\$0.4007
Second quarter.....	.3843	.3884	.3735	.4009	.4017	.4002	.4033	.4017
Third quarter.....	.3880	.3929	.3840	.4018	.4012	.4007	.4015	.4010
Fourth quarter.....	.3936	.3840	.3986	.4021	.3999	.4033	.4013	.4032
January.....	.3668	.3956	.3735	.4041	.4018	.3999	.4033	.4011
February.....	.3761	.3953	.3742	.4017	.4008	.4000	.4026	.4005
March.....	.3794	.3949	.3706	.3992	.4007	.4001	.4025	.4005
April.....	.3793	.3918	.3719	.3995	.4013	.4000	.4031	.4014
May.....	.3865	.3913	.3741	.4018	.4020	.4002	.4035	.4020
June.....	.3871	.3920	.3744	.4014	.4018	.4005	.4033	.4015
July.....	.3877	.3923	.3794	.4010	.4018	.4006	.4025	.4014
August.....	.3885	.3934	.3881	.4024	.4011	.4007	.4011	.4006
September.....	.3879	.3930	.3845	.4021	.4007	.4008	.4009	.4009
October.....	.3898	.3913	.3910	.4020	.4000	.4019	.4009	.4025
November.....	.3927	.3802	.4005	.4023	.3998	.4036	.4014	.4035
December.....	.3984	.3804	.4042	.4019	.3999	.4044	.4017	.4036

## NETHERLAND EAST INDIES

## JAVA AND MADURA

In the Netherland East Indies the monetary unit is the florin of 100 cents, representing 672 milligrams of gold 0.900 fine (604.8 milligrams of fine gold), the par value of which is \$0.402 United States currency. (See Netherlands, above, for exchange rates.)

The principal circulating medium (apart from gold, silver, and subsidiary coins in florin and cent denominations) consists of the notes of the Bank of Java, established in 1828. The Government has control over its administration. From 1864 until July 31, 1914, the obligatory minimum metallic cover for demand liabilities was fixed at

40 per cent, the metallic reserve including silver as well as gold; on the latter date this ratio was reduced from 40 per cent to 20 per cent as an emergency measure. At the end of June, 1928, the legal reserve ratio of 40 per cent was restored. The actual ratio of coin and bullion to demand liabilities has been below 40 per cent for brief periods only, and in recent years it has been well in excess of that figure.

According to the annual report of the Java Bank the note circulation outstanding on March 31, 1929, totaled 310,904,000 florins. The reserve consisted of gold and silver coin and bullion, 185,848,000 florins, and foreign bills, 28,023,000 florins.

The basis for the yearly average exchange rates, as given in Table 72 is: 1913-1928, cable transfers, Batavia on New York; the figures represent mid-points between the yearly high and low rates. The quarterly and monthly averages from 1926 to 1929, given in Table 73, represent noon buying rates for cable transfers, New York on Batavia; they are as computed from daily rates by the Federal Reserve Board.

TABLE 72.—YEARLY AVERAGE EXCHANGE RATES OF THE FLORIN (BATAVIA ON NEW YORK)

Year	Average rate	Year	Average rate	Year	Average rate
1913.....	\$0.4021	1919.....	\$0.3957	1925.....	\$0.4000
1914.....	.4019	1920.....	.3398	1926.....	.4020
1915.....	.3990	1921.....	.3305	1927.....	.4016
1916.....	.4105	1922.....	.3738	1928.....	.4023
1917.....	.4083	1923.....	.3752		
1918.....	1.4692	1924.....	.3762		

<sup>1</sup> Sight drafts, Batavia on New York.

TABLE 73.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE FLORIN (NEW YORK ON BATAVIA)

Period	1926 <sup>1</sup>	1927	1928	1929
First quarter.....	\$0.4056	\$0.4020	\$0.4048	\$0.3997
Second quarter.....	.4042	.4017	.4023	.4005
Third quarter.....	.4042	.4018	.4005	.4000
Fourth quarter.....	.4028	.4040	.4013	.4021
January.....	.4075	.4024	.4056	.4006
February.....	.4053	.4018	.4052	.3992
March.....	.4039	.4017	.4035	.3994
April.....	.4036	.4015	.4022	.3995
May.....	.4048	.4016	.4024	.4010
June.....	.4043	.4021	.4023	.4005
July.....	.4047	.4020	.4015	.4003
August.....	.4047	.4017	.3986	.3996
September.....	.4032	.4017	.4008	.4000
October.....	.4031	.4026	.4012	.4014
November.....	.4028	.4041	.4012	.4023
December.....	.4025	.4053	.4014	.4025

<sup>1</sup> Figures for earlier years are not available; however, it is suggested that for ordinary conversions to United States dollars the rates for the Netherland florin may conveniently be used.

Yearly average rates, New York on Batavia, work out at: 1926, \$0.4042; 1927, \$0.4024; 1928, \$0.4022; 1929, \$0.4006.

That exchange rates in Batavia, Java, have run closely parallel to exchange rates in Amsterdam, is shown in the following table giving

the highest and lowest cable transfer quotations at Batavia on Amsterdam, 1913-1928:

TABLE 74.—EXCHANGE RATES IN BATAVIA ON AMSTERDAM

Year	High	Low	Year	High	Low	Year	High	Low
1913.....	99 $\frac{3}{4}$	100 $\frac{1}{4}$	1919.....	98 $\frac{3}{4}$	102	1925.....	98 $\frac{1}{4}$	100 $\frac{3}{4}$
1914.....	99 $\frac{1}{4}$	99 $\frac{1}{2}$	1920.....	99	103 $\frac{1}{4}$	1926.....	99 $\frac{1}{2}$	100 $\frac{1}{2}$
1915.....	98 $\frac{1}{2}$	99 $\frac{1}{2}$	1921.....	95 $\frac{1}{2}$	99 $\frac{1}{2}$	1927.....	99 $\frac{3}{4}$	100
1916.....	98	99 $\frac{1}{2}$	1922.....	96 $\frac{1}{2}$	99 $\frac{1}{2}$	1928.....	99 $\frac{1}{2}$	99 $\frac{1}{2}$
1917.....	99 $\frac{1}{2}$	98 $\frac{1}{2}$	1923.....	96	98 $\frac{1}{2}$			
1918.....	99 $\frac{1}{2}$	98 $\frac{1}{2}$	1924.....	95 $\frac{1}{2}$	98 $\frac{1}{2}$			

## NETHERLAND WEST INDIES

## CURACAO

In the colony of Curacao the monetary unit is the florin (also termed gulden) of 100 cents, representing 672 milligrams of gold 0.900 fine (604.8 milligrams of fine gold), the par value of which is about \$0.402 United States currency. Exchange is determined by that of the Netherlands. (See Netherlands, p. 118, for exchange rates, etc.)

The bank of issue is the Curaçaosche Bank, established in 1828. On December 31, 1928, bank notes in circulation amounted to 5,208,000 florins.

## NEWFOUNDLAND

By an act passed in 1863 Newfoundland adopted a single gold standard. The unit of currency, although not coined, is the gold Newfoundland dollar of 100 cents, which contains theoretically 1.664165 grams of gold 0.916 $\frac{2}{3}$  fine (1.52548 grams of fine gold), and the par value of which is 4s. 1 $\frac{1}{2}$ d., or about \$1.00048 United States currency. Exchange fluctuates with the Canadian dollar. (See Canada, pp. 41-42, for exchange rates, etc.)

Current local coins are silver pieces of 5, 10, 20, 25, and 50 cents, and copper 1-cent piece.

In addition to the local money, the circulation consists of Canadian, United States, and some British currency.

## NEW ZEALAND

The British pound sterling, par \$4.8665 (see United Kingdom, p. 170), is the monetary unit of New Zealand. The metallic currency in use is practically the same as in Great Britain; gold has all but disappeared from circulation.

The paper money of the Dominion consists of the notes of the six banks of issue—Bank of New Zealand, National Bank of New Zealand (Ltd.), Commercial Bank of Australia (Ltd.), Union Bank of Australia (Ltd.), Bank of New South Wales, and Bank of Australia.

## BANKING LEGISLATION OF THE DOMINION

The banking act, 1908, deals with the issue of notes generally. The Governor General may empower any bank to issue and circulate notes, subject to the provisions and restrictions contained in the charter or letters patent under which the bank is incorporated;

all such notes to be payable in gold only at the office of the bank at the place of issue, and to be a first charge on all assets of the bank.

On August 5, 1914, immediately after the outbreak of the World War, an amendment to the banking act empowered the Governor General in Council to declare, from time to time, by proclamation, "that the notes payable on demand by any bank therein named, and then issued or thereafter to be issued or reissued within New Zealand under any lawful authority in that behalf, shall during the period limited by the proclamation be everywhere within New Zealand a good and legal tender of money to the amount therein expressed to be payable." The bank may be required to give adequate security that it will redeem the notes in gold on the expiration of the period covered by the proclamation. Provision is also made for payment by the state treasury in case of default by the bank. During the period fixed by the proclamation coined gold must not be exported except with the consent of the Minister of Finance. Between August 5, 1914, and November 5, 1919, this prohibition applied also to uncoined gold.

Immediately on the passage of this amendment, a proclamation was gazetted declaring notes of the six banks of issue doing business in New Zealand to be legal tender from August 6, 1914, to September 6, 1914; further extensions were made from time to time, and the present authority expires on January 10, 1932.

#### NOTE CIRCULATION—EXCHANGE

Notes outstanding at the end of June, 1929, amounted to about £6,100,000; the metallic reserve on the same date amounted to about £7,200,000.

The pound in New Zealand ordinarily fluctuates with the pound in Great Britain, the difference being only a spread in the case of telegraphic transfers, etc. This spread increased considerably immediately after the World War. For ordinary conversions, however, the rates for the British pound (see p. 174) may be used.

#### BASIS OF STATISTICS

The rates in Table 75 and the schedule following have been secured by Julian B. Foster, American trade commissioner at Wellington, through the courtesy of the secretary of the Associated Banks, at Wellington. The table gives the monthly and yearly average rate of the pound in New Zealand from 1916 to 1927. The monthly averages have been compiled from such quotations during the month as could be obtained; they are therefore only approximate. The schedule gives, for the dates stated, the bank exchange in Wellington for cable transfers on New York; the premium or discount on £100 is stated in shillings and pence, the usual method of quoting.



TABLE 75.—CONVERSION RATE IN NEW ZEALAND FOR STERLING BILLS RECEIVED FROM THE UNITED STATES

Period	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927
Annual average.....	\$4.740	\$4.740	\$4.742	\$4.403	\$3.612	\$3.787	\$4.380	\$4.547	\$4.389	\$4.806	\$4.844	\$4.847
January.....	4.740	4.740	4.740	4.750	3.653	3.630	4.180	4.633	4.234	4.750	4.850	4.840
February.....	4.740	4.740	4.740	4.750	3.405	3.825	4.285	4.663	4.283	4.748	4.850	4.835
March.....	4.740	4.740	4.740	4.625	3.618	3.843	4.313	4.670	4.270	4.750	4.843	4.840
April.....	4.740	4.740	4.740	4.620	3.884	3.883	4.350	4.640	4.313	4.770	4.850	4.840
May.....	4.740	4.740	4.740	4.650	3.834	3.892	4.380	4.503	4.317	4.825	4.843	4.840
June.....	4.740	4.740	4.740	4.617	3.907	3.750	4.384	4.565	4.307	4.835	4.850	4.840
July.....	4.740	4.740	4.740	4.463	3.792	3.570	4.407	4.580	4.343	4.840	4.850	4.845
August.....	4.740	4.740	4.740	4.226	3.540	3.590	4.445	4.530	4.481	4.830	4.840	4.850
September.....	4.740	4.740	4.740	4.140	3.452	3.666	4.385	4.515	4.496	4.830	4.840	4.850
October.....	4.740	4.740	4.740	4.159	3.420	3.799	4.390	4.483	4.455	4.830	4.835	4.860
November.....	4.740	4.740	4.750	4.060	3.396	3.900	4.473	4.355	4.555	4.830	4.835	4.857
December.....	4.740	4.740	4.750	3.785	3.448	4.092	4.563	4.340	4.672	4.840	4.837	4.870

## Bank exchange for cable transfers on New York

1913:		s.	d.
Oct. 1.....	premium	17	6
1914:			
July 20.....	do	12	6
Aug. 17.....	do	20	0
Aug. 27.....	do	25	0
Oct. 7.....	do	30	0
Oct. 31.....	do	35	0
1915:			
Feb. 10.....	do	30	0
May 4.....	do	25	0
1916:			
Mar. 16.....	do	30	0
1917:			
July 24.....	do	25	0
Dec. 6.....	do	20	0
1920:			
Oct. 7.....	do	30	0
Nov. 2.....	do	40	0
Dec. 8.....	do	50	0
1921:			
Jan. 20.....	do	60	0
Aug. 22.....	do	50	0
1922:			
Feb. 24.....	do	35	0
Apr. 19.....	do	30	0
May 17.....	do	25	0
July 21.....	do	17	6
Sept. 18.....	do	10	0
Nov. 9.....	do	5	0
1924:			
Aug. 18.....			Par.
Oct. 6.....	discount	10	0
Nov. 28.....	do	20	0
1925:			
May 8.....	do	5	0
June 11.....	premium	5	0
1926:			
Aug. 12.....	do	7	6
Oct. 6.....	do	5	0
1927:			
May 9.....	do	12	6
July 6.....	do	15	0
July 27.....	do	17	6

## NICARAGUA

Nicaragua's monetary unit is the cordoba (plural, cordobas) of 100 centavos, adopted under the law of March 20, 1912. The cordoba contains theoretically 1.672 grams of gold 0.900 fine (1.5048 grams of fine gold) and is approximately the equivalent of \$1 United States currency. (The Nicaraguan unit contains a fraction more gold than the United States dollar—1.5048 grams as against 1.5046 grams).

The above-mentioned law provided for gold coins of 2½, 5, and 10 cordobas and for subsidiary coins of silver, nickel, and copper in cordoba and centavo denominations.

In addition to the metallic currency, the circulating media consist of notes of the National Bank of Nicaragua and, on the east coast, a certain amount of United States currency.

The establishment of the National Bank of Nicaragua (Banco Nacional de Nicaragua) was provided for in the treasury bills agreement of September 1, 1911, and in the monetary law of March 20, 1912. The bank is the fiscal agent of the Government; it enjoys the exclusive right to issue notes which are legal tender. Not even the Government is permitted to issue paper currency or any form of obligation capable of being used as money. Nicaragua is now on the gold-exchange standard; the note issue is secured by the conversion fund maintained by the bank in New York. The monthly average circulation in 1928 was 4,087,000 cordobas.

## BIMETALLIC STANDARD

The early monetary experience of Nicaragua was similar to that of the other Central American countries. Under the Spanish régime the monetary system was based on that of Spain although the actual currency in circulation was a heterogeneous mixture of coins, also commodities, differing from one district to another. In some sections coconuts and cacao beans passed as money. The coins were not of uniform character and many were crudely minted. Much of the currency consisted of the old "macacas" or "macuquinas," which were irregular pieces of silver cut to the proper weight and bearing the official stamp. In view of the numerous foreign coins circulating in the country the Government frequently posted a table giving the values at which the different moneys should circulate and at which the Government offices would receive them.

Nicaragua endeavored to maintain the bimetallic standard of the Spanish system whereby 16 silver pesos were equivalent to 1 gold "onza," but owing to the bad condition of the silver money the more valuable gold money disappeared from circulation. The silver peso weighed about 25 grams 0.900 fine, similar to that of the neighboring Central American countries.

## FIRST ISSUES OF GOVERNMENT NOTES

About 1875 moderate amounts of Government paper money, "billetes del Tesoro," as the notes were called, were issued. The notes were redeemable in gold or silver but were not legal tender until a decree to that effect was promulgated in 1885. In March, 1882, a banking law arranged for the issue of notes by banks. The Gov-

ernment discontinued issuing notes and in 1887 granted a concession to the Bank of Nicaragua by which it enjoyed the exclusive right of note issue; the notes, however, were not legal tender.

After the revolution of 1893 the new Government issued so-called "billetes del Tesoro Nacional" and by the end of 1898 the bank notes in circulation had fallen to 82,000 pesos and later on practically disappeared.

#### DEPRECIATION OF PAPER MONEY

From the very beginning the Government notes began to depreciate, but during the early years to no very great extent. By 1902, however, this depreciation had so affected revenues that the Government declared a surcharge on import duties equal to the spread between the internal value of the notes and the exchange rates for gold. This amounted to placing the Government's revenues upon a gold basis, although the country was actually upon the silver basis; in fact, Nicaragua might be said to have been, in effect, upon a paper basis, since the circulation of silver money was greatly reduced and the coins were at a premium in terms of paper.

The issues of Government paper continued to grow, accelerating depreciation. For 16 years thereafter there was a gradual increase in the amount of paper money in circulation and a corresponding fall in its exchange value. In 1905 and 1909 a change of Government was effected through various revolutionary disturbances, during the course of which large additional amounts of paper currency were issued, with the result that the Nicaraguan peso fell to about 6 cents gold.

#### FISCAL REORGANIZATION

In 1911 the first steps toward the reorganization of Nicaraguan affairs were taken, among which was the establishment of a new currency system. The value of the outstanding paper money was placed at 12.50 pesos to the new cordoba, and the old notes were to be redeemed at that ratio. Some of these notes were retired and the balance made convertible into notes of the National Bank of Nicaragua.

The National Bank of Nicaragua was established in 1912 under an agreement between the Nicaraguan Government and United States bankers. From that time until August, 1924, the Government of Nicaragua owned a minority of the stock, the controlling shares being held by United States interests. At the latter date the Nicaraguan Government purchased the United States holdings and has since been in full ownership of the bank.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Table 76 is: 1900-1912, selling rate of the peso for United States gold; 1913-1929, selling rate of the cordoba by the Banco Nacional for sight drafts on New York.

TABLE 76.—YEARLY AVERAGE EXCHANGE RATES OF THE NICARAGUAN PESO AND CORDOBA<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.4908	1910.....	\$0.0870	1920.....	\$0.9828
1901.....	.2989	1911.....	.0556	1921.....	.9804
1902.....	.1894	1912.....	.0645	1922.....	.9804
1903.....	.1389	1913.....	.9901	1923.....	.9852
1904.....	.1462	1914.....	.9901	1924.....	.9901
1905.....	.1624	1915.....	.9174	1925.....	.9901
1906.....	.1652	1916.....	.9901	1926.....	.9901
1907.....	.1587	1917.....	.9901	1927.....	.9901
1908.....	.1255	1918.....	.9828	1928.....	.9901
1909.....	.1095	1919.....	.9852	1929.....	.9901

<sup>1</sup> Peso, 1900-1912; cordoba, 1913-1929.

NORWAY

Norway's monetary unit is the krone (plural, kroner), representing 443.03 milligrams of gold 0.900 fine (403.23 milligrams of fine gold), the par value of which is \$0.26798 United States currency. The krone is divided into 100 ører. Gold pieces of 10 and 20 kroner are legal tender, but there is practically no gold in actual circulation. The subsidiary coins are of silver, copper-nickel, and bronze in krone and øre denominations.

The principal circulating medium consists of the notes of the Bank of Norway (Norges Bank), the central bank of issue, established June 14, 1816, to replace the branch of the Danish National Bank after the separation of Norway from Denmark. The legal minimum reserve requirement is 100 per cent gold against notes in excess of a fiduciary issue of 250,000,000 kroner; the fiduciary issue may be increased, subject to tax, by authority of the King and Storting.

NORWAY A MEMBER OF SCANDINAVIAN UNION

Prior to the World War Norway was a member of the Scandinavian Monetary Union, with Denmark and Sweden. Norway signed the convention in 1875 (Denmark and Sweden in 1873), and from that time the gold and silver coins of Denmark and Sweden were lawful money also in Norway. The bank notes of the Scandinavian central banks were generally accepted at par in all three countries. After the outbreak of the war, the monetary units of Norway, Sweden, and Denmark remained "pegged" together until the autumn of 1915.

The notes of the Bank of Norway, which were legal tender, were redeemable in gold on demand until August 4, 1914, when, because of the war, the bank was relieved of the obligation to redeem in gold until March, 1916, and again from November, 1920, up to May 1, 1928. Of the total circulation prior to the World War there was a fiduciary issue of 45,000,000 kroner. Beyond this amount, the notes had to be covered in full by gold and foreign balances payable in gold (provided the balances abroad did not exceed one-third of the total reserve) and were subject to a high tax so that they would not continue outstanding.

WAR'S REFLEX IN NORWAY

Norway experienced considerable prosperity as the war progressed. Norwegian products were in great demand both at home and abroad; profits were large and business confidence high. With the krone at

a premium in foreign countries, the tendency was for gold to flow to Norway.

The purchase of gold by the Bank of Norway tended toward inflation, because bank notes and deposit credits—which serve as reserves for private banks—were given in return for the gold purchased. The increased gold reserves of the bank also provided the basis for expansion of its own currency and credit. The inflation which took place in Norway was in part a result of the issue of Government securities, which went into the banks and served as the basis for borrowing.

Note circulation increased; notes outstanding at the end of 1913 amounted to 108,000,000 kroner; at the end of 1918, to 436,000,000 kroner; and at the end of 1920, to 483,000,000 kroner. Meanwhile, the gold reserve advanced from 44,000,000 to 147,000,000 kroner.

#### POSTWAR DEPRECIATION OF THE KRONE

The general trade depression of 1920–1921 affected seriously each of the four basic industries of the country (fishing, lumbering, wood-pulp manufacture, and shipping); there were many business failures. In 1922 and 1923 some of the most powerful banks were in difficult straits. However, the tension relaxed somewhat during 1924, with a gradual improvement of business and the banking situation. Note circulation was gradually reduced to 391,000,000 kroner at the end of that year, and each succeeding year saw a still further reduction. Meanwhile the gold reserve remained constant at 147,000,000 kroner. In December, 1929, the note circulation stood at 318,000,000 kroner, the gold reserve at 147,000,000 kroner, and foreign balances and bills of exchange at 59,000,000 kroner.

The exchange value of the krone in terms of the United States dollar was above par during 1917 and 1918, largely because the dollar was tied up with the "pegged" currencies of the European Allies. After March, 1919, when this artificial prop was withdrawn, the exchange value of the krone began to fall, being quoted at less than 20 cents in December. Depreciation continued during 1920, owing partly to the fact that there was a money stringency in New York and London, and bankers endeavored to liquidate their holdings of kroner. The relatively greater shrinkage of the buying power of the krone in Norway than of the dollar in the United States has been the real cause of the continued low value of the krone in New York since shortly after the close of the war.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 77 and 78 is: 1914, selling rate in Christiania on London (pence converted, see United Kingdom, p. 175); 1915–1918, bankers' checks, New York on Christiania; January, 1919, to June, 1921, sight drafts, New York on Oslo; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Oslo. The rate for 1914 is as quoted in the Statistisk Aarbok for Kongeriket Norge. Average rates from 1915 to 1918 are computed from mid-points between the monthly high and low rates; from 1919 to 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$0.268) may be used from 1900 to 1913, since the variations from par did not exceed 1 per cent at any time during that period.

TABLE 77.—YEARLY AVERAGE EXCHANGE RATES OF THE NORWEGIAN KRONE

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.2660	1920.....	\$0.1653	1926.....	\$0.2233
1915.....	.2598	1921.....	.1491	1927.....	.2605
1916.....	.2855	1922.....	.1750	1928.....	.2669
1917.....	.3046	1923.....	.1667	1929.....	.2668
1918.....	.3033	1924.....	.1394		
1919.....	.2458	1925.....	.1788		

TABLE 78.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE NORWEGIAN KRONE

Period	1915	1916	1917	1918	1919	1920	1921	1922
First quarter.....	\$0.2485	\$0.2806	\$0.2620	\$0.3123	\$0.2770	\$0.1822	\$0.1720	\$0.1665
Second quarter.....	.2591	.2891	.2917	.3141	.2556	.1807	.1545	.1805
Third quarter.....	.2588	.2851	.3043	.3092	.2359	.1516	.1310	.1690
Fourth quarter.....	.2687	.2787	.3402	.2777	.2197	.1397	.1400	.1839
January.....	.2495	.2773	.2800	.3188	.2793	.1919	.1763	.1566
February.....	.2457	.2793	.2795	.3113	.2740	.1730	.1778	.1666
March.....	.2504	.2853	.2865	.3069	.2676	.1818	.1619	.1762
April.....	.2558	.2963	.2900	.3169	.2590	.1983	.1597	.1861
May.....	.2590	.3035	.2925	.3118	.2545	.1863	.1577	.1847
June.....	.2624	.2945	.2925	.3135	.2532	.1754	.1461	.1706
July.....	.2605	.2860	.3000	.3130	.2410	.1652	.1338	.1668
August.....	.2580	.2855	.3050	.3118	.2342	.1499	.1307	.1718
September.....	.2580	.2838	.3060	.3028	.2324	.1398	.1286	.1683
October.....	.2610	.2800	.3332	.2940	.2205	.1379	.1264	.1786
November.....	.2718	.2770	.3525	.2710	.2226	.1338	.1412	.1837
December.....	.2733	.2792	.3350	.2780	.2060	.1474	.1523	.1894

Period	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.1846	\$0.1365	\$0.1532	\$0.2088	\$0.2580	\$0.2662	\$0.2666
Second quarter.....	.1701	.1372	.1665	.2179	.2586	.2677	.2665
Third quarter.....	.1619	.1371	.1927	.2192	.2005	.2670	.2664
Fourth quarter.....	.1502	.1468	.2027	.2473	.2648	.2666	.2678
January.....	.1867	.1408	.1527	.2035	.2557	.2660	.2666
February.....	.1855	.1332	.1525	.2083	.2578	.2661	.2666
March.....	.1816	.1355	.1543	.2147	.2605	.2666	.2666
April.....	.1784	.1379	.1613	.2162	.2586	.2674	.2666
May.....	.1654	.1387	.1682	.2166	.2584	.2678	.2666
June.....	.1664	.1351	.1701	.2210	.2589	.2678	.2664
July.....	.1620	.1342	.1807	.2193	.2584	.2673	.2665
August.....	.1630	.1387	.1880	.2191	.2594	.2669	.2663
September.....	.1608	.1363	.2093	.2191	.2636	.2667	.2663
October.....	.1550	.1425	.2020	.2561	.2634	.2665	.2674
November.....	.1465	.1472	.2031	.2530	.2649	.2665	.2679
December.....	.1491	.1506	.2031	.2529	.2662	.2667	.2682

PALESTINE

Palestine has for its monetary unit the Palestine pound of 1,000 mils. It is on a gold-exchange standard and is equal in value to the British pound sterling, par \$4.8665, or to 97.50 Egyptian piastres. The Palestine pound was introduced on November 1, 1927, under the British order in council <sup>26</sup> of February 7, 1927, to replace the Egyptian

<sup>26</sup> Palestine is administered by Great Britain under a mandate which was passed by the Council of the League of Nations on July 24, 1922, and came officially into force on September 29, 1923.

pound. The Egyptian pound, par \$4.9431 (see Egypt, p. 64), had been the unit of currency in Palestine since 1918, while prior to that period the Turkish pound had been the unit.

The new coins in circulation consist of silver, nickel-copper, and bronze pieces ranging in denomination from 1 to 100 mills, in addition to notes. These new notes and coins were issued on behalf of the Palestine Government by the Palestine Currency Board, appointed by the British Secretary of State for the Colonies, having its offices in London. The treasurer of Palestine is the currency officer, and he represents the board in Palestine.

Egyptian currency ceased to be legal tender after March 31, 1928, by which date all Egyptian currency was expected to have been withdrawn and replaced by the new Palestine currency. The Egyptian currency thus exchanged was to be sent back to Egypt and there sold for its value in British money. Thereafter the board, through the currency officer, was to buy or sell Palestine currency freely at Jerusalem in exchange for British money in London, thus maintaining parity with the pound sterling.

#### PANAMA

For its monetary unit, Panama employs the balboa (plural, balboas), representing 1.672 grams of gold 0.900 fine (1.5048 milligrams of fine gold) and being therefore practically the equivalent of \$1 United States currency.<sup>27</sup> This unit was adopted by the law of June 28, 1904.

Under the treaty of November 18, 1903, between the United States and Panama, the balboa was named the unit of currency and United States gold was made legal tender. Branches of United States banks were established. To provide a medium of exchange within the country, the currency of Panama was placed upon a gold-exchange basis, secured by a fund deposited in New York City. No Government paper money or bank notes have been issued. The coinage was based upon a limited circulation of silver, the unit of which was the half-balboa, commonly called the peso, containing 25 grams of silver 0.900 fine, and equivalent to \$0.50; the peso is divided into 100 centesimos, and the other subsidiary metallic currency of silver and nickel-copper is in centesimo denominations.

When the price of silver advanced, from 1916 through 1920, the silver coins of Panama gradually disappeared and after the fall in the price of silver few of these coins returned to circulation. At present, business in Panama is conducted on practically a dollar basis, with United States currency almost the only medium in general use.

#### PARAGUAY

The monetary unit of Paraguay is the paper peso (plural, pesos) of 100 centavos, which formerly had a theoretical par value equal to that of the Argentine peso, or \$0.9648 United States currency. (See Argentina, p. 3.) By measures taken in March and September, 1923, the Paraguayan currency was definitely stabilized with relation

<sup>27</sup> While the balboa is nominally equivalent to the United States dollar, the legal gold content thereof is exactly equal to that of the Nicaraguan cordoba, or slightly in excess of the United States dollar's gold content.

to Argentine currency. The ratio established was 18.75 Paraguayan paper pesos to 1 Argentine paper peso or 42.61 Paraguayan paper pesos to 1 Argentine gold peso.

The present circulation consists of Paraguayan paper currency and subsidiary nickel coins. However, the Argentine gold peso has served for many years as the money of account in connection with the foreign trade and larger financial transactions of Paraguay.

#### ARGENTINE AND PARAGUAYAN CURRENCIES INTERLOCKED

The Paraguayan paper peso (symbol *c/l* = *curso legal*),<sup>28</sup> the unit employed in domestic transactions, experienced a gradual depreciation with respect to the gold peso from 1893 until about 1902, when its fluctuations increased and its value began to decline more rapidly. In 1904 the paper peso was worth roughly one-tenth of the gold peso, or about \$0.10 United States currency. During the years following, owing to larger issues of unsecured Government paper money, the value of the paper peso showed a still further decline, being worth only about \$0.02 United States currency at the beginning of 1923, when definite steps were taken toward the stabilization of the paper peso. By the law of March, 1923, it was provided that the Paraguayan paper peso was to be convertible into the Argentine paper peso at the ratio of 18.75 to 1, and that the Argentine paper peso was to be convertible into the Argentine gold peso at the ratio of 0.44.

By the law of October, 1923, the Exchange Office (*Oficina de Cambios*)—created originally in 1916—was officially made responsible for the maintenance of the established ratio. It was to receive Paraguayan paper for Argentine paper at 18.75 to 1, and to perform the reverse operation at the ratio of 18.73 to 1. It might issue an unlimited amount of Paraguayan paper currency in return for the deposit of Argentine money, and such Paraguayan currency as was turned in for Argentine money was to be retired from circulation. The Paraguayan paper currency which now circulates, and which supplies the entire needs of the country (since practically no coin is in use), consists of the old fiduciary Government issues still outstanding and issues of the Exchange Office against deposits of Argentine currency.

The statement of the Exchange Office for March 31, 1926, showed that the Argentine funds held as part guaranty of the Paraguayan circulation amounted to 3,632,000 Argentine paper pesos and 819,000 gold pesos. The guaranty was 45.3 per cent. The Paraguayan paper circulation was 205,363,000 pesos, of which 31,852,000 pesos had been issued by the Exchange Office. On October 15, 1928, the total paper circulation was 211,905,000 pesos, of which 45,553,000 pesos had been issued against Argentine money; the reserve of the Exchange Office was 51.27 per cent.

#### BASIS OF STATISTICS

The average exchange rates given in Table 79 are for the Paraguayan paper peso; for exchange rates of the gold peso see Argentina, page 5.

<sup>28</sup> In its official foreign-trade statistics Paraguay uses the abbreviation *o/s* (*oro sellado* [coined gold]) with the dollar mark in stating the gold value of commodities; illustration, \$1,000 *o/s*.



TABLE 79.—YEARLY AVERAGE EXCHANGE RATES OF THE PARAGUAYAN PAPER PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0. 1178	1910.....	\$0. 0675	1920.....	\$0. 0359
1901.....	. 1127	1911.....	. 0734	1921.....	. 0275
1902.....	. 1036	1912.....	. 0693	1922.....	. 0230
1903.....	. 0972	1913.....	. 0695	1923.....	. 0184
1904.....	. 0867	1914.....	. 0482	1924.....	. 0183
1905.....	. 0910	1915.....	. 0249	1925.....	. 0214
1906.....	. 0895	1916.....	. 0299	1926.....	. 0216
1907.....	. 0832	1917.....	. 0269	1927.....	. 0226
1908.....	. 0637	1918.....	. 0361	1928.....	. 0226
1909.....	. 0601	1919.....	. 0523	1929.....	. 0223

## PERSIA

Persia's monetary system is based on the silver kran, which weighs about 4.603 grams and is 0.900 fine. There are 20 shahis in a kran, and 10 krans in a toman. The value of the kran in foreign exchange moves with the price of silver.

Gold coins are the new 1, 2, and 5 pahlavi pieces and the old  $\frac{1}{2}$ ,  $\frac{1}{4}$ , 1, and 2 toman pieces. These coins, however, are not in circulation as current money, owing to their constantly changing value in terms of the silver kran. The 1-pahlavi piece represents 2.0833 grams of gold 0.900 fine and is equal to 10 krans. While a silver toman is equivalent to 10 krans, the same ratio does not apply to a gold toman; ordinarily gold coins are worth about twice as much as silver coins of corresponding face value. Silver coins are of 1, 2, and 5 kran denominations; there are also 10-shahi ( $\frac{1}{2}$  kran), 5-shahi ( $\frac{1}{4}$  kran), and 3-shahi silver pieces and nickel coins of 1 and 2 shahis.

In addition to the metallic currency, the notes of the sole bank of issue, the Imperial Bank of Persia (incorporated by royal charter September 2, 1889), go to make up the circulation. Denominations are 1, 2, 5, 10, 20, 50, and 100 tomans. Notes outstanding on March 21, 1929, amounted to 155,000,000 krans. The bank gave up the right of note issue May 13, 1930.

The average exchange rates as given in Table 80 are computed from the valuations in French francs found in Le Tableau Général de Commerce de la Perse. The rates are for fiscal years.

TABLE 80.—YEARLY AVERAGE EXCHANGE RATES OF THE PERSIAN KRAN

Year ending March 21—	Average rate	Year ending March 21—	Average rate	Year ending March 21—	Average rate
1907.....	\$0. 0893	1915.....	\$0. 0779	1923.....	\$0. 0755
1908.....	. 0870	1916.....	. 0768	1924.....	. 0818
1909.....	. 0897	1917.....	. 1309	1925.....	. 1048
1910.....	. 0881	1918.....	. 1549	1926.....	. 1101
1911.....	. 0888	1919.....	. 1633	1927.....	. 0976
1912.....	. 0879	1920.....	. 1395	1928.....	. 0980
1913.....	. 0873	1921.....	. 1048	1929.....	. 1007
1914.....	. 0870	1922.....	. 0750		

## PERU

Until March 27, 1930, Peru's monetary unit was the Peruvian libra (plural, libras) of 10 soles; the sol being divided into 100 centavos. The Peruvian libra—commonly called "pound"—represents 7.9881 grams of gold 0.916% fine (7.3224 grams of fine gold) and is therefore the

fact equivalent of the pound sterling; its par value is \$4.8665 United States currency. The Peruvian pound is abbreviated Lp. (also written *£p.*). Since de facto stabilization, which became effective in April, 1928, exchange has been fairly steady at about \$4. On March 1, 1930, the sol (par value, \$0.40 United States currency) replaced the libra as Peru's official unit of currency. Effective February 10, 1930, the export of gold is free.

The circulating medium consists of the notes of the Banco de Reserva del Peru, cheques circulares, and subsidiary silver (moneda blanca) and nickel coins of sol and centavo denominations. There is a fairly large stock of Peruvian gold coins in the country, but this gold is held by the Banco de Reserva and other banks and does not circulate. The legal minimum reserve requirement of the Reserve Bank of Peru is 50 per cent gold and foreign exchange against outstanding notes and other demand liabilities.

#### "CHEQUES CIRCULARES" A WAR-TIME EXPEDIENT

On January 10, 1898, a decree was issued, under authority of the President of the Republic, making effective the law of December 29, 1897, which established a gold currency. By the act of December 14, 1901, gold became the sole standard, and remained the sole standard until the first issue of the "cheques circulares" under laws passed in August and October, 1914.

Prior to the outbreak of the World War the only money in circulation was gold and silver coin. The result of the crisis and panic of 1914 was the practical disappearance from circulation of the gold then in the hands of the public. The necessity of issuing paper in its stead resulted in the emission of bank notes secured by the reserves of gold still held by the banks, supplemented by securities and commercial paper. A commission of bankers and business men, called the Junta de Vigilancia, was appointed to administer the new system. The Junta de Vigilancia operated with entire success for eight years, until it was superseded by the Banco de Reserva del Peru.

The original issue of "cheques circulares," as these new notes were called, was Lp. 2,500,000 (of which amount Lp. 500,000 represented a loan by the banks to the Government), which sufficed until 1917, when there was a shortage of silver coins owing to the increased needs of business and to the rising value of silver, which made its exportation profitable. At that time it was necessary to issue a certain amount of cheques circulares of the denominations of 50 and 5 centavos, secured in full by gold.

#### ADDITIONAL "CHEQUE" EMISSION STEADIES EXCHANGE

When the United States entered the war and placed an embargo on gold exports, monetary equilibrium in Peru was again disturbed. Foreign bills of exchange (representing the heavy exports of the time) had to be sold at increasing discounts in Peruvian money. The exchange value of the Peruvian pound for sight drafts on New York advanced to as high a point as \$5.65 in June, 1918.

This situation was met by the passage of a law in August, 1918, which permitted the issue in Peru (to a maximum of Lp. 3,000,000) of "cheques circulares" based on 100 per cent gold deposits in the Federal Reserve Bank of New York or other approved banks in New York or London. This measure brought the exchange value of the Peruvian pound back to the rate (about \$5.04) assigned by the law

to cover banking commissions and the estimated expense of importing gold. The arrangement had such a beneficial effect that it was amplified at the end of 1918 by a law which permitted the Junta de Vigilancia to issue, in return for gold, an unlimited amount of cheques circulares. During 1919 and 1920 additional cheques circulares to a total of Lp. 2,000,000 were issued.

Under the influence of lower export prices, reduced volume of exports, heavy imports, and a general derangement of the balance of financial transactions caused by extraordinary world conditions, a period of exchange depression set in about September, 1920, and since that time the exchange value of the Peruvian pound has remained below par in spite of the fact that the gold reserve held by the Reserve Bank of Peru has been above the legal limit.

#### RESERVE BANK REPLACES JUNTA DE VIGILANCIA

An important change was made in Peru's currency system in 1922, when the Junta de Vigilancia was abolished and its functions were taken over by the new Reserve Bank of Peru (Banco de Reserva del Peru). The Reserve Bank is a semiofficial institution; it has the sole right of note issue, based on stringent restrictions regarding reserves of gold, commercial paper, and securities held against its notes. It is to substitute gradually its notes for outstanding cheques circulares (amounting to Lp. 7,222,000 when the junta was dissolved), the latter to be destroyed as soon as full redemption in gold is instituted by the bank. The reserves of the Junta de Vigilancia are now held by the bank.

The bank is gradually retiring the former cheques circulares and increasing its own note circulation. In December, 1929, the note circulation of the bank amounted to Lp. 6,523,000 and the gold reserve (against outstanding notes) to Lp. 3,836,000.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 81 and 82 is: 1900-1901, Lima on London (pence converted at \$0.02028); 1902-1925, 3 days' sight drafts, Lima on New York; 1926-1929, cable transfers, New York on Lima. The rates for 1900 and 1901 are computed from mid-points between monthly high and low rates; from 1902 to 1912, the rates are mid-points between yearly high and low rates (quoted in the Statistical Abstract of Peru, 1924); from 1913 to 1925, the rates are computed from monthly average rates; from 1926 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 81.—YEARLY AVERAGE EXCHANGE RATES OF THE PERUVIAN LIBRA (POUND)

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$4. 9750	1910.....	\$4. 8500	1920.....	\$4. 5900
1901.....	4. 9430	1911.....	4. 8550	1921.....	3. 6000
1902.....	4. 8200	1912.....	4. 8100	1922.....	3. 8600
1903.....	4. 8550	1913.....	4. 7700	1923.....	4. 1100
1904.....	4. 8450	1914.....	4. 7200	1924.....	4. 0500
1905.....	4. 8450	1915.....	4. 2300	1925.....	4. 0210
1906.....	4. 9050	1916.....	4. 8200	1926.....	3. 7410
1907.....	4. 8450	1917.....	4. 9600	1927.....	3. 7377
1908.....	4. 8000	1918.....	5. 2750	1928.....	3. 9705
1909.....	4. 7800	1919.....	4. 9200	1929.....	3. 9998

TABLE 82.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE PERUVIAN LIBRA (POUND)

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$4.77	\$4.33	\$4.62	\$4.92	\$5.36	\$5.04	\$4.71	\$3.94
Second quarter.....	4.77	4.26	4.82	4.93	5.53	5.04	4.75	3.65
Third quarter.....	4.77	4.18	4.91	4.97	5.17	4.85	4.74	3.33
Fourth quarter.....	4.57	4.17	4.91	5.13	5.04	4.74	4.21	3.50
January.....	4.77	4.36	4.50	4.92	5.28	5.04	4.74	4.05
February.....	4.77	4.33	4.68	4.92	5.43	5.04	4.70	3.91
March.....	4.77	4.30	4.68	4.92	5.38	5.04	4.69	3.86
April.....	4.77	4.30	4.71	4.92	5.39	5.04	4.74	3.54
May.....	4.77	4.28	4.80	4.92	5.54	5.04	4.75	3.80
June.....	4.77	4.20	4.94	4.94	5.65	5.04	4.77	3.60
July.....	4.77	4.21	4.91	4.94	5.37	4.92	4.81	3.42
August.....	4.77	4.18	4.91	4.94	5.10	4.83	4.82	3.21
September.....	4.77	4.14	4.92	5.02	5.05	4.80	4.58	3.36
October.....	4.75	4.16	4.90	5.10	5.04	4.80	4.39	3.43
November.....	4.56	4.15	4.91	5.12	5.04	4.78	4.11	3.51
December.....	4.40	4.19	4.92	5.17	5.04	4.63	4.12	3.55

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$3.52	\$4.13	\$3.97	\$4.130	\$3.8639	\$3.6469	\$3.9053	\$3.9992
Second quarter.....	3.77	4.22	4.06	4.102	3.7184	3.6746	3.9854	4.0000
Third quarter.....	4.03	4.09	4.06	3.965	3.8296	3.7937	3.9857	4.0000
Fourth quarter.....	4.07	4.02	4.11	3.887	3.6931	3.8339	3.9991	4.0000
January.....	3.55	4.06	3.97	4.060	3.8912	3.6112	3.9034	4.0000
February.....	3.57	4.08	3.99	4.170	3.8459	3.6636	3.9016	3.9977
March.....	3.44	4.26	3.96	4.160	3.8547	3.6659	3.9109	4.0000
April.....	3.57	4.23	4.01	4.100	3.7820	3.6331	3.9776	4.0000
May.....	3.73	4.22	4.11	4.100	3.6890	3.6464	3.9927	4.0000
June.....	4.02	4.21	4.07	4.105	3.6942	3.7442	3.9950	4.0000
July.....	4.05	4.12	4.05	4.040	3.7659	3.7460	4.0048	4.0000
August.....	4.05	4.06	4.09	3.915	3.8316	3.7496	3.9800	4.0000
September.....	3.8	4.08	4.05	3.940	3.8912	3.8856	3.9812	4.0000
October.....	3.94	4.04	4.08	3.865	3.6422	3.8416	3.9904	4.0000
November.....	4.12	4.00	4.12	3.940	3.5939	3.7615	4.0030	4.0000
December.....	4.16	4.01	4.13	3.855	3.5733	3.8985	4.0040	4.0000

<sup>1</sup> Nominal rates.

## PHILIPPINE ISLANDS

In the Philippine Islands the monetary unit is the new peso (plural, pesos) of 100 centavos, containing 20 grams of silver 0.800 fine and equivalent to \$0.50 United States currency. The Philippines are on the gold-exchange standard under the gold standard fund act of June 13, 1922.

The circulating media consist of silver pesos and subsidiary coins of silver, nickel, and copper in centavo denominations; and notes of the Bank of the Philippine Islands, of the Philippine National Bank, and Treasury certificates. United States money also circulates freely and is legal tender.

When the United States took possession of the islands under the treaty of peace between the United States and Spain of April 11, 1899, the Mexican dollar was the chief current coin; however, its exchange value fluctuated considerably. In 1900 an order was issued establishing the ratio of 2 Mexican dollars to 1 United States dollar; this arrangement not proving satisfactory, Congress passed a law, effective in June, 1904, establishing as the monetary unit a Philippine coin, the peso (symbol, ₱), of the value of \$0.50 United States currency, to be guaranteed by gold.

## PHILIPPINE NATIONAL-BANK NOTES

Before American occupation, the only authorized note circulation consisted of the issues of the Banco Español Filipino, now the Bank of the Philippine Islands. This bank still retains the right of note issue, protected by a reserve of 25 per cent. The present circulation is about 9,000,000 pesos.

The Philippine National Bank was established, under special charter granted by the Philippine Legislature, on May 2, 1916, with an authorized capital of \$10,000,000, of which the Government subscribed about one-half. The bank was authorized to issue notes to an amount not exceeding 60 per cent of its capital and surplus, plus an amount not exceeding 75 per cent of the amount of specified bills held by it. A reserve of not less than 33½ per cent of the outstanding notes must be held in lawful money of the Philippine Islands. Notes may likewise be issued against gold coin of the United States to the full value thereof, provided such gold is not otherwise pledged.

Upon the reorganization of the bank in 1924, the Government purchased the remaining shares, reduced the capital stock to \$5,000,000, and guaranteed the final redemption and payment of the bank's circulating notes, the reserve for which had been dissipated; and it advanced, from the proceeds of bonds, approximately \$8,000,000 for the purpose of rehabilitating that reserve.

## TREASURY-CERTIFICATE FUND

Treasury certificates, issued by the Insular Government, are supported by the treasury-certificate fund, which must be maintained at 100 per cent of the treasury-certificate issue. Gold coin of the United States may be substituted for silver pesos in this fund if necessary to release silver coins for circulation, but only pending the purchase of silver bullion. Under certain conditions, currency of the United States deposited in Manila or with designated Federal reserve banks may be substituted.

On September 21, 1929, bank notes in circulation totaled 20,509,000 pesos; treasury certificates, 97,533,000 pesos; and Philippine coins, 21,738,000 pesos. (Insular Auditor's Report.)

## BOND ISSUE TO RESTORE GOLD-STANDARD FUND

Exchange has been fairly stable since 1903 except for the critical years 1920 and 1921. In 1918 the currency system was modified by merging the gold-standard fund with the treasury-certificate reserve. A large part of the gold-standard fund was removed from the authorized depositories in the United States and deposited with the Philippine National Bank. The fund was diverted to commercial uses, and by 1920 it had largely disappeared.

The exchange value of the peso fell off steadily throughout 1920, and in April, 1921, it was at 16 per cent discount. Only the general confidence in ultimate redemption by the United States prevented a further decline. To restore the gold-standard fund following this debacle, the United States Secretary of War was authorized to issue for the Philippine Government additional bonds to the amount of \$23,500,000.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Table 83 is: 1900-1917, banks' selling rate on New York in Manila; 1918-1924, cable transfers, New York on Manila; 1925-1929, demand rates,

New York on Manila. The rates from 1900 to 1917 were secured from the Bureau of Insular Affairs; from 1918 to 1929, the rates are as quoted in the *Annalist*.

It is suggested that, for ordinary conversions, the par value be used except for the years 1920 and 1921.

TABLE 83.—YEARLY AVERAGE EXCHANGE RATES OF THE PHILIPPINE PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.4944	1910.....	\$0.4944	1920.....	\$0.4775
1901.....	.4944	1911.....	.4944	1921.....	.4775
1902.....	.4944	1912.....	.4944	1922.....	.5050
1903.....	.4944	1913.....	.4944	1923.....	.5000
1904.....	.4944	1914.....	.4944	1924.....	.4987
1905.....	.4944	1915.....	.4944	1925.....	.4981
1906.....	.4944	1916.....	.4944	1926.....	.4963
1907.....	.4944	1917.....	.4944	1927.....	.4975
1908.....	.4944	1918.....	.5000	1928.....	.4956
1909.....	.4944	1919.....	.4957	1929.....	.5010

NOTE.—Rates from 1900 to 1917 are more or less nominal.

POLAND

The new Republic of Poland has adopted as its monetary unit the zloty (plural, zlote) of 100 grosze, stabilized under the presidential decree of October 13, 1927, effective on October 19, 1927. In accordance with the stabilization plan, the monetary system of Poland is based on gold. Coins are to be minted in the proportion of 5,924.44 zlote to 1 kilogram of fine gold, which corresponds to 8.9141 zlote to the United States dollar. The new stabilized zloty therefore represents 187.546 milligrams of gold 0.900 fine (168.792 milligrams of fine gold) and is equivalent to about \$0.1122 United States currency.

Coins provided for under the stabilization plan are gold pieces of 25, 50, and 100 zlote, silver pieces of 2 and 5 zlote, and subsidiary coins of nickel and bronze in zloty and groszy denominations.

Apart from the metallic currency, the principal circulating medium consists of the notes of the Bank of Poland (Bank Polski), the sole bank of issue, which are unlimited legal tender. At the end of December, 1929, outstanding notes of the Bank Polski totaled 1,340,263,000 zlote; gold at home, 520,965,000 zlote; and gold abroad, 179,553,000 zlote.

MIXED CURRENCY OF WAR PERIOD

The Republic of Poland, which came into existence at the time of the armistice on November 11, 1918, is composed of former parts of Germany, Austria-Hungary, and Russia, territory which in the main had constituted the Poland partitioned about 150 years ago by Russia, Austria, and Prussia.

Upon the outbreak of the war of 1914 Germany invaded Russian or Congress Poland, and in 1916 introduced a new currency into this section, the German-Polish mark of 100 pfennige. 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. The Polish population received the marks but preferred the Russian rubles with which they were familiar, and disposed of the marks as soon as possible. The

ruble circulation available was limited, and, since the demand for rubles was strong, marks were locally at a discount. 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 and German marks were decreed the only legal money.

#### POST-WAR MONETARY CONFUSION

After the armistice, when Poland became independent, the currency was much confused. 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.

The new Polish Government took over the bank established 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 was undertaken at the 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.

#### PERIOD OF INFLATION AND DEPRECIATION

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 note circulation of the Polish State Loan Bank at the end of 1918 was 1,023,800,000 marks; on March 31, 1924, 596,244,000,000 marks. This inflation took place largely as a result of advances to the Government by the bank, mainly for budgetary deficits, and was accompanied by a steady decline in exchange.

The Polish Government endeavored by various means to stem the depreciation of the mark, but as long as inflation continued these efforts were unsuccessful. An office was established by the Government to control exchange rates. This expedient failed of success, since the rates established were too low to balance 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 office.

#### ZLOTY ADOPTED AS UNIT

In 1919 Poland adopted the zloty as the unit ("zlot" meaning gold in Polish), its value to be equal to that of the gold franc (\$0.193). 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 zlots. Until 1924 the zloty was a theoretical unit used for purposes of computation to avoid the difficulties resulting from the fluctua-

tions of the mark. In 1923 the Government issued bonds, half of each bond being in terms of zloté and the other half in terms of Polish marks. Marks were received in payment for the bonds at the rate of 1 zloté for 1,400 marks. In June, 1923, the Government began converting its statistics into zloté retroactively, using a rate for each month based upon the price of rye and upon 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 was equivalent to the gold franc (\$0.193); it was divided into 100 grosze. The conversion of marks into zloté began in the spring of 1924 at the ratio of 1,800,000 to 1.

The Bank of Poland was to enjoy a monopoly of note issue for 30 years; its notes were full legal tender. Although the notes were to be convertible into gold, the date on which such convertibility was to begin was to be determined later. The minimum reserve against its outstanding notes was to be 30 per cent.

#### EXCHANGE UNSTEADY IN 1925 AND 1926

During the latter part of 1925, which was a year of poor crops and financial disturbance, the exchange value of the zloty declined rapidly and the foreign exchange reserve of the Bank Polski fell from 259,000,000 zloté in March, 1925, to 49,000,000 zloté by March, 1926. During this period the bank withdrew from circulation a considerable amount of the notes presented for redemption, reducing the note circulation from 563,000,000 zloté to 389,000,000 zloté. During the same period, however, the Government increased its fiduciary issues from 192,000,000 to 460,000,000 zloté. The decline in the exchange value of the zloty continued until May, 1926, when it reached its low point of \$0.0903 United States currency.

In the summer of 1926 the foreign-exchange reserve began once more to climb, and at the end of September, 1927, amounted to 243,000,000 zloté; on the same date the gold reserve of the bank was 182,000,000 zloté. At the same time the exchange value of the zloty began to appreciate, reaching about \$0.11 in August of that year—a level which it has since maintained with slight fluctuations.

#### ZLOTY STABILIZED IN 1927

On October 19, 1927, with the aid of foreign capital the stabilization of the zloty at a level which had already been attained through national efforts and maintained for a whole year preceding the reform was assured. Legal stabilization of the zloté was made possible by the 7 per cent 20-year loan floated by the Treasury for \$62,000,000 and £2,000,000, face value, at an issue price of 92. At the same time, under the initiative of the New York Federal Reserve Bank and of the Bank of France, the Bank of Poland obtained a rediscount credit of \$20,000,000 from 14 banks of issue, which thus participated in the work of monetary reform in Poland and indicated their confidence in the regular execution of the stabilization plan. This credit was subsequently extended for another year, ending October 13, 1929.

The entire yield of the stabilization loan was turned over in foreign exchange to the Bank of Poland and placed to a special account,



while the equivalent thereof, amounting to 540,000,000 zloté, was allocated as follows: 75,000,000 zloté to increase the capital of the Bank of Poland; 140,000,000 zloté for redemption by the bank of one-half the State note issue; 90,000,000 zloté for conversion into silver money of the other half of the State note issue; 25,000,000 zloté for redemption of Treasury bonds; 75,000,000 zloté to be Treasury reserves; and 135,000,000 zloté to aid Government enterprises and agriculture.

#### STATUTES OF BANK OF POLAND REVISED

The more important changes in the statutes of the Bank of Poland voted by the extraordinary meeting of shareholders on November 5, 1927, are:

(1) Under article 47 the bank will redeem its notes at its discretion in gold coin or in bills of foreign exchange. Redemption will take place only at the head office in Warsaw and for amounts in excess of 20,000 zloté.

(2) Article 51 provides that bank notes in circulation and demand obligations, including deposits, of the bank must be covered in the minimum proportion of 40 per cent. The gold reserve in coin and bullion must represent at least three-fourths of the minimum cover. Only such foreign-exchange bills as have been accepted or indorsed by foreign banks of highest rank may serve as cover.

In carrying out the stabilization plan adopted by the Polish Government and the provision for the election of a foreign member to the council of the Bank of Poland, a new article (article 26A) was introduced into the statutes of the bank. Under this article Charles S. Dewey, former Assistant Secretary of the Treasury at Washington, was appointed on November 5, 1927, to the board of directors of the bank and on November 22 he assumed his functions as a member of the board and as Financial Adviser to the Government within the limits provided by the stabilization plan.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 84 and 85 is: July, 1919, sight drafts, New York on Warsaw; August, 1919, to December, 1929, noon buying rates for cable transfers, New York on Warsaw. Average rates from July, 1919, to June 1921, are mid-points between monthly high and low rates; from July, 1921, to December, 1929, averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 84.—YEARLY AVERAGE EXCHANGE RATES OF THE POLISH MARK AND ZLOTY <sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1919 <sup>2</sup> .....	\$0.03773	1923.....	\$ .0000138	1927.....	<sup>4</sup> \$0.1129
1920.....	.00508	1924.....	<sup>3</sup> .1923	1928.....	.1121
1921.....	.000792	1925.....	.1774	1929.....	.1119
1922.....	.000188	1926.....	.1118		

<sup>1</sup> Mark, 1919-1923; zloty, 1924-1929, except as stated in Note 3 below.

<sup>2</sup> July-December.

<sup>3</sup> June-December, for the zloty. The average rate for the Polish mark, January-May, was \$0.000000113 (that is, 11.3 cents per million marks).

<sup>4</sup> Zloty revalued in October. (See text.)

TABLE 85.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE POLISH MARK AND ZLOTY<sup>1</sup>

Period	1919	1920	1921	1922	1923	1924 <sup>2</sup>
First quarter.....	(?)	\$0.0068	\$0.00136	\$0.000283	\$0.000031	\$0.00000113
Second quarter.....	(?)	.0057	.00112	.000249	.000019	(?)
Third quarter.....	\$0.0546	.0051	.000420	.000149	.0000048	.1923
Fourth quarter.....	.0208	.0026	.000272	.000072	.000000618	.1921
January.....	(?)	.0070	.00145	.000327	.000043	.000000116
February.....	(?)	.0068	.00130	.000286	.000025	.000000109
March.....	(?)	.0067	.00132	.000236	.000024	.000000113
April.....	(?)	.0060	.00130	.000282	.000023	.000000114
May.....	(?)	.0051	.00124	.000249	.000021	.000000113
June.....	(?)	.0059	.00082	.000237	.000013	.1929
July.....	.0688	.0061	.000516	.000185	.000007	.1925
August.....	.0563	.0047	.000489	.000135	.000004	.1923
September.....	.0388	.0045	.000256	.000127	.0000035	.1922
October.....	.0308	.0037	.000212	.000095	.000001113	.1922
November.....	.0188	.0026	.000290	.000065	.000000502	.1921
December.....	.0129	.0016	.000313	.000057	.000000234	.1920

Period	1925	1926	1927	1928	1929
First quarter.....	\$0.1918	\$0.1290	\$0.1134	\$0.1123	\$0.1119
Second quarter.....	.1919	.1007	.1137	.1121	.1119
Third quarter.....	.1821	.1063	.1123	.1120	.1120
Fourth quarter.....	.1441	.1120	.1121	.1120	.1120
January.....	.1918	.1287	.1131	.1124	.1119
February.....	.1918	.1315	.1134	.1123	.1119
March.....	.1918	.1269	.1137	.1123	.1119
April.....	.1918	.1133	.1142	.1120	.1119
May.....	.1919	.0958	.1135	.1121	.1119
June.....	.1919	.0930	.1131	.1121	.1119
July.....	.1908	.1006	.1125	.1120	.1119
August.....	.1795	.1086	.1122	.1120	.1120
September.....	.1759	.1097	.1122	.1120	.1120
October.....	.1666	.1109	.1121	.1120	.1120
November.....	.1574	.1123	.1121	.1120	.1120
December.....	.1084	.1127	.1122	.1119	.1120

<sup>1</sup> Mark, 1919-1923; zloty, 1924-1929, except as stated in Note 3.

<sup>2</sup> No quotation.

<sup>3</sup> Mark, January-May; zloty, June-December.

<sup>4</sup> Indeterminable.

### PORTUGAL

Theoretically Portugal's monetary unit is the gold escudo (plural, escudos) of 100 centavos, adopted by decree of the Provisional Government of May 22, 1911. The escudo represents 1.80634 grams of gold 0.900 fine (1.6257 grams of fine gold) and its par value is \$1.0805 United States currency. The same decree provided for gold coins of 1, 2, 5, and 10 escudos, a 1-escudo silver piece (0.835 fine), and subsidiary coins of silver, copper, nickel, and bronze in centavo denominations.

The principal circulating medium, owing to the disappearance of practically all gold and silver, consists of the notes of the Bank of Portugal (Banco de Portugal), established in 1846. The pound sterling is legal tender for 4.50 gold escudos.

### PAPER THE ACTUAL CIRCULATING MEDIUM

Portugal adopted a single gold standard in 1855. The law provided for gold coins of 1, 2, and 5 milreis. The present escudo is the equivalent of 1 milreis. (Reis is the plural of real; 1 milreis [written 1\$000] = 1,000 reis; 1 conto = 1,000 milreis. Fractions of the milreis are written 0\$500 or \$500; fractions of the escudo, 0\$50 or simply \$50.)

Owing to the withdrawal from circulation of practically all gold and silver, Portugal at the present time is actually on a paper basis. The exchange value of the escudo, only slightly below par in 1906, has since shown considerable fluctuation, with a downward trend after 1912; it reached its low point in the summer of 1924, but from the beginning of 1928 it has remained fairly steady at about \$0.045. The note circulation has increased from 87,000,000 escudos at the end of 1913 to 2,001,000,000 escudos in December, 1929; the gold reserve, during the same period, has remained practically stationary at about 9,000,000 escudos.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 86 and 87 is: 1900-1921, Lisbon on London (sterling converted; see United Kingdom, p. 174); 1922-1929, noon buying rates for cable transfers, New York on Lisbon. Annual rates from 1900 to 1921 are computed from monthly average rates; from 1922 to 1929 the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 86.—YEARLY AVERAGE EXCHANGE RATES OF THE PORTUGUESE ESCUDO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.7595	1910.....	\$0.9943	1920.....	\$0.1921
1901.....	.7009	1911.....	.9953	1921.....	.0975
1902.....	.8506	1912.....	.9777	1922.....	.0367
1903.....	.8691	1913.....	.9274	1923.....	.0425
1904.....	.8991	1914.....	.8665	1924.....	.0338
1905.....	1.0154	1915.....	.7069	1925.....	.0504
1906.....	1.0021	1916.....	.6788	1926.....	.0512
1907.....	1.0483	1917.....	.6183	1927.....	.0503
1908.....	.9384	1918.....	.6012	1928.....	.0447
1909.....	.9336	1919.....	.5420	1929.....	.0447

TABLE 87.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE PORTUGUESE ESCUDO

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0.9184	\$0.7175	\$0.6909	\$0.6193	\$0.5800	\$0.6843	\$0.2541	\$0.0972
Second quarter.....	.9280	.7369	.6860	.6194	.6050	.6096	.2132	.1025
Third quarter.....	.8526	.7027	.6970	.6307	.5943	.4954	.1800	.1018
Fourth quarter.....	.7649	.6707	.6428	.5984	.6260	.4018	.1222	.0858
January.....	.9168	.7240	.6761	.6197	.5891	.6951	.2708	.1052
February.....	.9222	.7028	.7118	.6203	.5866	.6898	.2431	.1009
March.....	.9161	.7256	.6848	.6178	.5643	.6681	.2485	.0856
April.....	.9219	.7268	.6823	.6156	.5770	.6436	.2457	.0900
May.....	.9299	.7441	.6841	.6191	.6191	.5981	.2004	.0994
June.....	.9323	.7397	.6916	.6234	.6188	.5871	.1934	.1182
July.....	.9253	.7208	.7002	.6351	.6039	.5443	.1852	.1210
August.....	.8687	.6983	.7015	.6342	.5996	.4806	.1837	.0914
September.....	.7637	.6889	.6894	.6228	.5794	.4614	.1682	.0931
October.....	.8214	.6757	.6702	.5965	.5893	.4619	.1466	.0968
November.....	.7757	.6601	.6367	.5996	.6243	.4099	.1181	.0827
December.....	.6975	.6762	.6209	.5990	.6643	.3335	.1019	.0808

TABLE 87.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE PORTUGUESE ESCUDO—Continued

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.0786	\$0.0443	\$0.0316	\$0.0491	\$0.0512	\$0.0512	\$0.0465	\$0.0443
Second quarter.....	.0777	.0458	.0301	.0501	.0514	.0509	.0429	.0447
Third quarter.....	.0619	.0420	.0298	.0514	.0513	.0496	.0450	.0448
Fourth quarter.....	.0480	.0378	.0441	.0511	.0511	.0495	.0446	.0450
January.....	.0766	.0460	.0318	.0488	.0512	.0512	.0493	.0443
February.....	.0749	.0436	.0316	.0491	.0512	.0512	.0476	.0441
March.....	.0843	.0434	.0313	.0493	.0513	.0512	.0426	.0445
April.....	.0796	.0460	.0314	.0496	.0514	.0511	.0421	.0446
May.....	.0783	.0447	.0304	.0500	.0513	.0512	.0422	.0447
June.....	.0751	.0466	.0286	.0507	.0514	.0404	.0443	.0449
July.....	.0716	.0421	.0280	.0514	.0513	.0500	.0446	.0448
August.....	.0658	.0421	.0297	.0513	.0513	.0496	.0453	.0447
September.....	.0483	.0417	.0318	.0514	.0513	.0493	.0450	.0448
October.....	.0488	.0400	.0393	.0509	.0511	.0495	.0450	.0449
November.....	.0499	.0379	.0451	.0511	.0511	.0494	.0447	.0451
December.....	.0452	.0356	.0480	.0512	.0512	.0490	.0441	.0451

## PORTUGUESE AFRICA

## ANGOLA AND PORTUGUESE GUINEA

The monetary unit of Angola and Portuguese Guinea (Portuguese West Africa) is the escudo (plural, escudos) of 100 centavos, representing 1.80634 grams of gold 0.900 fine (1.6257 milligrams of fine gold), the par value of which is \$1.0805 United States currency. (See Portugal, just preceding, for exchange rates, etc.)

In Angola the bank of issue is the Banco de Angola, which superseded the Banco Nacional Ultramarino on November 1, 1926.

There has recently been a movement to introduce a new currency unit in Angola, to be called the angolar (plural, angolares), bearing the relation of 80 angolares to 100 escudos. This movement, however, has met with strong opposition on the part of the merchants, industrialists, and agriculturalists.

## MOZAMBIQUE

In the Portuguese Province of Mozambique (Portuguese East Africa) the monetary unit is the escudo of 100 centavos, the par value of which is \$1.0805 United States currency. (See Portugal, p. 140, for exchange rates, etc.) The escudo currency has been in general use since September 1, 1922, but at Lourenço Marques and Beira libra esterlina notes issued by the local banks are still in use; these notes, however, are to be withdrawn by 1936.

The Banco Nacional Ultramarino has the sole right of note issue; these notes are the principal medium of circulation. Exchange has recently been fairly steady at 100 escudos to the pound sterling.

## RUMANIA

The leu (plural, lei) of 100 bani, the gold content of which was fixed at 10 milligrams of gold 0.900 fine (9 milligrams of fine gold) by the stabilization law of February 7, 1929, and the par value of which is \$0.00598 United States currency, is the monetary unit of Rumania. The former unit was the leu of 322.58 milligrams of gold 0.900 fine (290.322 milligrams of fine gold), the par value of which was \$0.192948.

Stabilization of the leu was effected by means of an aggregate credit of \$25,000,000 granted by the Federal Reserve Bank of New York in cooperation with the banks of issue of 13 other countries. The agreement was to run for one year from February 7, 1929; it has now been extended for another 12 months. In addition the Rumania Government has negotiated a 30-year loan of \$101,000,000 with an international group of private bankers. The proceeds, which are to be deposited with the National Bank, are to be utilized for economic development as well as for strengthening the position of the bank and the Government in connection with the stabilization program.

The principal circulating medium consists of the notes of the National Bank of Rumania (Banca Nationala), founded by private capitalists in 1880. The Banca Nationala is the central bank of the country; it serves as fiscal agent for the Government and has the exclusive right of note issue. It is required to redeem its notes in gold or gold exchange in minimum amounts of 100,000 lei. The bank is also required to maintain against its notes and other demand liabilities a reserve of 35 per cent in gold or gold exchange, five-sevenths of which must be gold. The gold may be either held in the vaults of the bank or deposited abroad.

#### GOLD STANDARD MAINTAINED UNTIL WORLD WAR

In 1868 Rumania adopted the French monetary system. The leu was a silver coin (5 grams 0.900 fine) and of the same value as the old French franc (\$0.1825) prior to 1868. Old Rumania did not mint any great quantity of gold. As a result the gold reserves of the National Bank and the gold circulating in the country consisted mostly of French napoleons (20-franc pieces), Turkish pounds (par value \$4.40), and German 20-mark pieces. There were also some British sovereigns.

Though not a member of the Latin Monetary Union,<sup>29</sup> Old Rumania adopted all its regulations, and in harmony therewith minted silver coins of  $\frac{1}{2}$ , 1, 2, and 5 lei. Silver was legal tender up to 50 lei, but customs duties were payable only in gold.

In 1878, at the Congress of Berlin, Rumania adopted the gold standard; the country, however, did not actually achieve the gold standard until the early nineties. Gold, silver, nickel, and copper coins were minted and put in circulation, but most of these, with the exception of subsidiary coins, have now practically disappeared. The larger fraction of the currency actually circulating in Old Rumania before the war consisted of notes of the National Bank, which, in general, were maintained at substantial parity with gold.

#### RETIREMENT OF FOREIGN CURRENCIES

Prior to the World War Rumania depended upon its cereal crop to maintain a favorable trade balance, and, having such a balance from 1900 to 1914, the leu was fairly steady at \$0.193 United States currency. There was no paper-money inflation up to that time.

As a matter of fact, inflation of currency was not resorted to in Rumania so soon as in most of the other countries engaged in the World War. During their occupation of Rumania the Germans—through the Banca Generala (the Bucharest branch of the Deutsche

<sup>29</sup> Formation of the Latin Monetary Union is discussed under Belgium, p. 15.

Diskonto Gesellschaft at Berlin)—issued about 2,500,000,000 lei which they proposed to secure by an adequate reserve at the Imperial Bank in Berlin. The obligation of Germany to redeem this entire issue, which, after the withdrawal of the Germans, was stamped by the Rumanian Government and accepted at its face value throughout the country, was imposed by the treaty of Versailles.

In addition, the Government of New Rumania had to deal with an estimated total of 8,500,000,000 Austro-Hungarian kronen (exchanged by the Rumanian Government at about 4,250,000,000 lei, approximately the relative rates of the paper lei to paper kronen at that time) and an estimated total of nearly 2,000,000,000 Russian rubles (valued by the Russian Government at some 1,250,000,000 lei)—these being the currencies in circulation in the new territory acquired by Rumania. Both Austria and Russia had greatly inflated their currency during the war, and these notes circulating in Rumania had lost much of their buying power. It was necessary to retire these notes so that a uniform national currency might be attained; this necessitated the issue of new notes.

#### NOTE CIRCULATION OF NATIONAL BANK

Before the end of 1918 the National Bank of Rumania had begun to issue lei to provide for the absorption of these German-made lei, kronen, and rubles. About 7,075,000,000 lei of the total National Bank issue early in 1922 was originally put into circulation to retire these foreign paper currencies. (The total note circulation at the end of 1921 was about 13,750,000,000 lei.)

Actual gold, or its equivalent, held in reserve against this circulation was practically nil. On February 1, 1914, the official figures of the National Bank show a note circulation of 400,000,000 lei, with a reserve of 200,000,000 lei, of which 150,000,000 lei was gold coin or bullion. On December 31, 1921, with a paper circulation of 13,750,000,000 lei the National Bank carried on its books a reserve of less than 500,000,000 lei in gold. This so-called "gold reserve," however, diminishes greatly when it is seen that 80,000,000 lei of it was due from the Imperial Bank of Berlin, while 315,000,000 lei was represented by a deposit receipt for the Rumanian gold treasure sent to Moscow, Russia, for safekeeping during the war and now officially acknowledged in Rumania as "non-existent."

The note circulation of the National Bank outstanding at the end of December, 1929, was 21,150,000,000 lei; the gold reserve (in terms of the stabilized currency) consisted of 5,266,000,000 lei within the country and 3,919,000,000 lei abroad; foreign assets amounted to 6,745,000,000 lei.

#### FALL IN EXCHANGE BEFORE STABILIZATION

For nearly two years after the armistice the exchange value of the lei held up more steadily than did the currencies of almost all of the other middle and eastern European countries. By March, 1919, it was about \$0.11 United States currency, but fell to about \$0.05 at the end of the year. On November 5, 1921, it touched its lowest point up to that time—being quoted at 206 to the United States dollar, or about \$0.00485. (In May, 1926, it dropped to 300, or \$0.00325.)

Prior to actual stabilization in 1929, Rumanian Ministers of Finance had made earnest but unsuccessful efforts to "peg" the leu.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 88 and 89 is: 1919-1929, noon buying rates for cable transfers, New York on Bucharest. The averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$0.193) may be used from 1900 to 1914, since during that period there were no great variations from par. No average rates are available from 1915 to the latter part of 1919.

TABLE 88.—YEARLY AVERAGE EXCHANGE RATES OF THE RUMANIAN LEU

Year	Average rate	Year	Average rate	Year	Average rate
1919.....	\$0.05030	1923.....	\$0.00494	1927.....	\$0.00604
1920.....	.01914	1924.....	.00498	1928.....	.00613
1921.....	.01252	1925.....	.00483	1929.....	.00596
1922.....	.00697	1926.....	.00462		

<sup>1</sup> August-December.

TABLE 89.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE RUMANIAN LEU

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	( <sup>1</sup> )	\$0.00774	\$0.00493	\$0.00513	\$0.00504	\$0.00434	\$0.00573	\$0.00617	\$0.00599
Second quarter.....	( <sup>1</sup> )	.00696	.00502	.00480	.00465	.00401	.00610	.00620	.00595
Third quarter.....	\$0.01198	.00690	.00483	.00470	.00496	.00479	.00614	.00612	.00594
Fourth quarter.....	.00745	.00626	.00496	.00531	.00467	.00635	.00618	.00604	.00597
January.....	( <sup>1</sup> )	.00778	.00519	.00499	.00519	.00448	.00531	.00618	.00601
February.....	( <sup>1</sup> )	.00795	.00477	.00518	.00507	.00432	.00574	.00614	.00600
March.....	( <sup>1</sup> )	.00748	.00484	.00522	.00487	.00423	.00613	.00618	.00596
April.....	( <sup>1</sup> )	.00733	.00479	.00519	.00458	.00403	.00618	.00627	.00596
May.....	( <sup>1</sup> )	.00697	.00510	.00490	.00472	.00371	.00618	.00619	.00595
June.....	( <sup>1</sup> )	.00658	.00517	.00431	.00466	.00428	.00596	.00615	.00594
July.....	.01400	.00604	.00518	.00432	.00488	.00460	.00609	.00614	.00594
August.....	.01238	.00811	.00468	.00460	.00512	.00467	.00616	.00611	.00594
September.....	.00957	.00656	.00464	.00518	.00489	.00510	.00618	.00610	.00594
October.....	.00778	.00626	.00469	.00546	.00477	.00536	.00619	.00607	.00596
November.....	.00657	.00642	.00503	.00539	.00463	.00549	.00616	.00604	.00598
December.....	.00801	.00611	.00515	.00508	.00461	.00521	.00619	.00600	.00597

<sup>1</sup> Not available.

## ST. PIERRE AND MIQUELON

In the French islands of St. Pierre and Miquelon, off the coast of Newfoundland, the legal money is the French franc, recently stabilized at \$0.039179 United States currency. (See France, p. 73, for exchange rates, etc.) United States and Canadian currency also circulates freely. The principal bank is La Banque de St. Pierre et Miquelon at St. Pierre.

## EL SALVADOR

Theoretically the colon (plural, colones) of 100 centavos, adopted by the National Assembly on September 11, 1919, is the monetary unit of El Salvador. The colon represents 836 milligrams of gold 0.900 fine (752.4 milligrams of fine gold) and its par value is almost exactly \$0.50 United States currency.

Provision was made for the minting of gold pieces of 5, 10, 20, and 40 colones, also subsidiary coins of silver and nickel in colon and centavo denominations.

Apart from the metallic currency, the principal circulating medium consists of the notes of the three banks of issue—Banco Salvadoreño, Banco Occidental, and Banco Agrícola Comercial.

During the period when El Salvador recognized the authority of Spain, the chief coin was the Spanish silver peso, divided into 8 reales. Along with the Spanish money, coins of various other countries, especially of Latin America, were in circulation. In addition to silver money, certain gold coins, such as the "onza,"<sup>30</sup> equivalent to about 16 silver pesos, circulated.

#### SILVER THE STANDARD UNTIL 1914

So far as can be ascertained, from the establishment of its independence, in 1821, until 1883 El Salvador had no general monetary law. In February of the latter year the silver peso (25 grams of silver 0.900 fine) was adopted as the monetary unit. At the same time El Salvador discarded the system of 8 reales to the peso and adopted the decimal system, whereby the peso was divided into 100 centavos or 10 reales. The law also provided for gold coins, the gold peso to weigh 1.6129 grams 0.900 fine. As regards foreign money, the law declared that the foreign money circulating in the country, which was the chief currency in use, should continue to be legal money. A table of equivalents was adopted which listed the various foreign coins and the values at which they were to be received as legal money. Coins not mentioned in the table were to enjoy conventional circulation.

When the price of silver experienced its continued fall, El Salvador followed the lead of other countries and attempted the introduction of the gold standard. A law to this effect was passed in September, 1892, declaring the monetary unit to be the peso representing 1.612903 grams of gold 0.900 fine. The silver money was to remain unchanged, the silver peso weighing 25 grams 0.900 fine. The banks were authorized to issue notes redeemable in gold, either national gold or foreign gold. In October of that year the name of the silver peso was changed to "colon," in honor of Christopher Columbus.

This effort to establish the gold standard was unsuccessful, and in 1894 all the laws dealing with the gold standard were repealed, and the silver peso was left the unit as before. The silver standard continued until 1914, when inconvertible paper money came into existence and prevailed until the present gold standard was inaugurated in 1919.

#### BANKS OF ISSUE GRANTED MORATORIUM

The first bank to issue notes was the Banco Internacional, founded in 1880. A second bank was founded in 1885, the Banco Particular; its name was changed to Banco Salvadoreño in 1892. In 1898 the Banco Internacional was merged with the Banco Salvadoreño, which still enjoys the right of note issue. Two other banks of issue exist in Salvador at the present time—the Banco Occidental, founded in 1890, and the Banco Agrícola Comercial, founded in 1895. A fourth

<sup>30</sup> See footnote 17 on p. 85.



bank of issue, the Banco Nacional, founded more recently, became involved in difficulties and failed in November, 1913.

When the World War began El Salvador, like most other countries of the world, experienced a financial crisis. Merchants in the Republic were asked by their European creditors to remit funds immediately, and the demand for foreign drafts was so great that their price rose sharply. With foreign-exchange rates high the exportation of silver money began, and the banks were called upon to pay out large quantities of silver coin. To relieve the situation, the Government on August 11, 1914, issued a decree extending to the three banks of issue a moratorium on the redemption of their notes and the payment of all their other obligations in specie. The moratorium was to last until one year after peace was signed in Europe. The banks were ordered to retain in their vaults all the silver money which they then had, with the exception of fractional currency. The decree also established what was known as the Junta de Vigilancia, a joint commission representative of the Government and the banks, to see that these dispositions were enforced. This Junta de Vigilancia, by decree of July, 1920, became a permanent body to exercise general supervision over the banks of the country.

In 1914 the banks held in their vaults the legal reserve of 40 per cent as a guaranty for their note circulation. However, it was sealed under Government seal and was not available for use. The result was that silver money immediately began to disappear from circulation and was at a premium in terms of bank notes. Note circulation showed a steady growth from the middle of 1914 to the first part of 1920—from about 3,500,000 to 14,500,000 pesos.

#### CURRENCY REFORM ACCOMPLISHED IN 1919

Special interest in currency reform became evident early in 1919, and in June of that year the National Assembly passed a law authorizing the President of El Salvador to appoint a monetary commission to study the situation and make recommendations for reform. This commission made a report in August, 1919, with the result that the gold standard was adopted. The law demonetized all the old silver money, national and foreign, with the exception of small coins (20 centavos and under); it also extended the moratorium. Banks were ordered to substitute, within three months, United States gold for the silver reserve which they held. Since the price of silver was about at its peak at this time, a considerable profit was made by the sale of silver; this profit was shared equally by the Government and the banks.

A second law, passed on the same date (September 11, 1919), made United States gold legal tender in El Salvador at the rate of 2 colones to the United States dollar. The plan was not to coin any national gold immediately but to use United States gold as the basis of the new system. United States bank notes, although not legal tender, were given free circulation and the banks of El Salvador were required to receive them. A decree in December, 1920, made them receivable for all Government dues also. When the moratorium should be lifted the banks were to redeem their paper notes in United States gold if national gold coins had not yet been minted. Another monetary law (that of July, 1920) declared that no foreign money was legal tender in El Salvador except United States gold and silver coin,

which should enjoy full legal-tender quality until national money was minted in sufficient quantity.

The world-wide commercial depression that began in 1920 furnished a severe test for the new system. The new standard, however, weathered the strain of the difficult times through 1921 and the first part of 1922, although there was sufficient premium upon foreign remittances to cause the exportation of a considerable amount of United States gold despite Government prohibition thereof. Pressure brought to bear upon the authorities to declare the bank notes inconvertible was resisted, and with better conditions later in 1922 and 1923 there was a return to normalcy.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Table 90 is: 1906-1929, sight drafts, San Salvador on New York. The rates are as quoted in the Anuario Estadístico.

It is suggested that the straight rate of 2 colones to the United States dollar be used for ordinary conversions from 1920 onward.

TABLE 90.—YEARLY AVERAGE EXCHANGE RATES OF THE SALVADOREAN PESO AND COLON<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1906.....	\$0. 4338	1914.....	\$0. 3968	1922.....	\$0. 4963
1907.....	. 4115	1915.....	. 3704	1923.....	. 4926
1908.....	. 3929	1916.....	. 3487	1924.....	. 4963
1909.....	. 3711	1917.....	. 3795	1925.....	. 4975
1910.....	. 3552	1918.....	. 4141	1926.....	. 5002
1911.....	. 3984	1919.....	. 4938	1927.....	. 4951
1912.....	. 4132	1920.....	. 4914	1928.....	. 4950
1913.....	. 4115	1921.....	. 4762	1929.....	. 4926

<sup>1</sup> Peso, 1906-1919; colon, 1920-1929.

## SIAM

By a law promulgated by the Government in April, 1928, Siam adopted the baht (anglicized plural, bahts) of 100 satangs as its monetary unit. The baht is the exact equivalent of the silver coin formerly called the tical, containing 15 grams of silver 0.900 fine. The baht is linked with gold at a ratio corresponding to 11 bahts to the pound sterling, thus representing 739.633 milligrams of gold 0.900 fine (665.67 milligrams of fine gold), par value \$0.4424 United States currency.

The gold standard act of November 11, 1908, provided for the minting of the following coins: The gold "dos" (6.20 grams of gold 0.900 fine), which, however, has never been minted; the silver tical (15 grams of silver 0.900 fine); the silver 1-salung (25-satang) piece (3.75 grams of silver 0.800 fine); the silver 2-salung piece (7.5 grams of silver 0.800 fine); nickel 5 and 10 satang pieces; and the bronze 1-satang piece. These coins are now in circulation.

Apart from the metallic currency, the principal circulating medium consists of currency notes issued by the Government. The original paper currency act of 1902-3 provided for the issuance of notes of 5, 10, 20, 100, and 1,000 tical denominations. Later on 1 and 50 tical notes were issued.

## MAIN FEATURES OF NEW MONETARY LAW

The main operating sections of the monetary law of April, 1928, referred to above, are:

(1) The Minister of Finance shall receive or deliver gold at Bangkok at the rate of 1 baht of legal tender money for every 665.67 milligrams of fine gold;

(2) The Minister of Finance may, at his option, in lieu of receiving or delivering gold as aforesaid, receive or deliver abroad gold, or gold exchange, in exchange for legal-tender money, for immediate delivery, at such places and at such rates as he may notify from time to time. Such rates shall be 1 baht for every 665.67 milligrams of fine gold, with an addition or deduction, as the case may be, representing the approximate cost of conveying gold to or from Bangkok and the place abroad at which such receipt or delivery takes place.

The most important feature in this legislation is the acceptance by the Government of the liability to keep exchange, not only from rising by more than a fraction above the pivot point of one-eleventh of the weight of gold in a sovereign, but also from falling below that point by more than the same fraction.

To enable the Government to discharge this liability a currency reserve was constituted by the new law, consisting of the assets of the former paper-currency reserve and of the gold-standard reserve, the integrity of the new reserve being safeguarded by various provisions.

## GOLD-EXCHANGE STANDARD

By royal decree of November 25, 1902, the mint was closed to the free coinage of silver when the local bank rate of exchange was over 21 ticals to the pound sterling, and it was announced that thereafter ticals could be obtained from the Treasury only by sales to the Siamese Government of sterling in London at rates to be ascertained from the Ministry of Finance. This decree established the gold-exchange standard.

The rate for these sales was first fixed at 17 ticals to £1 for telegraphic transfers; but this proved too high, and the rate was lowered to 20 ticals to £1 on the understanding that it would be maintained for at least three months unless the price of bar silver rose to a point where the Singapore rate for the Straits dollar was above 1s. 7d. An almost immediate rise in the Straits dollar caused the tical to advance on December 17, 1902, to 19.75 and on December 30, 1902, to 19.50. As the price of silver continued to advance, the rate of the tical also moved upward until it reached 16 to 1 on November 17, 1905. On August 14, 1906, the rate was fixed at 15 to 1; on November 2, 1906, at 13.33 to 1; and on December 2, 1907, the Government fixed the rate for the issue of legal currency against sterling sold at 13 to 1, on which date the banks were notified by the Ministry of Finance that the corresponding rate for the sale of sterling by the Treasury was 13.33 ticals per £1.

## RICE CONTROL INFLUENCES EXCHANGE RATES

A notification issued simultaneously with the gold standard act on November 11, 1908, confirmed the rate of 13 to 1 for the issue of legal currency in Bangkok against gold paid to the Government abroad by telegraphic transfer, while the corresponding rate for the sale of sterling, 13.33 to 1, remained unchanged. These rates continued in force until September 4, 1919, when an amendment to the gold standard act established a new mint par of exchange of 12 ticals to £1, or 1s. 8d. per tical, with the rate of 11.88 ticals to £1 for the issue of currency in

Bangkok against gold sold to the Government abroad. As silver prices continued to rise it was necessary to raise the rate still further. Accordingly, a notification dated November 26, 1919, advanced the rate for the issue of legal currency to 9.14 ticals to £1.

In the last instance the banks were notified that the rate for the sale of sterling by the treasury would be 9.54 ticals to £1; and as the prohibition against the export of rice was then in force, owing to the rice-crop failure of that year, this was the effective rate on which the banks based their quotations, inasmuch as they required, not local currency, but sterling to cover their excess sales of exchange to importers. The rice control was abolished at the end of January, 1921, after being in operation over a year and a half; but the economic situation only gradually righted itself, and until the end of December, 1922, the banks continued to base their rates on the Government sterling selling rate of 9.54 ticals to £1. It was not until January 3, 1923, when the Government buying rate was lowered to 10.80 to 1 (with a corresponding selling rate of 11.20 to 1), that the banks responded by lowering their quotations to the new Government level.

#### FUND TO SUPPORT EXCHANGE

Toward the close of the first period of rising exchange ending in 1907-8 it was realized that it would be necessary for the Government to provide sterling funds for the support of the rates officially fixed, as there had been times when the market rates quoted by the banks had, for lack of such support, been below the official rates. Accordingly, when the second Siamese loan of 1906-7 was negotiated, an additional sum of £1,000,000 was borrowed for the purpose of providing funds in Europe which could be drawn upon for the support of exchange. Of this amount, £900,000 was made available for this purpose. Between January, 1907, and November, 1908, when the gold standard act was promulgated, about £772,500 was sold, representing about 10,480,000 ticals.

The act provided for the establishment of a special reserve fund of not less than 12,000,000 ticals for maintaining the stability of the exchange rate. The act provided that the fund may be held either in Siam or abroad, but that its composition shall be determined by the demands of the banks, which are influenced by the trade situation. On March 31, 1926, the fund was held entirely in sterling in London and, with accrued interest, amounted to £1,502,000.

#### INVESTMENT OF PAPER-CURRENCY RESERVES

The paper-currency issues are governed by the provisions of the paper-currency act of 1902-3 and subsequent amendments. The original act provided that the fiduciary issue be limited to 25 per cent of the value of the notes in circulation, but an amending act of October 9, 1906, raised this limit to 50 per cent. By an amendment to the paper-currency act promulgated on February 3, 1917, the Minister of Finance was authorized to hold half of the specie reserve against the note issues (that is, 25 per cent of the value in circulation) in gold coin or bullion abroad, or in silver bullion either abroad or in transit to Siam or in course of being minted into ticals. However, this measure was never put into operation as it was impossible to obtain gold or silver bullion because of the World War, but a further amendment

(of August 25, 1917) authorized the investment of half of the specie reserve. The reserves against the note issues thus authorized were, therefore, investments 75 per cent and specie 25 per cent. On March 16, 1918, the specie reserve was reduced to 15 per cent and investment increased to 85 per cent. On December 27, 1918, a further amendment authorized the Minister of Finance to invest the entire reserve held against the currency notes.

On January 27, 1919, the currency notes were made temporarily inconvertible; since that date the period of inconvertibility has been extended from time to time, the last extension (for two years) being effective as from January 27, 1925. An amendment of December 6, 1924, declared that the paper-currency act, temporary-amendment act (No. 1), also should remain in force for a further period of two years as from January 27, 1925; in other words, the authorized reserves held against notes in circulation were: Investments, 75 per cent; specie, 25 per cent. (These reserves have since been consolidated with the gold-standard reserves in the fund supporting the new baht.)

At the end of March, 1929, the total note circulation was 140,068,000 bahts; the reserves consisted of coin and bullion in Siam, 52,000,000 bahts, and gold exchange, 109,083,000 bahts.

#### BASIS OF STATISTICS

The average exchange rates given in Tables 91 to 93 following have been taken from the Statistical Yearbook of the Kingdom of Siam and Foreign Trade and Navigation of the Port of Bangkok. It will be noted that the average rates differ slightly for some years. In the Statistical Yearbook both the monthly high and low as well as the mean for the month are given in shillings and pence to the tical (for demand drafts, Bangkok on London); in Foreign Trade and Navigation, only the yearly average rates are given in ticals to the pound sterling.

Monthly average rates have been converted at the corresponding monthly average exchange rate of the penny (see United Kingdom, p. 175); quarterly averages have been computed from monthly averages.

TABLE 91.—YEARLY AVERAGE EXCHANGE RATES OF THE SIAMESE TICAL

(Based on quotations from the Statistical Yearbook of the Kingdom of Siam)

Fiscal year	Average rate	Fiscal year	Average rate	Fiscal year	Average rate
1900-1901.....	\$0. 2914	1910-11.....	\$0. 3720	1920-21.....	\$0. 3886
1901-2.....	. 2734	1911-12.....	. 3695	1921-22.....	. 4147
1902-3.....	. 2485	1912-13.....	. 3726	1922-23.....	. 4544
1903-4.....	. 2795	1913-14.....	. 3712	1923-24.....	. 4095
1904-5.....	. 2776	1914-15.....	. 3755	1924-25.....	. 4159
1905-6.....	. 3004	1915-16.....	. 3638	1925-26.....	. 4478
1906-7.....	. 3511	1916-17.....	. 3654	1926-27.....	. 4467
1907-8.....	. 3612	1917-18.....	. 3652	1927-28.....	. 4493
1908-9.....	. 3663	1918-19.....	. 3652		
1909-10.....	. 3638	1919-20.....	. 3630		

TABLE 92.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SIAMESE TICAL

(Figures taken from the Statistical Yearbook of the Kingdom of Siam)

Period	1913	1914	1915	1916	1917	1918	1919	1920
First quarter.....	\$0. 3714	\$0. 3709	\$0. 3693	\$0. 3658	\$0. 3653	\$0. 3651	\$0. 3648	\$0. 3753
Second quarter.....	. 3716	. 3722	. 3671	. 3657	. 3658	. 3650	. 3673	. 4081
Third quarter.....	. 3713	. 3767	. 3618	. 3655	. 3649	. 3653	. 3633	. 3828
Fourth quarter.....	. 3707	. 3719	. 3602	. 3654	. 3651	. 3654	. 3880	. 3622
January.....	. 3694	. 3710	. 3702	. 3656	. 3656	. 3651	. 3662	. 3837
February.....	. 3712	. 3708	. 3696	. 3658	. 3653	. 3651	. 3660	. 3531
March.....	. 3737	. 3710	. 3681	. 3660	. 3649	. 3651	. 3623	. 3892
April.....	. 3717	. 3716	. 3678	. 3660	. 3654	. 3653	. 3583	. 4100
May.....	. 3714	. 3725	. 3674	. 3656	. 3653	. 3653	. 3586	. 4017
June.....	. 3717	. 3726	. 3661	. 3656	. 3653	. 3644	. 3549	. 4125
July.....	. 3717	. 3739	. 3654	. 3656	. 3646	. 3651	. 3367	. 4035
August.....	. 3714	. 3757	. 3905	. 3656	. 3654	. 3654	. 3232	. 3782
September.....	. 3708	. 3805	. 3594	. 3654	. 3646	. 3653	. 3400	. 3667
October.....	. 3708	. 3760	. 3562	. 3654	. 3651	. 3653	. 3704	. 3629
November.....	. 3706	. 3707	. 3586	. 3654	. 3651	. 3654	. 3656	. 3589
December.....	. 3708	. 3690	. 3627	. 3653	. 3651	. 3656	. 3980	. 3647

Period	1921	1922	1923	1924	1925	1926	1927	1928
First quarter.....	\$0. 4013	\$0. 4512	\$0. 4190	\$0. 3929	\$0. 4410	\$0. 4493	\$0. 4493	\$0. 4493
Second quarter.....	. 4068	. 4634	. 4247	. 3958	. 4465	. 4440	. 4493	( <sup>1</sup> )
Third quarter.....	. 3833	. 4644	. 4182	. 4080	. 4481	. 4447	. 4493	( <sup>1</sup> )
Fourth quarter.....	. 4177	. 4710	. 4050	. 4159	. 4474	. 4468	. 4493	( <sup>1</sup> )
January.....	. 3907	. 4411	. 4135	. 3905	. 4413	. 4493	. 4493	. 4493
February.....	. 4048	. 4556	. 4166	. 3949	. 4407	. 4493	. 4493	. 4493
March.....	. 4085	. 4569	. 4269	. 3834	. 4409	. 4493	. 4493	. 4493
April.....	. 4103	. 4609	. 4268	. 3994	. 4427	. 4493	. 4493	( <sup>1</sup> )
May.....	. 4150	. 4644	. 4242	. 4003	. 4482	. 4481	. 4493	( <sup>1</sup> )
June.....	. 3950	. 4649	. 4231	. 3966	. 4487	. 4405	. 4493	( <sup>1</sup> )
July.....	. 3792	. 4644	. 4202	. 4012	. 4487	. 4443	. 4493	( <sup>1</sup> )
August.....	. 3817	. 4662	. 4180	. 4131	. 4484	. 4443	. 4493	( <sup>1</sup> )
September.....	. 3890	. 4626	. 4165	. 4096	. 4473	. 4455	. 4493	( <sup>1</sup> )
October.....	. 4045	. 4636	. 4147	. 4120	. 4471	. 4468	. 4493	( <sup>1</sup> )
November.....	. 4145	. 4679	. 4017	. 4100	. 4473	. 4468	. 4493	( <sup>1</sup> )
December.....	. 4341	. 4814	. 3997	. 4256	. 4478	. 4468	. 4493	( <sup>1</sup> )

<sup>1</sup> Figures not yet available.

TABLE 93.—YEARLY AVERAGE EXCHANGE RATES OF THE SIAMESE TICAL

(Based on quotations from Foreign Trade and Navigation of the Port of Bangkok)

Fiscal year	Ticals to the pound sterling	Exchange value of the pound sterling in United States dollars	United States dollar equivalent of the tical	Fiscal year	Ticals to the pound sterling	Exchange value of the pound sterling in United States dollars	United States dollar equivalent of the tical
1906-7.....	15. 06	\$4. 8665	\$0. 3232	1918-19.....	13. 02	\$4. 7540	\$0. 3651
1907-8.....	13. 52	4. 8665	. 3600	1919-20.....	11. 28	4. 1425	. 3672
1908-9.....	13. 29	4. 8665	. 3692	1920-21.....	9. 58	3. 7216	. 3984
1909-10.....	13. 24	4. 8665	. 3676	1921-22.....	9. 58	3. 0720	. 4146
1910-11.....	13. 08	4. 8665	. 3720	1922-23.....	9. 92	4. 5187	. 4555
1911-12.....	13. 24	4. 8665	. 3676	1923-24.....	10. 89	4. 4755	. 4110
1912-13.....	13. 28	4. 8665	. 3665	1924-25.....	10. 89	4. 5404	. 4169
1913-14.....	13. 04	4. 8640	. 3731	1925-26.....	10. 83	4. 8496	. 4478
1914-15.....	13. 06	4. 8950	. 3748	1926-27.....	11. 00	4. 8561	. 4415
1915-16.....	13. 03	4. 7360	. 3635	1927-28.....	11. 00	4. 8671	. 4425
1916-17.....	13. 02	4. 7570	. 3654	1928-29.....	11. 00	4. 8598	. 4418
1917-18.....	13. 02	4. 7540	. 3651	1929-30.....	11. 00	4. 8602	. 4418

## SOVIET RUSSIA (U. S. S. R.)

The Union of Socialist Soviet Republics has adopted as its monetary unit the chervonets (plural, chervontsi), equivalent to 10 chervonets rubles. The chervonets ruble is theoretically the exact equivalent of the pre-war Russian ruble (860.26 milligrams of gold 0.900 fine, or 774.234 milligrams of fine gold), and its par value is \$0.51455 United States currency. The chervonets ruble, like the former Russian ruble, is divided into 100 kopecks. The chervonets was definitely established in accordance with a series of laws enacted during February-May, 1924.

Provision was made for the minting of the chervonets gold piece, silver pieces of 10, 15, 25, and 50 kopecks and 1 ruble, and subsidiary coins of copper in kopeck denominations.

Apart from the metallic currency, the principal circulating medium consists of the notes of the State Bank (Gosbank), which began its activities on November 16, 1921, and Treasury notes.

## EARLY CURRENCIES

About the time of the Russo-Turkish War of 1877-78 the currency of Russia, while nominally on a silver basis, was in fact composed largely of irredeemable paper, so-called credit notes, issued by the State Bank. Excessive issues, especially during that war, caused the foreign exchange value of these notes to decline below their normal par, the average exchange value of the paper ruble for the years 1888 to 1895 being about two-thirds of a ruble in gold.

In 1897 the gold ruble (860.26 milligrams of gold 0.900 fine), par \$0.51455 United States currency, was adopted as the unit of currency.

## GOLD STANDARD ADOPTED IN 1899

Thereupon the State Bank began the gradual accumulation of a gold reserve against its outstanding notes. In 1896 the value of the existing half-imperials (5 rubles) was fixed at  $7\frac{1}{2}$  paper rubles, and the bank announced that it would redeem all of its notes in gold at the same ratio 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  $7\frac{1}{2}$  rubles instead of the former legends of 10 and 5 rubles. This change of the ratio meant a one-third devaluation of the paper currency.

In November, 1897, the coinage of new gold pieces 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 coin of the country. 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.

## STATE BANK GIVEN NOTE-ISSUE POWER

The Russian State Bank, owned by the State, after its reorganization in 1894 assumed the functions of a modern central bank of issue. In 1897 the authorized maximum "fiduciary" issue was fixed at

600,000,000 rubles, and of this amount 50 per cent had to be secured by gold; issues in excess of 600,000,000 rubles could be made only when fully covered by gold. Silver could not serve as note cover. Foreign bills and deposits, however, were to be regarded as gold. It was further stipulated in the act that note issues were to be kept within limits strictly determined by the actual needs of the money market. Experience proved, however, that while these provisions insured adequate cover for the notes, they made these note 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 view, officially held, that the new gold standard could be made secure only if sufficient 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 outstanding circulation (exclusive of subsidiary silver and copper in smaller denominations) increased from 1,134,000,000 to 1,486,000,000 rubles. (Statement of the Annual Reports of the State Bank.) But while the amount of bank notes in actual circulation during this period showed a decrease from 1,068,000,000 to 578,000,000 rubles, the gold coin in circulation showed an increase from 36,000,000 to 775,000,000 rubles.

Immediately after the outbreak of the World War the State Bank was relieved of its obligation to redeem its notes in gold. (Law of July 27, 1914.)

#### WAR-TIME ISSUES OF PAPER CURRENCY

From the beginning of the war up to the time of the final liquidation of the old ruble in 1924 there were three periods in the issues of paper money corresponding with the periods of the different political régimes: The first, from July, 1914, to the February revolution of 1917, when paper money was issued exclusively for financing Russia's participation in the World War; the second, the period of the Provisional Government, from the February revolution to the October revolution, when both the World War and the revolution were being financed by paper money; and the period after October, 1917, when paper money began to serve to cover the deficits of the Soviet Government.

At the time of the February revolution the State Bank had the right to issue credit notes not backed by gold up to 6,500,000,000 rubles. (Law of July 27, 1914; ministerial decree of Mar. 17, 1915; law of Aug. 22, 1915; ukase of Aug. 29, 1916; and ministerial decree of Dec. 27, 1916.) In addition, credit notes were issued against "gold abroad" or so-called credits opened for Russia by the British Government to the amount of about 1,892,000,000 rubles, so that the issuing power of the State Bank under the old régime may be estimated at approximately 8,400,000,000 rubles.

The Provisional Government extended the issuing power of the State Bank by five decrees (the first on March 4, 1917, the last on October 6, 1917), making the total issue 16,500,000,000 rubles.

The Soviet Government issued credit notes for a long time without bringing forward any special law providing such rights for the State Bank. In October, 1918, however, that formality was effected and a link established between the new issues and the issues of former



Governments. Taken as a whole, by the end of October, 1918, the unbacked issuing power of the State Bank had been increased to about 50,000,000,000 rubles. After this time, issues of paper money continued without extension of the issuing rights. In 1920 the State Bank was liquidated and the issuance of paper money was carried out through the "Department of Monetary and Account Tokens." In 1920 the paper-money issue totaled 943,600,000,000 rubles; in 1921, 16,375,300,000,000 rubles; in 1922, 1,976,900,000,000,000 rubles; and in 1923, 176,505,500,000,000 rubles.

#### DIMINUTION OF GOLD RESERVE

Simultaneous with this growth of issue was the decline of the gold reserve. On July 16, 1914, the old State Bank had "gold in Russia" to the value of 1,604,000,000 rubles. (The item "gold abroad" had a fictitious character and so can not be taken into account.) At that time the credit notes were backed by gold up to 98.2 per cent. On March 1, 1917, there was 1,476,000,000 rubles in gold, and the credit notes were backed up to 14.8 per cent; and on October 23, 1917, there was only 1,292,000,000 rubles in gold, and the notes were backed up to 6.8 per cent.

This lowering of the percentage of backing was occasioned not only by the increased issue of paper money, but also by the actual decrease in the gold reserve. Under the financial agreements between the Czarist and later on the Provisional Government and England, part of the Russian gold was sent to England. So far as is known from figures published at the time, there were four such shipments—October 1914, 75,000,000 rubles in gold; May, 1916, 94,500,000 rubles; November, 1916, 94,500,000 rubles; and July, 1917, 200,000,000 rubles. As a result, the gold reserve at the time of the revolution of October, 1917, had been reduced by 341,000,000 rubles notwithstanding the continued influx of gold from the mines and of gold coin from circulation.

A further drain 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-Litovsk Treaty. According to W. Novitsky, former Assistant Minister of Finance, the Soviet authorities abandoned in Kazan 633,600,000 rubles in gold which was subsequently appropriated by the Kolchak Government. During 1919 237,200,000 rubles in gold was shipped to Vladivostok in payment for munitions and as collateral for credits opened to the Kolchak Government by Japanese, British, and United States banking interests.

In addition to the gold of the Russian State Bank the Soviet authorities held about 118,200,000 rubles in gold which Rumania had shipped to Russia for safekeeping during the German invasion in 1916. The Soviet 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. Novitsky estimated that at the close of the civil war in 1920 the Soviet Government held between 900,000,000 and 1,000,000,000 rubles in gold. During 1920, 1921, and 1922 Russia shipped to Sweden (according to Swedish official statistics) gold to the amount of 1,237,833,000 kronor (roughly about 650,000,000 rubles).

## CONTROL OF PRIVATE EXCHANGE TRANSACTIONS

After the revolution of October, 1927, the foreign-exchange market entered upon a new phase of development. The home foreign-exchange market vanished underground. Absence of banks and bourses made the usual operations with foreign currencies and gold impossible. People began to hoard money. Capitalists continued to employ every means to get their capital out of the country. Later, at the end of 1918, the Soviet Government began to discourage private operations in gold and foreign exchange, demanding delivery of the drafts to the State, and this became more intense during 1919-20. Nevertheless the illegal valuta market existed during the entire time in the chief centers of the country.

The principal objects of speculation was gold specie and bullion, "Cz rist money," "Kerenskies," and "Duma money" (the paper money of the Provisional Government). After the appearance in the middle of 1918 of Soviet monetary tokens (at first they were called "Penza money" because they were printed at Penza), money of the old régimes began to disappear from circulation.

## CURRENCY SYSTEM REESTABLISHED IN 1921

In April, 1921, there occurred a change in the economic policy of the Soviet Government; this was followed at the end of 1921 by a reestablishment of the currency system. This reestablishment passed through two stages. The first was the issue of bank notes, "chervontsi," by the State Bank of the R. S. F. S. R. (later of the U. S. S. R.), which began near the close of 1922; and the second, the final liquidation of the Soviet ruble and the issue of a stable Treasury note in February-May, 1924.

The State Bank began its activities on November 16, 1921, with an original capital of 2,000,000,000 paper rubles, given to it by the Treasury. At the end of 1922, by a decree of the Soviet of People's Commissars dated October 11 the State Bank was given the power to issue bank notes, "chervontsi." The issue of chervontsi began on November 27, 1922. Some of the regulations were:

- (1) Bank notes are to be issued by the State Bank in denominations of 1, 2, 3, 5, 10, 25, and 50 chervontsi, and are denominated in gold, since the chervonets is equal to 10 rubles in the former Russian gold coinage.
- (2) Bank notes are to be secured up to not less than 25 per cent of the circulation by precious metals and stable foreign currency. The remainder is to be secured by easily realizable goods, short-term bills, and other short-term securities; provided that not less than two-thirds of this part of the cover shall consist of bills resulting from transactions in goods.
- (3) Bank notes must in due course be exchangeable for gold. However, they are not redeemable at the present time; the time of redeemability is to be fixed by a special act of the Government.
- (4) The State Bank may issue notes for granting short-term loans to the People's Commissariat of Finance.

## TREASURY NOTES REPLACE RUBLE NOTES

Side by side with the new chervontsi the old Soviet ruble notes were still in circulation and continued to be issued by the treasury. There was no fixed ratio between the two. However, the chervonets remained fairly stable, while the Soviet ruble continued to depreciate.

In February, 1924, the Soviet Government set itself to liquidate this parallelism and to unify the monetary system. The depreciating Soviet ruble was replaced by treasury notes expressed in gold rubles and by silver coin, and a fixed ratio was established between cher-

vonets and the treasury notes. The chervonets then became the unit of currency.

The note circulation of the State Bank outstanding on October 16, 1929, amounted to 155,296,000 chervontsi. The reserve, of the same date, was made up of:

	Chervontsi
Gold coin and bars.....	27,603,000
Platinum and silver.....	3,788,000
Foreign currency.....	8,073,000
Drafts in foreign currency.....	286,000
Total.....	39,750,000

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 94 and 95 is: 1914-1917 and 1922, bankers' sight bills, Moscow on New York; January, 1923, to February, 1924, Moscow quotations on New York; thereafter rates are nominal at \$0.51455. The rates from 1914 to 1917 and for 1922 have been computed from mid-points between the monthly high and low rates; for 1923, from average monthly rates. Quarterly averages have been computed from monthly averages.

For conversion purposes, from 1900 to 1913 the par value of the former Russian ruble (\$0.51455) may be used inasmuch as during that period the ruble was fairly stable at par; from January, 1914, to February, 1924, the rates as given. Thereafter rates are nominal (at \$0.51455).

TABLE 94.—YEARLY AVERAGE EXCHANGE RATES OF THE FORMER RUSSIAN RUBLE AND CHERVONETS RUBLE<sup>1</sup>

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.4972	1920.....	(?)	1926.....	*\$0.51455
1915.....	.3802	1921.....	(?)	1927.....	‡.51455
1916.....	.3090	1922.....	\$0.00000046	1928.....	‡.51455
1917.....	.2188	1923.....	.4500	1929.....	‡.51455
1918.....	‡.1375	1924.....	‡.51455		
1919.....	(?)	1925.....	‡.51455		

<sup>1</sup> Russian ruble, 1914-1922; chervonets ruble, 1923-1929.

‡ Nominal rate.

\* No quotations.

TABLE 95.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE FORMER RUSSIAN RUBLE AND CHERVONETS RUBLE

Period	1914	1915	1916	1917	1918 <sup>1</sup>	1919 <sup>1</sup>	1922	1923
First quarter.....	\$0.5161	\$0.4388	\$0.3075	\$0.2855	\$0.1300	\$0.1400	\$0.00001324	\$0.4627
Second quarter.....	.5147	.4079	.3079	.2674	.1400	(?)	.00000273	.3980
Third quarter.....	(?)	.3462	.3171	.1873	.1400	(?)	.00000199	.4730
Fourth quarter.....	.4512	.3279	.3036	.1350	.1400	(?)	.00000046	.4663
January.....	.5162	.4294	.2969	.2900	.1300	.1400	.000002381	.4360
February.....	.5159	.4419	.3081	.2857	.1300	.1400	.000001042	.4620
March.....	.5162	.4450	.3175	.2807	.1300	.1400	.000000549	.4900
April.....	.5153	.4312	.3100	.2852	.1400	(?)	.000003008	.4240
May.....	.5140	.4037	.3081	.2735	.1400	(?)	.00000247	.3560
June.....	.5147	.3887	.3055	.2435	.1400	(?)	.000000264	.4140
July.....	.5128	.3500	.3056	.2235	.1400	(?)	.000000243	.4740
August.....	.5106	.3400	.3207	.1935	.1400	(?)	.000000226	.4700
September.....	(?)	.3487	.3250	.1450	.1400	(?)	.000000128	.4750
October.....	.4800	.3425	.3120	.1450	.1400	(?)	.000000062	.4920
November.....	.4537	.3287	.3012	.1300	.1400	(?)	.000000047	.4540
December.....	.4200	.3125	.2977	.1300	.1400	(?)	.000000028	.4530

<sup>1</sup> Rates given are nominal.<sup>2</sup> Indeterminable.<sup>3</sup> Foreign exchange business with Russia suspended after March, 1919, and no rates are available until January, 1922.<sup>4</sup> Not available.

## SPAIN

Theoretically the gold peseta (plural, pesetas) of 100 centimos, representing 322.58 milligrams of gold 0.900 fine (290.52 milligrams of fine gold), with a par value the same as that of the former French franc, \$0.192948 United States currency, is the monetary unit of Spain. Spain, however, is not on the gold standard; nor can the country be said to be on the silver standard, since there is no free coinage of silver and the exchange value of silver coins is not influenced to any great extent by the market value of their metallic content. The coins have a "scarcity" value which is greater than that of the bullion in them. Spain is thus upon a 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.

Apart from the metallic currency (which, besides the gold and silver coins mentioned, consists of nickel-copper and bronze pieces in centimo denominations), the principal circulating medium, consists of the notes of the Bank of Spain (Banco de España). Note circulation is limited to 6,000,000,000 pesetas, and may exceed 5,000,000,000 pesetas only with the consent of the Government. Consent of the Government is required for any reduction of gold holdings and can not be given unless these holdings are in excess of the requirement necessary for a circulation of 6,000,000,000 pesetas. The first 4,000,000,000 pesetas require a 45 per cent reserve; at least 37 per cent must be gold, 5 per cent may be silver, and 3 per cent foreign exchange. Circulation above 4,000,000,000 pesetas requires a 60 per cent reserve; at least 47 per cent must be gold, 10 per cent may be silver, and 3 per cent foreign exchange.

## BOTH GOLD AND SILVER COINS MINTED

Spain adopted the monetary system of the Latin Monetary Union in October, 1868, although it did not become a party to the agreement and was not a member of the Union.<sup>31</sup> The Spanish law of 1868 provided for unlimited coinage of both gold and silver. Gold coins, however, were not struck under this law until 1877. By that 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 (1½ to 1) nor of the countries of 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.

Free coinage of silver by private individuals was abolished in Spain in 1878. However, the Government continued to coin silver money for its own account and increased the circulation in this way. This continual expansion of the circulation was largely responsible for the fall in exchange rates during the last quarter of the nineteenth century. After 1899 coinage of silver was very much curtailed.

Although the Government struck large quantities of silver coins, especially 5-pesta pieces (or "duros"), the restriction upon free coinage prevented the quantity of the coins from becoming so great as to depreciate their value as rapidly as the price of silver was falling. The

<sup>31</sup> Formation of the Latin Monetary Union is discussed under Belgium, p. 15.

coins at all times have been sufficiently limited in number to prevent their value falling to that of their bullion content; at the same time, they have been sufficiently plentiful to prevent their value being maintained at the gold parity.

#### BANK OF SPAIN THE GOVERNMENT'S FISCAL AGENT

The Bank of Spain (Banco de España) dates back originally to 1783, but under its present name only to 1856; its predecessor, the Banco de San Fernando, was the outgrowth of the Banco de 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. It 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. It 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 maximum amount of notes which the bank was permitted to have outstanding prior to the World War was 2,000,000,000 pesetas. On August 5, 1914, the limit to the note issue was raised to 2,500,000,000 pesetas, and subsequently was increased several times. However, the bank's policy in regard to note issues has been conservative, and the increased circulation has been almost equalled by new gold acquired.

#### BANK'S PRE-WAR RESERVE REQUIREMENTS

The legal-reserve requirements against notes of the Bank of Spain prior to the war were somewhat complicated. For notes up to the amount of 1,200,000,000 pesetas, a specie reserve of one-third was required, at least half of which must be gold; from 1,200,000,000 to 1,500,000,000 pesetas, a specie reserve of 60 per cent, of which at least two-thirds must be gold; from 1,500,000,000 to 2,000,000,000 pesetas, a specie reserve of 70 per cent, of which at least five-sevenths must be gold. The decrees expanding 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.

At the end of December, 1929, the outstanding note circulation of the Bank of Spain was 4,433,000,000 pesetas; the gold reserve totaled 2,566,000,000 pesetas, the silver reserve 705,000,000 pesetas, and foreign assets 103,000,000 pesetas.

#### PRESENT GOLD RESERVE OF BANK OF SPAIN

As the belligerent countries made purchases in Spain gold began to flow into the country in payment. The imported gold went almost entirely to the Bank of Spain, there being practically no other market for it; and inasmuch as the bank is not required to purchase foreign gold at a fixed price, it purchased the gold imported at a discount reaching as much as 6 per cent at one time. This operation was very profitable to the bank. During 1916 and 1917 most of the gold that was acquired was United States coin.

At present the gold in the Bank of Spain, amounting to some 2,600,000,000 pesetas (about \$501,800,000), is practically the only

gold within the country. The bank has used its option to redeem its notes in silver coin, as it was feared redemption in gold would lead to depletion of its stock of this metal. Spain is thus upon a fiduciary silver standard.

#### ALLIED CURRENCIES BELOW PAR

Fluctuations in exchange rates prior to the World War were, generally speaking, only those resulting from the demand for and supply of bills. Upon the outbreak of that war, banks and individuals in Spain holding funds abroad desired to bring them back into Spain. Heavy offerings of francs, pounds sterling, and other currencies followed and rates of exchange on foreign centers declined. Francs and pounds both went below par in August, 1914; they recovered later in the year, but, exports from Spain having increased, the recovery lasted for only a few months. From the first part of 1915 to the middle of 1918 these currencies continued to fall, with slight reactions.

United States dollars were at a discount in Spain from the first part of 1916 to the latter part of 1919, which may be accounted for by the fact that the United States dollar was tied up artificially with the currencies of the European Allies. Exchange rates in New York on London and Paris were "pegged." When the "unpegging" took place after March, 1919, pesetas started downward in New York.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 96 and 97 is: 1900-1914, sight drafts, Madrid on Paris (French francs converted; see France, p. 73); 1915-1918, bankers' checks, Madrid on New York; January, 1919, to June, 1921, sight drafts, New York on Madrid; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Madrid. The rates from 1900 to 1914 are mid points between the yearly high and low rates; from 1915 to 1918, the averages are computed from mid-points between the monthly high and low rates; from 1919 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 96.—YEARLY AVERAGE EXCHANGE RATES OF THE SPANISH PESETA

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$0.1494	1910.....	\$0.1799	1920.....	\$0.1594
1901.....	.1412	1911.....	.1794	1921.....	.1353
1902.....	.1432	1912.....	.1810	1922.....	.1548
1903.....	.1437	1913.....	.1805	1923.....	.1445
1904.....	.1408	1914.....	.2000	1924.....	.1334
1905.....	.1482	1915.....	.1918	1925.....	.1434
1906.....	.1674	1916.....	.1969	1926.....	.1490
1907.....	.1733	1917.....	.2249	1927.....	.1706
1908.....	.1706	1918.....	.2448	1928.....	.1659
1909.....	.1767	1919.....	.1962	1929.....	.1468

TABLE 97.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SPANISH PESETA

Period	1915	1916	1917	1918	1919	1920	1921	1922
First quarter.....	\$0. 1943	\$0. 1903	\$0. 2126	\$0. 2444	\$0. 2042	\$0. 1799	\$0. 1383	\$0. 1544
Second quarter.....	. 1941	. 1986	. 2226	. 2799	. 2019	. 1695	. 1354	. 1563
Third quarter.....	. 1893	. 2015	. 2278	. 2497	. 1922	. 1527	. 1291	. 1547
Fourth quarter.....	. 1895	. 2051	. 2369	. 2050	. 1950	. 1348	. 1387	. 1539
January.....	. 1923	. 1900	. 2125	. 2425	. 2017	. 1891	. 1351	. 1498
February.....	. 1940	. 1900	. 2115	. 2413	. 2039	. 1745	. 1402	. 1569
March.....	. 1965	. 1910	. 2139	. 2493	. 2071	. 1760	. 1397	. 1565
April.....	. 1999	. 1948	. 2160	. 2810	. 2032	. 1748	. 1395	. 1551
May.....	. 1941	. 1978	. 2215	. 2800	. 2024	. 1680	. 1359	. 1568
June.....	. 1883	. 2033	. 2303	. 2788	. 2001	. 1656	. 1308	. 1568
July.....	. 1892	. 2016	. 2270	. 2708	. 1940	. 1596	. 1282	. 1556
August.....	. 1900	. 2014	. 2250	. 2488	. 1920	. 1510	. 1289	. 1555
September.....	. 1886	. 2014	. 2303	. 2295	. 1906	. 1476	. 1302	. 1530
October.....	. 1900	. 2020	. 2343	. 2135	. 1921	. 1433	. 1325	. 1525
November.....	. 1899	. 2039	. 2355	. 2010	. 1978	. 1303	. 1372	. 1528
December.....	. 1885	. 2095	. 2408	. 2006	. 1951	. 1307	. 1465	. 1564

Period	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 1559	\$0. 1274	\$0. 1421	\$0. 1411	\$0. 1674	\$0. 1697	\$0. 1504
Second quarter.....	. 1516	. 1363	. 1446	. 1486	. 1748	. 1699	. 1437
Third quarter.....	. 1385	. 1332	. 1444	. 1541	. 1705	. 1654	. 1465
Fourth quarter.....	. 1320	. 1365	. 1428	. 1516	. 1695	. 1618	. 1409
January.....	. 1568	. 1275	. 1418	. 1415	. 1603	. 1710	. 1630
February.....	. 1566	. 1274	. 1422	. 1410	. 1678	. 1698	. 1556
March.....	. 1546	. 1273	. 1422	. 1409	. 1741	. 1682	. 1507
April.....	. 1532	. 1364	. 1429	. 1429	. 1764	. 1676	. 1475
May.....	. 1523	. 1380	. 1453	. 1453	. 1759	. 1673	. 1422
June.....	. 1492	. 1346	. 1457	. 1576	. 1720	. 1657	. 1413
July.....	. 1430	. 1330	. 1451	. 1572	. 1709	. 1648	. 1451
August.....	. 1366	. 1341	. 1441	. 1529	. 1690	. 1661	. 1467
September.....	. 1358	. 1324	. 1439	. 1522	. 1715	. 1653	. 1476
October.....	. 1347	. 1340	. 1435	. 1510	. 1725	. 1618	. 1450
November.....	. 1308	. 1360	. 1425	. 1515	. 1694	. 1612	. 1399
December.....	. 1304	. 1396	. 1418	. 1524	. 1666	. 1623	. 1378

## SWEDEN

Sweden's monetary unit is the krona (plural, kronor), representing 448.03 milligrams of gold 0.900 fine (403.23 milligrams of fine gold), with a par value of \$0.26798 United States currency. The krona is divided into 100 öre. Gold coins are of 5, 10, and 20 kronor, but practically no gold is in actual circulation. Subsidiary coinage consists of silver, copper-nickel, and bronze pieces in krona and öre denominations.

The principal circulating medium consists of the notes of the Bank of Sweden (Riksbank), which is a reorganization of the 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 government bank. Since 1904 the bank has had the exclusive right of note issue; the notes are legal tender. The bank has been required to redeem its notes unconditionally in gold except during the World War and a short succeeding period of inconvertibility. Over and above a fiduciary issue of 250,000,000 kronor the bank must maintain a gold reserve against note circulation of not less than 50 per cent. The gold reserve may not fall below 75,000,000 kronor. In emergency the King and Riksdag, acting together, may extend the fiduciary circulation.

## SWEDEN A MEMBER OF SCANDINAVIAN UNION

The present Swedish krona is the descendant of the old "debt certificate" daler, which was made the legal unit in 1855; its par value was about \$0.268 United States currency. At that time the currency was redeemable in silver, but in 1873 Sweden adopted the gold standard, which remained in force until August, 1914.

In 1873 Sweden signed the Scandinavian monetary convention, and from that time the gold and silver coins of Denmark and Norway were lawful money also in Sweden. The bank notes of the Scandinavian central banks likewise were generally accepted at par in all three countries. After the outbreak of the war, the monetary units of Norway, Sweden, and Denmark remained "pegged" together until the autumn of 1915.

## GOLD STANDARD ABANDONED IN 1914

The economic life of Sweden suffered considerable derangement at the outbreak of the World War, although Sweden was not a belligerent. The country abandoned the gold standard on August 3, 1914, when redemption of the notes of the Riksbank was suspended. Specie payments were resumed in January, 1916; however, in 1920, inconvertibility was again introduced and continued in force until April 1, 1924.

The note circulation of the Riksbank expanded continually during the war, advancing from 234,000,000 kronor at the close of 1913, to 813,534,000 kronor in December, 1918; meanwhile the gold reserve rose from 102,000,000 to 285,566,000 kronor. Early in 1919 note circulation began to decline, and by December, 1929, had fallen to 569,000,000 kronor; at the same time the gold reserve totaled 245,000,000 kronor, and net balances abroad aggregated 266,000,000 kronor.

## WAR'S EFFECT ON SWEDISH EXCHANGE

As with Norway, Sweden experienced considerable prosperity as the war progressed. Business felt the stimulus of orders from the belligerent nations. The demand for money became heavier and the Riksbank increased its loans, and as gold began to flow into the country toward the close of 1915 the reserve of the Riksbank mounted and the expansion of credit continued.

Swedish exchange, unlike British and French, did not go to a premium in New York during 1914. This was partly due to the fact that both dollars and kronor were at a discount in London and Paris. In Sweden, pounds sterling, francs, dollars, and florins continued to rise from the beginning of the war until about March, 1915. By the end of 1915, however, all except florins were below par. In November, 1917, the krona was selling for over 47 cents. After August, 1918, the krona began to fall in New York; it reached par in March, 1919, and continued to decline rapidly, since it was at this time that the artificial support in New-York was withdrawn from the allied currencies. The rapid fall of the krona in 1919 was owing largely to the fact that prices were relatively higher in Sweden than in the United States.

On March 29, 1924, the Swedish Parliament voted to resume specie payments effective April 1 of the same year. Accordingly, the Riksbank was required to redeem in gold, and the embargo on the export



of gold, except Scandinavian gold coins, was removed. The Riksbank's obligation to purchase at a fixed price all gold tendered has not been restored, however, nor have the mints been reopened to the free coinage of gold.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 98 and 99 is: 1914, selling rate, Stockholm on London (pence converted, see United Kingdom, p. 175); 1915-1917, bankers' checks, New York on Stockholm; January, 1918, to June, 1921, sight drafts, New York on Stockholm; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Stockholm. The average rate for 1914 is computed from monthly average rates; from January, 1915, to October, 1918, the averages are computed from mid-points between monthly high and low rates; from November, 1918, to December, 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$0.268) may be used for all transactions (commercial and financial) from 1900 to 1913, inasmuch as the variation from par did not exceed 1 per cent at any time during that period.

TABLE 98.—YEARLY AVERAGE EXCHANGE RATES OF THE SWEDISH KRONA

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$0.2655	1920.....	\$0.2049	1926.....	\$0.2676
1915.....	.2889	1921.....	.2254	1927.....	.2681
1916.....	.2876	1922.....	.2617	1928.....	.2680
1917.....	.3263	1923.....	.2655	1929.....	.2678
1918.....	.3280	1924.....	.2652		
1919.....	.2554	1925.....	.2685		

TABLE 99.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SWEDISH KRONA

Period	1915	1916	1917	1918	1919	1920	1921	1922
First quarter.....	\$0.2490	\$0.2807	\$0.2945	\$0.3305	\$0.2829	\$0.1989	\$0.2216	\$0.2575
Second quarter.....	.2591	.2987	.2986	.3439	.2624	.2164	.2321	.2588
Third quarter.....	.2588	.2855	.3274	.3466	.2478	.2078	.2131	.2624
Fourth quarter.....	.2687	.2856	.3846	.2911	.2303	.1946	.2357	.2681
January.....	.2500	.2773	.2948	.3338	.2889	.2070	.2140	.2495
February.....	.2452	.2789	.2950	.3298	.2822	.1860	.2226	.2615
March.....	.2509	.2855	.2938	.3288	.2777	.2037	.2283	.2616
April.....	.2560	.2968	.2963	.3413	.2690	.2187	.2357	.2605
May.....	.2590	.3043	.2975	.3423	.2594	.2122	.2349	.2577
June.....	.2624	.2950	.3020	.3480	.2588	.2183	.2256	.2581
July.....	.2605	.2863	.3145	.3540	.2500	.2185	.2104	.2591
August.....	.2580	.2860	.3313	.3550	.2467	.2059	.2111	.2634
September.....	.2580	.2843	.3365	.3308	.2456	.2021	.2178	.2646
October.....	.2610	.2840	.3838	.3003	.2439	.1970	.2294	.2665
November.....	.2718	.2835	.4175	.2820	.2309	.1910	.2323	.2684
December.....	.2733	.2892	.3525	.2911	.2160	.1959	.2453	.2695

TABLE 99.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SWEDISH KRONA—Continued

Period	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.2669	\$0.2622	\$0.2695	\$0.2679	\$0.2671	\$0.2685	\$0.2673
Second quarter.....	.2662	.2647	.2682	.2678	.2677	.2684	.2673
Third quarter.....	.2657	.2660	.2685	.2677	.2683	.2677	.2679
Fourth quarter.....	.2634	.2679	.2678	.2671	.2695	.2674	.2689
January.....	.2686	.2618	.2695	.2678	.2671	.2688	.2674
February.....	.2660	.2618	.2694	.2678	.2669	.2684	.2673
March.....	.2660	.2629	.2695	.2681	.2674	.2684	.2671
April.....	.2664	.2638	.2694	.2679	.2678	.2685	.2671
May.....	.2665	.2650	.2675	.2676	.2675	.2683	.2672
June.....	.2656	.2654	.2676	.2680	.2678	.2683	.2676
July.....	.2653	.2660	.2686	.2680	.2678	.2678	.2680
August.....	.2663	.2661	.2687	.2676	.2682	.2676	.2679
September.....	.2655	.2660	.2682	.2675	.2688	.2676	.2678
October.....	.2640	.2661	.2679	.2673	.2692	.2674	.2684
November.....	.2629	.2681	.2675	.2669	.2692	.2673	.2687
December.....	.2633	.2695	.2679	.2672	.2700	.2676	.2696

## SWITZERLAND

Switzerland has for its monetary unit the Swiss franc of 100 centimes, representing 322.58 milligrams of gold 0.900 fine (290.32 milligrams of fine gold), the par value of which is \$0.192948 United States currency.

Gold coins in circulation are 10 and 20 franc pieces; silver coins,  $\frac{1}{2}$ , 1, 2, and 5 franc pieces. There are also subsidiary coins of nickel and bronze in centime denominations.

Apart from the metallic currency, the principal circulating medium consists of the notes of the Swiss National Bank (Banque Nationale Suisse), the sole bank of issue. The legal minimum reserve requirement is 40 per cent gold against outstanding notes.

## COUNTRY ON GOLD STANDARD IN PRACTICE

On March 5, 1866, Switzerland became a member of the Latin Monetary Union,<sup>32</sup> which gave the countries belonging to it the bimetallic standard at a mint ratio of silver to gold of 15½ to 1, and originally provided for the free coinage of both silver and gold. This latter provision, however, lasted only nine years.

When the price of silver fell sharply about 1873 large quantities of silver were brought to the mints of the other countries of the Union to be coined, and Switzerland began to be flooded with this silver money. In Switzerland, however, free coinage of silver had never been allowed and the coinings there were very moderate compared with those of France, Belgium, and Italy. A monetary conference in 1878 suspended completely the coinage of silver 5-franc pieces in all the member countries. However, the convention of 1885 later restored the right of coining silver 5-franc pieces to the different States, but each State was required to redeem its own silver coins in gold on demand of any other contracting State.

Although Switzerland had stopped the free coinage of silver, the silver 5-franc pieces continued to be legal tender, but their value no longer tended to conform to the value of their bullion content. They

<sup>32</sup> Formation of the Latin Monetary Union is discussed under Belgium, p. 15.

were not redeemable in gold, but remained on a parity with gold because of their limited supply. Thus, until the war Switzerland for all practical purposes had been upon the gold standard since some time in the seventies.

#### METALLIC RESERVE SUPPORTS NOTE ISSUES

Before 1907 banking was decentralized in Switzerland. Most of the cantons had their own banks of issue, and the cantonal notes did not have a wide circulation. The Federal Chambers passed a law on October 6, 1905, creating the Swiss National Bank (Banque Nationale Suisse). This act became effective by resolution of the Federal Council on January 16, 1906, and the bank opened its doors for business on June 20, 1907. This bank was given the exclusive right of note issue (as from June 20, 1910) and other powers commonly given to central banks. No limit was set on the note issue, and no tax was levied upon any of the notes. The bank was simply required to keep a reserve of not less than 40 per cent against its notes. The reserve might be either gold or silver but in practice consisted largely of gold. The bank was required to redeem its notes on demand in either gold or silver. Before August, 1914, the notes were not legal tender but Government offices were required to accept them.

The board of directors of the bank is selected by the Federal Council, and the bank is thus under the general supervision of the Federal Government, which, together with the cantons, participates 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.

#### USUAL NOTE INFLATION FOLLOWS WAR

Immediately after the outbreak of the World War there was a shortage of currency in Switzerland as in other European countries. In one month note circulation increased from 282,800,000 francs to 437,900,000 francs. The notes of the Swiss National Bank were made legal tender and suspension of specie payments was authorized on July 30, 1914.

As the note circulation expanded there was also an increase in the gold reserve. Gold imports during the war period, mainly coin, came principally 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 some extent, from Russia direct. This gold, when in the form of coin, was melted, stamped, and then reexported to the United States. In 1922 and 1923 the gold imports included considerable amounts from Germany deposited as collateral by the German Reichsbank.

The gold reserve of the Swiss National Bank amounted to about 170,000,000 francs at the end of 1913; to 238,000,000 francs at the close of 1914; to 345,000,000 francs in 1916; to 415,000,000 francs in 1918; and to 550,000,000 francs at the close of 1921. The peak was reached in January, 1922, at slightly over 550,000,000 francs. This increase in gold reserve was a stimulus to credit inflation. The annual average note circulation rose from 272,359,000 francs in 1913 to 933,832,000 francs in 1920.

In December, 1929, the note circulation of the bank stood at 999,000,000 francs, the gold reserve at 595,000,000 francs, the silver reserve at 24,000,000 francs, and sight balances abroad and foreign bills at 353,000,000 francs.

#### UNION SILVER FLOODS SWITZERLAND

There was an especially strong tendency for silver 5-franc pieces (écus) to gravitate to Switzerland after the outbreak of the 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. 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.

This large influx of silver 5-franc pieces embarrassed the Swiss Government, and further imports were prohibited on October 4, 1920. At a monetary conference held in 1921 Switzerland was given authority to put the Swiss stamp on about 65,700,000 francs which formerly had borne the stamp of other countries. The remaining 5-franc pieces, amounting to 166,000,000 francs, were to be held for redemption (beginning in 1927) by the countries of their origin. By a decree of February 18, 1921, the Swiss National Bank was prohibited from counting the silver 5-franc pieces at more than their bullion value, the Government giving the bank a note for the difference between their nominal and their bullion value.

#### LATIN MONETARY UNION DISSOLVED

By a resolution of the Federal Council on December 13, 1926, the Latin Monetary Union was dissolved, resulting in the retirement from circulation in Switzerland of gold coins of other countries belonging to the Union. This retirement was decreed by the Federal Council on February 8, 1927, but the time for the withdrawal of these coins was extended to the end of March to permit the public to convert coins of the Union minted in other countries into legal tender without loss. Some 111,300,000 francs in foreign gold of the Latin Monetary Union were thus converted.

By the withdrawal of gold coins of other countries from circulation, following upon the withdrawal of foreign silver coins, the Swiss monetary system has been completely nationalized.

#### SWISS EXCHANGE AT PREMIUM

Exchange rates in New York on Switzerland, like those on France and Great Britain, were at a high premium at the outbreak of the war, reaching \$0.21505 in July, 1914. The cause of the high rates was largely the panic in London and Paris. Bankers in these markets refused to discount bills for New York at a time of the year when usually large amounts were discounted. The supply of sterling and francs in New York being thus seriously curtailed, rates for these currencies advanced sharply. In London and Paris, Swiss exchange was at only a slight discount and consequently bills on Switzerland also went to a high premium in New York since they were an acceptable means of payment in London and Paris. The Swiss franc was

down to par again in New York by December, 1914. The high rates for Swiss francs current at the close of 1916 resulted mostly from the support given sterling and French francs by United States financial interests and from the difficulty of shipping United States gold to Switzerland.

New York rates for Swiss francs again began to advance sharply in the early summer of 1917 (after the United States entered the war) and continued at a premium until the middle of 1919. This was owing partly to the embargo on gold shipments from the United States and more particularly to the fact that the United States dollar was artificially "pegged" with the pound sterling and French franc until March, 1919. After that time the Swiss franc began to fall and continued this decline until 1925, when it again advanced practically to par.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 100 and 101 is: January, 1914, to June, 1921, sight drafts, New York on Zurich; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on Zurich. The average rates from January, 1914, to October, 1918, are computed from mid-points between the monthly high and low rates; from November, 1918, to December, 1918, from monthly averages of daily rates; from January, 1919, to December, 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$.193) may be used from 1900 to 1913.

TABLE 100.—YEARLY AVERAGE EXCHANGE RATES OF THE SWISS FRANC

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$. 1950	1920.....	\$. 1690	1925.....	\$. 1931
1915.....	. 1871	1921.....	. 1735	1927.....	. 1923
1916.....	. 1913	1922.....	. 1907	1928.....	. 1925
1917.....	. 2102	1923.....	. 1810	1929.....	. 1928
1918.....	. 2289	1924.....	. 1822		
1919.....	. 1898	1925.....	. 1933		

TABLE 101.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SWISS FRANC

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$. 1927	\$. 1864	\$. 1920	\$. 1990	\$. 2255	\$. 2053	\$. 1710	\$. 1637
Second quarter.....	. 1937	. 1874	. 1915	. 1917	. 2442	. 1971	. 1796	. 1774
Third quarter.....	( <sup>1</sup> )	. 1862	. 1888	. 2177	. 2408	. 1790	. 1684	. 1636
Fourth quarter.....	. 1937	. 1882	. 1932	. 2258	. 2049	. 1814	. 1561	. 1881
January.....	. 1922	. 1902	. 1925	. 1984	. 2261	. 2066	. 1789	. 1563
February.....	. 1929	. 1851	. 1920	. 1996	. 2229	. 2049	. 1647	. 1636
March.....	. 1930	. 1840	. 1914	. 1989	. 2275	. 2045	. 1695	. 1708
April.....	. 1935	. 1868	. 1926	. 1965	. 2336	. 2028	. 1793	. 1736
May.....	. 1938	. 1882	. 1920	. 1960	. 2482	. 1996	. 1773	. 1786
June.....	. 1939	. 1872	. 1898	. 2025	. 2507	. 1890	. 1821	. 1701
July.....	. 2043	. 1854	. 1891	. 2098	. 2521	. 1808	. 1762	. 1655
August.....	( <sup>1</sup> )	. 1861	. 1889	. 2283	. 2454	. 1773	. 1665	. 1682
September.....	. 1998	. 1870	. 1883	. 2151	. 2250	. 1789	. 1626	. 1720
October.....	. 1960	. 1877	. 1893	. 2198	. 2073	. 1786	. 1590	. 1823
November.....	. 1933	. 1878	. 1922	. 2263	. 2012	. 1815	. 1553	. 1880
December.....	. 1919	. 1891	. 1980	. 2314	. 2062	. 1842	. 1539	. 1939

<sup>1</sup> Indeterminable.<sup>2</sup> Not available.

TABLE 101.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE SWISS FRANC—Continued

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0.1946	\$0.1872	\$0.1733	\$0.1929	\$0.1927	\$0.1925	\$0.1926	\$0.1923
Second quarter.....	.1923	.1807	.1766	.1936	.1934	.1923	.1927	.1925
Third quarter.....	.1898	.1782	.1863	.1837	.1933	.1927	.1925	.1924
Fourth quarter.....	.1859	.1762	.1928	.1928	.1930	.1930	.1925	.1939
January.....	.1942	.1878	.1732	.1934	.1931	.1927	.1927	.1924
February.....	.1952	.1880	.1737	.1926	.1926	.1923	.1924	.1923
March.....	.1945	.1859	.1729	.1926	.1925	.1924	.1926	.1923
April.....	.1945	.1824	.1760	.1933	.1930	.1923	.1927	.1925
May.....	.1921	.1803	.1772	.1935	.1935	.1923	.1927	.1926
June.....	.1904	.1794	.1766	.1940	.1936	.1924	.1928	.1924
July.....	.1910	.1755	.1819	.1941	.1936	.1925	.1926	.1923
August.....	.1904	.1805	.1882	.1940	.1932	.1928	.1925	.1924
September.....	.1879	.1786	.1888	.1931	.1932	.1928	.1925	.1926
October.....	.1842	.1787	.1918	.1927	.1931	.1929	.1924	.1934
November.....	.1844	.1758	.1928	.1927	.1928	.1928	.1925	.1939
December.....	.1891	.1745	.1938	.1930	.1932	.1932	.1927	.1924

## SYRIA

The Syrian pound note of 100 piastres, exchangeable in Paris at the fixed rate of 20 French francs (\$0.392), has been the official currency of Syria since May 1, 1920. It is issued by the Bank of Syria, under French Treasury control. Prior to the British occupation in 1918, the Turkish gold pound, par \$4.3965, was the unit, but it was superseded by the Egyptian pound after occupation.

For accounting purposes the Syrian-Lebanese gold piastre was used from the latter part of 1926 until September, 1928, due to the wide fluctuations during that period of the French franc, upon which the Syrian currency is based. By decree No. 2094 of August 29, 1928, following the stabilization of the French franc, the French high commissioner abolished, as of September 1, 1928, for certain purposes, and as of January 1, 1929, for all other purposes, the Syrian-Lebanese gold piastre.

## TAIWAN (FORMOSA)

The monetary system of Taiwan (formerly called Formosa) is the same as that of Japan, the yen of 100 sen, representing 833.33 milligrams of gold 0.900 fine (750 milligrams of fine gold), with a par value of \$0.4985 United States currency, being the unit. (See Japan, pp. 107-108, for exchange rates, etc.)

The central bank of the island is the Bank of Taiwan. By law No. 38 of April, 1897, the bank was authorized to issue notes convertible into silver, but, because of the fluctuations of the silver yen, as an emergency currency measure the bank was authorized in June, 1904, to issue notes convertible into gold. In April, 1911, the currency system of Taiwan became uniform with that of Japan.

The Bank of Taiwan at the present time is privileged to issue notes, in denominations of 1 yen and upward, which are at any time convertible into gold yen. It is required to hold gold and silver coin and bullion as a reserve against all but 20,000,000 yen of its notes; these 20,000,000 yen may be issued on security of government paper money and securities, notes of the Bank of Japan, and other bonds and commercial bills. Notes issued in excess of this limit are subject to an annual tax of not less than 5 per cent.

## TURKEY

The actual circulating medium in both European and Asiatic Turkey is the Turkish paper pound (symbol £T or Ltq.) of 100 piastres, although theoretically the monetary unit is the Turkish gold lira of 100 piastres established by the currency-reform law of April 17, 1916. That law authorized also minor currency of silver; and there are subsidiary coins of copper and nickel in piastre and para denominations. (1 piastre = 40 paras.)

The Turkish gold lira, more commonly called the pound, represents 7.2166 grams of gold 0.916% fine (6.6152 grams of fine gold) and has a par value of \$4.3965. Because of the lack of a gold reserve the present paper notes are much depreciated in value.

## NO PRE-WAR PAPER CURRENCY

Turkey issued no paper currency prior to the World War. After Turkey entered the war in 1915, in order to conserve the gold supply and to meet the increased needs of the Government the following issues of paper money (and the dates of the laws authorizing them) were made:

	Turkish pounds
Under the law of Mar. 30, 1915.....	5, 148, 000
Under the law of Aug. 18, 1915.....	5, 068, 000
Under the law of Oct. 18, 1915.....	8, 131, 000
Under the law of Dec. 22, 1915.....	73, 956, 000
Under the law of Feb. 4, 1916.....	31, 956, 000
Under the law of Aug. 6, 1916.....	31, 995, 000
Under the law of Mar. 28, 1917.....	2, 496, 000
Total.....	153,750, 000

In addition, the Imperial Ottoman Bank issued paper money of a face value of 900,000 Turkish pounds; this, however, has since entirely disappeared from circulation.

The first of the issues of paper money was made repayable in gold within six months after the conclusion of peace, but this condition was canceled by article 58 of the treaty of Lausanne. The remaining issues were guaranteed by German Treasury notes, which in turn were guaranteed by gold deposits in the Reichsbank at Berlin. These gold deposits, however, passed into the hands of the allied powers after the war. Hence, the entire note issue is backed solely by the credit of the Turkish Government.

## NOTE CIRCULATION—COURSE OF EXCHANGE

The present paper circulation is 153,000,000 Turkish pounds; new notes to this amount were printed in London and have replaced the old paper money issued during the war. The new notes are in denominations of 1, 5, 10, 50, 100, 500, and 1,000 pounds.

Turkish exchange, which was practically stable at par before the war, held fairly well until the end of 1916, when gold was at a premium of 2 to 1 over paper. Turkish paper money, however, showed no precipitous decline until after the armistice; the main causes of this decline were the adverse trade conditions and absence of a gold reserve.

## BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 102 and 103 is: 1910-1918, Sofia on Constantinople (National Bank of Bulgaria) (leva converted; see Bulgaria, p. 39); January, 1919, to

December, 1929, sight drafts, Constantinople on New York. The averages from 1910 to 1918 are the averages as quoted in Le Bulletin Mensuel de Statistique de la Bulgarie; from January, 1919, to December, 1929, the averages are computed from daily rates quoted by the American Express Co. in Constantinople.

TABLE 102.—YEARLY AVERAGE EXCHANGE RATES OF THE TURKISH LIRA (POUND)

Year	Average rate	Year	Average rate	Year	Average rate
1910.....	\$4.4375	1917.....	\$3.1831	1924.....	\$0.5298
1911.....	4.4467	1918.....	3.3048	1925.....	.5449
1912.....	4.4371	1919.....	1.2520	1926.....	.5225
1913.....	4.2672	1920.....	.8436	1927.....	.5133
1914.....	4.3148	1921.....	.6379	1928.....	.5085
1915.....	3.8404	1922.....	.6154	1929.....	.4810
1916.....	4.5027	1923.....	.6067		

TABLE 103.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE TURKISH LIRA (POUND)

Period	1919	1920	1921	1922	1923	1924
First quarter.....	\$1.5170	\$0.8633	\$0.6566	\$0.6468	\$0.6417	\$0.5252
Second quarter.....	1.2100	.8738	.7196	.6569	.6412	.5268
Third quarter.....	1.1400	.8775	.6445	.6005	.5879	.5265
Fourth quarter.....	1.1400	.7598	.5308	.5575	.5538	.5405
January.....	1.6500	.8700	.6300	.6106	.5991	.5261
February.....	1.5000	.8400	.6607	.6716	.6457	.5243
March.....	1.4000	.8800	.6700	.6582	.6804	.5251
April.....	1.2000	.8260	.6836	.6801	.6578	.5358
May.....	1.2500	.8675	.7672	.6640	.6100	.5330
June.....	1.1800	.9279	.7079	.6267	.6558	.5117
July.....	1.1800	.9376	.6684	.6050	.6270	.5040
August.....	1.1400	.8680	.6495	.6002	.5777	.5342
September.....	1.1100	.8269	.6157	.5963	.5789	.5413
October.....	1.1900	.8019	.5191	.5783	.5847	.5338
November.....	1.2000	.7200	.5252	.5273	.5492	.5473
December.....	1.0200	.7574	.5480	.5669	.5335	.5404

Period	1925	1926	1927	1928	1929
First quarter.....	\$0.5257	\$0.5215	\$0.5055	\$0.5083	\$0.4898
Second quarter.....	.5349	.5211	.5171	.5116	.4847
Third quarter.....	.6669	.5422	.5066	.5133	.4789
Fourth quarter.....	.5520	.5049	.5241	.5007	.4705
January.....	.5396	.5265	.5045	.5150	.4873
February.....	.5194	.5229	.5089	.5048	.4922
March.....	.5182	.5152	.5081	.5050	.4900
April.....	.5224	.5033	.5090	.5120	.4907
May.....	.5434	.5282	.5222	.5120	.4853
June.....	.5390	.5319	.5200	.5109	.4780
July.....	.5530	.5518	.5105	.5084	.4797
August.....	.6838	.5505	.4998	.5146	.4767
September.....	.6639	.5243	.5096	.5169	.4803
October.....	.6654	.5109	.5296	.5084	.4748
November.....	.5580	.5020	.5249	.5009	.4689
December.....	.6325	.5019	.5178	.4929	.4678



## UNITED KINGDOM

The monetary unit of the United Kingdom is the pound sterling (plural, pounds sterling)<sup>33</sup> of 20 shillings or 240 pence, representing 7.9881 grams of gold 0.916% fine (7.3224 grams of fine gold), the par value of which is \$4.866563523 United States currency but customarily regarded as \$4.8665. The symbol of the pound sterling is "£"; of the shilling, "s."; of the penny, "d." The £1 gold coin is called a sovereign.

Apart from the metallic currency,<sup>34</sup> the circulating medium consists of the notes of the Bank of England, a private institution. The legal minimum reserve requirement is 100 per cent gold against notes in excess of a fiduciary issue of £260,000,000, with the proviso that, at the request of the bank, the Treasury may, as occasion demands, raise the limit of fiduciary issue above the established maximum for a period of six months and that such authorization may be renewed for a period not to exceed two years.

With the exception of the period extending from August, 1914, to December, 1925, Great Britain has been upon the gold standard continuously since 1821, when specie payments were resumed after a period of about 24 years of inconvertible paper money because of the Napoleonic wars.

## BANK OF ENGLAND NOTE ISSUE

The Bank of England dates from 1694, although its present form dates from the Peel Act of 1844. The bank is privately owned, although it acts as fiscal agent for the Government and serves as a central bank for the other banks. The bank, as arranged by the act of 1844, is divided into two departments, the issue department and the banking department. Against its outstanding notes the bank must hold coin or bullion to the extent of 100 per cent, with the exception of a fixed fiduciary issue against which Government securities are held; 25 per cent of this reserve may, under the law, be silver, but in practice the bank ceased holding silver as security for its notes in 1853. The fiduciary issue was limited to £14,000,000, which was the debt of the Government to the bank at the time of the Peel Act, £11,000,000 of the £14,000,000 being the perpetual debt of the Government to the bank.

The note circulation of the Bank of England thus could not increase except as the new currency was issued in exchange for gold brought to the bank. An exception, however, must be noted. Whenever any of the joint-stock banks gave up their right to issue notes the Bank of England could increase its fiduciary issue to the extent of two-thirds of the lapsed issue. In this way, the fiduciary issue had grown to £18,450,000 by June 30, 1914.

<sup>33</sup> "Sterling is a term used to denote money of standard weight or quality, especially applied to the English gold sovereign. The word has been generally derived from the name of 'Easterlings' given to the North German merchants who came to England in the reign of Edward I and formed a 'hansa' or guild in London, modeled on the earlier one of the merchants of Cologne. Their coins were of uniform weight and fineness \* \* \* and thus it is supposed gave the name of the moneyers to a coinage of recognized fineness."—Encyclopedia Britannica.

<sup>34</sup> The present metallic currency of Great Britain and Northern Ireland is composed of the following:  
*Gold coins:* Five pound (£5), issued only on special occasions; two pound (£2), issued only on special occasions; guinea (21s.), no such coin is now in circulation; sovereign (£1); and half-sovereign (10s.).  
*Silver coins:* Crown (5s.), discontinued; double florin (4s.), discontinued; half-crown (2s. 6d.); florin (2s.); shilling (1s.); sixpence (6d.); groat (4d.), issued only on special occasions; threepence (3d.); twopenny (2d.), issued only on special occasions; penny (1d.), issued only on special occasions.  
*Bronze coins:* Penny (1d.); halfpenny (½d.); and farthing (¼d.).

As indicated, not all of these coins are now current. Commercial quotations usually are made in pounds, shillings, and pence.

## CURRENCY NOTES OF THE BRITISH TREASURY

The gold standard ceased to exist in Great Britain in August, 1914, although it continued nominally until May 10, 1917, when the exportation of gold was prohibited by proclamation. On August 6, 1914, the currency and bank notes act was passed, authorizing the Treasury to suspend the bank act and also to issue currency notes (in denominations of £1 and 10s.), which were legal tender. The currency notes were obligations of the Government and were to be redeemable in gold at the Bank of England; they were issued to banks to a maximum of 20 per cent of their deposit and current-account liabilities. Later the banks obtained the notes by transferring to the currency-notes account portions of their balances with the Bank of England. The Government then borrowed these balances and substituted Government securities. The banks could thus convert their balances at the Bank of England into notes at will. The banks paid interest to the Government for the notes at the prevailing bank rate.

The same law of August 6, 1914, permitted the Bank of England to expand its fiduciary circulation beyond the fixed amount. However, such increase occurred only once and continued for only a few days; it does not appear in any of the bank's statements since the situation was remedied before a statement was issued.

War-time inflation in Great Britain was not so much in the notes of the Bank of England as in the new Treasury currency notes and in bank credit. The currency notes increased during the course of the war and the years following and reached a maximum in 1920 of about £370,000,000. Bank of England notes also increased, but these were backed 100 per cent by gold, and the notes took the place largely of gold formerly in circulation; their circulation expanded from about £40,000,000 in 1914 to about £115,000,000 at the end of 1920. In October, 1928, Bank of England notes amounted to £78,300,000 and Treasury notes to £291,600,000. The total notes in circulation at the end of December, 1929, amounted to £379,600,000; on the same date gold coin and bullion totaled £145,800,000.

## RECOMMENDATIONS OF THE CUNLIFFE COMMITTEE

The increase in circulation during and after the war attributable to currency notes represents inflation, but only a part of the inflation which took place in Great Britain. There was also credit inflation.

In January, 1918, a committee was appointed to consider the various problems of currency and foreign exchanges during the period of reconstruction. This committee, known as the Cunliffe Committee, in August recommended that steps should be taken as soon as possible to reduce the uncovered or fiduciary issue of currency notes. The method proposed was that the "actual maximum fiduciary circulation in any year should become the legal maximum for the following year." This suggestion was adopted later by the Treasury, which fixed the legal maximum fiduciary issue of currency notes for 1920 at the actual maximum for 1919. In each succeeding year the legal maximum has been lower than in the preceding year.

The committee was of the opinion that the country required a minimum gold reserve of about £150,000,000 and that a corresponding amount of paper currency should be covered by 100 per cent of gold,

while the remainder of the paper currency could be fiduciary in character. (It was estimated that the pre-war gold reserves consisted of about £38,500,000 in the Bank of England and £123,000,000 in the other banks and in circulation.)

#### RESTORATION OF GOLD STANDARD

In 1924 a second committee was appointed to consider amalgamating the Treasury note issue with the Bank of England note issue. This committee devoted itself chiefly to developing a program for the restoration of the gold standard in England, which it considered necessary as a preliminary to this amalgamation.

On April 28, 1925, the Bank of England, already under legal obligation to redeem its notes in gold, was given a general license to export gold, with the understanding that this meant in effect the free export of gold. The gold standard act became a law on May 13 of the same year and the gold and silver (export control) act of 1920 lapsed entirely on December 31, 1925.

#### AMALGAMATION OF NOTE ISSUES

The currency and bank notes bill became a law on July 2, 1928. This act provided for the amalgamation of the Treasury currency-note issue with the Bank of England issue.

By its terms the Bank of England was to take over the liability on outstanding currency notes, and also to take over the Bank of England notes, the silver, and the securities that serve as cover for the notes. The excess of cover, amounting to about £13,000,000, was to be turned over to the sinking fund of the Treasury. The Bank of England was permitted to issue bank notes with legal-tender powers in denominations of £1 and 10s., and a fiduciary issue of £260,000,000 was provided for, corresponding closely to the combined fiduciary issues of the bank and Treasury previous to the act. Suspension of the fiduciary limit may be made legal with the consent of the Treasury.

#### WAR UNSETTLES EXCHANGE

Exchange rates in New York on London rose sharply upon the outbreak of the World War in 1914 and in August of that year reached a maximum of about \$5.56 United States currency. This rise during the early weeks of the war was occasioned primarily by the urgent demand for funds in London. British banks, financial houses, and merchants in need of funds to meet maturing liabilities called in available funds from foreign countries as far as possible.

Financial conditions became more settled as the year advanced; by December the rates for sterling in New York were back practically to par and before the year closed were even below par. Rates in New York continued downward, reaching a low point of \$4.50 in September, 1915, the main reason being the unfavorable trade balance between Great Britain and the United States. To counteract the depreciation of sterling and to provide funds in New York for the purchase of United States goods the British Government borrowed various amounts in the United States.

ARTIFICIAL STABILIZATION OF EXCHANGE THROUGH "PEGGING"

In order to procure collateral for additional borrowing in the United States a plan was devised whereby dollar securities held in Great Britain were loaned or sold to the British Government. This plan was undertaken in the latter part of 1915, and Great Britain collected, either through outright purchase or as a loan, a large amount of United States securities, giving the original holders of the loaned securities a bonus in addition to the interest or dividends which the owners received. Funds obtained in this way provided means for stabilizing exchange rates.

From early in 1916 to March, 1919, exchange rates were "pegged" at \$4.76 and fluctuations were very slight. This artificial stabilization of exchange rates was accomplished through loan operations undertaken in the United States. When "unpegging" took place, sterling rates in New York on London fell very rapidly. Large importations of goods from the United States had caused the balance of trade to be heavily against Great Britain. Furthermore, prices had risen higher in Great Britain than in the United States, and on the basis of the ratio between the price levels in the two countries the pound sterling should have been considerably depreciated as compared with the United States dollar.

The low point was reached in February, 1920, when the exchange rate of the pound sterling in New York was about \$3.20. This extreme depreciation, however, was due to temporary market factors and was lower than the underlying conditions warranted.

The deflation and general trade depression which began in the last half of 1920 had its effect upon exchange rates. Prices in Great Britain trended downward from April, 1920, to early in 1922. As prices fell and came more into harmony with those in the United States, and imports declined, there was an improvement in exchange rates.

BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 104 to 107 is: January, 1914, to June, 1921, sight drafts, New York on London; July, 1921, to December, 1929, noon buying rates for cable transfers, New York on London. The averages from 1914 to 1918 are computed from monthly average rates; from 1919 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

For conversion purposes, the par value (\$4.8665) may be used from 1900 to 1913.

TABLE 104.—YEARLY AVERAGE EXCHANGE RATES OF THE BRITISH POUND STERLING

Year	Average rate	Year	Average rate	Year	Average rate
1914.....	\$4.9054	1920.....	\$3.6643	1926.....	\$4.8582
1915.....	4.7514	1921.....	3.8491	1927.....	4.8610
1916.....	4.7588	1922.....	4.4282	1928.....	4.8662
1917.....	4.7542	1923.....	4.5748	1929.....	4.8559
1918.....	4.7547	1924.....	4.4171		
1919.....	4.4258	1925.....	4.8289		

## FOREIGN CURRENCY AND EXCHANGE

TABLE 105.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE BRITISH POUND STERLING

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$4. 861	\$4. 821	\$4. 761	\$4. 754	\$4. 753	\$4. 7485	\$3. 5949	\$3. 8430
Second quarter.....	4. 879	4. 786	4. 760	4. 755	4. 754	4. 6501	3. 9095	3. 8954
Third quarter.....	4. 981	4. 712	4. 758	4. 755	4. 755	4. 2932	3. 6656	3. 6699
Fourth quarter.....	4. 901	4. 687	4. 756	4. 752	4. 757	4. 0315	3. 4682	3. 9997
January.....	4. 863	4. 842	4. 759	4. 758	4. 753	4. 7658	3. 6779	3. 7420
February.....	4. 858	4. 820	4. 761	4. 755	4. 753	4. 7649	3. 3810	3. 8758
March.....	4. 862	4. 800	4. 763	4. 750	4. 753	4. 7147	3. 7258	3. 9111
April.....	4. 870	4. 794	4. 765	4. 757	4. 755	4. 5617	3. 9310	3. 9292
May.....	4. 882	4. 790	4. 758	4. 755	4. 755	4. 6676	3. 8477	3. 9754
June.....	4. 884	4. 774	4. 758	4. 754	4. 753	4. 6211	3. 9498	3. 7815
July.....	4. 901	4. 765	4. 758	4. 755	4. 753	4. 4287	3. 8647	3. 6321
August.....	5. 055	4. 693	4. 758	4. 756	4. 756	4. 2720	3. 6219	3. 6536
September.....	4. 986	4. 677	4. 757	4. 755	4. 755	4. 1790	3. 5102	3. 7240
October.....	4. 945	4. 674	4. 757	4. 752	4. 755	4. 1840	3. 4751	3. 8729
November.....	4. 890	4. 668	4. 757	4. 752	4. 757	4. 0982	3. 4372	3. 9702
December.....	4. 869	4. 720	4. 755	4. 752	4. 758	3. 8123	3. 4924	4. 1561

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$4. 3208	\$4. 6804	\$4. 2858	\$4. 7768	\$4. 8607	\$4. 8523	\$4. 8767	\$4. 8515
Second quarter.....	4. 4371	4. 6320	4. 3440	4. 8368	4. 8633	4. 8565	4. 8813	4. 8507
Third quarter.....	4. 4473	4. 5620	4. 4435	4. 8543	4. 8587	4. 8596	4. 8559	4. 8492
Fourth quarter.....	4. 5094	4. 4220	4. 5975	4. 8462	4. 8501	4. 8754	4. 8504	4. 8763
January.....	4. 2248	4. 6548	4. 2591	4. 7817	4. 8579	4. 8526	4. 8753	4. 8499
February.....	4. 3620	4. 6908	4. 3077	4. 7724	4. 8634	4. 8503	4. 8748	4. 8521
March.....	4. 3757	4. 6957	4. 2906	4. 7762	4. 8608	4. 8540	4. 8799	4. 8526
April.....	4. 4134	4. 6555	4. 3513	4. 7953	4. 8622	4. 8565	4. 8820	4. 8532
May.....	4. 4461	4. 6257	4. 3608	4. 8547	4. 8615	4. 8570	4. 8816	4. 8508
June.....	4. 4519	4. 6147	4. 3199	4. 8604	4. 8661	4. 8561	4. 8903	4. 8482
July.....	4. 4464	4. 5834	4. 3704	4. 8596	4. 8634	4. 8551	4. 8636	4. 8510
August.....	4. 4647	4. 5603	4. 4995	4. 8560	4. 8596	4. 8602	4. 8535	4. 8485
September.....	4. 4307	4. 5422	4. 4605	4. 8465	4. 8542	4. 8635	4. 8505	4. 8482
October.....	4. 4385	4. 5237	4. 4870	4. 8428	4. 8503	4. 8697	4. 8495	4. 8699
November.....	4. 4799	4. 3822	4. 6097	4. 8459	4. 8468	4. 8740	4. 8492	4. 8775
December.....	4. 6098	4. 3601	4. 6958	4. 8498	4. 8512	4. 8825	4. 8524	4. 8816

TABLE 106.—YEARLY AVERAGE EXCHANGE VALUE <sup>1</sup> OF THE BRITISH PENNY IN TERMS OF THE UNITED STATES DOLLAR

Year	Average value	Year	Average value	Year	Average value
1914.....	\$0. 02044	1920.....	\$0. 01527	1926.....	\$0. 02024
1915.....	. 01980	1921.....	. 01604	1927.....	. 02025
1916.....	. 01983	1922.....	. 01845	1928.....	. 02028
1917.....	. 01981	1923.....	. 01906	1929.....	. 02074
1918.....	. 01981	1924.....	. 01840		
1919.....	. 01844	1925.....	. 02012		

<sup>1</sup> Based on the average exchange rates of the British pound sterling. The par value is \$0.02028.

TABLE 107.—MONTHLY AVERAGE EXCHANGE VALUE OF THE BRITISH PENNY IN TERMS OF THE UNITED STATES DOLLAR

Month	1914	1915	1916	1917	1918	1919
January.....	\$0. 02026	\$0. 02018	\$0. 01983	\$0. 01983	\$0. 01980	\$0. 01986
February.....	. 02024	. 02008	. 01984	. 01981	. 01980	. 01985
March.....	. 02026	. 02000	. 01985	. 01979	. 01980	. 01965
April.....	. 02029	. 01998	. 01985	. 01982	. 01981	. 01943
May.....	. 02034	. 01996	. 01983	. 01981	. 01981	. 01945
June.....	. 02035	. 01989	. 01983	. 01981	. 01980	. 01925
July.....	. 02042	. 01985	. 01983	. 01981	. 01980	. 01945
August.....	. 02106	. 01955	. 01983	. 01982	. 01982	. 01780
September.....	. 02078	. 01949	. 01982	. 01981	. 01981	. 01741
October.....	. 02060	. 01948	. 01982	. 01980	. 01981	. 01743
November.....	. 02038	. 01945	. 01982	. 01980	. 01982	. 01708
December.....	. 02029	. 01967	. 01981	. 01980	. 01983	. 01588

Month	1920	1921	1922	1923	1924	1925
January.....	\$0. 01533	\$0. 01559	\$0. 01760	\$0. 01940	\$0. 01775	\$0. 01992
February.....	. 01409	. 01615	. 01818	. 01955	. 01795	. 01989
March.....	. 01553	. 01630	. 01823	. 01957	. 01788	. 01990
April.....	. 01638	. 01637	. 01839	. 01940	. 01813	. 01998
May.....	. 01603	. 01656	. 01853	. 01928	. 01817	. 02023
June.....	. 01646	. 01576	. 01855	. 01923	. 01800	. 01025
July.....	. 01610	. 01513	. 01853	. 01910	. 01821	. 02025
August.....	. 01509	. 01523	. 01860	. 01900	. 01875	. 02024
September.....	. 01463	. 01552	. 01846	. 01893	. 01859	. 02019
October.....	. 01448	. 01614	. 01850	. 01885	. 01870	. 02018
November.....	. 01432	. 01654	. 01867	. 01826	. 01921	. 02019
December.....	. 01455	. 01732	. 01921	. 01817	. 01957	. 02021

NOTE.—The above table has been inserted owing to the fact that the exchange value of so many currencies prior to the World War was expressed in pence as London was the financial center; and to the fact that the exchange value of a number of currencies in this survey has been computed in accordance with the rates given. Since 1925 the par value (\$0.02028) may be used.

URUGUAY

Uruguay has for its monetary unit the peso (plural, pesos) of 100 centesimos, representing 1.697 grams of gold 0.9167 fine (1.5273 grams of fine gold), the par value of which is \$1.0342 United States currency. (The dollar mark [\$] is used as the symbol for the Uruguayan peso.)

The circulating medium, apart from subsidiary silver and nickel coins in peso and centesimo denominations, consists of the notes of the Banco de la Republica Oriental del Uruguay (Bank of the Republic), established in 1896. The Bank of the Republic is the official bank of Uruguay; it has the sole right of note issue and acts as fiscal agent for the Government.

“MAJOR” AND “MINOR” BANK-NOTE ISSUES

Under normal conditions the bank is authorized to issue notes convertible into gold in denominations of 10 pesos and upward (emission mayor, or major issue) to three times its paid-in capital. The circulation of smaller notes convertible into gold or silver at the bank's option (emission menor, or minor issue) is limited to one-half the paid-in capital. During the World War the limits thus fixed were found too small for the needs of business, and provision was made for the issuance of additional notes, up to a total of 5,000,000 pesos, against the deposit of gold in custody of the bank and commercial paper rediscounted for other banks. Again in 1918 the bank was permitted to increase its circulation by 15,000,000 pesos to cover the loan made to

the French Government. Under various authorizations the permissible circulation December 31, 1925, was 100,083,000 pesos.

The bank is required to keep a gold reserve of at least 40 per cent against its major issue of notes plus its sight obligations or deposits nominally payable in gold (these deposits are known as gold accounts, to distinguish them from others payable in silver or small bills of the minor issue). Note issue in denominations of 10 pesos or above is limited in relation to the capital of the bank, gold deposited by commercial banks, and a war loan made to the French Government. The gold reserve consists of bullion and foreign coins (United States, British, etc.).

#### BANK'S ISSUING PRIVILEGE ENLARGED

In October of 1928 the Uruguayan National Assembly, with the evident intention of granting to the Banco de la Republica more elastic privileges, decreed (Diario Oficial of Oct. 26):

ARTICLE 1. The Banco de la Republica is authorized to manage freely the coined gold in its deposits over and above the sum of 55,000,000 pesos, rescinding, in so far as would affect the handling of that excess, the prohibition contained in previous laws.

ART. 2. Gold deposits abroad, the property of the Banco de la Republica, will be considered as an integral part of the gold deposits of this bank.

ART. 3. The bank is authorized to make a special issue of notes of 10 pesos as well as higher denominations of this type, equivalent to the deposits of gold held by the bank abroad, up to a limit of 15,000,000 pesos.

ART. 4. The bank is also authorized to purchase foreign national-debt bonds, already issued, up to a total of 10,000,000 pesos.

At the end of April, 1929, the note issue outstanding totaled 70,000,000 pesos; the gold reserve, 66,000,000 pesos.

#### WORLD TRADE DEPRESSION AFFECTS EXCHANGE

For many years preceding the World War Uruguayan exchange was stable. At the beginning of the war there was a depression in the exchange value of the peso owing to the decreed inconvertibility of bank notes and the consequent inability to ship gold at a time when foreign remittances were in urgent demand; but this unsettled period soon passed, and the well-sustained export trade brought a return to normal exchange rates.

The world trade collapse of 1920 had a serious effect on Uruguayan exchange. The important factors in the exchange situation were, (1) the necessity of meeting payments on a rather large quantity of imports ordered before the slump; (2) the impracticability of shipping gold (since the suspension of gold payments had not been lifted), and the consequent necessity of buying foreign drafts in a strong seller's market; (3) the general curtailment of credit; and (4) the depressing influence of the Government's borrowings to meet a series of fiscal deficits. A distinct improvement, however, took place in 1924, which continued through 1928; after the first quarter of 1929, however, exchange again began to fall, continuing throughout the remainder of the year.

BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 108 and 109 is: 1900-1914, 90 days' sight, Montevideo on London (sterling converted; see United Kingdom, p. 174); 1915-1921, sight drafts, Montevideo on New York; 1922-1929, cable transfers, New York on Montevideo. The averages from 1900 to 1914 are computed from the monthly averages quoted in the Anuario Estadístico (in shillings and pence); from 1915 to 1921, the averages are mid-points between the yearly high and low rates; from 1922 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 108.—YEARLY AVERAGE EXCHANGE RATES OF THE URUGUAYAN PESO

Year	Average rate	Year	Average rate	Year	Average rate
1900.....	\$1.0470	1910.....	\$1.0463	1920.....	\$0.8627
1901.....	1.0480	1911.....	1.0456	1921.....	.6861
1902.....	1.0464	1912.....	1.0501	1922.....	.7940
1903.....	1.0489	1913.....	1.0482	1923.....	.7906
1904.....	1.0487	1914.....	1.0428	1924.....	.8227
1905.....	1.0481	1915.....	.9970	1925.....	.9840
1906.....	1.0499	1916.....	1.0405	1926.....	1.0147
1907.....	1.0522	1917.....	1.0405	1927.....	1.0134
1908.....	1.0486	1918.....	1.2019	1928.....	1.0266
1909.....	1.0468	1919.....	1.0989	1929.....	.9863

<sup>1</sup> January-July.

TABLE 109.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE URUGUAYAN PESO

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	( <sup>1</sup> )	\$0.7754	\$0.8410	\$0.7821	\$0.9660	\$1.0272	\$1.0142	\$1.0313	\$1.0226
Second quarter.....	( <sup>1</sup> )	.7960	.8181	.7771	.9579	1.0247	1.0102	1.0292	.9783
Third quarter.....	\$0.6316	.8009	.7587	.7953	.9946	1.0028	.9990	1.0230	.9799
Fourth quarter.....	.6725	.8025	.7434	.9393	1.0175	1.0046	1.0304	1.0225	.9643
January.....	( <sup>1</sup> )	.7265	.8460	.7968	.9903	1.0288	1.0152	1.0277	1.0275
February.....	( <sup>1</sup> )	.7924	.8316	.7826	.9546	1.0310	1.0146	1.0294	1.0260
March.....	( <sup>1</sup> )	.8073	.8455	.7669	.9531	1.0218	1.0128	1.0368	1.0162
April.....	( <sup>1</sup> )	.7811	.8373	.7751	.9438	1.0271	1.0198	1.0353	.9911
May.....	( <sup>1</sup> )	.7976	.8086	.7808	.9602	1.0300	1.0071	1.0299	.9770
June.....	( <sup>1</sup> )	.8094	.8085	.7759	.9697	1.0171	1.0037	1.0225	.9669
July.....	.6069	.8140	.7919	.7664	.9853	1.0025	.9917	1.0228	.9757
August.....	.6391	.8085	.7397	.7852	.9989	1.0019	1.0014	1.0251	.9857
September.....	.6489	.7801	.7446	.8344	.9995	1.0041	1.0040	1.0211	.9782
October.....	.6644	.7708	.7364	.8859	1.0113	1.0021	1.0188	1.0184	.9769
November.....	.6641	.7946	.7213	.9646	1.0248	.9990	1.0337	1.0230	.9679
December.....	.6891	.8421	.7724	.9774	1.0164	1.0126	1.0387	1.0261	.9482

<sup>1</sup> Not available.

VENEZUELA

Venezuela's monetary unit is the bolivar (plural, bolivares) of 100 centimos, representing 322.58 milligrams of gold 0.900 fine (290.32 milligrams of fine gold), the par value of which is \$0.192948 United States currency. In 1891 Venezuela adopted the unit of the Latin Monetary Union and, at the same time, the gold standard. The



metallic currency consists of gold pieces of 10, 20, and 100 bolivares, with subsidiary coins of silver and nickel in bolivar and centimo denominations.

The currency employed in the commercial centers consists of bank notes issued by the Banco de Venezuela (founded in 1890), Banco de Caracas, Banco de Maracaibo, and Banco Comercial de Maracaibo.

#### PROVISIONS OF NEW BANKING LAW

The new Venezuelan banking law of July 18, 1927, authorizes the free establishment of banks in Venezuela, which, provided they are incorporated as native companies, shall have power to issue notes to bearer convertible on demand. They must keep 10 per cent of their reserves in gold and 60 per cent in Venezuelan securities. Circulation of foreign bank notes is prohibited.

The banks of Venezuela have never issued notes up to the legal maximum, nor has there been any recorded instance of inconvertibility. The bank notes are not specifically declared legal tender—a function reserved exclusively to gold—and as a rule they circulate only in the State in which they are issued. In isolated parts of the country and on the plains of the Orinoco the people will accept only silver and gold coin.

Fluctuations of exchange from 1914 to 1924 were moderated by the fact that gold was available for export. Under the stress of the world commercial crisis of 1920–21 there were instances of the payment of a small premium for gold over silver and notes, but the various forms of currency soon returned to an equality.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 110 and 111 is: 1908–1912, mean rate for sight drafts, Banco de Venezuela on New York; 1913–1925, mean rate for sight drafts, Caracas on New York; 1926–1929, cable transfers, New York on Caracas. The rates from 1908 to 1912 have been computed from monthly average rates as quoted in the Anuario Estadístico (bolivares to the United States dollar); from 1913 to 1925, from the monthly average rates quoted by the Camera de Comercio, Caracas (bolivares to the United States dollar); from 1926 to 1929, the averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 110.—YEARLY AVERAGE EXCHANGE RATES OF THE VENEZUELAN BOLIVAR

Year	Average rate	Year	Average rate	Year	Average rate
1908	\$0. 1849	1914	\$0. 1934	1924	\$0. 1923
1909	. 1879	1917	. 1949	1925	. 1929
1910	. 1903	1919	. 2179	1926	. 1926
1911	. 1878	1919	. 2037	1927	. 1898
1912	. 1872	1920	. 1889	1928	. 1925
1913	. 1898	1921	. 1656	1929	. 1930
1914	. 1876	1922	. 1838		
1915	. 1863	1923	. 1894		

TABLE 111.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE VENEZUELAN BOLIVAR

Period	1914	1915	1916	1917	1918	1919	1920	1921
First quarter.....	\$0. 1912	\$0. 1866	\$0. 1931	\$0. 1946	\$0. 2076	\$0. 2272	\$0. 1942	\$0. 1702
Second quarter.....	. 1808	. 1882	. 1931	. 1949	. 2236	. 2087	. 1877	. 1606
Third quarter.....	. 1847	. 1875	. 1934	. 1953	. 2226	. 2026	. 1903	. 1622
Fourth quarter.....	. 1836	. 1906	. 1945	. 1947	. 2211	. 1941	. 1750	. 1701
January.....	. 1919	. 1842	. 1931	. 1946	. 1773	. 2387	. 1949	. 1706
February.....	. 1908	. 1862	. 1931	. 1946	. 2183	. 2208	. 1946	. 1733
March.....	. 1908	. 1894	. 1931	. 1946	. 2273	. 2222	. 1931	. 1667
April.....	. 1908	. 1894	. 1931	. 1946	. 2315	. 2137	. 1873	. 1623
May.....	. 1908	. 1883	. 1931	. 1949	. 2278	. 2083	. 1876	. 1570
June.....	. 1908	. 1869	. 1931	. 1953	. 2114	. 2041	. 1883	. 1626
July.....	. 1887	. 1876	. 1934	. 1957	. 2208	. 2188	. 1859	. 1656
August.....	. 1815	. 1883	. 1931	. 1953	. 2212	. 1946	. 1795	. 1608
September.....	. 1838	. 1866	. 1938	. 1949	. 2257	. 1944	. 1754	. 1603
October.....	. 1869	. 1880	. 1942	. 1946	. 2217	. 1940	. 1736	. 1639
November.....	. 1815	. 1808	. 1946	. 1942	. 2137	. 1938	. 1745	. 1689
December.....	. 1825	. 1931	. 1946	. 1953	. 2278	. 1946	. 1770	. 1776

Period	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	\$0. 1809	\$0. 1906	\$0. 1919	\$0. 1936	\$0. 1938	\$0. 1886	\$0. 1920	\$0. 1928
Second quarter.....	. 1846	. 1912	. 1919	. 1929	. 1940	. 1875	. 1925	. 1932
Third quarter.....	. 1833	. 1868	. 1918	. 1923	. 1922	. 1915	. 1925	. 1932
Fourth quarter.....	. 1866	. 1885	. 1932	. 1917.	. 1902	. 1917	. 1930	. 1926
January.....	. 1783	. 1916	. 1905	. 1935	. 1935	. 1906	. 1917	. 1934
February.....	. 1808	. 1898	. 1919	. 1936	. 1939	. 1876	. 1919	. 1926
March.....	. 1835	. 1905	. 1934	. 1936	. 1940	. 1875	. 1925	. 1925
April.....	. 1855	. 1908	. 1927	. 1941	. 1940	. 1875	. 1925	. 1926
May.....	. 1835	. 1912	. 1921	. 1932	. 1940	. 1875	. 1925	. 1933
June.....	. 1848	. 1916	. 1908	. 1913	. 1940	. 1876	. 1925	. 1938
July.....	. 1866	. 1890	. 1910	. 1932	. 1932	. 1913	. 1925	. 1938
August.....	. 1821	. 1866	. 1912	. 1924	. 1935	. 1916	. 1925	. 1931
September.....	. 1812	. 1847	. 1931	. 1914	. 1900	. 1917	. 1925	. 1926
October.....	. 1825	. 1892	. 1931	. 1931	. 1900	. 1917	. 1925	. 1925
November.....	. 1862	. 1876	. 1934	. 1929	. 1900	. 1917	. 1928	. 1925
December.....	. 1912	. 1887	. 1931	. 1931	. 1905	. 1917	. 1938	. 1929

## YUGOSLAVIA

Yugoslavia employs as its monetary unit the dinar (anglicized plural, dinars) of 100 paras, representing 322.58 milligrams of gold 0.900 fine (290.32 milligrams of fine gold), the par value of which is \$0.192948 United States currency. The metallic currency consists of pre-war issues of 10 and 20 dinar gold pieces and subsidiary coins in para and dinar denominations. The gold and silver coins have practically disappeared from circulation.

## RESERVES OF NATIONAL BANK AGAINST NOTES

The principal circulating medium consists of the notes of the National Bank of the Kingdom of the Serbs, Croats, and Slovenes, established in February, 1920. This bank superseded the Privileged National Bank of the Kingdom of Serbia, founded in 1883.

The National Bank is the sole bank of issue; its notes must not exceed three times the amount of its metallic reserve. There is no existing law as to what proportion of the reserves must be gold or silver, so the proportion varies. The bank acts as fiscal agent for the Government. The bank holdings at the end of December, 1929, consisted of national gold coins to the amount of 1,046,251,000 dinars;

silver coins, 72,900,000 dinars; and sight drafts abroad, 267,931,000 dinars. Notes in circulation on the same date totaled 5,817,966,000 dinars.

#### ABSORPTION OF KRONEN DEPRESSES EXCHANGE

The decline in dinar exchange since the opening of the Belgrade Bourse in February, 1919, has been due primarily to the increase in fiduciary circulation. This increase was brought about by the absorption of the Austro-Hungarian kronen (to the value of 1,200,000,000 dinars, at the rate of 1 dinar for 4 kronen, the actual ratio at that time) which were found in the territory of the Kingdom at the time of unification; and by advances made to the Government by the National Bank to the amount of about 1,709,784,000 dinars in 1920 and 1,125,000,000 dinars in 1921. Thus the note circulation increased from 350,000,000 dinars at the end of December, 1918, to about 4,688,000,000 dinars at the end of December, 1921. However, since February, 1923, dinar exchange has shown some improvement.

#### BASIS OF STATISTICS

The basis for the average exchange rates as given in Tables 112 and 113 is: July, 1919, to December, 1929, noon buying rates for cable transfers, New York on Belgrade. The averages are as computed from daily rates by the Federal Reserve Board. Quarterly averages are computed from monthly averages.

TABLE 112.—YEARLY AVERAGE EXCHANGE RATES OF THE YUGOSLAV DINAR

Year	Average rate	Year	Average rate	Year	Average rate
1919.....	\$0.0773	1923.....	\$0.0107	1927.....	\$0.0176
1920.....	.0368	1924.....	.0128	1928.....	.0176
1921.....	.0237	1925.....	.0170	1929.....	.0176
1922.....	.0135	1926.....	.0176		

<sup>1</sup> July-December.

TABLE 113.—QUARTERLY AND MONTHLY AVERAGE EXCHANGE RATES OF THE YUGOSLAV DINAR

Period	1921	1922	1923	1924	1925	1926	1927	1928	1929
First quarter.....	( <sup>1</sup> )	\$0.01323	\$0.00989	\$0.01198	\$0.01619	\$0.01764	\$0.01761	\$0.01761	\$0.01757
Second quarter.....	( <sup>1</sup> )	.01387	.01072	.01220	.01651	.01763	.01758	.01760	.01757
Third quarter.....	\$0.02238	.01234	.01073	.01257	.01779	.01766	.01759	.01760	.01756
Fourth quarter.....	.01455	.01471	.01153	.01456	.01771	.01766	.01761	.01758	.01767
January.....	( <sup>1</sup> )	.01381	.00956	.01134	.01635	.01770	.01764	.01762	.01758
February.....	( <sup>1</sup> )	.01298	.00968	.01223	.01622	.01761	.01760	.01760	.01757
March.....	( <sup>1</sup> )	.01290	.01042	.01237	.01601	.01761	.01759	.01760	.01756
April.....	( <sup>1</sup> )	.01330	.01017	.01239	.01615	.01761	.01758	.01760	.01756
May.....	( <sup>1</sup> )	.01450	.01050	.01235	.01627	.01762	.01758	.01760	.01757
June.....	( <sup>1</sup> )	.01380	.01148	.01185	.01711	.01765	.01758	.01760	.01757
July.....	.02563	.01222	.01067	.01182	.01761	.01767	.01758	.01760	.01756
August.....	.02330	.01186	.01057	.01236	.01795	.01765	.01760	.01760	.01756
September.....	.01912	.01293	.01094	.01352	.01780	.01766	.01760	.01760	.01756
October.....	.01523	.01622	.01175	.01424	.01773	.01767	.01761	.01758	.01762
November.....	.01306	.01569	.01149	.01449	.01770	.01766	.01761	.01758	.01767
December.....	.01537	.01223	.01136	.01496	.01770	.01765	.01762	.01759	.01772

<sup>1</sup> Not available.

## APPENDIX

### I. MONETARY SYSTEMS OF PRINCIPAL COUNTRIES SUMMARIZED

The following tables summarizing the monetary systems of the principal countries of the world as at the end of 1928 are quoted from "Monetary Units and Coinage Systems" issued by the Office of the Director of the Mint, United States Treasury Department.

#### GOLD-STANDARD COUNTRIES

Countries where gold may legally be exported and where convertibility of notes into gold, gold bullion, or gold exchange is in force or contemplated by laws already enacted, coupled with the stabilization of exchange at a fixed ratio with gold.

Country	Monetary unit	Gold content of monetary unit		United States equivalent value of monetary unit	Value of United States dollar in foreign monetary unit named
		Grams	Grains		
<b>NORTH AMERICA</b>					
United States, including Territories of Alaska, Porto Rico, and Hawaiian Islands.	Dollar	1.50463	23.22	\$1.00	
British colonies of Bermuda and West Indies Islands.	Pound	7.3224	113.0016	4.8666	0.20548
British Honduras.	Dollar	U. S. gold dollar is the unit.		1.00	1.00
Canada.	do.	1.50463	23.22	1.00	1.00
Costa Rica.	Colon	4 colons exchanged for 1 U. S. dollar.		.25	4.00
Cuba.	Peso	1.50463	23.22	1.00	1.00
Dominican Republic.	Dollar	Coined U. S. gold is the basis.		1.00	1.00
French colonies of Miquelon, St. Pierre, Martinique, and Guadeloupe.	Franc	.05895	.9097	.0392	25.5238
Greenland.	Krone	.40323	6.2227	.2680	3.7315
Guatemala.	Quetzal	1.504665	23.22	1.00	1.00
Haiti.	Gourde	5 gourdes exchanged for 1 U. S. dollar.		.20	5.00
Mexico.	Peso	.75	11.5743	.4985	2.006
Newfoundland and Labrador.	Dollar	Same as U. S. dollar		1.00	1.00
Nicaragua.	Cordoba	1.5048	23.2226	1.00	1.00
Panama.	Balboa	1.5048	23.2226	1.00	1.00
Salvador.	Colon	.7524	11.6113	.50	2.00
Virgin Islands (U. S.)	Franc	.2903	4.4804	.193	5.18
<b>SOUTH AMERICA</b>					
Argentina.	Peso	1.4516	22.4018	.9648	1.0365
Chile.	do.	.18306	2.825	.1217	8.2195
Colombia.	do.	1.46447	22.6002	.9733	1.0274
Ecuador.	Sucre	3.0093	4.6441	2.000	5.00
Falkland Islands (Great Britain)	Pound	7.3224	113.0016	4.8666	.20548
Guiana:					
British	( <sup>1</sup> )				
Dutch (including Curacao)	Florin	.6048	9.3335	.4020	2.4875
French	Franc	.05895	.9097	.0392	25.5238
Paraguay.	Peso	Argentine peso is the unit.		.9648	1.0365
Venezuela.	Bolivar	.2903	4.4804	.1930	5.18

<sup>1</sup> 5 pesos=1 dollar.

<sup>2</sup> 60 pesos=1 quetzal.

<sup>3</sup> Actual circulation convertible at 44 per cent of this face value.

<sup>4</sup> See text of this present handbook, p. 87.

Country	Monetary unit	Gold content of monetary unit		United States equivalent value of monetary unit	Value of United States dollar in foreign monetary unit named
		Grams	Grains		
<b>EUROPE</b>					
Albania.....	Franc.....	0.2903	4.4804	\$0.1930	5.18
Austria.....	Schilling.....	.21172	3.2674	.1407	7.1007
Belgium.....	Belga (equals 5 francs).....	.2092	3.2286	.1390	7.1919
Bulgaria.....	Lev.....	.01087	.1677	.0072	138.426
Czechoslovakia.....	Koruna.....			.0296	33.75
		Bank required to maintain koruna exchange at fixed rates.			
Danzig (free city).....	Gulden.....	.2929	4.5201	.1947	5.14
Denmark.....	Krone.....	.40323	6.2227	.2680	3.7315
Estonia.....	Kroon.....	.40323	6.2227	.2680	3.7315
Finland.....	Markka.....	.03789	.5848	.0252	39.7055
France (including Corsica).....	Franc.....	.05895	.9097	.0392	25.5238
Germany.....	Reichsmark.....	.35842	5.5313	.2382	4.1979
Great Britain.....	Pound.....	7.3224	113.0016	4.8666	.20548
British possessions:					
Gibraltar.....					
Guernsey.....	} British monetary system used.				
Jersey.....					
Malta.....					
Greece (including Crete).....	Drachma.....	.0195	.3013	.0130	77.05646
Hungary.....	Pengő.....	.26316	4.0612	.1749	5.7176
Iceland.....	Krone.....	.40323	6.2227	.2680	3.731
Italy (including Sicily and Sardinia).....	Lira.....	.07919	1.2221	.0526	19.0
Irish Free State.....	Pound.....	7.3224	113.0016	4.8666	.20548
Latvia.....	Lat.....	.2903	4.4804	.1930	5.18
Liechtenstein.....	Uses money of Switzerland.				
Lithuania.....	Litas.....	.150462	2.3220	.10	10.0
Luxemburg.....	Uses money of Belgium.				
Netherlands.....	Florin.....	.6048	9.3335	.4020	2.4878
Norway.....	Krone.....	.40323	6.2227	.2680	3.7315
Poland.....	Zloty.....	.18878	2.6049	.1122	8.9141
Rumania.....	Leu.....	.006	.1389	.0060	167.18
Sweden.....	Krona.....	.40323	6.2227	.2680	3.7315
Switzerland.....	Franc.....	.2903	4.4804	.1930	5.18
Union of Soviet Socialist Republics.....	Chervonets (equals 10 rubles).....	7.7423	119.4825	5.1457	.1943
<b>ASIA</b>					
Bhutan.....	Rupee.....	Uses money of India.		.3650	2.7398
Borneo, Sarawak, and Labuan.....	Straits dollar.....	60 Straits dollars = 7 British sovereigns.		.5678	1.7613
British India.....	Rupee.....	13½ rupees to £1		.3650	2.7398
Ceylon.....	do.....	do		.3650	2.7398
Cyprus.....	Piastre.....	180 piastres to £1		.0270	36.987
Federated Malay States.....	Straits dollar.....	60 Straits dollars = 7 British sovereigns.		.5678	1.7613
Iraq (Mesopotamia).....	Rupee.....	13½ rupees to £1		.3650	2.7398
Nepal.....	do.....	Uses money of India.		.3650	2.7398
Netherlands East Indies (including Java).....	Florin.....	.6048	9.3335	.4020	2.4878
Palestine.....	Pound.....	7.3224	113.0016	4.8666	.20548
Philippine Islands.....	Peso.....	.7523	11.61	.50	2.0
Siam.....	Baht (tical).....	.66567	10.2729	.4424	2.2603
Straits Settlements.....	Straits dollar.....	60 Straits dollars = 7 British sovereigns.		.5678	1.7613
Syria.....	Pound.....	1 pound = 20 French francs.		.7836	1.276
<b>AFRICA</b>					
Belgian Congo.....	Franc (Belgian).....	.04184	.6457	.0278	35.96
Egypt.....	Pound.....	7.4375	114.7782	4.9431	.2023
Italian Somaliland.....	} Lira (same as Italy)				
Tripoli.....					
Union of South Africa.....	Pound.....	7.3224	113.0016	4.8666	.20548
Southwest Africa.....	Under mandate of Union of South				

Country	Monetary unit	Gold content of monetary unit		United States equivalent value of monetary unit	Value of United States dollar in foreign monetary unit named
		Grams	Grains		
<b>AFRICA—continued</b>					
Algeria.....	Franc (French).....	0.05895	0.9097	\$.0392	25.5238
Algerian Sahara.....					
Comoro Island.....					
Dahomey.....					
French Equatorial Africa.....					
French Guinea.....					
French Somaliland.....					
French West Africa.....					
Ivory Coast.....					
Kamarun.....					
Madagascar.....					
Morocco.....					
Reunion Island.....					
Senegal.....					
Togo.....					
Tunis.....					
British East Africa:	Shilling.....	[Unit is of same value as British shilling.]	.2433	4.1090	
Kenya.....					
Uganda.....					
Tanganyika.....	Under mandate of British East Africa.				
Basutoland.....	Pound (British).....	7.3224	113.0016	4.8666	.20548
Bechuanaland.....					
British West Africa:					
Gambia.....					
Gold Coast.....					
Nigeria.....					
Sierra Leone.....					
Nyasaland.....					
Rhodesia (Northern and Southern).....					
St. Helena Island.....					
Swaziland.....					
British Somaliland.....	Rupee (British India).	} 13¼ rupees to £1...	.3650	2.7398	
Mauritius Island.....					
Pemba Island.....					
Zanzibar Island.....					
<b>OCEANIA</b>					
Australia, includes Papua (New Guinea) and adjoining islands.	Pound.....	7.3224	113.0016	4.8666	.20548
New Zealand, Tasmania, Fiji, Solomon, New Hebrides, Tonga (Friendly), and other islands.	do.....	7.3224	113.0016	4.8666	.20548
French colonies: Society, New Caledonia, Marquesas, and other islands.	Franc (French).....	.05895	.9097	.0392	25.5238

**SILVER-STANDARD COUNTRIES**

Countries wherein the value measure and principal circulating medium is silver, other circulating media being convertible into silver only.

Country	Monetary unit	Silver content of monetary unit		United States equivalent value of monetary unit <sup>1</sup>	Value of United States dollar in foreign monetary unit named <sup>1</sup>
		Grams	Grains		
<b>ASIA</b>					
China.....	Dollar (Yuan).....	23.9025	368.8714	\$.4611	2.1687
Indo-China (French) <sup>1</sup> .....	Piastre.....	24.3	375.0063	.4688	2.1331
Hong Kong Colony.....	Dollar (Mexican).....	24.4353	377.0839	.4714	2.1213
Persia.....	Kran.....	4.1427	63.9316	.0799	16.9496
<b>AFRICA</b>					
Eritrea.....	Thaler (Italian).....	23.4358	361.6696	.4521	2.2119

<sup>1</sup> Based on United States \$0.00 per fine ounce, the approximate average price of silver during 1926 and 1927. <sup>2</sup> See also text of this present handbook, p. 75.

## NONFIXED OR NONMAINTAINED BASIS COUNTRIES

Countries whose units are not maintained at a definite relation to either gold or silver, unit values being dependent upon the market value of the metal in the coins that circulate or upon the rate at which the circulating medium is exchangeable for gold or its equivalent.

Country	Monetary unit	United States equivalent of unit as defined by law	United States equivalent of unit's approximate circulating value	Value of United States dollar in foreign monetary units named, on basis of data in preceding column	Depreciation (approximate) of monetary units from par
<b>NORTH AMERICA</b>					
Honduras	Lempira	\$0.50			
<b>SOUTH AMERICA</b>					
Bolivia	Boliviano	.3650	\$0.3322	3.01	9 per cent.
Brazil	Milreis	.5462	.1196	8.3612	Stabilized for payment of public dues at 4,567 paper to 1 gold.
Peru	Libra	4.8666	3.90	.2564	Stabilized at about 80 per cent of face value.
Uruguay	Peso	1.0342	1.02	.986	1 per cent.
<b>EUROPE</b>					
Portugal	Escudo	1.0805	.0449	22.2717	96 per cent.
Spain (including Balearic Islands).	Peseta	.193	.163	6.1350	16 per cent.
Yugoslavia	Dinar	.193	.0176	56.8182	Stabilized at about one-eleventh of face value.
<b>ASIA</b>					
Afghanistan	Alfghani	( <sup>1</sup> )	1.365	12.7397	
Arabia		( <sup>2</sup> )			
Japan (including Chosen and Taiwan).	Yen	.4985	.459	2.1786	8 per cent.
Mongolia	Tugrik	( <sup>3</sup> )	.5146	1.943	
Tibet	Trangka	( <sup>3</sup> )	.0608	16.439	
Turkey	Piastre	.044	.0049	204.0816	89 per cent.
<b>AFRICA</b>					
Abyssinia	Dollar or thaler	( <sup>4</sup> )	.45	2.2222	
Liberia	Dollar	( <sup>4</sup> )			
Morocco		( <sup>4</sup> )			
Portuguese colonies: Angola (West Africa), East Africa (including Mozambique), Guinea, Azores, Madeira, Cape Verde, and other islands.	Same as Portugal (above).				
Spanish colonies: Rio de Oro, Guinea, Fernando Po, Morocco (zone in), Canary Islands.	Same as Spain (above).				
<b>OCEANIA</b>					
Carolina and other islands under mandate of Japan.	Yen (Japanese)	.4985	.459	2.1786	8 per cent.

<sup>1</sup> Unit not defined by law.

<sup>2</sup> Law's definition not supplied.

<sup>3</sup> This valuation is very approximate.

<sup>4</sup> Refer to text; see index.

<sup>5</sup> Principal circulating medium is British silver. Liberian and United States silver \$4.80=£1 British silver.

## II. GOLD HOLDINGS OF CENTRAL BANKS AND GOVERNMENTS

The figures in the table which follows, taken from the Federal Reserve Bulletin of April, 1930, trace the gold holdings of central (that is, Government owned or controlled) banks and governments from 1913 to 1929. They bring out the world maldistribution of gold

stocks, to which maldistribution some economists attribute the serious fall in wholesale prices that has been apparent in many quarters recently.

GOLD HOLDINGS OF CENTRAL BANKS AND GOVERNMENTS, 1913-1929

[In thousands of dollars, converted at par of exchange]

End of year—	Total	United States	Albania	Argentina	Australia	Austria	Austria-Hungary	Belgium
1913.....	4,932,445	1,290,420	-----	256,126	21,899	-----	251,421	48,062
1914.....	5,419,867	1,206,487	-----	241,639	88,832	-----	213,757	50,963
1915.....	6,226,898	1,706,922	-----	235,906	73,494	-----	138,758	50,720
1916.....	6,618,404	2,202,157	-----	265,540	78,351	-----	58,789	50,720
1917.....	7,128,340	2,523,084	-----	288,020	85,650	-----	53,717	50,720
1918.....	6,783,361	2,657,885	-----	304,466	104,143	-----	53,072	50,720
1919.....	6,768,245	2,517,722	-----	336,707	116,796	-----	45,111	51,417
1920.....	7,205,805	2,451,182	-----	473,913	115,409	-----	111	51,438
1921.....	7,994,314	3,221,215	-----	472,415	113,487	-----	116	51,451
1922.....	8,380,754	3,605,551	-----	472,529	116,499	-----	19	51,901
1923.....	8,612,199	3,833,735	-----	466,495	121,088	1,313	-----	52,204
1924.....	8,933,486	4,090,067	-----	443,896	121,200	1,560	-----	52,543
1925.....	8,925,922	3,985,399	19	450,592	127,838	2,087	-----	52,856
1926.....	9,191,219	4,083,380	303	450,557	106,975	7,388	-----	86,214
1927.....	9,646,463	3,977,181	251	529,134	105,121	11,883	-----	99,878
1928.....	10,010,178	3,746,111	241	607,290	108,430	23,743	-----	125,576
1929.....	10,290,638	3,900,160	340	433,932	88,882	23,727	-----	163,351

End of year—	Brazil	Bulgaria	Canada	Chile	Colombia	Czechoslovakia	Denmark	Ecuador
1913.....	89,610	10,615	116,572	-----	-----	-----	19,866	-----
1914.....	44,805	10,615	99,126	1,330	-----	-----	24,506	-----
1915.....	24,588	11,773	126,545	1,330	-----	-----	29,833	-----
1916.....	24,588	13,124	131,558	1,330	-----	-----	42,847	-----
1917.....	24,588	12,169	139,823	9,039	-----	-----	46,611	-----
1918.....	26,227	12,352	129,761	23,413	-----	-----	52,159	-----
1919.....	26,227	7,137	129,712	24,384	-----	27	60,807	-----
1920.....	32,784	7,155	112,605	32,893	-----	4,053	60,992	-----
1921.....	42,619	7,335	95,073	34,025	-----	12,545	61,192	-----
1922.....	46,152	7,415	146,588	34,025	-----	20,458	61,173	-----
1923.....	48,669	7,629	127,169	34,025	1,875	27,020	56,171	-----
1924.....	53,303	7,792	151,467	34,025	6,774	27,020	56,145	-----
1925.....	54,305	7,981	156,768	34,025	14,599	27,213	56,085	-----
1926.....	56,329	8,464	158,105	10,303	17,901	27,032	56,007	-----
1927.....	100,746	9,198	151,978	7,439	19,962	29,737	48,780	2,046
1928.....	148,555	9,529	113,948	7,363	24,271	34,237	46,298	1,124
1929.....	150,395	9,997	77,626	7,695	21,774	37,240	46,204	1,114

End of year—	Egypt	England	Estonia	Finland	France	Germany	Greece	Guatemala
1913.....	6,673	170,245	-----	6,948	678,858	278,687	4,825	-----
1914.....	19,367	428,223	-----	8,236	802,683	498,508	7,086	-----
1915.....	35,264	389,203	-----	8,230	967,950	582,443	10,939	-----
1916.....	29,318	402,971	-----	8,232	652,686	600,377	11,378	-----
1917.....	19,075	422,592	-----	8,227	639,682	573,249	11,907	-----
1918.....	16,357	523,689	-----	8,234	664,009	538,861	10,246	-----
1919.....	16,475	583,211	-----	8,227	694,847	259,519	10,744	-----
1920.....	16,475	762,911	-----	8,227	685,517	260,028	10,765	-----
1921.....	16,510	763,719	94	8,227	690,141	237,102	10,770	-----
1922.....	16,619	751,597	1,470	8,371	708,408	239,354	6,944	-----
1923.....	16,658	754,400	-----	8,242	709,480	111,247	7,182	-----
1924.....	16,510	757,033	1,427	8,354	710,394	180,939	7,533	-----
1925.....	16,708	703,482	1,318	8,357	710,968	287,763	7,883	-----
1926.....	17,439	735,421	1,353	8,250	711,106	436,235	8,729	2,535
1927.....	18,388	741,698	1,377	7,979	954,000	444,158	9,903	1,955
1928.....	19,006	749,767	1,710	7,672	1,253,500	650,127	7,196	1,977
1929.....	18,789	710,645	1,717	7,608	1,633,402	643,838	8,326	2,341

<sup>1</sup> Austrian account only.



## GOLD HOLDINGS OF CENTRAL BANKS AND GOVERNMENTS, 1913-1929—Con.

End of year—	Hun- gary	India	Italy	Japan	Java	Latvia	Lithu- ania
1913.....		123,921	265,476	64,963	10,398		
1914.....		80,068	269,584	64,062	15,118		
1915.....		67,861	263,278	68,187	12,053		
1916.....		78,127	223,400	113,411	29,452		
1917.....		80,118	206,721	229,980	31,517		
1918.....		64,231	202,403	225,622	43,423		
1919.....		128,819	200,098	349,971	69,134		
1920.....		116,249	204,372	556,475	88,214		
1921.....		118,341	210,739	610,822	58,728	2,123	
1922.....		118,341	217,284	605,532	61,306	2,512	1,519
1923.....		108,609	215,699	602,343	62,869	3,188	1,645
1924.....	6,872	108,609	218,382	585,738	53,726	4,555	3,078
1925.....	10,365	108,609	218,825	575,768	73,394	4,548	3,229
1926.....	29,526	108,609	220,732	561,810	79,369	4,559	3,136
1927.....	34,432	119,097	239,177	541,870	71,640	4,570	3,320
1928.....	35,169	123,988	265,732	540,873	68,264	4,584	3,427
1929.....	28,465	126,076	273,001	542,475	56,101	4,618	3,508

End of year—	Mexico	Nether- lands	New Zealand	Norway	Peru	Poland	Portugal	Ru- mania
1913.....		60,899	25,325	11,892			8,140	29,240
1914.....		83,664	30,250	10,290			8,662	29,733
1915.....		172,531	33,827	13,837			9,195	42,647
1916.....		236,216	37,444	33,027			9,247	95,201
1917.....		280,690	39,161	31,193			9,261	34,531
1918.....		277,155	39,506	32,691			9,263	34,466
1919.....		256,204	38,260	39,590		1,644	9,265	34,467
1920.....		255,729	37,263	39,472		2,954	9,267	34,794
1921.....		243,600	37,394	39,474		5,931	9,267	34,794
1922.....		233,879	38,367	39,474	19,933	9,769	9,267	42,050
1923.....		233,876	38,200	39,472	20,872	13,099	9,267	46,364
1924.....		202,854	37,579	39,457	19,753	19,949	9,267	47,822
1925.....	16,683	178,080	37,667	39,456	19,164	25,793	9,267	48,537
1926.....	4,689	166,231	38,007	39,457	20,084	26,677	9,267	49,588
1927.....	5,900	100,796	38,280	39,458	19,437	58,041	9,267	50,805
1928.....	6,238	174,692	34,873	39,362	19,938	69,685	9,267	49,324
1929.....	6,722	179,881	31,978	39,302	18,668	78,598	9,267	55,112

End of year—	Russia	South Africa	Spain	Sweden	Switzer- land	Uruguay	Yugo- slavia
1913.....	872,367	34,377	92,627	27,372	32,801	10,826	11,194
1914.....	891,542	30,693	110,611	29,083	45,922	13,483	11,034
1915.....	830,572	32,056	167,375	33,385	48,275	22,530	12,381
1916.....	758,962	27,048	241,423	49,183	66,585	33,251	12,321
1917.....	666,523	30,036	379,614	65,514	69,025	42,003	12,310
1918.....	(?)	33,340	430,070	76,532	80,041	46,718	12,306
1919.....	(?)	35,540	472,064	75,351	99,779	56,756	12,233
1920.....	(?)	50,441	474,228	75,516	104,780	57,307	12,386
1921.....	(?)	49,361	484,984	73,631	106,058	56,813	14,318
1922.....	2,609	51,692	487,278	73,428	103,283	56,812	12,355
1923.....	45,043	52,500	487,841	72,853	103,669	56,812	13,286
1924.....	73,047	53,098	489,294	63,508	97,642	56,809	13,965
1925.....	93,858	43,594	489,630	61,647	90,140	56,815	14,657
1926.....	84,605	36,793	493,489	60,162	91,050	56,823	16,630
1927.....	97,043	40,032	502,484	61,685	99,785	59,319	17,133
1928.....	91,887	39,273	493,093	63,223	102,874	68,365	17,566
1929.....	147,021	36,474	495,227	65,569	114,832	68,205	18,426

\* Figures not available.

NOTE.—Figures are for central banks only, except in the following countries: *United States*—Treasury and Federal reserve banks; *Argentina*—Government conversion fund and Bank of the Nation; *Australia*—Prior to 1920, Treasury note reserve; subsequently, Commonwealth Bank note reserve; *Brazil*—Prior to 1923, guaranty of currency fund; subsequently, Bank of Brazil and Govern-

ment stabilization fund; *Canada*—Government reserve against Dominion notes and savings-bank deposits, and gold deposits of chartered banks in the central reserve; *Chile*—Prior to 1926, Government conversion fund; subsequently, Central Bank of Chile; *Czechoslovakia*—Prior to 1926, banking office of Minister of Finance; subsequently, Czechoslovak National Bank; *England*—Bank of England and, prior to 1925, Government reserve against currency notes; *India*—Currency and gold standard reserves of Government; *Italy*—Prior to July, 1926, three banks of issue; subsequently, Bank of Italy; *Japan*—Domestic holdings of Bank of Japan and Government; *New Zealand*—Six banks of issue; *South Africa*—Prior to 1921, gold at home of note-issuing joint stock banks; subsequently, South African Reserve Bank.

**III. LEGAL-RESERVE REQUIREMENTS OF SOME FOREIGN CENTRAL BANKS**

The stability of any currency is dependent *a priori* upon the strict observance by the issuing authority of all legal stipulations regarding reserves. The table following—which was furnished by the Federal Reserve Board, and which appeared in the August (1930) issue of the Federal Reserve Bulletin—gives the legal-reserve requirements for certain of the countries against whose fiduciary circulation reserves must be maintained.

LEGAL-RESERVE REQUIREMENTS OF FOREIGN CENTRAL BANKS

Country	Liabilities against which reserves must be held	Reserve requirements		Qualifying provisions, etc.
		Gold	Gold and foreign exchange	
Albania.....	Notes.....	Per cent	Per cent 1 33 1/2	Foreign exchange may not exceed two-thirds.
Australia.....	do.....	25		
Austria.....	Notes plus other demand liabilities, minus amount represented by Federal loan debt.		1 24	Reserve ratio to be increased at 5-year intervals ending January 2, 1933, the successive ratios being 24 per cent, 28 per cent, and 33 1/2 per cent.
Belgium.....	Notes and other demand liabilities.	30	40	
Bolivia.....	Notes and Deposits.....		1 50	Silver in reserve may not exceed one-fifth. Foreign exchange may consist only of deposits payable in gold on demand or on 3 days' notice in New York or London.
Bulgaria.....	Notes and other demand liabilities.		1 33 1/2	Foreign exchange net. Silver ineligible after March 10, 1931. Government consent necessary for suspension of reserve requirement
Chile.....	Notes and deposits.....		1 50	Foreign exchange may consist only of demand deposits payable in New York or London.
Colombia.....	Notes and deposits.....	1 36	1 60	Foreign exchange may consist only of demand deposits.
Czechoslovakia	Notes and other demand liabilities.	1 12 1/2	1 25	Reserve ratio of gold and foreign exchange to be increased to 30 per cent by the end of 1930 and 35 per cent by the end of 1935. Gold to constitute at least one-half the reserve.
Danzig.....	Notes.....		33 1/2	100 per cent reserve must be held against circulation in excess of 100 gulden per capita. Excess also subject to tax. Foreign exchange may consist only of demand claims on the Bank of England.

<sup>1</sup> May legally include silver.

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

## LEGAL-RESERVE REQUIREMENTS OF FOREIGN CENTRAL BANKS—Continued

Country	Liabilities against which reserves must be held	Reserve requirements		Qualifying provisions, etc.
		Gold	Gold and foreign exchange	
Denmark	Notes	Per cent 130	Per cent 150	Foreign exchange may consist only of the bank's non-interest-bearing demand balances with Bank of Norway and Swedish Riksbank, less indebtedness to these 2 banks, and non-interest-bearing demand balance on giro account with German Reichsbank. Government consent necessary for suspension of reserve requirement.
Ecuador	Notes and deposits		150	Foreign exchange may consist only of deposits payable in gold on demand or on 3 days' notice in New York or London.
Egypt	Notes		50	The original requirement was a gold reserve ratio of 50 per cent, but on Oct. 30, 1916, the bank was authorized to substitute British Treasury bills for gold.
England	Notes in excess of fiduciary issue of £260,000,000.	100		Fiduciary issue may be increased by authorization of Treasury.
Estonia	Notes and other demand liabilities.		140	Foreign exchange net. Government consent necessary for suspension of reserve requirement.
Finland	Notes and other demand liabilities in excess of 1,200,000,000 markka.	( <sup>1</sup> )	100	Foreign exchange may consist only of undisputed balances with foreign correspondents.
France	Notes and other demand liabilities.	35		
Germany	Notes	130	140	Maturity of foreign exchange in reserve must not exceed 14 days.
Greece	Notes and other demand liabilities.		140	Foreign exchange net. Government consent necessary for suspension of reserve requirement.
Guatemala	Notes	12	140	Silver in reserve may not exceed one-thirtieth of total reserve requirement.
	Deposits due in 30 days or less	7½	125	
Hungary	Special deposits	30	1100	Reserve ratio to be increased at 5-year intervals ending June 24, 1938, the successive ratios being 24 per cent, 28 per cent, and 33½ per cent.
	Notes plus other demand liabilities, minus amount represented by State debt.		124	
Italy	Notes and other demand liabilities.		140	
Japan	Notes in excess of fiduciary issue of 120,000,000 yen.	1100		Silver in reserve may not exceed one-fourth. Fiduciary issue may be increased, subject to tax, by authorization of Minister of Finance.
Java	Notes and other demand liabilities.	140		
Latvia	Notes		50	Additional requirements for notes in excess of 100,000,000 lats.
Lithuania	Notes	33½		
Netherlands	Notes and other demand liabilities.	140		
Norway	Notes in excess of fiduciary issue of 250,000,000 kroner.	100		Fiduciary issue may be increased, subject to tax, by authority of King and Storting.
Peru	Notes and other demand liabilities.		50	Foreign exchange may consist only of New York and London funds.
Poland	Notes and other demand liabilities.	130	140	Silver in reserve may not exceed one-twentieth of gold held.
Rumania	Notes and other demand liabilities.	25	35	
Russia	Notes		125	Reserve may include platinum. Foreign exchange limited to foreign currency in vault.
South Africa	Notes, deposits, and bills payable.	140		Silver in reserve may not exceed 8 per cent of deposits and bills payable. Government consent necessary for suspension of reserve requirement.

<sup>1</sup> May legally include silver.<sup>2</sup> The bank may, subject to the payment of a tax, permit the reserve ratio to fall below the legal minimum.<sup>3</sup> 200,000,000 markka.

## LEGAL-RESERVE REQUIREMENTS OF FOREIGN CENTRAL BANKS—Continued

Country	Liabilities against which reserves must be held	Reserve requirements		Qualifying provisions, etc.
		Gold	Gold and foreign exchange	
Spain.....	Notes up to and including 4,000,000,000 pesetas.	<i>Per cent</i> 25.8	<i>Per cent</i> 145	Note circulation limited to 6,000,000,000 pesetas and may exceed 5,000,000,000 only with consent of the Government. Consent of Government required for any reduction of gold holdings and can not be given unless these holdings are in excess of requirement necessary for a circulation of 4,000,000,000 pesetas. Silver in reserve may not exceed 5 per cent of notes up to and including 4,000,000,000 pesetas and 10 per cent of notes in excess.
	Notes above 4,000,000,000 pesetas.	43.5	180	
Sweden.....	Notes in excess of fiduciary issue of 250,000,000 kronor.	50	-----	Gold reserve may not fall below 150,000,000 kronor. King and Riksdag may extend the fiduciary issue by 125,000,000 kronor.
Switzerland.....	Notes.....	40	-----	

<sup>1</sup> May legally include silver.



**U. S. DEPARTMENT OF COMMERCE**  
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**HANDBOOK**  
**ON AMERICAN UNDERWRITING**  
**OF FOREIGN SECURITIES**

BY  
**RALPH A. YOUNG**  
Finance and Investment Division



**UNITED STATES**  
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## FOREWORD

In the 16-year period covered by this handbook, 1,962 foreign security issues were publicly offered to American investors. The aggregate par value was \$13,787,000,000 and the net nominal value (after deductions for refunding) \$11,834,000,000.

The principal borrowers were foreign governments or corporations whose obligations bore government guaranties. Only 27 per cent, in value, was obtained by private corporations independently of such guaranties. The ratio of strictly corporate borrowing has tended to increase, however, in recent years. This trend has reflected the release of financial pressure upon foreign governments brought about by the World War and postwar readjustments, and the increasing confidence of investors in the economic recovery of foreign areas.

Approximately half of the total new capital obtained by corporations without government guaranties was acquired by American or semi-American corporations for purposes of establishing or expanding operations in foreign countries. Their issues have been especially prominent in the last six years, accounting in that short period for about \$1,100,000,000 of American capital placed abroad.

Taking the period covered by this handbook as a whole, Europe has been the greatest borrower of American capital through publicly offered securities, obtaining all told about \$5,752,000,000. Canada ranked as the second largest borrower, accounting for about \$2,566,000,000 of new capital. Latin America came third with \$2,491,000,000, and the Far East fourth with \$811,000,000. In addition, Territories and possessions of the United States have obtained \$214,000,000.

As might be expected, in view of the burdens which fell upon European governments as a consequence of the World War, practically 81 per cent of the European share was obtained by means of government and government-guaranteed issues. In the case of Canada, Latin America, and the Far East, private corporate issues were a greater proportion, although government offerings still accounted for 62, 64, and 70 per cent, respectively. In the last five years, the trend toward corporate securities has been especially pronounced for Canada and Europe.

While European flotations in American markets have exceeded those of any other area, no single European country has obtained more than half as much American capital as Canada, the par value of whose issues has amounted to about \$3,248,000,000. Great Britain, whose borrowings were largely concentrated before 1921, however, obtained \$1,568,000,000, or more than any other European country. Germany, with borrowings concentrated in the last few years, ranked second with \$1,206,000,000; and France, with scattered borrowing through the entire 16 years, ranked third with \$1,179,000,000. In Latin America, Argentina has been the largest borrower, with \$763,000,000 of securities offered to American investors; Cuba second with \$578,000,000; Chile third with \$493,000,000; and Brazil fourth with \$419,000,000. Japan has been the heaviest far eastern borrower, obtaining \$421,000,000, largely since 1923.

The larger yield of foreign bonds, compared with the highest grade domestic bonds, is a principal reason why American investors have subscribed to foreign bonds in such large volume in recent years. Foreign bonds underwritten here have yielded 32 per cent more than could be obtained on the highest grade domestic bonds, during the 11 years ended with 1929. Canadian bond offerings have been taken by American investors, however, at an average yield only 11 per cent greater; while new European and Latin American bonds have yielded 41 per cent more and far eastern bonds 30 per cent. These percentages are derived from newly compiled yield indexes now published for the first time.

Since 1922 the Finance and Investment Division of the Bureau of Foreign and Domestic Commerce has collected currently all available information regarding foreign securities publicly offered in this country. In addition, that division has carried its compilation back to January 1, 1914. During the last few years current compilations have been published quarterly in Commerce Reports, while lists for earlier years were issued as mimeographed circulars. Annual lists for the past two years have appeared as Trade Information Bulletins Nos. 613 and 688, by Paul D. Dickens, under the title American Underwriting of Foreign Securities.

Most of the division's publications containing these compilations are now out of print, and all have been completely rechecked and revised. It has, therefore, seemed appropriate to assemble these revised data in one handbook. It is planned to keep this handbook up to date by means of quarterly articles in Commerce Reports and annual publications similar to those published to cover the years 1928 and 1929. The Finance and Investment Division maintains complete files upon publicly offered securities in the United States and welcomes inquiries on any phases of those offerings.

This handbook was prepared by Dr. Ralph A. Young, of the Finance and Investment Division, under the direction of Dr. Ray Hall, acting chief.

WILLIAM L. COOPER, *Director,*  
*Bureau of Foreign and Domestic Commerce.*

JULY, 1930.



# HANDBOOK ON AMERICAN UNDERWRITING OF FOREIGN SECURITIES

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## INTRODUCTION

The 16 years from 1914 to 1929 have witnessed the swift transformation of the United States from the world's largest debtor nation to its present status of the world's largest creditor nation. The most notable phase of that shift has been the enormous absorption of foreign capital issues by the American public, and increasing attention to such issues has been required of bankers, business men, investors, and students of international finance. As a consequence, the need has arisen for a single source book containing the most pertinent data on this type of foreign financing. This need the present handbook aims to supply.

### GENERAL ASPECTS OF THE SUBJECT

This handbook is divided into three sections of textual comment and one section of schedules and statistical appendixes. The first of the three sections of text is devoted to the outstanding features and geographical distribution of American underwriting of foreign capital issues for the period surveyed taken as a whole, and includes a number of statistical tables. An introduction on American underwriting of such issues prior to 1914, however, is given first place because of the erroneous belief that 1914 was the first year in which foreign capital issues achieved any prominence in American financial markets. The second section is an analysis of the most notable developments in American and foreign money markets in successive periods from 1914 to 1929, as they affected the volume and character of foreign security offerings in this country.

The feature of the third section is the presentation of a bond yield index based on offering prices of all foreign bonds publicly floated from 1919 to 1929. Indexes compiled by principal geographic areas are also included, permitting the contrast of the relative credit positions of these areas with American investors in different years and for the entire postwar period.

### STATISTICAL APPENDIXES

Separate schedules of publicity offered foreign capital issues during each of the 16 years are presented in Appendix A, classified by the type of issuer, by principal geographic areas, and by countries. These schedules comprise a brief description of each foreign capital offering, the month when first offered, the total of the issue if partly taken abroad, the estimated portion, if any, for refunding to Americans, the nominal interest rate of the issue if a bond or preferred stock, the term of maturity if a bond, the offering price to the public, and the approximate yield to maturity in the case of bonds. Special features of various issues have been carefully footnoted.

Information upon foreign security issues offered in this country is often desired in summary form, e. g., the number of issues, the total par value, the total refunding, and the net nominal capital (refunding excluded), by countries and principal areas. Appendix B—so classifying the foreign capital issues, with a separate summary table for each year—has been included to supply this need. Thus, concise data upon the volume and character of American underwriting for any country or area for any year or for a number of years can be readily compiled from these tables.

Again, it is often convenient to have total figures of publicly offered foreign securities in this country by months for a period of years. In Appendix C monthly figures are presented for the entire 16-year period.

A large amount of capital has been obtained in this country for use in foreign countries by American corporations, by foreign subsidiaries of American corporations, and by corporations which may be classed as semi-American corporations because of important American participation in them. Because of the great interest in the growing international relationships of corporate enterprise, a list of these corporations and their issues in each year has been prepared and incorporated as Appendix D.

#### METHOD OF COMPILING PUBLICLY OFFERED FOREIGN CAPITAL ISSUE STATISTICS

With the organization of the Finance and Investment Division of the Bureau of Foreign and Domestic Commerce in the summer of 1922, a current record was instituted of foreign capital issues publicly offered in the United States. For that purpose leading financial journals were carefully read for information, and files of bank circulars, economic services, and investment manuals bearing on the subject were maintained. Where full data was not obtainable from these sources, inquiries to issuers and underwriters were employed to supplement them. Investment banking houses have been most helpful in supplying data on various aspects of their issues.

A number of private compilers in recent years have maintained lists of foreign capital issues floated in this country. Although their tabulations generally have included issues placed privately as well as those publicly offered, they have afforded an excellent check on the records maintained by the finance and investment division. Each publicly offered foreign issue tabulated has been checked against these private lists, and discrepancies have been reconciled by reference to other sources, such as standard investment manuals, or by direct inquiry to the private compiler or to the original issuing house.

The basic data on publicly offered foreign capital issues prior to 1922 have been largely gathered from the leading financial journals and checked against information available in various investment manuals.<sup>1</sup> The issues so tabulated were then compared with the lists of foreign capital issues outstanding at various dates, from 1919 to 1922, as compiled by the Guaranty Trust Co. of New York and published in the Federal Reserve Bulletin of those years, and discrepancies adjusted. The entire lists thus prepared were then

<sup>1</sup> Acknowledgement is here made to Wendel E. Thorne, formerly of the finance and investment division, for his research in connection with these early compilations, and also in connection with the compilations from 1922 to 1927.

completely rechecked to verify the entries made and to eliminate questionable issues tabulated.

An important feature of the compilations of the finance and investment division is the estimates of refunding to Americans. Such estimates are based upon information contained in offering prospectuses, or upon records of previous issues in the American market maturing at the time of new issues, and upon direct inquiries to banking houses. Inasmuch as no private compiler attempts to distinguish between "refunding" and "refunding to Americans," important differences in the final figures of the private compilers and those contained in this study are also to be found.

#### DEFINITION OF TERMS AND RULES OF COMPILATION

In compiling or using lists of publicly offered foreign securities, the terminology employed and the rules of compilation applied under that terminology become important. Each of the 16 annual lists has been carefully checked with respect to such consistency of tabulation as is required by the division's definitions and rules.

The compilations of the finance and investment division embrace only publicly offered capital issues of foreign governmental units and corporations; private takings of foreign securities and banking credits are excluded. Moreover, only the amount of each issue actually placed in the United States, in so far as this can be ascertained, is entered in the tables. Finally, securities publicly offered by American corporations operating abroad are included where it is known—and only to the extent that it is known or can be estimated with reasonable accuracy—that the proceeds or part of the proceeds are to be expended abroad. Bonds comprise the great bulk of foreign securities contained in the present lists; but offerings of stock, both common and preferred, are entered when such issues were publicly offered, according to the definition of public offering stated below.

#### DISCREPANCIES IN PRIVATE COMPILATIONS

The tabulations presented in this handbook differ from those of private compilers in a number of respects. In the first place, private compilers often include reported private takings of foreign securities and bank credits. The number of stock takings alone which they may include, but which the finance and investment division has not been able to verify, may add greatly to their totals.

In the second place, private compilers sometimes count all of an issue publicly offered when a portion of it is known to have been withdrawn for offering abroad, or when the nominal amount floated has been simultaneously offered abroad. An adjustment for amounts offered abroad is particularly important in the case of Canadian issues which are brought out jointly by American and Canadian houses, or which are currently distributed through Canadian branches of American houses or vice versa. Many European and Latin American issues also are offered in both American and foreign financial markets simultaneously, by international banking syndicates or affiliated banking houses, necessitating similar corrections.

A third difference arises because private compilers do not always include security issues of American corporations for purposes of foreign investment. Frequently, where such issues are tabulated,

private compilers do not attempt to distinguish between the share used abroad and the share retained at home.

#### THE MEANING OF "PUBLIC OFFERINGS"

The finance and investment division counts as "foreign capital issues publicly offered," all securities advertised for public subscription in the United States for the first time. These securities include (1) the bonds and long-term notes of foreign governmental units, and (2) the common and preferred stocks, bonds, and long-term notes of foreign corporations, and also of those American corporations which, though incorporated in the United States, invest wholly or heavily abroad. Issues of governments and corporations of noncontiguous American Territories and possessions are likewise included; although, with the exception of securities of the Philippine Islands, which is outside the American customs area, the amount of such issues is excluded in using the figures for balance of payments purposes.

It has been stated that only long-term notes of foreign governments, foreign corporations, and American corporations operating or investing abroad have been included. Long-term notes are ordinarily interpreted as notes having a maturity of one year or more. A number of short-term notes and certificates of less than a year's maturity, which have been publicly offered, however, have been entered. As above, these are excluded from the totals, when the figures are used as a basis for long-term capital movement estimates or other balance of payments purposes.

Inasmuch as the basis of most of the present lists, particularly those prior to 1926, has been the result of a careful search through the files of leading financial journals, it is important to point out what records have been tabulated. News items of offerings and sales of new issues to underwriters, as well as advertisements of offerings where available, have constituted the chief sources relied on. Notices of bond and note "bid calls" by foreign borrowers have not been regarded as an adequate ground for inclusion of an issue, even though a complete description of the offering is given. On the contrary, only those notices of actual offerings, or sales to, or underwriting by, a distributing bank or security house have been employed. The above-mentioned bid calls, however, have in many cases served as a check on information published in sale notices. Other checks, such as may be found in standard investment manuals, have also been insisted upon before entry, supplemented by direct inquiries to offering houses. In the last few years, complete files of security prospectuses have been maintained and checked against all news items appearing in financial journals.

Requirements similar to those for bonds and long-term notes have been adhered to rigidly with respect to preferred and common stocks. Notices of stock increases voted by stockholders have not been accepted as evidence for entry. Often such stock is not issued until many months or even years later, and many times is not publicly offered at all but is issued piecemeal to private buyers in connection with corporate expansion. Notices of stock issues, nevertheless, have served as important checks and leads.

On the other hand, offerings to stockholders by corporations, foreign or American, with foreign properties, through subscription rights have been counted as public offerings. Such issues differ

from the others only in that they are offered to a definite public group and in that they are not offered directly by underwriters, although they may be formally underwritten by a banking group.

Certain foreign stock issues purchased in small blocks by investment houses for their own account or for the account of certain clients, although often reported in news columns, are not included, since such issues are not advertised and not distributed to the public. Stock issues which involve merely an exchange of stock between an American and a foreign corporation or between two American corporations with foreign properties are also excluded for the same reasons.

Finally, no attempt is made to enter amounts of stocks subscribed by Americans under warrants attached to foreign corporate bonds, although the bonds themselves have been publicly offered previously. The practical impossibility of obtaining adequate information upon such issues provides sufficient basis for their exclusion.

#### CLASS OF ISSUE AND ISSUER

Foreign capital issues are either (1) government, state or provincial, and municipal issues, including governmentally guaranteed or controlled corporate issues, or (2) issues of private corporations. Corporate issues are listed as governmentally guaranteed or controlled not only where official guarantees are stated in the prospectus of the offering, but also where financial ownership or control of sufficient importance is held by a government to warrant the inference of an implicit, as contrasted with a contractual, guarantee. As stated before, a security offering or a share of a security offering of American corporations<sup>2</sup> is also included under the second heading when it is certain that the proceeds are to be used abroad.

Issues are listed under these two general classes by the name of the issuer—with a complete description of the issue—and by the borrowing geographic area and country. Where a number of small issues are jointly offered by a borrower and taken by the same underwriting syndicate, these are grouped as one issue. Finally, in the case of corporate issues, the class or type of industry, if not readily apparent from the name of the issuer, is inserted in parentheses.<sup>3</sup>

The attempt to allocate the proceeds of issues to the countries in which, or for which, they will ultimately be expended has been somewhat arbitrary in cases of corporate issues where properties and investments are held in a number of countries, but the distribution has been made according to the best information available. Where division by countries was not possible, they were listed as "international" under the proper geographic area heading.

#### TOTAL OF ISSUE IF PARTLY TAKEN ABROAD

The finance and investment division endeavors to embrace in its lists of American underwriting of foreign securities only the amounts which may be reasonably assigned for distribution in this market. Often, the amounts distributed here are greater or less than those originally assigned by underwriters for sale here. It is convenient,

<sup>2</sup> Including American investment trusts whose investment operations, according to public announcement, are to be confined—or largely confined—to foreign countries.

<sup>3</sup> In past publications of the finance and investment division, it has been customary to include a classification of American underwriting of foreign or "American-foreign" corporate securities by industries. No such classification is made in this handbook; the identification of the industry in the itemized lists being deemed sufficient.

however, to know the relative amount of the total issues floated in this country. Such a purpose is fulfilled by the column entitled, "Total of issue if partly taken abroad." Necessarily, the distributions have been arbitrary at times when complete information has been lacking. Particularly is this true for the earlier years. Notwithstanding, they have been made conservatively and verified by means of all available information. A percentage distribution by years of the share of Canadian issues offered here, furnished by a large Canadian underwriting house, has proven a useful source for checking the apportionment of Canadian issues. Underwriting houses have freely supplied information respecting the marketing distribution of other foreign issues, and have also answered inquiries regarding particular Canadian issues.

#### NOMINAL CAPITAL

Nominal capital, as a general rule, refers to the par value of the securities actually sold in the United States. An issue of \$1,000 bonds or an issue of preferred shares of \$100 par value sold at 90, accordingly, has been listed at its full face value, number of bonds or shares times \$1,000 or \$100 as the case may be. Consistency, however, has not been feasible in the tabulation of common shares, of American shares or certificates,<sup>4</sup> of participating debenture bonds, and of units of common and preferred shares. In the first place, common shares are often of "no par value." In the second place, common stocks and American shares representing them are sometimes offered at premiums of as high as 170 per cent or at discounts of as low as 90 per cent; and participating debenture bonds, nonredeemable at less than the offering price, where employed, have often been offered at enormous premiums. Lastly, where common shares are lumped with preferred shares in units, even though both have given par values—and often they do not—there is no basis for segregating the offering prices of each.

All common shares and American shares representing them, all participating debenture bonds, and all units of preferred and common shares consequently have been entered at their issuing values regardless of par values or absence of par values. All fixed income issues have been listed at their par values. When totals are used for balance-of-payments purposes, an adjustment is always made for the net discounts or premiums of the latter issues.

#### ESTIMATED REFUNDING TO AMERICANS

Estimated refunding to Americans covers the amount of a given issue assignable to the redemption of existing bonds and notes of the borrower, not previously retired through sinking-fund operations, held by investors in the United States. Refunding to Americans is not restricted to outstanding publicly offered securities in the hands of investors, but includes also the redemption of privately taken loans. The refunding of bank loans and floating indebtedness is eliminated, however, except where bank loans have been known to have been outstanding for more than one year and the published

<sup>4</sup> American shares or certificates have been generally issued in the case of reofferings of European securities in this market. The purpose has varied in different instances. In some cases, it has been to replace the original securities with new ones conforming to the listing requirements of the New York Stock Exchange or the New York Curb Exchange; for example, the conversion of stocks and bonds in "bearer" form to similar securities in "nominee" form. In other cases, confined to common stocks, it has been to eliminate voting privileges.

details of the new offering specifically state the refunding purpose. Refunding of a few large bank loans existing for one year or less, and fulfilling the latter requirements, have been footnoted.

#### THE INTEREST RATE

Entries under the heading "interest" are the contractual interest rates specified in all bond and preferred stock issues.

#### TERM

The term of each issue entered is the full maturing period stated in the security terms without regard to the date of issue. The same definition applies, therefore, in cases where issues have been dated a year or more prior to the time of offering, as in cases where issues have been dated approximately as of the time of flotation.

#### APPROXIMATE PRICE TO PUBLIC

Generally, the approximate price to the public is the price stated in prospectuses of new issues or in news items of their flotation appearing in financial journals. In the case of some Canadian issues and a few territorial issues of earlier years, information upon which has only been obtainable from the news items of their sale to prominent banking and underwriting houses, prices to the bankers have been listed. Since markups are usually low on such offerings, this procedure gives a close approximation to the offering price. In the last three years there are no such entries.

Throughout the entire compilations, where prices have not been given, but where yields have been, approximate prices have been computed from bond tables. For a number of issues in every annual list, no price to public is listed. Such omissions occur where information was not obtainable, although there was abundant justification from the records available for carrying the issue as a public offering in the American market.

Ordinarily, in the case of bonds and preferred stocks, the price is that per \$100 of face value. Prices of corporate preferred stocks of less than \$100 par value are exceptions, but in such instances the par value is stated with the description of the issue. Other exceptions are the prices of internal bond issues of foreign borrowers which are prices of so many thousand francs, marks, or whatever the internal currency may be in which the issue was originally offered. Such instances have been footnoted. Prices of common shares and American shares representing them, of participating debenture bonds, and of units of common and preferred shares are, of course, the flat offering prices as published.

#### APPROXIMATE YIELD TO MATURITY

The approximate yield to maturity is the yield on bonds at offering prices, for the most part as reported in news items and prospectuses. In some cases where yields have not been reported, but where offering prices have been, yields have been entered from standard bond yield tables. Similarly to "approximate price to public" entries of some Canadian and territorial issues in earlier years, yields on sale prices to bankers have been used. Omissions of yield figures in many cases are also for the same reasons as stated for omissions under "approximate price to public." No entries have been made for preferred stocks and participating debenture bonds; common stock issues, obviously, have no yield figure.

## CONFUSION TO BE AVOIDED

The total figures for American underwriting of foreign securities in the past 16 years should not be confused with estimates of the international creditor position of the United States. Many of the bond and note securities underwritten in this period have been retired or refunded and are no longer outstanding. Others have been partially paid off. Some of the issues have been repurchased by citizens of issuing countries. Again, part of the common-stock issues may now be worthless while others are more valuable than their issuing prices.

An estimate of the country's creditor position, on the contrary, would include only the value of foreign-security offerings remaining outstanding, plus an estimate of direct foreign investments of Americans in real property and securities, an estimate of the present value of the debts owed by foreign governments to the United States Government, and an estimate of the short-term obligations of foreigners to Americans. Moreover, it would have set off against it, estimates of all liabilities, long and short term, owed by Americans to foreigners. The resulting picture, finally, would represent the situation only at a given date, for example, the end of a stated year, as contrasted with the present totals which cover the flow of American foreign investments through offerings of securities to the investing public over a period of time.

The figures for public offerings of foreign securities, too, must not be confused with America's net export of long-term capital—nor with the net export of all capital, which must measure this country's international movement of short-term capital as well. The net outflow of capital in various years is estimated in the Balance of International Payments of the United States, a trade information bulletin, compiled annually since 1922 by the Finance and Investment Division, of the Bureau of Foreign and Domestic Commerce. These bulletins, particularly in the last few years, include computations or estimates of a dozen long term and an even larger number of short-term capital movements.



## PUBLICLY OFFERED FOREIGN SECURITIES

From 1914 to 1929 the par value of foreign securities publicly offered in the United States amounted in round numbers to \$13,786,000,000. With the refunding amount of 202 issues excluded, the total net nominal capital was \$11,834,000,000. An aggregate of 1,110 issues with a total par value of \$10,159,000,000 and a net nominal value of \$8,610,000,000 was floated for foreign governments—central, state or provincial, and municipal—and for government guaranteed or controlled corporations; while 852 issues with a par value of \$3,628,000,000 and a net nominal value of \$3,224,000,000 were offered for private corporations. The largest number of issues in any one year occurred in 1927, when 265 separate offerings were tabulated; the lowest was in 1914, when only 26 issues were floated. The former was likewise the year in which the total par value, \$1,577,000,000, and net nominal value, \$1,337,000,000, were the largest on record; but the smallest par and net nominal values occurred in 1918, a war year—\$23,465,000 and \$20,865,000, respectively.

### AMERICA'S INTERNATIONAL CAPITAL POSITION BEFORE 1914

Because most discussions of America's transition from an international debtor to an international creditor on capital account usually set 1914 as the year from which the shift began, it is commonly assumed that America's financial market had attained little importance in the underwriting of new foreign securities prior to that year. This assumption is far from correct. It is true that New York had not come to enjoy the international prestige of certain European markets, notably London, Amsterdam, and Paris. There can be no doubt, however, that it had acquired a position of importance particularly with respect to Latin American and certain other foreign security underwriting. A brief historical review will substantiate this and suggest 1900 as a more appropriate year than 1914 from which to date our active participation in foreign security underwriting, and even the significant shift in our international financial status.

### AMERICA'S FINANCIAL MARKET BEFORE 1900

Prior to 1896 there were practically no public offerings of foreign securities on American markets. That there were occasional issues, however, for Canada and Latin America, is highly probable. In any case, part of the funds domestically obtained by American corporations through public security issues were used for foreign investment. A careful survey by N. T. Bacon, made in 1899 with the aid of a number of large financial houses, indicated approximately \$500,000,000 invested by Americans abroad, principally in Canada and Latin America.<sup>1</sup>

The flotation of foreign securities in the United States was a rare event in this period. The flotation of American securities on European markets, on the contrary, was the typical occurrence. Substantial shares of large American issues were regularly distributed

<sup>1</sup> America's International Indebtedness, Yale Review, November, 1900, p. 276.

abroad and currently quoted on almost all of the leading security exchanges. In fact, even until 1914, American securities probably constituted the most popular nondomestic investments among English, Dutch, German, and other European investors. This had been wholly true for the latter half of the nineteenth century, and partially true for the entire century.

At the close of the nineteenth century, American financial markets were undoubtedly absorbing a greater proportion of new domestic capital offerings than at any time in history. In addition, there were signs of a growing interest among investors in foreign securities. In 1899, five issues—\$34,280,000 par value, \$20,500,000 for Mexico and \$13,780,000 for Canada—were publicly offered to American investors,<sup>2</sup> and two American insurance companies took up a large part of the 4 per cent bond issues of some Swiss cities.<sup>3</sup>

#### UNDERWRITING OF FOREIGN SECURITIES, 1900-1913

According to the unpublished private compilation of foreign security offerings in the United States from 1900 to 1913 by Paul D. Dickens, just cited, 247 foreign issues were publicly floated in this country in the 14 years covered with an aggregate par value in round numbers of \$1,087,000,000.<sup>4</sup> The amounts offered varied widely from year to year and ranged from \$19,125,000 in 1910 to \$175,170,000 in 1905. In only three years—1903, 1906, and 1910—were they less than in 1914. Latin American securities, especially those of Mexico and Cuba, were the most commonly underwritten; their total was \$374,054,000. Far eastern securities, with those of Japan predominating, were second with a total value of \$310,350,000. European financing, strangely enough, came third with \$227,950,000; and Canada was last with \$174,663,000.

The foreign underwriting boom initiated by the period of the World War was not the first of its kind in this country's financial history, although it was on a vastly greater scale than in any preceding period. The first boom commenced with the turn of the century and after a brief recession in 1903 and 1904 reached a pinnacle in 1905. Over half of all American underwriting of foreign securities from 1900 to 1914 occurred in the first six years, and all of the European securities except a few scattered amounts totaling \$19,000,000, were offered in this period.

From 1900 to 1904 Great Britain obtained \$119,000,000 of new capital in connection with the Boer War. British securities amounting to \$27,000,000, representing capital to be used in construction of the London underground railways, were offered in 1903 and 1904. Securities of the German Government and of several German cities were also underwritten from 1900 to 1903, and Russian railway securities amounting to \$29,000,000 were floated in 1900 and 1901. Again, during the Russian-Japanese war, large issues of the Japanese Imperial Government totaling \$196,250,000 par value were offered to American investors. Other flotations included mainly issues by Mexico and Cuba, but securities of a number of other Latin American countries and a few from Canada were also underwritten.

<sup>2</sup> Figures from an unpublished compilation furnished by Paul D. Dickens.

<sup>3</sup> C. K. Hobson, *The Export of Capital*, London, 1911, p. 153.

<sup>4</sup> Exclusive of omissions for untraceable issues by American corporations, the proceeds of which were partially expended abroad in connection with expansion of foreign branches and subsidiaries. While the total is considered conservative, some error is included as a result of arbitrary estimates of the amounts of internationally floated issues distributed in the United States.

After 1905, American foreign security underwriting was concentrated principally in issues of Mexico, Cuba, and Canada; although the distribution included a number of Latin American countries, Hawaii, the Philippine Islands, and Japan. Canadian securities first acquired volume in 1911. In that and the following two years, \$107,944,000 of Canadian securities were offered to American investors.

While most of the foreign securities floated from 1900 to 1913 were governmental issues, a substantial amount was underwritten for foreign corporations and for American corporations with their principal business abroad. This was chiefly true in the case of Cuban, Mexican, and Canadian issues, but there were also scattering offers of miscellaneous Latin American countries. Only three corporate issues—floated in connection with the financing of the London underground railways—were underwritten for Europe.

UNDERWRITING OF FOREIGN SECURITIES AFTER 1913

American underwriters and investors, it is clear, were not altogether unprepared for the demands made upon them by foreigners with the advent of the World War. That they should have responded to the extent that they did, and that the movement should have continued with even greater vigor in the postwar years are aspects of the development which naturally arouse comment. The facts of American underwriting of foreign securities after 1913, in other words, stand in sharp contrast to those just outlined for prewar years.

FOREIGN CAPITAL ISSUES UNDERWRITTEN, 1914-1929

In Table 1 are presented the total par values, the estimated refunding amounts to Americans, and the estimated net nominal capital obtained by foreigners in each year from 1914 to 1929. The number of offerings and the number of issues, including refunding issues, are also recorded by years.

TABLE 1.—TOTAL FOREIGN CAPITAL ISSUES (GOVERNMENTAL AND CORPORATE) PUBLICLY OFFERED IN THE UNITED STATES

Year	Nominal capital		Estimated refunding		Estimated net nominal capital
	Number of issues	Amount	Number of issues	Amount	
1914.....	26	\$44, 670, 288	1	\$655, 000	\$44, 015, 288
1915.....	80	817, 529, 272	6	13, 675, 000	803, 854, 272
1916.....	102	1, 159, 601, 264	4	5, 700, 000	1, 155, 901, 264
1917.....	65	720, 297, 150	9	37, 650, 000	682, 647, 150
1918.....	28	23, 465, 000	3	2, 600, 000	20, 865, 000
1919.....	65	771, 044, 700	12	379, 257, 300	391, 787, 400
1920.....	104	632, 937, 986	4	105, 500, 000	497, 437, 986
1921.....	116	632, 412, 963	12	69, 105, 963	623, 307, 960
1922.....	152	863, 048, 284	16	99, 421, 300	763, 626, 984
1923.....	76	497, 597, 350	8	77, 000, 000	420, 597, 350
1924.....	120	1, 217, 217, 937	17	247, 993, 500	969, 224, 437
1925.....	164	1, 316, 166, 150	23	239, 700, 000	1, 076, 466, 150
1926.....	230	1, 288, 459, 182	28	162, 978, 000	1, 125, 481, 182
1927.....	265	1, 577, 414, 260	22	240, 654, 000	1, 336, 760, 260
1928.....	221	1, 489, 361, 690	26	238, 410, 413	1, 250, 951, 267
1929.....	148	705, 767, 681	11	34, 536, 875	671, 230, 806
Total.....	1, 962	13, 786, 991, 147	202	1, 952, 836, 471	11, 834, 154, 676

Several features of the table are of interest. In 1915 alone, American markets absorbed almost as much foreign financing, par value,

as in the entire preceding 15 years. The amount taken in 1916 was even greater than in all prewar years, and was not exceeded again until 1924. From 1924 to 1928, in what might be called America's third foreign security underwriting boom, all previous records were smashed. The sharp decline of 1929, when the volume was less than half that for 1927 and 1928, brought the amount of American foreign underwriting to slightly more than the annual average for 1919 to 1923.

The course of estimated net nominal capital, with two exceptions, paralleled the movement of par values of underwriting. Refunding was inevitably low during the first few years of large-scale buying of foreign securities, and of necessity was abnormally large in 1919 and 1920 when many of the war period issues of foreign governments—notably, European—became due. The amounts for refunding from 1924 to 1928, while absolutely large, were relatively no more important than in the previous three years. In 1929, however, the volume of refunding was abnormally low because of high money rates.

#### GOVERNMENT AND CORPORATE FINANCING

In every year since 1914, except 1929, as may be observed in Table 2, American underwriting has concentrated in government guaranteed or controlled corporate issues. The latter, in fact, have constituted virtually 73 per cent of both the total nominal and net nominal capital for the entire period, although, because of their greater average size, the proportion in number of issues has been but 57 per cent.

It is true, however, that the total figures from which these percentages have been computed are heavily weighted by government financing required by the war period and continued in the reconstruction era of the early postwar years. It is also true that some other interesting and significant changes have been taking place in the distribution of foreign issues as between government, government guaranteed or controlled corporate and private corporate issues.

TABLE 2.—ANNUAL TOTALS OF NUMBER AND VOLUME OF FOREIGN GOVERNMENT AND CORPORATE CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES

Year	Government and government guaranteed or controlled issues					Corporate issues	
	Nominal capital		Estimated refunding		Net nominal capital	Nominal capital	
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount
1914.....	21	\$36,895,288	1	\$655,000	\$36,240,288	5	\$7,775,000
1915.....	63	757,831,272	2	5,700,000	752,131,272	17	59,698,000
1916.....	64	1,027,599,464	2	1,950,000	1,025,649,464	38	132,001,800
1917.....	33	698,085,150	5	23,060,000	675,025,150	32	122,212,000
1918.....	17	14,595,000	1	1,000,000	13,595,000	11	8,870,000
1919.....	32	690,759,700	7	362,757,700	328,002,000	33	80,285,000
1920.....	70	462,427,986	1	100,000,000	362,427,986	34	140,510,000
1921.....	78	554,376,214	1	80,000,000	504,276,214	38	138,038,749
1922.....	99	711,601,084	9	86,000,000	625,601,084	53	151,447,200
1923.....	45	377,180,000	5	69,500,000	307,680,000	31	120,417,350
1924.....	85	1,035,344,187	12	237,258,500	828,085,687	35	181,873,750
1925.....	91	939,669,500	19	223,275,000	716,394,500	73	376,496,650
1926.....	118	715,006,262	14	89,423,000	625,583,262	112	573,452,920
1927.....	144	1,074,512,550	12	163,028,000	911,483,550	121	502,901,710
1928.....	99	900,481,100	15	140,660,413	759,820,587	122	588,880,680
1929.....	51	262,319,100	9	23,986,875	238,332,225	97	443,448,681
<b>Total.....</b>	<b>1,110</b>	<b>10,158,683,757</b>	<b>115</b>	<b>1,548,245,604</b>	<b>8,610,186,269</b>	<b>852</b>	<b>3,628,307,390</b>

TABLE 2.—ANNUAL TOTALS OF NUMBER AND VOLUME OF FOREIGN GOVERNMENT AND CORPORATE CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

Year	Corporate issues		Net nominal capital	Total nominal capital	Total estimated refunding	Total net nominal capital
	Estimated refunding					
	Number of issues	Amount				
1914.....			\$7,775,000	\$44,670,288	\$655,000	\$44,015,288
1915.....	4	\$7,975,000	51,723,000	817,529,272	13,675,000	803,854,272
1916.....	2	1,750,000	130,251,800	1,159,601,264	3,700,000	1,155,901,264
1917.....	4	14,600,000	107,784,000	720,297,150	37,650,000	682,647,150
1918.....	2	1,600,000	7,270,000	23,465,000	2,600,000	20,865,000
1919.....	5	16,499,600	63,785,400	771,044,700	379,257,300	391,787,400
1920.....	3	5,500,000	135,010,000	602,937,986	105,500,000	497,437,986
1921.....	11	19,105,083	199,031,666	692,412,963	69,105,083	623,307,880
1922.....	7	13,421,030	138,025,900	863,048,284	99,421,300	763,626,984
1923.....	3	7,600,000	112,917,350	497,597,350	77,000,000	420,597,350
1924.....	5	40,735,000	141,138,750	1,217,217,937	247,993,500	969,224,437
1925.....	6	16,425,000	360,071,650	1,316,166,150	239,700,000	1,076,466,150
1926.....	14	73,555,000	499,887,920	1,218,459,182	162,978,000	1,125,481,182
1927.....	10	77,625,000	425,276,710	1,577,414,260	240,654,000	1,336,760,260
1928.....	9	97,750,000	491,130,680	1,489,361,680	238,410,413	1,250,951,267
1929.....	2	10,650,000	432,898,581	705,767,681	34,536,875	671,230,806
Total.....	87	404,590,983	3,223,968,407	13,786,991,147	1,952,836,471	11,834,154,676

TREND OF GOVERNMENT AND CORPORATE SECURITY ISSUES

Throughout the war years, with the exception of 1918, the net nominal value of foreign government guaranteed or controlled corporate issues constituted a relatively small proportion of the net nominal value of the total foreign government issues. The early post-war years saw the ratio rise sharply and then decline. Since 1923, however, such issues have been an increasing percentage of total foreign government offerings, reaching 33 per cent in 1928 and almost 46 per cent in 1929. Similar tendencies, though more irregular and hence not so pronounced, also appear when foreign government guaranteed or controlled corporate issues are compared with the total of all foreign capital issues publicly offered in the United States since 1914. Both relationships referred to may be noted in detail in Table 3.

In Table 4, the net nominal value of private corporate issues and the total of private and government guaranteed or controlled corporate issues are compared with the net nominal value of the total of all foreign issues. After marked stability during the war years, the ratio of private corporate issues to total foreign issues rose sharply in 1920, declined in 1921 and 1922, and after abrupt fluctuations up and down in 1923 and 1924, showed a distinct upward trend. Practically the same course, moreover, was followed by the ratio of all corporate securities (private and government guaranteed or controlled corporate) to total foreign issues.

TABLE 3.—NET NOMINAL VALUE OF FOREIGN GOVERNMENT GUARANTEED OR CONTROLLED CORPORATE ISSUES COMPARED WITH THE NET NORMAL VALUE OF TOTAL GOVERNMENT ISSUES, AND OF THE TOTAL NET NOMINAL VALUE OF ALL FOREIGN CAPITAL ISSUES

Year	Government guaranteed or controlled corporate issues	Total government guaranteed or controlled issues	Total all foreign issues	Ratio of government guaranteed or controlled corporate issues to total government issues	Ratio of government guaranteed or controlled corporate issues to total issues
				<i>Per cent</i>	<i>Per cent</i>
1914.....	\$5,788,198	\$36,240,288	\$44,015,288	16.0	13.1
1915.....	11,500,000	752,131,272	803,854,272	1.5	1.4
1916.....	9,000,000	1,025,649,464	1,155,901,264	.9	.8
1917.....	13,450,000	575,035,150	682,647,150	2.3	2.0
1918.....	5,000,000	13,595,000	20,865,000	36.8	24.0
1919.....	25,000,000	328,002,000	391,787,400	7.6	6.4
1920.....	79,660,000	362,427,986	497,437,986	22.0	16.0
1921.....	53,275,000	604,276,214	623,307,880	10.6	8.5
1922.....	52,975,000	625,601,684	763,626,984	8.5	6.9
1923.....	27,000,000	307,680,000	420,597,350	8.5	6.4
1924.....	163,775,000	828,085,887	969,224,437	19.8	16.9
1925.....	116,800,000	716,394,500	1,076,466,150	16.3	10.8
1926.....	130,239,650	625,583,262	1,125,481,182	20.8	11.6
1927.....	223,036,500	911,483,550	1,336,760,260	30.0	16.7
1928.....	250,995,000	759,820,587	1,250,951,267	33.1	20.1
1929.....	108,373,000	238,332,225	671,230,806	45.5	16.1

TABLE 4.—NET NOMINAL VALUE OF PRIVATE FOREIGN CORPORATE ISSUES AND OF TOTAL GOVERNMENT GUARANTEED OR CONTROLLED CORPORATE ISSUES COMPARED WITH THE TOTAL NET NOMINAL VALUE OF ALL FOREIGN CAPITAL ISSUES

Year	Private corporate issues	Total government guaranteed or controlled corporate issues and private corporate issues	Total all foreign issues	Ratio of private corporate issues to total issues	Ratio of all corporate issues to total issues
				<i>Per cent</i>	<i>Per cent</i>
1914.....	\$7,775,000	\$13,561,198	\$44,015,288	17.7	30.8
1915.....	51,723,000	63,233,000	803,854,272	6.4	7.9
1916.....	130,251,800	139,251,800	1,155,901,264	11.3	12.0
1917.....	107,764,000	121,214,000	682,647,150	15.8	17.8
1918.....	7,270,000	12,270,000	20,865,000	34.8	58.8
1919.....	63,785,400	88,785,400	391,787,400	16.3	22.7
1920.....	135,010,000	214,670,000	497,437,986	27.1	43.2
1921.....	119,031,666	172,306,666	623,307,880	19.1	27.6
1922.....	138,025,900	191,000,900	763,626,984	18.1	25.0
1923.....	112,917,350	139,917,350	420,597,350	26.8	33.3
1924.....	141,138,750	304,913,750	969,224,437	14.6	31.5
1925.....	360,071,650	476,871,650	420,597,350	34.4	44.3
1926.....	499,897,920	630,137,570	1,125,481,182	44.4	56.0
1927.....	425,276,710	648,313,210	1,336,760,260	31.8	44.5
1928.....	491,130,680	742,125,680	1,250,951,267	39.3	59.3
1929.....	432,898,581	541,271,581	671,230,806	64.5	80.6

The postwar tendency, therefore, has been for a greater and greater proportion of the new capital obtained by foreign capital issues publicly offered in this country to be for corporate purposes, and less and less for purely governmental finance. Apparently, the trend in the distribution of foreign security offerings has reflected the release of financial pressure upon foreign governments brought about by the World War and postwar readjustments. More recently, it has reflected the steps which have been taken by corporations of

foreign countries toward financial rehabilitation and economic expansion, steps which were largely retarded by the earlier maladjustments. Finally, it has resulted from the greater activity of American corporations operating in foreign countries.

#### TYPES OF FOREIGN CORPORATE FINANCING

For the most part, American investors have not participated heavily in the equity financing of new capital for foreign corporations. As can be seen from Table 5, which presents a classification by totals of the net nominal capital obtained through various types of securities by foreign corporations, all of the government guaranteed or controlled issues (with minor exceptions footnoted) consisted of bonds and notes. In the case of new capital for private corporations, however, while bonds and notes have predominated, preferred and common stocks have also been prominent; and there have been a few issues of units of preferred and common stocks. When preferred stocks are lumped with bonds and notes, a preponderant majority of fixed-income offerings is observable in each year. On the other hand, when preferred stocks are grouped with common stocks, a definite trend toward equity issues, especially since 1925, may be noted in the issues of private corporations.

TABLE 5.—NET NOMINAL VALUE OF FOREIGN CORPORATE CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, CLASSIFIED BY THE TYPE OF SECURITY

Year	Total net nominal value of corporate securities	Corporate bonds and notes		Corporate stocks		
		Government guaranteed <sup>1</sup> or controlled	Private <sup>1</sup>	Preferred <sup>1</sup>	Common <sup>2</sup>	Units of preferred and common <sup>3</sup>
1914.....	\$13,561,198	\$5,786,198	\$7,775,000			
1915.....	63,223,000	11,500,000	49,723,000	\$1,250,000	\$750,000	
1916.....	139,251,800	9,000,000	58,847,000	61,250,000	7,654,800	\$2,500,000
1917.....	121,214,000	13,450,000	78,892,000	18,872,000	10,000,000	
1918.....	12,270,000	5,000,000	4,850,000	1,295,000	1,125,000	
1919.....	68,785,400	25,000,000	27,640,000	10,255,000	23,324,400	2,666,000
1920.....	214,670,000	79,660,000	100,550,000	16,700,000	17,760,000	
1921.....	172,308,668	33,275,000	85,282,166	25,000,000	8,749,500	
1922.....	191,000,900	52,975,000	126,425,900	4,000,000	7,600,000	
1923.....	139,917,350	27,000,000	60,730,600	35,750,000	16,436,750	
1924.....	304,913,750	163,775,000	124,820,000	13,100,000	3,218,750	
1925.....	476,871,650	116,800,000	303,921,650	40,600,000	13,050,000	2,500,000
1926.....	630,137,570	136,239,650	362,802,000	66,935,350	67,850,570	2,310,000
1927.....	648,313,210	233,036,500	367,682,440	17,809,000	33,765,270	6,020,000
1928.....	742,125,680	250,995,000	396,393,600	36,985,700	45,196,380	12,555,000
1929.....	541,271,581	108,373,000	219,901,339	110,630,750	92,012,492	10,454,000
Total...	4,499,933,755	1,275,865,348	2,376,136,695	460,432,800	348,493,912	38,905,000

<sup>1</sup> Net nominal value.

<sup>2</sup> Selling value.

<sup>3</sup> Includes a small offering of Reichsbank stock amounting to \$178,650, a \$3,000,000 issue of German Federal Railways preferred stock, and excludes refunding of an International Match Co. debenture issue. This refunding covered French Government bonds and was done by the French Government.

<sup>4</sup> Includes \$4,275,000 of Belgian National Railways preferred stock, \$900,000 of German National Railways preferred stock, and \$4,080,000 of Rhine-Westphalia Electric Power Corporation, common stock.

<sup>5</sup> Includes an issue amounting to \$6,250,000 of units of debentures and common stock by the National Hotel Co. of Cuba.

Financial restrictions by governments obviously limit the avenues for new capital open to government guaranteed or controlled corporations, but no such restrictions hinder private corporations. To a large extent, therefore, the shift from year to year in the types of

private foreign corporate issues has reflected the changes in the popularity of different securities with investors. For example, the popularity of equity issues has been most noticeable in the years of actively bullish stock market movements when attention was directed away from bonds. This occurred in 1916, 1920, and from 1926 to 1929. Again, the excess of new capital, obtained through common as against preferred stocks in 1920 and early in 1921 reflected a definite shift in investing appetites and paralleled a similar shift in domestic securities. The greater volume of new common stock capital over preferred stock capital from 1926 to 1928 represented a recurrence of exactly the same change in investor's preferences. To make preferred stocks acceptable at all in 1929, it was usually necessary to issue them with common stock purchase warrants attached. This was also an ordinary practice in other years when investing in common stock issues was marked.

If the changes observed in the tastes of investors in the last few years are assigned as merely a feature of the continued bull market in stocks from 1926 to 1929, there has been no sustained evidence of a permanent tendency for American investors to prefer equity issues to bonds, or even to favor common over preferred stocks of private foreign corporations. On the other hand, if the expanded investor's interest in equity participation has acquired lasting significance, further developments may be expected to take place normally in future offerings of private foreign corporate securities. Particularly may this be true of those offerings of American and semi-American corporations (herein classed as private foreign corporations) for purposes of foreign investment.

#### SECURITY OFFERINGS OF AMERICAN AND SEMI-AMERICAN CORPORATIONS

From 1915 to 1929, 193 different American corporations, and corporations classed as semi-American because of American participation in them, floated 306 separate security issues for nondomestic purposes. The nominal value of these issues amounted in round numbers to \$1,759,000,000, and the net nominal value to \$1,569,000,000. While there were no capital issues for such corporations in 1914, there were 36 in other war years. From 1920 to 1925 the trend of both the nominal and net nominal capital obtained was slightly upward. In 1925 and 1926, there were sharp increases in volumes, followed by a slight dropping off in 1927 and a larger decline in 1928. The year 1929 saw a recovery to the 1927 volume of nominal capital, while the net nominal capital secured exceeded by a substantial margin that of any previous year. The last six years, in other words, have witnessed a remarkable outburst of foreign expansion by American and semi-American corporations, with over \$1,100,000,000 of new capital obtained by 98 separate units. A summary of the entire movement since 1914 is given in Table 6, and more complete data is presented in Appendix D.

Comparing the total net nominal capital obtained by American and semi-American corporations with that obtained by all private foreign corporations, it is seen that almost 49 per cent of the latter figure was acquired by them. Further interesting comparisons can be made by relating the figures contained in Table 7, showing the volume of new capital they procured in each year through various types of securities, with those given in Table 5 for all private foreign corporations.



TABLE 6.—SUMMARY OF PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NON-DOMESTIC PURPOSES

Year	Nominal capital		Estimated refunding		Total net nominal capital
	Number of issues	Amount	Number of issues	Amount	
1915.....	8	\$28,299,000	2	\$1,225,000	\$27,074,000
1916.....	14	95,625,000			95,625,000
1917.....	14	73,497,000	2	8,500,000	64,997,000
1919.....	14	28,723,500	1	1,699,600	27,023,900
1920.....	13	64,050,000			64,050,000
1921.....	19	72,221,749	9	18,555,083	53,666,666
1922.....	19	79,020,700	4	10,121,300	68,899,400
1923.....	11	63,691,500	1	4,000,000	64,691,500
1924.....	17	101,873,750	2	21,000,000	80,873,750
1925.....	24	171,537,750	6	16,425,000	155,112,750
1926.....	38	287,068,850	6	52,866,500	234,202,350
1927.....	43	260,764,440	5	44,110,000	216,654,440
1928.....	33	166,965,600	2	11,000,000	155,965,600
1929.....	39	260,507,145			260,507,145
Total.....	306	1,758,845,984	40	189,502,483	1,569,343,501

TABLE 7.—NET NOMINAL VALUE OF PUBLICLY OFFERED ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NON-DOMESTIC PURPOSES, CLASSIFIED BY TYPE OF ISSUE

Year	Total	Bonds and notes	Preferred stock	Common stock	Units of preferred and common stock
1915.....	\$27,074,000	\$25,824,000	\$1,250,000		
1916.....	95,625,000	28,375,000	61,250,000		
1917.....	64,997,000	43,125,000	16,872,000		
1919.....	27,023,900	10,650,000	10,255,000		
1920.....	64,050,000	46,200,000	7,500,000		
1921.....	53,666,666	44,917,166			
1922.....	68,899,400	60,799,400	500,000		
1923.....	64,691,500	27,604,000	30,720,000		
1924.....	80,873,750	74,555,000	3,100,000		
1925.....	155,112,750	113,762,750	36,000,000		
1926.....	234,202,350	112,009,500	65,455,350		
1927.....	216,654,440	169,833,000	16,184,000		
1928.....	155,965,600	132,398,600	6,312,000		
1929.....	260,507,145	86,995,000	107,069,400		
Total.....	1,569,343,501	977,098,416	362,487,750	195,588,835	34,168,500

Slightly more than 41 per cent of all new capital obtained by private corporations through bonds and notes was for American and semi-American corporations; 79 per cent of all new capital through preferred stocks; 56 per cent through common stocks; and 88 per cent through units of preferred and common stocks. The relationship differed, of course, in various years, as can be observed by comparing the columns of these two tables. The proportion obtained by American and semi-American corporations through bonds ranged from 30 per cent in 1928 to 60 per cent in 1924; through preferred stocks, from 9 per cent in 1928 to 100 per cent in a number of years; through common stocks, from 10 per cent in 1928 to 100 per cent in three years; and through units of preferred and common stocks practically 100 per cent in every year but one, 1926.

Viewing the relationships as a whole, there has been more of a tendency for American and semi-American corporations to obtain new capital through equity securities since 1925 than for purely private foreign corporations. It is not clear, however, that there has been any tendency for common stocks to be a more useful instrument for gaining new capital than preferred stocks. The risks attending foreign enterprise by American and semi-American corporations have undoubtedly been sufficient to prevent this tendency from appearing more definitely.

#### UNDERWRITING OF FOREIGN SECURITIES, BY AREAS AND COUNTRIES

In the 16 years covered by this handbook, the par value of European securities publicly offered in the United States amounted to only slightly less than half of the aggregate par value of all foreign issues underwritten here, or \$6,434,000,000. Canadian issues were second, totaling \$3,249,000,000; Latin America was third, amounting to \$2,960,000,000; Far Eastern, fourth, aggregating \$917,000,000; and Territorial possession issues, last, with \$228,000,000. Refunding amounts excluded, the figures for new capital obtained are, respectively, \$5,752,000,000 for Europe, \$2,566,000,000 for Canada, \$2,491,000,000 for Latin America, \$311,000,000 for the Far East, and \$214,000,000 for the Territorial possessions.

#### GEOGRAPHIC DISTRIBUTION

European security issues underwritten in American markets, although numerically the greatest over the entire period, did not predominate over those underwritten for other areas in every year. Latin American issues exceeded Europe's in four years, 1914, 1921, 1922, and 1923. In 1929 the underwriting of Canadian issues was the heaviest, but Latin-American securities underwritten were also more important than those for Europe. The same ranking as may be noted in Table 8 appears in each year for both nominal and net nominal capital.

The relative importance of the actual new capital borrowing of different areas is most clearly brought out by the percentage distribution of the net nominal capital obtained in each year, 1914 to 1929, given in Table 9. From 1915 to 1920, inclusive (except 1918, when borrowing European governments procured capital exclusively through direct loans from the United States Government), Europe obtained from 75 to 50 per cent, successively, of the total net nominal capital, while Canada got from 19 to 37 per cent, and Latin America a stable portion of about 10 per cent. In the three years from 1921 to 1923 Europe's share averaged approximately 26 per cent, Canada's 30 per cent, and Latin America's 31 per cent, and the share taken by the Far East was more substantial than in previous years, averaging around 11 per cent.

TABLE 8.—GEOGRAPHICAL DISTRIBUTION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES

Year	Europe			Canada		
	Nominal capital	Estimated refunding	Net nominal capital	Nominal capital	Estimated refunding	Net nominal capital
1914.....	\$11,000,000	-----	\$11,000,000	\$13,419,000	-----	\$13,419,000
1915.....	600,000,000	-----	600,000,000	163,340,272	\$7,600,000	155,740,272
1916.....	836,900,000	-----	836,900,000	163,551,464	1,750,000	161,801,464
1917.....	401,300,000	\$6,300,000	395,000,000	222,525,200	10,350,000	212,175,200
1918.....	-----	-----	-----	18,640,000	2,000,000	16,640,000
1919.....	500,679,200	272,807,700	227,871,500	202,155,000	87,300,000	114,855,000
1920.....	347,509,880	100,000,000	247,509,880	189,378,106	5,500,000	183,878,106
1921.....	206,324,300	50,000,000	156,324,300	196,571,914	3,050,000	193,521,914
1922.....	216,773,200	5,000,000	211,773,200	226,842,384	58,550,000	168,292,384
1923.....	108,069,250	-----	108,069,250	142,956,600	23,000,000	119,956,600
1924.....	574,400,000	47,770,000	526,630,000	277,354,187	125,735,000	151,619,187
1925.....	682,457,400	53,000,000	629,457,400	264,992,750	127,875,000	137,117,750
1926.....	504,502,170	20,473,000	484,029,170	308,790,800	82,488,500	226,302,300
1927.....	646,752,125	69,500,000	577,252,125	312,346,395	75,965,000	236,381,395
1928.....	650,916,500	53,010,000	597,906,500	237,365,800	52,365,000	184,865,800
1929.....	145,972,181	4,000,000	141,972,181	308,730,300	19,036,875	289,693,425
Total.....	6,433,556,206	681,860,700	5,751,695,506	3,248,960,172	682,700,375	2,566,259,797

Year	Latin America			Far East		
	Nominal capital	Estimated refunding	Net nominal capital	Nominal capital	Estimated refunding	Net nominal capital
1914.....	\$17,296,288	-----	\$17,296,288	-----	-----	-----
1915.....	52,000,000	\$5,000,000	47,000,000	-----	-----	-----
1916.....	144,825,000	-----	144,825,000	\$7,974,800	-----	\$7,974,800
1917.....	91,717,950	21,000,000	70,717,950	1,250,000	-----	1,250,000
1918.....	2,900,000	600,000	2,300,000	-----	-----	-----
1919.....	47,818,500	14,149,600	33,668,900	5,987,000	\$5,000,000	987,000
1920.....	49,050,000	-----	49,050,000	-----	-----	-----
1921.....	241,557,749	11,930,083	229,627,666	15,290,000	-----	15,290,000
1922.....	256,795,700	33,121,300	223,674,400	113,258,000	1,250,000	112,008,000
1923.....	168,091,500	54,000,000	114,091,500	70,502,000	-----	70,502,000
1924.....	195,453,750	8,500,000	186,953,750	162,000,000	65,988,500	96,011,500
1925.....	217,601,000	58,325,000	159,276,000	141,700,000	-----	141,700,000
1926.....	425,196,212	57,016,500	368,179,712	31,740,000	-----	31,740,000
1927.....	433,239,300	93,539,000	339,700,300	151,220,000	-----	151,220,000
1928.....	438,978,000	108,900,413	330,077,587	154,836,880	24,000,000	130,836,880
1929.....	176,450,000	1,500,000	174,950,200	61,450,000	10,000,000	51,450,000
Total.....	2,950,571,149	468,081,896	2,482,489,253	917,208,680	106,238,500	810,970,180

Year	Noncontiguous American Territories and possessions		
	Nominal capital	Estimated refunding	Net nominal capital
1914.....	\$2,955,000	\$655,000	\$2,300,000
1915.....	2,189,000	1,075,000	1,114,000
1916.....	6,350,000	1,950,000	4,400,000
1917.....	3,504,000	-----	3,504,000
1918.....	1,925,000	-----	1,925,000
1919.....	14,405,000	-----	14,405,000
1920.....	17,000,000	-----	17,000,000
1921.....	22,669,000	4,125,000	18,544,000
1922.....	49,379,000	1,500,000	47,879,000
1923.....	7,378,000	-----	7,378,000
1924.....	8,010,000	-----	8,010,000
1925.....	9,415,000	-----	9,415,000
1926.....	18,280,000	3,000,000	15,280,000
1927.....	33,856,440	1,650,000	32,206,440
1928.....	7,264,500	-----	7,264,500
1929.....	13,165,000	-----	13,165,000
Total.....	227,694,940	13,955,000	213,739,940

TABLE 9.—PERCENTAGE DISTRIBUTION, BY GEOGRAPHIC AREAS, OF THE NET NOMINAL CAPITAL OBTAINED THROUGH FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES

Year	Total	Europe	Canada	Latin America	Far East	Noncontiguous American Territories and possessions
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
1914.....	100	25.0	30.5	39.3		5.2
1915.....	100	74.5	19.4	5.8		.1
1916.....	100	72.4	14.0	12.5	0.7	.4
1917.....	100	57.9	31.0	10.4	.2	.5
1918.....	100		79.8	11.0		9.2
1919.....	100	58.2	29.3	9.6	.2	3.7
1920.....	100	49.7	37.0	9.9		3.4
1921.....	100	25.1	31.0	36.8	3.5	4.6
1922.....	100	27.7	22.0	29.3	14.7	6.3
1923.....	100	25.7	28.5	27.2	16.8	1.8
1924.....	100	54.3	15.7	19.3	9.9	.8
1925.....	100	58.5	12.7	14.7	13.2	.9
1926.....	100	43.0	20.1	32.7	2.8	1.4
1927.....	100	43.2	17.7	25.4	11.3	2.4
1928.....	100	47.8	14.8	26.4	10.5	.5
1929.....	100	21.1	43.1	26.1	7.7	2.0

This post-war shift in the distribution of the net nominal capital obtained by foreigners through publicly offered capital issues was not of permanent significance, however. In 1924 European borrowing, acquiring 54 per cent of the net nominal capital, regained its lead; and this lead was held in the following four years of record foreign financing. Canada's share relatively declined; but that of Latin America, after a 2-year recession, recovered from 1926 to 1928 almost to its early postwar importance. Finally, the proportion going to the Far East was comparatively firm, except in 1926.

The distribution in 1929 furnished an upset for the trends seemingly tending to become established. Europe's share fell to 21 per cent, Canada's rose conspicuously to 43 per cent, while Latin America's remained roughly the same as the previous year's, and that of the Far East declined.

The volume of capital obtained on American markets by noncontiguous American Territories and possessions, as is clear from a glance at Tables 8 and 9, has never been large. Even in the peak year of Territorial borrowing, 1922, it amounted only to 6 per cent of the total net nominal capital and in other years to much less, with an annual average for the last seven years of but 1.6 per cent.

#### GOVERNMENT AND CORPORATE BORROWING

Judging from the figures contained in Table 10, on the distribution of net nominal capital obtained by governmental or corporate borrowers, the stake of American investors in foreign corporate securities as against government issues has become greatest in the contiguous areas of Canada and Latin America. Nevertheless, of the total net nominal capital acquired by different areas, the largest proportion has been for governments and government guaranteed or controlled corporate borrowers. In rounded percentage numbers, 81 per cent of the net nominal capital obtained by Europe from 1914 to 1929 was for borrowers of this character, and only 19 per cent was for private corporations. In the case of other areas, the percentages were, respectively: Canada, 62 and 38 per cent; Latin America, 64 and 36 per cent; Far East, 70 and 30 per cent; and Territories and possessions, 77 and 23 per cent.

The tendency in recent years, shown in Table 4, for private corporations to obtain a successively greater share of the total annual volume of new capital, appears from Table 10 to hold not only for the aggregate yearly figures, but for the separate annual net nominal amounts of each geographic area, except Latin America. For example, the average share of new capital for corporate as against government borrowers in the case of Europe was 46 per cent in the last five years compared with 12 per cent in the preceding five years. For Canada, it was 37 per cent compared with 28 per cent; and for the Far East and the Territories and possessions, it was 54 and 29 per cent, respectively, compared with negligible shares in the preceding five years. Latin America corporate borrowings, on the other hand, compared 33 per cent in the latter period with 45 per cent in the former; but with the year 1920 eliminated, when there were no Latin American government issues, the comparison becomes 33 per cent as against 25 per cent.

TABLE 10.—NET NOMINAL CAPITAL OBTAINED THROUGH GOVERNMENT AND CORPORATE CAPITAL ISSUES OF PRINCIPAL GEOGRAPHICAL AREAS, PUBLICLY OFFERED IN THE UNITED STATES

Year	Total (net nominal capital)	Europe		
		Total	Government and government guaranteed or controlled issues	Corporate
1914.....	\$44,015,288	\$11,000,000	\$11,000,000	-----
1915.....	803,854,272	600,000,000	600,000,000	-----
1916.....	1,155,901,264	836,900,000	836,900,000	-----
1917.....	682,647,150	395,000,000	395,000,000	-----
1918.....	20,865,000	-----	-----	-----
1919.....	391,787,400	227,871,500	208,000,000	\$19,871,500
1920.....	497,437,988	247,509,880	205,599,880	41,910,000
1921.....	823,307,880	156,324,300	155,324,300	1,000,000
1922.....	763,838,984	211,773,200	178,253,500	33,520,000
1923.....	420,597,350	108,089,250	81,000,000	27,089,250
1924.....	969,224,437	526,630,000	513,880,000	12,750,000
1925.....	1,076,466,150	629,457,400	457,960,000	171,497,400
1926.....	1,125,481,182	484,029,170	247,502,750	236,526,420
1927.....	1,336,760,260	577,252,125	386,798,000	190,454,125
1928.....	1,250,951,267	597,906,500	367,035,000	230,871,500
1929.....	671,230,806	141,972,131	26,470,500	115,501,681
Total.....	11,834,154,676	5,751,695,506	4,670,723,630	1,060,971,876

Year	Canada			Latin America		
	Total	Government and government guaranteed or controlled issues	Corporate	Total	Government and government guaranteed or controlled issues	Corporate
1914.....	\$13,419,000	\$5,644,000	\$7,775,000	\$17,296,288	\$17,296,288	-----
1915.....	155,740,272	126,242,272	29,498,000	47,000,000	25,000,000	\$22,000,000
1916.....	161,801,464	139,149,464	22,652,000	144,825,000	40,200,000	104,625,000
1917.....	212,175,200	173,438,200	38,737,000	70,717,950	5,217,950	65,500,000
1918.....	16,640,000	11,995,000	4,645,000	2,300,000	800,000	1,500,000
1919.....	114,855,000	93,965,000	20,890,000	33,668,900	13,550,000	20,118,900
1920.....	183,878,106	139,828,106	44,050,000	49,050,000	-----	49,050,000
1921.....	193,521,914	124,006,914	69,515,000	229,627,666	187,486,000	42,141,666
1922.....	168,292,384	130,435,884	37,856,500	223,674,400	159,775,000	63,899,400
1923.....	119,956,600	81,300,000	38,656,600	114,691,500	67,500,000	47,191,500
1924.....	151,619,187	110,629,187	40,990,000	186,953,750	114,555,000	72,398,750
1925.....	137,117,750	64,818,500	72,299,250	158,776,000	109,951,000	48,825,000
1926.....	226,302,300	64,427,800	161,874,500	368,179,712	283,490,212	84,689,500
1927.....	236,381,395	121,961,250	114,420,145	339,700,300	277,081,300	62,619,000
1928.....	184,865,800	72,026,500	112,839,300	330,077,587	238,197,587	91,880,000
1929.....	189,693,425	141,223,725	148,469,700	174,950,200	65,548,000	109,402,200
Total.....	2,566,259,797	1,601,091,802	965,167,295	2,491,489,253	1,605,648,337	885,840,916

TABLE 10.—NET NOMINAL CAPITAL OBTAINED THROUGH GOVERNMENT AND CORPORATE CAPITAL ISSUES OF PRINCIPAL GEOGRAPHICAL AREAS, PUBLICLY OFFERED IN THE UNITED STATES—Continued

Year	Far East			Territories and possessions		
	Total	Government and government guaranteed or controlled issues	Corporate	Total	Government and government guaranteed or controlled issues	Corporate
1914.....				\$2,300,000	\$2,300,000	
1915.....				1,114,000	680,000	\$225,000
1916.....	\$7,974,800	\$5,000,000	\$2,974,800	4,400,000	4,400,000	
1917.....	1,250,000		1,250,000	3,504,000	1,379,000	2,125,000
1918.....				1,925,000	800,000	1,125,000
1919.....	987,000	987,000		14,405,000	11,500,000	2,905,000
1920.....				17,000,000	17,000,000	
1921.....	15,290,000	15,290,000		28,544,000	22,169,000	6,375,000
1922.....	112,008,000	110,758,000	1,250,000	47,879,000	46,379,000	1,500,000
1923.....	70,502,000	70,502,000		7,378,000	7,378,000	
1924.....	96,011,500	81,011,500	15,000,000	8,010,000	8,010,000	
1925.....	144,700,000	75,000,000	66,700,000	9,415,000	8,665,000	750,000
1926.....	31,740,000	19,740,000	12,000,000	15,230,000	10,422,500	4,807,500
1927.....	151,250,000	113,070,000	38,180,000	32,206,440	12,573,000	19,633,440
1928.....	130,836,880	76,400,000	54,436,880	7,264,500	6,161,500	1,103,000
1929.....	51,450,000		51,450,000	13,165,000	5,060,000	8,075,000
Total.....	810,970,180	557,758,500	243,211,680	213,739,940	165,116,000	48,623,940

A great deal of irregularity occurs in such geographic percentages from year to year, but if government guaranteed or controlled corporate borrowings were grouped with private corporate borrowings for each area, part of this irregularity would be removed. Moreover, a much more pronounced trend toward corporate issues would be evident, especially for Europe, whose government guaranteed or controlled corporate issues have been so prominent in American markets, and also for Canada, whose railway securities—largely offered in the United States since 1915—are ordinarily guaranteed by the Canadian Government or are regarded as implicitly guaranteed because of government ownership of Canadian railways.

#### SECURITY OFFERINGS OF AMERICAN AND SEMI-AMERICAN CORPORATIONS

The new capital obtained by American and semi-American corporations from 1914 to 1920 for nondomestic purposes—amounting to \$1,569,000,000—has been more largely for investment in Latin America than in any other area. In fact, 51 per cent of the total new capital for such corporations was for Latin America. On the other hand, only 19 per cent was for Canada, while Europe's portion was 24 per cent. The Far East and the Territorial possessions shared 3 per cent each. This ranking, verifiable in Table 11, contrasts with that usually advanced of Canada first; Latin America, second, Europe, third; and the Far East and Territorial possessions last.

TABLE 11.—NET NOMINAL VALUE OF PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, CLASSIFIED BY AREAS

Year	Total	Europe	Canada	Latin America	Far East	Noncontiguous American Territories and possessions
1915.....	\$27,074,000	-----	\$4,849,000	\$22,000,000	-----	\$225,000
1916.....	95,625,000	-----	2,125,000	93,500,000	-----	-----
1917.....	64,997,000	-----	12,372,000	50,500,000	-----	2,125,000
1919.....	27,023,900	-----	4,060,000	20,118,900	-----	2,905,000
1920.....	64,050,000	\$7,500,000	-----	7,500,000	49,050,000	-----
1921.....	53,666,666	-----	21,150,000	26,141,666	-----	6,375,000
1922.....	68,899,400	-----	7,500,000	59,898,400	-----	1,500,000
1923.....	64,691,500	17,000,000	500,000	47,191,500	-----	-----
1924.....	80,873,750	4,750,000	6,725,000	69,398,750	-----	-----
1925.....	155,112,750	79,300,000	36,587,750	38,475,000	-----	750,000
1926.....	234,202,350	106,705,350	47,250,000	75,439,500	-----	4,807,500
1927.....	216,654,440	88,228,000	57,174,000	47,619,000	\$4,000,000	19,633,440
1928.....	155,985,600	42,505,000	28,410,600	84,300,000	-----	750,000
1929.....	260,507,145	26,220,745	69,309,200	109,402,200	50,000,000	5,575,000
Total.....	1,569,343,501	372,209,095	305,452,550	793,036,916	54,000,000	44,645,940

It is interesting to note from a comparison of Tables 10 and 11 that 90 per cent of the total new capital procured by corporate borrowers for Latin America was obtained by American and semi-American corporations. While this fact probably reflects the large direct American participation in Latin American corporate enterprise, it may also reflect a lack of familiarity on the part of American investors with purely Latin American corporations. This lack of familiarity would involve higher underwriting charges for issues of such corporations, possibly of sufficiently great importance to deter them from seeking American capital by means of publicly offered securities.

Compared with the proportion which American and semi-American corporate issues were of total corporate issues for Latin America, the share in the case of Canada was 33 per cent and in the case of Europe 34 per cent. While it is perhaps surprising that the proportion American corporations secured of total new capital obtained for Canada by corporate borrowers should be so small, it is equally astonishing that the ratio for Europe should be so large. Proximity to American financial markets and knowledge of investors of Canadian economic conditions accounts for the preponderance of new corporate capital obtained by purely Canadian corporations. On the other hand, the eagerness with which American corporations have sought to expand their operations in Europe after the recovery from the war and postwar maladjustments probably accounts for the large share of new American corporate capital for Europe. It may be observed from Table 11 that this European expansion by American corporations—as evidenced by offerings to obtain new capital—did not commence on a large scale until 1923. After reaching a peak in 1926, it receded successively to 1929.

New capital was not procured by any American corporation through a public security offering for Far Eastern investment until 1927, when \$4,000,000 for Australia was obtained. In 1929, \$50,000,000 was procured by the American & Foreign Power Corp. for use in China. The total, however, was 22 per cent of all new corporate capital for the Far East from 1914 to 1929.

As in the case of Latin America, most of the new corporate capital for the noncontiguous territories and possessions, or 92 per cent, has been obtained through issues of American or semi-American corporations. The total so obtained for the entire 16 years, however, was not large; in fact, only \$44,646,000, and in the record year of 1922 it was only \$19,633,000.

#### PRINCIPAL BORROWING COUNTRIES

While 25 different European countries obtained funds in American markets through publicly offered securities, 91 per cent of the funds so obtained was for the 11 countries listed in Table 12, and 69 per cent was for the 4 leading borrowers—France, Germany, Great Britain, and Italy. The issues for France and Great Britain were largely concentrated in the war and early postwar periods, while those for Germany and Italy have been most frequent since 1924. Germany has floated more capital issues in the American markets in the last six years than France has from 1914 to 1929, three-fourths as many as Great Britain, and three times as many as Italy. The issues for France and Great Britain were principally Government issues, but the issues for Germany were one-third corporate and for Italy more than one-third corporate.

Of the remaining seven large European borrowers, Belgium ranks first, Norway second, Denmark third, Sweden fourth, Poland fifth, Switzerland sixth, and Netherlands last. With the exception of Denmark and Sweden, the bulk of the offerings of these countries were generally prior to the dates at which they returned to the gold standard. In other words, their offerings occurred chiefly during the period of European financial uncertainty, and many issues were for the direct purpose of aiding the return to a gold monetary standard, if not for the immediate aim of currency stabilization. Corporate issues have not been relatively important for these countries, except in the case of Sweden, whose large match interests have regularly financed the greatest share of their international operations in American markets.

TABLE 12.—CAPITAL ISSUES OF PRINCIPAL EUROPEAN COUNTRIES PUBLICLY OFFERED IN THE UNITED STATES

[In thousands of dollars]

	Belgium	Denmark	France	Germany	Great Britain	Italy
1915: Government.....			300,000	10,000	250,000	25,000
1916: Government.....			190,500	10,000	556,400	
1917: Government.....			100,000		256,300	45,000
1919:						
Government.....		15,000	22,220		393,587	
Corporate.....					19,871	
1920:						
Government.....	75,000	25,000	106,098	52		10,000
Corporate.....	10,000		3,250		28,660	
1921:						
Government.....	34,270	45,000	126,054			
Corporate.....			1,000			
1922:						
Government.....		456	72,975	347		
Corporate.....		5,000	10,000	300		
1923: Corporate.....						10,569
1924:						
Government.....	80,000		155,000	110,000		
Corporate.....	10,000		4,000	8,000		



TABLE 12.—CAPITAL ISSUES OF PRINCIPAL EUROPEAN COUNTRIES PUBLICLY OFFERED IN THE UNITED STATES—Continued

[In thousands of dollars].

	Belgium	Denmark	France	Germany	Great Britain	Italy
1925:						
Government.....	50,000	40,500	20,000	158,750		100,000
Corporate.....		2,000		59,500	7,500	20,597
1926:						
Government.....	52,000			151,138		20,337
Corporate.....		104		143,108	6,250	19,749
1927:						
Government.....		24,046	50,550	150,405		67,150
Corporate.....	14,130			80,120	5,908	53,250
1928:						
Government.....	14,275	61,500	13,750	186,370	14,000	
Corporate.....			3,500	106,106	10,577	65,462
1929:						
Government.....		3,575		21,476		
Corporate.....			200	10,149	19,060	13,700
Total:						
Government.....	305,545	215,077	1,157,147	798,538	1,470,287	267,487
Corporate.....	34,130	7,164	21,950	407,283	97,826	183,326
Grand total.....	339,675	222,241	1,179,097	1,205,821	1,568,113	450,813

	Netherlands	Norway	Poland	Sweden	Switzerland	All others
1914: Government.....		3,000		5,000		3,000
1915: Government.....					15,000	
1916: Government.....		5,000				75,000
1919: Government.....				20,000	30,000	
1920: Government.....	51	29,000	23,075		37,322	
1922:						
Government.....	47,400	21,575				40,500
Corporate.....	18,220					
1923:						
Government.....	3,000	20,000			23,000	35,000
Corporate.....				15,000		1,500
1924:						
Government.....	46,000	32,900		30,000	30,000	52,750
Corporate.....				15,750		
1925:						
Government.....		40,210	35,000			64,500
Corporate.....		5,800	20,250	15,000		42,850
1926:						
Government.....		4,000				34,500
Corporate.....			19,000	19,105		35,150
1927:						
Government.....		8,750	47,000			103,396
Corporate.....	727	20,715				20,602
1928:						
Government.....		44,000	17,000			48,900
Corporate.....				29,070	12,480	23,925
1929:						
Government.....						5,419
Corporate.....				64,671		7,720
Total:						
Government.....	96,451	208,435	122,075	55,000	135,322	462,965
Corporate.....	18,947	26,515	39,250	158,596	12,480	131,747
Grand total.....	115,398	234,950	161,325	213,596	147,802	594,712

Impressive as the capital issues of the more important European countries has been in the last 16 years, the offerings of no single European country have approached those of Canada, shown in Table 13, totaling over twice as much as those of Great Britain, almost three times as much as those of France, and over two and a

half times as much as those of Germany. Canadian corporate issues alone almost equaled the total issues of France and Germany. Not only has Canada been the largest single foreign issuer of securities in the United States, but also the most consistent. In every year since 1914 (excepting 1918, a war year) the volume of new Canadian issues appearing in the United States has been substantial. Whereas before the war, Canadian securities were largely offered in London (from 80 per cent to 90 per cent), since 1914 they have been more widely absorbed domestically and in the United States. In the last five years the average amount offered in the United States has been about 46 per cent, domestically 52 per cent, and in Great Britain 2 per cent, and there has been no apparent tendency for Canada to return to London on a large scale for its capital.<sup>5</sup>

Latin American capital issues, although representing a total of 18 countries, have been chiefly for the five countries indicated in Table 13—Argentina, Cuba, Chile, Brazil, and Colombia, in the order named. In fact, these five countries have offered 84 per cent of the aggregate of new capital issues for Latin America. Issues of Argentina, Brazil, and Colombia have been preponderantly governmental, while those of Cuba have been mainly by corporations—and principally by American corporations engaged in sugar production. Chilean capital issues have also included large corporate offerings, largely by American corporations engaged in the development of Chilean copper and nitrate resources.

TABLE 13.—CAPITAL ISSUES OF CANADA AND PRINCIPAL LATIN AMERICAN AND FAR EASTERN COUNTRIES PUBLICLY OFFERED IN THE UNITED STATES

[In thousands of dollars]

	Canada	Latin America						Far East			
		Ar- gen- tina	Brazil	Chile	Co- lom- bia	Cuba	All other	Aus- tra- lia	China	Japan	Neth- er- land East Indies
1914:											
Government.....	5,644					10,000	7,296				
Corporate.....	7,775										
1915:											
Government.....	126,242	30,000									
Corporate.....	37,098			15,000		7,000					
1916:											
Government.....	139,149	33,500	5,500				1,200		5,000		
Corporate.....	24,402	2,500	7,500	18,000		66,000	10,625			2,974	
1917:											
Government.....	175,188	17,817					2,400				
Corporate.....	47,337	15,000		35,000		16,000	5,500	1,250			
1918:											
Government.....	12,995	800									
Corporate.....	5,645					1,600	500				
1919:											
Government.....	173,965		18,500						5,500	487	
Corporate.....	28,190		7,500		2,376	15,765	3,676				
1920:											
Government.....	139,828										
Corporate.....	49,550				1,650	30,200	17,200				
1921:											
Government.....	124,006	50,000	82,000	44,000			11,488	12,000			3,290
Corporate.....	72,565				4,600	23,675	15,798				
1922:											
Government.....	186,935	28,095	64,380	19,350	6,000	16,700	49,750	10,758			100,000
Corporate.....	39,906					62,420	10,100	2,500			

<sup>5</sup> According to a compilation by the Dominion Securities Corporation (Ltd.).

TABLE 13.—CAPITAL ISSUES OF CANADA AND PRINCIPAL LATIN AMERICAN AND FAR EASTERN COUNTRIES PUBLICLY OFFERED IN THE UNITED STATES—Continued

[In thousands of dollars]

	Canada	Latin America						Far East			
		Ar- gen- tina	Brazil	Chile	Co- lom- bia	Cuba	All other	Aus- tra- lia	China	Japan	Neth- er- land East Indies
1923:											
Government.....	100,800	55,000	2,000			50,000	10,500		252	19,900	50,000
Corporate.....	42,156					48,249	2,942				
1924:											
Government.....	226,629	95,490			9,000		12,565			147,000	
Corporate.....	50,725			40,000		33,680	4,718			15,000	
1925:											
Government.....	182,593	121,431	10,000	20,000	3,500		9,520	75,000			
Corporate.....	82,399	350		16,500	10,000	18,450	7,850			66,500	200
1926:											
Government.....	120,227	84,468	59,879	75,181	28,320		54,791			19,740	
Corporate.....	188,563			35,000	9,250	61,476	16,830			12,000	
1927:											
Government.....	166,461	109,102	62,280	23,383	53,200	9,000	74,145	92,430		20,640	
Corporate.....	145,885		4,500		15,470	62,750	19,409	4,000		7,650	26,500
1928:											
Government.....	72,026	51,893	78,245	79,912	70,318	10,000	55,730	56,500		19,900	
Corporate.....	165,339	62,640		1,500	3,840	6,900	18,000			78,000	436
1929:											
Government.....	159,710	1,500	10,898	42,400	1,750	10,000	500				
Corporate.....	149,019	3,185	6,485	28,000		7,927	64,804		50,000	11,450	
Total:											
Government.....	1,122,398	679,096	393,682	304,226	172,088	105,700	289,883	246,688	10,752	227,667	153,290
Corporate.....	1,136,534	83,675	24,985	189,000	47,186	472,092	197,950	7,750	50,000	193,574	27,136
Grand total.....	2,258,932	762,771	418,667	493,226	219,274	577,792	487,833	254,438	60,752	421,241	180,426

<sup>1</sup> Newfoundland (\$26,535) included.

<sup>2</sup> Newfoundland (\$5,926) included.

<sup>3</sup> Newfoundland (\$32,461) included.

Japanese capital issues have been the most prominent of all Far Eastern offerings to American investors (also given in Table 13), Australian issues second, Netherland East Indies issues third, and capital issues of China last. About one-half of the total Japanese flotations have been by Japanese public utility corporations, while the greatest proportion of Australian and Netherland East Indies issues have been governmental. China's issues have included but three small governmental offerings and one large offering of an American public utility corporation for the purchase of properties in the International Settlement of Shanghai.

## CONDITIONS AFFECTING FOREIGN SECURITY OFFERINGS

The year 1914 was a dull year in the record of American underwriting of foreign securities with barely one-half of the 1913 volume, and only little more than one-third of the 1912 volume. This financing was largely concentrated in the first six months of the year. Trade and industrial activity had receded notably from the high levels of 1912 and 1913; and activity on the financial markets, where investing interest manifests itself, was at a low ebb. The outbreak of the World War in July, 1914, brought an immediate disruption of the foreign-exchange markets, and subsequently in the world's security markets. On July 31, the New York Stock Exchange was closed and not reopened to full-day trading until December 15. New domestic financing dropped to its lowest levels in years; and in two months, August and September, no foreign issues were publicly offered.

### FOREIGN SECURITY UNDERWRITING FROM 1915 TO 1917

It shortly became necessary for the governments of European countries engaged in conflict to purchase food and other supplies in the United States on a large scale, and late in the fall of 1914 an upward swing of American exports commenced. Recourse to American financial markets naturally followed in order to enable the Governments concerned to finance their requirements. In April, 1915, both the French and German Governments offered bonds here to finance war purchases; in July the Dominion Government of Canada did likewise; and in October the Italian Government offered a large block of bonds, while the Anglo-French credit bond issue amounting to \$500,000,000 was floated in the same month. Europe also obtained capital in the United States by disposing, on American markets, of large blocks of American securities previously held as investments.

New foreign financing was not entirely confined to war purposes in 1915; nor was it limited to belligerents. City and provincial governments of Canada, whose capital requirements previously had been largely met in London, borrowed over \$100,000,000 and Canadian corporations \$37,000,000 more. Neutral borrowing, moreover, which might otherwise have gone to older European markets, but which was prevented by the latter's attention to strictly war finance, included issues by the governments of Switzerland and Argentina, and corporate issues for Chile and Cuba.

The developments of American underwriting of foreign securities in 1916 and 1917, until the United States Government formally entered the war, were almost a direct continuation of those which occurred in 1915, but on a much larger scale. New flotations were predominantly for governments of the belligerent countries of Europe, although a large number were Canadian Government and corporate issues. In addition there were several offerings for Latin American governments and corporations, a government issue for Newfoundland, a government issue for China, a corporate issue for Australia, and a small number of government and one corporate offering for the Territories and possessions.

Mainly dictated by necessity on the part of the borrowers—since those engaged in the war were in need of American funds and other countries requiring capital funds had no other market to which they might turn—this rapidly mounting volume of new foreign capital issues was successfully absorbed for a number of reasons. There had been a marked revival of industrial production and trade in 1915, stimulated by foreign demands for American goods, and the high levels of activity attained continued in 1916 and 1917. This increased trade and production inevitably brought increased money incomes to a great mass of people and enormously stimulated saving and investing. High yield rates were imposed on most foreign security offerings, by the emergency character of the financing.

Another factor involved was the establishment of the Federal reserve system in 1914, increasing as it did the capacity of the banking system to expand credit. Again, over \$1,000,000,000 of new gold was imported into the United States from 1915 to the first quarter of 1917, enlarging the credit basis of the country's banking system. Partly because of the trade and industrial boom, and partly because of the increased capacity for credit expansion, bank deposits of national banks alone increased approximately \$3,000,000,000 from the beginning of 1915 to the beginning of 1917. Interest rates, particularly on domestic bonds, partially reflecting these developments, remained relatively low and compared favorably with those ordinarily prevailing in pre-war years. Economic and financial factors, therefore, contributed jointly to the inauguration of large-scale American underwriting of foreign securities.

#### FOREIGN SECURITIES DURING AMERICA'S PARTICIPATION IN THE WORLD WAR

Following the passage of the first Liberty loan act in April, 1917, appropriating as it did \$3,000,000,000<sup>1</sup> for the purchase of obligations of governments associated in the conflict, the necessity for public underwriting of the latter's securities came to an end; and the succession of their offerings, which had largely occupied the attention of American underwriters, was terminated. In addition, sentiment was strongly developing in financial circles against further foreign loans,<sup>2</sup> and investors, whose patriotism was confining their attention to Liberty bonds, were loath to invest in foreign offerings of any neutral country. Accordingly, American underwriting of foreign securities receded sharply; and in the last six months of the year (except July when a \$100,000,000 issue of the Dominion of Canada was offered) it was of comparatively minor importance. In fact, such offerings as did occur were largely confined to Canadian municipal and provincial issues, territorial issues, and a number of Canadian corporate flotations.

The small volume of foreign issues in 1918 is accounted for generally on the same grounds as the small volume in the last few months of 1917. It is also true, however, that official pressure and control played a material rôle in keeping them at a minimum. Early in

<sup>1</sup> Raised to \$10,000,000,000—\$4,000,000,000 by the second Liberty loan act of September, 1917, \$1,500,000,000 by the third Liberty loan act of April, 1918, and \$1,500,000,000 by the fourth Liberty loan act of July, 1918. The latter act also provided for the direct sale of war supplies to associated governments by the United States Government and the acceptance of the former's obligations in payment.

<sup>2</sup> In his annual report for the fiscal year ending June 30, 1917, the Secretary of the Treasury referred to the importance of avoiding unnecessary expenditures in both public and private enterprises.

1918, the Secretary of the Treasury requested the Federal Reserve Board, "as another patriotic service to assume responsibility of passing upon such proposals as may be submitted, both in respect to capital expenditures or issues of new securities."<sup>3</sup> A committee of three members was subsequently appointed for the purpose. Relying upon the voluntary cooperation of banks, bankers, and business men, the committee tested all security issues submitted on the basis of whether or not they were "timely with respect to the financial operations to be undertaken by the Government" and whether "the objects for which the funds were to be raised by the sale of securities were compatible with public interest."

The voluntary work of the "capital issues committee" was shortly given sanction of the law by the war finance corporation act of April, 1918, which created a new committee of seven members appointed by the President with the advice and consent of the Senate.<sup>4</sup> While the committee was given the power to investigate proposed sales of securities, and to determine whether such sales were compatible with public interest, no penalties were prescribed for failure to submit proposed new issues. Voluntary cooperation, however, proved adequate; and numerous projected issues were disapproved during the committee's existence from April to December 31, 1918, when activities were suspended since the stress of war financing was over.<sup>5</sup> While no published records indicate the volume of prospective foreign issues disapproved by the committee, there undoubtedly were a number. In any case, the existence of the committee and the prevailing financial sentiment were sufficiently influential to discourage their flotation.

Other important influences were affecting the volume of foreign underwriting in the United States during the war years besides those already mentioned. Foremost among them was the prosperity created in a large number of neutral countries by war-time demands for their goods by the United States and European countries. This was especially true in Latin America and Far Eastern countries, where abnormal export balances resulted.<sup>6</sup> Domestic financial conditions of such countries permitted the absorption of their own capital issues, and the foreign purchasing power obtained as a result of favorable exports of their goods obviated foreign borrowing. A sharp decrease in the neutral demands for new capital on American markets was a natural consequence.

#### FOREIGN SECURITY UNDERWRITING IN THE EARLY POSTWAR YEARS

European governments continued in urgent need of American purchasing power to provide food and supplies to their populations immediately after the close of the conflict at the end of 1918. This need was largely met by further advances from the United States Government according to commitments made previously under the authority of the Liberty loan acts. It was also met by advances of the United States Government through the American relief administration, under the authority of an act of Congress approved in February, 1919. It

<sup>3</sup> Federal Reserve Board, Annual Report for the Year 1918, pp. 64-65.

<sup>4</sup> Secretary of the Treasury, Annual Report for the Fiscal Year Ended June 30, 1918, pp. 60-62.

<sup>5</sup> The committee was finally dissolved by presidential proclamation, August 30, 1919.

<sup>6</sup> In fact, exchange-market conditions with a number of them had turned so unfavorably against the United States that credit arrangements were entered into by the Federal Reserve Bank of New York with the central banks of Argentina, Bolivia, Peru, and India, while the Treasury arranged a credit with a syndicate of banks in Spain.

may be doubted, however, whether it could have been met by publicly offered issues to American investors.

Conditions were altogether too uncertain in that particular period for a sharp revival of foreign security underwriting. The unbalanced budgets of European governments, the drastic decline of all European exchanges, and the resultant financial derangements had undermined the confidence of investors in the ability of Europeans to meet their obligations. In addition, a business recession in the first half of 1919 and the prevalence of high-interest rates, contributed to a slackening of financial activity in the United States, as can be seen from Table 14 showing indexes of American financial conditions in the early postwar years. Save for a British Government issue in February, largely for the purpose of refunding an earlier war loan, and a few Canadian government and corporate issues, American underwriting of foreign securities was at a standstill during the first six months of 1919.

The world-wide business and industrial boom which got under way in the last six months of the year, and lasted until May, 1920, tended to revive confidence and to establish conditions more favorable to foreign security underwriting, although interest rates remained high. A number of the stronger European governments floated issues successfully; and Canadian issues, government and corporate, became more prominent. Finally, Latin American financing, especially of corporate issues, showed signs of recovery.

The collapse of commodity prices which commenced in May, 1920, and the depression of business and finance in the ensuing deflation period handicapped new foreign security underwriting in American markets during the last seven months of 1920 and throughout 1921. Deflation swept over not only the United States, but also over practically every foreign country. Demoralization in the foreign-exchange markets became extremely violent, disrupting international trade and closing virtually all leading pre-war international financial markets to foreign-lending operations. Practically every foreign country was facing internal economic and political problems of a most acute character.

Despite these unfavorable developments, and the fact that American financial markets were adversely affected by them—with interest rates, as shown in Table 14, maintaining the highest levels in years—public offerings of foreign securities continued in astonishing volume. The last 7 months of 1920 and the 12 months of 1921 saw government securities of 7 different European countries, of Canada and Newfoundland, of 6 Latin American countries, and of 3 noncontiguous American Territories or possessions. In addition, there were corporate issues for 3 of the more important European countries, for Canada and Newfoundland, for 6 Latin American countries, and for 2 Territories or possessions.

When it is considered that, in spite of high interest rates carried by these new foreign issues, offering prices were at a large discount, with yields ranging from about 5 to over 9 per cent and averaging over 7.5 per cent, some idea is gained of the stress under which they were issued. The facts of the case were, foreign countries were in urgent need of American capital and were willing to pay a high price to get it. Current indebtedness for purchases in the United States was extremely large, and foreign borrowing was required to liquidate it. Foreign

borrowing, moreover, was also required to provide for new purchases necessitated by normal needs and by the emergencies of postwar readjustment.

TABLE 14.—INDEXES OF AMERICAN FINANCIAL CONDITIONS<sup>1</sup>

Period	Broker's loans <sup>2</sup> (000,000 omitted)	Standard Statistics index numbers of security prices		Interest rates			Transactions on the New York Stock Exchange		New capital issues (nominal)	
		Stock prices <sup>3</sup> (410 stocks)	Bond prices <sup>4</sup> (60 high-grade bonds)	Call money <sup>5</sup> renewals (New York City)	60 to 90 day commercial paper <sup>6</sup> (New York City)	Bond yields, 60 high-grade bonds (Standard Statistics)	Stocks <sup>7</sup> number of shares (000,000 omitted)	Bonds <sup>8</sup> (000,000 omitted)	All corporate capital issues <sup>9</sup> (000,000 omitted)	Foreign capital issues <sup>10</sup> (000,000 omitted)
1919:	Dolls.			Per ct.	Per ct.	Per ct.	Dolls.	Dolls.	Dolls.	
First quarter.....	795	64.0	89.5	3.98	5.25	5.15	15	257	59	
Second quarter.....	1,072	71.3	89.2	5.67	5.43	5.18	32	278	182	
Third quarter.....	1,316	73.5	88.0	5.81	5.39	5.27	27	268	282	
Fourth quarter.....	1,381	74.0	86.6	8.65	5.59	5.38	30	345	260	
1920:										
First quarter.....	1,183	68.7	84.0	8.71	6.36	5.60	23	324	301	
Second quarter.....	1,019	66.0	79.7	7.33	7.23	5.97	18	343	321	
Third quarter.....	890	62.8	79.0	7.54	7.95	5.04	14	247	143	
Fourth quarter.....	893	59.5	80.5	7.52	7.94	5.87	20	405	224	
1921:										
First quarter.....	780	56.4	80.9	6.94	7.74	5.86	14	249	216	
Second quarter.....	766	55.2	80.1	6.43	7.02	5.93	17	262	224	
Third quarter.....	725	52.5	81.0	5.42	6.06	5.86	11	269	163	
Fourth quarter.....	827	56.5	85.3	5.11	5.30	5.39	15	392	194	

<sup>1</sup> Quarterly averages of monthly figures, to nearest whole numbers.

<sup>2</sup> Federal Reserve Board, as reported by member banks of the Federal reserve system, in New York City.

<sup>3</sup> Standard Statistics Co. weighted average of 410 stocks: 1926=100.

<sup>4</sup> Standard Statistics Co., average monthly yield of 60 high-grade bonds converted to the equivalent price for a 4.40 per cent bond having 25 years to date of maturity.

<sup>5</sup> Federal Reserve Board.

<sup>6</sup> Standard Statistics Co.

<sup>7</sup> As compiled by the Commercial and Financial Chronicle.

<sup>8</sup> See Appendix B of this handbook.

#### UNDERWRITING OF FOREIGN SECURITIES, 1922 TO 1924

Necessity largely continued to determine the volume and character of publicly offered foreign borrowing in the United States after 1921, since there were no other international financial markets open to large-scale foreign lending, and more foreign countries resorted to American capital markets than at any previous time. Unfavorable political and economic developments in various parts of the world, however, prevented American foreign-security underwriting operations on a large scale in the first two years, 1922 and 1923, but the partial political and economic recovery of 1924 gave a new stimulus to these operations.

Among the unfavorable occurrences which clouded the situation in 1922 and 1923 was the complete financial and economic disorganization of Germany, following one of the most complete currency collapses recorded in monetary history, resulting in the French occupation of the Ruhr industrial district early in 1923 because of Germany's inability to fulfill the terms of the Versailles treaty. Other factors included the constant fluctuation of the exchange values of practically all important foreign currencies; budgetary difficulties encountered



by most foreign governments, particularly European governments, whose monetary depreciation was most severe; and depression in industry, agriculture, and trade in virtually every foreign area, aggravated in the Far East by the Japanese earthquake of September, 1923. Practically every country experiencing severe difficulties suffered a flight of capital, and American markets provided the most popular temporary residing place for such capital.

The favorable developments of 1924 which served to encourage American foreign security underwriting included, first, the meeting of the Dawes committee, and the acceptance and initial application of its report by reparations creditors and Germany with the resulting reestablishment of a gold standard by the latter. Second, the improvement of British fiscal conditions and the recovery of the pound sterling approximately to par revived confidence in international banking circles. Currencies of the stronger central countries, Netherlands, Norway, and Switzerland, likewise evidenced recovery. In addition, Sweden returned to the gold standard early in the year, and currencies of many other countries displayed more strength than for several years.

The maintenance of a substantial volume of American foreign-security underwriting in 1922 and 1923 and the sharp recovery of that underwriting in 1924, however, was not entirely owing to the insistence of foreign demand for American capital. The appearance of more advantageous money and investing conditions in American markets, accompanied by a steady decline of domestic interest rates (which may be observed from the indexes of American financial conditions presented in Table 15), contributed especially to the ability of domestic markets to absorb new foreign issues.

TABLE 15.—INDEXES OF AMERICAN FINANCIAL CONDITIONS <sup>1</sup>

Period	Broker's loans (000,000 omitted)	Standard Statistics index numbers of security prices		Interest rates			Transactions on the New York Stock Exchange	New capital issues (nominal)		
		Stock prices (410)	Bond prices (60 high-grade bonds)	Call money (renewable) (New York City)	60 to 90 day banker's acceptances (New York City)	Bond yields (60 high-grade bonds) (Standard Statistics)	Stocks, number of shares (000,000 omitted)	Bonds (000,000 omitted)	All corporate capital issues (000,000 omitted)	Foreign capital issues (000,000 omitted)
1922:	<i>Dolla.</i>			<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>		<i>Dolla.</i>	<i>Dolla.</i>	<i>Dolla.</i>
First quarter.....	994	60.4	90.0	4.55	3.89	5.12	18	384	243	96
Second quarter.....	1,287	69.6	92.2	3.53	3.19	4.95	28	392	244	123
Third quarter.....	1,329	70.8	94.0	3.98	3.04	4.82	18	304	243	26
Fourth quarter.....	1,535	72.0	93.3	3.76	3.91	4.86	23	286	195	40
1923:										
First quarter.....	1,609	74.0	92.8	3.76	3.99	4.91	23	272	391	51
Second quarter.....	1,573	70.1	91.7	3.86	4.13	4.99	21	252	258	20
Third quarter.....	1,259	65.3	91.4	3.99	4.13	5.01	14	164	136	49
Fourth quarter.....	1,163	66.7	91.3	3.80	4.13	5.01	21	263	267	47
1924:										
First quarter.....	1,385	70.8	92.1	3.25	4.03	4.95	22	291	279	81
Second quarter.....	1,417	68.7	92.9	3.28	3.23	4.90	17	310	363	40
Third quarter.....	1,626	74.1	94.3	2.06	2.11	4.79	22	309	293	120
Fourth quarter.....	1,751	77.6	94.6	2.74	2.39	4.77	34	358	345	164

<sup>1</sup> Quarterly averages of monthly figures, to nearest whole number. For sources, see footnotes to Table 14.

Several factors account for this improvement in the American money market. Beginning in the last three months of 1920 and continuing until November, 1924, the United States received nearly \$1,700,000,000 of gold through importations. The initial gold inflow came at a time of widespread domestic credit liquidation, and accompanied a period of commercial bank loan and Federal reserve credit contraction lasting through the first half of 1922. In fact, as nearly as can be estimated, about half of the total contraction in the borrowing of member banks from Federal reserve banks during 1921 and 1922 was accomplished by the use of imported gold. The effect of the gold received after the middle of 1922 had quite different consequences. Credit liquidation had ceased, Federal reserve discount rates had been lowered from the high levels of 1920 and 1921; and a process of business expansion had got under way. Under these conditions fewer member banks liquidated their borrowings at the reserve banks with new gold, but deposited it to their reserve accounts. In other words, they used it to expand their loans and to supply the increasing currency requirements of their customers accompanying the upswing of trade which lasted from 1922 to 1924, with only a slight recession in the latter year.

The upswing in domestic production and trade, while increasing the demands for bank credit and new capital, also contributed to the supply by adding to individual incomes and stimulating a rapid growth of national savings or investment capacity. Partly because of the favorable developments in basic banking reserves and partly because of the improvement in industry and trade, loans and investments and deposits of all banks in the United States rose 18 and 22 per cent, respectively, from the middle of 1922 to the end of 1924. Immediately reflected in the country's central money market these conditions gave rise, especially in 1922 and 1924, to much lower interest rates than in any previous postwar year, and higher prices for fixed income securities of all kinds.

Other factors also contributed. Between June, 1921, and June, 1925, approximately \$3,500,000,000 of capital funds were set free to seek reinvestment as a result of the debt retirement policy of the United States Treasury. In addition, the flight of capital from abroad, particularly from Europe, exerted no small influence in American capital markets. Foreigners commenced to buy on a large scale in 1922, not only American securities but their own dollar issues previously offered in this market.<sup>7</sup>

Naturally, the higher yields required by uncertain financial and economic conditions abroad appealed to American investors willing to assume greater risks for a larger return. Furthermore, the higher yields and the fact that new foreign issues were generally payable in dollars attracted foreign capital temporarily residing in the United States for protection. The combination of these two influences definitely assisted in the maintenance of a considerable volume of American foreign security underwriting in 1922 and 1923. In 1924, moreover, when foreign conditions appeared greatly improved, they stimulated a recovery of new foreign security underwriting to a net

<sup>7</sup> Foreigners purchased American securities and their own dollar securities to the combined amount of \$491,000,000 in 1922, as against \$74,000,000 in 1921. In 1923 they bought a total of \$617,000,000 of securities on American markets, and in 1924, \$574,000,000. The proportion of their own securities bought was 42 per cent in 1922, 25 per cent in 1923, and 45 per cent in 1924. Foreigners also sold back substantial blocks of American holdings—\$213,000,000, \$212,000,000, and \$351,000,000, respectively—but Americans bought foreign securities from European markets in substantial volume—\$297,000,000—in only one year, 1922.

nominal amount exceeded only by one war year, 1916, and encouraged refunding flotations in a volume surpassed only by the refunding offerings of 1919.

#### AMERICA'S THIRD FOREIGN SECURITY UNDERWRITING BOOM

The improvements in foreign economic conditions which stimulated a widespread renewal of American foreign investing interest in 1924, received further impetus in 1925 and succeeding years. For example, early in 1925, Great Britain, Netherlands, Java, Australia, and South Africa all returned to a gold-standard basis; while foreign-exchange markets evidenced greater stability, on the whole, than in any preceding postwar year. In addition, important progress was made in treaty settlement of various intergovernmental debts arising out of the war. Finally, in December, 1925, the Locarno treaties were signed, presaging an era of good will in European diplomatic relations.

The years 1926, 1927, and 1928 witnessed further gains for the gold standard; and by the end of 1928, virtually every important country had reestablished gold as the currency base. Again, budgetary developments in most countries were considered favorable, or at least more encouraging than for years; while international trade and economic conditions generally gave evidence of marked advances. Corporate reorganization and the moderinzation of productive processes under the vogue of "rationalization" received a marked stimulus in Europe, and large-scale public-works programs, notably in Europe and Latin America, were pursued. Foreign security underwriting, lastly, in the older European markets, particularly Amsterdam and London, recommenced on a large scale, and other less important European financial markets became more actively interested in international securities. Trading in international securities, with New York as the central trading center, reached proportions altogether unprecedented in financial history.<sup>3</sup>

TABLE 16.—NUMBER OF COUNTRIES WHOSE SECURITIES WERE PUBLICLY OFFERED IN THE UNITED STATES, 1925-1928, CLASSIFIED BY AREA AND TYPE OF BORROWER (GOVERNMENT OR CORPORATE)

Year	Number of countries offering securities	European countries		North American countries *		Latin American countries		Far Eastern countries		Territorial possessions	
		Government	Corporate	Government	Corporate	Government	Corporate	Government	Corporate	Government	Corporate
1925.....	33	13	12	1	1	7	6	1	2	2	1
1926.....	39	9	10	1	2	11	7	1	1	3	2
1927.....	41	13	9	2	1	10	7	2	4	3	2
1928.....	40	12	10	1	2	10	9	1	2	3	2
Total.....	47	20	17	2	2	12	11	2	4	3	3

\* Canada and Newfoundland.

<sup>3</sup> For example, foreigners bought \$746,000,000 of American and their own securities herein 1925, \$946,000,000 in 1926, \$1,259,000,000 in 1927, and \$2,076,000,000 in 1928. Americans, on the other hand, bought from foreigners successively \$371,000,000, \$595,000,000, \$827,000,000, and \$1,721,000,000, of their own and foreign securities.

American underwriting of foreign securities was readily stimulated by these developments for three principal reasons. In the first place, they were reflected in American investing confidence and willingness to purchase foreign securities. In the second place, they resulted in increased demands for new capital by foreign governments and corporations and by American corporations seeking to participate in the economic recovery of foreign countries. In the third place, while older financial markets were renewing their foreign security underwriting activities, two of them, Berlin and Paris, remained closed; and interest rates and underwriting charges demanded of borrowers in the others must have been greater as a rule than were charged in the United States.

The extent of the increased demands of foreign countries for American capital through publicly offered securities is clearly indicated in Table 16, showing the number of different countries whose securities were offered to American investors from 1925 to 1929, classified by area and by the type of borrower (government or corporate). During the period from 1925 to 1928, 47 separate foreign countries so obtained American capital, and the number from year to year ranged from 33 to 41. While many of the countries whose securities were represented had been borrowers before, several were new, and the aggregate number whose issues were floated in each year was much greater than in any previous year.

The conditions which tended to make the United States the most favorable market for foreign security offerings in this period are to be found chiefly in the economic and financial developments which took place. Beginning with 1925, the country experienced an industrial and trade recovery which continued until the fall of 1927, with but a slight deflection at the end of 1927 and the beginning of 1928. During the same period, it also experienced a run of speculative and financial activity without parallel in financial annals.

The excess of gold imports which had been typical from 1920 to 1924 suffered a short interruption in the first six months of 1925, but was subsequently resumed with an inward movement of \$260,000,000 until the middle of 1927. A gold exodus amounting to \$576,000,000 followed, lasting to the third quarter of 1928. Owing to continuance of the gold inflow up to 1927 and to the cumulative effects of previous gold imports, the banking system of the country found it unnecessary to rely heavily upon the Federal reserve system in the promotion of credit expansion, although Federal reserve policies were moderate and discount rates comparatively low (from 3½ to 4 per cent), offering little resistance to the growth of bank credit.

When the gold outflow developed in 1927, the Federal reserve banks at first voluntarily furnished reserve credit to take the place of gold lost from banking reserves, by purchasing Government securities on the open market. In 1928, however, by the liquidation of Government securities held, they caused member banks to discount commercial paper with them, and at successively higher discount rates. Increased dependence upon the Federal reserve banks did not cause a contraction of bank credit, although it did contribute to the sharp increase in interest rates. On the contrary, bank-credit expansion continued with some rapidity, and, from the end of 1925 to the end of 1928, an increase of over 12 per cent took place for both bank loans and investments and bank deposits.

Because of these financial circumstances, together with the high level of industrial activity—and also the rising volume of foreign buying of securities in the United States—the supply of investment funds in the country's central money market was abundant; money rates and bond yields were low, with but a slight tendency toward firmness in the last two quarters of 1928. Flotations of new securities, therefore, as can be noted in Table 17, showing indexes of American financial conditions, 1925 to 1929, were made at low cost under the most favorable circumstances, and new offerings of both domestic and foreign issues appeared in unprecedented volume with the pace of the latter slackening at the end of 1928, when higher interest rates prevailed. In addition, resales of American securities by foreigners were readily absorbed and American investors bought an increasing amount of foreign securities directly from foreign markets.<sup>9</sup>

TABLE 17.—INDEXES OF AMERICAN FINANCIAL CONDITIONS <sup>1</sup>

Period	Brokers' loans* (000,000 omitted)	Standard Statistics index numbers of security prices		Interest rates			Transactions on the New York Stock Exchange		New capital issues (nominal)	
		Stock prices (410 stocks) <sup>1</sup>	Bond prices (60 high-grade bonds)	Call money (renewals) (New York City)	60 to 90 day bankers' acceptances (New York City)	Bond yields 60 high-grade bonds (Standard Statistics)	Stocks, number of shares (000,000 omitted)	Bonds (000,000 omitted)	All capital issues (000,000 omitted)	Foreign capital issues (000,000 omitted)
<b>1925:</b>	<i>Dolls.</i>			<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>		<i>Dolls.</i>	<i>Dolls.</i>	<i>Dolls.</i>
First quarter.....	2,076	84.9	94.7	3.63	3.11	4.77	38	331	533	97
Second quarter.....	2,155	85.0	95.8	3.88	3.19	4.68	31	302	530	89
Third quarter.....	2,321	90.8	95.5	4.30	3.34	4.71	34	241	448	134
Fourth quarter.....	2,356	98.2	95.3	4.98	3.50	4.72	48	258	562	119
<b>1926:</b>										
First quarter.....	3,015	99.8	96.5	4.58	3.64	4.64	42	272	873	87
Second quarter.....	2,479	94.4	97.2	4.01	3.31	4.59	31	271	878	120
Third quarter.....	2,703	102.4	97.1	4.60	3.61	4.60	39	196	492	94
Fourth quarter.....	2,670	103.4	97.5	4.82	3.83	4.37	38	272	633	129
<b>1927:</b>										
First quarter.....	2,776	107.5	98.1	4.16	3.68	4.53	43	326	851	123
Second quarter.....	2,971	113.6	98.9	4.26	3.63	4.48	48	283	930	139
Third quarter.....	3,179	122.3	98.8	3.84	3.25	4.48	37	234	576	89
Fourth quarter.....	3,485	129.8	99.8	3.96	3.25	4.42	55	265	955	175
<b>1928:</b>										
First quarter.....	3,782	134.9	100.4	4.40	3.46	4.38	63	284	872	135
Second quarter.....	4,279	147.8	98.5	5.70	3.94	4.43	76	280	1,043	216
Third quarter.....	4,296	149.7	97.5	6.73	4.46	4.57	66	196	420	32
Fourth quarter.....	4,999	167.2	97.5	7.42	4.50	4.57	69	221	963	94
<b>1929:</b>										
First quarter.....	5,547	186.6	96.4	7.74	5.13	4.65	98	214	1,043	91
Second quarter.....	5,450	188.3	95.4	8.50	5.50	4.70	81	227	1,041	68
Third quarter.....	6,150	216.8	95.0	8.65	5.13	4.74	96	259	1,147	27
Fourth quarter.....	4,637	172.7	95.8	5.58	4.34	4.69	99	273	637	49

<sup>1</sup> Quarterly averages of monthly figures, to nearest whole number. For sources, see footnotes to Table 14.  
<sup>2</sup> In 1929, 405 stocks.

The extraordinary capacity of American markets to absorb new issues, and the presence of ample investment funds were also the chief factors making for the great volume of foreign refunding issues placed

<sup>9</sup> Foreigners resold American securities from 1925 to 1928, respectively, in the following amounts: \$307,000,000, \$485,000,000, \$661,000,000, and \$1,153,000,000; while American investors purchased directly abroad in the same years, foreign securities totaling, respectively, \$64,000,000, \$110,000,000, \$168,000,000 and \$568,000,000.

in these years. Foreign borrowers who had floated issues in earlier years at higher interest rates were quick to take advantage of opportunities to place their outstanding loans upon a more favorable basis.

#### DECLINE OF FOREIGN SECURITY UNDERWRITING IN 1929 <sup>10</sup>

Adverse political and economic conditions abroad were among the chief causes for the sharp decline in the volume of American underwriting of foreign securities in 1929. From the political angle, the negotiations for the revision of the Dawes Plan in Europe and uncertainty over the German reparations problem continued throughout the year. Although the experts who met in Paris during the first six months agreed on the technical aspects of the problem, the political representatives of the governments concerned failed to reach accord until in January, 1930. The tardiness of these negotiations prevented any important volume of issues by central European countries and possibly of reparation creditor governments whose credit position in investing markets partly hinged upon the solution of the problem. Foreign borrowing by certain other European countries was discouraged by their internal political situations.

Economic conditions in Latin America were partly responsible for the decline in Latin American security offerings. The export of corn and the production of wheat by Argentina, two of the most important items in the national economy of that country, declined seriously during 1929. Low coffee and sugar prices seriously affected business in Brazil and Cuba and to some extent in Colombia and Central American Republics. In addition, the appearance of unfavorable fiscal situations furnished other deterrents to new Latin American issues. As these economic and fiscal developments became more widely known, the prices of Latin American securities already outstanding in the United States, declined, diminishing the probabilities for the success of new issues.

Whatever significance these foreign economic and political events may have had, American money market conditions, as reflected in the indexes also contained in Table 17, had a very important restrictive influence upon the volume of American underwriting of foreign securities. Money rates in New York City remained for the first nine months of the year at the highest levels since 1920, and the Federal reserve banks contributed their influence to maintaining such levels by keeping their discount rates at 5 per cent and raising the New York discount rate to 6 per cent in August, hoping that advanced money rates would check the nation-wide speculation in stocks. High money rates, however, attracted new funds into speculative channels. Security loans by banks to brokers and investors, already large as a consequence of the financial activity of previous years, continued to mount rapidly for the first three quarters of the year, supporting an ever higher stock price level and enabling the underwriting of new domestic issues—particularly stock issues—on an unprecedented scale.

Despite the apparent ability of the financial market to absorb new domestic issues during the first nine months, foreign security underwriting was at an apparent standstill, and for two principal reasons.

<sup>10</sup> See especially Trade Information Bulletin No. 688 "American Underwriting of Foreign Securities in 1929," by Paul D. Dickens.

First, foreign borrowers—governments and corporations—whose previous issues in this market had been largely bonds, were generally unwilling to incur the borrowing charges imposed by the conditions obtaining (although in a number of cases they did contract for large short-term banking advances). New bond issues would have required somewhat higher interest yields, than in the preceding years, and the risks attending their underwriting at a time when investors were definitely preferring equity securities would have involved much higher underwriting costs. Both foreign governments and foreign corporations were naturally loath to encumber their future budgets on such account. Moreover, they were even successful in avoiding refunding offerings. Possibly, however, foreign refunding under the more favorable bond market requirements of 1926, 1927, and 1928 had so anticipated requirements that 1929 could pass by with a minimum of such transactions.

Second, the preference of American investors for speculative securities, chiefly common stocks, convertible bonds, preferred stocks in units with common stock, or fixed income securities with common stock purchase warrants was so pronounced, that only the securities of the strongest and best known foreign corporations could have been successfully offered to American investors. Lack of familiarity with foreign corporations on the part of the investing public on the one hand, and a distinct reluctance of foreign corporations to see corporate control pass to another country operated to restrict the volume of foreign corporate issues in this period of hectic speculative activity. As it was, more of such issues were floated in 1929 (and almost wholly in the first nine months) than in any other year of American foreign security underwriting, although a large proportion of them were by American or semi-American corporations for foreign investment purposes.

The stock market collapse in October, the severest in history, definitely discouraged new issues, both domestic and foreign, in the last quarter of 1929, notwithstanding the fact that it was accompanied by a sharp decline of interest rates. Unsettling effects were altogether too extended to permit the immediate reappearance of large-scale security underwriting. World-wide repercussions, moreover, together with uncertain conditions already prevailing abroad, obstructed the recovery of new foreign capital flotations in American markets.

## YIELD INDEXES AT OFFERING PRICES OF NEW FOREIGN BONDS

Bankers, investors, and students of international finance have long been hampered in their conclusions on new foreign bonds by the absence of reliable yield indexes of such issues based on offering prices, and running over a period of years. A new weighted average yield index, therefore, has been compiled for all new foreign bonds for each year from 1919 to 1929. To add further to its usefulness, it has been broken up into separate yield indexes for each principal geographical area, permitting a historical view of the relative credit ratings of these areas in American markets. These indexes are published for the first time in the present chapter.

### YIELD INDEX OF ALL NEW FOREIGN BONDS, 1919-1929

The question has often been raised as to how much, on the average, foreign borrowers have had to pay American investors to induce the latter to purchase their securities. The answer is to be found in Table 18, showing weighted average yields of foreign bond issues based on offering prices from 1919 to 1929; and also a classification of the par values of new foreign bond offerings within various interest-yield ranges. The relative importance of government as against corporate issues in various years may be recalled from Tables 3 and 4, particularly the fact that the latter have been of prominence in recent years.

TABLE 18.—PAR VALUE OF FOREIGN<sup>1</sup> BOND ISSUES PUBLICLY OFFERED IN THE UNITED STATES, CLASSIFIED BY YIELDS, AT OFFERING PRICES, AND THE WEIGHTED AVERAGE INDEX OF YIELDS

	1919	1920	1921	1922	1923	1924
3.75 to 3.99 per cent.-----						\$5,000,000
4 to 4.24 per cent.-----						97,000,000
4.25 to 4.49 per cent.-----				\$175,000		34,375,000
4.50 to 4.74 per cent.-----	\$10,000,000			17,750,000	\$2,000,000	6,500,000
4.75 to 4.99 per cent.-----				18,000,000		40,261,000
<b>Total</b> -----	<b>10,000,000</b>			<b>35,725,000</b>	<b>2,000,000</b>	<b>183,136,000</b>
5 to 5.24 per cent.-----		\$4,500,000	\$1,150,000	145,195,884	78,550,000	41,488,000
5.25 to 5.49 per cent.-----	143,587,000	6,500,000	2,000,000	16,734,000	5,000,000	18,367,187
5.50 to 5.74 per cent.-----	58,000,000	5,000,000	11,025,000	7,322,500	54,500,000	65,008,000
5.75 to 5.99 per cent.-----	87,150,000	600,000	8,320,000	21,468,000		5,150,000
<b>Total</b> -----	<b>288,737,000</b>	<b>16,500,000</b>	<b>22,495,000</b>	<b>190,720,384</b>	<b>138,050,000</b>	<b>130,013,187</b>
6 to 6.24 per cent.-----	334,710,000	2,309,200	31,400,000	58,880,000	9,500,000	99,540,000
6.25 to 6.49 per cent.-----	15,250,000	8,907,362	18,479,714	70,095,000	28,300,000	101,000,000
6.50 to 6.74 per cent.-----	21,390,000	29,368,869	77,360,200	108,073,000	83,510,600	2,430,000
6.75 to 6.99 per cent.-----	22,620,700	12,000,000	29,375,000	200,000	37,000,000	21,990,000
<b>Total</b> -----	<b>393,970,700</b>	<b>52,585,431</b>	<b>156,614,914</b>	<b>237,248,000</b>	<b>158,310,600</b>	<b>224,960,000</b>
7 to 7.24 per cent.-----	17,575,000	134,048,000	63,000,000	22,270,700	70,677,000	270,400,000
7.25 to 7.49 per cent.-----	8,680,000	4,635,000	1,350,000	148,500,000		
7.50 to 7.74 per cent.-----	1,600,000	22,400,000	39,479,300	52,825,000	10,200,000	164,500,000
7.75 to 7.99 per cent.-----		11,000,000	11,770,000	51,880,000		153,000,000
<b>Total</b> -----	<b>27,855,000</b>	<b>172,083,000</b>	<b>135,599,300</b>	<b>275,475,700</b>	<b>80,877,000</b>	<b>587,900,000</b>
8 to 9 per cent.-----		276,650,000	313,126,000	88,350,000	36,225,000	52,815,000
9 to 10 per cent.-----		2,025,000	9,500,000	1,000,000		
10 to 11 per cent.-----		1,000,000	2,272,249			
<b>Total</b> -----		<b>279,675,000</b>	<b>324,898,249</b>	<b>89,350,000</b>	<b>36,225,000</b>	<b>52,815,000</b>
<b>Total, all classified bonds</b> -----	<b>720,562,700</b>	<b>620,843,431</b>	<b>639,607,463</b>	<b>828,719,084</b>	<b>415,462,600</b>	<b>1,178,824,187</b>

<sup>1</sup> Excluding issues by Alaska, Hawaii, and Porto Rico.



TABLE 18.—PAR VALUE OF FOREIGN BOND ISSUES PUBLICLY OFFERED IN THE UNITED STATES, CLASSIFIED BY YIELDS, AT OFFERING PRICES, AND THE WEIGHTED AVERAGE INDEX OF YIELDS—Continued

	1919	1920	1921	1922	1923	1924
Preferred stock.....	\$10,250,000	\$16,700,000	\$25,000,000	\$3,500,000	\$35,720,000	\$28,100,000
Common stocks.....	22,924,400	17,760,000	8,749,500	7,100,000	16,436,750	3,218,750
Units of preferred and common stock.....	4,365,600					
Unclassified (bonds).....	10,037,000	46,634,555	6,412,000	13,950,000	24,600,000	565,000
Total stocks and unclassified bonds.....	47,577,000	81,094,555	40,161,500	24,550,200	76,756,750	31,883,750
Grand total.....	768,139,700	601,937,966	679,768,963	850,769,284	492,219,350	1,210,707,937
Weighted average yield of new foreign securities whose yields are known.....	5.97	7.71	7.54	6.63	6.42	6.56
Year-to-year change.....		+1.74	-0.17	-0.91	-0.21	+0.14

	1925	1926	1927	1928	1929
3.75 to 3.99 per cent.....			\$1,405,000		
4 to 4.24 per cent.....	\$85,000,000		10,370,000	\$13,610,000	
4.25 to 4.49 per cent.....	5,500,000	\$20,329,500	28,935,000	36,800,000	\$500,000
4.50 to 4.74 per cent.....	78,063,000	78,453,000	115,602,000	93,925,000	5,450,000
4.75 to 4.99 per cent.....	29,189,500	65,924,800	69,557,250	97,021,500	24,949,000
Total.....	197,772,500	164,707,300	225,869,250	241,356,500	30,899,000
5 to 5.24 per cent.....	110,440,000	13,000,000	202,118,500	138,086,000	200,168,600
5.25 to 5.49 per cent.....	13,700,000	62,650,000	93,965,000	70,900,000	12,902,000
5.50 to 5.74 per cent.....	91,297,400	3,700,000	56,163,500	49,231,000	23,703,000
5.75 to 5.99 per cent.....	15,060,000	54,750,000	20,665,500	23,071,000	
Total.....	230,497,400	134,100,000	372,912,500	279,288,000	236,770,600
6 to 6.24 per cent.....	52,166,500	105,204,000	118,242,000	89,139,600	54,520,000
6.25 to 6.49 per cent.....	125,887,750	65,800,000	168,530,000	179,474,000	33,145,000
6.50 to 6.74 per cent.....	42,670,000	132,286,000	127,235,000	247,946,000	27,100,000
6.75 to 6.99 per cent.....		110,761,000	70,211,500	128,000,000	12,664,000
Total.....	220,724,250	404,051,000	484,218,500	644,559,600	127,429,000
7 to 7.24 per cent.....	111,825,000	84,573,000	134,184,500	91,245,000	18,366,000
7.25 to 7.49 per cent.....	48,488,000	96,700,762	117,695,500	51,146,000	19,000,000
7.50 to 7.74 per cent.....	214,693,000	193,623,200	84,578,000	24,200,000	20,508,000
7.75 to 7.99 per cent.....	91,000,000	50,678,600	48,500,000	26,000,000	1,750,000
Total.....	466,006,000	425,575,562	394,958,000	192,591,000	59,624,000
8 to 9 per cent.....	126,920,000		883,300		5,419,500
9 to 10 per cent.....		820,250			
10 to 11 per cent.....					
Total.....	126,920,000	820,250	883,300		5,419,500
Total, all classified bonds.....	1,941,920,150	1,129,254,112	1,478,841,550	1,357,795,100	460,142,100
Preferred stock.....	41,000,000	71,935,350	17,809,000	52,660,700	38,941,889
Common stocks.....	13,250,000	68,181,720	35,915,270	49,276,380	90,937,492
Units of preferred and common stock.....	5,100,000	2,310,000	8,970,000	12,555,000	104,931,200
Unclassified (bonds).....	6,481,000	2,837,500	7,275,000	11,920,000	15,650,000
Total stocks and unclassified bonds.....	65,831,000	145,264,570	69,969,270	126,412,080	235,460,581
Grand total.....	1,307,751,150	1,274,518,682	1,548,810,820	1,484,207,180	695,602,681
Weighted average yield of new foreign securities whose yields are known.....	6.51	6.51	6.14	6.09	5.81
Year-to-year change.....	-0.05	0	-0.37	-0.05	-0.28

## TREND OF AVERAGE YIELDS ON ALL NEW FOREIGN BONDS

The highest average yields foreign borrowers have had to offer to American investors were 7.71 and 7.54 per cent, and these occurred under the stringent conditions of 1920 and 1921. A sharp decline in the average yield followed in 1922, and from that year until 1926, comparative stability obtained. The trend was steadily downward in the last three years, however, with a low average yield of 5.80 per cent in 1929. The average annual index of new foreign bond yields for the entire 11-year period was 6.53 per cent; for the first 6 years it was 6.80 and the for last 5 years 6.21 per cent.

The sharp rise in yields in 1920 and 1921 over 1919 accompanied the world-wide trade and financial depression and reflected the disrupting effects of the general depreciation of foreign currencies. The decline in 1922 was probably more largely owing to a satisfactory domestic capital market position than to improved conditions abroad. The stability obtaining from 1922 to 1926, represented the combined influence of domestic capital conditions and encouraging developments abroad—including the increasing steadiness of foreign-exchange markets, the general steps toward the restoration of the gold standard, and the progress which was being made in reestablishing economic order after the maladjustments of the war and postwar periods. Finally, the declines in 1927 and 1928 reflected the continued economic and financial recoveries of foreign countries, the final reestablishment of the international gold standard, and the particularly favorable capital-market conditions in the United States.

The further decline recorded in the average yield index in 1929 is of special interest, because of the fact that American money rates were notably high during the entire year. The explanation is two-fold. First, short-term money rates rose much more sharply than did long-term interest rates. The increase in the latter over the rates prevailing in 1928, judging by indexes of domestic bond yields, was scarcely more than one-fourth of 1 per cent at the highest, whereas the rise of the former was several per cent, depending upon the type of short-term loan. Second, the majority of the foreign bond issues floated during the year were offered by strong borrowers, particularly Canadian, who could command the most favorable terms from investors.

A weighted index of nominal interest rates for the same securities, given in Table 19, shows for the most part a corresponding trend. In years when high yield rates have been necessary on foreign bonds to insure their distribution among investors, the nominal interest rates which they have carried have likewise been high. Conversely when yield rates have been low, nominal interest rates have been low. The general tendency, therefore, has been for new foreign securities to be offered at a discount.

TABLE 19.—THE WEIGHTED AVERAGE INDEX OF NEW FOREIGN BOND YIELDS COMPARED WITH THE DISCONTINUED WEIGHTED AVERAGE INDEX OF NOMINAL INTEREST RATES

Year	Weighted average index of new foreign bond yields	Weighted average index of nominal interest rates of new foreign bonds <sup>1</sup>	Excess of average yield over average nominal interest rates	Average yield index relative to average nominal interest rate index
	<i>Per cent</i>	<i>Per cent</i>	<i>Points</i>	
1919.....	5.97	5.66	0.31	105
1920.....	7.71	7.07	.64	109
1921.....	7.54	6.94	.60	109
1922.....	6.63	6.29	.34	105
1923.....	6.42	5.94	.58	110
1924.....	6.56	6.09	.47	108
1925.....	6.51	6.11	.40	107
1926.....	6.51	6.18	.33	105
1927.....	6.14	5.98	.16	103
1928.....	6.09	5.67	.42	107
1929.....	5.81	( <sup>2</sup> )		

<sup>1</sup> The Balance of International Payments of the United States in 1928, Trade Information Bulletin, No. 625, pp. 28-29, by Dr. Ray Hall.

<sup>2</sup> Discontinued.

#### NEW FOREIGN AND DOMESTIC BOND YIELDS COMPARED

It has long been held that one of the principal reasons for the large volume of foreign securities publicly offered in the United States in recent years has been the relatively higher yields on such securities than on domestic securities. In order to test this contention, the weighted average yields on new foreign securities have been compared in Table 20 with a recognized index of domestic bond yields. The differences in the construction of the two indexes necessitate some reservations in arriving at conclusions. The latter index is an annual average, composed of yields on selected high-grade domestic bonds outstanding; while the former is weighted and is based on all new offerings of foreign securities, including a larger proportion of governmental issues, irrespective of grade. Nevertheless, it is felt that valid inferences may be drawn from them.

TABLE 20.—THE WEIGHTED AVERAGE INDEX OF NEW FOREIGN BOND YIELDS COMPARED WITH THE STANDARD STATISTICS CO. INDEX OF HIGH GRADE DOMESTIC BOND YIELDS

Year	Weighted average yield index of new foreign bonds	Standard Statistics index of yields on 60 high-grade domestic bonds <sup>1</sup>	Excess of the average yields on new foreign bonds over the average yields on high-grade domestic bonds	Average yield index of new foreign bonds relative to the average yield index on high-grade domestic bonds
	<i>Per cent</i>	<i>Per cent</i>	<i>Points</i>	
1919.....	5.97	5.25	0.72	114
1920.....	7.69	5.88	1.81	131
1921.....	7.54	5.79	1.75	130
1922.....	6.63	4.94	1.69	134
1923.....	6.42	4.98	1.44	129
1924.....	6.56	4.85	1.71	135
1925.....	6.51	4.72	1.79	136
1926.....	6.51	4.60	1.91	141
1927.....	6.14	4.47	1.67	137
1928.....	6.09	4.49	1.60	136
1929.....	5.81	4.66	1.12	124
Average, 1919-1924.....	6.80	5.28	1.62	129
Average, 1925-1929.....	6.21	4.59	1.52	135
Average, 1919-1929.....	6.53	4.97	1.56	132

<sup>1</sup> Standard Statistics Co., 15 industrial bonds, 15 railroad bonds, 15 public utility bonds, and 15 municipal bonds.

For the entire period from 1919 to 1929 the index numbers of new foreign bond yields and of domestic bond yields displayed similar trends; although from 1922 to 1926, the latter steadily declined while the former remained at a comparatively stable level. The absolute differences between them, though irregular, possess a remarkable constancy. From 1919 to 1924, embracing the early period of post-war readjustment the annual average yield index of new foreign bonds was 6.80 per cent as against 5.28 per cent for annual average on high-grade domestic bonds, or an average excess of 1.62 points. In relative terms (see column 4 of Table 20), the annual average new foreign security yield index was 29 per cent greater than the annual average domestic yield index. If the year 1919 were eliminated (because the conditions prevailing were more immediately connected with the war period than with the subsequent era of economic and financial disorder) the annual average index of foreign bond yields becomes 6.97 per cent and that of domestic bonds, 5.29 per cent; while the annual average absolute difference becomes 1.68 points, and the relative difference 32 per cent. For the period from 1925 to 1929, when more satisfactory domestic and world conditions obtained, the respective figures were 6.21, 4.59, 1.52, and 35 per cent.

Owing to the persistence of this tendency for new foreign securities to yield approximately one-third more than outstanding domestic securities, it would appear that the contention previously mentioned, is substantially correct. In other words, risks of foreign investment have been notably greater as a rule, or have been considered so by investors, than those of domestic investment. The excess of average foreign yield over domestic yields which has regularly occurred,

therefore, may be regarded as compensation for greater risks—necessary to overcome the reluctance of investors to assume foreign investment hazards. That the additional compensation has been generally large enough to accomplish its purpose is affirmed by the volume of new foreign securities purchased.

Large-scale purchasing of foreign securities by American investors, however, is a comparatively new development. From that standpoint, part of the excess yield of new foreign issues over outstanding domestic securities may be considered as a premium which foreign borrowers have had to pay to accustom American investors to foreign security buying.<sup>1</sup> A slow, though not complete, narrowing of the spread between the two indexes, consequently, might be expected to appear in coming years as American investors become better acquainted with foreign bonds. Of course, it might also be expected to narrow as a result of greater international economic and financial stability with lessened risks attending foreign security investment.

#### YIELD INDEXES OF NEW FOREIGN BONDS BY AREAS

Separate yield indexes of new foreign bonds, computed by areas, not only serve to amplify the general index of all foreign bond yields, but have significance in themselves. For example, by comparing such indexes it is possible to observe which area, taken as a whole, has possessed the strongest credit position with American investors and which area has consistently held the least favorable position. Moreover, by comparing them all with domestic bond yields, it is possible to note which areas have had to offer American investors the most in the way of interest yield in recent years. Stated in another way, a comparison of the yield indexes of each area with domestic yields shows which area's securities as a rule have netted the highest gain, at offering prices, when contrasted with alternative opportunities for investment in conservative or high-grade domestic bonds.

Before making comparisons, however, individual factors affecting the yield index of each area require separate analysis. For example, to what extent has each index been influenced in different years by the weight of government as against corporate bond issues? In what measure have the issues of a single country or a few countries dominated? Finally, what distinctive economic and political conditions have accentuated the yield movements from year to year?

#### YIELD INDEX OF NEW EUROPEAN BONDS

The yield index for new European bonds, shown in Table 21, was heavily weighted by British Government issues in 1919 and in 1920, 1921, and 1922, by French Government issues. The issues of no single European government were predominant in 1923 or 1924, although the number of European countries obtaining American

<sup>1</sup> This does not mean, however, that American investors have generally had to be attracted by larger yields than in other international lending countries; in other words, that new foreign securities have been regularly undervalued in American markets relative to other markets. High offering yields on foreign issues have been necessary in the period here considered in other markets as well, but for differing reasons. See a recent study by George Muchnic, *Are Foreign Securities Undervalued in the American Market* (Harvard Business Review, April, 1930, pp. 289-295), in which the writer analyzes prices of 14 similar seasoned foreign bonds quoted in New York and London during 1928 and 1929 and shows yield appraisals of American and British investors to have been comparable.

capital was small in 1923 and fairly large in 1924. The weight of corporate securities as against government was comparatively unimportant in each of these early years, but it was important in the subsequent years averaging around 33 per cent and amounting to about 20 per cent in 1925 and 60 per cent in 1929. Although the number of European countries floating new bond issues was large from 1925 to 1929, issues for Germany, both government and corporate, exerted by far the greatest weight in index. To a certain extent, therefore, the index of new European bond yields in the last five years accurately reflects the trend of new German bond yields.

Uncertain political conditions in Europe, with continuous controversy over Germany's reparations debt, unbalanced governmental budgets, and disorganized currencies and international trade, were largely responsible for the high average yields of new European bonds, from 1920 to 1926. The marked improvement in all of these conditions following the adoption of the Dawes plan and the general return of Europe to the gold standard played a large part in the decline of the last three years. Capital market conditions in the United States, characterized by a steadily declining long-term interest rate, also contributed. The fact that the index of 1929 failed to rise more than it did, is probably accounted for by the character of the borrowers and by the concentration of new European issues in the early months of the year, before stock speculation had demoralized activity in the American bond markets.

TABLE 21.—PAR VALUE OF EUROPEAN BONDS PUBLICLY OFFERED IN THE UNITED STATES, CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE YIELD INDEX OF NEW EUROPEAN BONDS

	1919	1920	1921	1922	1923	1924
4.75 to 4.99 per cent.....						\$1,400,000
Total.....						1,400,000
5 to 5.24 per cent.....				\$456,000		
5.25 to 5.49 per cent.....	\$143,587,000				\$3,000,000	
5.50 to 5.74 per cent.....						60,000,000
Total.....	143,587,000			456,000	3,000,000	60,000,000
6 to 6.24 per cent.....	315,000,000			46,300,000		85,000,000
6.25 to 6.49 per cent.....		\$3,250,000		19,200,000	20,000,000	
6.50 to 6.74 per cent.....			\$33,275,000	23,220,000	20,000,000	
6.75 to 6.99 per cent.....	22,220,700				12,000,000	2,500,000
Total.....	337,220,700	3,250,000	33,275,000	88,720,000	52,000,000	87,500,000
7 to 7.24 per cent.....		35,000,000			15,000,000	99,000,000
7.25 to 7.49 per cent.....				40,000,000		
7.50 to 7.74 per cent.....		15,000,000	22,779,300	17,975,000		157,000,000
7.75 to 7.99 per cent.....			4,270,000	25,000,000		120,000,000
Total.....		50,000,000	27,049,300	82,975,000	15,000,000	376,000,000
8 to 9 per cent.....		251,000,000	146,000,000	36,750,000	25,000,000	33,750,000
Total classified bonds.....	480,807,700	304,250,000	206,324,300	208,901,000	95,000,000	558,650,000
Preferred stocks.....		7,500,000				15,750,000
Common stocks.....	19,871,500	6,180,000			10,069,250	
Unclassified (bonds).....		29,599,830		7,872,200	3,000,000	
Total.....	19,871,500	43,259,830		7,872,200	13,069,250	15,750,000
Grand total.....	500,679,200	347,509,830	206,324,300	216,773,200	108,069,250	574,400,000
Weighted average yield of European bonds whose yields are known.....	5.93	8.14	7.84	7.16	7.03	7.18
Year-to-year changes.....		+2.21	- .30	- .68	- .13	+ .15

**TABLE 21.—PAR VALUE OF EUROPEAN BONDS PUBLICLY OFFERED IN THE UNITED STATES, CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE YIELD INDEX OF NEW EUROPEAN BONDS—Continued**

	1925	1926	1927	1928	1929
4.24 to 4.49 per cent.....				\$14,000,000	
4.50 to 4.74 per cent.....			\$2,500,000	58,500,000	
4.75 to 4.99 per cent.....		\$6,000,000	4,100,000	29,070,000	
<b>Total.....</b>		<b>6,000,000</b>	<b>6,600,000</b>	<b>101,570,000</b>	
5 to 5.24 per cent.....	\$11,500,000		99,076,50	38,000,000	\$31,100,000
5.25 to 5.49 per cent.....			31,000,000	18,000,000	3,575,000
5.50 to 5.74 per cent.....	91,297,400		5,250,000	5,500,000	
5.75 to 5.99 per cent.....	1,660,000	9,000,000	15,715,500	14,750,000	
<b>Total.....</b>	<b>104,457,400</b>	<b>9,000,000</b>	<b>151,042,000</b>	<b>76,250,000</b>	<b>34,675,000</b>
6 to 6.24 per cent.....	21,550,000	14,000,000	22,150,000	41,650,000	200,000
6.25 to 6.49 per cent.....			142,840,000	52,620,000	
6.50 to 6.74 per cent.....	16,900,000	47,300,000	59,335,00	185,004,000	4,600,000
6.75 to 6.99 per cent.....		92,431,000	22,711,500	16,500,000	12,664,000
<b>Total.....</b>	<b>38,450,000</b>	<b>153,731,000</b>	<b>247,036,500</b>	<b>295,774,000</b>	<b>17,464,000</b>
7 to 7.24 per cent.....	90,800,000	78,373,000	45,050,000	26,255,000	13,376,000
7.25 to 7.49 per cent.....	38,300,000	3,925,000	71,850,000	35,150,000	7,550,000
7.50 to 7.74 per cent.....	208,750,000	155,400,000	67,033,000	15,950,000	
7.75 to 7.99 per cent.....	41,000,000	31,678,600	47,000,000	26,000,000	
<b>Total.....</b>	<b>378,850,000</b>	<b>269,678,600</b>	<b>230,933,000</b>	<b>103,355,000</b>	<b>20,926,000</b>
8 to 9 per cent.....	112,400,000				5,419,500
<b>Total classified bonds.....</b>	<b>634,157,400</b>	<b>433,407,600</b>	<b>635,611,500</b>	<b>576,949,000</b>	<b>78,484,500</b>
Units of common and preferred stock.....				12,555,000	
Preferred stocks.....	33,250,000	38,105,350		17,025,000	35,284,339
Common stocks.....	13,050,000	27,651,720	11,140,625	43,387,500	32,203,342
Unclassified (bonds).....		337,500		1,000,000	
<b>Total.....</b>	<b>48,300,000</b>	<b>66,094,570</b>	<b>11,140,625</b>	<b>73,967,500</b>	<b>67,487,681</b>
<b>Grand total.....</b>	<b>682,457,400</b>	<b>504,502,170</b>	<b>646,752,125</b>	<b>650,916,500</b>	<b>145,972,181</b>
Weighted average yield of European bonds whose yields are known.....	7.25	7.16	6.53	6.21	6.34
Year-to-year changes.....	+ .07	+ .09	- .63	- .32	+ .05

**YIELD INDEX OF BONDS OF CANADA\***

In the Canadian bond yield index, presented in Table 22, government issues, including a number of government guaranteed or controlled railway issues, possessed the greatest weight from 1919 to 1922 and in 1924, averaging around four-fifths of the total of new Canadian bonds. Corporate bonds, however, had a weight of about one-third in 1923 and 1925; in 1926, 1927, and 1928 around two-thirds; and in 1929 slightly more than one-third. Since issues of Newfoundland, the only other country besides Canada included in the index, have been only occasional, this index is predominately a yield index of new Canadian bond offerings in American markets.

\*Including a few bonds of Newfoundland.

TABLE 22.—PAR VALUE OF CANADIAN BONDS PUBLICLY OFFERED IN THE UNITED STATES CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE YIELD INDEX OF NEW CANADIAN BONDS

	1919	1920	1921	1922	1923	1924
3.75 to 3.99 per cent. ....						\$5,000,000
4 to 4.24 per cent. ....						92,000,000
4.25 to 4.49 per cent. ....				\$175,000		34,375,000
4.50 to 4.74 per cent. ....						3,000,000
4.75 to 4.99 per cent. ....						38,861,000
<b>Total</b> .....				175,000		173,236,000
5 to 5.24 per cent. ....		\$4,500,000	\$1,150,000	144,739,884	\$78,550,000	\$1,488,000
5.25 to 5.49 per cent. ....		500,000	2,000,000	16,734,090	2,000,000	18,367,187
5.50 to 5.74 per cent. ....	\$58,000,000	5,000,000	1,000,000	7,322,500		2,508,000
5.75 to 5.99 per cent. ....	86,000,000	500,000	8,320,000	20,018,000		5,160,000
<b>Total</b> .....	144,000,000	10,500,000	12,470,000	188,814,384	80,550,000	67,513,187
6 to 6.24 per cent. ....	19,710,000	2,309,200	31,400,000	2,280,000	9,500,000	14,540,000
6.25 to 6.49 per cent. ....	6,750,000	5,657,362	18,479,714	4,895,000	8,300,000	6,300,000
6.50 to 6.74 per cent. ....	11,390,000	29,368,859	34,065,200	3,000,000	17,931,600	730,000
6.75 to 6.99 per cent. ....	400,000	12,000,000	29,375,000	200,000		6,500,000
<b>Total</b> .....	38,250,000	49,335,431	113,339,914	10,375,000	35,731,600	28,290,000
7 to 7.24 per cent. ....	4,575,000	74,048,000	21,000,000	4,950,000	425,000	5,400,000
7.25 to 7.49 per cent. ....	680,000	4,635,000	1,350,000	8,000,000		
7.50 to 7.74 per cent. ....	100,000	5,700,000	5,900,000	3,850,000		
7.75 to 7.99 per cent. ....		1,000,000				
<b>Total</b> .....	5,355,000	85,383,000	28,250,000	16,800,000	425,000	5,400,000
8 to 9 per cent. ....		14,650,000	13,640,000	1,350,000		
9 to 10 per cent. ....		2,025,000				
Over 10 per cent. ....		1,000,000				
<b>Total</b> .....		17,675,000	13,640,000	1,350,000		
<b>Total, classified bonds</b> .....	187,605,000	162,893,431	167,699,914	217,514,384	116,706,600	264,439,187
Preferred stocks .....	5,000,000	9,200,000	25,000,000	3,500,000	5,000,000	10,350,000
Common stocks .....		1,250,000	750,000	1,000,000		2,000,000
Unclassified bonds .....	9,550,000	16,034,675	3,122,000	4,728,000	21,250,000	565,000
<b>Total, preferred and common stocks and unclassified bonds</b> .....	14,550,000	26,484,675	28,872,000	9,228,000	26,250,000	12,915,000
<b>Grand total</b> .....	202,155,000	189,378,106	196,571,914	226,742,384	142,956,600	277,354,187
Weighted average yield of new Canadian bonds whose yields are known .....	5.92	7.03	6.71	5.48	5.53	4.82
Year-to-year change .....		+1.11	-.32	-1.23	+0.05	-.71

	1925	1926	1927	1928	1929
4 to 4.24 per cent. ....	\$85,000,000		\$10,272,000	\$11,500,000	
4.25 to 4.49 per cent. ....	5,500,000	\$20,000,000	28,935,000	22,800,000	
4.50 to 4.74 per cent. ....	52,083,000	78,453,000	113,102,000	35,425,000	\$5,450,000
4.75 to 4.99 per cent. ....	29,189,500	53,924,800	37,107,250	10,651,500	24,949,000
<b>Total</b> .....	171,772,500	153,377,800	189,416,250	90,376,500	30,399,000
5 to 5.24 per cent. ....	23,940,000	13,000,000	18,312,000	37,266,000	169,068,600
5.25 to 5.49 per cent. ....	8,100,000	17,650,000	1,265,000	45,000,000	3,327,000
5.50 to 5.74 per cent. ....			21,163,600	9,731,000	13,700,000
5.75 to 5.99 per cent. ....	10,450,000	45,750,000	4,950,000	6,071,000	
<b>Total</b> .....	42,490,000	76,400,000	45,690,500	98,088,000	191,095,600
6 to 6.24 per cent. ....	5,616,500	42,428,000	12,590,000	9,478,600	16,070,000
6.25 to 6.49 per cent. ....	23,587,750	9,000,000			21,745,000
6.50 to 6.74 per cent. ....	3,520,000	14,555,000	20,000,000	5,230,000	2,000,000
6.75 to 6.99 per cent. ....					
<b>Total</b> .....	32,724,250	65,983,000	32,590,000	14,708,600	39,815,000
7 to 7.24 per cent. ....	4,525,000	2,000,000	550,000	2,000,000	600,000
<b>Total</b> .....	4,525,000	2,000,000	550,000	2,000,000	600,000
<b>Total, classified bonds</b> .....	251,511,750	296,760,800	298,246,750	195,178,100	261,909,600



TABLE 22.—PAR VALUE OF CANADIAN BONDS PUBLICITY OFFERED IN THE UNITED STATES CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE YIELD INDEX OF NEW CANADIAN BONDS—Continued.

	1925	1926	1927	1928	1929
Preferred stocks.....	\$4,400,000	\$3,230,000	\$16,309,000	\$32,135,700	\$487,550
Common stocks.....	.....	3,990,000	17,045,645	272,000	43,256,650
Units of common and preferred stocks.....	2,600,000	2,310,000	8,970,000	.....	2,426,500
Unclassified bonds.....	6,481,000	2,500,000	1,775,000	9,785,000	650,000
Total, preferred and common stocks and unclassified bonds.....	13,481,000	12,030,000	44,099,645	42,192,700	46,820,700
Grand total.....	264,992,750	308,790,800	312,346,395	237,365,800	308,730,300
Weighted average yield of new Canadian bonds whose yields are known.....	4.87	5.29	4.97	5.08	5.31
Year-to-year change.....	+ .05	+ .42	-.32	+ .11	+ .23

The smaller rise in average yields of new Canadian bonds in 1920 than of new European bonds is explained by geographical proximity, the interlacing of Canadian and American economic and financial systems, and familiarity of American investors with Canadian conditions. The more rapid decline in 1921 and 1922 is similarly explained. Larger corporate borrowings in 1923 probably obstructed a further decline in that year and may have caused the slight increase. Improved Canadian financial conditions in 1924 and 1925, prior to a return to a full gold standard in 1926, explain in part the further recession in yields of new Canadian bonds in the former year as well as the small rise in 1925, when corporate borrowings again exerted a greater weight in the total. The increase of 0.42 points in 1926 was undoubtedly a response to the larger percentage of corporate borrowings in that year; while the decline of 0.32 points in 1927 and the slight change in 1928 (despite the high proportion of corporate borrowing), reflected the stimulus of easier credit conditions in the United States. Firmer interest rates in the United States in 1929 may account partially for the increase in that year's average yields of new Canadian bonds, but adverse financial conditions in Canada and weakness in Canadian exchange rates also had something to do with it. New Canadian bond issues were more generally scattered over the entire year than were European bond issues.

#### YIELD INDEX OF NEW LATIN AMERICAN BONDS

Unlike the European and North American bond yield indexes, government issues have had the greatest weight in average yields of new Latin American bonds, given in Table 23, in every year except 1920, when there were no government issues for any Latin American country. In 1919, 1924, and 1929, however, the weight of government issues was approximately 60 per cent, and in other years it averaged around 80 per cent. The fact that such corporate bond issues as have been offered for Latin American countries have been chiefly by American corporations, the largest of which have possessed advantageous credit positions with American investors, must be taken into account. Corporations of such a character have often been able to obtain American capital on better terms than many governments of

Latin American countries; and their borrowings have exerted a downward pull on the yield index—contrasted with a probable upward influence if corporate borrowings had been purely Latin American corporations, with whose financial status American investors were generally unfamiliar. Issues of no single Latin American government have dominated the yield index of new Latin American bonds; and in each year issues of a number of countries have been prominent, particularly those of Argentina, Brazil, Chile, Colombia, and Cuba.

TABLE 23.—PAR VALUE OF LATIN AMERICAN BONDS PUBLICLY OFFERED IN THE UNITED STATES CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE YIELD INDEX OF NEW LATIN AMERICAN BONDS

	1919	1920	1921	1922	1923	1924
4 to 4.24 per cent.....						\$5,000,000
4.25 to 4.49 per cent.....						
4.50 to 4.74 per cent.....						2,000,000
4.75 to 4.99 per cent.....						
Total.....						7,000,000
5 to 5.24 per cent.....						10,000,000
5.25 to 5.49 per cent.....						
5.50 to 5.74 per cent.....					\$54,500,000	2,500,000
5.75 to 5.99 per cent.....	\$1,150,000					
Total.....	1,150,000				54,500,000	12,500,000
6 to 6.24 per cent.....				\$10,300,000		
6.25 to 6.49 per cent.....	8,500,000			16,000,000		72,500,000
6.50 to 6.74 per cent.....	10,000,000			1,095,000	679,000	1,680,000
6.75 to 6.99 per cent.....						12,990,000
Total.....	18,500,000			27,395,000	679,000	87,170,000
7 to 7.24 per cent.....	7,500,000	\$25,000,000	\$50,000,000	14,820,700	55,000,000	41,000,000
7.25 to 7.49 per cent.....	8,000,000			98,000,000		
7.50 to 7.74 per cent.....		1,700,000	10,800,000	31,000,000	10,200,000	7,500,000
7.75 to 7.99 per cent.....			7,500,000	26,800,000		18,000,000
Total.....	15,500,000	26,700,000	68,300,000	170,700,700	65,200,000	66,500,000
8 to 9 per cent.....		11,000,000	153,486,000	50,250,000	11,225,000	19,065,000
9 to 10 per cent.....			9,500,000	1,000,000		
Over 10 per cent.....			2,272,249			
Total.....		11,000,000	165,258,249	51,250,000	11,225,000	19,065,000
Total, classified bonds.....	35,150,000	37,700,000	233,558,249	249,345,700	131,604,000	192,235,000
Preferred stocks.....	5,250,000				30,720,000	2,000,000
Common stocks.....	3,052,900	10,350,000	7,999,500	6,100,000	6,367,500	1,218,750
Units of common and preferred stock.....	4,365,600					
Unclassified (bonds).....		1,000,000		1,350,000		
Total.....	12,668,500	11,350,000	7,999,500	7,450,000	37,087,500	3,218,750
Grand total.....	47,818,500	49,050,000	241,557,749	256,795,700	168,691,500	195,453,750
Weighted average yields of Latin American bonds whose yields are known.....	6.81	7.47	8.00	7.48	6.63	7.83
Year-to-year change.....		+ .66	+ .53	-.52	-.85	+1.20

TABLE 23.—PAR VALUE OF LATIN AMERICAN BONDS PUBLICLY OFFERED IN THE UNITED STATES CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE YIELD INDEX OF NEW LATIN AMERICAN BONDS—Contd.

	1925	1926	1927	1928	1929
4 to 4.24 per cent.....					
4.25 to 4.49 per cent.....					
4.50 to 4.74 per cent.....	\$25,000,000				
4.75 to 4.99 per cent.....		\$6,000,000		\$57,300,000	
Total.....	25,000,000	6,000,000		57,300,000	
5 to 5.24 per cent.....			\$45,000,000	10,800,000	
5.25 to 5.49 per cent.....	5,600,000	45,000,000	9,000,000	1,400,000	\$1,000,000
5.50 to 5.74 per cent.....		3,700,000	26,000,000	34,000,000	10,000,000
5.75 to 5.99 per cent.....	2,950,000			2,250,000	
Total.....	8,550,000	48,700,000	80,000,000	48,450,000	11,000,000
6 to 6.24 per cent.....	25,000,000	48,776,000	83,502,000	38,011,000	35,750,000
6.25 to 6.49 per cent.....	78,300,000	46,800,000	5,050,000	106,954,000	11,400,000
6.50 to 6.74 per cent.....	22,250,000	40,691,000	47,900,000	57,712,000	20,500,000
6.75 to 6.99 per cent.....		18,330,000	47,500,000	41,500,000	
Total.....	125,550,000	154,597,000	183,952,000	244,177,000	67,650,000
7 to 7.24 per cent.....	16,500,000	4,200,000	80,934,500	54,990,000	4,390,000
7.25 to 7.49 per cent.....	10,188,000	92,775,762	45,845,500	15,996,000	
7.50 to 7.74 per cent.....	8,943,000	35,923,200	27,545,000	8,250,000	20,508,000
7.75 to 7.99 per cent.....	7,500,000	19,000,000	1,600,000		1,750,000
Total.....	40,131,000	151,898,962	155,825,000	79,236,000	26,648,000
8 to 9 per cent.....	14,520,000		883,300		
9 to 10 per cent.....		820,250			
Over 10 per cent.....					
Total.....	14,520,000	820,250	883,300		
Total, classified bonds.....	213,751,000	362,016,212	420,660,300	429,163,000	105,298,000
Preferred stocks.....	1,350,000	30,600,000	1,500,000	3,500,000	53,997,200
Common stocks.....		32,580,000	5,579,000	5,180,000	15,477,500
Units of common and preferred stock.....	2,500,000				1,677,500
Unclassified (bonds).....			5,500,000	1,135,000	
Total.....	3,850,000	63,180,000	12,579,000	9,815,000	71,152,200
Grand total.....	217,601,000	425,196,212	433,239,300	438,978,000	176,450,200
Weighted average yields of Latin American bonds whose yields are known.....	6.44	6.71	6.55	6.29	6.50
Year-to-year change.....	-1.59	+ .27	- .16	- .26	+ .21

The countries whose issues are included in the Latin American bond yield index represent widely divergent political and economic conditions, with less interdependence with one another than in the case of European and North American countries, but with great dependence upon economic conditions in Europe and the United States. Widespread and continuous depression in Latin American countries, largely because of economic disorganization in Europe, was mainly responsible for the high average interest yields on Latin American bonds for the first six years. After 1924, improved economic conditions in Europe and the high level of productive activity in the United States, reflected in better conditions in Latin American countries, facilitated much lower interest yields on their bonds, but adverse developments in 1929 checked a further decline.

## YIELD INDEX OF NEW FAR EASTERN BOND

The yield index of new far eastern bonds, in Table 24, has manifested less consistency of movement than has the yield index of any other area. This irregularity, however, is not surprising considering that the borrowing of far eastern countries has never been large, relative to the borrowing of other areas. It is also not surprising, considering the varying proportion of government as against corporate issues included and also the countries in the area—Australia, China, Japan, the Netherland East Indies, and the Philippine Islands.

Corporate issues had no weight in the far eastern bond yield index in 1920, 1921, and 1923; and in 1919, 1922, and 1924 their importance was insignificant. From 1925 to 1929, however, they had the substantial weight of 47, 37, 25, 50, and 83 per cent, respectively. Only one corporate bond issue by an American corporation—a \$4,000,000 Australian offering in 1927—is included in the index.

When these facts are combined with the concentration of borrowing by single countries in different years, the influences making for irregularity in this yield index become clearer. In the first three years from 1919 to 1921, when there were no corporate issues, the far eastern yield index was mainly reflected in yields of a few small bond issues of the Philippine government. In 1922 and 1923, large issues by the Government of the Netherland East Indies had a preponderant weight. Again, in 1924 Japanese Government issues—partly to refund earlier issues, and partly to obtain capital for reconstructing the devastations of the 1923 earthquake—had the greatest influence. From 1925 to 1929, Japanese issues, government and corporate, were consistently prominent. In 1925 and 1927, however, Australian Government issues exceeded Japanese issues, and in 1927 there was also a large corporate issue for the Netherland East Indies. Three large Japanese corporate issues, one of them government-guaranteed, had the greatest weight in 1928, but large Australian Government issues also exerted a substantial influence. In 1929, finally, when only three far eastern bond issues were offered, two of them small Philippine issues, a single Japanese corporate issue chiefly determined the yield index.

As a consequence of the concentrated borrowing of the various far eastern countries in each year, the widely differing political and economic conditions obtaining have been noticeably reflected in the far eastern yield index. For example, the fact that the Philippine Islands are a territorial possession with a more advantageous borrowing status in American markets than other far eastern countries was reflected in the index from 1919 to 1921. Again, the fact that the Netherland East Indies governmental borrowing has been supervised by the Netherland Government, whose high credit position in international finance has been traditional, affected the yield index in 1922 and 1923. In subsequent years, finally, the index was responsive to the uncertain economic conditions in Japan as a result of the 1923 earthquake and the inconvertibility of Japanese currency, although these influences were offset in 1925, 1927, and 1928, when there were large issues by Australia, whose political and economic conditions were perhaps the most favorable in the Far East in those years.

TABLE 24.—PAR VALUE OF FAR EASTERN BONDS<sup>1</sup> PUBLICLY OFFERED IN THE UNITED STATES, CLASSIFIED BY YIELDS AT OFFERING PRICES AND THE WEIGHTED AVERAGE INDEX OF NEW FAR EASTERN BONDS

	1919	1920	1921	1922	1923	1924
4.50 to 4.74 per cent.....	\$10,000,000			\$17,750,000	\$2,000,000	\$1,500,000
4.75 to 4.99 per cent.....				18,000,000		
Total.....	10,000,000			35,750,000	2,000,000	1,500,000
5.25 to 5.49 per cent.....		\$6,000,000				
5.50 to 5.74 per cent.....			\$10,025,000			
5.75 to 5.99 per cent.....				1,450,000		
Total.....		6,000,000	10,025,000	1,450,000		
6.25 to 6.49 per cent.....				30,000,000		22,000,000
6.50 to 6.74 per cent.....			10,000,000	80,758,000	44,900,000	
6.75 to 6.99 per cent.....					25,000,000	
Total.....			10,000,000	110,758,000	69,900,000	22,000,000
7 to 7.24 per cent.....	5,500,000		12,000,000	2,500,000	252,000	125,000,000
7.25 to 7.49 per cent.....				2,500,000		
7.50 to 7.74 per cent.....	1,500,000					
7.75 to 7.99 per cent.....		10,000,000				15,000,000
Total.....	7,000,000	10,000,000	12,000,000	5,000,000	252,000	140,000,000
Total classified bonds.....	17,000,000	16,000,000	32,025,000	152,958,000	72,152,000	163,500,000
Unclassified bonds.....	487,000		3,290,000		350,000	
Total preferred and common stocks and unclassified bonds.....	487,000		3,290,000		350,000	
Grand total.....	17,487,000	16,000,000	35,315,000	152,958,000	72,502,000	163,500,000
Weighted average yields of Far Eastern bonds whose yields are known.....	5.69	6.93	6.49	6.15	6.65	7.06
Year-to-year change.....		+1.24	- .44	- .34	+ .53	+ .41

	1925	1926	1927	1928	1929
3.75 to 3.99 per cent.....			\$1,405,000		
4 to 4.24 per cent.....			98,000	\$2,110,000	
4.25 to 4.49 per cent.....		\$329,500			\$500,000
4.50 to 4.74 per cent.....	\$1,000,000				
4.75 to 4.99 per cent.....			28,350,000		
Total.....	1,000,000	329,500	28,448,000	2,110,000	500,000
5 to 5.24 per cent.....	75,000,000		39,730,000	50,000,000	
5.25 to 5.49 per cent.....			52,700,000	6,500,000	
5.50 to 5.74 per cent.....			3,750,000		
Total.....	75,000,000		96,180,000	56,500,000	
6 to 6.24 per cent.....					2,500,000
6.25 to 6.49 per cent.....	24,000,000		20,640,000	19,900,000	
6.50 to 6.74 per cent.....		29,740,000			
6.75 to 6.99 per cent.....				70,000,000	
Total.....	24,000,000	29,740,000	20,640,000	89,900,000	2,500,000
7 to 7.24 per cent.....			7,650,000	8,000,000	
7.25 to 7.49 per cent.....					11,450,000
7.50 to 7.74 per cent.....	42,500,000	2,000,000			
7.75 to 7.99 per cent.....					
Total.....	42,500,000	2,000,000	7,650,000	8,000,000	11,450,000
Total classified bonds.....	142,500,000	32,069,500	154,323,000	156,510,000	14,450,000
Preferred stocks.....					50,000,000
Common stocks.....	200,000	3,960,000	2,150,000	436,880	
Total preferred and common stocks and unclassified bonds.....	200,000	3,960,000	2,150,000	436,880	50,000,000
Grand total.....	142,700,000	36,029,500	156,473,000	156,946,880	64,450,000
Weighted average yields of Far Eastern bonds whose yields are known.....	6.15	6.66	5.54	6.16	7.05
Year-to-year change.....		- .91	+ .51	- 1.12	+ .62

<sup>1</sup> Including issues of the Philippine Islands.

## RELATIVE CREDIT POSITIONS OF PRINCIPAL AREAS

The relative credit positions of the four principal geographic areas, as evinced by the yield indexes of their bonds, is shown in Table 25, comparing them with the combined weighted average yield index. This is further brought out in Table 26, contrasting each with the average of the four.<sup>3</sup> The outstanding fact to be noted is that Canada's credit position with American investors has been extremely favorable when contrasted with the credit position of other areas. The borrowing position of Latin America has paralleled generally that of Europe, but both that of Latin America and Europe have compared unfavorably with that of Canada. From 1919 to 1921, the borrowing status of the Far East was advantageous in relation to Canada, but the yield index of new far eastern bonds was entirely weighted in two of these years by issues of the Philippine Government—a territorial possession—and in the first year it was largely weighted by Philippine issues. After 1921, however, when bonds of other far eastern countries were more prominent, the far eastern yield index reflected a less favorable borrowing position than Canada, but also a slightly more satisfactory status than that indicated for either Europe or Latin America.

TABLE 25.—WEIGHTED AVERAGE YIELD INDEXES OF NEW FOREIGN BONDS BY GEOGRAPHIC AREAS COMPARED WITH THE WEIGHTED AVERAGE YIELD INDEX OF ALL NEW FOREIGN BONDS

[Per cent]

Year	Weighted average yield index of all new foreign bonds	Weighted average yield index of new European bonds	Weighted average yield index of new Canadian bonds	Weighted average yield index of new Latin American bonds	Weighted average yield index of new far eastern bonds
1919.....	5.97	5.93	5.92	6.81	5.69
1920.....	4.69	8.14	7.03	4.47	6.93
1921.....	7.54	7.84	6.71	8.00	6.49
1922.....	6.63	7.16	5.48	7.48	6.15
1923.....	6.42	7.03	5.53	6.63	6.66
1924.....	6.56	7.18	4.82	7.83	7.06
1925.....	6.51	7.26	4.87	6.44	6.15
1926.....	6.51	7.16	5.29	6.71	6.66
1927.....	6.14	6.53	4.97	6.55	5.54
1928.....	6.09	6.21	5.08	6.29	6.16
1929.....	5.81	6.25	5.31	6.50	7.05
Average, 1919-1924.....	6.80	7.21	5.92	7.37	6.50
Average, 1925-1929.....	6.21	6.68	5.12	6.50	6.31
Average, 1919-1929.....	6.53	6.97	5.55	6.97	6.41

<sup>3</sup> Employing a simple average of the four indexes instead of the general yield index as computed, gives to each area index equal weight, whereas in the general yield index, the weight of each area depends upon the volume of its new bond issues, and hence varies from year to year.

TABLE 26.—WEIGHTED AVERAGE YIELD INDEXES OF NEW FOREIGN BONDS, BY GEOGRAPHICAL AREAS, COMPARED WITH THEIR AVERAGE (UNWEIGHTED)

Year	Average of four geographical yield indexes of new foreign bonds	Europe			Canada		
		Weighted average yield index	Plus or minus bond yield index compared with the average	Bond yield index relative to the average	Weighted average yield index	Plus or minus bond yield index compared with the average	Bond yield index relative to the average
		Per cent	Points		Per cent	Points	
1919.....	6.09	5.93	-.19	97	5.92	-.17	97
1920.....	7.39	8.14	+.75	110	7.03	-.36	95
1921.....	7.26	7.84	+.58	108	6.71	-.53	92
1922.....	6.57	7.16	+.59	109	5.48	-1.09	84
1923.....	6.46	7.03	+.57	109	5.53	-.93	86
1924.....	6.72	7.18	+.46	107	4.82	-1.92	72
1925.....	6.13	7.25	+1.07	117	4.87	-1.31	79
1926.....	6.46	7.16	+.50	111	5.29	-1.17	82
1927.....	5.90	6.53	+.63	111	4.97	-.93	84
1928.....	5.94	6.21	+.27	105	5.08	-.86	86
1929.....	6.28	6.25	-.03	99	5.31	-.97	85
Average, 1919-1924.....	6.75	7.21	+.46	107	5.92	-.84	88
Average, 1925-1929.....	6.15	6.68	+.49	109	5.12	-1.05	83
Average, 1919-1929.....	6.41	6.97	+.48	108	5.55	-.95	85

Year	Latin America			Far East		
	Weighted average yield index	Plus or minus bond yield index compared with the average	Bond yield index relative to the average	Weighted average yield index	Plus or minus bond yield index compared with the average	Bond yield index relative to the average
	Per cent	Points		Per cent	Points	
1919.....	6.31	+.72	112	5.69	-.40	93
1920.....	7.47	+.08	101	6.93	-.46	94
1921.....	8.00	+.74	110	6.49	-.57	89
1922.....	7.48	+.91	104	6.15	-.42	94
1923.....	6.63	+.17	103	6.68	+.20	103
1924.....	7.83	+1.11	109	7.08	+.34	105
1925.....	6.44	+.26	104	6.15	-.03	99
1926.....	6.71	+.25	104	6.66	+.20	103
1927.....	6.55	+.65	111	5.54	-.36	94
1928.....	6.29	+.35	106	6.16	+.22	104
1929.....	6.50	+.22	104	7.05	+.77	112
Average, 1919-1924.....	7.37	+.62	107	6.50	-.22	96
Average, 1925-1929.....	6.50	+.35	106	6.31	+.16	104
Average, 1919-1929.....	6.97	+.50	106	6.41	-.05	99

Comparison with average yields on high-grade domestic bonds, in Table 27, brings out the relative credit position with even greater clarity. Canadian bonds have been absorbed by American investors at decidedly the most advantageous yield terms to the borrower, with an annual average excess over domestic bond yields of but 0.53 points, or a relative excess of 11 per cent. European and Latin American borrowers, on the other hand, have had to pay 2 points more on the average, or in relative terms 41 per cent more, for investors funds than the latter could obtain by purchasing the highest grade domestic bonds. Borrowers of the Far East, while less favored than those of Canada, have had to pay less than either European or Latin

American borrowers. Notwithstanding, the average excess which they have had to offer in the way of yields has been 1.44 points for the 11 years, or 30 per cent more than average high-grade domestic bond yields.

Looked at from the standpoint of the investor, both European and Latin American bond issues have offered, as a rule, the most attractive bond yields at offering prices. Far eastern bonds have offered the next most attractive yields, and Canadian bonds the least attractive yields. More immediate knowledge of Canadian economic conditions, with the consequent assumption by investors of lower investment risks, largely explains this willingness to purchase Canadian securities at lower interest yields than were demanded for other areas.

TABLE 27.—WEIGHTED AVERAGE YIELD INDEXES BY GEOGRAPHIC AREAS COMPARED WITH THE STANDARD STATISTICS INDEX HIGH GRADE DOMESTIC BOND YIELDS

Year	Standard Statistics index of yields on 60 high-grade domestic bonds	Europe			Canada		
		Weighted average yield index of new European bonds	Excess of average yields on new European bonds over the average yield on high-grade domestic bonds	Average yield index of new European bonds relative to the average yield index on high-grade domestic bonds	Weighted average yield index of Canadian bonds	Excess of average yields on new Canadian bonds over the average yield on high-grade domestic bonds	Average yield index of new Canadian bonds relative to the average yield index on high-grade domestic bonds
	<i>Per cent</i>	<i>Per cent</i>	<i>Points</i>		<i>Per cent</i>	<i>Points</i>	
1919.....	5.25	5.93	0.68	113	5.92	0.67	113
1920.....	5.88	8.14	2.26	138	7.03	1.15	120
1921.....	5.79	7.84	2.05	135	6.71	.92	116
1922.....	4.94	7.16	2.22	145	5.48	.54	111
1923.....	4.98	7.03	2.05	141	5.53	.55	111
1924.....	4.85	7.18	2.33	148	4.82	1.03	99
1925.....	4.72	7.25	2.53	154	4.87	.15	103
1926.....	4.60	7.16	2.56	156	5.29	.69	115
1927.....	4.47	6.53	2.06	146	4.97	.50	111
1928.....	4.49	6.21	1.72	128	5.06	.59	113
1929.....	4.69	6.25	1.56	133	5.31	.62	113
Average, 1919-1924.....	5.28	7.21	1.93	137	5.92	.63	112
Average, 1925-1929.....	4.59	6.88	2.09	146	5.12	.51	111
Average, 1919-1929.....	4.97	6.97	2.00	141	5.55	.58	111

<sup>1</sup> Minus.



TABLE 27.—WEIGHTED AVERAGE YIELD INDEXES BY GEOGRAPHIC AREAS COMPARED WITH THE STANDARD STATISTICS INDEX HIGH GRADE DOMESTIC BOND YIELDS—Continued

Year	Latin America			Far East		
	Weighted average yield index of new Latin American bonds	Excess of average yields on Latin American bonds over the average yields on high-grade domestic bonds	Average yield index of new Latin American bonds relative to the average yield index on high-grade domestic bonds	Weighted average yield index of new far eastern bonds	Excess of average yields on new far eastern bonds over the average yield index on high-grade domestic bonds	Average yield index of new far eastern bonds relative to the average yield index on high-grade domestic bonds
	<i>Per cent</i>	<i>Points</i>		<i>Per cent</i>	<i>Points</i>	
1910.....	6.81	1.56	130	5.69	0.44	108
1920.....	7.47	1.59	127	6.93	1.05	118
1921.....	8.00	2.21	138	6.49	.70	112
1922.....	7.48	2.54	131	6.15	1.21	124
1923.....	6.63	1.65	133	6.66	1.68	134
1924.....	7.83	2.98	161	7.06	2.21	146
1925.....	6.44	1.72	136	6.15	1.43	130
1926.....	6.71	2.11	146	6.66	2.06	145
1927.....	6.55	2.06	147	5.54	1.07	124
1928.....	6.29	1.60	140	6.16	1.67	137
1929.....	6.50	1.81	139	7.05	2.36	150
Average, 1919-1924.....	7.37	2.09	140	6.50	1.21	124
Average, 1925-1929.....	6.50	1.90	142	6.31	1.72	137
Average, 1919-1929.....	6.97	2.00	141	6.41	1.44	130

Future developments must be awaited to verify the relative long-term credit positions of different foreign areas as appraised by American investors through yield requirements in the past. If risks for European, Latin American, and far eastern bonds have been rated too highly, prices of their outstanding bonds will rise and new issues will be floated at successively lower interest yields. In other words, the spread between the yields of new bonds of these areas and of outstanding high-grade domestic bonds will decline. Such a decline, moreover, might be hastened by further recovery of the older international financial markets of Europe, tending to increase the international competition of investors for profitable yields of foreign securities. After all, the period from 1914 to 1929 in international finance has been continuously a "lender's" market so far as American investors have been concerned. With increasing competition among international markets for the opportunity of making foreign investments the future may witness the gradual appearance of a "borrower's" market.

# APPENDIXES

## APPENDIX A

### FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES

CALENDAR YEAR 1914

[The abbreviation S. F. G. B. represents sinking fund gold bonds. The area North America includes only Canada and Newfoundland]

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
Greece: Government of Greece, sterling gold bonds.....	March.....	<i>Dollars</i> 1 3,000,000	<i>Dollars</i> 1 3,000,000	<i>Dollars</i> .....	<i>Per cent</i> 5	Years 1-50	<i>Dollars</i> 92.50	<i>Per cent</i> 6.15
Norway: Kingdom of Norway, gold coupon notes.....	November.....	.....	3,000,000	.....	6	1-2	100	6
Sweden: Kingdom of Sweden, gold treasury notes.....	December.....	.....	5,000,000	.....	6	2	100	6
<b>Total, Europe.....</b>			<b>11,000,000</b>					
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Duncan, British Columbia, debentures.....	January.....	.....	15,000	.....	6	8-13	.....	.....
do. Weyburn, Saskatchewan, debentures.....	do.....	.....	25,000	.....	5½	40	.....	.....
Province of Alberta, gold sinking fund debentures.....	February.....	5,000,000	2,400,000	.....	4½	10	97.50	4.83
Vancouver, British Columbia, coupon debentures.....	June.....	.....	284,000	.....	4½	10	.....	.....
Maisonneuve, Quebec, gold coupon bonds.....	July.....	.....	2,000,000	.....	5	40	99.60	5.05
Edmonton School District, gold debentures.....	October.....	.....	850,000	.....	5	40	.....	.....
Edmonton, Alberta, debentures.....	do.....	.....	80,000	.....	5	20	.....	.....
<b>Total, North America.....</b>			<b>5,644,000</b>					
<b>LATIN AMERICA</b>								
Cuba: Republic of Cuba, external gold bonds.....	February.....	.....	10,000,000	.....	5	35	98.50	5.16
Mexico: National Railways of Mexico, secured notes <sup>1</sup> .....	January.....	2,460,381	1,397,565	.....	6	3	100	6
Do:.....	April.....	.....	1,776,178	.....	6	3	100	6
Do:.....	June.....	.....	813,090	.....	6	3	100	6
Do:.....	July.....	3,009,046	1,809,455	.....	6	3	100	6

Panama: Republic of Panama, gold bonds.....	December.....	1,500,000		5	30	97	8.20
Total, Latin America.....		17,296,288					
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Porto Rico:							
Government of Porto Rico, registered tax free gold coupon bonds of 1913.....	January.....	700,000		4	30-36	96.52-101.31	3.95-4.25
Government of Porto Rico, registered tax free gold coupon bonds.....	May.....	200,000		4	10-25	100.81	3.95
Government of Porto Rico, registered tax free gold coupon bonds series A-D.....	October.....	400,000		4	37-40	95.50	4.36
Government of Porto Rico, registered tax free gold coupon bonds series A-V.....	December.....	655,000	655,000	4	9-39	97.75	4.2-4.54
Government of Porto Rico, registered tax free gold coupon bonds.....	do.....	1,000,000		4	25	96	4.30
Total, noncontiguous American Territories and possessions.....		2,955,000	655,000				
CORPORATE ISSUES							
NORTH AMERICA							
Canada:							
Central Railways of Canada, first mortgage sterling bonds.....	April.....	4,252,000	2,000,000	5	5-50	95	5.4-6.96
Northern Electric Mfg. Co. (Ltd.), first mortgage S. F. G. B.....	May.....		3,500,000	5	25	98.12	5.25
Dominion Power & Transmission Co. (Ltd.), gold bonds of 1907.....	July.....		500,000	5	8-25	94.2-100.40	5-5.60
Northern Navigation Co., first mortgage gold bonds (steamship).....	do.....		275,000	5	2-11	96.5-99.20	5.60
Toronto Railway gold notes.....	December.....		1,500,000	6	1-2	100-100.25	5.85-6
Total, North America.....			7,775,000				

CALENDAR YEAR 1915

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES							
EUROPE							
France:							
Anglo-French credit, external coupon and registered bonds.....	October.....	250,000,000		5	5	98	5.50
Government of French Republic, treasury bonds.....	April.....	50,000,000		5	1	99.50	5.50
Germany: Imperial Government of Germany, treasury notes.....	do.....	10,000,000		5	34	99.63	6.60
Great Britain: Anglo-French credit, external coupon and registered bonds.....	October.....	250,000,000		5	5	98	5.50
Italy: Government of Italy, convertible gold notes.....	do.....	25,000,000		6	1	100	6
Switzerland: Government of Switzerland, gold notes.....	March.....	15,000,000		5	1-3-5	95.75-99.63	5.38-6
Total, Europe.....		600,000,000					

<sup>1</sup> Estimated amount gold sold in the United States on behalf of the National Bank of Greece of the £19,850,000 loan.

<sup>2</sup> Secured by 10-year gold notes of the Government of Mexico and offered to bondholders and noteholders in exchange for interest coupons due in this month. The company was unable to meet interest charges in cash because of interrupted operations in previous year.

<sup>3</sup> Estimated amount sold in the United States of a £2,600,000 loan.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1915—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
University of Alberta, guaranteed debentures 4	January		1,000,000		4½	10		
City of Montreal, gold coupon debentures of 1914	do.		6,900,000		5	3		
Province of British Columbia, gold treasury bills of 1914	do.		2,700,000		4½	1	99.70	4.88
City of Regina, Saskatchewan debentures	do.	680,000	340,000		5	1-13		
Province of Manitoba, gold debentures	February		5,475,000		5	5		
City of Sault Ste. Marie, Ontario, coupon debentures	do.		500,000		5	30		
City of Calgary, Alberta, treasury notes	do.		2,000,000		6	3	98	6.85
Province of Ontario, debentures	do.		3,000,000		5	5	101	4.75
City of South Vancouver, British Columbia, secured notes	do.		700,000		6	3	98.50	7.70
City of Outremont, debentures	do.	700,000	350,000		5	3		
Port Coquitlan, British Columbia, debentures	do.		100,000		5	30		
City of Toronto, Ontario, debentures	do.		81,000		5	33		
City of Toronto, Ontario, debenture notes	do.	2,000,000	1,000,000		5½	1-2		
City of St. Boniface, Manitoba, debentures	March		200,000		5	5		
Province of Saskatchewan, gold debentures	do.		2,500,000		5	3	99.63	5.13
Hochelaga School Commission, debentures	do.		375,000		5	5		
Calgary School District, debentures	do.		175,000		5	40		
City of Quebec, Quebec, gold coupon debentures	do.		2,125,000		5	5	97.08	5.98
City of Maisonneuve, Quebec, gold coupon treasury notes	do.		100,000		6	3		
City of Vancouver, British Columbia, debentures	do.		1,118,947		4½	10	97.31	6.32
Province of Quebec, gold debentures	April		6,000,000		6	5	100.63	4.85
City of North Vancouver, British Columbia, treasury notes	do.		75,000		6	3	93	8.87
City of North Vancouver, British Columbia, debentures	do.		19,825		6	10	93	7.18
City of Montreal, Quebec, gold coupon debentures	May	6,100,000	3,000,000		5	3	98.83	5.13
City of Toronto, Ontario, debentures	do.		2,500,000		4½	40-44		
Province of Alberta, gold debentures	do.		4,000,000		5	10		
City of New Westminster, British Columbia, gold treasury notes	do.		431,000		6	3		
Province of Ontario, debentures	do.	4,000,000	3,000,000		4½	10	96.58	4.93
City of London, Ontario, gold coupon debentures	June		1,000,000		5	3		
Province of Nova Scotia, notes	do.		1,000,000		4½	1	100.53	3.99
Dominion of Canada, tax free convertible gold notes	July		25,000,000		5	1	100	5
Do.	do.		20,000,000		5	2	99.50	5.40
City of Toronto, Ontario, debentures	do.		40,000		5	33		
Canadian Northern Railway, collateral trust gold coupon notes	August		11,500,000		5	2	98.63	6.75
City of New Westminster, British Columbia, treasury notes	September		440,500		6	3	97.5-98	6.85-7.06

City of Ottawa, Ontario, debentures.....	do.....			2,181,000		5	4-80	96.97-99.27	5.38
City of Toronto, Ontario, debentures.....	do.....	3,905,929		2,500,000		4½	5-10		
City of North Vancouver, British Columbia, debentures.....	October.....			30,000		6	20	84.50	7.65
Toronto Harbor Commission, S. F. G. B. of 1913.....	do.....			1,000,000		4½	40		
City of Saskatoon, Saskatchewan, gold debentures.....	do.....	600,000		80,000		5	10-80		
Province of Saskatchewan, serial debentures.....	do.....	1,200,000		600,000		5	4-10		
City of Victoria, British Columbia, coupon debentures.....	do.....	578,000		289,000		4½	10		
Province of British Columbia, debentures.....	November.....	3,130,000		2,000,000		4½	10		
City of Calgary, Alberta, secured treasury notes.....	do.....			2,000,000		6	1½-2	97	7.7
City of Montreal, Quebec, coupon bonds.....	do.....			1,000,000		5	15	97	5.80
Province of New Brunswick, gold coupon bonds.....	do.....	700,000		350,000		5	10	98	5.25
Province of Saskatchewan, coupon gold debentures.....	do.....	1,600,000		1,000,000		5	3-10		5.50
Greater Winnipeg Water District, coupon gold debentures.....	December.....	1,000,000		500,000		5	5		
Province of New Brunswick, debentures.....	do.....			1,700,000		4½	10		
Province of Nova Scotia, debentures.....	do.....			500,000		5	10	97.13	5.09
Province of Saskatchewan, debentures.....	do.....			1,000,000		5	5		
Montreal Catholic School Commission, debentures.....	do.....			450,000		5	30	90.26	6.01
<b>Total, North America.....</b>				<b>126,242,272</b>					
<b>LATIN AMERICA</b>									
<b>Argentina:</b>									
Republic of Argentina, gold coupon treasury bonds.....	May.....			25,000,000	5,000,000	6	5	99	6.25
Republic of Argentina, sterling gold coupon treasury bonds <sup>1</sup> .....	do.....			5,000,000		6	5	99	6.25
<b>Total, Latin America.....</b>				<b>30,000,000</b>	<b>5,000,000</b>				
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>									
Hawaii: Territory of Hawaii, gold coupon bonds (series A-C).....	March.....			689,000		4	80		
Porto Rico:									
Government of Porto Rico, gold coupon bonds.....	February.....			200,000		4	25	100	4
Government of Porto Rico, tax free registered gold coupon bonds <sup>2</sup> .....	October.....			700,000		4	4-20-43	98.53-98.02	
<b>Total, noncontiguous American Territories and possessions.....</b>				<b>1,589,000</b>					
<b>CORPORATE ISSUES</b>									
<b>NORTH AMERICA</b>									
Canada:									
Canadian Northern Ry., equipment trust gold certificates, series KI of 1914.....	January.....			2,000,000		5	1-10		
Canadian Pacific Ry., equipment trust gold certificates series T.....	do.....			12,000,000		4½	1-13		
Winnipeg Electric Ry., gold notes.....	do.....	1,000,000		1,000,000		6	1-2	100.25	6.82-5.95
Northern Ontario Light & Power Co. (Ltd.) S. F. G. B. of 1911.....	do.....			4,559,000		6	20	88	6.82
Montreal Tramways & Power Co. (Ltd.), collateral trust gold notes.....	February.....			7,000,000	6,000,000	6	2	99.25	6.40
Granby Consolidated Mining, Smelting & Power Co. (Ltd.) first mortgage convertible bonds.....	May.....			2,000,000	850,000	6	15	100	6
Shevlin-Clark Co. (Ltd.) (Zumber), guaranteed first lien serial gold bonds.....	June.....			150,000		5	1-6	98.82-100	5-5.44

<sup>1</sup> Guaranteed by the Province of Alberta.

<sup>2</sup> Amount of a sterling issue estimated as having been sold in the United States. Federal Reserve Bulletin Jan. 1, 1919, p. 34, footnote No. 5.

<sup>3</sup> Refunding insular loans, series A to F, and refunding irrigation loans, series E to H.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1915—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
<b>Canada—Continued.</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Shawinigan Water & Power Co. (Ltd.), common stock (par 100).....	July.....	1,237,500	750,000					
Toronto Ry., gold notes.....	December.....		750,000	750,000	6	2-3	100.55-101.20	4.83-5.50
Abitibi Power & Paper Co. (Ltd.), first mortgage serial gold bonds of 1914.....	do.....		2,500,000		6	3-30	100	6
Bell Telephone of Canada, debenture of 1895.....	do.....		3,699,000		5	30	98	5.24
<b>Total, North America.....</b>			<b>37,098,000</b>	<b>7,600,000</b>				
<b>LATIN AMERICA</b>								
Chile: Chile Copper Co., closed collateral trust convertible gold bonds.....	June.....		15,000,000		7	10		
Cuba:								
Havana Electric Railway, Light & Power Co., secured gold notes of 1914.....	January.....		2,000,000		6	2	99	6.65
Maniti Sugar Co., first mortgage gold bonds.....	May.....		2,500,000		6	2-5		
Cardenas-American Sugar Co., preferred stock.....	June.....		1,250,000		7		90	
Punta Alegre Sugar Co., first mortgage convertible gold bonds.....	August.....		1,250,000		6	20	100	6.00
<b>Total, Latin America.....</b>			<b>22,000,000</b>					
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
Porto Rico: Porto Rico Telephone Co., first mortgage S. F. G. B'.....	January.....		600,000	375,000	6	30	98	6.40

CALENDAR YEAR 1916

<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
<b>France:</b>								
Government of France, gold notes.....	July.....		94,600,000		5	3	98	5.735
Government of France, internal tax free convertible franc bonds <sup>1</sup> .....	October.....		10,000,000		4	(10)		5.70
City of Paris, external gold bonds.....	do.....		50,000,000		6	5	98.75	6.30
City of Marseilles, Lyon, and Bordeaux, gold bond <sup>11</sup> .....	November.....		36,000,000		6	3	98	6.75
Germany: Government of Germany, treasury notes.....	May.....		10,000,000		6	1	(9)	

Great Britain:									
United Kingdom of Great Britain and Ireland, collateral gold notes.....	August.....	250,000,000	5	2			99	5.70	
United Kingdom of Great Britain and Ireland, coupon collateral gold notes.....	October.....	150,000,000	5 1/2	5			98.50	5.85	
Do.....	do.....	150,000,000	5 1/2	8			99.25	5.75	
Metropolitan Water Board of London, discount gold notes.....	September.....	6,400,000	6	1					
Norway: Kingdom of Norway, gold coupon bonds.....	January.....	4,000,000	6	7		101.50		5.75	
Russia:									
Russian Imperial Government, registered credit participation certificates.....	June.....	50,000,000	6 1/2	8					
Russian Imperial Government, unsecured external treasury gold bonds <sup>11</sup> .....	November.....	25,000,000	6 1/2	5		94.75		6.75	
<b>Total, Europe.....</b>		<b>830,900,000</b>							
<b>NORTH AMERICA</b>									
Canada:									
City of Victoria, British Columbia, gold coupon treasury certificates.....	January.....	1,000,000	5	3					
City of Edmonton, Alberta, debentures.....	do.....	1,348,750	8	5					
City of London, Ontario, debentures.....	do.....	655,492	6	3-10					
City of North Vancouver, British Columbia, debentures.....	February.....	7,973	5	10		98.70		5.51	
City of Burnaby, British Columbia, serial debentures.....	do.....	1,000,000	6	20		85		7.00	
City of Revelstoke, British Columbia, debentures.....	do.....	51,500	6	15		95.67		6.52	
City of Maisonneuve, Quebec, debentures of 1915.....	March.....	355,000	6	10					
Dominion of Canada, gold bonds.....	do.....	75,000,000	5	5-10-15		94.94-99.50		5.10-5.50	
Province of British Columbia, debentures.....	do.....	1,000,000	4 1/2	25		84.18		5.68	
Province of Manitoba, gold debentures.....	April.....	903,000	5	3					
Province of Saskatchewan, gold debentures.....	do.....	1,000,000	5	5-10		94.94-97.12		5.75	
Province of Alberta, gold coupon bonds.....	do.....	2,000,000	5	10					
City of Quebec, Quebec, gold coupon debentures.....	do.....	475,000	5	5		98.77		5.41	
City of Prince Rupert, British Columbia, debentures.....	do.....	1,600,000	5	30					
City of Sault Ste. Marie, Ontario, debentures.....	do.....	83,508	5-5 1/2	15-20-30		97.99			
City of Vancouver, British Columbia, treasury certificates.....	May.....	1,700,000	6	1					
City of Montreal, Quebec, gold debentures.....	do.....	1,850,000	5	20					
Province of Ontario, gold coupon debentures.....	do.....	4,000,000	5	10					
Province of Nova Scotia, gold debentures.....	do.....	1,000,000	5	10		100.28		5.04	
Province of British Columbia, debentures.....	June.....	2,000,000	4 1/2	10		91.50		5.60	
Province of Quebec, gold coupon bonds.....	do.....	4,000,000	5	10					
City of Westmount, Quebec, debentures.....	do.....	107,500	4 1/2	44		92.15		5	
City of Toronto, Ontario, gold debentures.....	do.....	3,669,000	5	1-82		99.64		5.08-5.44	
City of Ottawa, Ontario, debentures.....	do.....	1,032,517	5	20-30		100.01		5	
City of Edmonton, Alberta, debentures.....	do.....	2,000,000	6	2		98.88		6.72	
City of Vancouver, British Columbia, gold treasury notes.....	do.....	1,864,000	6	1-3					
City of Calgary, Alberta, gold coupons sinking fund debentures.....	do.....	1,568,800	5	30-30		95		5.4-5.49	
City of Halifax, Nova Scotia, debentures.....	do.....	460,420	5	30		100.58		5.00	
Canadian Northern Railway, secured gold notes.....	July.....	6,000,000	6	1-2		100.55-102		5-5.50	
City of North Vancouver, British Columbia, treasury notes.....	do.....	225,000	6	8					
Greater Winnipeg Water District, gold coupon debentures.....	do.....	1,500,000	5	5					

<sup>1</sup> Offered at 96, or at par with 10 per cent bonus in common stock.

<sup>2</sup> Offered on a discount basis.

<sup>3</sup> Amount sold in United States estimated.

<sup>10</sup> Does not mature before Jan. 31, 1931.

<sup>11</sup> Total offering of \$80,000,000 with \$20,000,000 for each city. Of this total, \$24,000,000 was subject to option and was subsequently withdrawn.

<sup>12</sup> \$50,000,000 offered, of which \$25,000,000 was under option and was subsequently withdrawn.

## FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1916—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
<b>Canada—Continued.</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Canadian Northern Railway, equipment trust gold certificates, series LL	August		1,250,000		5	1-10		
City of Nelson, British Columbia, debentures	do		30,000		5	20		
Edmonton Dunvegan and British Columbian Railway, first mortgage gold bonds <sup>11</sup>	September		2,420,000		4½	28	84.56	5.60
Canadian Northern Railway, secured gold notes	do		1,750,000		5	1		6.10
City of Sutherland, Saskatchewan, debentures	October		36,000		7	20-30	96.13	7.45
City of Montreal, Quebec, gold debentures	November		3,800,000		5	40	97.79	5.20
City of Toronto, Ontario, gold debentures	do		2,594,000		5	3-20	97.48	5.28-6
City of Toronto Harbor Commission, coupon gold debentures	do		1,500,000		4½	40		
City of Halifax, Nova Scotia, refunding debentures	December		265,000		5	35	98.60	5.15
Province of Saskatchewan, debentures	do		500,000		5	15	98.25	5.45
Province of Ontario, gold debentures	do		2,000,000		5	10	98.60	5.52
Newfoundland: Government of Newfoundland, gold coupon bonds	June		5,000,000		5	3		
<b>Total, North America</b>			139,149,464					
<b>LATIN AMERICA</b>								
<b>Argentina:</b>								
Government of the Argentine Nation, gold notes	February		18,500,000		( <sup>14</sup> )	1		
Do	March		15,000,000		( <sup>14</sup> )	1		
<b>Brazil:</b> City of Sao Paulo, external serial gold bonds	October		5,500,000		6	3-12	96.09-100	6-8.50
<b>Panama:</b> Republic of Panama, serial gold bonds of 1915	January		1,200,000		5	1-10		
<b>Total, Latin America</b>			40,200,000					
<b>FAR EAST</b>								
<b>China:</b> Republic of China, gold treasury notes	November		5,000,000		6	3	97.50	6.90
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
<b>Hawaii:</b> Territory of Hawaii, coupon refunding bonds	April	1,750,000	1,650,000	1,750,000	4	30	100	4
<b>Philippine Islands:</b> Government of Philippine Islands, gold registered purchase bonds (Manila Railway).	September		4,000,000		4	10-30	100.76	3.91-3.98



<b>Porto Rico:</b>							
Government of Porto Rico, tax-free registered refunding gold bonds, series I and J.	October	200,000	200,000	4	43-44	104.61-105.39	
Government of Porto Rico, tax-free registered gold bonds, series A to D.	do.	500,000		4	11-14	102.62-103.15	
<b>Total, noncontiguous American Territories and possessions</b>		<b>6,350,000</b>	<b>1,950,000</b>				
<b>CORPORATE ISSUES</b>							
<b>NORTH AMERICA</b>							
<b>Canada:</b>							
Winnipeg Electric Railway, gold notes	January	750,000		6	2	100	6
Goodyear Tire & Rubber Co. of Canada (Ltd.), cumulative preferred stock	do.	850,000		7		100	
United Cigar Stores (Ltd.), cumulative preferred stock (par \$5)	do.	500,000		7		105	
Northern Canada Power Co. (Ltd.), first mortgage gold bonds of 1912 <sup>13</sup>	February	562,000		6	14	97.50	6.40
Great Lakes Power Co. (Ltd.), first mortgage serial gold bonds	May	1,000,000		6	2-28	100	6
Fort William Coal Dock Co. (Ltd.), first closed serial mortgage gold bonds	June	250,000		6	1-8	100	6
Toronto Electric Light Co. (Ltd.), first closed mortgage gold bonds	do.	1,000,000	500,000	5	3	99.50	5.25
Canadian Northern Coal & Ore Dock Co. (Ltd.), first mortgage S. F. G. B.	July	1,375,000		5	20	88.60	6
Smart-Woods (Ltd.), miscellaneous first mortgage serial gold bonds	do.	500,000		6	1-15		
Ames, Holden, McCready (Ltd.), second mortgage gold debentures	do.	250,000	500,000	6	5	100	6
St. Maurice Paper Co. (Ltd.), first mortgage S. F. G. B. <sup>14</sup>	do.	1,250,000		6	30	97.50	6.38
The Cedar Rapids Manufacturing & Power Co., first mortgage S. F. G. B. of 1913.	do.	850,000		6	40	92	5.58
Grand Trunk Railway Co. of Canada, collateral gold notes	August	2,000,000		5	2	98.50	5.80
Laurentide Power Co. (Ltd.), first mortgage S. F. G. B.	do.	2,000,000	3,500,000	5	30	90	5.70
L'Ouarue et Fabrique (Catholic Church), gold bonds	September	250,000		5	10	100	5
Canadian Pacific Railway, note certificates	do.	2,500,000		6	10	101.63	5.73
The Robert Simpson Western (Ltd.) (department store), first mortgage gold bonds	do.	600,000		6	1-15	100	6
Shawinigan Water & Power Co., secured gold coupon notes	October	2,500,000		5	2	99.75	5.125
Toronto Railway, gold notes	November	1,250,000	1,250,000	6	1-2		
Oxford Paper Co., serial gold notes	do.	875,000		6	1-10	100-102.12	5-5.80
Brompton Pulp & Paper Co. (Ltd.), common stock (par \$100)	December	4,130,000	1,180,000			59	
Montreal Tramways Co., first refunding mortgage gold bonds of 1911	do.	2,000,000		5	30	96.50	5.82
Newfoundland: Gwyder Shipping Co. (Ltd.), first mortgage sinking fund bonds.	do.	110,000		6	3	100	6
<b>Total, North America</b>		<b>24,402,000</b>	<b>1,750,000</b>				

<sup>13</sup> Guaranteed by the Province of Alberta.  
<sup>14</sup> Notes are noninterest bearing, selling on a discount basis.  
<sup>15</sup> 25 per cent common stock bonus, at par.  
<sup>16</sup> Unsold portion of bonds issued in 1912.  
<sup>17</sup> 10 per cent bonus in common stock.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1916—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>LATIN AMERICA</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i> <sup>10</sup> 250	<i>Per cent</i>
Argentina: International Portland Cement Corp., common stock (par \$10) and preferred stock (par \$50)	August.....		2,500,000		7			
Brazil: Brazilian Traction, Light & Power Co., secured gold notes.....	November.....		7,500,000		6	8	99	6.375
Chile:								
Braden Copper Mines, S. F. G. B. ....	February.....		15,000,000		6	15	99	6.20
Antofagasta & Bolivia Railway Co. (Ltd.), secured notes.....	August.....		3,000,000		6	2		
Cuba:								
Cuba Cane Sugar Corp., cumulative convertible preferred stock <sup>19</sup> .....	February.....		50,000,000		7		97.50	
Cuban Portland Cement Co., common stock (par \$10).....	March.....		1,500,000				15	
Monita Sugar Co., first mortgage convertible bonds <sup>20</sup> .....	June.....		4,000,000		6	15	100	6
Punta Alegre Sugar Co., common stock (par \$50).....	do.....		2,000,000				50	
Punta Alegre Sugar Co., collateral trust convertible bonds <sup>21</sup> .....	do.....		3,000,000		6	15	96	6.375
Cuba Railroad Co., secured gold notes of 1915.....	September.....		3,000,000		5	3	100	5
Cuban Sugar Mills Corporation, first mortgage S. F. G. B. <sup>22</sup> .....	December.....		1,500,000		6	15	97.50	6.35
Central Teresa Sugar Co., collateral trust sinking fund notes.....	do.....		1,000,000		5	1/2	97.50	10.55
Mexico:								
Pan-American Petroleum & Transport Co., cumulative convertible preferred stock <sup>23</sup> .....	April.....		10,000,000		7		102.50	
Campeche-Laguna Corporation (lumber), S. F. G. B. of 1912.....	do.....		625,000		6	30	100	6
Total, Latin America.....			104,025,000					
<b>FAR EAST</b>								
Netherlands East Indies: Royal Dutch Co. (oil), American shares common stock <sup>24</sup> .....	December.....		2,074,800				69	

CALENDAR YEAR 1917

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES							
EUROPE							
Great Britain:							
United Kingdom of Great Britain and Ireland, secured convertible gold notes.....	January.....	250,000,000		5½	1-2	99.52-99.07	6
Metropolitan Water Board of London, discount bills.....	September.....	6,300,000	6,300,000		1		7
France: Government of French Republic, secured convertible gold notes.....	April.....	100,000,000		5½	2	99	6
Italy: Italian Government, consolidated perpetual lire bonds <sup>18</sup> .....	March.....	45,000,000		5	(20)	97 90	
<b>Total, Europe.....</b>		<b>401,300,000</b>	<b>6,300,000</b>				
NORTH AMERICA							
Canada:							
Canadian Northern Ry., secured gold notes.....	January.....	2,500,000		6	1-2	99.50-100	6-6.05
City of Quebec, gold coupon debentures.....	do.....	750,000		5	10	99.09	5.20
City of Vancouver, British Columbia, debenture notes.....	do.....	1,700,000		5½	1-4		
City of South Vancouver, British Columbia, treasury certificates.....	February.....	450,000		6	3		
Dominion of Canada, third gold war loan.....	March.....	150,000,000	<sup>19</sup> 50,000,000	5	20	96	5.40
Province of Manitoba, gold debentures.....	April.....	2,000,000	1,500,000	5	5		
City of Sault Ste. Marie, Ontario, debentures.....	do.....	63,200		5½	15-30	95.83	5.8-6
City of North Vancouver, British Columbia, debentures.....	do.....	95,000		6	30		
Toronto Harbor Commission, gold debentures of 1913.....	do.....	1,500,000		4½	40		
City of Trail, British Columbia, debentures.....	June.....	80,000		6	20	93.50	6.70
Dominion of Canada, gold notes.....	July.....	100,000,000		5	2	88	6.07
Canadian Northern Ry., secured gold notes.....	do.....	2,700,000		6	1	99.25	6.75
Greater Winnipeg Water District, gold coupon debentures.....	do.....	2,000,000	1,500,000	5	5		
City of Red Deer, serial gold coupon treasury bills.....	do.....	30,000		6	1-3	94	8.5-12.50
City of Edmonton, Alberta, gold notes.....	August.....	750,000	500,000	6	3		
City of London, Ontario, gold coupon bonds.....	do.....	750,000		5½	5		
Province of Alberta, gold coupon bonds.....	do.....	1,000,000	500,000	5	5	94.70	6.25
Canadian Northern Ry., collateral trust gold coupon notes.....	September.....	10,000,000	1,750,000	6	1	99.05	7.00
Province of Saskatchewan, debentures.....	do.....	1,000,000	500,000	5	15		
City of Prince George, British Columbia, debentures.....	November.....	30,000		6	15	87.50	7.50
<b>Total, North America.....</b>		<b>175,188,200</b>	<b>1,750,000</b>				

<sup>18</sup> 50,000 preferred and 60,000 common shares, offered in units of 5 preferred and 6 common at \$250 a unit.

<sup>19</sup> Convertible, share for share, into common stock at the option of the holder.

<sup>20</sup> Offered to preferred and common stockholders at par to the extent of 60 per cent of their holdings. Convertible at par into common shares after 2 years and before 12 years.

<sup>21</sup> Convertible at 125 per cent into common stock.

<sup>22</sup> 20 per cent bonus of common stock.

<sup>23</sup> An American corporation organized to engage in oil industry in the United States and Latin American countries. This issue was for the purchase of the common and preferred stock of the Mexican Petroleum Co. (Ltd.), and other Latin-American oil companies. Convertible into common stock at 115 per cent within 20 years.

<sup>24</sup> Three American shares equal to one Dutch share of 100 guilders par value (\$40.20).

<sup>25</sup> This internal loan was offered publicly in the United States. Amount sold here estimated.

<sup>26</sup> Not convertible before 1931.

<sup>27</sup> Subscriptions taken in lire at a price of 90 based on the day's rate of exchange.

<sup>28</sup> Amount sold in the United States estimated.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued.

CALENDAR YEAR 1917—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>LATIN AMERICA</b>								
<b>Argentina:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Province of Buenos Aires, secured dollar S. F. G. B. of 1916 <sup>10</sup> .....	February.....	8,098,250	2,817,950		6	10		
Government of Argentina, discount notes <sup>11</sup> .....	March.....		5,000,000	5,000,000		1		5.75
Do.....	do.....		5,000,000	5,000,000		½		
Do.....	May.....		5,000,000	5,000,000		1		
Bolivia: Republic of Bolivia, gold dollar external secured bonds.....	June.....		2,400,000		6	12	99.70	6.50
<b>Total, Latin America.....</b>			<b>20,217,950</b>	<b>15,000,000</b>				
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
<b>Porto Rico:</b>								
City of San Juan, gold coupon bonds of 1916.....	March.....		915,000		5	6-20	107.80	3.55-4.35
Government of Porto Rico, tax free registered serial gold bonds of 1916.....	April.....		300,000		4	2-11		
Government of Porto Rico, gold coupon bonds.....	December.....	100,000	14,000		4	25		
Hawaii: Territory of Hawaii, gold coupon bonds.....	September.....	200,000	150,000		4	20-30	98	4.15
<b>Total, noncontiguous American Territories and possessions.....</b>			<b>1,379,000</b>					
<b>CORPORATE ISSUES</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Nova Scotia Tramways & Power Co. (Ltd.), first-mortgage gold bonds of 1916.....	January.....		2,500,000		5	30	95.50	5.30
Dominion Forge & Stamping Co. (Ltd.), first-mortgage serial gold bonds of 1916.....	do.....		300,000		6	1-10	100	6
Port Arthur Shipbuilding Co. (Ltd.), cumulative preferred stock <sup>11</sup> .....	do.....		1,000,000		7		100	
United States Rubber Co., <sup>12</sup> first and refunding mortgage gold bonds.....	do.....		6,000,000	2,500,000	5	30	96.75	5.20
Pacific Mills (Ltd.) (paper), first-mortgage guaranteed gold bonds.....	February.....	2,500,000	2,000,000		6	2-10	101.50	5.25-5.39
Canadian Westinghouse Co. (Ltd.), common stock (par \$100) <sup>13</sup> .....	do.....	1,250,000	1,000,000				100	
New Brunswick Power Co. (Ltd.), first-mortgage gold bonds.....	March.....		1,750,000		5	20		5.49
New Brunswick Power Co. (Ltd.), cumulative first preferred stock.....	do.....		1,000,000		7			
Wm. A. Rogers (Ltd.) (manufacturers of silverware), first-mortgage serial gold bonds.....	do.....		600,000		6	1-15	100-100½	6
Laurentide Power Co. (Ltd.), first closed mortgage S. F. G. B.....	do.....	4,000,000	2,500,000		5	30	92	5.43

Montreal Tramways & Power Co. (Ltd.), secured gold notes.....	do.....	5,350,000	5,350,000	6	2	98.50	6.75
Kaministiquia Power Co. (Ltd.), first closed mortgage gold bonds of 1907.....	April.....	2,000,000		5	30	96.61	5.30
Canadian Pacific Lumber Co. (Ltd.), prior lien receiver's certificates.....	May.....	250,000		6	3	100	6
United Cigar Stores (Ltd.), cumulative preferred stock <sup>31</sup> .....	do.....	372,000		7		5	
British Columbia Sulphite Fiber Co. (Ltd.) (manufacturers of paper), first-mortgage serial gold bonds of 1916.....	June.....	650,000		6	1-10	100	6
Nova Scotia Steel & Coal Co. (Ltd.), common stock (par \$100) <sup>32</sup> .....	do.....	5,000,000				100	
Grand Trunk Ry., equipment notes, series D.....	August.....	2,500,000		5	1-10	95.56-100	5-8
Canadian Copper Corporation (Ltd.), first-mortgage convertible S. F. G. B. <sup>33</sup> .....	do.....	2,500,000		6	10		
Toronto Ry. Co., gold notes.....	November.....	750,000	750,000	6	1	99	7
Whaleyn Pulp & Paper Mills (Ltd.), first and refunding mortgage serial gold bonds.....	December.....	1,415,000		6	3-13	96.53-98.93	6.50
Shawinigan Water & Power Co., convertible notes.....	do.....	4,500,000	3,000,000	6			
Imperial Oil Co. (Ltd.), common stock (par \$100) <sup>37</sup> .....	do.....	5,000,000	4,000,000			100	
<b>Total, North America.....</b>		<b>47,337,000</b>	<b>8,600,000</b>				
<b>LATIN AMERICA</b>							
Argentina: Central Argentine Ry. (Ltd.), convertible gold notes.....	March.....	15,000,000		6	10	100	6
Chile: Chile Copper Co., convertible bonds, series A <sup>34</sup> .....	May.....	35,000,000		6	15	100	6
<b>Cuba:</b>							
Central Cuba Sugar Corporation, cumulative preferred stock.....	January.....	3,000,000		7		100	
Habana Electric Railway, Light & Power Co., preferred stock <sup>35</sup> .....	May.....	6,000,000		6		100	
Central Teresa Sugar Co., guaranteed equipment trust sinking fund notes.....	June.....	1,000,000					6.38
Cuban-American Sugar Co., first lien serial gold bonds.....	December.....	6,000,000	<sup>40</sup> 6,000,000	6	1-4	93.25-99.17	6.82-7.38
Haiti: Haitian American Corporation (public utility and sugar), cumulative convertible preferred stock. <sup>41</sup>	February.....	5,500,000		7		100	
<b>Total, Latin America.....</b>		<b>71,500,000</b>	<b>6,000,000</b>				

<sup>30</sup> Originally offered in London as sterling issue, but transferred to the United States as a dollar issue. Offered in London to holders of £900,000 treasury bills due December, 1916, on the basis of a cash payment of 5 per cent and a 10-year bond for each £100 sterling treasury bill.

<sup>31</sup> Sold over counter.

<sup>32</sup> Bonus of 25 per cent in common stock.

<sup>33</sup> An American corporation with a wholly owned subsidiary, the consolidated Rubber Co. (Ltd.) located in Canada. The amount represents the portion of a \$60,000,000 consolidated bond financing assigned to the Canadian subsidiary whose bonds were taken as security.

<sup>34</sup> Stock increase offered to shareholders on record of Feb. 1 the right to subscribe for 1 new share on the basis of each 4 held.

<sup>35</sup> 25 per cent bonus in common stock.

<sup>36</sup> Offered to stockholders at par.

<sup>37</sup> Convertible before maturity into common stock at \$3 a share (par \$5).

<sup>38</sup> Stockholders' rights to subscribe for 1 share for each 5 held.

<sup>39</sup> Convertible into stock, \$35 of bonds for \$25 of stock.

<sup>40</sup> Offered to shareholders at par to the extent of 20 per cent of holdings.

<sup>41</sup> To pay off the balance outstanding of an issue of 1908.

<sup>42</sup> These preferred shares were accompanied by 25 per cent common shares and 50 per cent in founders shares, convertible share for share into common.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1917—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
CORPORATE ISSUES—Continued								
FAR EAST								
Australia: Melbourne Electric Supply Co. (public utility), general mortgage convertible gold bonds. <sup>43</sup>	March	<i>Dollars</i>	<i>Dollars</i> 1,250,000	<i>Dollars</i>	<i>Per cent</i> 6	<i>Years</i> 5	<i>Dollars</i> 96.75	<i>Per cent</i> 6.75
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS								
Alaska: Alaska Anthracite R. R. Co., first-mortgage gold bonds	February		125,000		7	2-4	100	7
Porto Rico: West Porto Rico Sugar Co., cumulative preferred stock <sup>44</sup>	August		2,000,000		8		100	
Total, noncontiguous American Territories and possessions			2,125,000					

CALENDAR YEAR 1918

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES								
NORTH AMERICA								
Canada:								
Greater Winnipeg Water District, gold coupon bonds	February		2,000,000		5	5	92.68	6.75
Province of Ontario, debentures of 1916	March		1,000,000		4	10		
Province of Nova Scotia, debentures	April	1,000,000	750,000		6	10	98	6.37
City of Victoria, British Columbia, gold debentures	June		15,000		6			6.95
City of Calgary, Alberta, gold debentures	do.	2,300,000	1,000,000	1,000,000	7	10	100	7
Province of Saskatchewan, coupon bonds	do.	1,500,000	500,000		6	20		
Canadian Northern Railway, equipment trust gold certificates, series A	July		5,000,000		6	1-10	92.06-98.93	7.25
Province of Manitoba, debentures	do.		500,000		6	10	96.67	
City of New Westminster, British Columbia, debentures	do.		170,000		6	5	93.70	7.65
City of New Westminster, British Columbia, debentures	October		100,000		6	5	93.70	7.65
City of New Westminster, British Columbia, debentures	December		230,000		6	5	93.70	7.65
City of Niagara Falls, Ontario, debentures	do.		230,000		6	5		
Toronto Harbor Commission, gold debentures	do.		500,000		4½	35		
Newfoundland: Government of Newfoundland, coupon war bonds	June		4,000,000	1,000,000	6½	10	100	6.50
Total, North America			12,995,000	1,000,000				

LATIN AMERICA								
Argentina: Government of Argentine, treasury gold bonds of 1915 <sup>4</sup> .....	July.....		800,000		6	5	90.25	8.25
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS								
Porto Rico:								
City of San Juan, registered gold notes.....	February.....		800,000		6	1-9		
Government of Porto Rico, tax free registered gold bonds, series E-II.....	November.....		800,000		4	9-12	98.64	4.9
Total, noncontiguous American Territories and possessions.....			800,000					
CORPORATE ISSUES								
NORTH AMERICA								
Canada:								
Shawinigan Water & Power Co., convertible notes of 1917 <sup>4</sup> .....	January.....	1,500,000	1,000,000		6	2	97.50	7.50
Abitibi Power & Paper Co. (Ltd.), convertible mortgage debenture stock.....	May.....		600,000		7	14	87	8.80
United Fuel & Gas Co. of Hamilton, Ontario (Ltd.), first mortgage S. F. G. B.....	July.....		1,050,000		6	8	9	7
Beaver Co. (Ltd.) (manufacturers of wallboard), cumulative preferred stock.....	November.....		795,000		7		87.50	
Nova Scotia Transportation Co. (Ltd.), first mortgage serial gold bonds.....	do.....		650,000		7	1-8		
Maple Leaf Shipping Co. (Ltd.), first mortgage gold bonds.....	do.....		650,000		7	1-8		
Toronto Railway, gold notes.....	December.....		1,000,000	1,000,000	6	2	98.38	7
Total, North America.....			5,645,000	1,000,000				
LATIN AMERICA								
Cuba:								
Central Sugar Corp., gold notes.....	March.....		1,000,000		7	1	99	8
Central Teresa Sugar Co., equipment and collateral trust sinking fund notes.....	June.....		600,000	600,000		1/2		
Haiti: Haitian American Corp. (public utility and sugar), cumulative convertible preference stock.....	December.....		800,000		7			
Total, Latin America.....			2,100,000	600,000				
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS								
Porto Rico: South Porto Rico Sugar Co., common stock (par \$100) <sup>4</sup> .....	June.....		1,125,000					

<sup>1</sup> Convertible into 7 per cent first cumulative preferred stock at par after Mar. 1, 1918, or into ordinary common stock at \$150 any time.

<sup>2</sup> Offered at par with bonus of 10 per cent in common stock.

<sup>3</sup> Sterling issue of 1915.

<sup>4</sup> Dated Dec. 15, 1917, \$4,500,000 total issues of which \$3,000,000 was floated in the United States December, 1917.

<sup>5</sup> Offered to stockholders.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1919

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Denmark: City of Copenhagen, external redeemable S. F. G. B.	August		15,000,000		5½	25	93.50	6.24
France: Cities of Marseille, Lyon, and Bordeaux, coupon gold bonds	November		22,220,700	22,220,700	6	15	92.50	6.80
Great Britain:								
United Kingdom of Great Britain and Ireland, gold bonds	February		143,587,000	115,587,000	5¼	20	101	5.40
United Kingdom of Great Britain and Ireland, convertible gold notes and bonds	October		250,000,000	135,000,000	5½	2-10	96.25-98	6-6.25
Sweden: Government of Sweden, coupon gold bonds	June	25,000,000	20,000,000		6	20	99.50	6.13
Switzerland: Government of Switzerland, gold bonds	July		30,000,000		5½	10	96.25	6
<b>Total, Europe</b>			480,807,700	272,807,700				
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Canadian Northern Railway, equipment trust gold certificates, series B	January		7,500,000		6	10	98.85	6.25
City of Vancouver, debentures	do.		2,000,000		6	5	95.50	7.20
Province of Ontario, treasury bills	do.		3,000,000		5	½		
Verdun Protestant School District, debentures	do.	100,000	50,000		6	5		
City of Sherbrooke, debentures	February		30,000		5	5	97.50	6.59
Province of Ontario, gold debentures	do.		3,000,000		5	3		
Province of Ontario, gold coupon bonds of 1914	do.		1,000,000		4	10	90.75	5.025
Province of British Columbia, sinking fund debentures	March	3,000,000	1,000,000		5½	20		
Canadian Northern Railway, equipment trust gold certificates, series C	May		7,500,000		6	10	100.05-104.25	5.50-6
Province of New Brunswick, tax free gold coupon bonds	do.	1,000,000	500,000		5½	15	101.29	5.55
Province of Ontario, coupon gold debentures	do.		4,000,000		5	3	98.38	5.00
City of Calgary, treasury notes	June		1,500,000		6	5	100.80	5.81
Province of Manitoba, gold coupon debentures	do.		500,000		5	2	98.98	5.05
Dominion of Canada, gold coupon notes and bonds	July		75,000,000	75,000,000	5½	2-10	99.25-97	5.90
Canadian Northern Railway, collateral trust gold notes	do.		10,000,000		6	2½-5	100	6
Province of Ontario, gold coupon debentures	August	3,000,000	2,000,000		5½	5	99.67	5.65
Dominion of Canada, victory loan bonds	October	300,000,000	50,000,000		5½	15	100	5.50
City of Toronto, gold coupon debentures	November	2,632,000	2,000,000		5½	1-20	96.20	5.85
City of North Vancouver, gold notes	December		225,000		6	3	97.05	7
Newfoundland: Government of Newfoundland, tax free gold debentures	May	5,000,000	2,500,000	5,000,000	5½	20		
<b>Total, North America</b>			173,965,000	80,000,000				



LATIN AMERICA							
Brazil:							
City of Rio de Janeiro, serial gold coupon extranal secured bonds.....	May.....	10,000,000		6	3-12	96.7-98.83	6.50
City of Sao Paulo, external secured S. F. G. B.....	October.....	8,500,000	4,950,000	6	24	95.50	6.875
<b>Total, Latin America.....</b>		<b>18,500,000</b>	<b>4,950,000</b>				
FAR EAST							
China: Republic of China, secured treasury notes.....	November.....	5,500,000	5,000,000	6	2	98.13	7
Japan: Imperial Japanese Government, sterling loan of 1905 <sup>41</sup> .....	December.....	487,000		4	25		
<b>Total, Far East.....</b>		<b>5,987,000</b>	<b>5,000,000</b>				
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Hawaii: Territory of Hawaii, tax free gold coupon bonds.....	October.....	1,500,000		4½	20-30	102.81	4.28
Philippine Islands: Government of Philippine Islands, tax free gold certificates.....	April.....	10,000,000		4	1	98.32	4.62
<b>Total, noncontiguous American Territories and possessions.....</b>		<b>11,500,000</b>					
CORPORATE ISSUES							
EUROPE							
Great Britain:							
Anglo-American Commercial Corp., no par common stock (Great Britain and France).....	May.....	758,500				18.50	
Shell Transport & Trading Co. (petroleum), American shares, ordinary stock <sup>42</sup> .....	July.....	19,113,000				69	
<b>Total, Europe.....</b>		<b>19,871,500</b>					
NORTH AMERICA							
Canada:							
Consolidated Mining & Smelting of Canada (Ltd.), convertible gold debentures <sup>43</sup> .....	January.....	3,000,000	1,000,000	7	10	100	7
Riordon Pulp & Paper Co. (Ltd.), general mortgage S. F. G. B.....	do.....		4,000,000	8	10	98	6.65
Montreal Tramways & Power Co. (Ltd.), secured gold bonds.....	February.....		7,300,000	6½	5	100	6.50
Fraser Companies (Ltd.) (paper) serial first mortgage gold bonds.....	May.....	2,000,000	500,000	6	1-10	97.08-100	6-6.40
Mattogomi Pulp & Paper Co. (Ltd.), convertible sinking fund mortgage debenture stock.....	do.....	2,000,000	1,000,000	7	30	94	7.50
Mount Royal Steamship Co. (Ltd.), first mortgage marine bonds.....	do.....		680,000	7	3	99.50-100	7-7.65
Toronto Electric Light Co., secured gold notes.....	June.....		1,000,000	6	3	99.50	6.20
Abitibi Power & Paper Co. (Ltd.), first mortgage serial gold bonds of 1914.....	do.....		1,500,000	6	1-15	97.50-99.52	6.25-6.50
Canada Copper Corp. (Ltd.), gold debentures <sup>44</sup> <sup>45</sup> .....	do.....		710,000	6	5	100	6

<sup>41</sup> The amount disposed of during 1919 of a \$45,000,000 issue, balance sold in 1921.

<sup>42</sup> Amount of 2-year notes dated February, 1917, that were converted into 20-year bonds. A few 20-year bonds were sold outright.

<sup>43</sup> Part of issue in 2-year notes and the balance in 10-year bonds, for refunding of 1917 loans.

<sup>44</sup> Estimated amount of Canadian victory loan taken in the United States.

<sup>45</sup> Part of the £50,000,000 issue of 1905 of which £25,000,000 outstanding was sold in 1919.

<sup>46</sup> Each American share represented by 2 ordinary shares of £1 par value.

<sup>47</sup> Offered to stockholders.

<sup>48</sup> Common stock bonus of 100 per cent.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1919—Continued

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Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
<b>Canada—Continued.</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Peabody's (Ltd.) (miscellaneous), first mortgage serial gold bonds.....	July.....	-----	350,000	-----	7	3-10	100	7
Yarmouth Light & Power Co. (Ltd.), gold notes.....	do.....	-----	100,000	-----	7	5	98	7.62
Bishop Navigation Co. (Ltd.), first mortgage serial gold bonds.....	August.....	-----	1,000,000	-----	6	1-10	98.16-99.76	6.25
Donncona Paper Co. (Ltd.), first mortgage sinking fund gold bonds.....	-----	1,750,000	750,000	500,000	6	25	97.50	6.25
Spanish River Pulp & Paper Mills (Ltd.), mortgage lien serial gold notes.....	September.....	-----	3,500,000	-----	6	10	98.41-100	6-6.50
Eastern Shipping Co. (Ltd.), first mortgage marine bonds.....	October.....	-----	400,000	-----	7	1-44	100	7
York Steamship Co. (Ltd.), first mortgage marine bonds.....	do.....	-----	400,000	-----	7	1-44	100	6.50-7
Canadian Connecticut Cotton Mills (Ltd.), cumulative participating preferred stock.....	December.....	-----	3,000,000	2,000,000	8	-----	97	-----
Goodyear Tire and Rubber Co. of Canada, sinking fund cumulative preferred stock.....	do.....	-----	4,500,000	2,000,000	7	-----	97.50	-----
<b>Total, North America.....</b>	-----	-----	28,190,000	7,300,000	-----	-----	-----	-----
<b>LATIN AMERICA</b>								
Brazil: Brazilian Traction, Light & Power Co., secured gold notes.....	October.....	-----	7,500,000	7,500,000	6	3	97.50	7
<b>Columbia:</b>								
South American Gold & Platinum Co. (mining), common stock (par \$5).....	June.....	-----	1,500,000	-----	-----	-----	5	-----
Carib Syndicate (Ltd.), common stock (par \$10).....	October.....	-----	876,000	-----	-----	-----	10	-----
<b>Cuba:</b>								
Cuba Railway, first mortgage bonds of 1902.....	June.....	-----	1,150,000	-----	5	50	88	5.80
West India Sugar Finance Corporation, secured S. F. G. B.....	do.....	-----	5,000,000	-----	7	10	97.50	7.35
West India Sugar Finance Corporation, sinking fund cumulative preferred stock.....	August.....	-----	3,500,000	-----	8	-----	100	-----
Central Teresa Sugar Co., cumulative convertible and participating preferred stock (par \$10).....	October.....	-----	1,750,000	-----	8	-----	10	-----
Manati Sugar Co., common stock (par \$100) and cumulative preference stock. <sup>55</sup>	do.....	-----	4,365,000	1,600,000	-----	-----	100	-----
Haiti: Haitian-American Corp. (public utility) serial notes.....	July.....	-----	3,000,000	-----	7	3-5	98.95-99.30	7.25
Mexico: Mexican-Panuco Oil Co., common stock (par \$10).....	May.....	-----	676,900	-----	-----	-----	10	-----
<b>Total, Latin America.....</b>	-----	-----	29,318,500	9,199,600	-----	-----	-----	-----

NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS

Porto Rico: South Porto Rico Sugar Co., cumulative preferred stock .....	January .....	1,005,000	8		107.50	
Hawaii: Hawaiian Pineapple Co. (Ltd.), common stock (par \$20) <sup>41</sup> .....	March .....	400,000			90	
Philippine Islands: Manila Electric Railway & Lighting Corp., gold notes .....	September .....	1,600,000	7	3	98.80	7.50
<b>Total, noncontiguous American Territories and possessions .....</b>		<b>2,905,000</b>				

CALENDAR YEAR 1930

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED

EUROPE

<b>Belgium:</b>							
Kingdom of Belgium, external gold notes .....	January .....	18,600,000	8	5	93.75	7.08	
Do .....	do .....	4,400,000	8	1	99	7.10	
Kingdom of Belgium, external S. F. G. B. ....	June .....	80,000,000	( <sup>44</sup> )	25	94.50	7.05-6.60	
Denmark: Kingdom of Denmark, external S. F. G. B. ....	October .....	25,000,000	8	25	100	8	
<b>France:</b>							
Government of French Republic, internal premium bonds <sup>45</sup> .....	May .....	3,735,500	5				
Government of French Republic, external S. F. G. B. ....	September .....	100,000,000	8	25	100-100.50	8	
Government of French Republic, internal bonds <sup>46</sup> .....	December .....	2,362,500	6				
Germany: City of Frankfurt on Main, internal bonds .....	February .....	52,500	4	41	( <sup>46</sup> )		
Italy: Kingdom of Italy, Royal Treasury gold bonds .....	do .....	10,000,000	8 1/2	5	97.50	7.13	
Netherlands: City of Amsterdam, internal sinking fund bonds .....	November .....	4,725,000	7	40	( <sup>46</sup> )		
<b>Norway:</b>							
Kingdom of Norway, external S. F. G. B. ....	September .....	20,000,000	8	20	100	8	
City of Christiania, S. F. G. B. ....	October .....	5,000,000	8	25	99	8.25	
City of Bergen, external S. F. G. B. ....	November .....	4,000,000	8	25	98	8.30	
Poland: Government of Poland, external gold bonds <sup>47</sup> .....	June .....	23,075,750	6	20			
<b>Switzerland:</b>							
Federal Railways of Switzerland, internal coupon notes <sup>48</sup> .....	February .....	20,891,520	2 1/2	3-5			
Government of Switzerland, external S. F. G. B. coupon notes .....	July .....	25,000,000	8	20	100	8.50	
Government of Switzerland, internal coupon treasury notes <sup>49</sup> .....	September .....	36,178,500	6	3-5			
City of Berne, external S. F. G. B. ....	October .....	6,000,000	8	25	99	8.25	
City of Zurich, external S. F. G. B. ....	do .....	6,000,000	8	25	99.50	8.10	
<b>Total, Europe .....</b>		<b>305,599,880</b>					

<sup>41</sup> Offered to stockholders.

<sup>42</sup> \$200,000 cumulative preference stock and the remainder common stock.

<sup>43</sup> To refund an acceptance credit of the same amount granted one year before.

<sup>44</sup> French premiums, 50,000,000 francs sold in this market at \$74.91 per 1,000 francs. Redeemable at 150 per cent by semiannual drawing, 1920-1980.

<sup>45</sup> French internals, 35,000,000 francs, 25,000,000 francs sold at \$66.50 per 1,000 francs, and 10,000,000 francs sold at \$70 per 1,000 francs, redeemable at par after Jan. 1, 1931.

<sup>46</sup> A mark loan, 3,000,000 marks sold in the American market at \$17.50 per 1,000 marks.

<sup>47</sup> A 15,000,000 guilder issue sold at \$315 per 1,000 guilders.

<sup>48</sup> Sold by the Polish Government direct to investing public, redeemable at par any time after Apr. 1, 1931.

<sup>49</sup> A 130,594,500-franc issue converted at average rate of exchange for February, 1920, or \$0.16.

<sup>50</sup> A 222,500,000-franc issue converted at average rate of exchange for September, 1920, or \$0.1620.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1920—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED—Contd.</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Canadian Northern Railway, equipment trust gold certificates, series D of 1919.	January		7,500,000		6	10		
Province of Manitoba, coupon gold debentures	do.		4,000,000		6	5	97.89	6.50
Province of Ontario, debentures	do.		3,000,000		5½	10	90.41	5.70
Saskatchewan School District, debentures	do.		210,000		6	30		
Province of Manitoba, debentures	February		2,498,000		6	10	90	7
Canadian Northern Railway guaranteed notes	March		6,000,000		5¼	5	96.64	6.85
Do	do.		6,000,000		5½	5	94.50	6.95
Greater Vancouver, debentures	do.		510,000		5	3	96.09	7.25
Province of Ontario, debentures	do.	5,000,000	4,500,000		5½	5	85	7
Province of Quebec, debentures	do.	3,500,000	500,000		6	5	92.55	9.00
Province of Ontario, debentures	April	6,800,000	2,800,000		6	5	97.12	7.20
City of Toronto, serial debentures	do.	1,005,000	1,000,000		5½	1-30	94.117	6.10
Province of Alberta, debentures	May	2,000,000	500,000		6	3	101.744	5.36
Canadian National Railway, sinking fund equipment trust gold certificates.	do.		15,000,000		7	15	99	7.10
Province of Nova Scotia, coupon debentures	do.	3,000,000	800,000		6	5	91.21	9.63
Province of Manitoba, debentures	do.		3,000,000		6	5		
Province of Saskatchewan, gold debentures	do.		1,000,000		6	4	97.33	7.30
Province of Alberta, debentures	June	1,000,000	500,000		6	10		
Province of British Columbia, gold debentures	do.	2,000,000	1,000,000		6	5	95.71	7.75
Province of Manitoba, debentures	do.	2,000,000	1,000,000		6	5	89.66	10.30
Province of British Columbia, debentures	July	1,500,000	1,000,000		6	5	96.98	6.58
Do	do.	1,300,000	1,300,000		6	5	99.78-100	6.15-6.00
City of Winnipeg, debentures	do.	800,000	300,000		6	20	95.155	6.44
Province of Alberta, debentures	August	2,000,000	1,000,000		6	10	96.58	6.47
University of Alberta, guaranteed debentures	do.		750,000		6	5		
Province of British Columbia, debentures	do.	3,000,000	2,500,000		6	5	98.91	6.25
Province of Manitoba, debentures	do.	4,500,000	3,000,000		6	5	7.75	
Province of Nova Scotia, debentures	do.		500,000		6	5	101.29	5.78
Toronto Township, debentures	do.		74,875		6	20		
City of Selkirk, gold debentures	do.		25,000		6	3	94.98	9
Province of British Columbia, debentures	September				6	5		
City of Edmonton, gold notes	October		1,000,000		6	5		
Grand Trunk Railway, sinking fund gold debentures	do.	25,000,000	20,000,000		7	20	100	7
Province of Manitoba, debentures	do.	750,000	700,000		6	5	93.76	7.50

Do.....	do.....	500,000	250,000	5	8	94.30	7.25
City of Ottawa, coupon installment debentures.....	do.....		84,307	6	10	97.29	6.70
Do.....	do.....		357,562	6	15	97.29	6.55
Do.....	do.....		448,362	6	20	97.29	6.44
Do.....	do.....		1,409,000	6	30	97.29	6.34
Canadian Northern Railway, sinking fund gold debentures.....	November.....	25,000,000		7	20	100	7
Province of Alberta, debentures.....	do.....	1,000,000		6	10	98.70	
Provinces of Nova Scotia, coupon debentures.....	do.....	2,000,000		6	10	102.02	5.78
Provinces of Ontario, gold coupon debentures.....	do.....	5,000,000	2,000,000	6	7	104.55	5.21
City of Smith Falls, installment debentures.....	do.....		9,200	6	20	98.37	6.20
City of Toronto, coupon debentures.....	do.....	2,853,000	1,426,000	6	17½	94.31	6.55
Province of Ontario, gold coupon debentures.....	December.....	15,000,000	7,500,000	6	15	93.81	6.60
City of Toronto, coupon debentures.....	do.....	1,055,000	1,000,000	5½	2-10	97.22-99.3	6.60-6.70
City of Winnipeg, gold coupon debentures.....	do.....		800,000	6	10	94.41	7.35
Total, North America.....			139,828,106				
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Porto Rico: Government of Porto Rico, gold coupon bonds, Lot B.....	March.....		1,000,000	4½	15	90.67	4.70
Philippine Islands:							
Government of Philippine Islands, coupon certificates.....	August.....		10,000,000	4	1	96.59	7.75
Manila Port, tax-free registered gold bonds.....	October.....		6,000,000	5½	10-30	101.27	5.42-5.55
Total, noncontiguous American Territories and possessions.....			17,000,000				
CORPORATE ISSUES							
EUROPE							
Belgium: Solvay and Cie. (chemical), secured gold bonds.....	October.....		10,000,000	8	7	100	8
France: French Midi Ry., franc bonds <sup>61</sup> .....	do.....		3,260,000	6	40	95	6.25
Great Britain:							
Anglo-American Oil Co. (Ltd.), sinking-fund gold notes.....	March.....		15,000,000	7½	5	100	7.50
Liggett's International (Ltd.) (chain store) cumulative preferred stock.....	August.....		7,500,000			50	
Rand Lines (Ltd.), American shares, ordinary stock <sup>62</sup> .....	January.....		2,400,000	8		40	
De Beers Consolidated Mines (Ltd.), American shares, deferred stock <sup>63</sup> .....	do.....		3,760,000			47	
Total, Europe.....			41,910,000				
NORTH AMERICA							
Canada:							
Granby Consolidated Mining, Smelting & Power Co. (Ltd.), convertible debentures.....	February.....		2,500,000	5	5	100	5
Canadian Pacific Ry., equipment trust gold certificates.....	March.....		12,000,000	6	½-12	94.88-99.68	6.75-6.63
Acadia Sugar Refining Co. (Ltd.), first-mortgage serial gold bonds.....	April.....		2,000,000	7	1-20	98-100	7-7.20
Bell Telephone Co., gold bonds.....	do.....	5,500,000	5,000,000	7	5	98	7.50
Abitibi Power & Paper Co. (Ltd.), general mortgage S. F. G. B.....	May.....	4,000,000	2,000,000	6	20	92.50	6.70
Canadian Western Steamship Co. (Ltd.), first-mortgage marine bonds.....	do.....		850,000	7	1-25	89	8.50

<sup>61</sup> A 50,000,000-franc issue at \$65 per 1,000-franc bond.

<sup>62</sup> Each American share represented by five ordinary shares of 5 shillings par value.

<sup>63</sup> Each 5 American shares represented by 2 deferred shares of £2¼ par value.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1920—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
Canada—Continued.								
Great Eastern Paper Co. (Ltd.), cumulative preferred stock.....	May.....	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Riordon Pulp & Paper Co. (Ltd.), common stock (par \$100).....	do.....	2,500,000	1,875,000	2,500,000	8		100	
Riordon Corporation (Ltd.) (paper), cumulative preferred stock <sup>67</sup> .....	June.....	1,000,000	5,000,000	5,000,000	8		125	98.50
Shawinigan Water & Power Co., secured convertible gold notes.....	do.....	4,000,000	4,000,000	4,000,000	7 1/2	6	97.65	8
Dominion Engineering Works (Ltd.) (industrial machinery), preferred stock <sup>68</sup> .....	July.....	1,400,000	700,000	700,000	8		98	
Kaminiatgua Pulp & Paper Co. (Ltd.), first-mortgage S. F. G. B.....	August.....	500,000	260,000	260,000	7	15	100	7
Massey-Harris Co. (Ltd.) (agricultural machinery), sinking-fund gold debentures.....	October.....	4,000,000	2,000,000	2,000,000	8	10	100	8
Ottawa Heat, Light & Power Co., first-mortgage and collateral trust S. F. G. B., Series A.....	do.....	1,200,000	600,000	600,000	8	20	100	8
Dominion Power & Transmission Co. (Ltd.), gold bonds of 1907.....	November.....	1,500,000	1,000,000	1,000,000	5	14-25	77-92-98.92	8-8.25
Gunns (Ltd.) (meat packers), cumulative first preferred and participating stock.....	do.....	1,500,000	1,000,000	1,000,000	7		97.50	
Riordon Corporation (Ltd.) (paper), first-mortgage and refunding S. F. G. B., Series A.....	December.....	6,500,000	6,000,000	4,000,000	8	20	99	8.10
Newfoundland: Newfoundland Maritime Co. (Ltd.), first-mortgage marine bonds.....	September.....		700,000	700,000	7	3	98.73	9
<b>Total, North America.....</b>			<b>40,550,000</b>	<b>5,500,000</b>				
<b>LATIN AMERICA</b>								
Colombia: Colombia Syndicate (oil), no-par common stock.....	April.....		1,650,000	1,650,000			11	
Cuba:								
Cuba Cane Sugar Corporation, convertible debentures.....	January.....		25,000,000	25,000,000	7	10	100	7
Cuba Railroad, equipment trust certificates.....	March.....		1,700,000	1,700,000	7	10	98.31	7.50
Caracas Sugar Co., common stock (par \$50).....	July.....		500,000	500,000			50	
Central Sugar Corporation, convertible gold notes.....	December.....		3,000,000	3,000,000	8	10	98	8.50
Mexico:								
Mexico Oil Corporation, common stock (par \$10).....	January.....		400,000	400,000			4	
American Metal Co. (Ltd.) (Chile and Mexico) (mining), common stock (par \$100).....	March.....		7,000,000	7,000,000			100	
Florian & Co. (Ltd.) (miscellaneous), no-par common stock.....	September.....		800,000	800,000			20	
U. S. Mexican Oil Corporation, first-lien collateral trust gold notes.....	October.....		2,500,000	1,000,000	8	1		

Peru: Cerro de Pasco Copper Corporation, convertible S. F. G. B.....	December.....	8,000,000		8	10	100	8
Total, Latin America.....		49,050,000					

CALENDAR YEAR, 1921

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES								
EUROPE								
<b>Belgium:</b>								
Kingdom of Belgium, external, S. F. G. B.....	January.....	30,000,000		8	20	100	8	
Kingdom of Belgium, external gold notes.....	October.....	4,270,000		6	5	95	7.80	
<b>France:</b>								
Government of French Republic, external gold bonds.....	May.....	100,000,000	50,000,000	75	20	95	8	
City of Marseille, Lyons, and Bordeaux, coupon external bonds 1919 #1.....	November.....	22,779,300		6	13	86.00	7.65	
Paris-Orleans Railroad, equipment bonds, foreign series.....	February.....	3,275,000		6	35	92	6.70	
<b>Denmark:</b>								
Danish Municipal Loan, external S. F. G. B.....	January.....	15,000,000		8	25	98	5.29	
Kingdom of Denmark, external gold bonds.....	December.....	30,000,000		6	20	94.80	6.50	
Total, Europe.....		205,324,300	50,000,000					
NORTH AMERICA								
<b>Canada:</b>								
Province of Manitoba, debentures.....	January.....	2,000,000	800,000	6	10	101.11	5.77	
Province of Ontario, debentures.....	do.....	10,000,000	8,000,000	6	20	96.787	6.28	
Province of Saskatchewan, debentures.....	do.....	3,000,000	2,500,000	6	15	97.637	6.35	
City of Toronto, coupon debentures.....	February.....	2,500,000	1,000,000	6	4-20	98.94	6.1-6.40	
City of Brockville, debentures.....	do.....	2,537,000	1,000,000	6	3-30	98.94	6.16-6.50	
City of Winnipeg, debentures.....	do.....	1,250,000	500,000	6	6	20	97.89	6.28
Montreal Protestant School Commission, serial debentures.....	March.....	1,500,000	750,000	6	24-29			
Province of British Columbia, debentures.....	do.....	2,000,000	1,000,000	6	5	103.77	5.15	
City of Milton, Ontario, debentures.....	do.....	34,000	17,000	6	30			
Province of Manitoba, gold coupon debentures.....	do.....	1,000,000	1,000,000	6	5	90.25	7.375	
Province of Nova Scotia, debentures.....	do.....	1,000,000	1,000,000	6	5	102.987	5.31	
Province of British Columbia, debentures.....	April.....	1,500,000	3,000,000	6	5	100.01	5.99	
City of Edmonton, debentures.....	May.....	2,500,000	1,000,000	7	20	99	7.10	
Province of Manitoba, gold bonds.....	do.....	2,000,000	1,000,000	6	10	99.29	6.19	
City of Belleville, debentures.....	do.....	210,000	105,000	6	20	97.719	6.29	
City of Brockville, debentures.....	do.....	30,000	15,000	6	10	97.579	6.51	
City of Owen Sound, Ontario, debentures.....	June.....	74,714	74,714	6	15	96.61	6.45	
Province of British Columbia, debentures.....	do.....	3,000,000	1,500,000	6	20	93.11	6.74	
Province of New Brunswick, gold coupon bonds.....	do.....	1,502,000	1,000,000	6	10	98.70	6.17	
City of Toronto, debentures.....	do.....	5,000,000	2,500,000	6	20	96.38	6.33	
Lethbridge Northern Irrigation District, debentures.....	do.....	2,400,000	1,200,000	6	30			
Province of Alberta, serial gold bonds.....	do.....	100,000	100,000	6	2-5			
Canadian Northern Railway, S. F. G., debentures.....	July.....	2,500,000	25,000,000	6 1/2	25	95.5	6.80	

#1 Common-stock bonus of 40 per cent.

#2 Common-stock bonus of 25 per cent.

#3 This comprises the balance of a \$45,000,000 issue of which part was offered in 1919. Each city obtained one-third of the proceeds.

HANDBOOK ON AMERICAN UNDERWRITING

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1921—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
<b>Canada—Continued.</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Province of British Columbia, coupon gold bonds.....	July.....		2,000,000		6	5	93	7.15
Province of Saskatchewan, coupon gold bonds.....	August.....		3,000,000		6	6	92.89	7.50
Province of British Columbia, coupon gold bonds.....	do.....	1,000,000	500,000		6	20	93.59	6.57
Do.....	do.....		1,000,000		6	5	94	7.50
City of Calgary, coupon bonds.....	do.....		100,000		6	8	93.50	8.50
City of Brockville, installment bonds.....	do.....		20,200		6	10	97.63	6.50
Grand Trunk Railway, S. F. G. debentures.....	September.....		25,000,000		6	15	95.25	6.50
Province of Alberta, coupon gold bonds.....	do.....		2,100,000		6	10	95	6.70
City of Toronto (Toronto Harbor Commission), guaranteed bonds.....	do.....	4,000,000	3,000,000		4½	32	73.57	6.58
Province of Ontario, coupon gold bonds.....	do.....	20,000,000	14,000,000		6	22	99	6.10
City of Ottawa, debentures.....	do.....	1,808,759	1,000,000		6	30	96.68	6.35
City of Regina, Saskatchewan, debentures.....	do.....	265,500	150,000		6	5		
City of Winnipeg, coupon gold bonds.....	October.....	1,523,000	300,000		6	25	96.89	6.35
City of Regina, Saskatchewan, debentures.....	do.....	213,000	100,000		6½	30	91.79	7.30
Province of Manitoba, gold bonds <sup>10</sup> .....	do.....		1,000,000		6	25	106.75	5.44
Do.....	do.....	3,000,000	2,000,000		6	20	99.25	6.15
Province of Nova Scotia, debentures.....	do.....	1,800,000	900,000		6	20	100	6
Province of British Columbia, gold bonds.....	do.....	2,000,000	1,000,000		6	25	95.30	6.37
Do.....	do.....	2,000,000	1,000,000		6	20	104.65	5.60
City of St. Boniface, gold bonds.....	November.....	400,000	200,000		6	15	94.25	6.50
Province of Saskatchewan, coupon gold bonds.....	do.....	5,000,000	2,000,000		5½	25	97	5.75
Province of Alberta, gold bonds.....	December.....		700,000		6	20		
Greater Winnipeg Water District, gold bonds.....	do.....		150,000		5½	25	105	5.20
Province of Quebec, debentures.....	do.....	4,000,000	3,000,000		5½	15	97.62	5.82
City of Beamsville, Ontario, debentures.....	do.....		5,000		6		98.67	
Bruce County, Ontario, debentures.....	do.....		20,000		6	15	100.021	8.90
City of Calgary, Alberta, sinking-fund debentures.....	do.....	400,000	200,000		6	30		
Newfoundland: Government of Newfoundland, gold coupon bonds.....	May.....		6,000,000		6½	15	93.518	7.20
<b>Total, North America.....</b>			<b>124,006,914</b>					



LATIN AMERICA							
Argentina: Argentine Treasury, gold notes.....	September.....	50,000,000		7	2	99.63	7.20
Bolivia: Republic of Bolivia, external serial gold bonds <sup>1</sup> .....	November.....	1,000,000		6	1-13	82.24-97.74	8.20-8.40
Brazil:							
State of Sao Paulo S. F. G. B.....	March.....	10,000,000		8	15	97.50	8.47
United States of Brazil, external gold bonds.....	May.....	25,000,000		8	20	97.50	8.25
Do.....	August.....	25,000,000		8	20	98.50	8.15
Rio de Janeiro, S. F. G., coupon bonds.....	October.....	12,000,000		8	25	97.75	8.20
State of Rio Grande do Sul, external S. F. G. B.....	November.....	10,000,000		8	25	99.50	8.10
Chile:							
Republic of Chile, external S. F. G. B.....	February.....	24,000,000		8	20	99	8.21
Do.....	October.....	8,500,000		8	5	99	8.40-10.35
Republic of Chile, S. F. G. B.....	November.....	10,500,000		8	25	99.50	8.11
Dominican Republic: Dominican Republic, Customs Administration, external S. F. G. B.....	June.....	2,500,000		8	4	100	8
Uruguay:							
Republic of Uruguay, secured sinking fund gold loan of 1919 <sup>2</sup> .....	August.....	486,000		5	39	610	8.90
Republic of Uruguay, external S. F. G. B.....	do.....	7,500,000		8	25	99.50	8.20
Total, Latin America.....		187,486,000					
FAR EAST							
Australia: State of Queensland, external S. F. G. B.....	October.....	12,000,000		7	20	99	7.10
Netherlands East Indies: Government of the Netherland East Indies, guilder bonds.....	do.....	32,900,000	3,200,000	6½		( <sup>3</sup> )	
Total, Far East.....		15,200,000					
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Hawaii: Territory of Hawaii Public, gold coupon improvement bonds <sup>4</sup> .....	December.....	552,000		4½	30		
Porto Rico:							
Government of Porto Rico, gold improvement bonds.....	July.....	1,000,000		4½	19	91.75-92.50	5.20
City of Arecibo, gold coupon bonds.....	August.....	592,000		5½			
Philippine Islands:							
Government of Philippine Islands, gold certificates of indebtedness.....	do.....	10,000,000		4	1	98.10	6.50
Government of Philippine Islands, gold coupon bonds.....	do.....	10,025,000		6½	20	98.50	5.625
Total, noncontiguous American Territories and possessions.....		22,169,000					

<sup>1</sup> First privately taken, then publicly offered.

<sup>2</sup> Part of an issue of \$2,253,000 dated June 1, 1920, issued originally to American contractors.

<sup>3</sup> Part of a sterling loan of 1919 totaling £605,000.

<sup>4</sup> 100,000,000 guilder offering. Price subject to fluctuation of exchange; dollar computation on the basis of the 1921 average.

<sup>5</sup> A 1920 issue, but sold in 1921.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1921—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES</b>								
<b>EUROPE</b>								
France: Campagne du Boleo, Paris (mining), debentures.....	April.....	<i>Dollars</i>	<i>Dollars</i> 1,000,000	<i>Dollars</i>	<i>Per cent</i> 8	<i>Years</i> 5-9	<i>Dollars</i> 97-98	<i>Per cent</i> 8.50
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Maritime Telephone & Telegraph Co. (Ltd.), refunding mortgage gold bonds, series A.....	January....	500,000	250,000	-----	7	25	97.50	7.83
Grand Trunk R. R. of Canada, external trust gold certificates.....	do.....	-----	12,000,000	-----	6½	15	94.40	7
Spanish River Pulp & Paper Mills (Ltd.), general mortgage bonds, series A.....	February....	30,000,000	1,000,000	-----	8	20	99	8.10
Fort Williams Paper Co. (Ltd.), first mortgage S. F. G. B.....	do.....	-----	1,000,000	-----	8	1-10	100	8
Howard Smith Paper Mills (Ltd.), first refunding mortgage sinking fund bonds.....	March.....	-----	1,000,000	50,000	7	20	82	8.82
Abitibi Power & Paper Co. (Ltd.), consolidated mortgage sinking fund bonds.....	do.....	-----	4,000,000	-----	8	10	100	8
Mount Royal Hotel Co. (Ltd.), convertible debentures of 1920 <sup>78</sup> .....	do.....	4,000,000	2,000,000	-----	8	2½	100	8
Shawinigan Water & Power Co., first and refunding mortgage sinking fund bonds.....	do.....	-----	2,500,000	500,000	6	29	90.50	6.75
Bathurst Co. (Ltd.) (lumber), convertible first mortgage bonds, series A.....	June.....	-----	1,500,000	-----	7½	20	98.50	7.65
Mount Royal Hotel Co. (Ltd.) convertible debentures of 1920 <sup>78</sup> .....	do.....	1,000,000	500,000	-----	8	2½	100	8
United Gas & Fuel Co. (Ltd.) (public utility), first mortgage sinking fund back of 1918.....	July.....	-----	540,000	-----	6	2	95.50	8.50
Shawinigan Water & Power Co., first and refunding mortgage S. F. G. B.....	do.....	-----	1,875,000	-----	6	29	90.50	6.75
Cedar Rapids Manufacturing & Power Co., (public utility) first closed mortgage S. F. G. B.....	September..	-----	540,000	-----	6	2	95.50	6.25
Mount Royal Hotel Co. (Ltd.), convertible debentures <sup>78</sup> .....	do.....	1,000,000	500,000	-----	8	2	100	8
Border Cities Hotel Co. (Ltd.), first mortgage serial bonds.....	November..	850,000	400,000	-----	7½	9-20	100	7.50
Manitoba Power Co. (Ltd.), first mortgage S. F. G. B., series A <sup>17</sup> .....	do.....	-----	3,000,000	-----	7	20	90	8
Canadian Pacific Railway, perpetual noncallable consolidated debenture stock (par \$109).....	December..	-----	25,000,000	-----	4	-----	78	-----
Montreal Tramways Co., first and refunding mortgage gold bonds of 1911.....	do.....	-----	1,750,000	-----	5	20	83.50	6.55
Durant Motors of Canada (Ltd.), common stock (par \$10).....	do.....	-----	1,750,000	-----	-----	-----	10	-----
International Paper Co., first and refunding mortgage sinking fund bonds, series B.....	do.....	-----	12,500,000	2,500,000	8	30	87	6
<b>Total, North America.....</b>	-----	-----	<b>72,565,000</b>	<b>3,080,000</b>	-----	-----	-----	-----

LATIN AMERICA							
Cuba:							
	Caribbean Sugar Co., no par common stock.....	February	3,375,000				25
	Caribbean Sugar Co., notes.....	do.	1,500,000		8	8	100
	United Railways of Havana and Regla Warehouses, equipment trust certificates.....	do.	6,000,000		7½	15	99
	Cuban-American Sugar Co., first mortgage collateral trust S. F. G. B.....	March	10,000,000	5,000,000	8	10	100
	Havana Docks Corporation, first collateral lien bonds.....	June	3,300,000		7	16	95.50
	Havana Electric Railway, Light & Power Co., secured convertible gold notes.....	August	1,500,000		7	6	97
	Cuban Telephone Co., first lien and refunding mortgage gold bonds, series A.....	October	4,000,000	3,000,000	7½	20	95
	Cuba Railway, first lien and refunding gold bonds, series A.....	December	4,000,000	2,000,000	7½	15	99.50
Columbia:							
	Mid-Columbia Oil Development Co., no par common stock.....	January	1,000,000				5
	Andes Corporation (oil), no par common stock.....	August	3,600,000				9
Honduras:							
	Cuyamel Fruit Co., first mortgage S. F. G. B.....	December	3,500,000	850,000	7	20	99
Mexico:							
	Mexican Petroleum Co., convertible S. F. G. B.....	April	10,000,000		8	15	98.50
	Mexican Eagle Oil Co. (Ltd.), common stock (par \$10).....	March	24,500				24.50
Paraguay:							
	International Products Co. (lumber), first mortgage notes <sup>7</sup> .....	January	2,272,249	1,080,083	8	8	96.84
	<b>Total, Latin America.....</b>		<b>54,071,749</b>	<b>11,930,083</b>			
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Alaska:							
	Alaska Anthracite Railway, first mortgage S. F. G. B.....	November	1,500,000	125,000	6	20	85
Porto Rico:							
	Porto Rican American Tobacco Co., gold bonds.....	May	3,000,000	1,000,000	8	10	100
	South Porto Rico Sugar Co., first collateral.....	December	6,000,000	3,000,000	7	20	95.75
	<b>Total, noncontiguous American Territories and possessions.....</b>		<b>10,500,000</b>	<b>4,125,000</b>			

<sup>1</sup> 40 per cent bonus in common stock. Convertible into 8 per cent preferred stock on maturity at option of company.

<sup>2</sup> 30 per cent bonus in common stock. Convertible into 8 per cent preferred stock on maturity at option of company.

<sup>7</sup> Warrants to purchase two shares of common stock attached to each \$1,000 bond.

<sup>8</sup> Secured by liens on property in Paraguay.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1922

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
<b>Czechoslovakia:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Republic of Czechoslovakia, secured external sinking fund loan of 1922	April		\$14,000,000		8	29	\$96.50	8.30
City of Greater Prague, mortgage loan bonds	June		7,500,000		7½	10	92.50	8.17
Denmark: City of Copenhagen, internal loan of 1916	do.		7,458,000		5	40	98.50	5.15
<b>France:</b>								
Department of Seine, external gold bonds	January		25,000,000		7	20	90.50	7.95
City of Soissons, external secured gold bonds	March		6,000,000		6	15	85.50	7.65
Midi Ry. Co., foreign series bonds <sup>80</sup>	do.		1,975,000		6	25	79	
Paris-Lyon-Mediterranean Ry. Co., external S. F. G. B.	do.		30,000,000		6	36	83	7.48
Do.	April		10,000,000		6	36	83.50	7.43
<b>Germany:</b>								
City of Elberfeld, mark loan	do.		297,200		5	10		
City of Berlin, mark loan of 1920 <sup>81</sup>	do.		50,000		4			
<b>Netherlands:</b>								
Kingdom of the Netherlands, guilder bonds <sup>82</sup>	February		28,200,000		6	50	96.87-99.20	6.15-6.30
Kingdom of the Netherlands, guilder bonds, series B <sup>83</sup>	July		19,200,000		6	50	98.34-99.85	6.10-6.20
<b>Norway:</b>								
Kingdom of Norway, kroner loan of 1920 <sup>84</sup>	May		1,100,000		6	50		
Kingdom of Norway, kroner deposit certificates of 1921 <sup>85</sup>	June		2,475,000		6	30		
Kingdom of Norway, external S. F. G. B.	October		18,000,000	\$5,000,000	6	10	100	6
Rumania: Kingdom of Rumania, sterling loan of 1920 <sup>86</sup>	March		3,750,000		5	50		
Yugoslavia: Kingdom of Yugoslavia, external secured gold loan	June		15,250,000		8	40	95.50	8.40
<b>Total, Europe</b>			183,253,200	5,000,000				
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Province of Alberta, gold debentures	January	3,846,000	1,846,000		5½	25	90.75	5.50
City of New Westminster, gold bonds	do.		200,000		6	20		
Province of Ontario, gold bonds	do.	15,000,000	10,000,000		6½	15	99.75	5.75
City of Montreal, gold bonds	February		2,500,000		6½	10	99.18	5.61
City of Selkirk, debentures	do.		120,000		6½	20	97.13	5.86
City of Westmount, debentures	do.		273,000		6½			
Province of New Brunswick, gold debentures	do.	1,890,000	890,000		6½	10	99.50	5.68
City of Walkerville, school bonds	do.		510,000	255,000	6			
City of St. James, gold bonds	do.		400,000		6	20	94.45	6.60

Province of Manitoba, gold refunding bonds.....	March.....	2,250,000	2,000,000	1,500,000	5½	20	102.80	5.30	
Canadian Northern Ry., gold notes.....	do.....		11,000,000		5	3	99.63	5.15	
Toronto Separate School Board, debentures.....	do.....	500,000	250,000		5½	20			
City of Edmonton, gold bonds.....	April.....		2,000,000		5½	25	95	5.90	
Dominion of Canada, S. F. G. B.....	do.....		100,000,000	50,000,000	5	20-30	100	5	
Greater Winnipeg Water District, gold bonds.....	do.....	4,000,000	3,500,000		5	30	99-50	5.10	
Province of Ontario, gold coupon bonds.....	do.....	15,000,000	14,000,000	4,000,000	5	30	99-25	5.05	
Do.....	do.....	3,000,000	2,000,000		5½	30	103	5.30	
City of New Westminster, gold bonds.....	May.....		200,000		5	30	98	5.06	
Province of New Brunswick, debentures.....	do.....	2,300,000	2,000,000	1,000,000	5½	15	104	5.15	
Province of Manitoba, gold coupon bonds.....	June.....	3,934,000	2,934,000		5	3	99	5.38	
United Irrigation District, Alberta, gold coupon bonds.....	do.....		450,000		5½	30	102.23	5.42	
Province of Nova Scotia, coupon debentures.....	July.....	2,000,000	1,000,000		5	2	99.80	5.10	
Province of British Columbia, gold debentures.....	do.....		2,000,000		5	2	99.38	5.35	
Province of Alberta, debentures.....	do.....	3,500,000	1,750,000		5½	5	99.14	5.75	
Town of Kitchener, debentures.....	do.....		80,000		5½	30	98.81	5.68	
Harwich Township, debentures.....	August.....	26,642	20,000		5	10	101.27	5.91	
City of Victoria, installment refunding debentures.....	do.....	1,000,000	500,000		5½	20	97.13	5.83	
Vancouver and Districts Joint Sewerage and Drainage Board, debentures.....	do.....	300,000	150,000		5½	40	97.09	5.77	
City of South Vancouver, debentures.....	September.....	885,000	795,000		5	15-20-30	100.75-101.08	5.50	
Province of Alberta, gold refunding debentures.....	do.....		3,000,000		5½	20			
Sherbrooke Schools, debentures.....	do.....		100,000		5½	30	98.39	5.64	
Province of Saskatchewan, debentures.....	do.....	2,600,000	1,600,000		5	20	99.63	5.05	
Province of Prince Edward Island, debentures.....	do.....		175,000		5½	15	100.63	4.45	
City of Ottawa, debentures.....	October.....	2,639,884	1,639,884		5½	{10-13}	103.80	5-5.20	
Montreal Island Metropolitan Commission, debentures.....	do.....		2,100,000		5	{20-30}			
City of Vancouver, debentures.....	do.....		250,000		5½	30	100.13	5.49	
Province of Ontario, gold coupon bonds.....	do.....		20,000,000		5	20	99.25	5.06	
Innisfield Township, debentures.....	do.....		18,000		5½	20	97.89	5.75	
Newfoundland: Government of Newfoundland, gold coupon bonds.....	March.....	6,000,000	5,000,000		5½	20	101	5.40	
<b>Total, North America.....</b>			<b>186,935,884</b>	<b>56,500,000</b>					
<b>LATIN AMERICA</b>									
<b>Argentina:</b>									
Government of Argentina, gold bonds.....	March.....		27,000,000		7	5	99	7.25	
City of Buenos Aires, guaranteed loan (1909) <sup>11</sup> .....	do.....		1,095,000		5	37	78.44-82.62	6.30-6.85	
<b>Bolivia:</b>									
Republic of Bolivia, external serial gold bonds.....	January.....		1,000,000		6	13	82.24-97.74	8.20-8.40	
Republic of Bolivia, secured refunding S. F. G. B.....	June.....		24,000,000	7,000,000	8	25	101	8	

<sup>11</sup> Unsold balance of 4,000,000 kroner loan of 1916, sold in United States at \$214 per 1,000 kroner bond.  
<sup>12</sup> Sold at \$79 per 1,000 franc bond in 1922.  
<sup>13</sup> Estimated amount sold in United States in 1922.  
<sup>14</sup> A 75,000,000 guilder loan offered in the United States at \$940 per 2,500 guilder bond.  
<sup>15</sup> A 50,000,000 guilder loan offered at \$980 per bond.  
<sup>16</sup> Unsold balance of kroner loan of 1920 sold in United States during 1922.  
<sup>17</sup> Kroner loan of 1921 12,500,000 kroner sold in United States during 1922 at \$198 per 1,000 kroner bond.  
<sup>18</sup> Unsold balance of sterling loan of 1920, sold at \$3,750 per £1,000 bond.  
<sup>19</sup> Part of a sterling loan of 1909.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1922—Continued

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HANDBOOK ON AMERICAN UNDERWRITING

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>LATIN AMERICA—continued</b>								
<b>Brazil:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
United States of Brazil, sterling loan <sup>20</sup> .....	May.....	.....	8,980,000	.....	7½	30	97	7.92
United States of Brazil, gold coupon bonds <sup>21</sup> .....	June.....	.....	25,000,000	.....	7	30	96.50	7.30
City of Porto Alegre, external S. F. G. B. of 1921.....	January.....	.....	3,500,000	.....	8	40	99	8.10
City of São Paulo, external secured S. F. G. B. ....	February.....	.....	4,000,000	.....	8	30	100	8
City of Rio de Janeiro, external secured S. F. G. B. ....	April.....	.....	13,000,000	10,000,000	8	25	103	7.88
State of Santa Catharina, external S. F. G. B. ....	June.....	.....	5,000,000	5,000,000	8	25	101	7.90
State of Bahia, sinking fund preference bonds <sup>22</sup> .....	October.....	.....	5,000,000	.....	8	20	99.50-100.50	8
<b>Chile:</b>								
Republic of Chile, coupon sinking fund bonds <sup>21</sup> .....	June.....	.....	1,350,000	.....	8	28	.....	.....
Republic of Chile, external S. F. G. B. ....	November.....	.....	18,000,000	.....	7	20	90.50	7.475
<b>Colombia:</b>								
Republic of Colombia, external sterling loan of 1913 <sup>23</sup> .....	January.....	.....	1,000,000	.....	6	25	86.08-86.62	6.75-11.75
Republic of Colombia, external gold notes.....	November.....	.....	5,000,000	.....	6½	5	98	7
<b>Cuba: Republic of Cuba, internal treasury bonds <sup>24</sup>.....</b>	do.....	.....	10,000,000	.....	6	7	88.35	8
<b>Dominican Republic: Dominican Republic, customs administration S. F. G. B. ....</b>	April.....	.....	6,700,000	2,500,000	5½	20	94.50	6
<b>Haiti: Republic of Haiti, customs and general revenues external S. F. G. B. ....</b>	October.....	.....	10,000,000	.....	6	30	96.50	6.25
<b>Peru:</b>								
Republic of Peru, external secured gold bonds.....	July.....	.....	2,500,000	.....	8	10	100	8
City of Lima, sterling loan of 1911.....	September.....	.....	250,000	.....	8	45	64	8
<b>Uruguay: City of Montevideo, S. F. G. B. ....</b>	June.....	.....	6,000,000	.....	7	30	97	7.25
<b>Total, Latin America.....</b>			<b>184,275,000</b>	<b>24,500,000</b>				
<b>FAR EAST</b>								
<b>Australia:</b>								
City of Brisbane, sterling bonds <sup>25</sup> .....	February.....	.....	758,000	.....	6½	20	80.95	6.50
State of Queensland, external S. F. G. B. ....	do.....	.....	10,000,000	.....	6	25	96.50	6.25
<b>Netherlands East Indies:</b>								
Government of Netherlands East Indies, external gold bonds.....	January.....	.....	40,000,000	.....	6	25	94.50	6.45-6.75
Government of Netherlands East Indies, external S. F. G. B. ....	March.....	.....	40,000,000	.....	6	40	94.75	6.35-6.75
Do.....	April.....	.....	20,000,000	.....	6	40	96.50	6.24-6.43
<b>Total, Far East.....</b>			<b>110,758,000</b>					

NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Hawaii: Territory of Hawaii, coupon gold bonds.....	June.....	1,350,000	4½	80	106.73	4.15	
Philippine Islands:							
Government of Philippine Islands, gold bonds.....	March.....	5,000,000	5	90	104.54	4.78	
Government of Philippine Islands, coupon collateral bonds <sup>41</sup> .....	July.....	2,750,000	4½	28½	99.86	4.66	
Government of Philippine Islands, coupon gold bonds.....	do.....	15,000,000	4½	80	100	4.60	
Manila Railway Co., S. F. G. B.....	September.....	1,450,000	7	15	112.25	5.75	
Government of Philippine Islands, coupon gold bonds.....	December.....	13,000,000	4½	30	98.82	4.625	
Porto Rico:							
City of San Juan, coupon sinking fund bonds.....	July.....	3,350,000	5	10-21	103.68	4.60-4.78	
City of Dorado, coupon sinking fund bonds.....	August.....	84,000	6	20	104.95	5.67	
Government of Porto Rico, registered bonds.....	September.....	1,000,000	6	19-40	109.32	4.29	
Do.....	do.....	250,000	5	19-40	113.88	4.26	
City of Caguas, coupon sinking fund bonds.....	do.....	400,000	5	5-27	100.41	4.97-5.00	
City of Cayey, coupon sinking fund bonds.....	do.....	280,000	5	5-28			
City of Rio Piedras, coupon sinking fund bonds.....	do.....	275,000	5½	3-15			
City of Ponce, coupon sinking fund bonds.....	do.....	1,375,000	5	2-17	103.48	4.59	
City of Aguadilla, coupon sinking fund bonds.....	October.....	185,000	5	5-29	102.47	4.50-4.90	
City of Vauco, coupon sinking fund bonds.....	do.....	130,000	6	2-27	106.60	5.60	
City of Bayamon, coupon sinking fund bonds.....	December.....	500,000	5	2-30	100.85-106.43	4.60-4.65	
<b>Total, noncontiguous American Territories and possessions.....</b>		<b>46,379,000</b>					
<b>CORPORATE ISSUES</b>							
<b>EUROPE</b>							
Denmark: United Steamship Co. (Ltd.), sinking fund bonds.....	May.....	5,000,000	6	15	95.25	6.50	
France: Framerican Industrial Development Corporation (iron and steel) debentures.....	March.....	10,000,000	7½	20	99	7.60	
Germany:							
Hamburg Hypothekenbank, first lien mortgage mark bonds <sup>42</sup> .....	April.....	200,000	4				
Bank Für Industriewerte A. G., mark bonds.....	do.....	100,000	5	20	89.38	6	
Netherlands:							
Anton Jurgens United Works (dairy products), secured convertible bonds <sup>43</sup> .....	June.....	10,860,000	6	25	92.25-93.93	6.60-6.75	
Holland American Line, S. F. G. B. <sup>44</sup> .....	April.....	7,360,000	6	25	90.61-97.43	6.30-6.90	
<b>Total, Europe.....</b>		<b>33,520,000</b>					

<sup>41</sup> £2,000,000 sterling loan offered in the United States.

<sup>42</sup> Loan to Brazilian Government for Central Railways.

<sup>43</sup> \$2,000,000 sold at \$99½, other \$3,000,000 sold at \$101½.

<sup>44</sup> A peso loan offered in the United States.

<sup>45</sup> Sterling loan of 1913, amount sold to Americans in 1922 estimated.

<sup>46</sup> The unsold balance of the 1917 authorized issue of \$30,000,000.

<sup>47</sup> Sterling loan sold at \$910 per £200.

<sup>48</sup> For the city of Manila and secured by 5½ per cent city of Manila bonds.

<sup>49</sup> A German mark issue offered in the United States; amount taken here estimated.

<sup>50</sup> A guilder loan offered in the United States at \$905 per bond.

<sup>51</sup> A guilder loan offered in the United States at \$920 per 2,500 guilder bond.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1922—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Canadian General Electric Co. (manufacturers electrical equipment), gold debentures, series A.	April	Dollars	Dollars	Dollars	Per cent	Years	Dollars	Per cent
Bay Sulphite Co. (Ltd.), mining first mortgage gold bonds	do.		5,000,000		6	20	101	5.90
Nova Scotia Tramways & Power Co. (Ltd.), general mortgage S. F. G. B., series A.	do.	1,250,000	750,000		7½	15	101	7.40
Bell Telephone Co., common stock (par \$100)	do.		2,000,000		7	30	96.25	7.34
Grand Trunk Railway, equipment trust certificate of 1920 *	do.		1,000,000		6	13	100	
Provincial Paper Mills, first mortgage bonds	do.		520,000		6	18	103.01	5.75
Vancouver Associated Lumber Interests, guaranteed first mortgage, S. F. G. B.	do.	600,000	400,000		6	18	94	6.60
Howland & Woltz Co. (Ltd.) (lumber), first mortgage sinking fund bonds.	May		1,250,000		7½	15	100	7.50
East Kootenay Power Co. (Ltd.), first mortgage S. F. G. B.	do.		350,000		6	10	100	8
Dominion Alloy Steel Corporation (Ltd.), cumulative preferred stock	do.	2,000,000	1,000,000		7	20	97.50	7.50
Canada Steamship Lines (Ltd.), first mortgage and collateral S. F. G. B.	do.		3,500,000		8		100	
Stetson, Cutler & Co., (Ltd.), (lumber) first mortgage S. F. G. B. series A.	do.		4,500,000		7	30	96	7.38
Firestone Tire & Rubber Co. (Ltd.), first mortgage S. F. G. B.	June	2,500,000	2,000,000		7	20	97	7.30
Transportation Building Co. (Ltd.), general mortgage sinking fund bonds.	do.		1,500,000		7	15	99	7.10
Lincoln Mills (Ltd.), (textile), first mortgage S. F. G. B.	do.		1,000,000		7	25	100	7
Abitibi Lands & Forests (Ltd.), first mortgage gold bonds, series C.	July		1,000,000		7½	20	100	7.50
Holt, Renfrew Co. (Ltd.), (department store) first mortgage S. F. G. B., series A.	August		300,000		7	5	100	7
Fort William Paper Co., first mortgage serial gold bonds	do.	600,000	300,000		6½	15		
Shawinigan Water & Power Co. (Ltd.), first refunding mortgage S. F. G. B.	do.		2,100,000	1,000,000	7	3-15	98.50	6.67
The Canada Shingle Co. (Ltd.), first mortgage bonds	September		1,111,500		6	28	100	7
Pacific-Burt (Ltd.) (miscellaneous manufacturers), first mortgage sinking fund bonds	do.		800,000		7½	3-9	104.50	5.65
Mount Royal Hotel Co. (Ltd.), debentures 1	do.	350,000	200,000		6½	15	100	7.50
Montreal Tramways Co., perpetual mortgage debentures 2	do.		1,000,000		8	2	97.50	6.89
Farrish & Heinbecker (Ltd.) (miscellaneous), first mortgage bonds series B.	do.	500,000	250,000		5		100	8
Bathurst Co. (Ltd.) (lumber), first mortgage convertible bonds	do.		200,000		6½	10	81.27	6.25
Silverwood's (Ltd.) (miscellaneous), first mortgage noncallable sinking bonds.	do.		1,500,000		7	15	100-108.20	5.50-6.50
United Gas & Fuel Co. (Ltd.), first mortgage S. F. G. B.	do.		250,000		7	15	100	7
	December		1,880,000	1,050,000	6	20	99	6.17



.....	.....	.....	.....	.....	.....	.....	.....	.....
Dominion Iron & Steel Co. (Ltd.), consolidated mortgage bond of 1919.....	do.....	4,645,000	.....	5	20	85	.....	6.46
Ogilvy Realty Corporation, first mortgage S. F. G. B.....	do.....	800,000	400,000	6½	30	100	.....	6.50
<b>Total, North America.....</b>	.....	<b>39,906,500</b>	<b>2,050,000</b>	.....	.....	.....	.....	.....
<b>LATIN AMERICA</b>								
Brazil: Paulista Railway Co., first refunding mortgages S. F. G. B. series A.....	April.....	4,000,000	.....	7	5	99	.....	7.10
Cuba:	.....	.....	.....	.....	.....	.....	.....	.....
New Niquero Sugar Co., first mortgage S. F. G. B. <sup>1</sup> .....	February.....	1,000,000	.....	7	10	95.50	.....	7.65
Manati Sugar Co., first closed mortgage, S. F. G. B. <sup>1</sup> .....	April.....	8,000,000	.....	7½	20	100	.....	7.50
Cuban-American Sugar Co., cumulative preferred stock.....	May.....	500,000	.....	7	.....	94	.....	.....
Francisco Sugar Co., first mortgage S. F. G. B. <sup>1</sup> .....	do.....	5,000,000	1,121,300	7½	20	100	.....	7.50
Punta Alegre Sugar Co., convertible debentures. <sup>1</sup> .....	June.....	5,820,700	.....	7	15	100	.....	7
Baragua Sugar Co., first mortgage S. F. G. B.....	July.....	4,500,000	.....	7½	15	100	.....	7.50
Habana Electric Railway, Light & Power Co., general mortgage sinking fund bonds of 1919, series A.....	do.....	3,600,000	1,500,000	6	40	85	.....	6.07
Eastern Cuba Sugar Corporation, first mortgage S. F. G. B.....	September.....	10,000,000	.....	7½	15	100	.....	7.50
Sugar Estates of Oriente, first mortgage sinking fund bonds. <sup>1</sup> .....	do.....	6,000,000	6,000,000	7	20	97.50	.....	7.25
Sevilla-Biltmore Hotel Corporation, first mortgage S. F. G. B. <sup>1</sup> .....	October.....	2,000,000	.....	7½	15	100	.....	7.50
Camaguey Sugar Co., first mortgage S. F. G. B.....	November.....	6,000,000	.....	7	20	97.50	.....	7.25
Vertientes Sugar Co., first mortgage S. F. G. B.....	December.....	10,000,000	.....	7	20	97.50	.....	7.25
Mexico: Mexican Seaboard Oil Co., no par common stock. <sup>1</sup> .....	June.....	8,800,000	4,800,000	.....	.....	44	.....	.....
Venezuela: Venezuelan Petroleum Co., common stock (par \$10).....	May.....	1,300,000	.....	.....	.....	6.25	.....	.....
<b>Total, Latin America.....</b>	.....	<b>72,520,700</b>	<b>8,621,300</b>	.....	.....	.....	.....	.....
<b>FAR EAST</b>								
Australia: Melbourne Electric Supply Co. (Ltd.), (public utility), general mortgage, S. F. G. B.....	February.....	2,500,000	1,250,000	7½	25	101	.....	7.40
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
Hawaii: Honolulu Rapid Transit & Land Co., common stock (par \$20).....	June.....	500,000	.....	.....	.....	20	.....	.....
Philippine Islands: Manila Electric Co., first refunding mortgage gold bonds.....	April.....	2,500,000	1,500,000	7	20	98.50	.....	7.10
<b>Total, noncontiguous American Territories and possessions.....</b>	.....	<b>3,000,000</b>	<b>1,500,000</b>	.....	.....	.....	.....	.....

<sup>1</sup> Balance of a 1920 issue.

<sup>2</sup> Each \$1,000 bond carries 3 shares of common stock.

<sup>3</sup> A perpetual debenture issue.

<sup>1</sup> A domestic corporation whose principal business is conducted abroad.

<sup>2</sup> Common stock represented by voting trust certificates.

<sup>3</sup> Estimated amount to be used outside of the United States.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1923

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Austria: Government of Austria, S. F. G. B.	June		25,000,000		7	20	90	8
Finland: Republic of Finland, S. F. G. B.	October		10,000,000		6	22	90	6.89
Netherlands: Kingdom of the Netherlands, guilder bonds <sup>a</sup>	January		3,000,000		6	50		
Norway: Kingdom of Norway, S. F. G. B.	August		20,000,000		6	20	96.50	6.30
Switzerland:								
Swiss Federal Railways, third electrification loan <sup>7</sup>	April		3,000,000		4	10-15	86.39-89.8	5.40
Government of Switzerland, gold notes	August		20,000,000		5	3	97.29	6
Total, Europe			81,000,000					
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Province of Alberta, gold bonds	January		4,800,000		5	25	97.25	5.20
Province of British Columbia, gold bonds	do		2,000,000		5	25	97.50	5.20
City of Toronto, gold bonds	do	10,053,000	8,000,000		5	2-20	98.34-99.93	5.10-5.20
City of Winnipeg, debentures	do		750,000		5	20		
City of Montreal, gold bonds	February		8,100,000	3,000,000	5	30	97	5.22
do	March		3,000,000	500,000	5	20	97.50	5.20
Province of Manitoba, gold bonds	do		1,000,000		5	1	99.80	5.20
Province of Alberta, debentures	April		3,000,000	1,000,000	5	20	98.25	5.30
City of Montreal, gold bonds	do		3,000,000		5	32	97	5.20
Province of British Columbia, gold bonds	June		2,000,000		5	20-25		
Province of Saskatchewan, debentures	do		3,155,000	2,000,000	5	20	97.50	5.20
City of Winnipeg, gold bonds	do		1,000,000	500,000	5	20	97	5.20
Canadian National Railways, serial equipment bonds	July		22,500,000	5,000,000	5	15	99-99.50	5.10-5.20
Greater Winnipeg Water District	August		1,000,000	500,000	5	1		
Dominion of Canada, refunding gold loan	September		200,000,000	30,000,000	5	5-30	98.25-99	5.14-5.23
Province of Ontario, gold bonds	October		40,000,000	15,000,000	5	25	99.08	5.14
Province of Alberta, gold bonds	November		8,000,000		5½	3-10		
Province of Ontario, 1-year notes	December		10,000,000		5	1		
Total, North America			100,800,000	19,500,000				
<b>LATIN AMERICA</b>								
Argentina: Government of Argentina, treasury gold notes	September		55,000,000	50,000,000	6	3½	99.50	7
Brazil: State of Ceara, S. F. G. B.	June		2,000,000		8	25	99.50	8.02

Cuba: Republic of Cuba, S. F. G. B.	January	80,000,000	(?)	81½	80	99.25	8.85
Panama: Republic of Panama, S. F. G. B.	May	4,800,000		81½	80	97.50	5.05
Salvador: Republic of Salvador, customs first lien, S. F. G. B., series A	October	4,000,000		8	28	100	8.20
<b>Total, Latin America</b>		<b>117,800,000</b>	<b>80,000,000</b>				
<b>FAR EAST</b>							
China: Chinese Government loan of 1895 <sup>18</sup>	March	352,000		4	38	81.50	7.20
Japan: Oriental Development Co., gold debentures	do.	19,900,000		6	30	92	6.62
Netherland East Indies: Government of Netherland East Indies, S. F. G. B.	February	25,000,000		81½	80	88	6.40-7.20
Do.	November	25,000,000		81½	80	90	6.90-8.24
Palestine: City of Tel-Aviv, sterling bonds	June	850,000		6½	5-20		
<b>Total, Far East</b>		<b>70,802,000</b>					
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>							
Hawaii: Territory of Hawaii, coupon gold bonds	October	1,875,000		4½	80	102.48	4.40
Philippine Islands: Government of Philippine Islands, coupon gold bonds	August	2,000,000		4½	80	98.50	4.70
Porto Rico:							
City of Ciales, coupon sinking-fund bonds	February	130,000		6	6-30	104.92	5.51
City of Lajas, coupon sinking-fund bonds	April	118,000		6	5-28	109	5.11
City of Manati, coupon sinking-fund bonds	May	135,000		6½	6-15	103.67	5.12
City of Loiza, coupon sinking-fund bonds	August	72,000		6½	5-24		
City of Pajaro, coupon sinking-fund bonds	September	300,000		6½	6-28	100.10	5.40
City of Caba, coupon sinking-fund bonds	do.	75,000		6½	6-22	105.05	5.11
Government of Porto Rico, S. F. G. B., series A to D, registered	October	1,000,000		6	22-25	103.41	4.74-4.76
City of Maguajay, coupon sinking-fund bonds	do.	700,000		6½	5-31		
Government of Porto Rico, S. F. G. B., series A to M, registered	December	975,000		4½	6-18	98.08	4.93-4.96
<b>Total, noncontiguous American Territories and possessions</b>		<b>7,378,000</b>					
<b>CORPORATE ISSUES</b>							
<b>EUROPE</b>							
Austria: Mercurbank of Vienna, nonvoting American shares common stock <sup>11</sup>	November	1,500,000				15	
Italy:							
Italian Power Co., collateral trust, gold bonds, series A	October	2,000,000		6½	5	99	6.75
Italian Submarine Cable Co., common stock <sup>12</sup>	August	8,569,250				8.60	
Sweden: International Match Corporation, convertible sinking-fund debentures	October	15,000,000		6½	20	94.50	7
<b>Total, Europe</b>		<b>27,069,250</b>					

<sup>18</sup> Estimated portion sold in the United States of an 80,000,000 guilder issue.  
<sup>19</sup> A 120,000,000 franc issue sold at \$80 per 5,000 franc bond. Portion taken in United States estimated.  
<sup>20</sup> Amount sold in United States estimated.  
<sup>21</sup> To refund a private loan of \$5,000,000 and for other purposes.  
<sup>22</sup> A 1,500,000 franc issue sold at \$84 per 500 franc bond.  
<sup>23</sup> Each 10 American shares represented by 50 Austrian shares of 3,000 crowns par value (\$2.10 converted at average crown value for November, 1923).  
<sup>24</sup> Common stock with a par value of 250 lire (about \$5.00 converted at average lire value of August, 1923).

## FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1923—Continued

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HANDBOOK ON AMERICAN UNDERWRITING

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i> <sup>(1)</sup>	<i>Dollars</i>	<i>Per cent</i>
Montreal Insurance Exchange Building, first mortgage serial bonds.....	January.....	2,000,000	2,000,000	-----	6½	-----	100	6.50
Price Bros. & Co. (Ltd.) (paper), first mortgage sinking fund bonds.....	February.....	10,000,000	8,000,000	3,000,000	6	20	98.50	6.13
St. Maurice Power Co. (Ltd.), first mortgage S. F. G. B.....	do.....	-----	9,028,000	-----	6½	30	99.50	6.55
Winnipeg Electric Railway, general mortgage and collateral trust gold bonds.	do.....	3,250,000	2,435,000	-----	6	20	94	6.50
Bols Grain Co. (Ltd.), first mortgage gold bonds.....	March.....	-----	220,000	-----	6½	1-10	100	6.50
Continental Paper Products (Ltd.), first mortgage and collateral trust convertible series A.	do.....	750,000	500,000	-----	6½	20	99.50	6.55
The Bawlf Terminal Elevator Co. (Ltd.), first mortgage bonds.....	do.....	-----	500,000	-----	6½	15	100	6.50
Stave Falls Lumber Co. (Ltd.), first mortgage bonds.....	do.....	-----	225,000	-----	7	10	100	7
Drummond Investment Co. (Ltd.), first mortgage S. F. G. B.....	April.....	2,000,000	750,000	-----	6½	15	99	6.60
Woods Manufacturing Co. (Ltd.) (textile), first mortgage S. F. G. B., series A.	do.....	1,000,000	500,000	-----	6	20	98.50	6.13
Belgo Canadian Paper Co. (Ltd), first mortgage S. F. G. B.....	June.....	8,000,000	4,000,000	-----	6	20	97	6.25
Jermalca Public Service Co. (Ltd.), first mortgage S. F. G. B.....	do.....	-----	1,000,000	-----	6½	20	100	6.50
Northern Canada Power (Ltd.).....	do.....	4,500,000	1,500,000	500,000	6½	15	99.50	6.55
Canadian Property Co. (Ltd.), first mortgage serial gold bonds.....	July.....	-----	1,300,000	-----	6-6.50	2-20	100	6-6.50
J. Hanbury & Co. (Ltd.) (miscellaneous), first mortgage bonds.....	do.....	-----	200,000	-----	7	3-12	100	7
Maple Leaf Milling Co. (Ltd.), first mortgage sinking fund bonds, series A.	August.....	2,000,000	1,000,000	-----	6½	20	-----	-----
Ottawa & Hull Power Co. (Ltd.), first mortgage S. F. G. B.....	September.....	2,500,000	1,000,000	-----	6	25	98.50	6.13
Quebec Power Co. first mortgage S. F. G. B.....	October.....	3,540,000	3,000,000	-----	6	30	95	6.28
Canadian Pacific Railway perpetual, noncallable consolidated debenture stock.	November.....	-----	8,000,000	-----	4	-----	70.50	-----
<b>Total, North America.....</b>			<b>42,150,000</b>	<b>3,500,000</b>				
<b>LATIN AMERICA</b>								
<b>Cuba:</b>								
Santa Ana Sugar Co., first closed mortgage sinking fund bonds.....	February.....	-----	3,225,000	-----	8	10	98	8.46
International Telephone & Telegraph Co., common stock (par \$100).....	April.....	-----	3,425,000	-----	-----	-----	98.50	-----
Beattie Sugar Co., first mortgage bonds.....	June.....	-----	3,000,000	-----	7½	20	100	7.50
Ermita Sugar Co., first mortgage convertible S. F. G. B.....	do.....	-----	1,500,000	-----	7½	20	100	7.50
Violet Sugar Co., first mortgage serial gold bonds.....	September.....	-----	679,000	-----	7	1-11	100-100.96	6-7
American & Foreign Power Co. (Inc.), preferred stock 14	December.....	38,400,000	80,720,000	-----	7	-----	-----	-----
Warner Sugar Corporation, first mortgage S. F. G. B., series A.....	do.....	-----	6,000,000	4,000,000	7	15	90.50	7.53

Honduras: Cuyamel Fruit Co., no par common stock.....	January.....	2,942,500				53.50
Total, Latin America.....		51,191,500	4,000,000			

CALENDAR YEAR 1924

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES

EUROPE

Austria: Lower Austrian Hydroelectric Power Co. (Newag), first closed mortgage S. F. G. B.	August.....	3,000,000		6	20	85	8
Belgium:							
Kingdom of Belgium, external gold bonds.....	September.....	30,000,000	22,770,000	6¼	25	94	7
Do.....	December.....	50,000,000		6	30	87.50	7
Czechoslovakia:							
Republic of Czechoslovakia, secured external S. F. G. B. of 1922, series B <sup>11</sup>	May.....	9,250,000		8	30	96.50	8.30
City of Carlsbad, external bonds.....	April.....	1,500,000		8	3-30	94.50	8.50
Finland:							
Industrial Mortgage Bank of Finland, first mortgage and collateral S. F. G. B.	July.....	12,000,000		7	20	95	7.50
Finnish municipal loan, guaranteed bonds, series A and B.....	October.....	7,000,000		6¼	30	91	7.28
France:							
Paris-Orleans Railroad, external S. F. G. B.	September.....	10,000,000		7	30	92.75	7.60
Paris-Lyon-Mediterranean Railroad, external S. F. G. B.	do.....	20,000,000		7	34	93.25	7.55
Nord Railroad, external S. F. G. B.	October.....	15,000,000		6¼	28	88.50	7.50
Government of the French Republic, S. F. G. B.	November.....	100,000,000		7	25	94	7.53
French National Mail Steamship Lines, external S. F. G. B.	December.....	10,000,000		7	25	91	7.80
Germany: Government of Germany, external loan of 1924 <sup>10</sup>	October.....	110,000,000		7	25	92	7.70
Greece: Government of Greece, secured S. F. G. B. <sup>11</sup>	December.....	11,000,000		7	40	88	8
Hungary:							
Kingdom of Hungary, S. F. G. B. <sup>11</sup>	July.....	7,500,000		7¼	20	87.50	8.85
Do.....	September.....	1,500,000		7¼	20	87.50	8.85
Netherlands:							
Kingdom of Netherlands, external S. F. G. B.	May.....	40,000,000		6	30	98.50	6.10
City of Rotterdam, external S. F. G. B.	April.....	6,000,000		6	40	98	6.25
Norway:							
City of Trondhjem, external S. F. G. B.	July.....	2,500,000		6¼	20	96	6.85
Kingdom of Norway, external S. F. G. B.	August.....	25,000,000		6	20	97.50	6.22
City of Christiania, S. F. G. B.	October.....	2,000,000		6	30	98	6.15
City of Bergen, external dollar bonds.....	do.....	2,000,000		6	25	98	6.15
Christiania Tramways Corporation, gold notes.....	November.....	1,400,000		5	2	100.25	4.87
Sweden: Government of Sweden, external gold bonds.....	October.....	30,000,000		6¼	30	99.50	5.50
Switzerland: Government of Switzerland, external gold bonds.....	April.....	30,000,000		6¼	22	97.50	6.70
Total, Europe.....		536,650,000	22,770,000				

<sup>10</sup> Serially.

<sup>11</sup> A bonus of 1 share of common with each preferred share.

<sup>11</sup> £1,850,000 offered in London and £200,000 in Amsterdam.

<sup>10</sup> The Dawes plan loan, the total issued in this and other countries was about \$200,000,000.

<sup>11</sup> Issued under the auspices of the League of Nations, for refugee settlement work.

<sup>11</sup> Issued under the auspices of the League of Nations.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1924—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
City of Montreal, gold bonds.....	January	9,700,000	9,700,000		5	20-40	96-97	5.25
Greater Winnipeg Water District, gold bonds.....	do	2,000,000	2,000,000	2,000,000	5	5	98.50	5.35
City of Ottawa, gold coupon bonds.....	do	1,788,000	1,788,000		5½	10-30	104.39-105.57	5-5.20
City of Toronto, debentures <sup>10</sup> .....	do	3,000,000	3,000,000		4½	29	90.25	5.15
Canadian National Railways, guaranteed bonds.....	do	50,000,000	<sup>20</sup> 15,000,000		5	30	99.50	5.03
Province of Alberta, gold bonds.....	do	2,500,000	1,500,000		5	15	95.88	5.20
Province of British Columbia, S. F. G. B.....	do	2,000,000	1,000,000		5	25	96.76	5.23
Province of New Brunswick, coupon bonds.....	do	800,000	600,000		5	10	99	5.12
City of Victoria, gold bonds.....	February	400,000	200,000		5½	20		
City of Victoria, installment bonds.....	do	585,000	200,000		5½	20		
City of Prince Rupert, serial bonds.....	March	115,000	55,000		5	5		
Barnaby District, British Columbia, gold bonds.....	do	280,000	250,000		5½	5	95.34	7.23
Ford City, Ontario, gold bonds.....	do	468,984	468,984		5	½-19	99.61-103.81	5.50-5.75
Province of Ontario, treasury bills.....	do	8,000,000	3,000,000	3,000,000	5	7 mo.	100.29	4.49
City of Toronto, coupon bonds.....	April	5,238,000	2,500,000		5	4-30	96.87	5.33
City of Calgary, refunding bonds.....	May	1,050,000	1,050,000	1,000,000	5½	20	92.78	5.95
Province of Manitoba, refunding bonds.....	do	2,600,000	2,600,000	2,500,000	5	20	98.50	5.12
City of Victoria, gold bonds.....	June	665,000	665,000		5	20	93.19	5.68
Greater Winnipeg Water District, gold bonds.....	do	1,040,000	1,000,000	500,000	5	20	98.75	5.10
Province of British Columbia, gold bonds.....	July	3,000,000	3,000,000		5	25	99.25	5.05
Province of British Columbia, S. F. G. B.....	do	3,000,000	3,000,000		4½	3	99.75	4.60
Canadian National Railways, gold notes.....	do	20,000,000	20,000,000		4	3	98.88	4.40
Canadian National Railways, equipment trust certificates, series A.....	do	9,375,000	9,375,000		4	1-14	99.81-100.25	4-4.75
Province of New Brunswick, coupon gold bonds.....	do	1,161,000	1,161,000		5	10	101.25	4.85
Province of Nova Scotia, debentures.....	do	2,000,000	2,000,000	2,000,000	4½	2	100.88	4.20
Do.....	do	1,500,000	1,500,000		5	10	101.25	5.85
Province of British Columbia, gold bonds.....	do	2,000,000	2,000,000		5	15	100	5
City of Ottawa, gold bonds.....	August	2,428,000	2,000,000		5	5-30	102.5-105.81	3.75-4.90
Province of Ontario, refunding gold bonds.....	do	20,000,000	10,000,000	10,000,000	4½	20	98.76	4.75
Canadian National Railways, gold bonds.....	September	26,000,000	26,000,000		4½	30	96	4.75
City of Bracebridge, Ontario, gold bonds.....	do	8,000	8,000		5½	20	100.97	5.50
Dominion of Canada, gold notes.....	do	90,000,000	90,000,000	90,000,000	4	1	100	4
City of Calgary, gold bonds.....	October	698,203	698,203		5½	30	102.55	5.40
City of Westmount, gold bonds.....	November	200,000	200,000		5	1-40	101.28	4.78
Ford City Roman Catholic Separate School District, gold bonds.....	do	110,000	110,000		6	1-30		
City of Winnipeg, gold bonds.....	do	2,000,000	1,500,000		4½	20	95.78	4.25

Province of Ontario, treasury notes.....	December.....		5,000,000	5,000,000	8½		96.68	8.99	
Newfoundland: Government of Newfoundland, gold bonds.....	January.....	2,500,000	2,500,000		6½	80	100	8.59	
<b>Total, North America.....</b>			<b>226,629,187</b>	<b>116,000,000</b>					
<b>LATIN AMERICA</b>									
<b>Argentina:</b>									
City of Buenos Aires, external S. F. G. B.....	January.....		8,490,000		6½	81½	96.80	6.75	
Government of Argentina, external S. F. G. B. of 1923, series A.....	do.....		40,000,000	(11)	6	83	96.50	6.25	
Government of Argentina, treasury gold notes.....	June.....		10,000,000		5½	1	100.25	5	
Do.....	September.....		5,000,000		4	3½	100	4	
Government of Argentina, external S. F. G. B., series B.....	December.....		30,000,000	(12)	6	84	95	6.85	
Province of Buenos Aires, treasury gold notes.....	November.....		2,000,000		5½	3½	100.50	4.50	
Bolivia: Republic of Bolivia, external secured S. F. G. B. of 1922.....	August.....		3,065,000		5	25	93	3.70	
<b>Colombia:</b>									
Municipality of Medellin, secured external gold bonds.....	June.....		3,000,000	\$ 2,500,000	8	25	98	3.19	
City of Bogota, external S. F. G. B.....	October.....		6,000,000		8	21	98	3.20	
Dominican Republic: Government of Dominican Republic, collateral trust notes.....	September.....		2,600,000		5½	2	100	6.60	
Peru: Republic of Peru, external S. F. G. B. series.....	October.....		7,000,000		8	20	99.50	3.05	
<b>Total, Latin America.....</b>			<b>117,065,000</b>	<b>2,500,000</b>					
<b>FAR EAST</b>									
<b>Japan:</b>									
Imperial Japanese Government, external S. F. G. B.....	February.....	150,000,000	125,000,000	\$ 65,988,500	6½	80	92.50	7.10	
Industrial Bank of Japan (Ltd.), external gold debentures.....	August.....		22,000,000		6	3	99.25	6.25	
<b>Total, Far East.....</b>			<b>147,000,000</b>	<b>65,988,500</b>					
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>									
<b>Hawaii:</b>									
Territory of Hawaii, gold bonds.....	April.....	2,285,000	2,000,000		4½	20-80	101.95-102.46	4.40	
City and county of Honolulu, gold bonds, series B.....	May.....		500,000		5	30			
Philippine Islands: Government of Philippine Islands, gold bonds of 1922.....	November.....		1,500,000		4½	30	98.75	4.67	
<b>Porto Rico:</b>									
Municipality of Juana Diaz, gold bonds.....	January.....		80,000		6	1-22			
Government of Porto Rico, gold bonds.....	February.....		3,000,000		5	20-25	106.38	4.50-5	
Government of Porto Rico, gold bonds, series A to J.....	July.....		200,000		4½	5-14	101.81-103.09	4.25	
City of Toa Alta, sinking fund bonds.....	October.....		80,000		5	6-33	104.6	4.71	
City of Yauco, coupon sinking fund bonds.....	November.....		80,000		5½	5-33	110.09	3.32-4.05	
Government of Porto Rico, gold bonds.....	December.....		600,000		4½	18-25	104.50	4.21-4.25	
<b>Total, noncontiguous American Territories and possessions.....</b>			<b>8,010,000</b>						

<sup>10</sup> Authorized Sept. 1, 1913, but issued in 1924.

<sup>11</sup> Amount estimated to have been sold to American investors.

<sup>12</sup> Refunding \$40,000,000 of a \$55,000,000 bank loan granted in September, 1923.

<sup>13</sup> Refunding of short-term obligation aggregating \$20,000,000.

<sup>14</sup> Refunding of a 6 per cent loan by the Equitable Trust Co. of New York granted in 1920.

\* Estimated by Japanese Financial Commission as the amount refunding to Americans of sterling loan called for payment in October, 1924.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1924—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES</b>								
<b>EUROPE</b>								
		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Belgium: Solvay & Co., secured gold notes.....	February.....	10,000,000	10,000,000	10,000,000	6	10	99.50	6.05
France: International Power Securities Corporation, collateral trust gold bonds, Series B. <sup>21</sup>	December.....	4,000,000	4,000,000	4,000,000	6½	30	93.75	7
Germany: Krupp Iron Works of Essen, secured gold notes.....	do.....	10,000,000	8,000,000	8,000,000	7	5	99.25	7.10
Sweden: International Match Co., participating preferred stock <sup>22</sup>	do.....		15,750,000	15,000,000			85	
Total, Europe.....			37,750,000	25,000,000				
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Bell Telephone Co. of Canada, common stock <sup>23</sup> .....	January.....	8,000,000	2,000,000				100	
Thomson & Clark Timber Co. (Ltd.), first mortgage S. F. G. B.....	February.....	1,000,000	1,000,000		7	10	100	7
Montreal Tramways & Power Co. (Ltd.), collateral trust gold bonds.....	March.....	8,000,000	6,000,000	7,300,000	6	5	98.50	6.80
King Edward Hotel Co. (Ltd.), refunding sinking fund mortgage bonds, series A.....	April.....	1,000,000	1,000,000		7	20	99	7
Asbestos Mines (Ltd.), first refunding mortgage and collateral trust gold bonds. <sup>24</sup>	June.....		1,000,000		7	5	99	7
Stove Falls Lumber Co. (Ltd.), guaranteed collateral trust gold notes.....	do.....		150,000		7	8	100	7
Wood & English (Ltd.), (lumber), first mortgage and collateral trust S. F. G. B.....	do.....		1,000,000		7	15	100	7
Northern Ontario Light & Power Co. (Ltd.), first mortgage S. F. G. B. of 1911.....	do.....		500,000		6	19	94.50	7
St. Regis Paper Co. (Ltd.), serial gold debentures.....	July.....		1,500,000		6½	5-10	100.04-102.51	6-6.60
Duke Price Power Co. (Ltd.), first mortgage gold bonds.....	August.....		12,000,000		6	25	99	6.08
Canadian Pacific Railway, perpetual noncallable coupon consolidated debenture stock.....	do.....		10,000,000		4		81	
National Cement Co. of Quebec, first mortgage bonds of 1923 <sup>25</sup>	do.....	1,500,000	500,000		7	4-14	100	7
Cosmos-Imperial Mills (Ltd.) (textile), first mortgage S. F. G. B.....	November.....	1,000,000	750,000		6½	20	99	6.57
Winnipeg Electric Co., refunding mortgage bonds.....	do.....	6,000,000	5,000,000	2,435,000	6	30	94.50	6.40
Admiral Beatty Hotel Co. (Ltd.), first mortgage S. F. G. B.....	do.....	600,000	500,000		7	20	100.50	6.95
Pacific Mills (Ltd.), (paper), guaranteed subordinate mortgage S. F. G. B.....	do.....		1,875,000		6	30	98.50	6.125
Foundation Co. of Canada (Ltd.) (construction), preferred stock <sup>26</sup>	December.....	650,000	350,000					
St. Maurice Paper Co. (Ltd.), gold notes.....	do.....		2,000,000		5½	5	98.75	5.75
Montreal Tramways Co., first refunding mortgage gold bonds of 1911.....	do.....	3,285,000	3,000,000		5	30	95	5.45
Total, North America.....			50,725,000	9,735,000				



LATIN AMERICA							
Chile: Andes Copper Mining Co., convertible debentures #	December	40,000,000		7	15	100	7
Cuba:							
Antilla Sugar Co., first mortgage S. F. G. B., series A	January	6,000,000		7 1/4	15	88	7.70
Cuba Northern Railways, equipment trust gold certificates	March	1,480,000		6 3/4	1-8	97.68-100.56	6-7
Sugar Estates of Oriente, preferred stock	May	2,000,000		8			
Ferrer Sugar Co., first mortgage S. F. G. B.	June	1,800,000		7 1/4	15	90.50	7.50
Cuba Northern Railways, first mortgage S. F. G. B. of 1916	July	4,800,000		6	50	89.50	6.75
Cespedes Sugar Co., first mortgage S. F. G. B.	August	3,000,000		7 1/4	15	99	7.80
Cuban Dominican Sugar Co., first lien S. F. G. B.	October	15,000,000	6,000,000	1 1/2	20	97.50	7.75
Guatemala and Salvador:							
International Railways of Central America, first mortgage S. F. G. B. of 1912	April	1,000,000		8	48	71	7.15
Do.	December	2,500,000		8	48	76	6.625
Venezuela: Venezuelan Petroleum Co., common stock (par \$5)	May	1,218,750				3.25	
Total, Latin America		78,898,750	6,000,000				
PAR EAST							
Japan: General Consolidated Electric Power Co. (Ltd.), first mortgage S. F. G. B., series A.	July	15,000,000		7	20	91.50	7.85

CALENDAR YEAR 1925

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES							
EUROPE							
Austria:							
City of Graz, mortgage loan gold bonds	February	\$2,500,000		8	30	88	8.17
Tyrol Hydroelectric Power Co. (Tiwag), first mortgage S. F. G. B.	May	3,000,000		7 1/4	30	96.50	7.80
Province of Upper Austria, external secured S. F. G. B.	June	5,000,000		7	5-20	92.50	7.75-9.70
Belgium: Kingdom of, external S. F. G. B.	do.	50,000,000		7	30	98	7.15
Czechoslovakia: Republic of, external secured S. F. G. B., series A	October	\$25,000,000	21,500,000	7 1/4	20	98	8
Denmark:							
Kingdom of, external gold bonds	July	30,000,000	26,500,000	5 1/4	20	99.50	5.50
Mortgage Bank of Kingdom of Denmark, external S. F. G. B.	February	5,000,000	\$25,000,000	6	46	99	6.05
Copenhagen Telephone Co., external S. F. G. B.	April	2,000,000		6	25	99.75	6.03
Danish consolidated municipal loan, external S. F. G. B.	November	7,000,000		5 1/4	20	98.50	5.60
Finland: Republic of, external S. F. G. B.	March	10,000,000		7	25	94	7.50
France: Est. Railway Co., external S. F. G. B.	February	20,000,000		7	30	87.50	8.10

# Secured by \$4,000,000 6 1/4 per cent bonds of the Union d'Electricite of Paris.

# Issued to retire \$15,000,000 convertible debentures at 105 which were sold in the United States in October, 1923.

# Stockholders subscription rights—amount taken in the United States estimated.

# Carried a 10 per cent bonus in common stock.

# Carried a 20 per cent bonus in common stock.

# 1 share of common with each share of first preferred.

# 25 per cent paid up, the balance paid by installments.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1925—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>EUROPE—continued</b>								
<b>Germany:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Saxon Public Works, first mortgage external guaranteed S. F. G. B. ....	February	-----	15,000,000	-----	7	20	92	7.80
Electric Power Corporation, first mortgage S. F. G. B. ....	March	-----	5,000,000	-----	6½	25	87	7.67
City of Berlin, external S. F. G. B. ....	July	15,000,000	13,000,000	-----	6½	25	89	7.50-9.43
City of Cologne, external S. F. G. B. ....	do.	10,000,000	8,000,000	(32)	6½	25	87.50	7.62
City of Munich, external serial gold bonds	August	-----	8,700,000	-----	7	1-20	93.50-100	7-7.65
Central Bank of Agriculture, first lien S. F. G. B. ....	September	25,000,000	19,000,000	-----	7	25	93	7.63
Electric Power Corporation, first mortgage S. F. G. B. ....	do.	-----	2,500,000	-----	6½	25	87	7.68
State of Bremen, external gold bonds	do.	10,000,000	7,500,000	5,000,000	7	10	94	7.76
Free State of Bavaria, first serial gold bonds	October	-----	16,000,000	-----	6½	1-20	88.50-100	6.50-7.63
Rhine-Main-Danube Corporation, S. F. G. B., series A	do.	-----	6,000,000	-----	7	25	96	7.35
City of Heidelberg, external S. F. G. B. ....	do.	-----	1,500,000	-----	7½	25	98.50	7.65
City of Dusseldorf, external serial gold bonds	do.	-----	1,750,000	-----	7	1-20	93.88-100	7-7.65
State of Wurttemberg, consolidated municipal external gold bonds	do.	-----	8,400,000	-----	7	1-20	93.90-100.48	6.50-7.65
City of Dresden, external S. F. G. B. ....	November	5,000,000	3,750,000	-----	7	20	94	7.60
City of Duisburg, serial gold bonds	do.	-----	3,000,000	-----	7	1-20	93.38-100	7-7.05
City of Frankfurt-on-Main, external serial gold bonds	do.	4,000,000	2,800,000	-----	7	1-20	94.100.38	6.50-7.65
Free State of Oldenburg, external serial gold bonds	do.	-----	3,000,000	-----	7	1-20	93.88-100.50	6.50-7.65
Hamburg Electric Co., external S. F. G. B. debentures	do.	-----	4,000,000	-----	7	10	95.50	7.65
Municipal Bank of State of Hessen, serial gold bonds	do.	-----	3,600,000	-----	7	1-20	93.38-100	7-7.65
Rhine-Westphalia Electric Power Corporation, direct mortgage gold bonds	do.	-----	10,000,000	-----	7	25	94	7.50
State of Bremen, external gold bonds	do.	5,000,000	3,750,000	-----	7	10	93.75	7½
Westphalia United Electric Power Corporation, first mortgage S. F. G. B.	do.	-----	7,500,000	-----	6½	25	87.50	7.62
United Industrial Corporation, first mortgage S. F. G. B. ....	December	-----	6,000,000	-----	6	20	84.50	7.50
Hungary: Hungarian consolidated municipal loan, secured S. F. G. B.	July	-----	10,000,000	-----	7½	20	89	8.67
Italy: Kingdom of, external S. F. G. B. ....	November	-----	100,000,000	-----	7	25	94.50	7.48-7.58
<b>Norway:</b>								
City of Oslo, S. F. G. B. ....	April	-----	8,000,000	-----	6	30	99.50	6.14
Kingdom of, external S. F. G. B. ....	June	-----	30,000,000	18,000,000	5½	40	96.75	5.70
City of Oslo, sinking fund kroner bonds <sup>22</sup>	September	2,132,000	1,000,000	-----	5½	20	95.50	5.80
Kingdom of, kroner bonds 1924 <sup>24</sup>	do.	8,370,000	550,000	-----	6½	20	100.16	6.05
Poland: Republic of, external S. F. G. B. ....	February	-----	35,000,000	-----	8	25	95	8.53
<b>Saar Territory:</b>								
City of Saarbruecken, S. F. G. B. ....	January	-----	8,000,000	-----	7	10	96	7.55
Saar Basin Consolidated Counties, external S. F. G. B. ....	July	4,000,000	3,500,000	-----	7	10	97	7.58

<b>Yugoslavia:</b>									
Kingdom of the Serbs, Croats, and Slovenes, treasury gold notes		March	3,000,000		6	1½	100	6	
Do		September	3,000,000	3,000,000	6	1½	100	6	
<b>Total, Europe</b>			508,960,000	51,000,000					
<b>NORTH AMERICA</b>									
<b>Canada:</b>									
City of Edmonton, gold bonds		January	500,000	400,000	5½	8-40	100.50-101.50	5.40	
City of London, Ontario, treasury notes		do		673,000	4				
Canadian National Railway, guaranteed gold bonds		February	18,000,000	11,000,000	4½	5	99.88	4.52	
Canadian Northern Railway, guaranteed gold bonds		do	17,000,000	10,000,000	4½	10	97.63	4.80	
Province of British Columbia, gold coupon bonds		do		4,000,000	4½	8	100	4.50	
Province of Quebec, refunding S. F. G. B.		do	10,000,000	9,000,000	4½	25	97.75	4.65	
Province of New Brunswick, coupon bonds		March		808,000	4¾	20			
Province of Alberta, refunding gold bonds		April		3,740,000	5	25	100	5	
Province of Ontario, treasury notes		do	20,000,000	15,000,000	3½	1-2	98.658	4.37	
Province of Manitoba, gold notes		May	3,000,000	2,000,000	4½	2	100.13	4.43	
Province of Manitoba, gold coupon bonds		do	2,500,000	2,000,000	4½	20	95.50	4.85	
Province of Nova Scotia, coupon notes		do		3,500,000	4½	2	100.38	4.30	
Pacific Great Eastern Railway, first mortgage guaranteed bonds		June	5,925,195	200,000	4½	17	94.21	5	
Province of Alberta, gold bonds		do	2,250,000	1,688,500	4½	20	96.17	4.80	
Province of Quebec, sinking fund bonds		do		5,000,000	4½	25	97	4.70	
Province of Saskatchewan, gold coupon bonds		do	2,000,000	1,000,000	4½	20	96.25	4.80	
City of Winnipeg, gold coupon bonds		do		2,000,000	4½	25	95.50	4.80	
Province of New Brunswick, coupon bonds		July	882,000	808,000	4¾	10	100.40	4.70	
Dominion of Canada, gold notes		September		70,000,000	4	1	90.75	4.10	
Dominion of Canada, refunding bonds		do	75,000,000	20,000,000	4½	15	97.25	4.71	
Province of Manitoba, coupon bonds		do	3,100,000	2,000,000	4½	15	90.5	4.85	
Province of Ontario, treasury notes		do	10,000,000	5,000,000	4	1			
Province of New Brunswick, refunding bonds		November		2,275,000	4½	3	90.65	4.63	
Province of Ontario, serial coupon bonds		December	21,000,000	10,500,000	4½	1-30	95-95.50	4.60-4.90	
<b>Total, North America</b>			182,593,500	117,775,000					
<b>LATIN AMERICA</b>									
<b>Argentina:</b>									
Government of, treasury gold notes		February		25,000,000	4½	1½	100	4.50	
Government of, external S. F. G. B.		June		45,000,000	6	34	90	6.25	
Do		September		29,700,000	6	34	90.50	6.25	
Province of Cordoba, external S. F. G. B.		May		5,943,000	7	17½	85	7.50	
Province of Santa Fe, external S. F. G. B. of 1924		June		10,188,000	7	18	90	7.40	
Province of Buenos Aires, treasury gold notes		September		2,000,000	5¼	1½	100	5.25	
Province of Buenos Aires, refunding treasury gold notes		November		3,600,000	5¼	1½	100	5.25	
Brazil: State of Sao Paulo, secured S. F. G. B.		March	15,000,000	10,000,000	8	25	90.50	8.10	
Chile: Mortgage Bank of Chile, S. F. G. B.		June		20,000,000	6½	32	97.38	6.70	

<sup>1</sup> Refunding of \$2,000,000 in bank obligations.

<sup>2</sup> Payable in kroner. Amount, 10,000,000 crowns converted at rate of exchange on date bonds were issued, Sept. 21, 1925. 1 crown equals 21.23 cents.

<sup>3</sup> Converted at the average rate of exchange for the first 9 months of 1925.

<sup>4</sup> Amount sold in the United States estimated.

**FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued**  
**CALENDAR YEAR 1925—Continued**

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>LATIN AMERICA—continued</b>								
Colombia:		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Year</i>	<i>Dollars</i>	<i>Per cent</i>
City of Barranquilla, external secured S. F. G. B., series A.....	August.....	.....	500,000	.....	8	10	99	8.12
Department of Antioquia, external secured S. F. G. B., series A.....	October.....	.....	3,000,000	.....	7	20	90	8.01
Costa Rica: Republic of, customs lien refunding bond <sup>86</sup> .....	September.....	.....	1,020,000	.....	5	33	6.80	8.15
Panama: Banco Nacional de Panama, guaranteed S. F. G. B. of 1926.....	December.....	.....	1,000,000	.....	6½	20	100.75	6.55
Peru: Republic of, external S. F. G. B.....	November.....	.....	7,500,000	2,500,000	7½	15	97.75	7.75
<b>Total, Latin America.....</b>			<b>164,451,000</b>	<b>64,500,000</b>				
<b>FAR EAST</b>								
Australia: Australian Commonwealth Government, gold bonds.....	July.....		75,000,000		5	30	99.50	5.03
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
Hawaii:								
Territory of, coupon bonds.....	October.....		2,560,000		4½	20-30		
City and county of Honolulu, coupon bonds.....	December.....		1,000,000		5	20-30	108.25-111.68	4.35
Philippine Islands: Government of, secured coupon bonds.....	May.....		1,000,000		5	20-30	103.63	4.55
Porto Rico:								
Government of, coupon bonds, series G to L.....	January.....		3,000,000		5	32		
Government of, irrigation bonds.....	August.....		125,000		4½	38		
Government of, registered bonds, series A to D.....	October.....		200,000		4½	20-23		
Government of, irrigation bonds, series O to EE.....	November.....		750,000		4½	25-34	104.53-105.30	4.25
<b>Total, noncontiguous American Territories and possessions.....</b>			<b>8,665,000</b>					
<b>CORPORATE ISSUES</b>								
<b>EUROPE</b>								
Austria:								
Alpine Montan Steel Corporation, first mortgage S. F. G. B.....	March.....		5,000,000		7	30	91	7.80
European Mortgage & Investment Corporation first lien, S. F. G. B. Series A. <sup>87</sup> .....	October.....		2,400,000		7½	25	92	8.25
Czechoslovakia: Brunner Turbine & Equipment Co., first mortgage S. F. G. B.....	November.....		4,000,000		7½	30	95.75	7.90

<b>Denmark:</b> Burmeister & Wain (Ltd.) of Copenhagen (shipbuilding), external S. F. G. B.	June		2,000,000		6	15	95.35	6.50	
<b>Germany:</b>									
August Thyssen Iron & Steel Works, sinking fund mortgage gold bonds.	January	12,000,000	11,000,000		7	5	98.50	7.35	
Allgemeine Elektrizität Gesellschaft (manufacturers electrical equipment), sinking fund gold debentures.	do		10,000,000		7	20	93.75	7.70	
Siemens & Halske (manufacturers electrical equipment), secured S. F. G. B.	do	5,000,000	4,250,000		7	10	96.50	7.64	
Siemens & Halske, secured S. F. G. B.	do	5,000,000	4,250,000		7	3	99	7.37	
Rudolph Karstadt (Inc.) (department store), first mortgage S. F. G. B. <sup>11</sup>	October		3,000,000		7	5	97	7.73	
German-Atlantic Cable Co., S. F. G. B.	do		4,000,000		7	20	94	7.74	
Good Hope Steel & Iron Works, sinking fund mortgage gold bonds.	November	7,500,000	6,500,000		7	20	91	7.90	
Allgemeine Elektrizität Gesellschaft, sinking fund gold debentures <sup>12</sup>	December		10,000,000		6½	15	94	7.16	
Hamburg-American Line, first mortgage marine equipment serial gold bonds.	do		6,500,000		6½	3-15	99-100	6.50-6.62	
<b>Great Britain:</b> Cunard Steamship Co. (Ltd.), external gold notes	November		7,500,000		5	2	100	5	
<b>Greece:</b> Anglo-American Bank of Greece, common stock <sup>13</sup>	March		600,000				5		
<b>Hungary:</b> Rima Steel Corporation, first mortgage S. F. G. B.	January		3,000,000		7	30	88	8	
<b>Italy:</b>									
Crespi Cotton Works, first mortgage bonds.	September		997,400		5	5-30	96	5.27-5.93	
International Power Securities Corporation, secured gold bonds, series C. <sup>14</sup>	December		10,000,000	2,000,000	6½	30	93.75	7	
Snia Viscosa (textile) American depository receipts, common stock <sup>15</sup>	do		9,600,000				16		
<b>Norway:</b>									
Norwegian Nitrogen Co. S. F. G. B.	April		1,800,000		6	10	103	5.65	
Saunda Falls Co. (Ltd.) (public utility), first mortgage S. F. G. B., series A.	October		4,000,000		5	30	98	5.13	
<b>Poland:</b> International Match Co., preferred stock <sup>16</sup>	July		20,250,000				45		
<b>Spain-Italy:</b> International Telephone & Telegraph Co., convertible gold debentures.	August		25,000,000		5½	20	99	5.58	
<b>Sweden:</b> Swedish American Investment Corporation, participating, preferred stock.	December		15,000,000		6½		99		
<b>International:</b> Foundation Co. (foreign) (construction), class A common stock.	do		2,850,000				28.50		
<b>Total, Europe</b>			173,497,400	2,000,000					
<b>NORTH AMERICA</b>									
<b>Canada:</b>									
Canadian General Electric Co. (manufacturers electrical equipment), preference and common stock (par \$50).	January	5,200,000	2,600,000	2,600,000			50		
Fraser Companies (Ltd.) (lumber), first mortgage S. F. G. B.	do	3,500,000	2,500,000		6	25	97.50	6.20	
Bell Telephone Co. of Canada, first mortgage gold bonds, series A.	do	25,000,000	15,000,000	5,000,000	5	30	98	5.13	
Northwestern Utilities (Ltd.), first mortgage gold bonds <sup>17</sup>	do	3,250,000	1,500,000		7	15	100	7	
Fraser Companies (Ltd.) (lumber), cumulative redeemable preferred stock.	February	1,500,000	1,000,000		7		97.50		

<sup>11</sup> Payable in sterling. Amount offered here £300,000 at \$680 and interest per £200. Converted at par.

<sup>12</sup> Bonds secured by deposit with the trustee of an equal amount of land mortgage obligations of the Austrian General Land Credit Institute.

<sup>13</sup> For each \$1,000 bond the holder is entitled to purchase on or before October, 1930, 15 shares (par value 40 marks) of company's common stock at \$13.38 per share.

<sup>14</sup> Each \$1,000 bond carries stock purchase warrants for 18 shares of common stock.

<sup>15</sup> Par value of 100 drachmas (about \$1.55 converted at average rate of exchange for March, 1925, or \$0.015484).

<sup>16</sup> This issue is payable in lire, amounting to 25,000,000 lire, converted at the rate of exchange on date of issue of bonds (Sept. 4, 1925). 1 lire equals 3.99 cents.

<sup>17</sup> This company was incorporated in 1923 as the Italian Power Co. The present issue refunds collateral trust bonds sold in October, 1923.

<sup>18</sup> Par value of 200 lire (about \$8.06 converted at average rate of exchange for December, 1925, or \$0.040312).

<sup>19</sup> Par \$35 per share. The proceeds to be used for the purchase of the Polish Match Monopoly.

<sup>20</sup> Carries bonus of 2 shares of common stock (no par value) of the Canadian Utilities (Ltd.) with each \$1,000 bond.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1925—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
CORPORATE ISSUES—Continued								
NORTH AMERICA—Continued								
Canada—Continued.								
St. James Court Apartments, first mortgage bonds.....	February.....	Dollars	Dollars	Dollars	Per cent	Years	Dollars	Per cent
Montreal Tramways Co., general and refunding mortgage S. F. G. B., series A.....	March.....		7,000,000		5	1-20 30	100 88	6.50 5.85
A. P. W. Pulp & Paper Co. (Ltd.), first mortgage S. F. G. B.....	do.....	800,000	400,000		7	20	100	7
International Paper Co., refunding mortgage S. F. G. B., series A.....	do.....		15,787,750		6	20	98	6.30
Simpson's (Ltd.) (department store), collateral trust S. F. G. B., series A.....	do.....	5,800,000	600,000		6½	20	99	6.80
Wildier Realty Corporation, first mortgage sinking fund bonds.....	do.....		570,000		6½	15	100	6.50
Christie Brown & Co. (Ltd.) (baking and confections), cumulative redeemable preference shares.....	April.....		1,000,000		7		98	
Granby Consolidated Mining, Smelting & Power Co. (Ltd.), convertible debentures.....	do.....		2,500,000	2,500,000	7	15	100	7
Minnesota & Ontario Paper Co., first mortgage S. F. G. B., series A.....	May.....	16,000,000	8,000,000		6	5-10	99-100.50	6.2-6.37
Price Bros. & Co. (Ltd.) (paper), first mortgage S. F. G. B. of 1923.....	do.....	5,000,000	3,450,000		6	20	101	5.90
Abitibi Electrical Development Co. (Ltd.) (public utility), guaranteed gold notes.....	June.....		1,600,000		6	4	100.65-100.83	50-5.75
Victoria Lumber & Manufacturing Co. (Ltd.), first mortgage serial gold bonds.....	do.....		1,500,000		5½	4-10	99-100.75	5.35-5.48
Peck Logging Co. (Ltd.), first mortgage S. F. G. B.....	August.....		125,000		7	8	100	7
Canadian Bakeries (Ltd.), preferred stock <sup>41</sup> .....	September.....	1,000,000	100,000		7			
National Grocers Co. (Ltd.) (chain stores), sinking fund gold notes.....	do.....		2,000,000		6½		99.50	6.50
Abitibi Power & Paper Co. (Ltd.) guaranteed notes.....	do.....		1,000,000		6	1-5	100.65-100.83	5-5.75
Canadian Bakeries (Ltd.), first mortgage S. F. G. B.....	do.....	800,000	100,000		6	20	100	6.50
Southern Canada Power Co. (Ltd.), first mortgage bonds, series A.....	October.....	6,000,000	1,000,000		5	30	97	5.20
Montreal Tramways Co., general and refunding S. F. G. B., series B.....	do.....		2,500,000		5	30	93.75	5.40
Bell Telephone Co. of Canada, first mortgage gold bonds, series A.....	do.....		5,000,000		5	80	99	5.05
Northern Canada Power (Ltd.), first mortgage S. F. G. B., series A.....	November.....	6,000,000	500,000		6	20	100	6
Maritime Telephone & Telegraph Co., refunding and general mortgage gold bonds, series A.....	December.....	1,000,000	500,000		5	30	95.50	5.80
St. Maurice Valley Corporation (lumber and paper), first mortgage and collateral trust S. F. G. B.....	do.....	6,266,500	2,266,500		6	20	99	6.10
St. Maurice Valley Corporation, sinking fund cumulative preference shares <sup>42</sup> .....	do.....	4,300,000	2,300,000		7		100	
Wood & English (Ltd.) (lumber), collateral trust gold notes.....	do.....		350,000		6	1-3	100	6
Shawinigan Water & Power Co., first refunding bonds, series B.....	do.....		1,000,000		5	20	100	5
Total, North America.....			82,399,250	10,100,000				

LATIN AMERICA							
Argentina: Central Argentine Ry. (Ltd.), convertible gold notes <sup>46</sup> .....	May.....	350,000	6	2	100.50	5.95	
Chile: Anglo-Chilean Consolidated Nitrate Corporation, convertible sinking fund debentures <sup>47</sup> .....	October.....	16,500,000	7	20	100	7	
Colombia: Andean National Corporation (Ltd.) (oil), first mortgage S. F. G. B. <sup>48</sup> .....	April.....	10,000,000	6	15	100	6	
Cuba:							
Cuba Co. (railroad), secured convertible S. F. G. B. ....	January.....	10,000,000	6	10	98.50	6.20	
Sugar Estates of Oriente (Inc.), cumulative preferred stock <sup>49</sup> .....	March.....	1,350,000	1,350,000	8	100		
Caracas Sugar Co., preferred (par \$100) and common (par \$10) stock <sup>50</sup> .....	May.....	2,500,000			125		
Punta Alegre Sugar Co., gold notes.....	do.....	2,000,000		6	2	94.50	
Hershey Chocolate Co. (sugar), first closed mortgage and collateral first S. F. G. B. <sup>51</sup> .....	July.....	2,600,000		5½	15	98	
Honduras: Guyamel Fruit Co., first mortgage S. F. G. B. ....	March.....	5,000,000	2,975,000	6	15	99	
Guatemala:							
International Railways of Central America, first mortgage S. F. G. B. of 1912.....	do.....	1,600,000		5	60	79.50	
Do.....	October.....	1,250,000		5	60	78.50	
Total, Latin America.....		53,150,000	4,325,000				
FAR EAST							
Japan:							
Toho Electric Power Co. (Ltd.), first mortgage S. F. G. B., series A.....	March.....	15,000,000		7	30	90.50	
Uligawa Electric Power Co. (Ltd.), first mortgage S. F. G. B. ....	April.....	14,000,000		7	20	91	
Great Consolidated Electric Power Co. (Ltd.), first and general mortgage S. F. G. B. ....	July.....	13,500,000		6½	25	86	
Tokyo Electric Light Co. (Ltd.), gold notes.....	August.....	24,000,000		0	3	98.85	
Netherlands East Indies: Dutch-American Rubber Plantation Co., common stock (par \$40.20) <sup>52</sup> .....	December.....	400,000	200,000			40	
Total, Far East.....		60,700,000					
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Hawaii: Haik! Fruit & Packing Co. (Ltd.), cumulative convertible voting preferred stock.....	March.....	750,000		7		25	

<sup>46</sup> Estimated amount used in company's operations in Canada.<sup>47</sup> Bonus of one-half share of no par value class A, common stock with each share (\$100 par value) preferred stock.<sup>48</sup> Bonus of one-fifth share of no par value common stock with each share of preferred.<sup>49</sup> Convertible at par into ordinary shares of £10 par value.<sup>50</sup> Carries rights to receive 7.5 shares of common stock for each \$1,000 bond without cost.<sup>51</sup> A Canadian corporation with properties in Colombia. Each \$1,000 bond carries stock purchase warrants for 20 shares of common stock to be purchased before 1935 at \$10 per share.<sup>52</sup> Carries stock purchase warrants of 2 shares of common stock of the Cuban Dominican Sugar Co., with each share of preferred stock of this offering.<sup>53</sup> \$2,000,000 of preferred stock and \$500,000 of common stock offered together, 1 share of preferred and 2½ of common at \$125.<sup>54</sup> Part of a \$20,000,000 bond issue by the Hershey Chocolate Co., used to purchase properties in Cuba.<sup>55</sup> 1,000,000 guilder stock issue offered at \$40 per 100 guilders par value. 50 per cent offered in Holland.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1926

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUE</b>								
<b>EUROPE</b>								
<b>Austria:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Province of Lower Austria, secured S. F. G. B.	January		2,000,000		7½	24	98.50	7.60
Province of Styria, external secured S. F. G. B.	May	5,000,000	4,000,000		7	20	92.50	7.75
<b>Belgium:</b>								
National Railways, guaranteed participating preferred stock	August	( <sup>65</sup> )	2,000,000		6		13.85	
Kingdom of Belgium, external S. F. G. B.	October		50,000,000		7	30	94	7.50
<b>Bulgaria:</b> Kingdom of Bulgaria, secured S. F. G. B.	December		4,500,000		7	40	92	7.65
<b>Finland:</b> Republic of Finland, external S. F. G. B.	September	15,000,000	12,000,000		6½	30	94	6.98
<b>Germany:</b>								
Consolidated Municipalities of Baden, S. F. G. B.	January		4,500,000		7	25	93	7.63
Saxon State Mortgage Institutions, mortgage collateral S. F. G. B.	do		5,000,000		7	20	93.50	7.63
Bavarian Palatinate Consolidated Cities, external gold bonds	February		3,800,000		7	1-20	93.38-100.50	6.50-7.65
Berlin City Electric Co., notes	do		3,000,000		6½	2-3	98.75	7
Consolidated Hydroelectric Works of Upper Wurttemberg, first mortgage S. F. G. B.	do		4,000,000		7	30	93	7.60
Consolidated municipal loan of German savings banks, etc., external S. F. G. B.	do	15,000,000	12,750,000		7	20	93.75	7.50
City of Berlin, internal S. F. G. B. of 1924 <sup>st</sup>	do	2,500,000	178,000		6	24	75	7.90
Reichsbank, common stock (par \$23.80)	do	( <sup>38</sup> )	178,650				35.75	
City of Leipzig, external S. F. G. B.	March	5,000,000	3,750,000		7	21	94.75	7.50
State of Hamburg, treasury notes	April		5,000,000		5½	1	99.84	5.75
Free State of Anhalt, external serial gold bonds	May	2,000,000	1,750,000		7	1-20	98.88-101	6.00-7.80
German Federal Railroads, cumulative preferred stock	June	( <sup>65</sup> )	3,000,000				97	
Stettin Public Utilities Co., first mortgage S. F. G. B.	do		3,000,000		7	20	94.50	7.55
Saxon Public Works (Inc.), general and refunding mortgage gold bonds	do	15,000,000	11,000,000		6½	25	91.50	7.24
Mannheim and Palatinate Electric Co., mortgage S. F. G. B.	July	3,000,000	2,075,000		7	15	96.50	7.40
Oberpfalz Electric Power Corporation, first mortgage S. F. G. B.	do		1,250,000		7	20	97.50	7.25
Free State of Bavaria, external S. F. G. B.	do	10,000,000	8,000,000		6½	19	92.75	7.20
German consolidated municipal loans of savings banks and clearing associations, S. F. G. B.	August	8,000,000	7,200,000		7	21	98	7.20
Free State of Prussia, S. F. G. B.	September	20,000,000	17,500,000		6½	25	95	6.92
Leipzig Overland Power Co., mortgage S. F. G. B.	do	3,000,000	2,425,000		6½	20	92.50	7.20
City of Hanover, treasury gold notes	October		2,000,000		5½	1	99.50	6.10
City of Chemnitz, treasury gold notes	do		2,000,000		5½	1	99.50	6.10
City of Hamburg, gold bonds	do		10,000,000	5,000,000	6	20	91.75	6.76
Untereibe Power and Light Co., mortgage S. F. G. B.	do		2,500,000		7	15	94.50	6.78



Berlin Electric Elevated and Underground Railroad Co., first mortgage S. F. G. B.	November..	15,000,000	9,681,000	-----	6½	80	94.50	6.98	
Saxon State Mortgage Institutions, first mortgage and collateral S. F. G. B.	do.		4,000,000	-----	6½	20	97	6.77	
Berlin City Electric Co., sinking fund debentures	December..	20,000,000	15,000,000	-----	6½	25	94	6.08	
United Industrial Corporation (public utility and miscellaneous manufacturing), sinking fund gold debentures (Vlag.)	do.		6,000,000	-----	6½	15	97.50	6.76	
Hungary: Hungarian Consolidated Municipal Loan, S. F. G. B.	October.....		6,000,000	-----	7	20	93.50	7.65	
Italy:									
Italian Public Utility Credit Institute, external secured S. F. G. B.	February.....		20,000,000	-----	7	26	93	7.60	
Kingdom of Italy, consolidated lire bonds.....	December..	(*)	337,500	-----	5		87.50		
Norway: City of Oslo, S. F. G. B.	January.....		4,000,000	3,478,000	6½	20	97	5.75	
Yugoslavia:									
Kingdom of Serbs, Croats, and Slovenes, treasury gold notes	March.....		3,000,000	3,000,000	6	94	100	6	
Do.....	September..		3,000,000	3,000,000	6	½	100	6	
<b>Total, Europe.....</b>			<b>261,975,750</b>	<b>14,473,000</b>					
<b>NORTH AMERICA</b>									
<b>Canada:</b>									
City of Montreal, coupon bonds.....	January.....	7,000,000	6,000,000	3,000,000	4½	20	95.25	4.875	
Provinces of British Columbia, gold bonds.....	do.	4,000,000	3,000,000		4½	20-25	99.75	4.625	
Do.....	do.	4,000,000	3,000,000		4½	2	99.27	4.59	
City of Toronto, Toronto Harbor Commission, gold bonds of 1913.....	February.....		1,000,000		4½	40	94.50	4.83	
Dominion of Canada, refunding coupon bonds.....	do.		40,000,000	40,000,000	4½	10	98.75	4.65	
Province of Alberta, gold bonds.....	do.	1,200,000	1,050,000		4½	20	95	4.90	
Province of Nova Scotia, coupon bonds.....	March.....	5,000,000	4,975,000	3,000,000	4½	2	99.91	4.60	
Province of British Columbia, gold bonds.....	do.	4,000,000	3,878,000		4½	2	99.75	4.65	
Province of British Columbia, notes.....	April.....		1,000,000			1			
Province of Ontario, coupon notes.....	May.....	25,000,000	20,000,000		4	1-2	99.75	4.20-4.40	
City of Winnipeg, debentures.....	do.	2,500,000	2,375,000		4½	20	96.17	4.80	
City of Toronto, Toronto Harbor Commission, gold bonds of 1913.....	June.....		1,000,000		4½	40	94.50	4.85	
City of Ottawa, coupon bonds.....	do.	741,000	1,000,000		5	10-20	100.58	5	
Ford City (Ontario), debentures.....	do.		150,000		5	12-30	97.23-98.38	5.25	
Province of New Brunswick, coupon bonds.....	do.	2,732,000	2,000,000		4½	10	100	4.75	
Province of British Columbia, gold coupon refunding bonds.....	do.		6,000,000		4½	11-30	96.12-103	4.20-4.80	
City of Quebec, S. F. G. B.	do.		7,500,000	5,000,000	4½	25-30	98.38	4.60	
Montreal Protestant Central School District.....	do.	1,400,000	200,000		5	1-30			
Province of Alberta, debentures.....	October.....		6,000,000	3,000,000	4½	80	94.50	4.85	
Province of Manitoba, refunding gold bonds.....	December..	2,827,000	1,800,000	1,800,000	4½	80	95.25	4.80	
Province of Saskatchewan, provincial bonds.....	do.	2,500,000	1,750,000		4½	80	94.13	4.875	
City of Toronto, serial bonds.....	do.	7,722,000	6,949,800		4½	10-30	96.50	4.80	
<b>Total, North America.....</b>			<b>120,227,800</b>	<b>55,800,000</b>					

\* 10,000,000 francs.

\*\* Offered at \$898 for 5,000 reichsmarks flat.

\*\*\* Unknown.

\*\*\*\* Total of issues, 20,000,000,000 lire.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1928—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>LATIN AMERICA</b>								
<b>Argentina:</b>								
Province of Buenos Aires, external secured S. F. G. B.....	January.....	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Do.....	April.....		14,472,000	5,600,000	7½	21	99	7.60
Do.....	do.....		10,600,000		7	26	98.50	7.80
Do.....	do.....		4,200,000		7	10	99	7.15
Government of the Argentine Nation, external S. F. G. B.....	do.....		20,000,000		6	34	98	6.125
Do.....	September.....		16,900,000		6	34	98.25	6.10
Province of Buenos Aires, external S. F. G. B.....	December.....	24,121,000	18,296,000		7	30	98.75	7.40
<b>Brazil:</b>								
State of Sao Paulo coffee institute, sinking fund sterling bonds <sup>60</sup> .....	February.....	25,000,000	379,762		7½	30	97.50	7.35
State of Sao Paulo, secured S. F. G. B.....	March.....		7,500,000		7	30	98.50	7.30
City of Porto Alegre, S. F. G. B.....	April.....		4,000,000		7½	40	98	7.80
United States of Brazil, external S. F. G. B.....	May.....	35,000,000	29,000,000		6½	31	90	7.80
Do.....	June.....	25,000,000	19,000,000		6½	31	90.50	7.25
<b>Chile:</b>								
City of Santiago, internal bonds.....	do.....		851,200		8	28	104.67	7.73
Mortgage Bank of Chile, S. F. G. B.....	July.....		18,330,000		6¾	36	99.25	6.80
Republic of Chile, treasury gold notes.....	August.....		10,000,000		5	½	99.88	6.25
Republic of Chile, S. F. G. B.....	October.....		38,000,000	10,000,000	6	33	98.25	6.50
Mortgage Bank of Chile, guaranteed gold notes.....	December.....		10,000,000		6	5	98.75	6.30
<b>Colombia:</b>								
Department of Caldas, external secured S. F. G. B.....	March.....		6,000,000		7½	20	95.50	7.95
Department of Antioquia, external secured S. F. G. B., series B.....	April.....		6,000,000		7	9-19	91.50	7.78
Agricultural Mortgage Bank, S. F. G. B.....	May.....		8,000,000		7	20	94	7.55
Department of Cauca Valley, S. F. G. B.....	October.....		2,000,000	750,000	7½	1-20	98.50	7.90
Department of Antioquia, external secured S. F. G. B., series A.....	do.....		3,000,000		7	20	98	7.71
Department of Antioquia, internal gold peso bonds <sup>61</sup> .....	November.....		820,250		8	20	92.20	9.05
Department of Caldas, external secured S. F. G. B.....	do.....		4,000,000		7½	30	98	7.70
Department of Cundinamarca, external secured S. F. G. B.....	December.....		3,000,000		7	20	94.75	7.50
City of Barranquilla, secured bonds.....	do.....		500,000		8	20	101	7.90
Costa Rica: Republic of Costa Rica, external secured S. F. G. B.....	do.....		8,000,000		7	25	95.50	7.40
Dominican Republic: Dominican Republic S. F. G. B., second series.....	April.....		8,300,000	2,800,000	5½	16	98	5.70
Honduras: Republic of Honduras, external gold bonds.....	November.....		500,000		7	8	98.50	7.75
<b>Panama:</b>								
National Bank, guaranteed S. F. G. B., series A.....	January.....		1,000,000		6½	20	100.75	6.47
Republic of Panama, external S. F. G. B.....	June.....		2,000,000		6½	35	103	6.30
Republic of Panama, external secured S. F. G. B.....	December.....		2,200,000		6½	30	103	6.50
Paru: Republic of Paru, external secured S. F. G. B.....	August.....	16,000,000	4,000,000		7½	30	100	7.50

Salvador:							
Republic of Salvador, gold treasury certificates.....	July.....	520,000	6½	2-3	99.78	6.60	
Republic of Salvador, customs lien S. F. G. B., series C.....	October.....	1,000,000	7	31	92	7.70	
Uruguay:							
Republic of Uruguay, external S. F. G. B.....	April.....	30,000,000	6	34	96.50	6.25	
City of Montevideo, external S. F. G. B., series A.....	December.....	5,171,000	6	33	93.25	6.50	
<b>Total, Latin America.....</b>		<b>302,640,212</b>					<b>19,150,000</b>
FAR EAST							
Japan: City of Yokohama, external S. F. G. B.....	November.....	19,740,000	6	35	93	6.50	
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS							
Hawaii:							
Territory of Hawaii, coupon bonds, series A.....	May.....	1,540,000	4½	20-30	100-105.81	4.15-4.50	
Honolulu, city and county of, coupon bonds.....	June.....	1,000,000	5	20-30	107.26	4.45-4.85	
Territory of Hawaii, coupon bonds, series B.....	October.....	1,805,000	4½	20	104.50	4.50	
Philippine Islands: Government of Philippine Islands, registered bonds.....	December.....	329,500	4½	30	100.51	4.47	
Porto Rico:							
Government of Porto Rico, coupon bonds, series A to D.....	January.....	2,000,000	4½	30-33	100-106.13	4.20-4.50	
City of San Juan, coupon bonds.....	do.....	2,500,000	4½	7-42	101.47-103.29	4.30-4.35	
City of Mayaguez, coupon bonds of 1925.....	do.....	150,000	5	6-31	101.76	4.87	
City of Anasco, coupon bonds of 1925.....	do.....	75,000	5	4-41	100.03	4.98	
City of Barceloneta, coupon bonds of 1925.....	do.....	250,000	5	6-41	100.03	4.98	
City of Camuy, coupon bonds of 1925.....	do.....	60,000	5	6-23	100.03	4.98	
City of Carolina, coupon bonds of 1925.....	do.....	265,000	5	5-31	100.03	4.98	
City of Ciales, coupon bonds of 1925.....	do.....	45,000	5	1-22	100.03	4.98	
City of Guayama, coupon bonds of 1925.....	do.....	123,000	5	4-28	100.03	4.98	
City of Hatello, coupon bonds of 1925.....	do.....	40,000	5	6-27	100.03	4.98	
City of Jayuya, coupon bonds of 1925.....	do.....	70,000	5	6-36	100.03	4.98	
City of Las Piedras, coupon bonds of 1925.....	do.....	30,000	5	7-23	100.03	4.98	
City of Maunaba, coupon bonds of 1925.....	do.....	20,000	5	6-25	100.03	4.98	
City of San Sebastian, coupon bonds of 1925.....	do.....	85,000	5	6-39	100.03	4.98	
City of Moca, coupon bonds of 1925.....	do.....	65,000	5	5-31	100.03	4.98	
<b>Total, noncontiguous American Territories and possessions.....</b>		<b>10,422,500</b>					

<sup>60</sup> Part of £10,000,000 authorized issue of which £5,000,000 were offered in London. A small portion was purchased and offered in the United States.

<sup>61</sup> 900,000 gold-peso bonds, par value of peso \$0.9733; \$965 for 1,000-peso bond.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1926—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
CORPORATE ISSUES								
EUROPE								
		Dollars	Dollars	Dollars	Per cent	Years	Dollars	Per cent
Denmark: Copenhagen Handelsbank, American certificates, common stock <sup>62</sup>	February	( <sup>63</sup> )	164,350				32.87	
Germany:								
Dresden Bank, American nonvoting shares, common stock <sup>64</sup>	January	( <sup>65</sup> )	1,040,000		8		104	
European Shares (Inc.) (investment trust), no par common stock <sup>64</sup>	do.		2,000,000				50	
German Credit & Investment Corporation, first preferred stock <sup>65</sup>	do.		10,000,000		7		100	
Rheinische Union (steel), mortgage S. F. G. B. <sup>65</sup>	do.	25,000,000	16,050,000		7	20	94	7.55
Leonhard and Tietz (Inc.) (department stores), mortgage gold bonds <sup>65</sup>	do.		3,000,000		7½	20	97	7.50
Verinsbank in Hamburg, common stock (par \$14.25)	do.	( <sup>65</sup> )	142,920				13	
Barmer Bank Verein, common stock (par \$13.87) <sup>67</sup>	February		238,200				18.875	
Bayische Hypotheken und Wechsen Bank of Munich, common stock (par \$23.50)	do.	( <sup>65</sup> )	960,000				24	
Deutsche Bank, common stock (par \$23.50)	do.	( <sup>65</sup> )	357,300					
First Federal Foreign Investment Trust, common stock (par \$100) <sup>64</sup>	do.		2,200,000				110	
Germer General Credit Bank, common stock <sup>65</sup>	do.	( <sup>65</sup> )	470,300					
Good Hope Steel and Iron Works, mortgage S. F. G. B.	do.		2,500,000		7	20	92	7.80
Sachsen-Anhalt Electrical Co. of Halle (public utility), external serial gold coupon notes	do.		1,000,000		6½	½-1½	100	6.50
Silesia Electric Corporation (public utility), mortgage S. F. G. B.	do.		4,000,000		6½	20	97.98	7.75
Roman Catholic Church of Bavaria, S. F. G. B., series A	March		5,000,000		6½	20	93.13	7.10
Iseder Steel Corporation, mortgage S. F. G. B.	April	7,500,000	5,250,000		7	20	94	7.65
Mansfield Mining & Smelting Co. closed mortgage S. F. G. B.	May	3,000,000	2,500,000		7	15	93.50	7.75
Mill Machinery Co. (miag.), first closed mortgage S. F. G. B.	do.		3,000,000		7	30	92.50	7.65
Roman Catholic Church Welfare Associations of Germany, secured S. F. G. B.	do.		2,000,000		7	20	98.50	7.125
United Steel Works Corporation, first mortgage S. F. G. B., series A <sup>65</sup>	June		30,000,000		6½	25	96	6.80
Siemens and Halske Corporation (electrical manufacturers), sinking fund gold debentures	September	24,000,000	17,500,000		6½	25	99	6.55
Hugo Stinnes Corporation (miscellaneous), gold notes	November		12,500,000		7	10	99.50	7.20
Hugo Stinnes Industries (Inc.) (miscellaneous), sinking fund debentures	do.		12,500,000		7	20	99.50	7.13
Housing Realty and Improvement Co., S. F. G. B.	do.		1,500,000		7	20	98	7.19
Second Internation Securities Corporation, cumulative first preferred stock	do.	7,800,000	4,000,000		6			
Protestant Church in Germany Welfare Institutions, S. F. G. B.	do.		2,500,000		7	20	98	7.19
Great Britain:								
Anglo-American Oil Co. (Ltd.), gold notes	July		6,000,000	6,000,000	4½	1-3	98.79-100	4.50-5
London Irish Trust (Ltd.) (finance), common stock (par \$48.77)	September	<sup>69</sup> 24,330,000	250,000				48.86	

<b>Hungary:</b>									
European Mortgage and Investment Corporation, first lien S. F. G. B., series B.	April	5,000,000		7½	40	96	7.80		
Hungarian Land Mortgage Institute, mortgage S. F. G. B., series A	June	3,000,000		7½	35	95	7.90		
Hungarian General Savings Bank, common stock	November	250,000				2.50			
<b>Italy:</b>									
International Power Securities Corporation, secured gold bonds, series D. <sup>65</sup>	February	5,000,000		7	10	100	7.00		
Lloyd Sabaudo Steamship Line, first mortgage, marine equipment serial gold bonds.	March	2,400,000		7	4.15	96-100	7.00-7.45		
Benigno Crasti Cotton Works, first mortgage sinking fund bonds.	do	848,000		7	30	100	7.00		
Fiat (automobile), sinking fund gold debentures <sup>66</sup>	July	10,000,000		7	20	93	7.69		
Adriatic Electric Co. (public utility), gold notes	December	2,000,000	1,500,000	6½	2	99.80	6.75		
Luxemburg: United Steel Works of Burbach-Eich-Dudelange (Arbed), S. F. G. B.	March	10,000,000	7,500,000	7	25	92.50	7.97		
Poland: Silesian-American Corporation (mining), collateral trust S. F. G. B.	July	15,000,000		7	15	94.50	7.60		
Poland and Greece: Ulen & Co. (construction), sinking fund gold notes	November	4,000,000		6	10	100	6.00		
Spain: International Telephone & Telegraph Corporation (Spain and Italy), common stock (par \$100)	July	20,028,200	19,400,000			100			
Sweden: International Match Corporation, participating preference stock (par \$35).	November	22,500,000	19,105,350			80			
<b>Total, Europe</b>			242,526,420	6,000,000					
<b>NORTH AMERICA</b>									
<b>Canada:</b>									
Albany Perforated Wrapping Paper Co., preferred and no par common stock. <sup>70</sup>	January	2,310,000				154			
Northern Ontario Light & Power Co. (Ltd.), first mortgage S. F. G. B.	do	5,250,000	5,060,500	6	20	100	6.00		
Powell River Pulp & Paper Co., serial gold notes	do	4,000,000		5	5	98.50-100.25	4.87-5.25		
Asbestos Corporation (Ltd.), (manufacturers of asbestos) first and refunding mortgages S. F. G. B. <sup>68</sup>	do	1,300,000	1,000,000	6	15	100	6.00		
Canada Paper Co. (Ltd.), first mortgage S. F. G. B., series A	do	2,000,000	1,800,000	6	20	98	6.15		
Port Alfred Pulp & Paper Corporation (Ltd.), first mortgage S. F. G. B.	do	1,175,000	1,170,000	6½	19	100	6.50		
Manitoba Power Co. (Ltd.), first mortgage S. F. G. B., series A	February	10,000,000	7,500,000	3,000,000	5½	25	5.80		
Shawinigan Water & Power Co., first refunding mortgage S. F. G. B., series E.	do		1,000,000	500,000	5	29	102.50	4.80	
Dominion Stores (Ltd.) (department stores), no par common stock	do		990,000				68		
Kelvinator of Canada (electric refrigerators), cumulative sinking fund preferred stock.	do	800,000	500,000		7		100		

<sup>65</sup> Unknown.

<sup>66</sup> Each American certificate representing a deposit of one original share of 100 kroner par value (\$28.80).

<sup>67</sup> Each American share representing a deposit of 400 reichmarks par value (\$95.28) of the original German shares.

<sup>68</sup> An American corporation; 20,000 shares taken by German interests. Corporation need not restrict its investments to Germany.

<sup>69</sup> Classified as German, although organized as an American corporation, "to afford investors an opportunity to participate in investments and loans in Germany, Central Europe, and elsewhere." Amount taken in the United States estimated.

<sup>70</sup> Carries common stock subscription rights.

<sup>71</sup> Offered at \$18.875 per share of 100 reichmarks.

<sup>72</sup> Total taken 2,000,000 reichmarks at \$235.15 per 1,000 reichmarks.

<sup>73</sup> £500,000 converted at sterling par.

<sup>74</sup> Units of one preferred and two common shares sold at \$154 a unit.

<sup>75</sup> To redeem a 1911 issue.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1926—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
Canada—Continued.								
Canadian Rail & Harbor Terminals (Ltd.), first mortgage S. F. G. B.	March	Dollars 3,500,000	Dollars 3,500,000	Dollars 3,500,000	6½	25	100	6.50
International Power Co. (Ltd.), first preferred stock <sup>11</sup>	do	4,000,000	1,000,000	-----	7	-----	98.50	-----
St. Lawrence Paper Mills (Ltd.), sinking fund mortgage debentures <sup>12</sup>	April	2,000,000	780,000	-----	6½	10	100	6.50
Western Canada Flour Mills Co. (Ltd.), cumulative sinking fund preferred stock.	do	2,500,000	1,000,000	-----	6½	-----	99	-----
Manitoba Paper Co. (Ltd.), first mortgage serial gold bonds	do	4,000,000	2,500,000	-----	6½	5-20	100	6.50-6.80
Minnesota & Ontario Paper Co., first mortgage S. F. G. B., series B	do	4,000,000	2,000,000	-----	6	22	99.50	6.13
Duke Price Power Co. (Ltd.), first mortgage S. F. G. B., series A	do	-----	37,000,000	12,000,000	6	40	101	5.88
Canadian Rail & Harbor Terminals (Ltd.), mortgage S. F. G. B. <sup>10</sup>	do	-----	2,000,000	-----	7	19	100	7.00
Hamilton By-Products Coke Ovens (Ltd.), serial bonds	do	-----	1,250,000	-----	6	1-4	100	5.50-6.00
Minnesota & Ontario Paper Co., gold notes	May	-----	3,500,000	-----	6	8	100	6.00
St. Maurice Valley Corporation (Ltd.) (paper), cumulative sinking fund preferred stock	do	1,200,000	780,000	-----	7	-----	95	-----
Canada Biscuit Co. (Ltd.), first mortgage S. F. G. B., series A	do	1,600,000	540,000	-----	6½	20	100	6.50
Canada Northern Power Corporation (Ltd.), sinking fund collateral trust bonds.	June	2,500,000	1,000,000	-----	6½	15	100	6.50
Goodyear Cotton Co. of Canada (Ltd.), cumulative preferred stock	do	475,000	250,000	-----	7	-----	99	-----
Fort William Paper Co. (Ltd.), first mortgage S. F. G. B., series A	do	3,500,000	2,000,000	1,500,000	6	20	98.50	6.13
Canadian Pacific Railways, equipment trust certificates	do	12,000,000	10,000,000	-----	4½	½-12	99.54-100.20	4.55
Gatineau Power Co. (Ltd.), first mortgage gold bonds	July	25,000,000	17,500,000	-----	5	30	94	5.40
Gatineau Power Co., sinking fund gold debentures	do	12,500,000	8,750,000	-----	6	15	99.50	6.05
Vancouver Georgia Hotel, first mortgage serial coupon gold bonds	do	-----	1,350,000	-----	6½	3-16	100	6.50
Montreal Rail & Water Terminal, first mortgage S. F. G. B.	August	3,000,000	2,000,000	-----	6½	25	100	6.50
Montreal Rail & Water Terminal, general S. F. G. B.	do	-----	600,000	-----	7	20	-----	-----
Montreal Rail & Water Terminal, secured gold debentures	do	-----	200,000	-----	7	30	-----	-----
Shawinigan Water & Power Co., first refunding mortgage S. F. G. B., series E	September	-----	3,000,000	-----	5	29	102.50	4.80
Shawinigan Water & Power Co., common stock (par \$100)	do	3,750,000	3,000,000	-----	-----	-----	150	-----
Canadian Steamship Lines (Ltd.), first general mortgage gold bonds, series A	do	18,000,000	9,000,000	3,800,000	6	15	97	6.80
Canadian Pacific Railway Co., collateral trust gold bonds	do	-----	20,000,000	-----	4½	20	98.50	4.77
St. Anne Paper Co. (Ltd.), first mortgage S. F. G. B., series A	do	5,000,000	2,500,000	-----	6½	20	100	6.50
Brompton Pulp & Paper Co. (Ltd.), first refunding mortgage sinking fund bonds	do	4,183,000	2,000,000	-----	6	20	98.75	6.11
Sun Publishing Co. (Ltd.), first closed mortgage bonds	October	-----	105,000	-----	6½	3-7	100	6.50

Montreal Light, Heat, & Power Co. (Ltd.), first refunding and collateral trust S. F. G. B., series A.	.....do.....	30,000,000	8,000,000	.....	.....	5	1-26	99.50	5.03
Manufacturing Finance Corporation (Ltd.), collateral trust gold bonds, series A.	.....do.....	600,000	300,000	.....	.....	6	1-10	100	6
International Paper Co., convertible gold debentures.	.....do.....	25,000,000	15,000,000	.....	.....	6	18	98	6.30
Wood and English (Ltd.) (lumber), collateral trust refunding gold notes.	November.....	78,000	78,000	.....	.....	6	2	100	6
Steel's Consolidated (Ltd.) (coking stores), first refunding gold bonds.	.....do.....	1,500,000	750,000	.....	.....	6	3	100	6
New Westminster Paper Co. (Ltd.), first closed mortgage serial gold bonds.	.....do.....	175,000	90,000	.....	.....	6 1/2	1-10	99	6.60
Newfoundland: United Towns Electric Co. (Ltd.), first mortgage S. F. G. B., series A.	April.....	.....	250,000	.....	.....	6	20	99.50	6.13
<b>Total, North America.....</b>	.....	<b>188,863,000</b>	<b>20,688,500</b>	.....	.....	.....	.....	.....	.....
<b>LATIN AMERICA</b>									
Bolivia: Patino Mines and Enterprises Consolidated, common stock (par \$20).	December.....	5,000,000	.....	.....	.....	.....	.....	25	.....
British West Indies: Trinidad Oil Fields (Inc.), no par common stock.	November.....	1,800,000	.....	.....	.....	.....	.....	30	.....
Chile: Chile Copper Co., gold debentures	December.....	35,000,000	34,900,500	.....	.....	5	30	99.75	5.25
Colombia:	.....	.....	.....	.....	.....	.....	.....	.....	.....
Andian National Corporation (Ltd.) (oil), no par common stock.	October.....	6,250,000	3,250,000	.....	.....	.....	.....	.....	.....
Mortgage Bank of Colombia, S. F. G. B.	December.....	.....	6,000,000	.....	.....	7	20	95.75	7.40
Cuba:	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cuban Dominican Sugar Corporation, no common par stock.	May.....	10,000,000	.....	.....	.....	.....	.....	20	.....
Cuba Railway Co., first lien and refunding gold bonds, series B	June.....	1,375,000	1,375,000	.....	.....	6	10	99.50	6.00
Caribbean Sugar Co., first mortgage S. F. G. B.	August.....	2,000,000	1,500,000	.....	.....	7	15	95.50	7.50
Compania Cubana (sugar), guaranteed gold notes.....	.....do.....	5,000,000	.....	.....	.....	6	8	100	6.00
Consolidated Railways of Cuba, preferred stock.....	.....do.....	25,000,000	.....	.....	.....	6	.....	40	.....
Habana Electric Railway Co., gold debentures.....	.....do.....	5,000,000	.....	.....	.....	6 1/2	25	92	6.125
Habana Electric Railway Co., cumulative preferred stock <sup>10</sup> .....	.....do.....	5,000,000	.....	.....	.....	6	.....	100	.....
Cuba Northern Railways Co., equipment gold bonds, series B.	September.....	400,000	.....	.....	.....	6 1/2	1-10	97.27-100.31	5.20-5.95
Guatemala and Salvador: International Railways of Central America, first mortgage and collateral gold notes.	May.....	8,300,000	.....	.....	.....	6	15	95	6.40
Mexico: Mexico-Ohio Oil Co., no par common stock.....	November.....	1,100,000	.....	.....	.....	.....	.....	.....	.....
Venezuela:	.....	.....	.....	.....	.....	.....	.....	.....	.....
Andes Petroleum Corporation (Colombia and Venezuela), no par common stock.	April.....	1,950,000	.....	.....	.....	.....	.....	6.50	.....
Pantepec Oil Co., no par common stock.....	October.....	3,780,000	.....	.....	.....	.....	.....	12.00	.....
<b>Total, Latin America.....</b>	.....	<b>122,559,000</b>	<b>37,890,500</b>	.....	.....	.....	.....	.....	.....
<b>FAR EAST</b>									
Japan:	.....	.....	.....	.....	.....	.....	.....	.....	.....
Imperial Electric Light Co. (Ltd.), first mortgage bonds, series Ko-Go.	March.....	2,000,000	.....	.....	.....	7 1/2	5	100	7.50
Toho Electric Power Co. (Ltd.), gold notes.....	July.....	10,000,000	.....	.....	.....	6	8	98.50	6.55
<b>Total, Far East.....</b>	.....	<b>12,000,000</b>	.....	.....	.....	.....	.....	.....	.....

<sup>10</sup> Carries common stock subscription rights.  
<sup>11</sup> Amount taken in United States estimated.

<sup>12</sup> One share of common stock with each preferred share.  
<sup>13</sup> Bonus of three-fifths of one share of common.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1926—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
Philippine Islands: Manila Electric Corporation, no par common stock.....	June.....	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Porto Rico:								
Facardo Sugar Co., common stock (par \$100).....	January.....		720,000				100	
South Porto Rico Sugar Co., common stock (par \$100) <sup>78</sup> .....	November.....		1,120,000				100	
United Porto Rican Sugar Co., secured convertible sinking fund notes.....	do.....		1,600,000	78 500,000	7	5	100.50	6.875
United Porto Rican Sugar Co., no par common stock.....	December.....		606,900				37	
Total, noncontiguous American Territories and possessions.....			7,807,500	3,000,000				

CALENDAR YEAR 1927

<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
<b>Austria:</b>								
Tyrol Hydroelectric Power Co. (Tiwag), S. F. G. B.....	April.....		3,000,000		7	25	97.50	7.20
Province of Upper Austria, secured S. F. G. B.....	June.....	5,000,000	4,400,000		6½	30	93.75	7
City of Vienna, external S. F. G. B.....	November.....	80,000,000	18,711,500		6	25	90.50	6.79
Free City of Danzig: Danzig Port and Waterways Board, secured external S. F. G. B.....	July.....	4,500,000	3,000,000		6½	25	90	7.35
<b>Denmark:</b>								
Danish Export Credit Committee, gold notes.....	January.....		1,100,000		4½	1-7	95.68-100	4.50-5.25
City of Copenhagen, gold bonds.....	June.....		15,000,000		5	25	97.25	5.20
Danish Export Credit Committee, gold notes.....	October.....		3,000,000		4½	1-7	95.38-100.25	4.50-5.30
Mortgage Bank of the Kingdom of Denmark, external S. F. G. B., series 9 of 1927.....	November.....	5,300,000	4,948,500	77 5,000,000	5	45	96.50	5.20
<b>Estonia:</b> Republic of Estonia, banking and currency reform loan.....	June.....		4,000,000		7	40	94.50	7.40
<b>France:</b>								
City of Paris, external gold bonds of 1920 (Canadian issue).....	February.....		550,000		6	10	100	6
International Match Corporation, S. F. G. debentures.....	November.....		50,000,000	78 50,000,000	5	20	98.50	5.125
<b>Germany:</b>								
State of Bavaria, treasury notes.....	June.....		20,000,000			1		5.375
Central Bank of Agriculture, secured S. F. G. B.....	July.....	30,000,000	19,000,000		6	33	95	6.36
Hanover State Credit Institute, first mortgage collateral gold notes.....	do.....		4,000,000		6	3½	98	6.65



Central Bank of German State and Provincial Banks (Inc.), first mortgage secured S. F. G. B., series A.	August	5,000,000	3,500,000	6	25	98	6.40
Province of Hanover, Harz waterworks loan, first series.	do.		1,000,000	6	30	95	6.375
Rhine-Westphalia Electric Power Corporation, direct mortgage gold bonds, series due 1932.	do.	15,000,000	10,500,000	6	36	95.50	6.36
City of Nuremberg, external S. F. G. B.	September		5,000,000	6	28	94	6.60
Saxon State Mortgage Institution, mortgage collateral S. F. G. B.	do.		2,000,000	6	20	95	6.44
Central Bank of German State and Provincial Banks (Inc.), mortgage secured S. F. G. B., series B.	October		10,000,000	6	24	95	6.40
German Central Bank of Agriculture, farm loan secured S. F. G. B., second series.	do.	50,000,000	43,405,000	6	33	95.50	6.32
Leipzig City Bank, gold notes.	do.		2,500,000	5½	¾	100	5.50
State of Hamburg, treasury notes.	do.		5,000,000	5	1	99.70	5.375
State of Prussia, S. F. G. B.	do.	30,000,000	24,500,000	6	25	96.50	6.28
<b>Hungary:</b>							
City of Budapest, S. F. G. B.	May	20,000,000	10,750,000	6	25	92	6.60
Hungarian Central Mutual Credit Institute, S. F. G. B., series A.	June	3,000,000	2,500,000	7	10	98.50	7.30-7.48
<b>Ireland:</b> Irish Free State, external S. F. G. B.	December		15,000,000	5	33	97	5.20
<b>Italy:</b>							
Italian Credit Consortium for Public Works, S. F. G. B., series A and B.	March		{ A-4,500,000 B-7,500,000	7	10	95.50	7.50
City of Rome, S. F. G. B.	do.		30,000,000	7	20	95.50	7.40
City of Milan, S. F. G. B.	April	30,000,000	25,150,000	6½	25	91	7.25
				6½	25	92	7.10
<b>Norway:</b>							
City of Trondhjem, S. F. G. B.	do.		2,750,000	5½	80	97.75	5.65
Kingdom of Norway Municipalities Bank, S. F. G. B.	November		6,000,000	5	4-40	95	5.30
<b>Poland:</b> Republic of Poland, stabilization loan, external S. F. G. B.	October		47,000,000	7	20	92	7.95
<b>Saar Territory:</b>							
Saarbruecken Mortgage Bank S. F. G. B., series A.	April		1,000,000	6	20	97.75	6.20
City of Saarbruecken, external S. F. G. B.	July		5,000,000	6	25	95	6.40
Saarbruecken Mortgage Bank, external S. F. G. B., series B.	October		1,000,000	6	20	95	6.45
<b>Yugoslavia:</b>							
Kingdom of Serbs, Croats and Slovenes, secured gold bonds, series B.	April		23,250,000	7	40	92.50	7.60
State Mortgage Bank of Yugoslavia, secured S. F. G. B.	do.		10,785,000	7	30	92	7.60
City of Belgrade, gold notes.	December		3,000,000	6	¾	100	6
<b>Total, Europe</b>			451,298,000				
<b>NORTH AMERICA</b>							
<b>Canada:</b>							
Province of Alberta, gold bonds.	January	1,300,000	2,077,000	4½	30	95.25	4.80
Do.	do.	1,250,000					
Province of British Columbia, treasury bills.	do.	6,000,000	4,000,000	4½	2	100	4.50
Province of Manitoba, gold bonds.	do.	1,617,000	650,000	4½	30	94.50	4.85
Province of Ontario, serial gold bonds.	do.	24,000,000	11,231,000	4½	1-30	97.36-100	4.50-4.70
Province of Saskatchewan, gold bonds.	do.	1,468,500	734,250	4½	30	94.28	4.80
City of Montreal, gold bonds.	do.	5,700,000	3,819,000	4½	40	96	4.72
Do.	do.	2,500,000	835,000	4½	20	97.43	4.70

<sup>12</sup> For purchase of Ingenio Sante Fe Sugar Co.

<sup>13</sup> To purchase stock of other companies.

<sup>14</sup> To refund \$5,000,000 bonds on Mar. 1, 1928, that were sold in this country in February, 1925.

<sup>15</sup> Used to retire French Republic 8 per cent sinking fund gold bonds sold in the United States in 1920.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1927—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
NORTH AMERICA—continued								
Canada—Continued.								
City of Winnipeg, gold bonds	January	<i>Dollars</i> 1,270,000	<i>Dollars</i> 1,281,000	<i>Dollars</i> 1,281,000	<i>Per cent</i> 4½	<i>Years</i> 18	<i>Dollars</i> 97	<i>Per cent</i> 4.75
Do.	do	1,500,000	1,411,000	1,411,000	5	1-4	102	4.50-4.65
City of Windsor, serial gold bonds	do	1,262,150	250,000	250,000	5	10-30	99.35	5.08
Greater Vancouver Water District, gold bonds	April	1,000,000	250,000	250,000	5	5-40	100	5.00
Province of Alberta, debentures	do		3,875,000	3,875,000	4½	40	98.17	4.60
Province of British Columbia, gold treasury bills	do		3,850,000	3,850,000	4½	2	100	4.50
Province of Manitoba, S. F. G. B.	do	2,169,000	2,100,000	2,100,000	4½	30	99	4.55
Province of Ontario, gold bonds	do		3,000,000	3,000,000	4½	21-25	99.25	4.55
Province of Quebec, S. F. G. B.	do	4,000,000	3,000,000	3,000,000	4½	30	100	4.50
City of Toronto, gold coupon bonds	do	8,800,000	8,800,000	8,800,000	4½	1-30	99.25-100	4.50-4.55
City of Winnipeg, gold bonds <sup>70</sup>	do	2,800,000	2,500,000	2,500,000	4½-5	13	98.07	4.70-5.20
City of Vancouver, gold coupon bonds	do	2,025,000	750,000	750,000	5	15-40	101.50-103.50	4.80-4.85
Canadian National Ry. equipment trust certificates, series J.	do	15,000,000	14,500,000	14,500,000	4½	1-15	98.44-100	4.50-4.70
Canadian National Ry. Co., gold bonds	June	65,000,000	35,000,000	20,000,000	4½	30	98.50	4.60
Province of Saskatchewan, gold bonds	do	2,471,000	2,000,000	2,000,000	4½	30	99	4.55
Greater Vancouver Water District, S. F. G. B.	August	1,500,000	500,000	500,000	4½	40	98.41	4.70
Province of Nova Scotia, debentures	do	12,870,000	10,974,000	9,500,000	4½	25	99.25	4.55
Province of British Columbia, gold notes	September	3,000,000	500,000	500,000	4½	2	99.33	4.30
Province of British Columbia, S. F. G. B.	do	3,000,000	500,000	500,000	4½	30	99	4.55
Montreal Metropolitan Commission, serial gold bonds	do	6,037,000	3,037,000	3,037,000	4½	20-34	97.75	4.63-4.65
City of Point Grey, gold bonds	do	747,000	125,000	125,000	5	10-30		
Province of Ontario, gold bonds	October	24,000,000	21,000,000	15,000,000	4½	1-22	100-100.25	4.25-4.60
Province of Manitoba, gold bonds	November	3,000,000	275,000	275,000	4	30	93.75	4.375
Province of Nova Scotia, gold bonds	do	3,500,000	500,000	500,000	4½	25	100.50	4.47
Province of Nova Scotia, debentures	do	1,000,000	1,000,000	1,000,000	4½	20-25	100.50	4.47
Province of Ontario, gold bonds	do	5,174,000	4,772,000	4,772,000	4½	1-23	100.52-102	4-4.40
Province of Saskatchewan, gold bonds	do	1,330,000	400,000	400,000	4	30	93.375	4.40
City of Montreal, gold bonds	do	5,100,000	4,150,000	4,150,000	4½	20-40	100.50	4.47
City of Winnipeg, gold bonds	do	2,325,000	500,000	500,000	4½	10-30	100.50-101	4.50-4.70
City of Vancouver, debentures	do	1,135,000	110,000	110,000	4½	15-40	98.18-98.03	4.60
City of Toronto, treasury gold bonds	December		5,500,000	5,500,000	4	3	99.75	4.10
City of Quebec, gold bonds	do	605,000	10,000	10,000	4½	30	101.00	4.49
Niagara Parks Commission, installment debentures	do	2,000,000	1,000,000	1,000,000	4	1-20		

Province of British Columbia, S. F. G. B.	do.	1,000,000	500,000		4	80	63.75	4.375	
Newfoundland: Government of Newfoundland, gold bonds.	October.	5,000,000	4,535,000		5	85	100.50	5.00	
Total, North America			166,461,250	44,500,000					
<b>LATIN AMERICA</b>									
<b>Argentina:</b>									
Government of Argentine Nation, S. F. G. B.	January.	27,000,000	26,300,000	27,000,000	6	34	98.25	6.10	
Province of Mendoza, S. F. G. B.	do.		6,500,000		7 $\frac{1}{2}$	28	98.76	7.60	
City of Cordoba, S. F. G. B.	February.		4,669,500		7	20	98.76	7.10	
Government of Argentine Nation, S. F. G. B.	April.		21,200,000		6	34	99	6.05	
Province of Buenos Aires, S. F. G. B.	do.	10,613,500	7,888,500		7	81	95	7.40	
City of Santa Fe, secured S. F. G. B.	do.		2,122,500		7	18	94.50	7.55	
Province of Santa Fe, treasury gold notes	May.		1,500,000		6	1	100	6.	
City of Buenos Aires, external S. F. G. B., series C-2.	July.	3,386,000	1,896,000		6	38	97.50	6.17	
Government of Argentine Nation, external S. F. G. B. (State railway bonds of 1927).	August.	40,000,000	31,825,000		6	38	99.50	6	
Province of Cordoba, treasury notes.	September.		1,281,000		6	34	100	6	
Province of Tucuman, external S. F. G. B.	October.		2,122,500		7	23	94.50	7.50	
City of Cordoba, external S. F. G. B.	December.	2,547,000	2,297,000		7	10	97	7.48	
Bolivia: Republic of Bolivia, external secured gold bonds.	February.	14,000,000	11,885,000		7	80	98.50	7.12	
<b>Brazil:</b>									
United States of Brazil, external S. F. G. B.	October.	41,500,000	36,380,000		6 $\frac{1}{2}$	40	92.50	7.10	
State of Rio Grande do Sul, S. F. G. B.	January.		10,000,000		7	80	98	7.15	
State of Pernambuco, S. F. G. B.	March.		6,000,000		7	20	97.75	7.20	
State of Rio Grande do Sul, consolidated municipal loan, S. F. G. B.	June.		4,000,000		7	40	97	7.20	
City of Sao Paulo, secured S. F. G. B.	do.		5,000,000		6 $\frac{1}{2}$	30	98	6.65	
<b>Chile:</b>									
Republic of Chile, cumulative S. F. G. B. <sup>10</sup>	January.		883,300		8	5-22	100	8	
Do.	February.	27,500,000	21,500,000	10,000,000	6	34	93.25	6.50	
City of Santiago, external gold notes.	do.		1,000,000		6	1	100.87	6.50	
<b>Colombia:</b>									
Republic of Colombia, external gold notes.	March.		5,000,000		5	34	92.91		
Republic of Colombia, external S. F. G. B.	September.	25,000,000	20,000,000	5,000,000	6	24	92.50	6.55	
City of Barranquilla, external gold bonds, series C.	January.		500,000		8	20			
Municipality of Medellin, secured gold bonds.	do.		8,000,000		7	25	98.254	7.60	
Department of Antioquia, S. F. G. B., series C.	February.		2,600,000		7	20	96.50	7.85	
Agricultural Mortgage Bank, S. F. G. B.	do.		3,000,000		7	20	97.75	7.20	
Department of Antioquia, secured S. F. G. B., first series.	July.		4,000,000		7	20	93	7.60	
Department of Cauca Valley, secured S. F. G. B.	do.		1,500,000		7 $\frac{1}{2}$	20	98	7.77	
City of Bogota, external secured S. F. G. B.	do.		2,700,000		6 $\frac{1}{2}$	20	91	7.38	
Municipality of Cali, secured S. F. G. B.	do.		2,000,000		7	20	93	7.70	
Agriculture Mortgage Bank, S. F. G. B.	October.		5,000,000		6	30	92	6.75	
Department of Antioquia, external S. F. G. B., series 2.	November.		4,000,000		7	30	94.25	7.48	
Costa Rica: Republic of Costa Rica, Pacific Railroad bonds.	December.		1,800,000		7 $\frac{1}{2}$	22	100	7.50	
Cuba: Republic of Cuba, serial gold bonds.	July.		9,000,000		6 $\frac{1}{2}$	1-10	100.31-102.45	5.25	
Dominican Republic: Customs administration, S. F. G. B. first series.	January.		5,000,000		6 $\frac{1}{2}$	14.	100	5.55	

<sup>10</sup> 3 issues sold at the same time by the same syndicate, one, a 4 $\frac{1}{2}$  per cent bond, the others, 5 per cent bonds.

<sup>11</sup> 2 internal peso loans offered in this market at \$121 per 1,000 peso bond.

<sup>12</sup> An additional \$5,000,000 was used for refunding. As it was never publicly offered, it is not included in this list.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1927—Continued

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Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>LATIN AMERICA—continued</b>								
<b>Panama:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
City of Panama, secured S. F. G. B.	May		500,000		6½	25	100	6.50
National Bank of Panama, S. F. G. B.	do		1,000,000		6½	20	101.50	6.30
<b>Peru:</b>								
Republic of Peru, secured S. F. G. B.	March	15,000,000	11,460,000		7	82	96.50	7.48
Republic of Peru, external S. F. G. B.	December	50,000,000	41,000,000	12,029,000	6	33	91.50	6.80
Province of Callao, secured S. F. G. B.	May		1,500,000		7½	17	99	7.60
<b>Total, Latin America</b>			831,110,300	54,029,000				
<b>FAR EAST</b>								
<b>Australia:</b>								
Commonwealth of Australia, external gold bonds	August	40,000,000	39,730,000		5	80	98	5.125
State of New South Wales, S. F. G. B.	February	25,000,000	22,000,000		5	80	96.25	5.25
Do.	April	25,000,000	23,200,000		5	81	96.25	5.25
City of Brisbane, S. F. G. B.	March		7,500,000		5	80	98	5.25
Japan: City of Tokyo, S. F. G. B.	do		20,640,000		5½	35	89.50	6.25
<b>Total, Far East</b>			113,070,000					
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
<b>Hawaii:</b>								
Territory of Hawaii, gold coupon bonds, series A	January		885,000		4½	20-30		
Territory of Hawaii, gold coupon bonds, series B	November		2,750,000		4½	5-29	102.93-111.54	3.875
Territory of Hawaii, gold coupon bonds, series C	do		50,000		4½	20-30		
City and county of Honolulu, coupon bonds	January		1,000,000		5	5-60	102.44-111.47	4.00
City and county of Honolulu, public improvement gold bonds	June		1,000,000		5	5-29	109.05-113.10	4.20
<b>Philippine Islands:</b>								
Philippine Government, gold bonds	do		1,500,000		5	30	112.56	4.30-5
Philippine Government, registered bonds	September		98,000		4½	30	105.47	4.105
Philippine Government, gold bonds	December		1,405,000		4½	80	109	3.97
<b>Porto Rico:</b>								
Government of Porto Rico, registered irrigation gold bonds, series FF to LL	April		525,000		4½	33-39	110	3.84-4.05
City of Ponce, coupon bonds	July		650,000		4½	3-32	102.17	4.27
City of Villalba, coupon bonds	do		85,000		6	4-29	112.05	4.98

Government of Porto Rico, registered irrigation gold bonds, series MM to SS.	October	475,000	4½	40-46	106.44	4.79
Government of Porto Rico, coupon gold bonds, series A to D.	November	2,000,000	4½	33-35	109.50	3.97-4.05
City of Ponce, coupon bonds, series A and B.	December	200,000	4½	5-14	103.32-107.95	3.80
Government of Porto Rico, registered irrigation gold bonds, series A to E.	do.	500,000	4½	82-86	103.40-109.15	3.50
Total, noncontiguous American Territories and possessions.		12,573,000				
<b>CORPORATE ISSUES</b>						
<b>EUROPE</b>						
<b>Austria:</b>						
Wiener Bank Verein, American trust certificates, common stock (par value about \$56.50).	June	2,109,375			93.75	
Austrian Credit Anstalt, American shares, common stock (par value about \$45).	October	4,000,000			80	
<b>Belgium:</b> Solvay-American Investment Corporation, secured gold notes, series A.	January	15,000,000	14,130,000	5	15	99.75 6
<b>Czechoslovakia:</b> Bohemia Glass Works (Ltd.), first mortgage S. F. G. B. <sup>11</sup>	February	1,500,000		7	80	97.25 7.20
<b>Germany:</b>						
Bank of East Prussia Landowners' Association, collateral gold notes.	March	7,000,000	5,750,000	6	3	99.25 6.25
United Steel Works Corporation, sinking fund debentures, series A. <sup>12</sup>	July	30,000,000	14,360,000	6½	20	98.50 6.625
United Steel Works Corporation, mortgage S. F. G. B., series C.	August		4,225,000	6½	25	97.50 6.70
Deutsche Bank, gold notes.	September	25,000,000	16,600,000	6	5	99.50 6.10
Commerz-und Privat Bank, gold notes. <sup>13</sup>	October	20,000,000	19,185,000	6½	10	94.50 6.25
North German Lloyd (steamship) S. F. G. B.	November	20,000,000	5,000,000	6	20	94 6.55
<b>Great Britain:</b>						
Selfridge Provincial Stores (Ltd.) (department stores), American depositary receipts, ordinary shares (par value \$4.867).	April	1,343,750				5.375
Carreras (Ltd.) (tobacco), ordinary A shares (par value \$4.869).	July	1,065,000			82-95	
Kemstley Milbourn & Co. (finance company), sinking fund consolidated debentures.	August	1,000,000		6	15	99.50 6.14
The Cunard Steamship Co. (Ltd.), external gold notes.	November	2,500,000		4½	2	100 4.50
<b>Hungary:</b>						
City Savings Bank Co. (Ltd.), common stock (par value about \$7.40). <sup>14</sup>	January	690,000				11.50
Hungarian Italian Bank, secured gold bonds.	March	1,000,000		7½	5	100.50 7.35
National Central Savings Bank, S. F. G. B., series A.	May	1,500,000		7½	35	100 7.50
European Mortgage & Investment Corporation, first lien farm loan, S. F. G. B., series B. <sup>15</sup>	June	1,098,000		7½	40	100 7.50
Hungarian Discount & Exchange Bank, American shares, common stock (par value about \$14.80).	do.	340,000				34
National Central Savings Bank, secured S. F. G. B., series A.	do.	500,000		7½	35	100 7.50
First National Savings Bank Corporation of Budapest, American shares, common stock (par value about \$14.80).	September	865,000				43.25
European Mortgage and Investment Corporation, first lien real estate S. F. G. B., series C. <sup>15</sup>	December	7,000,000		7	40	97.50 7.20

<sup>1</sup> With warrants for contingent additional interest.  
<sup>12</sup> Represented by American participation certificates.

<sup>11</sup> Offered late in December, 1926, but included after sale in January, 1927.  
<sup>15</sup> Secured by mortgage obligations of cooperative societies in Hungary.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1927—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>EUROPE—continued</b>								
<i>Italy:</i>								
United Electric Service Co., first mortgage S. F. G. B. <sup>46</sup>	January	<i>Dollars</i> 6,000,000	<i>Dollars</i> 5,700,000	<i>Dollars</i> 5,700,000	<i>Per cent</i> 7	<i>Years</i> 30	<i>Dollars</i> 62.50	<i>Per cent</i> 7.025
International Power Securities Corporation, secured gold bonds, series B <sup>47</sup>	do		10,000,000	10,000,000	7	30	66.375	7.30
International Power Securities Corporation, secured gold bonds, series F	do		6,000,000	6,000,000	7	25	95.50	7.40
Montecatini (chemical) debentures <sup>48</sup>	do	10,000,000	8,750,000	8,750,000	7	10	96.50	7.50
Lombard Electric Co., S. F. G. B., series A	do		5,950,000	5,950,000	7	25	94	7.50
Adriatic Electric Co., S. F. G. B.	do	6,000,000	2,500,000	2,500,000	7	25	96	7.35
Perelli Co. of Italy (rubber), convertible S. F. G. B.	April	5,000,000	4,000,000	4,000,000	7	25	98	7.15
Meridionale Electric Co., first mortgage S. F. G. B.	do		8,350,000	8,350,000	7	30	95.50	7.35
Isarco Hydroelectric Co., first mortgage S. F. G. B.	May	10,750,000	5,000,000	5,000,000	7	25	93.50	7.00
Netherlands: Industrial Discount Co., American shares, common stock (par value about \$40.20)	October		727,500	727,500			48.60	
<i>Norway:</i>								
Norwegian Hydro Electric Nitrogen Corporation, refunding improvement gold bonds, series A	do	20,000,000	15,715,500	15,715,500	5½	30	95	5.55
Vamma Water Power Co., first mortgage gold bonds	do		5,000,000	5,000,000	5½	30	98	6.55
<b>Total, Europe</b>			<b>105,454,125</b>	<b>5,000,000</b>				
<b>NORTH AMERICA</b>								
<i>Canada:</i>								
Campbell River Timber Co., first mortgage S. F. G. B.	January		1,225,000	1,225,000	6	5-14	100	6
Power Corporation of Canada (Ltd.), cumulative first preferred stock	do	2,500,000	1,000,000	1,000,000	6		90	
Rowntree & Co. (Ltd.) (chocolate and confection manufactures), guaranteed first mortgage bonds	do	1,000,000	750,000	750,000	6	10	100	6
Canadian Rayon Pulp Co. (Ltd.) (textile), first mortgage S. F. notes <sup>49</sup>	February	750,000	650,000	650,000	7	15	100	7
Abitibi Fiber Co. (Ltd.) (paper), first mortgage S. F. G. B., series A	do	4,000,000	2,000,000	2,000,000	6	20	99	6.00
Aluminium Co. of America (mining), sinking fund debentures	do	60,000,000	40,000,000	40,000,000	5	25	100	5
Abitibi Power & Paper Co. (Ltd.), gold coupon notes	March	4,000,000	2,000,000	2,000,000	6	4	100	6
Canadian Department Stores (Ltd.), first mortgage S. F. G. B.	do		2,600,000	2,600,000	6½	20	99.50	5.55
Nova Scotia Wood Pulp & Paper Co. (Ltd.), first mortgage S. F. G. B.	April		400,000	400,000	6	25	100	6
Joseph F. Langer (Orpheum Theatre), first mortgage bonds	do		600,000	600,000	6½	14		
Minnesota & Ontario Paper Co., first mortgage S. F. G. B., series C	do	5,000,000	3,375,000	3,375,000	6	23	100	6
Provincial Paper (Ltd.), first mortgage sinking fund bonds, series A	do	5,300,000	750,000	750,000	5½	25	95.25	5.00
Spruce Falls Paper & Paper Co. (Ltd.), first mortgage serial gold bonds	do	13,000,000	11,500,000	11,500,000	5½	8-16	100	5.50
United Securities (Ltd.), collateral trust S. F. G. B., series A	May	3,600,000	600,000	600,000	5½	25	100	5.50
Investment Bond & Share Corporation, debentures, series A	do	4,000,000	1,400,000	1,400,000	5	25	100	5

The Bell Telephone Co. of Canada, first mortgage gold bonds, series B	do	10,000,000	5,115,000		5	30	102.50	4.85
Canada Bronze Co. (Ltd.), cumulative sinking fund preferred stock	do	1,250,000	625,000		7		100	
Canada Bronze Co. (Ltd.), no par common stock	do	1,500,000	800,000				40	
Montreal Coke & Manufacturing Co., first mortgage S. F. G. B., series A	do		4,000,000		5½	20	100	5.50
Montréal Island Power Co., first mortgage S. F. G. B., series A	do	8,000,000	1,063,500		5½	30	100	5.50
International Paper Co., cumulative preferred stock	do	15,000,000	12,000,000					
International Paper Securities Corporation common and preferred stock <sup>20</sup>	do		7,950,000	2,950,000				
British American Oil Co. (Ltd.), no par common stock <sup>21</sup>	July		50,645				17.50	
Gulfredson Corporation (Ltd.) (automobile), consolidated S. F. G. B.	do	1,000,000	600,000		6½	10	100	6.50
Manitoba Power Co. (Ltd.), first mortgage S. F. G. B., series B	do	1,500,000	900,000		5½	25	99	5.57
Bell Telephone Co. of Canada, common stock (par value \$100) <sup>21</sup>	August	10,000,000	5,000,000				100	
Consolidated Water Power & Paper Co., first mortgage gold bonds, series A	do	7,500,000	3,200,000		5½	20	97	5.75
Ford Hotel Co., of Toronto (Ltd.), first mortgage S. F. G. B.	do		685,000				100	
Canadian Bank Stock Trust Shares, series D <sup>22</sup>	September		205,000		6	20	20.50	6
Canadian Bankstocks (Inc.), trust certificates <sup>23</sup>	do		650,000				25	
Canadian Pacific Railway Co., common stock (par \$100) <sup>21</sup>	do	48,750,000	9,000,000				150	
The Dominion Building, first mortgage lease, S. F. G. B.	do		400,000		6½	15	100	6.50
Fountain Oil Refineries (Ltd.), first mortgage S. F. G. B. <sup>24</sup>	do	1,000,000	25,000		6½	20	100	6.50
Fraser Cos. (Ltd.) (lumber), gold debentures	do	5,000,000	2,500,000		8½	15	99.50	6.55
Gatineau Power Co., first mortgage G. B.	do	18,500,000	12,725,000	12,000,000	5	30	97.50	6.55
Kelly Dry Pure Juice Corporation, class A and class B, no par common stock	do	908,919	450,000				<sup>24</sup> \$30	
Massey Harris Co. (Ltd.) (agricultural machinery), debenture S. F. G. B.	do	12,000,000	515,000	515,000	5	20	95.75	5.25
Metropolitan Corporation of Canada (Ltd.), first mortgage S. F. G. B., series A	do	1,100,000	550,000		6	20	99	6.05
Mathews Steamship Co., first mortgage serial gold bonds, series A	do	2,000,000	1,000,000		6	15	101	6
Port Alfred Pulp & Paper Corporation, first mortgage S. F. G. B., series A	do	10,133,000	500,000	1,000,000	5½	30	97	5.70
St. Maurice Valley Corporation, (paper) first mortgage and collateral trust S. F. G. B., series B	do	2,000,000	1,000,000		5½	30	98.50	5.75
Canada Cement Co. (Ltd.), first mortgage S. F. G. B.	October	20,000,000	2,600,000		5½	20	99	5.88
Fraser Co. (Ltd.) (lumber), S. F. G. B., series A	do	1,664,500	300,000		6	20	99	6.05
Murray Bay Paper Co. (Ltd.), first mortgage S. F. G. B.	do	2,000,000	1,000,000		6½	20	100	6.50
Shawinigan Water & Power Co., first mortgage and collateral trust S. F. G. B., series A	do	35,000,000	24,000,000	15,000,000	4½	40	95.50	4.75
British American Brewing Co. (Ltd.), class A and class B, no par common stock <sup>25</sup>	November	1,980,000	990,000				83	
McKesson & Robbins (Ltd.) (drugs), preferred and no par common stock <sup>26</sup>	do		1,020,000		7		102	

<sup>20</sup> Each bond carries stock purchase warrants.

<sup>21</sup> These bonds were secured by \$10,000,000 mortgage bonds of the Italian Edison di Elettrica.

<sup>22</sup> Carries a 40 per cent bonus of common stock.

<sup>23</sup> Estimated amount used in building ore plant, smelting plant, and city in Canada.

<sup>24</sup> 75,000 shares of preferred and 75,000 shares of common stock offered at \$100 per unit of 1 preferred and 1 common.

<sup>25</sup> Sold to shareholders.

<sup>26</sup> An American investment trust offering of Canadian bank stock trust shares.

<sup>27</sup> A bonus of 5 shares of common stock with each \$1,000 bond.

<sup>28</sup> Sold in units of 10 shares of class A stock and 5 shares of class B stock at \$330 per unit.

<sup>29</sup> Sold in units of 1 share of class A stock and one-half share class B stock at \$95.50 per unit.

<sup>30</sup> Offered in units of 1 share preferred and one-half share common stock at \$102 per unit.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1927—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
CORPORATE ISSUES—Continued								
NORTH AMERICA—continued								
Canada—Continued.								
Ottawa Light, Heat & Power Co. (Ltd.), refunding mortgage collateral trust S. F. G. B., series A.	November	Dollars 3,225,000	Dollars 597,000	Dollars	Per cent 5	Years 30	Dollars 99	Per cent 5.05
Power Corporation of Canada, convertible debentures	do	5,000,000	1,280,000		5	30	98.50	5.10
Queens Hotel (Ltd.), first mortgage S. F. G. B.	do	1,250,000	25,000		6	20	100	6
Canadian Hydroelectric Corporation (Ltd.), cumulative first preferred stock.	December	12,500,000	800,000		6		97.50	
International Paper Co., preferred stock <sup>17</sup>	do		1,084,000		7		100	
United Grain Growers (Ltd.), S. F. G. B.	do	3,750,000	750,000		5	20	96.25	5.30
372 Bay Street, Toronto (realty), first mortgage S. F. G. B.	do	850,000	250,000		6½	20	103	6.50
Windsor Hotel (Ltd.), cumulative redeemable preferred stock	do	2,250,000	1,000,000					
Total, North America		31,465,000	145,885,145					
LATIN AMERICA								
Bolivia: Bolivian Petroleum Co., no par common stock	February		700,000				8.50	
Brazil:								
Bahia Corporation (mining), cumulative preferred stock <sup>18</sup>	June		1,500,000		7		25	
Fan American Industrial Corporation (mining), first lien and collateral trust gold bonds. <sup>19</sup>	November		3,000,000		7	10	98.50	7.50
Colombia:								
Carib Syndicate (Ltd.) (oil), common stock (par value \$25)	January		470,000				23.50	
Mortgage Bank of Colombia, S. F. G. B.	March		3,000,000		7	20	97.50	7.23
Mortgage Bank of Bogota, S. G. F. B.	April		3,000,000		7	20	95.50	7.45
Bank of Colombia, S. F. G. B.	do		2,000,000		7	20	96.50	7.30
Mortgage Bank of Colombia, S. F. G. B.	November		4,000,000		6½	20	91.50	7.31
Mortgage Bank of Bogota, S. F. G. B.	December		3,000,000		7	20	92.50	7.74
Cuba:								
Cuban Northern Railway Co., first mortgage gold bonds, series of 1942	June		20,000,000	12,510,000	5½	15	98.50	5.65
International Telephone & Telegraph Co., debentures (including Chile and Uruguay).	do		35,000,000	25,000,000	4½	25	92	5.05
Punta Alegre Sugar Co., gold notes	September		4,000,000	2,000,000	6	3	99	6.37
Cuban National Syndicate (real estate), no par common stock	November		3,750,000					
Guatemala and Salvador:								
International Railways of Central America, first lien and refunding mortgage gold bonds.	February	7,500,000	6,000,000		6½	20	92	7.25



International Railways of Central America, first mortgage gold bonds of 1912	June		50,000		5	80	80	6.36
Mexico:								
Potrero Sugar Co., first mortgage S. F. G. B.	November		2,000,000		7	30	98	7.20
Potrero Sugar Co., no par common stock	do		384,000					
Venezuela:								
Gulf Oil Corporation, debenture S. F. G. B. (Mexico and Venezuela)	January	35,000,000	10,000,000		5	20	100	5
Venezolano Oil Syndicate, no par common stock	March		275,000					
<b>Total, Latin America</b>			102,129,000	39,510,000				
<b>FAR EAST</b>								
Australia and New Zealand: Union Atlantic Oil Co., gold bonds	November		4,000,000		4½	10	98	4.75
Japan: Shinyetsu Electric Power Co. (Ltd.), first mortgage S. F. G. B.	December		7,650,000		6½	25	93.25	7.07
Netherland East Indies:								
Batavian Petroleum Co., guaranteed debentures	January	25,000,000	24,350,000		4½	15	98.25	4.85
Amsterdam Trading Co., American shares (par value about \$50.25)	November		2,150,000				43	
<b>Total, Far East</b>			38,150,000					
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
Hawaii: Hawaiian Pineapple Co. (Ltd.), common stock (par value \$20)	December		2,500,000				20	
Philippine Islands: Manila Gas Co., first lien collateral trust gold bonds	October		2,250,000		5½	10	98.50	5.70
Porto Rico:								
Porto Rican American Tobacco Co., class A and class B common stock <sup>1</sup>	January		4,736,650				150	
International Power Co. (Ltd.), debentures	March	3,000,000	250,000		6½	30	100	6.50
South Porto Rico Sugar Co., no par common stock	June		5,546,790				30	
United Porto Rican Sugar Co., secured S. F. G. notes, series A	September		3,000,000	1,650,000	6½	10	100	6.50
United Porto Rican Sugar Co., convertible participating cumulative preferred stock (no par value)	do		1,000,000		7		50	
United Porto Rican Sugar Co., secured S. F. G. notes, series A	November		500,000		6½	10	100	6.50
Do	do		1,500,000		7		50	
<b>Total, noncontiguous American Territories and possessions</b>			21,283,440	1,650,000	7			

<sup>1</sup> Subscribed for by employees of the company.

<sup>2</sup> Bonus of 1 share common with each share of preferred.

<sup>3</sup> Each \$1,000 bond will carry 5 shares of no par value common stock.

<sup>4</sup> Amount to be used in Venezuela and Mexico estimated.

<sup>5</sup> Sold in units of 1 share of class A stock and 2 shares of class B stock at \$150 per unit.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1923

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HANDBOOK ON AMERICAN UNDERWRITING

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
		Dollars	Dollars	Dollars	Per cent	Years	Dollars	Per cent
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES</b>								
<b>EUROPE</b>								
Austria: Province of Upper Austria, external secured gold notes.....	April.....		\$3,600,000		6	1½	98.60	6.75
Belgium National Railways <sup>2</sup> ; American shares, participating preferred stock. <sup>4</sup>	January.....		4,275,000				85.60	
City of Antwerp, external S. F. G. B. <sup>1</sup> .....	December.....		10,000,000		5	30	94	5.40
Bulgaria: Kingdom of Bulgaria, secured S. F. G. B.....	November.....	\$13,000,000	9,000,000		7½	40	97	7.75
Denmark:								
Danish consolidated municipal loan, external gold bonds.....	January.....		2,000,000	\$1,000,000	5	25	96.25	5.27
Kingdom of Denmark, external gold bonds.....	April.....		46,000,000		4½	34	95	4.80
City of Copenhagen, gold bonds.....	do.....		12,000,000	12,000,000	4½	25	94.50	4.83
Danish Producers Loan Fund Committee, gold bonds <sup>3</sup> .....	November.....		2,500,000		5	3-12	95.75-98.75	5.50
Finland: Republic of Finland, external S. F. G. B.....	February.....		15,000,000	11,000,000	5½	30	92.60	6.04-6.22
France:								
Paris-Orleans R. R. Co., external S. F. G. B. <sup>1</sup> .....	do.....		10,750,000	9,780,000	5½	40	96	5.75
Government of the French Republic, internal loan.....	May.....		3,000,000		5	75	( <sup>5</sup> )	5.50
Germany:								
Westphalia United Electric Power Corporation, first mortgage S. F. G. B., series A. <sup>1</sup>	January.....		20,000,000	7,500,000	6	25	92.75	6.60
German Building and Land Bank, mortgage, collateral trust bonds <sup>1</sup> .....	February.....		5,250,000		6½	20	98.50	6.85
Provincial Bank of Westphalia, participation certificates <sup>3</sup> .....	do.....		1,000,000		5½	1		
Rhine-Ruhr Water Service Union, external S. F. G. B. <sup>1</sup> .....	do.....		7,600,000		6	25	93	6.55
German National Railways Co., American shares, cumulative preferred stock, series V. <sup>1</sup>	March.....		900,000		7	( <sup>5</sup> )	225	
Municipal Gas and Electric Corporation of Recklinghausen, first mortgage S. F. G. B. <sup>1</sup>	do.....		1,500,000		7	20	98	7.20
Nassau Land Bank, first mortgage collateral sinking-fund gold notes <sup>1</sup> .....	do.....		3,000,000		6½	10	97.50	6.85
Vesten Electric Railways Corporation, first mortgage S. F. G. B. <sup>1</sup> .....	do.....		1,750,000		7	20	98	7.20
Electric Power Corporation, first mortgage S. F. G. B. <sup>1</sup> .....	April.....		5,000,000		6½	25	99.60	6.60
City of Berlin, American certificates <sup>7</sup> .....	do.....		1,180,000		5	5	916.75	7.08
Provincial Bank of Westphalia, gold notes <sup>1</sup> .....	do.....		3,000,000		6	5	97.75	6.60
Brown Coal Industrial Corporation, "Zukunft" mortgage S. F. G. B. <sup>1</sup> .....	May.....		2,000,000		6½	25	93.50	7.05
City of Berlin, external S. F. G. B.....	do.....		15,000,000		6	30	95	6.38
City of Frankfurt-on-Main, S. F. G. B.....	do.....		6,250,000		6½	25	99.60	6.50
German Central Bank of Agriculture, secured S. F. G. B. <sup>1</sup> .....	do.....		30,000,000		6	10	95.50	6.62
German consolidated municipal loan of German savings banks and clearing house associations, secured S. F. G. B.....	do.....		17,500,000		6	19	94.60	6.60
Pomerania Electric Co., sinking-fund mortgage gold bonds <sup>1</sup> .....	do.....		3,500,000		6	25	92.50	6.60

Untereibe Power & Light Co., sinking-fund mortgage bonds <sup>1</sup> .....	do.....	5,000,000	4,250,000	2,500,000	6	25	93	6.55	
Brandenburg Electric Power Co., first mortgage S. F. G. B., external loan of 1928. <sup>2</sup>	June.....		5,000,000		6	25	93.50	6.60	
Consolidated agricultural loan of German provincial and communal banks, secured S. F. G. B., series A. <sup>3</sup>	do.....	25,000,000	21,000,000		6½	30	97.50	6.70	
East Prussian Power Co., first mortgage S. F. G. B. <sup>4</sup>	do.....		3,500,000		6	25	91	6.75	
Hamburg Elevated, Underground & Street Railways Co., gold loan <sup>5</sup>	do.....	3,000,000	6,500,000		5½	10	92.50	6.53	
Luneburg Power, Light & Waterworks (Ltd.), first mortgage S. F. G. B. <sup>6</sup>	do.....		1,100,000		7	20	98	7.30	
Rhine Westphalia Electric Power Corporation, consolidated mortgage gold bonds, series of 1928. <sup>7</sup>	September.....	20,000,000	12,500,000		6	25	94	6.49	
Rhine Westphalia Electric Power Corporation, American shares, common stock (par value, \$23.52). <sup>8</sup>	October.....		4,080,000				51		
Luneburg Power, Light & Waterworks (Ltd.), first mortgage S. F. G. B. <sup>9</sup>	November.....		1,100,000		7	20	98	7.20	
Dortmund Municipal Utilities, sinking-fund mortgage gold bonds <sup>10</sup>	December.....		3,000,000		6½	20	91.60	7.39	
Great Britain: Kingdom of Great Britain and Northern Ireland, funding loan, 1930-1930. <sup>11</sup>	April.....		14,000,000		4	71	92.30	6.40	
Greece: Greek Government, S. F. G. B.....	January.....	17,000,000	15,000,000		6	40	91	6.65	
Hungary:									
Hungarian Discount & Exchange Bank, sinking-fund communal gold bonds. <sup>12</sup>	July.....		3,400,000		7	35	95.50	7.35	
Farmers National Mortgage Institution, land mortgages S. F. G. B. of 1928. <sup>13</sup>	November.....		2,000,000		7	35	92.33	7.60	
National Hungarian Industrial Mortgage Institute (Ltd.) first mortgage S. F. G. B., series A. <sup>14</sup>	do.....		5,000,000		7	20	94.75	7.50	
Norway:									
Kingdom of Norway, external S. F. G. B.....	March.....		30,000,000		5	25	97.50	5.15	
Oslo Gas & Electricity Works, external S. F. G. B. <sup>15</sup>	do.....		6,000,000		5	35	95.25	5.30	
Department of Akershus, external S. F. G. B.....	May.....		8,000,000		5	35	97.25	5.17	
Poland:									
City of Warsaw, external S. F. G. B.....	March.....	10,000,000	8,000,000		7	30	89	7.95	
Province of Silesia, external S. F. G. B.....	June.....	11,200,000	6,000,000		7	30	89.25	7.94	
<b>Total, Europe.....</b>			<b>399,795,000</b>	<b>32,760,000</b>					
<b>NORTH AMERICA</b>									
Canada:									
Province of British Columbia, treasury bills.....	January.....		4,000,000		4	½	100	4	
Province of New Brunswick, gold bonds.....	do.....		1,800,000		4½	20	103.28	4.30	
City of Edmonton, debentures.....	do.....		487,000		4½-5	10-39	98.84-104.08	4.70-4.80	
National Transcontinental Railway Branch Line Co., first mortgage S. F. G. B. <sup>16</sup>	do.....	3,395,000	3,000,000		4½	30	98.50	4.60	
Temiskaming & Northern Ontario Railway Commission, installment debentures. <sup>17</sup>	do.....	6,000,000	3,000,000		4	11-40	96.96-99.05	4.15-4.20	

<sup>1</sup> Guaranteed by a governmental body.

<sup>2</sup> Each American share represents deposited participating preferred stock of 500 Belgian francs (\$69.50).

<sup>3</sup> Offered at 910 francs for each 1,000 franc bond.

<sup>4</sup> Each of these 85,000 American shares represents 1,000 gold marks nominal value of deposited 7 per cent cumulative preferred stock, series V. They are guaranteed as to cumulative dividends by the German Government.

<sup>5</sup> Each American certificate represents 5 per cent 5-year Treasury notes of 4,000 reichsmarks principal amount. They were sold at the rate of \$916.75 per American certificate.

<sup>6</sup> Carries purchase warrants for American shares.

<sup>7</sup> Part of a £409,111,600 issue of 1919.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1928—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
<b>Canada—Continued.</b>								
Province of Quebec, S. F. G. B. ....	February	<i>Dollars</i> 5,000,000	<i>Dollars</i> 4,500,000	<i>Dollars</i> .....	<i>Per cent</i> 4	<i>Years</i> 30	<i>Dollars</i> 97.50	<i>Per cent</i> 4.18
Province of Ontario, serial gold bonds	May	30,000,000	20,000,000	.....	4	1-40	92.48-99.75	4.30-4.45
Province of Alberta, gold bonds	October	6,315,000	2,694,500	.....	4½	30	94	4.85
Province of Manitoba, S. F. G. B. ....	do.	3,000,000	2,000,000	.....	4½	30	95	4.75
Province of Nova Scotia, gold bonds	do.	.....	2,500,000	.....	4½	20	95.92	4.88
City of Winnipeg, gold bonds	do.	1,700,000	200,000	.....	4½	10-20-30	99.60	4.58-4.60
Province of New Brunswick, gold bonds	November	2,285,000	982,000	.....	4½	30	95.25	4.80
Province of Nova Scotia, bonds	do.	.....	2,000,000	.....	4½	20	96.80	4.75
Canadian National Railways Co., gold bonds	December	35,000,000	25,000,000	.....	4½	40	99	4.72
Total, North America			72,026,500					
<b>LATIN AMERICA</b>								
<b>Argentina:</b>								
City of Buenos Aires, external S. F. G. B., series C	January	.....	3,366,000	.....	6	33	98.50	6.10
Government of Buenos Aires, external S. F. G. B.	February	.....	20,000,000	.....	6½	34	97	5.70
Province of Buenos Aires, refunding external S. F. G. B.	do.	41,101,000	23,601,000	34,206,500	6	33	96.50	6.25
Province of Santa Fe, treasury gold notes	May	.....	1,500,000	1,500,000	6	1	100	6.00
City of Tucuman, secured S. F. G. B.	July	.....	3,396,000	.....	7	23	96.50	7.30
Bolivia: Republic of Bolivia, external secured S. F. G. B. of 1928	September	23,000,000	19,880,000	1,000,000	7	40	97.50	7.19
<b>Brazil:</b>								
City of Rio de Janeiro, external secured S. F. G. B.	February	30,000,000	24,000,000	13,000,000	6½	25	97	6.75
City of Porto Alegre, S. F. G. B.	March	.....	2,250,000	.....	7	40	97.50	7.20
State of Minas Geraes, external secured S. F. G. B.	do.	.....	8,500,000	.....	6½	30	97.50	6.69
State of Parana, external sinking-fund consolidated gold bonds	April	.....	4,800,000	.....	7	30	98	7.15
City of Rio de Janeiro, external secured gold bonds	do.	.....	1,770,000	.....	6	5	99	6.33
State of Rio Grande do Sul, external S. F. G. B.	July	23,000,000	20,115,000	.....	6	40	94.25	6.40-7.53
State of Sao Paulo, S. F. G. B.	do.	.....	15,000,000	.....	6	40	94.50	6.375
State of Maranhao, external secured S. F. G. B.	October	.....	1,750,000	.....	7	30	94	7.50
<b>Chile:</b>								
Republic of Chile, railway refunding external S. F. G. B.	January	45,912,000	39,912,000	32,000,000	6	34	93.50	6.48-6.60
City of Santiago, external S. F. G. B.	do.	.....	4,000,000	1,000,000	7	21	100.25	7.15
Mortgage Bank of Chile, S. F. G. B. <sup>2</sup>	May	.....	20,000,000	.....	6	33	95.75	6.30
Republic of Chile, external S. F. G. B.	September	.....	19,000,000	.....	6	33	94	6.44

Colombia:									
Department of Tolima, external secured S. F. G. B.	January	2,500,000		7	20	98.50	7.04		
City of Barranquilla, external secured S. F. G. B., series D.	do.	800,000		8	20				
Department of Antioquia, secured S. F. G. B., series A.	February	3,750,000		7	20	95.50	7.45		
Republic of Colombia, external S. F. G. B.	March	35,000,000	26,083,000	7	33	95	6.35		
Agricultural Mortgage Bank, S. F. G. B. <sup>1</sup>	April	5,000,000	6,000,000	6	20	93.50	6.59		
Municipality of Cali, secured S. F. G. B.	May	635,000		7	20				
Department of Antioquia, external secured S. F. G. B., third series	June	4,350,000		7	30	96.50	7.29		
Department of Cundinamarca, external secured S. F. G. B.	do.	12,000,000	3,000,000	6½	31	93.50	7.14		
Municipality of Medellin, external gold bonds	do.	9,000,000	2,726,000	6½	28	93.25	7.05		
Department of Cauca Valley, external secured S. F. G. B.	September	4,500,000		7	20	96	7.38		
Department of Santander, external secured S. F. G. B., series A.	November	2,000,000		7	20	94	7.58		
Cuba: Republic of Cuba, public works serial certificates	October	10,000,000		6½	2-4	99.75	5.50		
Dominican Republic: Customs Administration, S. F. G. B., second series	January	5,000,000	4,000,000	6½	14	99.25	5.025		
Guatemala: Republic of Guatemala, external secured gold bonds <sup>10</sup>	June	550,000		8	21	101	5.25-7.90		
Panama: Republic of Panama, external secured S. F. G. B., series A.	do.	12,000,000	10,800,000	5	35	96.75	5.20		
Peru:									
Republic of Peru, external S. F. G. B., second series	October	25,000,000	17,500,000	6	33	91	6.85		
City of Lima, external secured S. F. G. B.	December	25,000,000	3,000,000	6½	30	93	7.05		
Total, Latin America		346,098,000	107,900,413						
FAR EAST									
Australia:									
City of Brisbane, S. F. G. B.	February	7,500,000	6,500,000	5	30	94.50	5.35		
Commonwealth of Australia, external gold bonds	May		50,000,000	4½	28	92.50	5		
Japan: The Oriental Development Co. (Ltd.), external gold debenture <sup>1</sup>	November		19,900,000	5½	30	90	6.24		
Total, Far East		76,400,000							
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS									
Hawaii:									
City and County of Honolulu, public-improvement gold bonds	January	1,000,000		5	5-30	104.9-119.92	3.95		
Territory of Hawaii, public-improvement bonds	May	1,575,000		4½	5-29				
City and County of Honolulu, public-improvement gold bonds	June	1,000,000		5	5-29				
Philippine Islands:									
Philippine Government (La Union), collateral loan of 1928	March	110,000		4½	30	108.69	4		
Philippine Government, gold bonds	May	750,000		4½	30	108.63	4		
do.	do.	750,000		4½	30	108.63	4		
Philippine Government (Manila), collateral loan of 1928	June	500,000		4½	30	105.155	4.24		
Porto Rico:									
Municipality of Ponce, coupon bonds	July	400,000		4½	34				
Municipality of Guaynabo, coupon bonds	August	76,500		5	37	108.26	4.59		
Total, noncontiguous American Territories and possessions		6,161,500							

<sup>1</sup> Guaranteed by a government body.

<sup>10</sup> These bonds are a part of a block given to an American company in payment of the obligation of the Republic of Guatemala.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1928—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES</b>								
<b>EUROPE</b>								
Finland: Finland Residential Mortgage Bank, first mortgage collateral S. F. G. B.	September	Dollars 10,000,000	Dollars 10,000,000	Dollars	Per cent 6	Years 33	Dollars 94.50	Per cent 6.40
France: French Line (La Compagnie Générale Transatlantique), common stock, American shares. <sup>11</sup>	March	6,212,500	8,600,000					
Germany:								
Bank of Silesian Landowners' Association, first mortgage collateral S. F. G. B.	do		6,000,000		6	20	92.50	6.70
Gelsenkirchen Mining Corporation, secured notes	do	15,000,000	7,290,000		6	6	97	6.60
Roman Catholic Church Welfare Institutions in Germany, secured S. F. G. B.	April		3,000,000		7	20	99	7.10
Allgemeine Elektrizitäts Gesellschaft, sinking fund gold debentures	May		10,000,000		6	20	94.50	6.50
Ruhr Chemical Corporation, sinking fund mortgage bonds, series A	do	4,000,000	2,484,000		6	20	92.50	6.70
Allgemeine Elektrizitäts Gesellschaft, sinking fund gold debentures	June		5,000,000		6	20	95	6.45
Gesfurel (public utility), sinking fund gold debentures	do		5,000,000		6	25	100	6
Koholyt Corporation (paper), first mortgage S. F. G. B.	do		4,000,000		6½	15	97.50	6.75
Leipzig Trade Fair Corporation, first mortgage guaranteed, S. F. G. B.	do		2,000,000		7	25	98.50	7.12
International Mortgage & Investment Corporation, cumulative preferred and common stock	July		1,680,000		7	(1) <sup>2</sup>	112	
Iseder Steel Corporation, mortgage gold bonds	October	10,000,000	9,800,000	5,250,000	6	20	92	6.74
Associated Rayon Corporation, cumulative participating preferred and common stock	November		10,000,000			(1) <sup>2</sup>	105	
Rudolph Karstadt (Inc.) (department store), first mortgage collateral S. F. G. B.	do	15,000,000	13,120,000		6	15	98	6.30
Rudolph Karstadt (Inc.), American shares, <sup>14</sup> common stock	do		2,362,800				22.50	
North German Lloyd (steamship), American shares, <sup>16</sup> common stock	do		12,078,000				69	
Ruhr Gas Corporation (public utility), secured S. F. G. B., series A	do	12,000,000	8,865,000		6½	25	94	7
Ruhr Housing Corporation, first mortgage S. F. G. B.	December	4,600,000	3,760,000		6½	30	92	7.15-7.31
Great Britain:								
Debenhams Securities (Ltd.), American shares, <sup>16</sup> common stock	March		4,377,500				51.50	
American & Scottish Investment Co., common stock (par value, \$25)	April	2,600,000	2,000,000				25	
The Investor's Trust Association (Ltd.), common stock (par value, \$48.00)	do	3,645,000	600,000				50.465	
Branson Artificial Silk Co. (Ltd.), common stock (par value, \$4.87)	May	4,000,000	2,000,000					
Ford Motor Co. (Ltd.), common stock (par value, \$4.87)	December		1,700,000					
Hungary:								
British & Hungarian Bank (Ltd.), sinking fund mortgage gold bonds	January		1,500,000		7½	35	98.75	7.60
City Savings Bank Co. (Ltd.), secured S. F. G. B., series A	April		1,750,000		7	25	93.75	7.50

Hungarian Land Mortgage Institute, S. F. G. B., series B	do.	3,000,000		7½	83	100	7.50
City Savings Bank Co. (Ltd.), American shares, <sup>11</sup> common stock	June	1,100,000				55	
European Mortgage & Investment Corporation, first-lien real estate S. F. G. B., series C	do.	6,000,000		7	40	96	7.30
Hungarian-Italian Bank (Ltd.), sinking-fund mortgage bonds, series C	October	2,700,000		7½	35	98.78	7.60
Ireland:							
Ireland Corporation of America (general development), cumulative participating preference and common stock	December	875,000			(19)	85	
Italy:							
Italian Superpower Corporation, gold debentures <sup>12</sup>	January	20,250,000		6	35	100	6
Mortgage Bank of the Venetina Provinces, external secured S. F. G. B., series A	do.	5,000,000		7	25	95	7.45
"Terni," Terni-Societa per l'Industria el' Elettricitá (public utility and industrial manufacturing), first mortgage S. F. G. B., series A	do.	12,000,000		6½	25	90.25	7.35
Lombard Electric Co., first mortgage external S. F. G. B.	February	4,000,000		7	26	96	7.35
Isotta Fraschini (automobile), first mortgage S. F. G. B. <sup>10</sup>	March	1,750,000		7	15	97	7.35
Catholio Bishop of Chicago	April	1,500,000		4½-5	1-20	100.29-101.89	4.25-4.95
Piedmont Hydroelectric Co., first mortgage gold notes	June	4,000,000		5½	1	98.78	6.75
General Rayon Co. (Ltd.), gold debentures, series A <sup>14</sup>	do.	5,400,000		6	20	99	6
Banca Commerciale Italiana, American shares, <sup>13</sup> common stock	September	9,002,000				72.50	
Ercole Marelli Electric Mfg. Co., first mortgage S. F. G. B., series A	November	2,500,000		0½	25	97	6.86
Sweden:							
Kreuger & Toll Co., American certificates participating debentures (par, \$5.80)	September	63,316,000	29,070,000	15,000,000	5	75	28.14
Switzerland:							
Continental Securities Corporation in Zurich, common stock (par value, \$96.50)	April	4,200,000	630,000			105	
Swiss-American Electric Co., cumulative preferred stock	do.	9,850,000		6		98.50	
Foreign Light & Power Co., cumulative first preferred stock	September	5,000,000	2,000,000	6		100	
<b>Total Europe</b>		<b>261,121,500</b>	<b>20,250,000</b>				

<sup>11</sup> Each American share represented by 1 share of class B common stock of 600 francs par value (\$23.52).

<sup>12</sup> 1 share preferred stock and one-half share common stock sold at \$112 per unit.

<sup>13</sup> Units of 1 share preferred and one-half share common stock sold at \$105 per unit. This company was organized under American law to take over part of the holdings of a foreign corporation, which included both American and foreign securities. The portion of this \$21,000,000 stock sale applied to the purchase of foreign securities was estimated.

<sup>14</sup> Each American share represented 40 reichsmarks par value of deposited capital (\$9.37).

<sup>15</sup> Each American share represented by 200 reichsmarks of deposited capital (\$47.04).

<sup>16</sup> 12 ordinary shares of 5 shillings par value (\$1.20) deposited against each American share.

<sup>17</sup> 4 shares of 50 penzo par value (\$8.75) deposited for each American share.

<sup>18</sup> 1 share cumulative participating preference stock and one-half share common stock sold as units. This is an American company organized to develop the resources of Ireland.

<sup>19</sup> An American company organized to acquire stock in electric light and power companies in Italy.

<sup>20</sup> Carries common-stock purchase warrants.

<sup>21</sup> This is a Canadian company organized to acquire the stock of a rayon factory in Italy.

<sup>22</sup> Each American share represented by 500 lire par value of deposited capital (\$23.30).

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1928—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>NORTH AMERICA</b>								
<b>Canada:</b>								
Aldred Investment Corporation, debentures, series A	January	Dollars 2,500,000	Dollars 1,000,000	Dollars 4½	Per cent 4½	Years 40	Dollars 102	Per cent 4.44
Donnacona Paper Co. (Ltd.), first mortgage S. F. G. B., series A	do	7,000,000	3,000,000	5½	6	20	99.50	5.55
Donnacona Paper Co. (Ltd.), gold debentures, series A	do	4,000,000	250,000	6	6	20	99.50	6.05
Reliance Grain Co. (Ltd.), first mortgage collateral trust S. F. G. B., series A	do	2,000,000	97,000	6	6	20	100	6
Restigouche Co. (Ltd.) (lumber), first mortgage S. F. G. B., series A	do	1,500,000	95,000	1,500,000	5½	20	99	5.55
Saguenay Electric Co., first mortgage collateral trust S. F. G. B., series A	do	1,360,000	600,000	5½	5½	25	98.50	5.60
Bathurst Power & Paper Co. (Ltd.), no par class A common stock	February	16,000,000	272,000	5	5	30	40	5
Canadian Power & Paper Investments (Ltd.), debentures, series A	do	2,500,000	140,000	5	5	20	100	5.70
Canada Gypsum & Alabastine (Ltd.), first mortgage S. F. G. B., series A	March	2,500,000	28,000	6,000,000	5½	20	97.50	5.70
Abitibi Power & Paper Co. (Ltd.), cumulative preferred stock	April	18,000,000	13,400,000	6	6	25	102	5.10
Canadian Northern Power Corporation (Ltd.), collateral trust S. F. G. B., series A	do	15,000,000	2,000,000	5	5	25	98.50	5.10
Famous Players Canadian Corporation (Ltd.), gold debentures	do	3,000,000	1,000,000	6	6½	20	100	6.50
Famous Players Canadian Corporation (Ltd.), first mortgage S. F. G. B., series A	do	5,000,000	1,000,000	6	6	20	100	6
Nova Scotia Light & Power Co., first mortgage S. F. G. B., series A	do	3,500,000	1,000,000	5	5	30	99.50	5
The Shawinigan Water & Power Co., first mortgage collateral trust S. F. G. B., series B	do	10,000,000	7,000,000	4½	4½	40	98.50	4.60
United Fuel Investments (Ltd.), cumulative preferred stock	do	9,000,000	500,000	6	6	20	100	6
Abitibi Power & Paper Co. (Ltd.), cumulative preferred stock	May	10,000,000	8,700,000	5,000,000	6	6	102	6
Detroit Canada Tunnel Co. (public utility), first mortgage S. F. G. B.	do	8,500,000	2,830,000	6	6	25	100	6
Detroit Canada Tunnel Co., convertible sinking-fund gold debentures	do	8,500,000	2,830,000	6½	6½	20	99.50	6.50
Great Lakes Paper Co. (Ltd.), first mortgage S. F. G. B., series A	do	10,000,000	5,000,000	6	6	22	100	6
London Canadian Investment Corporation, gold debentures, series A	do	6,000,000	225,000	6	4½	20	100	4.50
Mercury Mills (Ltd.) (textile), cumulative preferred stock	do	1,000,000	50,000	6	6	25	100	5.57
Howard Smith Paper Mills (Ltd.), first mortgage S. F. G. B., series A	do	7,000,000	1,000,000	6	6½	25	99	5.57
St. Lawrence Paper Mills Co. (Ltd.), allotment certificates	do	19,570,000	9,785,000	30,000,000	6	(20)	(20)	5.40
Abitibi Power & Paper Co. (Ltd.), first-mortgage gold bonds, series A	June	50,000,000	46,000,000	10,000,000	5	25	94.50	5.40
Aluminum (Ltd.), sinking-fund debenture gold bonds	do	7,000,000	20,000,000	10,000,000	5	20	100	5
Burns & Co. (Ltd.) (meat packing), first-mortgage sinking-fund bonds	do	7,000,000	2,000,000	6	5½	20	99.50	5.50
Burns & Co. (Ltd.), cumulative preferred stock	do	6,900,000	2,000,000	6	6	20	100	5.50
Hinde-Dauch Paper Co. of Canada (Ltd.), first mortgage S. F. G. B., series A	do	1,500,000	350,000	6	5½	20	100	5.60
Crown Cork & Seal Co. (Ltd.), cumulative participating class A stock	July	1,472,000	1,312,000	6	6½	13	101	6.88
Gatineau Power Co., gold debentures, series B	September	7,500,000	5,500,000	6	6	13	101	6.88



Calgary Power Co. (Ltd.), cumulative redeemable preferred stock	October	2,500,000	51,700	6		97.50	6.15
Fraser Companies (Ltd.) (lumber), gold debentures	do.	1,000,000	125,000	6½	15	106	4.98
Gatineau Power Co., first mortgage gold bonds	do.	7,900,000	5,530,000	5	30	97.25	5.18
Pacific Coast Terminals (Ltd.), first mortgage S. F. G. B., series A	do.	1,500,000	1,400,000	6½	20	95	6.70
Canadian Pacific Railway Co., debenture stock	November	5,000,000	4,792,000	4		88	
Western Fuel Corporation of Canada (Ltd.) (mining) first mortgage S. F. G. B.	do.		2,000,000	7	12	100	7
Wood & English (Ltd.), collateral trust gold notes	do.		250,000	6	1-3	100	6
Curtiss-Reid Aircraft Co. (Ltd.) of Canada, cumulative preferred stock	December	1,275,000	1,000,000	67		30	
Famous Players Canadian Corporation (Ltd.), first mortgage S. F. G. B.	do.	1,000,000	571,000	6	20	101	5.90
National Hosiery Mills (Ltd.), no par convertible preference stock	do.		330,000			11	
Metropolitan Chain Properties (Ltd.), first mortgage convertible S. F. G. B.	do.		2,600,000	6	20	105	5.66
Metropolitan Corporation of Canada, first mortgage S. F. G. B.	do.	155,000	51,600	6	20	99	6.18
Quebec Power Co., first mortgage collateral trust S. F. G. B., series A	do.	12,000,000	3,750,000	5	40	97	5.18
Newfoundland: International Power & Paper Co. of Newfoundland (Ltd.), first mortgage gold bonds, series of 1925.	do.		4,868,000	5	40	100	5
<b>Total, North America</b>			<b>165,339,300</b>				
<b>LATIN AMERICA</b>							
<b>Argentina:</b>							
Compania Hispano-Americana de Electricidad "Chade," American shares common stock <sup>28</sup>	October	2,340,000				117	
Intercontinents Power Co. (public utility), debentures, Series A <sup>29</sup>	December	3,000,000		6	20	98	6.35
International Telephone & Telegraph Corporation, convertible debentures <sup>27</sup>	do.	57,300,000		4½	10	98	4.75
<b>Chile:</b> Intercontinents Power Co., debentures, series A <sup>29</sup>	do.	1,500,000		6	20	98	6.35
<b>Colombia:</b>							
Mortgage Bank of Colombia, American shares common stock <sup>30</sup>	April	1,840,000				46	
Bank of Colombia, S. F. G. B.	June	2,000,000		7	20	94.75	7.50
<b>Cuba:</b>							
Francisco Sugar Co., gold notes	January	2,000,000		6	30	98.25	6.05
Guantanamo & Western Railroad Co., first mortgage gold bonds, series A	do.	3,000,000	1,000,000	6	30	97	6.22
Society of Jesus of Habana, first mortgage gold bonds (Belen College)	May	1,400,000		5½	6	100.50	5.25
International Rock Asphalt Co. (Inc.), cumulative participating preferred stock	August	500,000		7½		100	
<b>Dominican Republic:</b> The Islands Edison Co., secured S. F. G. B., series A <sup>31</sup>	May	2,250,000		5½	25	98	5.80
Guatemala and Salvador: International Railways of Central America, cumulative participating preferred stock	September	3,000,000		5		80	

<sup>26</sup> Carries common-stock purchase warrant.

<sup>27</sup> Carries bonus of 3 shares of common stock.

<sup>28</sup> Allotment certificates representing 1 share preferred stock, 1 share common stock, and a warrant for the purchase of one-half share common stock, sold at \$78 per unit. An additional \$25 per unit to be paid Oct. 15, 1928. The company may call for another \$25 per unit between April, 1929, and December, 1929, if needed.

<sup>29</sup> A preferred-stock issue of a Spanish corporation. Series E of 100 pesetas par value (about \$16.59). Its holdings are in Argentina and other South American countries.

<sup>30</sup> An American company with holdings in Argentina and Chile. There was a single issue of \$4,500,000. The amount for each country was estimated on the basis of the capacity of the respective plants.

<sup>31</sup> An American corporation which financed its acquisition of the United River Plate Telephone Co. (Ltd.) from the English company by means of these debentures offered to and taken by stockholders.

<sup>32</sup> 1 share of 20 pesos par value (\$19.47) deposited against each American share.

<sup>33</sup> This company is incorporated in the United States. The proceeds of this issue were to be used in the purchase of an electric light and power company in the Dominican Republic.

**FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued**  
**CALENDAR YEAR 1928—Continued**

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—continued</b>								
<b>LATIN AMERICA—continued</b>								
<b>Honduras:</b>		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Public Utilities Consolidated Corporation, first mortgage collateral convertible gold bonds. <sup>30</sup>	October.....	-----	750,000	-----	6½	20	100	6.50
Andes Development Co. (mining), common stock (par value \$1.00).....	December.....	-----	1,000,000	-----	-----	-----	1	-----
Nicaragua: Public Utilities Consolidated Corporation, first mortgage collateral convertible gold bonds. <sup>30</sup>	October.....	-----	1,000,000	-----	6½	20	100	6.50
Venezuela: Colon Oil Corporation, convertible gold debentures.....	June.....	-----	10,000,000	-----	6	10	100	6
<b>Total, Latin America.....</b>	-----	-----	92,880,000	-----	-----	-----	-----	-----
<b>FAR EAST</b>								
<b>Japan:</b>								
Nippon Electric Power Co. (Ltd.), first mortgage gold bonds.....	February....	9,000,000	8,000,000	-----	6½	25	94	7
Tokyo Electric Light Co. (Ltd.), first mortgage gold bonds, dollar series.	June.....	-----	70,000,000	24,000,000	6	25	90.50	6.80
Netherland East Indies: Amsterdam Trading Co., American shares, common stock. <sup>31</sup>	September....	-----	436,880	-----	-----	-----	43	-----
<b>Total, Far East.....</b>	-----	-----	78,436,880	24,000,000	-----	-----	-----	-----
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
<b>Alaska:</b>								
Public Utilities Consolidated Corporation, cumulative preferred stock <sup>30</sup> ..	October.....	-----	500,000	-----	7	-----	100	-----
Anchorage Light & Power Co., first mortgage S. F. G. B.....	November....	-----	250,000	-----	7	15	100	7
Porto Rico: Mayaguez Light, Power & Ice Co., S. F. G. B.....	December....	-----	353,000	-----	6½	25	100	6.50
<b>Total, noncontiguous American Territories and possessions.....</b>	-----	-----	1,103,000	-----	-----	-----	-----	-----

CALENDAR YEAR 1929

GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES								
EUROPE								
Denmark: Copenhagen Telephone Co., external S. F. G. B.....	February	\$7,000,000	\$3,575,000	\$2,000,000	5	25	94.75	5.38
Germany:								
Province of Hanover, Hars water-works loan, second series.....	January	4,000,000	2,725,000		6½	20	94.60	7
Berlin City Electric Co., sinking-fund debentures.....	February	15,000,000	9,651,000	2,000,000	6½	30	93.50	7.02
Prussian Electric Co., S. F. G. debentures.....	do		4,000,000		6	25	91	6.75
Unterelbe Power & Light Co., gold notes represented by American participation certificates.....	do		600,000		6	2	99	6.60
City of Hanover, external convertible gold bonds.....	October		3,500,000		7	10	98	7.30
Rumania: Kingdom of Rumania Monopolies Institute, guaranteed external S. F. G. B., stabilization and development loan of 1929.....	February		5,419,500		7	30	88	6.07
<b>Total, Europe.....</b>			<b>30,470,500</b>	<b>4,000,000</b>				
NORTH AMERICA								
Canada:								
Province of British Columbia, sinking-fund debentures.....	January	6,417,000	3,824,000	4,000,000	4½	40	94.69	4.80
Greater Winnipeg water district, gold bonds.....	February	1,750,000	625,000	1,750,000	5	30	101.56	4.90
City of Quebec, bonds.....	do	1,749,000	1,500,000		5	30	102	4.85
York Township, bonds.....	March	1,447,638	334,000		5	18	99	5.25
City of Saskatoon, bonds.....	April	669,300	200,000		4½-5	10-30	88-66	5.30-5
Province of British Columbia, S. F. G. debentures.....	do	6,056,000	2,689,000		5	25	100	5
Do.....	May	4,000,000	2,000,000		5	25	100	5
Canadian National Railways, equipment trust certificates, series K, 1929.....	do	18,000,000	7,768,000		5	1-15	99.86-99.76	5.10-5.75
City of Edmonton, bonds.....	do	649,358	325,000		5	25	98.66	5.20
Province of Nova Scotia, bonds.....	do	2,660,000	700,000		5	30	100	5
Province of Ontario, provincial coupon bonds.....	do	85,000,000	19,900,000		5	30	100	5
City of Toronto, serial bonds.....	do	10,274,000	3,504,000		5	1-30	98.75-100	5-5.15
Canadian National Ry. Co., guaranteed gold bonds.....	June	60,000,000	26,002,000		5	40	99.75	5
Province of Manitoba, gold bonds.....	do	2,526,000	2,000,000		5	25	99.75	5
Montreal Metropolitan Commission, gold bonds.....	do	3,100,000	2,062,000		5	37	99.75	5
City of Quebec, S. F. G. B.....	do	3,524,000	2,260,000		5	30	99.75	5
Province of British Columbia, bonds.....	September	3,036,500	900,000	500,000	5	30	100	5
Canadian National Railway Co., guaranteed gold bonds.....	October	80,000,000	20,277,000		5	40	98.50	5.15
Province of Saskatchewan, noncallable debentures.....	do	2,600,000	1,170,000		5	30	99.75	5
Province of Alberta, gold bonds.....	November	2,500,000	650,000		5	30	99.75	5
Canadian National Railway Co., guaranteed gold bonds.....	do	25,000,000	20,000,000		5	40	98.50	5.15
The Harbour Commissioners of Montreal, first-mortgage gold bonds.....	do	18,000,000	11,000,000		5	40	99.60	5

\* An American company with holdings in Argentina and Chile. There was a single issue of \$4,500,000. The amount of each country was estimated on the basis of the capacity of the respective plants.

\*\* This is an American company, which, by issues of preferred stock and first mortgage convertible gold bonds, secured funds for the acquisition of public-utility properties in Nicaragua, Honduras, and Alaska.

† 1 share of 500 florin par value (€201) deposited against each 40 American shares.  
 ‡ The total of this loan was \$101,000,000. It was issued in pounds sterling, francs, and dollars and sold in Austria, Belgium, Czechoslovakia, France, Germany, Great Britain, Italy, Netherlands, Rumania, Sweden, Switzerland, and the United States. The American share of \$12,000,000 was to have been taken in Sweden to the amount of \$2,000,000.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1929—Continued

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Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>GOVERNMENT AND GOVERNMENT GUARANTEED OR CONTROLLED ISSUES—Continued</b>								
<b>NORTH AMERICA—continued</b>								
<b>Canada—Continued.</b>								
Province of British Columbia, treasury bills.....	December.....	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Do.....	.....	3,000,000	3,000,000	1,733,875	5½	1	100	5.50
Province of Manitoba, gold bonds.....	.....	3,000,000	3,000,000	3,000,000	5½	2	100	5.50
City of Montreal, gold bonds.....	.....	3,485,000	800,000	.....	5	30	100	5
Do.....	.....	14,000,000	5,000,000	.....	4½	20	94	5
Do.....	.....	4,300,000	2,300,000	.....	4½	40	92.50	5
Province of Ontario, gold bonds.....	.....	30,000,000	15,000,000	7,500,000	5	31	101.50	4.90
City of Ottawa, bonds.....	.....	1,604,161	900,000	.....	4½	1-30	95.10	5
<b>Total, North America.....</b>	.....	.....	159,710,600	18,480,875	.....	.....	.....	.....
<b>LATIN AMERICA</b>								
Argentina: Province of Santa Fe, treasury gold notes <sup>24</sup> .....	November.....	.....	1,500,000	1,500,000	6	1	100	6
Brazil:	.....	.....	.....	.....	.....	.....	.....	.....
State of Rio de Janeiro, external secured S. F. G. B. of 1929.....	June.....	6,000,000	4,300,000	.....	6½	30	91.50	7.20
State of Minas Geraes, secured external gold loan of 1929, series A.....	September.....	8,000,000	6,508,000	.....	6½	30	87	7.60
Chile:	.....	.....	.....	.....	.....	.....	.....	.....
Republic of Chile, external loan S. F. G. B.....	March.....	10,000,000	8,400,000	.....	6	33	93.50	6.48
Mortgage Bank of Chile, guaranteed S. F. G. B. of 1929.....	June.....	.....	20,000,000	.....	6	33	92	6.80
Chilean consolidated municipal loan, external S. F. G. B., series A, 1929.....	August.....	15,000,000	14,000,000	.....	7	31	94	7.50
Colombia: Department of Antioquia, external S. F. G. B., series D.....	January.....	.....	1,750,000	.....	7	20	98	7.75
Cuba: Republic of Cuba, public works serial certificates.....	.....	.....	10,000,000	.....	5½	3¼-4½	100	5.50
Panama: Banco Nacional de Panama, guaranteed gold bonds, series D.....	February.....	1,000,000	500,000	.....	6½	20	99.50	6.85
<b>Total, Latin America.....</b>	.....	.....	67,048,000	1,500,000	.....	.....	.....	.....
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>								
Hawaii:	.....	.....	.....	.....	.....	.....	.....	.....
Territory of Hawaii, public improvement gold bonds.....	February.....	.....	1,175,000	.....	4½	5-29	100.40-101.70	4.15
County of Hawaii, gold bonds.....	October.....	.....	400,000	.....	5	5-24	101.55-105.61	4.50
Territory of Hawaii, gold bonds.....	November.....	.....	1,945,000	.....	4½	5-30	100-104.82	4.40-4.75
Philippine Islands: City of Manila, gold bonds, first series, public improvement loan of 1929.....	June.....	.....	500,000	.....	4½	30	101.77	4.40

<b>Porto Rico:</b>							
The People of Porto Rico, gold loan of 1929.....		January.....	320,000	4½	25	102.43	4.30
The People of Porto Rico, gold bonds.....		December.....	750,000	4½	23-41	102.98-104.44	4.25
<b>Total, noncontiguous American Territories and possessions.....</b>			<b>5,000,000</b>				
<b>CORPORATE ISSUES</b>							
<b>EUROPE</b>							
<b>International:</b>							
Crown Cork International Corporation, class A, no-par common stock.....		April.....	3,052,500			16.50	
Coty (Inc.) (cosmetics), no-par common stock.....		September.....	4,068,245		( <sup>14</sup> )	45	
<b>France:</b>							
Foreign Power Securities Corporation (Ltd.), first collateral trust convertible bonds. <sup>15</sup>		June.....	5,000,000	200,000	6	20	100
							6.00
<b>Germany:</b>							
"Gesfurel" Gesellschaft fur elektrische Unternehmungen (public utility), common stock (par \$25).		January.....	435,000			( <sup>14</sup> )	58.50
Leonhard Tietz Aktien-Gesellschaft (department store), common stock (par \$248).		.....do.....	150,000			( <sup>14</sup> )	26
J. P. Bemberg A. G. of Bremen (rayon), common stock (par \$50)		February.....	900,000			( <sup>14</sup> )	80
Harpen Mining Corporation, gold mortgage bonds, series of 1929 <sup>16</sup>		.....do.....	3,064,000		6	20	90
"Hansa" Steamship Line, gold bonds.....		October.....	5,000,000		6	10	93
							6.98
<b>Great Britain:</b>							
Imperial Chemical Industries (Ltd.), American depository receipts, ordinary shares (par \$4.86).		January.....	517,500				11.25
The Decca Record Co. (Ltd.), ordinary shares (par \$4.86)		February.....	4,875,000	243,750			4.87
Utilities Power & Light Corporation, gold debentures <sup>17</sup> <sup>18</sup>		.....do.....	5,000,000		5	30	98
							5.20
Cables and Wireless (Ltd.), class B, ordinary shares.....		April.....	270,000				4.86
British Power & Light Corporation, ordinary shares (par \$4.86)		May.....	7,776,000	550,000			4.86
Pinchin, Johnson & Co. (Ltd.) (food products), American shares, ordinary stock (par \$7.30).		.....do.....	2,833,347				42.50
Columbia Graphophone Co. (Ltd.), American shares, ordinary stock (par \$2.43).		July.....	9,500,000				24.28
British-American Tobacco Co. (Ltd.), cumulative second preferred shares.		September.....	146,000		6		4.86
<b>Italy:</b>							
Pirelli Co. of Italy (cable and rubber), American shares, common stock (par \$26).		January.....	3,000,000				60
Ernesto Breda Co. (railway equipment), first mortgage S. F. G. B. <sup>19</sup>		February.....	5,000,000	4,050,000	7	25	96.25
United Electric Service Co. of Italy, American shares, common stock (par \$7.87).		March.....	2,350,000				23.50
Isotta Fraschini (automobile), common stock (par \$10)		April.....	100,000			( <sup>14</sup> )	10.92
United Electric Service Co. of Italy, American shares, common stock (par \$2.62).		May.....	200,000			( <sup>14</sup> )	5.24

<sup>14</sup> This issue, dated Mar. 15, 1929, was first advertised in November in the amount of \$4,000,000. It refunds 1-year Treasury notes issued in the United States in May, 1927, which were renewed in 1928.

<sup>15</sup> Offered to stockholders.

<sup>16</sup> This company is incorporated in Canada and has extensive hydroelectric and public-utility holdings in France and the French colony of Madagascar.

<sup>17</sup> Stock-purchase rights attached.

<sup>18</sup> Estimated portion of the \$36,000,000 issue of this American corporation used in England.

<sup>19</sup> Units of one 7 per cent preferred and 5 common shares.

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1929—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
<b>CORPORATE ISSUES—Continued</b>								
<b>EUROPE—continued</b>								
Italy—Continued.		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Italian Superpower Corporation of Delaware, gold debentures, series "A," 1929. <sup>34</sup>	July	-----	4,000,000	-----	6	35	91	6.65
Sweden:								
Kreuger & Toll Co. (match), American certificates, participating debentures. <sup>35</sup>	March	-----	11,000,000	-----			32.16	-----
Kreuger & Toll Co., secured S. F. G. debentures	do	50,000,000	28,100,000	-----	5	30	98	5.12
Swedish Ball Bearing Co., American shares, class B stock (par \$26.80)	July	-----	3,433,000	-----			68.66	-----
Kreuger & Toll Co., American shares, participating debentures <sup>35</sup>	December	-----	24,138,339	-----			23	-----
Total, Europe		-----	115,601,681	-----				-----
<b>NORTH AMERICA</b>								
Canada:								
Budwaiser Brewing Co. of Canada (Ltd.), no-par common and preferred stock	January	125,000	75,000	-----		( <sup>36</sup> )	125	-----
Canada Paving & Supply Corporation (Ltd.) (bonus of 3 common to 10 preferred shares), cumulative sinking fund convertible first preferred stock	do	2,000,000	25,000	-----	7		100	-----
Canadian Power & Paper Investments (Ltd.), cumulative convertible preferred stock	do	2,800,000	10,350	-----	5		50	-----
Dominion Tar & Chemical Co. (Ltd.), S. F. G. debentures, series A <sup>37</sup>	do	4,000,000	400,000	-----	6	20	100	6.00
Dominion Tar & Chemical Co. (Ltd.) (bonus of 5 common with 10 preferred shares), cumulative preferred shares	do	4,500,000	300,000	-----	6½		100	-----
International Power & Paper Co., class C common stock	do	15,000,000	12,000,000	-----			10	-----
Montreal Tramways Co., general and refunding mortgage S. F. G. B., series C	do	2,500,000	250,000	-----	4½	27	90.50	5.15
Wood & English (Ltd.) (lumber), collateral trust gold notes	do		250,000	-----	6	1-2-3	100	0.00
Canadian International Investment Trust (Ltd.), common (par \$10) and preferred (par \$100) stock	February	2,700,000	151,500	-----	( <sup>38</sup> )		135	-----
Canadian Investors Corporation (Ltd.), no-par common stock	do	2,120,000	106,000	-----			26.50	-----
Consolidated Investment Corporation of Canada, first collateral trust gold bonds, series A. <sup>37</sup>	do	15,000,000	1,500,000	-----	4½	30	100	4.50
Dryden Paper Co. (Ltd.), first mortgage S. F. G. B.	do	1,500,000	60,000	-----	6	20	100	6.00
Medical and Dental Building (Vancouver, British Columbia), first closed-mortgage S. F. G. B.	do	1,000,000	490,000	-----	6	15	99	6.10

Metal and Mining Shares (Inc.), common and preferred (par \$50) stock	do.	7,400,000	1,000,000	( <sup>65</sup> )		74	
North American Gas & Electric Co., gold debentures, series due 1944 <sup>66</sup>	do.		<sup>41</sup> 300,000	6	16	98.80	6.25
North American Gas & Electric Co., class A common stock	do.		<sup>41</sup> 237,000			24.80	
United Securities (Ltd.), collateral trust S. F. G. B., series B	do.	1,000,000	225,000	6½	24	100.50	5.45
Bell Telephone Co. of Canada, first-mortgage G. B., series B	March	15,000,000	7,500,000	6	30	100	5.00
Domion Stores (department store), no-par common stock	do.	907,500	225,000		( <sup>64</sup> )	6	
Dufferin Paving & Crushed Stone (Ltd.), cumulative convertible preferred stock (bonus 3 common to 10 preferred)	do.	2,000,000	25,000			100	
Famous Players Canadian Corporation (Ltd.), voting trust certificates for common shares	do.	8,434,125	813,650			51	
Great Britain & Canada Investment Corporation, convertible debentures <sup>66</sup>	do.	6,000,000	1,450,000	4½	30	100	4.50
International Hydroelectric System, convertible gold debentures	do.		18,000,000	6	15	100	6.00
Power Corporation of Canada (Ltd.), convertible debentures	do.	10,000,000	2,500,000	4½	30	100	4.50
Shawinigan Water & Power Co., no-par common stock	do.	15,858,000	<sup>41</sup> 6,000,000		( <sup>64</sup> )	50	
Shawinigan Water & Power Co., first mortgage and collateral trust S. F. G. B.	do.	6,000,000	4,000,000	4½	40	93	4.90
Amalgamated Electric Corporation (Ltd.) (electrical equipment manufacturers), cumulative convertible preferred stock	April	1,000,000	10,000	6		50	
Canada Wire & Cable Co. (Ltd.), cumulative preferred stock <sup>66</sup>	do.	3,000,000	10,000	6½		100	
International Hydroelectric System, class A, common stock	do.		<sup>41</sup> 5,000,000		( <sup>64</sup> )	43	
International Milling Co., first preferred stock, series A <sup>66</sup>	do.	1,000,000	77,200	6		98	
Anglo-Norwegian Holdings (Ltd.) (fishing), no-par common stock	May	1,000,000	815,000			4.80	
Canadian Pacific Ry. Co., common stock (par \$100)	do.	51,000,000	12,750,000		( <sup>64</sup> )	170	
Canadian Mining Securities Corporation, common stock (par \$10)	June	1,925,000	110,000			11	
Canadian Pacific Ry., equipment trust gold certificates	do.	80,000,000	21,650,000	5	15	99.50	5.05
National Distillers (Ltd.), no-par common stock	do.	2,000,000	200,000			50	
Oneida Community (Ltd.), common stock (par \$25) <sup>64</sup>	do.		1,000,000	6½	( <sup>64</sup> )	100	6.50
Oneida Community (Ltd.), S. F. G. notes <sup>64</sup>	do.		2,000,000	6	30	100	6.00
Simpsons (Ltd.) (department store), first collateral trust S. F. G. B., series A	do.	10,000,000	200,000	550,000	6	30	100
West Canadian Hydroelectric Corporation (Ltd.), gold debentures	do.		650,000	5	1		
Canadian International Paper Co., first-mortgage gold bonds	July	25,000,000	21,745,000	6	20	95	6.45
Simpsons (Ltd.), cumulative preferred stock	do.	10,000,000	30,000	6½		100	
Bell Telephone Co. of Canada (Ltd.), common stock (par \$100)	August		5,000,000		( <sup>64</sup> )	125	
Canadian American Public Service Corporation, collateral gold notes	September		600,000	6	1	99	7.12
Canadian Resort Hotels (Inc.), common and preferred stock	October	2,400,000	1,200,000	6½	( <sup>64</sup> )	12	
Gateau Power Co., first-mortgage gold bonds	do.	11,000,000	7,700,000	5	30	93	5.50
McCall Frontenac Oil Co. (Ltd.), first-mortgage and collateral trust convertible bonds	do.	7,500,000	520,000	6	20	100	6

<sup>61</sup> Offered to stockholders.

<sup>62</sup> Stock-purchase rights attached.

<sup>63</sup> Estimated portion of the \$36,000,000 issue of this American corporation used in England.

<sup>64</sup> Units of one 7 per cent preferred and 1 5 common shares.

<sup>65</sup> Units of one preferred and three common shares.

<sup>66</sup> Units of 1 share each of preferred and common stock.

<sup>67</sup> This is an American corporation organized to operate public-utility properties in the United States and Canada. The portion of these issues of debentures and class A stock applicable to Canadian enterprises has been estimated on the basis of the proportion the Canadian assets bear to the whole.

<sup>68</sup> Estimated as the amount purchased by stockholders in the United States.

<sup>69</sup> Estimated amount of an \$11,000,000 issue to be used in Canada by this American corporation.

<sup>70</sup> An American corporation with properties in Canada.

<sup>71</sup> Offered to pay in part for the purchase of Canadian Wm. A Rogers (Ltd.).

FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES—Continued

CALENDAR YEAR 1929—Continued

Issuer and class of security	Month when first offered	Total of issue if partly taken abroad	Par value of flotation in United States	Estimated portion for refunding to Americans	Interest	Term	Approximate price to public	Approximate yield to maturity
CORPORATE ISSUES—Continued								
NORTH AMERICA—continued								
Canada—Continued.		<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Years</i>	<i>Dollars</i>	<i>Per cent</i>
Metropolitan Chain Properties (Ltd.), first-mortgage convertible S. F. G. B.	October	3,000,000	400,000	-----	6	20	99.75	6.03
Toronto Chain Stores Terminals, first-mortgage collateral trust S. F. G. B. <sup>35</sup>	do	-----	450,000	-----	6	10	100	6
Canadian Pacific Ry. Co., collateral trust gold bonds	December	30,000,000	15,000,000	-----	5	25	100	5
Total, North America	-----	-----	149,019,700	550,000	-----	-----	-----	-----
LATIN AMERICA								
International:								
American & Foreign Power Co. (Inc.), second cumulative preferred stock, series A. <sup>35 45</sup>	March	-----	50,827,200	-----	7	(30)	100	-----
North-South American Corporation (investment trust), class B, no par common stock.	May	-----	9,000,000	-----	-----	-----	36	-----
Argentina:								
Consolidated Chemical Industries (Inc.), class A preferred stock	January	-----	47,200,000	-----	-----	-----	25	-----
Intercontinents Power Co. cumulative preferred stock, first series (par \$100). <sup>35 45</sup>	do	-----	1,485,000	-----	7	-----	99	-----
Intercontinents Power Co. debentures, series A	July	-----	1,500,000	-----	6	20	98	6.35
Brazil:								
Intercontinents Power Co., class A, no par common stock	May	-----	2,500,000	-----	-----	-----	25	-----
Intercontinents Power Co. cumulative preferred stock, first series. <sup>35</sup>	June	-----	1,485,000	-----	7	-----	99	-----
Intercontinents Power Co. debentures, series A. <sup>45</sup>	July	-----	1,500,000	-----	6	20	98	6.35
Chile: Lautaro Nitrate Co. (Ltd.), first-mortgage convertible gold bonds. <sup>35</sup>	June	32,000,000	28,000,000	-----	6	25	99	6.15
Cuba:								
The National Hotel of Cuba, income debentures and common stock	August	-----	6,250,000	-----	6	30	100	6
Habana Lithographing Co. common (par \$1) and cumulative convertible preferred stock (par \$100).	October	-----	1,677,500	-----	7	(40)	110	-----
Mexico:								
Ammex Petroleum Corporation common stock (par \$5)	June	-----	337,500	-----	-----	-----	4.50	-----
El Paso Electric Co. (Texas), first-mortgage gold bonds, series A, issue of 1925.	do	-----	1,000,000	-----	5	25	95	5.40



Panama: Fideicomiso Panama-Americana (bank) common stock.....	May.....	940,000				28.50	
Venezuela: National Venezuela Oil Corporation common stock (par \$5).....	June.....	2,700,000				8	
<b>Total, Latin America.....</b>		<b>109,402,200</b>					
<b>FAR EAST</b>							
China: American and Foreign Power Co. (Inc.) second cumulative preferred stock, series A, <sup>47</sup> <sup>48</sup>	March.....	80,000,000			( <sup>49</sup> )	100	
Japan: Toho Electric Power Co. (Ltd.), gold notes.....	June.....	11,450,000	10,000,000	8	3	98.25	7.40
<b>Total, Far East.....</b>		<b>61,450,000</b>	<b>10,000,000</b>				
<b>UNITED STATES TERRITORIES AND POSSESSIONS</b>							
<b>Alaska:</b>							
Alaska Pacific Salmon Corporation, cumulative convertible preferred stock.....	February.....	3,250,000				50	
Alaska Pacific Salmon Corporation, no par common stock.....	do.....	700,000				20	
Alaska Public Service, class A, no par cumulative convertible stock.....	April.....	1,250,000				25	
Hawaii: Hawaiian Airways (Ltd.), class A, no par common stock.....	September.....	375,000				10	
Philippine Islands: Roman Catholic Archbishop of Manila, direct obligation gold notes.....	February.....	2,500,000		8	3	100	6
<b>Total, United States Territories and possessions.....</b>		<b>8,075,000</b>					

<sup>45</sup> This company is organized in Canada and has extensive hydroelectric and public-utility holdings in France and the French colony of Madagascar.

<sup>46</sup> Stock-purchase rights attached.

<sup>47</sup> Estimated portion of the \$36,000,000 issue of this American corporation used in England.

<sup>48</sup> The total by this American corporation was \$100,827,200. Part of the issue was allocated to China because of the purchase of the public-utility properties of the International Settlement of Shanghai. The balance of the issue was allocated to Latin America (international) because the major holdings of the company are in Latin American countries.

<sup>49</sup> Estimated portion of an \$2,000,000 issue used by the company in its foreign activities.

<sup>50</sup> An American corporation which is extending its public-utility holdings in Argentina and other Latin American countries.

<sup>51</sup> Units of 2 shares each of preferred and common stock.

**APPENDIX B**

**MONTHLY VOLUME OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, 1914 TO 1929**

Month	Nominal capital		Estimated refunding		Net nominal capital
	Number of issues	Amount	Number of issues	Amount	
<b>1914</b>					
January.....	4	\$2,137,565			\$2,137,565
February.....	2	12,400,000			12,400,000
March.....	1	3,000,000			3,000,000
April.....	2	3,776,178			3,776,178
May.....	2	3,700,000			3,700,000
June.....	2	1,077,090			1,077,090
July.....	4	4,584,455			4,584,455
August.....					
September.....					
October.....	3	1,340,000			1,340,000
November.....	1	3,000,000			3,000,000
December.....	5	9,655,000	1	\$655,000	9,000,000
<b>Total.....</b>	<b>26</b>	<b>44,670,288</b>	<b>1</b>	<b>655,000</b>	<b>44,015,288</b>
<b>1915</b>					
January.....	10	\$33,789,000	1	\$375,000	\$33,414,000
February.....	11	20,496,000	1	6,000,000	14,496,000
March.....	9	22,282,947			22,282,947
April.....	5	66,094,825			66,094,825
May.....	9	47,431,000	2	5,850,000	41,581,000
June.....	5	18,400,000			18,400,000
July.....	4	45,790,000			45,790,000
August.....	2	12,750,000			12,750,000
September.....	3	5,127,500			5,127,500
October.....	9	527,919,000	1	700,000	527,219,000
November.....	5	6,350,000			6,350,000
December.....	8	11,099,000	1	750,000	11,099,000
<b>Total.....</b>	<b>80</b>	<b>817,529,272</b>	<b>6</b>	<b>13,675,000</b>	<b>803,854,272</b>
<b>1916</b>					
January.....	8	\$11,104,242			\$11,104,242
February.....	7	84,921,473			84,921,473
March.....	5	92,855,000			92,855,000
April.....	9	17,883,508	1	\$1,750,000	16,133,508
May.....	6	19,050,000			19,050,000
June.....	16	81,752,243	1	500,000	81,252,000
July.....	9	106,450,000			106,450,000
August.....	6	258,780,000			258,780,000
September.....	9	23,020,000			23,020,000
October.....	9	368,736,000	1	200,000	368,536,000
November.....	9	83,519,000	1	1,250,000	82,269,000
December.....	9	11,529,800			11,529,800
<b>Total.....</b>	<b>102</b>	<b>1,159,601,264</b>	<b>4</b>	<b>3,700,000</b>	<b>1,155,901,264</b>
<b>1917</b>					
January.....	9	\$268,680,000	1	\$2,500,000	\$266,180,000
February.....	6	11,892,950			11,892,950
March.....	12	133,365,000	3	15,350,000	118,015,000
April.....	7	105,458,200			105,458,200
May.....	5	46,622,000	1	5,000,000	41,622,000
June.....	5	9,130,000			9,130,000
July.....	4	104,230,000			104,230,000
August.....	6	8,760,000			8,760,000
September.....	4	16,950,000	2	8,050,000	8,900,000
October.....					
November.....	2	780,000	1	750,000	30,000
December.....	5	14,429,000	1	6,000,000	8,429,000
<b>Total.....</b>	<b>65</b>	<b>720,297,150</b>	<b>9</b>	<b>37,650,000</b>	<b>682,647,150</b>

MONTHLY VOLUME OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, 1914 TO 1929—Continued.

Month	Nominal capital		Estimated refunding		Net nominal capital
	Number of issues	Amount	Number of issues	Amount	
1918					
January.....	1	\$1,000,000			\$1,000,000
February.....	2	2,300,000			2,300,000
March.....	2	2,000,000			2,000,000
April.....	1	750,000			750,000
May.....	1	500,000			500,000
June.....	6	4,240,000	2	\$1,600,000	2,640,000
July.....	5	7,520,000			7,520,000
August.....					
September.....					
October.....	1	100,000			100,000
November.....	4	2,595,000			2,595,000
December.....	5	2,460,000	1	1,000,000	1,460,000
Total.....	28	23,465,000	3	2,600,000	20,865,000
1919					
January.....	7	\$19,155,000			\$19,155,000
February.....	5	154,977,000	2	\$120,887,000	34,090,000
March.....	2	1,400,000			1,400,000
April.....	1	10,000,000			10,000,000
May.....	10	23,115,400	1	5,000,000	23,115,400
June.....	9	32,860,000	1	1,500,000	31,360,000
July.....	7	137,563,000	1	75,000,000	62,563,000
August.....	5	22,250,000	1	500,000	21,750,000
September.....	2	5,000,000			5,000,000
October.....	10	325,291,600	4	149,149,600	176,142,000
November.....	3	29,720,700	2	27,220,700	2,500,000
December.....	4	4,712,000			4,712,000
Total.....	65	771,044,700	12	379,257,300	391,787,400
1920					
January.....	10	\$71,270,000			\$71,270,000
February.....	5	15,210,500			15,210,500
March.....	10	54,210,000			54,210,000
April.....	5	13,450,000	1	\$1,000,000	12,450,000
May.....	10	20,635,500	1	500,000	30,135,500
June.....	7	84,575,750			84,575,750
July.....	6	28,800,000			28,800,000
August.....	9	25,574,675			25,574,675
September.....	6	121,687,600	1	100,000,000	21,687,600
October.....	19	91,775,231			91,775,231
November.....	10	37,086,230			37,086,230
December.....	7	28,662,500	1	4,000,000	24,662,500
Total.....	104	602,937,986	4	105,500,000	497,437,986
1921					
January.....	9	\$71,322,249	1	\$1,080,083	\$70,242,166
February.....	10	42,650,000			42,650,000
March.....	11	32,291,500	3	5,550,000	26,741,500
April.....	4	15,000,000			15,000,000
May.....	8	136,120,000	2	51,000,000	85,120,000
June.....	9	14,074,714			14,074,714
July.....	6	30,515,000			30,515,000
August.....	13	63,323,200			63,323,200
September.....	9	96,250,000			96,250,000
October.....	13	51,860,000	1	3,000,000	48,860,000
November.....	9	51,379,300	1	125,000	51,254,300
December.....	15	88,127,000	4	8,350,000	79,777,000
Total.....	116	692,412,963	12	69,105,083	623,307,880

## MONTHLY VOLUME OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, 1914 TO 1929—Continued

Month	Nominal capital		Estimated refunding		Net nominal capital
	Number of issues	Amount	Number of issues	Amount	
1922					
January.....	9	\$92,546,000	1	\$1,250,000	\$92,546,000
February.....	12	50,836,000	1	1,500,000	49,586,000
March.....	13	143,070,000	5	68,000,000	141,570,000
April.....	24	216,877,200	2	12,000,000	148,877,200
May.....	13	34,580,000	2	2,121,300	32,458,700
June.....	19	118,245,700	2	12,000,000	106,245,700
July.....	12	56,730,000	1	1,500,000	55,230,000
August.....	7	3,354,000	1	1,000,000	2,354,000
September.....	16	28,061,500	1	6,000,000	22,061,500
October.....	16	59,054,884	1	5,000,000	54,054,884
November.....	4	29,250,000	1	1,050,000	29,250,000
December.....	7	30,443,000	1	1,050,000	29,393,000
Total.....	152	563,048,284	16	99,421,300	763,626,984
1923					
January.....	8	\$73,492,500	2	\$6,000,000	\$73,492,500
February.....	7	53,816,600	1	500,000	47,816,600
March.....	8	24,347,000	1	1,000,000	23,847,000
April.....	7	12,291,000	1	500,000	11,291,000
May.....	2	4,635,000	1	500,000	4,635,000
June.....	11	41,550,000	2	65,000,000	41,050,000
July.....	3	6,500,000	1	4,000,000	6,500,000
August.....	7	52,141,250	2	65,000,000	52,141,250
September.....	6	87,054,000	1	4,000,000	82,054,000
October.....	9	54,575,000	1	4,000,000	54,575,000
November.....	4	39,500,000	1	4,000,000	39,500,000
December.....	4	47,695,000	1	4,000,000	43,695,000
Total.....	76	497,597,350	8	77,000,000	420,597,350
1924					
January.....	14	\$93,628,000	2	\$2,000,000	\$91,628,000
February.....	6	139,400,000	2	75,988,500	63,411,500
March.....	6	11,453,984	2	10,300,000	1,153,984
April.....	7	44,000,000	2	3,500,000	44,000,000
May.....	7	56,618,750	2	3,000,000	53,118,750
June.....	9	18,815,000	2	3,000,000	15,815,000
July.....	15	85,236,000	1	2,000,000	83,236,000
August.....	10	90,565,000	1	10,000,000	80,565,000
September.....	9	185,008,000	2	112,770,000	72,238,000
October.....	11	194,778,203	1	6,000,000	188,778,203
November.....	13	114,915,000	1	2,435,500	112,480,000
December.....	14	182,800,000	2	20,000,000	162,800,000
Total.....	120	1,217,217,937	17	247,993,500	969,224,437
1925					
January.....	14	\$71,173,000	2	\$7,600,000	\$63,573,000
February.....	12	137,750,000	3	51,000,000	86,750,000
March.....	17	82,265,750	2	4,325,000	77,940,750
April.....	9	58,040,000	3	11,000,000	47,040,000
May.....	11	33,743,000	2	4,000,000	29,743,000
June.....	13	173,677,500	2	38,000,000	135,677,500
July.....	11	174,658,000	1	25,000,000	149,658,000
August.....	6	58,450,000	5	85,000,000	58,450,000
September.....	18	168,727,400	3	6,775,000	162,000,000
October.....	18	97,590,000	3	7,000,000	90,590,000
November.....	19	181,025,000	3	6,775,000	174,250,000
December.....	16	79,066,500	2	7,000,000	72,066,500
Total.....	164	1,316,166,150	25	239,700,000	1,076,466,150

MONTHLY VOLUME OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, 1914 TO 1929—Continued

Month	Nominal capital		Estimated refunding		Net nominal capital
	Number of issues	Amount	Number of issues	Amount	
1926					
January.....	37	\$96,102,920	4	\$17,133,500	\$78,969,420
February.....	25	113,217,162	3	43,500,000	69,714,962
March.....	14	51,451,000	2	6,000,000	45,451,000
April.....	21	137,500,000	2	14,800,000	122,700,000
May.....	15	93,185,000	-----	-----	93,185,000
June.....	21	109,187,200	4	10,376,000	98,811,200
July.....	14	118,975,000	1	6,000,000	112,975,000
August.....	12	69,700,000	1	1,500,000	68,200,000
September.....	12	92,575,000	2	6,800,000	85,775,000
October.....	18	153,740,000	4	18,750,000	134,990,000
November.....	21	101,985,200	3	1,328,000	100,657,200
December.....	20	130,840,700	2	36,790,500	94,050,200
Total.....	230	1,288,459,182	28	162,978,000	1,125,481,182
1927					
January.....	35	\$174,708,200	1	\$27,000,000	\$147,708,200
February.....	14	87,854,500	1	10,000,000	77,854,500
March.....	15	107,375,000	-----	-----	107,375,000
April.....	32	198,694,750	1	2,500,000	196,194,750
May.....	16	55,303,500	2	5,950,000	49,353,500
June.....	20	161,444,165	3	57,510,000	103,934,165
July.....	17	67,756,645	-----	-----	67,756,645
August.....	11	100,645,000	-----	-----	100,645,000
September.....	28	96,400,000	7	31,665,000	66,735,000
October.....	24	281,295,500	3	34,000,000	247,295,500
November.....	32	147,921,000	3	60,000,000	87,921,000
December.....	21	96,046,000	1	12,029,000	84,017,000
Total.....	265	1,577,414,260	22	240,654,000	1,336,760,260
1928					
January.....	28	\$157,585,000	6	\$44,000,000	\$113,585,000
February.....	16	135,129,000	3	56,969,500	78,159,500
March.....	17	111,036,500	-----	-----	111,036,500
April.....	26	145,290,000	2	18,000,000	127,290,000
May.....	30	233,244,000	4	9,000,000	224,244,000
June.....	29	268,150,000	5	75,944,913	192,205,087
July.....	7	45,303,000	-----	-----	45,303,000
August.....	2	576,500	-----	-----	576,500
September.....	11	108,949,380	2	16,000,000	92,949,380
October.....	18	64,621,500	2	18,496,000	46,125,500
November.....	19	102,526,500	-----	-----	102,526,500
December.....	18	116,950,600	-----	-----	116,950,600
Total.....	221	1,489,361,680	24	238,410,413	1,250,951,267
1929					
January.....	19	\$38,715,850	1	\$4,000,000	\$34,715,850
February.....	26	51,422,750	3	5,750,000	45,672,750
March.....	16	184,024,850	-----	-----	184,024,850
April.....	10	12,658,700	-----	-----	12,658,700
May.....	14	63,285,347	-----	-----	63,285,347
June.....	21	128,226,100	2	10,550,000	117,676,100
July.....	7	41,708,000	-----	-----	41,708,000
August.....	3	25,250,000	-----	-----	25,250,000
September.....	6	13,197,245	1	550,000	12,647,245
October.....	11	42,294,500	-----	-----	42,294,500
November.....	5	35,095,000	1	1,500,000	33,595,000
December.....	10	69,888,339	3	12,236,875	57,651,464
Total.....	148	705,767,681	11	34,536,875	671,230,806

APPENDIX C

CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTRIES, 1914-1929  
CALENDAR YEAR, 1914

Area and country	Government and government guaranteed or controlled issues					Corporate issues					Total estimated refunding	Total net nominal capital	
	Nominal capital		Estimated refunding		Net nominal capital	Nominal capital		Estimated refunding		Net nominal capital			Total nominal capital
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>Europe:</b>													
Greece.....	1	\$3,000,000			\$3,000,000						\$3,000,000		\$3,000,000
Norway.....	1	3,000,000			3,000,000						3,000,000		3,000,000
Sweden.....	1	5,000,000			5,000,000						5,000,000		5,000,000
<b>Total, Europe.....</b>	<b>3</b>	<b>11,000,000</b>			<b>11,000,000</b>						<b>11,000,000</b>		<b>11,000,000</b>
<b>North America: Canada.....</b>	<b>7</b>	<b>5,644,000</b>			<b>5,644,000</b>	<b>5</b>	<b>\$7,775,000</b>			<b>\$7,775,000</b>	<b>13,419,000</b>		<b>13,419,000</b>
<b>Latin America:</b>													
Cuba.....	1	10,000,000			10,000,000						10,000,000		10,000,000
Mexico.....	4	5,798,288			5,798,288						5,798,288		5,798,288
Panama.....	1	1,500,000			1,500,000						1,500,000		1,500,000
<b>Total, Latin Amer. ca.....</b>	<b>6</b>	<b>17,296,288</b>			<b>17,296,288</b>						<b>17,296,288</b>		<b>17,296,288</b>
<b>Noncontiguous American Territories and possessions: Porto Rico.....</b>	<b>5</b>	<b>2,955,000</b>	<b>1</b>	<b>\$655,000</b>	<b>2,300,000</b>						<b>2,955,000</b>	<b>\$655,000</b>	<b>2,300,000</b>
<b>Grand total.....</b>	<b>21</b>	<b>36,895,288</b>	<b>1</b>	<b>655,000</b>	<b>36,240,288</b>	<b>5</b>	<b>7,775,000</b>			<b>7,775,000</b>	<b>44,670,288</b>	<b>655,000</b>	<b>44,015,288</b>

CALENDAR YEAR, 1915

<b>Europe:</b>													
France.....	2	\$300,000,000			\$300,000,000						\$300,000,000		\$300,000,000
Germany.....	1	10,000,000			10,000,000						10,000,000		10,000,000
Great Britain.....	1	250,000,000			250,000,000						250,000,000		250,000,000
Italy.....	1	25,000,000			25,000,000						25,000,000		25,000,000

Switzerland.....	1	15,000,000			15,000,000					15,000,000		15,000,000	
Total, Europe.....	6	600,000,000			600,000,000					600,000,000		600,000,000	
North America: Canada.....	52	126,242,272			126,242,272	11	\$37,098,000	3	\$7,600,000	\$29,498,000	163,340,272	\$7,600,000	155,740,272
Latin America:													
Argentina.....	2	30,000,000	1	\$5,000,000	25,000,000						30,000,000	5,000,000	25,000,000
Chile.....						1	15,000,000			15,000,000			15,000,000
Cuba.....						4	7,000,000			7,000,000			7,000,000
Total, Latin America.....	2	30,000,000	1	5,000,000	25,000,000	5	22,000,000			22,000,000	62,000,000	5,000,000	47,000,000
Noncontiguous American Territories and possessions:													
Hawaii.....	1	689,000			689,000						689,000		689,000
Porto Rico.....	2	900,000	1	700,000	200,000	1	600,000	1	375,000	225,000	1,500,000	1,075,000	425,000
Total, noncontiguous American Territories and possessions.....	3	1,589,000	1	700,000	889,000	1	600,000	1	375,000	225,000	2,189,000	1,075,000	1,114,000
Grand total.....	63	757,831,272	2	5,700,000	752,131,272	17	59,698,000	4	7,975,000	51,723,000	817,529,272	13,675,000	803,854,272

CALENDAR YEAR 1916

Europe:													
France.....	4	\$190,500,000			\$190,500,000						\$190,500,000		\$190,500,000
Germany.....	1	10,000,000			10,000,000						10,000,000		10,000,000
Great Britain.....	4	556,400,000			556,400,000						556,400,000		556,400,000
Norway.....	1	5,000,000			5,000,000						5,000,000		5,000,000
Russia.....	2	75,000,000			75,000,000						75,000,000		75,000,000
Total, Europe.....	12	836,900,000			836,900,000						836,900,000		836,900,000
North America:													
Canada.....	42	134,149,464			134,149,464	22	\$24,262,000	2	\$1,750,000	\$22,542,000	158,441,464	\$1,750,000	156,691,464
Newfoundland.....	1	5,000,000			5,000,000	1	110,000			110,000	5,110,000		5,110,000
Total, North America.....	43	139,149,464			139,149,464	23	24,402,000	2	1,750,000	22,652,000	163,551,464	1,750,000	161,801,464
Latin America:													
Argentina.....	2	33,500,000			33,500,000	1	2,500,000			2,500,000	36,000,000		36,000,000
Brazil.....	1	5,500,000			5,500,000	1	7,500,000			7,500,000	13,000,000		13,000,000
Chile.....						2	18,000,000			18,000,000	18,000,000		18,000,000
Cuba.....						3	66,000,000			66,000,000	66,000,000		66,000,000
Mexico.....						2	10,625,000			10,625,000	10,625,000		10,625,000
Panama.....	1	1,200,000			1,200,000					1,200,000	1,200,000		1,200,000
Total, Latin America.....	4	40,200,000			40,200,000	14	104,625,000			104,625,000	144,825,000		144,825,000

CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTRIES, 1914-1929—  
Continued

CALENDAR YEAR 1916—Continued

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HANDBOOK ON AMERICAN UNDERWRITING

Area and country	Government and Government guaranteed or controlled issues					Corporate issues						Total estimated refunding	Total net nominal capital
	Nominal capital		Estimated refunding		Net nominal capital	Number of issues		Estimated refunding		Net nominal capital	Total nominal capital		
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>Far East:</b>													
China.....	1	\$5,000,000			\$5,000,000						\$5,000,000		\$5,000,000
Netherland East Indies.....						1	\$2,974,800			\$2,974,800	2,974,800		2,974,800
<b>Total, Far East.....</b>	<b>1</b>	<b>5,000,000</b>			<b>5,000,000</b>	<b>1</b>	<b>2,974,800</b>			<b>2,974,800</b>	<b>7,974,800</b>		<b>7,974,800</b>
<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	1	1,650,000	1	\$1,750,000	(100,000)						1,650,000	\$1,750,000	(100,000)
Porto Rico.....	3	4,700,000	1	200,000	4,500,000						4,700,000	200,000	4,500,000
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>4</b>	<b>6,350,000</b>	<b>2</b>	<b>1,950,000</b>	<b>4,400,000</b>						<b>6,350,000</b>	<b>1,950,000</b>	<b>4,400,500</b>
<b>Grand total.....</b>	<b>64</b>	<b>1,027,599,464</b>	<b>2</b>	<b>1,950,000</b>	<b>1,025,649,464</b>	<b>38</b>	<b>132,001,800</b>	<b>2</b>	<b>\$1,750,000</b>	<b>130,261,800</b>	<b>1,159,601,264</b>	<b>3,700,000</b>	<b>1,156,901,264</b>

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<b>Europe:</b>													
France.....	1	\$100,000,000			\$100,000,000						\$100,000,000		\$100,000,000
Great Britain.....	2	256,300,000	1	\$6,300,000	250,000,000						256,300,000	\$6,300,000	250,000,000
Italy.....	1	45,000,000			45,000,000						45,000,000		45,000,000
<b>Total, Europe.....</b>	<b>4</b>	<b>401,300,000</b>	<b>1</b>	<b>6,300,000</b>	<b>396,500,000</b>						<b>401,300,000</b>	<b>6,300,000</b>	<b>396,500,000</b>
<b>North America: Canada.....</b>	<b>20</b>	<b>175,188,200</b>	<b>1</b>	<b>1,750,000</b>	<b>173,438,200</b>	<b>22</b>	<b>\$47,837,000</b>	<b>3</b>	<b>\$8,600,000</b>	<b>\$38,737,000</b>	<b>222,525,200</b>	<b>10,350,000</b>	<b>212,175,200</b>



<b>Latin America:</b>													
Argentina.....	4	17,817,950	3	15,000,000	2,817,950	1	15,000,000			15,000,000	32,817,950	15,000,000	17,817,950
Bolivia.....	1	2,400,000			2,400,000						2,400,000		2,400,000
Chile.....						1	35,000,000			35,000,000	35,000,000		35,000,000
Cuba.....	4					1	16,000,000	1	\$6,000,000	10,000,000	16,000,000	6,000,000	10,000,000
Haiti.....	1						5,500,000			5,500,000	5,500,000		5,500,000
<b>Total, Latin America.....</b>	<b>5</b>	<b>20,217,950</b>	<b>3</b>	<b>15,000,000</b>	<b>5,217,950</b>	<b>7</b>	<b>71,500,000</b>	<b>1</b>	<b>6,000,000</b>	<b>65,500,000</b>	<b>91,717,950</b>	<b>31,000,000</b>	<b>70,717,950</b>
<b>Far East: Australia.....</b>						<b>1</b>	<b>1,250,000</b>			<b>1,250,000</b>	<b>1,250,000</b>		<b>1,250,000</b>
<b>Noncontiguous American Territories and possessions:</b>													
Alaska.....						1	125,000			125,000	125,000		125,000
Hawaii.....	1	150,000			150,000						150,000		150,000
Porto Rico.....	3	1,229,000			1,229,000	1	2,000,000			2,000,000	3,229,000		3,229,000
<b>Total noncontiguous American Territories and possessions.....</b>	<b>4</b>	<b>1,379,000</b>			<b>1,379,000</b>	<b>2</b>	<b>2,125,000</b>			<b>2,125,000</b>	<b>3,504,000</b>		<b>3,504,000</b>
<b>Grand total.....</b>	<b>33</b>	<b>598,085,150</b>	<b>5</b>	<b>23,050,000</b>	<b>575,035,150</b>	<b>32</b>	<b>122,212,000</b>	<b>4</b>	<b>14,600,000</b>	<b>107,612,000</b>	<b>720,207,150</b>	<b>37,650,000</b>	<b>682,647,150</b>

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<b>North America:</b>													
Canada.....	13	\$11,995,000	1	\$1,000,000	\$10,995,000	7	\$5,645,000	1	\$1,000,000	\$4,645,000	\$17,640,000	\$2,000,000	\$15,640,000
Newfoundland.....	1	1,000,000			1,000,000						1,000,000		1,000,000
<b>Total, North America.....</b>	<b>14</b>	<b>12,995,000</b>	<b>1</b>	<b>1,000,000</b>	<b>11,995,000</b>	<b>7</b>	<b>5,645,000</b>	<b>1</b>	<b>1,000,000</b>	<b>4,645,000</b>	<b>18,640,000</b>	<b>2,000,000</b>	<b>16,640,000</b>
<b>Latin America:</b>													
Argentina.....	1	800,000			800,000						800,000		800,000
Cuba.....						2	1,600,000	1	600,000	1,000,000	1,600,000	600,000	1,000,000
Haiti.....	1					1	500,000			500,000	500,000		500,000
<b>Total, Latin America.....</b>	<b>1</b>	<b>800,000</b>			<b>800,000</b>	<b>3</b>	<b>2,100,000</b>	<b>1</b>	<b>600,000</b>	<b>1,500,000</b>	<b>2,900,000</b>	<b>600,000</b>	<b>2,300,000</b>
<b>Noncontiguous American Territories and possessions: Porto Rico.....</b>	<b>2</b>	<b>800,000</b>			<b>800,000</b>	<b>1</b>	<b>1,125,000</b>			<b>1,125,000</b>	<b>1,925,000</b>		<b>1,925,000</b>
<b>Grand total.....</b>	<b>17</b>	<b>14,595,000</b>	<b>1</b>	<b>1,000,000</b>	<b>13,595,000</b>	<b>11</b>	<b>8,870,000</b>	<b>2</b>	<b>1,600,000</b>	<b>7,270,000</b>	<b>23,465,000</b>	<b>2,600,000</b>	<b>20,865,000</b>

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Area and country	Government and Government guaranteed or controlled issues				Net nominal capital	Corporate issues				Total estimated refunding	Total net nominal capital		
	Nominal capital		Estimated refunding			Number of issues		Estimated refunding				Net nominal capital	Total nominal capital
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>Europe:</b>													
Denmark.....	1	\$15,000,000			\$15,000,000					\$15,000,000		\$15,000,000	
France.....	1	22,220,700	1	\$22,220,700						22,220,700	\$22,220,700		
Great Britain.....	2	393,587,000	2	250,587,000	143,000,000	2	\$19,871,500		\$19,871,500	413,458,500	250,587,000	162,871,500	
Sweden.....	1	20,000,000			20,000,000					20,000,000		20,000,000	
Switzerland.....	1	30,000,000			30,000,000					30,000,000		30,000,000	
<b>Total, Europe.....</b>	<b>6</b>	<b>480,807,700</b>	<b>3</b>	<b>272,807,700</b>	<b>208,000,000</b>	<b>2</b>	<b>19,871,500</b>		<b>19,871,500</b>	<b>500,679,200</b>	<b>272,807,700</b>	<b>227,871,500</b>	
<b>North America:</b>													
Canada.....	19	171,465,000	1	75,000,000	96,465,000	18	28,190,000	3	\$7,300,000	20,890,000	199,655,000	82,300,000	117,355,000
Newfoundland.....	1	2,500,000	1	5,000,000	(2,500,000)					2,500,000	5,000,000	(2,500,000)	
<b>Total, North America.....</b>	<b>20</b>	<b>173,965,000</b>	<b>2</b>	<b>80,000,000</b>	<b>93,965,000</b>	<b>18</b>	<b>28,190,000</b>	<b>3</b>	<b>7,300,000</b>	<b>20,890,000</b>	<b>202,155,000</b>	<b>87,300,000</b>	<b>114,855,000</b>
<b>Latin America:</b>													
Brazil.....	2	18,500,000	1	4,950,000	13,550,000	1	7,500,000	1	7,500,000		26,000,000	12,450,000	13,550,000
Colombia.....						2	2,376,000			2,376,000	2,376,000		2,376,000
Cuba.....						6	15,765,600	1	1,699,600	14,066,000	15,765,600	1,699,600	14,066,000
Haiti.....						1	3,000,000			3,000,000	3,000,000		3,000,000
Mexico.....						1	676,900			676,900	676,900		676,900
<b>Total, Latin America.....</b>	<b>2</b>	<b>18,500,000</b>	<b>1</b>	<b>4,950,000</b>	<b>13,550,000</b>	<b>10</b>	<b>29,318,500</b>	<b>2</b>	<b>9,199,600</b>	<b>20,118,900</b>	<b>47,818,500</b>	<b>14,149,600</b>	<b>33,668,900</b>
<b>Far East:</b>													
China.....	1	5,500,000	1	5,000,000	500,000					5,500,000	5,000,000	500,000	
Japan.....	1	487,000			487,000					487,000		487,000	
<b>Total, Far East.....</b>	<b>2</b>	<b>5,987,000</b>	<b>1</b>	<b>5,000,000</b>	<b>987,000</b>					<b>5,987,000</b>	<b>5,000,000</b>	<b>987,000</b>	

<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	1	1,500,000			1,500,000	1	400,000			400,000	1,900,000	1,900,000	
Philippine Islands.....	1	10,000,000			10,000,000	1	1,500,000			1,500,000	11,500,000	11,500,000	
Porto Rico.....						1	1,005,000			1,005,000	1,005,000	1,005,000	
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>2</b>	<b>11,500,000</b>			<b>11,500,000</b>	<b>3</b>	<b>2,905,000</b>			<b>2,905,000</b>	<b>14,405,000</b>	<b>14,405,000</b>	
<b>Grand total.....</b>	<b>32</b>	<b>690,759,700</b>	<b>7</b>	<b>302,757,700</b>	<b>328,002,000</b>	<b>33</b>	<b>80,285,000</b>	<b>5</b>	<b>16,499,600</b>	<b>63,785,400</b>	<b>771,044,700</b>	<b>379,257,300</b>	<b>391,787,400</b>

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<b>Europe:</b>													
Belgium.....	3	\$75,000,000			\$75,000,000	1	\$10,000,000			\$10,000,000	\$85,000,000	\$85,000,000	
Denmark.....	1	25,000,000			25,000,000					25,000,000	25,000,000	25,000,000	
France.....	3	106,098,000	1	\$100,000,000	6,098,000	1	3,250,000			3,250,000	109,348,000	\$100,000,000	9,348,000
Germany.....	1	52,500			52,500						52,500	52,500	52,500
Great Britain.....						4	28,660,000			28,660,000	28,660,000	28,660,000	28,660,000
Italy.....	1	10,000,000			10,000,000						10,000,000	10,000,000	10,000,000
Netherlands.....	1	51,030			51,030						51,030	51,030	51,030
Norway.....	3	29,000,000			29,000,000						29,000,000	29,000,000	29,000,000
Poland.....	1	23,075,750			23,075,750						23,075,750	23,075,750	23,075,750
Switzerland.....	5	37,322,600			37,322,600						37,322,600	37,322,600	37,322,600
<b>Total, Europe.....</b>	<b>19</b>	<b>305,599,880</b>	<b>1</b>	<b>100,000,000</b>	<b>205,599,880</b>	<b>6</b>	<b>41,910,000</b>			<b>41,910,000</b>	<b>347,509,880</b>	<b>100,000,000</b>	<b>247,509,880</b>
<b>North America:</b>													
Canada.....	48	139,828,106			139,828,106	17	48,850,000	3	\$5,500,000	43,350,000	188,678,106	5,500,000	183,178,106
Newfoundland.....						1	700,000			700,000	700,000		700,000
<b>Total, North America.....</b>	<b>48</b>	<b>139,828,106</b>			<b>139,828,106</b>	<b>18</b>	<b>49,550,000</b>	<b>3</b>	<b>5,500,000</b>	<b>44,050,000</b>	<b>189,378,106</b>	<b>5,500,000</b>	<b>183,878,106</b>
<b>Latin America:</b>													
Colombia.....						1	1,650,000			1,650,000	1,650,000		1,650,000
Cuba.....						4	30,200,000			30,200,000	30,200,000		30,200,000
Mexico.....						4	9,200,000			9,200,000	9,200,000		9,200,000
Peru.....						1	8,000,000			8,000,000	8,000,000		8,000,000
<b>Total, Latin America.....</b>						<b>10</b>	<b>49,050,000</b>			<b>49,050,000</b>	<b>49,050,000</b>		<b>49,050,000</b>
<b>Noncontiguous American Territories and possessions:</b>													
Philippine Islands.....	2	16,000,000			16,000,000						16,000,000		16,000,000
Porto Rico.....	1	1,000,000			1,000,000						1,000,000		1,000,000
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>3</b>	<b>17,000,000</b>			<b>17,000,000</b>						<b>17,000,000</b>		<b>17,000,000</b>
<b>Grand total.....</b>	<b>70</b>	<b>462,427,986</b>	<b>1</b>	<b>100,000,000</b>	<b>362,427,986</b>	<b>34</b>	<b>140,510,000</b>	<b>3</b>	<b>5,500,000</b>	<b>135,010,000</b>	<b>602,937,986</b>	<b>105,500,000</b>	<b>497,437,986</b>

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Area and country	Government and Government guaranteed or controlled issues				Corporate issues						Total estimated refunding	Total net nominal capital		
	Nominal capital		Estimated refunding		Net nominal capital	Number of issues		Estimated refunding		Net nominal capital			Total nominal capital	
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount					
<b>Europe:</b>														
Belgium.....	2	\$34,270,000			\$34,270,000						\$34,270,000		\$34,270,000	
France.....	3	126,064,300	1	\$50,000,000	76,064,300		1	\$1,000,000		\$1,000,000	127,064,300	\$50,000,000	77,064,300	
Denmark.....	2	46,000,000			46,000,000						46,000,000		46,000,000	
<b>Total, Europe.....</b>	<b>7</b>	<b>206,324,300</b>	<b>1</b>	<b>50,000,000</b>	<b>156,324,300</b>		<b>1</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>206,324,300</b>	<b>50,000,000</b>	<b>156,324,300</b>	
<b>North America:</b>														
Canada.....	50	118,066,914			118,066,914		20	72,565,000	3	\$3,050,000	69,515,000	190,571,914	3,050,000	187,521,914
Newfoundland.....	1	6,000,000			6,000,000						6,000,000		6,000,000	
<b>Total, North America.....</b>	<b>51</b>	<b>124,066,914</b>			<b>124,066,914</b>		<b>20</b>	<b>72,565,000</b>	<b>3</b>	<b>3,050,000</b>	<b>69,515,000</b>	<b>196,571,914</b>	<b>3,050,000</b>	<b>193,521,914</b>
<b>Latin America:</b>														
Argentina.....	1	50,000,000			50,000,000						50,000,000		50,000,000	
Bolivia.....	1	1,000,000			1,000,000						1,000,000		1,000,000	
Brazil.....	5	82,000,000			82,000,000						82,000,000		82,000,000	
Chile.....	3	44,000,000			44,000,000						44,000,000		44,000,000	
Colombia.....							2	4,600,000		4,600,000	4,600,000		4,600,000	
Cuba.....							3	33,675,000	3	10,000,000	33,675,000	10,000,000	23,675,000	
Dominican Republic.....	1	2,500,000			2,500,000						2,500,000		2,500,000	
Honduras.....							1	3,500,000	1	850,000	2,650,000	850,000	2,650,000	
Mexico.....							2	10,024,500	1	10,024,500	10,024,500		10,024,500	
Paraguay.....							1	2,272,249	1	1,080,083	2,272,249	1,080,083	1,192,166	
Uruguay.....	2	7,986,000			7,986,000						7,986,000		7,986,000	
<b>Total, Latin America.....</b>	<b>13</b>	<b>187,490,000</b>			<b>187,490,000</b>		<b>14</b>	<b>64,071,749</b>	<b>5</b>	<b>11,930,083</b>	<b>42,141,666</b>	<b>241,557,749</b>	<b>11,930,083</b>	<b>229,627,666</b>
<b>Far East:</b>														
Australia.....	1	12,000,000			12,000,000						12,000,000		12,000,000	
Netherland East Indies.....	1	3,290,000			3,290,000						3,290,000		3,290,000	
<b>Total, Far East.....</b>	<b>2</b>	<b>15,290,000</b>			<b>15,290,000</b>						<b>15,290,000</b>		<b>15,290,000</b>	

Noncontiguous American Territories and possessions:													
Alaska.....					1	1,500,000	1	125,000	1,375,000	1,800,000	125,000	1,375,000	
Hawaii.....	1	552,000		552,000						552,000		552,000	
Philippine Islands.....	2	20,025,000		20,025,000						20,025,000		20,025,000	
Porto Rico.....	2	1,592,000		1,592,000	2	9,000,000	2	4,000,000	5,000,000	10,592,000	4,000,000	6,592,000	
Total, noncontiguous American Territories and possessions.....	5	22,169,000		22,169,000	3	10,500,000	3	4,125,000	6,375,000	32,669,000	4,125,000	28,544,000	
Grand total.....	78	554,376,214	1	50,000,000	504,276,214	38	138,036,749	11	19,105,083	119,031,666	692,412,963	69,105,083	623,307,880

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Europe:													
Czechoslovakia.....	2	\$21,500,000		\$21,500,000						\$21,500,000		\$21,500,000	
Denmark.....	1	456,000		456,000	1	\$5,000,000		\$5,000,000		5,456,000		5,456,000	
France.....	5	72,975,000		72,975,000	1	10,000,000		10,000,000		82,975,000		82,975,000	
Germany.....	2	347,200		347,200	2	300,000		300,000		647,200		647,200	
Netherlands.....	2	47,400,000		47,400,000	2	18,220,000		18,220,000		65,620,000		65,620,000	
Norway.....	3	21,575,000	1	\$5,000,000	16,575,000					21,575,000	\$5,000,000	16,575,000	
Rumania.....	1	3,750,000		3,750,000						3,750,000		3,750,000	
Yugoslavia.....	1	15,250,000		15,250,000						15,250,000		15,250,000	
Total, Europe.....	17	183,253,200	1	5,000,000	178,253,200	6	38,520,000		33,520,000	216,773,200	5,000,000	211,773,200	
North America:													
Canada.....	38	181,935,884		181,935,884	29	39,906,500	2	\$2,050,000	37,856,500	221,842,884	58,550,000	163,292,884	
Newfoundland.....	1	5,000,000	4	56,500,000	125,435,884					5,000,000		5,000,000	
Total, North America.....	39	186,935,884	4	56,500,000	130,435,884	29	39,906,500	2	2,050,000	37,856,500	58,550,000	168,292,884	
Latin America:													
Argentina.....	2	28,095,000		28,095,000						28,095,000		28,095,000	
Bolivia.....	2	25,000,000	1	7,000,000	18,000,000	1	4,000,000		4,000,000	29,000,000	7,000,000	22,000,000	
Brazil.....	7	64,380,000	2	15,000,000	49,380,000					64,380,000	15,000,000	49,380,000	
Chile.....	2	19,350,000		19,350,000						19,350,000		19,350,000	
Colombia.....	2	6,000,000		6,000,000						6,000,000		6,000,000	
Cuba.....	2	16,700,000	1	2,500,000	14,200,000	1	62,420,700	3	8,621,300	53,799,400	11,121,300	67,999,400	
Haiti.....	1	16,000,000		16,000,000						16,000,000		16,000,000	
Mexico.....	2	2,750,000		2,750,000		1	4,800,000		4,800,000	4,800,000		4,800,000	
Peru.....	1	6,000,000		6,000,000						6,000,000		6,000,000	
Uruguay.....	1	6,000,000		6,000,000						6,000,000		6,000,000	
Venezuela.....	1				1	1,300,000			1,300,000	1,300,000		1,300,000	
Total, Latin America.....	21	184,275,000	4	24,500,000	159,775,000	15	72,620,700	3	8,621,300	63,899,400	256,795,700	33,121,300	223,674,400

CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTRIES, 1914-1929—  
Continued

CALENDAR YEAR 1922—Continued

Area and country	Government and Government guaranteed or controlled issues				Corporate issues				Total estimated refunding	Total net nominal capital					
	Nominal capital		Estimated refunding		Number of issues		Estimated refunding				Net nominal capital	Total nominal capital			
	Number of issues	Amount	Number of issues	Amount	Number of issues	Amount	Number of issues	Amount							
Far East:															
Australia.....	2	\$10,758,000			\$10,758,000			1	\$2,500,000	1	\$1,250,000	\$1,250,000	\$13,258,000	\$1,250,000	\$12,008,000
Netherland East Indies.....	3	100,000,000			100,000,000							100,000,000			100,000,000
Total, Far East.....	5	110,758,000			110,758,000			1	2,500,000	1	1,250,000	1,250,000	113,258,000	1,250,000	112,008,000
Noncontiguous American Territories and possessions:															
Hawaii.....	1	1,350,000			1,350,000			2	3,000,000	1	1,500,000	1,500,000	4,350,000	1,500,000	2,850,000
Philippine Islands.....	5	37,200,000			37,200,000							37,200,000			37,200,000
Porto Rico.....	11	7,829,000			7,829,000							7,829,000			7,829,000
Total, noncontiguous American Territories and possessions.....	17	46,379,000			46,379,000			2	3,000,000	1	1,500,000	1,500,000	49,379,000	1,500,000	47,879,000
Grand total.....	99	711,601,084	9	\$98,000,000	625,601,084	53	151,447,200	7	13,421,300	138,025,900	868,048,284	98,421,300	763,626,984		

CALENDAR YEAR 1923

Europe:															
Austria.....	1	\$25,000,000			\$25,000,000			1	\$1,500,000			\$1,500,000	\$26,500,000		\$26,500,000
Finland.....	1	10,000,000			10,000,000							10,000,000			10,000,000
Italy.....								2	10,569,250			10,569,250	10,569,250		10,569,250
Netherlands.....	1	3,000,000			3,000,000							3,000,000			3,000,000
Norway.....	1	20,000,000			20,000,000							20,000,000			20,000,000

Sweden.....					1	15,000,000			15,000,000	15,000,000		15,000,000	
Switzerland.....	2	23,000,000								23,000,000		23,000,000	
<b>Total, Europe.....</b>	<b>6</b>	<b>81,000,000</b>			<b>4</b>	<b>27,069,250</b>			<b>27,069,250</b>	<b>108,069,250</b>		<b>108,069,250</b>	
<b>North America: Canada.....</b>	<b>18</b>	<b>100,800,000</b>	<b>4</b>	<b>\$19,500,000</b>	<b>81,300,000</b>	<b>19</b>	<b>42,156,600</b>	<b>2</b>	<b>\$3,500,000</b>	<b>38,656,600</b>	<b>142,966,600</b>	<b>\$23,000,000</b>	<b>119,966,600</b>
<b>Latin America:</b>													
Argentina.....	1	55,000,000	1	50,000,000	5,000,000					55,000,000	50,000,000	5,000,000	
Brazil.....	1	2,000,000			2,000,000					2,000,000		2,000,000	
Cuba.....	1	50,000,000			50,000,000	7	48,249,000	1	4,000,000	44,249,000	4,000,000	94,249,000	
Honduras.....						1	2,942,500			2,942,500		2,942,500	
Panama.....	1	4,600,000			4,600,000					4,600,000		4,600,000	
Salvador.....	1	6,000,000			6,000,000					6,000,000		6,000,000	
<b>Total, Latin America.....</b>	<b>5</b>	<b>117,600,000</b>	<b>1</b>	<b>50,000,000</b>	<b>67,600,000</b>	<b>8</b>	<b>51,191,500</b>	<b>1</b>	<b>4,000,000</b>	<b>47,191,500</b>	<b>168,691,500</b>	<b>54,000,000</b>	<b>114,691,500</b>
<b>Far East:</b>													
China.....	1	252,000			252,000					252,000		252,000	
Japan.....	1	19,900,000			19,900,000					19,900,000		19,900,000	
Netherland East Indies.....	2	50,000,000			50,000,000					50,000,000		50,000,000	
Palestine.....	1	350,000			350,000					350,000		350,000	
<b>Total, Far East.....</b>	<b>5</b>	<b>70,602,000</b>			<b>70,602,000</b>					<b>70,602,000</b>		<b>70,602,000</b>	
<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	1	1,875,000			1,875,000					1,875,000		1,875,000	
Philippine Islands.....	1	2,000,000			2,000,000					2,000,000		2,000,000	
Porto Rico.....	9	3,503,000			3,503,000					3,503,000		3,503,000	
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>11</b>	<b>7,378,000</b>			<b>7,378,000</b>					<b>7,378,000</b>		<b>7,378,000</b>	
<b>Grand total.....</b>	<b>45</b>	<b>377,180,000</b>	<b>5</b>	<b>69,500,000</b>	<b>307,680,000</b>	<b>31</b>	<b>120,417,350</b>	<b>3</b>	<b>7,500,000</b>	<b>112,917,350</b>	<b>497,597,350</b>	<b>77,000,000</b>	<b>420,597,350</b>

CALENDAR YEAR 1924

<b>Europe:</b>													
Austria.....	1	\$3,000,000			\$3,000,000					\$3,000,000		\$3,000,000	
Belgium.....	2	80,000,000	1	\$22,770,000	57,230,000	1	\$10,000,000	1	\$10,000,000	90,000,000	\$32,770,000	57,230,000	
Czechoslovakia.....	2	10,750,000			10,750,000					10,750,000		10,750,000	
Finland.....	2	19,000,000			19,000,000					19,000,000		19,000,000	
France.....	5	155,000,000			155,000,000	1	4,000,000		\$4,000,000	159,000,000		159,000,000	
Germany.....	1	110,000,000			110,000,000	1	8,000,000		8,000,000	118,000,000		118,000,000	
Greece.....	1	11,000,000			11,000,000					11,000,000		11,000,000	
Hungary.....	2	9,000,000			9,000,000					9,000,000		9,000,000	
Netherlands.....	2	46,000,000			46,000,000					46,000,000		46,000,000	

CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTIES, 1914-1929—  
Continued

CALENDAR YEAR 1924—Continued

Area and country	Government and Government guaranteed or controlled issues					Corporate issues					Total estimated refunding	Total net nominal capital	
	Nominal capital		Estimated refunding		Net nominal capital	Number of issues		Estimated refunding		Net nominal capital			Total nominal capital
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>Europe—Continued.</b>													
Norway.....	5	\$32,000,000			\$32,000,000						\$32,000,000		\$32,000,000
Sweden.....	1	30,000,000			30,000,000	1	\$15,750,000	1	\$18,000,000	\$750,000	45,750,000	\$15,000,000	30,750,000
Switzerland.....	1	30,000,000			30,000,000						30,000,000		30,000,000
Total, Europe.....	25	530,650,000	1	\$22,770,000	518,890,000	4	37,750,000	2	26,000,000	12,750,000	574,400,000	47,770,000	528,630,000
<b>North America:</b>													
Canada.....	37	224,129,187	9	116,000,000	108,129,187	19	50,725,000	2	9,735,000	40,990,000	274,854,187	125,735,000	149,119,187
Newfoundland.....	1	2,500,000			2,500,000						2,500,000		2,500,000
Total, North America.....	38	226,629,187	9	116,000,000	110,629,187	19	50,725,000	2	9,735,000	40,990,000	277,354,187	125,735,000	151,619,187
<b>Latin America:</b>													
Argentina.....	6	95,490,000			95,490,000						95,490,000		95,490,000
Bolivia.....	1	3,065,000			3,065,000						3,065,000		3,065,000
Chile.....						1	40,000,000			40,000,000	40,000,000		40,000,000
Colombia.....	2	9,000,000	1	2,500,000	6,500,000						9,000,000	2,500,000	6,500,000
Cuba.....						7	33,080,000	1	6,000,000	27,080,000	33,080,000	6,000,000	27,080,000
Dominican Republic.....	1	2,500,000			2,500,000						2,500,000		2,500,000
Guatemala.....						2	3,500,000				3,500,000		3,500,000
Peru.....	1	7,000,000			7,000,000						7,000,000		7,000,000
Venezuela.....						1	1,218,750				1,218,750		1,218,750
Total, Latin America.....	11	117,065,000	1	2,500,000	114,565,000	11	78,398,750	1	6,000,000	72,398,750	195,453,750	8,500,000	186,953,750
<b>Far East: Japan.....</b>	2	147,000,000	1	65,988,500	81,011,500	1	15,000,000			15,000,000	162,000,000	65,988,500	96,011,500



<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	2	2,500,000			2,500,000					2,500,000	2,500,000		
Philippine Islands.....	1	1,500,000			1,500,000					1,500,000	1,500,000		
Porto Rico.....	6	4,010,000			4,010,000					4,010,000	4,010,000		
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>9</b>	<b>8,010,000</b>			<b>8,010,000</b>					<b>8,010,000</b>	<b>8,010,000</b>		
<b>Grand total.....</b>	<b>85</b>	<b>1,035,344,187</b>	<b>12</b>	<b>207,258,500</b>	<b>828,085,687</b>	<b>35</b>	<b>181,873,750</b>	<b>5</b>	<b>40,735,000</b>	<b>141,138,750</b>	<b>1,217,217,937</b>	<b>247,993,500</b>	<b>969,224,437</b>

CALENDAR YEAR 1925

<b>Europe:</b>													
Austria.....	3	\$10,500,000			\$10,500,000	2	\$7,400,000			\$7,400,000	\$17,900,000		\$17,900,000
Belgium.....	1	50,000,000			50,000,000	1	50,000,000			50,000,000	50,000,000		50,000,000
Czechoslovakia.....	1	21,500,000			21,500,000	1	4,000,000			4,000,000	25,500,000		25,500,000
Denmark.....	4	40,500,000	1	\$25,000,000	15,500,000	1	2,000,000			2,000,000	42,500,000	\$25,000,000	17,500,000
Finland.....	1	10,000,000			10,000,000						10,000,000		10,000,000
France.....	1	20,000,000			20,000,000						20,000,000		20,000,000
Germany.....	23	158,750,000	1	5,000,000	153,750,000	9	59,500,000			59,500,000	218,250,000	5,000,000	213,250,000
Great Britain.....	1					1	7,500,000			7,500,000	7,500,000		7,500,000
Greece.....	1					1	600,000			600,000	600,000		600,000
Hungary.....	1	13,000,000			10,000,000	1	3,000,000			3,000,000	13,000,000		13,000,000
Italy.....	1	100,000,000			100,000,000	3	20,597,400	1	\$2,000,000	18,597,400	120,597,400	2,000,000	118,597,400
Norway.....	4	40,210,000	1	18,000,000	22,210,000	2	5,800,000			5,800,000	46,010,000	18,000,000	28,010,000
Poland.....	1	35,000,000			35,000,000	1	20,250,000			20,250,000	55,250,000		55,250,000
Saar Territory.....	2	6,500,000			6,500,000						6,500,000		6,500,000
Spain (Italy).....						1	25,000,000			25,000,000	25,000,000		25,000,000
Sweden.....						1	15,000,000			15,000,000	15,000,000		15,000,000
Yugoslavia.....	2	6,000,000	1	3,000,000	3,000,000						6,000,000	3,000,000	3,000,000
International.....						1	2,850,000			2,850,000	2,850,000		2,850,000
<b>Total, Europe.....</b>	<b>45</b>	<b>508,960,000</b>	<b>4</b>	<b>51,000,000</b>	<b>457,960,000</b>	<b>25</b>	<b>173,497,400</b>	<b>1</b>	<b>2,000,000</b>	<b>171,497,400</b>	<b>682,457,400</b>	<b>53,000,000</b>	<b>629,457,400</b>
<b>North America: Canada.....</b>													
<b>Latin America:</b>	<b>24</b>	<b>182,593,500</b>	<b>10</b>	<b>117,775,000</b>	<b>64,818,500</b>	<b>31</b>	<b>82,399,250</b>	<b>3</b>	<b>10,100,000</b>	<b>72,299,250</b>	<b>284,992,750</b>	<b>127,875,000</b>	<b>137,117,750</b>
Argentina.....	7	121,431,000	4	52,000,000	69,431,000	1	350,000			350,000	121,781,000	52,000,000	69,781,000
Brazil.....	1	10,000,000			10,000,000						10,000,000		10,000,000
Chile.....	1	20,000,000			20,000,000	1	16,500,000			16,500,000	36,500,000		36,500,000
Colombia.....	2	3,500,000			3,500,000	1	10,000,000			10,000,000	13,500,000		13,500,000
Costa Rica.....	1	1,020,000			1,020,000						1,020,000		1,020,000
Cuba.....						5	18,450,000	1	1,350,000	17,100,000	18,450,000	1,350,000	17,100,000
Honduras.....						1	5,000,000	1	2,075,000	2,025,000	5,000,000	2,075,000	2,025,000
Guatemala.....						2	2,850,000			2,850,000	2,850,000		2,850,000
Panama.....	1	1,000,000			1,000,000						1,000,000		1,000,000
Peru.....	1	7,500,000	1	2,500,000	5,000,000						7,500,000	2,500,000	5,000,000
<b>Total, Latin America.....</b>	<b>14</b>	<b>164,451,000</b>	<b>5</b>	<b>54,500,000</b>	<b>109,951,000</b>	<b>11</b>	<b>53,150,000</b>	<b>2</b>	<b>4,325,000</b>	<b>48,825,000</b>	<b>217,601,000</b>	<b>58,825,000</b>	<b>158,776,000</b>

CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTRIES, 1914-1929—  
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CALENDAR YEAR 1925—Continued

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Area and country	Government and Government guaranteed or controlled issues				Net nominal capital	Corporate issues				Total estimated refunding	Total net nominal capital		
	Nominal capital		Estimated refunding			Number of issues		Estimated refunding				Net nominal capital	Total nominal capital
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>Far East:</b>													
Australia.....	1	\$75,000,000			\$75,000,000					\$75,000,000		\$75,000,000	
Japan.....						4	\$66,500,000			\$66,500,000		\$66,500,000	
Netherland East Indies.....						1	200,000			200,000		200,000	
<b>Total, Far East.....</b>	<b>1</b>	<b>75,000,000</b>			<b>75,000,000</b>	<b>5</b>	<b>66,700,000</b>			<b>66,700,000</b>	<b>141,700,000</b>	<b>141,700,000</b>	
<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	2	8,500,000			3,500,000	1	750,000			750,000	4,240,000	4,240,000	
Philippine Islands.....	1	1,000,000			1,000,000					1,000,000	1,000,000	1,000,000	
Porto Rico.....	4	4,075,000			4,075,000					4,075,000	4,075,000	4,075,000	
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>7</b>	<b>8,665,000</b>			<b>8,665,000</b>	<b>1</b>	<b>750,000</b>			<b>750,000</b>	<b>9,415,000</b>	<b>9,415,000</b>	
<b>Grand total.....</b>	<b>91</b>	<b>\$39,669,500</b>	<b>19</b>	<b>\$223,275,000</b>	<b>716,394,500</b>	<b>73</b>	<b>\$70,490,050</b>	<b>6</b>	<b>\$16,425,000</b>	<b>\$80,071,050</b>	<b>1,316,166,150</b>	<b>\$239,700,000</b>	<b>1,076,466,150</b>

CALENDAR YEAR 1926

<b>Europe:</b>													
Austria.....	2	\$6,000,000			\$6,000,000					\$6,000,000		\$6,000,000	
Belgium.....	2	52,000,000			52,000,000					52,000,000		52,000,000	
Bulgaria.....	1	4,500,000			4,500,000					4,500,000		4,500,000	
Denmark.....	1	12,000,000			12,000,000	1	\$104,350			\$104,350		12,000,000	
Finland.....												12,000,000	
Germany.....	28	151,138,250	1	\$5,000,000	146,138,250	26	143,108,720			143,108,720	294,248,970	\$5,000,000	289,248,970
Great Britain.....						2	6,250,000	1	\$6,000,000	250,000	6,250,000	6,000,000	250,000

Hungary.....	1	6,000,000			6,000,000	3	8,250,000			8,250,000	14,250,000		14,250,000
Italy.....	2	20,337,500			20,337,500	5	19,748,000			19,748,000	40,085,500		40,085,500
Luxemborg.....										7,500,000	7,500,000		7,500,000
Norway.....	1	4,000,000	1	3,473,000	527,000						4,000,000	3,473,000	527,000
Poland.....						2	19,000,000			19,000,000	19,000,000		19,000,000
Spain (and Italy).....						1	19,400,000			19,400,000	19,400,000		19,400,000
Sweden.....						1	19,105,350			19,105,350	19,105,350		19,105,350
Yugoslavia.....	2	60,00,000	2	6,000,000							6,000,000		6,000,000
<b>Total, Europe.....</b>	<b>40</b>	<b>261,975,750</b>	<b>4</b>	<b>14,473,000</b>	<b>247,502,750</b>	<b>42</b>	<b>242,528,420</b>	<b>1</b>	<b>6,000,000</b>	<b>236,528,420</b>	<b>504,502,170</b>	<b>20,473,000</b>	<b>484,029,170</b>
<b>North America:</b>													
Canada.....	22	120,227,800	6	55,800,000	64,427,800	45	188,813,000	8	26,688,500	161,624,500	308,540,800	82,488,800	226,052,300
Newfoundland.....						1	250,000			250,000	250,000		250,000
<b>Total, North America.....</b>	<b>22</b>	<b>120,227,800</b>	<b>6</b>	<b>55,800,000</b>	<b>64,427,800</b>	<b>46</b>	<b>188,563,000</b>	<b>8</b>	<b>26,688,500</b>	<b>161,874,500</b>	<b>308,790,800</b>	<b>82,488,800</b>	<b>226,302,800</b>
<b>Latin America:</b>													
Argentina.....	6	84,468,000	1	5,600,000	78,868,000						84,468,000	5,600,000	78,868,000
Bolivia.....						1	5,000,000			5,000,000	5,000,000		5,000,000
Brazil.....	5	69,879,762			69,879,762						69,879,762		69,879,762
British West Indies.....						1	1,500,000			1,500,000	1,500,000		1,500,000
Chile.....	5	75,181,200	1	10,000,000	65,181,200	1	35,000,000	1	34,990,500	9,500	110,181,200	44,990,500	65,190,700
Colombia.....	9	28,320,250	1	750,000	27,570,250	2	9,260,000			9,260,000	37,570,250	750,000	36,820,250
Costa Rica.....	1	8,000,000			8,000,000						8,000,000		8,000,000
Cuba.....						8	61,476,000	2	2,876,000	58,600,000	61,476,000	2,876,000	58,600,000
Dominican Republic.....	1	3,300,000	1	2,800,000	500,000						3,300,000	2,800,000	500,000
Guatemala.....						1	3,500,000			3,500,000	3,500,000		3,500,000
Honduras.....	1	500,000			500,000						500,000		500,000
Mexico.....						1	1,100,000			1,100,000	1,100,000		1,100,000
Panama.....	3	5,800,000			5,800,000						5,800,000		5,800,000
Peru.....	1	4,000,000			4,000,000						4,000,000		4,000,000
Salvador.....	2	1,520,000			1,520,000						1,520,000		1,520,000
Uruguay.....	2	31,671,000			31,671,000						31,671,000		31,671,000
Venezuela.....						2	5,730,000			5,730,000	5,730,000		5,730,000
<b>Total, Latin America.....</b>	<b>36</b>	<b>302,640,212</b>	<b>4</b>	<b>19,150,000</b>	<b>283,490,212</b>	<b>17</b>	<b>122,556,000</b>	<b>3</b>	<b>37,866,500</b>	<b>84,689,500</b>	<b>425,196,212</b>	<b>57,016,500</b>	<b>368,179,712</b>
<b>Far East: Japan.....</b>	<b>1</b>	<b>19,740,000</b>			<b>19,740,000</b>	<b>2</b>	<b>12,000,000</b>			<b>12,000,000</b>	<b>31,740,000</b>		<b>31,740,000</b>
<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	3	4,345,000			4,345,000						4,345,000		4,345,000
Philippine Islands.....	1	329,500			329,500	1	3,960,000	1	2,500,000	1,460,000	4,289,500	2,500,000	1,789,500
Porto Rico.....	15	5,748,000			5,748,000	4	3,847,500	1	500,000	3,347,500	9,595,500	500,000	9,095,500
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>19</b>	<b>10,422,500</b>			<b>10,422,500</b>	<b>5</b>	<b>7,807,500</b>	<b>2</b>	<b>3,000,000</b>	<b>4,807,500</b>	<b>18,230,000</b>	<b>3,000,000</b>	<b>15,230,000</b>
<b>Grand total.....</b>	<b>118</b>	<b>715,006,262</b>	<b>13</b>	<b>89,423,000</b>	<b>625,583,262</b>	<b>112</b>	<b>573,452,920</b>	<b>14</b>	<b>73,655,000</b>	<b>499,897,920</b>	<b>1,288,459,182</b>	<b>162,978,000</b>	<b>1,125,481,182</b>

CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTRIES, 1914-1929—  
Continued

CALENDAR YEAR 1927

Area and country	Government and Government guaranteed or controlled issues				Net nominal capital	Corporate issues				Total estimated refunding	Total net nominal capital		
	Nominal capital		Estimated refunding			Number of issues		Estimated refunding				Net nominal capital	Total nominal capital
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>Europe:</b>													
Austria.....	3	\$26,111,500			\$26,111,500	2	\$6,109,375			\$6,109,375	\$32,220,875	\$32,220,875	
Belgium.....						1	14,130,000			14,130,000	14,130,000	14,130,000	
Czechoslovakia.....						1	1,500,000			1,500,000	1,500,000	1,500,000	
Danzig (Free City of).....	1	3,000,000			3,000,000					3,000,000	3,000,000	3,000,000	
Denmark.....	4	24,046,500	1	\$5,000,000	19,046,500					24,046,500	\$5,000,000	19,046,500	
Estonia.....	1	4,000,000			4,000,000					4,000,000	4,000,000	4,000,000	
France.....	2	50,550,000	1	50,000,000	550,000					50,550,000	50,000,000	550,000	
Germany.....	13	150,405,000	1	4,000,000	146,405,000	6	80,120,000	1	\$5,000,000	75,120,000	230,525,000	221,525,000	
Great Britain.....						4	5,908,750			5,908,750	5,908,750	5,908,750	
Hungary.....	2	13,250,000	1	8,000,000	10,250,000	8	12,993,000			12,993,000	28,243,000	3,000,000	
Ireland.....	1	15,000,000			15,000,000					15,000,000	15,000,000	15,000,000	
Italy.....	4	67,150,000			67,150,000	9	53,250,000			63,250,000	120,400,000	120,400,000	
Netherlands.....						1	727,500			727,500	727,500	727,500	
Norway.....	2	8,750,000	1	2,500,000	6,250,000	2	20,715,500			20,715,500	29,465,500	2,500,000	
Poland.....	1	47,000,000			47,000,000					47,000,000	47,000,000	47,000,000	
Saar Territory.....	3	5,000,000			5,000,000					5,000,000	5,000,000	5,000,000	
Yugoslavia.....	3	37,035,000			37,035,000					37,035,000	37,035,000	37,035,000	
<b>Total, Europe.....</b>	<b>40</b>	<b>451,298,000</b>	<b>5</b>	<b>64,500,000</b>	<b>386,798,000</b>	<b>34</b>	<b>195,454,125</b>	<b>1</b>	<b>5,000,000</b>	<b>190,454,125</b>	<b>646,752,125</b>	<b>69,500,000</b>	<b>577,252,125</b>
<b>North America:</b>													
Canada.....	42	161,926,250	3	44,500,000	117,426,250	55	145,885,145	5	31,465,000	114,420,145	307,811,395	75,965,000	231,846,395
Newfoundland.....	1	4,535,000			4,535,000					4,535,000	4,535,000	4,535,000	
<b>Total, North America.....</b>	<b>43</b>	<b>166,461,250</b>	<b>3</b>	<b>44,500,000</b>	<b>121,961,250</b>	<b>55</b>	<b>145,885,145</b>	<b>5</b>	<b>31,465,000</b>	<b>114,420,145</b>	<b>312,346,395</b>	<b>75,965,000</b>	<b>236,381,395</b>
<b>Latin America:</b>													
Argentina.....	12	109,102,000	1	27,000,000	82,102,000						109,102,000	27,000,000	82,102,000
Bolivia.....	1	11,885,000			11,885,000	1	700,000			700,000	12,585,000	12,585,000	
Brazil.....	5	62,280,000			62,280,000	2	4,600,000			4,600,000	66,780,000	66,780,000	
Chile.....	3	23,383,300	1	10,000,000	13,383,300						23,383,300	10,000,000	
Colombia.....	12	53,200,000	1	5,000,000	48,200,000	6	15,470,000			15,470,000	63,670,000	5,000,000	

Costa Rica.....	1	1,800,000		1,800,000					1,800,000		1,800,000		
Cuba.....	1	9,000,000		9,000,000	4	62,750,000	3	39,510,000	23,240,000	71,750,000	39,510,000		
Dominican Republic.....	1	5,000,000		5,000,000					5,000,000		5,000,000		
Guatemala (and Salvador).....					2	6,050,000			6,050,000	6,050,000	6,050,000		
Mexico.....					2	2,384,000			2,384,000	2,384,000	2,384,000		
Panama.....	2	1,500,000		1,500,000					1,500,000		1,500,000		
Peru.....	2	53,980,000	1	12,029,000	41,931,000				53,980,000	12,029,000	41,931,000		
Venezuela.....	2				2	10,275,000			10,275,000	10,275,000	10,275,000		
<b>Total, Latin America.....</b>	<b>41</b>	<b>331,110,300</b>	<b>4</b>	<b>54,029,000</b>	<b>277,081,300</b>	<b>19</b>	<b>102,129,000</b>	<b>3</b>	<b>39,510,000</b>	<b>62,619,000</b>	<b>433,239,300</b>	<b>93,539,000</b>	<b>339,700,300</b>
<b>Far East:</b>													
Australia.....	4	92,430,000		92,430,000						92,430,000		92,430,000	
Australia and New Zealand.....	1				1	4,000,000			4,000,000	4,000,000		4,000,000	
Japan.....	1	20,640,000		20,640,000	1	7,650,000			7,650,000	28,290,000		28,290,000	
Netherland East Indies.....					2	26,500,000			26,500,000	26,500,000		26,500,000	
<b>Total, Far East.....</b>	<b>5</b>	<b>113,070,000</b>		<b>113,070,000</b>	<b>4</b>	<b>38,150,000</b>			<b>38,150,000</b>	<b>151,220,000</b>		<b>151,220,000</b>	
<b>Noncontiguous American Territories and possessions:</b>													
Hawaii.....	6	5,185,000		5,185,000	1	2,500,000			2,500,000	7,685,000		7,685,000	
Philippine Islands.....	3	3,003,000		3,003,000	1	2,250,000			2,250,000	5,253,000		5,253,000	
Porto Rico.....	7	4,385,000		4,385,000	7	16,533,440	1	1,650,000	14,883,440	20,918,440	1,650,000	19,268,440	
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>15</b>	<b>12,573,000</b>		<b>12,573,000</b>	<b>9</b>	<b>21,283,440</b>	<b>1</b>	<b>1,650,000</b>	<b>19,633,440</b>	<b>33,856,440</b>	<b>1,650,000</b>	<b>32,206,440</b>	
<b>Grand total.....</b>	<b>144</b>	<b>1,074,512,550</b>	<b>12</b>	<b>163,029,000</b>	<b>911,483,550</b>	<b>121</b>	<b>502,901,710</b>	<b>10</b>	<b>77,625,000</b>	<b>426,276,710</b>	<b>1,577,414,280</b>	<b>240,654,000</b>	<b>1,336,760,280</b>

CALENDAR YEAR 1928

<b>Europe:</b>													
Austria.....	1	\$3,500,000		\$3,500,000						\$3,500,000		\$3,500,000	
Belgium.....	2	14,275,000		14,275,000						14,275,000		14,275,000	
Bulgaria.....	1	9,000,000		9,000,000						9,000,000		9,000,000	
Denmark.....	4	61,500,000	2	\$13,000,000	48,500,000					61,500,000	\$13,000,000	48,500,000	
Finland.....	1	11,000,000		11,000,000		1	\$7,000,000		\$7,000,000	18,000,000		18,000,000	
France.....	2	13,750,000	1	9,760,000	3,990,000	1	3,500,000		3,500,000	17,250,000	9,760,000	7,490,000	
Germany.....	27	186,370,000	2	10,000,000	176,370,000	17	108,106,500	1	\$5,250,000	100,856,500	292,476,500	277,226,500	
Great Britain.....	1	14,000,000	2		14,000,000	5	10,577,500		10,577,500	24,577,500		24,577,500	
Greece.....	1	15,000,000		15,000,000						15,000,000		15,000,000	
Hungary.....	3	10,400,000		10,400,000		6	16,050,000		10,050,000	26,450,000		26,450,000	
Ireland.....						1	875,000		875,000	875,000		875,000	
Italy.....						10	65,462,500		65,462,500	65,462,500		65,462,500	
Norway.....	3	44,000,000		44,000,000						44,000,000		44,000,000	
Poland.....	2	17,000,000		17,000,000						17,000,000		17,000,000	
Sweden.....	2				1	29,070,000		1	15,000,000	14,070,000	15,000,000	14,070,000	
Switzerland.....					3	12,480,000				12,480,000		12,480,000	
<b>Total Europe.....</b>	<b>48</b>	<b>399,795,000</b>	<b>5</b>	<b>32,700,000</b>	<b>367,095,000</b>	<b>45</b>	<b>251,121,500</b>	<b>2</b>	<b>20,250,000</b>	<b>230,871,500</b>	<b>650,916,500</b>	<b>53,010,000</b>	<b>597,906,500</b>

## CLASSIFICATION OF FOREIGN CAPITAL ISSUES PUBLICLY OFFERED IN THE UNITED STATES, BY AREAS AND COUNTRIES, 1914-1929—Con.

CALENDAR YEAR 1928—Continued

Area and country	Government and Government guaranteed or controlled issues					Corporate issues						Total estimated refunding	Total net nominal capital
	Nominal capital		Estimated refunding		Net nominal capital	Number of issues		Estimated refunding		Net nominal capital	Total nominal capital		
	Number of issues	Amount	Number of issues	Amount		Number of issues	Amount	Number of issues	Amount				
<b>North America:</b>													
Canada.....	14	\$72,026,500			\$72,026,500	44	\$160,473,300	5	\$52,500,000	\$107,973,300	\$232,499,800	\$52,500,000	\$179,999,800
Newfoundland.....						1	4,866,000			4,866,000	4,866,000		4,866,000
<b>Total, North America.....</b>	<b>14</b>	<b>72,026,500</b>			<b>72,026,500</b>	<b>45</b>	<b>165,339,300</b>	<b>5</b>	<b>52,500,000</b>	<b>112,839,300</b>	<b>237,365,800</b>	<b>52,500,000</b>	<b>184,865,800</b>
<b>Latin America:</b>													
Argentina.....	5	51,893,000	2	\$35,709,500	16,183,500	3	62,640,000			62,640,000	114,533,000	35,709,500	78,823,500
Bolivia.....	1	19,880,000	1	1,000,000	18,880,000						19,880,000	1,000,000	18,880,000
Brazil.....	8	78,245,000	1	13,000,000	65,245,000						78,245,000	13,000,000	65,245,000
Chile.....	4	79,912,000	2	33,000,000	46,912,000	1	1,500,000			1,500,000	81,412,000	33,000,000	48,412,000
Colombia.....	11	70,318,000	2	5,726,000	64,592,000	2	3,840,000			3,840,000	74,158,000	5,726,000	68,432,000
Cuba.....	1	10,000,000			10,000,000	4	6,900,000	1	1,000,000	5,900,000	16,900,000	1,000,000	15,900,000
Dominican Republic.....	1	4,000,000			4,000,000	1	2,250,000			2,250,000	6,250,000		6,250,000
Guatemala.....		550,000			550,000						550,000		550,000
Guatemala and Salvador.....						1	3,000,000			3,000,000	3,000,000		3,000,000
Honduras.....						2	1,750,000			1,750,000	1,750,000		1,750,000
Nicaragua.....						1	1,000,000			1,000,000	1,000,000		1,000,000
Panama.....	1	10,800,000	1	6,218,913	4,581,087						10,800,000	6,218,913	4,581,087
Peru.....	2	20,500,000	1	13,246,000	7,254,000						20,500,000	13,246,000	7,254,000
Venezuela.....						1	10,000,000			10,000,000	10,000,000		10,000,000
<b>Total, Latin America.....</b>	<b>35</b>	<b>346,098,000</b>	<b>10</b>	<b>107,900,413</b>	<b>238,197,587</b>	<b>16</b>	<b>92,880,000</b>	<b>1</b>	<b>1,000,000</b>	<b>91,880,000</b>	<b>438,978,000</b>	<b>108,900,413</b>	<b>330,077,587</b>
<b>Far East:</b>													
Australia.....	2	56,500,000			56,500,000						56,500,000		56,500,000
Japan.....	1	19,900,000			19,900,000	2	78,000,000	1	24,000,000	54,000,000	97,900,000		73,900,000
Netherlands East Indies.....						1	436,880			436,880	436,880		436,880
<b>Total, Far East.....</b>	<b>3</b>	<b>76,400,000</b>			<b>76,400,000</b>	<b>3</b>	<b>78,436,880</b>	<b>1</b>	<b>24,000,000</b>	<b>54,436,880</b>	<b>154,836,880</b>		<b>130,836,880</b>
<b>Noncontiguous American Territories and possessions:</b>													
Alaska.....						2	750,000			750,000	750,000		750,000
Hawaii.....	3	3,575,000			3,575,000						3,575,000		3,575,000

Philippine Islands.....	4	2,110,000		2,110,000					2,110,000		2,110,000		
Porto Rico.....	2	476,800		476,800	1	353,000		353,000	829,800		829,800		
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>9</b>	<b>6,161,500</b>		<b>6,161,500</b>	<b>3</b>	<b>1,103,000</b>		<b>1,103,000</b>	<b>7,264,500</b>		<b>7,264,500</b>		
<b>Grand total.....</b>	<b>109</b>	<b>800,481,000</b>	<b>15</b>	<b>140,660,413</b>	<b>759,820,587</b>	<b>112</b>	<b>688,880,680</b>	<b>9</b>	<b>97,750,000</b>	<b>491,130,680</b>	<b>1,489,361,680</b>	<b>238,410,413</b>	<b>1,250,951,267</b>

CALENDAR YEAR 1929

<b>Europe:</b>													
Denmark.....	1	\$3,575,000	1	\$2,000,000	\$1,575,000				\$3,575,000	\$2,000,000	\$1,575,000		
France.....						1	\$200,000		\$200,000	200,000	200,000		200,000
Germany.....	5	21,478,000	1	2,000,000	19,478,000	5	10,149,000		10,149,000	81,625,000	2,000,000		20,625,000
Great Britain.....						8	19,000,597		19,000,597	19,000,597			19,000,597
Italy.....						6	13,700,000		13,700,000	13,700,000			13,700,000
Sweden.....						4	64,671,339		64,671,339	64,671,339			64,671,339
Rumania.....	1	5,419,500			5,419,500					5,419,500			5,419,500
International.....						2	7,720,745		7,720,745	7,720,745			7,720,745
<b>Total, Europe.....</b>	<b>7</b>	<b>30,470,500</b>	<b>2</b>	<b>4,000,000</b>	<b>26,470,500</b>	<b>26</b>	<b>115,501,681</b>		<b>115,501,681</b>	<b>145,672,181</b>	<b>4,000,000</b>		<b>141,672,181</b>
<b>North America: Canada.....</b>	<b>29</b>	<b>159,710,600</b>	<b>6</b>	<b>18,486,875</b>	<b>141,223,725</b>	<b>49</b>	<b>149,019,700</b>	<b>1</b>	<b>\$550,000</b>	<b>148,469,700</b>	<b>308,730,800</b>	<b>19,036,875</b>	<b>289,663,425</b>
<b>Latin America:</b>													
Argentina.....	1	1,500,000	1	1,500,000		3	3,185,000		3,185,000	4,685,000	1,500,000		3,185,000
Brazil.....	2	16,880,000			10,898,000	2	5,485,000		5,485,000	16,383,000			16,383,000
Chile.....	3	42,400,000			42,400,000	1	28,000,000		28,000,000	70,400,000			70,400,000
Colombia.....	1	1,750,000			1,750,000					1,750,000			1,750,000
Cuba.....	1	10,000,000			10,000,000	2	7,927,500		7,927,500	17,927,500			17,927,500
Mexico.....						2	1,337,500		1,337,500	1,337,500			1,337,500
Panama.....	1	500,000			500,000	1	940,000		940,000	1,440,000			1,440,000
Venezuela.....						1	2,700,000		2,700,000	2,700,000			2,700,000
International.....						2	59,827,200		59,827,200	59,827,200			59,827,200
<b>Total, Latin America.....</b>	<b>9</b>	<b>67,048,000</b>	<b>1</b>	<b>1,500,000</b>	<b>65,548,000</b>	<b>15</b>	<b>109,402,200</b>		<b>109,402,200</b>	<b>176,450,200</b>	<b>1,500,000</b>		<b>174,950,200</b>
<b>Far East:</b>													
China.....						1	50,000,000		50,000,000	50,000,000			50,000,000
Japan.....						1	11,450,000	1	10,000,000	11,450,000	10,000,000		11,450,000
<b>Total, Far East.....</b>						<b>2</b>	<b>61,450,000</b>	<b>1</b>	<b>10,000,000</b>	<b>61,450,000</b>	<b>10,000,000</b>		<b>61,450,000</b>
<b>Noncontiguous American Territories and possessions:</b>													
Alaska.....						3	5,200,000		5,200,000	5,200,000			5,200,000
Hawaii.....	3	3,520,000			3,520,000	1	375,000		375,000	3,895,000			3,895,000
Philippine Islands.....	1	500,000			500,000	1	2,500,000		2,500,000	3,000,000			3,000,000
Porto Rico.....	2	1,070,000			1,070,000					1,070,000			1,070,000
<b>Total, noncontiguous American Territories and possessions.....</b>	<b>6</b>	<b>5,090,000</b>			<b>5,090,000</b>	<b>5</b>	<b>8,075,000</b>		<b>8,075,000</b>	<b>13,165,000</b>			<b>13,165,000</b>
<b>Grand total.....</b>	<b>51</b>	<b>262,319,100</b>	<b>9</b>	<b>23,986,875</b>	<b>238,332,225</b>	<b>97</b>	<b>443,448,581</b>	<b>2</b>	<b>10,550,000</b>	<b>432,888,581</b>	<b>705,767,681</b>	<b>34,536,875</b>	<b>671,280,906</b>

**APPENDIX D**

**PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1929**

Issuer	Amount <sup>1</sup>	Refunding
<b>1915</b>		
<b>NORTH AMERICA</b>		
Canada:		
Granby Consolidated Mining, Smelting & Power Co., (Ltd.) (bonds).....	\$2,000,000	\$850,00
Bell Telephone of Canada (debentures).....	3,699,000	
<b>LATIN AMERICA</b>		
Chile: Chile Copper Co. (bonds).....	15,000,000	
Cuba:		
Havana Electric Railway, Light & Power Co. (notes).....	2,000,000	
Manati Sugar Co. (bonds).....	2,500,000	
Cardenas-American Sugar Co. (preferred stock).....	1,250,000	
Punta Alegre Sugar Co. (bonds).....	1,250,000	
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>		
Porto Rico: Porto Rico Telephone Co. (bonds).....	600,000	375,00
<b>1916</b>		
<b>NORTH AMERICA</b>		
Canada:		
Goodyear Tire & Rubber Co. of Canada (Ltd.) (preferred stock).....	850,000	
United Cigar Stores (Ltd.) (preferred stock).....	400,000	
Oxford Paper Co. (notes).....	875,000	
<b>LATIN AMERICA</b>		
Argentina: International Portland Cement Corp. (common and preferred stock).....	2,500,000	
Chile: Braden Copper Mines (bonds).....	15,000,000	
Cuba:		
Cuba Cane Sugar Corporation (preferred stock).....	50,000,000	
Cuban Portland Cement Co. (common stock).....	1,500,000	
Manati Sugar Co. (bonds).....	4,000,000	
Punta Alegre Sugar Co. (common stock).....	2,000,000	
Punta Alegre Sugar Co. (bonds).....	3,000,000	
Cuba Railroad Co. (notes).....	3,000,000	
Cuban Sugar Mills Corporation (bonds).....	1,500,000	
Central Teresa Sugar Co. (notes).....	1,000,000	
Mexico:		
Fan American Petroleum & Transport Co. (preferred stock).....	10,000,000	
<b>1917</b>		
<b>NORTH AMERICA</b>		
Canada:		
United States Rubber Co. (bonds).....	6,900,000	2,500,00
Pacific Mills (Ltd.) (bonds).....	2,000,000	
Canadian Westinghouse Co. (Ltd.) (common stock).....	1,000,000	
Wm. A. Rogers (Ltd.) (bonds).....	600,000	
United Cigar Stores (Ltd.) (preferred stock).....	372,000	
Imperial Oil Co. (Ltd.) (common stock).....	4,000,000	
<b>LATIN AMERICA</b>		
Chile: Chile Copper Co. (bonds).....	35,000,000	
Cuba:		
Central Cuba Sugar Corporation (preferred stock).....	3,000,000	
Havana Electric Railway, Light & Power Co. (preferred stock).....	6,000,000	
Central Teresa Sugar Co. (notes).....	1,000,000	
Cuban-American Sugar Co. (bonds).....	6,000,000	6,000,00
Haiti: Haitian American Corporation (preferred stock).....	5,500,000	
<b>NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS</b>		
Alaska: Alaska Anthracite R. R. Co. (bonds).....	125,000	
Porto Rico: West Porto Rico Sugar Co. (preferred stock).....	2,000,000	

<sup>1</sup> Amount taken in the United States.



PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1929—Continued

Issuer	Amount	Refunding
1919		
NORTH AMERICA		
Canada:		
Canadian Connecticut Cotton Mills (Ltd.) (preferred stock).....	\$2,000,000	-----
Goodyear Tire & Rubber Co. of Canada (preferred stock).....	2,000,000	-----
LATIN AMERICA		
Colombia:		
South American Gold & Platinum Co. (common stock).....	1,500,000	-----
Carib Syndicate (Ltd.) (common stock).....	878,000	-----
Cuba:		
Cuba Railway (bonds).....	1,150,000	-----
West India Sugar Finance Corporation (bonds).....	5,000,000	-----
West India Sugar Finance Corporation (preferred stock).....	3,500,000	-----
Central Teresa Sugar Co. (preferred stock).....	1,750,000	-----
Manati Sugar Co. (common and preference stock).....	4,365,600	\$1,699,600
Haiti: Haitian American Corporation (notes).....	3,000,000	-----
Mexico: Mexican-Panuco Oil Co. (common stock).....	676,900	-----
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Porto Rico: South Porto Rico Sugar Co. (preferred stock).....	1,005,000	-----
Hawaii: Hawaiian Pineapple Co. (Ltd.) (common stock).....	400,000	-----
Philippine Islands: Manila Electric Railway & Lighting Corporation (notes).....	1,500,000	-----
1920		
EUROPE		
Great Britain: Liggett's International (Ltd.) (preferred stock).....	7,500,000	-----
NORTH AMERICA		
Canada:		
Granby Consolidated Mining, Smelting & Power Co. (Ltd.) (debentures).....	2,500,000	-----
Bell Telephone Co. (bonds).....	5,000,000	-----
LATIN AMERICA		
Colombia: Colombia Syndicate (common stock).....	1,650,000	-----
Cuba:		
Central Sugar Corporation (notes).....	3,000,000	-----
Cuba Cane Sugar Corporation (debentures).....	25,000,000	-----
Cuba Railroad (equipment trust certificates).....	1,700,000	-----
Caracas Sugar Co. (common stock).....	500,000	-----
Mexico:		
Mexico Oil Corporation (common stock).....	400,000	-----
American Metal Co. (Ltd.) (common stock).....	7,000,000	-----
Florian & Co. (Ltd.) (common stock).....	800,000	-----
United States Mexican Oil Corporation (notes).....	1,000,000	-----
Peru: Cerro de Pasco Copper Corporation (bonds).....	8,000,000	-----
1921		
NORTH AMERICA		
Canada:		
Border Cities Hotel Co. (Ltd.) (bonds).....	400,000	-----
Durant Motors of Canada (Ltd.) (common stock).....	750,000	-----
International Paper Co. (bonds).....	12,500,000	2,500,000
LATIN AMERICA		
Cuba:		
Caribbean Sugar Co. (common stock).....	3,375,000	-----
Caribbean Sugar Co. (notes).....	1,500,000	-----
Cuban-American Sugar Co. (bonds).....	10,000,000	5,000,000
Havana Docks Corporation (bonds).....	3,300,000	-----
Havana Electric Railway, Light & Power Co. (notes).....	1,500,000	-----
Cuban Telephone Co. (bonds).....	4,000,000	3,000,000
Cuba Railway (bonds).....	4,000,000	2,000,000
Colombia:		
Mid-Colombia Oil Development Co. (common stock).....	1,000,000	-----
Andes Corporation (common stock).....	3,600,000	-----
Honduras: Cuyamaí Fruit Co. (bonds).....	3,500,000	850,000
Mexico:		
Mexican Petroleum Co. (bonds).....	10,000,000	-----
Mexican Eagle Oil Co. (Ltd.) (common stock).....	24,500	-----
Paraguay: International Products Co. (notes).....	2,27,2492	1,080,083

## PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1929—Continued

Issuer	Amount	Refunding
1921—Continued		
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Alaska: Alaska Anthracite Railway (bonds).....	\$1,500,000	\$125,000
Porto Rico:		
Porto Rican American Tobacco Co. (bonds).....	3,000,000	1,000,000
South Porto Rico Sugar Co. (bonds).....	6,000,000	3,000,000
1922		
NORTH AMERICA		
Canada:		
Canadian General Electric Co. (debentures).....	5,000,000	-----
Bell Telephone Co. (common stock).....	1,000,000	-----
Firestone Tire & Rubber Co. (Ltd.) (bonds).....	1,500,000	-----
LATIN AMERICA		
Cuba:		
New Niquero Sugar Co. (bonds).....	1,000,000	-----
Manati Sugar Co. (bonds).....	8,000,000	-----
Cuban-American Sugar Co. (preferred stock).....	500,000	-----
Francisco Sugar Co. (bonds).....	5,000,000	1,121,300
Punta Alegre Sugar Co. (debentures).....	6,820,700	-----
Baragua Sugar Co. (bonds).....	4,500,000	-----
Havana Electric Railway, Light & Power Co. (bonds).....	3,600,000	1,500,000
Eastern Cuba Sugar Corporation (bonds).....	10,000,000	-----
Sugar Estates of Oriente (bonds).....	6,000,000	6,000,000
Sevilla-Biltmore Hotel Corporation (bonds).....	2,000,000	-----
Camaguey Sugar Co. (bonds).....	6,000,000	-----
Vertientes Sugar Co. (bonds).....	10,000,000	-----
Mexico: Mexican Seaboard Oil Co. (common stock).....	4,800,000	-----
Venezuela: Venezuelan Petroleum Co. (common stock).....	1,300,000	-----
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Hawaii: Honolulu Rapid Transit & Land Co. (common stock).....	500,000	-----
Philippine Islands: Manila Electric Co. (bonds).....	2,500,000	1,500,000
1923		
EUROPE		
Italy: Italian Power Co. (bonds).....	2,000,000	-----
Sweden: International Match Corporation (debentures).....	15,000,000	-----
NORTH AMERICA		
Canada: Continental Paper Products (Ltd.) (bonds).....	500,000	-----
LATIN AMERICA		
Cuba:		
Santa Ana Sugar Co. (bonds).....	3,225,000	-----
International Telephone & Telegraph Co. (common stock).....	3,425,000	-----
Beattie Sugar Co. (bonds).....	3,000,000	-----
Ermita Sugar Co. (bonds).....	1,300,000	-----
Violet Sugar Co. (bonds).....	679,000	-----
American & Foreign Power Co. (Inc.) (preferred stock).....	30,720,000	-----
Warner Sugar Corporation (bonds).....	6,000,000	4,000,000
Honduras: Cuyamel Fruit Co. (common stock).....	2,942,500	-----
1924		
EUROPE		
France: International Power Securities Corporation (bonds).....	4,000,000	-----
Sweden: International Match Co. (preferred stock).....	15,750,000	15,000,000
NORTH AMERICA		
Canada:		
Bell Telephone Co. of Canada (common stock).....	2,000,000	-----
King Edward Hotel Co. (Ltd.) (bonds).....	1,000,000	-----
St. Regis Paper Co. (Ltd.) (debentures).....	1,500,000	-----
Pacific Mills (Ltd.) (bonds).....	1,875,000	-----
Foundation Co. of Canada (Ltd.) (preferred stock).....	350,000	-----

## PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1929—Continued

Issuer	Amount	Refunding
1924—Continued		
LATIN AMERICA		
Chile: Andes Copper Mining Co. (debentures).....	\$40,000,000	-----
Cuba:		
Antilla Sugar Co. (bonds).....	6,000,000	-----
Cuba Northern Rys. (equipment certificates).....	1,650,000	-----
Sugar Estates of Oriente (preferred stock).....	2,000,000	-----
Ferrer Sugar Co. (bonds).....	1,500,000	-----
Cuba Northern Rys. (bonds).....	4,500,000	-----
Cuban Dominican Sugar Co. (bonds).....	15,000,000	\$6,000,000
Guatemala and Salvador:		
International Railways of Central America (bonds).....	1,000,000	-----
Do.....	2,500,000	-----
Venezuela: Venezuelan Petroleum Co. (common stock).....	1,218,750	-----
1925		
EUROPE		
Austria: European Mortgage & Investment Corporation (bonds).....	2,400,000	-----
Italy: International Power Securities Corporation (bonds).....	10,000,000	2,000,000
Norway:		
Norwegian Nitrogen Co. (bonds).....	1,800,000	-----
Sanda Falls Co. (Ltd.) (bonds).....	4,000,000	-----
Poland: International Match Co. (preferred stock).....	20,250,000	-----
Spain-Italy: International Telephone & Telegraph Co. (debentures).....	25,000,000	-----
Sweden: Swedish American Investment Corporation (preferred stock).....	15,000,000	-----
International: Foundation Co. (common stock).....	2,850,000	-----
NORTH AMERICA		
Canada:		
Canadian General Electric Co. (preference and common stock).....	2,600,000	2,600,000
Bell Telephone Co. of Canada (bonds).....	15,000,000	5,000,000
International Paper Co. (bonds).....	15,587,770	-----
Granby Consolidated Mining, Smelting & Power Co. (Ltd.) (debentures).....	2,500,000	2,500,000
Minnesota & Ontario Paper Co. (bonds).....	8,000,000	-----
Bell Telephone Co. of Canada (bonds).....	3,000,000	-----
LATIN AMERICA		
Chile: Anglo-Chilean Consolidated Nitrate Corporation (debentures).....	16,500,000	-----
Cuba:		
Cuba Co. (bonds).....	10,000,000	-----
Sugar Estates of Oriente (Inc.) (preferred stock).....	1,350,000	1,350,000
Caracas Sugar Co. (preferred and common stock).....	2,500,000	-----
Punta Alegre Sugar Co. (notes).....	2,000,000	-----
Hershey Chocolate Co. (bonds).....	2,600,000	-----
Honduras: Cuyamel Fruit Co. (bonds).....	5,000,000	2,975,000
Guatemala:		
International Rys. of Central America (bonds).....	1,600,000	-----
Do.....	1,250,000	-----
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Hawaii: Halki Fruit & Packing Co. (Ltd.) (preferred stock).....	750,000	-----
1926		
EUROPE		
Germany:		
European Shares (Inc.) (common stock).....	2,000,000	-----
German Credit & Investment Corporation (preferred stock).....	10,000,000	-----
First Federal Foreign Investment Trust (common stock).....	2,200,000	-----
Hugo Stinnes Corporation (notes).....	12,500,000	-----
Hugo Stinnes Industries (Inc.) (debentures).....	12,500,000	-----
Second International Securities Corporation (preferred stock).....	4,000,000	-----
Hungary: European Mortgage & Investment Corporation (bonds).....	5,000,000	-----
Italy: International Power Securities Corporation (bonds).....	5,000,000	-----
Poland: Silesian-American Corporation (bonds).....	15,000,000	-----
Spain: International Telephone & Telegraph Corporation (common stock).....	19,400,000	-----
Sweden: International Match Corporation (preference stock).....	19,105,350	-----
NORTH AMERICA		
Canada:		
Kelvinator of Canada (preferred stock).....	500,000	-----
International Power Co. (Ltd.) (preferred stock).....	1,000,000	-----
Minnesota & Ontario Paper Co. (bonds).....	2,000,000	-----
Duke Price Power Co. (Ltd.) (bonds).....	37,000,000	12,000,000
Minnesota & Ontario Paper Co. (notes).....	3,500,000	-----
Goodyear Cotton Co. of Canada (Ltd.) (preferred stock).....	250,000	-----
International Paper Co. (debentures).....	15,000,000	-----

## PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1929—Continued

Issuer	Amount	Refunding
1926—Continued		
LATIN AMERICA		
Bolivia: Patino Mines & Enterprises Consolidated (common stock).....	\$5,000,000	-----
British West Indies: Trinidad Oil Fields (Inc.) (common stock).....	1,500,000	-----
Chile: Chile Copper Co. (debentures).....	35,000,000	\$34,990,500
Cuba:		
Cuban Dominican Sugar Corporation (common stock).....	16,000,000	-----
Cuba Railway Co. (bonds).....	1,376,000	1,376,000
Caribbean Sugar Co. (bonds).....	2,600,000	1,500,000
Compañia Cubana (notes).....	5,000,000	-----
Consolidated Railways of Cuba (preferred stock).....	25,600,000	-----
Havana Electric Railway Co. (debentures).....	5,500,000	-----
Havana Electric Railway Co. (preferred stock).....	5,000,000	-----
Cuba Northern Railways Co. (bonds).....	400,000	-----
Guatemala and Salvador: International Railways of Central America (notes).....	3,500,000	-----
Mexico: Mexico-Ohio Oil Co. (common stock).....	1,100,000	-----
Venezuela:		
Andes Petroleum Corporation (common stock).....	1,950,000	-----
Pantepec Oil Co. (common stock).....	3,780,000	-----
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Philippine Islands: Manila Electric Corporation (common stock).....	3,960,000	2,500,000
Porto Rico:		
Esjardo Sugar Co. (common stock).....	720,000	-----
South Porto Rico Sugar Co. (common stock).....	1,120,600	-----
United Porto Rican Sugar Co. (notes).....	1,600,000	500,000
United Porto Rican Sugar Co. (common stock).....	506,900	-----
1927		
EUROPE		
France: International Match Corporation (debentures).....	50,000,000	-----
Belgium: Solvay-American Investment Corporation (notes).....	14,130,000	-----
Hungary:		
European Mortgage & Investment Corporation (bonds).....	1,098,000	-----
Do.....	7,000,000	-----
Italy:		
International Power Securities Corporation (bonds).....	10,000,000	-----
Do.....	6,000,000	-----
NORTH AMERICA		
Canada:		
Aluminum Co. of America (debentures).....	10,000,000	-----
Joseph F. Langer (Orpheum Theater) (bonds).....	650,000	-----
Spruce Falls Power & Paper Co. (Ltd.) (bonds).....	11,500,000	-----
Bell Telephone Co. of Canada (bonds).....	6,115,000	-----
Montreal Coke & Manufacturing Co. (bonds).....	4,000,000	-----
International Paper Co. (preferred stock).....	12,000,000	-----
International Power Securities Corporation (common and preferred stock).....	7,950,000	2,930,000
Bell Telephone Co. of Canada (common stock).....	5,000,000	-----
Canadian Bank Stock Trust Shares (common stock).....	205,000	-----
Canadian Bankstocks (Inc.) (trust certificates).....	650,000	-----
Kelly Dry Pure Juice Corporation (common stock).....	450,000	-----
McKesson & Robbins (Ltd.) (preferred and common stock).....	1,020,000	-----
Canadian Hydro-Electric Corporation (Ltd.) (preferred stock).....	600,000	-----
International Paper Co. (preferred stock).....	1,084,000	-----
LATIN AMERICA		
Bolivia: Bolivian Petroleum Co. (common stock).....	700,000	-----
Brazil:		
Bahia Corporation (preferred stock).....	1,500,000	-----
Pan American Industrial Corporation (bonds).....	3,000,000	-----
Colombia: Carib Syndicate (common stock).....	470,000	-----
Cuba:		
Cuban Northern Railways Co. (bonds).....	20,000,000	12,510,000
International Telephone & Telegraph Co. (debentures) (including Chile and Uruguay).....	35,000,000	25,000,000
Punta Alegre Sugar Co. (notes).....	4,000,000	2,000,000
Cuban National Syndicate (common stock).....	3,750,000	-----
Guatemala and Salvador:		
International Railways of Central America (bonds).....	6,000,000	-----
Do.....	50,000	-----
Mexico:		
Petrero Sugar Co. (bonds).....	2,000,000	-----
Petrero Sugar Co. (common stock).....	384,000	-----
Venezuela:		
Gulf Oil Corporation (Mexico and Venezuela) (debentures).....	10,000,000	-----
Venezolano Oil Syndicate (common stock).....	275,000	-----

PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1929—Continued

Issuer	Amount	Refunding
1927—Continued		
FAR EAST		
Australia and New Zealand: Union Atlantic Oil Co. (bonds).....	\$4,000,000	-----
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Hawaii: Hawaiian Pineapple Co. (Ltd.) (common stock).....	2,500,000	-----
Philippine Islands: Manila Gas Co. (bonds).....	2,500,000	-----
Porto Rico:		
Porto Rican American Tobacco Co. (common stock).....	4,738,650	-----
South Porto Rico Sugar Co. (common stock).....	5,546,790	-----
United Porto Rican Sugar Co. (notes).....	3,000,000	\$1,650,000
United Porto Rican Sugar Co. (preferred stock).....	1,000,000	-----
United Porto Rican Sugar Co. (notes).....	500,000	-----
United Porto Rican Sugar Co. (notes).....	1,500,000	-----
1298		
EUROPE		
Germany:		
International Mortgage and Investment Corporation (preferred and common stock).....	1,680,000	-----
Associated Rayon Corporation (preferred and common stock).....	10,000,000	-----
Great Britain:		
American & Scottish Investment Co. (common stock).....	2,000,000	-----
Ford Motor Co. (Ltd.) (common stock).....	1,700,000	-----
Hungary: European Mortgage & Investment Corporation (bonds).....	6,000,000	-----
Ireland: Ireland Corporation of America (preferred and common stock).....	875,000	-----
Italy: Italian Superpower Corporation (debentures).....	20,250,000	-----
NORTH AMERICA		
Canada:		
Famous Players Canadian Corporation (Ltd.) (debentures).....	1,000,000	-----
Famous Players Canadian Corporation (Ltd.) (bonds).....	1,000,000	-----
Detroit Canada Tunnel Co. (bonds).....	2,830,000	-----
Detroit Canada Tunnel Co. (debentures).....	2,830,000	-----
Aluminum (Ltd.) (bonds).....	20,000,000	10,000,000
Hinde-Deuch Paper Co. of Canada (Ltd.) (bonds).....	850,000	-----
Crown Cork & Seal Co. (Ltd.) (preferred stock).....	1,312,000	-----
Curtiss-Reid Aircraft Co. (Ltd.) of Canada (preferred stock).....	1,000,000	-----
Famous Players Canadian Corporation (Ltd.) (bonds).....	571,000	-----
Metropolitan Chain Properties (Ltd.) (bonds).....	2,600,000	-----
Metropolitan Corporation of Canada (bonds).....	51,600	-----
Newfoundland: International Power & Paper Co. (Ltd.) (bonds).....	4,866,000	-----
LATIN AMERICA		
Argentina:		
Intercontinents Power Co. (debentures).....	3,000,000	-----
International Telephone & Telegraph Corporation (debentures).....	57,800,000	-----
Chile: Intercontinents Power Co. (debentures).....	1,500,000	-----
Cuba:		
Francisco Sugar Co. (notes).....	2,000,000	-----
Guantanamo & Western Railroad Co. (bonds).....	3,000,000	1,000,000
International Rock Asphalt Co. (Inc.) (preferred stock).....	500,000	-----
Dominican Republic: The Islands Edison Co. (bonds).....	2,250,000	-----
Guatemala and Salvador: International Railways of Central America (preferred stock).....	3,000,000	-----
Honduras:		
Public Utilities Consolidated Corporation (bonds).....	750,000	-----
Andes Development Co. (common stock).....	1,000,000	-----
Nicaragua: Public Utilities Consolidated Corporation (bonds).....	1,000,000	-----
Venezuela: Colon Oil Corporation (debentures).....	10,000,000	-----
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Alaska:		
Public Utilities Consolidated Corporation (preferred stock).....	500,000	-----
Anchorage Light & Power Co. (bonds).....	250,000	-----
1929		
EUROPE		
International:		
Crown Cork International Corporation (common stock).....	3,052,500	-----
Coty (Inc.) (common stock).....	4,663,245	-----
Great Britain:		
Utilities Power & Light Corporation (debentures).....	5,000,000	-----
Columbia Graphophone Co. (Ltd.) (common stock).....	9,500,000	-----
Italy: Italian Superpower Corporation of Delaware (debentures).....	4,000,000	-----

PUBLICLY OFFERED CAPITAL ISSUES OF AMERICAN AND SEMI-AMERICAN  
CORPORATIONS FOR NONDOMESTIC PURPOSES, 1914-1924—Continued

Issuer	Amount	Refunding
1920—Continued		
NORTH AMERICA		
Canada:		
International Power & Paper Co. (common stock).....	\$12,000,000	
North American Gas & Electric Co. (debentures).....	300,000	
North American Gas & Electric Co. (stock).....	237,000	
Bell Telephone Co. of Canada (bonds).....	7,500,000	
International Hydro-Electric System (debentures).....	13,000,000	
International Hydro-Electric System (common stock).....	5,000,000	
International Milling Co. (preferred stock).....	77,200	
Oneida Community (Ltd.) (common stock).....	1,000,000	
Oneida Community (Ltd.) (notes).....	2,000,000	
Canadian International Paper Co. (bonds).....	21,745,000	
Bell Telephone Co. of Canada (Ltd.) (common stock).....	5,000,000	
Canadian American Public Service Corporation (notes).....	600,000	
Metropolitan Chain Properties (Ltd.) (bonds).....	400,000	
Toronto Chain Stores Terminals (bonds).....	450,000	
LATIN AMERICA		
International:		
American & Foreign Power Co. (preferred stock).....	50,827,200	
North-South American Corporation (common stock).....	9,000,000	
Argentina:		
Consolidated Chemical Industries (Inc.) (preferred stock).....	200,000	
Intercontinents Power Co. (common stock).....	1,485,000	
Intercontinents Power Co. (debentures).....	1,500,000	
Brazil:		
Intercontinents Power Co. (common stock).....	2,500,000	
Intercontinents Power Co. (preferred stock).....	1,485,000	
Intercontinents Power Co. (debentures).....	1,500,000	
Chile: Lautaro Nitrate Co. (bonds).....	28,000,000	
Cuba:		
The National Hotel of Cuba (debentures and common stock).....	6,250,000	
Havana Lithographing Co. (preferred and common stock).....	1,677,500	
Mexico:		
Ammex Petroleum Corporation (common stock).....	337,500	
El Paso Electric Co. (bonds).....	1,000,000	
Panama: Fideicomiso Panama-Americana (common stock).....	940,000	
Venezuela: National Venezuela Oil Corporation (common stock).....	2,700,000	
FAR EAST		
China: American & Foreign Power Co. (Inc.) (preferred stock).....	50,000,000	
NONCONTIGUOUS AMERICAN TERRITORIES AND POSSESSIONS		
Alaska:		
Alaska Pacific Salmon Corporation (preferred stock).....	3,250,000	
Alaska Pacific Salmon Corporation (common stock).....	700,000	
Alaska Public Service (preferred stock).....	1,250,000	
Hawaii: Hawaiian Airways (Ltd.) (common stock).....	375,000	

**U. S. DEPARTMENT OF COMMERCE**  
**R. P. LAMONT, Secretary**  
**BUREAU OF FOREIGN AND DOMESTIC COMMERCE**  
**WILLIAM L. COOPER, Director**

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# **THE SILVER MARKET IN 1930**



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## FOREWORD

With the price of silver reaching repeated new lows, public interest in the market price of that metal has been keen. The present low price of silver is, in part at least, accounted for by the general decline of the wholesale commodity price level. Readers of Trade Information Bulletin No. 682, *The Price of Silver* (now out of print), will recall a graph that showed the striking relationship between the price of silver and general commodity prices. The past year, however, has witnessed a widening hiatus between the two. Apart from the wholesale commodity price level, bulletin No. 682 called attention to various special factors influencing silver. Those special influences continued to operate in 1930, with the result that silver several times recorded new lows for all time.

In response to numerous requests for information on developments in the silver market since our last bulletin, and in anticipation of similar requests in the near future, the present bulletin has been prepared by Herbert M. Bratter, of the finance and investment division, under the direction of Ray Hall, acting chief of that division.

This survey of the silver market in 1930 includes a revision of the above-mentioned graph, which is accompanied by statistics showing the monthly price of silver during the year and the index number of the silver price adjusted to the wholesale commodity price level. Changes in "new production" figures and in consumption by China and India are pointed out and discussed, while other subjects treated are the reimposition of the Indian import duty early in the year, the boycott of British silver in Bombay, the institution by China of a gold embargo and restrictions on imports of silver coins, the conversion of the haikwan tael into a gold unit, and new developments in Hong Kong currency control. Additional points discussed include the principal events affecting silver in Mexico, France, French Indo-China, Panama, Persia, Turkey, and Soviet Russia.

WILLIAM L. COOPER, *Director*,  
*Bureau of Foreign and Domestic Commerce.*

FEBRUARY, 1931.



# THE SILVER MARKET IN 1930

Herbert M. Bratter, Finance and Investment Division

## GENERAL FACTORS

During 1930 silver made a new low record, the price in New York declining to 30¾ cents on December 30. The high was 46⅞ cents on January 2. With internal disorders affecting China's exports and insufficient crops, necessitating the importation of foodstuffs into that country, China became at times a seller of silver, and the price tended to sag during the first six months of the year. The decline in price naturally influenced the output of silver mines, a number of which closed or restricted production during the year. But with silver largely a by-product of copper, lead, and zinc, no great decrease in the output could be expected unless the production of those baser metals was lessened. Consequently, the new output in 1930, as estimated by Handy and Harman, showed a shrinkage of only 6½ per cent. Among silver-producing nations, only the United States and Peru showed substantial declines, approximately 18 and 22 per cent, respectively.

The price of silver is determined by supply and demand. Actual supply consists of the stocks on the market; potential supply includes the stocks existing in the form of hoards, coins, and manufactured articles. Should the price of silver rise sufficiently, the visible supply would quickly swell; the Indian Government would offer its large stocks; farmers and villagers throughout the Orient would bring out their treasure from hiding. But even with silver falling, rather than rising, in price, silver came out of hiding during 1930 in China, a result not of diminished confidence in silver, but of the internal disorder in China which occasioned a flow of silver to Shanghai for safe-keeping. As a result, Shanghai's silver stock was abnormally swollen. It is a moot question whether China has too much silver. The British Chamber of Commerce in Shanghai early in the year thought not, and the same opinion has been frequently expressed in several other quarters. In any case, the supply in Shanghai is most important as a determinant of the price of silver, for Shanghai is the predominant factor in the demand side of the equation. The Shanghai stock of silver is, thus, not unlike a gage which measures changes in the demand for silver.<sup>1</sup>

China's ability to take silver off the world market depends on that country's ability to acquire gold credits abroad, which is subject to fluctuation as the value of China's exports declines. In the past year China's merchandise exports have suffered not alone from the internal

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<sup>1</sup> See, in Commerce Reports of June 16, 1930, The Purchasing Power Parity of Silver.

unrest, destruction in war, interference with the at best difficult transportation system, the existence of "likin," coastwise trade dues, and other impediments to export trade, but also from declining world commodity prices and lessened purchasing power in the Occident.

The New York Journal of Commerce of October 27, 1930, editorially commented:

Universal world depression, civil war in China, boycotts of foreign goods, and political unrest in India are more formidable deterrents to far eastern trade activity than monetary factors. In fact, it seems probable that the declines in silver prices during the past year are rather an effect of unsettled conditions in the Far East than a primary cause of trade recessions in that part of the world.

Some persons state there is an overproduction of silver, since silver is so largely a by-product of other metals. Others state that there is underconsumption because currency debasement in recent years has taken away the market. Whether overproduction or underconsumption is the cause, the result is the same. There is a relatively smaller market for silver, and this is reflected in the lower price. But, in any case, the drop in the price of silver should be considered in relation to the drop in all commodity prices. After making allowance for the generally enhanced purchasing power of gold, the drop in the silver price is not so severe as it might seem.

In China several conferences were held by bankers, business men, and officials to consider the slump in silver.<sup>2</sup> A number of suggestions were made in various quarters for international or national conferences and for other measures to support the price of silver.

In the opinion of China's Minister of Finance, Mr. Soong, the remedy for the low price of silver does not lie in artificial measures. Early in 1930 he was reported<sup>3</sup> as saying:

So far as the present slump in silver is an outcome of conditions in China, it is due to the unsettlement of business conditions growing out of internal military operations and the difficulties with Russia. Measures that have been suggested in public discussions, such as restricting and taxing the import of silver, could hardly be expected to have any appreciable permanent effect upon the underlying situation. Restriction upon one of the leading world markets for silver might even lower the world price of silver.

It has been suggested in some quarters that the adoption of the gold standard in China would tend to decrease the demand for silver. No plans are in contemplation that would involve the circulation of gold coins in China. Indeed, monetary reform in this country will inevitably require a largely increased circulation of silver coins. (This does not mean that a gold standard is not being contemplated but that any currency reform will not call for circulation of gold coin.) My recommendation to the Government will be that any interference with the free movement of silver in this country will be harmful and that the stabilization of the value of silver can best be achieved by the restoration of peace and order and the free movement of our products throughout the country.

There is no doubt that a period of peace and order in China would soon cause a renewed demand for silver. Apart from giving China a greater quantity of exportable merchandise, it would serve to return to the country the large amounts of silver which fled to Shanghai for safety.<sup>4</sup>

<sup>2</sup> See China Press, Feb. 18, 1930; North China Daily News, Feb. 14 and 18, 1930; China Monthly Trade Report, July 1, 1930, p. 11.

<sup>3</sup> Far Eastern Review, January, 1930, p. 7, and Wall Street Journal, Feb. 28, 1930. For a similar view see also Chinese Economic Journal, March, 1930, pp. 253-269.

<sup>4</sup> See Wall Street Journal, Mar. 13, 1930, Steady Tone in Silver Market, and Far Eastern Review, January, 1930, p. 7.

## SEASONAL INFLUENCES ON SILVER PRICE

With various powerful factors affecting the price of silver in 1930, it is almost useless to look for seasonal trends in the price. However, the seasonal factors are none the less present and continue to exert their influence. Some of these seasonal influences in India and China were mentioned in Trade Information Bulletin No. 682, *The Price of Silver*. Crop movements, the Hindu marriage season, and the year-end settlement of business transactions are among the most important. Chinese emigrants, for example, send home the bulk of their very important emigrant remittances prior to the Chinese (lunar calendar) new year, or between November and February. These contributions come largely from the United States, south-eastern Asia, India, Australia, and the South Sea Islands.

Some causes of seasonal variation in the price of silver are given by E. Kann as follows:<sup>5</sup>

The Indian marriage season, which produces a great demand for silver, comes in March, but the silver used then has been purchased in the Bombay bazaars some weeks previously and perhaps in London still earlier, so that there is a slackness in the Indian demand during the spring. The summer is also a slack time in India, with the old crops sold and the farmers busy. With the autumn, as crops are sold, part of the proceeds may be invested in silver, and the price goes up. In China the spring is likewise a slack time, but with May begins a need for silver to finance the silk and tea trade. In the autumn the main agricultural products—beans, grains, seeds, hides—are on the market for export and silver is needed for this.

To this D. H. Leavens adds the result of his research as follows:

Our results seem to show that, based upon 10 fairly normal years, both before and after the extraordinary years due to the war, silver and T. T. [telegraphic transfers] show distinct seasonality, with rates about 2 per cent below the average in March and 2 per cent above in September or October, and that T. T. does not fluctuate quite as widely as silver. If all other things were equal, which they never are in economic problems, the rates might be expected to follow these curves year after year. As it is, many other forces must be taken into consideration in any attempt to predict silver prices.

## CUT IN PRICE OF STERLING WARE

As a result of the lower price of silver, manufacturers of silverware in August announced price reductions averaging 10 per cent.

## MONTHLY SILVER OUTPUT

It is known that the production of silver varies chiefly with the production of copper and other metals accompanying it in nature. If we trace the monthly output of copper and of silver by the principal producing countries of the world, considerable fluctuation during 1929 and 1930 is evident. World copper production declined from 196,820 short tons in April, 1929, to 140,083 tons in February, 1930, and increased to 151,005 tons in September, 1930. The decline from April to February was close to 30 per cent. During the same period silver production attained its high of 22,686,000 ounces in October, 1929, and a low 15,284,000 in January, 1930. The decline was thus close to one-third, being slightly more than was the case

<sup>5</sup> In *The Currencies of China*, as quoted by D. H. Leavens in the *Chinese Economic Journal* of September, 1927, p. 782.

with copper. In general, the production of silver in 1930 shows a small net decline from 260,900,000 fine ounces in 1929 to an estimated 243,700,000 ounces in 1930. The figures show a gradual increase from 1924 through 1929 and a decrease in 1930. While the trend of silver production has been slightly downward since the middle of 1929, the trend is not a smooth one. The following monthly estimates of the American Bureau of Metal Statistics as to the production of silver in the United States, Canada, Mexico, Peru, Australia, and Burma show the irregularity which characterizes the output of silver:

	Millions of fine ounces		Millions of fine ounces
December (1929)-----	20.6	May-----	18.2
January (1930)-----	15.3	June-----	18.6
February-----	21.8	July-----	16.5
March-----	18.3	August-----	17.4
April-----	16.6	September-----	19.1

#### PRICE TREND OVER 3-YEAR PERIOD

The following table shows the fluctuation in the price of silver over the last three years, compared with the fluctuations in wholesale prices:

#### RELATION OF PRICE OF SILVER TO WHOLESALE PRICES OVER 3-YEAR PERIOD

Month	Index number of wholesale commodity prices in United States, 1926=100 <sup>1</sup>	Official price of silver in New York in cents per fine ounce <sup>2</sup>	Price of silver expressed as per cent of 1926 average price (\$0.6201)	Index number of price of silver adjusted to changes in wholesale commodity price index
1928				
January-----	96.3	57.5	-----	-----
February-----	96.4	57.3	-----	-----
March-----	96.0	57.6	-----	-----
April-----	97.4	57.7	-----	-----
May-----	98.6	60.6	-----	-----
June-----	97.6	60.3	-----	-----
July-----	98.3	59.5	-----	-----
August-----	98.9	59.2	-----	-----
September-----	100.1	57.8	-----	-----
October-----	97.8	58.4	-----	-----
November-----	96.7	58.3	-----	-----
December-----	96.7	57.6	-----	-----
Average-----	97.7	58.5	93.85	96.00
1929				
January-----	97.2	57.3	-----	-----
February-----	96.7	56.5	-----	-----
March-----	97.5	56.7	-----	-----
April-----	96.8	56.0	-----	-----
May-----	95.8	54.4	-----	-----
June-----	96.4	52.7	-----	-----
July-----	98.0	52.5	-----	-----
August-----	97.7	52.6	-----	-----
September-----	97.5	51.1	-----	-----
October-----	96.3	49.9	-----	-----
November-----	94.2	49.6	-----	-----
December-----	94.2	48.5	-----	-----
Average-----	96.5	53.2	85.47	88.57

<sup>1</sup> Compiled by Bureau of Labor Statistics.

<sup>2</sup> From annual reports of the Director of the Mint and figures supplied by office of Director of the Mint. The "official price" of silver is "fixed" daily by Handy and Harman, bullion dealers. It is generally, although not always,  $\frac{1}{16}$  to  $\frac{1}{4}$  cent below the actual market price.

RELATION OF PRICE OF SILVER TO WHOLESALE PRICES OVER 3-YEAR PERIOD—  
Continued

Month	Index number of wholesale commodity prices in United States 1926=100	Official price of silver in New York in cents per fine ounce	Price of silver expressed as per cent of 1926 average price (\$0.6201)	Index number of price of silver adjusted to changes in wholesale commodity price index
1930				
January.....	93.4	45.0	72.6	77.73
February.....	92.1	43.2	69.7	75.68
March.....	90.8	41.7	67.2	74.01
April.....	90.7	42.4	68.4	75.41
May.....	89.1	40.7	65.6	73.63
June.....	88.8	34.6	55.8	64.29
July.....	84.0	34.3	55.3	65.83
August.....	84.0	35.2	56.8	67.62
September.....	84.2	36.3	58.5	69.48
October.....	82.6	35.8	57.7	69.85
November.....	80.4	35.9	57.9	72.01
December.....	78.4	32.6	52.6	67.07
Average.....	86.4	38.1	61.5	71.05

Chart A shows the price of silver in New York in cents per fine ounce and the index number of wholesale commodity prices in the United States as compiled by the Bureau of Labor Statistics. The general resemblance between the two curves in the years up to the end of 1929 continued in 1930. During the latter year, however, the downward course of commodity prices was steady. But the price of silver descended haltingly, especially in the last half-year. For a time after July the decline of the preceding 18 months seemed to have halted, but in the last quarter further weakness appeared.

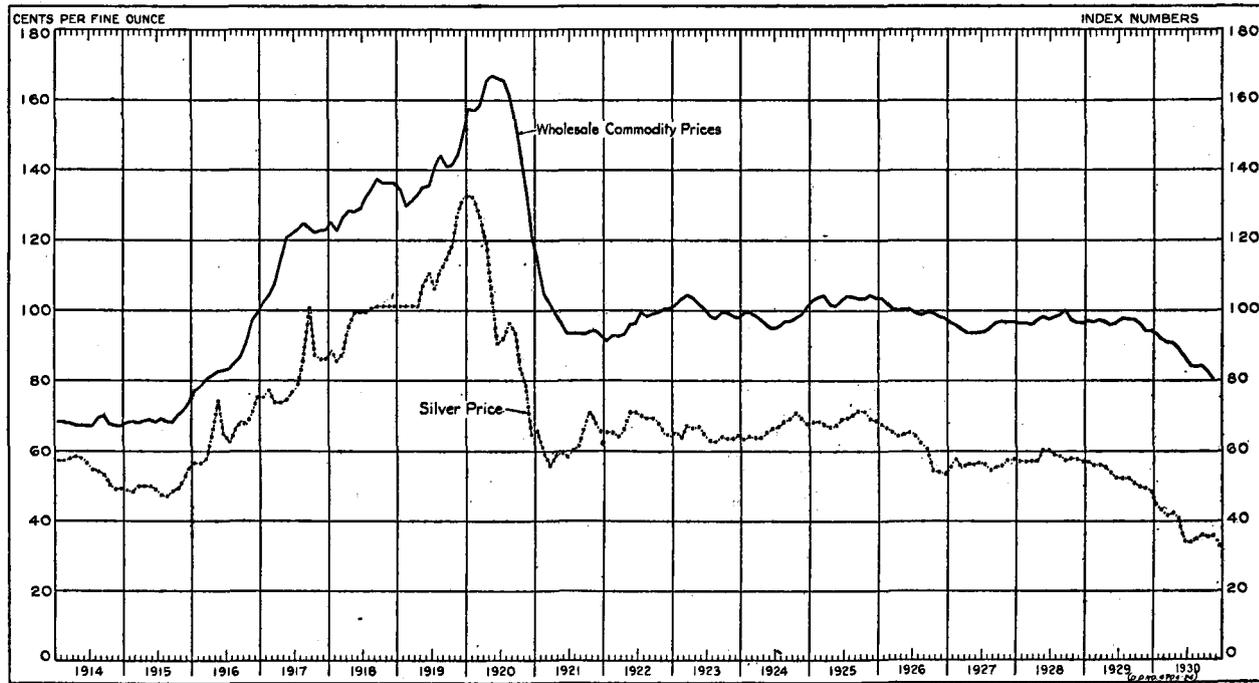
#### SALVAGE SILVER

An interesting, if uncertain, source of silver is from sunken vessels. During 1930 several salvage operations were reported. On September 1 it was announced that divers had located the wreck of the liner *Egypt* at the bottom of the English Channel. The vessel sank with £1,600,000 in gold and 1,400,000 ounces of silver in its hold.

#### SILVER SITUATION IN CHINA

##### SHANGHAI STOCKS

A comparison of the production of new silver and the price of silver in 1928 and 1929 fails to show the expected relationship. It is true that a declining price accompanied a generally increasing monthly output in 1929. But in 1930 both price and production tended downward. Since there are other factors besides production which influence price, this condition in 1930 need not be surprising. The demand for silver is also a determinant of price, and a good indication of demand—which in the long run is chiefly the Chinese demand—is the stock of silver on hand. In this respect the stocks in Shanghai are much the most important, since China is the world's chief consumer of silver. Since 1927 Shanghai stocks, including



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CHART A.—Silver price and wholesale commodity prices in the United States (1914 to 1930, inclusive). The wholesale commodity price curve is based on the index number of wholesale prices in the United States, as compiled by the United States Department of Labor. (1926=100)

sycee and Mexican dollars, show the following changes,\* according to the American Bureau of Metal Statistics:

	Millions of fine ounces		Millions of fine ounces
January 1, 1928	107.9	September 27, 1930	216.6
January 1, 1929	17.2	October 25, 1930	217.8
January 1, 1930	192.4	November 15, 1930	216.2

The record figure for Shanghai stocks, according to Handy and Harmon was 239,000,000 ounces, in April, 1930. (For the high and low of Shanghai stocks in each year since 1920 see Handy and Harman's Review of the Silver Market for 1930, p. 34.)

Chart B is presented with the object of showing more exactly the relation between the price of silver and commodity prices in this country. In this chart the thin line represents the price of silver expressed in index numbers; that is, as a relative of the average price of silver in 1926. For example, at its peak this line was close to 180, in 1919. This means that the 1919 average price was 180 per cent of the 1926 average price. In November, 1930, on the other hand, the average price of silver is shown as less than 65 per cent of the 1926 price.

The chart carries the comparison one step further. Since we know that commodity prices in this country, as measured by the index number of the Bureau of Labor Statistics, were lower in 1930 than in 1926, the decline in the price of silver has not been so severe as it would seem. The average price of silver in 1926 was about 62.01 cents and in 1930 about 38.10 cents. But, measured by the Bureau of Labor's index number, the buying power of 38.10 cents in 1930 was greater than that of the same sum in 1926. Therefore, measured in the light of the commodities which could be bought with the dollar proceeds of a given amount of silver in 1926 and the same amount of silver in 1930, the decline in the price of silver has been less than it seems. This is measurable by expressing the index number of the silver price in relation to the index number of wholesale commodity prices. The relationship is plotted in Chart B in the heavy line. Its relationship is to the horizontal line designated "wholesale commodity price level."

Compared with the period 1914-1926, when silver was relatively higher than other commodities, the price of silver since 1926 has been relatively lower. It is true that in 1930 the decline continued sharply. But, whereas the price in cents per ounce in 1930, was nearly 40 per cent below the 1926 price, the deviation of the silver price below the wholesale commodity price level is here shown to have been really less than 30 per cent.

Despite the growth in Shanghai's stock of silver, there are observers who state that the stock is not excessive when China's needs are considered. The North China Daily News of June 5, 1930, stated editorially, "We are not actually overstocked here," while American Consul C. O. Spencer, Shanghai, reported on August 7:

There are at present huge stocks of silver, an unprecedentedly large amount lying idle in vaults of local banks on account of uncertainties of exchange and

\* E. Kann estimates China's total stock of silver at from 1,000,000,000 to 1,500,000,000 fine ounces. The high points of Shanghai stocks in 1927-1929 were given by the manager of the Bank of China (Wall Street Journal, June 10, 1930, p. 18) as follows: May 21, 1927, 141,470,000 ounces; Dec. 29, 1928, 146,550,000 ounces; and Nov. 2, 1929, 197,820,000 ounces.

possibilities of financial crisis. However, it would be a great error to mistake concentration for abundance. If once peace and order is established and trade resumes its ordinary course, this apparent huge stock of silver will not be enough to meet the needs of China.

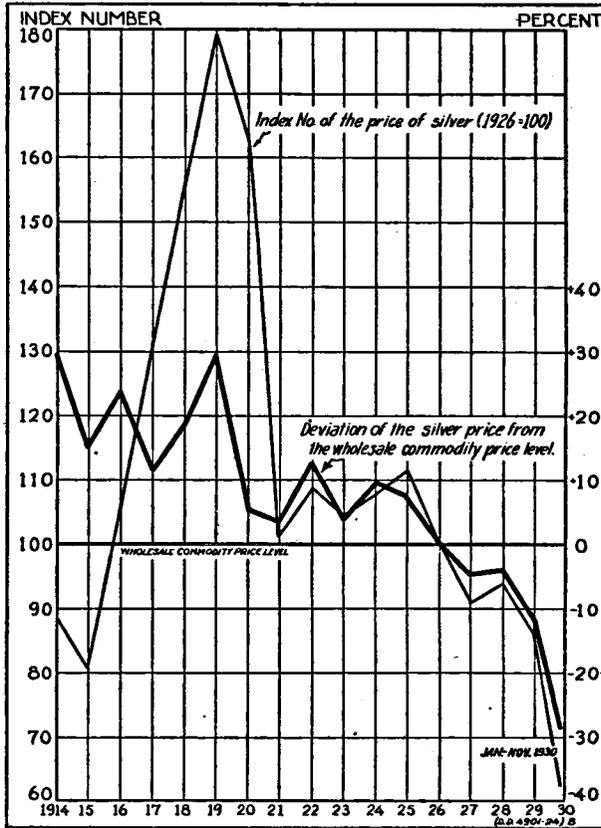


CHART B.—Silver price deviation from general price level compared with changes in the index number of the silver price 1914 to 1930

#### RESTRICTION ON EXPORTS OF GOLD

Toward the end of 1929 it was noted that, contrary to the usual tendency in times of trouble for China to import gold—because of its greater portability per unit of value—one of the large Japanese banks in Shanghai was reported to have shipped 2,900 gold bars of a value of 1,200,000 Shanghai taels to San Francisco. Chinese speculators on the gold-bar market were alternately buying and selling. By the first fortnight of January, 1930, it was felt that the slump in silver and the rise in gold was seriously affecting the country. The Chinese Council of State, therefore, was on January 10 reported in press dispatches to have decided to stop all speculation in gold bars. A few days later it was announced that:

<sup>1</sup> See Finance and Commerce (Shanghai), Jan. 22, 1930, p. 7.



All transactions on the Shanghai gold-bar exchange must be concluded as soon as price fluctuations rise higher than or fall below five points, in accordance with the existing regulations governing the operation of exchanges. The decision to enforce this rule was reached at a meeting of the Central Political Council in Nanking on January 15.

Exports of Chinese gold continued during the spring, while gold from the interior in the form of rings, bracelets, and other ornaments continued to flow to Shanghai, preparatory to export. In April enough gold was reaching Shanghai daily to produce 100 bars worth 50,000 taels, but there was later a slowing up of gold-bar exports, due to the scarcity of gold. The value of gold bars held in Shanghai declined from about \$4,800,000 at the beginning of 1930 to about \$8,000 in early May.<sup>8</sup> On May 15, somewhat late, the Chinese Government placed an embargo on the export of gold, bringing the movement to an end.<sup>9</sup> The embargo, of course, did not affect the British Crown colony of Hong Kong, whence exports of gold continued.

The object of the gold embargo was to conserve what remained of China's gold supply in view of the recommendations which have been made toward the adoption of the gold standard by China. Unfortunately, China had already lost about \$10,000,000 of gold in the earlier months of 1930 and was destined to lose still more through Hong Kong.

An added feature of the gold market in China during 1930 was the reported unofficial prohibition of the shipment of gold in any form from Shanghai to the interior of the country.<sup>10</sup>

According to the United States consulate general at Shanghai, exports of gold bars from Shanghai from January 1 to May 16, 1930, amounted to \$9,833,105. From that date through August exports from Hong Kong were \$6,719,477 worth of gold bars and \$590,000 in gold coin; making a total export of gold from China during the 8-month period amounting to \$17,214,582.

#### GOLD BASIS FOR CUSTOMS DUTIES

Another measure, previously recommended by the Kemmerer Commission but forced by the drop in silver, was the commencement of collection of customs duties on a gold basis. On January 15, 1930, Finance Minister Soong issued instructions that, commencing February 1, 1930, the Haikwan tael would cease to be the unit for collection of import duty. For the period February 1 to March 15 duties were payable in Chinese money but assessed in a new unit based on the average rate of exchange during the last quarter of 1929. Thereafter, the average rate of January, 1930, was taken as the basis. The Haikwan tael is still used in China in recording customs statistics, but pegging it to the new gold unit has, in effect, converted it from a silver into a gold unit.

<sup>8</sup> According to the North China Daily News, May 9, 1930.

<sup>9</sup> At the same time imports of foreign coins were prohibited. While the movement was brought to an end officially, smuggling of gold to Japan was subsequently reported; see China Weekly Review, July 19, 1930, p. 269, and Finance and Commerce, July 23, 1930. The gold embargo was at first applied even to jewelry, but owing to protests was changed on July 23, so that persons leaving China are permitted to take out up to 10 ounces of gold per person.

<sup>10</sup> Finance and Commerce, Shanghai, July 30, 1930.

## PROHIBITION OF IMPORTS OF FOREIGN SILVER COINS

While imposing the embargo on gold exports, the Chinese Government simultaneously prohibited the importation of foreign silver coins, at the same time rejecting a proposal to collect an import duty on silver bars.<sup>11</sup> The restriction of coin imports was directed chiefly at the flow of French Indo-Chinese piasters which had been occasioned by the stabilization of that unit commencing in the latter part of 1929. Such imports into China, however, normally do not form an important part of China's silver imports.<sup>12</sup>

## SILVER SITUATION IN INDIA

## IMPORT DUTY ON SILVER

Partly as a revenue measure,<sup>13</sup> the Indian budget for 1930-31 provided reimposition of the import duty on silver which had been discontinued in 1920. The duty was fixed at 4 annas (approximately 9 cents) per ounce troy, effective March 1, 1930, while an excise tax of the same amount was subsequently imposed on new Indian-mined silver. Full rebate is allowed on reexported silver. The import duty is assessed on the actual weight of the silver without allowance for alloy or impurity. The import duty was imposed on bar silver, while the existing duties on silver plate, thread, and wire (including the so-called gold thread and wire, which are made mainly of silver), silver leaf, and silver manufactures of all sorts not otherwise specified were raised from 30 to 38 per cent, the new rate to apply until March 31, 1931. The excise duty was established April 5 to take effect from March 17, 1930. Without the excise duty, the Burma Corp. would have been able to operate under a protective tariff equivalent to the duty, 4 annas per ounce.

<sup>11</sup> While Finance Minister Soong as early as Feb. 26, 1930, stated that the Government had decided not to impose a duty or other restriction on silver imports, rumors of some action persisted until the middle of May. See North China Daily News, Feb. 27, 1930.

<sup>12</sup> On May 20, a few days after the imposition of the import restriction, the North China Daily News stated that an estimated 20,000,000 taels of French Indo-Chinese piasters had been sent from that country to China. During what period of time was not stated.

<sup>13</sup> See, for example, Commercial and Financial Chronicle, Mar. 8, 1930, p. 1563. The same issue, p. 1529, stated it was estimated the Government would obtain 10,000,000 rupees in revenue from the impost on silver. The following statistics of India's revenue from silver (in thousands of rupees) are, therefore, of interest:

Item	1929-30 actual	1930-31 budget estimates	6 months ended Septem- ber, 1930, actual	1930-31 based upon con- tinuance of rate prevail- ing in first 6 months
Silver bullion, coin, sheets, and plates not manufactured.....	1,769	10,000	12,347	24,694
Silver wire, thread, and other manufactures.....			275	550
Excise duty on silver.....		1,500	691	1,382
Total.....	1,769	11,500	13,313	26,626

Source: Department of Commercial Intelligence and Statistics, India (circular), Indian Customs Revenue, Calcutta, Oct. 10, 1930.

The probable reasons for imposing the duty, apart from raising revenue, were given in silver circles as: (1) The desire to support the price obtained from the sale of melted rupees out of the increasing Indian currency reserve; (2) the desire "to increase the value of the silver holdings of the Indian people."<sup>14</sup>

The imposition of the Indian duty called forth varied comment as to its effects. Some observed that the silver stocks in India were automatically raised in value by the amount of the duty. Another comment was that the Government of India's silver stock was chiefly in the shape of rupee coins and that, since the refining capacity of the Bombay Mint was very small, the bazaar demand could be fully met only from abroad. This hopeful view that silver would continue to be imported by India was quite at variance with the market sentiment, which caused the price of silver to slip in February, when the new duty was first rumored. None the less, India did continue to import silver, as the following statistics show. In fact, net imports of silver continued at a higher rate than in 1929.

During 1929 and 1930 private interests in India imported 169,455,400 ounces of silver and exported 12,336,500 ounces, a net import of 157,118,900 ounces. During the same period the Government imported 239,600 ounces and exported 35,194,000 ounces, a net export of 34,954,400 ounces. The movement of silver in that time, therefore, amounted to a net import of 122,164,500 ounces.

#### GOVERNMENT PARTICIPATION IN COMMERCE IN SILVER

The following statement by Sir George Schuster was made public in February:<sup>15</sup>

Speaking on behalf of the Government of India—which is an important holder and producer of silver—Sir George added that if the other interests concerned would consider the possibility of joint action toward regulating sales in order to meet the world demand, India would willingly cooperate. He put the issue squarely up to the other producers, saying it depended on them to say whether they would respond.

On March 22, before the legislative assembly, he made the following additional remarks on the Indian Government's policy toward sales of silver:

Now, sir, I am asked to give some undertaking as to Government's future policy in regard to silver. There is nothing that I should like better than to give such an undertaking, because I am always anxious to meet the views of honorable members opposite. But I must consider my public responsibilities as well, and as we stand in possession of surplus stocks of silver, I must recognize the fact that there may be times, in public interest, when we ought to take steps to realize them. My honorable friend, Mr. Chetty himself, has said so; he has accused us of keeping 100 crores of silver coin in our paper currency reserve, and he would like to see them converted into gold.

But how can you convert them into gold without selling silver, and how can you do that without incurring the charge of, at least, contributing to the depression of the world price of silver? I am at a loss to understand how I could, consistently, with my obligations and responsibilities for the finances of the country, give any permanent refusal to sell silver. But, it may be said, "Government might do something short of that; let them say that they will not sell silver when it stands below 22 pence an ounce or some figure of that kind."

<sup>14</sup> This desire is hardly in keeping with Sir George Schuster's statement quoted in Handy and Harman's annual review, p. 11: "I feel that it is important that the masses of India should realize that silver is only an ordinary commodity, liable to fluctuations in price, just as other commodities are."

<sup>15</sup> Commercial and Financial Chronicle, Mar. 8, 1930, p. 1568.

That at present might seem a reasonable request; but we must face the realities of the situation, and if the permanent level of price of silver settles down at something much lower than 22 pence, must we keep out of the market for all time for that reason? I think it would be very dangerous for me to give any undertaking of that kind.

I am fully prepared to discuss this matter with any representative body in the country, and I should be glad to have a conference on it and to go into all the aspects of the situation. That, indeed, is necessary before I could give any undertaking, and I think it is also necessary in order that there may be an understanding on the other side of the realities of the situation. In the meanwhile, I do think that I may, with some confidence, point to the past record of the Government. We have conducted, as I have said already, our sales with discretion and when the market became weak we stopped selling at once. We have sold nothing below a price of 22½ pence, and silver to-day in the world stands at just over 19 pence and as I have said, we have sold no silver at all in the market since the 13th of December. I think, sir, that I am justified in claiming that that gives us some right to ask the public to have confidence in us as to our future policy in the matter.

Answers to certain questions raised by N. C. Kelkar in the Indian Assembly regarding the Government's silver policy are of interest at this time. The questions and answers, as reported in Finance and Commerce, Shanghai, March 26, 1930, were:

(a) Will the Government be pleased to state precisely the statutory powers under which they have sold silver from the paper currency reserve?

(b) Is it a fact that, by the sale of silver undertaken by the Government, a certain portion of the notes in circulation was left without a corresponding liquid reserve?

(c) Will the Government be pleased to state whether there was any loss arising from the sale of silver, and if so whether it has been charged to the revenues of India? If it has not been, has it been included in the suspense account and if so, how long does the Government intend to keep it in the suspense account?

(d) What was the reason that prompted the Government to stop disclosing the details about the reserve in the form of securities in the annual report of the controller of currency since 1925-26?

(e) Is the Government satisfied that the amount of reserve mentioned in the latest paper-currency statement (December 31, 1929) is satisfactory and that it is actually represented by as much bullion or securities?

Replying to the questions, the finance member said:

(a) The constitution of the paper-currency reserve is at present regulated by the provisions in section 19 of the Indian paper currency act (X of 1923). Subject to the restrictions laid down therein, Government, as the chief currency authority, has full power to vary the form in which the reserve is held.

(b) The result of the sale of rupees as silver is the backing to the note issue corresponding to the rupees held at their nominal value and is converted into gold securities, representing bullion value of rupees sold, supplemented by treasury bills for the difference between nominal value and bullion value. The intrinsic value of the backing, independent of treasury bills, remains the same, but in a sense it becomes more liquid and it has the additional advantage of earning interest.

(c) In one sense there is, of course, a nominal loss which arises because rupees are held at their face value, but the real value of the reserve is not affected by the sale of silver. The nominal loss has not been charged to revenue but remains in suspense. The question of its final adjustment is under the consideration of the Government.

(d) The published records show all that the Government is required to publish under section 27 of the Indian paper currency act. The publication of additional details was discontinued because it was considered not to be in public interest that they should be disclosed. The practice now followed is in accord with that of the Bank of England and of the central banking authorities in other countries.

(c) As regards the first part of the question, the Government considers that the assets held in the paper-currency reserve, combined with those in the gold-standard reserve, do represent a satisfactory reserve although, as I have made clear on other occasions, it thinks it desirable that a part of the large holding of silver rupees should gradually be converted into gold or gold securities. I do not understand the significance of the second part of this question. Of course, the Government is satisfied that its returns are correct.

In August the Indian Government sold 15,000,000 ounces of silver to the Hong Kong Government.

Total Government sales of silver for the commencement of operations in 1927 to about the beginning of March, 1930, amounted to 67,800,000 fine ounces, as stated by Sir George Shuster, finance member of the Indian Government, in a speech before the legislative assembly on March 22, 1930.<sup>16</sup>

The above-described sales by the Indian Government were covered in the report of the Indian controller of the currency for the fiscal year ending March 31, 1930. That report stated that, following the disposal of the remaining stock of uncoined fine silver bars in 1927, all sales were of standard rupee silver until the winter of 1929-30, when bar silver manufactured from refined rupees began to come on the market from the Bombay mint. These bars, of 0.999 fineness, immediately became popular. Beginning October 22, 1929, the Bombay Bullion Exchange removed the discount of 8 annas (about 18 cents) per 100 tolas (1 tola equals 180 grains troy, the weight of one silver rupee coin) imposed in the previous year, and the new bars soon stood at a slight premium.

So long as the Indian Government was selling silver in 1929 it was possible to meet the Hong Kong demand for British dollars from such government silver. When government sales ceased on December 13, the Hong Kong demand, which continued, was met only upon tender to the mint of the necessary silver. This condition continued into 1930. From April 1, 1929, to March 31, 1930, a total of approximately 9,500,000 British dollars was minted.

Parenthetically, it should be recorded that rumors were in circulation early in September that the Indian Government contemplated the sale of 40,000,000 ounces of silver in addition to the 15,000,000 ounces sold in August. These rumors were denied by the Indian Government. None the less, some nervousness was felt in China, the mentioned destination of the 40,000,000 ounces, and a memorandum by the Chinese Government was addressed to the British Government, pointing out China's difficulties and asking for British cooperation. A "sympathetic reply" was reported dispatched. The sale of the 15,000,000 ounces to Hong Kong was, curiously, taken as a bullish factor in Shanghai, since "these 15,000,000 ounces have been taken off the market definitely by having found employment for a special purpose in Hong Kong."<sup>17</sup>

<sup>16</sup> Handy and Harman have estimated that sales by the Indian Government totaled 35,000,000 ounces in 1929, 22,500,000 in 1928, and 9,200,000 in 1927. American Trade Commissioner Bartlett Richards reported from Bombay (Feb. 7, 1930) that Indian Government sales in 1929 were estimated at 31,000,000 ounces.

<sup>17</sup> North China Daily News, Aug. 28, 1930. Cf. Handy and Harman, *op. cit.*, pp. 5-6.

## INDIA'S FOREIGN TRADE IN SILVER AND GOLD DURING 1929 AND 1930

Date	Silver, in thousands of standard ounces			Gold, in thousands of fine ounces		
	Imports	Exports	Net imports	Imports	Exports	Net imports
1929						
January:						
Private.....	7,379.6	807.8	} 6,571.7	{ 238.0	0.1	237.
Government.....						
February:						
Private.....	8,339.3	56.4	} 8,282.8	{ 380.5		380.
Government.....						
March:						
Private.....	3,782.1	183.7	} 1,650.0	{ 652.5	.6	651.
Government.....	.2	1,948.5				
April:						
Private.....	5,695.9	102.1	} 276.5	{ 320.0	.8	319.
Government.....		5,317.2				
May:						
Private.....	7,855.3	205.0	} 6,136.0	{ 305.8		305.
Government.....	.2	1,514.5				
June:						
Private.....	8,953.0	578.8	} 5,650.9	{ 177.8		177.
Government.....		2,723.7				
July:						
Private.....	6,476.6	408.5	} 4,943.8	{ 205.6		205.
Government.....		1,124.3				
August:						
Private.....	7,435.9	181.4	} 5,690.0	{ 137.7	.6	137.
Government.....		1,564.4				
September:						
Private.....	5,509.1	757.4	} 3,376.3	{ 167.0		167.
Government.....		1,376.5				
October:						
Private.....	6,457.8	377.7	} 4,988.5	{ 153.8		153.
Government.....		1,091.6				
November:						
Private.....	7,176.7	1,085.4	} 3,991.0	{ 215.6		215.
Government.....	18.6	2,118.8				
December:						
Private.....	4,691.9	3,544.9	} -1,165.7	{ 224.4	.1	224.
Government.....		2,312.7				
1930						
January:						
Private.....	8,521.4	1,950.4	} 5,771.3	{ 260.5	.2	260.
Government.....		799.7				
February:						
Private.....	19,704.7	263.1	} 17,587.9	{ 190.3		190.
Government.....		1,853.7				
March:						
Private.....	8,810.5	14.1	} 5,255.5	{ 166.5		166.
Government.....	189.1	3,730.0				
April:						
Private.....	10,039.0	1,129.6	} 8,256.6	{ 285.4	.5	284.
Government.....		653.8				
May:						
Private.....	11,313.1	594.1	} 10,750.6	{ 312.3		312.
Government.....	31.5					
June:						
Private.....	10,473.9	37.9	} 10,436.0	{ 433.5		433.
Government.....						
July:						
Private.....	7,816.8	41.6	} 7,775.2	{ 165.9		165.
Government.....						
August:						
Private.....	13,022.8	16.6	} 5,940.6	{ 646.1	.1	646.
Government.....		7,065.6				

Source: Department of Commercial Intelligence and Statistics, India (monthly), Accounts Relating to the Trade and Navigation of British India.

It has been held by some that the declining price of silver has resulted in a loss of confidence in it, and that, consequently, silver was being sold from boards. This, indeed, might be held somewhat substantiated by the decline in India's net imports of silver from 138,368,227 rupees in 1927-28 to 97,706,926 rupees in 1928-29 and 86,

212,198 rupees in 1929-30. But these figures should not be taken to indicate the quantity of silver imported by India in excess of exports, since the declining price of silver has not been allowed for. The accompanying figures show that during the first eight months of 1930 India imported, net, 71,772,700 standard ounces of silver, compared to 50,391,800 ounces during the whole of 1929. Even allowing for the heavy February import rush to avoid the new duty, there is no evidence of slackened Indian demand, even after the duty was imposed.<sup>18</sup> The controller's report speaks of the decline in the price of silver and the Indian demand in 1929-30 as follows:

The low prices realized by India's crops naturally reduced the surplus available for the purchase of the precious metals, and later in the year the heavy fall in the price of silver increased to a certain extent the demand for it instead of gold.

This is quite the reverse of the belief mentioned at the head of this paragraph. It is indeed true, as stated by Handy and Harman in their annual review for 1930, that there was a decline in the gold value of the silver imported into India in 1930, due to the sharp decline in the price of silver. However, from the viewpoint of the ultimate buyer in India, it is gold that fluctuates in relation to silver, not silver in relation to gold. Hence the increased imports in 1930 indicate no loss of confidence in silver.

While the Indian Government has been selling silver its stock of that metal has not diminished. On March 31, 1929, the currency reserve amounted to 949,000,000 rupees in coin and 50,000,000 rupees in bullion. On December 31 of that year the figures were 1,038,000,000 rupees in coin and 43,000,000 rupees in bullion. By September 30, 1930, the reserve had increased to 1,159,000,000 rupees in coin and 58,000,000 rupees in bullion. Thus, while the price of silver has declined sharply, the silver which the Indian Government has to sell has increased rather than decreased.

#### BOYCOTT OF BRITISH SILVER

Owing to the trend of political developments in India, the Bombay Bullion Exchange on June 27, 1930, passed resolutions designed to boycott British silver. Provision was made to protect vendors against too heavy a penalty in case of delay in arrival of shipments, inasmuch as shipping connections with America are more irregular than with England. The following report on the resolutions appeared in Commerce Reports of August 25, 1930:

The Bombay Bullion Exchange has passed the following resolutions:

"Silver bars of 996 to 999 fineness, either refined in America or cast, assayed, and numbered in His Majesty's mint in India, shall be tenderable in settlement.

"In case of a corner, the vendor will not be liable to pay damages at a rate higher than 1 rupee 8 annas per 100 tolas over the market price on that day for the next settlement (formerly 3 rupees 8 annas), and the purchaser will not be entitled to demand damages at a rate higher than 1 rupee 8 annas per 100 tolas over the quotation for the next settlement.

"No member of [the] exchange shall order out silver from London or British Bank gold bars (lagdi) and shall not [sic] sell the same either as ready or forward. No one shall enter into any forward transaction in London over and above squaring the transactions entered into before July 1, 1930.

<sup>18</sup> Another reason for large silver imports this year may be the new marriage laws, which occasioned a large temporary increase in marriages.

"No one shall enter into new transactions for Shrāvan settlement except for the fulfillment of transactions entered into before now."

In the first resolution the words "in Amer.ca" replace the word "abroad" in the old resolution and the effect is that British bars in the future will not constitute good delivery. In confining foreign bars to those refined in America, it is practically only Great Britain that is left out. The term "America" appears to include any country in North or South America. The second resolution is intended to protect vendors against too great a penalty in the case of delay in the arrival of shipments, as arrivals from America will be less certain than those from England and there is more likelihood of a few days' delay. The vendor will have to pay only 1 rupee 8 annas per 100 tolas as a penalty for such lateness instead of 3 rupees 8 annas as before.

The British Bank gold bars, or lagdi, referred to in the resolutions, have been popular in India for the reason that they are obtainable in smaller and more convenient sizes than the standard bars, and some of them are particularly preferred on account of their design. As a result, they command a slight premium over ordinary gold and, therefore, would not be likely to be tendered at the settlement in any case.

These resolutions are to come into force from the Bhadarva settlement, which extends from September 13 to 20, 1930. No new transactions may be initiated for the Shraven settlement extending from August 14 to August 19. The purpose of these resolutions is to avoid, as much as possible, doing business with Great Britain. It does not appear, however, that there would be any objection to American bars being transhipped in Great Britain en route to India so long as they do not bear a British stamp.

One interesting statement emerging from India during the year was that of the Bombay [Province] Banking Inquiry Commission. It found that hoarding of the precious metals has been greatly exaggerated, the actual per capita holdings of gold and silver by the peasant classes being small.

## DEVELOPMENTS IN OTHER COUNTRIES

### ETHIOPIA

Another country is likely to be taken from the list of silver-standard countries, according to an announcement from Addis Abbaba that the Marie Theresa dollar is to be supplanted in Ethiopia by a gold-standard currency. No further information on that project has come to hand, and it is believed that no change in the currency system can be made prior to 1955 without the consent of the Bank of Ethiopia.

### FRANCE

The French Government is accumulating a supply of silver in order to replace with silver coins the badly worn small paper notes so familiar to the tourist. The London Financial Times of November 3, 1930, according to the Federal Reserve Board, had the following to say in this connection:

While authorities in the London silver market are reticent concerning the reports that it is the intention of the French Government to revert to silver currency by withdrawing the 10-franc notes now in circulation and replacing them with 10 and 20 franc silver coins, they are apparently skeptical both as to the possibility of such a step and as to the effect it may have on the price of the metal.

It is, of course, provided in the stabilization law of 1928 that silver money to the value of £24,000,000 may be issued before June, 1932, but doubt is expressed whether such a policy will be put into effect. Silver experts stated recently that 10-franc and 20-franc



pieces have been minted since early in 1929, but no attempt has been made or is likely to be made to put them in circulation. French interests in London do not anticipate any issue of silver currency.

Repeated efforts have been made recently to improve the position of silver, but the London authorities have always taken the stand that the various nations would be unlikely to agree to use silver for currency purposes on any considerable scale, owing to the greater convenience of paper money. The troubles of the silver industry lie principally in the almost universal adoption of gold and in the extensive overproduction of the metal.

Another feature of the French currency situation is that France has had in its vaults more than enough silver to meet the above-described coinage needs. After the stabilization of the franc, the Government's silver stock was increased by the reappearance of previously hoarded coins.<sup>19</sup> During 1929 the Bank of France is said to have sold 10,000,000 ounces of silver.

#### FRENCH INDO-CHINA

In 1929 French Indo-China was a considerable factor in the silver market because of its sales of silver in preparation for stabilization of the piaster. One estimate, mentioned by Sir George Schuster, indicated French Indo-Chinese sales in 1929 of not much less than 30,000,000 standard ounces. At the beginning of 1930 the piaster was stabilized de facto at 10 francs per piaster, a step officially confirmed later by Government announcement in the colony and by the French President's decree of June 2, 1930. On August 12, 1930, a new decree established the size, fineness, weight, and tolerance of the newly provided coins.

During the year the colony continued to be a seller of silver. According to one report,<sup>20</sup> the colony was selling 5,000,000 piasters in silver in London. About the same time French Indo-China's remaining silver stock was reported at around that amount.<sup>21</sup> Therefore, it may be assumed that French Indo-China is disposing of practically all its silver stock.

#### HONG KONG

The premium on the Hong Kong dollar, due to the demand for the paper notes of Hong Kong banks on the part of Chinese on the mainland, became increasingly disturbing to business in 1930. This unlooked-for demand for the bank notes outside the colony made it necessary to import British silver dollar coins, while, on June 19, importation of more than \$50 Mex. at a time was prohibited.

This meant that there was at once a heavy fall in the premium on the paper dollar. It was, however, not considered wise to bring the local exchange right down to the level of silver parity. The result was as might have been expected. It became profitable to mint silver dollars and ship them to Hong Kong. Such a process of supply and demand might have helped silver to recover in price, but unfortunately both India and Indo-China were sellers of silver, and large quantities were placed on the market.

<sup>19</sup> See E. Kann in *Finance and Commerce*, Oct. 29, 1930, p. 6.

<sup>20</sup> *North China Daily News*, Sept. 3, 1930. Cf. *Chinese Economic Bulletin*, Sept. 13, 1930, 1930.

<sup>21</sup> *Japan Advertiser*, Sept. 4, 1930.

The chairman of the Hong Kong and Shanghai Banking Corporation and the chairman of the Hong Kong Chamber of Commerce have issued on different occasions a grave warning concerning the continued importation of silver dollars. A small colony such as Hong Kong simply can not absorb the dollars. They are deposited in the banks and are a source of great anxiety to the banks. At some time the disposal of all of this accumulation of silver may involve Hong Kong in serious difficulties. What everyone here wants is a rise in the value of silver, but of that there seems no prospect at all.<sup>22</sup>

Due to the low price of silver, Hong Kong in 1930 experienced a small "gold rush" of a sort. As in China, the premium commanded by gold occasioned the melting of a large amount of jewelry sold by Chinese.<sup>23</sup>

The Economist of October 18, 1930, reported that, following the recommendations of the recent currency commission in Hong Kong steps were taken to allow authorized banks to increase their notes in issue against cover of silver bars deposited in London, instead of minted dollars held in Hong Kong. This probably accounts for the recent large purchases made by banks in Hong Kong from the Indian Government.

#### MEXICO

As the most important producer of silver, Mexico was naturally hard hit by the price decline in 1930. Unlike China, which imports silver, Mexico exports silver and consequently suffers a contracted purchasing power when the price of silver goes down. The Government very rightly gave considerable thought to the subject,<sup>24</sup> suggesting a world conference (which has so far not been held). It moreover, exercised its influence to prevent the closing of silver mines and consequent unemployment.

A number of Mexican mines ceased operations during the year. Others managed to continue operating by cutting wages, while the output of still others was stepped up at the expense of development work, or mines were reduced to working as little as one day a week.

By a decree signed on March 18, 1930, and published in the Diario Oficial of April 26, 1930, the Mexican Government banned the importation of all silver coins, whether Mexican or foreign, regardless of date of coinage. Prior to the issuance of this decree, Mexican silver coins of the current coinage could be imported into Mexico although the importation of all other silver coins was forbidden.

The apparent reason for the above-mentioned decree was to keep the discount of the silver peso compared to the gold peso in domestic transactions from increasing. Despite official efforts to prevent it the gap was gradually widened as the year progressed. By November the silver peso in Mexico City was at a 15 per cent discount (and for a time in December, 21 per cent<sup>25</sup>) compared to the gold peso which itself was at a discount of around 10 per cent compared with the United States dollar. This latter condition, although reflecting unfavorable trade, also in large part reflects the lowered value of Mexico's silver exports.

<sup>22</sup> China Express and Telegraph (London), July 10, 1930.

<sup>23</sup> North China Daily News, June 23, 1930.

<sup>24</sup> Wall Street Journal, Apr. 2, 1930; Japan Advertiser, June 15, 1930.

<sup>25</sup> New York Journal of Commerce, July 2, 1930; Commercial and Financial Chronicle, July 12, 1930.

<sup>26</sup> Wall Street Journal, Dec. 20, 1930.

In December it was reported that the Mexican Government, to encourage the use of silver, had decided to pay the salaries of all its officials, from the President down, in that metal.

#### PANAMA

American Vice Consul H. D. Myers, Colon, Panama, reported on April 20, 1930:

The Department of Treasury and Finance, Republic of Panama, has been instructed to issue a decree authorizing the minting of new Panamanian coins in the denominations 50, 25, and 10 cents. The total value of the issue is stated as \$250,000. The new coins will replace the original Panamanian silver currency which, owing to its high silver content, was hoarded and exported from the country when the price of silver rose during and following the World War. The coins are to be of the same size and value as similar United States coins.

#### PERSIA

On January 31, 1930, the Persian National Assembly passed a law prohibiting the import of silver. An emergency law of February 22 (or 25) forbade the exportation of gold, silver coin, and bullion.

On March 14 two laws were passed providing:

(A) Free entry is only for foreign money in gold or silver, and for gold or silver ingots, bars, dust, etc., since jewelry and gold and silver ornaments continue to be dutiable.

The import of Persian money, struck abroad, is forbidden.

The export of foreign moneys in silver only is allowed; foreign money in gold and Persian gold or silver money may not be exported.

Persians leaving the country are authorized to export the sum of 120 krans in gold or silver money.

The export of ingots, bars, dust, etc., of gold or silver is forbidden, as well as gold articles, but silver articles of Persian or foreign manufacture may be exported.

All former regulations, especially those prohibiting the export and import of silver rupees, are abrogated.

(B) ART. 1. The importation of gold and silver moneys is free of customs duties. (NOTE.—From this date forward, the minting of Persian moneys abroad is forbidden and the importation of such moneys will not be authorized.)

ART. 2. The export of coins, ingots, or dust is prohibited, except for articles of Persian foreign manufacture in silver and for foreign moneys. (NOTE.—Travelers may take out with them 12 tomans in silver coin.)

ART. 3. The articles of the law of 24 Mehr 1305 (October 17, 1926) which apply to money are abrogated.

On March 18 the Medjliss passed a law establishing the gold ryal as the legal monetary unit. It also provided that the customs administration collect all duties on a gold basis. At the time, a separate law embracing abandoning the silver standard was contemplated, but coinage of the rial had not yet begun.

Under the provisions of the supplementary law of July 22, 1930, the ban on the export of silver coin and bullion decreed by the emergency law of February 22, 1930, was withdrawn, subject to the requirements regarding the sale of foreign exchange and the special stamping of all coins so as to render them invalid as currency. On August 21 a bill was passed permitting the free entry of silver rupees into Persia. This stood as an exception to the prohibition against the importation of silver and was framed with a view to aiding merchants of the Gulf littoral whose export business with the neighboring coasts of India and Africa was severely handicapped by the restriction.

## RUSSIA

During the year hoarding of silver was reported from Soviet Russia. According to a newspaper report, many persons were sentenced to various terms of imprisonment for encouraging hoarding to the embarrassment of the Government. Four men—a speculator, a cashier, and two traders—were shot,<sup>27</sup> and 10 others sentenced for hoarding silver and spreading counter-revolutionary rumors.<sup>28</sup>

## TURKEY

In connection with the desire to reform Turkish currency, it was reported that the coinage of large quantities of silver must be undertaken.<sup>29</sup>

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<sup>27</sup> New York Times, Aug. 18, 1930.

<sup>28</sup> Japan Advertiser, Sept. 6, 1930.

<sup>29</sup> North China Daily News, Sept. 16, 1930.

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## APPENDIX

### WORLD SUPPLY AND CONSUMPTION OF SILVER

[In millions of fine ounces]

Item	1930	1929	Item	1930	1929
<b>SUPPLY</b>			<b>CONSUMPTION—continued</b>		
<b>Production:</b>			<b>Exports</b> .....	5.3	4.7
United States.....	50.4	61.2	<b>Net consumption</b> .....	94.5	81.8
Mexico.....	105.7	108.7	<b>China (including Hong Kong):</b>		
Canada.....	26.2	22.4	Imports.....	125.9	136.7
Other countries.....	61.4	68.6	Exports.....	2.9	
<b>Total</b> .....	243.7	260.9	<b>Net consumption</b> .....	123.0	136.7
<b>Other supplies:</b>			<b>Germany, consumption</b> .....	8.0	12.0
Debasement of British coinage.....		10.0	<b>Arts and industries:</b>		
Demonetized coin in France.....	22.0	10.0	In the United States and Canada.....	29.5	37.0
Demonetized coin in Indo-China.....	20.0	12.0	In England.....	6.0	6.5
Sales by Indian Government.....	29.5	35.0	<b>Coinage:</b>		
<b>Total supplies</b> .....	315.2	327.9	United States Mint.....	6.1	2.5
<b>CONSUMPTION</b>			Hong Kong dollars.....	14.0	16.0
<b>India:</b>			Russia.....		3.5
Imports.....	95.3	79.2	Netherlands.....		3.0
Supplies from Government reserves sold in India.....	4.5	7.3	<b>Unaccounted for</b> .....	34.1	28.9
<b>Total supplies</b> .....	99.8	86.5			

Source: Handy and Harmon, Annual Review of the Silver Market, 1930.

### NEW PUBLICATIONS ON SILVER

In 1930 new publications and pamphlets dealing with silver included the following:

- Brownell, Francis H.**, Chairman of the Board of American Smelting and Refining Co.: The Silver Situation as of June, 1930, and Suggested Action in Regard Thereto. This pamphlet suggests that (1) Government sales of silver be discontinued; (2) the use of silver in India and China be encouraged; (3) the Indian duty on silver be abolished; (4) the Mexican Government permit the closing of unprofitable mines; (5) various governments buy silver for coinage whenever price falls below 40 cents per ounce; and (6) cooperation of the principal occidental nations.
- Bratter, Herbert M.**, Bureau of Foreign and Domestic Commerce: The Price of Silver. Trade Information Bulletin No. 682. Discusses the factors in the price of silver.
- Handy and Harman:** Review of the Silver Market for 1929. (The 1930 review became available in January, 1931.)
- Lawrie, H. N.:** Gold and Silver (a reprint from Mineral Industry, 1929). This reprint contains references to the principal articles and publications on silver which appeared in 1929-30 and is a useful source of reference.
- Merrill, C. W.**, and staff of the common metals division, Bureau of Mines: Summarized Data of Silver Production and Economic Relations of Silver to other Metals in Argentiferous Ores.