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4

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CENTRAL BANKS

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**MONEY AND BANKING**  
**1937/38**

*in two volumes*

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**VOL. II. — COMMERCIAL AND**  
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# MONEY AND BANKING, 1937/38

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## PREFACE

These two volumes are a continuation of the memoranda on *Commercial Banks* issued in 1931, 1934 and 1935, and of *Money and Banking, 1935/36* and *1936/37*, issued in 1936 and 1937.

The first volume, entitled *Monetary Review*, contains five studies dealing with gold and exchanges, banking policy and Government finance, changes in the supply of money, the status of central banks and, finally, commercial banking legislation. These studies cover the period from 1929 to February 1938; but the events of the last two or three years are dealt with in greater detail. Tables summarising the principal monetary statistics of about forty countries are appended.

In the second volume, *Commercial and Central Banks*, two changes have been made since last year. First, balance-sheets of the central banks of forty-four countries are given in addition to the accounts of commercial banks. These balance-sheets have not been recast into the standard form employed in the memoranda on *Central Banks* issued in 1924, 1925 and 1926, but are shown in their original form. The title of the volume has been changed, in order to indicate that it covers to a large extent the subjects previously dealt with in the separate memoranda on central and commercial banking. Secondly, the practice of prefacing each chapter with an introductory note summarising the important monetary and banking developments of the past year, which was dropped in 1936, has now been partially resumed, such introductory notes being given for ten countries.

The tables, containing monthly or yearly national statistics relating to central and commercial bank accounts and other monetary data, are carried in most cases up to the end of 1937. The statistics are, as usual, accompanied by brief notes explaining the data given, and summarising recent legislative and other measures.

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*Director of the Financial Section  
and Economic Intelligence Service.*

League of Nations,  
Geneva, March 1938.

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A review of developments in recent years in gold and exchanges, banking  
and monetary policy, and legal and structural changes in the  
banking system will be found in the  
companion volume  
" MONETARY REVIEW ".

## ALBANIA

The present monetary and banking system of Albania dates back to the establishment of the National Bank of Albania in September 1925. Prior to that date, there was no unified currency system, and a few branches of foreign banks constituted the only credit institutions of the country.<sup>1</sup> The currency system set up in 1925 was a full gold standard with the frank containing 0.290322 gramme of fine gold — *i.e.*, the same content as the unit of the old Latin Monetary Union — as the unit. Though the National Bank was intended as a central bank and financial agent of the Government, in the absence of other credit institutions — the foreign banks closed their branches towards the end of 1925 — it has operated increasingly as a commercial bank. This may be seen from the detailed composition of its deposit liabilities shown below together with the note circulation and gold and subsidiary coin issued, as well as from the size of its discounts given in the attached balance-sheet.

End of	Clients' current account deposits	Correspondents' current account deposits	Savings deposits	Other	Total	Note circulation, gold and subsidiary coin issue
	Franks (000,000's)					
1926. . . . .	1.2	0.5	—	—	1.7	2.6
1927. . . . .	1.8	1.7	—	—	2.5	7.2
1928. . . . .	3.5	1.7	0.2	0.1	5.4	11.3
1929. . . . .	5.3	2.3	0.8	0.2	8.6	12.9
1930. . . . .	7.4	3.5	1.2	0.4	12.5	14.6
1931. . . . .	12.0	3.0	0.9	0.5	16.4	13.8
1932. . . . .	16.3	3.2	1.1	0.3	20.9	15.3
1933. . . . .	14.4	0.9	1.0	0.3	16.6	14.4
1934. . . . .	11.5	0.8	0.9	0.2	13.4	13.3
1935. . . . .	6.2	1.9	1.2	0.3	9.6	15.1
1936. . . . .	14.1	1.7	1.1	0.4	17.3	13.6

In addition to the above bank, there are at present three other institutions — one branch of the Yugoslav Export Bank opened in 1934, a public Agricultural Bank organised in the latter half of 1937, and a branch of the Banco di Napoli set up towards the end of the same year.

The Albanian frank remains attached to gold at its old parity; no legal exchange restrictions have been imposed.

<sup>1</sup> On this period, see League of Nations official documents, in particular Professor A. Calmes' reports C.652 and C.706.1922.II. The Statutes of the National Bank and other monetary laws will be found in Monograph No. 1 of a series (Monetary and Central Bank Laws) published by the League of Nations in 1932.

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937 *
	Franks (000,000's)								
<b>ASSETS.</b>									
1. Gold . . . . .	1.8	2.0	5.4	5.5	7.4	7.1	7.6	7.6	7.6
2. Foreign exchange . . . . .	18.5	21.9	19.4	25.3	20.3	16.7	13.8	17.6	13.5
3. Treasury bills in foreign currency . . . . .	.	5.3	5.5	6.0	6.1	5.9	3.9	6.9	9.0
4. Discounts . . . . .	1.8	2.3	3.2	2.7	2.5	2.2	2.5	2.6	3.0
5. Guaranteed advances . . . . .	1.1	1.1	1.3	0.8	0.5	0.5	0.7	1.2	1.1
6. Current account debtors . . . . .	2.2	2.9	2.5	2.3	0.4	0.3	0.6	0.6	0.7
7. Other assets . . . . .	1.3	2.0	3.6	1.8	1.9	2.0	4.0	2.9	3.8
8. Total Balance-sheet . . . . .	26.7	37.5	40.9	44.4	39.1	34.7	33.1	39.4	38.7
<b>LIABILITIES.</b>									
9. Paid-up capital . . . . .	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
10. Reserve funds . . . . .	0.4	0.5	0.6	0.6	0.6	0.7	0.8	0.9	0.6
11. Notes in circulation . . . . .	11.5	12.9	11.9	13.1	12.2	11.0	12.2	10.6	11.1
12. Other sight liabilities . . . . .	8.7	12.5	16.4	20.9	16.7	13.4	9.6	17.4	14.8
(a) In Albanian franks . . . . .	7.3	11.0	12.1	14.2	10.0	7.9	7.3	16.0	13.9
(b) In foreign currency . . . . .	1.4	1.5	4.3	6.7	6.7	5.5	2.3	1.4	0.9
13. Other liabilities . . . . .	2.3	7.8	8.2	6.0	5.8	5.8	6.7	6.7	8.4
Public Works Fund . . . . .	45.1	32.2	15.4	8.3	4.5	2.7	1.9	0.9	0.3
Discount rate, end of year (percentage) . . . . .	9	9	8	8	7.5	7.5	7.5	7	6
Wholesale prices, end of year (1929 = 100)	97	90	89	68.5	54.3	51.1	62.9	62.8	66.8

\* Statement for month ending December 31st.

**National Bank:** *Gold reserve* comprises small amounts of silver up to 1930. *Foreign exchange* consists in part of the proceeds of Government loans in Italy. The National Bank, unlike other banks practising the gold standard, did not convert its foreign assets into gold to an appreciable degree following the depreciation of the principal currencies. Since 1934, the failure of this item to decline is presumably to be accounted for by the inability to convert lire into gold. *Discounts and advances* represent transactions mainly on private account; discounts and advances to the Government, for a maximum period of sixty days, are provided for by a special agreement between the Government and the Bank, but they are relatively insignificant. *Total balance-sheet* excludes *comptes d'ordre* and Public Works Fund accounts shown separately in the statement above. On the composition of *Sight and other liabilities*, see detailed statement above, which is not shown separately in end-of-year position. *Public Works Fund*, included in the original balance-sheet under assets and liabilities, represents the accounts of a special works loan of 50 million franks granted to the Government by the Società per lo Sviluppato Economico dell' Albania, according to a Convention of March 1925 accompanying that for the Bank of Issue.

## ARGENTINE

End of	Wholesale price index (1929 = 100)	Value of currency as % of gold parity in 1929		Banco Central de la República Argentina								Subsidiary notes and coin in circulation	
		Official rate	Free rate	Gold	Gold abroad and foreign exchange	Guarantee bonds	Consolidated Treasury bonds	National securities	Notes in circulation	Deposits			
										Total	Member banks		Official deposits
Pesos (000,000's)													
Dec. 1935 .	102.4	46.0	38.1	1,224	129	119	221	14	982	707	482	219	196
March 1936 .	101.9	46.1	38.3	1,224	121	119	182	15	998	648	447	191	197
June 1936 .	101.2	46.8	38.7	1,224	106	119	54	18	1,013	493	327	158	198
Sept. 1936 .	104.0	46.8	39.5	1,224	131	119	67	20	1,004	543	320	219	201
Dec. 1936 .	106.4	45.5	41.5	1,224	303	119	—	19	1,094	552	426	121	208
March 1937 .	114.7	45.3	41.8	1,224	286	119	—	25	1,140	505	383	117	207
June 1937 .	118.9	45.8	42.3	1,224	344	119	40	26	1,165	562	437	120	208
Sept. 1937 .	119.7	45.9	41.8	1,254	226	119	25	26	1,114	509	401	101	209
Dec. 1937 .	115.9	46.4	40.9	1,354	68	119	87	24	1,150	485	355	125	209

■ Monthly average.

End of	Commercial Banks											Clearing turnover (monthly)	
	Cash reserves		Net balances abroad	Bonds	Other investments	Discounts	Loans and advances			Deposits			
	Notes	Balances with Banco Central					Total	Government	Autonomous departments	Total	Current account		Savings and time
Pesos (000,000's)													
May 1935 . .	372	553	+ 48	—	220	1,375	1,410	194	15	3,338	1,012	2,097	2,654*
June 1935 . .	297	325	+ 79	234	219	1,371	1,420	190	20	3,411	1,067	2,113	3,111
Sept. 1935 . .	284	309	+ 65	267	211	1,347	1,434	179	19	3,372	1,073	2,072	3,293
Dec. 1935 . .	285	542	+ 70	194	272	1,048	1,135	57	22	3,357	1,065	2,075	3,437
March 1936 . .	307	505	+ 76	222	267	1,035	1,189	48	24	3,448	1,098	2,115	3,144
June 1936 . .	340	382	+ 76	342	268	1,029	1,165	64	27	3,456	1,121	2,094	3,228
Sept. 1936 . .	299	360	+ 102	330	303	1,018	1,243	60	23	3,478	1,136	2,103	3,377
Dec. 1936 . .	299	472	+ 36	440	272	1,018	1,295	37	21	3,669	1,289	2,151	4,697
March 1937 . .	325	447	+ 113	652	270	970	1,250	60	8	3,896	1,443	2,186	4,396
June 1937 . .	341	498	+ 64	664	275	1,014	1,160	37	8	3,913	1,450	2,195	3,864
Sept. 1937 . .	329	407	+ 43	704	274	1,035	1,239	41	12	3,904	1,419	2,210	3,942
Dec. 1937 . .	308	381	+ 77	593	282	1,127	1,232	25	12	3,881	1,402	2,231	4,175

\* March 1935.

See *Commercial Banks 1913-1929*, page 350 ; *1925-1933*, page 268 ; *1929-1934*, page 155 ; and *Money and Banking 1935/36*, Vol. II, page 9 ; *1936/37*, Vol. II, page 9.

**Value of Currency :** The exchange-control regime, as modified on November 29th, 1933, continues to be in operation. As from December 10th, 1936, the official buying and selling rates for foreign currencies are 15 and 16 pesos to the £ sterling respectively. The free market rate for sterling appreciated from an average of about 18 pesos to the £ between September 1935 and August 1936 to 16.16 pesos in April 1937, to depreciate again slightly to 17.01 pesos in December 1937. Exchange control was centralised further by a Decree of June 17th, 1937, whereby all firms dealing in foreign exchange were placed under the jurisdiction of the Banco Central, and the same exchange regulations as apply to the banks were imposed on non-banking firms dealing in exchange.

**Monetary and Other Measures :** Two important series of measures may be referred to briefly. The first relates to steps taken to counteract the expansionist effects of the improvement in the balance of trade and in the import of capital (see *Economic Review* of the Banco Central, No. 1, pages 16 *et seq.*) and the revaluation of the gold reserves. The plethora of funds arising therefrom was absorbed, first by placing, as from June 7th, 1935, certificates of participation in consolidated bonds in the market, mainly with the commercial banks (see Item 13 of the Banco Central balance-sheet). The nominal value of bonds so placed was 211 million pesos at the end of June 1935, rose to 250 millions at the end of September and fell to 179 millions at the end of December

of the same year. During 1936, with the notable exception of two weeks in April, the tendency was towards an uninterrupted rise, with the certificates so placed amounting to 399 million pesos, or the whole amount held by the Banco Central, at the end of that year. Since February 1937, the banks have tended to discount some of these certificates with the Central Bank, but the amounts held are higher than in the preceding year. At the end of September, they figured at 373 million pesos.

Further steps were taken towards the "sterilisation" of the inflow of funds. The first was the setting aside of \$39.3 million on November 25th, 1936, and another \$39.8 million on January 22nd, 1937, of the foreign exchange purchased for the Exchange Fund out of the profits on exchange transactions (the difference between purchase and sale rates) for redeeming dollar loans. (On this and on the issue of conversion loans at home and abroad, see *Balance of Payments*, 1936 and 1937, Geneva 1937 and 1938.) Additional resources for purchasing exchange for the Exchange Fund were provided by the issue to it of a 100 million pesos of Treasury bills on November 24th, 1936. The amount of such bills placed with the market amounted to 67.5 millions at the end of December 1936. These bills, as in the United Kingdom and the United States of America, are quite independent of those issued to meet the Treasury's current requirements. The accounts of the commercial banks given above, particularly cash reserves, security holdings, and certain loans and advances, should be interpreted in the light of these measures.

Finally, it should be noted that the Central Bank, on behalf of the Ministry of Finance, has proceeded with the application of the Banking Control Law of March 1935. The liquidation of three banks has been undertaken and an amalgamation of four banks, placed under a special regime, into a new institution is in process. The principal organ in effecting this work has been the Instituto Movilizador de Inversiones Bancarias, set up at the end of December 1935 with the object of mobilising bank assets and assisting in the consolidation of banks.

**Commercial Banks :** End-of-month figures, as published according to the Banking Law of March 28th, 1935, in the *Economic Review* of the Banco Central, relating to all commercial banks, including the Banco de la Nación, and shown as from May 1935, when the Banco Central began its operations. For more details regarding the composition of the items given, see notes below. *Cash reserves :* Notes comprise gold amounting to 1 million pesos at the end of 1935 and 1936. *Minimum reserve requirements* were fixed at 16% and 8% of the commercial banks' sight and time deposits respectively; actual reserves are on the average above these minima, despite the large amounts of funds "sterilised" by the central authorities. *Bonds :* Consolidated Treasury bonds, including the certificates of participation in Consolidated Treasury bonds placed by the Banco Central (see item 13 of the Central Bank balance-sheet). Since November 1936, this item includes Treasury bills issued for the purchase of gold and foreign exchange (see *Monetary and Other Measures* above). The holding of such bills amounted to 43 million pesos at the end of December 1936 and 82 millions at the end of March 1937. *Loans to Government and autonomous departments* include bills.

**Clearing Turnover** represents the monthly amount of cheques cleared in million pesos in the Federal capital and the interior.

**Banco Central de la República Argentina :** On measures leading to the establishment of the Banco Central on May 31st, 1935, see *Money and Banking* 1935/36, Vol. II, page 10. *Gold :* valued at 25 paper pesos to the gold £. Of *gold abroad*, certain amounts were brought home from London during September and October 1937. *Government debt for fiduciary issue* is in the form of non-interest-bearing guarantee bonds taken over by the Bank. *Consolidated Treasury bonds* were issued at the time of the setting-up of the Banco Central through the conversion of the balance of Patriotic Loan bonds deposited as security with the former Caja de Conversión and of Treasury bills deposited as security with the Banco de la Nación. The commercial banks took up participation certificates in these bills (item 13), which the Banco Central must redeem as and when presented; their amount consequently varies with the ease of the money market. *National securities* represent Government bonds acquired, in accordance with Article 34, Law No. 12155, as investment of part of the bank's capital. *Temporary Advances to the National Government* according to Art. 44 of Law No. 12155, appear for the first time at end of April 1937, and are shown regularly since the end of July 1937. *Other assets* include bank premises and "All other assets". *Total Balance-sheet: comptes d'ordre* excluded. *Reserve funds* include as from 1936 the general, special and amortisation of premises funds. *Other liabilities* include, in addition to profit-and-loss accounts and "all other liabilities", a special item for 1935 amounting to 16.3 million pesos. This represents the premium over par obtained by selling consolidated Treasury bond certificates to the banks. These balances are temporary and disappear when the banks resell the certificates to the Banco Central at their original purchase price.

**Subsidiary Notes and Coin in Circulation :** Notes not exceeding 5 pesos and small coin, excluding amounts held by the Banco Central. The Government is solely responsible for this subsidiary issue. By a Law of August 1937, the Banco Central is authorised to issue bronze subsidiary coins of 1 and 2 centavos.

**Sources :** Weekly statements, annual reports of the Banco Central and *Economic Review* of the same institution.

Banco Central.

	May 31st, 1935 <sup>a</sup>	End of December		
		1935	1936	1937 *
<b>ASSETS.</b>				
Pesos (000,000's)				
1. Gold at home . . . . .	1,224	1,224	1,224	1,354
<i>of which</i> : extension of Foreign Exchange Fund . . . . .	—	—	—	129
2. Gold abroad and foreign exchange . . . . .	123	129	303	68
3. Subsidiary currency . . . . .	11	16	4	2
4. Government debt for fiduciary issue . . . . .	119	119	119	119
5. Consolidated Treasury bonds . . . . .	400	221	399	398
6. National securities . . . . .	—	14	19	24
7. Temporary advances to the Government . . . . .	—	—	—	17
8. Other assets . . . . .	—	2	6	3
9. Total Balance-sheet . . . . .	1,877	1,725	2,074	1,985
<b>LIABILITIES.</b>				
10. Paid-up capital . . . . .	11	15	20	20
11. Reserve funds . . . . .	—	—	3	5
12. Notes in circulation . . . . .	964	982	1,094	1,150
13. Deposits:				
(a) Member banks . . . . .	579	482	426	355
(b) Government . . . . .	136	219	121	125
(c) Other . . . . .	2	6	5	5
14. Certificates of participations in Treasury bonds . . . . .	—	—	399	311
15. Other liabilities . . . . .	185 *	21	6	14
Discount rate — end of year (percentage) . . . . .		3 ½	3 ½	3 ½

\* Statement for fortnight ending December 31st.

<sup>a</sup> First return of the Bank. Other liabilities represent the accounts for the Reserve Fund of the Instituto Movilizador (164 millions), account for the capital of the same institution (10 millions), and Government fund for payment of floating debt to the banks (12 millions).

Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume. The accounts as published under the new banking law for 1935 and 1936 may not be strictly comparable with those given for previous years. These accounts are provisional, as definite end-of-year statements are not yet available.

1. Cash.

The amounts shown under (a) consist entirely of gold. Those shown under (b) consist of:

	1929	1930	1931	1932	1933	1934
	Pesos (000,000's)					
Notes . . . . .	292	318	383	552	376	321
Clearing-house balances of ordinary banks . . . . .	84	127	124	86	135	79
Total . . . . .	376	445	507	638	511	400
				1935	1936	
Notes of Central Bank . . . . .				285	299	
Balances with Central Bank . . . . .				542	472	
Total . . . . .				827	771	

3. Bills discounted and bought.

The sums shown in the Summary Table consist of bills discounted for the public. They do not include the Banco de la Nación's rediscounts for the ordinary banks, which are given outside the balance-sheet (see note to group 21 below).

Since 1935, the sums shown under this heading consist of bills discounted and "short-term investments" as shown below:

	1935	1936
Bills . . . . .	1,048	1,018
Short-term investments . . . . .	194	439
Total . . . . .	1,242	1,457

6 and 16. Due from and to Banks (Correspondent Accounts).

	1929	1930	1931	1932	1933	1934	1935	1936
	Pesos (000,000's)							
Banco de la Nación . . . . .	+ 55	+ 72	0	+ 10	+ 12	+ 32	+ 25	+ 59
Ordinary banks . . . . .	+ 37	— 97	— 46	— 37	+ 10	— 12	+ 45	— 23
Total . . . . .	+ 92	— 25	— 46	— 27	+ 22	+ 20	+ 70	+ 36

7. Loans and Advances.

	1929	1930	1931	1932	1933	1934	1935	1936
	Pesos (000,000's)							
Loans . . . . .	1,058	1,072	748	650	645	669	550	619
Advances on Government securities . . . . .	528	657	691	673	686	696	57	37
Other loans and advances . . . . .	446	491	575	610	699	695	528	639
Total loans and advances . . . . .	2,032	2,220	2,014	1,933	2,030	2,059	1,135	1,295

## Commercial Banks.

End of the year:	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	26	26	26	26	.	.	.
SUMMARY BALANCE-SHEET.							
ASSETS.							
1. Cash . . . . .	470	514	643	516	403	828	772
(a) Gold, silver and small coins . . . . .	94	7	5	5	8	1	1
(b) Inland notes and balances with Central Bank . . . . .	376	507	638	511	400	827	771
2. Other Items of a Cash Nature . . . . .	93	77	121	136	122	.	.
3. Bills discounted and bought . . . . .	1,684	1,710	1,558	1,441	1,399	1,242	1,457
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	211	271	262	242	233	272	272
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	92	—	—	22	20	70	36
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	92	—	—	22	20	70	36
7. Loans and Advances . . . . .	2,032	2,014	1,933	2,030	2,059	1,135	1,295
(a) On current account . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	—	—	—	—	—	—	—
10. Sundry Assets . . . . .	—	—	—	—	—	—	—
11. Total Balance-sheet . . . . .	4,582	4,586	4,517	4,387	4,236	.	.
LIABILITIES.							
12. Capital paid up . . . . .	522	554	557	.	.	.	.
13. Reserve Funds . . . . .	169	176	178	.	.	.	.
14. Profit and Loss, etc. . . . .	2	3	3	.	.	.	.
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	—	46	27	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	46	27	—	—	—	—
17. Deposits . . . . .	3,945	3,555	3,554	3,512	3,484	3,357	3,669
(a) Current accounts and sight deposits . . . . .	1,218	1,009	1,112	1,216	1,168	1,065	1,288
(b) Savings accounts . . . . .	1,771	1,648	1,570	1,533	1,589	1,580	1,655
(c) Time or fixed deposits . . . . .	710	667	654	537	504	495	496
(d) Other deposits . . . . .	246	231	218	226	223	217	230
18. Rediscounts . . . . .	—	359	295	207	172	.	.
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	—	—	—	—	—	—	—
21. Other Borrowings . . . . .	404	524	490	480	508	.	.

17. Deposits.	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
Current accounts . . . . .	1,218	1,263	1,009	1,112	1,216	1,168	1,065	1,288
Savings deposits . . . . .	1,771	1,713	1,648	1,570	1,533	1,589	1,580	1,655
Time deposits . . . . .	710	795	667	654	537	504	495	496
Other deposits . . . . .	246	258	231	218	226	223	217	230
Total deposits . . . . .	3,945	4,029	3,555	3,554	3,512	3,484	3,357	3,669

## 18. Rediscounts.

The amounts shown for the years 1931-1934 under this heading in the Summary Table represent rediscounts of commercial paper which the Banco de la Nación effected with the Caja de Conversión.

Prior to the establishment of the Banco Central, the ordinary banks rediscounted commercial paper with the Banco de la Nación and borrowed from it against Government securities. As these borrowings represent neither a net asset nor liability of the commercial banking system as a whole, they have been excluded from the Summary Table and are shown separately outside the balance-sheet proper. See following note.

## 21. Other Borrowings.

As stated above, the Banco de la Nación's rediscounts of commercial paper for the ordinary banks and its advances to them against Government securities have been excluded from groups 3 and 7 under assets and from group 18 under liabilities. They are shown in the present group and were composed in the years under review as follows:

	1929	1930	1931	1932	1933	1934	1935	1936
	Pesos (000,000's)							
Rediscounts of commercial paper . . . . .	138	135	252	287	267	268		
Borrowings against Government securities . . . . .	266	244	272	203	213	240		
Total . . . . .	404	379	524	490	480	508		

## AUSTRALIA AND NEW ZEALAND

### Australia.

#### REPORT OF THE ROYAL COMMISSION ON MONETARY AND BANKING SYSTEMS.

The Royal Commission, appointed on November 15th, 1935, to enquire into the monetary and banking systems at present in operation in Australia and to report on desirable alterations and the manner in which they should be effected, presented its report on August 24th, 1937.

The report is divided into three parts : I. — General analysis of Australian economy and monetary and banking system, 1901-1936 ; II. — Critical survey of proposals for monetary reform ; III. — Examination of the existing Australian system in the light of ideal standards for money and banking ; conclusions and recommendations.

The principal conclusions and recommendations may be summarised as follows :

#### I. DESIRABLE OBJECTIVES OF A MONETARY AND BANKING SYSTEM FOR AUSTRALIA.

##### 1. *Policy of the Commonwealth Bank.*

The function of the Commonwealth Bank should be to regulate the volume of credit and currency, making its chief consideration "the reduction of fluctuations in general economic activity in Australia". "The policy is not to fix the exchange rate and require the economy in ordinary circumstances to adjust itself to that rate, but to keep the economy reasonably stable and to move the exchange rate, if necessary, as one means to that end." The Bank should endeavour to regulate the volume of credit to the banks, "so that the latter will be induced to maintain a level of advances and deposits which will best serve the general objective of the Australian economy". It is added that the Bank should pay "some regard" to the distribution by the banks of the volume of credit amongst different industries and see that the credit provided is made available "at appropriate rates of interest".

##### 2. *Relationship between Government and Central Bank.*

Four of the six commissioners consider that, where differences between the Government and the Central Bank are "irreconcilable", the Government should give the Bank an assurance that it accepts full responsibility for the proposed policy and that it can implement it. "It is then the duty of the Bank to accept this assurance and to carry out the policy of the Government."

#### II. MAIN RECOMMENDATIONS.

##### 1. *Note Issue Reserve.*

The statutory provisions which require the Commonwealth Bank to hold in the form of gold or English sterling a reserve of 25% of the notes issued should be repealed. The note issue should be limited by law to a fixed maximum (for example, £A.60 million), subject to the right of the Bank to exceed the maximum by a stated amount (for example, £A.10 million) with the consent of the Treasurer (majority decision).

##### 2. *Power to Requisition an Unspecified Percentage of Trading Banks' Deposits, to be kept with the Commonwealth Bank as Cash, and to vary this Percentage.*

The Commission is of opinion that the regulation of credit will be best achieved through co-operation, but it recommends (with two dissentients) special powers to be held in reserve. The Commonwealth Bank should be given power to require, with the consent of the Treasurer, every trading bank to keep with the Central Bank a deposit of an amount not less than a percentage, specified in the requisition, of the liability of that bank to its depositors in Australia. The Bank should be authorised to vary the percentage from time to time within



the limit fixed by the consent of the Treasurer. The period of the requisition would be six months, extensible to twelve with the Treasurer's consent ; in any period of two years, this power should not be exercised for a longer period or periods than eighteen months.

### 3. *London Funds.*

The Commission recommends, with two dissentients, an extension of the existing voluntary exchange mobilisation agreement, whereby the trading banks would sell regularly to the Commonwealth Bank London funds in excess of their present contributions for the oversea debt service. Moreover, the aggregate figures of the London funds of the banking system should be published regularly, but not until at least six months after the date to which they relate.

### 4. *Open Market for Treasury Bills.*

The Governments and the Commonwealth Bank should explore the possibility of establishing an open market for Treasury bills by way of regular offers of bills for public tender (one dissent).

### 5. *Commonwealth Bank.*

The provision in the Commonwealth Bank Act for the separate control of the Commonwealth Savings Bank should be repealed. Power should be given to the Commonwealth Savings Bank to make deposits with trading banks if the Board so chooses.

### 6. *Loan Council.*

Permanent machinery should be established to enable the Commonwealth Bank and the Commonwealth and State Treasuries to maintain close contact.

### 7. *Other Recommendations.*

The Commonwealth Bank should take control of any bank unable to meet its immediate obligations, and should be given any additional powers required for this purpose.

The Bank should be given power to obtain statistics which it requires for its purposes as a central bank. In order to promote a wise distribution of credit, the Bank should equip itself with all possible facilities for ascertaining economic trends in Australia and abroad.

In addition to any accounts required by the law of the country or State in which it is incorporated, every bank should supply detailed returns and profit-and-loss accounts to be published in the *Commonwealth Gazette*.

The report recommends the disclosure of inner reserves and the limitation of bank profits to a "fair return".

Detailed prescriptions on banks and their activities on lines similar to those in force in the majority of countries are also recommended. It is suggested also that power should be given to the Treasurer to direct the Auditor-General to investigate the affairs of any bank and to report upon such matters as the Treasurer directs, and that the Treasurer should be authorised to withdraw the licence or authority in the event of wilful or persistent failure to comply with the provisions set out.

A mortgage bank should be established to provide facilities for fixed and long-term lending. The Federal and State Governments, with the assistance of the Commonwealth Bank, should investigate the problems of setting up institutions to supply the needs of small secondary industries.

A system of decimal coinage should be introduced, based upon the division of the Australian pound into one thousand parts.

\* \* \*

The Government decided soon after the publication of the report to give effect to the recommendations for better provision for the financing of small secondary industries and for the establishment of a mortgage bank.

AUSTRALIA

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End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Commonwealth Bank of Australia (Issue and Banking Departments)											Over- draft rate %	
		Gold	Foreign exchange			Funds held tempo- rarily in London on account of Conversion Loan	Deben- tures and other securities (Issue Depart- ment)	Govern- ment securities (Banking Depart- ment)	Short- term loans in Australia	Discounts and advances	Notes in circu- lation	Special reserve : Premium on gold sold		Deposits
			English sterling reserve	Money at short call in London	Bills receivable in London									
	"	£ (000,000's) <sup>b</sup>											%	
Dec. 1935.	47.7	0.5	15.5	12.8	2.1	—	39.2	36.3	6.9	10.2	51.3	3.9	62.4	4.25
March 1936.	48.1	0.3	15.7	19.3	2.6	7.3	39.4	35.7	3.2	7.9	47.0	7.8	70.9	4.25
June 1936.	48.8	0.3	15.7	22.9	2.0	3.0	39.1	36.8	7.5	9.5	47.0	7.8	74.9	4.25
Sept. 1936.	48.7	0.3	15.7	21.3	2.4	0.5	39.1	36.2	7.0	8.5	47.0	7.8	71.2	4.25
Dec. 1936.	47.5	0.3	15.7	22.8	2.8	—	42.0	35.3	7.0	8.8	50.5	7.8	69.0	4.25
March 1937.	47.2	0.3	15.7	26.3	2.4	—	39.8	38.3	5.9	9.2	48.3	7.8	76.5	4.25
June 1937.	47.7	0.3	15.7	36.5	3.7	2.4	38.6	38.0	2.6	9.3	47.0	7.8	86.8	4.25
Sept. 1937.	47.9	0.3	15.7	35.8	2.8	—	39.8	37.9	2.6	10.2	48.3	7.8	83.8	4.25
Dec. 1937.	48.3	0.3	15.7	33.2	3.6	3.8	45.3	43.0	—	11.5	54.0	7.8	88.4	4.25

<sup>a</sup> Gold parity in 1929 : £1 = 4.86656 U.S.A. dollars ; 1 U.S.A. dollar = £0.20548.

<sup>b</sup> As from March 23rd, 1936, the balance-sheet items hitherto shown partly in £A. and partly in £ sterling are shown in Australian currency.

° Date of last change : November 1st, 1934.

■ Monthly average.

	Wholesale prices Melbourne (1929 = 100) (Monthly average)	Trading Banks (Averages for the quarter)						Savings Banks <sup>b</sup> Deposits (End of month)	Clearing turnover Amounts cleared at Sydney & Melbourne (Weekly average)	Bond yields 4% Govern- ment Bonds (Middle of month)	
		Cash	Govern- ment and municipal securities	Loans	Notes in circu- lation	Deposits					
						Total <sup>a</sup>	Non- interest- bearing				Interest- bearing
		£A. (000,000's)								%	
Dec. 1935 . . . . .	81.0	33.6	48.0	260.8	0.168	292.3	109.7	179.9	220.5	39.0	3.85
March 1936 . . . . .	82.4	33.6	45.8	258.6	0.167	296.1	114.5	178.9	221.6	35.8	3.89
June 1936 . . . . .	84.5	30.9	44.3	262.4	0.167	294.2	109.5	182.0	224.1	34.7	3.94
Sept. 1936 . . . . .	87.2	30.0	43.1	266.5	0.167	286.9	103.1	181.2	225.0	33.2	3.92
Dec. 1936 . . . . .	89.4	31.2	41.4	267.6	0.167	294.0	110.5	180.8	224.2	41.0	4.02
March 1937 . . . . .	91.6	37.6	43.9	261.5	0.167	309.9	120.4	186.8	225.0	39.3	3.93
June 1937 . . . . .	92.2	38.4	44.7	261.6	0.167	315.8	119.8	193.4	230.9	38.1	3.75
Sept. 1937 . . . . .	94.6	37.0	45.3	265.8	0.167	310.9	115.3	193.0	232.8	39.3	3.81
Dec. 1937 . . . . .	87.7	38.5	44.7	274.3	0.167	316.8	121.4	192.7	233.5	.	3.74

<sup>a</sup> Including "Perpetual Inscribed Stock".

<sup>b</sup> Including the Commonwealth Savings Bank of Australia.

See *Commercial Banks 1913-1929*, page 411 ; *1925-1933*, page 325 ; *1929-1934*, page 206 ; *Money and Banking 1935/36*, Vol. II, page 14 ; *1936/37*, Vol. II, page 12.

Sources : Balance-sheets of the Commonwealth Bank of Australia. *The Australasian Insurance and Banking Record. Quarterly Summary of Australian Statistics*. Report of the Royal Commission on Monetary and Banking Systems.

## Commonwealth Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
<b>A. ISSUE DEPARTMENT.</b>									
£ (000,000's) <sup>a</sup>									
<b>ASSETS.</b>									
1. Gold . . . . .	18.3	15.4	10.5	8.5	0.5	0.5	0.5	0.3	16.0
2. English sterling reserve <sup>b</sup> . . . . .	—	—	—	3.0	20.0	20.2	15.5	15.7	
3. Debentures and other securities . . . . .	21.1	8.2	44.3	38.1	31.3	32.3	39.2	42.0	45.3
4. Other assets . . . . .	5.9	24.6	0.1	1.1	1.4	1.2	—	1.0	1.3
5. Total Balance-sheet . . . . .	45.3	48.2	54.9	50.7	53.2	54.2	55.2	59.0	62.6
<b>LIABILITIES.</b>									
6. Notes in circulation . . . . .	45.3	48.2	54.8	50.0	49.3	50.3	51.3	50.5	54.0
7. Special reserve : premium on gold sold . . . . .	—	—	0.1	0.7	3.9	3.9	3.9	7.8	7.8
8. Other liabilities . . . . .	—	—	—	—	—	—	—	0.7	0.8
<b>B. BANKING DEPARTMENT.</b>									
<b>ASSETS.</b>									
9. Australian notes . . . . .	3.0	5.9	6.6	5.0	4.2	5.2	5.2	3.5	4.4
10. Coin, bullion and cash balances . . . . .	1.2	1.3	0.6	0.8	0.7	0.7	0.6	1.2	1.0
11. Money at short call in London . . . . .	6.2	3.2	12.0	13.8	13.6	18.4	12.8	20.4	34.5
12. Short-term loans in Australia . . . . .	5.8	6.3	10.0	12.2	9.6	12.9	6.9	11.1	—
13. Investments . . . . .	12.4	21.4	28.2	30.4	36.8	37.1	36.4	35.9	48.0
(a) British, Colonial and Government securities . . . . .	7.7	6.3	10.5	10.9	9.4	9.5	9.5	8.1	13.0
(b) Commonwealth Government securities . . . . .	4.7	15.1	17.7	19.5	27.4	27.6	26.9	27.8	35.0
14. Bills receivable in London and remittances in transit . . . . .	1.6	1.1	1.2	1.2	1.3	1.5	2.1	2.1	2.2
15. Bills discounted, loans and advances to customers and other assets . . . . .	12.9	14.6	9.3	10.0	8.7	9.8	10.2	10.9	14.1
16. Other assets . . . . .	0.5	0.6	1.8	1.1	1.1	1.1	1.1	1.0	1.0
17. Total Balance-sheet . . . . .	43.6	54.4	69.7	74.5	76.0	86.7	75.3	86.1	105.2
Aggregate Balance-sheet (A + B) <sup>c</sup> . . . . .	85.9	96.7	118.0	120.2	125.0	135.7	125.3	141.6	163.4
<b>LIABILITIES.</b>									
18. Capital Account . . . . .	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
19. Reserve Fund . . . . .	0.8	1.0	1.3	1.5	1.7	1.9	2.1	2.3	2.5
20. Rural Credits Department . . . . .	1.3	1.6	1.9	2.2	2.3	2.3	2.3	2.3	2.3
21. Deposits, accrued interest and rebates . . . . .	33.8	44.5	60.7	63.1	64.1	74.9	62.4	71.4	90.5
22. Bills payable and other liabilities . . . . .	3.7	3.3	1.8	3.7	3.9	3.6	4.5	6.1	5.9
Discount rate (percentage) . . . . .	6½	6½	6	5	4¾	4¼	4¼	4¼	4¼

<sup>a</sup> From March 23rd, 1936, onwards, the balance-sheet items hitherto shown partly in £A. and partly in £ sterling are, in accordance with the Commonwealth Bank Act, shown in Australian currency.

<sup>b</sup> Including in 1933 and 1934 "Money at short call in London", £7 and £5 million respectively.

<sup>c</sup> Less notes held in the Banking Department.

## Commercial Banks.

The commercial banking statistics given in this table refer exclusively to the assets and liabilities of the banking offices within Australia and exclude capital and reserve accounts.

For detailed notes of various items of the balance-sheet, see previous editions of this volume.

## 1. Cash.

The amounts shown under (a) are made up as follows:

June quarter	Coin	Bullion	Total
	£A. (000,000's)		
1930. . . . .	4.5	0.1	4.6
1931. . . . .	1.8	0.2	2.0
1932. . . . .	1.7	0.3	2.0
1933. . . . .	1.6	0.3	1.9
1934. . . . .	1.6	0.3	1.9
1935. . . . .	1.6	0.3	1.9
1936. . . . .	1.6	0.4	2.0
1937. . . . .	1.8	0.5	2.3

The sums shown under (b) consist of Australian notes issued by the Commonwealth Bank and deposits held by the joint-stock banks with that Bank. The amounts due by the Commonwealth Bank to other banks are shown below:

June quarter	£A. (000,000's)
1930. . . . .	16.9
1931. . . . .	32.2
1932. . . . .	29.1
1933. . . . .	23.6
1934. . . . .	38.4
1935. . . . .	23.7
1936. . . . .	16.9
1937. . . . .	24.5

TABLE I. — COMMERCIAL BANKS.

Averages for quarter ending June 30th :	1930	1931	1932	1933	1934	1935	1936	1937
Number of Banks . . . . .	11	11	10	10	10	10	10	10
SUMMARY BALANCE-SHEET.		£A. (000,000's)						
ASSETS.								
1. Cash . . . . .	37.6	53.2	49.8	41.3	53.3	38.5	30.9	38.4
(a) Gold, silver and small coins . . . . .	4.6	2.0	2.0	1.9	1.9	1.9	2.0	2.3
(b) Inland notes and balances with Central Bank . . . . .	33.0	51.2	47.8	39.4	51.4	36.6	28.9	36.1
2. Other Items of a Cash Nature . . . . .	1.9	1.3	1.3	1.4	1.6	1.8	1.9	2.2
3. Bills discounted and bought . . . . .	—	—	—	—	—	—	—	—
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	19.3	21.5	43.7	52.8	52.1	52.0	44.3	44.7
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	4.1	2.9	3.8	3.7	3.5	2.2	2.1	2.0
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	262.8	241.3	229.3	234.1	237.0	253.7	262.4	261.6
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	7.6	8.0	8.0	8.0	8.2	8.4	8.4	8.6
10. Sundry Assets . . . . .	—	—	—	—	—	—	—	—
11. Total Balance-sheet . . . . .	333.3	328.2	335.9	341.3	355.7	356.6	350.0	357.5
LIABILITIES.								
12. Capital paid up . . . . .	—	—	—	—	—	—	—	—
13. Reserve Funds . . . . .	—	—	—	—	—	—	—	—
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—
15. Notes in circulation . . . . .	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
16. Cheques and Drafts, etc., in circulation . . . . .	2.8	2.3	2.1	2.1	2.4	2.5	2.7	2.8
17. Due to Banks (Correspondents) . . . . .	2.7	1.5	1.3	1.2	1.3	1.0	0.9	1.0
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
18. Deposits . . . . .	270.0	262.8	280.0	277.6	299.7	294.4	294.2	315.8
(a) Current accounts and sight deposits . . . . .	89.8	81.1	87.1	89.0	101.4	106.8	109.8	119.8
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	180.2	181.7	192.9	188.6	198.3	187.9	184.7	196.0
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
19. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
20. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—
21. Sundry Liabilities . . . . .	—	—	—	—	—	—	—	—

2. *Other Items of a Cash Nature.*

These consist of the banks' holdings of cheques and drafts on other banks.

4. *Investments and Securities.*

These include the banks' holdings of Treasury bills.

11. *Total Balance-sheet.*

As the official statistics do not cover the complete balance-sheets, the totals of the assets and liabilities shown do not correspond.

12, 13 and 14. *Capital, Reserves and Undivided Profits.*

The paid-up capital and reserves, etc., of all the Australian

trading banks with head offices in either Australia or London were as follows :

End of June	Capital	Reserves and undivided profits
	£A. (000,000's)	
1930. . . . .	44.6	36.2
1931. . . . .	44.9	36.8
1932. . . . .	44.0	35.4
1933. . . . .	44.0	35.4
1934. . . . .	44.0	35.4
1935. . . . .	43.5	35.4
1936. . . . .	43.5	34.0
1937. . . . .	43.5	34.0

These figures do not include the capital and reserves of the foreign banks operating in Australia.

## New Zealand.

### THE RESERVE BANK OF NEW ZEALAND AMENDMENT ACT.

The Reserve Bank of New Zealand, established as a privately owned bank by the Law of November 27th, 1933, became a Government institution by virtue of an Amendment Act, approved on April 8th, 1936, retroactive to April 1st, 1936.

According to Section 10 of the Amendment Act, the objectives of the Reserve Bank are to be as follows: "It shall be the general function of the Reserve Bank, within the limits of its powers, to give effect as far as may be to the monetary policy of the Government, as communicated to it from time to time by the Minister of Finance. For this purpose, and to the end that the economic and social welfare of New Zealand may be promoted and maintained, the Bank shall regulate and control credit and currency in New Zealand, the transfer of moneys to or from New Zealand, and the disposal of moneys that are derived from the sale of any New Zealand products and for the time being are held overseas."

The powers of the Bank were considerably extended. It was authorised to discount trade bills signed on behalf of the Government and drawn on account of New Zealand produce; no time-limit has been fixed for such bills. Furthermore, it was given power to grant accommodation by way of overdraft to the Government and to official organisations to finance the purchase and marketing of New Zealand produce, with no stated limits as to the total of such overdrafts. These powers were used by virtue of the Primary Produce Marketing Act (July 1936), whereby the Government became the sole exporter of dairy produce and the Reserve Bank the sole bank financing its export.

The Bank was further authorised to buy and sell securities to any amount; according to the original law, the amount of securities held was not to exceed twice the paid-up capital and reserves of the Bank. Moreover, the securities which the Bank may buy include, in addition to those of the Governments of New Zealand and the United Kingdom as in the original law, securities guaranteed by these Governments. The Bank was also empowered to underwrite long-term Government loans for such expenditure as Parliament might authorise and to make advances against Treasury bills up to a maximum equal to the full amount of estimated revenue for the year; previously, such advances were limited to 50% of the estimated revenue.

The Minister of Finance was authorised to suspend at any time the obligation of the Reserve Bank to give sterling in exchange for its notes when called upon to do so. Notwithstanding such suspension, the Bank's notes shall continue to be legal tender. Formerly, there was no specific provision for suspension of redemption obligations, and notes remained legal tender only so long as the Bank redeemed them in sterling exchange.

The Governor of the Bank, acting with the approval of the Minister of Finance, was enabled to increase or decrease the reserve balances of the trading banks with the Reserve Bank, providing that these reserves shall not be reduced below the proportion fixed in the original law (7% of demand liabilities, 3% of time liabilities). In addition, the trading banks were required to furnish the Reserve Bank with regular information as to the amount of unused overdraft facilities.

End of (Weekly returns)	Value of currency as % of the gold parity in 1929 <sup>a</sup>	Wholesale prices (1929=100)	Reserve Bank of New Zealand									All Banks	
			Gold	Sterling exchange	Invest- ments	Advances	Notes in circu- lation	Demand liabilities			Discount rate <sup>b</sup>	Net overseas funds	
								Total	Government	Banks			
	■	▲	£N.Z. (000,000's)										
Dec. 1935.	48.1	95.0	2.8	21.4	1.6	—	10.7	13.7	3.7	9.7	3.5	—	—
March 1936.	48.4	93.1	2.8	24.8	1.8	—	10.2	17.9	8.8	9.0	2.5	—	—
June 1936.	49.2	94.0	2.8	22.1	2.0	—	10.0	15.8	8.8	6.7	2	44.0	—
Sept. 1936.	49.0	95.5	2.8	16.8	2.1	1.8	11.2	11.0	3.9	6.9	2	34.0	—
Dec. 1936.	47.8	97.4	2.8	16.5	2.7	7.9	13.6	14.8	3.5	11.1	2	28.1	—
March 1937.	47.6	98.9	2.8	19.1	2.5	7.1	13.2	16.9	7.9	8.9	2	34.4	—
June 1937.	48.1	101.7	2.8	21.5	2.9	5.0	12.6	18.2	7.4	9.8	2	37.0	—
Sept. 1937.	48.3	102.4	2.8	19.1	2.9	4.6	13.0	14.7	5.2	8.9	2	30.0	—
Dec. 1937.	48.7	105.2	2.8	17.0	2.7	7.1	15.2	12.9	3.5	8.9	2	23.7	—

<sup>a</sup> Gold parity in 1929: £N.Z.1 = 4.86656 U.S.A. dollars; 1 U.S.A. dollar = £N.Z.0.20548.

<sup>b</sup> Date of last change: June 29th, 1936.

■ Monthly average. ▲ 15th or middle of month.

End of	Commercial Banks										Five Savings Banks	Postal Savings Banks	Bank debts Other than on Govern- ment account (monthly) <sup>a</sup>		
	Cash	Overseas assets		Discounts	Advances	Govern- ment securities	Notes in circu- lation	Deposits						Deposits	Deposits
		Total	In London					New Zealand		Liabilities abroad					
								Free	Fixed						
	£N.Z. (000,000's)														
Dec. 1935.	14.1	15.8	9.7	46.6	4.7	0.6	27.2	37.1	1.1	11.4	50.8	15.4			
March 1936.	13.3	20.4	14.1	44.9	5.1	0.6	31.9	36.5	1.1	11.8	52.9	18.4			
June 1936.	10.8	23.2	17.3	0.4	44.6	5.3	30.8	36.1	1.4	11.8	52.4	15.0			
Sept. 1936.	10.9	18.7	12.9	0.6	45.4	5.2	28.9	34.5	1.5	12.0	53.3	13.6			
Dec. 1936.	14.8	13.3	7.9	0.7	47.6	5.7	31.1	33.1	1.7	11.9	53.5	18.5			
March 1937.	12.8	16.5	11.0	0.7	46.2	7.6	36.9	32.0	1.2	12.5	58.1	23.1			
June 1937.	14.6	17.2	12.2	0.5	47.2	7.5	36.1	32.9	1.8	12.6	59.5	17.2			
Sept. 1937.	13.3	12.4	8.1	0.7	50.0	7.6	32.9	33.1	1.4	12.8	60.6	16.0			
Dec. 1937.	13.2	8.8	5.2	0.6	53.4	7.8	33.6	32.1	2.2	12.9	60.8	20.0			

<sup>a</sup> Average of four or five weeks ended in the month.

See *Commercial Banks 1913-1929*, page 422; *1925-1933*, page 330; *1929-1934*, page 209; *Money and Banking 1935/36*, Vol. II, page 16; *1936/37*, Vol. II, page 15.

**Value of Currency:** The rates at which the Bank has been prepared to pay its notes in sterling and to issue notes in exchange for gold or sterling have remained unchanged at £N.Z.125 and £N.Z.124 respectively for £100 sterling.

**Reserve Bank of New Zealand: Gold:** Valued at its face value in New Zealand currency (£N.Z. equals £ sterling). **Sterling exchange:** Exchange eligible as cover for notes and other demand liabilities, valued at the rate £100 sterling equals £N.Z.124. **Advances:** Advances to the State or State undertakings on account of the dairy industry (Primary Products Marketing Act) and for other purposes. A certain amount of temporary accommodation was granted to the banking system, whilst the maximum effect of the collection of the national revenue was being felt; these advances were, however, repaid in March 1937. **Investments:** Long-dated Government securities. **General Reserve Fund:** In accordance with Section 2 of the Reserve Bank of New Zealand Amendment Act, 1936, the amount of £500,000, shown in 1934 and 1935 under the heading *Capital*, was transferred on April 1st, 1936, to the General Reserve Fund, increasing the total of the latter to £1,500,000.

**Net Overseas Funds:** Aggregate of the overseas funds held by the Reserve Bank and by the trading banks on account of New Zealand business (sterling exchange of the Reserve Bank plus overseas assets of the trading banks minus liabilities abroad of the trading banks).

**Sources:** Reserve Bank of New Zealand: Weekly statements and annual reports. Department of Industries and Commerce: *Bulletin*. Census and Statistics Office: *Monthly Abstracts of Statistics*.

## Reserve Bank.

	August 6th, 1934	March 31st		
		1935	1936	1937
ASSETS.				
		£N.Z. (000,000's)		
1. Gold . . . . .	0.3	3.0	2.8	2.8
2. Sterling exchange . . . . .	24.5	22.4	24.9	19.4
3. Subsidiary coin . . . . .	0.1	0.2	0.2	0.2
4. Advances to the State or State Undertakings . . . . .	—	—	—	7.0
(a) Dairy industry account . . . . .	—	—	—	6.2
(b) For other purposes . . . . .	—	—	—	0.8
5. Investments . . . . .	1.5	2.1	1.8	2.9
6. Other assets . . . . .	—	—	—	0.1
7. Total Balance-sheet . . . . .	26.4	27.7	29.7	32.4
LIABILITIES.				
8. Capital and General Reserve Fund . . . . .	1.5	1.5	1.5	1.5
9. Bank notes . . . . .	7.8	9.4	10.2	13.1
10. Demand liabilities . . . . .	17.1	16.7	17.9	17.7
(a) State . . . . .	2.5	12.2	8.8	7.9
(b) Banks . . . . .	14.6	4.5	9.0	8.9
(c) Other . . . . .	—	—	0.1	0.9
11. Other liabilities . . . . .	—	0.1	0.1	0.1
Discount rate (end of year), % . . . . .	4	3½	2	2

## Commercial Banks.

The series given up to June 1935 was discontinued after that date. The new series is not directly comparable with that for the preceding years. The commercial banking statistics given in this table refer exclusively to the assets and liabilities of the banking offices *within* New Zealand and exclude capital and reserve accounts.

For detailed notes on various items of the balance-sheet, see previous editions of this volume.

## 2. Other Items of a Cash Nature.

Mainly cheques and drafts on other banks since 1936 :  
"Overseas assets in respect of New Zealand business" :

	1936	1937
In London . . . . .	17.3	12.2
Elsewhere . . . . .	5.9	5.0
Total . . . . .	23.2	17.2

## 3. Bills discounted and bought.

Part of discounts may be included under advances in the official returns. Treasury bills issued in connection with the taking-over of the exchange reserves of the banks are included under securities.

## 11. Total Balance-sheet.

As the official statistics do not cover the complete

balance-sheets, the totals of the assets and liabilities do not correspond.

## 18. Deposits.

The figures shown since June 1936 represent :

	1936	1937
Demand liabilities . . . . .	31.4	37.3
In New Zealand . . . . .	30.8	36.0
Elsewhere . . . . .	0.6	1.3
Time liabilities . . . . .	36.9	33.5
In New Zealand . . . . .	36.1	33.0
Elsewhere . . . . .	0.8	0.5
Total . . . . .	68.3	70.8

## 21. Sundry Liabilities.

The figure shown for June 1936 represents New Zealand business excess of assets over liabilities.

TABLE II. — COMMERCIAL BANKS.

Averages for quarter ending June 30th :	1930	1931	1932	1933	1934	1935	1936	1937
Number of Banks . . . . .	6	6	6	6	6	6	6	6
SUMMARY BALANCE-SHEET.		£N.Z. (000,000's)						
ASSETS.								
1. Cash . . . . .	6.9	7.0	6.3	5.2	5.1	4.0	10.7	14.6
(a) Gold, silver and small coins . . . . .	6.8	6.9	6.2	5.1	5.0	0.8	0.7	0.8
(b) Inland notes and balances with Central Bank . . . . .	0.1	0.1	0.1	0.1	0.1	3.2	10.0	13.8
2. Other Items of a Cash Nature . . . . .	0.7	0.5	0.4	0.3	0.5	2.5	23.2	17.2
3. Bills discounted and bought . . . . .	1.2	0.9	0.7	0.6	1.9	0.5	0.5	0.5
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	6.3	5.0	9.5	14.8	27.6	6.0	5.6	7.8
(a) Government . . . . .	5.6	4.6	9.1	14.4	27.2	5.8	5.3	7.5
(b) Other . . . . .	0.7	0.4	0.4	0.4	0.4	0.2	0.3	0.3
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	0.7	1.7	1.3	1.7	0.8	2.5	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	52.9	52.5	49.9	46.1	39.4	43.4	44.7	47.2
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	1.2	1.3	1.3	1.3	1.3	1.4	1.5	1.6
10. Sundry Assets . . . . .	—	—	—	—	—	—	—	—
11. Total Balance-sheet . . . . .	69.9	68.9	69.4	70.0	76.6	60.3	86.2	88.9
LIABILITIES.								
12. Capital paid up . . . . .	—	—	—	—	—	—	—	—
13. Reserve Funds . . . . .	—	—	—	—	—	—	—	—
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—
15. Notes in circulation . . . . .	6.4	5.8	6.0	6.3	6.4	0.8	0.5	—
16. Cheques and Drafts in circulation . . . . .	0.3	0.2	0.2	0.1	0.2	0.2	—	—
17. Due to Banks (Correspondents) . . . . .	0.7	1.6	1.3	1.7	0.8	0.1	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
18. Deposits . . . . .	58.8	55.0	54.0	57.5	64.8	61.8	68.3	70.8
(a) Current accounts and sight deposits . . . . .	23.2	18.1	18.8	18.9	23.9	24.4	31.4	37.3
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	30.5	33.1	35.4	36.9	40.9	36.8	36.9	33.5
(d) Other deposits . . . . .	5.1	3.8	1.8	1.7	1.0	0.6	—	—
19. Rediscounts and Other Borrowings . . . . .	—	—	0.1	0.1	0.2	0.3	—	—
20. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—
21. Sundry Liabilities . . . . .	—	—	—	—	—	—	17.4	18.1



TABLE III. — COMMERCIAL BANKS.

End of June :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Number of Banks . . . . .	12	12	12	12	11	11	11	11	11
SUMMARY BALANCE-SHEET.									
ASSETS.									
£ sterling (000,000's)									
1. Cash . . . . .	85.8	74.8	74.8	79.8	74.9	74.2	82.5	67.7	76.1
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	43.2	33.8	21.7	22.2	22.5	29.4	24.8	28.6	30.2
3. Bills discounted and bought . . . . .	—	—	—	—	—	—	—	—	—
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	54.5	40.7	41.1	59.8	72.8	82.7	75.4	69.4	66.7
(a) Government . . . . .	—	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	298.8	322.8	308.1	290.0	287.2	289.3	293.9	310.0	316.2
(a) On current account . . . . .	—	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	6.0	5.9	4.7	4.4	4.6	6.0	6.6	5.6	6.3
9. Premises, etc. . . . .	8.5	9.1	9.5	9.7	9.8	9.8	9.9	10.1	10.2
10. Sundry Assets . . . . .	—	—	—	—	—	—	—	—	—
11. Total Balance-sheet . . . . .	496.8	487.1	459.9	465.9	471.8	491.4	493.1	491.4	505.7
LIABILITIES.									
12. Capital paid up . . . . .	46.1	46.3	46.4	46.4	45.4	45.5	45.5	45.5	45.5
13. Reserve Funds . . . . .	35.7	36.7	37.0	37.1	36.0	36.0	35.5	35.6	35.6
14. Profit and Loss, etc. . . . .	4.5	4.3	3.9	3.1	2.7	2.6	2.8	2.8	3.0
15. Notes in circulation . . . . .	7.5	6.8	6.4	6.5	7.0	7.1	1.4	0.7	0.2
16. Cheques and Drafts in circulation . . . . .	31.2	29.3	22.2	19.0	19.8	21.6	21.7	23.1	24.2
17. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—
18. Deposits . . . . .	365.8	357.8	339.3	349.4	356.3	372.6	379.6	378.1	390.9
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—	—
19. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—	—
20. Acceptances and Endorsements . . . . .	6.0	5.9	4.7	4.4	4.6	6.0	6.6	5.6	6.3
21. Sundry Liabilities . . . . .	—	—	—	—	—	—	—	—	—
Number of Banks . . . . .	12	12	12	11	11	11	11	11	11
PROFIT-AND-LOSS ACCOUNTS.									
Capital and Reserves . . . . .	86.6	88.1	89.4	86.2	87.5	87.3	86.3	86.3	86.2
1. Gross Profits . . . . .	6.76	6.23	4.85	2.93	2.68	2.69	2.64	2.80	3.02
<i>To be deducted :</i>									
2. Expenses . . . . .	—	—	—	—	—	—	—	—	—
(a) Salaries, etc. . . . .	—	—	—	—	—	—	—	—	—
(b) Other working expenses . . . . .	—	—	—	—	—	—	—	—	—
(c) Taxes, etc. . . . .	—	—	—	—	—	—	—	—	—
3. Reserved for Pension Funds, etc. . . . .	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
4. Written off on . . . . .	0.24	0.21	0.13	0.01	0.07	0.07	0.06	0.05	0.05
(a) Premises, etc. . . . .	0.24	0.21	0.13	0.01	0.07	0.07	0.06	0.06	0.06
(b) Investments and securities . . . . .	—	—	—	—	—	—	—	—	—
(c) Other assets . . . . .	—	—	—	—	—	—	—	—	—
5. Remaining Net Profit . . . . .	6.50	6.00	4.70	2.90	2.59	2.60	2.56	2.73	2.95
6. Carried forward from preceding year . . . . .	1.81	1.88	2.00	1.96	1.56	1.54	1.54	1.56	1.61
7. Taken from Reserves or Capital . . . . .	—	—	—	—	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	8.31	7.88	6.70	4.86	4.15	4.14	4.10	4.29	4.56
9. Carried to Reserves . . . . .	1.07	0.82	0.30	0.11	0.05	0.11	0.12	0.10	0.12
10. Dividends . . . . .	5.36	5.06	4.42	3.19	2.56	2.49	2.42	2.58	2.74
11. Directors' Fees, etc. . . . .	—	—	—	—	—	—	—	—	—
12. Carried forward to following year . . . . .	1.88	2.00	1.98	1.56	1.54	1.54	1.56	1.61	1.70

**Commercial Banks.**

The Summary Balance-sheet of Australian and New Zealand banks together covers all business in Australia, New Zealand, London and elsewhere and includes capital and reserve accounts.

The table covers the ten trading banks operating in Australia and, in addition, the National Bank of New Zealand, which carries on business only in New Zealand, apart from its London head office. Table III therefore represents a combination of Tables I and II *plus* the accounts of Australian and New Zealand banks held in London. For the composition of each item in the Summary Table, reference may be made to the detailed notes to the Summary Tables for Australia and New Zealand above. The amounts shown under "1. Cash" include coin and bullion, cash balances, Australian notes, notes of

the Reserve Bank of New Zealand and other banks, money at short call and some relatively small amounts of Government and other securities held by the Bank of New Zealand in London; "2. Other Items of a Cash Nature" refer to bills receivable in London and remittances in transit, including a certain amount of remittances in transit between branches. For the middle of 1935, the Commercial Banking Co. of Sydney, Ltd., is omitted from the profit-and-loss accounts table, as the accounts of that bank are not yet available. Its dividends amounted to £0.24 million.

Sources : *The Australasian Insurance and Banking Record. The Economist* (Profit-and-Loss Accounts).

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## AUSTRIA

End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Whole- sale prices (1929 = 100)	National Bank						Savings deposits b	Clearing turnover c	National Bank Discount rate d	Yield of Govern- ment bonds e
			Gold	Foreign exchange	Bills discounted	Govern- ment debt	Sight liabilities	Note circulation				
			Schillings (000,000's)								%	%
Dec. 1935 .	79.3	83.5	242	112	226	624	216	976	2,236	5,316	3.5	6.4
March 1936 .	79.1	82.5	243	81	218	624	234	929	2,352	4,519	3.5	6.1
June 1936 .	79.2	84.0	243	87	220	624	221	950	2,331	4,441	3.5	6.1
Sept. 1936 .	79.1	84.2	243	132	213	624	262	944	2,336	4,870	3.5	5.8
Dec. 1936 .	78.5	85.6	243	99	208	620	204	944	2,335	5,314	3.5	5.3
March 1937 .	78.4	86.4	243	96	196	620	243	891	2,322	5,441	3.5	5.4
June 1937 .	78.6	88.6	243	100	190	620	245	896	2,338	4,972	3.5	5.5
Sept. 1937 .	79.1	86.9	243	142	190	620	273	914	2,353	5,190	3.5	5.4
Dec. 1937 .	79.3	85.0	243	161	188	612	253	944	2,370	5,840	3.5	5.5

<sup>a</sup> Parity in 1929 : 1 schilling = 14.07 U.S.A. cents ; 1 U.S.A. dollar = 7.107 schillings.

<sup>b</sup> The figures comprise the Post Office Savings Bank, other savings banks, commercial banks, mortgage banks and other credit institutions in Vienna and the provinces. Except in the case of the Post Office Savings Bank, they include current account deposits and cash bonds.

<sup>c</sup> At National Bank, Post Office Savings Bank and Wiener Giro- und Cassen-Verein (monthly).

<sup>d</sup> Date of last change : July 10th, 1935.

<sup>e</sup> Monthly average.

<sup>f</sup> 15th or middle of month.

See *Commercial Banks 1913-1929*, page 62 ; *1925-1933*, page 55 ; *1929-1934*, page 1 ; *Money and Banking 1935/36*, Vol. II, page 22 ; *1936/37*, Vol. II, page 19.

Sources : Annual reports, monthly *Mitteilungen* and weekly balance-sheet returns of the National Bank. *Monatsberichte des österreichischen Instituts für Konjunkturforschung*.

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Schillings (000,000's)								
<b>ASSETS.</b>									
1. Gold reserve . . . . .	169	214	190	149	189	242	242	243	243
2. Subsidiary coin . . . . .	2	3	2	4	3	13	6	6	8
3. Foreign exchange . . . . .	686	866	156	68	55	87	167	149	228
(a) For cover purposes . . . . .	238	197	102	39	—	—	—	—	—
(b) Foreign exchange not included in the reserve . . . . .	334	518	26	—	13	35	112	99	161
(c) Other . . . . .	114	151	28	29	42	52	55	50	67
4. Bills discounted . . . . .	306	148	908	379	275	236	225	208	188
5. Government debt . . . . .	109	101	96	663	624	624	624	620	612
6. Securities . . . . .	4	7	5	1	1	1	1	—	—
7. Other assets . . . . .	176	164	836	268	197	68	82	96	70
8. Total Balance-sheet . . . . .	1,452	1,503	2,193	1,532	1,344	1,271	1,347	1,322	1,349
<b>LIABILITIES.</b>									
9. Capital . . . . .	43	43	43	43	43	55	55	55	55
10. Reserve funds . . . . .	27	28	21	21	21	7	7	8	8
11. Note circulation . . . . .	1,094	1,090	1,183	914	952	964	976	944	944
12. Deposits . . . . .	89	159	144	233	158	172	229	216	265
(a) In national currency . . . . .	64	93	128	219	142	154	216	204	263
(b) In foreign currencies . . . . .	25	66	16	14	16	18	13	12	12
13. Other liabilities . . . . .	199	183	802	321	170	73	80	99	77
Discount rate (percentage) . . . . .	7½	5	8	6	5	4½	3½	3½	3½

**Value of Currency :** In principle, foreign payments remain subject to control. In practice, all commodity transactions with free-exchange countries are effected without difficulty, restrictions being applied only with reference to trade with countries under exchange control and as regards the export of capital.

**National Bank of Austria : Gold :** Valued up to April 30th, 1934, at the rate 1 schilling = 0.21172 gramme of fine gold ; from April 1934 to December 1935, at 1 schilling = 0.16667 gramme ; from December 1935 to December 1936, at 1 schilling = 0.16768 gramme ; since December 1936, at 1 schilling = 0.16733 gramme. **Foreign exchange not included in the reserve :** This item, given in the annual reports of the Bank, is included under " Other assets ". **Government debt :** The sharp rise in this item in 1932 was due to the reconstruction of the Creditanstalt, in the course of which the Government took over from the National Bank its entire portfolio of rediscounted Creditanstalt finance bills, amounting to 571.4 million schillings, which it subsequently cancelled, and incurred a liability to the Bank for the same amount.

**Gold Clause Law :** On April 27th, 1937, the Government decreed a law on the gold clause, the purpose of which is to eliminate altogether the use of gold clauses in Austrian domestic transactions and even to restrict it in transactions with foreign countries.

### Commercial Banks.

*General Note.*— The summary balance-sheet table can only be understood in the light of the frequent measures of banking reconstruction carried out in the period from the Creditanstalt collapse in May 1931 to the merger of the Bankverein with the Creditanstalt in April 1934. For detailed information regarding these measures, reference should be made to the preceding editions of the present publication.

The figures in the first three columns (1930-1932) of the summary table do not include the Creditanstalt, whose accounts have not been published for 1931.

3. Discounts.	1933	1934	1935	1936
	Schillings (000,000's)			
<i>Creditanstalt :</i>				
Home bills . . . . .	39	54	51	61
Foreign bills . . . . .	2	9	9	8
Total . . . . .	41	63	60	69

### 6 and 7. Correspondent Accounts and Loans and Advances.

<i>Bankverein, Länderbank and Merkurbank :</i>	1931	1932	1933	1934 <sup>a</sup>	1935 <sup>a</sup>	1936 <sup>b</sup>
	Schillings (000,000's)					
Correspondent accounts	33	30	20	12	11	4
Loans and advances . . . . .	472	464	420	192	214	67
Total . . . . .	505	494	440	204	225	71

<sup>a</sup> Länderbank and Merkurbank only.

<sup>b</sup> Merkurbank only.

The figures in the Summary Table represent almost exclusively the item *Debitoren* shown in the bank balance-sheets. The following details under this item are shown by the Creditanstalt :

End of :	1933	1934	1935	1936 <sup>b</sup>
	Schillings (000,000's)			
" Nostro " accounts with foreign banks . . . . .	8.5	10.1	11.5	3.8
Domestic bank accounts . . . . .	14.5	37.5	12.5	15.1
Advances to associated industrial concerns . . . . .	129.6	141.0	122.7	91.3
Public bodies . . . . .	30.1	43.6	42.6	36.9
Loans on current bank account . . . . .	150.3	248.7	232.1	221.6
Other accounts (transitory, etc.) . . . . .	12.0	26.8	15.8	26.2
Total . . . . .	345.0	507.7	437.2	394.9
Of which in foreign currencies . . . . .	61.4	91.8	66.5	53.6

### 9. Sundry Assets.

Includes the following :	1933	1934	1935	1936
	Schillings (000,000's)			
<i>Creditanstalt :</i>				
Mortgage loans . . . . .	38.3	34.8	29.6	27.9
Building loans . . . . .	46.7	48.9	44.3	50.2

### 12 and 13. Capital and Reserves.

Excluding capital and reserves of the Länderbank, which are held abroad.

The fall in item 12 in 1936 is due to the reduction in the capital of the Creditanstalt connected with the settlement of the " live claims " of the Creditanstalt's foreign creditors. As explained in the last edition, the funds required for the cash payment of 60 million schillings were obtained by the Government from the Creditanstalt in exchange of 4% forty-year Government bonds. The Creditanstalt transferred these bonds to its new Pension Fund, together with other securities of a value of 14 millions, and was thus able to cover in capitalised form some 76% of its pension liabilities. In order to cover similarly the remaining 24% of these liabilities and to offset in its balance-sheet the payment of 60 millions, the Creditanstalt has, as from December 31st, 1936, reduced its capital from 167 million to 101 million schillings. The remainder of the cover required for the pension obligations was taken from the existing reserves and from the net profits in 1936.

### 16 and 17. Correspondent Accounts and Deposits.

Item 17 (a) represents the aggregate of a number of different accounts which, in the balance-sheets of the banks, are combined under the general heading *Kreditoren*. The Creditanstalt shows the following details :

Current-account deposits of :	1933	1934	1935	1936
	Schillings (000,000's)			
Savings banks . . . . .	56.9	105.4	76.5	66.4
Public bodies . . . . .	9.8	14.5	26.3	21.2
Financial institutions . . . . .	34.2	86.0	56.8	42.6
Others . . . . .	101.5	167.9	172.4	183.0
Other creditors <sup>a</sup> . . . . .	50.7	69.2	60.8	74.5
Total . . . . .	253.1	443.0	392.8	387.7
Of which in foreign currencies . . . . .	36.1	70.6	36.9	25.7

<sup>a</sup> Bills payable, pension funds, transitory items, special reserves, etc.

Items 17 (b) to (d) represent *Kassenscheine*, deposits and savings accounts of the public.

## Commercial Banks.

End of :	1930	1931	1932	1930	1932	1933	1934	1935	1936	
Number of Banks . . . . .	4	4	4	5	5	5	4	4	4	
<b>SUMMARY BALANCE-SHEET.</b>										
ASSETS.										
1. Cash . . . . .	59.7	51.4	37.9	88.8	45.7	71.6	105.3	138.3	112.0	
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	—	—	
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	—	—	
2. Other Items of a Cash Nature . . . . .	—	—	—	—	—	—	—	—	—	
3. Bills discounted and bought . . . . .	234.8	169.2	106.8	326.5	147.3	143.9	159.6	155.2	165.4	
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—	—	
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—	—	
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—	—	
4. Investments and Securities . . . . .	30.5	23.2	17.9	101.3	57.4	59.1	82.8	95.2	84.2	
(a) Government . . . . .	—	—	—	—	—	—	—	—	—	
(b) Other . . . . .	—	—	—	—	—	—	—	—	—	
5. Participations . . . . .	178.8	158.7	136.7	281.4	145.2	136.5	93.9	91.9	90.1	
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—	—	
(a) At home . . . . .	—	—	—	—	—	—	—	—	—	
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—	
7. Loans and Advances . . . . .	1,062.4	851.3	807.7	2,443.0	1,265.2	1,071.3	942.4	887.5	816.5	
(a) On current account . . . . .	—	—	—	—	—	—	—	—	—	
(b) Other . . . . .	—	—	—	—	—	—	—	—	—	
8. Cover for Acceptances . . . . .	0.5	0.4	0.2	2.0	0.2	0.2	0.3	0.6	0.1	
9. Premises, etc. . . . .	10.7	10.0	9.9	33.1	13.1	15.3	11.3	10.9	10.2	
10. Sundry Assets . . . . .	0.5	0.5	0.1	186.4	78.1	88.9	88.8	73.9	78.1	
11. Total Balance-sheet . . . . .	1,577.9	1,264.7	1,117.2	3,462.5	1,752.2	1,586.8	1,484.4	1,453.5	1,356.6	
LIABILITIES.										
12. Capital paid up . . . . .	129.0	114.0	74.0	381.1	221.0	198.8	193.8	194.0	129.3	
13. Reserve Funds . . . . .	74.6	48.3	5.0	—	—	—	—	—	—	
14. Profit and Loss, etc. . . . .	11.7	4.4	0.3	11.7	0.5	1.0	0.8	2.1	5.6	
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	—	—	
16. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—	—	
(a) At home . . . . .	—	—	—	—	—	—	—	—	—	
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—	
17. Deposits . . . . .	1,361.3	1,096.8	1,037.4	3,036.5	1,400.7	1,302.9	1,215.8	1,190.5	1,158.3	
(a) Current accounts and sight deposits . . . . .	1,095.3	878.0	821.3	2,454.2	1,149.5	1,059.3	953.0	906.5	881.0	
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—	—	
(c) Time or fixed deposits . . . . .	266.0	218.8	216.1	582.3	251.2	243.6	262.8	284.0	277.3	
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—	—	
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—	—	
19. Acceptances and Endorsements . . . . .	0.5	0.4	0.2	2.0	0.2	0.2	0.3	0.6	0.1	
20. Sundry Liabilities . . . . .	0.8	0.8	0.3	31.2	129.8	83.9	73.7	66.3	63.3	
21. Guarantees ( <i>Avale</i> and <i>Bürgschaften</i> ) . . . . .	—	34.8	46.1	—	114.8	118.6	98.2	82.8	78.6	
22. Other Contingent Liabilities . . . . .	—	—	—	—	212.2	207.5	211.5	212.9	15.0	
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>										
1. Gross Profits . . . . .	60.8	52.6	37.4	107.6	124.0	145.3	59.7	51.0	51.9	53.7
<i>To be deducted :</i>										
2. Expenses . . . . .	43.6	40.9	35.0	77.9	77.4	117.9	39.5	35.3	30.6	31.0
(a) Salaries, etc. . . . .	27.8	28.2	24.0	50.0	49.6	82.7	27.3	24.5	20.6	20.4
(b) Other working expenses . . . . .	6.7	6.4	5.6	9.8	11.1	19.7	7.7	7.6	6.6	6.8
(c) Taxes, etc. . . . .	9.1	8.3	5.4	18.1	16.7	15.5	4.5	3.2	3.4	3.8
3. Reserved for Pension Funds, etc. . . . .	6.1	7.2	7.3	10.3	16.1	40.8	16.8	15.0	14.5	9.3
4. Written off : . . . . .										
(a) Ordinary depreciation accounts . . . . .	0.1	0.1	0.1	0.5	0.6	1.4	0.1	0.1	5.0	9.4
(b) Extraordinary accounts . . . . .	—	60.4	102.6	—	159.0	977.0	38.5	46.0	—	—
5. Net Profit or Loss : . . . . .										
(a) Including extraordinary off-writings . . . . .	11.0	— 56.0	— 107.6	18.9	— 129.1	— 991.8	— 35.2	— 45.4	1.8	4.0
(b) On current transactions . . . . .	11.0	4.4	— 5.0	18.9	20.6	— 14.8	— 2.9	0.6	1.8	4.0
6. Carried forward from preceding year . . . . .	0.7	1.1	4.0	1.1	1.2	5.1	—	0.2	0.3	0.3
7. (a) Taken from Reserves or Capital . . . . .	—	59.3	103.8	—	76.5	272.5	36.1	30.0	—	—
(b) Contributions à fonds perdu . . . . .	—	—	—	—	63.1	722.7	—	16.0	—	—
8. Total disposed of for Dividends, etc. . . . .	11.7	4.4	0.3	20.0	11.7	0.6	0.9	0.8	2.1	4.3
9. Carried to Reserves . . . . .	0.1	0.1	0.2	1.9	0.1	0.3	0.5	0.1	1.4	1.7
10. Dividends . . . . .	9.4	—	—	15.3	9.4	—	—	—	—	—
11. Directors' Fees, etc. . . . .	0.4	—	—	0.9	0.4	—	—	—	—	—
12. Carried forward to following year . . . . .	1.0	4.1	—	1.0	1.0	—	0.2	0.4	0.4	2.1
13. Transferred to Head Office account . . . . .	0.8	0.2	0.1	0.9	0.8	0.3	0.2	0.3	0.3	0.5

20. *Sundry Liabilities.*

	1933	1934	1935	1936
	Schillings (000,000's)			
<i>Creditanstalt, 1933-1936 :</i>				
Rediscounted finance bills	8.0	—	—	—
Mortgage bonds . . . . .	29.0	26.8	22.0	27.9
Bonds covered by building loans . . . . .	46.7	46.9	44.3	50.2
Total . . . . .	83.7	73.7	66.3	78.1

21. *Guarantees.*

For 1933, 1934, 1935 and 1936, this item includes the Government guarantee of 20 million schillings accorded to

the Industriekredit A.G. in April 1934. The *aval* liabilities of the Creditanstalt amounted to 68.7 millions at the end of 1932, 51.8 millions in 1933, 71 millions in 1934, 56.2 millions in 1935 and 53.3 millions in 1936.

22. *Other Contingent Liabilities.*

The figures for 1932 and 1933 represent "live claims" of the foreign creditors of the Creditanstalt. The figures for 1934 and 1935 include, besides the "live claims" a contingent liability of 15.3 and 14.3 millions respectively of the Creditanstalt to the Industriekredit A.G., which amounted to 13.3 millions in 1936.

*Summary of Profit-and-Loss Accounts.*

The 1934 and 1935 figures for gross profits of the Creditanstalt are obtained by deducting from interest, commissions, etc. received both the interest paid on deposits and the payment made to the Industriekredit A.G. in accordance with the bank reorganisation of April 1934.

The extraordinary off-writings (item 4 (b)) in 1934.

which have their counterpart in items 7 (a) and (b), are due to the Bankverein, as described in *Commercial Banks 1929-1934*, page 1.

Item 13 refers to the net profits of the Länderbank, which are transferred to its head office in Paris.

## BELGIUM

### BANKING REFORM.

The outstanding event in Belgium during 1937 was the legislation passed in virtue of the General Law of June 10th, 1937, with the object of co-ordinating the activity, organisation and powers of the National Bank and those of certain other institutions of public interest, and of creating new credit institutions. These measures represent a further step in the transformation of the credit system which was begun in 1934 and the principal features of which were reviewed in the 1936 issue of this publication.<sup>1</sup>

A reform of the National Bank was effected by the Decree of July 23rd, 1937, which made three important amendments in the statutes of that institution. Of these the most significant is the authorisation for the Bank to undertake open-market operations by buying and selling Government long-term securities, and medium- and short-term bills issued by the Treasury, the Government of the Belgian Congo and semi-public institutions. These transactions were, however, made subject to certain limitations. Thus, the upper limit for the Bank's purchases of long-term Government securities is fixed at 1,000 million francs, plus the equivalent of its capital, reserve, and amortisation accounts (these amounted to 360 million francs at the end of 1936), and an amount equal to the total repayment or withdrawal of bills, *rentes* and securities of the Treasury held by the Bank under the Laws of December 27th, 1930, and July 19th, 1932 (the Bank's holdings of such paper amounted to 774 millions at the end of 1936). For the purpose of these operations, the Bank may hold only such long-term securities as have been outstanding for two years and are quoted on the Bourse. Further, its total portfolio of public short- and medium-term bills may not at any time exceed 500 million francs, and may not exceed 200 millions for more than twelve consecutive months.

Prior to these amendments, the Bank had only been authorised to invest in long-term public securities up to an amount equal to its own funds, and its power to discount Treasury bills had been restricted to 100 million francs. The need for the extension of the Bank's powers was officially stated to have arisen from the fall in discounts and consequently in the effectiveness of the discount rate as an instrument of credit management; while in 1930 the Bank discounted 1,582,368 domestic bills amounting to 11,614 million francs, in 1936 discounts fell to 937,899 bills amounting to only 4,932 million francs.

Certain transactions similar to open-market operations would appear to have been conducted prior to the enactment of the new powers of the Bank. Thus the Fund for the Stabilisation of *Rentes*, set up in May 1935 with about 1,000 million francs of resources from the revaluation profits on the gold reserve, was apparently used for an expansion or contraction of credit by purchases and sales of *rentes*. According to private estimates,<sup>2</sup> the Fund bought public securities at a rate which entirely exhausted its resources by the summer of 1935, and in the latter part of 1935 and in the course of 1936 the Fund sold its entire security holdings in an attempt to "offset" the inflow of funds from abroad. In the third quarter of 1936, the Government, according to English practice, placed on tender 500 million francs of three-month Treasury certificates, apparently with the same end in view. In March 1937, a new 3½% internal loan of 1,500 million francs was issued by the Government. Of this amount, 500 millions were used to purchase gold which was deposited at the National Bank as a reserve fund for future use.

The second important amendment to the Bank's statutes is the authorisation to invest up to 25% of the Bank's own funds in the capital obligations of already existing financial institutions of "public utility" and of those to be created. The "exposé des motifs" preceding the Decree of July 23rd, 1937, suggests further that the representation of the

<sup>1</sup> See *Money and Banking 1935/36*, Vol. II, page 28.

<sup>2</sup> Professor Baudhuin in *Bulletin d'information et de documentation de la Banque nationale de Belgique*, December 25th, 1935, and in *Agence économique et financière*, July 27th, 1937; M. Gérard, former Minister of Finance, in *Agence économique et financière*, July 21st, 1937.

National Bank on these organisations shall be made on a "rational basis". The object of this amendment is the co-ordination of the activity and credit policy of the various public and semi-public financial institutions; the 1936 report of the Banking Commission had laid stress on the need for such co-ordination in view of the multitude of organisations acting more or less independently and of the fact that its statutory powers limited its control and co-ordinating activity only to a restricted number of credit institutions.<sup>1</sup>

Among amendments relating to technical details, the following may be noted. The concession of the Bank is extended to the end of 1961 and the Bank is given the right to open agencies in Luxemburg. Further, the direction and personnel of the Bank is made independent of the State and private interests by the provision that the holding of an office in that institution precludes the exercise of a political occupation or the holding of a post in a bank or in a commercial concern which controls 25% of the capital of a bank. The Minister of Finance is given authority to control all the Bank's operations through a Government commissioner appointed by the Crown and to veto all measures deemed to be against the law, the statutes of the Bank, or the interests of the State. While the reserve requirements have been maintained unchanged (30% in gold and 10% in *devisen* against all sight liabilities), the "rapport justificatif" preceding the decree mentions that it might prove necessary in the future to raise the amount of gold *devisen* to be held as reserve.

Continuing its policy of increasing credit facilities, the Government created new public or semi-public credit institutions and extended the scope of existing bodies of similar nature. An "Institut national de crédit agricole" was created on September 30th, 1937, with the object of granting short-, medium- and long-term credits to agriculture. The activity of the "Office central de crédit hypothécaire" (established on January 7th, 1936, to assist in the liquidation of mortgage loans and to fix rates of interest and other charges on such loans) was extended, by a Decree of October 14th, 1937, to the granting of mortgage loans on buildings for industrial purposes.

A series of decrees provided for the co-ordination of the institutions entrusted with the granting of credit facilities to the middle classes. The Temporary Credit Fund for the Middle Classes, set up on October 19th, 1934, and due to be liquidated in 1939, was transformed by a Decree of October 14th, 1937, into a "Caisse nationale de crédit aux classes moyennes" and its activity extended to 1959. The Decree of October 14th, 1937, established a "Conseil de coordination des institutions de crédit aux classes moyennes", entrusted with the co-ordination, with the aid of the National Bank and the General Savings Bank, of the activity of the "Caisse nationale de crédit aux classes moyennes", the "Fonds de garantie au crédit pour l'outillage artisanal" (created in 1929), the "Caisse centrale de petit crédit professionnel" (created in 1929 and reorganised by a Decree of October 25th, 1937) and the "Office central de crédit hypothécaire".

According to a Decree of October 22nd, 1937, the "Office national du dueroire", a State institution set up on January 10th, 1935, with the object of granting credits to exporters, was reorganised and the scope of the credits granted to exporters was extended. The statutes of the "Société nationale de crédit à l'industrie", established in 1919, were modified on October 22nd, 1937, in the direction of increasing the influence of the Government and of the National Bank.

The activity, the organisation and the powers of the credit institutions of public interest are to be co-ordinated by a "Conseil des institutions de crédit", set up by a Decree of October 22nd, 1937. In addition to the institutions mentioned above, this Council will include the National Bank, the General Savings Bank, the Institute of Rediscount and Guarantee and the "Office de liquidation des interventions de crise", established by a Decree of March 31st, 1936, with the object of liquidating credits granted by the Government through various official institutions and amounting to 2,500 million francs.

Finally, the "Office de redressement économique", created on April 18th, 1935, with the object of co-ordinating the execution of public works, received new powers on October 22nd, 1937. It was entrusted with the employment of the revaluation profits on the gold

<sup>1</sup> The Decree of October 22nd, 1937, empowered the Banking Commission to obtain reports from Government representatives in public and semi-public institutions and in stock and other exchanges on any operations affecting the capital market.



reserve of the National Bank, the funds accruing from the repayment of credits granted by the Government through various agencies to private and semi-public institutions, and Treasury assets which would eventually be allocated to reconstitute this fund. According to the report to the King, introducing this decree, the revaluation profits are to be considered as a *masse de manœuvre* which must not be used *à fonds perdu*, but which can be reconstituted and utilised again in a period of crisis.<sup>1</sup> The Office is to be administered by a Committee of Ministers, appointed by the Crown.

End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Whole- sale prices (1929 = 100)	National Bank of Belgium							Subsi- diary notes	General Savings Bank Savings deposits	Clearing turnover Brussels and provincial clearing- houses (Monthly)
			Gold	Domestic bills and foreign gold exchange	Advances on Belgian public securities	Belgian Treasury bills, annuities and securities	Notes in circu- lation	Current accounts				
								Treasury	Private accounts			
Francs (000,000's)												
Dec. 1935	72.0	68.0	17,286	6,466	431	812	20,583	342	4,563	635	10,584	23,950
March 1936	72.1	67.9	16,597	5,910	422	799	20,817	45	3,359	.	10,682	25,913
June 1936	72.3	67.0	18,811	7,008	392	799	21,768	66	5,646	.	10,797	26,749
Sept. 1936	71.8	69.8	18,628	6,835	366	786	22,531	317	4,198	.	10,978	26,269
Dec. 1936	71.8	74.9	18,640	6,948 <sup>b</sup>	338	786	22,702	599	3,843	619	11,456	29,082
March 1937	71.6	81.4	18,256	6,867	188	774	22,022	829	3,670	.	11,716	33,492
June 1937	71.6	81.9	18,441	6,955	165	774	22,089	827	3,830	.	11,912	33,988
Sept. 1937	71.5	81.1	17,415	6,255	250	761	22,180	211	2,679	.	12,019	34,080
Dec. 1937	72.2	77.4	17,623	6,481 <sup>c</sup>	161	761	21,542	481	3,423	605	12,490	32,457

<sup>a</sup> Gold parity in 1929 : 1 belga = 0.13905 U.S.A. dollar ; 1 U.S.A. dollar = 7.19193 belgas.

<sup>b</sup> Of which domestic bills accounted for 907 millions on December 25th.

<sup>c</sup> Of which domestic bills accounted for 1,107 millions on December 25th.

■ Monthly average.

▲ Second half of month.

End of	Commercial Banks								Discount rates		Yield of bonds <sup>c</sup>
	Cash	Due from banks	Bills receivable	Current accounts (debit)	Belgian public securities	Due to banks	Deposits		National Bank <sup>a</sup>	Money market <sup>b</sup>	
							Sight and under 30 days	Above 30 days			
Francs (000,000's)											
Dec. 1935	4,455	3,135	4,456	8,133	3,122	2,528	16,067	3,036	2	1.88	3.81
March 1936	3,000	3,521	4,479	7,708	3,307	2,191	15,788	3,073	2	1.38	3.80
June 1936	4,837	3,814	4,126	7,654	3,720	2,727	17,347	3,381	2	1.38	3.74
Sept. 1936	4,378	4,263	4,033	7,739	3,961	2,592	17,684	3,059	2	1.38	3.70
Dec. 1936	3,755	4,473	4,462	7,903	4,459	2,959	17,312	3,300	2	1	3.55
March 1937	2,924	4,156	4,444	8,291	4,710	2,596	17,004	3,586	2	1	3.28
June 1937	2,962	4,440	4,698	8,429	4,680	2,637	17,881	3,377	2	1	3.25
Sept 1937	2,048	5,078	4,558	8,385	4,399	2,566	17,292	3,302	2	1	3.28
Dec. 1937	...	...	...	...	...	...	...	...	2	1.72	3.57

<sup>a</sup> Date of last change : May 16th, 1935.

<sup>b</sup> Commercial paper, one to three months.

<sup>c</sup> Rente belge 3%.

See *Commercial Banks 1913-1929*, page 71 ; *1925-1933*, page 66 ; *1929-1934*, page 7 ; *Money and Banking 1935/36*, Vol. II, page 27 ; *1936/37*, Vol. II, page 22.

<sup>1</sup> Out of the revaluation profit amounting to 4,352 million francs, 1,300 millions were used to reduce the Government debt and 1,000 millions were allocated to the fund for stabilising *rentes*. The balance was entrusted to the "Office de redressement économique". (The 1,125 millions paid into the exchange fund in 1935 were reimbursed into the general fund in 1936, when the exchange fund was abolished.) In addition to these resources, used for the purpose of extraordinary budgets, the Government issued, in March 1937, a new 3½% internal loan of 1,500 million francs, of which 1,000 millions were to be devoted to financing the activities of the "Office de redressement économique".

## National Bank.

End of the year (December 25th):	1929	1930	1931	1932	1933	1934	1935	1936	1937
Francs (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	8,671	11,157	12,751	12,977	13,661	12,523	17,286	18,684	17,612
2. Subsidiary coin . . . . .	11	19	201	337	341	427	330	272	255
3. Foreign gold exchange and other foreign exchange . . . . .	4,039	4,024	4,558	3,440	3,857	3,336	6,532	5,456	4,772
4. Domestic bills . . . . .								907	1,107
5. Advances on Belgian public securities . . . . .	166	156	298	362	265	578	437	351	192
6. Belgian Treasury bills, annuities and securities . . . . .	1,688	1,462	1,440	1,814	1,737	1,699	799	774	748
7. Public securities . . . . .	371	417	444	348	351	354	356	1,099	1,151
(a) Investments of Bank's own funds . . . . .	371	417	444	348	351	354	356	549	580
(b) Securities covering exchange losses suffered in 1931 . . . . .	—	—	—	—	—	—	—	550	550
(c) Other . . . . .	—	—	—	—	—	—	—	—	21
8. Other assets . . . . .	171	176	197	248	249	263	254	383	267
9. Total Balance-sheet . . . . .	15,117	17,411	19,889	19,526	20,461	19,180	25,994	27,926	26,104
<b>LIABILITIES.</b>									
10. Capital . . . . .	200	200	200	200	200	200	200	200	200
11. Reserve funds . . . . .	77	83	88	90	93	95	98	329	328
(a) Statutory . . . . .	77	83	88	90	93	95	98	100	102
(b) Special . . . . .	—	—	—	—	—	—	—	229	226
12. Notes in circulation . . . . .	13,438	15,818	18,015	18,053	16,981	17,591	20,637	22,452	21,460
13. Current accounts . . . . .	1,075	1,021	1,294	1,007	3,018	1,115	4,897	4,651	3,939
(a) National Treasury . . . . .	152	212	104	380	883	165	342	540	288
(b) Institutions created by special laws . . . . .									933
(c) Banks . . . . .	923	809	1,190	627	2,135	950	4,555	4,111	2,368
(d) Clearings . . . . .									209
(e) Private persons . . . . .									141
14. Other liabilities . . . . .	327	289	292	176	169	179	162	294	177
Discount rate (percentage) . . . . .	3½	2½	2½	3½	3½	2½	2	2	2

**National Bank of Belgium : Gold reserve :** Valued up to March 30th, 1935, at the rate 1 franc = 0.04184 gramme of fine gold ; since that date, at the rate 1 franc = 0.03013 gramme of fine gold. **Belgian Treasury bills, annuities and securities :** Balance of the Government debt (Decree of October 25th, 1926) and difference between the cost of the Bank's sterling holdings on September 21st, 1931, and the revaluation of such holdings on June 24th, 1932 (Law of July 19th, 1932) ; this balance, written off by the Government (Law of December 27th, 1930) and the Bank (Law of July 19th, 1932, and Agreement of July 27th, 1932, regarding exchange losses sustained by the Bank in September 1931), has been reduced more particularly in 1935 by drawing on the proceeds of revaluation of the gold stocks and by the Treasury resuming the circulation of 50-franc notes (Agreement of April 4th, 1935, between the Bank and the State, approved by Royal Decree of April 16th, 1935).

Sources : National Bank of Belgium : Weekly statements, annual reports and *Bulletin d'Information et de Documentation*.

## Commercial Banks.

The statistics of commercial banks compiled by the Banking Commission since December 31st, 1935, cannot be compared with the statistics for 1929-1933. The differences are due, *inter alia*, to the following reasons : (1) Number of banks : the new statistics refer to 125 so-called private banks, nine of which are constituted as companies in foreign law and are obliged to keep separate books for their transactions in Belgium ; forty-five of the agencies and branches operate in Luxemburg ; (2) rules governing the framing of the balance-sheets and monthly returns of banks ; (3) effects of the banking reform (Royal Decree of August 22nd, 1934), particularly the prohibition of mixed banks which both engage in commercial transactions and control industrial concerns, and the separation

of mixed banks into banks properly so called and financial companies.

## 4. Investments and Securities.

Item 4 (b) is subdivided as follows :	1935	1936
	Francs (000,000's)	
1. Foreign public securities . . . . .	120	152
2. Bank shares . . . . .	337	333
3. Other shares . . . . .	487	494
4. Bonds . . . . .	3	30
5. Securities in the legal reserve . . . . .	109	122
Total . . . . .	1,056	1,131

## Commercial Banks.

End of the year :	1929	1930	1931	1932	1933 *	1935	1936
Number of : Banks . . . . .	87	88	62	62	59	125	125
Branches and Sub-Branches . .						1,130	1,130
SUMMARY BALANCE-SHEET.		Francs (000,000's)					
ASSETS.							
1. Cash . . . . .						4,455	3,756
(a) Gold, silver and small coins . . .						—	—
(b) Inland notes and balances with Central Bank . . . . .	3,659	3,456	3,649	4,769	5,930	—	—
2. Other Items of a Cash Nature . . . .						—	—
3. Bills discounted and bought . . . . .	6,482	6,726	6,557	5,384	5,480	4,456	4,462
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .						4,178	5,590
(a) Government . . . . .	5,717	7,154	7,208	7,046	6,927	3,122	4,469
(b) Other . . . . .	—	—	—	—	—	1,056	1,131
5. Participations . . . . .						27	34
6. Due from Banks (Correspondents) . .						3,135	4,473
(a) At home . . . . .						—	—
(b) Abroad . . . . .						—	—
7. Loans and Advances . . . . .	21,471	21,091	15,789	12,602	11,756	8,133	7,903
(a) On current account . . . . .						8,133	7,903
(b) Other . . . . .						—	—
8. Cover for Acceptances . . . . .						—	—
9. Premises, etc. . . . .						521	579
10. Sundry Assets . . . . .	411	514	447	473	485	1,510	2,012
11. Total Balance-sheet . . . . .	37,740	38,941	33,650	30,274	30,578	26,415	28,809
LIABILITIES.							
12. Capital paid up . . . . .	4,157	4,591	3,828	3,986	4,088	2,576	2,564
13. Reserve Funds . . . . .	3,350	3,548	2,755	2,653	2,777	676	545
14. Profit and Loss, etc. . . . .	870	801	474	421	424	—	—
15. Cheques and Drafts, etc., in circulation						—	—
16. Due to Banks (Correspondents) . . . .						2,528	2,959
(a) At home . . . . .						—	—
(b) Abroad . . . . .						—	—
17. Deposits . . . . .						19,103	20,612
(a) Current accounts and sight deposits	29,363	30,001	26,593	23,214	23,289	16,067	17,312
(b) Savings accounts . . . . .						—	—
(c) Time or fixed deposits . . . . .						3,036	3,300
(d) Other deposits . . . . .						—	—
18. Rediscounts and Other Borrowings . .						69	56
19. Acceptances and Endorsements . . . .						—	—
20. Sundry Liabilities . . . . .						1,463	1,834

\* No data are available for 1934.



Commercial Banks.<sup>a</sup>

End of :	1929	1930	1931	1932	1933	1934 <sup>b</sup>	1935	1936
Number of Banks . . . . .	2	2	2	2	2	2	2	2
SUMMARY BALANCE-SHEET.								
Assets.								
Bolivianos (000,000's)								
1. Cash . . . . .	9.9	4.7	6.3	6.9	30.5	48.0	94.4	99.1
(a) Gold, silver and small coins . . .	4.4	1.0	1.6	1.9	6.6	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	5.5	3.1	4.7	5.0	23.9	48.0	94.4	99.1
2. Other Items of a Cash Nature . . . . .	—	—	—	—	—	—	—	0.1
3. Bills discounted and bought . . . . .	12.8	11.4	11.1	7.1	6.6	5.6	4.7	9.0
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	11.4	13.1	13.1	11.4	11.6	10.9	11.1	11.5
(a) Government . . . . .	0.4	0.4	0.4	0.4	0.4	—	2.1	—
(b) Other . . . . .	11.0	12.7	12.7	11.0	11.2	—	9.0	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . .	6.6	5.3	3.6	6.3	2.6	1.8	1.8	5.3
(a) At home . . . . .	0.5	0.1	—	2.9	—	—	—	—
(b) Abroad . . . . .	6.1	5.2	3.6	4.1	2.6	1.8	1.8	5.3
7. Loans and Advances . . . . .	33.7	35.0	27.7	28.3	26.0	31.9	32.0	41.8
(a) On current account . . . . .	18.8	17.8	15.7	11.9	9.6	7.5	6.3	14.6
(b) Other . . . . .	14.9	17.4	12.0	16.4	16.4	24.4	25.7	27.3
8. Cover for Acceptances . . . . .	0.2	1.5	3.0	0.3	0.2	0.2	0.2	—
9. Premises, etc. . . . .	3.1	3.4	3.1	4.1	4.5	3.2	2.4	2.1
10. Sundry Assets . . . . .	0.9	1.2	2.1	1.4	2.3	2.1	1.4	1.1
11. Total Balance-sheet . . . . .	78.6	75.8	70.0	65.8	84.3	103.7	148.0	170.0
LIABILITIES.								
12. Capital paid up . . . . .	23.7	23.7	23.7	24.5	24.5	24.5	24.5	24.5
13. Reserve Funds . . . . .	14.8	15.0	13.3	13.6	13.7	15.3	14.3	14.4
14. Profit and Loss, etc. . . . .	1.9	2.0	1.4	1.1	1.2	1.2	2.5	2.8
15. Notes in circulation . . . . .	0.5	0.4	0.4	—	—	—	—	—
16. Cheques and Drafts in circulation . .	—	—	—	—	—	—	—	—
17. Due to Banks (Correspondents) . . .	0.6	0.3	—	0.6	0.3	0.1	0.2	1.0
(a) At home . . . . .	0.6	0.3	—	0.1	0.1	—	0.1	0.9
(b) Abroad . . . . .	—	—	—	0.5	0.2	0.1	0.1	0.1
18. Deposits . . . . .	34.4	29.7	26.1	23.7	40.2	58.1	102.3	121.8
(a) Current accounts and sight deposits	18.0	13.8	11.7	13.3	23.8	51.7	95.6	117.0
(b) Savings accounts . . . . .	3.4	3.1	2.8	2.4	2.8	2.9	3.4	3.1
(c) Time or fixed deposits . . . . .	11.9	11.8	10.6	7.2	12.6	2.9	3.0	1.3
(d) Other deposits . . . . .	1.1	1.0	1.0	0.8	1.0	0.6	0.3	0.4
19. Rediscounts and Other Borrowings . .	—	1.5	—	—	—	—	—	—
20. Acceptances and Endorsements . . . .	0.3	1.5	3.0	0.3	0.2	0.2	0.2	—
21. Sundry Liabilities . . . . .	2.4	1.5	2.1	2.0	4.2	4.3	4.0	5.5

<sup>a</sup> The Summary Table relates only to two institutions carrying on solely commercial banking operations.

<sup>b</sup> The annual report of one bank not being available, the figures for 1934 are provisional.

**Value of Currency:** The Government has continued to pursue the policy of increasing the official and decreasing the open market rates of foreign currencies. The official rate, raised from 50 to 80 bolivianos per £ sterling on December 29th, 1936, was increased on June 8th in respect of certain categories of goods to 100 bolivianos. The free rate, which varied from 135 to 150 bolivianos at the beginning of 1937, was fixed at 120 bolivianos in June; on July 29th, 1937, a new free market rate fluctuating between 95 and 105 bolivianos per £ sterling was established by the Ministry of Finance. In November 1937, the Government raised the official rate of the £ from 80 to 100 bolivianos; in January 1938, it established a single rate of 100 bolivianos to the £. Import prohibitions were suspended on May 30th, 1937. Exporters are still required to cede a certain percentage, varying according to commodities, of the exchange proceeds of exports.

**Banco Central de Bolivia: Gold:** Valued, in 1929 and 1930 in gold bolivianos (1 boliviano = 0.54917 gramme of fine gold), since 1931 in paper bolivianos. In December 1936, the gold reserve was revalued at the current official rate of exchange (80 bolivianos = £1). **Government securities:** This item began to grow in 1932, the year of the outbreak of hostilities with Paraguay. In June 1937, a part of the increment resulting from the revaluation

of the gold reserve was applied to the extraordinary amortisation of the Emergency Consolidated Loans. *Fund for exchange fluctuations and monetary adjustment* : This item represents the increment resulting from the revaluations of gold reserve in 1933 and 1936.

**Revaluation of the Gold Reserve** : According to a Decree of June 14th, 1937, the gold reserve of the Central Bank was revalued at a parity corresponding to the current official rate of exchange. The resulting increment of 49 million bolivianos on the gold reserve as at December 31st, 1936, was used for the following purposes : (a) 72% (35.3 million bolivianos) for the service of the public debt : 30 millions for the extraordinary amortisation of the Emergency Consolidated Loans ; 5.3 millions for the redemption of the war-time credits advanced in foreign exchange by the three Bolivian banks, the outstanding balance of which is £94,892 ; (b) the remaining 28% (13.7 millions) to book adjustments with reference to the stock of foreign exchange accumulated by the Bank and to gold purchases from the mines. The establishment of an Equalisation Fund (Fondo de Regulación) to ensure the stability of the peso is under consideration.

**Banco Minero** : A Mining Bank was established in 1936, in order to promote the national mining industry, with a capital of 4 million bolivianos, 50% of which has been subscribed by the Central Bank.

Sources : Banco Central de Bolivia : Annual reports and *Boletín*.

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## BRAZIL

End of	Value of currency as % of gold parity in 1929 <sup>a</sup>		Note issue	Gold	Foreign exchange	Rediscount Department	Commercial Banks						Clearing turnover	
	Official rate	Free rate		Banco do Brasil and Caixa de Estabilização	Banco do Brasil <sup>b</sup>	Bills rediscounted (monthly average)	Cash	Advances		Deposits				Cheques cleared at the Banco do Brasil (monthly)
				Bills discounted				Advances on current accounts	Total	Current accounts	Savings deposits	Time deposits		
	■	■					Milreals (000,000's)							
Dec. 1935	41.6	27.3	3,612	254	312	631	760	3,204	4,548	7,767	4,873	615	2,279	2,069
March 1936	41.9	27.8	3,584	290	365	416	773	3,322	4,274	7,893	5,338	630	1,925	2,105
June 1936	42.9	28.5	3,679	322	284	496	743	3,255	4,555	8,044	5,363	637	2,044	1,961
Sept. 1936	42.7	29.0	3,800	357	276	667	742	3,153	4,470	8,201	5,257	653	2,292	2,094
Dec. 1936	42.9	29.3	4,050	388	389	553	761	3,026	4,691	8,332	5,245	712	2,375	2,582
March 1937	43.0	30.2	4,030	416	385	622	812	3,186	4,562	8,235	4,896	747	2,592	2,569
June 1937	43.0	32.4	4,267	444	422	773	852	3,329	5,025	8,974	5,481	757	2,736	2,649
Sept. 1937	43.1	31.6	4,219	471	183	...	...	...	...	...	...	...	...	...
Dec. 1937	43.3 <sup>c</sup>	26.9	4,532	500	66	...	...	...	...	...	...	...	...	...

■ Monthly average.

<sup>a</sup> Gold parity in 1929 : 1 milreis = 0.11963 U.S.A. dollar ; 1 U.S.A. dollar = 8.35906 milreis.

<sup>b</sup> Correspondents abroad (net balance) and securities.

<sup>c</sup> Average 1st-17th November ; the official quotation was abolished on November 17th.

See *Commercial Banks 1913-1929*, page 361 ; *1925-1933*, page 280 ; *1929-1934*, page 162 ; *Money and Banking 1935/36*, Vol. II, page 33 ; *1936/37*, Vol. II, page 27.

**Value of Currency :** On November 13th, 1937, the 35 % quota of export exchange (reduced already in respect of certain exports) ceded for Government needs at a stipulated official rate was abolished. On December 23rd, 1937, a new exchange-control system was introduced : all export bills must be sold to the Banco do Brasil for further redistribution ; the needs of the public administration are given preference over all other remittances ; buyers of exchange, with the exception of public administration, pay a tax of 3 % on the value of the purchase ; this tax, converted in gold and foreign exchange, is allocated to an Equalisation Fund. All foreign accounts in Brazil were blocked in January 1938.

**Note Issue :** Total note issue, including, in addition to Treasury notes, until March 1936, the notes of the Caixa de Estabilização, and, until December 1936, the notes of the Banco do Brasil.

**Gold :** Valued at cost. Converted at the legal parity, the gold held represented 121 million old gold milreis in December 1936 (21.792 kilogrammes of fine gold). The accumulation of this gold obliged the Treasury to incur a debt with the Banco do Brasil, amounting to 274 million milreis at the end of 1936.

**Gold Purchase in the United States of America :** According to a statement made on July 16th, 1937, by the Secretary of Treasury of the United States and the Minister of Finance of Brazil, the former undertook to sell gold to Brazil " at such times and in such amounts as the Brazilian Government might request, up to a total of 60 million dollars ". This agreement was designed to promote the development of conditions favourable to the maintenance of monetary equilibrium between the two countries and to the establishment of a central bank in Brazil.

**Rediscount Department :** According to a Decree of July 14th, 1937, the Rediscount Department of the Banco do Brasil is to continue until such time as a central bank is established. The main provisions of the decree are as follows : (1) In order to provide funds for rediscounting, the Government is authorised to issue currency notes, at the Department's expense, up to one-half of the combined total of the paid-up capital and reserves in Brazil of all banks having recourse to the Department, this limit to include a maximum figure of 600 million milreis for bills of the National Coffee Department. (2) Each bank, including the Banco do Brasil, may rediscount bills with the Department up to one-half of the combined total of its own funds in Brazil. (3) Documents admitted for rediscount include bills of exchange, promissory notes and warehouse warrants ; Federal, State and municipal bonds, and documents relating to purely speculative transactions, on the other hand, are not admitted. (4) Advances by the Treasury to the Rediscount Department are secured by all the assets of the Department and carry interest at 2 % per annum. The Treasury receives 50 % of the Department's profits, to be applied in purchasing gold, and the Banco do Brasil 25 %, the remainder being transferred to a reserve for the Department.

**Prohibition of Foreign Banks :** Under Article 145 of the new Constitution promulgated in November 1937, banks and insurance companies whose shareholders are not nationals of Brazil are to be forbidden. The Constitution of 1934 contained a similar article (117) providing that all foreign companies, including banks and insurance companies, were to be nationalised. No steps had, however, been taken under the 1934 Constitution, apart from a Bill for the creation of a Federal Insurance Institute.

**Proposed Central Reserve Bank of Brazil :** The establishment of a new central bank is under consideration. The main provisions of the Central Bank Bill are as follows :

1. The Central Reserve Bank of Brazil is to be set up as a public joint-stock company with a capital of 60,000 contos. This capital is to be held by the Government, the banks and the public.
2. The activities of the Central Bank will be confined to operations such as are usually associated with such institutions — *i.e.*, to issue notes, regulate the exchange rate by buying and selling gold and foreign currencies, receive non-interest-bearing current account and fixed deposits, buy and sell, discount and rediscount commercial bills, etc., make advances against Government securities and other first-class collateral, act as Government banker and as a clearing house for credit institutions.
3. The Bank will not be allowed to lend money in any form to the Federal or State Governments or municipalities directly or indirectly.
4. The Central Bank is to have a minimum reserve of 25 % against its total sight liabilities, and the reserve is to consist of (i) gold owned by the Bank, (ii) funds held in foreign countries to the sight order of the Bank, (iii) public debt bonds.
5. The Bank may effect advances to the National Treasury for budget purposes amounting to a maximum of one-eighth of the revenue collected during the previous financial year. Such advances are repaid during the same financial year.
6. The Bank is to take over all notes at present in circulation other than those in denominations of five milreis and less. The Federal Government in exchange will deliver to the Bank all its gold holdings, the balance of certain bonds and special 7 % bonds up to a maximum of 450 million milreis, payable twice yearly and redeemable within fifty years.
7. All banks are to be required to hold a minimum reserve with the Central Bank amounting to 5 % of their sight liabilities falling due within one month.
8. The Rediscount Department of the Banco do Brasil is to be liquidated, and its assets and liabilities taken over by the Central Bank.

**Commercial Banks :** National and foreign banks operating in the chief Brazilian States. *Cash :* The differences between the figures given above and those in the Summary Balance-sheet are due to the fact that the quarterly statistics only include bank notes and Treasury notes under this item, whereas the annual figures also include balances at the Banco do Brasil. *Bills discounted :* The differences between the quarterly and annual figures are due to the fact that the former do not include bills receivable for the bank's own account, whereas the latter do. See notes 1 and 3 to the Summary Balance-sheet.

Sources : Banco do Brasil : *Relatorio et Boletim Estatistico*. Directoria de Estatistica Economica e Financiera : *Movimento Bancario do Brasil*.

### Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

#### 1. Cash.

The sums shown under (b) are composed as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
	Milreals (000,000's)							
Bank and State notes . . . . .	1,269	896	925	1,029	821	775	760	...
Balances with Banco do Brasil . . . . .	264	252	273	814	649	630	579	...
Total . . . . .	1,533	1,148	1,198	1,843	1,470	1,405	1,339	...

#### 2. Other Items of a Cash Nature.

This item consists of funds " at call " in other banks.

#### 3. Bills discounted and bought.

The composition of the sums shown in this group of the Summary Table is as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
	Milreals (000,000's)							
Bills discounted . . . . .	2,488	2,272	2,284	2,916	3,017	2,958	3,204	3,026
Bills receivable for own account :								
Inland . . . . .	429	274	196	217	220	228	313	...
Foreign . . . . .	153	73	58	11	18	25	74	...
Total . . . . .	3,070	2,619	2,538	3,144	3,255	3,211	3,591	...



## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	.	.	.	.	.	.	.	.
SUMMARY BALANCE-SHEET.								
ASSETS.								
1. Cash . . . . .	1,550	1,164	1,228	1,845	1,473	1,410	1,343	.
(a) Gold, silver and small coins . . . . .	17	16	30	2	3	5	4	.
(b) Bank notes, State notes and balances with Central Bank . . . . .	1,533	1,148	1,198	1,843	1,470	1,405	1,339	.
2. Other Items of a Cash Nature . . . . .	204	191	166	114	136	143	138	138
3. Bills discounted and bought . . . . .	3,070	2,619	2,538	3,144	3,255	3,211	3,591	.
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	254	352	398	410	423	398	498	.
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	677	667	401	459	459	400	622	623
(a) At home . . . . .	108	88	73	98	105	121	149	.
(b) Abroad . . . . .	569	579	328	361	354	279	473	.
7. Loans and Advances . . . . .	3,588	3,690	3,609	3,781	3,937	4,448	4,548	4,691
(a) On current account . . . . .	3,588	3,690	3,609	3,781	3,937	4,448	4,548	4,691
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	—	—	—	—	—	—	—	—
10. Sundry Assets . . . . .	2,987	2,816	3,557	3,561	3,792	4,400	4,653	.
11. Total Balance-sheet . . . . .	12,330	11,499	11,897	13,314	13,475	14,410	15,393	.
LIABILITIES.								
12. Capital paid up . . . . .	851	788	848	864	853	885	930	.
13. Reserve Funds . . . . .	509	562	587	627	643	668	725	.
14. Profit and Loss, etc. . . . .	21	25	39	35	52	59	65	.
15. Cheques and Drafts, etc., in circulation . . . . .	45	34	49	285	818	663	50	.
16. Due to Banks (Correspondents) . . . . .	706	685	402	991	277	450	398	.
(a) At home . . . . .	78	74	86	872	98	109	134	.
(b) Abroad . . . . .	628	611	316	119	179	341	264	.
17. Deposits . . . . .	5,925	5,731	5,962	6,843	6,484	7,419	7,767	8,332
(a) Current accounts . . . . .	3,487	3,886	3,490	4,732	4,447	5,056	4,873	5,245
(b) Savings accounts . . . . .	431	394	451	510	524	566	615	712
(c) Time or fixed deposits . . . . .	2,007	2,481	2,021	1,601	1,513	1,797	2,279	2,375
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
18. Rediscounts . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	4,273	3,674	4,010	3,669	4,348	4,266	5,458	.

## 7. Loans and Advances.

According to the nomenclature adopted in the official statistics, practically all the loans of the Brazilian banks would appear to be granted in the form of current-account advances. In fact, a considerable proportion of the sums shown represent long-term credits.

In addition, some banks grant mortgage loans against the issue of mortgage bonds. But, as these operations

do not fall within the field of commercial banking proper, mortgage loans and corresponding bond issues, which as a rule are handled by separate mortgage departments, have been included under sundry assets and liabilities in the Summary Table.

## 10. Sundry Assets.

The sums shown in the table are composed as follows:

	1929	1930	1931	1932	1933	1934	1935	1936
				Milreis (000,000's)				
Assets in liquidation . . . . .	29	50	99	66	49	49	40	...
Mortgage loans . . . . .	1,081	965	1,256	1,610	1,319	1,521	1,545	...
Net balance of collection, guarantee and safe deposit accounts . . . . .	—	318	160	275	178	22	—	...
Accounts of Note Issue Department of Banco do Brasil . . . . .	353	53	54	—	68	76	68	...
Other accounts . . . . .	1,524	1,430	1,988	1,610	2,178	2,732	3,000	...
Total . . . . .	2,987	2,816	3,557	3,561	3,792	4,400	4,653	...

BRAZIL

20. *Sundry Liabilities.*

The sums shown in the table are composed as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
				Mitreis (000,000's)				
Mortgage bonds . . . . .	943	973	1,275	846	1,491	1,543	1,545	...
Net balance of branches' and agencies' accounts . . . . .	642	870	491	333	321	343	381	...
Net balance of collection, guarantee and safe deposit accounts .	209	—	—	—	—	—	105	...
Accounts of Note Issue Department of Banco do Brasil . . .	715	170	170	170	20	20	20	...
Other accounts . . . . .	1,764	1,661	2,074	2,320	2,516	2,360	3,407	...
<b>Total . . . . .</b>	<b>4,273</b>	<b>3,674</b>	<b>4,010</b>	<b>3,669</b>	<b>4,348</b>	<b>4,266</b>	<b>5,458</b>	...

## BULGARIA

End of (Weekly returns)	Value of currency		Whole- sale prices (1929 = 100)	National Bank of Bulgaria								Subsi- diary coin	Dis- count rate	Yield of bonds 7½% Loan <sup>b</sup> (London quotations)	
	Percentage of gold parity in 1929 <sup>a</sup>	Clearing premiums for free foreign exchange (in %)		Gold	Foreign exchange	Commer- cial bills	Treasury bills and loans to Govern- ment	Govern- ment debt	Notes in circu- lation	Deposits					Liabilities in foreign exchange
										Total	Bankers' sight deposits				
	■	■	■	Leva (000,000's)								%	■ %		
Dec. 1935.	98.8	25.9	57.1	1,591	583	361	910	2,671	2,497	2,043	765	135	1,234	6	17.2
March 1936.	98.8	27.4	55.4	1,591	368	151	927	2,671	2,293	1,908	756	130	1,123	6	14.3
June 1936.	98.8	30.8	56.4	1,607	448	275	1,031	2,671	2,453	2,174	843	142	1,097	6	15.2
Sept. 1936.	98.8	29.0	58.9	1,616	490	532	1,234	2,671	2,790	2,176	795	83	1,298	6	13.5
Dec. 1936.	99.1	34.5	61.1	1,652	772	316	936	2,552	2,571	2,382	810	49	1,241	6	9.4
March 1937.	98.6	32.0	61.6	1,755	554	315	375	3,551	2,440	3,109	1,478	40	1,183	6	9.1
June 1937.	99.6	33.2	62.8	1,797	415	410	385	3,523	2,394	3,298	1,759	53	1,173	6	9.1
Sept. 1937.	100.0	33.5	66.8	1,834	399	746	385	3,523	2,950	2,972	1,279	104	1,363	6	8.3
Dec. 1937.	100.2	...	67.5	1,994	696	683	385	3,523	2,569	3,895	1,752	112	1,279	6	7.4

■ Monthly average.

<sup>a</sup> Gold parity in 1929: 1 lev = 0.00722 U.S.A. dollar; 1 U.S.A. dollar = 138.42604 leva.

<sup>b</sup> Based on interest payment of 2½%.

End of	Commercial Banks						Agricultural and Co-operative Bank				People's Banks	Post Office Savings Bank	Clearing turnover
	Cash	Bills dis- counted	Advances	Deposits		Redis- counts	Loans and advances		Deposits				
				Savings	Other		Total a	Of which Public Law institutions	b	c			
	Leva (000,000's)												
Dec. 1935.	654	1,297	1,528	1,257	2,096	357	6,196	1,235	4,806	6,411	2,225	2,252	807
March 1936.	365	1,266	1,592	1,287	1,972	289	6,159	1,196	4,808	7,057	2,289	2,349	912
June 1936.	352	1,413	1,556	1,309	1,752	399	6,130	1,106	4,920	6,992	2,278	2,349	536
Sept. 1936.	409	1,707	1,561	1,323	1,850	633	6,464	1,170	5,046	7,111	2,331	2,406	1,363
Dec. 1936.	556	1,488	1,494	1,349	2,010	418	6,902	1,245	5,208	7,604	2,549	2,520	1,232
March 1937.	426	1,405	1,526	1,349	1,849	390	6,974	1,137	5,292	7,774	2,472	2,627	1,153
June 1937.	223	1,507	1,625	1,374	1,821	452	6,792	1,061	5,481	7,899	2,455	2,626	823
Sept. 1937.	221	1,940	1,569	1,361	1,768	768	7,324	1,287	5,739	8,002	2,496	2,678	1,160
Dec. 1937.	...	...	...	...	...	...	7,519	...	5,997	8,460	2,652	2,858	1,410

<sup>a</sup> Excluding loans and advances to People's banks and their unions.

<sup>b</sup> Excluding deposits of Postal Savings Bank, People's banks and their unions.

<sup>c</sup> Including deposits of Postal Savings Bank, People's banks and their unions.

See *Commercial Banks 1925-1933*, page 69; *1929-1934*, page 10; *Money and Banking 1935/36*, Vol. II, page 37, *1936/37*, Vol. II, page 30.

**Exchange Control:** The system of private compensations, described in the last edition, was not substantially modified.

**National Bank of Bulgaria: Gold:** Valued at the statutory rate (1 lev = 0.01087 g. of fine gold). At the end of 1937, the premium on gold in the Bulgarian market was 26-27%. *Gold foreign exchange:* Under the Stabilisation Act of 1928, the gold foreign exchange was included in the cover reserve in addition to gold coin and bullion. Since September 30th, 1936, no foreign assets are considered as "gold foreign exchange" within the meaning of the Act, and cover is now calculated on the basis of the gold reserve only. *Other foreign exchange:* Including clearing accounts. *Treasury bills:* Rediscounted Treasury bills. *Advances to the Government:* Direct discounts. In virtue of the Law of February 8th, 1937, Treasury bills amounting to 1,000 million leva were transferred from this account to "Government debt". *Government debt:* This item, arising out of advances granted during and after the war, was increased in 1937 (see preceding note). This debt is amortised through

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Leva (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	1,389	1,455	1,511	1,519	1,544	1,547	1,591	1,652	1,994
2. Subsidiary coin . . . . .	257	152	531	355	254	353	406	396	594
3. Foreign exchange . . . . .	1,310	905	407	209	202	200	583	772	696
(a) Gold . . . . .	1,063	424	265	93	108	26	17	—	—
(b) Other . . . . .	247	481	142	116	94	174	566	772	696
4. Discounts . . . . .	907	362	342	361	798	491	412	316	683
(a) Commercial bills . . . . .	907	362	342	331	298	181	362	316	683
(b) Treasury bills . . . . .	—	—	—	130	500	310	50	—	—
5. Advances . . . . .	517	427	516	489	493	538	1,110	1,125	704
1. Government . . . . .	—	167	279	293	318	345	860	936	385
2. Other . . . . .	517	270	237	196	175	193	250	189	319
6. Government Debt . . . . .	3,470	3,162	2,995	2,903	2,813	2,728	2,671	2,552	3,495
7. Investments . . . . .	270	316	317	290	262	278	267	344	400
8. Other assets . . . . .	266	375	219	247	231	251	231	215	194
9. Total Balance-sheet . . . . .	8,386	7,154	6,838	6,373	6,597	6,386	7,271	7,372	8,760
<b>LIABILITIES.</b>									
10. Capital paid up . . . . .	500	500	500	500	500	500	500	500	500
11. Reserve Funds . . . . .	1,201	1,169	1,182	1,191	1,215	1,240	1,251	1,241	1,202
12. Notes in circulation . . . . .	3,609	3,296	2,919	2,635	2,984	2,449	2,497	2,571	2,569
13. Current and deposit accounts . . . . .	2,175	1,547	1,397	1,598	1,517	1,734	1,917	2,265	3,739
(a) Government . . . . .	142	116	91	100	268	185	582	935	1,274
(b) Banks . . . . .	353	669	975	1,034	589	692	765	810	1,760
(c) Other . . . . .	1,680	562	331	464	660	857	600	820	705
14. Time deposits . . . . .	359	270	245	215	164	138	126	117	93
15. Liabilities in foreign currencies . . . . .	152	112	149	85	60	78	135	49	112
(a) Gold . . . . .	152	112	133	83	51	73	120	—	—
(b) Others . . . . .	—	—	26	2	9	5	15	49	112
16. Other Liabilities . . . . .	390	260	446	149	157	247	845	629	545
Discount rate (%). . . . .	10	10	9 1/2	8	8	7	6	6	6

an interest charge of 2% on Treasury accounts; the Treasury payments, made in 1929 and 1930, were suspended in 1931; the Government share in the Bank's profits and the profits accruing from the issue of silver coins, allocated previously to the amortisation of the Government debt, are paid, in virtue of the Law of February 8th, 1937, into the ordinary receipts of the budget. *Investments*: This item includes securities and participations. *Current and deposit accounts*; *Other liabilities*: Clearing accounts appear under these two headings.

**Commercial Banks**: Private banks. Figures taken from reports of the League of Nations Commissioner, compiled and presented differently from the figures in the summary balance-sheet.

**Sources**: National Bank of Bulgaria: Annual reports, *Monthly Bulletin*. *Bulletin statistique mensuel de la Direction générale de la Statistique*. Reports by the Commissioner of the League of Nations in Bulgaria.

## Commercial Banks.

For detailed notes on certain items of the Summary Balance-sheet, see preceding editions of this volume.

## 9. Sundry Assets.

This item includes, in addition to sundry accounts, the following sums:

	1931	1932	1933	1934	1935
	Leva (000,000's)				
Credits in litigation	391	448	511	511	486
Protested bills . . . . .	134	169	151	126	102
Total . . . . .	525	617	662	637	588

## 14. Profit-and-Loss Account, etc.

The net losses incurred by some banks are included under sundry assets, and amounted to 8, 15, 54, 31, 29

and 37 million leva in 1929, 1930, 1931, 1932, 1933 and 1934, respectively.

## 17. Deposits.

	1931	1932	1933	1934	1935	1936
	Leva (000,000's)					
Savings deposits, up to one month . . . . .	1,640	1,436	1,127	1,133	1,138	1,349
Savings deposits, more than one month . . . . .	226	165	128	106	119	
Commercial deposits	2,001	1,929	1,639	1,400	1,447	
Other creditors . . . . .	582	388	399	591	649	417
Total deposits . . . . .	4,449	3,918	3,293	3,230	3,353	3,359

## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935	1937
Number of Banks, Branches and Sub-Branches . . . . .	135	138	131	129	118	106	97	93
<b>SUMMARY BALANCE-SHEET.</b>								
<b>ASSETS.</b>		Leva (000,000's)						
1. Cash . . . . .			708	721	526	523	645	556
(a) Gold, silver and small coins . . . . .			—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	714	870	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .			260	163	136	132	266	—
3. Bills discounted and bought . . . . .			1,400	1,117	850	893	940	1,070
(a) Treasury bills . . . . .			—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .			—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .			—	—	—	—	—	—
4. Investments and Securities . . . . .	3,056	2,293	207	205	184	214	180	301
(a) Government . . . . .			46	17	11	78	60	.
(b) Other . . . . .			161	188	173	136	120	.
5. Participations . . . . .			51	48	44	31	25	18
6. Due from Banks (Correspondents) . . . . .			57	61	39	22	23	163
(a) At home . . . . .			—	—	—	—	—	—
(b) Abroad . . . . .			—	—	—	—	—	—
7. Loans and Advances . . . . .	3,938	3,489	2,564	2,040	1,953	1,785	1,528	1,494
(a) On current account . . . . .			—	—	—	—	—	—
(b) Other . . . . .			—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	29	36	32	25	26	.
9. Premises, etc. . . . .	223	215	275	297	271	257	255	254
10. Sundry Assets . . . . .	511	545	1,133	1,173	1,037	1,047	997	1,148
11. Total Balance-sheet . . . . .	8,442	7,412	6,684	5,861	5,072	4,929	4,885	5,004
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	1,002	1,085	1,129	1,107	1,041	875	798	988
13. Reserve Funds . . . . .	155	162	174	182	204	198	200	.
14. Profit and Loss, etc. . . . .	118	114	62	30	22	16	17	29
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	20	19	16	22	24	.
16. Due to Banks (Correspondents) . . . . .			96	78	54	48	48	56
(a) At home . . . . .			—	—	—	—	—	—
(b) Abroad . . . . .			—	—	—	—	—	—
17. Deposits . . . . .			4,449	3,918	3,293	3,230	3,353	3,359
(a) Current accounts and sight deposits . . . . .	6,959	5,887	—	—	—	—	—	—
(b) Savings accounts . . . . .			—	—	—	—	—	—
(c) Time and fixed deposits . . . . .			—	—	—	—	—	—
(d) Other deposits . . . . .			—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .			—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	29	36	32	25	26	.
20. Sundry Liabilities . . . . .	208	164	725	491	410	515	419	572
21. Rediscounts . . . . .	—	—	400	277	352	258	357	418
22. Guarantees . . . . .	—	—	408	361	307	283	245	457

## CANADA

End of (Weekly returns)	Value of currency as % of gold parity in 1929 a	Wholesale prices (1929 = 100)	Total gold holdings (Govern- ment, Bank of Canada, chartered banks) b	Bank of Canada										
				Gold	Foreign exchange	Advances		Securities			Notes in circula- tion	Deposits		
						Dominion and Pro- vincial Govern- ments	Chartered banks	Dominion and Provincial		Other		Total	Dominion Govern- ment	Chartered banks
								Short- term	Other					
Dollars (000,000's)														
Dec. 1935 . . .	58.8	75.9	114	180.5	4.2	3.5	—	30.9	83.4	—	99.7	200.7	18.3	181.6
March 1936 . . .	59.0	75.7	112	180.4	7.5	—	—	29.7	81.1	—	85.5	210.9	21.1	188.2
June 1936 . . .	59.3	75.6	116	180.0	9.8	3.0	—	28.1	83.6	—	95.8	207.7	17.9	189.5
Sept. 1936 . . .	59.1	79.9	118	179.4	3.1	3.0	—	46.1	92.0	—	127.8	187.6	13.6	173.8
Dec. 1936 . . .	59.1	83.4	112	179.4	11.4	—	—	61.3	99.0	—	135.7	207.8	18.8	187.0
March 1937 . . .	59.1	89.4	115	187.9	19.7	—	—	51.0	101.8	—	126.0	232.5	36.8	194.3
June 1937 . . .	59.0	88.5	111	181.5	18.1	—	—	35.9	98.3	10.0	133.1	204.9	14.6	189.8
Sept. 1937 . . .	59.1	88.9	110	179.5	28.1	—	—	63.3	96.1	11.0	161.6	210.0	30.1	179.4
Dec. 1937 . . .	59.0	86.5	109	179.8	14.9	—	—	82.3	91.6	12.2	165.3	211.8	12.3	199.5

■ Monthly average.

■ Gold parity in 1929 : 1 Canadian dollar = 1 U.S.A. dollar.

■ In millions of gold dollars.

End of	Chartered Banks										Savings Bank	Bank debts	
	Notes of and deposits with the Bank of Canada	Securities		Loans				Deposits					
		Dominion and Provincial	Other	Canada		Foreign		Demand	Time	Dominion and Provincial			Foreign
				Call	Current	Call	Current						
Dollars (000,000's)													
Dec. 1935 . . .	222	956	199	83	945	65	145	641	1,486	53	380	90	2,932
March 1936 . . .	221	1,071	244	77	864	70	140	569	1,532	96	414	92	2,599
June 1936 . . .	224	1,084	284	91	777	64	150	622	1,505	80	389	92	3,136
Sept. 1936 . . .	221	1,107	273	105	807	60	156	648	1,501	114	406	91	3,134
Dec. 1936 . . .	235	1,116	268	114	791	75	162	682	1,548	72	418	93	3,405
March 1937 . . .	237	1,135	292	124	814	76	172	711	1,584	75	424	95	3,190
June 1937 . . .	233	1,137	305	116	853	70	159	713	1,570	96	425	95	2,892
Sept. 1937 . . .	233	1,120	326	100	883	64	172	714	1,575	83	425	96	2,734
Dec. 1937 . . .	250	1,111	301	76	862	60	166	699	1,583	53	409	95	3,081

See *Commercial Banks 1913-1929*, page 310 ; *1925-1933*, page 227 ; *1929-1934*, page 139 ; *Money and Banking 1935/36*, Vol. II, page 40 ; *1936/37*, Vol. II, page 33.

**Bank of Canada :** For the initial establishment operations on March 13th, 1935, and the revaluation of the gold reserve on July 10th, 1935, see *Money and Banking 1935-36*, Vol. II, page 40. **Gold :** Valued at the current selling price on the London or New York market converted into Canadian dollars at the rate of exchange of the day. **Dominion and Provincial Government securities :** *Short-term :* Maturing within two years. *Other :* Those having a maturity longer than two years. **Other securities :** It is believed that these securities are short-term British and United States securities.

**Sources :** Bank of Canada : Weekly and monthly statements, annual reports, *Statistical Summary*. *Supplement to the Canada Gazette : Return of the Chartered Banks of the Dominion of Canada*. Dominion Bureau of Statistics : *Bank Debts to Individual Accounts at Clearing-house Centres in Canada*.

## Bank of Canada.

	March 13th, 1935	End of the year		
		1935	1936	1937
<b>ASSETS.</b>				
		Dollars (000,000's)		
1. Reserve . . . . .	108.0	186.4	190.8	197.7
(a) Gold coin and bullion . . . . .	106.6	180.6	179.4	179.8
(b) Silver bullion . . . . .	1.0	1.6	2.3	3.0
(c) Reserve in funds of countries on a gold standard . . . . .	0.4	4.3	9.1	14.9
2. Subsidiary coin . . . . .	0.3	0.1	0.1	—
3. Bills discounted . . . . .	—	—	—	—
4. Advances . . . . .	—	3.5	—	—
(a) Dominion Government . . . . .	—	3.5	—	—
(b) Provincial Governments . . . . .	—	—	—	—
(c) Chartered banks . . . . .	—	—	—	—
5. Bills bought in open market, not including Treasury bills . . . . .	—	—	—	—
6. Investments . . . . .	149.8	114.3	160.3	186.1
(a) Dominion and provincial Government short-term securities . . . . .	34.8	30.9	61.3	82.3
(b) Other Dominion and provincial Government securities . . . . .	115.0	83.4	99.0	91.6
(c) Other securities . . . . .	—	—	—	12.2
7. Other assets . . . . .	1.2	3.4	5.8	6.6
8. Total Balance-sheet . . . . .	259.3	307.7	357.0	390.4
<b>LIABILITIES.</b>				
9. Capital . . . . .	5.0	5.0	10.1	10.1
10. Rest Fund . . . . .	—	0.2	0.7	1.3
11. Notes in circulation . . . . .	97.8	99.7	135.7	165.3
12. Deposits . . . . .	156.4	200.7	209.0	211.8
(a) Dominion Government . . . . .	4.2	18.3	19.9	12.3
(b) Provincial Governments . . . . .	—	—	—	—
(c) Chartered banks . . . . .	151.9	181.6	187.0	196.0
(d) Other . . . . .	0.3	0.8	2.1	3.5
13. Other liabilities . . . . .	0.1	2.1	1.5	1.9
Discount rate (percentage) . . . . .	2½	2½	2½	2½

## Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

1. Cash.	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
Circulation Redemption Fund . . . . .	6.4	6.8	6.6	6.5	6.7	6.9	7.0	6.0
Central Gold Reserves . . . . .	56.6	25.7	19.9	17.8	18.6	—	—	—
Total . . . . .	63.0	32.5	26.5	24.3	25.3	6.9	7.0	6.0
	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
1. Current gold and subsidiary coin in hands of banks . . . . .	73.3	65.8	53.2	49.9	50.1	15.8	11.2	10.2
At home . . . . .	(46.9)	(46.0)	(38.0)	(39.3)	(39.1)	(5.4)	(5.1)	(4.9)
Abroad . . . . .	(26.4)	(19.8)	(15.2)	(10.6)	(11.0)	(10.4)	(6.1)	(5.3)
2. Gold deposits in central gold reserves . . . . .	14.6	10.7	11.1	5.2	5.2	—	—	—
3. Total metallic reserve (1 + 2) . . . . .	87.9	76.5	64.3	55.1	55.3	15.8	11.2	10.2
4. Dominion notes in hands of banks . . . . .	130.9	128.9	153.2	139.7	169.8	40.6 <sup>a</sup>	47.8 <sup>a</sup>	53.9 <sup>a</sup>
5. Dominion notes deposited in central gold reserves . . . . .	41.5	15.1	8.8	12.6	13.4	181.6 <sup>b</sup>	187.0 <sup>b</sup>	196.0
6. Bank circulation redemption fund . . . . .	6.4	6.8	6.6	6.5	6.7	6.9	7.0	6.0
7. U.S. and other foreign notes . . . . .	23.7	14.7	17.9	18.6	19.7	24.3	24.1	25.0
8. Total non-metallic reserve (4-7) . . . . .	202.5	165.5	186.5	177.4	209.6	253.4	265.9	280.9

<sup>a</sup> Bank of Canada notes.

<sup>b</sup> Deposits with the Bank of Canada.





## CANADA

## 6. Due from Banks (Correspondents).

	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
United Kingdom . . . . .	5.2	5.0	7.8	12.2	26.9	17.2	15.4	23.7
Elsewhere . . . . .	96.4	104.7	104.9	70.5	58.8	94.5	110.0	78.1
Total . . . . .	101.6	109.7	112.7	82.7	85.7	111.7	125.4	101.8

## 7. Loans and Advances.

	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
1. Call and short (up to 30 days) loans:								
In Canada . . . . .	262.3	134.7	103.2	105.9	102.7	83.0	114.0	75.8
Elsewhere . . . . .	245.1	83.1	91.5	90.1	98.8	64.7	75.4	59.6
Total (1) . . . . .	507.4	217.8	194.7	196.0	201.5	147.7	189.4	135.4
2. Other current loans and discounts:								
In Canada . . . . .	1,402.8	1,082.1	964.0	898.2	838.8	819.5	675.5	748.8
Elsewhere . . . . .	250.6	188.4	151.7	138.0	133.9	145.0	161.9	165.6
Total (2) . . . . .	1,653.4	1,270.5	1,115.7	1,036.2	972.7	964.5	837.4	914.4
Total (1 + 2) . . . . .	2,160.8	1,488.3	1,310.4	1,232.2	1,174.2	1,112.2	1,026.8	1,049.8
3. Loans to public bodies:								
Provincial Governments . . . . .	25.0	45.6	28.3	28.8	30.2	19.4	19.7	22.8
Others . . . . .	96.7	125.7	111.5	108.8	107.5	105.7	95.6	90.4
Total (3) . . . . .	121.7	171.3	139.8	137.6	137.7	125.1	115.3	113.2
Grand total (1 + 2 + 3) . . . . .	2,282.5	1,659.6	1,450.2	1,369.8	1,311.9	1,237.3	1,142.1	1,163.0

## 15. Notes in Circulation.

	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
Gross circulation . . . . .	175.5	141.0	127.1	132.0	136.4	118.9	109.1	101.7
Less notes in tills of other banks . . . . .	20.0	11.9	12.1	11.4	12.9	7.9	5.9	5.7
Net circulation . . . . .	155.5	129.1	115.0	120.6	123.5	111.0	103.2	96.0

## 17. Due to Banks (Correspondents).

	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
United Kingdom . . . . .	26.7	4.8	7.4	4.9	6.5	8.5	9.0	12.7
Elsewhere . . . . .	81.3	42.3	41.4	33.4	23.0	27.4	31.3	46.5
Total . . . . .	108.0	47.1	48.8	38.3	29.5	35.9	40.3	59.2

## 18. Deposits.

The detailed composition of the amounts shown under current accounts (a) in the Summary Table is given below :

	1929	1931	1932	1933	1934	1935	1936	1937
	Dollars (000,000's)							
Sight deposits made by the public in Canada	729.3	566.6	466.2	501.9	575.5	640.9	682.3	699.2
Balances due to Governments:								
Dominion Government . . . . .	60.0	111.1	53.1	33.3	24.3	11.9	25.1	13.1
Provincial Governments . . . . .	31.6	19.8	19.0	27.9	28.3	40.7	47.4	39.5
Total . . . . .	91.6	130.9	72.1	61.2	52.6	52.6	72.5	52.6
Grand total . . . . .	820.9	697.5	538.3	563.1	628.1	693.5	754.8	751.8

## CHILE

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>		Wholesale prices (1929=100)	Banco Central de Chile								Dis- count rate <sup>b</sup>
	Official rate	Free rate		Gold	Foreign exchange	Loans and advances			Notes in circulation	Deposits		
						Total	Redis- counts of member banks	Treasury		Total	Banks	
	■	■	■	Pesos (000,000's)								%
Dec. 1935 . . . . .	24.9	18.6	182.0	141	1	786	2	697	567	297	169	4.5
March 1936 . . . . .	24.7	18.3	186.9	140	2	796	6	697	595	274	200	4.5
June 1936 . . . . .	24.7	18.2	194.6	141	2	819	11	694	612	278	199	4.5
Sept. 1936 . . . . .	25.1	18.6	208.9	142	1	830	12	694	616	273	178	4.5
Dec. 1936 . . . . .	25.1	18.7	210.7	141	3	866	16	690	653	288	210	4.5
March 1937 . . . . .	25.1	18.7	237.8	142	1	927	13	790	702	291	210	4.5
June 1937 . . . . .	25.1	18.7	240.3	138	6	928	20	787	699	309	227	4.5
Sept. 1937 . . . . .	25.0	19.4	244.9	141	3	902	11	787	666	321	251	4.5
Dec. 1937 . . . . .	25.1	19.4	225.1	141	3	910	13	783	709	263	199	4.5

■ Monthly average.

<sup>a</sup> Gold parity in 1929: 1 peso = 0.12166 U.S.A. dollar; 1 U.S.A. dollar = 8.21947 pesos.

<sup>b</sup> Date of last change: June 12th, 1935.

End of	Commercial Banks									Savings Banks	Clearing turnover		
	Cash	Loans and advances		Bills discounted	Invest- ments and securities	Deposits						Savings deposits	All clearing- houses (monthly)
		On current account	Other			Current accounts and sight	Time	Total	Thereof: Treasury				
	Pesos (000,000's)												
Dec. 1935 . . . . .	255	544	609	425	144	1,075	466	1,541	391	412	1,454		
March 1936 . . . . .	293	576	643	508	192	1,251	513	1,764	422	420	1,570		
June 1936 . . . . .	302	547	619	556	178	1,249	504	1,753	478	436	1,507		
Sept. 1936 . . . . .	322	561	624	541	128	1,256	491	1,747	423	447	1,426		
Dec. 1936 . . . . .	319	614	646	549	142	1,157	618	1,775	447	465	1,664		
March 1937 . . . . .	304	621	681	598	127	1,275	614	1,889	473	466	1,816		
June 1937 . . . . .	328	576	650	672	126	1,306	643	1,949	495	496	1,844		
Sept. 1937 . . . . .	336	601	697	632	104	1,310	639	1,949	611	523	1,822		
Dec. 1937 . . . . .	...	...	...	...	...	1,308	604	1,912	584	546	1,950		

See *Commercial Banks 1913-1929*, page 368; *1925-1933*, page 283; *1929-1934*, page 166; *Money and Banking 1935/36*, Vol. II, page 44; *1936/37*, Vol. II, page 37.

**Value of Currency:** Since the latter months of 1936, the "free" rate has shown a marked downward trend, touching in summer 1937 a lower level than the "export" rate. The Exchange Control Board was consequently authorised to reduce the maximum selling rate for the "export" dollar from 26 to 25 pesos, which rate became effective on August 13th, 1937. The Central Bank also lowered its official rates for "compensation" currencies. The "gold-exchange" rate — that for exchange for "luxury" imports, obtainable at a premium of about 35% over the "export" rate and operative only for countries with which Chile has no "compensation" agreements — has not been modified. Exporters are still required to sell to the Central Bank, at the official rate of exchange, a variable percentage of foreign currencies arising from exports. A Commission, appointed with the object of studying the exchange-control system, reported in July 1937: it concluded that exchange control could not be removed whilst similar restrictions prevailed in other countries and compensation treaties remained in existence. The Commission recommended the creation of a Stabilisation Fund, formed by setting aside a percentage of the foreign exchange delivered to the Central Bank.

## Banco Central.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Pesos (000,000's)								
<b>ASSETS.</b>									
1. Gold . . . . .	63	62	67	77	85	127	141	141	141
2. Subsidiary coin . . . . .	10	11	11	4	27	22	19	15	12
3. Foreign exchange . . . . .	394	334	128	93	87	39	14	15	18
(a) For cover purposes . . . . .	385	279	128	77	81	15	1	3	3
(b) Other . . . . .	9	55	—	16	6	24	13	12	15
4. Cheques on other banks . . . . .	1	—	—	1	1	—	4	10	11
5. Bills discounted . . . . .	93	112	84	27	4	7	8	35	36
6. Loans and advances . . . . .	—	—	139	610	788	756	779	831	874
(a) Treasury and Government Departments . . . . .	—	—	139	518	682	714	706	698	791
(b) Other . . . . .	—	—	—	92	106	42	73	133	83
7. Government securities . . . . .	—	—	100	132	—	—	—	—	—
8. Other assets . . . . .	40	41	16	19	13	42	25	27	28
9. Total Balance-sheet . . . . .	601	560	545	963	1,005	993	990	1,074	1,119
<b>LIABILITIES.</b>									
10. Capital paid up . . . . .	91	91	91	91	91	91	91	95	97
11. Reserve funds . . . . .	21	22	27	29	34	15	19	24	30
12. Notes in circulation . . . . .	352	306	319	488	515	516	567	653	709
13. Deposits . . . . .	136	140	89	347	357	370	312	300	278
(a) In national currency :									
(1) Banks . . . . .	96	65	76	219	208	190	169	210	199
(2) Treasury and Government Departments . . . . .	23	4	5	20	54	68	60	26	17
(3) Other . . . . .	8	16	8	79	88	88	68	52	47
(b) In foreign currencies . . . . .	9	55	—	29	7	24	15	12	15
14. Other liabilities . . . . .	1	1	19	8	8	1	1	2	5
Discount rate (percentage) . . . . .	6	7	6	4½	4½	4½	4½	4½	4½

**Banco Central de Chile : Gold and foreign exchange :** Valued at the rate of 1 peso = 6d. gold or 0.18306 gramme of fine gold. **Loans and advances :** (a) *Government :* Various advances, made by the Bank to the Treasury, more particularly in 1932, were consolidated by the Law of November 11th, 1933, so as to constitute a single advance of 752.5 millions, the Treasury having undertaken to pay the Bank each year a sum equivalent to interest at 2% together with amortisation at the rate of 1% of the total amount of this debt. [In addition to the balance of this advance, the item includes further advances which the Bank made to the Treasury for increasing the capital of the Caja de Credito Minero, rediscounting bills for the nitrate industry, providing advances to Government credit institutions, land banks, etc., as well as advances to other State institutions.

**Commercial Banks :** The differences between the quarterly figures and the corresponding items in the Summary Balance-sheet are due to the fact that the annual figures relate to a greater number of banks than do the quarterly figures. Foreign exchange, deposits and loans in foreign currencies are valued in 1935 at the rate of 6d. and in 1936 and 1937 at the rate of 1½d. per peso. **Deposits :** Including deposits in foreign currencies.

**Savings Banks :** The savings deposits of the Caja Nacional de Ahorros account for 95 % of the total amount of savings deposits.

**Sources :** Banco Central de Chile : Annual reports and *Boletín Mensual*. Superintendencia de Bancos : *Estadística Bancaria. Estadística Chilena*.

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	23	22	22	22	21	20	17
Branches and Sub-Branches . . . . .	105	85	79	79	75	76	.
<b>SUMMARY BALANCE-SHEET.</b>		Pesos (000,000's)					
<b>ASSETS.</b>							
1. Cash . . . . .	166	186	354	348	299	260	314
(a) Gold, silver and small coins . . . . .	14	7	7	7	13	13	13
(b) Bank notes, State notes and bal- ances with Central Bank . . . . .	152	179	347	341	286	247	301
2. Other Items of a Cash Nature . . . . .	64	30	34	52	84	71	26
3. Bills discounted and bought . . . . .	495	153	138	307	372	469	563
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	462	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	33	—	—	—	—	—	—
4. Investments and Securities . . . . .	129	118	159	128	208	178	160
(a) Government . . . . .	16	30	61	28	13	22	23
(b) Other . . . . .	113	88	98	100	195	156	132
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	151	90	72	72	120	111	125
(a) At home . . . . .	14	13	10	14	18	12	12
(b) Abroad . . . . .	137	77	62	58	102	99	113
7. Loans and Advances . . . . .	1,118	1,031	1,039	1,025	1,275	1,398	1,414
(a) On current account . . . . .	573	443	423	412	435	573	616
(b) Other . . . . .	540	588	616	613	840	825	798
8. Cover for Acceptances . . . . .	94	65	44	49	88	104	102
9. Premises, etc. . . . .	80	94	96	96	54	49	49
10. Sundry Assets . . . . .	422	78	123	135	138	207	349
11. Total Balance-sheet . . . . .	<b>2,719</b>	<b>1,845</b>	<b>2,059</b>	<b>2,212</b>	<b>2,638</b>	<b>2,847</b>	<b>3,102</b>
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	423	418	406	386	392	398	356
13. Reserve Funds . . . . .	215	200	166	165	192	228	270
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation	18	7	4	4	6	4	7
16. Due to Banks (Correspondents) . . . . .	158	48	68	67	95	98	67
(a) At home . . . . .	6	17	5	2	1	—	1
(b) Abroad . . . . .	152	31	63	65	94	98	66
17. Deposits . . . . .	1,276	896	1,132	1,290	1,550	1,702	1,844
(a) Current accounts and sight deposits	512	419	706	893	1,124	1,191	1,226
(b) Savings accounts . . . . .	41	12	—	—	—	—	—
(c) Time or fixed deposits . . . . .	709	461	423	393	423	511	618
(d) Other deposits . . . . .	14	4	3	4	3	—	—
18. Rediscounts and Other Borrowings . . . . .	47	77	1	1	3	3	17
19. Acceptances and Endorsements . . . . .	95	61	46	52	105	119	121
20. Sundry Liabilities . . . . .	487	138	236	247	295	295	420

## Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

## 1. Cash.

The sums given under (b) consist of notes and sight balances with the Central Bank, as shown below:

The sums given under (a) include gold and token coins as below:

	Gold	Token coins Pesos (000,000's)	Total		Bank-notes	Balances with Central Bank Pesos (000,000's)	Total
1929. . . . .	11	3	14	1929. . . . .	71	81	152
1932. . . . .	6	1	7	1932. . . . .	133	214	347
1933. . . . .	6	1	7	1933. . . . .	132	209	341
1934. . . . .	12	1	13	1934. . . . .	92	194	286
1935. . . . .	12	1	13	1935. . . . .	82	165	247
1936. . . . .	12	1	13	1936. . . . .	89	212	301

## Banco Central.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Pesos (000,000's)									
<b>ASSETS.</b>									
1. Gold . . . . .	63	62	67	77	85	127	141	141	141
2. Subsidiary coin . . . . .	10	11	11	4	27	22	19	15	12
3. Foreign exchange . . . . .	394	334	128	93	87	39	14	15	18
(a) For cover purposes . . . . .	385	279	128	77	81	15	1	3	3
(b) Other . . . . .	9	55	—	16	6	24	13	12	15
4. Cheques on other banks . . . . .	1	—	—	1	1	—	4	10	11
5. Bills discounted . . . . .	93	112	84	27	4	7	8	35	36
6. Loans and advances . . . . .	—	—	139	610	788	756	779	831	874
(a) Treasury and Government Departments . . . . .	—	—	139	518	682	714	706	698	791
(b) Other . . . . .	—	—	—	92	106	42	73	133	83
7. Government securities . . . . .	—	—	100	132	—	—	—	—	—
8. Other assets . . . . .	40	41	16	19	13	42	25	27	28
9. Total Balance-sheet . . . . .	601	560	545	963	1,005	993	990	1,074	1,119
<b>LIABILITIES.</b>									
10. Capital paid up . . . . .	91	91	91	91	91	91	91	95	97
11. Reserve funds . . . . .	21	22	27	29	34	15	19	24	30
12. Notes in circulation . . . . .	352	306	319	488	515	516	567	653	709
13. Deposits . . . . .	136	140	89	347	357	370	312	300	278
(a) In national currency :									
(1) Banks . . . . .	96	65	76	219	208	190	169	210	199
(2) Treasury and Government Departments . . . . .	23	4	5	20	54	68	60	26	17
(3) Other . . . . .	8	16	8	79	86	88	68	52	47
(b) In foreign currencies . . . . .	9	55	—	29	7	24	15	12	15
14. Other liabilities . . . . .	1	1	19	8	8	1	1	2	5
Discount rate (percentage) . . . . .	6	7	6	4½	4½	4½	4½	4½	4½

**Banco Central de Chile :** *Gold and foreign exchange :* Valued at the rate of 1 peso = 6d. gold or 0.18306 gramme of fine gold. *Loans and advances :* (a) *Government :* Various advances, made by the Bank to the Treasury, more particularly in 1932, were consolidated by the Law of November 11th, 1933, so as to constitute a single advance of 752.5 millions, the Treasury having undertaken to pay the Bank each year a sum equivalent to interest at 2% together with amortisation at the rate of 1% of the total amount of this debt. [In addition to the balance of this advance, the item includes further advances which the Bank made to the Treasury for increasing the capital of the Caja de Credito Minero, rediscounting bills for the nitrate industry, providing advances to Government credit institutions, land banks, etc., as well as advances to other State institutions.

**Commercial Banks :** The differences between the quarterly figures and the corresponding items in the Summary Balance-sheet are due to the fact that the annual figures relate to a greater number of banks than do the quarterly figures. Foreign exchange, deposits and loans in foreign currencies are valued in 1935 at the rate of 6d. and in 1936 and 1937 at the rate of 1½d. per peso. *Deposits :* Including deposits in foreign currencies.

**Savings Banks :** The savings deposits of the Caja Nacional de Ahorros account for 95 % of the total amount of savings deposits.

**Sources :** Banco Central de Chile: Annual reports and *Boletín Mensual*. Superintendencia de Bancos : *Estadística Bancaria. Estadística Chilena.*

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	23	22	22	22	21	20	17
Branches and Sub-Branches . . . . .	105	85	79	79	75	76	.
<b>SUMMARY BALANCE-SHEET.</b>							
ASSETS.							
Pesos (000,000's)							
1. Cash . . . . .	166	186	354	348	299	260	314
(a) Gold, silver and small coins . . . . .	14	7	7	7	13	13	13
(b) Bank notes, State notes and balances with Central Bank . . . . .	152	179	347	341	286	247	301
2. Other Items of a Cash Nature . . . . .	64	30	34	52	84	71	26
3. Bills discounted and bought . . . . .	495	153	138	307	372	469	563
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	462	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	33	—	—	—	—	—	—
4. Investments and Securities . . . . .	129	118	159	128	208	178	160
(a) Government . . . . .	16	30	61	28	13	23	28
(b) Other . . . . .	113	88	98	100	195	156	132
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	151	90	72	72	120	111	125
(a) At home . . . . .	14	13	10	14	18	12	12
(b) Abroad . . . . .	137	77	62	58	102	99	113
7. Loans and Advances . . . . .	1,118	1,031	1,039	1,025	1,275	1,398	1,414
(a) On current account . . . . .	578	443	423	413	435	573	616
(b) Other . . . . .	540	588	616	613	840	825	798
8. Cover for Acceptances . . . . .	94	65	44	49	88	104	102
9. Premises, etc. . . . .	80	94	96	96	54	49	49
10. Sundry Assets . . . . .	422	78	123	135	138	207	349
11. Total Balance-sheet . . . . .	2,719	1,845	2,059	2,212	2,638	2,847	3,102
LIABILITIES.							
12. Capital paid up . . . . .	423	418	406	386	392	398	356
13. Reserve Funds . . . . .	215	200	166	165	192	228	270
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation . . . . .	18	7	4	4	6	4	7
16. Due to Banks (Correspondents) . . . . .	158	48	68	67	95	98	67
(a) At home . . . . .	6	17	5	2	1	—	1
(b) Abroad . . . . .	152	31	63	65	94	98	66
17. Deposits . . . . .	1,276	896	1,132	1,290	1,550	1,702	1,844
(a) Current accounts and sight deposits . . . . .	512	419	706	693	1,124	1,191	1,226
(b) Savings accounts . . . . .	41	12	—	—	—	—	—
(c) Time or fixed deposits . . . . .	709	461	423	393	423	511	618
(d) Other deposits . . . . .	14	4	3	4	3	—	—
18. Rediscounts and Other Borrowings . . . . .	47	77	1	1	3	3	17
19. Acceptances and Endorsements . . . . .	95	61	46	52	105	119	121
20. Sundry Liabilities . . . . .	487	138	236	247	295	295	420

## Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

## 1. Cash.

The sums given under (b) consist of notes and sight balances with the Central Bank, as shown below :

The sums given under (a) include gold and token coins as below :

	Gold	Token coins Pesos (000,000's)	Total		Bank-notes	Balances with Central Bank Pesos (000,000's)	Total
1929 . . . . .	11	3	14	1929 . . . . .	71	81	152
1932 . . . . .	6	1	7	1932 . . . . .	133	214	347
1933 . . . . .	6	1	7	1933 . . . . .	132	209	341
1934 . . . . .	12	1	13	1934 . . . . .	92	194	286
1935 . . . . .	12	1	13	1935 . . . . .	82	165	247
1936 . . . . .	12	1	13	1936 . . . . .	89	212	301

## 2. Other Items of a Cash Nature.

	Foreign bank-notes	" Exchange " (canje) Pesos (000,000's)	Total
1929. . . . .	25	39	64
1932. . . . .	9	25	34
1933. . . . .	13	39	52
1934. . . . .	12	72	84
1935. . . . .	17	54	71
1936. . . . .	4	22	26

## 4 and 5. Securities and Participations.

The commercial banks do not practise participation in industrial or other business undertakings.

The figures for Government securities also include municipal bonds. The greater part of " Other securities " has, in recent years, consisted of shares in the Central Bank of Chile, as shown below :

	1929	1932	1933	1934	1935	1936
	Pesos (000,000's)					
Shares in Central Bank . . . . .	62	64	56	57	58	65
Other shares and bonds . . . . .	42	30	40	138	98	67
Securities in possession of " Superintendencia de Bancos " . . . . .	9	4	4	—	—	—
Total . . . . .	113	98	100	195	156	132

## 6. Due from Banks.

The sums under (b) include deposits with head offices and branches abroad.

## 7. Loans and Advances.

## (a) Advances on Current Account.

	1929	1932	1933	1934	1935	1936
	Pesos (000,000's)					
<i>In national currency :</i>						
Against security	245	131	153	183	225	259
Without special security . . . . .	205	128	139	192	310	344
	450	259	292	375	535	603
<i>In foreign currency :</i>						
Against security	73	49	32	17	17	5
Without special security . . . . .	55	115	88	43	21	8
	128	164	120	60	38	13
Total (a) . . . . .	578	423	412	435	573	616

## (b) Other Loans and Advances.

	1929	1932	1933	1934	1935	1936
	Pesos (000,000's)					
<i>In national currency :</i>						
Against security	322	250	284	.	.	.
Without special security . . . . .	93	95	136	.	.	.
	415	345	420	535	575	599
<i>In foreign currency :</i>						
Against security	24	8	7	.	.	.
Without special security . . . . .	10	4	4	.	.	.
	34	12	11	44	16	35
Credits to directors and staff. . . . .	22	6	4	.	.	.
Other loans . . . . .	69	253	178	261	234	164
	91	259	182	261	234	164
Total (b) . . . . .	540	616	613	840	825	798
Grand total . . . . .	1,118	1,039	1,025	1,275	1,398	1,414

## Thereof :

In national currency . . . . .	956	801	846	1,053	1,238	1,323
In foreign currency . . . . .	162	238	179	222	160	91

## 16. Due to Banks (Correspondents).

The sums shown under (b) include certain amounts due to banks at home in foreign currency, which amounts are not shown separately in the official summary balance-sheet.

	1929	1932	1933	1934	1935	1936
	Pesos (000,000's)					
<i>17. Deposits.</i>						
Sight deposits (less than 30 days) :						
In national currency . . . . .	464	640	828	997	1,080	1,127
In foreign currency . . . . .	48	66	65	127	111	99
Total (a) . . . . .	512	706	893	1,124	1,191	1,226
Savings accounts (b)	41	—	—	—	—	—
Time deposits (more than 30 days) :						
In national currency . . . . .	582	308	330	347	453	575
In foreign currency . . . . .	127	115	63	76	58	43
Total (c) . . . . .	709	423	393	423	511	618
Other deposits (d)	13	3	4	3	—	—
Grand total . . . . .	1,275	1,132	1,290	1,550	1,702	1,844

## Thereof :

In national currency . . . . .	1,100	950	1,161	1,344	1,533	1,702
In foreign currency . . . . .	175	182	129	206	169	142

## CHINA

End of	Value of currency as % of the average 1929 rate <sup>a</sup>	Stocks of silver in Shanghai		Import (+) or export (-) surplus of silver <sup>b</sup>	Import (+) or export (-) surplus of gold <sup>b</sup>	Price of silver in New York (in cents per 1 oz. fine)	Prices		
		Chinese banks	Foreign banks				Shanghai wholesale prices: 1926 = 100 (simple geometric average)	Cost of living in Shanghai: 1926 = 100 (weighted arithmet. average)	
		Chinese dollars (000,000's)							
1929 . . . . .	91.9	144	96	+ 165	- 3	48.48	104.5	107.9	
1934 . . . . .	48.7	280	55	- 257	- 52	54.39	97.1	106.2	
Dec. 1935 . . . . .	41.9	239	36	- 66	- 16	56.68	103.3	109.3	
March 1936 . . . . .	42.2	148	9	- 14	+ 2	44.75	106.4	114.1	
June 1936 . . . . .	42.5	86	9	- 86	-	44.75	106.1	111.8	
Sept. 1936 . . . . .	42.3	80	9	- 113	- 18	44.75	107.0	113.5	
Dec. 1936 . . . . .	41.8	.	.	- 36	- 20	45.35	118.8	117.5	
March 1937 . . . . .	42.0	.	.	...	...	45.13	123.0	116.8	
June 1937 . . . . .	41.9	.	.	...	...	44.82	126.1	119.0	
Sept. 1937 . . . . .	41.9	.	.	- 271	- 54	44.75	129.9	147.7	
Dec. 1937 . . . . .	41.7	.	.	...	...	43.81	141.4	167.2	

<sup>a</sup> Average rate in 1929: 1 National dollar = 0.4176 U.S.A. dollar; 1 U.S.A. dollar = 2.3944 National dollars (calculated from the rate of the Shanghai tael).

<sup>b</sup> One year or one quarter.

End of	Central Bank of China									Shanghai native interest rates	Yield of domestic bonds	Bank clearings in Shanghai	
	Gold	Silver	Foreign exchange	Due from banks	Loans and discounts	Securities	Note circulation	Deposits					
	Chinese dollars (000,000's)											Ch. dollars (000,000's)	
1929 . . . . .	—	24	—	—	15	14	15	50	—	—	13	12.1	—
1930 . . . . .	—	35	—	—	28	4	23	76	—	—	7	14.7	—
1931 . . . . .	—	35	12	9	75	6	25	91	77	8	13	16.1	30,900
1932 . . . . .	7	57	13	37	97	8	40	154	98	47	10	20.4	22,715
1933 . . . . .	23	111	15	31	143	13	71	289	237	42	6	14.5	22,130
1934 . . . . .	20	104	10	38	85	174	86	250	197	39	9	10.4	25,053
March 1935 . . . . .	24	109	8	41	88	184	93	290	230	46	8	—	5,099
June 1935 . . . . .	25	119	6	44	127	179	99	314	234	63	19	—	4,953
Sept. 1935 . . . . .	17	129	7	34	201	175	119	366	245	84	14	12.0	6,806
Dec. 1935 . . . . .	31	120	123	39	154	253	180	536	267	213	10	9.7	7,643
March 1936 . . . . .	51	211	74	104	213	310	254	627	305	292	8	9.3	6,632
June 1936 . . . . .	45	270	52	92	365	184	300	639	295	316	8	9.9	5,866
Sept. 1936 . . . . .	66	262	60	132	413	164	317	710	300	387	8	9.5	5,553
Dec. 1936 . . . . .	27	223	116	131	477	156	340	714	369	317	8	9.5	6,658
March 1937 . . . . .	...	...	...	...	...	...	...	...	...	...	8	8.5	5,276
June 1937 . . . . .	...	...	...	...	...	...	...	...	...	...	10	7.3	6,628
Sept. 1937 . . . . .	...	...	...	...	...	...	...	...	...	...	20	...	5,841
Dec. 1937 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...

End of	Government Banks							Other Banks						
	Cash in hand	Loans	Securities	Deposits	Notes in circulation	Paid-up capital and reserves	Total balance-sheet	Cash in hand	Loans	Securities	Deposits	Notes in circulation	Paid-up capital and reserves	Total balance-sheet
	Chinese dollars (000,000's)													
1932 . . . . .	133	791	91	940	319	70	1,381	147	1,067	136	1,176	133	204	1,623
1933 . . . . .	133	1,042	62	1,147	348	79	1,639	179	1,285	195	1,447	187	249	2,019
1934 . . . . .	92	1,123	210	1,267	410	151	1,905	193	1,501	260	1,731	213	268	2,417
1935 . . . . .	167	1,783	352	2,106	677	183	3,053	248	1,413	242	1,683	191	266	2,388
1936 . . . . .	777	1,914	150	2,676	1,270	190	4,288	295	552	351	1,875	363	336	2,988

See *Money and Banking 1935/36*, Vol. II, page 49; *1936/37*, page 39.



**Value of Currency :** The Chinese (silver) dollar, equivalent to 0.715 former Shanghai tael, was introduced and officially declared the standard coin in April 1933. The rise in the price of bar silver as a result of the purchases of silver for the account of the United States Government under the Silver Purchase Act of 1934 led the Chinese Government to institute foreign-exchange control on September 9th, 1934, with a view to preventing exports of silver. On October 15th, 1934, an export duty of  $7\frac{3}{4}\%$  was imposed on export of silver dollars and mint bars, and a duty of 10% on export of other forms of silver, together with an equalisation charge equal to the deficiency, if any, existing between the theoretical parity of London silver and a rate of exchange officially fixed by the Central Bank of China after making allowance for the export duty. On November 3rd, 1935, the Government abandoned the silver standard and fixed the rate of the Chinese dollar in sterling ( $14\frac{1}{2}d.$ ) and United States dollar ( $29\frac{3}{4}$  cents). The silver export duty and the equalisation charge, however, remained in force as before. In May 1936, the Chinese and the United States Governments concluded an agreement by which the Central Bank of China was enabled to draw on New York against the silver deposited by the Chinese Government in that city. As the result of this agreement, the Chinese Government announced, on May 17th, 1936, that the 60% specie reserve against note issue would consist of silver as well as of gold and foreign exchange: the silver constituting not less than 25%, and the gold and foreign-exchange portion to be increased to 35% as its maximum. Since the outbreak of the Sino-Japanese war in July 1937, the exchange rate of the Chinese dollar, both in London and New York, has remained fairly stable.

**Central Bank of China :** In the statement given above, the balance-sheets of the Issue Department and of the Banking Department have been consolidated.

**Interest Rates :** The Shanghai native interest rate (yearly or monthly average) is a rate for inter-bank loans. It is quoted in cents per 1,000 Chinese dollars per day and is considered the most accurate barometer for the Shanghai money market. *Bond yields :* Domestic bonds, according to Shanghai quotations.

**Government Banks :** Central Bank of China, Bank of China, Bank of Communications and — only as from 1934 inclusive — Farmers Bank of China. These four banks are all under the control of the Government and enjoy special privileges. The notes they issue are full legal tender and the reserves held against them are placed under one control. At present, these four banks act more or less as one in discharging the duties that are performed by central banks in other countries.

**Other Banks :** They include 160 provincial banks, commercial banks, savings banks, etc. — practically all the banks in existence in China at the end of 1936. (Four Government banks excluded.)

**Emergency Legislation :** Emergency banking regulations with a view to regulating and stabilising the money market and relating to the withdrawal of deposits and operations of the banks in the Shanghai area were passed on August 16th, 1937. At the same time, a Loan and Discount Committee, formed by four Government banks (the Central Bank of China, Bank of China, Bank of Communications and the Farmers Bank of China), was established with a view to extending loans and discounts to needy industrial and commercial enterprises outside the Shanghai area.

**Sources :** The *Bank of China Monthly* (in Chinese); the *Central Bank of China Monthly* (in Chinese); *Shanghai Bankers' Weekly* (in Chinese); *Financial and Commercial Monthly Bulletin*, by the Bank of China (in Chinese); *Chinese Bankers' Year-Book, 1937* (in Chinese); *Chinese Year-Book, 1936*; *Federal Reserve Bulletin*.

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## COLOMBIA

End of (Monthly returns)	Value of currency as % of 1929 gold parity <sup>a</sup> Official rate	Banco de la República											Mone- tary circu- lation  Silver coins
		Gold	Foreign exchange	Loans and discounts			Advances to Govern- ment	Invest- ments	Notes in circu- lation	Deposits		Special exchange account	
				Total	Banks	Govern- ment				Total	Member banks		
		Pesos (000,000's)											
Dec. 1935.	34.8	27.6	4.6	6.9	4.4	0.1	27.6	29.7	43.2	29.9	15.9	17.6	19.5
March 1936.	34.7	30.8	3.7	3.8	0.9	0.4	27.5	29.6	41.3	31.5	18.2	17.5	19.5
June 1936.	34.7	28.5	3.9	7.9	3.6	1.4	27.4	29.6	45.3	29.0	17.7	17.6	19.6
Sept. 1936.	34.3	29.2	3.4	7.7	5.1	0.3	27.6	29.4	46.2	29.2	16.6	17.6	19.6
Dec. 1936.	34.8	33.2	8.8	13.3	8.5	0.3	27.9	29.2	57.2	33.1	17.5	17.4	19.6
March 1937.	34.6	40.2	9.7	7.3	2.7	0.3	28.3	29.1	51.5	41.2	21.9	17.9	19.6
June 1937.	34.6	27.4	17.2	14.6	7.3	0.3	28.8	28.9	53.8	38.0	22.2	18.1	19.6
Sept. 1937.	34.6	27.2	10.4	17.9	11.2	0.3	28.7	28.8	50.0	37.5	19.6	17.9	19.6
Dec. 1937.	32.9	29.9	6.5	23.6	18.0	0.3	28.5	29.9	53.0	38.2	22.2	18.6	19.6

■ Monthly average.

<sup>a</sup> Gold parity in 1929 : 1 peso oro = 0.97331 U.S.A. dollar ; 1 U.S.A. dollar = 1.02742 peso oro.

End of	Commercial and Mortgage Banks							Mortgage Banks  Loans	Clearing turnover  Eight towns (Monthly figures)	Central Bank  Discount rate <sup>a</sup>	Yield of bonds  7% Govt.
	Cash	Bills discounted	Invest- ments	Loans	Deposits						
					Sight	Savings	Time				
	Pesos (000,000's)										%
Dec. 1935	19.9	38.0	36.7	17.3	50.1	9.2	14.3	42.8	54.1	4	9.45
March 1936	24.4	38.7	44.5	17.5	57.5	9.8	15.4	43.4	68.3	4	9.49
June 1936	21.2	41.6	42.9	22.7	54.8	10.3	13.0	43.7	53.4	4	9.84
Sept. 1936	21.3	45.4	41.6	21.0	59.3	10.6	12.6	45.5	59.0	4	9.22
Dec. 1936	20.5	50.6	42.7	24.0	59.4	11.0	10.1	46.3	60.6	4	9.87
March 1937	28.8	48.7	43.6	24.9	72.9	11.4	12.4	46.9	64.0	4	8.50
June 1937	25.3	53.0	42.4	25.2	68.5	11.8	11.7	47.7	69.9	4	8.30
Sept. 1937	24.7	56.6	43.6	27.9	68.4	12.1	11.8	49.1	65.2	4	8.67
Dec. 1937	24.8	65.0	44.4	20.8	66.2	12.0	10.7	49.6	72.6	4	...

■ Monthly average.

<sup>a</sup> Since July 18th, 1933.

See *Commercial Banks 1913-1929*, page 378 ; *1925-1933*, page 287 ; *1929-1934*, page 172 ; *Money and Banking 1935/36*, Vol. II, page 56 ; *1936/37*, Vol. II, page 42.

**Value of Currency :** Under the Decree of August 30th, 1937, exports of foreign notes or coin and domestic or foreign stocks or shares were prohibited without a prior licence. In November 1937, the Banco de la República suspended its fixed buying and selling rates of exchange (174.25 and 174.75 pesos per 100 U.S.A. dollars). By the Law of November 16th, 1937, Congress granted extraordinary powers to the President of the Republic to introduce emergency exchange regulations and import restrictions. According to a Decree of November 17th, 1937, the issue of import permits was restricted and the free market for the purchase and sale of foreign exchange was made subject to Government control. Until November 1937, the selling rate in the " free " market approximated very closely to that quoted by the Bank.

**Banco de la República : Gold :** Since 1934 (Decree of March 20th), newly acquired gold is valued at cost. In virtue of a Decree of April 6th, 1935, the valuation of the gold reserve is based on the New York price of gold (35 dollars per fine ounce) and the peso exchange rate. The increase in the gold reserve due to revaluation is counterbalanced on the liabilities side by the *Special Exchange Account*.

**Currency Devaluation Bill :** According to a Government Bill discussed by Congress in 1937, the gold content of the peso is to be reduced to the present exchange rate of about 175 pesos per 100 United States dollars. It is suggested that the funds accruing from the proposed devaluation, estimated at about 18,080,000 pesos (see the " Special Exchange Account " in the return of the Banco de la República), should be used as follows : reduction of the Government's internal floating debt (12.5 million pesos) ; military barracks and aviation grounds (1.8 million) ; building schools (1 million) ; payment to the National Coffee Federation in respect of the participation

## Banco de la República.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Pesos (000,000's)								
<b>ASSETS.</b>									
1. Gold . . . . .	22.4	17.5	9.1	11.2	13.5	12.9	27.6	33.2	29.9
2. National notes and silver coins . . . . .	0.9	1.6	2.0	0.7	0.4	2.3	6.9	8.2	4.8
3. Foreign exchange . . . . .	15.4	9.9	4.6	6.0	3.3	3.2	4.6	8.8	6.6
(a) For cover purposes . . . . .	15.4	9.9	4.6	5.9	3.3	3.2	4.6	7.1	5.3
(b) Others . . . . .	—	—	—	0.1	—	—	—	1.7	1.3
4. Loans and discounts . . . . .	19.6	17.5	27.6	28.6	33.1	38.4	34.5	41.2	52.1
(a) Member banks . . . . .	18.1	13.5	18.2	7.4	4.9	8.1	4.4	8.5	18.0
(b) Government and official entities :									
(1) Short-term loans . . . . .		4.0	4.2	4.7	4.3	2.6	0.1	0.3	0.3
(2) Loans for National Defence . . . . .	1.5	—	—	—	4.9	7.9	9.3	9.2	9.2
(3) Advances under Salt Mines Concessions . . . . .	—	—	3.9	14.8	16.9	17.7	18.3	18.7	18.3
(c) Other . . . . .	—	—	1.3	1.7	2.1	2.1	2.4	4.5	5.8
5. Investments . . . . .	0.4	—	2.2	8.3	21.4	25.2	29.7	29.2	29.9
(a) Shares of the Central Mortgage Bank . . . . .	—	—	—	4.0	12.0	12.0	12.0	12.0	12.0
(b) Public securities . . . . .	0.4	—	2.2	4.3	9.4	13.2	17.7	17.2	17.9
6. Other assets . . . . .	2.4	2.4	4.8	7.3	10.6	7.1	6.3	5.6	9.2
7. Total Balance-sheet . . . . .	61.1	48.9	50.3	62.7	82.3	89.1	109.6	126.2	132.5
<b>LIABILITIES.</b>									
8. Capital paid up . . . . .	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
9. Reserve Fund . . . . .	2.2	2.3	2.6	2.8	4.1	7.0	3.4	3.7	4.1
10. Notes in circulation . . . . .	39.1	27.4	20.6	22.5	31.8	40.2	43.2	57.2	53.0
11. Demand deposits . . . . .	6.3	6.1	10.8	19.0	22.2	24.8	30.0	33.1	38.2
(a) Banks :									
(1) In national currency . . . . .							15.2	16.7	19.0
(2) In foreign currencies . . . . .	3.9	3.3	6.6	10.9	12.3	14.8	2.3	2.5	4.9
(b) Government and official entities . . . . .	1.5	2.3	2.4	5.9	5.5	5.8	8.6	9.9	10.5
(c) Other :									
(1) In national currency . . . . .							2.0	1.2	1.3
(2) In foreign currencies . . . . .	0.9	0.5	1.8	2.2	4.4	4.2	1.9	2.8	2.5
12. Other deposits . . . . .	0.6	0.5	1.0	1.1	1.1	0.9	0.2	—	0.9
(a) In national currency . . . . .	—	—	—	1.1	1.1	0.3	0.2	—	0.1
(b) In foreign currencies . . . . .	0.6	0.5	1.0	—	—	0.6	—	—	0.8
13. Special Exchange Account . . . . .	—	—	—	—	—	—	17.6	17.4	18.6
14. Other liabilities . . . . .	1.2	0.9	3.6	5.6	11.4	4.5	3.5	3.1	16.0
Discount rate (percentage) . . . . .	9	7	6	5	4	4	4	4	4

due to this body on the tax on export drafts for 1936 (330,000 pesos) ; creation of a fund to support Government internal bonds (1.5 million) ; and the setting-up of an exchange equalisation fund (about 1 million).

**Monetary Circulation :** There should be added to the notes issued by the Banco de la República, in order to ascertain the total monetary circulation : (1) *National notes* issued by the State : 8.2 millions in 1929, 7.9 millions since 1930 ; (2) *silver coins*, including silver certificates and nickel coins.

**Commercial and Mortgage Banks :** The discrepancy between the figures given above and the corresponding items in the Summary Balance-sheet is due to the fact that the yearly totals apply to commercial (national or foreign) banks only, and not to mortgage banks or savings banks, whereas the quarterly figures apply to all banks within the country. *Discounts :* Paper eligible for discount or rediscounted at the Banco de la República. *Investments :* Including shares of the Banco de la República held by member banks. *Loans :* Paper not eligible for rediscount at the Banco de la República.

**Mortgage Banks :** *Loans :* Mortgage loans properly so called, including mortgage loans granted by commercial banks but excluding loans by mortgage banks which figure under the items "Discounts" and "Loans" of the heading "Commercial and Mortgage Banks".

**Industrial Credit :** The Banco Central Hipotecario was authorised by a Decree of December 6th, 1937, to open an industrial credit section to make loans for terms not exceeding five years by the issue of "Industrial Credit Bonds". These bonds are to be guaranteed by mortgages on real estate and by industrial liens on machinery.

**Sources :** Banco de la República : Annual reports, *Revista del Banco de la República*. *Boletín de la Superintendencia Bancaria*.

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	16	16	16	16	16	16	14
SUMMARY BALANCE-SHEET.							
ASSETS.							
1. Cash . . . . .	10.3	9.0	14.8	14.8	17.4	17.7	18.2
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	—	—	—	—	—	—	—
3. Bills discounted and bought . . . . .	53.7	31.4	19.5	18.0	25.8	31.8	41.0
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	12.9	14.7	19.8	26.9	29.5	24.1	26.9
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	8.6	4.0	3.7	5.7	6.1	6.1	7.4
(a) At home . . . . .	0.4	0.4	0.6	0.7	0.9	1.7	1.5
(b) Abroad . . . . .	8.2	3.6	3.1	5.0	5.2	4.4	5.9
7. Loans and Advances . . . . .	44.4	38.2	30.3	26.1	16.1	15.0	18.1
(a) On current account . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	5.2	1.1	0.4	0.8	1.3	2.1	13.4
9. Premises, etc. . . . .	4.1	6.1	4.1	5.3	6.6	7.4	3.1
10. Sundry Assets . . . . .	4.7	10.6	9.5	10.2	9.3	10.0	9.0
11. Total Balance-sheet . . . . .	143.9	115.1	102.1	107.8	112.1	114.2	137.1
LIABILITIES.							
12. Capital paid up . . . . .	24.8	25.0	20.3	20.3	20.3	19.1	17.2
13. Reserve Funds . . . . .	11.8	16.0	10.4	12.3	11.1	10.2	9.3
14. Profit and Loss, etc. . . . .	2.5	0.1	0.6	0.9	1.2	1.0	1.5
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	16.1	5.6	4.9	4.8	4.0	3.3	7.6
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	16.1	5.6	4.9	4.8	4.0	3.3	7.6
17. Deposits . . . . .	60.6	48.0	55.4	58.8	62.6	66.0	73.1
(a) Current accounts and sight deposits . . . . .	39.6	26.5	34.4	39.4	48.5	49.0	57.9
(b) Savings accounts . . . . .	6.5	8.0	6.8	5.9	4.7	5.0	5.7
(c) Time or fixed deposits . . . . .	14.5	13.5	14.2	13.5	9.4	12.0	9.5
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	17.8	17.3	7.1	4.5	6.6	2.3	5.3
19. Acceptances and Endorsements . . . . .	5.2	1.1	0.4	0.8	1.3	2.1	13.4
20. Sundry Liabilities . . . . .	5.1	2.0	3.0	5.4	5.0	10.2	9.7

## Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

1. Cash.	1929	1931	1932	1933	1934	1935	1936
			Pesos (000,000's)				
Gold coins, bank- notes, State notes, other currency . . . . .	6.4	2.8	3.8	2.7	2.7	2.5	1.4
Reserve balances with Banco de la República . . . . .	3.9	6.2	11.0	12.1	14.7	15.2	16.8
Grand total . . . . .	10.3	9.0	14.8	14.8	17.4	17.7	18.2

made, however, between paper eligible for rediscount at the Banco de la República and non-eligible paper. The former category is shown under discounts in the Summary Table, and the latter under group (7). The composition of the sums given under (3) is shown below:

	Bills eligible for rediscount		
	Actually rediscounted	Other	Total
	Pesos (000,000's)		
1929 . . . . .	16.8	36.9	53.7
1931 . . . . .	15.3	16.1	31.4
1932 . . . . .	4.9	14.6	19.5
1933 . . . . .	3.4	14.6	18.0
1934 . . . . .	2.5	23.3	25.8
1935 . . . . .	1.2	30.6	31.8
1936 . . . . .	3.6	37.4	41.0

## 3. Bills discounted and bought.

The official statistics make no distinction between discounts, loans and advances, nor is Government paper shown separately from commercial paper. Distinction is

4 and 5. *Investments and Securities ; Participations.*

	1929	1931	1932	1933	1934	1935	1936	1929	1931	1932	1933	1934	1935	1936	
	Pesos (000,000's)							Pesos (000,000's)							
Ordinary invest- ments :								(a) Sight deposits :							
Shares in the Banco de la República . .	4.9	4.9	3.8	3.5	3.5	3.4	3.2	In national currency . .	31.6	22.5	32.0	37.9	46.3	46.3	54.7
Other securities.	1.7	2.6	9.9	17.9	21.9	20.7	23.7	In other cur- rencies . .	8.0	4.0	2.4	1.5	2.2	2.7	3.2
Total . . . .	6.6	7.5	13.7	21.4	25.4	24.1	26.9	Total sight deposits .	39.6	26.5	34.4	39.4	48.5	49.0	57.9
Investments of savings depart- ments . . . . .	6.3	7.2	6.1	5.5	4.1	—	—	(b) Savings depo- sits . . . . .	6.5	8.0	6.8	5.9	4.7	5.0	5.7
Thereof invest- ments of "im- mediate con- vertibility" .	(5.7)	(6.0)	(5.9)	(5.5)	(4.1)	—	—	(c) Time deposits: In national currency . .	11.6	10.7	12.6	12.6	9.1	11.6	9.3
Grand total .	12.9	14.7	19.8	26.9	29.5	24.1	26.9	In other cur- rencies . .	2.9	2.8	1.6	0.9	0.3	0.4	0.2
								Total time deposits .	14.5	13.5	14.2	13.5	9.4	12.0	9.5
								Grand total	60.6	48.0	55.4	58.8	62.6	66.0	73.1

17. *Deposits.*

Deposits include amounts due to domestic banks. The sums shown under (a) represent deposits payable within thirty days; time deposits (c) are those payable after thirty days. The statistics show separately deposits in national and in other currencies as follows:

18. *Rediscounts and Other Borrowings.*

Under this heading are given the rediscounts of the commercial banks with the Banco de la República and other borrowings from that bank.

## COSTA RICA

End of	Value of currency as % of gold parity in 1929 <sup>a</sup> Official rate	Banco Nacional de Costa Rica (Issue Department)					Commercial Banks <sup>b</sup>							
		Gold and foreign exchange	Loans		Notes in circulation	Deposits	Cash		Loans		Investments	Deposits		
			Total	Government			National currency	Foreign currency	Treasury and public bodies	Other		National currency	Foreign currency	
	■	Colones (000,000's)												
Dec. 1936 . .	42.0	—	—	—	—	—	13.5	8.0	3.6	23.6	6.9	31.0	6.2	
Jan. 10th, 1937	—	2.0	26.3	11.6	23.1	1.8	—	—	—	—	—	—	—	
March 1937 . .	42.0	6.6	26.4	11.5	23.5	6.3	18.2	8.2	2.3	23.9	6.6	35.3	5.6	
June 1937 . .	42.0	8.4	26.4	11.5	25.8	5.8	18.7	8.4	2.3	26.0	6.8	36.8	6.8	
Sept. 1937 . .	42.0	7.6	26.4	11.5	25.5	5.3	18.0	7.9	2.5	27.1	6.6	36.5	6.8	
Dec. 1937 . .	42.0	6.4	26.4	11.4	26.3	3.3	16.6	4.6	2.6	29.8	6.1	37.1	3.7	

<sup>a</sup> Gold parity in 1929 : 1 colon = 0.25 U.S.A. dollar ; 1 U.S.A. dollar = 4 colones. The value of currency was, in December 1929-1935, as follows : 100 ; 100 ; 100 ; 88.9 ; 56.9 ; 55.9 ; 34.8.

<sup>b</sup> Including the Commercial Department of the Banco Nacional.

■ Monthly average.

**Value of Currency :** Exchange control, introduced on January 16th, 1932, was modified in February 1935, and again on January 1st, 1937, in connection with the new banking laws. Under the new regulations, foreign exchange can only be bought or sold through local registered banks, thereby re-establishing the principle which existed prior to the promulgation of the Law of February 1935, when the purchase and sale of foreign exchange was permitted between private parties but on condition of declaration of such transactions to the Exchange Control Board. Foreign bank notes or coins may be negotiated freely, so long as they are not converted into bills of exchange for export. Since January 1937, the Banco Nacional de Costa Rica has fixed the buying and selling rates of the colon at 5.61 and 5.62 colones per U.S. dollar respectively.

**Reform of the Banking System :** *Situation prior to the banking laws of 1936 :* Until December 1936, the note issuing authority was the Banco Internacional de Costa Rica. Its note issue amounted, at the end of the years 1929-1936, to 18.3, 16.2, 18.4, 24, 23.7, 23.6, 23.1, and 23.1 million colones respectively. The notes were inconvertible and the Bank maintained no reserve against them. There was no special banking legislation relating to the commercial banks. *Establishment of a Central Bank (Law of October 5th, 1936) :* On January 1st, 1937, the Banco Internacional became the Banco Nacional de Costa Rica, a State bank with capital provided by the Government. The Bank is divided into three departments : (1) the Issue Department has the monopoly of the issue of notes and coins against gold, foreign exchange and short-term agricultural and commercial documents rediscounted for commercial banks. No reserve requirements are, however, fixed by the law ; (2) the Commercial Department is a commercial bank, subject to the general banking legislation ; (3) the Mortgage Department. *Regulation of Commercial Banks (Law of October 26th, 1936) :* The main prescriptions of the new banking law are similar to those in force in many Latin-American countries. More particularly, the law fixes the minimum legal cash reserve at 20% of sight deposits of less than thirty days and 10% in respect of other deposits. A Bank Superintendence Department is entrusted with the supervision of all banks.

**Banco Nacional de Costa Rica :** The first return published by the new bank relates to January 10th, 1937. *Gold and foreign exchange :* Valued at the rate of 1 colon equals 0.17825 U.S. dollar. *Loans :* In addition to the loans to the Government, this item is composed of advances to the Mortgage Department of the Bank (13.2 million colones since January 1937) and to the State Mortgage Bank (Credito Hipotecario de Costa Rica). Advances to banks amounted only to small sums. *Discount rate :* 5%.

**Sources :** Banco Internacional de Costa Rica : Annual reports. Banco Nacional de Costa Rica : Monthly returns, *Revista. La Gaceta (Diario Oficial)*, November 6th, 1936 : general Banking Law and Law of the Banco Nacional de Costa Rica. (For French translation of these laws, see *Revue des lois, décrets et traités de commerce de l'Institut International du Commerce*, March 20th, 1937, pages 88 et seq.). The 1936 figures relating to the commercial banks have been supplied by the Banco Nacional de Costa Rica.

## CZECHOSLOVAKIA

End of (Weekly returns)	Value of currency as % of 1929 gold parity <sup>a</sup>	Wholesale prices (1929 = 100)	National Bank of Czechoslovakia								Token coin and State notes	Discount rate National Bank <sup>d</sup>	
			Gold	Foreign exchange	Discounts		Advances on collateral	State Notes Debt balance	Notes in circulation	Cheque accounts and sight deposits			
					Bills	Securities							
			Crowns (000,000's)										%
Dec. 1935 . . .	83.0	77.9	2,691	81	602	12	731	2,046	5,761	411	980	3.5	
March 1936 . . .	83.0	77.0	2,692	47	640	25	749	2,040	5,413	778	937	3	
June 1936 . . .	83.0	76.6	2,697	30	857	36	1,030	2,037	5,701	851	984	3	
Sept. 30th, 1936 . . .	82.4 <sup>b</sup>	77.1	2,595	41	754	—	1,018	2,031	5,742	391	1,039	3	
Oct. 15th, 1936 . . .	70.5 <sup>c</sup>	78.2	2,592	411	827	—	1,102	2,030	5,638	649	.	3	
Dec. 1936 . . .	70.2	80.7	2,592	439	1,194	59	1,086	2,022	6,478	410	1,062	3	
March 1937 . . .	69.5	83.7	2,583	146	1,100	79	1,069	2,018	5,949	464	995	3	
June 1937 . . .	69.5	85.5	2,579	382	1,022	154	1,028	2,015	6,158	211	1,059	3	
Sept. 1937 . . .	69.6	82.0	2,571	390	1,016	227	1,140	2,014	6,469	170	1,113	3	
Dec. 1937 . . .	70.0	80.3	2,626	479	1,147	203	1,284	2,010	6,902	292	1,140	3	

- Monthly average.      ▲ First of following month.
- Gold parity in 1929 : 1 crown = 0.02963 U.S.A. dollar ; 1 U.S.A. dollar = 40.50150 crowns.
- <sup>b</sup> September.
- <sup>c</sup> October 10th-31st :
- <sup>d</sup> Date of last change : January 1st, 1936.

End of	Commercial Banks <sup>a</sup>						Banks of the Provinces <sup>b</sup>		Savings Banks <sup>c</sup>	Clearing turnover Prague, Brno, Bratislava (monthly) crowns : (000,000,000's)	Yield of Government bonds (Prague Stock Exchange) <sup>d</sup>	
	Cash	Bills discounted	Securities	Participations	Loans	Deposits		Loans				Deposits
						On current account	Savings					
	Crowns (000,000's)										%	
Dec. 1935 . . .	2,783	2,257	3,322	843	13,287	11,832	8,732	6,419	5,551	33,619	5.6	5.08
March 1936 . . .	2,958	2,140	3,533	802	13,301	12,048	8,976	6,373	5,767	33,733	4.8	4.43
June 1936 . . .	2,728	2,233	3,549	808	13,133	11,847	8,932	6,407	5,486	33,838	8.4	4.43
Sept. 1936 . . .	2,312	2,347	3,478	809	13,444	11,796	8,783	6,426	5,258	33,264	8.7	4.43
Dec. 1936 . . .	2,784	2,182	3,496	832	13,559	12,142	8,907	6,512	5,165	33,644	8.3	4.50
March 1937 . . .	2,792	2,254	3,661	809	13,818	12,683	9,041	6,531	5,175	33,960	9.2	4.48
June 1937 . . .	2,342	2,242	3,762	819	14,133	12,688	8,994	6,614	5,368	34,365	9.8	4.48
Sept. 1937 . . .	2,558	2,287	3,642	823	14,344	12,854	9,119	6,689	5,422	34,365	10.1	4.48
Dec. 1937 . . .	...	...	...	...	...	...	...	6,740	5,297	34,555 <sup>e</sup>	9.5	4.48

- Monthly average.
- <sup>a</sup> Twelve commercial joint-stock banks in Bohemia, Moravia and Silesia (*National Bank Monthly Bulletin*).
- <sup>b</sup> Zemská Banka, Bohemian Mortgage Bank, Moravian Mortgage and Agricultural Bank, Silesian Mortgage and Commercial Credit Institution.
- <sup>c</sup> Savings banks in Bohemia, Moravia, Silesia and Slovakia ; district agricultural credit and savings associations in Bohemia ; peoples' credit and savings associations in Bohemia, Moravia and Silesia affiliated to the Union ; agricultural mutual savings banks in Slovakia and Carpathian Ruthenia.
- <sup>d</sup> Weighted yield of all Government bonds ; monthly averages.
- <sup>e</sup> November.

See *Commercial Banks 1913-1929*, page 80 ; *1925-1933*, page 74 ; *1929-1934*, page 13 ; *Money and Banking 1935/36*, Vol. II, page 60 ; *1936/37*, Vol. II, page 45.

**Exchange Control :** On December 29th, 1936, the system of dual control, hitherto in the hands of the Ministry of Commerce and the Foreign Exchange Commission, was unified into a single control of imports at the Ministry of Commerce. Moreover, a series of Customs items, representing about 30% of imports, was excluded from the licence system. In October 1937, the Bank for International Settlements granted a foreign exchange credit to the National Bank of Czechoslovakia amounting to 100 million crowns and increased in December 1937 to 140 millions. Out of this fund, the National Bank made three-month advances to the local banks, which in turn placed the equivalent in crowns of these advances at the disposal of exporters.

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937 °
Crowns (000,000's).									
ASSETS.									
1. Gold reserve . . . . .	1,261	1,545	1,650	1,709	1,708	2,680	2,691	2,592	2,626
2. Subsidiary coin * . . . . .	62	64	17	37	30	49	46	83	85
3. State notes . . . . .	—	—	—	61	120	171	173	54	
4. Foreign exchange . . . . .	3,004	3,050	995	1,114	1,026	399	228	525	479
(a) Balances abroad and foreign currencies	2,231	2,504	931	1,025	918	250	93	460	—
(b) Other . . . . .	773	546	64	89	108	149	135	65	—
5. Discounted bills . . . . .	526	360	1,682	1,139	1,234	892	602	1,194	1,147
6. Discounted securities . . . . .	396	133	477	200	56	64	12	59	203
7. Advances on collateral . . . . .	89	32	157	337	461	422	731	1,086	1,284
8. State notes debt balance . . . . .	3,761	3,453	3,121	2,687	2,593	2,095	2,046	2,022	2,010
9. Cover for gold liabilities . . . . .	—	—	—	—	—	—	—	218	1,155
10. Other assets . . . . .	547	561	671	273	265	458	560	644	
11. Total Balance-sheet . . . . .	8,646	9,198	8,770	7,557	7,493	7,230	7,089	8,477	8,989
LIABILITIES.									
12. Capital . . . . .	405	405	405	405	405	405	405	405	405
13. Reserve funds . . . . .	75	103	31	32	47	63	76	92	92.
14. Notes in circulation . . . . .	8,230	7,824	7,679	6,267	5,906	5,640	5,761	6,478	6,902
15. Current accounts . . . . .	705	610	402	602	871	766	411	410	292
16. Permanent Government deposit . . . . .	—	—	—	—	—	—	—	—	480
17. Foreign correspondents <sup>b</sup> . . . . .	—	67	34	53	39	58	128	222	1,298
18. Other liabilities . . . . .	231	189	219	198	225	298	308	390	
Discount rate (percentage) . . . . .	5	4	6	4½	3½	3½	3½	3	3

\* Including small amounts of silver in 1929 and 1931.

<sup>b</sup> Until 1931 : Transitory account of balances abroad.

<sup>c</sup> According to the weekly return from December 31st, 1937.

**National Bank of Czechoslovakia : Gold :** Valued until February 17th, 1934, at the rate of 1 crown = 0.04458 gramme of fine gold ; from February 1934 to October 9th, 1936, at the rate of 1 crown = 0.03715 gramme ; since October 1936, at the rate of 0.03121 gramme. *State notes :* See below under "Notes in circulation". *Foreign exchange :* Since February 1934, the foreign exchange (item 4 (a)) is not included in the note cover. *State notes debt balance :* This debt, representing the stamped notes, negotiable cash certificates and current accounts of the Austro-Hungarian Bank, for which the Czechoslovak State has assumed the liability, is redeemed through a levy on capital and capital increases ; in addition, the profit resulting from the revaluation of the crown on February 17th, 1934, was applied to the reduction of this item (422.3 millions). See also explanation under "Notes in circulation". *Cover for gold liabilities :* This item consists of a part of the profit made on the revaluation of the gold and foreign exchange reserves on October 9th, 1936 ; this profit (480 millions) was converted into foreign exchange and brought into account partly under the item "foreign exchange" and partly under "Cover of gold liabilities". *Other assets :* Including, in 1929-1931, the assets of the Banking Office in liquidation (see also the following note). *Notes in circulation :* Under the Law of June 9th, 1932, the 10- and 20-crown bank notes were assimilated to token coin and their total value (548.7 millions) was therefore deducted from the note circulation. The amount thus released was applied to writing-off the balance of the account of the former Banking Office of the Ministry of Finance (286.2 millions) and to the redemption of the State notes debt balance (262.5 millions ; see above). *Permanent Government deposit :* This deposit, representing the profit resulting from the revaluation of gold and foreign exchange reserves in 1936, is to be used by the Bank to maintain the value of the crown within the limits fixed by the Law of October 9th, 1936, according to which the crown's gold content is to be fixed between the limits of 0.03221 and 0.03021 gramme of fine gold.

**Sources :** National Bank of Czechoslovakia : Weekly Statements, Annual Reports and *Monthly Bulletin*. Reports of the Statistical Office of the Czechoslovak Republic.



## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	22	23	23	22	22	23	23	23
<b>SUMMARY BALANCE-SHEET.</b>		<b>Crowns (000,000's)</b>						
<b>ASSETS.</b>								
1. Cash . . . . .	2,010	1,836	—	—	—	—	—	—
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	1,933	2,697	2,464	2,679	3,234	3,040
2. Other Items of a Cash Nature . . . . .	1,044	1,323	—	—	—	—	—	—
3. Bills discounted and bought . . . . .	2,728	2,818	2,157	1,917	1,958	1,974	2,257	2,420
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	2,728	2,818	2,157	1,917	1,958	1,974	2,257	2,420
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	2,725	3,044	3,419	2,631	2,745	2,855	2,988	3,174
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	1,054	1,100	821	801	793	791	802	810
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	20,643	20,548	17,242	14,639	13,599	13,894	13,547	13,805
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	385	415	531	516	557	566	541	541
10. Sundry Assets . . . . .	756	868	853	527	488	1,023	1,100	1,345
11. Total Balance-sheet . . . . .	31,345	31,952	26,956	23,728	22,604	23,782	24,469	25,135
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	1,845	1,852	1,533	1,284	1,283	1,307	1,267	1,267
13. Reserve Funds . . . . .	1,382	1,431	1,011	904	909	917	839	843
14. Profit and Loss, etc. . . . .	253	205	66	65	64	71	77	89
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	7,787	7,038	5,542	4,154	3,548	4,157	4,676	4,798
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
17. Deposits . . . . .	18,630	19,871	17,382	16,337	15,850	16,035	16,332	16,804
(a) Current accounts and sight deposits . . . . .	9,703	9,972	8,285	7,741	7,659	7,525	7,517	7,837
(b) Savings accounts . . . . .	8,927	9,899	9,097	8,596	8,191	8,510	8,815	8,967
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	1,448	1,555	1,422	984	950	1,295	1,278	1,334
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	884	826	639	541	502	482	481	491
<i>To be deducted :</i>								
2. Expenses . . . . .	630	620	550	485	440	413	408	419
(a) Salaries, etc. . . . .	478	477	445	403	362	339	333	330
(b) Other working expenses . . . . .	86	81	68	55	52	49	46	44
(c) Taxes, etc. . . . .	65	62	37	27	26	25	29	45
3. Reserved for Pension Funds, etc. . . . .	13	15	2	1	6	9	13	18
4. Written off on . . . . .	23	23	693	13	22	64	47	15
(a) Premises, etc. . . . .	12	14	12	9	9	10	10	11
(b) Investments and securities . . . . .	11	9	676	—	9	50	34	—
(c) Other assets . . . . .	—	—	5	4	4	4	3	4
5. Remaining Net Profit or Loss (—) . . . . .	218	168	— 607	42	34	— 4	13	39
6. Carried forward from preceding year . . . . .	22	22	28	21	24	— 31	— 71	29
7. Taken from Reserves or Capital . . . . .	—	—	642	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	240	190	64	63	58	— 35	— 58	68
9. Carried to Reserves . . . . .	52	24	8	13	7	5	5	6
10. Dividends . . . . .	154	129	33	25	24	27	27	30
11. Directors' Fees, etc. . . . .	12	9	2	1	2	2	2	2
12. Carried forward to following year . . . . .	22	28	21	24	25	— 69	— 92	30

\* Twenty-two banks only.

## Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

1 and 2. Cash and Other Items of a Cash Nature.	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Cash (Kassabarschaft) . . . . .	1,039	967	1,715	2,630	2,431	2,656	756	759
Sight balances with the Central Bank and the Post-cheque Clearing Office . . . . .	971	869						
Total (1) . . . . .	2,010	1,836	1,715	2,630	2,431	2,656	3,202	3,006
Money on call with domestic banks * . . . . .	530	725	—	—	—	—	—	—
Notes, bills and cheques, etc., in foreign currency <sup>b</sup> . . . . .	514	598	218	68	33	23	32	34
Total (2) . . . . .	1,044	1,323	218	68	2,464	2,679	3,234	3,040

\* Included in (1) as from 1931.

<sup>b</sup> Notes transferred to (1) as from 1931.

7. Loans and Advances.	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Credits covered by securities . . . . .	3,126	2,774	1,759	1,314	1,276	1,440	1,426	1,432
Other debtors from the banking business . . . . .	17,495	17,731	15,443	13,295	12,296	12,417	12,070	12,323
Debtors of the Commercial Departments . . . . .	22	43	40	30	27	37	51	50
Total . . . . .	20,643	20,548	17,242	14,639	13,599	13,894	13,547	13,805

10. Sundry Assets.	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Mortgage, municipal land improvement and railway loans . . . . .	272	368	485	173	168	525	517	514
Real estate other than premises . . . . .	82	65	68	80	78	91	101	115
Temporary and sundry accounts . . . . .	402	435	300	274	242	309	360	564
Net loss . . . . .	—	—	—	—	—	98	122	152
Total . . . . .	756	868	853	527	488	1,023	1,100	1,345

## 17. Deposits.

The combined figures for (b) and (c) are composed as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Deposits on savings account . . . . .	7,865	8,396	7,877	7,491	7,090	7,408	7,740	8,081
"Cash certificates" . . . . .	1,062	1,503	1,220	1,105	1,101	1,102	1,075	886
Total . . . . .	8,927	9,899	9,097	8,596	8,191	8,510	8,815	8,967

## 20. Sundry Liabilities.

	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Bonds and debentures issued . . . . .	268	362	483	157	168	491	487	478
Other accounts of the mortgage departments . . . . .	2	2	2	1	2	2	3	3
Pension funds . . . . .	220	238	213	254	258	271	276	284
Other funds not serving as cover for losses . . . . .	34	68	15	11	8	10	10	10
Temporary and sundry accounts . . . . .	924	885	709	561	514	521	502	559
Total . . . . .	1,448	1,555	1,422	984	950	1,295	1,278	1,334

## Summary of Profit-and-Loss Accounts.

1. Gross Profits.	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Net interest and discounts . . . . .	510	484	451	319	285	263	240	248
Provisions and commissions . . . . .	287	270	236	184	168	155	155	145
Profits on securities, investments and participations . . . . .	70	58	— 67	26	40	63	75	90
Sundry profits (net) . . . . .	17	14	19	12	9	1	11	8
Total gross profits . . . . .	884	826	639	541	502	482	481	491

## 3. Reserved for Pension Funds, etc.

	1929	1930	1931	1932	1933	1934	1935	1936
				Crowns (000,000's)				
Reserved for :								
Pension funds . . . . .	8.9	8.4	0.4	0.7	0.7	0.7	3.9	5.2
Other funds not serving as cover for losses . . . . .	2.1	0.2	—	—	—	0.8	—	1.4
Other purposes . . . . .	2.4	5.9	1.6	0.5	5.5	7.0	8.8	11.7
Total . . . . .	13.4	14.5	2.0	1.2	6.2	8.5	12.7	18.3

## FREE CITY OF DANZIG

See *Commercial Banks 1929-1934*, page 18 ; *Money and Banking 1935/36*, Vol. II, page 64 ; *1936/37*, Vol. II, page 49.

### Bank of Danzig.

End of the year :	1929	1930	1931	1932	1933	1934	1935	1936	1937
<b>ASSETS.</b>									
	Gulden (000,000's)								
1. Gold . . . . .	—	0.1	21.8	21.4	29.9	23.6	20.7	29.7	28.4
2. Subsidiary coin . . . . .	2.7	3.1	3.8	3.9	3.5	3.0	4.0	3.8	3.2
3. Foreign exchange . . . . .	28.7 <sup>a</sup>	33.4 <sup>a</sup>	31.8	14.3	10.1	2.9	9.3	1.7	4.2
4. Bills discounted . . . . .	21.9	21.2	10.4	11.6	14.1	21.9	15.8	17.8	14.6
5. Treasury bills of the Free City of Danzig . . . . .	—	—	—	2.1	1.3	—	1.2	—	2.5
6. Loans on collateral . . . . .	0.7	—	0.2	0.5	0.4	0.3	1.0	0.4	—
7. Other assets . . . . .	5.9	7.0	6.3	6.0	4.5	3.9	2.6	8.4	17.2
8. Total Balance-sheet . . . . .	<b>59.9</b>	<b>64.8</b>	<b>74.3</b>	<b>59.8</b>	<b>63.8</b>	<b>55.6</b>	<b>54.6</b>	<b>61.8</b>	<b>70.1</b>
<b>LIABILITIES.</b>									
9. Capital . . . . .	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
10. Reserve funds . . . . .	4.7	5.7	4.0	4.0	4.0	4.0	11.5	11.5	11.5
11. Notes in circulation . . . . .	37.8	37.9	44.0	36.5	40.2	38.9	29.2	32.0	36.2
12. Sight deposits . . . . .	4.2	2.3	10.3	9.0	10.9	3.8	3.3	8.3	11.6
13. Liabilities in foreign currencies . . . . .	2.5	8.6	6.3	0.2	0.1	—	0.1	0.2	0.7
14. Other liabilities . . . . .	3.2	2.8	2.2	2.6	1.1	1.4	3.0	2.3	2.6
15. Discount rate (percentage) . . . . .	6	5	5	4	3	4	5	5	4
16. Subsidiary coin in circulation (000,000's) . . . . .	...	7.7	7.0	7.0	7.3	7.8	7.9	8.0	8.7
17. Value of currency as percentage of 1929 gold parity <sup>b</sup> (yearly average) . . . . .	99.5	99.7	100.3	99.7	100.5	99.6	57.6	57.2	57.5
18. Wholesale prices (1929 = 100) . . . . .	96.1	85.4	72.6	65.6	66.1	65.0	102.4	107.3	102.0

<sup>a</sup> Including in 1929 and 1930 a credit balance with the Bank of England amounting to 16.7 and 16.6 millions respectively.

<sup>b</sup> Gold parity in 1929 : 1 gulden = 19.47 U.S.A. cents ; 1 U.S.A. dollar = 5.14 gulden.

### Total Deposits with Danzig Credit Institutions.

End of :	1935	1936	1937
	(Gulden (000,000's))		
Private banks . . . . .	154.7	151.7	166.0
Savings banks . . . . .	50.2	55.4	64.7

**Bank of Danzig : Gold :** Up to April 30th, 1935, valued at the rate of 1 gulden = 0.29290 gramme of fine gold ; since then, at the rate of 1 gulden = 0.16879 gramme of fine gold. **Foreign exchange :** Including in 1929 and 1930 sterling balances (16.7 and 16.6 million gulden respectively) held as cover against the note issue. In September 1931, when it was decided to place the gulden on a gold basis, these balances were liquidated. **Reserve funds :** Including, since 1935, a special reserve fund, amounting to 7.5 million gulden, constituted out of the revaluation profit. **Discount rate :** Date of last change : January 2nd, 1937.

Sources : Bank of Danzig : Annual reports and fortnightly returns. *Danziger Statistische Mitteilungen.*

## DENMARK

End of (Monthly returns)	Value of currency as % of parity in 1929 <sup>a</sup>	Whole- sale prices (1929 = 100)	National Bank							Coins in circu- lation <sup>b</sup>	Discount rate <sup>c</sup>	
			Gold	Net foreign assets (+) or liabilities (-)	Securities	Loans and discounts (excluding Government)	Advances to Treasury	Advances to "Crisis Fund"	Current accounts and sight deposits (excluding Government)			Notes in circulation
			Kroner (000,000's)								%	
Dec. 1935	48.7	95.5	118	- 73	94	212	102	138	99	384	36	3.5
March 1936	48.9	95.5	118	- 28	79	182	83	136	80	371	.	3.5
June 1936	49.7	94.7	118	+ 4	71	149	86	135	85	381	.	3.5
Sept. 1936	49.5	98.5	118	- 19	61	152	78	134	47	377	.	3.5
Dec. 1936	48.3	103.0	118	- 41	50	222	91	131	69	399	38	4
March 1937	48.1	108.3	118	- 16	54	186	47	118	36	378	.	4
June 1937	48.6	110.6	118	- 16	53	160	117	116	65	387	.	4
Sept. 1937	48.7	111.4	118	+ 5	53	146	103	115	59	385	.	4
Dec. 1937	49.1	109.8	118	+ 62	73	180	92	103	115	417	39	4

<sup>a</sup> Monthly average.

<sup>b</sup> Parity in 1929 : 1 krone = 26.80 U.S.A. cents ; 1 U.S.A. dollar = 3.73 kroner.

<sup>c</sup> Including coins held by the National Bank.

<sup>d</sup> Date of last change : November 19th, 1936.

End of	Commercial Banks <sup>a</sup>						Savings banks	Clearing turnover at National Bank (monthly)	Yield of bonds <sup>b</sup>
	Cash assets	Securities	Loans and discounts	Current accounts and sight deposits	Time and savings deposits	Total deposits	Deposits		
	Kroner (000,000's)								▲ %
Dec. 1935	190	658	1,763	576	1,516	2,092	2,148	646	4.34
March 1936	156	635	1,714	501	1,551	2,052	2,172	553	4.36
June 1936	194	624	1,798	576	1,566	2,142	2,166	632	4.35
Sept. 1936	141	615	1,838	530	1,597	2,127	2,195	558	4.30
Dec. 1936	162	604	1,941	618	1,551	2,169	2,164	752	4.52
March 1937	97	570	1,944	518	1,571	2,089	2,180	618	4.56
June 1937	156	551	1,964	586	1,567	2,153	2,165	732	4.56
Sept. 1937	139	548	1,955	562	1,580	2,142	2,185	615	4.38
Dec. 1937	208	549	1,984	651	1,556	2,207	2,164	844	4.27

<sup>a</sup> Last week of month.

<sup>b</sup> For reasons of a technical nature (such as end-of-year revaluations of security holdings, etc.), the monthly returns on which these figures are based differ slightly from the final end-of-year statements reproduced in the summary balance-sheet below.

<sup>c</sup> Irredeemable 3 ½ % Government Bonds.

See *Commercial Banks 1913-1929*, page 90 ; *1925-1933*, page 80 ; *1929-1934*, page 20 ; *Money and Banking 1935/36*, Vol. II, page 65 ; *1936/37*, Vol. II, page 50.

**Exchange Control :** In December 1937, a partial relaxation of exchange control was provided by a new exchange law : certain categories of goods, previously subject to licence or import regulations, were thereby exempted from direct control.

**National Bank of Denmark :** By Law of April 7th, 1936, the " National Bank in Copenhagen ", whose legal status was that of a privately owned joint-stock company, was transformed, as from May 28th, 1936, into a State-owned institution under the name of the " National Bank of Denmark ". In compensation for the share capital of the old Bank — 27 million kroner (item 11) — and for an equal amount of the dividend equalisation reserve belonging to the shareholders (item 13 (c)), the latter received 54 million kroner in 4 % bonds issued for this purpose

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Kroner (000,000's)								
<b>ASSETS.</b>									
1. Gold reserve . . . . .	172	172	144	133	133	133	118	118	118
2. Subsidiary coin . . . . .	6	5	6	6	4	3	2	3	2
3. Correspondents abroad . . . . .	86	92	34	22	8	13	13	13	71
4. Foreign bills and money . . . . .	5	8	1	1	1	1	3	1	1
5. Inland bills . . . . .	65	46	120	31	29	28	29	35	23
6. Loans and advances . . . . .	116	120	140	218	286	380	422	408	351
(a) Ministry of Finances . . . . .	—	—	13	60	99	46	102	92	92
(b) Crisis Fund . . . . .	—	—	—	—	14	145	138	130	102
(c) State-guaranteed advances . . . . .	1	6	3	11	22	24	21	17	17
(d) Current account advances . . . . .	70	63	55	83	92	104	103	114	91
(e) Loans on various securities, etc. . . . .	45	52	69	64	59	61	58	58	49
7. Bonds and shares . . . . .	38	51	49	145	120	141	94	49	75
8. Guarantee Fund Certificate of the State . . . . .	—	—	—	—	—	—	—	50	48
9. Other assets . . . . .	18	17	17	18	19	25	20	9	9
10. Total Balance-sheet . . . . .	506	511	511	574	600	724	701	686	698
<b>LIABILITIES.</b>									
11. Capital . . . . .	27	27	27	27	27	27	27	—	—
12. Guarantee Fund . . . . .	—	—	—	—	—	—	—	50	50
13. Reserve funds . . . . .	31	34	35	44	48	70	64	35	38
(a) Ordinary reserve . . . . .	12	12	12	12	12	12	12	12	12
(b) Special reserves . . . . .	—	—	—	9	9	29	24	23	25
(c) Dividend equalisation reserve . . . . .	19	22	23	23	27	29	28	—	—
14. Note circulation . . . . .	367	360	346	332	375	386	384	399	417
15. Deposits accounts . . . . .	68	78	63	131	78	123	99	69	122
(a) Ministry of Finance . . . . .	10	9	—	—	—	—	—	—	—
(b) Sight deposits and current accounts . . . . .	58	69	63	131	78	123	99	69	122
16. Correspondents . . . . .	1	1	21	27	36	103	103	70	10
(a) At home, in foreign currency . . . . .	—	—	—	—	—	21	14	14	—
(b) Abroad, in foreign currency . . . . .	—	—	19	—	34	79	86	53	8
(c) Abroad, in Danish currency . . . . .	1	1	2	27	2	3	3	3	2
17. National Bank Bonds of 1936 . . . . .	—	—	—	—	—	—	—	54	52
18. Other liabilities . . . . .	12	11	19	13	36	15	24	9	9
Discount rate (percentage) . . . . .	5	3 ½	6	3 ½	2 ½	2 ½	3 ½	4	4

by the new Bank and guaranteed by the State (item 17); these bonds are to be redeemed within twenty-seven years. The balance of the dividend equalisation reserve — 1.4 million kroner — was used, together with an additional sum of 1.3 million kroner taken from the earnings of the current year, for paying a 10% dividend to the shareholders of the old Bank on May 1st, 1936, while the ordinary and special reserve funds (items 13(a) and (b) were transferred in full to the new Bank. The capital of the latter, fixed at 50 million kroner (item 12) is guaranteed by the State, this guarantee being represented under the assets (item 8) by a Government certificate of an initially equal amount. By degrees, as funds out of the annual profits are allocated to the Guarantee Fund, corresponding amounts are to be written off the Guarantee Fund certificate. *Gold*: Valued at the old legal parity (1 krone = 0.40323 gramme of fine gold). *Crisis Fund*: The object of this Fund, set up on May 1st, 1933, was at first to make advances to banks whose position was endangered by withdrawals of deposits; later, it came to be used mainly for facilitating conversion operations by purchases of agricultural bonds.

Sources: Annual reports and periodic returns of National Bank. *Statistiske Efterretninger. Finanstidende.*

## Commercial Banks.

## 1. Cash.

The composition of item (b) is given below:

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Notes of the National Bank . . . . .	31.5	25.1	24.6	33.7	31.2	33.1	32.9
Sight balances with the National Bank . . . . .	43.2	48.6	113.5	66.2	98.1	80.8	57.0
Total . . . . .	74.7	73.7	138.1	99.9	129.3	113.9	89.9

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	180	179	175	174	173	168	166
Branches and Sub-Branches . . . . .	550	582	590	603	632	664	688
<b>SUMMARY BALANCE-SHEET.</b>		Kroner (000,000's)					
<b>ASSETS.</b>							
1. Cash . . . . .	77.2	76.6	140.7	102.7	132.5	117.4	93.4
(a) Gold, silver and small coins . . . . .	2.6	2.9	2.6	2.8	3.2	3.5	3.5
(b) Inland notes and balances with Central Bank . . . . .	74.7	73.7	138.1	99.9	129.3	113.9	89.9
2. Other Items of a Cash Nature . . . . .	24.6	26.6	31.7	97.1	67.6	73.4	69.4
3. Bills discounted and bought . . . . .	403.2	428.8	358.0	351.8	357.5	380.5	415.9
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	386.1	424.4	346.1	341.6	344.3	364.7	401.1
(c) Commercial bills, Foreign . . . . .	17.1	4.4	11.9	10.2	13.2	15.8	14.8
4. Investments and Securities . . . . .	583.0	577.3	577.3	630.6	700.7	656.1	611.0
(a) Government . . . . .	102.8	79.2	89.2	116.2	160.4	135.1	137.6
(b) Other . . . . .	480.2	498.1	488.1	514.4	540.3	521.0	473.5
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	216.9	120.1	147.3	186.9	173.9	137.1	154.1
(a) At home . . . . .	79.3	77.6	90.5	102.6	129.1	96.1	97.8
(b) Abroad . . . . .	137.6	42.5	56.8	84.3	44.8	41.0	56.3
7. Loans and Advances . . . . .	1,454.6	1,423.0	1,281.7	1,301.0	1,350.1	1,397.1	1,534.6
(a) On current account . . . . .	1,180.2	1,100.1	984.1	994.3	1,029.7	1,033.0	1,126.7
(b) Other . . . . .	294.4	322.9	297.6	306.7	320.4	364.1	408.9
8. Cover for Acceptances . . . . .	2.5	4.1	0.9	0.8	1.5	1.2	5.9
9. Premises, etc. . . . .	79.7	84.7	84.9	81.1	79.9	85.2	90.5
10. Sundry Assets . . . . .	71.9	119.8	80.1	82.2	85.7	87.6	95.3
11. Total Balance-sheet . . . . .	<b>2,913.6</b>	<b>2,861.0</b>	<b>2,702.6</b>	<b>2,834.2</b>	<b>2,949.4</b>	<b>2,935.6</b>	<b>3,070.1</b>
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	279.4	280.3	281.4	282.5	284.0	284.9	286.3
13. Reserve Funds . . . . .	138.9	126.2	141.6	158.3	177.9	165.6	172.9
14. Profit and Loss, etc. . . . .	38.6	23.3	20.9	23.0	22.8	21.2	23.5
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	383.4	353.5	297.8	307.9	315.5	264.1	302.1
(a) At home . . . . .	265.1	285.7	219.9	237.3	248.9	199.6	216.9
(b) Abroad . . . . .	118.3	67.8	77.9	70.6	66.6	64.5	85.2
17. Deposits . . . . .	1,992.1	1,959.7	1,888.9	1,990.5	2,082.3	2,120.2	2,198.2
(a) Current accounts and sight deposits . . . . .	550.6	544.9	533.2	569.1	575.0	560.6	623.9
(b) Savings accounts . . . . .	543.3	535.8	476.2	521.0	581.7	593.8	591.0
(c) Time or fixed deposits . . . . .	898.2	879.0	879.5	900.4	925.6	945.8	983.3
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	19.9	20.8	27.7	20.2	12.2	17.7	16.1
19. Acceptances and Endorsements . . . . .	2.5	4.1	0.9	0.8	1.5	1.2	5.9
20. Sundry Liabilities . . . . .	58.8	93.1	43.4	51.0	53.2	60.7	65.1
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>							
1. Gross Profits . . . . .	<b>75.9</b>	<b>80.3</b>	<b>87.4</b>	<b>102.0</b>	<b>96.2</b>	<b>82.2</b>	<b>88.5</b>
<i>To be deducted :</i>							
2. Expenses . . . . .	33.3	34.6	33.9	37.4	39.9	40.6	41.2
(a) Salaries, etc. . . . .	21.4	21.5	22.2	22.7	23.4	24.7	25.9
(b) Other working expenses . . . . .	9.5	10.8	10.4	11.3	11.5	12.3	13.0
(c) Taxes, etc. . . . .	2.4	2.3	1.3	3.5	5.0	3.6	2.3
3. Reserved for Pension Funds, etc. . . . .	0.8	0.9	1.3	1.4	1.4	1.5	1.6
4. Written off on . . . . .	13.8	52.9	18.9	18.6	8.6	17.2	8.3
(a) Premises, etc. . . . .	1.2	1.0	1.9	2.4	2.0	1.9	2.2
(b) Investments and securities . . . . .	0.2	40.7	1.4	2.1	0.5	10.2	3.1
(c) Other assets . . . . .	12.4	11.2	15.6	14.1	6.1	5.1	3.0
5. Remaining Net Profit (+) or Loss (—)	+ 28.0	— 8.1	+ 33.3	+ 44.6	+ 46.3	+ 22.9	+ 37.4
6. Carried forward from preceding year . . . . .	17.4	11.1	8.3	10.2	12.9	14.1	14.0
7. Taken from Reserves or Capital . . . . .	6.9	24.3	2.5	3.0	2.8	8.2	2.5
8. Deficit left uncovered . . . . .	—	0.4	0.4	—	—	—	0.1
9. Total disposed of for Dividends, etc. . . . .	<b>52.3</b>	<b>27.7</b>	<b>44.5</b>	<b>57.8</b>	<b>62.0</b>	<b>45.2</b>	<b>54.0</b>
10. Carried to Reserves . . . . .	12.7	3.2	9.4	14.6	11.3	7.1	11.0
11. Dividends . . . . .	18.7	13.4	18.0	19.0	19.3	18.4	19.6
12. Directors' Fees, etc. . . . .	3.9	2.4	4.2	5.3	4.7	4.1	5.3
13. Other Purposes . . . . .	0.3	0.4	2.7	5.3	3.7	1.6	2.8
14. Carried forward to following year . . . . .	16.7	8.3	10.2	15.6	23.0	14.0	15.3

3. *Discounts.*

Including rediscounts, given also in group 18 of the summary balance-sheet, as follows :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Bills rediscounted :							
Inland . . . . .	2.2	4.7	4.8	2.5	2.3	5.0	4.3
Foreign . . . . .	.	.	6.7	4.0	7.6	11.6	10.7
Total . . . . .			11.5	6.5	9.9	16.6	15.0

4. *Investments and Securities.*

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Government bonds . . . . .	84.3	79.2	89.2	116.2	160.4	135.1	137.5
Municipal bonds . . . . .	18.5	29.3	47.2	53.3	68.2	85.9	70.2
Bonds of credit associations, etc. . . . .	196.9	170.0	148.1	184.1	196.3	135.2	109.8
Mortgage bonds ( <i>Panteobligationer</i> ) . . . . .	153.0	168.8	169.9	167.0	170.8	178.2	178.4
Other Danish bonds . . . . .	54.1	53.4	47.9	46.6	46.9	59.9	51.8
Shares . . . . .	71.0	71.7	70.7	59.2	55.6	59.5	61.4
Foreign bonds and shares . . . . .	5.2	4.9	4.3	4.2	2.5	2.3	1.9
Total . . . . .	583.0	577.3	577.3	630.6	700.7	656.1	611.0

The Government and municipal bonds are shown under 4 (a) in the Summary Table.

6. *Due from Banks (Correspondents).*

The sums due by foreign correspondents are as follows :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Foreign currency . . . . .	128.0	32.1	46.4	75.0	35.8	33.6	49.2
Danish currency . . . . .	9.6	10.4	10.4	9.3	9.0	7.4	7.1
Total . . . . .	137.6	42.5	56.8	84.3	44.8	41.0	56.3

10. *Sundry Assets.*

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Sundry debtors . . . . .	39.1	87.4	50.0	53.8	59.7	61.6	71.1
Interest accounts . . . . .	4.3	4.6	4.3	4.4	3.7	4.3	3.8
Deficit . . . . .	28.5	27.8	25.8	24.0	22.3	21.7	20.4
Total . . . . .	71.9	119.8	80.1	82.2	85.7	87.6	95.3

The item "Sundry Debtors" includes the accounts of the mortgage department of the Landmandsbank. The item "Deficit" consists almost exclusively of the deficit of the Landmandsbank carried forward from year to year.

16. *Due to Banks (Correspondents).*

The sums due to foreign correspondents are as follows :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Foreign currency . . . . .	70.6	41.7	44.6	43.4	35.9	33.3	53.9
Danish currency . . . . .	47.7	26.1	33.3	27.2	30.7	31.2	31.3
Total . . . . .	118.3	67.8	77.9	70.6	66.6	64.5	85.2

*Summary of Profit-and-Loss Accounts.*

1. *Gross Profits.*

The composition of the gross profits of all the banks is shown below.

The first item represents the net balance of interest earned on discounts, loans and advances after deduction of all interest paid on the various deposit accounts. The third item represents the yield (including appreciation) of the bonds and shares in the possession of the banks.

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Net interest from discounts and loans . . . . .	24.7	28.9	34.0	31.2	32.8	36.0	42.2
Interest on foreign assets . . . . .	10.5	8.6	5.2	7.6	5.2	4.5	4.9
Profits from securities . . . . .	22.8	23.9	31.4	46.2	37.7	24.2	22.9
Commissions . . . . .	15.6	16.0	15.0	14.2	14.9	15.0	16.6
Recovered from assets previously written down . . . . .	0.7	1.1	0.7	1.5	4.5	1.2	0.7
Sundry profits . . . . .	1.6	1.8	1.1	1.3	1.1	1.3	1.2
Total gross profits . . . . .	75.9	80.3	87.4	102.0	96.2	82.2	88.5

## ECUADOR

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Banco Central del Ecuador								Commercial, Mortgage and Savings Banks				
		Gold	Foreign ex- change	Loans and discounts			Notes in circu- lation	Deposits		Cash <sup>c</sup>	Discounts, loans and advances <sup>d</sup>	Mortgage loans <sup>e</sup>	Deposits	
				Government	Banks	Public		Banks	Government				Sight <sup>f</sup>	Time
	<sup>b</sup> ■	Sucres (000,000's)												
Dec. 1935.	28.3	36.6	3.1	18.5	3.2	21.5	48.8	9.4	17.7	29.1	58.6	56.8	53.0	13.9
March 1936.	28.1	31.3	4.2	18.5	3.1	16.5	47.5	7.2	3.7	24.2	62.6	56.9	53.2	15.2
June 1936.	28.3	33.3	5.0	14.1	3.5	14.8	47.2	6.6	5.6	27.7	62.2	57.1	50.3	19.1
Sept. 1936.	28.2	31.9	15.7	7.6	2.6	19.8	52.2	18.8	5.5	34.5	61.8	58.0	53.8	18.1
Dec. 1936.	28.2	32.6	19.3	15.9	1.1	22.1	56.6	23.4	5.6	35.9	66.9	59.0	60.1	17.9
March 1937.	28.2	34.0	21.8	15.5	1.6	22.9	58.3	25.0	6.4	36.6	75.5	58.4	68.1	17.4
June 1937.	28.1	35.9	27.2	19.3	2.7	20.6	63.1	22.8	10.1	38.8	87.0	57.6	73.9	19.3
Sept. 1937.	22.2	38.4	20.1	26.0	4.1	22.8	68.5	22.4	10.7	35.1	81.6	42.2	65.8	20.1
Dec. 1937.	21.3	39.5	10.7	26.0	3.5	24.4	68.1	12.9	13.7	37.5	75.9	44.4	62.8	19.3

■ Monthly average.

<sup>a</sup> Gold parity in 1929 : 1 sucre = 0.2 U.S.A. dollar ; 1 U.S.A. dollar = 5 sucres.

<sup>b</sup> Up to III.1936 : free rate.

<sup>c</sup> Including all items of a cash nature as well as deposits abroad.

<sup>d</sup> Including foreign bills, but excluding "obligaciones por dividendos".

<sup>e</sup> Loans by mortgage banks or mortgage departments of commercial banks.

<sup>f</sup> Including deposits in foreign currencies.

See *Commercial Banks 1925-1933*, page 291 ; *1929-1934*, page 175 ; *Money and Banking 1935/36*, Vol. II, page 69 ; *1936/37*, Vol. II, page 54.

**Value of Currency :** According to a Decree of July 31st, 1937, the exchange-control authorities have ceased to appropriate foreign exchange arising from exports ; exports of all products, except gold, may as from that date be effected without permit. With regard to imports, a permit is still required for certain goods. Following the partial suppression of exchange and export control, the sight selling rate for U.S. dollars moved in September 1937 from 10.50 to 13.50 sucres per dollar.

**Banco Central del Ecuador : Gold :** Revalued on December 19th, 1935, at 9.968331 sucres per gramme of fine gold, and on June 13th, 1936, at 11.6466 sucres per gramme of fine gold (market value of gold at the rate of 10.50 sucres = 1 U.S.A. dollar). The revaluation profits were used in part to pay more than 50% of the Government's debt to the Central Bank, and the remaining sum of 10 million sucres for the development of the economic activities of the country through the establishment of a National Agricultural Bureau. **Loans and discounts :** The fall in the amount of the Government's loans in July 1936 is due to the allocation of a part of the profit on revaluation of the gold reserve. The subsequent increase of this item in October 1936 and June 1937 is due to new loans to the Government.

**Sources :** Banco Central del Ecuador : *Informe Anual* and *Boletín Mensual*. *Informe del Superintendente de Bancos*. Superintendencia de Bancos : *Estado Consolidado de los Bancos del País*. Gobierno de la República del Ecuador : *Boletín de Hacienda*.

## Commercial Banks.

For detailed notes on various items of the Balance-sheet Summary, see preceding editions of this volume.

## 1. Cash.

The amounts shown under (b) are composed as follows :

	1929	1932	1933	1934	1935
	Sucres (000,000's)				
Notes of Banco Central	4.2	3.2	5.7	6.7	5.8
Deposits with Banco Central	4.0	10.1	16.4	12.9	10.4
Total	8.2	13.3	22.1	19.6	16.2

## 2. Other Items of a Cash Nature.

	1929	1933	1933	1934	1935
	Sucres (000,000's)				
Cheques, etc. . . . .	—	0.2	0.6	0.7	1.4
Sight deposits with other banks . . . . .	0.4	0.4	1.7	1.3	1.5
Foreign currencies . . . . .	0.1	—	0.1	0.4	0.1
Total . . . . .	0.5	0.6	2.4	2.4	3.0



## Banco Central.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937 *
Suces (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	5.6	5.7	5.7	14.3	14.5	15.8	36.6	32.6	39.5
2. Subsidiary coin . . . . .	2.6 <sup>a</sup>	4.1	3.9	3.1	1.9	1.2	0.5	0.8	0.2
3. Foreign exchange . . . . .	29.5	23.3	9.9	3.1	3.8	11.8	13.1	24.4	20.3 <sup>c</sup>
(a) For cover purposes . . . . .	—	—	—	—	—	8.4	4.8	20.8	...
(b) Other . . . . .	—	—	—	—	—	3.4	8.3	3.6	...
4. Loans and discounts . . . . .	16.1	13.3	14.2	28.6	50.3	51.1	43.2	40.6	61.9
(a) Government . . . . .	9.6	8.5	8.2	19.5	33.4	35.7	18.5	15.9	26.0
(b) Banks . . . . .	4.1	2.9	2.3	1.8	1.5	0.8	3.2	1.1	3.5
(c) Importers . . . . .	—	—	—	—	—	—	—	1.5	7.3
(d) Other . . . . .	2.4	1.9	3.7	7.3	15.4	14.6	21.5	22.1	25.1
5. Other assets . . . . .	0.9	3.6	6.4	3.0	3.4	4.8 <sup>b</sup>	5.3	13.4	20.8
6. Total Balance-sheet . . . . .	54.7	50.0	40.1	52.1	73.9	84.7	98.7	111.8	142.7
<b>LIABILITIES.</b>									
7. Capital paid up . . . . .	6.3	6.3	5.5	5.5	5.2	5.1	5.1	5.1	5.1
8. Reserve Fund . . . . .	0.4	0.8	1.0	—	—	0.4	1.2	1.8	2.0
9. Notes in circulation . . . . .	30.0	23.5	19.1	24.0	35.6	46.6	48.8	56.6	68.1
10. Deposits . . . . .	16.2	16.1	9.0	13.9	26.1	29.1	40.3	45.2	61.1
(a) In national currency :									
1. Government . . . . .	10.4	9.4	6.7	2.3	2.7	11.0	17.7	5.6	22.9
2. Banks . . . . .	4.1	4.1	1.4	9.4	15.1	11.1	9.4	23.4	13.7
3. Importers . . . . .	—	—	—	—	—	—	—	5.8	7.8
4. Other . . . . .	1.7	2.6	0.9	2.2	8.3	5.5	3.2	5.3	7.1
(b) In foreign currencies . . . . .	—	—	—	—	—	1.5	10.0	6.1	9.6 <sup>d</sup>
11. Other liabilities . . . . .	1.8	3.3	5.5	8.7	7.0	3.5	3.3	3.1	6.4
Discount rate (percentage) . . . . .	10	9	10	4	4	4	4	4	4

\* Monthly statement on December 31st.

<sup>a</sup> Including cheques (1.3 million sucres).

<sup>b</sup> Including "difference on gold purchases" (0.9 million sucres).

<sup>c</sup> Including blocked currencies amounting to 5.9 millions.

<sup>d</sup> Including deposits in blocked currencies amounting to 2.7 millions.

## 3. Bills discounted and bought.

Amounts shown under (a) consist of bills eligible for rediscount with the Banco Central; amounts shown under (b) represent discounts of bills payable in foreign currencies. For rediscounts, see group 19.

## 4. Investments and Securities.

The sums shown under (b) are composed as follows :

	1929	1932	1933	1934	1935
	Suces (000,000's)				
Mortgage bonds of other banks . . . . .	2.1	1.2	0.9	0.9	0.7
Shares of Banco Central . . . . .	3.5	2.4	2.4	2.6	3.0
Other securities . . . . .	0.6	1.2	1.3	1.2	1.5
Total . . . . .	6.2	4.8	4.6	4.7	5.2

## 7. Loans and Advances.

	1929	1932	1933	1934	1935
	Suces (000,000's)				
Mortgage loans . . . . .	13.9	13.1	11.4	11.3	10.9
Short-period loans . . . . .	8.0	5.4	6.4	6.8	6.7
Other loans not eligible for rediscount . . . . .	21.2	13.0	10.9	13.0	11.3
Total . . . . .	43.1	31.5	28.7	31.1	28.9

## 9. Premises, etc.

	1929	1932	1933	1934	1935
	Suces (000,000's)				
Buildings . . . . .	2.9	3.7	3.3	4.0	3.6
Furniture . . . . .	0.7	0.5	0.6	0.3	0.8
Total . . . . .	3.6	4.2	3.9	4.3	4.4

## 10. Sundry Assets.

Under this heading are grouped the balance of inter-branch accounts, and other accounts due in national and foreign currencies.

## 17. Due to Banks (Correspondents).

	1929	1932	1933	1934	1935
	Suces (000,000's)				
Due to banks at home and abroad . . . . .	1.6	2.8	3.8	4.6	4.2
Overdrafts with foreign banks . . . . .	1.2	1.1	0.4	1.1	0.3
Total . . . . .	2.8	3.9	4.2	5.7	4.5

Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935
Number of Banks . . . . .	16	14	12	12	11	11	12
<b>SUMMARY BALANCE-SHEET.</b>							
<b>ASSETS.</b>							
Suces (000,000's)							
1. Cash . . . . .	8.8	8.5	3.9	13.4	22.2	19.8	16.6
(a) Gold, silver and small coins . . . . .	0.6	1.1	0.1	0.1	0.1	0.2	0.4
(b) Inland notes and balances with Central Bank . . . . .	8.2	7.4	3.8	13.3	22.1	19.6	16.2
2. Other Items of a Cash Nature . . . . .	0.5	1.0	0.4	0.6	2.4	2.4	3.0
3. Bills discounted and bought . . . . .	13.9	15.1	10.1	11.7	27.0	37.1	38.4
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	12.8	14.0	8.2	10.8	26.7	36.6	37.3
(c) Commercial bills, Foreign . . . . .	1.1	1.1	1.9	0.9	0.3	0.5	1.1
4. Investments and Securities . . . . .	6.3	6.5	5.0	4.9	4.7	4.8	5.3
(a) Government . . . . .	0.1	0.1	0.1	0.1	0.1	0.1	0.1
(b) Other . . . . .	6.2	6.4	4.9	4.8	4.6	4.7	5.2
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	4.0	3.0	2.0	0.3	0.9	5.1	7.4
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	4.0	3.0	2.0	0.3	0.9	5.1	7.4
7. Loans and Advances . . . . .	43.1	39.3	31.5	31.5	28.7	31.1	28.9
(a) On current account . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	0.4	0.4	0.5	0.8	0.8	0.3	0.8
9. Premises, etc. . . . .	3.6	3.8	3.0	4.2	3.9	4.3	4.4
10. Sundry Assets . . . . .	0.7	0.9	0.8	0.7	0.6	3.1	2.2
11. Total Balance-sheet . . . . .	81.3	78.5	57.2	68.1	91.2	108.0	107.0
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	21.1	20.9	16.3	16.2	15.9	17.0	18.3
13. Reserve Funds . . . . .	7.8	3.7	3.7	3.9	4.0	4.9	6.6
14. Profit and Loss, etc. . . . .	—	1.6	0.9	0.9	0.8	1.6	1.0
15. Notes in circulation . . . . .	—	—	—	—	—	—	—
16. Cheques and Drafts in circulation . . . . .	—	—	—	—	—	—	—
17. Due to Banks (Correspondents) . . . . .	2.8	4.1	3.1	3.9	4.2	5.7	4.5
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
18. Deposits . . . . .	34.1	33.0	19.3	30.4	50.2	64.8	62.6
(a) Current accounts and sight deposits . . . . .	24.3	22.1	12.6	24.9	42.7	49.8	43.2
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time deposits . . . . .	6.5	7.2	4.7	5.4	7.3	9.1	11.6
(d) Other deposits . . . . .	3.3	3.7	2.0	0.1	0.2	5.9	7.8
19. Rediscounts and Other Borrowings . . . . .	14.5	14.1	13.1	11.7	9.7	9.6	12.1
20. Acceptances and Endorsements . . . . .	0.4	0.4	0.5	0.8	0.8	0.3	0.8
21. Sundry Liabilities . . . . .	0.6	0.7	0.3	0.3	5.6	4.1	1.1

18. Deposits.

Sight deposits (a) include deposits of the public and Government, as follows :

	1929	1932	1933	1934	1935
	Suces (000,000's)				
Public . . . . .	23.9	24.7	42.3	49.5	42.8
Government . . . . .	0.4	0.2	0.4	0.3	0.4
Total . . . . .	24.3	24.9	42.7	49.8	43.2

Other deposits (d) consist of deposits in foreign currencies.

	1929	1932	1933	1934	1935
	Suces (000,000's)				
Rediscounts with Banco Central . . . . .	3.4	2.0	1.2	0.8	3.1
Rediscounts with other domestic banks . . . . .	0.1	0.3	—	0.2	0.1
Rediscounts abroad . . . . .	0.2	—	—	—	—
Total rediscounts . . . . .	3.7	2.3	1.2	1.0	3.2
Mortgage bonds outstanding . . . . .	10.8	9.4	8.5	8.6	8.9
Grand total . . . . .	14.5	11.7	9.7	9.6	12.1

19. Rediscounts and Other Borrowings.

This item consists of rediscounts with the Banco Central, other domestic banks and foreign banking institutions, and of mortgage bonds issued by the mortgage sections of the commercial banks outstanding at the end of each year under review, as follows :

21. Sundry Liabilities.

Sundry liabilities consist of unearned interest received, balance of inter-branch accounts and other accounts payable in suces and foreign currencies.

## EGYPT

## National Bank of Egypt.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
£E. (000,000's)									
<b>A. ISSUE DEPARTMENT.</b>									
1. Gold . . . . .	3.3	3.3	3.8	6.2	6.2	6.2	6.2	6.2	6.2
2. British Treasury bills and bonds, and "War Loan" . . . . .	23.5	17.3	15.8	12.5	13.9	13.6	17.4	17.2	14.7
3. Egyptian Government securities . . . . .	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
4. Notes issued . . . . .	28.3	22.1	21.1	20.2	21.6	21.3	25.1	24.9	22.4
<i>Note circulation</i> <sup>a</sup> . . . . .	26.6	21.0	19.5	18.8	20.3	19.8	23.3	23.1	20.7
<b>B. BANKING DEPARTMENT.</b>									
<b>ASSETS.</b>									
5. Egyptian Government securities . . . . .	20.1	14.4	13.9	19.3	17.6	17.1	20.1	19.1	19.1
6. Other securities . . . . .	0.9	0.9	1.2	1.3	1.1	0.8	3.2	2.5	3.4
7. Advances against merchandise and securities	9.8	5.4	6.1	4.5	3.9	4.3	5.7	5.3	5.1
8. Other advances . . . . .	2.7	2.0	2.1	1.4	1.5	1.1	1.2	1.4	1.3
9. Bills of exchange (foreign) . . . . .	3.1	1.3	1.2	0.9	2.4	2.3	2.3	1.9	1.0
10. Local bills discounted . . . . .	0.5	0.5	0.3	0.3	0.2	0.2	0.2	0.2	0.2
11. Money at call and at short notice . . . . .	1.6	1.6	1.6	2.0	2.0	1.6	1.9	2.1	1.6
12. Banker's accounts . . . . .	0.4	0.3	0.3	0.3	0.4	0.3	0.5	0.7	0.7
13. Cash :									
(a) Notes . . . . .	1.7	1.1	1.6	1.4	1.3	1.5	1.8	1.8	1.7
(b) Coins . . . . .	0.7	1.2	0.8	0.9	0.9	0.8	0.6	0.7	0.7
14. Other assets . . . . .	1.1	1.5	1.1	1.0	1.5	1.7	1.4	1.4	1.8
15. Total Balance-sheet . . . . .	42.6	30.2	30.2	33.3	32.8	31.7	38.9	37.1	36.6
<i>Aggregate net Balance-sheet (A + B)</i> <sup>b</sup> . . . . .	69.2	51.2	49.7	52.1	53.1	51.5	62.2	60.2	57.3
<b>LIABILITIES.</b>									
16. Paid-up capital . . . . .	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
17. Reserves, etc. . . . .	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
18. Deposits, current accounts and other . . . . .	14.8	15.9	16.7	19.3	18.2	16.0	21.3	20.4	18.5
19. Public deposits :									
(a) Egyptian Government . . . . .	17.8	3.7	2.8	3.2	3.4	4.9	6.1	4.7	6.3
(b) Other . . . . .	2.2	2.2	2.0	2.5	2.6	2.2	2.7	2.9	2.7
20. Bankers' accounts . . . . .	0.3	0.5	1.2	0.8	0.6	0.5	1.1	1.1	0.8
21. Acceptances . . . . .	0.8	1.2	0.9	0.9	1.4	1.5	1.1	1.3	1.6
22. Other liabilities . . . . .	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Wholesale prices, end of year (1929=100) . . . . .	94.8	87.9	78.5	65.5	62.9	84.5	81.0	72.4	75.9

<sup>a</sup> Notes issued less notes held as cash in the Banking Department (item 13 (a)).

<sup>b</sup> Less notes held as cash in the Banking Department.

The history and structure of the banking system of Egypt was described in the 1936 issue of this publication (Vol. II, pages 72 and 73). It was pointed out that the National Bank is both the bank of issue and the most powerful commercial bank.

Though officially published data regarding the commercial banks continue to be absent, the following figures taken from a special supplement of the *Economist* (December 4th, 1937) may be given as a rough illustration of the evolution of commercial banks in Egypt during 1931-1936. They relate only to those institutions which publish separate accounts for their operations in Egypt. It should be noted, however, that these banks are by no means the largest or the most important group of organisations constituting that country's banking structure, and that the figures comprise the accounts of the National Bank of Egypt given separately above :

End of	Cash	Inland bills	Foreign bills	Advances	Securities	Deposits
	£ (000,000's) <sup>a</sup>					
1931. . . . .	4.2	3.0	1.2	20.4	15.2	35.4
1932. . . . .	4.8	2.6	0.9	17.7	22.0	40.0
1933. . . . .	5.0	2.5	2.4	18.1	20.2	41.0
1934. . . . .	5.2	2.3	2.3	19.3	19.8	40.8
1935. . . . .	5.8	2.0	2.3	20.3	25.3	47.1
1936. . . . .	7.1	1.8	1.9	20.6	24.4	48.4

<sup>a</sup> No distinction is made between Egyptian and sterling pounds in the compilation, £E.1 being roughly equivalent to £1 0s. 6<sup>1</sup>/<sub>8</sub>d. sterling.

The Egyptian pound remains attached to sterling at its par value.

**The National Bank of Egypt: Accounts:** The accounts of the separate issue and banking departments of the National Bank in the table on the preceding page, are given in their original form; only in a few cases have several items been grouped together. *Item 1: gold* shown at the old parity. The legal provision for a 50% minimum gold cover of notes issued was modified in 1916 permitting the Bank to substitute British Treasury bills or bonds for gold within the prescribed gold cover ratio. *Item 2: total of British Government securities* held in lieu of gold and those held as supplementary cover for notes issued. *Item 3*, includes securities guaranteed by the Egyptian Government. *Item 5* consists of £E.1 million of short-term securities representing advances to the Egyptian Government. In 1931, it comprises advances to the Egyptian and Sudanese Governments. *Item 8* is the sum of advances against collateral other than item 7, and "other advances". *Item 13 (b)* includes gold, silver and subsidiary coin. *Item 14: cover for acceptances, and premises.* *Item 19 (a)* represents the deposits of the Sudan Government *plus* those of the mixed tribunals. *Item 22* comprises profit-and-loss and dividend accounts, etc.

There is no official discount rate in Egypt.

## ESTONIA

End of	Value of currency as % of gold parity in 1929 <sup>a</sup>	Wholesale prices (1929 = 100)	Bank of Estonia							Joint-stock and Principal Co-operative Banks			
			Gold	Foreign exchange	Loans and discounts	Notes in circulation	Sight deposits of		Discount rate	Loans and discounts	Securities	Deposits	Rediscounts and borrowings
							Government	Bankers					
	■	■	Krooni (000,000's)							%	Krooni (000,000's)		
Dec. 1935	60.4	76.1	34.1	1.6	19.6	40.0	15.8	11.5	4.5	81.7	6.7	74.5	13.5
March 1936	60.6	76.9	34.1	2.5	22.2	41.7	14.0	10.6	4.5	86.7	8.3	78.0	13.4
June 1936	61.9	76.1	34.1	3.1	18.9	39.4	13.7	9.8	4.5	87.3	8.9	84.5	9.9
Sept. 1936	61.7	78.6	34.2	6.0	21.3	43.2	13.4	9.6	4.5	88.4	9.2	87.2	8.3
Dec. 1936	60.0	81.2	34.2	8.8	25.9	44.5	19.7	9.8	4.5	94.5	11.0	93.4	13.8
March 1937	59.7	86.3	34.2	17.2	26.1	47.2	24.1	8.8	4.5	103.2	11.4	93.2	15.2
June 1937	60.3	86.3	34.2	17.5	25.4	42.9	28.1	10.2	4.5	102.8	11.8	95.7	14.7
Sept. 1937	60.6	87.2	34.2	17.5	26.5	47.1	27.1	9.4	4.5	102.7	11.6	96.7	12.6
Dec. 1937	61.1	86.3	34.2	17.0	26.7	49.1	22.2	12.6	4.5	102.4 <sup>b</sup>	12.1 <sup>b</sup>	103.3	12.1 <sup>b</sup>

■ Monthly average.

\* Parity in 1929 : 1 kroon = 26.80 U.S.A. cents ; 1 U.S.A. dollar = 3.73 krooni.

<sup>b</sup> November.

See *Commercial Banks 1925-1933*, page 85; *1929-1934*, page 25; *Money and Banking 1935/36*, Vol. II, page 74; *1936/37*, Vol. II, page 57.

**Value of Currency :** The currency was devalued on June 28th, 1933, and has been pegged to sterling since September 1933 at the old parity of 18.16 krooni to the £. The exchange control imposed in the autumn of 1931 has been considerably relaxed since 1934 by an extension of the exchange dealings permitted to private banks ; such restrictions as were in force at the end of 1937 related mainly to the export of capital.

**Bank of Estonia :** The figures refer to the last day of the month shown. *Gold reserve :* The gold held at the moment of devaluation (19 million krooni) is still entered at the old parity, the remainder at purchase price. *Loans and discounts :* At the end of 1935, items bearing the character of loan accounts, totalling 4.2 million krooni, were transferred from " Other assets " to " Loans ". *Discount rate :* Date of last change : October 1st, 1935.

**Commercial Banks : Securities :** This item, which only recently has become of some importance, represents mainly certain State-guaranteed bonds issued by mortgage banks for the financing of building, land improvement and other long-term investment.

**Sources :** Annual reports and weekly returns of the Bank of Estonia. *Eesti Statistika*.

## Bank of Estonia.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Krooni (000,000's)									
<b>ASSETS.</b>									
1. Reserve . . . . .	27.2	23.1	21.5	19.7	22.4	32.1	35.7	43.0	51.2
(a) Gold coin and bullion . . . . .	6.4	6.6	6.6	15.2	20.1	27.7	34.1	34.2	34.2
(b) Net foreign exchange . . . . .	20.8	16.5	14.9	4.5	2.3	4.4	1.6	8.8	17.0
2. Subsidiary coin . . . . .	0.5	1.7	1.7	1.6	1.6	1.5	3.2	1.4	1.2
3. Domestic bills . . . . .	14.5	13.1	11.1	8.7	8.8	6.6	9.4	11.8	13.5
(a) Commercial * . . . . .	12.5	11.4	9.7	7.0	7.4	5.8	8.1	9.9	11.2
(b) Agricultural . . . . .	2.0	1.7	1.4	1.7	1.4	0.8	1.3	1.9	2.3
4. Loans and advances . . . . .	13.1	12.3	12.8	13.4	12.7	10.0	13.5	14.1	13.2
Thereof—guaranteed by Government . . . . .	8.7	5.5	4.2	3.7	3.9	3.0	2.7	2.2	1.7
5. Premises, etc. . . . .	1.8	1.6	2.1	2.1	2.2	2.3	3.0	3.4	3.4
6. Other assets . . . . .	8.4	11.0	12.9 <sup>b</sup>	8.0	9.7	15.7	18.9	15.0	24.3
7. Total Balance-sheet . . . . .	65.5	62.8	62.1	53.5	57.4	68.2	83.7	88.7	106.8
<b>LIABILITIES.</b>									
8. Capital . . . . .	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
9. Reserve funds . . . . .	3.1	4.4	4.9	1.1	2.0	0.4	0.5	0.7	0.9
10. Notes in circulation . . . . .	34.0	32.2	35.2	31.2	32.2	36.7	40.0	44.5	49.1
11. Current accounts . . . . .	16.2	15.4	14.7	13.2	14.6	20.1	30.0	31.6	37.7
(a) Government . . . . .	8.1	8.9	6.0	3.4	4.7	7.7	15.8	19.7	22.2
(b) Banks . . . . .	5.7	4.2	5.3	6.8	6.8	9.6	11.5	9.8	12.6
(c) Other . . . . .	2.4	2.3	3.4	3.0	3.1	2.8	2.7	2.1	2.9
12. Other liabilities . . . . .	4.5	4.5	2.3	1.7	3.0	5.5	7.6	6.3	14.1
13. Net profit . . . . .	2.7	1.3	—	1.3	0.6	0.5	0.6	0.6	—
Discount rate (percentage) . . . . .	8	7	6½	5½	5½	5½	5	4½	4½

\* Including small amounts of "Timber" bills (0.07 million in 1936, 0.06 million in 1937).

<sup>b</sup> Including 3.8 millions of "Losses".

## Commercial Banks.

## 1. Cash.

Coins and notes are not shown separately. Balances with the Central Bank are given for the joint-stock banks and, since 1933, the co-operative banks, as follows :

	Krooni (000,000's)
1930 . . . . .	1.3
1931 . . . . .	1.5
1932 . . . . .	1.2
1933 . . . . .	2.3
1934 . . . . .	2.9
1935 . . . . .	4.7
1936 . . . . .	5.1

## 2. Other Items of a Cash Nature.

Foreign bank-notes and sight claims on credit institutions other than the Bank of Estonia.

## 3. Bills discounted and bought.

The official statistics distinguish between total discounts and rediscounts of all the banks and discounts and rediscounts of bills payable at home of the joint-stock banks only. As in practice the co-operative banks discount almost exclusively inland bills, the difference between the two sets of figures is taken to represent bills payable abroad as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
	Krooni (000,000's)							
<b>Inland bills :</b>								
Discounted . . . . .	37.0	37.0	31.8	27.9	28.7	32.3	37.1	46.3
Rediscounted . . . . .	6.4	5.5	4.9	4.4	5.1	3.4	5.1	5.6
Net balance . . . . .	30.6	31.5	26.9	23.5	23.6	28.9	32.0	40.7
<b>Bills payable abroad :</b>								
Discounted . . . . .	9.5	8.4	4.4	3.1	3.7	4.9	2.0	1.6
Rediscounted . . . . .	9.7	8.4	3.9	3.0	3.6	4.8	1.8	1.4
Net balance . . . . .	-0.2	—	0.5	0.1	0.1	0.1	0.2	0.2
<b>All bills :</b>								
Discounted . . . . .	46.5	45.4	36.2	31.0	32.4	37.2	39.1	47.9
Rediscounted . . . . .	16.1	13.9	8.8	7.4	8.7	8.2	6.9	7.0
Net balance . . . . .	30.4	31.5	27.4	23.6	23.7	29.0	32.2	40.9

Commercial Banks.<sup>1</sup>

End of :	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	40	41	41	41	38	38	38
SUMMARY BALANCE-SHEET.							
ASSETS.							
1. Cash . . . . .	3.8	4.1	3.1	4.4	5.1	7.1	7.4
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Bank notes, State notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	2.3	3.1	3.2	3.4	7.8	7.8	7.5
3. Bills discounted and bought . . . . .	46.5	36.2	31.0	32.4	37.2	39.1	47.9
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	37.0	31.8	27.9	28.7	32.3	37.1	46.3
(c) Commercial bills, Foreign . . . . .	9.5	4.4	3.1	3.7	4.9	2.0	1.6
4. Investments and Securities . . . . .	1.5	1.7	2.2	2.6	3.4	6.6	11.0
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	4.8	3.7	2.9	2.2	3.0	4.4	6.9
(a) At home . . . . .	3.7	2.3	1.6	1.4	1.2	1.4	1.7
(b) Abroad . . . . .	1.1	1.4	1.3	0.8	1.8	3.0	5.2
7. Loans and Advances . . . . .	55.3	51.2	42.3	41.1	39.2	42.6	46.6
(a) On current account . . . . .	47.4	44.1	36.2	35.6	34.5	37.9	41.7
(b) Other . . . . .	7.9	7.1	6.1	5.5	4.7	4.7	4.9
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	7.3	7.4	8.1	9.2	8.5	7.6	7.6
10. Sundry Assets . . . . .	5.8	9.2	4.0	5.2	3.1	3.3	3.9
11. Total Balance-sheet . . . . .	127.3	116.6	96.8	100.5	107.3	118.5	138.8
LIABILITIES.							
12. Capital paid up . . . . .	9.0	7.5	7.8	8.0	7.6	7.7	8.1
13. Reserve Funds . . . . .	2.2	2.5	2.6	2.7	2.8	2.9	3.0
14. Profit and Loss, etc. . . . .	2.5	1.8	1.3	1.2	1.3	1.5	1.8
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	12.9	15.5	12.9	12.4	12.0	13.2	12.2
(a) At home . . . . .	4.1	8.8	9.3	9.7	8.7	8.8	9.0
(b) Abroad . . . . .	8.8	6.7	3.6	2.7	3.3	4.4	3.2
17. Deposits . . . . .	65.6	59.8	51.5	51.4	64.9	74.5	93.4
(a) Current accounts . . . . .	41.5	37.8	34.7	36.4	48.6	54.3	69.6
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	21.1	20.2	15.1	13.4	14.0	17.4	21.4
(d) Other deposits . . . . .	3.0	1.8	1.7	1.6	2.3	2.8	2.4
18. Rediscunts and other Borrowings . . . . .	26.4	18.5	16.3	18.9	13.5	13.5	13.8
19. Acceptances and Endorsements . . . . .	0.3	0.5	—	—	—	—	—
20. Sundry Liabilities . . . . .	8.4	10.5	4.4	5.9	5.2	5.2	6.5
21. Guarantees . . . . .	18.0	7.6	5.2	4.6	6.7	8.0	11.9

<sup>1</sup> Joint-stock banks and larger co-operative banks.

## Joint-stock Banks.

DISTRIBUTION OF PROFITS OF THE JOINT-STOCK BANKS							
Number of Banks . . . . .	19	16	15	14	13	13	13
Krooni (000,000's)							
Capital paid up . . . . .	6.92	5.47	5.78	5.93	5.53	5.56	5.76
Reserves and Undivided Profits . . . . .	1.72	1.79	1.89	1.92	1.86	1.89	1.91
SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.							
1. Gross Profits . . . . .	4.3	3.2	2.5	2.5	2.8	3.1	4.0
To be deducted :							
2. Expenses . . . . .	2.4	1.8	1.6	1.4	1.4	1.4	1.6
(a) Salaries, etc. . . . .	1.4	1.1	0.8	0.9	0.9	0.9	1.0
(b) Other working expenses . . . . .	0.7	0.5	0.6	0.3	0.3	0.3	0.3
(c) Taxes, etc. . . . .	0.3	0.2	0.2	0.2	0.2	0.2	0.3
3. Reserved for Pension Funds, etc. . . . .	—	—	—	—	—	—	—
4. Written off on . . . . .	1.2	1.1	1.0	0.9	0.9	1.2	1.7
(a) Premises, etc. . . . .	0.1	0.1	0.1	0.1	0.1	0.3	0.2
(b) Investments and securities . . . . .	1.1	1.0	0.9	0.8	0.8	1.0	1.5
(c) Other assets . . . . .	—	—	—	—	—	—	—
5. Remaining Net Profit (+) or Loss (—)	+ 0.7	+ 0.3	— 0.1	+ 0.2	+ 0.5	+ 0.5	+ 0.7
6. Carried forward from preceding year . . . . .	—	—	—	—	—	0.1	—
7. Taken from Reserves or Capital . . . . .	0.4	—	0.3	0.1	—	—	—
8. Total disposed of for Dividends, etc. . . . .	1.1	0.3	0.2	0.3	0.5	0.6	0.7

## ESTONIA

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10. <i>Sundry Assets.</i>	1929	1930	1931	1932	1933	1934	1935	1936
	Krooni (000,000's)							
Protested bills . . . . .	0.3	0.4	0.4	0.3	0.3	0.2	0.2	0.1
Current expenses, interest and commissions paid . . . . .	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transitory accounts . . . . .	1.1	1.0	0.9	0.9	0.4	0.5	0.5	0.8
Other accounts . . . . .	4.3	7.3	7.8	2.7	4.4	2.3	2.5	2.9
Total . . . . .	5.8	8.8	9.2	4.0	5.2	3.1	3.3	3.9
18. <i>Rediscounts and Borrowings.</i>	1929	1930	1931	1932	1933	1934	1935	1936
	Krooni (000,000's)							
<i>Rediscounts :</i>								
Inland bills . . . . .	6.4	5.5	4.9	4.4	5.1	3.4	5.1	5.6
Bills payable abroad . . . . .	9.7	8.4	3.9	3.0	3.6	4.8	1.8	1.4
Total . . . . .	16.1	13.9	8.8	7.4	8.7	8.2	6.9	7.0
<i>Borrowings :</i>								
At home . . . . .	8.4	9.3	8.4	8.9	10.2	5.3	6.6	6.8
Abroad . . . . .	1.9	1.9	1.3	—	—	—	—	—
Total . . . . .	10.3	11.2	9.7	8.9	10.2	5.3	6.6	6.8
Grand total . . . . .	26.4	25.1	18.5	16.3	18.9	13.5	13.5	13.8

The difference between total creditors and creditors at home of the joint-stock banks as shown in the official statistics has been taken to represent borrowings abroad by these banks. The co-operative banks do not borrow abroad to any significant extent. See also note to item 3 of the Summary Table.

20. <i>Sundry Liabilities.</i>	1929	1930	1931	1932	1933	1934	1935	1936
	Krooni (000,000's)							
Interest and commissions received . . . . .	0.6	0.6	0.5	0.3	0.4	0.4	0.5	0.7
Transitory accounts . . . . .	1.2	1.0	1.3	1.0	0.7	0.8	0.8	0.9
Other liabilities, including net balance of inter-branch accounts . . . . .	6.6	9.3	8.7	3.1	4.8	4.0	3.9	4.9
Total . . . . .	8.4	10.9	10.5	4.4	5.9	5.2	5.2	6.5

*Summary of Profit-and-Loss Accounts.*1. *Gross Profits.*

Total receipts from interest and commissions, foreign exchange, real estate and security transactions, etc., less interest and commissions paid. These items are all given in detail in the official statistics.

2. *Expenses.*

The sums shown for salaries (a) include remuneration of directors, members of the board and of advisory committees, etc., in addition to salaries of the staff.



## FINLAND

End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Whole- sale prices (1929 = 100)	Bank of Finland								Discount rate
			Gold	Foreign exchange	Direct discounts, loans and advances	Bonds		Notes in circulation	Current account liabilities in Finnish currency		
						In Finnish currency	In foreign currency		Treasury	Other	
			Markkaa (000,000's)								%
Dec. 1935	51.3	92.9	472	1,325	782	190	223	1,381	162	437	4
March 1936	51.4	92.9	501	1,397	1,002	267	121	1,520	172	466	4
June 1936	52.1	91.8	531	1,194	1,005	280	124	1,465	—	682	4
Sept. 1936	52.0	93.9	715	1,172	963	357	121	1,551	29	676	4
Dec. 1936	50.7	96.9	815	1,486	950	348	93	1,630	377	616	4
March 1937	50.5	105.1	816	1,725	1,085	308	106	1,913	467	537	4
June 1937	51.1	105.1	693	1,835	1,114	329	128	1,859	268	927	4
Sept. 1937	51.3	106.1	635	1,965	1,014	358	155	2,005	160	972	4
Dec. 1937	51.8	104.1	635	2,032	1,080	351	145	2,052	136	1,033	4

<sup>a</sup> Parity in 1929 : 1 markkaa = 2,519 U.S.A. cents ; 1 U.S.A. dollar = 39.71 markkaa.

<sup>a</sup> Monthly average.

End of	Commercial Banks							Clearing turnover	Savings banks	Yield of bonds			
	Net foreign assets	Domestic discounts	Loans and advances	Total domestic discounts, loans and advances	Current- account deposits	Other deposits	Total deposits				Bank of Finland (monthly)	Deposits	Three State loans (monthly average)
Dec. 1935	182	1,391	5,883	7,274	1,339	5,810	7,149	2,158	5,188	5.3			
March 1936	328	1,360	5,974	7,334	1,159	5,942	7,101	1,980	5,345	5.3			
June 1936	210	1,446	6,028	7,475	1,388	6,052	7,440	2,178	5,449	5.2			
Sept. 1936	501	1,263	5,953	7,216	1,451	6,050	7,501	2,436	5,539	5.2			
Dec. 1936	309	1,347	5,870	7,217	1,541	6,132	7,673	2,754	5,862	4.9			
March 1937	274	1,568	6,145	7,713	1,583	6,364	7,947	2,813	6,108	4.8			
June 1937	20	1,708	6,445	8,153	1,743	6,653	8,396	3,049	6,327	4.7			
Sept. 1937	225	1,645	6,514	8,159	1,721	6,699	8,420	3,122	6,503	4.7			
Dec. 1937	92	1,692	6,603	8,295	1,614	6,873	8,487	3,588	6,918	4.7			

<sup>a</sup> Including current accounts.

See *Commercial Banks 1913-1929*, page 102 ; *1925-1933*, page 92 ; *1929-1934*, page 29 ; *Money and Banking 1935/36*, Vol. II, page 78 ; *1936/37*, Vol. II, page 60.

**Value of Currency :** The gold standard was suspended on October 12th, 1931. Since March 1933, the exchange rate is pegged to sterling at a level of 227 markkaa to the £, as compared with the par rate of 193 markkaa to the £.

**Bank of Finland : Gold for cover purposes :** Valued at the parity ruling before the suspension of the gold standard on October 12th, 1931 (1 markkaa = 0.03789 gramme of fine gold). **Gold deposited abroad :** Since September 1936, all the gold purchased has not been transferred to the gold reserve, part of it being entered in a new account " gold deposited abroad, not included in the note cover " ; this gold is valued in the books at its purchase value. **Foreign correspondents :** The Bank's balances with its foreign correspondents form part of its ordinary cover reserve and are still booked at the par of exchange or at even lower rates. **Foreign bills, bank notes and coupons :** Valued at current rates of exchange. The foreign bank notes and coupons only represent an insignificant proportion of the amount shown. **Inland bills :** Including in 1936 and 1937 bills amounting to 45 and 50 million markka respectively, not eligible as supplementary cover for demand liabilities. **Rediscounts to banks :** Since October 1933, the joint stock banks have rediscounted no bills with the Central Bank. **Bonds in Finnish and foreign currency :** Bonds

## Bank of Finland.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)								
<b>ASSETS.</b>									
1. Gold reserve . . . . .	302	301	304	304	323	323	472	814	635
(a) For cover purposes . . . . .	302	301	304	304	323	323	472	603	603
(b) Gold deposited abroad not included in the note cover . . . . .	—	—	—	—	—	—	—	211	32
2. Subsidiary coin . . . . .	11	16	44	28	22	18	19	15	10
3. Foreign exchange . . . . .	692	943	619	743	1,326	1,447	1,349	1,575	2,116
(a) Foreign correspondents . . . . .	669	813	412	805	954	1,328	1,267	1,492	2,056
(b) Foreign bills, bank notes and coupons	23	130	207	238	372	119	82	83	60
4. Cheques issued by banks . . . . .	23	37	65	60	26	36	40	42	52
5. Direct discounts, loans and advances . .	832	785	826	918	715	672	782	950	1,079
(a) Inland bills . . . . .	663	646	602	702	575	543	669	823	968
(b) Loans on collateral . . . . .	59	24	126	100	50	64	45	60	50
(c) Advances on current accounts . . . .	110	115	98	116	90	65	68	67	61
6. Rediscounts to banks . . . . .	550	150	483	301	—	—	—	—	—
7. Bonds . . . . .	323	371	359	301	316	358	414	441	496
(a) In Finnish currency . . . . .	36	56	66	65	70	85	191	343	361
(b) In foreign currencies . . . . .	287	315	293	236	246	273	223	93	145
8. Other assets . . . . .	29	104	120	137	183	123	302	301	395
9. Total Balance-sheet . . . . .	2,762	2,707	2,820	2,792	2,911	2,977	3,378	4,138	4,783
<b>LIABILITIES.</b>									
10. Capital . . . . .	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
11. Reserve Fund . . . . .	501	77	142	198	203	206	262	312	364
12. Notes in circulation . . . . .	1,361	1,279	1,293	1,085	1,184	1,277	1,381	1,630	2,052
13. Current accounts . . . . .	237	209	262	381	400	370	623	1,082	1,254
(a) In Finnish currency :									
(1) Treasury . . . . .	150	154	56	92	55	163	162	377	136
(2) Other . . . . .	78	47	78	91	342	197	437	616	1,034
(b) In foreign currencies :									
(1) Foreign correspondents . . . . .	9	8	128	198	3	11	24	21	36
(2) Foreign clearing accounts . . . .	—	—	—	—	—	—	—	63	48
14. Other liabilities . . . . .	163	142	123	128	124	124	112	114	113
Discount rate (percentage) . . . . .	7	6	8	6 ½	4 ½	4	4	4	4

of loans issued by the Government or by Finnish financial and industrial undertakings and by municipalities: The recent substitution of bonds expressed in foreign currencies by bonds in Finnish currency is largely attributable to the repayment of the Government foreign debts by means of cheaper loans raised at home. *Notes in circulation*: This item may not exceed the total of the Bank's gold reserve (item 1 (a)) and its undisputed foreign credit balances (item 3 (a)) by more than 1,200 million markkaa. Such part of the total of notes in circulation and liabilities payable on demand as is not covered by gold or foreign balances is to be covered by inland and foreign bills and foreign bank notes and coupons (supplementary cover). *Current accounts: Foreign correspondents*: The sums shown for 1931 and 1932 include 92 and 191 million markkaa respectively of foreign credits negotiated by the Bank in December 1931 and in August 1932, in order to strengthen its foreign currency reserve; these credits were repaid in December 1933. *Foreign clearing accounts*: Debit balance of transactions arising out of the agreements with Germany, Bulgaria, Italy, Roumania and Turkey.

**Commercial Banks**: These figures, which cover the same banks as the summary balance-sheet below, are based on the rearranged system of banking statistics which was adopted at the end of 1934. They differ therefore from the summary balance-sheet table, in which comparability with earlier years is aimed at as far as possible.

**Sources**: Annual reports, *Monthly Bulletin* and weekly returns of the Bank of Finland. Reports of Bank Inspectorate.

## Commercial Banks.

Certain changes were introduced in the Finnish banking statistics as from 1934. For a detailed description of these changes and of the methods of adapting the rearranged official statistics to the standard balance-sheet form employed in this volume, see *Money and Banking 1935/36*, pages 79-82. In the present edition these methods have been maintained and notes to certain items for which no details are given after 1933 have been dropped.

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936	1937
Number of : Banks . . . . .	17	14	12	11	11	11	10	9
Branches and Sub-Branches .	611	566	499	478	476	477	472	478
<b>SUMMARY BALANCE-SHEET.</b>		Markkaa (000,000's)						
<b>ASSETS.</b>								
1. Cash . . . . .	238.4	231.8	213.4	533.9	399.3	633.3	851.3	1,316.9
(a) Gold, silver and small coins . . . . .	—	—	—	0.2	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	238.4	231.8	213.4	533.7	—	—	—	—
2. Other Items of a Cash Nature . . . . .	67.5	43.3	32.3	46.6	—	—	—	—
3. Bills discounted and bought . . . . .	3,356.4	2,395.1	1,853.3	1,435.5	1,387.6	1,551.6	1,510.2	1,808.5
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	3,297.3	2,273.1	1,828.5	1,355.3	1,251.9	1,393.1	1,347.5	1,692.0
(c) Commercial bills, Foreign . . . . .	59.1	122.0	24.8	80.2	135.7	158.5	162.7	116.5
4. Investments and Securities . . . . .	266.1	339.9	415.7	485.8	893.6	994.7	1,421.4	1,558.3
(a) Government . . . . .	31.7	39.2	40.6	84.1	104.8	122.9	328.4	361.7
(b) Other . . . . .	234.4	300.7	375.1	401.7	788.8	871.8	1,093.0	1,196.6
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	236.0	192.7	137.4	371.9	643.2	388.9	554.9	560.9
(a) At home . . . . .	61.2	16.8	32.4	124.7	160.0	176.1	157.6	313.3
(b) Abroad . . . . .	174.8	175.9	105.0	247.2	483.2	212.8	397.3	247.6
7. Loans and Advances . . . . .	6,222.8	6,422.9	6,366.8	6,173.4	6,027.6	5,894.0	5,837.6	6,603.3
(a) On current account . . . . .	3,586.8	3,394.9	3,140.4	2,952.4	2,776.0	2,646.5	2,487.7	2,526.7
(b) Other . . . . .	2,636.0	3,028.0	3,226.4	3,221.0	3,251.6	3,247.5	3,350.9	4,076.6
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	262.5	286.4	287.6	262.9	251.9	281.4	259.3	258.3
10. Sundry Assets . . . . .	243.9	407.3	203.1	294.3	319.5	342.9	392.5	411.4
11. Total Balance-sheet . . . . .	<b>10,893.6</b>	<b>10,319.4</b>	<b>9,509.6</b>	<b>9,604.3</b>	<b>9,922.7</b>	<b>10,086.8</b>	<b>10,863.2</b>	<b>12,517.6</b>
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	1,115.0	1,115.5	928.5	914.0	754.8	756.3	746.3	824.3
13. Reserve Funds . . . . .	568.1	584.0	546.2	531.2	481.0	479.9	487.3	588.9
14. Profit and Loss, etc. . . . .	240.4	186.8	141.1	127.8	125.1	129.1	128.2	139.9
15. Cheques and Drafts, etc., in circulation	169.1	151.3	116.2	131.5	138.2	146.1	200.8	207.4
16. Due to Banks (Correspondents) . . . . .	482.4	196.2	132.3	184.1	247.3	190.4	250.7	271.9
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	482.4	196.2	132.3	184.1	247.3	190.4	250.7	271.9
17. Deposits . . . . .	7,481.3	7,378.5	7,154.7	7,498.0	7,663.8	7,979.7	8,604.6	10,030.2
(a) Current accounts and sight deposits	1,486.1	1,635.0	1,607.2	1,765.8	1,524.9	1,621.0	1,822.3	2,244.1
(b) Savings accounts . . . . .	766.7	793.0	786.4	837.8	—	—	—	—
(c) Time or fixed deposits . . . . .	5,228.5	4,950.5	4,761.1	4,894.4	6,138.9	6,358.7	6,782.3	7,786.1
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
18. Rediscunts and Other Borrowings . . . . .	530.3	487.5	314.4	30.0	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	307.0	219.6	176.2	187.7	512.5	405.3	445.3	455.0
21. Contingent Liabilities . . . . .	1,078.9	988.9	846.3	1,015.8	819.9	923.3	1,065.0	1,214.5
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	498.1	431.1	355.2	317.9	298.5	289.6	283.5	302.9
To be deducted :								
2. Expenses . . . . .	241.6	211.5	185.4	170.2	161.9	160.9	161.1	169.7
(a) Salaries, etc. . . . .	123.6	111.3	99.8	98.3	95.1	94.5	93.9	97.8
(b) Other working expenses . . . . .	48.0	43.0	37.0	32.5	32.7	30.6	33.5	38.1
(c) Taxes, etc. . . . .	70.0	57.2	48.6	39.4	34.1	35.8	33.7	33.8
3. Reserved for Pension Funds, etc. . . . .	1.2	2.1	—	—	2.0	1.5	1.2	1.3
4. Written off on . . . . .	69.6	305.2	97.5	151.5	43.8	35.3	27.9	31.9
(a) Premises, etc. . . . .	6.6	0.8	0.2	0.9	2.6	3.4	3.1	8.2
(b) Investments and securities . . . . .	10.2	8.1	3.4	5.5	3.1	5.3	4.0	13.4
(c) Other assets . . . . .	52.8	296.8	93.9	139.1	38.2	26.6	20.8	10.3
5. Remaining Net Profit or Loss (—) . . . . .	185.7	— 87.7	72.3	— 3.8	90.8	91.9	93.3	100.0
6. Carried forward from preceding year . . . . .	37.9	55.4	42.8	40.9	30.0	37.0	34.7	39.8
7. Taken from Reserves or Capital . . . . .	14.8	205.3	22.3	86.6	3.9	—	—	—
8. Total disposed of for Dividends, etc. . . . .	238.4	173.0	137.4	123.7	124.7	128.9	128.0	139.8
9. Carried to Reserves . . . . .	30.5	9.4	1.0	2.2	2.5	7.9	2.9	5.1
10. Dividends . . . . .	159.2	119.7	94.8	91.5	85.0	86.0	85.0	88.8
11. Directors' Fees, etc. . . . .	0.8	0.6	0.3	—	—	—	—	—
12. Other purposes . . . . .	4.7	0.6	0.4	—	0.2	0.3	0.3	0.3
13. Carried forward to following year . . . . .	43.2	42.7	40.9	30.0	37.0	34.7	39.8	45.6

## 4 (b) Investments and Securities.

	1929	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)							
<b>Bonds :</b>								
In foreign currency . . . . .	33.2	54.0	56.6	30.2	87.0	91.2	110.5	57.4
Of municipalities . . . . .	23.1	27.2	27.3	27.9	44.9	133.9	160.2	162.7
Of bank and mortgage institu- tions . . . . .	16.6	35.3	45.0	62.8	302.6	252.3	223.1	284.8
Other . . . . .	70.6	69.0	69.3	87.5	147.6	191.0	384.2	501.9
Total bonds . . . . .	143.5	185.5	198.2	208.4	582.1	668.4	878.0	1,006.8
<b>Shares :</b>								
In credit and insurance insti- tutions . . . . .	66.4	61.9	56.2	56.1	58.5	59.1	55.1	57.0
Other . . . . .	24.5	53.3	120.7	137.2	148.2	144.3	159.9	132.8
Total shares . . . . .	90.9	115.2	176.9	193.3	206.7	203.4	215.0	189.8
Total "Other securities" . . . . .	234.4	300.7	375.1	401.7	788.8	871.8	1,093.0	1,196.6

## 7. Loans and Advances.

These sums represent amounts actually drawn. The unutilised balances of the total credits opened are shown outside the balance-sheet under "Contingent liabilities" at the bottom of the Summary Table (item 21).

The composition of 7 (b) according to the character of the cover is shown below :

	1929	1931	1932	1933	1934 <sup>a</sup>	1935 <sup>a</sup>	1936 <sup>a</sup>	1937 <sup>a</sup>
	Markkaa (000,000's)							
<b>Loans and advances against :</b>								
Mortgages . . . . .	1,937.7	2,379.4	2,270.6	2,390.4	2,256.4	2,262.2	2,297.3	2,471.1
Bonds and bank deposit cer- tificates . . . . .	85.8	90.5	65.3	112.9	35.1	30.9	29.4	82.8
Shares . . . . .	1,108.5	930.5	770.3	699.7	644.7	623.3	629.4	695.4
Goods . . . . .	10.8	20.2	16.2	17.3	8.5	6.3	22.7	23.1
Guarantee . . . . .	1,886.2	1,532.6	1,314.3	1,084.5	970.6	925.0	917.7	1,034.0
Single signature . . . . .	2,272.6	2,458.6	2,776.4	2,884.4	2,911.3	2,958.3	3,038.1	3,511.4
Total . . . . .	7,301.6	7,411.8	7,213.1	7,189.2	6,826.6	6,806.0	6,934.6	7,817.8

<sup>a</sup> Excluding two banks in liquidation.

## 10. Sundry Assets.

	1929	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)							
Mortgage loans, etc. . . . .	5.3	2.6	1.0	1.8	—	—	—	—
Interest receivable . . . . .	92.9	95.9	77.1	66.2	50.4	49.0	46.8	53.6
Sundries . . . . .	145.7	308.8	125.0	226.3	269.1	293.9	345.7	357.8
Total . . . . .	243.9	407.3	203.1	294.3	319.5	342.9	392.5	411.4

## 17. Deposits.

The current-account deposits and the home correspondents' accounts forming together item 17 (a) of the Summary Table are shown separately in the following statement, which includes, in addition, the unutilised balances of the "Cash credits" and other current-account credits accorded to the clients.

	1929	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)							
Deposits on current account . . . . .	724.0	667.1	626.0	756.4	1,273.5	1,339.0	1,541.5	1,613.7
Inland correspondents . . . . .	762.1	967.9	981.2	1,009.4	251.4	282.0	280.8	630.4
Total (item 17 (a)) . . . . .	1,486.1	1,635.0	1,607.2	1,765.8	1,524.9	1,621.0	1,822.3	2,244.1
Unutilised balances of credits opened . . . . .	1,078.9	988.9	846.3	1,015.8	819.9	923.3	1,410.7	1,214.5
Total (including credit balances) . . . . .	2,565.0	2,623.9	2,453.5	2,781.6	2,344.8	2,544.3	3,233.0	3,458.6

## 20. Sundry Liabilities.

	1929	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)							
Pension funds . . . . .	52.3	57.1	53.5	54.2	55.5	56.6	56.8	57.7
Unpaid dividends . . . . .	2.2	2.2	2.6	1.8	1.8	—	—	—
Interest payable . . . . .	84.3	56.4	44.7	34.1	19.1	18.2	17.2	19.3
Bills collected for third parties . . . . .	21.7	12.7	7.7	7.0	5.0	—	—	—
Sundry accounts . . . . .	146.5	91.2	67.7	90.6	431.1	330.5	371.3	378.0
Total . . . . .	307.0	219.6	176.2	187.7	512.5	405.3	445.3	455.0

## 21. Contingent Liabilities.

See note to item 7, above.

*Summary of Profit-and-Loss Accounts.*1. *Gross Profits.*

	1929	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)							
Net interest and commissions from discounts, loans and advances	424.2	328.4	269.8	231.5	195.4	170.8	156.6	151.2
Profit on securities and exchange	46.5	65.5	62.1	60.6	66.9	80.6	86.8	111.0
Recovered from assets written off	1.8	4.2	2.3	4.0	4.0	3.3	5.2	5.3
Sundry profits . . . . .	25.6	33.0	21.0	21.8	32.2	34.9	34.9	35.4
Total. . . . .	498.1	431.1	355.2	317.9	298.5	289.6	283.5	302.9

In conformity with the banking practice in most countries, net figures for interest earned are given above. These figures have been calculated by deducting interest paid shown under expenses in the official Finnish banking statistics from the total of the interest earned as given in these statistics.

4. *Depreciation Accounts.*

The amounts included under (c) in this group of the Summary Table were written down as follows :

	1929	1931	1932	1933	1934	1935	1936	1937
	Markkaa (000,000's)							
Written off on :								
Discounts, loans and advances	51.9	285.1	90.2	135.0	34.4	23.9	17.7	10.3
Assets not specified . . . . .	0.9	11.7	3.7	4.1	3.8	2.7	3.1	—
Total. . . . .	52.8	296.8	93.9	139.1	38.2	26.6	20.8	10.3

## FRANCE

Note. — For a detailed account of the principal events and measures in France during 1937/1938, see Vol. I, *Monetary Review*, Chapter A.

TABLE I. — PRINCIPAL ACCOUNTS OF THE BANK OF FRANCE AND OF THE FOUR LEADING DEPOSIT BANKS.

End of	Value of currency in % of its gold parity in 1929* (monthly average)	Principal accounts of the Bank of France							Principal assets of the four leading deposit banks				
		Gold	Foreign assets	Domestic bill portfolio	Provisional advances to the Government	Advances on securities	Notes in circulation	Other sight liabilities		Cash in hand	Bill portfolio	Correspondents and debtors on current account	Advances
								On private account	On public account				
Francs (000,000's)													
Dec. 1935 . .	100	66,296	1,328	9,712	.	3,253	81,150	8,716	2,861	5,434	16,030	7,913	1,350
March 1936 . .	100	65,587	1,297	12,053	.	3,325	83,197	8,434	2,889	5,397	16,064	7,582	1,388
June 1936 . .	100	53,999	1,297	7,750	14,333	3,441	85,106	6,527	1,305	5,506	14,821	7,357	1,270
Sept. 25th, 1936	100	50,111	1,245	7,511	15,903	3,553	83,750	6,660	1,679	5,270	14,701	7,163	1,250
Oct. 2nd, 1936	70.2	57,359	1,493	7,920	12,304	4,008	86,027	6,698	2,130	—	—	—	—
Dec. 1936 . .	70.4	60,359	1,460	9,192	16,098	3,509	87,420	12,687	2,105	5,503	17,399	7,410	1,448
March 1937 . .	69.3	57,359	1,194	9,954	20,066	3,698	85,746	16,404	1,977	8,324	16,507	8,089	1,572
June 1937 . .	67.1	54,859	1,058	10,617	21,380	4,013	85,985	15,711	2,209	6,244	15,678	8,363	1,384
July 22nd, 1937	56.2	48,860	899	10,294	22,127	4,026	87,911	9,219	3,031	—	—	—	—
July 29th, 1937	57.4	55,677	951	11,188	22,127	4,064	89,307	15,812	2,563	6,360	16,731	8,276	1,373
Sept. 1937 . .	53.1	55,805	825	10,400	25,999	4,175	91,370	15,886	2,351	6,693	16,576	8,841	1,401
Dec. 1937 . .	51.2	58,933	919	9,726	26,909	3,693	91,263	16,658	2,423	6,899	18,103	7,780	1,270

\* Parity in 1929 : 1 franc = 3.918 cents ; \$1 = 25.52 francs.

TABLE II. — DEPOSITS, BANK CLEARINGS AND PRINCIPAL MONEY RATES.

End of the month, except for clearings and money rates	Deposits with the four leading deposit banks				Deposits with private savings banks	Deposits with the Caisse nationale d'épargne	Bank clearings (monthly average)		Paris money rates (averages)				Wholesale Prices (1929 = 100)
	Total	Sight	Current-account creditors	Fixed			Paris	Provincial	Yield of 3% E n s	Bank rate	Treasury-bill discount rate	Private (due bills) discount rate	
Francs (000,000's)													
Dec. 1935 . .	27,553	11,580	15,279	694	37,352	25,442	25,480	5,340	4.18	6 & 5	5.96	5.91	56.5
March 1936 . .	27,243	11,265	15,256	722	37,078	25,202	27,062	5,319	4.56	3½ & 5	3.98	3.61	60.0
June 1936 . .	25,655	10,295	14,727	633	35,666	23,982	25,308	5,338	4.37	6.5 & 4	5.65	5.63	60.3
Sept. 1936 . .	25,137	10,075	14,538	524	34,971	23,441	21,616	5,644	4.38	3 & 5	3.07	3.48	67.0
Dec. 1936 . .	24,484	11,170	16,785	529	35,714	23,315	25,585	7,519	4.01	2	1.96	2.13	82.8
March 1937 . .	31,008	11,031	19,434	543	35,904	24,047	30,183	7,642	4.31	4	3.87	4.13	87.7
June 1937 . .	28,128	10,555	17,013	560	35,752	24,001	29,990	7,424	4.34	4 & 6	4.70	5.28	88.8
Sept. 1937 . .	29,838	11,331	17,957	550	35,750	24,174	30,780	7,806	4.17	4 & 3½	3.56	3.67	100.5
Dec. 1937 . .	30,348	11,650	18,098	600	35,740	24,457	30,640	9,081	4.31	3	2.82	3.13	100.6

## Bank of France.

Gold Reserve, comprising in small part old gold coins and new gold coins, first minted in 1935, but mainly bullion, was valued until October 1st, 1936, at the rate of 65.5 milligrammes of gold of a 900/1000 fineness per franc. The revaluation at that date was effected on the basis of 49 milligrammes, 900/1000 fine, per franc. On July 1st, 1937, the upper and lower limits for the devaluation of the franc fixed respectively at 49 and 43 milligrammes of gold of a fineness of 900/1000 by the Law of October 1st, 1936, were abandoned. On July 22nd, 1937, the Bank of France was authorised to revalue its reserve on the basis of 43 milligrammes, 900/1000 fine, of gold per franc. The resulting profits, 6,800 millions, were transferred to a newly created *Fonds de soutien des rentes*. Since that date the reserve has been valued at 43 milligrammes, 900/1000 fine, per franc.

TABLE III. — BANK OF FRANCE.

December 24th :	1929	1930	1931	1932	1933 <sup>a</sup>	1934 <sup>b</sup>	1935	1936	1937 <sup>a</sup>
Francs (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve (coins and ingots) . . .	41,622	53,563	68,481	83,129	76,959	82,123	66,298	60,359	58,933
2. Silver coins and token money . . .	222	582	959	1,369	670	685	664	552	378
3. Postal current accounts . . . . .	761	605	467	643	591	496	669	769	626
4. Advances on gold coins and bars . .	—	—	1,266	1,516	1,416	1,446	1,205	1,258	—
5. Foreign assets . . . . .	26,053	26,205	21,500	4,484	1,162	962	1,329	1,462	919
(a) Sight funds abroad . . . . .	7,281	6,795	13,040	2,935	19	11	11	10	29
(b) Foreign bills discounted . . . .	22	31	900	262	234	221	207	15	20
(c) Negotiable bills and other short-term investments abroad . . . . .	18,750	19,379	7,560	1,287	909	730	1,111	1,437	870
6. Domestic bill portfolio . . . . .	8,471	8,495	7,069	3,256	4,180	3,744	9,700	9,192	9,726
(a) Bills discounted . . . . .	8,436	8,418	6,894	3,224	4,087	3,572	9,528	7,544	8,744
(b) Agricultural bills and warrants rediscounted . . . . .	—	—	—	—	—	—	—	584	674
(c) Bills rediscounted for peoples' banks . . . . .	—	—	—	—	—	—	—	787	1
(d) Negotiable bills purchased in France . . . . .	35	77	175	32	93	172	172	307	307
7. Advances on securities . . . . .	2,507	2,871	2,717	2,519	2,910	3,184	3,247	3,509	3,693
8. 5- to 30-day advances on 3- to 24-month Treasury bonds . . . . .	—	—	—	—	—	—	465	342	530
9. Negotiable bills of the Caisse autonome d'amortissement . . . . .	5,612	5,305	7,157	6,802	6,187	5,898	5,800	5,640	5,637
10. Non-interest bearing loans to the State . . . . .	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
11. Provisional non-interest-bearing advances to the State . . . . .	—	—	—	—	—	—	—	16,098	26,909
(a) Convention of June 18th, 1936: Articles 1 and 2 . . . . .	—	—	—	—	—	—	—	12,298	12,089
Article 3 . . . . .	—	—	—	—	—	—	—	3,800	10,000
(b) Convention of June 30th, 1937 . . . . .	—	—	—	—	—	—	—	—	4,820
12. Rentes held for special purposes . .	113	113	113	113	113	113	113	113	113
13. Other assets . . . . .	1,674	2,222	2,390	2,315	2,502	2,297	2,442	2,481	3,015
14. Total Balance-sheet . . . . .	90,235	103,161	115,319	109,346	99,890	104,148	95,132	104,975	113,679
<b>LIABILITIES.</b>									
15. Capital . . . . .	183	183	183	183	183	183	183	183	183
16. Reserve funds . . . . .	299	299	299	299	299	299	300	321	329
17. Notes in circulation . . . . .	67,769	76,156	83,547	82,721	80,638	81,855	80,669	87,420	91,263
18. Creditors in current account . . . .	20,094	24,849	29,512	24,328	16,953	20,343	12,131	14,792	19,081
(a) Treasury . . . . .	7,662	5,136	340	166	238	1,026	85	137	32
(b) Caisse autonome d'amortissement . . . . .	4,506	7,986	5,533	2,135	2,065	2,817	2,751	1,968	2,391
(c) Other current accounts and deposits . . . . .	7,519	11,285	23,152	21,799	14,460	16,318	9,146	12,013	16,548
(d) Other sight liabilities . . . . .	407	433	487	228	190	182	150	74	110
19. Profit-and-loss accounts . . . . .	309	160	157	47	46	72	143	119	119
20. Other liabilities . . . . .	1,581	1,514	1,621	1,768	1,771	1,396	1,706	2,140	2,704
Discount rate (percentage) . . . . .	3½	2½	2½	2½	2½	2½	6	2	3

<sup>a</sup> December 23rd.

<sup>b</sup> December 26th.

**Advances on Gold Coins and Bars :** The minimum amount is 25,000 francs, and most of such advances were made until 1931 to other central banks, but after that date such transactions were sometimes also effected with private individuals. All such loans on gold have been stopped since the speculation against the franc in June 1935 and all advances to central banks have been liquidated since September 1937.

**Foreign Assets : Sight funds abroad.** Represent mainly demand deposits with central and other banks abroad. *Foreign bills discounted* are largely three-month documentary bills with three signatures drawn to finance export trade by individual merchants who have an account with the Bank. At the end of 1931, it comprised a loan of nearly 1,000 million francs to the Bank of England, which was repaid on February 1st, 1932. *Negotiable bills and other short-term investments abroad :* This item consists of acceptances of English and American banks, or

English and American Treasury notes bought for the account of the Bank of France in London by the Bank of England, or in New York by the Federal Reserve Bank. This item also includes deposits with commercial banks abroad.

**Domestic Bill Portfolio :** *Agricultural bills and warrants rediscounted* are those which have been guaranteed by the *Office du blé* and which were made eligible for rediscount in virtue of the Law of August 15th, 1936. *Bills rediscounted for peoples' banks* are those of the *Caisse centrale des Banques populaires* made eligible for rediscount in virtue of the Law of August 19th, 1936. *Negotiable Bills purchased in France* are two-name bills as against the three-name bills included in item 6(a), and are consequently not eligible for discount. The Bank is authorised to deal in such paper for other central banks and the Bank for International Settlements. The Bank of France itself may buy such bills but the initiative for repurchase from the other banks has to come always from the central bank from which the purchase is to be made.

**Advances on Securities** made at the "advance rate" of the Bank, which is usually from  $\frac{1}{2}\%$  to 2% above the discount rate. As collateral for such advances are accepted only securities issued or guaranteed by the Government up to 80% of the quoted value for all securities except those of the railways, for which advances are made only up to 50% of such value.

**Five- to Thirty-day Advances on Three- to Twenty-four-month Treasury Bonds** consented by the Bank by virtue of the Agreement of February 21st, 1935, at a rate lower than that charged for ordinary advances against securities. Advances are made up to 80% of the face value of the collateral, provided that the market value is at least that. In the May and November 1935 crises, this new implement was used to extend to the Paris Money Market supplementary credits of about 1,000 million francs, and again in October 1936 when such advances reached a maximum of 1,627 millions.

**Negotiable Bills of the Caisse autonome d'amortissement :** These were given to the Bank by the *Caisse* on two occasions, first, in 1928, in order to shift from the Bank to the Treasury the loss on Russian bonds accepted as collateral for loans made during the war, and, secondly, at the end of 1931, to relieve the Bank of the loss on its sterling assets. The Bank is empowered to sell and purchase in the open market only the bills received on its losses in Russian bonds.

**Non-interest-bearing Loans to the State :** This sum, which had been fixed at 200 million francs on each renewal of the Bank's charter, was raised to 3,200 millions by the Law of 1928.

**Provisional Non-interest-bearing Advances to the State** made in virtue of a Convention between the Bank and the Government approved by the latter on June 23rd, 1936. Articles 1 and 2 of that Convention provided for a maximum advance of 14,000 million francs bearing no interest for the purpose of redeeming Treasury bills rediscounted by the Bank as they matured. The effect of these two articles has been principally the substitution of interest-bearing Treasury bills rediscounted by the Bank, shown separately as from June 19th, 1936, when they amounted to 13,833 million francs, by non-interest-bearing Treasury bills of three months' maturity and renewable, which the Bank receives for its provisional advances under these articles. Article 3 of the same Convention provided for a maximum non-interest-bearing loan of 10,000 million francs to the State. A new Convention signed on June 30th, 1937, provided for further non-interest-bearing provisional advances to the Treasury, in addition to those stipulated in Article 3 of the Convention of June 23rd, 1936, for a maximum amount of 15,000 million francs.

**Other Assets** include premises, etc.

**Reserve Funds** comprise two reserves of fixed amounts invested in buildings (4 million francs) and in securities (22 million francs) and in addition, profits held in reserve and arising from discount operations at rates in excess of 6%.

**Creditors in Current Account :** *Treasury.* This represents in part the unused portion of the non-interest-bearing loan of 3,200 millions which the Bank is authorised to grant to the Treasury (item 10). *Other current accounts and deposits* include accounts of individuals, commercial banks and public and semi-public organisations such as the *Caisse de dépôts et consignations*, the *Directeur-général de la Monnaie*, the Post Office and Government-owned Railways. *Other sight liabilities* include, *inter alia*, promissory notes, certified cheques, and proceeds of transactions not paid out to customers.



TABLE IV. — PRINCIPAL DEPOSIT BANKS.

End of:	1929	1930	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	6	6	6	6	6	6	6	6
Branches and Sub-Branches . . . . .	2,069	2,166	2,202	2,161	2,127	2,111	2,100	...
<b>SUMMARY BALANCE-SHEET.</b>								
Assets.								
Francs (000,000's omitted)								
1. Cash . . . . .			11,759	9,666	6,387	6,422	4,081	3,524
(a) Gold, silver and small coins . . . . .			—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	6,422	7,900	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .			1,584	1,527	1,463	1,372	2,557	3,418
3. Bills discounted and bought . . . . .	25,907	24,555	20,911	25,425	22,957	21,209	18,772	20,408
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	135	160	182	126	134	132	126	128
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	138	159	177	150	151	153	148	148
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	13,966	16,032	13,473	10,206	10,890	10,788	10,527	9,878
(a) On current account . . . . .	10,833	13,065	11,811	8,664	9,110	8,931	8,715	7,999
(b) Other . . . . .	3,133	2,967	1,662	1,542	1,780	1,857	1,812	1,879
8. Cover for Acceptances . . . . .	1,742	1,242	718	357	350	259	451	657
9. Premises, etc. . . . .	260	280	297	187	202	206	206	205
10. Sundry Assets . . . . .	189	184	159	132	143	186	160	181
11. Total Balance-sheet . . . . .	48,759	50,512	49,260	47,776	42,677	40,727	37,028	38,547
LIABILITIES.								
12. Capital paid up . . . . .	1,643	1,701	1,383	1,490	1,491	1,491	1,474	1,474
13. Reserve Funds . . . . .	1,897	2,038	1,884	1,897	1,905	1,910	1,916	1,923
14. Profit and Loss, etc. . . . .	379	390	305	295	292	291	294	260
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
17. Deposits . . . . .	42,608	44,749	44,568	43,385	38,310	36,467	32,556	33,901
(a) Current accounts and sight deposits . . . . .	39,502	41,279	41,800	40,888	36,340	34,655	30,993	32,516
(b) Savings, time or fixed deposits . . . . .	2,890	3,219	2,500	2,292	1,780	1,631	1,392	1,168
(c) Other deposits . . . . .	216	251	268	207	190	181	171	217
18. Rediscunts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	1,742	1,242	718	357	350	259	451	657
20. Sundry Liabilities . . . . .	490	392	402	352	329	309	337	332
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .								
To be deducted :								
2. Expenses . . . . .								
(a) Salaries, etc. . . . .								
(b) Other working expenses . . . . .								
(c) Taxes, etc. . . . .								
3. Reserved for Pension Funds, etc. . . . .								
4. Written off on . . . . .								
(a) Premises, etc. . . . .								
(b) Investments and securities . . . . .								
(c) Other assets . . . . .								
5. Remaining Net Profit or Loss (—) . . . . .	316.4	320.7	— 266.7	216.9	217.7	213.7	220.1	184.7
6. Carried forward from preceding year . . . . .	51.6	61.1	69.2	69.9	66.3	69.7	66.4	71.3
7. Taken from Reserves or Capital . . . . .	—	—	494.7	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	368.0	381.8	297.2	286.8	284.0	283.4	286.5	256.0
9. Carried to Reserves . . . . .	22.1	21.8	13.8	9.4	4.7	7.3	8.5	4.1
10. Dividends . . . . .	271.6	277.5	206.0	204.8	203.7	240.0	200.7	184.1
11. Directors' Fees, etc. . . . .	13.2	13.3	7.5	6.3	5.9	5.6	6.0	3.3
12. Carried forward to following year . . . . .	61.1	69.2	69.9	66.3	69.7	66.5	71.3	64.5

TABLE V. — PRINCIPAL INVESTMENT BANKS.

End of:	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	3	3	3	2	2	2	2	2
SUMMARY BALANCE-SHEET.								
Assets.								
Francs (000,000's omitted)								
1. Cash . . . . .	414	425	543	602	545	402	259	328
(a) Gold, silver and small coins . . .	—	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . .	660	985	420	364	268	185	291	476
3. Bills discounted and bought . . . .	1,678	1,624	1,383	1,611	1,080	983	862	1,197
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	601	697	793	761	702	607	594	601
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	297	285	269	270	244	185	184	191
6. Due from Banks (Correspondents) . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	2,855	2,217	1,310	947	1,141	1,039	1,040	1,013
(a) On current account . . . . .	2,683	2,060	1,291	939	1,097	1,013	1,029	984
(b) Other . . . . .	172	157	19	8	44	26	11	29
8. Cover for Acceptances . . . . .	217	217	207	92	60	46	82	74
9. Premises, etc. . . . .	67	73	72	79	79	79	78	78
10. Sundry Assets . . . . .	75	80	92	105	112	104	41	72
11. Total Balance-sheet . . . . .	6,864	6,603	5,089	4,831	4,231	3,630	3,431	4,030
LIABILITIES.								
12. Capital paid up . . . . .	600	600	600	600	600	500	500	500
13. Reserve Funds . . . . .	421	428	433	418	292	318	318	318
14. Profit and Loss, etc. . . . .	158	158	110	50	36	6	11	23
15. Cheques and Drafts, etc., in circulation	397	264	206	100	112	96	141	162
16. Due to Banks (Correspondents) . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
17. Deposits . . . . .	4,917	4,813	3,442	3,472	3,023	2,549	2,306	2,853
(a) Current accounts and sight deposits	2,823	3,079	2,228	2,448	1,747	1,544	1,467	1,992
(b) Savings, time or fixed deposits . .	2,039	1,661	1,164	976	1,221	912	820	831
(c) Other deposits . . . . .	65	73	50	48	55	93	29	30
18. Rediscounts and Other Borrowings . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . .	217	217	207	92	60	46	82	74
20. Sundry Liabilities . . . . .	154	123	91	99	108	115	73	100
SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.								
1. Gross Profits . . . . .	246.0	251.2	251.2	146.6	128.8	98.9	96.5	106.2
To be deducted:								
2. Expenses . . . . .	117.0	125.0	125.0	102.1	93.9	86.9	80.8	84.6
(a) Salaries, etc. . . . .	92.2	94.4	94.4	88.2	78.9	72.7	67.6	70.6
(b) Other working expenses . . . . .	24.8	28.6	28.6	16.9	15.0	14.2	13.2	14.0
(c) Taxes, etc. . . . .	2.6	4.8	4.8	4.9	4.3	4.3	4.4	4.5
3. Reserved for Pension Funds, etc. . .	10.5	11.3	11.3	8.1	141.5	6.6	6.3	5.8
4. Written off on . . . . .	—	—	—	—	—	—	—	—
(a) Premises, etc. . . . .	—	—	—	—	—	—	—	—
(b) Investments and securities . . . .	—	—	—	—	—	—	—	—
(c) Other assets . . . . .	—	—	—	—	—	—	—	—
5. Remaining Net Profit or Loss (—) . .	115.9	110.1	110.1	31.5	—110.9	1.1	5.0	11.3
6. Carried forward from preceding year .	44.1	49.1	49.1	18.5	18.4	5.2	6.3	11.1
7. Taken from Reserves or Capital . . .	—	—	—	—	128.6	—	—	—
8. Total disposed of for Dividends, etc.	160.0	159.2	159.2	50.0	36.1	6.3	11.3	22.4
9. Carried to Reserves . . . . .	8.1	8.3	8.3	1.6	0.8	—	0.2	0.4
10. Dividends . . . . .	96.0	95.0	95.0	30.0	30.0	—	—	—
11. Directors' Fees, etc. . . . .	6.8	6.3	6.3	—	—	—	—	—
12. Carried forward to following year . .	49.1	49.6	49.6	18.4	5.3	6.3	11.1	22.0

TABLE VI. — PRINCIPAL COMMERCIAL BANKS.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	9	9	9	8	8	8	8	8
Branches and Sub-Branches . . . . .	2,069	2,166	2,202	2,161	2,127	2,111	2,102	2,061
<b>SUMMARY BALANCE-SHEET.</b>		Francs (000,000's omitted)						
<b>ASSETS.</b>								
1. Cash . . . . .			12,302	10,268	6,932	6,824	4,340	3,852
(a) Gold, silver and small coins . . . . .			—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	7,496	9,310	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .			2,004	1,891	1,731	1,557	2,848	3,894
3. Bills discounted and bought . . . . .	27,585	26,179	22,294	27,036	24,037	22,192	19,634	21,605
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	736	857	975	887	836	739	720	729
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	435	444	446	420	395	338	332	339
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	16,821	18,249	14,783	11,153	12,031	11,827	11,567	10,891
(a) On current account . . . . .	13,616	15,116	13,102	9,603	10,207	9,944	9,744	8,983
(b) Other . . . . .	3,305	3,134	1,681	1,550	1,824	1,883	1,823	1,908
8. Cover for Acceptances . . . . .	1,959	1,459	925	449	410	305	533	731
9. Premises, etc. . . . .	327	353	369	266	281	285	284	283
10. Sundry Assets . . . . .	264	264	251	237	255	290	201	253
11. Total Balance-sheet . . . . .	55,623	57,115	54,349	52,607	46,908	44,357	40,459	45,277
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	2,243	2,301	1,983	2,090	2,091	1,991	1,974	1,974
13. Reserve Funds . . . . .	2,318	2,466	2,317	2,315	2,197	2,228	2,234	2,241
14. Profit and Loss, etc. . . . .	537	548	415	345	328	297	305	283
15. Cheques and Drafts, etc., in circulation . . . . .	397	264	206	100	112	96	141	162
16. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
17. Deposits . . . . .	47,525	49,562	48,010	46,857	41,333	39,016	34,862	36,754
(a) Current accounts and sight deposits . . . . .	42,325	44,358	44,028	43,334	38,087	36,199	32,450	34,508
(b) Savings, time or fixed deposits . . . . .	4,919	4,880	3,664	3,268	3,001	2,543	2,212	1,999
(c) Other deposits . . . . .	281	324	318	255	245	274	200	247
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	1,959	1,459	925	449	410	305	533	731
20. Sundry Liabilities . . . . .	644	515	493	451	437	424	410	432
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .								
<i>To be deducted :</i>								
2. Expenses . . . . .								
(a) Salaries, etc. . . . .								
(b) Other working expenses . . . . .								
(c) Taxes, etc. . . . .								
3. Reserved for Pension Funds, etc. . . . .								
4. Written off on . . . . .								
(a) Premises, etc. . . . .								
(b) Investments and securities . . . . .								
(c) Other assets . . . . .								
5. Remaining Net Profit or Loss (—) . . . . .	432.3	430.8	— 259.8	248.4	106.8	214.8	225.1	196.0
6. Carried forward from preceding year . . . . .	95.7	110.2	114.8	88.4	84.7	74.9	72.7	82.4
7. Taken from Reserves or Capital . . . . .	—	—	562.9	—	128.6	—	—	—
8. Total disposed of for Dividends, etc. . . . .	528.0	541.0	417.9	336.8	320.1	289.7	297.8	278.4
9. Carried to Reserves . . . . .	30.2	30.1	80.0	11.0	5.5	7.3	8.7	4.5
10. Dividends . . . . .	367.6	372.5	242.0	234.8	233.7	204.0	200.7	184.1
11. Directors' Fees, etc. . . . .	20.0	19.6	7.5	6.3	5.9	5.6	6.0	3.3
12. Carried forward to following year . . . . .	110.2	118.8	88.4	84.7	75.0	72.8	82.4	86.5

### Commercial Banks.

GENERAL NOTE. — The figures in the attached Summary Tables are based on the annual reports of the principal deposit and investment banks, Table IV showing six deposit banks — i.e., the Crédit Lyonnais, the Société générale pour favoriser le développement du commerce et de l'industrie, the Comptoir National d'Escompte, the Banque nationale pour le commerce et l'industrie (formerly Banque nationale de crédit), the Crédit commercial de France and the Société générale de crédit industriel et commercial; Table V showing two investment banks — the Banque de Paris et des Pays-Bas and the Banque de l'Union parisienne (the latter having absorbed the Crédit mobilier français in May 1932); and Table VI giving the total of Tables IV and V.

#### 1 and 2. Cash Assets, etc.

The amounts given under item 2 for deposit banks in 1931-1936 and for investment banks throughout consist chiefly of balances with banks and sums due from correspondents; they also include small amounts of coupons due for payment.

#### 3. Bills discounted and bought.

The sums in this group of the Summary Tables include chiefly Treasury bills (*bons de la Défense nationale*).

#### 7. Loans and Advances.

Current accounts include correspondents. In the case

of banks which do not show cover for acceptances as a separate item, an amount equivalent to their acceptances has been deducted from current accounts and carried to group 8 of the Summary Table. The other loans and advances (7 (b)) consist of guaranteed advances (*avances sur garanties*) and contangos (*reports*).

#### 17. Deposits.

Current and cheque accounts (17 (a)) also include correspondent accounts. The sums given under "other deposits" (17 (d)) represent "accounts payable after collection", etc., where shown separately.

### Summary of Profit-and-Loss Accounts.

No profit-and-loss accounts were published for the Banque nationale pour le commerce et l'industrie until the end of 1933. Summary Table IV therefore covers only five deposit banks for 1932. Most of the deposit banks show their net profits only after deduction of working expenses, depreciation, provision for doubtful claims, allocations to staff funds, and sometimes even directors' fees. This policy obviously allows the directors to make whatever statement of net profits they wish and facilitates the setting-aside of hidden reserves.

The investment banks publish more or less detailed profit-and-loss accounts. No statement was published relating to the Crédit mobilier français in 1931. Figures for that bank are accordingly not given in Summary Table V for that year.

#### 1 and 2. Gross Profits and Expenditure.

The figures for salaries and other working expenditure shown in the table of investment banks include a large proportion of the fees and remunerations of directors.

#### 3. Reserved for Pension Funds, etc.

The sums given in the investment-bank table refer solely to the Banque de Paris et des Pays-Bas.

#### 4. Depreciation.

Including sums used in or reserved for building and construction purposes.

#### 5. Net Profit or Loss.

The figures in Tables IV and VI for 1931 are chiefly affected by inclusion of the net disclosed loss of the Banque nationale de Crédit, amounting to 500 million francs. This loss was covered out of capital, reserves and undivided profits.

#### 10. Dividends.

The banks do not follow a common practice with regard to the dividend tax; some include it in their dividend figures, while others do not.

#### 11. Directors' Fees, etc.

The sums shown in this group of the Summary Tables include a small sum representing dividends or "founders' shares". Some banks do not disclose directors' fees, but include them wholly or in part in the expenses which they deduct before showing profits.

## GERMANY

Economic conditions in Germany during 1937 were characterised by a continued expansion in production, particularly of investment goods, though activity in consumption goods industries also recovered. Despite the high level of industrial activity and the growth in the supply of means of payments, prices remain well below the 1929 level and increased but little; in the twelve months ended September 30th, 1937, the official wholesale-price and cost-of-living indices rose only by 1.7 % and 0.6 % respectively. This relative stability is due in part, no doubt, to the action taken by the Price Commissioner, appointed in October 1936.

In the monetary and banking field, no remarkable changes have occurred, but attention may be drawn to the following measures and facts:

Among the measures designed to support the exchange may be mentioned the decision taken in February by the exchange authorities to appropriate foreign securities and the virtual abolition in March of the system of private compensation arrangements for trade with countries with which Germany had no clearing agreements. It is also to be noted that of the four principal kinds of Reichsmarks quoted abroad, the Register- and Reise-marks appreciated from 54.3 % and 62.8 % respectively of the gold parity of the Reichsmark in September 1936 to 54.9 % and 65.4 % respectively in September 1937, while the Kredit- and Effekten-Sperrmarks depreciated during the same period, the former falling from 23.2 % to 21 % and that of the latter from 22.7 % to 20.9 %.

The published gold and foreign exchange reserves of the Reichsbank changed but little and stood in September 1937 at RM. 76 million<sup>1</sup> despite the appropriation of privately held foreign securities, the current export surplus, and the substantial net imports of gold during the first half of the year. No official estimates are available either as to the amount of private securities collected or the sum disposed of abroad. The recorded value of the export surplus amounted to RM. 310 million in the first nine months of 1937. The following official figures reproduced in the *Federal Reserve Bulletin* throw some light on gold movements in and out of Germany in the course of the last three years. Amounts are shown in current U.S. dollars (\$35 = 1 ounce of fine gold); the conversion into dollars has been made at the official exchange rate of the dollar. The parity relation between the current dollar and the Reichsmark on the basis of official rates is \$1 = RM. 2.4794.

GERMANY — GOLD MOVEMENTS.  
\$ (000,000's).

Year, quarter or month	Total net imports or exports (—)	Net imports from or exports to (—) *				
		United Kingdom	France	Netherlands	Switzerland	All other countries
1935 . . . . .	43.0	5.2	13.2	7.4	9.9	7.3
1936 . . . . .	1.9	— 22.8	— 2.2	20.2	3.2	— 0.4
1936 I . . . . .	— 4.1	— 0.1	— 4.5	0.6	0.1	— 0.3
II . . . . .	— 0.7	— 9.9	—	9.1	0.1	—
III . . . . .	1.3	— 9.7	—	8.8	2.1	— 0.1
IV . . . . .	1.7	— 3.1	2.3	1.5	0.9	—
1937 I . . . . .	45.0	— 0.4	26.8	0.1	14.3	4.2
II . . . . .	— 17.4	— 13.6	—	— 0.1	1.7	— 5.4
III . . . . .	— 31.0	.	.	.	.	.
October . . . . .	0.1	.	.	.	.	.
November . . . . .	— 0.1	.	.	.	.	.
December . . . . .	— 0.2	.	.	.	.	.

\* Gold movements by individual countries are not available as from July 1937; in some cases, annual aggregates of official monthly figures differ from revised totals published for the year as a whole.

<sup>1</sup> The gold reserve rose from RM. 66 million on December 31st, 1936, to 70 millions at the end of September 1937, while foreign assets serving as cover stood unchanged at 6 millions. Total exchange holdings at the end of 1936 and 1937 were shown at 111 and 190 millions respectively. It is believed that these include important amounts of not readily available *Devisen*.

The evolution of the country's public finances, particularly short-term borrowing, continued to be the predominant factor in monetary and banking developments. Detailed official information on the course of public expenditure and the methods of financing it is not available.

The total Government indebtedness is officially stated to have increased between September 1936 and September 1937 by R.M. 2,200 million. It should be observed, however, that these public debt figures *exclude* special bills (*Sonderwechsel*) issued in connection with the financing of public works, rearmament and Four-Year Plan programmes. The total circulation of such *Sonderwechsel* was estimated by the *Institut für Konjunkturforschung*<sup>1</sup> for the end of August 1935 at R.M. 7,100 to 7,600 million and by the *Frankfurter Zeitung*<sup>2</sup> for the end of 1935 at R.M. 7,500 to 9,000 million. No subsequent official or semi-official estimates have since been made.<sup>3</sup> The aggregate bill holdings, exclusive of Treasury bills shown separately, of all credit institutions have risen as follows since September 1935 :

	Sept. 1935	Dec. 1935	June 1936	Sept. 1936	Dec. 1936	June 1937 <sup>c</sup>	Sept. 1937
	Reichsmarks (000,000's)						
1. Reichsbank . . . . .	4,144	4,498	4,699	4,875	5,448	5,262	5,538
2. Golddiskontbank. . . . .	1,043	1,316 <sup>a</sup>	1,181	525	959 <sup>a</sup>	1,573	1,135
3. Konversionskasse <sup>b</sup> . . . . .	191	217	191	292	307	431	507
Total (1-3) . . . . .	5,378	6,031	6,071	5,692	6,714	7,266	7,180
4. All banks ( <i>alle Monatsbilanzbanken</i> , see Table IV) . . . . .	3,592	3,967 <sup>a</sup>	4,306	4,627	5,232 <sup>a</sup>	5,948	5,908
5. Savings banks . . . . .	137 <sup>c</sup>	134	145	157 <sup>c</sup>	181	211	223

<sup>a</sup> November.    <sup>b</sup> Item shown as securities.    <sup>c</sup> October.

The increase in bill holdings brought out by the table has been substantial.<sup>4</sup> It may be reasonably assumed that during this period the expansion, if any, in the circulation of genuine commercial bills was small.<sup>5</sup>

In this connection, it is also to be noted that, according to an official statement made towards the end of 1937, the Four-Year Plan has been financed to the extent of 50 % by authorised private issues, 30 % out of the resources of industry itself, 12 % out of public funds, and to the extent of 8 % by the banks.

The growth in the public debt has been accompanied, as in previous years, by an expansion in the total means of payment. In the year ended September 30th, 1937, the note circulation of the Reichsbank rose by R.M. 599 million, or 13 %<sup>6</sup>; as its other sight liabilities also increased by 94 millions, the increase in total sight liabilities amounted to slightly less than 13 %. The aggregate deposits, exclusive of interbank accounts, of all banks (*alle Monatsbilanzbanken* — see Table IV), rose during the same period by R.M. 614

<sup>1</sup> *Vierteljahrshefte zur Konjunkturforschung*, 1935, Heft 3, Teil A, page 312. This estimate excludes the officially declared floating indebtedness of the Reich made up of *Reichsschatzwechsel* and *Reichsschatzanweisungen* which amounted to R.M. 2,900 million at the same date.

<sup>2</sup> December 29th, 1935. No. 662. This estimate is derived from the statement that the circulation of special bills at the end of 1934 amounted to R.M. 5,000 to 6,000 million, and that this circulation rose by 2,500 to 3,000 millions in the course of 1935.

<sup>3</sup> A non-German private estimate, that of the *Neue Zürcher Zeitung* of October 29th, 1937, taken together with that given by PRIESTER in *Das Deutsche Wirtschaftswunder*, would make it appear that the total circulation of special bills, exclusive of *Solawechsel* issued by the Golddiskontbank, increased from R.M. 8,600 million in September 1936 to 12,600 millions in September 1937.

<sup>4</sup> The amounts shown for "all banks" comprise the *Solawechsel* issued by the Golddiskontbank to credit institutions in exchange for the *Sonderwechsel* held by the latter in their bill portfolio. The total issue of *Solawechsel* at the end of September 1937 amounted to R.M. 512 million (see Table III, column 5).

<sup>5</sup> According to the *Neue Zürcher Zeitung* referred to in footnote 3 above, it is believed that the proportion of genuine commercial to total bill holdings of the Reichsbank declined from 26% in the autumn of 1936 to 20% in the autumn of 1937.

<sup>6</sup> The circulation of notes other than those of the Reichsbank rose by R.M. 15 million during this period and the total circulation of coins expanded from R.M. 1,583 million at the end of September 1936 to 1,602 millions at the end of September 1937.

million, or 6 %, while the total deposits of the savings banks increased by RM. 1,120 million, or 8 %.

Apart from the large increase in the holdings of bills and public securities (see Table IX) which induced the expansion of credit, there has been no notable change in the assets of credit institutions. The accounts of the big Berlin banks (Table V) illustrate the low level reached by credit transactions not connected with Government finance; current account loans and acceptances, for instance, have failed to rise, and that part of the deposit liabilities of these banks which has not been absorbed by the purchase of bills and securities has gone into building stronger cash reserves.

The process known as the "reprivatisation" of the big Berlin banks by the purchase on behalf of private persons of their shares held by the State or public corporations since the reconstruction following the 1931 crisis was completed by the end of 1937. In October 1936, the Government and the Golddiskontbank liquidated their share holdings in the Commerz- und Privatbank by selling them to a consortium of private banks. The Deutsche Bank repurchased in March 1937 its shares still held by the Golddiskontbank (RM. 35 million at the end of 1936) and placed them among its clients, and the Dresdener Bank effected a similar operation in September 1937 with respect to about RM. 112 million of its shares still held by the Government at that date.

See *Commercial Banks, 1913-1929*, page 129; *1925-1933*, page 110; *1929-1934*, page 45; *Money and Banking, 1935/36*, Vol. II, page 94; *1936/37*, Vol. II, pages 72-77, the last particularly for explanations regarding Tables I-IX.

TABLE I. — VALUE OF CURRENCY.<sup>a</sup>

End of	Value of currency as % of gold parity in 1929 <sup>b</sup>				
	Official mark	Registermark <sup>c</sup>	Reise-mark <sup>d</sup>	Kredit-spermark <sup>d</sup>	Effekten-spermark <sup>d</sup>
Dec. 1935 . . . . .	100.2	53.0	61.9	36.1	24.0
March 1936 . . . . .	100.3	53.4	62.4	33.9	24.9
June 1936 . . . . .	100.5	52.6	62.4	28.9	23.7
Sept. 1936 . . . . .	99.4	54.3	62.8	23.2	22.7
Dec. 1936 . . . . .	99.8	49.3	55.3	22.2	20.3
March 1937 . . . . .	99.7	48.5	59.7	25.8	25.2
June 1937 . . . . .	99.4	51.5	62.2	22.5	22.1
Sept. 1937 . . . . .	99.5	54.9	65.4	21.0	20.9
Dec. 1937 . . . . .	99.9	53.0	63.1	18.1	18.0

<sup>a</sup> See *Money and Banking 1936/37*, Vol. II, pages 72 and 73, for a short account of the exchange-control system and the principal kinds of Reichsmarks.

<sup>b</sup> Gold parity in 1929: 1 Reichsmark = 0.2382 U.S.A. dollar; 1 U.S.A. dollar = 4.1979 Reichsmarks.

<sup>c</sup> London quotations.

<sup>d</sup> Zurich quotations.

TABLE II. — REICHSBANK.

End of (Weekly returns)	Reichsbank									Circulation of coin and notes <sup>1</sup> other than those of the Reichsbank	
	Gold	Foreign exchange	Treasury bills	Other bills and cheques	Advances on securities	Securities		Notes in circulation	Other sight liabilities	Coin	Notes
						Eligible as note cover	Other				
	Reichsmarks (000,000's)										
Dec. 1935 . . . . .	82	5	53	4,498	84	349	315	4,285	1,032	1,538	543
March 1936 . . . . .	72	5	54	4,201	56	336	321	4,267	768	1,522	463
June 1936 . . . . .	72	5	98	4,699	56	220	311	4,389	960	1,535	411
Sept. 1936 . . . . .	63	6	51	4,875	59	219	308	4,657	744	1,583	387
Dec. 1936 . . . . .	66	6	62	5,448	74	221	303	4,980	1,012	1,597	368
March 1937 . . . . .	68	6	10	5,101	51	167	312	4,938	970	1,539	354
June 1937 . . . . .	69	6	61	5,262	55	104	300	4,992	880	1,544	400
Sept. 1937 . . . . .	70	6	53	5,538	51	105	293	5,256	838	1,602	402
Dec. 1937 . . . . .	71	6	119	6,013	60	106	286	5,493	1,058	1,595	391

TABLE III. — GOLDDISKONTBANK AND KONVERSIONSKASSE.

End of	Golddiskontbank					Konversionskasse								
	Bills	Treasury bills	Securities	Deposits	Sola- wechsel	Deposits at the Reichs- bank	Securities	Ordinary scrip	4 % sterling scrip	4% Swiss frances scrip	4% scrip, other	3 % R.M. scrip	3 % dollar scrip	Sundry liabilities
	Reichsmarks (000,000's)													
Sept. 1935	1,043	140	293	563	495	201	191	33	24	—	—	—	—	338
Nov. 1935	1,316	127	300	594	701	<sup>a</sup> 204	<sup>a</sup> 217	<sup>a</sup> 25	<sup>a</sup> 35	<sup>a</sup> 26	—	—	—	<sup>a</sup> 345
March 1936	1,365	96	280	608	750	235	218	23	41	38	3	—	—	351
June 1936	1,181	142	279	490	716	283	191	21	47	55	10	4	—	353
Sept. 1936	525	157	261	393	30	183	292	18	54	64	14	12	—	322
Nov. 1936	959	160	251	456	463	<sup>a</sup> 202	<sup>a</sup> 307	<sup>a</sup> 17	<sup>a</sup> 64	<sup>a</sup> 70	<sup>a</sup> 15	<sup>a</sup> 18	<sup>a</sup> —	<sup>a</sup> 339
March 1937	1,584	113	259	564	1,082	180	349	16	73	74	16	20	18	322
June 1937	1,573	93	266	633	993	136	431	15	79	72	19	27	61	325
Sept. 1937	1,135	94	268	741	512	76	507	14	85	70	22	36	64	312
Nov. 1937	1,649	65	276	781	951	<sup>a</sup> 87	<sup>a</sup> 513	<sup>a</sup> 13	<sup>a</sup> 90	<sup>a</sup> 70	<sup>a</sup> 23	<sup>a</sup> 38	<sup>a</sup> 78	<sup>a</sup> 312

<sup>a</sup> December.

TABLE IV. — ALL BANKS.

End of	All Banks							
	Bills	Treasury bills	Securities		Debtors other than banks <sup>a</sup>	Creditors		Acceptances
			Total	Reich and Länder		Banks	Other (Includ- ing savings deposits)	
	Reichsmarks (000,000's)							
Nov. 1935	3,967	2,044	2,774	1,216	4,588	4,814	10,319	1,940
March 1936	4,151	2,047	2,896	1,293	4,595	5,030	10,482	1,880
June 1936	4,306	2,221	2,858	1,327	4,633	4,897	10,843	1,636
Sept. 1936	4,627	1,902	3,060	1,492	4,561	4,822	10,901	1,511
Nov. 1936	5,232	1,768	3,078	1,539	4,536	4,939	11,193	1,468
March 1937	5,949	1,599	3,042	1,565	4,500	5,201	11,604	1,399
June 1937	5,948	1,716	3,065	1,660	4,353	5,079	11,498	762
Sept. 1937	5,908	1,528	3,192	1,734	4,554	5,255	11,515	755
Nov. 1937	6,515	1,624	3,234	1,797	4,429	5,887	11,683	788

<sup>a</sup> Cover for acceptances excluded (see acceptances).

All Banks : Banks publishing monthly balance-sheets (*Alle Monatsbilanzbanken*) — that is to say, the 169 credit banks, at the end of Nov. 1937, including the five big Berlin banks and the sixty-three special credit banks (*Sonstige Kreditbanken*), special banks, State and provincial banks and *Girozentralen*.

TABLE V. — BIG BERLIN BANKS.

End of	Big Berlin Banks													
	Cash	Commer- cial bills	Treasury bills	Securities		Partici- pations	Loans on current account		Reim- bursement and other credits	Deposits	"Loro" corres- pondents	Due to German credit in- stitutions	Accept- ances	Redis- counts
				Reich and Länder	Other		Bank	Other <sup>a</sup>						
	Reichsmarks (000,000's)													
Nov. 1935	139	1,531	631	417	359	218	183	2,594	323	4,617	416	1,029	727	593
March 1936	186	1,687	597	367	366	214	185	2,575	352	4,715	412	1,128	676	475
June 1936	175	1,837	599	363	377	231	169	2,577	319	4,916	391	1,026	594	470
Sept. 1936	180	1,834	526	395	405	227	164	2,515	302	4,818	366	1,011	609	579
Nov. 1936	137	2,061	506	440	419	214	146	2,423	317	4,972	367	990	617	645
March 1937	201	2,445	464	351	424	197	165	2,435	338	5,320	363	1,011	589	716
June 1937	180	2,612	478	373	418	205	157	2,348	329	5,467	334	965	553	643
Sept. 1937	216	2,463	397	393	448	188	156	2,466	328	5,439	319	953	558	795
Nov. 1937	148	2,749	456	333	452	196	156	2,331	337	5,555	326	896	589	633

<sup>a</sup> Cover for acceptances excluded (see acceptances).



The Big Berlin Banks (*Berliner Grossbanken*): Deutsche Bank und Disconto-Gesellschaft, Dresdner Bank, Commerz- und Privatbank, Reichskreditgesellschaft, Berliner Handels-Gesellschaft.

TABLE VI. — SPECIAL BANKS, AND STATE AND PROVINCIAL BANKS.

End of	Special Banks								State and Provincial Banks						Ac- ceptances
	Bills	Treasury bills	Securities		Debtors other than banks <sup>a</sup>	Creditors		Accept- ances	Bills	Treasury bills	Securities		Debtors other than banks <sup>a</sup>	Creditors (banks and other, including savings deposits)	
			Total	Reich and Länder		Banks	Other (including savings deposits)				Total	Reich and Länder			
Reichsmarks (000,000's)															
Nov. 1935 . . .	891	199	506	264	423	429	1,834	896	623	451	275	152	468	2,022	76
March 1936 . . .	866	220	482	262	435	452	1,739	919	554	409	436	222	476	2,025	81
June 1936 . . .	907	193	496	286	478	439	1,785	818	619	450	388	187	494	2,088	54
Sept. 1936 . . .	1,095	120	508	313	475	364	1,991	688	617	427	411	193	483	2,066	59
Nov. 1936 . . .	1,175	121	484	301	501	387	2,067	662	667	390	431	214	481	2,066	56
March 1937 . . .	1,185	113	536	364	536	414	2,028	633	731	346	440	218	446	2,037	56
June 1937 . . .	999	83	528	366	549	381	1,888	68	735	417	493	268	428	2,128	45
Sept. 1937 . . .	1,003	81	602	421	568	440	1,923	62	772	367	487	267	448	2,083	38
Nov. 1937 . . .	983	90	643	468	585	504	1,968	64	798	360	491	277	443	2,089	35

<sup>a</sup> Cover for acceptances excluded (see acceptances).

Special Banks (*Spezialbanken*): Sixty-two special banks — i.e., banks for civil servants and employees, workers' banks, agricultural banks, land banks (*Bodenbanken*), banks for the construction of buildings (*Baubanken*), banks founded solely for certain industrial or commercial undertakings (*Hausbanken*), etc.

State and Provincial Banks (*Staats- und Landesbanken*): Twenty banks, financial agents and bankers of public authorities; these banks also work with the municipal, co-operative and mortgage banks and transact ordinary banking business.

TABLE VII. — SAVINGS BANKS.

End of	Savings Banks <sup>a</sup>											Total balance- sheet
	Cash and bank balances	Bills		Securities			Debtors other than banks	Loans to communes	Mortgage loans	Savings deposits	Creditors	
		Treasury	Other	Reich and Länder	Com- munal	Other						
Reichsmarks (000,000's)												
Dec. 1932 . . .	1,277	53	112	869	833	376	2,085	2,017	6,436	11,447	2,519	15,205
Dec. 1933 . . .	1,842	93	128	854	924	398	1,979	1,992	6,401	12,095	2,200	15,694
Dec. 1934 . . .	2,170	193	146	980	1,341	451	2,038	1,702	6,553	12,799	2,183	16,433
Dec. 1935 . . .	2,335	305	147	1,723	1,430	496	1,987	1,639	6,676	13,803	2,266	17,473
April 1936 <sup>b</sup> . . .	2,409	314	140	3,855			1,701	1,548	6,718	13,988	1,988	17,977
June 1936 <sup>b</sup> . . .	2,410	335	145	3,926			1,705	1,520	6,762	14,044	2,024	17,670
Oct. 1936 <sup>b</sup> . . .	2,535	340	157	4,123			1,710	1,496	6,864	14,163	2,131	18,142
Dec. 1936 . . .	2,646	332	181	2,330	1,443	552	1,929	1,498	6,882	14,615	2,538	18,339
March 1937 . . .	2,945	340	200	2,562	1,500	496	1,773	1,478	6,961	14,876	2,726	19,011
June 1937 . . .	2,947	329	211	2,790	1,510	489	1,769	1,447	7,022	15,060	2,718	19,296
Sept. 1937 . . .	3,067	...	223	...	...	...	1,776	1,421	7,120	15,287	2,775	19,811
Oct. 1937 . . .	3,160	...	223	...	...	...	1,785	1,408	7,156	15,415	2,776	20,022
Dec. 1937 . . .	3,267	...	...	3,541 <sup>c</sup>	1,995		1,963	1,387	7,231	15,741	2,779	20,479

<sup>a</sup> Revised figures. Source: *Wirtschaft und Statistik*, 1. Dezember-Heft 1937, page 962, and 1. März-Heft 1938, p. 207.

<sup>b</sup> The figures for these three months are not strictly comparable with the others given in the table; they are available only in bi-monthly statements which, moreover, did not appear for end of March and September 1936.

<sup>c</sup> Including Treasury bills.

TABLE VIII. — GIROZENTRALEN, CLEARINGS, AND INTEREST RATES.

End of	Girozentralen								Reichs- bank	Interest rates			
	Bills	Treasury bills	Securities		Debtors other than banks a	Creditors		Accept- ances	Transfers	Reichs- bank's discount rate	Private discount rate	Blanko- tages- geld	Yield of Govern- ment securities 4½% (6%)
			Total	Reich and Länder		Banks	Other (including savings deposits)						
	Reichsmarks (000,000's)												
Sept. 1935 . .	439	744	930	236	363	3,033	839	162	4,944	4	3.02	3.27	4.86
Nov. 1935 . .	653	695	942	272	253	3,070	890	149	4,964 <sup>b</sup>	4 <sup>b</sup>	3.00 <sup>b</sup>	3.22 <sup>b</sup>	4.85 <sup>b</sup>
March 1936 . .	699	740	941	307	231	3,125	937	116	4,824	4	3.00	3.14	4.80
June 1936 . .	569	900	908	346	246	3,069	933	79	5,203	4	2.88	2.69	4.77
Sept. 1936 . .	693	759	964	424	253	3,076	908	68	5,288	4	3.00	3.09	4.73
Nov. 1936 . .	915	687	971	415	273	3,188	958	46	5,834 <sup>b</sup>	4 <sup>b</sup>	3.00 <sup>b</sup>	2.88 <sup>b</sup>	4.73 <sup>b</sup>
March 1937 . .	1,099	618	968	460	255	3,394	988	36	5,800	4	3.00	3.13	4.63
June 1937 . .	1,049	687	926	483	231	3,383	811	14	6,048	4	2.88	2.78	4.57
Sept. 1937 . .	1,135	630	922	480	236	3,505	822	12	5,979	4	2.88	3.06	4.56
Nov. 1937 . .	1,414	661	998	562	229	4,027	863	12	6,762 <sup>b</sup>	4 <sup>b</sup>	2.88 <sup>b</sup>	2.98 <sup>b</sup>	4.53 <sup>b</sup>

<sup>a</sup> Cover for acceptances excluded (see acceptances).

<sup>b</sup> December.

**Girozentralen:** Eighteen district clearing-houses (*regionale Girozentralen*) and a central clearing-house (*Deutsche Girozentrale*), which make clearing payments and also carry out certain banking transactions.

**Transfer Turnover:** Monthly amount of transfers through the Reichsbank.

**Interest Rates:** *Reichsbank's discount rate:* Date of last change, September 22nd, 1932. *Private discount rate:* 56 to 90 days' bills; average of maximum and minimum rates. *Blankotagesgeld:* Monthly averages of rates on day-to-day inter-bank loans to members of the Stempelvereinigung (association of Berlin banks), not secured by any specific collateral. *Yield of Government securities:* Since April 1st, 1935, the 6% bonds have been converted into 4½% bonds.

TABLE IX. — GOVERNMENT SECURITIES HELD BY CREDIT AND INSURANCE INSTITUTIONS.

End of November, unless otherwise stated	Government Securities held by Credit and Insurance Institutions										Total
	Reichs- bank	Gold- diskont- bank	Eight leading banks	Deutsche Girozen- trale and Deutsche Kommun- albank	Staats- und Länder- banken and District Girozen- tralen	Savings banks <sup>a</sup>	Five special institutes	Co-opera- tive banks and consumers' co-operative societies <sup>b</sup>	Employees' insurance funds and invalidity insurance funds <sup>c</sup>	Life insurance companies	
	Reichsmarks (000,000's)										
1929 . . . . .	93	—	307	80	318	1,413	96	97	724	276	3,404
1930 . . . . .	102	—	283	41	329	1,755	134	138	978	347	4,107
1931 . . . . .	103	194	569	37	424	1,916	138	141	958	443	4,923
1932 . . . . .	395	164	671	31	319	1,810	119	116	863	489	4,977
1933 . . . . .	518	26	633	23	272	1,884	158	122	903	643	5,182
1934 . . . . .	752	62	731	74	1,008	2,699	255	191	1,356	822	7,950
1935 . . . . .	662	301	932	77	1,140	3,560	259	334	1,604	1,107	9,976
June 1936 . .	530	279	895	148	1,148	3,966	270	.	1,797	1,227	10,669
1936 . . . . .	522	251	1,015	153	1,249	4,165 <sup>d</sup>	287	.	2,004	1,335 <sup>d</sup>	11,415
April 1936 . .	559	272	1,028 <sup>e</sup>	.	1,345	3,855	263 <sup>f</sup>	118 <sup>g</sup>	1,761	1,190	10,391
April 1937 . .	416	254	1,025 <sup>e</sup>	.	1,336	4,235 <sup>h</sup>	308 <sup>f</sup>	153 <sup>g</sup>	2,127 <sup>h</sup>	1,353 <sup>h</sup>	11,207

<sup>a</sup> December (on the basis of bi-monthly statistics).

<sup>b</sup> Since 1934, figures of interim balance-sheets.

<sup>c</sup> Based on annual reports or balance-sheets.

<sup>d</sup> October.

<sup>e</sup> Five large Berlin banks and fifteen other relatively large commercial banks.

<sup>f</sup> Six special institutes, including Diskont-Kompagnie.

<sup>g</sup> Municipal co-operative banks only.

<sup>h</sup> February 28th, 1937.

TABLE X. — REICHSBANK.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Reichsmarks (000,000's)								
<b>ASSETS.</b>									
1. Gold . . . . .	2,283	2,216	984	806	386	79	82	66	71
2. Cash . . . . .	103	147	89	194	193	192	168	158	119
(a) Subsidiary coin . . . . .	89	137	82	177	172	162	162	123	111
(b) Rentenbank notes . . . . .	10	6	5	14	17	24	11	36	8
(c) Notes of the "Privatnotenbanken" . . . . .	4	4	2	3	4	6	5	—	—
3. Balances on postal cheque account . . . . .	20	19	12	12	13	12	13	14	29
4. Foreign assets . . . . .	812	764	308	253	225	108	177	111	190
(a) Balances abroad . . . . .	413	471	190	184	29	70	38	18	21
(b) Foreign bills and cheques . . . . .	396	291	108	91	193	34	142	94	168
(c) Foreign bank notes . . . . .	3	2	12	8	3	4	2	2	3
5. Claims in R.M. on foreign correspondents . . . . .	—	—	—	—	49	36	8	8	8
6. Domestic bill and cheque holdings . . . . .	2,453	2,281	4,129	2,717	3,037	4,031	4,410	5,419	5,966
(a) Treasury . . . . .	241	206	98	1	49	45	53	62	119
(b) Other . . . . .	2,212	2,075	4,031	2,716	2,988	3,986	4,357	5,357	5,847
7. Securities . . . . .	93	103	162	323	592	773	675	534	404
(a) Eligible as note cover . . . . .	—	—	—	—	259	445	351	222	106
(b) Other . . . . .	93	103	162	323	333	328	324	312	298
8. Advances . . . . .	251	256	245	176	183	146	84	74	60
Against :									
(a) Securities . . . . .	167	233	172	154	151	133	72	61	39
(b) Treasury bills . . . . .	50	—	9	4	28	—	—	—	—
(c) Bills . . . . .	33	16	60	2	3	2	1	2	2
(d) Other . . . . .	1	7	4	16	6	11	11	11	19
9. Claims arising from settlement with the Government . . . . .	109	100	100	99	98	95	96	95	94
10. Overdue claims . . . . .	10	11	19	21	19	17	6	5	—
11. Other assets . . . . .	172	192	664	581	200	249	332	274	411
12. Total Balance-sheet . . . . .	6,306	6,089	6,712	5,182	4,995	5,738	6,051	6,758	7,352
<b>LIABILITIES.</b>									
13. Capital . . . . .	123	150	150	150	150	150	150	150	150
14. Reserves . . . . .	371	337	423	473	472	471	473	493	514
(a) Legal . . . . .	54	58	59	63	67	71	75	79	83
(b) For doubtful assets . . . . .	90	90	184	242	242	242	242	242	242
(c) Other . . . . .	227	189	180	168	163	158	156	172	189
15. Notes in circulation . . . . .	5,044	4,779	4,777	3,562	3,647	3,902	4,287	4,982	5,494
16. Creditors in current account . . . . .	755	652	755	540	640	984	1,032	1,013	1,059
17. Due in foreign exchange . . . . .	—	—	428	373	4	20	—	—	2
18. Other liabilities . . . . .	13	171	179	84	82	211	109	120	133
Discount rate : end of year (percentage) . . . . .	7	5	7	4	4	4	4	4	4

**Government Securities held by Credit and Insurance Institutions :** This table, taken from the *Wochenbericht des Instituts für Konjunkturforschung* for January 27th, 1937, gives particulars regarding the securities and Treasury bonds held by various classes of banks. The data for April 1936 and April 1937 were taken from the report of the *Reichs-Kredit-Gesellschaft*, entitled "Germany's Economic Development during the First Half of 1937", page 46. They are not entirely comparable with those given for other dates. See notes to table. *Eight leading banks :* Five big Berlin banks and three credit banks (Adca, Bayerische Hypotheken- und Wechselbank, Bayerische Vereinsbank). *Five special institutes :* Deutsche Bau- und Bodenbank, Bank der Deutschen Arbeit, Bank für Deutsche Industrie-Obligationen, Deutsche Verkehrs Kreditbank, Deutsche Rentenbank-Kreditanstalt. *Co-operative banks and consumers' co-operative societies :* Excluding securities held by agricultural credit co-operative societies. *Total :* Totals for June and November 1936 include the estimated amount of securities held by co-operative banks and consumers' co-operative societies.

**Sources :** Reichsbank : Weekly returns and annual reports. Statistisches Amt : *Statistisches Jahrbuch für das Deutsche Reich*, *Vierteljahrshefte zur Statistik des Deutschen Reichs*, *Wirtschaft und Statistik*. Institut für Konjunkturforschung : *Vierteljahrshefte*, *Wochenberichte*. *Halbjahrsberichte zur Wirtschaftslage*. *Deutscher Reichsanzeiger*.

TABLE XI. — COMMERCIAL BANKS.<sup>1</sup>

End of :	1929	1930	1931	1932	1933	1934	1935
Number of Banks . . . . .	406	364	325	265	249	235	227
SUMMARY BALANCE-SHEET.							
ASSETS.							
1. Cash . . . . .							
(a) Gold, silver and small coins . . . . .							
(b) Inland notes and balances with Central Bank . . . . .	634	643	516	411	428	421	506
2. Other Items of a Cash Nature . . . . .							
3. Bills discounted and bought . . . . .	4,180	3,767	2,570	2,736	2,760	3,264	4,725
(a) Treasury bills . . . . .	648	797	604	747	861	739	949
(b) Commercial bills, Inland . . . . .	3,534	2,970	1,966	1,989	1,899	2,525	3,783
(c) Commercial bills, Foreign . . . . .							
4. Investments and Securities . . . . .	731	709	1,050	1,073	851	980	1,619
(a) Government . . . . .	23	29	382	512	432	397	834
(b) Other . . . . .	708	680	668	561	419	583	785
5. Participations . . . . .	389	386	397	374	352	333	311
6. Due from Banks (Correspondents) . . . . .	2,706	2,416	1,450	1,399	1,283	1,355	1,166
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	11,014	10,690	7,287	6,165	5,457	5,051	4,290
(a) On current account . . . . .	7,490	7,323	5,383	4,613	4,419	3,690	2,852
(b) Other . . . . .	3,524	3,367	1,904	1,652	1,038	1,361	1,438
8. Cover for Acceptances . . . . .	700	940	1,288	976	1,399	1,124	1,675
9. Premises, etc. . . . .	389	389	390	357	342	337	342
10. Sundry Assets . . . . .	110	80	136	357	338	334	368
11. Total Balance-sheet . . . . .	20,853	20,020	15,084	13,848	13,210	13,199	15,002
LIABILITIES.							
12. Capital paid up . . . . .	1,408	1,422	1,124	1,370	1,325	1,305	1,323
13. Reserve Funds . . . . .	551	568	323	365	409	515	791
14. Profit and Loss, etc. . . . .	156	118	38	44	40	52	80
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	3,600	3,813	2,770	3,013	2,459	2,054	2,198
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
17. Deposits . . . . .	13,831	12,653	8,902	7,575	6,953	7,297	7,876
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Borrowings . . . . .	524	443	449	411	474	642	356
19. Acceptances and Endorsements . . . . .	700	940	1,288	976	1,399	1,124	1,675
20. Sundry Liabilities . . . . .	83	63	190	94	151	210	703
21. Guarantees, etc. ( <i>Avale und Bürgschaften</i> ) . . . . .	1,000	858	827	939	802	702	707
22. Rediscounts . . . . .	1,728	1,785	2,092	1,512	2,307	2,986	3,125

<sup>1</sup>Source : " Official Statistics " (*Statistisches Reichsamt*).

**Reichsbank :** *Gold* : gold at home and abroad valued at R.M. 1 = 0.3592 gramme of fine gold. *Cash* : excludes holdings of own notes which are also deducted from note issue as shown in original balance-sheet. *Subsidiary coin* includes small amounts of silver amounting to R.M. 332, 344, 80, 129, 64, 68, 43, 38 and 9 thousand in the years 1929-1937 respectively. The *Privatnotenbanken* were wound up at the end of 1935. *Domestic bill and cheque holdings* : Item shown as " Other domestic bills and cheques " is believed to include since 1933 substantial amounts of public short- and medium-term paper (see *Money and Banking 1935/36*, Vol. II, page 94, and introductory note above). *Securities* : those shown as " eligible as note cover " represent the *Steuerzuschüsse* (advance tax certificates) issued originally under the " von Papen Plan " of September 1932, with a view to stimulating private industry. *Advances* : " Other " lombard loans and advances comprise small amounts of advances against gold and silver, but mainly advances against goods. *Other assets* include, in addition to premises and " other assets " : (a) bills pledged as collateral for the \$100 million Loan of 1931 amounting to R.M. 419 and 361 million in 1931 and 1932 respectively ; (b) working credit to the Government shown separately for 1933, 1934, 1935 and 1937, when it

TABLE XII. — COMMERCIAL BANKS.<sup>1</sup>

End of :	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
Number of Banks . . . . .	96	91	77	70	71	69	88	90	68
SUMMARY BALANCE-SHEET.									
ASSETS.									
Reichsmarks (000,000's)									
1. Cash . . . . .									
(a) Gold, silver and small coins . . . . .									
(b) Inland notes and balances with Central Bank . . . . .	258	263	237	187	184	158	173	179	195
2. Other Items of a Cash Nature . . . . .									
3. Bills discounted and bought . . . . .	3,363	2,847	1,678	1,865	1,970	2,378	2,501	3,046	3,833
(a) Treasury bills . . . . .	491	551	370	500	580	584	701	571	513
(b) Commercial bills, Inland . . . . .									
(c) Commercial bills, Foreign . . . . .	2,872	2,296	1,308	1,365	1,390	1,794	1,800	2,475	3,320
4. Investments and Securities . . . . .	430	411	666	748	716	838	1,051	1,192	1,102
(a) Government . . . . .	29	41	342	502	436	362	527	609	490
(b) Other . . . . .	401	370	324	246	280	476	524	583	612
5. Participations . . . . .	408	393	431	408	376	331	278	278	262
6. Due from Banks (Correspondents) . . . . .	1,948	1,753	975	712	596	567	500	478	451
(a) At home . . . . .	—	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	10,252	10,413	8,041	6,762	5,847	5,540	4,955	4,843	4,812
(a) On current account . . . . .	6,442	6,563	5,258	4,863	3,860	3,610	3,445	3,280	3,178
(b) Other . . . . .	3,810	3,850	2,783	2,399	1,987	1,930	1,510	1,563	1,639
8. Cover for Acceptances . . . . .	624	808	1,039	859	850	848	819	704	678
9. Premises, etc. . . . .	292	296	290	302	326	307	312	327	313
10. Sundry Assets . . . . .	89	55	44	55	46	45	57	45	40
11. Total Balance-sheet . . . . .	17,664	17,239	13,401	11,898	10,911	11,012	10,646	11,092	11,686
LIABILITIES.									
12. Capital paid up . . . . .	982	980	1,246	783	699	679	647	665	666
13. Reserve Funds . . . . .	450	453	448	198	188	167	210	218	231
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	3,270	3,691	2,375	2,506	2,082	1,765	1,665	1,563	1,444
(a) At home . . . . .	—	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—
17. Deposits . . . . .	10,965	9,814	6,802	6,159	5,642	6,029	6,014	6,573	7,263
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	704	786	961
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—	—
18. Borrowings . . . . .	1,159	1,341	1,409	1,332	1,361	1,399	1,134	1,206	1,200
19. Acceptances and Endorsements . . . . .	624	808	1,039	859	850	848	819	704	678
20. Sundry Liabilities . . . . .	214	152	82	61	89	125	157	163	204
21. Guarantees, etc. ( <i>Avale und Bürgschaften</i> ) . . . . .	828	776	637	502	454	468	467	525	663
22. Rediscunts . . . . .	1,816	1,877	1,896	1,031	1,232	1,496	764	1,002	1,035

<sup>1</sup> Source : *Reichsanzeiger Bilanzübersichten*.

amounted to 47, 1, 59 and 43 millions respectively ; (c) investment of the pensions fund shown at 79 millions from 1933 on ; (d) amortisation payments made for the Government on account of following year shown at RM. 26, 23, 22 and 23 million for 1934, 1935, 1936 and 1937 respectively, and an amount of RM. 8 million, representing advances for new construction in Berlin shown for 1934. *Total balance-sheet* excludes holdings of own bank notes and a *per contra* item entitled "gestundete Forderung an das Reich gemäss §11, 4, des Gesetzes über die Liquidierung des Umlaufs an Rentenbankscheinen", representing the accounts for the withdrawal of Rentenbank notes amounting to RM. 140 million in 1929 and 70 millions in each of the following years. *Reserves* : "Other" includes pensions funds, special reserve for dividend payments, reserves for printing of notes, building purposes and (in 1929) for an increase of capital. *Note circulation* excludes notes held as till money. *Creditors in current account* include small amounts shown separately as "non-interest bearing deposits". *Other liabilities* include, in addition to profits, interest on bills due the following year, payments received for "Office Franco-Allemand" shown at RM. 95 million for 1935 only, and sundry liabilities.

TABLE XIII. — BIG BERLIN BANKS (BERLINER GROSSBANKEN).

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Number of Banks . . . . .	6	6	5	5	5	5	5	5	5
SUMMARY BALANCE-SHEET.									
ASSETS.									
Reichmarks (000,000's)									
1. Cash . . . . .									
(a) Gold, silver and small coins . . . . .									
(b) Inland notes and balances with Central Bank . . . . .	426	431	400	254	254	245	257	257	256
2. Other Items of a Cash Nature . . . . .									
3. Bills discounted and bought . . . . .	3,038	2,573	1,478	1,718	1,748	2,003	2,202	2,511	3,026
(a) Treasury bills . . . . .	380	549	374	497	548	496	613	442	407
(b) Commercial bills, Inland . . . . .	2,658	2,024	1,104	1,221	1,200	1,508	1,589	2,069	2,619
(c) Commercial bills, Foreign . . . . .									
4. Investments and Securities . . . . .	211	173	170	213	206	598	767	875	881
(a) Government . . . . .	15	19	56	66	78	301	401	443	437
(b) Other . . . . .	196	154	114	147	128	297	366	432	444
5. Participations . . . . .	279	280	289	313	293	285	205	210	197
6. Due from Banks (Correspondents) . . . . .	1,674	1,479	664	586	479	388	305	273	297
(a) At home . . . . .	—	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	7,407	7,128	4,788	4,270	3,615	3,164	2,867	2,674	2,586
(a) On current account . . . . .	4,769	4,554	3,518	3,275	3,009	2,781	2,635	2,360	2,247
(b) Other . . . . .	2,638	2,574	1,270	995	606	413	332	314	339
8. Cover for Acceptances . . . . .	513	701	919	770	765	772	720	625	603
9. Premises, etc. . . . .	213	207	208	235	215	212	215	204	202
10. Sundry Assets . . . . .	4	4	321	444	340	19	9	6	5
11. Total Balance-sheet . . . . .	13,765	12,976	9,237	8,803	7,915	7,686	7,547	7,635	8,053
LIABILITIES.									
12. Capital paid up . . . . .	588	553	429	442	426	427	427	428	427
13. Reserve Funds . . . . .	330	330	115	100	80	93	114	122	141
14. Profit and Loss, etc. . . . .	79	51	7	7	9	13	29	36	34
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	2,809	3,137	2,161	2,380	1,926	1,547	1,482	1,319	1,250
(a) At home . . . . .	—	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—	—
17. Deposits . . . . .	9,228	7,993	5,398	4,946	4,581	4,727	4,677	5,022	5,532
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	205	475	531	661
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	189	189	189	128	86	58	51	33	13
19. Acceptances and Endorsements . . . . .	513	701	919	770	765	772	720	625	603
20. Sundry Liabilities . . . . .	30	22	19	30	42	49	47	50	53
21. Guarantees ( <i>Avale und Bürgschaften</i> ) . . . . .	676	642	528	448	395	373	371	494	593
SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.									
1. Gross Profits . . . . .	480	450	368	320	300	300	283	304	.
<i>To be deducted :</i>									
2. Expenses . . . . .	410	366	316	271	246	243	257	273	.
(a) Salaries, etc. . . . .	366	326	286	247	229	226	234	241	.
(b) Other working expenses . . . . .	—	40	—	—	—	—	—	—	.
(c) Taxes, etc. . . . .	54	—	30	24	17	17	23	32	.
3. Reserved for Pensions Funds, etc. . . . .	3	1	—	—	—	2	3	3	.
4. Written off on . . . . .	2	43	706	131	69	36	2	1	.
(a) Premises, etc. . . . .	2	1	—	1	1	1	2	1	.
(b) Investments and securities . . . . .	—	42	706	130	68	35	—	—	.
(c) Other assets . . . . .	—	—	—	—	—	—	—	—	.
5. Remaining Net Profit or Loss . . . . .	+ 65	+ 40	— 654	— 82	— 15	+ 19	+ 21	+ 27	.
6. Carried forward from preceding year . . . . .	9	10	10	4	3	5	7	8	.
7. Taken from Reserves or Capital . . . . .	—	—	651	85	20	—	—	—	.
8. Total disposed of for Dividends, etc. . . . .	74	50	7	7	8	24	28	35	.
9. Carried to Reserves . . . . .	—	—	—	—	—	13	2	6	.
10. Dividends . . . . .	61	38	3	4	3	4	18	21	.
11. Director's Fees, etc. . . . .	3	2	—	—	—	—	—	—	.
12. Carried forward to following year . . . . .	10	10	4	3	5	7	8	8	.

## Commercial Banks.

As in the previous edition, three separate summary balance-sheets are given. Table XI summarises the statistics of the *Statistisches Jahrbuch* covering all the commercial banks of the country and Table XII the interim reports of the *Kreditbanken* (excluding the Deutsche Golddiskontbank), as published in the *Reichsanzeiger*. The former include the big Berlin banks, provincial banks having branches, other commercial banks and special banks for building, etc. The *Kreditbanken* covered appear to account for about 95% of the total balance-sheet of all commercial banks in 1931. Table XIII summarises the annual balance-sheets of the big Berlin banks.

For reasons of space, the following notes show the detailed composition of the statistics only of the *Kreditbanken* and the big Berlin banks, and not of all the commercial banks, as shown in Table XI. A comparison of the details given in the first edition of this volume will show, however, that the *Kreditbanken* are fully representative of all the banks.

## 1 and 2. Cash and Cash Assets.

The detailed composition of this item is as follows :

	<i>Kreditbanken</i>								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Cash, foreign money and coupons	133	126	101	92	96	81	95	104	110
Balances with banks of issue . . .	91	109	116	81	63	59	78	75	85
Balances with clearing institutions	34	28	20	14	25	18	—	—	—
Not specified . . . . .	—	—	—	—	—	—	—	—	—
Total . . . . .	258	263	237	187	184	158	173	179	195
	<i>Big Berlin banks</i>								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Reichsmarks (000,000's)								
Cash, foreign money and coupons	166	170	128	111	119	120	108	105	90
Balances with banks of issue . . .	252	253	264	143	135	125	149	152	166
Balances with clearing institutions									
Not specified . . . . .	8	8	8	—	—	—	—	—	—
Total . . . . .	426	431	400	254	254	245	257	257	256

## 3. Discounts.

No distinction is made in the balance-sheets between domestic and foreign bills. The following details are available regarding the bill portfolio of the *Kreditbanken* :

	<i>Kreditbanken</i>								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Treasury bills :									
Rediscountable at Reichsbank	245	73	134	110	120	87	599	493	469
Other . . . . .	246	478	236	390	460	497	102	78	44
Total 3 (a) . . . . .	491	551	370	500	580	584	701	571	513
Commercial bills :									
Cheques and bills (ordinary discounts) . . . . .	2,863	2,288	1,299	1,327	1,369	1,773	1,787	2,458	3,305
Own acceptances . . . . .	5	2	2	15	8	8	6	10	9
Own drawings . . . . .	3	1	3	3	2	9	2	2	1
Promissory notes drawn by customers to bank's order . . . . .	1	5	4	20	11	4	5	5	5
Total 3 (b) . . . . .	2,872	2,296	1,308	1,365	1,390	1,794	1,800	2,475	3,320
Grand total . . . . .	3,363	2,847	1,678	1,865	1,970	2,378	2,501	3,046	3,833

Treasury bills are non-interest-bearing and are issued by the States as well as by the Reich. The commercial bill portfolio as shown above excludes bills rediscounted,

which are not included under liabilities, but are shown separately outside the balance-sheet.

## 4. Investments and Securities.

The sums shown under (a) consist of "Loans and interest-bearing bonds of the Reich and the States". The Treasury certificates given to the big Berlin banks by

the Reich in 1931 and 1932 pending their reorganisation have not been included in the present group of the Summary Table, but are shown under "Sundry Assets" in group 10. Other securities (b) are classified in the official statistics as follows :

	<i>Kreditbanken</i>								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Pledgable at Reichsbank and other central banks . . . . .	57	69	33	26	30	223	251	274	251
Other quoted securities . . . . .	273	226	226	157	162	141	180	192	269
Sundry securities . . . . .	71	75	65	63	88	112	93	117	92
Total . . . . .	401	370	324	246	280	476	524	583	612
	<i>Big Berlin banks</i>								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Reichsmarks (000,000's)								
Pledgable at Reichsbank and other central banks . . . . .	12	12	9	7	8	175	210	225	179
Other quoted securities . . . . .	152	120	80	99	69	76	98	123	209
Sundry securities . . . . .	32	22	25	41	51	46	58	84	56
Total . . . . .	196	154	114	147	128	297	366	432	444

5. *Participations.*

The sums given in the summary tables are composed of permanent participations in banks and banking firms and syndicate participations (*Konsortialbeteiligungen*) as follows:

	<i>Kreditbanken</i>								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Bank participations . . . . .	187	181	200	187	190	147	119	116	136
Syndicate participations . . . . .	221	212	231	221	186	184	159	162	126
Total . . . . .	408	393	431	408	376	331	278	278	262
	Big Berlin banks								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
Bank participations . . . . .	111	114	127	144	121	97	91	89	67
Syndicate participations . . . . .	168	166	162	169	172	188	114	121	130
Total . . . . .	279	280	289	313	293	285	205	210	197

6. *Due from Banks (Correspondents).*

In the official statistics, the banks' "advances to banks, banking firms, savings banks and other credit institutions" are included with other advances on current account.

In the Summary Tables, this item has been carried to group 6 and added to "nostro" balances, which represent balances accruing in the ordinary course of banking transactions. (They do not include sums due after more than three months.) This division is shown below:

	<i>Kreditbanken</i>								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
"Nostro" balances . . . . .	1,507	1,290	484	354	282	273	283	294	274
Advances to credit institutions . . . . .	441	463	491	358	314	294	217	184	177
Total . . . . .	1,948	1,753	975	712	596	567	500	478	451
	Big Berlin banks								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Reichsmarks (000,000's)								
"Nostro" balances . . . . .	1,305	1,011	373	249	189	149	123	125	129
Advances to credit institutions . . . . .	369	468	291	337	290	239	182	148	168
Total . . . . .	1,674	1,479	664	586	479	388	305	273	297

The bulk of the "nostro" balances are due within seven days.

7. *Loans and Advances.*

The sums given under (a) in the Summary Tables represent "debtors in current account", less cover for acceptances. The latter item is not shown separately by the banks, but amounts equal to the acceptance liabilities shown in the balance-sheets have been deducted from "debtors" and carried to group 8 of the Summary Tables.

Current-account debtors, as shown in the official statistics, include advances to credit institutions; these advances have been carried to group 6 of the Summary Tables.

The amounts shown under (b) represent contangos and other advances to the Stock Exchange, reimbursement credits and other loans and advances. The detailed composition of loans and advances in the years under review is shown in the following table:

	<i>Kreditbanken</i>								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Debtors in current account:									
1. Covered by:									
Stock-Exchange security	1,587	1,536	989	744	689	660	596	615	617
Other security . . . . .	3,993	4,437	4,015	3,624	3,309	3,020	2,821	2,521	2,320
2. Uncovered . . . . .	1,927	1,861	1,784	1,212	1,026	1,072	1,064	1,032	1,091
3. Total . . . . .	7,507	7,834	6,788	5,580	5,024	4,752	4,481	4,168	4,028
Less:									
Advances to credit institutions . . . . .	441	463	491	358	314	294	217	184	177
Cover for acceptances . . . . .	624	808	1,039	859	850	848	819	704	678
4. Total 7 (a) . . . . .	6,442	6,563	5,258	4,363	3,860	3,610	3,445	3,280	3,173
Other loans and advances:									
5. Advances on Stock-Exchange securities:									
Contangos . . . . .	318	196	58	1	1	1	—	—	—
Lombards . . . . .	284	227	124	40	32	26	18	25	18
Total . . . . .	602	423	182	41	33	27	18	25	18
6. Reimbursement credits:									
Secured by shipping or warehouse warrants . . . . .	238	182	99	130	64	57	.	.	.
Otherwise secured . . . . .	859	967	679	543	329	226	.	.	.
Unsecured . . . . .	966	1,000	540	407	226	161	.	.	.
Total . . . . .	2,063	2,149	1,318	1,080	619	444	236	213	230
7. Other short-term credits on pledge of marketable goods . . . . .	185	170	75	65	95	125	82	85	103
8. Total short-term loans and advances (5 + 6 + 7) . . . . .	2,850	2,742	1,575	1,186	747	596	336	323	351
9. Long-term loans . . . . .	960	1,108	1,208	1,213	1,240	1,334	1,174	1,240	1,288
10. Total 7 (b) . . . . .	3,810	3,850	2,783	2,399	1,987	1,930	1,510	1,563	1,639
Grand total (4 + 10) . . . . .	10,252	10,413	8,041	6,762	5,847	5,540	4,955	4,843	4,812



Debtors in current account :	1929	1930	1931	Big Berlin banks			1935	1936	1937
				1932	1933	1934			
	Reichsmarks (000,000's)								
1. Covered by :									
Stock-Exchange security	1,363	1,298	721	618	610	581	.	.	.
Other security . . . . .	2,863	3,095	2,775	2,753	2,463	2,316	.	.	.
2. Uncovered . . . . .	1,425	1,330	1,232	1,011	992	865	.	.	.
3. Total . . . . .	5,651	5,723	4,728	4,382	4,065	3,762	3,438	3,133	3,018
Less :									
Advances to credit institutions . . . . .	369	468	291	337	291	239	183	148	168
Cover for acceptances . . . . .	513	701	919	770	765	772	720	625	603
4. Total 7 (a) . . . . .	4,769	4,554	3,518	3,275	3,009	2,751	2,535	2,360	2,247
Other loans and advances :									
5. Advances on Stock-Exchange securities :									
Contangos . . . . .	298	166	60	1	—	1	.	.	.
Lombards . . . . .	264	187	69	31	24	21	.	.	.
Total . . . . .	562	353	129	32	24	22	13	17	20
6. Reimbursement credits :									
Secured by shipping or warehouse warrants . . . . .	211	189	75	89	70	45	.	.	.
Otherwise secured . . . . .	791	955	568	486	279	169	.	.	.
Unsecured . . . . .	799	821	427	326	192	119	.	.	.
Total . . . . .	1,801	1,965	1,070	901	541	333	282	256	274
7. Other short-term credits on pledge of marketable goods . . . . .	171	152	71	62	42	58	.	.	.
8. Total short-term loans and advances (5 + 6 + 7) . . . . .	2,534	2,470	1,270	995	606	413	295	273	294
9. Long-term loans . . . . .	104	104	—	—	—	—	37	41	45
10. Total 7 (b) . . . . .	2,638	2,574	1,270	995	606	413	332	314	339
Grand total (4 + 10)	7,407	7,128	4,788	4,270	3,615	3,164	2,867	2,674	2,586

8. Cover for Acceptances. — See note to previous group.

#### 10. Sundry Assets.

The amounts shown under this heading for the Berlin banks in 1931, 1932 and 1933 include RM. 300, 410, and 313 million respectively of Treasury certificates given by the Reich in connection with their reorganisation.

#### 12, 13 and 14. Capital, Reserves and Undivided Profits.

The capital account involves double counting in respect of the bank participations included under assets.

#### 16. Due to Banks (Correspondents).

Sums due to foreign banks are not shown separately, but the bulk of the credits obtained with other banks for the account of customers (*seitens der Kundschaft bei Dritten benutzte Kredite*) probably represents liabilities to foreign banks.

The detailed composition of the sums shown in the Summary Tables is given below :

	Kreditbanken								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Credits obtained with other banks for the account of customers . . . . .	2,122	2,297	1,531	1,223	709	540	458	404	365
Due to German banks, banking firms, etc. . . . .	1,148	1,394	844	1,283	1,373	1,225	1,207	1,159	1,079
Total . . . . .	3,270	3,691	2,375	2,506	2,082	1,765	1,665	1,563	1,444
	1929	1930	1931	1932	1933	1934	1935	1936	1937
Credits obtained with other banks for the account of customers . . . . .	1,872	2,114	1,223	1,095	637	469	417	362	315
Due to German banks, banking firms, etc. . . . .	937	1,023	938	1,285	1,289	1,078	1,065	957	935
Total . . . . .	2,809	3,137	2,161	2,380	1,926	1,547	1,482	1,319	1,250

#### 17. Deposits.

The official statistics include balances due to German credit institutions (which have been shown under group 16

of the Summary Table) along with other *Kreditoren* and show the time distribution of the whole as follows :

	Kreditbanken								
	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
	Reichsmarks (000,000's)								
Deposits . . . . .	10,965	9,814	6,802	6,159	5,642	6,029	5,310	5,788	6,302
Due to German banks . . . . .	1,148	1,394	844	1,283	1,373	1,225	883	893	857
Total . . . . .	12,113	11,208	7,646	7,442	7,015	7,254	6,193	6,681	7,159
Thereof :									
Payable within seven days . . . . .	4,490	4,565	3,870	3,494	3,155	3,372	3,297	3,674	3,911
Payable after seven days and up to three months . . . . .	6,679	5,827	3,119	2,948	3,041	3,052	2,180	2,250	2,404
Payable after three months . . . . .	944	816	657	1,000	819	830	716	757	844
Total, as above . . . . .	12,113	11,208	7,646	7,442	7,015	7,254	6,193	6,681	7,159
Savings deposits . . . . .	—	—	—	—	—	—	704	785	961

	1929	1930	1931	Big Berlin banks			1935	1936	1937
				1932	1933	1934			
Reichsmarks (000,000's)									
Deposits . . . . .	9,228	7,993	5,398	4,946	4,581	4,522	4,202	4,491	4,871
Due to German banks . . . . .	937	1,023	938	1,285	1,289	1,078	822	717	759
Total . . . . .	10,165	9,016	6,336	6,231	5,870	5,600	5,024	5,208	5,630
<i>Thereof:</i>									
Payable within seven days	4,247	4,128	3,316	3,002	2,779	2,890	2,585	2,857	3,286
Payable after seven days and up to three months . . . . .	5,419	4,538	2,535	2,621	2,516	2,187	2,439	2,351	2,344
Payable after three months	499	350	485	608	575	523			
Total, as above . . . . .	10,165	9,016	6,336	6,231	5,870	5,600	5,024	5,208	5,630
Savings deposits . . . . .	—	—	—	—	—	205	475	531	661

## 18. Borrowings.

The sums shown in the Summary Table for *Kreditbanken* are composed as follows:

	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
Mortgage and municipal bond issues . . . . .	861	1,045	1,141	1,086	1,059	1,033	1,074	1,124	1,142
Other long-term borrowings . . . . .	298	296	268	246	302	366	60	82	58
Total . . . . .	1,159	1,341	1,409	1,332	1,361	1,399	1,134	1,206	1,200

Rediscounts are shown by the German banks as contingent liabilities outside the balance-sheet. They are therefore excluded from the present group in the Summary

Tables and given as an independent group (23) outside the balance-sheet proper.

## 22 and 23. Guarantees and Rediscounts.

These items are classified as contingent liabilities and excluded from the balance-sheet. Rediscount liabilities

arise in respect of bank acceptances and other bills, shown separately by the *Kreditbanken* as follows:

	Nov. 1929	Nov. 1930	Nov. 1931	Nov. 1932	Nov. 1933	Nov. 1934	Nov. 1935	Nov. 1936	Nov. 1937
Rediscount liabilities in respect of:									
Bank acceptances . . . . .	974	1,135	1,007	348	335	294	386	242	190
Other bills . . . . .	842	742	889	683	897	1,202	378	760	845
Total . . . . .	1,816	1,877	1,896	1,031	1,232	1,496	764	1,002	1,035
<i>Thereof</i> due within fifteen days	562	486	464	246	252	362	.	.	.

The interim reports on which the Summary Table is based also show under contingent liabilities small amounts of the banks' own drawings, both for their own account and for the account of customers.

## Summary of Profit-and-Loss Accounts of the Big Berlin Banks.

No official profit-and-loss statistics are published in Germany. Table 19 — II is based on the annual reports of the leading Berlin banks.

## 1. Gross Profits.

The composition of gross profits according to the sources from which they are derived is shown below:

	1929	1930	1931	1932	1933	1934	1935	1936	1937
Net interest from discounts and loans . . . . .	227	208	170	160	134	133	133	145	.
Commissions . . . . .	244	237	193	157	163	163	139	148	.
Profits from investments and participations . . . . .	9	5	5	3	3	4	11	11	.
Total . . . . .	480	450	368	320	300	300	283	304	.

The first item represents the net balance of interest earned on discounts, loans and advances after deduction of interest paid on deposit accounts; some banks include this latter item under expenses. The sums for total gross

profits as shown above may be incomplete in certain years in so far as the banks follow the practice of making allowance for depreciation of their investments, participations and outstanding credits before disclosing their profits.

## 11. Directors' Fees, etc.

This item consists only of the directors' share in profits (*Gewinnanteil des Aufsichtsrates*). Their salaries (*Bezüge*

*des Vorstandes*) are included under expenses in item 2 of the Summary Table.

## GREECE

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Bank of Greece											Liabilities in gold and foreign currencies
		Gold and foreign exchange	Commercial and agricultural bills	Treasury bills	Advances		Government debt	Government gold loan bonds	Investments	Notes in circulation	Sight liabilities in drachmas		
					Government	Other					Total	Banks	
Drachmas (000,000's)													
Dec. 1935.	42.9	3,490	306	—	3,174	1,355	2,714	567	299	5,988	4,784	453	229
March 1936.	43.0	3,341	282	—	3,890	982	3,605	567	299	5,670	5,953	772	275
June 1936.	42.7	3,039	286	—	4,381	987	3,605	567	499	5,608	6,597	748	193
Sept. 1936.	42.5	3,076	302	56	4,327	1,060	3,605	557	499	5,926	6,451	628	244
Dec. 1936.	40.8	3,385	275	159	3,268	1,212	3,605	557	488	6,203	5,715	1,058	212
March 1937.	40.7	3,419	312	230	1,121	1,403	3,605	549	478	6,368	4,363	1,439	147
June 1937.	41.2	3,321	287	250	1,835	1,579	3,557	543	471	6,447	4,915	1,468	144
Sept. 1937.	41.3	3,396	339	268	2,779	1,794	3,855	521	460	6,735	5,660	626	144
Dec. 1937.	41.2	3,658	341	277	3,213	2,035	3,856	514	445	6,776	6,386	729	169

■ Monthly average.

<sup>a</sup> Gold parity in 1929 : 1 drachma = 0.01298 U.S.A. dollar ; 1 U.S.A. dollar = 77.05647 drachmæ.

End of	Wholesale prices (1929 = 100)	Commercial Banks <sup>a</sup>								Mortgage Banks <sup>b</sup>	Agricultural Banks <sup>c</sup>	Post Office Savings Bank	Clearings turnover <sup>d</sup> (Monthly)	Bank of Greece	Yield of bonds Refugee Loan 8 % 1926/1928
		Cash	Commercial bills	Advances		Government securities	Deposits								
				At three months	Over three months		Sight and savings deposits	Time							
Drachmas (000,000's)															
Dec. 1935	113.7	1,153	1,904	6,334	3,503	1,672	11,180	3,116	2,081	1,703	2,402	712	7	11.25	
March 1936	113.2	1,217	2,012	6,300	3,492	1,666	11,337	3,153	2,033	1,806	2,541	743	7	11.60	
June 1936	110.5	1,176	2,060	6,277	3,648	1,713	11,307	3,153	2,010	1,906	2,616	537	7	11.58	
Sept. 1936	111.5	1,122	2,010	6,187	3,644	1,682	11,243	3,081	2,006	1,996	2,651	607	7	11.33	
Dec. 1936	116.7	1,592	2,017	6,199	3,617	1,696	11,634	3,075	2,110	2,739	2,772	810	7	11.16	
March 1937	125.8	2,007	2,046	5,943	3,539	1,715	11,849	3,061	2,071	2,630	2,998	923	6	11.39	
June 1937	126.5	2,079	2,162	6,673	3,846	1,704	12,540	3,149	2,700	2,676	3,051	939	6	10.39	
Sept. 1937	127.1	1,116	2,290	6,809	3,953	1,690	12,244	3,128	2,742	2,900	...	844	6	10.96	
Dec. 1937	126.2	1,028 <sup>f</sup>	2,251 <sup>f</sup>	7,058 <sup>f</sup>	3,948 <sup>f</sup>	1,679 <sup>f</sup>	12,326 <sup>f</sup>	3,126 <sup>f</sup>	2,773 <sup>f</sup>	3,494 <sup>f</sup>	...	1,104	6	10.44	

■ Monthly average.

<sup>a</sup> Five big banks. *Cash* : Including balances with the Bank of Greece.

<sup>b</sup> Two mortgage banks.

<sup>c</sup> Two agricultural banks. Total of short-term and long-term loans.

<sup>d</sup> Total of amounts cleared in the clearing-houses of Athens, the Piræus and Salonica ; monthly figures.

<sup>e</sup> Date of last change : January 4th, 1937.

<sup>f</sup> November.

See *Commercial Banks 1913-1929*, page 160 ; *1925-1933*, page 129 ; *1929-1934*, page 58 ; *Money and Banking 1935/36*, Vol. II, page 107 ; *1936/37*, Vol. II, page 85.

**Value of Currency :** The buying and selling rates of exchange fixed on September 28th, 1936, at 546 and 550 drachmæ per £ sterling respectively have since been maintained.

**Bank of Greece : Gold :** Up to April 23rd, 1932, valued in stabilised drachmæ (1 drachma = 0.01953 gramme of fine gold ; 375 drachmæ = £1) ; subsequently not shown separately from foreign exchange in the balance-sheets. **Treasury bills :** Bills issued to the order of Greek industrial firms. **Advances to the State :** Non-interest-bearing advances granted by the Bank to the Government, under arrangements with foreign creditors, out of the

## Bank of Greece.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937*
ASSETS.									
	Drachmæ (000,000's)								
1. Gold reserve . . . . .	640	510	869	1,824	4,020	3,210	2,628	2,818	3,658
2. Foreign exchange . . . . .	4,135	3,282	1,268	1,824	4,020	895	862	567	
3. Subsidiary coin . . . . .	—	30	146	174	195	192	180	169	155
4. Commercial inland bills . . . . .	157	145	153	196	187	245	306	275	341
5. Treasury bills . . . . .	—	—	—	102	—	—	—	159	277
6. Advances to the State . . . . .	—	—	—	1,825	2,603	1,361	3,174	3,268	3,213
7. Other advances . . . . .	168	182	380	859	529	966	1,355	1,212	2,035
(a) In drachmæ . . . . .	134	120	300	812	521	964	1,354	1,213	2,035
(b) In foreign currencies . . . . .	34	62	80	47	8	2	1	—	—
8. State debt . . . . .	3,596	3,389	3,126	2,714	2,714	2,714	2,714	3,605	3,856
9. Bonds of State loans in gold . . . . .	—	—	—	654	641	639	567	557	514
10. Investments . . . . .	56	299	287	360	371	282	299	488	445
11. Other assets . . . . .	378	605	1,240	403	818	1,155	665	843	1,148
12. Total Balance-sheet . . . . .	9,130	8,442	7,469	9,111	12,078	11,659	12,750	13,961	15,642
LIABILITIES.									
13. Capital paid up . . . . .	400	400	400	400	400	400	400	400	400
14. Reserve Fund . . . . .	63	71	72	93	97	101	108	125	152
15. Notes in circulation . . . . .	5,193	4,803	4,003	4,714	5,449	5,686	5,988	6,203	6,776
16. Sight liabilities in drachmæ . . . . .	1,530	1,868	1,963	3,451	5,424	4,166	4,785	5,715	6,386
(a) Current and deposit accounts :									
(1) State . . . . .	690	613	647	187	184	213	205	242	433
(2) Banks . . . . .	432	707	635	349	1,221	1,671	453	1,058	729
(3) Other accounts . . . . .	389	530	662	2,998	3,947	2,187	4,035	4,321	5,128
(b) Sight bills and drafts . . . . .	19	18	19	27	72	93	92	94	96
17. Liabilities in gold and foreign exchange . . . . .	1,658	780	217	225	66	93	229	212	169
18. Other liabilities . . . . .	286	520	814	228	642	1,213	1,240	1,306	1,759
Discount rate (percentage) . . . . .	9	9	11	9	7	7	7	7	6

\* Monthly statement on December 31st.

funds accumulating in the International Financial Commission's deposit account at the Bank (included under item 16 (a) (3)). These deposits represent the sums paid into that institution's account by deduction from the revenues securing the service of the external debt, and accumulated through the suspension of the transfer of part of the interest on the external debt. *State debt*: Debt arising from the former Forced Currency and other loans and transferred to the Bank of Greece by the National Bank of Greece. The annual payment of 200 million drachmæ for the amortisation of this debt (Agreement of October 27th, 1927, between the Government and the Bank) has been in suspense since 1932. In 1936, this debt was increased by 891 million drachmæ, representing the value of 22 million blocked Reichsmarks purchased by the Government according to an agreement of March 10th, 1936 (Law of March 4th, 1936); these claims were bought by the Government by way of a loan repayable in fifteen years and bearing 3% and were used for the purchase of war material in Germany. *Bonds of State loans in gold*: Up to the end of April 1933, these bonds formed part of the legal cover reserve. *Investments*: The increase in 1936 reflects mainly the acquisition of bonds of a 200 million drachmæ loan to the Greek State Railways. *Other assets*: This item includes, in addition to premises and unspecified accounts, the exchange loss sustained by the Bank in September 1931, as a result of the abandonment by Great Britain of the gold standard (Law of December 31st, 1931); this loss, originally amounting to 175 million drachmæ, is to be met to the extent of 30 million out of the Reserve Fund, one-tenth of the balance being amortised each year out of current profits. By the end of 1937, the amount of the loss had been reduced to 43 million drachmæ. *Reserve Fund*: Including the part (30 million drachmæ) assigned to amortisation of the loss resulting from the depreciation of the £ sterling. *Current and deposit accounts*: The deposits of the International Financial Commission (see above "Advances to the State") constitute the greater part of sub-item 16 (a) (3).

Sources: Bank of Greece: Weekly balance-sheets, annual reports ("The Economic Situation in Greece"), *Monthly Bulletin*. *Official Journal*.

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	35	32	26	27	26	27	26
<b>SUMMARY BALANCE-SHEET.</b>							
Drachmæ (000,000's)							
<b>ASSETS.</b>							
1. Cash . . . . .	1,109	1,127	871	1,972	2,486	1,320	1,784
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	—	—	—	—	—	—	—
3. Bills discounted and bought . . . . .	3,523	2,054	1,443	2,493	2,502	2,299	2,472
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	1,906	2,021	1,868	1,998	1,645	1,702	1,734
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	410	839	710	384	810	730	758
6. Due from Banks (Correspondents) . . . . .	1,627	787	890	855	640	623	841
(a) At home . . . . .	240	74	45	249	196	115	306
(b) Abroad . . . . .	1,387	713	845	606	444	508	535
7. Loans and Advances . . . . .	6,857	9,726	9,631	8,579	9,681	11,043	10,939
(a) On current account . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	439	—	—	—	—	—	—
10. Sundry Assets . . . . .	4,324	3,420	3,912	4,146	4,451	4,294	4,084
11. Total Balance-sheet . . . . .	20,195	19,974	19,325	20,427	22,215	22,011	22,612
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	688	2,766	2,551	1,952	1,963	2,021	2,020
13. Reserve Funds . . . . .	2,099	—	—	—	—	—	—
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation . . . . .	109	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
17. Deposits . . . . .	13,235	12,404	12,069	13,028	13,887	13,605	13,843
(a) Current accounts and sight deposits . . . . .	8,817	9,284	8,812	9,904	10,949	10,748	11,127
(b) Savings accounts . . . . .	3,088	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	1,850	—	—	—	—	—	—
(d) Other deposits . . . . .	—	3,120	3,257	3,124	2,938	2,857	2,716
18. Rediscounts and Other Borrowings . . . . .	345	326	324	313	252	53	28
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	3,719	4,478	4,381	5,134	6,113	6,332	6,721
Number of Banks . . . . .	28	23	21	22	20	20	.
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>							
Drachmæ (000,000's)							
Capital paid up . . . . .	662	525	622	644	634	635	.
Reserves and Undivided Profits . . . . .	2,098	1,843	1,571	1,601	1,591	1,598	.
1. Gross Profits . . . . .	1,563	1,307	1,168	1,136	754	799	.
<i>To be deducted :</i>							
2. Expenses . . . . .	1,214	1,008	903	901	521	526	.
(a) Salaries, etc. . . . .	512	—	—	—	—	—	.
(b) Other working expenses . . . . .	609	—	—	—	473	472	.
(c) Taxes, etc. . . . .	93	—	—	—	48	54	.
3. Reserved for Pension Funds, etc. . . . .	—	—	—	—	—	—	.
4. Written off on . . . . .	141	169	167	122	108	136	.
(a) Premises, etc. . . . .	—	—	—	—	—	—	.
(b) Investments and securities . . . . .	—	—	—	—	—	—	.
(c) Other assets . . . . .	—	—	—	—	—	—	.
5. Remaining Net Profit or Loss . . . . .	208	130	98	113	125	137	.
6. Carried forward from preceding year . . . . .	—	—	—	—	—	—	.
7. Taken from Reserves or Capital . . . . .	—	—	—	—	—	—	.
8. Total disposed of for Dividends, etc. . . . .	208	130	98	113	125	137	.
9. Carried to Reserves . . . . .	20	7	4	9	9	6	.
10. Dividends . . . . .	188	123	80	86	96	99	.
11. Directors' Fees, etc. . . . .	—	—	—	—	—	12	.
12. Carried forward to following year . . . . .	—	—	14	18	20	20	.

## Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume.

1. Cash.				banks", and those under (b) of " gold, foreign bank-notes and exchange ".			
End of	Notes and coins	Balances with and claims on the Bank of Greece Drachmæ (000,000's)	Total	End of	In drachmæ	In foreign currencies Drachmæ (000,000's)	Total
1931. . . . .	382	745	1,127	1931. . . . .	1,842	212	2,054
1932. . . . .	462	409	871	1932. . . . .	1,327	116	1,443
1933. . . . .	516	1,456	1,972	1933. . . . .	2,443	50	2,493
1934. . . . .	560	1,926	2,486	1934. . . . .	2,455	47	2,502
1935. . . . .	494	826	1,320	1935. . . . .	2,270	29	2,299
1936. . . . .	525	1,259	1,784	1936. . . . .	2,457	15	2,472

2. Due from Banks (Correspondents).  
Sums given under (a) consist of " balances with other

7. Loans and Advances.	End of	1931	1932	1933	1934	1935	1936
		Drachmæ (000,000's)					
Up to 3 months . . . . .		6,597	6,673	5,800	6,489	7,255	7,053
Over 3 months . . . . .		3,129	2,958	2,779	3,192	3,788	3,886
Total . . . . .		9,726	9,631	8,579	9,681	11,043	10,939
Of which :							
In drachmæ . . . . .		7,282	8,290	7,733	8,855	10,202	10,140
In foreign currencies. . . . .		2,444	1,341	846	826	841	799

17. Deposits.

	End of	1931	1932	1933	1934	1935	1936
		Drachmæ (000,000's)					
(a) and (b) Sight and Savings Deposits :							
In drachmæ . . . . .		5,912	7,438	8,888	9,975	9,748	10,135
In foreign currency . . . . .		3,372	1,374	1,016	974	1,000	992
Total . . . . .		9,284	8,812	9,904	10,949	10,748	11,127
(c) and (d) Time and Other Deposits :							
In drachmæ . . . . .		1,317	2,839	2,828	2,653	2,608	2,518
In foreign currency . . . . .		1,803	418	296	285	249	198
Total . . . . .		3,120	3,257	3,124	2,938	2,857	2,716

## HUNGARY

End of	Value of currency as % of gold parity in 1929 <sup>a</sup>	Wholesale prices (1929 = 100)	National Bank of Hungary							Subsidiary coin in circulation	Commercial Banks		Post Office Savings Bank Deposits	Yield of bonds <sup>c</sup>
			Gold	Foreign exchange	Loans and discounts	State debt	Sight deposits		Notes in circulation		Current accounts	Total deposits <sup>b</sup>		
							State	Other						
Pencő (000,000's)														
Dec. 1935 .	99.9	80.2	79	33	587	77	105	42	417	71.4	701	1,501	102	10.16
March 1936 .	100.1	75.2	79	33	514	80	97	25	391	67.8	687	1,488	108	8.00
June 1936 .	100.0	70.2	79	26	512	90	98	36	393	69.7	674	1,497	109	7.52
Sept. 1936 .	99.3	71.9	79	31	525	93	130	25	417	75.7	690	1,511	112	7.00
Dec. 1936 .	99.4	76.0	84	42	549	98	170	43	436	77.2	684	1,524	108	7.03
March 1937 .	99.4	78.5	84	47	463	102	179	22	417	73.8	690	1,537	118	6.56
June 1937 .	99.2	77.7	84	54	412	107	148	31	437	75.1	693	1,560	118	6.08
Sept. 1937 .	99.3	79.3	84	58	437	112	175	22	457	80.3	702	1,581	123	6.34
Dec. 1937 .	99.8	78.5	84	59	467	115	203	43	466	78.8	717	1,643	127	6.31

▪ Monthly average.

▪ Parity in 1929 : 1 pengő = 17.49 U.S.A. cents ; 1 U.S.A. dollar = 5.72 pengő.

▪ Excluding the item " Creditors ", which is included under deposits in the Summary Balance-sheet below.

• 5% Forced Loan, 1924.

See *Commercial Banks 1913-1929*, page 170 ; *1925-1933*, page 133 ; *1929-1934*, page 62 ; *Money and Banking 1935/36*, Vol. II, page 111 ; *1936/37*, Vol. II, page 88.

**Exchange Regulations :** Under various arrangements concluded in June and July 1937, the foreign debt service, previously paid in pengő into blocked accounts in favour of the creditors (with the exception of the payment, in foreign currencies, of 50% of the interest on the 1924 League of Nations Loan), is to be paid in foreign currencies on a basis agreed with the creditors. The foreign exchange required for this purpose is supplied from additional exports and tourist traffic. This new regime is in force only in respect of debts due to countries with free-exchange currencies (nine-tenths of Hungarian foreign indebtedness).

**National Bank of Hungary : Gold :** Valued at the legal parity (1 pengő = 0.26316 gramme of fine gold). **Foreign exchange :** For cover purposes : Valued at the legal rates. **Other :** This item, included under " Other assets " in the published returns, was recorded separately in the Bank's annual reports (remarks relating to the cover of note circulation) until 1935 inclusive, but has subsequently not been disclosed. **Government Debt :** The recent rise in this item is due to agricultural debt relief : the Government was authorised in 1933 to borrow up to 100 million pengő from the National Bank and to repay certain private agricultural debts to the banks on condition that the latter would, in turn, employ these sums to reduce their rediscount indebtedness. Total advances to the Government by the Bank under this arrangement amounted to 60 million pengő at the end of 1936 and to 75 millions in September 1937. **Cash certificates :** These certificates were issued in connection with the consolidation of the credits granted in the summer of 1931 to the National Bank by the Bank for International Settlements and certain Central banks (25.5 million gold dollars). Under an agreement which took effect on October 18th, 1933, these credits were consolidated for three years ; since October 1936, this arrangement has been repeatedly prolonged for varying periods (on the last occasion on July 18th, 1937, for another three years). The decrease of this item since 1933 is due to capital repayments, more particularly in 1936 to the repayment of the Italian part of the Central Bank credit. **Other liabilities :** The increase in this item since 1931 is due to the accumulation of pengő balances paid to the Bank under the Transfer Moratorium Decree, the Standstill Agreement and the clearing agreements. **Discount rate :** 4%, since August 29th, 1935.

Sources : Reports and periodic returns of the National Bank of Hungary. *Economic Bulletin of the Central Corporation of Banking Companies. Ungarisches Wirtschafts-Jahrbuch.*

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937*
ASSETS.									
	Pengő (000,000's)								
1. Gold reserve . . . . .	163	163	102	97	79	79	79	84	84
2. Token coins . . . . .	8	10	7	10	8	10	9	6	7
3. Foreign exchange . . . . .	80	68	23	20	33	34	71	42	59
(a) For cover purposes . . . . .	39	34	16	14	12	20	33	42	59
(b) Other . . . . .	41	34	7	6	21	14	38	— <sup>a</sup>	— <sup>a</sup>
4. Inland bills, warrants and securities . . . . .	329	298	441	463	625	620	575	535	450
5. Advances on securities . . . . .	—	—	—	9	11	12	12	14	17
6. Government Debt . . . . .	88	64	58	52	50	50	77	98	115
7. Other assets . . . . .	21	15	15	11	8	8	50	154	268
8. Total Balance-sheet . . . . .	689	618	646	662	814	813	873	933	1 000
LIABILITIES.									
9. Capital . . . . .	35	35	35	35	35	35	35	35	35
10. Reserve Fund . . . . .	8	8	9	9	9	9	10	10	10
11. Notes in circulation . . . . .	501	469	423	353	369	381	417	436	466
12. Sight deposits . . . . .	98	67	126	78	103	106	147	213	246
(a) Treasury . . . . .	70	33	30	42	66	72	105	170	203
(b) Other . . . . .	28	34	96	36	38	34	42	43	43
13. Cash certificates . . . . .	—	—	—	—	120	115	104	93	70
14. Other liabilities . . . . .	47	39	53	187	178	167	160	146	173
Discount rate (percentage) . . . . .	7½	5½	8	4½	4½	4½	4	4	4

\* Statement for week ending December 31st.

<sup>a</sup> Not available.

## Commercial Banks.

## 3. Bills discounted and bought.

Bills rediscounted are maintained under assets and are shown as a separate item under liabilities.

## 7. Loans and Advances.

The sums under (a) include participations, while (b) represents mortgage loans.

## 17. Deposits.

	1929	1931	1932	1933	1934	1935	1936
	Pengő (000,000's)						
Current accounts :							
Budapest . . . . .	845	745	724	733	630	653	631
Provinces . . . . .	75	52	45	42	44	48	53
Total . . . . .	920	797	769	775	674	701	684
Savings accounts :							
Budapest . . . . .	635	536	499	519	546	578	603
Provinces . . . . .	357	275	220	212	215	222	237
Total . . . . .	992	811	719	731	761	800	840
"Creditors" :							
Budapest . . . . .	799	694	600	568	575	596	583
Provinces . . . . .	110	110	111	101	90	85	76
Total . . . . .	909	804	711	669	665	681	659
Grand total . . . . .	2,821	2,412	2,199	2,175	2,100	2,182	2,183

The discrepancy between these totals and the figures shown in the Summary Table is stated to be "due to reasons of a technical nature in constructing the balance-sheets of some institutes".<sup>1</sup>

## 18. Rediscounts and Borrowings.

	1929	1931	1932	1933	1934	1935	1936
	Pengő (000,000's)						
1. Rediscounts :							
Budapest . . . . .	83	206	169	150	151	110	103
Provinces . . . . .	364	415	412	386	374	361	350
2. Own bond issues (Budapest banks) . . . . .	371	450	496	437	402	368	363
Total . . . . .	818	1,071	1,077	973	927	839	816

<sup>1</sup> Economic Bulletin of the Central Corporation of Banking Companies. No. 3. 1933.



## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	529	474	450	436	426	426	421
<b>SUMMARY BALANCE-SHEET.</b>							
ASSETS.							
1. Cash . . . . .							
(a) Gold, silver and small coins . . . . .							
(b) Inland notes and balances with Central Bank . . . . .	301	234	208	167	171	187	184
2. Other Items of a Cash Nature . . . . .							
3. Bills discounted and bought . . . . .	1,836	1,894	1,714	1,684	1,730	1,729	1,756
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	123	118	262	258	260	267	265
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	.	.	.	.	.	.	.
6. Due from Banks (Correspondents) . . . . .	.	.	.	.	.	.	.
(a) At home . . . . .	.	.	.	.	.	.	.
(b) Abroad . . . . .	.	.	.	.	.	.	.
7. Loans and Advances . . . . .	1,974	1,793	1,531	1,442	1,383	1,374	1,338
(a) On current account . . . . .	1,310	1,147	892	842	815	830	820
(b) Other . . . . .	664	646	639	600	568	544	518
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	118	115	125	136	141	144	149
10. Sundry Assets . . . . .	70	104	197	201	175	166	152
11. Total Balance-sheet . . . . .	4,422	4,258	4,037	3,888	3,860	3,867	3,844
LIABILITIES.							
12. Capital paid up . . . . .	394	386	383	378	376	376	381
13. Reserve Funds . . . . .	219	249	231	248	254	260	230
14. Profit and Loss, etc. . . . .	62	35	27	16	25	26	29
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	.	.	.	.	.	.	.
(a) At home . . . . .	.	.	.	.	.	.	.
(b) Abroad . . . . .	.	.	.	.	.	.	.
17. Deposits . . . . .	2,820	2,413	2,164	2,099	2,100	2,182	2,183
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	818	1,071	1,077	973	927	839	816
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	109	104	155	174	178	184	205

The rediscount figures do not include several big Budapest banks which do not show the amount of rediscounts in their balance-sheets.

The second item represents the mortgage and "communal" bonds issued in connection with the long-term loans (item 7 (b) above) of the banks.

## Profit-and-Loss Accounts.

The following figures are available for the eleven large Budapest banks, which — with a combined share capital of 198.2 millions and deposits amounting to 1,271 million pengö at the end of 1935 — account for well over half of the total resources of Hungarian banks.

	1932	1933	1934	1935
	Pengö (000,000's)			
Gross profits . . . . .	61.0	56.6	55.9	55.0
Expenses (including taxes) . . . . .	38.6	36.7	35.6	35.6
Net profit . . . . .	12.9	10.4	10.8	11.1
Dividends . . . . .	5.6	3.8	3.8	3.8

## INDIA

End of (Weekly returns)	Value of currency as % of gold parity in 1929	Wholesale prices (1929 = 100)	Reserve Bank of India (Issue and Banking Departments)							Scheduled Banks <sup>b</sup>					
			Gold	Silver	Foreign exchange		Government of India securities	Notes in circulation <sup>a</sup>	Deposits		Cash	Bills discounted	Advances	Liabilities	
					British Government securities	Other			Government	Banks				Demand	Time
	■	▲	Rupees (000,000's)												
Dec. 1935.	60.5	66.0	444	572	662	174	308	1,718	60	283	393	35	817	1,232	983
March 1936.	60.7	64.5	444	595	673	231	295	1,688	86	360	417	62	928	1,201	1,019
June 1936.	61.7	63.8	444	634	683	158	294	1,641	163	305	375	44	906	1,237	995
Sept. 1936.	61.5	64.5	444	681	673	69	290	1,645	127	279	334	24	866	1,291	1,010
Dec. 1936.	60.0	66.7	444	641	673	166	297	1,898	69	152	233	53	976	1,278	1,018
March 1937.	59.7	70.9	444	620	793	265	300	1,944	145	231	287	80	1,197	1,336	1,053
June 1937.	60.3	72.3	444	564	803	228	347	1,860	126	296	365	62	1,117	1,263	1,039
Sept. 1937.	60.5	73.8	444	618	803	127	353	1,760	161	280	346	48	1,010	1,269	1,049
Dec. 1937.	61.0	72.3	444	626	803	36	335	1,854	98	202	278	59	1,043	1,256	1,059

<sup>a</sup> Net circulation in India and Burma, not including notes held by the Banking Department.

<sup>b</sup> Since April 1937, excluding Burma.

■ Monthly average.      ▲ End of month.

See *Commercial Banks 1925-1933*, page 318; *1929-1934*, page 194; *Money and Banking 1935/36*, Vol. II, page 114; *1936/37*, Vol. II, page 91.

**Reserve Bank of India :** For initial operations relating to the constitution of the Bank on April 5th, 1935, see *Money and Banking 1935/36*, Vol. II, page 114. **Gold :** Valued at the rate 13 $\frac{1}{3}$  rupees = £1, fixed on April 1st, 1927 (1 rupee = 0.54918 gramme of fine gold). This item includes gold coin and bullion at home and abroad, the latter held at the Bank of England. **Sterling securities:** British Government securities, maturing within five years. **Notes in circulation :** Since April 1937, the Bank shows separately the notes in circulation in Burma. The notes issued by the Central Bank represent only a part of the currency in circulation which consists, to a large extent, of coin, the exact amount of which is unknown. **Deposits :** The scheduled banks are required to keep on deposit with the Reserve Bank a minimum reserve balance amounting to 5% of demand and 2% of time liabilities. In addition to such compulsory deposits, item 19 includes voluntary deposits by both scheduled and non-scheduled banks.

**Burma Monetary Arrangements :** The political separation of Burma from India on April 1st, 1937, involved several important changes in the Indian monetary system : (1) The Reserve Bank of India continues to be responsible for the management of the currency of Burma. (2) The Bank has the sole right of note issue in Burma. The Indian notes remain legal tender in Burma, but the Bank shows, in its weekly statements, separately the totals of notes issued and in circulation in Burma. The Burma notes are overprinted : " legal tender in Burma only ". These notes possess the right of convertibility into the silver rupee. It is provided that the Indian rupee coin and subsidiary coin shall remain legal tender in Burma for not less than two years, as from April 1st, 1937. (3) A scheme has been devised whereby the Government of Burma will obtain a share in the surplus profits at present accruing to the Government of India. This share is to be based on the proportion which the Reserve Bank's note issue in Burma constitutes of its total note issue.

**Report of the Agricultural Credit Department of the Reserve Bank of India :** Section 55 of the Reserve Bank Act of 1934 requires the Bank " to make a report to the Governor-General in Council, with proposals for legislation on the improvement of the machinery for dealing with agricultural finance and methods for effecting a closer connection between agricultural enterprise and the operations of the Bank ". A preliminary report setting out the main features of the problem was published in December 1936.

**Scheduled Banks :** Figures relate only to cash and transactions in India, excluding Burma. **Discounts :** Excluding Treasury bills. — **Branch offices of the scheduled banks :** The number of branch offices of the scheduled banks increased from 723 to 828 during the year ended December 1936.

## Reserve Bank.

	April 5th, 1935	End of the year :		
		1935	1936	1937
<b>A. ISSUE DEPARTMENT.</b>				
ASSETS.				
1. Gold reserve . . . . .	444	444	444	444
2. Sterling securities . . . . .	486	662	713	803
3. Rupee coin . . . . .	499	571	648	626
4. Government of India rupee securities . . . . .	431	256	234	274
5. Internal bills of exchange and other commercial paper . . . . .	—	—	—	—
6. Total Balance-sheet. . . . .	1,860	1,933	2,039	2,147
LIABILITIES.				
7. Notes held in the Banking Department . . . . .	190	215	119	293
8. Notes in circulation . . . . .	1,670	1,718	1,920	1,854
(a) Legal tender in India. . . . .	—	—	—	1,806
(b) Legal tender in Burma only. . . . .	—	—	—	48
<b>B. BANKING DEPARTMENT.</b>				
ASSETS.				
9. Notes . . . . .	190	215	119	293
10. Rupee coin, subsidiary coin . . . . .	1	1	1	1
11. Balances held abroad . . . . .	119	174	149	36
12. Bills discounted . . . . .	—	—	—	—
(a) Internal . . . . .	—	—	—	—
(b) External. . . . .	—	—	—	—
(c) Government of India Treasury bills . . . . .	—	—	—	—
13. Loans and advances . . . . .	—	10	—	20
(a) To the Government . . . . .	—	10	—	20
(b) Other . . . . .	—	—	—	—
14. Government of India securities . . . . .	50	53	62	63
15. Other assets . . . . .	2	2	10	10
16. Total Balance-sheet. . . . .	362	455	341	423
Aggregate Balance-sheet (A + B)* . . . . .	2,032	2,173	2,261	2,277
LIABILITIES.				
17. Paid-up capital . . . . .	50	50	50	50
18. Reserve Fund . . . . .	50	50	50	50
19. Deposits. . . . .	262	347	233	312
(a) Government . . . . .	184	61	71	98
(b) Banks. . . . .	78	283	159	202
(c) Other . . . . .	—	3	3	12
20. Bills payable. . . . .	—	1	1	1
21. Other liabilities . . . . .	—	7	7	10
Discount rate (percentage) . . . . .	—	3	3	3

\* Less notes held in Banking Department.

**Banking Legislation :** The most important aspects of recent legislation may be summarised as follows :

1. *Segregation of banking from commercial operations :* According to certain amendments to the Indian Companies Act of 1913, which came into effect on January 15th, 1937, a banking company is defined as a company which carries on as its " principal " business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order. Banking companies formed after January 15th, 1937, must conform the objects of transactions to those enumerated in the amended Companies Act (Section 277 F).

2. *Cash reserve :* Banking companies are required to keep as cash reserves 1½ % of their time liabilities and 5 % of their demand liabilities and file every month with the Registrar a statement of the amount so held.

3. *Reserve fund :* Banking companies are required to build up a reserve fund by allocating to it 20 % of the annual net profits until the fund is equal to the paid-up capital.

4. *Special status of scheduled banks* : The special status of scheduled banks has been recognised and statutory controls, as, for instance, in the matter of building up reserves which have been applied to non-scheduled banks, have not been extended to scheduled banks, on the ground that the latter can be left to the general supervision and control of the Reserve Bank.

5. *Extension of Reserve Bank's operations to indigenous bankers* : By means of a circular letter issued to all scheduled banks and the Shroffs Association (indigenous bankers), the Reserve Bank has requested suggestions for bringing within the framework of organised banking operations the persons and firms other than scheduled banks. Furthermore, the Reserve Bank has suggested making advances, in certain circumstances, against trade bills endorsed by indigenous bankers or against the promissory notes of indigenous bankers drawn for the purpose of assisting trade or agriculture, provided that a scheduled bank acted as intermediary and was prepared to take the risk of default. As a result of these enquiries, the Reserve Bank has laid down a set of conditions with which indigenous bankers or other organisations must comply before establishing relations with the Bank. These rules require, *inter alia*, first that an indigenous banker or credit organisation must be a self-contained legal entity with adequate resources ; secondly, that banking business must be entirely segregated from other activities and that properly audited accounts must be maintained, while additional safeguards are provided to ensure that only *bona-fide* trading is carried on and that a certain amount of publicity is available.

**Rate of Interest** : The discount rate of the Reserve Bank of India, which had been fixed on July 4th, 1935, at 3 ½ %, a rate corresponding to that of the Imperial Bank of India for advances, and reduced to 3 % on November 28th, 1935, remained unchanged.

**Sources** : Reserve Bank of India : Annual reports, Weekly statements, Statements of the position of scheduled banks.

## ITALY

End of (Weekly returns)	Whole- sale price index (1928=100)  (Monthly average)	Bank of Italy										Metallic circu- lation	
		Gold at home	Foreign exchange	Gold abroad	Domestic bill holdings	Loans against public securities	Public securities held by the Bank	Advances to Istituto per la Ricostru- zione Industriale	Notes in circu- lation	Sight liabilities	Time liabilities		
											Treasury		Other
Lire (000,000's)													
Dec. 1935 . . .	77.9	3,027	367	1,773	4,898	4,090	1,399	802	16,297	1,090	285	2,363	
March 1936 . . .	79.0	.	.	.	.	.	.	.	15,514 <sup>b</sup>	.	.	.	
June 1936 . . .	79.5	.	.	.	.	.	.	.	.	.	.	.	
Sept. 1936 . . .	80.6	.	.	.	.	.	.	.	.	.	.	.	
Dec. 1936 . . .	82.8	3,959 <sup>a</sup>	63 <sup>a</sup>	1,773	1,267	1,599	1,533	4,708	16,525	1,432	8	529	
March 1937 . . .	89.2	3,959 <sup>c</sup>	62 <sup>c</sup>	.	.	.	.	.	15,871 <sup>c</sup>	.	.	.	
June 1937 . . .	93.9	.	.	.	.	.	.	.	.	.	.	.	
Sept. 1937 . . .	96.1	.	.	.	.	.	.	.	.	.	.	.	
Dec. 1937 . . .	101.0	4,028 <sup>d</sup>		.	.	.	.	.	16,520 <sup>d</sup>	.	.	.	

<sup>a</sup> Valued at the rate : 1 lire = 0.04677 gramme of fine gold.

<sup>b</sup> March 20th.

<sup>c</sup> February 20th.

<sup>d</sup> March 5th, 1938.

End of	Commercial Banks									Ordinary savings banks	Postal savings banks	Clearing turnover  (monthly)
	Cash	Bill holdings	Redis- counts	Loans and advances		Corres- pondent debtors	Securities	Deposits	Corres- pondent creditors			
				Current accounts	Contango accounts					Savings deposits	Savings deposits	
Lire (000,000's)												
Dec. 1935 . . . . .	1,105	9,176	1,976	1,722	739	5,241	3,498	8,165	12,486	16,295	19,832	38,754
April 1936 . . . . .	835	9,272	1,584	1,712	794	4,945	3,603	8,525	12,522	16,565 <sup>a</sup>	19,945 <sup>a</sup>	33,830 <sup>a</sup>
June 1936 . . . . .	1,080	9,270	1,574	1,371	781	5,120	3,502	8,755	12,617	16,675	20,271	36,558
Oct. 1936 . . . . .	798	9,909	1,387	1,649	1,158	5,432	3,444	8,895	13,415	17,179 <sup>b</sup>	20,911 <sup>b</sup>	30,667 <sup>b</sup>
Dec. 1936 . . . . .	1,251	9,795	519	1,423	1,118	5,710	3,361	9,192	14,224	17,054	22,193	46,294
April 1937 . . . . .	886	9,680	347	1,858	817	5,548	3,428	9,222	13,648	16,697	22,914	48,682 <sup>a</sup>
June 1937 . . . . .	1,129	9,762	352	1,932	914	5,540	3,411	9,232	13,976	16,609	23,169	49,283
Oct. 1937 . . . . .	936	9,517	559	2,092	1,005	5,926	3,516	9,531	14,126	17,250 <sup>b</sup>	23,853 <sup>b</sup>	48,358 <sup>b</sup>
Dec. 1937 . . . . .	1,307	9,926	684	1,584	1,095	5,961	3,565	9,815	14,243	17,644	24,374	44,074

<sup>a</sup> March.

<sup>b</sup> September.

See *Commercial Banks 1913-1929*, page 176 ; *1925-1933*, page 138 ; *1929-1934*, page 65 ; *Money and Banking 1935/36*, Vol. II, page 116 ; *1936/37*, Vol. II, page 93.

**Value of Currency :** The exchange-control system as established on May 26th, 1934, and as modified on November 16th, 1935, June 10th, 1936, November 21st, 1936, and December 1st, 1936, remains in force. The Under-Secretariat of Exchange was transformed into a Ministry of Exchange at the end of November 1937.

**The Bank of Italy : Other Information : Capital Levy :** The publication of weekly returns of the Bank, suspended since October 20th, 1935, has not been resumed. No official information regarding the principal assets and liabilities of that institution has been issued since February 20th, 1937.

The bulletin of the Banking Inspectorate provided for by the Banking Law of March 1936 has not yet been issued. The returns of the institutions other than the Central Bank continue, however, to be published by the *Istituto Centrale di Statistica*.

## Bank of Italy

End of :	1929	1930	1931	1932	1933	1934	1935	1936
	Lire (000,000's)							
<b>ASSETS.</b>								
1. Gold reserve . . . . .	5,190	5,297	5,626	5,839	7,092	5,811	3,027	3,959
2. Till money . . . . .	198	711	283	325	316	292	862	767
3. Foreign assets . . . . .	5,151	4,328	2,170	1,304	305	72	367	63
4. Domestic bill holdings . . . . .	4,319	3,946	4,598	5,250	3,684	4,005	4,898	1,267
5. Loans against public securities . . . . .	1,800	1,661	1,066	1,289	1,009	2,450	4,090	1,599
6. Public securities held for own account . . . . .	1,053	1,160	1,375	1,366	1,371	1,385	1,399	1,533
7. Loans to Treasury . . . . .	—	—	—	—	—	—	—	3,000
(a) Temporary . . . . .	—	—	—	—	—	—	—	1,000
(b) On Treasury bills . . . . .	—	—	—	—	—	—	—	2,000
8. Advances to I.R.I. . . . .	851	626	1,541	1,888	1,138	1,091	802	4,708
9. Claims on Government for gold deposited abroad . . . . .	1,813	1,784	1,773	1,773	1,773	1,773	1,773	1,773
10. Other assets . . . . .	1,900	2,270	1,937	1,043	1,413	1,475	2,157	1,755
11. Total Balance-sheet . . . . .	22,275	21,783	20,369	20,077	18,101	18,354	19,375	20,424
<b>LIABILITIES.</b>								
12. Paid-up capital . . . . .	300	300	300	300	300	300	300	300
13. Reserves . . . . .	132	132	132	132	132	132	132	14
14. Notes in circulation . . . . .	16,774	15,681	14,295	13,672	13,243	13,145	16,297	16,525
15. Sight deposits . . . . .	603	701	1,770	1,323	1,269	806	1,090	1,431
16. Other deposits . . . . .	2,913	3,330	2,479	3,673	2,210	3,021	289	550
(a) Public . . . . .	1,789	1,876	2,338	3,007	2,189	2,747	4	21
(b) Other . . . . .	1,124	1,454	141	666	51	274	285	529
17. Other liabilities . . . . .	1,553	1,639	1,393	977	947	950	1,267	1,604
Discount rate, end of year (percentage) . . . . .	7	5½	7	5	3	4	5	4½

A levy of 10% on the capital and reserves of joint-stock companies was decided on October 23rd, 1937, following at a year's distance that taken in October 1936, when all owners of real estate were required to subscribe 5% of its value to a 5% loan redeemable in twenty years and to pay a 3½% tax on the capital value of their property to meet the service and redemption of that loan. The new tax is not levied on banks, and co-operative societies with a capital not exceeding 20,000 lire are also exempted.

**Bank of Italy :** On the reform of the Bank, see *Money and Banking 1935/36*, Vol. II, page 121.

*Gold reserve* revalued as from December 1936 at the rate of 1 lira = 0.04677 gramme of fine gold. *Foreign assets* comprise balances in foreign currencies and foreign Treasury bills. *Domestic bill holdings :* Discounts as from June 30th, 1936, are limited to the credit institutions which are shareholders of the Bank; private discounts were to have been liquidated by that date. Article 99 of the Law of March 1936 provided that, for a maximum period of three years, the Bank could be authorised "as a special measure . . . to carry out discount operations for the purpose of meeting extraordinary requirements in certain branches of production". *Loans to the Treasury* as authorised by Article 21 of the Decree of December 31st, 1936. *Advances to the Istituto per la Ricostruzione Industriale :* Amounts advanced in 1929-1932 to the Istituto di Liquidazioni, founded in 1928 to take over from the Bank of Italy the frozen assets discounted by the latter for the Banco di Sconto and other institutions; amounts advanced since 1933 are to the Istituto per la Ricostruzione Industriale set up by the Decree of January 1933, the second section of which (Sezione Smobilizzi) took over the accounts of the Istituto di Liquidazioni. The rise in advances in 1936 is due to the agreement in accordance with the Decrees of March and May 1936 for the final settlement of the relations between the Bank of Italy and the I.R.I. *Claims on Government for gold deposited abroad*, described in the original statement as "oro depositato all'estero dovuto dallo Stato", is actually a book-keeping item, and represents claims on the Government for gold deposited in London during the negotiations for War loans. This item is not included in the legal cover. *Other assets* comprise sundry items of which "various debtors", more recently included in "partite varie", are the most important. *Total Balance-sheet* excludes *comptes d'ordres*. *Note circulation :* In 1929, including 80 million lire of Government notes subsequently withdrawn. Since December 1935 including 10-lire Government notes issued in replacement of the 20- and 10-lire silver coins withdrawn from circulation. *Sight deposits*, including Bank post bills. *Public deposits* (at sight) represent deposits of the Treasury and, since 1930, deposits of the Public Debt Amortisation Office. *Other deposits* represent fixed deposits on Treasury and other account. *Other liabilities* include, in addition to usual sundry items, temporary accounts and *per contra* items in connection with transactions with the Istituto di Liquidazioni, Amortisation Office and the State.

**Metallie Circulation :** Silver, nickel and bronze coins for Treasury account. Under the Decree of May 20th, 1935, the 20- and 10-lire silver coins were withdrawn from circulation and replaced by 10-lire Government notes.

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936	1937
Number of Banks . . . . .	337	282	252	223	211	205	188	182
SUMMARY BALANCE-SHEET.								
Assets.								
1. Cash . . . . .	1,174	1,096	1,164	1,206	1,144	1,105	1,251	1,307
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	1,805	1,444	1,193	1,040	3,960	3,627	4,098	4,086
3. Bills discounted and bought . . . . .	14,875	15,168	16,180	14,384	11,476	11,151	10,314	10,611
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	4,437	3,188	3,053	3,531	3,472	3,498	3,361	3,565
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	1,122	652	608	583	488	434	437	416
6. Due from Banks (Correspondents) . . . . .	7,997	6,582	6,235	6,367	5,289	5,241	5,710	5,961
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	6,188	3,844	3,339	3,688	3,315	2,736	2,789	3,756
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	—	—	—	—	—	—	—	—
10. Sundry Assets . . . . .	1,138	889	721	706	731	630	896	764
11. Total Balance-sheet . . . . .	44,777	38,038	37,345	34,960	33,047	31,110	31,548	34,000
LIABILITIES.								
12. Capital paid up . . . . .	3,411	2,988	2,882	2,840	2,785	2,642	2,511	2,536
13. Reserve Funds . . . . .	1,218	1,277	1,755	1,253	599	595	624	680
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation . . . . .	775	584	517	555	523	621	699	839
16. Due to Banks (Correspondents) . . . . .	19,919	17,123	15,561	15,479	13,642	12,486	14,224	14,243
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
17. Deposits . . . . .	11,200	8,633	8,751	8,874	9,861	9,777	9,503	10,913
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	1,566	584	448	418	436	45	68	507
20. Sundry Liabilities . . . . .	1,056	780	690	689	597	497	779	659
21. Guarantees . . . . .	1,569	1,704	1,444	842	691	588	612	747

Commercial Banks : Number of banks : December 1935 : 205 ; April 1936 : 198 ; June 1936 : 196 ; October 1936 : 189 ; December 1936 : 188 ; April 1937 : 186 ; June 1937 : 179. These statistics, published every two months, are not available for March and September. See the note to the summary balance-sheet.

Clearing Turnover : Average of daily clearings at clearing-houses in eleven principal towns.

Sources : Bank of Italy : Weekly statements, annual reports. *Bollettino Mensile di Statistica dell' Istituto Centrale di Statistica*.

## Commercial Banks.

The Summary Table is based on the official statistics in the *Bollettino Mensile di Statistica dell' Istituto Centrale di Statistica*. They comprise ordinary joint-stock banks and financial companies. They do not, however, give a complete balance-sheet. The balance-sheet totals shown therefore do not coincide with the totals of the items mentioned.

3. Bills discounted and bought.	1929	1931	1932	1933	1934	1935	1936	1937
	Lire (000,000's)							
Bill portfolio . . . . .	13,390	13,059	12,466	12,370	9,514	9,175	9,795	9,927
Rediscounts . . . . .	1,485	2,109	3,714	2,014	1,962	1,976	519	684
Total . . . . .	14,875	15,168	16,180	14,384	11,476	11,151	10,314	10,611

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	1929	1931	1932	1933	1934	1935	1936	1937
<i>7. Loans and Advances.</i>								
				Lire (000,000's)				
Total . . . . .	6,188	3,844	3,339	3,688	3,315	2,736	2,789	3,756
<i>Of which: Current-account</i>								
loans . . . . .	2,336	1,886	1,815	1,707	1,989	1,722	1,423	1,584
Contango loans	3,591	1,806	1,332	1,618	1,081	739	1,118	1,095
<i>10. Sundry Assets.</i>								
				Lire (000,000's)				
Agrarian current accounts . . . . .	10	4	32	1	—	1	—	6
Inter-branch accounts . . . . .	1,128	885	689	705	731	629	896	758
Total . . . . .	1,138	889	721	706	731	630	896	764
<i>17. Deposits.</i>								
				Lire (000,000's)				
Deposits . . . . .	9,703	7,977	7,517	8,205	8,447	8,165	9,192	9,815
Rediscunts . . . . .	550	336	875	405	1,234	1,533	242	988
Borrowings . . . . .	947	320	359	264	180	79	69	110
Total . . . . .	11,200	8,633	8,751	8,874	9,861	9,777	9,503	10,913
<i>20. Sundry Liabilities.</i>								
				Lire (000,000's)				
Agrarian current accounts . . . . .	20	5	28	3	—	—	2	—
Inter-branch accounts . . . . .	1,036	775	662	686	597	497	777	659
Total . . . . .	1,056	780	690	689	597	497	779	659



## JAPAN

The economic and banking situation in Japan during 1937 was dominated by the war in China, but it is still too early to appraise the war's full effects. The principal measures taken and certain tendencies already apparent at the end of 1937 may, however, be noted briefly.

On September 8th, 1937, special appropriations for carrying out the war, amounting to 2,592 million yen, were approved. Of this sum, over 2,400 millions were to be financed by internal bond issues, thus increasing total internal Government indebtedness to 11,376 million yen, which figure is some 150 % larger than the amount outstanding in March 1931. At the same time ordinary budget expenditure remains high, estimates for 1938/39 amounting to 2,868 million yen as compared with 1,498 millions for 1931/32.

Two legislative measures, designed to adapt the economic system to war needs, were passed at a special session of the Diet early in September. Under the first — the Capital Control Law — all enterprises engaged in financing industry and having a capital of 500,000 yen and over are subjected to Government control. The object of this measure is to arrange for funds to be invested in those industries which fulfil war demands. Under the second — the Foreign Trade Control Law — the Government is empowered to restrict or prohibit the import or export of certain articles or to place their manufacture, distribution and consumption under control with a view to ensuring war requirements.

Further arrangements were made enabling public credit institutions to assist in the transformation of the structure of industry as foreseen in the Capital and Foreign Trade Control Laws. Thus, the Bank of Japan was authorised, as from the end of August, to effect open-market operations, with a view to "improving credit conditions and facilitating the financing of industry". The Capital Control Law authorised the Industrial Bank of Japan to issue up to 500 million yen of Government guaranteed debentures and the Hypothec Bank of Japan to issue up to 200 million yen of savings certificates in small denominations. The issue of the first was intended to assist the financing of war industries, and that of the second to collect resources from the small saver.

Fourthly, the gold reserves of the three banks of issue — the Bank of Japan, the Bank of Chosen and the Bank of Taiwan — were revalued on August 25th at the rate of 290 as against the old basis of 750 milligrammes of fine gold per yen. The rate of exchange on New York at that date was equivalent to 258 milligrammes of fine gold per yen. The proceeds of the revaluation were credited to the Government. With this profit, the Government repaid to the Bank of Japan 226 million yen of indebtedness incurred by gold purchase operations, and another old standing debt of 22 millions. A Gold Fund Special Account was set up with initial funds of 747 million yen. It was arranged that with these funds the Special Account would buy from the Bank of Japan some 200 million yen of Government bonds and take up 250 million of Industrial Bank debentures, and the remainder was to be, used for the adjustment of any unfavourable balance in international payments.

Finally, the exchange-control system, as modified on January 8th, 1937, was rendered more stringent. In July 1937, sales of all domestically produced gold to the Bank of Japan, acting for the account of the Government, were made compulsory, and a few days later the Bank of Japan was authorised to purchase privately held gold bullion on the same terms as newly mined gold. In the same month, the maximum amount of 30,000 yen for unlicensed monthly transactions in foreign exchange, in payment for imports allowed by the Decree

of January 8th, was reduced to 1,000 yen, and remittances abroad for travelling expenses and other allowances for those resident abroad in excess of 5,000 yen annually for any one person were made subject to special licence. At the same time, exports the exchange proceeds of which are not brought to Japan, exports which are compensated by imports, and exports paid for by the transfer of assets in Japan to the exporter were subjected to special permits. The same measure requires all exporters to submit reports of their transactions, and exchange bankers to confirm the legitimacy of transactions in exchange and letters of credit for import or other purposes.

The effects of the war and these measures are only partially reflected in the data available at the time of writing. Total Japanese imports in the first nine months of 1937 amounted to 3,040 million yen as against 2,033 millions in the corresponding period of 1936, while exports for the same period totalled 2,322 millions as against 1,873. To meet the trade deficit and to pay for other maturing foreign obligations, large shipments of gold were made, total net exports in the seven months ended July 31st, 1937, amounting to 84,280 kilogrammes of fine gold, or 290 million yen at the rate of 1 yen = 290 milligrammes of fine gold at which the gold reserve was revalued in August and 328 millions on the basis of actual exchange rates. This sum represents a large portion of the gold bought by the Bank of Japan under the Gold Purchase Plan of April 1934, total purchases from the initiation of the Plan to its termination at the end of July 1937 amounting to 117,711 kilogrammes of fine gold. The Bank of Japan's gold reserve at the latter date stood at 488 million yen, or 366,000 kilogrammes of fine gold at the rate of 750 milligrammes to the yen at which it was then entered. Its exchange reserves, as represented by its advances on foreign bills, stood at 82 million yen. Productive activity was high during the year, the general production index, 1929 = 100, standing at an average of 168.4 in the first nine months of 1937 as against 146.9 in the corresponding months of 1936. The indices of wholesale prices and cost of living in Tokio had risen during the same period by 19 % and 11 % respectively.

The monetary and banking data given in the tables below show a similar upward movement. The note issue of the Bank of Japan in the year ended September 30th, 1937, rose by 258 million yen, or nearly 20 %, while its Government and other deposits declined by 93 millions. The aggregate deposits of the five groups of credit institutions representing almost the totality of deposit-receiving organisations in Japan (see column 26 of table on the following page) rose during the same period by 1,813 million yen, or by slightly less than 10 %. This increase will be seen to be not altogether unrelated to Government finance; the total Government bond holdings of the same institutions rose by 436 millions, or 7 %, and stood at more than double the amount held at the end of 1932. At the same time, the discounts, loans, and advances of the same five groups of organisations continued the increase which began in 1935, and rose in the twelve months ended on September 30th, 1937, by 1,564 million yen, or 14 %.

End of	Value of currency as % of gold parity in 1929 <sup>a</sup>	Wholesale prices (1929=100)	Bank of Japan									Market rate of discount	Call money rate	Yield of bonds
			Gold reserve	Advances on foreign bills	Discounts	Advances to Government	Government bonds	Notes issued	Government deposits	Other deposits	Discount rate			
			Yen (000,000's)									Per cent		
Dec. 1935	34.2	87.3	504	164	672	118	746	1,767	309	95	3.65	4.38	2.84	4.32
March 1936	34.3	86.8	513	166	691	129	533	1,367	583	74	3.65	4.38	3.03	4.50
June 1936	35.0	88.1	524	87	548	147	545	1,439	260	72	3.29	4.02	2.73	3.89
Sept. 1936	34.9	91.4	536	72	547	166	556	1,312	459	70	3.29	4.02	2.96	3.95
Dec. 1936	33.8	97.8	548	165	602	186	765	1,790	302	88	3.29	4.02	2.85	3.91
March 1937	33.8	109.1	540	61	572	204	629	1,464	400	83	3.29	4.02	2.97	3.90
June 1937	34.0	108.4	524	32	489	231	854	1,571	352	88	3.29	4.02	2.89	3.93
Sept. 1937	34.2	108.5	801	131	549	3	554	1,570	359	77	3.29	4.02	2.53	3.94
Dec. 1937	34.5	109.7	801	137	496	3	1,126	2,155	219	112	3.29	4.02	2.61	3.91

<sup>a</sup> Monthly average.

<sup>b</sup> Parity in 1929 : 1 yen = 49.85 U.S.A. cents : 1 U.S.A. dollar = 2.006 yen.

See *Commercial Banks 1929-1934*, page 196 ; *Money and Banking 1935/36*, Vol. II, page 122 ; *1936/37*, Vol. II, page 96.

End of	Ordinary Banks						Special Banks <sup>a</sup>				Savings Banks			
	Cash	Government bonds	Other securities	Discounts, loans and advances	Deposits		Government bonds	Other securities	Loans and discounts	Deposits	Government bonds	Other securities	Loans	Deposits
					Total	Sight								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Yen (000,000's)													
Dec. 1935	1,007	2,205	2,017	6,511	9,874	3,089	306	432	2,637	988	1,070	518	330	2,045
March 1936	781	2,501	2,085	6,339	9,758	2,963	305	427	2,697	945	1,108	541	320	2,075
June 1936	989	2,448	2,109	6,593	10,255	3,200	282	414	2,643	1,040	1,122	555	320	2,137
Sept. 1936	781	2,641	2,312	6,750	10,527	3,126	316	403	2,565	1,075	1,019	504	225	1,808
Dec. 1936	1,014	2,561	2,235	6,998	10,932	3,430	387	397	2,585	1,148	1,016	508	239	1,843
March 1937	973	2,622	2,206	7,403	11,261	3,673	368	380	2,702	1,169	1,048	533	240	1,898
June 1937	1,111	2,517	2,195	7,574	11,704	3,892	341	385	2,690	1,164	1,068	573	240	1,971
Sept. 1937	911	2,476	2,207	7,766	11,644	3,730	311	385	2,975	1,246	1,097	605	252	2,038
Dec. 1937	1,216	2,500	2,146	8,202	12,352	4,214	603	379	3,043	1,380	1,145	624	253	2,117

<sup>a</sup> Excluding Bank of Japan.

End of	Trust Companies				Treasury Deposit Bureau				Total Government bonds (2+7+11+15+19)	Total other securities (3+8+12+16+20)	Total discounts, loans and advances (4+9+13+17+21)	Total deposits (5+10+22)	Clearing turnover (Monthly)
	Government bonds	Other securities	Loans	Deposits	Government bonds	Other securities	Advances	Deposits of Post Office Savings Bank					
15	16	17	18	19	20	21	22	23	24	25	26	27	
	Yen (000,000's)												
Dec. 1935	277	667	966	1,738	1,740	1,804	505	3,203	5,598	5,438	10,949	17,848	18,105
March 1936	317	699	951	1,776	1,790	1,809	509	3,247	6,021	5,561	10,816	17,801	15,823
June 1936	332	740	970	1,815	1,829	1,837	548	3,348	6,013	5,655	11,074	18,595	17,102
Sept. 1936	349	773	983	1,850	1,868	1,818	561	3,448	6,193	5,810	11,242	18,708	18,090
Dec. 1936	360	776	985	1,842	1,910	1,809	739	3,454	6,234	5,725	11,546	19,219	18,841
March 1937	375	754	1,036	1,856	2,134	1,834	647	3,503	6,547	5,707	12,028	19,687	20,723
June 1937	391	782	1,021	1,860	2,026	1,832	690	3,611	6,342	5,767	12,215	20,310	22,219
Sept. 1937	399	749	1,080	1,874	2,346	1,826	733	3,719	6,629	5,772	12,806	20,521	20,372
Dec. 1937	410	732	1,115	1,865	2,248	1,793	818	3,814	6,906	5,674	13,431	21,528	21,955

Interest Rates : Discount rate : Date of last change : April 7th, 1936. Market rate of discount : Sixty days' commercial paper, Tokio. Call money rate : Average rate on loans callable at a day's notice in Tokio. Bond yields : Average yield of eight public bonds.

## The Bank of Japan.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Yen (000,000's)									
<b>ASSETS.</b>									
1. Gold . . . . .	1,072	826	470	425	425	466	504	548	801
2. Subsidiary coin . . . . .	37	52	51	38	30	28	29	29	24
3. Cash items on Government account . . . . .	50	3	8	32	47	16	14	11	13
4. Deposits with other banks . . . . .	37	33	30	27	27	27	34	32	27
5. Foreign agencies accounts . . . . .	241	230	102	130	53	53	112	51	52
6. Other agencies accounts . . . . .	30	33	33	31	36	37	37	33	57
7. Advances on foreign bills . . . . .	30	66	82	140	149	165	181	159	163
8. Bills discounted . . . . .	650	688	880	632	707	713	661	586	465
<i>Of which. — According to Law No. 55</i>									
<i>of 1927 . . . . .</i>	598	585	576	566	552	530	498	473	408
9. Advances to Government . . . . .	22	25	25	47	25	68	118	186	3
10. Government securities . . . . .	222	176	260	565	682	647	729	829	1,387
11. Other assets . . . . .	5	9	15	18	17	18	21	21	21
12. Total Balance-sheet . . . . .	2,396	2,141	1,956	2,085	2,198	2,238	2,440	2,485	3,013
<b>LIABILITIES.</b>									
13. Capital paid up . . . . .	37	37	45	45	45	45	45	45	45
14. Reserve . . . . .	92	98	103	108	110	113	114	115	116
15. Notes issued . . . . .	1,642	1,436	1,331	1,426	1,545	1,627	1,767	1,866	2,305
16. Remittances . . . . .	11	7	2	8	9	6	7	3	8
17. Current accounts . . . . .	141	113	114	117	120	104	113	129	132
18. Government deposits . . . . .	392	344	260	268	249	231	280	216	292
(a) On current account . . . . .		46	88	51	104	119	103	105	188
(b) Other . . . . .		298	177	217	145	112	177	111	104
19. Reserve for settlement of bills discounted under Law No. 55 of 1927 . . . . .	—	—	—	—	2	2	3	4	5
20. Other liabilities . . . . .	81	106	101	113	118	110	111	107	110
Discount rate — end of year (percentage)	5.48	5.11	6.57	4.38	3.65	3.65	3.65	3.29	3.29

“ Ordinary Banks ” : This group represents the commercial banks proper and covers approximately the same institutions as those included in the end-of-year accounts in the adjoining summary balance-sheet.

“ Special ” Banks : This group includes the following semi-public institutions — the Yokohama Specie Bank, the Hypothec Bank of Japan, the Industrial Bank of Japan, the Bank of Taiwan, the Bank of Chosen, the Chosen Industrial Bank, the Hokkaido Colonial Bank and nineteen “ agricultural-and-industrial ” banks — while excluding the Bank of Japan. Most of these banks raise their funds largely through the issue of debentures.

Savings Banks : Excluding Post Office Savings Bank, for the deposits of which see under “ Treasury Deposit Bureau ”.

Treasury Deposit Bureau : This institution, which is attached to the Japanese Ministry of Finance, invests the deposits received by the Post Office Savings Bank from the public.

Total “ Other Securities ” : From particulars available for the “ ordinary ” banks and the Treasury Deposit Bureau, it would appear that these “ other securities ” represent to a very large extent bonds of local Governments and debentures of the “ special ” banks.

Clearing Turnover : Quarterly totals of clearings at all clearing-houses in Japan proper.

Sources : Annual reports and *Monetary Statistics* (monthly) of the Bank of Japan; the *Oriental Economist*; the *Monthly Circular* of the Mitsubishi Economic Research Bureau. The summary balance-sheet below, which covers all “ ordinary ” banks operating in Japan and in addition the Tokio office of the Bank of Chosen and the “ ordinary ” banks of Formosa, is based on statistics kindly furnished by the Director of the Economic Research Department of the Bank of Japan and by the London Agent of the Bank of Japan.

The Bank of Japan : *Gold* : Until the end of 1936 gold shown at par rate — *i.e.*, 1 yen = 0.75 gramme of fine gold. The gold reserve was revalued on August 25th, 1937, at the rate of 1 yen = 0.29 gramme of fine gold. The proceeds of revaluation were credited to the Government. The Gold Purchase Plan of April 1934 was terminated in July 1937, as from that date the Government conducts for its own account the purchases and sales of gold. *Subsidiary coin* comprises, in addition to silver, nickel and copper coins, small amounts of silver bullion amounting to 14,544 yen at the end of 1936. *Bills discounted* include, in addition to ordinary discounts, those special discounts which were authorised by the Government in April 1927 with a view to accommodating credit institutions

experiencing difficulties (see *Commercial Banks 1929-1934*, page 200). *Advances to the Government* include an unchanging item of 22 million yen representing advances to the Government under Article 2 of the Convertible Bank Note Regulations. *Government Securities* comprise, in addition to ordinary bonds, Treasury notes, rice purchase notes and Treasury bills, United States Treasury certificates amounting to 20 and 8 million yen in 1929 and 1930 respectively. Japanese Treasury bill holdings included in the above total and shown separately in the report of the Bank amounted to 8, 86, 235 and 80 million yen in 1930, 1931, 1932 and 1936 respectively. *Other assets* include bank premises, insignificant sums of current account advances, "suspense payments" reaching 8 million yen in 1931-1934 and subsequently falling off to 4 millions, and sundry accounts. *Total Balance-sheet* excludes two *per contra* items: "Redemption Fund for transactional Government notes" amounting to 11-12 million yen, and "Funds for the Payment of Mint Certificates" ranging from 0.1 to 0.9 million yen. *Notes issued*: In June 1932, the fiduciary note issue was raised from 120 to 1,000 million yen, and the tax on excess issues reduced from 5% to 3%. *Remittances* include amounts under 1 million yen shown separately as "due to banks". *Other liabilities* include "suspense receipts" reaching 88 million yen in 1930 and subsequently falling off to 71 millions in 1936, and sundry profit and dividend accounts.

### Commercial Banks.

#### 1. Cash.

Consists of notes and coins and cheques and coupons due, while balances with the Central Bank are included in the figures given under (2) "Other items of a cash nature".

#### 2. Other Items of a Cash Nature.

The figures shown represent "balances with other banks" (presumably including those with the Central Bank).

3. Bills discounted and bought.	1929	1930	1931	1932	1933	1934	1935	1936
	Yen (000,000's)							
Discounted bills . . . . .	761	592	522	602	662	} 776	881	1,077
Documentary bills . . . . .	65	37	42	61	64			
Foreign bills . . . . .	201	142	148	158	165			
Total . . . . .	1,027	771	712	821	891	973	1,100	1,314

#### 4 and 5. Investments and Securities. Participations.

	1929	1930	1931	1932	1933	1934	1935	1936
	Yen (000,000's)							
Central Government bonds . . .	1,438	1,313	1,146	1,210	1,567	2,017	2,205	2,559
Local Government bonds . . . .	311	311	302	282	284	309	348	386
Bank and corporation bonds . . .	1,151	1,138	1,140	1,125	1,097	1,147	1,203	1,258
Shares . . . . .	393	331	304	302	341	383	410	504
Foreign securities . . . . .	30	34	37	22	36	39	77	108
Total . . . . .	3,323	3,127	2,929	2,941	3,325	3,895	4,243	4,815

#### 7. Loans and Advances.

Loans on :	1929	1930	1931	1932	1933	1934	1935	1936
	Yen (000,000's)							
Government and local Govern- ment bonds . . . . .	196	220	202	188	232	242	258	261
Bank and Corporation bonds and other securities . . . . .	445	502	518	471	582	731	806	932
Shares . . . . .	1,633	1,412	1,343	1,374	1,461	1,562	1,567	1,676
Total loans on securities . . .	2,274	2,134	2,063	2,033	2,275	2,535	2,631	2,869
Loans on :								
Merchandise . . . . .	239	172	188	161	182	165	179	185
Land and buildings . . . . .	1,496	1,491	1,421	1,314	1,170	1,057	969	878
Other collateral . . . . .	412	423	469	471	351	179	174	174
Total loans against other collateral . . . . .	2,147	2,086	2,078	1,946	1,703	1,401	1,322	1,237
Personal credits . . . . .	2,165	2,173	2,045	1,960	1,802	1,592	1,750	1,923
Grand total . . . . .	6,586	6,393	6,186	5,939	5,780	5,528	5,703	6,029

The composition of loans and advances is shown in detail below :

	1929	1930	1931	1932	1933	1934	1935	1936
	Yen (000,000's)							
Loans on bills . . . . .	4,261	.	4,102	3,833	3,632	3,593	3,748	4,017
Ordinary loans . . . . .	1,187	.	1,058	968	943	832	808	865
Call loans . . . . .	919	.	847	800	778	726	751	805
Overdrafts . . . . .	54	.	24	18	7	8	6	1
Other loans . . . . .	165	.	155	320	420	369	390	341
Total . . . . .	6,586	6,393	6,186	5,939	5,780	5,528	5,703	6,029

## Commercial Banks ("Ordinary Banks").

End of the year:	1929	1930	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	881	782	683	538	516	483	466	424
Branches . . . . .	4,956	4,802	4,582	4,311	4,021	3,893	3,708	3,654
<b>SUMMARY BALANCE-SHEET.</b>								
<b>ASSETS.</b>		Yen (000,000's)						
1. Cash . . . . .	703	635	537	557	623	747	641	689
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	—
(b) Domestic notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	461	348	292	327	354	352	368	332
3. Bills discounted and bought . . . . .	1,027	771	712	821	891	973	1,100	1,314
(a) Treasury bills . . . . .	826	628	564	663	726	776	881	1,077
(b) Commercial bills, Inland and Foreign . . . . .	201	143	148	158	165	197	219	237
4. Investments and Securities . . . . .	3,323	3,127	2,929	2,941	3,325	3,895	4,243	4,815
(a) Government . . . . .	1,750	1,624	1,448	1,492	1,850	2,326	2,204	2,559
(b) Other . . . . .	1,573	1,503	1,481	1,449	1,475	1,569	2,039	2,256
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	6,586	6,393	6,186	5,939	5,780	5,528	5,703	6,029
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	163	84	78	83	85	69	75	117
9. Premises, etc. . . . .	406	426	432	434	418	407	396	388
10. Sundry Assets . . . . .	209	159	170	159	205	220	214	219
11. Total Balance-sheet . . . . .	<b>12,878</b>	<b>11,943</b>	<b>11,336</b>	<b>11,261</b>	<b>11,681</b>	<b>12,191</b>	<b>12,740</b>	<b>13,903</b>
<b>● LIABILITIES.</b>								
12. Capital paid up . . . . .	1,381	1,296	1,249	1,217	1,187	1,162	1,134	1,099
13. Reserve Funds . . . . .	604	590	536	531	515	541	564	586
14. Profit and Loss, etc. . . . .	124	119	104	114	118	134	126	125
15. Cheques and Drafts in circulation . . . . .	—	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	146	66	35	36	44	39	61	72
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	146	66	35	36	44	39	61	72
17. Deposits . . . . .	9,292	8,738	8,269	8,319	8,816	9,438	9,950	11,008
(a) Current accounts . . . . .	3,241	2,981	2,643	2,773	2,933	3,076	3,115	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time deposits . . . . .	5,175	5,506	5,323	5,211	5,559	6,038	6,550	—
(d) Other deposits . . . . .	876	301	303	335	324	324	285	—
18. Rediscounts and Other Borrowings . . . . .	889	827	817	712	665	576	555	550
19. Acceptances and Endorsements . . . . .	163	84	78	83	85	69	75	117
20. Sundry Liabilities . . . . .	279	223	248	249	251	232	275	346
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	<b>1,022</b>	<b>997</b>	<b>837</b>	<b>829</b>	<b>797</b>	<b>818</b>	<b>810</b>	<b>852</b>
<i>To be deducted :</i>								
2. Expenses . . . . .								
(a) Salaries, etc. . . . .								
(b) Other working expenses . . . . .								
(c) Taxes, etc. . . . .								
3. Reserved for Pension Funds, etc. . . . .	900	911	803	738	702	708	705	744
4. Written off on . . . . .								
(a) Premises, etc. . . . .								
(b) Investments and securities . . . . .								
(c) Other assets . . . . .								
5. Remaining Net Profit or Loss . . . . .	122	86	34	91	195	110	105	108
6. Carried forward from preceding year . . . . .	38	34	32	30	34	37	47	48
7. Taken from Reserves or Capital . . . . .	18	30	66	17	10	9	12	4
8. Total disposed of for Dividends, etc. . . . .	<b>178</b>	<b>150</b>	<b>132</b>	<b>138</b>	<b>139</b>	<b>156</b>	<b>164</b>	<b>160</b>
9. Carried to Reserves . . . . .	42	29	26	32	35	41	41	40
10. Dividends . . . . .	95	84	72	68	63	63	62	61
11. Other purposes . . . . .	6	5	3	4	4	4	13	4
12. Carried forward to following year . . . . .	35	32	31	34	37	48	48	55

17. *Deposits.*

Deposits are composed as follows :	1929	1930	1931	1932	1933	1934	1935	1936
				Yen (000,000's)				
Sight deposits :								
Current deposits . . . . .	1,258	1,112	976	1,043	1,145	1,249	1,215	1,347
Special current deposits . . . .	1,983	1,819	1,667	1,730	1,788	1,827	1,900	2,105
Time deposits :								
Deposits at notice . . . . .	—	502	476	484	553	573	580	662
Fixed deposits . . . . .	5,175	5,004	4,847	4,727	5,006	5,465	5,970	6,337
Other deposits . . . . .	876	301	303	335	324	324	285	557
Total . . . . .	9,292	8,738	8,269	8,319	8,816	9,438	9,950	11,008

18. *Rediscounts and Other Borrowings.*

This item is composed as follows :	1929	1930	1931	1932	1933	1934	1935	1936
				Yen (000,000's)				
Call money borrowed . . . . .	107	101	77	89	68	71	89	88
Other borrowings . . . . .	782	726	740	623	597	505	466	462
Total . . . . .	889	827	817	712	665	576	555	550

## LATVIA

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Whole- sale prices (1929 = 100)	Bank of Latvia						Trea- sury notes in circula- tion	Subsi- diary coins in circula- tion	State Credit Institutions		Private Credit Institutions	
			Dis- count rate <sup>b</sup>	Gold	Foreign exchange	Loans and discounts	Deposit accounts	Notes in circulation			Loans and discounts	Deposits	Loans and discounts	Depo- sits
	■	■	%	Lats (000,000's)										
Dec. 1935	98.9	73.4	5.5	46.4	7.3	113.8	146.4	38.1	42.9	30.7	405	174	109	74
March 1936	100.0	72.6	5.5	46.4	6.2	111.0	143.0	39.0	44.7	30.4	405	157	127	87
June 1936	99.7	71.7	5.5	46.4	8.1	113.0	154.5	35.8	40.5	29.6	406	177	124	93
Sept. 1936	99.4	74.2	5.5	46.4	14.6	130.3	174.1	38.5	42.7	29.6	428	199	131	96
Dec. 1936	59.0	86.7	5	77.4	27.5	121.1	200.4	42.2	43.0	30.1	417	211	145	117
March 1937	59.6	90.9	5	77.4	40.0	119.2	202.7	48.6	45.5	30.4	415	211	154	122
June 1937	59.9	93.4	5	77.5	38.8	121.5	205.1	46.6	43.8	30.5	420	228	171	143
Sept. 1937	60.0	97.6	5	77.5	46.3	129.5	205.0	55.8	46.4	31.7	432	230	180	160
Dec. 1937	60.6	95.6	5	77.5	43.1	136.5	196.9	64.7	44.5	32.7	*442	*250	*192	*173

■ Monthly average.

\* Provisional figure.

<sup>a</sup> Parity in 1929 : 1 lat = 19.30 U.S.A. cents ; 1 U.S.A. dollar = 5.18 lats.

<sup>b</sup> Date of last change : November 1st, 1936.

See *Commercial Banks 1925-1933*, page 146 ; *1929-1934*, page 72 ; *Money and Banking 1935/36*, Vol. II, page 128 ; *1936/37*, Vol. II, page 101.

**Bank of Latvia :** The figures relating to the Bank of Latvia in the Introductory Table refer to the first day of the month following the one indicated. *Gold :* Until end of September 1936, valued at the rate 1 lat = 0.29032 gramme of fine gold ; at the beginning of October 1936, the gold and foreign exchange reserves were written up by about 65 %, in accordance with the devaluation by which the lat was legally linked to sterling at the old rate of 25.22 lats = £1 sterling (paper). While the gold reserve has since been booked at its devaluation price, no exact gold parity of the lat has been legally fixed.

**State Credit Institutions :** The most important of these are : the State Agricultural Bank, the State Mortgage Bank and the Post Office Savings Bank.

**Private Credit Institutions :** Including the Latvian Credit Bank, mutual credit associations, communal banks, etc., in addition to the joint-stock commercial banks proper.

**Sources :** Annual reports and periodic returns of the Bank of Latvia. *Official Monthly Bulletin of Statistics.*

## Commercial Banks.

*General Note.* — The Summary Tables below include the Riga Stock Exchange Bank, in addition to the other commercial banks of the country. The sharp reduction in the number of banks in 1935 was due to the establishment, under a Law of April 11th, 1935, of the Latvian Credit Bank, a State-controlled institution included in the commercial-bank accounts given below, which took over a number of private banks which had been in difficulties for several years.

1. Cash.	1929	1931	1932	1933	1934	1935	1936
	Lats (000,000's)						
Notes and coins . . . . .	5.3	1.4	1.6	1.7	2.2	2.5	4.0
Balances with Bank of Latvia . . . . .	1.9	3.5	3.3	3.3	6.4	9.7	11.0
Total . . . . .	7.2	4.9	4.9	5.0	8.6	12.2	15.0

## 2. Other Items of a Cash Nature.

Sight claims on credit institutions other than the Bank of Latvia.



## Bank of Latvia.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937 Dec. 27th
<b>ASSETS.</b>									
	Lats (000,000's)								
1. Gold . . . . .	23.9	24.1	31.6	35.7	45.0	46.3	46.4	77.4	77.5
2. Treasury notes and subsidiary coin . . . . .	19.1	19.7	26.6	31.3	31.0	26.1	25.4	26.0	20.1
3. Foreign exchange . . . . .	56.2	40.8	14.7	11.6	3.3	4.0	7.3	27.6	43.4
(a) Balances abroad and foreign currencies	49.5	36.5	11.9	10.3	3.2	3.6	7.3	27.5	43.2
(b) Foreign bills discounted . . . . .	6.7	4.3	2.8	1.3	0.1	0.4	—	0.1	0.2
4. Domestic bills discounted . . . . .	60.1	46.3	37.5	33.1	32.0	28.7	22.4	21.8	48.4
5. Loans and advances . . . . .	80.8	106.8	93.2	92.2	100.2	108.3	91.4	99.1	88.1
6. Bonds . . . . .	8.1	9.0	9.3	9.0	8.9	8.6	9.6	11.2	19.1
7. Other assets . . . . .	3.5	2.8	1.8	6.1	7.4	5.4	10.5	8.1	
8. Total Balance-sheet . . . . .	251.7	249.5	214.7	219.0	227.8	227.4	213.0	271.2	296.6
<b>LIABILITIES.</b>									
9. Capital . . . . .	17.0	18.7	19.7	19.7	20.0	20.4	20.8	21.2	21.6
10. Reserve Fund . . . . .	7.2	7.9	4.7	4.7	4.9	5.0	5.2	5.4	5.5
11. Notes in circulation . . . . .	48.5	49.6	41.2	36.1	36.7	38.8	38.1	42.2	64.7
12. Deposit accounts . . . . .	170.3	168.5	148.2	156.7	164.3	161.0	146.4	200.4	196.9
(a) Government deposits . . . . .	93.7	86.9	57.7	66.2	58.0	46.5	33.5	60.7	50.3
(b) Current accounts in national currency	59.1	60.2	70.5	68.4	85.6	93.4	90.5	116.5	146.6
(c) Current accounts in foreign currency .	2.1	0.8	2.0	1.9	1.9	1.3	1.9	4.3	
(d) Savings accounts . . . . .	11.2	16.5	13.8	16.3	15.8	16.9	17.5	16.5	
(e) Fixed deposits . . . . .	4.2	5.1	4.2	3.9	3.0	2.9	3.0	3.4	
13. Other liabilities . . . . .	8.7	4.8	0.9	1.8	1.9	2.2	2.5	2.0	7.9
Discount rate (percentage) . . . . .	6	6	6	6	5½	5½	5½	5	5

## 3. Bills discounted and bought.

Item (b) includes rediscounts, shown separately under liabilities (group 18). The net balance of domestic discounts is given below.

	1929	1931	1932	1933	1934	1935	1936
<i>Inland bills :</i>				Lats (000,000's)			
Discounted . . . . .	49.2	21.7	16.5	16.2	16.6	13.0	18.6
Rediscounted . . . . .	14.2	9.4	8.7	7.8	7.4	2.0	1.7
Net balance . . . . .	35.0	12.3	7.8	8.4	9.2	11.0	16.9

## 10. Sundry Assets.

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
Branch accounts . . . . .	4.6	3.1	2.8	2.4	2.0	1.0	3.2
Transitory items . . . . .	3.1	3.4	2.7	3.2	2.7	0.6	0.9
Expenditure accounts . . . . .	0.7	0.6	—	—	0.1	—	—
Protested bills . . . . .	0.1	0.2	0.1	0.6	0.8	—	—
Other accounts . . . . .	1.2	4.0	2.5	2.0	2.2	0.8	1.0
Total . . . . .	9.7	11.3	8.1	8.2	7.8	2.4	5.1

## 13. Reserve Funds.

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
Ordinary reserve funds . . . . .	1.2	1.6	0.6	0.6	0.4	0.4	0.4
Special reserves . . . . .	0.5	0.6	1.3	0.7	0.6	0.5	0.5
Other capital accounts . . . . .	1.7	2.0	1.8	2.1	1.9	1.1	2.3
Total . . . . .	3.4	4.2	3.7	3.4	2.9	2.0	3.2

## 17. Deposits.

The sums under (a) are composed as follows :

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
Current accounts . . . . .	56.6	24.0	24.8	26.0	32.8	38.5	70.4
Demand deposits . . . . .	1.3	1.1	0.9	0.8	0.7	0.3	0.2
Total . . . . .	57.9	25.1	25.7	26.8	33.5	38.8	70.6

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	20	19	18	17	17	8	8
SUMMARY BALANCE-SHEET.							
ASSETS.							
Lats (000,000's)							
1. Cash . . . . .	7.2	4.9	4.9	5.0	8.6	12.2	15.0
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	1.3	0.4	0.3	0.3	0.5	1.5	2.8
3. Bills discounted and bought . . . . .	57.3	23.3	16.9	16.4	16.3	13.3	19.8
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	49.2	21.7	16.5	16.2	16.0	13.0	18.6
(c) Commercial bills, Foreign . . . . .	8.1	1.6	0.4	0.2	0.3	0.3	1.2
4. Investments and Securities . . . . .	3.6	4.5	4.7	3.0	4.5	20.2	16.6
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	22.0	9.3	8.5	4.9	3.0	5.0	14.7
(a) At home . . . . .	10.0	3.6	3.0	0.6	0.7	2.9	0.5
(b) Abroad . . . . .	12.0	5.7	5.5	4.3	2.3	2.1	14.2
7. Loans and Advances . . . . .	86.2	44.3	36.0	32.0	30.6	34.5	61.9
(a) On current account . . . . .	82.5	42.2	33.8	28.5	28.5	23.4	39.5
(b) Other . . . . .	3.7	2.1	2.2	3.5	2.1	11.1	22.4
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	12.4	14.0	13.6	13.7	14.7	7.1	8.6
10. Sundry Assets . . . . .	9.7	11.3	8.1	8.2	7.8	2.4	5.1
11. Total Balance-sheet . . . . .	199.7	112.0	93.0	83.5	86.0	96.2	144.5
LIABILITIES.							
12. Capital paid up . . . . .	30.3	29.6	27.7	24.7	24.7	35.2	35.2
13. Reserve Funds . . . . .	3.4	4.2	3.7	3.4	2.9	2.0	3.2
14. Profit and Loss, etc. . . . .	1.9	0.9	0.3	0.2	0.2	0.3	0.3
15. Cheques and Drafts in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	28.1	15.6	10.8	5.6	3.6	5.8	3.9
(a) At home . . . . .	8.3	1.9	0.6	0.4	0.4	2.7	0.4
(b) Abroad . . . . .	19.8	13.7	10.2	5.2	3.2	3.1	3.5
17. Deposits . . . . .	61.6	27.4	27.3	28.4	35.2	40.4	80.6
(a) Current accounts and sight deposits . . . . .	57.9	25.1	25.7	26.8	33.5	38.8	70.6
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time and fixed deposits . . . . .	3.7	2.3	1.6	1.6	1.7	1.6	10.0
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	57.8	26.4	16.4	14.4	13.1	4.5	5.9
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	16.6	7.9	6.8	6.8	6.3	8.0	15.4
21. Guarantees . . . . .	42.3	14.4	10.1	10.4	11.5	3.3	7.2
22. Collection Accounts . . . . .	39.5	22.6	15.1	16.8	15.5	40.3	61.1
SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.							
1. Gross Profits . . . . .	9.3	6.3	3.7	4.5	3.5	3.0	5.0
<i>To be deducted :</i>							
2. Expenses . . . . .	5.6	4.8	3.4	2.5	2.6	2.3	3.5
(a) Salaries, etc. . . . .	(3.6)	(3.1)	(2.1)	(1.6)	(1.6)	(1.3)	(1.8)
(b) Other working expenses . . . . .	(2.0)	(1.7)	(1.3)	(0.9)	(1.0)	(1.0)	(1.7)
(c) Taxes, etc. . . . .	—	—	—	—	—	—	—
3. Reserved for Pension Funds, etc. . . . .	—	—	—	—	—	—	—
4. Written off on . . . . .	1.6	4.9	1.8	3.3	2.1	0.4	0.9
(a) Premises, etc. . . . .	.	.	.	.	.	.	.
(b) Investments and securities . . . . .	.	.	.	.	.	.	.
(c) Other assets . . . . .	.	.	.	.	.	.	.
5. Remaining Net Profit (+) or Loss (—)	+ 2.1	— 3.4	— 1.5	— 1.3	— 1.2	+ 0.3	+ 0.6
6. Carried forward from preceding year . . . . .	.	.	.	.	.	.	.
7. Taken from Reserves or Capital . . . . .	.	.	.	.	.	.	.
8. Total disposed of for Dividends, etc. . . . .	.	.	.	.	Ed	.	.
9. Carried to Reserves . . . . .	.	.	.	.	.	.	.
10. Dividends . . . . .	1.2	—	0.1	—	0.1	0.1	0.2
11. Directors' Fees, etc. . . . .	.	.	.	.	.	.	.
12. Carried forward to following year . . . . .	.	.	.	.	.	.	.

## LATVIA

18. *Rediscounts and Borrowings.*

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
<i>Bills rediscounted :</i>							
With the Bank of Latvia . . . . .	14.1	9.3	8.5	7.6	7.2	2.0	1.7
With other credit institutions . . . . .	0.1	0.1	0.2	0.2	0.2	—	—
Total rediscounts . . . . .	14.2	9.4	8.7	7.8	7.4	2.0	1.7
<i>Borrowings on special current accounts :</i>							
With the Bank of Latvia . . . . .	8.4	3.6	2.1	3.0	2.3	0.6	1.2
With other credit institutions . . . . .	—	—	—	—	0.3	0.3	0.8
Total special current accounts . . . . .	8.4	3.6	2.1	3.0	2.6	0.9	2.0
<i>Borrowings abroad . . . . .</i>	35.0	12.9	5.2	2.9	2.5	1.6	2.2
<i>Other borrowings . . . . .</i>	0.2	0.5	0.4	0.7	0.6	—	—
Total rediscounts and borrowings . . . . .	57.8	26.4	16.4	14.4	13.1	4.5	5.9
Thereof with :							
Bank of Latvia . . . . .	22.5	12.9	10.6	10.6	9.5	2.6	2.9
Other credit institutions . . . . .	0.1	0.1	0.2	0.2	0.5	0.3	0.8

20. *Sundry Liabilities.*

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
Branch accounts . . . . .	4.5	3.1	2.7	2.4	2.0	1.0	3.2
Transitory items . . . . .	2.6	2.6	2.2	3.1	3.2	2.4	5.3
Other accounts . . . . .	9.5	2.2	1.9	1.3	1.1	4.6	6.9
Total . . . . .	16.6	7.9	6.8	6.8	6.3	8.0	15.4

*Summary of Profit-and-Loss Accounts.*1. *Gross Profits.*

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
Interest received . . . . .	13.8	8.8	4.8	3.1	3.3	2.4	4.1
Loss interest paid . . . . .	8.1	5.3	3.2	2.2	2.0	1.5	2.3
Net interest from discounts and loans . . . . .	5.7	3.5	1.6	0.9	1.3	0.9	1.8
Commissions . . . . .	1.9	0.9	0.6	0.6	0.5	0.6	1.0
Profit on exchange . . . . .	1.0	0.9	0.6	2.0	0.7	0.4	1.1
Profit from real estate . . . . .	0.3	0.4	0.3	0.3	0.3	0.2	0.2
Profit from securities . . . . .	0.1	0.2	0.2	0.1	0.1	0.3	0.5
Sundry profits . . . . .	0.3	0.4	0.4	0.6	0.6	0.6	0.4
Total . . . . .	9.3	6.3	3.7	4.5	3.5	3.0	5.0

5. *Net Profit or Loss.*

The figures represent the net balance of the banks as a whole. Even in years when there was a loss, certain banks made a net profit which, however, was exceeded by the loss of the others, as shown below :

	1929	1931	1932	1933	1934	1935	1936
				Lats (000,000's)			
Aggregate net profits . . . . .	2.2	0.1	0.2	0.2	0.3	0.3	0.9
Aggregate loss . . . . .	0.1	3.5	1.7	1.5	1.5	—	0.3
Balance . . . . .	+ 2.1	— 3.4	— 1.5	— 1.3	— 1.2	+ 0.3	+ 0.6

## LITHUANIA

End of (Fortnightly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Bank of Lithuania						All Credit Institutions		Coins in circulation	Discount rate <sup>b</sup>
		Gold	Foreign exchange	Loans and d'scounts	Deposit accounts	Current accounts	Note circulation	Private deposits	State deposits		
	■	Litas (000,000's)									%
Dec. 1935 . . . . .	99.9	36.1	17.6	95.3	20.0	25.8	103.5	126	63	15.8	6
March 1936 . . . . .	99.9	51.0	19.5	86.6	19.2	28.2	109.4	136	63	16.0	6
June 1936 . . . . .	100.0	59.0	16.0	72.9	14.9	33.2	105.9	153	58	15.9	6
Sept. 1936 . . . . .	99.5	65.3	14.8	76.9	11.8	41.8	108.0	164	59	16.3	5.5
Dec. 1936 . . . . .	99.4	73.1	9.6	99.8	36.5	41.5	110.3	161	92	16.7	5.5
March 1937 . . . . .	99.4	76.6	6.3	98.6	35.1	45.3	113.5	176	90	16.9	5.5
June 1937 . . . . .	99.4	76.7	6.2	93.8	27.1	53.9	108.4	183	94	17.5	5.5
Sept. 1937 . . . . .	99.4	76.7	6.5	103.2	27.6	55.0	116.6	190	87	19.2	5.5
Dec. 1937 . . . . .	99.7	79.0	5.5	115.8	32.8	59.0	116.6	199	100	21.6	5.5

<sup>a</sup> Parity in 1929 : 1 litas = 10 U.S.A. cents ; 1 U.S.A. dollar = 10 litas.

<sup>b</sup> Date of last change : July 1st, 1936.

■ Monthly average.

See *Commercial Banks 1925-1933*, page 154 ; *1929-1934*, page 76 ; *Money and Banking 1935/36*, Vol. II, page 132 ; *1936/37*, Vol. II, page 105.

**Exchange Control :** The exchange restrictions enacted for two years on October 1st, 1935, were prolonged for another year in October 1937.

**Bank of Lithuania : Gold :** Valued at the legal parity (1 litas = 0.15046 gramme of fine gold).

**All Credit Institutions :** Including the Bank of Lithuania, the commercial banks, such State-controlled institutions as the Land Bank and the State Savings Bank, etc. Excluding co-operative credit societies.

**Sources :** Annual reports, *Quarterly Bulletin* and fortnightly returns of the Bank of Lithuania. *Monthly Bulletin* of the Central Bureau of Statistics.

## Bank of Lithuania.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937 *
	Litas (000,000's)								
<b>ASSETS.</b>									
1. Gold reserve . . . . .	35.1	39.4	50.1	49.1	52.0	52.1	36.1	73.1	79.0
2. Silver and other coins . . . . .	5.4	4.3	3.9	4.4	3.5	3.4	5.2	7.7	13.0
3. Foreign notes and bills . . . . .	78.5	86.3	33.2	16.0	15.3	8.4	17.6	9.6	5.5
4. Domestic bills . . . . .	84.1	101.6	109.1	82.4	74.7	89.7	83.3	86.2	98.7
5. Advances . . . . .	—	—	—	9.6	9.1	11.3	12.0	13.6	17.1
6. Securities . . . . .	—	—	—	—	—	—	7.3	6.1	3.8
7. Other assets . . . . .	13.2	11.2	11.5	11.7	12.6	11.7	9.4	12.8	12.5
8. Total Balance-sheet . . . . .	216.3	242.8	207.8	173.2	167.2	176.6	170.9	209.1	229.6
<b>LIABILITIES.</b>									
9. Capital . . . . .	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
10. Reserve fund . . . . .	1.4	1.6	1.9	2.0	2.1	2.2	2.3	2.4	2.5
11. Notes in circulation . . . . .	94.8	117.2	109.0	96.2	87.6	88.2	103.5	110.3	116.6
12. Current accounts . . . . .	—	—	—	20.2	25.6	31.7	25.8	41.5	59.0
13. Deposits . . . . .	99.6	102.7	78.0	37.0	35.2	36.8	20.0	36.5	32.8
14. Other liabilities . . . . .	8.5	9.3	6.9	5.8	4.7	5.7	7.3	6.4	6.7
Discount rate (percentage) . . . . .	7	6-7	6-8½	6-7	6-7	6	6	5½	5½

\* Statement for fortnight ending December 31st.

## Commercial Banks.

End of :	"Great Lithuania"							Memel (Klaipeda) Territory						
	1929	1931	1932	1933	1934	1935	1936	1929	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	9	8	7	7	7	7	7	11	9	7	8	8	7	7
SUMMARY BALANCE-SHEET.														
Litas (000,000's)														
ASSETS.														
1. Cash . . . . .		5.7	3.9	4.9	4.2	5.1	5.1	1.1	1.2	1.5	1.4	0.8	1.1	1.5
(a) Gold, silver and small coins . . . . .		—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	6.5	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .		1.1	1.6	1.1	1.2	0.1	—	—	—	—	—	—	—	—
3. Bills discounted or bought . . . . .	21.7	24.9	21.3	22.4	19.7	17.7	21.5	8.5	12.2	7.7	5.8	5.2	4.2	4.6
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	17.9	16.8	16.8	16.7	16.8	17.1	20.5	0.5	1.0	0.5	0.4	0.7	0.6	1.3
(a) Government . . . . .	0.3	—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Other . . . . .	17.6	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	11.5	2.5	5.6	3.5	2.6	1.6	3.1	2.4	1.6	2.3	2.2	1.9	1.1	1.1
(a) At home . . . . .	—	1.0	3.0	2.8	1.0	0.5	1.8	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	1.5	2.6	1.0	1.6	1.1	1.3	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	45.8	48.5	41.4	44.9	50.3	48.4	52.2	32.6	39.6	33.9	29.7	26.3	24.8	28.9
(a) On current account . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	7.1	8.3	8.6	8.4	8.6	8.5	8.8	2.2	2.1	3.0	3.1	2.6	2.6	2.9
10. Sundry Assets . . . . .	6.1	13.4	10.2	9.0	8.0	6.3	8.5	7.2	4.7	3.3	4.2	2.9	0.9	0.9
11. Total Balance-sheet . . . . .	116.6	121.2	109.4	110.9	111.4	104.8	119.7	54.5	62.4	52.2	46.8	40.4	35.3	41.2
LIABILITIES.														
12. Capital paid up . . . . .	25.8	25.8	25.0	27.5	27.5	27.5	27.5	4.9	4.8	4.3	4.3	4.5	4.0	4.0
13. Reserve Funds . . . . .	0.9	1.9	2.0	2.1	2.1	1.9	2.1	1.1	1.5	1.4	1.4	1.3	1.5	1.6
14. Profit and Loss, etc. . . . .	0.8	—	—	—	—	—	—	0.5	0.5	0.4	0.4	0.6	0.3	0.3
15. Cheques and Drafts in circulation . . . . .	—	—	—	—	—	—	—	1.3	2.2	0.6	1.3	0.8	0.9	0.7
16. Due to Banks (Correspondents) . . . . .	10.5	4.4	3.7	4.4	2.9	2.1	2.8	3.0	2.6	0.9	4.5	4.5	4.7	5.5
(a) At home . . . . .	—	3.3	3.3	2.2	2.1	1.9	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	1.1	0.4	2.2	0.8	0.2	—	—	—	—	—	—	—	—
17. Deposits . . . . .	65.3	64.2	63.6	59.1	55.2	48.8	62.3	35.8	41.2	38.3	31.0	25.2	22.1	27.3
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	7.5	9.9	5.2	8.2	16.0	18.7	15.2	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	5.8	15.0	9.9	9.6	7.7	5.8	9.8	7.9	9.6	6.3	3.9	3.5	1.8	1.8
21. Guarantees, etc. . . . .	13.8	13.7	9.1	20.3	9.5	9.1	10.3	6.4	3.4	2.7	6.2	2.4	2.0	2.1
22. Bills for Collection . . . . .	31.0	27.3	16.0	20.2	19.2	20.0	21.2	—	—	—	—	—	—	—

## Commercial Banks.

## 1 and 2. Cash and Other Items of a Cash Nature.

The composition of the cash assets of the Memel banks is not shown. These appear to hold very small balances, if any, with the Bank of Lithuania. The balances held with that institution by the banks in "Great Lithuania" since 1932 are as follows:

	1932	1933	1934	1935	1936
Inland notes and coins . . . . .	2.6	2.6	3.1	3.3	3.0
Balances with the Central Bank . . . . .	1.3	2.3	1.1	1.8	2.1
Total . . . . .	3.9	4.9	4.2	5.1	5.1

The sums under (2) consist of foreign bank-notes and cheques.

## 3. Bills discounted.

The bill portfolio includes rediscounts. The liability of the banks of "Great Lithuania" for bills rediscounted is given in group 18; their net portfolio is shown below:

	1929	1931	1932	1934	1935	1936
Litas (000,000's)						
Bills:						
Discounted . . . . .	21.7	24.9	21.3	22.4	19.7	17.7
Rediscounted . . . . .	2.4	3.2	1.2	1.7	1.8	1.5
Net portfolio . . . . .	19.3	21.7	20.1	20.7	17.9	16.2

Rediscounts are not shown separately in the statistics relating to the Memel banks, which do not rediscount much with the Bank of Lithuania.

## 17. Deposits.

" Great Lithuania " :	1932	1933	1934	1935	1936
	Litae (000,000's)				
Sight and time deposits :					
National currency . .	20.8	20.8	19.6	15.6	19.0
Foreign currency . .	6.3	3.5	1.6	0.9	0.6
Total . . . . .	27.1	24.3	21.2	16.5	19.6
Current accounts :					
National currency . .	33.1	32.0	32.2	32.1	42.4
Foreign currency . .	3.4	2.8	1.8	0.2	0.3
Total . . . . .	36.5	34.8	34.0	32.3	42.7
Grand total . . . . .	63.6	59.1	55.2	48.8	62.3
Thereof :					
National currency . .	53.9	52.8	51.8	47.7	61.4
Foreign currency . .	9.7	6.3	3.4	1.1	0.9

Memel Territory :	1932	1933	1934	1935	1936
	Litae (000,000's)				
Deposits . . . . .	27.8	22.3	15.2	12.3	14.7
Creditors . . . . .	10.5	8.7	10.0	9.8	12.6
Total . . . . .	38.3	31.0	25.2	22.1	27.3

For the Memel Territory, foreign currency deposits are not shown separately.

## 18. Rediscounts and Other Borrowings.

The composition of this item, for the banks of " Great Lithuania ", is shown below :

	1929	1931	1932	1933	1934	1935	1936
	Litae (000,000's)						
Rediscounts . . . . .	2.4	3.2	1.2	1.7	1.8	1.5	1.4
Borrowings . . . . .	5.1	6.7	4.0	6.5	14.2	17.2	13.8
Total . . . . .	7.5	9.9	5.2	8.2	16.0	18.7	15.2

The above sums represent in part foreign credits, which, however, are not shown separately.

## Profit-and-Loss Accounts.

The following figures are available for the seven commercial banks of " Great Lithuania " in existence at the end of 1934 :

	Gross profits <sup>a</sup>	Expenses <sup>b</sup>	Net profits	Dividends <sup>c</sup>
	Litae (000,000's)			
1929 . . . . .	12.5	4.7	1.0	0.6
1931 . . . . .	14.0	4.9	0.7	0.4
1932 . . . . .	10.6	4.4	0.4	0.1
1933 . . . . .	9.9	3.7	0.9	0.1
1934 . . . . .	7.7	3.6	0.3	...
1935 . . . . .	7.3	3.4	0.2	...
1936 . . . . .	7.5	3.2	0.1	...

<sup>a</sup> Including interest received.

<sup>b</sup> Excluding interest paid.

<sup>c</sup> Calculated from the percentage rate of dividend and the paid-up share capital of each bank.

## MEXICO

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Banco de México						Commercial Banks							
		Gold, silver and foreign assets	Discounts, loans and advances			Gross monetary circulation	Sight deposits	Cash	Dis- counts	Invest- ments	Loans		Deposits		
			Banks		Other						On current account	Other	Sight	Savings	Time
			Total	Re- discounts											
Pesos (000,000's)															
Dec. 1935.	33.1	294.8	65.0	41.0	14.4	344.3	121.6	84.0	66.6	17.3	153.5	40.3	233.8	20.8	42.4
March 1936	32.9	296.6	69.2	46.4	16.8	362.8	128.2	93.6	62.4	16.5	170.0	41.9	244.6	21.9	46.1
June 1936.	33.1	313.5	83.4	60.7	18.8	379.1	126.7	102.2	65.1	17.2	178.1	46.0	233.9	23.7	43.9
Aug. 1936.	33.1	309.4	81.6	60.3	19.7	375.4	106.8	100.5	70.2	18.6	173.7	55.3	245.8	24.6	39.9
		Metallic reserve and silver for mon- etary certifi- cates	Loans and discounts		Invest- ments	Notes and silver certifi- cates	Sight deposits								
			Total	Asso- ciated insti- tutions											
Sept. 1936	32.9	351.3	69.6	12.3	39.1	269.3	136.6	123.9	67.8	18.6	173.0	52.8	251.6	25.0	43.6
Dec. 1936.	32.9	321.5	79.7	13.8	33.4	270.1	112.0	95.7	93.0	21.0	174.2	44.9	241.3	26.5	44.3
March 1937	32.9	302.0	106.3	15.1	34.6	281.7	117.1	115.5	90.6	20.2	181.6	46.2	265.1	28.3	42.5
June 1937.	32.9	298.1	137.6	14.3	24.2	295.2	121.6	120.1	98.0	25.0	192.4	54.5	284.7	31.0	47.5
Sept. 1937	32.9	258.8	145.9	21.6	29.0	298.3	97.7	99.3	99.9	26.6	199.4	55.2	258.4	32.6	55.5
Nov. 1937.	32.9	222.0	160.5	45.7	40.6	287.6	96.7	89.3 <sup>b</sup>	98.1 <sup>b</sup>	27.2 <sup>b</sup>	196.2 <sup>b</sup>	55.1 <sup>b</sup>	248.6 <sup>b</sup>	32.6 <sup>b</sup>	56.7 <sup>b</sup>

<sup>a</sup> Monthly average.

<sup>a</sup> Gold parity in 1929 : 1 gold peso = 0.49846 U.S.A. dollar ; 1 U.S.A. dollar = 2.00617 gold pesos.

<sup>b</sup> October.

See *Commercial Banks 1913-1929*, page 386 ; *1925-1933*, page 296 ; *1929-1934*, page 178 ; *Money and Banking 1935/36*, Vol. II, page 136 ; *1936/37*, Vol. II, page 107.

**Value of Currency :** On December 30th, 1937, a new exchange stabilisation arrangement between the United States and Mexico provided for the maintenance of the present rate of 3.60 pesos to the dollar and for purchases of Mexican silver at the price applied in 1937 (between 44 and 45 cents per oz.). The operation of this arrangement is to be ensured by means of the U.S. Stabilisation Fund and a similar fund of an undisclosed amount operated by the Bank of Mexico. According to a statement of the Mexican Minister of Finance and Economy, on December 14th, 1937, the monthly purchases by the United States of Mexican silver amounted to 5 million oz., for which payment was being made at the New York rate.

**Banco de México :** Owing to frequent changes made by the Banco de México in the form of its balance-sheet, the items summarised in the table are not strictly comparable. For particulars of the reforms enacted in 1931, 1932, 1935 and 1936, see previous editions of this volume. *Gold and silver :* Valued at the legal parity (peso oro = 0.75 gramme of fine gold), the gold reserve amounted, at the end of the years 1929-1934, to 14.5, 8.9, 5.3, 8.3, 17.8 and 27 million pesos respectively. Information is not available with regard to the gold portion of the metallic reserve in 1935. In the period when the Bank operated under the Law of April 27th, 1935, the Monetary Reserve, valued at cost, was shown outside the balance-sheet. On August 28th, 1936, date of liquidation of the Monetary Reserve according to the Organic Law of September 1st, 1936, the gold reserve amounted to 41.531 kg. valued at 167 million pesos (54 million gold pesos). This gold reserve (*minus* 1,303 kg. valued at 5 million pesos, utilised to liquidate the liabilities of the Monetary Reserve) was transferred to the Bank. No separate data as regards the gold reserve are available for the end of 1936. The gold and silver reserve shown under item (1) for 1936 and 1937 includes, in addition to the metallic reserve proper, silver earmarked as cover for the silver certificates issued. *Notes in circulation :* The legal basis of the note issue was broadened in 1932. For 1935, the return of the Issue Department is shown outside the balance-sheet. *Monetary certificates in circulation :* Under the Decree of September 1st, 1936, the Bank issued 1-peso and 5-peso currency certificates, representing legal tender silver coins or bar silver at the rate of 12 grammes of pure silver per piastre, the Bank being obliged to exchange such certificates for notes or metallic currency at the holder's option. *Metallic coins :* In addition to the notes and silver certificates, the monetary circulation consists of silver coins brought again into circulation in September 1936, and amounting to 165 million pesos at the end of 1936. *Provision and Stabilisation Funds :* Funds set

## Banco de México

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937*
Pesos (000,000's)									
<b>ASSETS.</b>									
1. Gold and silver . . . . .	33.8	26.6	17.3	84.3 <sup>a</sup>	102.7 <sup>c</sup>	162.7 <sup>c</sup>	—	321.5	222.0
2. Coin . . . . .	—	—	—	—	64.3	30.6	86.8	3.0	1.3
3. Foreign exchange . . . . .	19.6	3.6	4.3	—	1.7	9.6	6.8	36.2	14.8
4. Sight claims and balances due from banks	11.6	9.4	5.2	17.6	5.9	7.1	9.8	8.8	7.4
5. Loans and discounts . . . . .	66.8	93.5	100.9	60.4	75.4	74.6	71.7	79.7	160.5
(a) Discounts . . . . .	—	—	—	—	—	—	—	65.9	114.8
(b) Loans to member banks . . . . .	9.7	11.0	12.5	28.6	30.0	56.9	63.5	13.8	45.7
6. Investments . . . . .	—	—	1.5	—	2.3	5.4	7.7	33.4	40.6
7. Other assets . . . . .	5.9	5.4	4.9	4.4	4.0	4.9	3.6	14.2	35.4
8. Total Balance-sheet . . . . .	<b>137.7</b>	<b>138.5</b>	<b>134.1</b>	<b>166.7</b>	<b>256.3</b>	<b>294.9</b>	<b>186.4</b>	<b>496.8</b>	<b>482.0</b>
<b>LIABILITIES.</b>									
9. Capital paid up . . . . .	66.8	66.8	66.8	31.1	32.3	31.7	32.3	34.3	36.0
10. Reserve funds . . . . .	4.9	4.7	1.8	—	0.1	0.5	0.9	1.4	1.8
11. Notes in circulation . . . . .	2.7	2.8	1.1	42.1	77.7	100.0	—	176.1	200.2
12. Monetary certificates in circulation . . . .	—	—	—	—	—	—	—	94.0	87.4
13. Deposits . . . . .	53.6	50.5	54.0	74.5	97.0	107.9	147.9	148.2	111.5
(a) Sight deposits in national currency . .	38.9	41.8	39.7	—	60.8	83.6	121.6	112.0	96.7
(b) Deposits in foreign currency . . . . .	—	—	—	—	—	—	—	36.2	14.8
14. Provision and Stabilisation Funds . . . . .	—	—	—	—	—	—	—	38.6	23.1
15. Other liabilities . . . . .	9.7	13.7	10.4	19.0 <sup>b</sup>	49.2 <sup>d</sup>	54.8 <sup>d</sup>	5.3	4.2	22.0
<i>Monetary Reserve</i> . . . . .									
(a) Gold, silver and foreign exchange. . .	—	—	—	—	—	—	294.8	—	—
(b) Minus dollar account of the Bank (item 3 above) . . . . .	—	—	—	—	—	—	301.6	—	—
<i>Issue Department</i> . . . . .									
(a) Notes issued . . . . .	—	—	—	—	—	—	344.3	—	—
(b) Coin . . . . .	—	—	—	—	—	—	300.9	—	—
	—	—	—	—	—	—	44.1	—	—

\* Statement for end of November.

<sup>a</sup> In addition to this reserve, expressed in national currency, the 1932 report shows, outside the balance-sheet, a gold reserve amounting to 0.9 million gold pesos.

<sup>b</sup> Including fund for increase of reserve against note issue, amounting to 17.8 million pesos.

<sup>c</sup> Assets of the Monetary Reserve, including foreign exchange *plus* gold and silver, shown separately in original balance-sheet.

<sup>d</sup> Including the liabilities of the Monetary Reserve.

up in September 1936, amounting to 10 million and 28.6 million pesos respectively at the end of 1936. Their initial resources consisted of 10 million and 35 million pesos respectively, transferred from the old Monetary Reserve. *Banking legislation* : According to a Decree of September 11th, 1937, the Banco de México became the sole bank of issue and was entrusted with the regulation of the exchange rate. The Bank may disregard the stipulations of the Banking Law of 1936, except in three cases, until August 31st, 1938, provided, however, that, at the end of that time, its general condition is such that it could once again comply fully with that law. The three cases which the Bank cannot disregard deal with the return of silver pesos into circulation, the withdrawal of 1-peso notes and the issue of 5-peso notes.

Sources : Banco de México : Monthly returns and annual reports. *Boletín de la Comisión Nacional Bancaria.*



## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	53	56	58	48	63	69		
<b>SUMMARY BALANCE-SHEET.</b>								
Assets.								
Pesos (000,000's)								
1. Cash . . . . .	54.5	71.8	30.0	62.1	79.2	91.6	84.0	95.7
(a) Gold, silver and small coins . . . . .	80.5	63.5	26.8	37.4	37.4	44.9	49.3	49.3
(b) Bank notes, State notes and balances with Central Bank . . . . .	4.0	8.3	3.2	24.7	41.8	46.7	34.7	46.4
2. Other Items of a Cash Nature . . . . .	8.3	6.7	3.5	5.9	7.1	8.2	13.6	13.9
3. Bills discounted and bought . . . . .	92.4	95.9	41.6	46.9	68.4	88.3	66.6	93.0
(a) Government bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	31.6	30.8	18.9	21.4	28.6	30.9	17.2	21.0
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	49.9	25.1	29.4	18.7	32.7	24.9	58.4	38.0
(a) At home . . . . .	19.9	9.8	5.8	6.8	19.4	10.0	7.9	13.4
(b) Abroad . . . . .	30.0	15.3	23.6	11.9	13.3	14.9	50.5	24.6
7. Loans and Advances . . . . .	130.8	126.9	135.8	115.7	156.5	147.1	193.8	219.1
(a) On current account . . . . .	37.1	44.5	33.3	33.9	62.4	86.1	153.5	174.2
(b) Other . . . . .	93.7	82.4	102.5	81.8	94.1	61.0	40.3	44.9
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	24.1	24.2	17.5	20.5	12.3	14.4	22.1	23.1
10. Sundry Assets . . . . .	23.9	35.5	31.9	29.2	34.0	31.4	43.7	56.6
11. Total Balance-sheet . . . . .	415.5	416.9	308.6	320.4	418.8	436.8	499.4	560.4
LIABILITIES.								
12. Capital paid up . . . . .	100.9	100.6	98.6	95.8	97.3	85.4	66.2	65.6
13. Reserve Funds . . . . .	28.1	21.6	19.9	14.6	23.8	11.0	20.0	34.5
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—
15. Notes in circulation . . . . .	11.2	5.5	5.5	5.2	—	—	—	—
16. Cheques and Drafts, etc., in circulation . . . . .	14.7	5.2	5.0	4.8	7.0	9.6	15.8	18.5
17. Due to Banks (Correspondents) . . . . .	11.8	12.0	7.7	11.9	12.5	27.1	23.7	32.4
(a) At home . . . . .	10.1	8.6	2.0	8.2	12.3	26.1	16.6	22.4
(b) Abroad . . . . .	1.7	3.4	5.7	3.7	0.2	1.0	7.1	10.0
18. Deposits . . . . .	218.5	243.2	145.4	162.1	233.6	234.7	297.0	312.1
(a) Current accounts and sight deposits . . . . .	175.6	183.0	102.0	136.2	182.4	193.1	233.8	241.3
(b) Savings accounts . . . . .	—	—	—	—	—	—	20.8	26.5
(c) Time deposits . . . . .	42.9	60.2	43.4	26.9	51.2	41.6	42.4	44.3
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
19. Rediscounts and Other Borrowings . . . . .	8.2	7.8	5.5	14.5	20.9	41.5	34.1	51.3
20. Acceptances . . . . .	—	—	—	—	—	—	—	—
21. Sundry Liabilities . . . . .	22.1	21.0	21.0	11.5	23.7	27.5	42.6	46.0

## Commercial Banks.

It should be noted that, in consequence of the banking reorganisation in 1932, the banking statistics for 1932, 1933 and 1934 are not comparable with those for previous years. In 1935, a new complete change was made in the presentation of the banking statistics. The summary includes now all private credit institutions in the country. Their number is not stated.

## 1. Cash.

Composition of the metallic cash holdings :

	1929	1930	1931	1932	1933	1934	1935	1936
	Pesos (000,000's)							
Gold . . . . .	30.2	27.1	3.7	2.2	2.0	9.3	3.8	3.3
Silver and small coins . . . . .	20.3	36.4	23.1	35.2	35.4	35.6	45.5	46.0
Total . . . . .	50.5	63.5	26.8	37.4	37.4	44.9	49.3	49.3

## 3. Discounts.

Including bills in course of collection : in 1935, 12.4 million; in 1936, 19.5 million.

4 and 5. *Investments and Securities ; Participations.*

	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
Approved securities . . . . .	6.5	5.8	6.6	8.3	1.9	12.9	4.8	6.2
Other investments . . . . .	25.1	25.0	12.3	13.1	26.7	18.0	12.4	14.8
Total . . . . .	31.6	30.8	18.9	21.4	28.6	30.9	17.2	21.0

6. *Due from Banks (Correspondents).*

	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
Inter-bank deposits . . . . .	7.1	8.1	5.3	5.6	11.1	7.9	6.7	10.8
Balances due from banks . . . .	12.8	1.7	0.5	1.2	8.3	2.1	1.2	2.6
Total . . . . .	19.9	9.8	5.8	6.8	19.4	10.0	7.9	13.4

The sums shown under (b) are officially described as "assets held in foreign banks".

7. *Loans and Advances.*

The sums given under (a) are as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
On current account . . . . .	8.5	10.1	2.5	2.0	16.9	11.1	14.2	16.1
Against collateral . . . . .	26.0	31.7	28.3	31.0	45.4	75.0	139.3	158.1
To Federal Government . . . . .	2.6	2.7	2.5	0.9	0.1	—	—	—
Total (a) . . . . .	37.1	44.5	33.3	33.9	62.4	86.1	153.5	174.2

The sums given under (b) are as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
1. Promotion loans . . . . .	15.2	12.3	15.5	9.2	9.6	11.6	12.0	11.3
2. Sundry debtors . . . . .	60.8	58.5	77.7	66.4	77.0	43.1	17.9	23.3
3. Other loans . . . . .	1.2	1.1	1.0	0.9	3.2	6.1	10.4	10.3
Total 1-3 . . . . .	77.2	71.9	94.2	76.5	89.8	60.8	40.3	44.9
Subject to moratoria :								
4. "Constitutional Government" debt . . . . .	0.3	—	—	—	—	—	—	—
5. Other old loans . . . . .	16.2	10.5	8.3	5.3	4.3	0.2	—	—
Total 4-5 . . . . .	16.5	10.5	8.3	5.3	4.3	0.2	—	—
Grand total (b) . . . . .	93.7	82.4	102.5	81.8	94.1	61.0	—	—

10. *Sundry Assets.*

	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
Mortgage loans . . . . .	16.3	15.3	14.6	12.9	15.2	10.5	22.0	21.7
Miscellaneous . . . . .	7.6	20.2	17.3	16.3	18.8	20.9	21.7	34.9
Total . . . . .	23.9	35.5	31.9	29.2	34.0	31.4	43.7	56.6

12 and 13. *Capital and Reserves.*

For foreign banks, only the capital assigned to the branches in Mexico is included. In 1935, the capital reserved for savings or other departments of the banks is excluded.

16. *Cheques and Drafts, etc., in circulation.*

	1929	1930	1931	1932	1933	1934	1935	1936
				Pesos (000,000's)				
Provisional bonds . . . . .	13.2	3.7	4.0	4.2	0.3	0.2	8.9	10.7
Cash bonds . . . . .	1.5	1.5	1.0	0.6	6.7	9.4	6.9	7.8
Total . . . . .	14.7	5.2	5.0	4.8	7.0	9.6	15.8	18.5

18. *Deposits.*

	1929	1930	1931	1932	1933	1934
				Pesos (000,000's)		
A. Sight deposits :						
In national currency . . . . .	123.5	139.3	62.5	97.5	143.2	152.5
In foreign currency . . . . .	35.2	31.9	31.3	26.4	22.0	22.6
Total . . . . .	158.7	171.2	93.8	123.9	165.2	175.1
B. Undrawn balances of current-account credits opened . . . . .	2.4	2.3	0.2	0.5	0.4	1.0
Sundry creditors . . . . .	14.5	9.5	8.0	10.8	16.8	17.0
Total . . . . .	175.6	183.0	102.0	135.2	182.4	193.1
C. Time deposits :						
In national currency . . . . .	34.1	46.9	22.9	20.3	29.9	32.3
In foreign currency . . . . .	8.8	13.3	20.5	6.6	21.3	9.3
Total . . . . .	42.9	60.2	43.4	26.9	51.2	41.6
Grand total . . . . .	218.5	243.2	145.4	162.1	233.6	234.7

## MEXICO

	1935	1936
	Pesos (000,000's)	
(a) Current accounts and sight deposits . . . . .	233.8	241.3
Deposits up to thirty-one days . . . . .	199.8	216.5
Other deposits . . . . .	21.1	7.1
Sundry creditors . . . . .	12.9	17.7
(b) Savings deposits . . . . .	20.8	26.5
(c) Time deposits . . . . .	42.4	44.3
Deposits at more than thirty-one days . . . . .	20.7	26.1
Sight and time accounts not subject to cover . . . . .	21.7	18.2
Total . . . . .	297.0	312.1

21. *Sundry Liabilities.*

	1929	1930	1931	1932	1933	1934	1935	1936
	Pesos (000,000's)							
Mortgage bonds . . . . .	—	—	—	—	—	—	11.3	11.0
Federal notes, etc. . . . .	—	2.2	0.1	—	—	—	—	—
Miscellaneous liabilities . . . . .	15.3	14.1	15.9	11.2	23.6	27.4	31.3	35.0
" Old accounts " . . . . .	6.8	4.7	5.0	0.3	0.1	0.1	—	—
Total . . . . .	22.1	21.0	21.0	11.5	23.7	27.5	42.6	46.0

The miscellaneous liabilities include, in addition to transitory accounts, the profits of the banks, which are not shown separately.

## NETHERLANDS

The marked recovery in the economic and financial conditions in the Netherlands in the year following the slipping-off the gold standard at the end of September 1936 is illustrated by the statistical series shown below :

	Sept. 1936	Sept. 1937		Sept. 1936	Sept. 1937
1. Foreign trade : monthly average, first nine months (million gulden) :			4. Bond yields (percentage) :		
(a) Imports . . . . .	78.7	127.3	(a) Irredeemable 2½ to 3% Govern- ment bonds . . . . .	3.38	3.09
(b) Exports . . . . .	57.0	94.0	(b) Miscellaneous bonds . . . . .	4.16	3.27
2. Industrial production index (1929 = 100) : General . . . . .	69.1	83.3	5. Money rates (percentage) :		
(a) Investment goods . . . . .	56.7	84.5	(a) Official discount rate . . . . .	3	2
(b) Consumption goods . . . . .	85.2	82.2	(b) Private discount rate . . . . .	1.36	0.20
3. Share prices index (1929 = 100) . . . . .	42.7	69.6	6. Wholesale-price index (1929 = 100) . . . . .	62.8	77.1
			7. Cost-of-living index (1929 = 100) . . . . .	78.6	82.7

The simultaneous improvement in monetary and banking conditions following an apparently uninterrupted capital inflow is fully reflected in the returns of the Netherlands Bank, and, naturally, only partially in the available accounts of the principal commercial banks — those for the end of 1936. The gold reserve of the Central Bank, which continues to be entered at the old parity, has shown a spectacular increase, rising from 670 million gulden on September 28th, 1936, to 1,266 millions on September 27th, 1937. In addition, the Exchange Fund holds important unrecorded amounts of gold. (The 100 million gulden of gold taken over by the Fund from the Netherlands Bank on September 30th, 1936, was returned in the second week of December 1936.) As the Netherlands Bank's gold reserve has increased uninterruptedly since December 28th, 1936, it may be assumed that the Exchange Fund's acquisition of gold must have been very large to oblige it to sell gold to the Bank in order to procure gulden to intervene in the exchange market. The Fund's original resources consisted of 300 million gulden of Treasury bills ; its actual resources are less than that sum by the amount of book loss it has incurred in selling gold to the Bank at the par rate.

The increase in the gold reserve has been accompanied mainly by an expansion in the Bank's sight deposits on private account — bankers' balances — which rose from 51 to 589 million gulden in the year ended September 27th, 1937. The note circulation and Government deposits increased by 61 millions and 29 millions in the same period. The other accounts of the Bank have not shown any remarkable change, apart from the decline in domestic discounts which since 1929 have been relatively small, and the variations in loans and advances which are believed to be due to transactions with the Exchange Fund.

The exchange rate of the gulden in terms of dollars and sterling has been firm throughout this period. The gulden, which opened at 1.79½ and 8.91 gulden to the dollar and pound respectively on September 29th, 1936, after rising to 1.88 and 9.19 on October 10th, 1936, has since tended to appreciate in terms of both currencies, despite the intervention of the Exchange Fund. The dollar and sterling rates fell to 1.80<sup>15</sup>/<sub>16</sub> and 8.95 <sup>1</sup>/<sub>8</sub> gulden respectively by the end of September 1937.

The improvement in the money market (see items 5(a) and (b) above) spread to the capital market, which witnessed large conversion loans. In the first nine months of 1937, total conversion loans amounted to 1,926 million gulden as against 31 millions in the corresponding period of the previous year, the interest rate being reduced on the average from 4% to between 3% and 3½%. Some of the conversion loans were foreign, the embargo on foreign loans having been considerably relaxed in the summer of 1937. New capital issues, on the other hand, have been small, the net issues amounting to 84 million gulden in the first nine months of 1937 as against 116 millions in the corresponding period of 1936.

Finally, it is to be noted that one of the six important commercial banks — the Bank-Associatie — went into liquidation in the course of 1936, and that the Incasso Bank has taken over its operations in March 1937. The balance-sheet figures given for 1936 are consequently not comparable with previous years.

End of Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Wholesale price index (1929 = 100) <sup>c</sup>	The Netherlands Bank							Post Office Savings Bank c	Princi- pal Savings Banks c	Clearing turnover The Nether- lands Bank <sup>c</sup>
			Gold	Foreign bills	Domestic bills	Loans and advances	Notes in circulation	Sight deposits				
								Government	Others	Savings deposits	Savings deposits	
			Gulden (000,000's)									
Dec. 1935 . . .	100.1	62.7	643.4	1.6	33.1	139.6	808.6	3.4	47.0	543	327	1,443
March 1936 . . .	100.4	61.7	713.6	1.1	24.4	127.5	781.4	54.7	66.6	540	333	1,222
June 1936 . . .	100.1	61.8	594.2	1.5	45.8	144.1	766.9	13.5	48.1	534	332	1,529
Sept. 28th, 1936	80.8 <sup>b</sup>	62.8	669.8	2.2	23.4	137.5	772.7	49.4	51.1	535	333	1,379
Oct. 5th, 1936	—	—	570.0	2.2	22.8	263.3	789.1	26.7	80.2	—	—	—
Dec. 1936 . . .	80.2	71.2	720.0	2.3	23.2	320.2	792.4	93.6	216.5	546	338	2,294
March 1937 . . .	80.4	76.2	919.5	2.4	20.6	178.8	813.7	74.0	268.7	557	353	1,805
June 1937 . . .	80.8	76.5	1,245.9	2.4	18.2	166.9	804.5	83.2	566.9	562	359	1,680
Sept. 1937 . . .	81.0	77.1	1,265.9	5.1	10.7	181.7	833.5	78.6	588.5	573	369	1,659
Dec. 1937 . . .	81.7	75.8	1,365.8	5.1	23.4	194.9	868.4	99.8	655.5	588 <sup>d</sup>	380	1,835

<sup>a</sup> Monthly average.

<sup>a</sup> Gold parity : 1 florin = 0.40196 U.S.A. dollar ; 1 U.S.A. dollar = 2.48782 florins.

<sup>b</sup> September 30th.

<sup>c</sup> Monthly figures.

<sup>d</sup> Without interest.

See *Commercial Banks 1913-1929*, page 191 ; *1925-1933*, page 161 ; *1929-1934*, page 79 ; *Money and Banking 1935/36*, Vol. II, page 140 ; *1936/37*, page 111.

## The Netherlands Bank.

End of March :	1929	1930	1931	1932	1933	1934	1935	1936	1937
	. Gulden (000,000's)								
<b>ASSETS.</b>									
1. Gold reserve . . . . .	443.9	460.3	479.8	908.0	972.1	812.3	807.6	734.0	937.7
2. Cash securities and balances with transfer institutions . . . . .	0.6	0.4	0.1	0.4	0.1	0.1	0.2	0.1	0.3
3. Bill holdings . . . . .	234.4	256.9	262.5	126.6	110.3	28.9	21.8	25.6	22.7
(a) Domestic . . . . .	199.1	51.5	44.6	62.1	37.5	27.8	21.4	24.5	20.3
(b) Foreign . . . . .	35.3	205.4	217.9	64.5	72.8	1.1	0.4	1.1	2.4
4. Correspondents abroad . . . . .	37.1	24.0	31.8	18.4	8.1	1.2	0.8	1.8	2.4
5. Loans . . . . .	83.2	65.0	50.2	59.5	39.1	111.7	97.4	89.9	84.4
6. Advances on current account . . . . .	75.1	71.4	68.3	46.9	46.1	54.7	44.2	41.9	95.0
7. Investments in securities listed by the Amsterdam Stockbrokers' Association . . . . .	24.6	18.1	18.1	17.6	17.0	16.6	27.1	28.3	32.7
8. Other investments . . . . .	—	7.4	9.4	5.3	5.4	6.1	12.5	11.0	9.9
9. Other assets . . . . .	5.5	5.5	5.6	25.1	23.8	23.1	21.5	17.8	16.4
10. Total Balance-sheet . . . . .	904.4	909.0	925.8	1,207.8	1,222.0	1,054.7	1,033.1	950.4	1,201.5
<b>LIABILITIES.</b>									
11. Paid-up capital . . . . .	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
12. Reserve funds . . . . .	15.1	15.2	15.6	8.0	8.7	8.8	9.7	9.4	10.9
13. Notes in circulation . . . . .	832.7	836.6	860.0	1,006.4	989.7	936.7	888.7	792.0	823.1
14. Total sight deposits * . . . . .	26.9	26.1	20.9	164.7	194.7	78.3	103.6	117.6	335.1
15. Other liabilities . . . . .	9.7	11.1	9.3	8.7	8.9	10.9	11.1	11.4	12.4
Discount rate, end of March (percentage)	5½	3	2½	3	2½	2½	2½	2½	2

\* A division of " Sight Deposits " is given only in the weekly returns showing the following figures for the last week of March of the respective years :

(a) Government . . . . .	—	—	—	71.2	—	—	42.0	54.7	74.0
(b) Other . . . . .	9.5	12.6	17.1	114.5	224.5	103.0	120.6	66.6	268.7

The Netherlands Bank : *Gold reserve* comprises two separate items — gold coin appearing under " Cash in hand " and " bullion ". Gold valued at the par rate of 1 gulden = 0.6048 gramme of fine gold. The gold transferred to the Exchange Equalisation Fund on its creation on September 26th, 1936, to an amount of 100 million gulden was returned in the second week of December 1936. The embargo on gold exports which was enforced at the end of September 1936 was raised on June 17th, 1937. [*Loans* include, as from April 3rd, 1934, a loan to the Netherlands Indies amounting to 69 million gulden on March 31st, 1937. Changes in *advances on current account* since 1936 are believed to reflect in part transactions with the Exchange Account. *Investments in securities listed by the Amsterdam Stockbrokers' Association* : the major portion of the Bank's capital and reserve funds are invested in such securities. The remainder of the Bank's own funds are placed in securities not specified, which are shown together with the participation in the Bank for International Settlements (1.2 million gulden on March 31st, 1937) under *other investments*. *Other assets* include, since March 1932, in addition to sundry items, a claim on the Government for losses incurred on its sterling reserves confirmed by an Act of May 27th, 1932. This item amounted to 10.2 million gulden on March 31st, 1937. *Sight deposits* : The division of this item is taken from the weekly returns of the Bank relating to the last week in March. *Other liabilities* include, in addition to profit-and-loss accounts, pensions fund and sundries, small amounts of Bank post bills. The latter, except in 1930, when they amounted to 1.6 million gulden, ranged from less than 0.1 to 0.8 million.

**Reform of the Bank and General Banking Enquiry** : On February 2nd, 1937, the Bank's charter was extended for five years up to March 31st, 1942, from the latter date the charter being renewed year by year. The Act in question, in addition to several provisions relating to regulations on the appropriation of profits for reserves, provides for open-market operations by authorising the Bank to deal in bankers' acceptances and Treasury paper.

By an Act of March 4th, 1937, a Royal Commission of Banking Enquiry was constituted, its terms of reference being " to consider and report on the question whether legislation with regard to commercial banking is necessary or desirable ; and, if that question is answered in the affirmative, to report further on what would be the most suitable form for such legislation, whilst also giving its opinion on related problems, and among these on the question whether and to what extent the status of the Netherlands Bank needs to be modified, without impairing the Bank's independence ". At the time of writing, no report has been issued.

**Sources** : Annual reports of the Netherlands Bank, *Economisch-Statistische Berichten*, and reports of the commercial banks.

## Leading Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	6	6	6	6	6	6	6	5
<b>SUMMARY BALANCE-SHEET.</b>								
ASSETS.								
1. Cash . . . . .								
(a) Gold, silver and small coins . . . . .								
(b) Inland notes and balances with Central Bank . . . . .	93.0	105.8	120.6	211.7	214.8	168.5	81.6	110.7
2. Other Items of a Cash Nature . . . . .								
3. Bills discounted and bought . . . . .	414.1	419.0	341.1	334.3	268.6	271.8	262.3	323.4
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	101.1	120.3	110.8	91.6	70.5	65.2	53.2	47.6
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	41.2	70.2	96.4	89.9	84.2	43.9	38.6	29.5
6. Due from Banks (Correspondents) . . . . .	110.5	236.3	91.7	78.4	57.0	64.8	104.2	157.3
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	1,062.8	964.1	875.7	686.8	664.8	616.8	548.8	619.6
(a) On current account . . . . .	582.9	646.9	593.3	476.8	466.7	385.1	375.9	369.9
(b) Other . . . . .	479.9	317.2	282.4	210.0	208.1	231.7	172.9	249.7
8. Cover for Acceptances . . . . .	128.8	106.3	65.2	40.2	31.7	24.3	33.1	47.2
9. Premises, etc. . . . .	29.1	31.5	35.5	36.1	34.6	30.9	29.3	27.6
10. Sundry Assets . . . . .	2.1	1.5	1.7	1.4	2.9	1.9	1.9	—
<b>11. Total Balance-sheet . . . . .</b>	<b>1,982.7</b>	<b>2,055.0</b>	<b>1,738.7</b>	<b>1,570.4</b>	<b>1,429.1</b>	<b>1,288.1</b>	<b>1,153.0</b>	<b>1,362.9</b>
LIABILITIES.								
12. Capital paid up . . . . .	258.3	262.8	262.8	262.4	257.4	197.4	212.5	210.0
13. Reserve Funds . . . . .	139.7	135.5	116.8	113.8	107.3	84.3	83.8	87.3
14. Profit and Loss, etc. . . . .	27.5	21.4	7.1	10.2	7.6	8.5	11.6	15.1
15. Cheques and Drafts, etc., in circulation . . . . .	45.2	40.1	25.0	14.5	10.5	11.3	12.8	15.6
16. Due to Banks (Correspondents) . . . . .	19.2	5.9	10.1	6.0	7.0	5.0	15.4	21.6
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	19.2	5.9	10.1	6.0	7.0	5.0	15.4	21.6
17. Deposits . . . . .	1,355.2	1,473.1	1,241.2	1,112.0	996.0	944.2	775.9	964.1
(a) Current accounts and sight deposits . . . . .	634.4	711.9	584.0	605.8	550.9	537.8	464.9	591.8
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	458.1	510.5	381.9	311.1	255.0	233.0	199.3	219.6
(d) Other deposits . . . . .	262.7	250.7	275.3	195.1	190.1	173.4	111.7	132.7
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	128.8	106.3	65.2	40.2	31.7	24.3	33.1	47.2
20. Sundry Liabilities . . . . .	8.8	9.9	10.5	11.3	11.6	13.1	7.9	2.0
21. Guarantees . . . . .	42.2	46.1	38.2	35.7	37.4	41.0	50.4	51.5
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	81.2	70.2	60.8	60.7	53.8	50.1	49.7	56.2
<i>To be deducted :</i>								
2. Expenses . . . . .	37.4	34.2	33.3	31.3	30.5	29.8	28.3	29.6
(a) Salaries, etc. . . . .	—	—	—	—	—	—	—	—
(b) Other working expenses . . . . .	—	—	—	—	—	—	—	—
(c) Taxes, etc. . . . .	—	—	—	—	—	—	—	—
3. Reserved for Pension Funds, etc. . . . .	2.2	1.7	1.6	1.5	2.1	1.9	1.6	1.8
4. Written off on . . . . .	17.3	15.0	27.8	19.8	15.2	11.4	6.8	6.2
(a) Premises, etc. . . . .	4.8	4.0	2.2	3.1	2.4	1.8	2.0	2.5
(b) Investments and securities . . . . .	12.5	11.0	25.6	16.7	12.8	10.1	4.8	3.7
(c) Other assets . . . . .	—	—	—	—	—	—	—	—
5. Remaining Net Profit or Loss (—) . . . . .	24.3	19.3	— 1.9	8.1	6.0	7.0	13.0	18.6
6. Carried forward from preceding year . . . . .	1.5	1.6	1.4	1.3	0.9	0.6	1.4	1.0
7. Taken from Reserves or Capital . . . . .	1.4	—	6.0	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	27.2	20.9	5.5	9.4	6.9	7.6	14.4	19.6
9. Carried to Reserves . . . . .	2.1	1.2	0.2	1.2	0.6	0.3	4.3	6.3
10. Dividends . . . . .	20.5	16.5	4.0	6.8	5.6	5.8	8.5	10.8
11. Directors' Fees, etc. . . . .	3.0	1.8	—	0.5	0.1	0.1	0.5	1.1
12. Carried forward to following year . . . . .	1.6	1.4	1.3	0.9	0.6	1.4	1.1	1.4

## NORWAY

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Wholesale prices 1929 = 100	Bank of Norway							Subsidi- ary Coin	Bank of Norway Discount rate
			Gold	Foreign exchange <sup>b</sup>	Norwegian securities	Loans and discounts	Sight deposits		Notes in circulation		
Kroner (000,000's)											
Dec. 1935 . . . . .	54.9	87.9	185	46	32	218	23	57	348	22	3.5
March 1936 . . . . .	55.0	88.6	185	56	33	202	31	44	357	21	3.5
June 1936 . . . . .	55.9	88.6	195	73	34	190	29	47	376	22	3.5
Sept. 1936 . . . . .	55.8	91.3	215	71	38	214	57	48	390	22	3.5
Dec. 1936 . . . . .	54.3	94.0	215	106	46	218	49	56	429	23	4
March 1937 . . . . .	54.1	100.7	215	100	53	174	46	44	410	23	4
June 1937 . . . . .	54.7	105.4	195	129	56	180	37	56	415	23	4
Sept. 1937 . . . . .	54.8	108.1	189	189	64	129	42	58	423	24	4
Dec. 1937 . . . . .	55.3	106.7	180	233	67	123	41	61	449	25	4 <sup>c</sup>

■ Monthly average.

▲ At 15th of month.

■ Parity in 1929 : 1 krone = 26.80 U.S.A. cents ; 1 U.S.A. dollar = 3.73 kroner.

<sup>b</sup> Including foreign securities.

<sup>c</sup> Reduced to 3½% on January 5th, 1938.

End of	Commercial Banks						Savings banks	Clearing turnover	Yield of bonds <sup>a</sup>
	Cash	Net foreign assets	Inland discounts	Total loans and advances	Sight deposits	Time and savings deposits	Deposits	at Oslo (monthly figures)	
Kroner (000,000's)									
Dec. 1935 . . . . .	47	3	335	686	117	713	1,590	292	4.47
March 1936 . . . . .	21	16	335	679	109	707	1,590	251	4.47
June 1936 . . . . .	33	23	339	676	116	706	1,561	293	4.52
Sept. 1936 . . . . .	27	18	335	678	114	681	1,524	250	4.59
Dec. 1936 . . . . .	48	20	348	663	125	680	1,516	289	4.53
March 1937 . . . . .	31	9	351	693	134	712	1,514	284	4.48
June 1937 . . . . .	33	8	378	703	139	729	1,497	288	4.49
Sept. 1937 . . . . .	45	13	381	707	162	745	1,490	318	4.41
Dec. 1937 . . . . .	56	1	388	674	135	770	1,522	353	4.39

■ Monthly average.

■ Five 4½% bonds (three Government, one mortgage, one municipal).

See *Commercial Banks 1913-1929*, page 202 ; *1925-1933*, page 165 ; *1929-1934*, page 84 ; *Money and Banking 1935/36*, Vol. II, page 144 ; *1936/37*, Vol. II, page 113.

**Bank of Norway : Gold at home :** This part of the Bank's gold holdings is valued at the legal parity (1 krone = 0.40323 gramme of fine gold) and serves as primary cover for the note issue. **Gold abroad :** This item, representing foreign balances provisionally placed in gold, which is not included in the primary cover reserve, is booked at purchase price — i.e., approximately at actual exchange value. **Domestic securities :** By the Law of June 30th, 1936, amending the Bank Act of 1892, the Bank was expressly authorised to undertake open-market operations by means of purchase and sale of securities, even if such purchase and sale would entail losses to the Bank. Item 5(b) includes mainly bonds of mortgage and municipal banks and certain other semi-public credit institutions and also minor amounts of mortgage bonds and shares. **Notes in circulation :** By the above-mentioned Amendment Law of June 30th, 1936, the maximum limit for the note issue of the Bank, previously fixed at 250 million kroner in excess of the book value of the gold reserve in the vaults of the Bank, was increased to 325 million kroner above that reserve.

**Commercial Banks :** The monthly returns on which the above figures are based cover only sixty-four "free" banks and are therefore not fully comparable with the complete annual accounts shown in the summary balance-



## Bank of Norway.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Kroner (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	146.7	146.4	155.1	144.2	143.3	134.9	185.1	215.1	180.2
(a) Gold at home . . . . .					118.3	118.6	118.8	118.9	135.3
(b) Gold abroad . . . . .	146.7	146.4	155.1	144.2	25.0	16.4	66.3	96.2	44.9
2. Subsidiary coin . . . . .	6.6	5.7	5.5	5.6	4.7	3.7	2.6	1.8	2.0
3. Foreign exchange . . . . .	66.2	71.2	22.4	31.2	5.4	40.7	45.4	105.7	232.4
(a) Foreign bank balances and bills . . . . .	58.7	40.8	17.5	30.3	4.9	39.7	36.1	96.2	120.1
(b) Foreign Treasury bills . . . . .	—	—	—	—	—	—	—	—	72.7
(c) Foreign Government bonds . . . . .	7.5	30.9	4.9	0.9	0.5	1.0	9.3	9.5	39.6
4. Domestic bills . . . . .	114.5	106.8	118.0	214.2	235.4	226.5	196.8	195.2	91.1
5. Domestic securities . . . . .	34.1	26.4	39.2	32.2	33.7	37.1	32.1	45.9	67.2
(a) Government . . . . .	6.4	9.6	12.2	12.3	13.0	16.7	18.7	31.9	67.2
(b) Other . . . . .	27.7	16.8	27.0	19.9	20.7	20.4	12.4	14.0	—
6. Loans and advances . . . . .	107.7	77.1	126.9	31.9	31.1	30.0	21.4	22.7	32.1
(a) Against collateral and on current account . . . . .	72.4	52.7	110.4	16.8	22.2	24.7	19.0	21.1	27.6
(b) Other . . . . .	35.3	24.4	16.5	15.1	8.9	5.3	2.4	1.6	4.5
7. Other assets . . . . .	1.4	6.8	1.1	0.4	1.1	0.9	5.8	8.0	6.9
8. Total Balance-sheet . . . . .	477.2	440.4	468.2	459.7	454.7	473.8	489.2	594.4	611.9
<b>LIABILITIES.</b>									
9. Capital . . . . .	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
10. Reserve funds . . . . .	18.2	18.3	16.8	16.9	17.0	17.2	17.5	17.5	17.5
11. Notes in circulation . . . . .	317.7	311.6	334.4	314.5	327.2	333.1	347.9	428.6	448.9
12. Sight deposits . . . . .	89.7	65.2	67.6	76.8	63.9	78.8	80.0	105.8	102.5
(a) Public deposits . . . . .	27.2	16.2	8.8	7.3	10.2	8.7	23.3	49.4	40.8
(b) Foreign banks . . . . .	2.2	1.3	2.2	2.4	1.4	7.4	3.2	2.0	2.0
(c) Other deposits . . . . .	60.3	47.7	56.6	67.1	52.3	62.7	53.5	54.4	59.7
13. Other liabilities . . . . .	16.6	10.3	14.4	16.5	11.6	9.7	8.8	7.5	8.0
Discount rate (percentage) . . . . .	5	4	6	4	3½	3½	3½	4	4

sheet table below. *Tax on bank deposits* : In January 1936, the Government imposed a tax of 25 % on interest derived from deposits in commercial and savings banks. The recent decline in deposits, accompanied by an increase in the note circulation, should be considered in the light of this measure.

Sources : Annual reports, *Monthly report on the Economic Conditions in Norway* and periodic returns of the Bank of Norway. *Statistiske meddelelser*.

## Commercial Banks.

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
1. Cash.							
Gold, subsidiary coins and notes . . . . .	23.3	28.2	20.7	23.2	27.4	26.5	28.1
Balances with Central Bank . . . . .	33.2	17.1	33.0	24.0	26.6	22.1	20.9
Total . . . . .	56.5	45.3	53.7	47.2	54.0	48.6	49.0

## 2. Other Items of a Cash Nature.

Coins and notes in foreign currency.

## 3. Bills discounted and bought.

Rediscounts, also shown in group 18, are included in the inland bill portfolio as follows :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Discounted . . . . .	334.5	335.8	328.8	316.8	317.9	348.5	362.6
Rediscounted . . . . .	3.6	10.1	3.9	3.4	4.1	2.0	1.5
Total . . . . .	338.1	345.9	332.7	320.2	322.0	350.5	364.1

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936
	Free banks	Free banks	Free banks	Free banks	Free banks	Free banks	Free banks
Number of Banks . . . . .	112	112	105	105	105	105	105
SUMMARY BALANCE-SHEET.		Kroner (000,000's)					
ASSETS.							
1. Cash . . . . .	56.5	45.3	53.7	47.2	54.0	48.6	49.0
(a) Gold, silver and small coins . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	0.6	0.4	0.4	0.3	0.5	0.5	0.5
3. Bills discounted and bought . . . . .	357.8	357.2	343.7	329.3	331.8	361.7	374.9
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	338.1	345.9	332.7	320.2	322.0	350.5	364.1
(c) Commercial bills, Foreign . . . . .	19.7	11.3	11.0	9.1	9.8	11.2	10.8
4. Investments and Securities . . . . .	285.9	248.6	232.0	223.9	201.3	205.0	185.0
(a) Government . . . . .	84.1	72.2	65.9	63.9	52.3	52.3	39.3
(b) Other . . . . .	201.8	176.4	166.1	160.0	149.0	152.7	145.7
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . .	176.8	138.9	158.5	137.8	179.2	183.4	215.7
(a) At home . . . . .	93.1	81.4	106.0	83.8	97.2	119.2	137.0
(b) Abroad . . . . .	83.7	57.5	52.5	54.0	82.0	64.1	88.7
7. Loans and Advances . . . . .	754.7	755.4	708.2	696.6	686.9	704.1	680.9
(a) On current account . . . . .	674.6	668.0	627.4	610.5	597.9	610.8	581.0
(b) Other . . . . .	80.1	87.4	80.8	86.1	89.0	93.3	99.9
8. Cover for Acceptances . . . . .	17.8	9.4	10.4	9.9	12.2	14.1	14.6
9. Premises, etc. . . . .	23.1	23.5	22.7	23.3	23.1	22.7	22.6
10. Sundry Assets . . . . .	36.6	33.0	33.9	33.7	31.3	28.6	28.1
11. Total Balance-sheet . . . . .	1,709.8	1,611.7	1,563.5	1,502.0	1,520.3	1,568.6	1,571.3
LIABILITIES.							
12. Capital paid up . . . . .	196.1	170.5	183.3	181.9	180.0	175.3	174.8
13. Reserve Funds . . . . .	66.6	51.3	53.1	54.3	58.5	58.2	61.2
14. Profit and Loss, etc. . . . .	12.0	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation	13.1	9.6	10.4	10.1	10.2	11.6	16.7
16. Due to Banks (Correspondents) . . . .	321.0	348.3	399.9	388.3	402.8	394.7	407.6
(a) At home . . . . .	263.3	306.2	348.8	330.7	338.0	344.5	336.9
(b) Abroad . . . . .	57.7	42.1	51.1	57.6	64.8	50.2	70.7
17. Deposits . . . . .	1,058.2	993.7	883.2	836.6	839.6	903.7	884.0
(a) Current accounts and sight deposits	124.1	112.7	99.5	82.8	99.0	119.2	128.1
(b) Savings accounts . . . . .	894.4	836.4	752.1	718.9	699.9	745.0	711.9
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—
(d) Other deposits . . . . .	39.7	46.6	31.6	35.1	40.7	39.5	44.0
18. Rediscounts and Other Borrowings . .	9.8	15.7	10.0	9.0	9.7	7.6	9.0
19. Acceptances and Endorsements . . . .	17.0	9.2	12.3	10.9	11.8	12.2	13.5
20. Sundry Liabilities . . . . .	16.0	13.4	11.3	10.9	7.7	5.3	4.5
SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.							
1. Gross Profits . . . . .	42.6	44.8	43.2	42.9	44.0	44.8	46.7
<i>To be deducted :</i>							
2. Expenses . . . . .	21.2	23.9	22.7	22.6	23.1	24.0	26.0
(a) Salaries, etc. . . . .	13.4	14.3	13.4	13.7	13.9	14.2	15.4
(b) Other working expenses . . . . .	4.5	4.6	4.4	4.3	4.3	4.8	5.2
(c) Taxes, etc. . . . .	3.3	5.0	4.9	4.6	4.9	5.0	5.4
3. Reserved for Pension Funds, etc. . . .	—	—	—	—	—	—	—
4. Written off on . . . . .	8.8	63.8	12.5	14.2	11.6	12.7	9.5
(a) Premises, etc. . . . .	0.7	—	—	—	—	—	—
(b) Investments and securities . . . .	1.4	—	—	—	—	—	—
(c) Other assets . . . . .	6.7	—	—	—	—	—	—
5. Remaining Net Profit (+) or Loss (—)	+ 12.6	— 42.9	+ 8.0	+ 6.1	+ 9.3	+ 8.1	+ 11.2
6. Carried forward from preceding year .	0.8	1.0	0.7	1.8	1.8	2.2	2.1
7. Taken from Reserves or Capital . . . .	3.6	22.9	0.5	2.2	0.6	0.2	0.6
8. Deficit left uncovered . . . . .	—	32.6	4.2	2.7	2.4	3.8	3.0
9. Total disposed of for Dividends, etc. .	17.0	13.6	13.4	12.8	14.1	14.3	16.9
10. Carried to Reserves . . . . .	5.8	6.9	5.5	4.3	4.4	4.4	6.5
11. Dividends . . . . .	10.1	6.0	6.1	6.7	7.5	7.8	8.4
12. Directors' Fees, etc. . . . .	—	—	—	—	—	—	—
13. Carried forward to following year . .	1.1	0.7	1.8	1.8	2.2	2.1	2.0

4 and 5. *Investments and Securities ; Participations.*

Group 4 (b) is composed as follows :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
<i>Norwegian securities :</i>							
Municipal bonds . . . . .	64.7	45.7	42.3	36.7	34.0	34.5	29.4
Bonds of Mortgage and Fisher Banks, etc.	45.1	37.7	35.9	38.8	44.1	51.0	43.7
Other bonds . . . . .	38.9	40.6	35.3	32.7	27.4	29.6	37.1
Shares . . . . .	40.1	37.7	40.4	37.9	34.3	31.6	29.5
Total . . . . .	188.8	161.7	153.9	146.1	139.8	146.7	139.7
<i>Foreign securities :</i>							
Government . . . . .	7.8	7.4	7.2	7.0	5.7	4.1	2.8
Other . . . . .	5.2	7.3	7.0	6.9	3.5	1.9	3.2
Total . . . . .	13.0	14.7	14.2	13.9	9.2	6.0	6.0
Grand total . . . . .	201.8	176.4	168.1	160.0	149.0	152.7	145.7

6. *Due from Banks (Correspondents).*

Group 6 (b) includes debtors in foreign currency :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Due from banks abroad . . . . .	57.9	21.7	19.3	17.5	29.9	29.3	38.4
Debtors in foreign currency . . . . .	25.8	35.8	33.2	36.5	52.1	34.8	50.3
Total . . . . .	83.7	57.5	52.5	54.0	82.0	64.1	88.7

7. *Loans and Advances.*

The sums under (a) represent sundry debtors, cash credits, etc. An amount equal to the acceptances has been deducted from this and carried to group 8. The figures under (b) represent collateral loans.

8. *Cover for Acceptances and Reimbursement Credits.*

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Cover for acceptances . . . . .	1.0	0.5	0.6	0.5	0.6	2.0	1.2
Current reimbursements . . . . .	16.8	8.9	9.8	9.4	11.6	12.1	13.4
Total . . . . .	17.8	9.4	10.4	9.9	12.2	14.1	14.6

10. *Sundry Assets.*

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Real estate . . . . .	4.1	3.6	4.2	4.5	4.3	3.5	3.1
Protested bills . . . . .	2.6	2.1	1.8	1.5	1.0	0.8	0.9
Branch accounts . . . . .	3.1	6.3	11.9	13.1	13.0	12.1	10.6
Other assets . . . . .	26.8	21.0	16.0	14.6	13.0	12.2	13.5
Total . . . . .	36.6	33.0	33.9	33.7	31.3	28.6	28.1

13. *Reserve Funds.*

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Ordinary reserve funds . . . . .	57.1	40.1	43.0	41.4	45.1	45.9	48.9
Other reserve funds . . . . .	9.5	11.2	10.1	12.9	13.4	12.3	12.3
Total . . . . .	66.6	51.3	53.1	54.3	58.5	58.2	61.2

15. *Cheques and Drafts in Circulation.*

The sums given in this group of the Summary Table consist of post bills and notified cheques.

16. *Due to Banks (Correspondents).*

The amounts shown as due to banks at home include indebtedness to the Central Bank. (Rediscounts, under group 18 below, usually constitute but a small part of that indebtedness.) This can be isolated as follows. The mutual indebtedness of the banks is eliminated by subtracting 6 (a) from 16 (a). Of the balance, part is due to the savings banks and part to the Norges Bank. The net deposits of the savings banks with commercial banks can be calculated from the reports of the Bank Inspector (which, however, cover only 81% of the total balances of the savings banks). Deducting these deposits from the difference between 16 (a) and 6 (a), one obtains a balance which represents borrowings of the commercial banks from the Norges Bank. Calculated in this way, these borrowings, at the end of the years 1929 to 1936, stood at about 50, 75, 150, 160, 180, 140, 104 and 121 million kroner respectively; the exact figures cannot be arrived at owing to the incompleteness of the savings banks' statistics.

The sums shown as due to banks abroad include creditors in foreign currency as follows :

	1929	1931	1932	1933	1934	1935	1936
	Kroner (000,000's)						
Due to banks abroad . . . . .	41.3	17.3	15.0	14.4	11.9	12.8	18.3
Creditors in foreign currency . . . . .	16.4	24.8	36.1	43.2	52.9	37.4	52.4
Total . . . . .	57.7	42.1	51.1	57.6	64.	50.2	70.7

The greater part of sums due to creditors in foreign currency represents balances received from customers for deposit on exchange account with foreign banks. These balances are included in the assets under debtors in foreign currency (group 6), and thus represent operations for third parties.

#### 17. Deposits.

Savings accounts are not shown separately from time deposits. Other deposits (group 17 (d)) are shown in the statistics as "Sundry creditors".

18. <i>Rediscounts and Other Borrowings.</i>	1929	1931	1932	1933	1934	1935	1936
				Kroner (000,000's)			
Capital borrowings . . . . .	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Rediscounts :							
At home . . . . .	3.6	10.1	3.9	3.4	4.1	2.0	1.5
Abroad . . . . .	0.7	0.5	0.4	0.4	0.4	0.5	0.7
Acceptances for own account . . . . .	0.5	0.1	0.7	0.2	0.2	0.1	1.8
Total . . . . .	9.8	15.7	10.0	9.0	9.7	7.6	9.0
19. <i>Acceptances and Reimbursement Credits.</i>	1929	1931	1932	1933	1934	1935	1936
				Kroner (000,000's)			
Acceptances . . . . .	1.0	0.5	0.6	0.5	0.6	2.0	1.2
Current reimbursements . . . . .	16.0	8.7	11.7	10.4	11.2	10.2	12.3
Total . . . . .	17.0	9.2	12.3	10.9	11.8	12.2	13.5
20. <i>Sundry Liabilities.</i>	1929	1931	1932	1933	1934	1935	1936
				Kroner (000,000's)			
Mortgage debts . . . . .	1.2	0.7	0.9	1.1	1.0	1.0	0.9
Interest accounts . . . . .	3.6	4.4	2.9	2.6	2.4	2.5	2.9
Branch accounts . . . . .	1.6	4.6	0.3	4.4	2.1	1.1	0.3
Other accounts . . . . .	9.6	3.7	7.2	2.8	2.2	0.7	0.4
Total . . . . .	16.0	13.4	11.3	10.9	7.7	5.3	4.5

### Summary of Profit-and-Loss Accounts.

#### 1. Gross Profits.

According to details given in the official statistics, 75% to 80% of gross profits is derived from net interest on loans and discounts, the remainder from commissions, securities, foreign exchange, etc.

#### 2. Expenses.

The sums shown under the heading "Salaries, et.," include directors' fees, which are not shown separately in the statistics.

## PARAGUAY

See *Money and Banking 1935/36*, Vol. II, page 149; *1936/37*, Vol. II, page 117.

**Value of Currency:** The foreign-exchange market was freed to some extent by a decree issued on January 12th, 1937, but exporters are still obliged to surrender to the Banco de la República, at the official rate, approximately 70% of foreign exchange arising from exports. The value of the "free" rate is gradually improving, and in August 1937 the Banco de la República reduced the selling rate from 75 to 70 Paraguayan pesos per Argentine "free" paper peso.

## Commercial Banks.

End of :	1931		1932		1933		March 1935		1935	
	Paper	Gold	Paper	Gold	Paper	Gold	Paper	Gold	Paper	Gold
Paraguayan pesos (000,000's)										
<b>ASSETS.</b>										
1. Cash . . . . .	20.1	0.5	25.0	0.2	73.7	0.1	177.8	0.1	225.4	0.1
2. Balances with banks . . . . .	24.2	0.6	17.6	0.5	34.4	0.2	80.9	0.2	183.1	0.5
3. Discounts . . . . .	16.6	0.6	13.6	0.9	12.2	0.7	11.2	0.3	10.4	0.3
4. Current-account creditors . . . . .	51.6	0.6	40.6	0.5	46.8	0.3	59.2	0.4	63.5	0.3
5. Mortgage loans . . . . .	—	0.7	—	0.7	—	0.6	0.1	0.5	—	0.5
6. Other loans . . . . .	6.2	0.4	6.1	0.4	6.5	0.4	4.1	0.2	2.2	0.2
7. Other assets . . . . .	51.0	2.9	39.5	2.9	29.3	2.7	26.2	3.6	29.0	2.8
<b>LIABILITIES.</b>										
8. Capital . . . . .	1.0	0.9	1.0	0.9	1.0	0.9	1.0	0.9	1.0	0.9
9. Reserves, etc. . . . .	0.6	—	0.5	—	—	—	—	—	—	—
10. Deposits . . . . .	119.8	1.9	102.7	1.5	156.3	0.8	296.1	0.8	452.0	1.3
Of which :										
(a) On current account . . . . .	(78.5)	(0.8)	(73.1)	(0.7)	(123.7)	(0.4)	(249.7)	(0.4)	(391.8)	(0.8)
(b) Savings deposits . . . . .	(34.2)	(0.7)	(23.1)	(0.5)	(24.4)	(0.2)	(36.9)	(0.2)	(49.9)	(0.3)
(c) Fixed deposits . . . . .	(7.1)	(0.4)	(6.5)	(0.3)	(8.2)	(0.2)	(9.5)	(0.2)	(10.3)	(0.2)
11. Other liabilities . . . . .	48.4	3.5	38.2	4.0	45.6	3.3	62.4	3.6	60.6	2.5
Total balance-sheet . . . . .	169.8	6.5	142.4	6.4	203.0	5.0	359.5	5.3	513.6	4.7

This table is a summary of the accounts of the private banks, as given in the official *Boletín Trimestral de Estadística* and as far as they were available when the present chapter was written in December 1937. No details are available with regard to the number of institutions covered by the above table. The accounts of the two Government institutions — the Oficina de Cambios and the Banco Agrícola del Paraguay — are, however, excluded. The banks keep two separate accounts, one in Paraguayan gold pesos and one in Paraguayan paper pesos.

## PERU

End of (Monthly returns)	Value of currency as % of gold parity in 1930 <sup>a</sup>	Wholesale prices (1929 = 100)	Banco Central de Reserva del Perú							Discount rate <sup>b</sup>
			Gold	Foreign exchange	Discounts and advances			Notes in circulation	Deposits	
					Total	Treasury bills	Advances to the Treasury			
			Sols (000,000's)							%
Dec. 1935 . . . . .	37.2	101.9	39.9	7.8	58.1	24.6	32.9	84.5	17.2	6
March 1936 . . . . .	37.1	103.0	40.9	0.3	67.9	34.8	31.8	84.9	20.2	6
June 1936 . . . . .	37.3	103.0	39.2	5.4	77.6	35.0	41.3	90.3	27.7	6
Sept. 1936 . . . . .	37.0	103.5	40.6	3.1	85.6	38.1	45.6	91.3	33.4	6
Dec. 1936 . . . . .	37.3	103.2	43.8	4.8	83.7	37.5	45.6	95.9	31.8	6
March 1937 . . . . .	38.4	109.9	41.8	6.4	81.4	35.6	45.3	93.5	30.8	6
June 1937 . . . . .	37.5	110.9	42.6	10.4	80.3	34.7	45.2	96.0	30.1	6
Sept. 1937 . . . . .	37.9	111.5	43.4	12.8	83.1	37.7	45.0	97.4	33.3	6
Dec. 1937 . . . . .	36.1	109.1	46.7	20.6	85.0	38.6	45.4	96.4	47.3	6

■ Monthly average.

▲ Middle of month.

<sup>a</sup> Gold parity in 1930 : 1 sol = 0.40 U.S.A. dollar ; 1 U.S.A. dollar = 2.50 sols.

<sup>b</sup> Date of last change : May 20th, 1932.

End of	Commercial Banks									Mortgage Banks		Clearing turnover
	Cash	Treasury bills redis- counted at the Banco Central	Loans and advances	Discounts		Deposits			Loans	Bonds in circulation		
				Total	Treasury bills	Total	Current accounts and sight	Savings			Time	
	Sols (000,000's)											
Dec. 1935 . . . . .	29.1	26.4	74.8	66.1	0.2	184.5	104.4	40.3	39.8	55.7	44.8	52.4
June 1936 . . . . .	43.2	28.5	83.1	92.1	12.9	206.5	116.9	44.6	45.0	56.9	44.5	62.5
Dec. 1936 . . . . .	48.3	24.7	89.7	87.7	12.4	219.4	124.0	49.3	46.1	59.6	45.5	58.9
June 1937 . . . . .	44.0	29.0	92.9	91.1	12.3	231.4	127.8	53.6	50.0	61.6	44.5	67.8
Dec. 1937 . . . . .	...	...	...	...	...	...	...	...	...	...	...	66.3

See *Commercial Banks 1913-1929*, page 396 ; *1925-1933*, page 300 ; *1929-1934*, page 182 ; *Money and Banking 1935/36*, Vol. II, page 151 ; *1936/37*, Vol. II, page 118.

**Banco Central de Reserva del Perú :** Till 1930, Banco de Reserva del Perú. Owing to changes made in 1931 in the form of the Bank's balance-sheet, returns since that date are not strictly comparable with those for 1929 and 1930. **Gold :** According to the Law of May 18th, 1932, suspending the convertibility of notes, the gold holdings are valued as follows : (1) 38.8 million sols of gold, "which cannot be touched" ("oro declarado intangible"), valued at the legal parity of 2.3738 gold sols per 1 gramme of fine gold, and (2) the remainder valued at cost — that is, at 4.66 gold sols in December 1934 and 4.38 gold sols in December 1935 and 1936 (monthly average for 1 gramme of fine gold). **Treasury bills rediscounted to commercial banks :** These rediscounts, representing indirect advances by the Banco Central to the Government, form part of the legal reserve of the commercial banks. Direct advances to the Government are shown under the heading *Advances to the National Treasury*.

**Commercial Banks :** Including the Lima Savings Bank. **Treasury bills :** These bills, rediscounted at the Banco Central, form part of the legal reserve (Laws Nos. 6745, 7538, 7701, 7737 and 7881). **Deposits :** Excluding inter-bank deposits and court deposits.

**Sources :** Banco Central de Reserva del Perú : *Memoria anual* and *Boletín mensual*. Superintendencia de Bancos : *Situación de las Empresas Bancarias del Perú. Memoria de la Superintendencia de Bancos y Estadística bancaria*.

## Banco Central de Reserva.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937*
Sols (000,000's)									
<b>ASSETS.</b>									
1. Reserve . . . . .	51.1	51.8	64.9	46.0	47.9	48.2	54.2	54.8	69.0
(a) Legal reserve :									
(1) Gold . . . . .	44.2	43.9	43.1	39.8	42.1	39.6	39.8	43.8	46.7
(2) Silver . . . . .	—	—	3.1	4.3	1.6	2.6	6.3	6.1	1.6
(3) Foreign exchange . . . . .	6.8	7.2	17.0	0.3	0.4	2.4	2.8	—	11.7
(b) Excess reserve :									
(1) Coin . . . . .	0.1	0.7	1.6	1.3	1.2	1.0	0.1	0.1	0.1
(2) Foreign exchange . . . . .	—	—	0.1	0.3	2.6	2.6	5.2	4.8	8.9
2. Discounts and advances . . . . .	32.2	26.6	12.9	20.7	49.1	61.8	58.2	83.7	85.0
(a) Treasury bills rediscounted to commercial banks . . . . .	—	—	—	6.9	14.5	26.4	24.6	37.5	38.6
(b) Advances to the Treasury . . . . .	—	—	—	2.0	26.7	33.6	32.9	45.0	45.4
(c) Other . . . . .	32.2	26.6	12.9	11.8	7.9	1.8	0.7	0.6	1.0
3. Other assets . . . . .	1.6	1.4	1.5	1.4	2.2	3.9	1.2	1.1	0.8
4. Total Balance-sheet . . . . .	84.9	79.8	79.3	68.1	99.2	113.9	113.6	139.6	154.8
<b>LIABILITIES.</b>									
5. Capital and reserves . . . . .	5.7	6.3	16.4	11.3	9.9	10.1	10.3	10.3	10.7
6. Notes in circulation . . . . .	65.2	64.0	54.6	50.1	67.3	73.7	84.5	95.9	96.4
7. Deposits . . . . .	11.9	8.1	7.7	5.6	20.5	28.8	17.5	31.9	47.3
(a) In national currency . . . . .	—	—	—	—	—	28.3	17.3	31.8	38.5
(b) In foreign currencies . . . . .	—	—	—	—	—	0.5	0.2	0.1	8.8
8. Other liabilities . . . . .	2.1	1.4	0.6	1.1	1.5	1.3	1.3	1.5	0.4
Discount rate (percentage) . . . . .	7	7	7	6	6	6	6	6	6

\* Monthly statement on December 31st.

## Commercial Banks.

For detailed notes on various items of the summary balance-sheet, see preceding editions of this volume.

1. Cash.	1932	1933	1934	1935	1936				
	Sols (000,000's)								
Gold . . . . .	3.8	1.5	1.3	1.5	1.0				
Silver, nickel, etc. . . . .	0.8	0.5	0.7	1.2	0.7				
Total 1 (a) . . . . .	4.6	2.0	2.0	2.7	1.7				
Notes . . . . .	8.0	12.0	13.4	12.6	15.4				
Balances with Central Bank . . . . .	5.2	20.4	22.3	13.8	31.2				
Total 1 (b) . . . . .	13.2	32.4	35.7	26.4	46.6				
2. Other Items of a Cash Nature.	1932	1933	1934	1935	1936				
	Sols (000,000's)								
Foreign notes and coins . . . . .	0.3	0.3	0.2	0.1	0.2				
Balances due from other banks . . . . .	0.1	0.1	0.2	2.0	0.3				
Special Treasury bills of 1933 rediscounted with Banco Central . . . . .	—	17.8	26.0	26.4	24.7				
Total . . . . .	0.4	18.2	26.4	28.5	25.2				
3. Bills discounted and bought.	1932	1933	1934	1935	1936				
	Sols (000,000's)								
Treasury bills :									
Discounted . . . . .	4.8	0.9	0.4	0.3	12.4				
Rediscounted . . . . .	6.1	—	—	—	12.4				
Inland bills :									
Discounted . . . . .	27.6	30.1	36.2	47.5	59.1				
Rediscounted . . . . .	0.3	—	—	—	6.2				
Foreign bills :									
Discounted . . . . .	20.1	4.2	10.4	10.7	9.8				
Bought . . . . .	0.1	0.3	0.2	0.5	0.3				
Rediscounted . . . . .	11.0	3.2	6.3	7.4	0.1				
Total { Discounts . . . . .	52.6	35.5	47.2	59.0	81.6				
Rediscounts . . . . .	17.4	3.2	6.3	7.4	18.7				
Net bill portfolio . . . . .	35.2	32.3	40.9	51.6	62.9				
4. Investments and Securities.									
	Sols (000,000's)								
The sums shown under (a) include municipal securities; the composition of (b) is given below :									
	1932	1933	1934	1935	1936				
Shares of Central Bank . . . . .	1.7	1.7	1.8	1.9	2.1				
Other shares . . . . .	12.6	12.3	12.0	17.8	19.7				
Securities in savings department . . . . .	—	—	—	—	—				
Securities pledged with Banking Superintendent . . . . .	0.2	0.2	0.2	0.4	0.6				
Total . . . . .	14.5	14.2	14.0	20.1	22.4				
7. Loans and Advances.									
(a) On current account :	1932	1933	1934	1935	1936				
	Sols (000,000's)								
In Peruvian currency :									
Against collateral . . . . .	18.7	23.0	27.4	34.8	45.9				
Without collateral . . . . .	14.5	11.7	21.5	25.8	30.1				
In foreign currency :									
Against collateral . . . . .	17.9	4.8	5.0	1.9	1.4				
Without collateral . . . . .	6.8	3.1	2.8	2.2	1.9				
Total . . . . .	57.9	42.6	56.7	64.7	79.3				
(b) Other loans :									
In Peruvian currency :									
Against collateral . . . . .	6.4	5.8	6.5	6.9	7.3				
Without collateral . . . . .	1.1	1.6	0.7	1.0	0.8				
To Government . . . . .	3.6	1.0	0.9	1.4	1.3				
In foreign currency :									
Against collateral . . . . .	1.6	1.6	0.8	0.5	0.7				
Without collateral . . . . .	0.3	—	0.3	0.3	0.1				
To Government . . . . .	1.0	0.6	0.5	0.1	0.1				
Certificates of deposit . . . . .	0.2	0.2	0.9	2.1	2.4				
Other loans . . . . .	9.6	5.8	4.8	5.5	4.0				
Total . . . . .	23.8	16.6	15.4	17.8	16.7				
Grand total . . . . .	81.7	59.2	72.1	82.5	96.0				

## Commercial Banks.

End of:	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	13	11	9	9	9	9	9
<b>SUMMARY BALANCE-SHEET.</b>		Sols (000,000's)					
<b>ASSETS.</b>							
1. Cash . . . . .	18.5	17.4	17.8	34.4	37.7	29.1	48.3
(a) Gold, silver and small coins . . . . .	3.0	4.1	4.6	2.0	2.0	2.7	1.7
(b) Bank notes, State notes and balances with Central Bank . . . . .	15.5	13.3	13.2	32.4	35.7	26.4	46.6
2. Other Items of a Cash Nature . . . . .	0.1	0.4	0.4	18.2	26.4	28.5	25.2
3. Bills discounted and bought . . . . .	55.7	38.0	52.6	35.5	47.2	59.0	81.6
(a) Treasury bills . . . . .	—	4.6	4.8	0.9	0.4	0.8	12.4
(b) Commercial bills, Inland . . . . .	55.7	29.6	27.6	30.1	36.2	47.5	59.1
(c) Commercial bills, Foreign . . . . .	—	3.8	20.2	4.5	10.6	11.2	10.1
4. Investments and Securities . . . . .	32.1	17.3	17.9	17.5	17.8	24.9	27.7
(a) Government . . . . .	—	1.5	3.4	3.3	3.8	4.8	3.3
(b) Other . . . . .	—	15.8	14.5	14.2	14.0	20.1	22.4
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	20.0	14.1	9.7	12.2	13.9	19.6	15.4
(a) At home . . . . .	3.9	1.4	0.1	0.7	0.8	1.2	0.5
(b) Abroad . . . . .	16.1	12.7	9.6	11.5	13.1	18.4	14.9
7. Loans and Advances . . . . .	76.1	80.2	81.7	59.2	72.1	82.5	96.0
(a) On current account . . . . .	—	57.4	57.9	42.6	56.7	64.7	79.3
(b) Other . . . . .	—	22.8	23.8	16.6	15.4	17.8	13.7
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	5.0	5.8	4.5	4.9	5.1	5.1	6.9
10. Sundry Assets . . . . .	14.3	17.5	23.3	33.5	67.4	64.9	100.5
11. Total Balance-sheet . . . . .	221.8	190.7	207.9	215.4	287.6	313.6	401.6
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	44.7	26.5	25.9	25.9	25.9	26.9	27.0
13. Reserve Funds . . . . .	12.3	13.8	13.0	13.3	14.2	15.1	16.4
14. Profit and Loss, etc. . . . .	4.9	1.7	1.3	1.9	1.9	2.9	3.4
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	3.9	19.4	23.7	9.3	6.8	4.6	7.7
(a) At home . . . . .	3.9	0.2	0.8	—	2.7	1.2	0.4
(b) Abroad . . . . .	—	19.2	22.9	9.3	4.1	3.4	7.3
17. Deposits . . . . .	120.1	103.4	102.6	127.4	163.7	190.6	225.6
(a) Current accounts and sight deposits . . . . .	54.1	50.5	53.8	70.4	97.7	108.0	127.5
(b) Savings accounts . . . . .	16.3	18.3	20.1	26.4	32.9	40.3	49.3
(c) Time or fixed deposits . . . . .	43.3	34.3	28.5	30.5	32.0	42.1	48.8
(d) Other deposits . . . . .	6.4	0.3	0.2	0.1	0.2	0.2	0.2
18. Rediscounts and Other Borrowings . . . . .	—	6.5	17.4	3.2	6.3	7.4	18.6
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	35.9	19.4	24.0	34.4	68.8	66.1	102.9

	1932	1933	1934	1935	1936		1932	1933	1934	1935	1936
	Sols (000,000's)						Sols (000,000's)				
10. Sundry Assets.						20. Sundry Liabilities.					
Branch accounts . . . . .	0.3	0.3	0.9	0.5	0.1	Branch accounts . . . . .	—	0.5	0.7	0.4	0.9
Exchange operations . . . . .	15.5	24.0	53.7	51.0	86.7	Mortgage departments . . . . .	0.4	—	—	—	—
Profit-and-loss account . . . . .	0.1	—	—	—	—	Exchange operations . . . . .	15.4	23.9	53.9	51.0	86.4
Other accounts . . . . .	7.4	9.2	12.8	13.4	13.7	Other accounts . . . . .	8.2	10.0	14.2	14.7	15.6
Total . . . . .	23.3	33.5	67.4	64.9	100.5	Total . . . . .	24.0	34.4	68.8	66.1	102.9
18. Rediscounts.											

Excluding special Treasury bills of 1933 rediscounted with Banco Central (see group 2).



*Profit-and-Loss Accounts.*

The following statement of the banks' profit-and-loss accounts is available since 1932 :

	1932	1933	1934	1935	1936	
	Bols (000,000's)					
Interest	Income . . . . .	9.6	9.0	9.9	11.8	14.6
	Outlay . . . . .	<u>4.3</u>	<u>4.2</u>	<u>4.8</u>	<u>5.6</u>	<u>6.9</u>
	Net income . . . . .	5.3	4.8	5.1	6.2	7.7
Commissions, etc.	Income . . . . .	3.2	4.2	3.8	4.0	4.3
	Outlay . . . . .	<u>2.2</u>	<u>1.7</u>	<u>1.9</u>	<u>1.7</u>	<u>2.1</u>
	Net income . . . . .	<u>1.0</u>	<u>2.5</u>	<u>1.9</u>	<u>2.3</u>	<u>2.2</u>
Gross profits . . . . .	<u>6.3</u>	<u>7.3</u>	<u>7.0</u>	<u>8.5</u>	<u>9.9</u>	
Salaries, etc. . . . .	3.1	3.1	3.2	3.5	4.2	
Taxes . . . . .	0.3	0.2	0.3	0.5	0.6	
Written-off assets . . . . .	<u>1.4</u>	<u>1.8</u>	<u>1.0</u>	<u>1.1</u>	<u>0.6</u>	
Net profits . . . . .	1.5	2.2	2.5	3.4	4.5	

## POLAND

End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Whole- sale prices (1919 - 100)	Bank of Poland								Coins in circula- tion	Dis- count rate <sup>b</sup>
			Gold	Foreign exchange	Securities	Discounts	Treasury bills	Loans against collateral	Sight deposits and current accounts	Notes in circulation		
	■	▲	Zloty (000,000's)									%
Dec. 1935 . .	99.8	54.7	444	27	141	689	68	109	210	1,007	404	5
March 1936 . .	99.8	54.1	427	26	180	611	51	73	155	979	397	5
June 1936 . .	99.6	56.0	370	7	198	640	56	143	173	1,019	403	5
Sept. 1936 . .	99.1	56.7	373	16	223	662	47	120	196	1,048	421	5
Dec. 1936 . .	99.3	59.1	393	30	225	681	67	107	292	1,034	428	5
March 1937 . .	99.7	62.9	406	35	224	602	3	35	254	1,000	430	5
June 1937 . .	99.7	62.6	423	32	224	522	35	42	256	989	428	5
Sept. 1937 . .	99.5	61.9	431	35	225	573	48	30	280	1,045	450	5
Dec. 1937 . .	99.7	60.3	435	36	217	661	23	24	360	1,059	438	4.5

■ Monthly average. ▲ Average of last week of the month.

<sup>a</sup> Parity in 1929 : 1 zloty = 11.22 U.S.A. cents ; 1 U.S.A. dollar = 8.91 zloty.

<sup>b</sup> Date of last change : December 18th, 1937.

End of	Commercial Banks							Savings Banks <sup>a</sup>	Clearing turnover	Yield of bonds	
	Cash	Discounts	Securities	Loans and advances		Current accounts and sight deposits	Time and savings deposits				Redcounts
	Zloty (000,000's)										%
Dec. 1935	80.7	326.4	155.7	423.0	230.4	333.9	285.6	187.9	1,592.9	831	11.59
March 1936	47.3	328.7	156.7	424.5	234.4	329.1	292.0	174.6	1,597.6	860	8.92
June 1936	57.1	314.6	144.9	400.6	232.7	349.6	269.1	160.4	1,541.2	744	10.32
Sept. 1936	46.0	313.2	145.5	394.1	229.0	373.9	263.1	137.2	1,561.5	888	10.46
Dec. 1936	75.5	341.9	146.2	382.5	223.2	368.5	262.6	173.4	1,616.2	878	10.35
March 1937	42.7	354.6	62.8	380.2	49.4	344.9	209.8	149.7	1,659.9	1,012	9.78
June 1937	44.1	340.6	67.1	364.8	50.8	348.2	219.5	135.5	1,704.8	952	9.00
Sept. 1937	47.6	353.3	65.9	357.0	52.4	349.2	234.9	130.1	1,732.5	1,035	8.87
Dec. 1937	88.7	382.0	70.8	348.8	61.5	373.3	244.5	161.9	1,863.1	1,165	7.95

<sup>a</sup> Including Post Office Savings Bank.

See *Commercial Banks 1913-1929*, page 224 ; *1925-1933*, page 172 ; *1929-1934*, page 89 ; *Money and Banking 1935/36*, Vol. II, page 153 ; *1936/37*, Vol. II, page 121.

**Exchange Control :** The control was somewhat relaxed in November 1937 : the transfer and service of *new* foreign loans may be effected without any special permit, provided that the foreign exchange thus obtained has been duly sold to the Bank of Poland or to a foreign exchange bank.

**Bank of Poland : Gold :** Valued at the legal parity (1 zloty = 0.16879 gramme of fine gold). *Advances on collateral :* The maximum amount of loans against collateral was raised in February 1936 from 20% to 30% of the total amount of the Bank's bill portfolio. *Securities :* The rise in this item since 1935 is due to the authorisation given to the Bank by a Law of March 27th, 1935, to purchase securities up to 150 million zloty, instead of only 10% of its capital and Reserve Fund as formerly. Accordingly, with a view chiefly to stimulating the market for agricultural bonds, agricultural bills and acceptances of the Acceptance Bank amounting to 91 million zloty were converted in 1936 into mortgage bonds and bonds of the Acceptance Bank and transferred from the Bank's bill portfolio to the security holdings. *Participations :* The maximum amount of participations was raised by 3 million zloty in February 1936, in order to finance the construction of a new grain elevator at Gdynia. *Capital and Reserve Fund :* In June 1936, the capital was reduced to 100 million zloty and the Reserve Fund to 89 millions by the re-purchase from the Treasury of 50 million zloty of shares and 25 millions of reserve stock with the object of enabling the Government to mobilise these investments. *Sight liabilities :* The sundry liabilities shown under (c) include balances due to foreign correspondents and, since 1936, foreigners' blocked accounts. The amounts of these foreign liabilities are not shown separately.

## Bank of Poland.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Zloty (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	701	562	600	502	476	503	444	393	435
2. Subsidiary coin . . . . .	—	12	37	41	49	36	22	41	33
3. Foreign exchange . . . . .	526	413	214	136	88	28	27	30	36
4. Bills discounted . . . . .	704	672	670	586	688	654	689	681	661
5. Treasury bills . . . . .	—	—	—	—	48	48	68	67	23
6. Advances on collateral . . . . .	77	86	126	114	79	55	109	107	24
7. Securities . . . . .	6	9	12	14	13	12	53	136	130
8. Advances to the Government . . . . .	25	—	20	90	90	90	90	90	80
9. Participations . . . . .	15	23	23	24	27	26	29	29	29
10. Other assets . . . . .	202	192	246	220	206	214	287	240	307
11. Total Balance-sheet . . . . .	2,256	1,969	1,948	1,727	1,764	1,666	1,818	1,814	1,758
<b>LIABILITIES.</b>									
12. Capital . . . . .	150	150	150	150	150	150	150	100	100
13. Reserve Fund . . . . .	110	114	114	114	114	114	114	89	89
14. Notes in circulation . . . . .	1,340	1,328	1,218	1,003	1,004	981	1,007	1,034	1,059
15. Sight liabilities . . . . .	468	210	213	220	262	241	210	292	360
(a) Account of the Treasury . . . . .	284	40	9	12	16	29	1	1	36
(b) Other current accounts . . . . .	178	162	191	196	225	188	187	286	259
(c) Sundry sight liabilities . . . . .	6	8	13	12	22	24	22	55	65
16. Other liabilities . . . . .	188 <sup>a</sup>	167	253	240	234	180	337	299	150
Discount rate (percentage) . . . . .	8½	7½	7½	6	5	5	5	5	4½

<sup>a</sup> Including " Special Treasury Account " amounting to 75 million zloty.

**Token Coins :** The maximum issue of silver and other token coins was raised on July 10th, 1936, from 426 to 470 million zloty.

**Reduction of Interest Rates on Deposits :** The Association of Banks, including the fourteen largest commercial banks, fixed, as from July 1st, 1937, the maximum interest rates at 3½% on demand deposits and 4% to 5½% on time deposits ; these new rates are ½% to 1% lower than the preceding ones. Similarly, the maximum interest rates on deposits in other credit institutions were fixed by an Order of the Minister of Finance of June 25th, 1937.

**Sources :** Annual reports, *Monthly Bulletin*, and periodic returns of the Bank of Poland.

## Commercial Banks.

## 3. Discounts.

Net figures excluding rediscounts are given below :

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Total discounts . . . . .	935	528	407	367	337	326	342	382
Less rediscounts . . . . .	353	268	204	183	141	143	149	145
Net portfolio . . . . .	582	260	203	184	196	183	193	237

## 6. Due from Banks (Correspondents).

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Due from banks :								
At home . . . . .								
Loro . . . . .	17	18	20	17	15	16	16	10
Nostro . . . . .	29	27	22	28	23	23	25	20
Abroad . . . . .								
Loro . . . . .	10	9	10	10	4	5	5	1
Nostro . . . . .	66	54	60	38	31	30	30	34
Total . . . . .								
Loro . . . . .	27	27	30	27	19	21	21	11
Nostro . . . . .	95	81	82	66	54	53	55	54

## 7. Loans and Advances.

The composition of (b) is as follows :

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Time loans . . . . .	46	57	67	64	71	76	72	.
Mortgage loans . . . . .	142	159	154	125	145	154	151	.
Total (b) . . . . .	188	216	221	189	216	230	223	.

## Commercial Banks.

End of :	1929	1931	1932	1933	1934	1935	1936	1937
Number of Banks . . . . .	63	64	60	54	51	51	49	58
<b>SUMMARY BALANCE-SHEET.</b>								
<b>ASSETS.</b>								
Zloty (000,000's)								
1. Cash . . . . .	106	76	66	62	65	75	70	89
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	
2. Other Items of a Cash Nature . . . . .	28	14	12	8	6	6	6	382
3. Bills discounted and bought . . . . .	935	528	407	367	337	326	342	
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	71
4. Investments and Securities . . . . .	112	98	93	91	122	156	146	
(a) Government . . . . .	—	—	—	—	—	—	—	65
(b) Other . . . . .	—	—	—	—	—	—	—	
5. Participations . . . . .	—	—	—	—	—	—	—	30
6. Due from Banks (Correspondents) . . . . .	122	108	112	93	73	74	76	
(a) At home . . . . .	46	45	48	45	38	39	41	38
(b) Abroad . . . . .	76	63	69	48	35	35	35	
7. Loans and Advances . . . . .	1,092	872	754	637	647	653	606	410
(a) On current account . . . . .	904	656	538	448	431	423	383	
(b) Other . . . . .	188	216	221	189	216	230	223	61
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	
9. Premises, etc. . . . .	134	126	122	102	98	92	84	74
10. Sundry Assets . . . . .	449	430	405	395	582	722	655	
11. Total Balance-sheet . . . . .	2,978	2,252	1,971	1,755	1,930	2,104	1,985	1,392
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	239	250	243	216	218	218	215	161
13. Reserve Funds . . . . .	66	72	68	62	63	61	60	
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	39
15. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	
16. Due to Banks (Correspondents) . . . . .	563	344	307	257	244	222	195	126
(a) At home . . . . .	102	64	88	78	77	88	93	
(b) Abroad . . . . .	461	280	219	179	167	137	102	76
17. Deposits . . . . .	1,090	730	646	572	596	619	631	
(a) Current accounts and sight deposits . . . . .	536	375	323	313	315	334	369	373
(b) Savings accounts . . . . .	141	87	78	72	80	95	90	
(c) Time or fixed deposits . . . . .	413	268	246	187	201	190	172	137
(d) Other deposits . . . . .	—	—	—	—	—	—	—	
18. Rediscounts and Other Borrowings . . . . .	495	427	361	308	259	271	275	166
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	
20. Sundry Liabilities . . . . .	525	429	346	340	550	713	609	282

## 14. Profit-and-Loss Accounts.

The difference, shown below, between working expenses and earnings (interest and commissions only), included in the Summary Table under sundry assets and liabilities respectively, constitutes a rough measure of profits :

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Interest and commissions . . . . .	135	94	60	47	48	53	52	51
Expenditure . . . . .	105	84	63	52	47	47	48	42
Balance . . . . .	30	10	— 3	— 5	1	6	4	9

## 16. Due to Banks (Correspondents).

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Due to banks :								
At home . . . . .	53	35	38	33	31	30	48	36
{ Loro . . . . .	49	29	50	45	46	55	44	14
{ Nostro . . . . .	83	59	36	27	29	24	18	17
Abroad . . . . .	378	221	183	152	138	113	85	59
{ Loro . . . . .	136	94	74	60	60	54	66	53
{ Nostro . . . . .	427	250	233	197	184	168	129	73

17. *Deposits.*

Item (a) is composed as follows:

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Sight deposits . . . . .	259	166	147	137	157	180	172	152
Current accounts . . . . .	277	209	175	176	158	154	197	221
Total (a) . . . . .	536	375	322	313	315	334	369	373

18. *Rediscounts and Other Borrowings.*

	1929	1931	1932	1933	1934	1935	1936	1937
	Zloty (000,000's)							
Bills rediscounted:								
At home . . . . .	292	257	198	178	137	139	147	144
Abroad . . . . .	61	11	6	5	4	4	2	1
Total . . . . .	353	268	204	183	141	143	149	145
Mortgage and other bonds issued . . . .	142	159	157	125	118	128	126	21
Grand total . . . . .	495	427	361	308	259	271	275	166

## PORTUGAL

End of (Weekly returns)	Value of currency as % of gold parity in 1931 <sup>a</sup>	Whole- sale prices (June 1929 = 100)	Bank of Portugal								Token coin in circula- tion <sup>d</sup>	Bank of Portugal Discount rate <sup>e</sup>	
			Gold	Foreign ex- change and other cover assets <sup>b</sup>	Sundry securities <sup>c</sup>	Domestic bills	State debt	Treasury deposits	Bankers' deposits	Notes in circulation			
	■	▲	Escudos (000,000's)										%
Dec. 1935.	60.2	80.7	910	550	71	340	1,047	476	268	2,205	159	5	
March 1936.	60.3	82.9	910	551	70	361	1,046	649	300	1,998	159	5	
June 1936.	61.1	86.0	910	611	109	348	1,046	538	417	2,053	159	4.5	
Sept. 1936.	60.9	87.5	910	627	121	324	1,045	483	385	2,156	160	4.5	
Dec. 1936.	59.4	94.0	912	710	127	342	1,044	309	473	2,257	160	4.5	
March 1937.	59.3	99.9	913	742	124	321	1,044	532	524	2,059	160	4.5	
June 1937.	59.7	102.4	915	710	124	315	1,043	341	688	2,083	169	4.5	
Sept. 1937.	59.9	105.3	916	745	124	326	1,042	314	746	2,123	176 <sup>f</sup>	4.5	
Dec. 1937.	60.4	103.2	917	703	124	324	1,042	219	725	2,193	...	4.5	

■ Monthly average. ▲ 15th of month.

<sup>a</sup> Gold parity in 1931 : 1 escudo = 4.424 U.S.A. cents ; 1 U.S.A. dollar = 22.60 escudos.

<sup>b</sup> Including Portuguese bonds in foreign currencies (294 million escudos at the end of 1936), not shown separately in weekly returns.

<sup>c</sup> Including some foreign securities (13 million escudos at the end of 1936).

<sup>d</sup> Including coins held by the Bank of Portugal.

<sup>e</sup> Date of last change : May 5th, 1936.

<sup>f</sup> End of August.

End of	Commercial Banks						Caixa Geral de Depositos	Savings banks	Clearing turnover Lisbon and Oporto (monthly)	Yield of bonds External debt 3%	
	Cash	Bills discounted	Sundry advances	Sight deposits	Time deposits	Total deposits					Deposits
	Escudos (000,000's)										%
Dec. 1935. . . .	183	538	.	603	208	811	2,176	921	669	4.02	
March 1936. . . .	152	491	.	601	211	812	2,180	940	719	3.92	
June 1936. . . .	170	510	.	648	215	863	2,212	928	706	3.45	
Sept. 1936. . . .	181	518	.	692	215	907	2,278	924	735	3.60	
Dec. 1936. . . .	242	531	.	754	208	962	2,265	959	998	3.46	
March 1937. . . .	207	631	356	813	243	1,056	2,295	859	840	3.60	
June 1937. . . .	207	643	359	806	253	1,059	2,362	845	785	3.62	
Sept. 1937. . . .	266	790	411	945	380	1,325	2,334	607	677	3.66	
Dec. 1937. . . .	279	823	422	957	389	1,346	2,361	589	789	...	

See *Commercial Banks 1925-1933*, page 178 ; *1929-1934*, page 93 ; *Money and Banking 1935/36*, Vol. II, page 156 ; *1936/37*, Vol. II, page 124.

**Exchange Control :** The exchange control, gradually relaxed since 1932, was suspended on October 18th, 1937. The Government is, however, authorised to reintroduce foreign-exchange restrictions against countries where restrictive measures injurious to the interests of Portugal exist or may be put in force.

**Bank of Portugal :** Owing to changes made in 1931 in the form of the Bank's balance-sheet, returns since that year are not strictly comparable with those for 1929/30. *Gold :* In 1929 and 1930, valued at the 1911 gold content of the escudo (1 escudo = 1.6259 gramme of fine gold) ; since June 9th, 1931, at the rate 1 escudo = 0.06657 gramme of fine gold (110 escudos = £1 gold sterling ; 1 old escudo = 24.424 new escudos) ; valued at the 1931 parity, the gold reserve amounted in 1929 and 1930 to 209 million escudos. *Portuguese Government bonds in foreign currencies :* These securities are included in legal cover reserve, the details of which are not shown in the weekly returns. *Foreign securities :* These securities, comprised in "Sundry securities" in the weekly returns are shown separately in the annual reports. *Government debt :* The fall in the amount of Government debt in 1931 is due to repayment out of the revaluation profit of the gold reserve. *Gold agio :* This item, included until 1933 in "Other assets", represents the difference between the official price at which the gold stands in the Bank's books and the market price actually paid for it since the suspension of the gold standard on September 21st, 1931. *Capital and reserve funds :* Part of the revaluation profit in 1931 was used to raise the nominal value of the capital of the Bank and to strengthen its reserve funds.

## Bank of Portugal.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937 <sup>a</sup>
Escudos (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	9	9	286	539	770	903	910	912	917
2. Subsidiary coin . . . . .	—	—	1	10	17	13	7	7	14
3. Foreign correspondents and currencies . . . . .	401	190	345	305	83	192	226	317	300 <sup>b</sup>
4. Other assets in various currencies . . . . .	—	—	14	4	19	40	91	141	157
5. Foreign securities . . . . .	33	33	158	180	15	18	17	13	...
6. Domestic securities . . . . .	39	41	183	230	280	318	319	408	...
(a) Portuguese bonds in foreign currencies . . . . .	—	—	180	209	245	264	265	294	300 <sup>b</sup>
(b) Other . . . . .	39	41	3	21	35	54	54	114	124
7. Domestic bills . . . . .	380	435	345	343	332	318	340	342	324
8. Loans and advances . . . . .	65	232	—	—	—	—	12	8	14
9. Government debt . . . . .	1,751	1,531	1,069	1,055	1,052	1,049	1,047	1,044	1,042
10. Gold agio . . . . .	—	—	—	—	223	315	345	362	1,270
11. Other assets . . . . .	381	387	700	407	268	387	535	741	—
12. Total Balance-sheet . . . . .	3,059	2,858	3,101	3,073	3,059	3,553	3,849	4,295	4,462
<b>LIABILITIES.</b>									
13. Capital . . . . .	14	14	100	100	100	100	100	100	100
14. Reserve funds . . . . .	3	3	73	73	75	76	77	79	80
15. Notes in circulation . . . . .	2,046	1,994	2,062	2,001	1,989	2,137	2,205	2,257	2,193
16. Current accounts and sight deposits . . . . .	272	350	279	544	533	758	781	926	1,042
(a) Treasury and Committee of Public Credit . . . . .	68	6	3	210	198	329	487	416	285
(b) Banks . . . . .	—	—	248	311	308	398	268	473	725
(c) Other . . . . .	204	344	28	23	35	31	26	37	32
17. Liabilities in foreign currencies . . . . .	60	—	14	4	—	—	32	41	53
18. Other liabilities . . . . .	664	497	573	351	362	482	654	892	994
Discount rate (percentage) . . . . .	8	7½	7	6½	5½	5	4½	4½	4½

<sup>a</sup> Last weekly return of the year.

<sup>b</sup> Provisional approximate figure, subject to revision.

**Commercial Banks :** For reasons of a technical nature, these figures, based on the monthly returns published in the *Monthly Bulletin* of the National Institute of Statistics, differ slightly from the final end-of-year accounts published in *Situação Bancaria* and reproduced in the summary balance-sheet below, though the banks included are the same in both cases.

**Caixa Geral de Depositos :** This is a State credit institution intimately connected with the Treasury.

**Sources :** Annual reports and weekly returns of the Bank of Portugal. *Monthly Bulletin* of the National Institute of Statistics. *Situação Bancaria*.

## Commercial Banks.

1 and 2. *Cash and Other Items of a Cash Nature ;*  
3 and 7. *Bills, Loans and Advances.*

	1929	1930	1931	1932	1933	1934	1935
Escudos (000,000's)							
Cash in hand . . . . .	80	73	126	77	77	86	85
Deposits in other banks . . . . .	82	70	82	89	92	110	98
Foreign notes and coin . . . . .	—	2	2	2	1	1	1
Total (1 and 2) . . . . .	162	145	210	168	170	197	184
Bills discounted . . . . .	470	358	292	323	358	434	476
Bills receivable . . . . .	95	13	16	10	16	13	13
Total (3) . . . . .	565	371	308	333	374	447	489
Secured loans and advances . . . . .	203	203	221	194	180	177	161
Sundry debtors :							
In national currency . . . . .	231	117	112	110	74	78	67
In foreign currency . . . . .		87	29	25	17	16	20
Total (7) . . . . .	434	407	362	329	271	271	248

## Commercial Banks.\*

End of	1929	1930	1931	1932	1933	1934	1935
Number of Banks . . . . .	23	22	23	25	19	19	18
<b>SUMMARY BALANCE-SHEET.</b>							
<b>ASSETS.</b>							
Escudos (000,000's)							
1. Cash . . . . .							
(a) Gold, silver and small coins . . . . .							
(b) Notes of inland banks, State notes and balances with Central Bank . . . . .	162	145	210	168	170	197	184
2. Other Items of a Cash Nature . . . . .							
3. Bills discounted and bought . . . . .	581	386	320	343	381	454	494
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	568	371	308	333	374	447	489
(c) Commercial bills, Foreign . . . . .	13	15	12	10	7	7	5
4. Investments and Securities . . . . .	91	85	72	70	122	135	133
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	131	139	107	114	130	162	160
(a) At home . . . . .	—	78	58	42	44	65	76
(b) Abroad . . . . .	—	61	49	72	86	97	84
7. Loans and Advances . . . . .	434	407	362	329	271	271	248
(a) On current account . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	—	41	51	50	51	52	52
10. Sundry Assets . . . . .	588	197	263	444	243	216	264
11. Total Balance-sheet . . . . .	1,987	1,400	1,385	1,518	1,368	1,487	1,535
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	198	198	223	237	195	152	149
13. Reserve Funds . . . . .	50	81	84	102	94	91	91
14. Profit and Loss, etc. . . . .	23	17	15	17	17	17	17
15. Cheques and Drafts, etc., in circulation . . . . .	14	17	16	11	8	12	12
16. Due to Banks (Correspondents) . . . . .	119	76	62	44	50	73	70
(a) At home . . . . .	—	39	32	21	21	41	48
(b) Abroad . . . . .	—	37	30	23	29	32	22
17. Deposits . . . . .	1,048	883	811	818	838	965	956
(a) Current accounts and sight deposits . . . . .	481	389	464	481	521	606	626
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	277	255	225	207	211	226	215
(d) Other deposits . . . . .	290	239	122	130	106	133	115
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	535	128	174	289	166	177	240

\* Excluding the Banco Nacional Ultramarino and the Banco de Angola.

1929	1930	1931	1932	1933	1934	1935
Escudos (000,000's)						
<b>17. Deposits.</b>						
<b>Demand deposits:</b>						
National currency . . . . .	—	356	433	451	492	568
Foreign currency . . . . .	—	33	31	30	29	39
Total (a) . . . . .	481	389	464	481	521	626
<b>Time deposits:</b>						
National currency . . . . .	—	250	221	205	209	212
Foreign currency . . . . .	—	5	4	2	2	3
Total (c) . . . . .	277	255	225	207	211	215
<b>Sundry creditors:</b>						
National currency . . . . .	—	180	81	74	62	69
Foreign currency . . . . .	—	59	41	56	44	46
Total (d) . . . . .	290	239	122	130	106	115
Grand total . . . . .	1,048	883	811	818	838	956



## ROUMANIA

End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>	Whole- sale prices (1929 = 100)	National Bank of Roumania									Coins in circula- tion	
			Gold	Foreign exchange	Commer- cial bills	Agricul- tural and urban bills	Treasury bills	Advances on securi- ties and warrants	Govern- ment debt	Notes in circu- lation	Current accounts and sight deposits		Time deposits
Lei (000,000's)													
Dec. 1935.	74.8	66.4	10,802	1,953	5,220	2,727	5,136	197	5,639	23,127	7,645	4,525	3,567
March 1936.	72.8	67.7	10,929	1,575	5,248	2,594	5,541	261	5,639	23,056	7,856	4,670	3,637
June 1936.	72.3	66.7	11,041	1,745	5,308	2,447	5,761	226	5,633	22,268	8,548	4,368	4,262
Sept. 1936.	72.2	67.6	11,149	3,585	6,139	2,445	5,740	224	5,633	24,269	8,697	5,571	4,375
Nov. 6th, 1936	—	—	11,202	3,504	6,613	2,434	5,749	221	5,633	24,861	8,908	5,578	.
Nov. 14th, 1936	—	—	15,459	3,352	6,574	2,439	5,763	228	3,633	24,844	10,836	4,715	.
Dec. 1936.	71.9	72.6	15,568	3,586	6,262	2,430	5,817	213	3,624	25,663	10,300	4,409	4,475
March 1937.	71.9	74.6	15,731	3,566	6,144	2,157	6,196	185	4,624	25,949	11,657	3,751	4,663
June 1937.	71.9	80.0	15,863	3,613	5,928	2,069	6,422	126	4,619	26,142	12,499	3,198	4,198
Sept. 1937.	72.2	78.9	16,168	3,473	6,553	2,040	6,475	132	5,619	27,386	12,527	3,841	4,626
Dec. 1937.	72.6	78.7	16,458	2,338	5,842	1,997	4,924	151	5,607	29,391	11,143	3,049	4,748

<sup>a</sup> Monthly average.

<sup>a</sup> Gold parity in 1929 : 1 leu = 0.00598 U.S.A. dollar ; 1 U.S.A. dollar = 167.18121 lei.

End of	Commercial Banks <sup>a</sup>										National Savings Bank	Clearing turnover (monthly)	
	Cash	Commer- cial bills	Debtors	Debtors benefiting under the Law of 7.IV.1934 (amount payable)	Loss due to the enforce- ment of the Law of 7.IV.1934	Partici- pations	Deposits			Creditors			Redu- counts
							Sight	Time	Savings				
Lei (000,000's)													
Dec. 1935.	2,365	3,142	7,848	2,171	505	1,482	5,069	1,263	1,772	5,655	2,024	2,185	979
March 1936.	1,445	2,850	7,572	1,889	328	1,419	4,309	1,462	1,602	5,278	1,651	2,254	1,086
June 1936.	2,027	2,975	8,021	2,053	354	1,425	5,203	1,790	1,120	5,345	2,024	2,383	1,282
Sept. 1936.	1,901	2,993	9,626	1,939	316	1,389	5,707	1,745	1,477	5,610	2,199	2,523	1,041
Dec. 1936.	3,039	3,329	8,488	1,772	301	1,262	6,179	1,960	1,607	5,477	1,763	2,716	1,290
March 1937.	1,754	3,365	9,663	1,771	293	1,226	6,167	1,914	1,737	4,930	1,952	3,017	1,576
June 1937.	3,104	3,434	8,733	1,694	310	1,215	6,720	1,908	1,890	5,004	1,602	3,257	1,687
Sept. 1937.	2,674	3,533	9,958	1,671	310	1,168	7,549	1,910	1,406	5,090	2,019	3,500	2,717
Dec. 1937.	1,888 <sup>b</sup>	3,590 <sup>b</sup>	9,239 <sup>b</sup>	1,564 <sup>b</sup>	315 <sup>b</sup>	1,162 <sup>b</sup>	8,180 <sup>b</sup>	1,948 <sup>b</sup>	1,536 <sup>b</sup>	4,987 <sup>b</sup>	1,737 <sup>b</sup>	3,893	2,935

<sup>a</sup> Commercial banks with a nominal capital of at least 40 million lei.

<sup>b</sup> November.

See *Commercial Banks 1913-1929*, page 238 ; *1925-1933*, page 182 ; *1929-1934*, page 96 ; *Money and Banking 1935/36*, Vol. II, page 158 ; *1936/37*, Vol. II, page 127.

**Exchange Control :** In virtue of a Decree of July 7th, 1937, lei notes may be freely imported from abroad and balances existing on foreigners' accounts may be used, without prior authorisation of the National Bank, for operations in Roumania. The import of lei notes and the utilisation of "blocked" accounts had been prohibited on April 13th, 1935.

**National Bank of Roumania :** *Gold :* Up to November 6th, 1936, valued at the rate 1 leu = 0.00900 gramme of fine gold ; since then, 1 leu = 0.00652 gramme. *Foreign exchange :* For cover purposes : Foreign gold exchange, eligible for the statutory cover reserve. *Other :* Total of the following items of the Bank's balance-sheet : " Other exchange ", " Foreign exchange reserved for payment of imports and other payments " and " Exchange available on various clearing accounts ". *Commercial bills :* Current trade bills. *Agricultural and urban bills :* Bills not

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Lei (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	9,185	9,275	9,675	9,527	9,895	10,285	10,802	15,568	16,458
2. Subsidiary coin . . . . .	9	314	367	1,138	186	236	166	278	203
3. Foreign exchange . . . . .	6,791	1,823	323	560	270	1,226	1,953	3,585	2,338
(a) For cover purposes . . . . .	6,745	1,746	278	495	257	91	92	—	—
(b) Other . . . . .	46	77	45	65	18	1,135	1,861	2,585	2,338
4. Commercial bills . . . . .	8,839	7,380	13,116	9,958	8,823	5,961	5,220	6,262	5,842
5. Agricultural and urban bills . . . . .	—	—	—	3,004	3,166	2,946	2,727	2,430	1,997
6. Advances on securities and warrants . . . . .	878	753	641	587	503	768	197	213	151
7. Treasury bills . . . . .	—	—	—	—	—	4,013	5,136	5,817	4,924
8. Government debt . . . . .	3,797	3,617	3,767	5,726	5,681	5,655	5,639	3,624	5,607
9. Securities and participations . . . . .	698	784	726	545	574	661	658	687	1,037
10. Assets relating to time liabilities . . . . .	—	—	507	482	154	127	97	2,069	2,621
11. "Special exchange provisions" . . . . .	—	—	—	1,247	2,186	2,236	2,819	894	3,314
12. Other assets . . . . .	4,706	4,427	3,837	4,718	4,746	4,808	5,878	6,257	5,303
13. Total Balance-sheet . . . . .	34,903	28,373	32,959	37,492	36,184	38,922	41,292	47,684	49,795
<b>LIABILITIES.</b>									
14. Capital . . . . .	600	600	600	600	600	600	600	600	600
15. Reserve funds . . . . .	318	369	412	446	475	492	513	549	580
16. Notes in circulation . . . . .	21,144	19,605	23,750	21,594	21,219	22,307	23,127	25,663	29,391
17. Current accounts and sight deposits . . . . .	9,371	5,077	3,865	6,366	7,257	7,232	7,665	10,299	11,143
(a) Treasury and public services . . . . .	7,450	3,116	1,050	2,125	1,668	1,892	3,626	5,121	1,605
(b) Other . . . . .	1,921	1,961	2,815	4,241	5,589	5,340	4,039	5,178	9,538
18. Time deposits . . . . .	—	—	2,556	5,337	3,959	3,766	4,525	4,409	3,049
19. Other liabilities . . . . .	3,470	2,722	1,776	3,149	2,674	4,525	4,862	6,164	5,032
Discount rate (percentage) . . . . .	9	9	8	7	6	4½	4½	4½	4½

conforming with ordinary provisions as to eligibility for discount ; shown separately since the last quarter of 1932. *Treasury bills* : Held as cover for losses incurred by the Bank in respect of agricultural and urban credits (Law of April 7th, 1934). See *Commercial Banks 1925-1933*, page 183, and *1929-1934*, page 96. *Government debt* : (1) Old debt (4 milliards on February 7th, 1929, date of the Stabilisation Law) for the amortisation of which the Government allocates in particular its statutory share in the profits of the Bank and the dividends paid on its holdings of National Bank shares ; (2) Temporary advance of 2 milliards immobilised as from 1932 and repaid on November 6th, 1936, out of the profit accruing from the revaluation of the gold reserve. *Other assets and liabilities* : No explanation is given as regards the composition or movements of the sums shown as "Sundry accounts" on each side of the Bank's balance-sheet. Item 12 includes premises and furniture (762 millions at the end of 1936), in addition to "Sundry accounts". *Discount rate* : 4½ % since December 15th, 1934.

**Coins in Circulation** : The Laws of February 23rd and December 20th, 1935, fixed the maximum metallic issue at 4,820 millions.

**Commercial Banks** : Number of banks : 38 in December 1935, and 39 since January 1937.

**Banking Legislation** : (1) *Agricultural, Mining and Middle-Class Credit* : A Law of April 1st, 1937, provides for the establishment of a *National Institute of Agricultural Credit* with an initial capital of 1 milliard lei, 50% of which to be subscribed by the Government ; in addition, the Government will subscribe 100 million lei yearly, during the next twenty years. The object of this Institute is to grant medium- and long-term credits to farmers through the intermediary of certain specialised bodies — for example, people's banks, co-operative associations, mortgage banks, etc. For this purpose, it may issue bonds eligible as collateral by the National Bank and other public institutions. A *National Institute of Mining Credit* (Law of April 5th, 1937), organised on similar lines as the preceding institutions, was created with the object of assisting in the promotion of mining industries. A *National Institute of Artisan Credit* (Law of April 5th, 1937), established according to the same rules as the Agricultural Institute, was authorised to grant medium- and long-term credit to the lower professional classes through the intermediary of the co-operative associations of handicraftsmen.

(2) *Law for the Organisation and Control of Banking Business* : The Law of May 4th, 1934 (see *Money and Banking 1929-1934*, page 96), and its subsequent amendments were codified by a Decree of August 31st, 1937, published in the *Moniteur Officiel* on September 4th, 1937. No substantial modifications were, however, made in the original legislation, with the exception of Article 6, stating that foreign banks operating in Roumania must conform to Roumanian legislation, and Articles 44 and 45, relating to the powers of the Supreme Banking Council. According to a supplementary decree to the Banking Law, two-thirds of the boards of all banks in Roumania must consist of Roumanian citizens. The ban on the opening of new branches was withdrawn.

(3) *Liquidation of Agricultural and Urban Debts* : The legislation relating to the liquidation of agricultural and urban debts was unified and simplified, more particularly by virtue of a Law of April 1st, 1937, and a Decree of October 9th, 1937.

Sources : National Bank of Roumania : Reports of the Governing Body, Weekly Statements, *Bulletin*. Institute of General Statistics : *Roumanian Statistical Bulletin*.

### Commercial Banks.

For detailed notes on various items of the Summary Balance-sheet, see preceding editions of this volume. The banking statistics for the years 1935 and 1936 were not published at the time of preparing the Summary Balance-sheet (January 1938).

#### 1 and 2. Cash Assets.

	1929	1931	1932	1933	1934
	Lel (000,000's)				
"Cash" . . . . .	3,510	1,739	1,683	1,992	2,206
"Banks" . . . . .	3,119	1,321	839	933	2,018
<b>Total</b> . . . . .	<b>6,629</b>	<b>3,060</b>	<b>2,522</b>	<b>2,925</b>	<b>4,224</b>

#### 7. Loans and Advances.

The sums under (a) are "current-account debtors". They include inter-bank accounts. The sums under (b) are "sundry advances"; in 1934, they include debtors benefiting under the Law of April 7th, 1934.

#### 10. Sundry Assets.

	1929	1931	1932	1933	1934
	Lel (000,000's)				
Merchandise . . . . .	622	94	55	110	27
Collection accounts . . . . .	1,440	606	146	222	863
Transitory accounts . . . . .	114	462	163	525	81
Expenditure relating to following year . . . . .	26	14	17	11	5
Losses . . . . .	155	686	658	650	734
Net balance of guarantee accounts and sundries . . . . .	—	—	480	—	—
Other accounts . . . . .	—	—	—	—	2,185
<b>Total</b> . . . . .	<b>2,357</b>	<b>1,862</b>	<b>1,519</b>	<b>1,518</b>	<b>3,895</b>

"Other accounts", in 1934, represent losses due to the enforcement of the Law of April 7th, 1934.

#### 14. Profit and Loss, etc.

The total of the losses incurred by the banks and included in group 10 should be deducted in order to arrive at the net profits or losses of the banking system as a whole :

	1929	1931	1932	1933	1934
	Lel (000,000's)				
Net profit of individual banks . . . . .	1,947	493	188	193	210
Losses of individual banks . . . . .	155	686	658	650	734
Balance of net profits or losses of banking system . . . . .	1,792	—193	—470	—457	—524

#### 17. Deposits.

Distinction is made only between current-account creditors and other deposits, as shown below :

	1929	1931	1932	1933	1934
	Lel (000,000's)				
Current-account creditors . . . . .	19,561	12,840	11,714	10,111	7,897
Deposits . . . . .	31,753	17,366	14,469	12,886	10,387
<b>Total</b> . . . . .	<b>51,314</b>	<b>30,206</b>	<b>26,183</b>	<b>22,997</b>	<b>18,284</b>

#### 20. Sundry Liabilities.

	1929	1931	1932	1933	1934
	Lel (000,000's)				
Depositors of bills for collection . . . . .	1,575	769	340	396	862
Transitory accounts . . . . .	683	789	222	630	180
Net balance of guarantee accounts and sundries . . . . .	1,060	994	—	1,277	2,772
Unclaimed dividends . . . . .	84	81	80	72	73
Earnings relating to following year . . . . .	323	176	59	50	21
<b>Total</b> . . . . .	<b>3,725</b>	<b>2,809</b>	<b>701</b>	<b>2,425</b>	<b>3,908</b>

## Commercial Banks.

End of the year :	1929	1930	1931	1932	1933	1934
Number of Banks . . . . .	1,097	1,102	1,037	953	893	873
SUMMARY BALANCE-SHEET.						
ASSETS.						
Lei (000,000's)						
1. Cash . . . . .						
(a) Gold, silver and small coins . . . . .						
(b) Inland notes and balances with Central Bank . . . . .	6,629	8,010	3,060	2,522	2,925	4,224
2. Other Items of a Cash Nature . . . . .						
3. Bills discounted and bought . . . . .	31,826	31,078	25,815	21,985	21,241	9,291
(a) Treasury bills . . . . .	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—
4. Investments and Securities . . . . .	2,781	2,804	2,625	2,227	2,020	1,957
(a) Government . . . . .	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—
5. Participations . . . . .	3,582	3,300	3,667	2,535	1,782	2,208
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—
7. Loans and Advances . . . . .	34,504	34,475	24,952	21,880	20,458	21,315
(a) On current account . . . . .	28,907	28,114	21,047	18,083	17,514	13,920
(b) Other . . . . .	5,597	6,361	3,905	3,797	2,944	7,395
8. Cover for Acceptances . . . . .	—	—	—	—	—	—
9. Premises, etc. . . . .	2,601	2,782	3,478	3,533	3,290	3,210
10. Sundry Assets . . . . .	2,357	1,333	1,862	1,519	1,518	3,895
11. Total Balance-sheet . . . . .	84,280	83,782	65,459	56,201	53,234	46,100
LIABILITIES.						
12. Capital paid up . . . . .	10,411	10,730	10,652	10,060	9,574	8,948
13. Reserve Funds . . . . .	4,433	5,353	4,919	4,459	4,129	3,831
14. Profit and Loss, etc. . . . .	1,947	1,638	493	188	193	210
15. Cheques and Drafts in circulation . . . . .	280	219	122	156	212	652
16. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—
17. Deposits . . . . .	51,314	53,323	30,206	26,183	22,997	18,284
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	12,170	10,033	16,258	14,454	13,704	10,267
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	3,725	2,486	2,809	701	2,425	3,908

## SPAIN

## Bank of Spain.

End of :	1929	1930	1931	1932	1933	1934	1935	1936 August 1st	1936	1937
(Pesetas 000,000's)										
<b>ASSETS.</b>										
1. Gold . . . . .	2,566	2,439	2,247	2,259	2,261	2,268	2,255	2,202	...	...
2. Silver * . . . . .	708	702	518	604	646	680	692	651	...	...
3. Correspondents abroad . . . . .	101	84	279	285	279	282	281	280	...	...
4. Bills for immediate collection . . . . .	70	78	17	11	18	10	24	63	...	...
5. Bills discounted . . . . .	757	853	1,393	1,114	1,138	1,136	1,117	1,158	...	...
6. Loans and advances . . . . .	2,917	2,844	3,414	3,358	3,314	3,020	2,583	3,185	...	...
(a) Credits and loans on collateral . . . . .	2,681	2,686	3,074	2,986	2,962	2,663	2,166	2,757	...	...
(b) Credits on personal guarantee . . . . .	236	258	340	372	352	357	418	428	...	...
7. Correspondents at home . . . . .	10	11	19	13	13	13	10	7	...	...
8. Advances to the Treasury . . . . .	45	48	290	233	124	239	567	260	...	...
9. Securities . . . . .	513	520	518	530	531	547	545	559	...	...
(a) Government . . . . .	494	494	494	494	494	494	494	494	...	...
(b) Other . . . . .	19	26	24	36	37	53	51	65	...	...
10. Other assets . . . . .	260	281	300	334	378	509	527	365	...	...
11. Total Balance-sheet . . . . .	7,947	7,860	8,995	8,741	8,702	8,704	8,601	8,730	...	...
<b>LIABILITIES.</b>										
12. Capital . . . . .	177	177	177	177	177	177	177	177	...	...
13. Reserve funds . . . . .	67	69	67	69	71	73	75	75	...	...
14. Notes in circulation . . . . .	4,458	4,767	4,993	4,834	4,825	4,711	4,837	5,573	...	...
15. Current accounts . . . . .	2,764	2,500	2,826	2,811	2,800	2,730	3,037	2,747	...	...
(a) Treasury . . . . .	378	219	163	258	245	300	283	140	...	...
(b) Other current accounts . . . . .	986	870	1,143	977	947	893	1,342	1,169	...	...
(c) Undrawn amounts of credits opened . . . . .	1,400	1,411	1,520	1,576	1,608	1,537	1,412	1,438	...	...
16. Other liabilities . . . . .	481	347	932	850	829	1,013	475	158	...	...
Discount rate (percentage) . . . . .	5½	6	6½	6	6	5½	5	5	5	5
<b>Value of currency (monthly average) :</b>										
1. As percentage of gold parity <sup>b</sup> . . . . .	71.4	55.7	43.5	42.2	42.4	42.1	42.1	42.1 <sup>e</sup>	23.7	18.9
2. As percentage of the average rate in 1929 <sup>c</sup> . . . . .	93.9	73.2	57.2	55.5	55.8	55.3	55.3	55.3 <sup>e</sup>	31.1	24.6
Wholesale Prices (1929 = 100) <sup>d</sup> . . . . .	100.6	102.3	103.5	99.1	97.7	99.8	102.3	100.6 <sup>f</sup>	...	...

\* Including token coins (3.5 millions in 1935).

<sup>b</sup> Gold parity, 1868 : 1 peseta = 0.19295 U.S.A. dollar ; 1 U.S.A. dollar = 5.18262 pesetas.

<sup>c</sup> Average rate in 1929 : 1 peseta = 0.14683 U.S.A. dollar ; 1 U.S.A. dollar = 6.81046 pesetas.

<sup>d</sup> 15th day of month.

<sup>e</sup> July 1936.

<sup>f</sup> June 1936.

The last balance-sheet published by the Bank of Spain is that for August 1st, 1936, and the latest commercial banking statistics relate to March 1936. For fuller information concerning the latter, see *Commercial Banks 1925-1933*, page 187 ; *1929-1934*, page 99 ; *Money and Banking, 1935/36*, Vol. II, page 161 ; *1936/37*, Vol. II, page 130.

**Bank of Spain : Gold :** Valued at the statutory parity fixed on October 19th, 1868 (1 peseta = 0.29032 gramme of fine gold). **Correspondents abroad :** This item, shown in the original balance-sheets as part of the gold reserve, is valued in gold pesetas. A minor part of the gold and foreign exchange reserve is held for the account of the Treasury, a corresponding deposit liability being booked on the current account of the latter with the Bank (item 15 (a)). **Bills discounted :** Foreign bills and Treasury bills are not shown separately in the annual balance-sheets ; according to the weekly return on August 1st, 1936, the Treasury bills held by the Bank amounted to 76 million

## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935
Number of Banks . . . . .	123	128	122	122	124	122	148
<b>SUMMARY BALANCE-SHEET.</b>							
<b>ASSETS.</b>							
Pesetas (000,000's)							
1. Cash . . . . .	965	1,001	1,049	1,057	1,152	1,082	1,381
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	577	582	563	580	547	581	577
3. Bills discounted and bought . . . . .	1,662	1,708	1,397	1,515	1,474	1,573	1,653
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	3,550	3,922	3,740	3,867	4,038	4,514	4,704
(a) Government . . . . .	2,117	2,381	2,206	2,441	2,586	2,961	2,988
(b) Other . . . . .	1,433	1,541	1,444	1,426	1,452	1,553	1,716
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	2,222	2,284	1,719	1,797	1,950	1,957	1,745
(a) On current account . . . . .	860	835	686	682	676	682	646
(b) Other . . . . .	1,362	1,449	1,033	1,115	1,274	1,275	1,099
8. Cover for Acceptances . . . . .	114	136	95	79	74	123	199
9. Premises, etc. . . . .	243	254	262	276	290	303	306
10. Sundry Assets . . . . .	1,446	1,403	1,307	2,049	2,158	1,493	1,769
11. Total Balance-sheet . . . . .	<b>10,779</b>	<b>11,290</b>	<b>10,132</b>	<b>11,220</b>	<b>11,683</b>	<b>11,626</b>	<b>12,334</b>
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	896	944	908	933	934	932	928
13. Reserve Funds . . . . .	411	450	508	515	534	539	526
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—
15. Cheques and Drafts, etc., in circulation . . . . .	185	162	164	141	154	180	213
16. Due to Banks (Correspondents) . . . . .	1,548	1,639	1,836	1,774	1,880	1,829	1,620
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
17. Deposits . . . . .	6,084	6,568	5,376	5,812	6,077	6,556	7,128
(a) Current accounts and sight deposits . . . . .	3,605	3,899	3,015	3,197	3,266	3,462	3,667
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	2,479	2,669	2,361	2,615	2,812	3,094	3,461
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	107	133	96	80	76	123	199
20. Sundry Liabilities . . . . .	1,548	1,394	1,244	1,965	2,028	1,467	1,720

pesetas. *Loans and advances* : All the credits opened on current account are not actually drawn upon at the dates of the table. The position at the end of each year shown was as follows :

End of :	1929	1930	1931	1932	1933	1934	1935	I. VIII 1936
Pesetas (000,000's)								
Credits opened in current account . . . . .	2,868	2,814	3,372	3,323	3,289	3,001	2,565	3,168
Credits actually utilised . . . . .	1,468	1,403	1,852	1,747	1,681	1,464	1,153	1,730
Amounts not yet utilised . . . . .	1,400	1,411	1,520	1,576	1,608	1,537	1,412	1,438

The credits not yet drawn upon which at any moment could be disposed of are shown, on the liabilities side, together with current account deposits (item 15 (c)). *Securities* : Government securities (a) consist of an advance to the Treasury made under the Law of July 14th, 1891 (150 millions), and bonds of the funded internal debt (344 millions) other securities (b) consist of shares (*inter alia*, of the Banco Exterior de España and the State Bank of Morocco) and of sundry securities ("Otros efectos de cartera"). *Other assets* : Including premises, investments of the Pensions Fund and sundry items for collection. *Total balance-sheet* : Excluding various *comptes d'ordre*. *Current accounts* : Regarding the undrawn amounts of credits opened (item 15 (c)), see note relating to "Loans and advan-

ces". *Other liabilities*: Including the Pensions Fund and the net balance of sundry accounts (mainly inter-branch and agencies accounts) shown on both sides of the balance-sheet.

Sources: Banco de España: Annual Reports. Consejo Superior Bancario: *Balances trimestrales de la Banca Inscrita*; *Boletín del Consejo Superior Bancario*. Instituto Geográfico, Catastral y de Estadística: *Boletín del Centro de Investigaciones Especiales — Laboratorio de Estadística. La Semana Financiera*.

### Commercial Banks.

As the complete statistics of all the Spanish banks are usually published about eighteen months late, it has been thought preferable to reproduce in the Summary Balance-sheet only the accounts of the "inscribed" banks, which are published quarterly, and the total of whose balance-sheets represents about 90% of the total of the balance-sheets of all Spanish commercial banks. The 1935 figures are provisional.

For detailed comments on certain items in the balance-sheet, see previous editions of this volume.

#### 1. Cash.

The amounts shown consist of "cash and balances with the Banco de España".

#### 2. Other Items of a Cash Nature.

These consist of cheques, etc., on other banks and small amounts of foreign money.

#### 3. Bills discounted and bought.

These consist entirely of commercial bills which are almost exclusively of a maturity of under ninety days.

#### 7. Loans and Advances.

These are composed as follows:

	1929	1930	1931	1932	1933	1934	1935
	Pesetas (000,000's)						
Sight advances . . . . .	448	437	375	414	491	559	554
Loans in foreign currencies . . . . .	412	398	211	168	185	123	92
Total (a) . . . . .	860	835	586	582	676	682	646
Time advances . . . . .	633	662	493	546	566	580	464
Collateral advances . . . . .	729	787	640	669	708	695	635
Total (b) . . . . .	1,362	1,449	1,133	1,215	1,274	1,275	1,099
Grand total . . . . .	2,222	2,284	1,719	1,797	1,950	1,957	1,745

#### 11. Total Balance-sheet.

Not including unpaid capital or banks' holdings of own shares, which were as follows:

	Unpaid capital	Holding of own shares	Total
	Pesetas (000,000's)		
1929 . . . . .	154	401	555
1930 . . . . .	128	571	699
1931 . . . . .	154	547	701
1932 . . . . .	143	547	690
1933 . . . . .	141	546	687
1934 . . . . .	138	547	685
1935 . . . . .	129	534	663

#### 13. Reserve Funds.

Since 1931 this item includes a special fund for currency fluctuations shown below:

	Pesetas (000,000's)
1931 . . . . .	95
1932 . . . . .	125
1933 . . . . .	123
1934 . . . . .	118
1935 . . . . .	5

#### 17. Deposits.

These are composed as follows:

	1929	1930	1931	1932	1933	1934	1935
	Pesetas (000,000's)						
Sight deposits . . . . .	3,197	3,425	2,708	2,922	2,978	3,244	3,536
Deposits in foreign currencies . . . . .	408	474	307	275	287	218	131
Total (a) . . . . .	3,605	3,899	3,015	3,197	3,265	3,462	3,667
Time deposits:							
Up to one month . . . . .	1,192	1,368	1,339	1,589	1,695	1,904	2,127
Over one month . . . . .	1,287	1,301	1,022	1,026	1,117	1,190	1,334
Total (c) . . . . .	2,479	2,669	2,361	2,615	2,812	3,094	3,461
Grand total (a) + (c) . . . . .	6,084	6,568	5,376	5,812	6,077	6,556	7,128

## SWEDEN

### MONETARY POLICY.

After the abandonment of the gold standard in 1931, the official aims of the Swedish monetary policy, according to successive pronouncements by Parliament, was to stabilise the purchasing-power of the krona in the hands of the consumer, while allowing such favourable rise in the depressed wholesale prices as would not entail a rise in the cost of living incompatible with the first-mentioned aim. The fall in wholesale prices was checked in the last quarter of 1931 and, after remaining practically stable until the beginning of 1933, the official index for these prices rose slowly by consecutive stages of relative stability up to the middle of 1936, when the consumption price-index of the Riksbank stood at almost the same level as in September 1931. After June 1936, however, a marked increase in commodity prices ensued which raised the official wholesale price-index by over 15% in nine months and, with some time lag, became noticeable also in the cost of living and the Riksbank's consumption price-index. On the other hand, the gold and foreign exchange reserves increased rapidly, reflecting, not only an improvement in the balance of payments for goods and services, but also an inflow of foreign funds.

Towards the end of 1936 and early in 1937 discussion arose in certain quarters whether the krona, which had been pegged to sterling at an unchanged rate since the middle of 1933, was not in fact artificially undervalued and whether it was in Sweden's interest, by adhering to this policy, to allow the rise in British prices, considered inflationary in those quarters, to entail a parallel rise in Swedish prices. An adjustment of the krona-sterling rate in the sense of a certain appreciation of the Swedish currency was accordingly urged, particularly by economists. On the other hand, such an adjustment was strongly opposed by representatives of export interests. At the end of February 1937, this discussion elicited a statement by the Minister of Finance to the effect that a change in the krona-sterling rate was not under consideration "within the surveyable future". The sudden relapse of raw-material prices on the world market as from March reduced the reasons for considering such a measure, and the authorities turned their attention to other measures aimed at checking inflationary price developments and preventing economic over-expansion, if necessary by restricting the basis of credit.

As a first step in this direction, the National Debt Office was empowered in March 1937 to place at the Riksbank's disposal bonds or Treasury bills to be offered by the Bank to the public with a view to absorbing funds and thereby contracting the market.

Further, at the beginning of June 1937, the Riksdag passed an Enabling Act, empowering the Government until February 28th, 1938, in case of necessity and at the request of the Riksbank, to make the regulations governing the commercial banks' cash reserves more stringent. According to the banking law, the banks are obliged to maintain a cover reserve corresponding to at least 25% of their sight liabilities, this cover reserve to include, besides cash in hand or with the Riksbank, such easily realisable assets as payment orders, bills of exchange payable on demand, foreign bank notes, sight claims on domestic and foreign banks and bonds mortgageable at the Riksbank. As sight liabilities are to be considered deposits on check account, unutilised balances of credits opened, circulating bank drafts and sight debts to saving banks and to domestic and foreign banks. Under the Enabling Act, these regulations may be changed so as to oblige the banks to maintain against their sight liabilities as above, *plus* deposits at less than 30 days' notice (except savings accounts), a 25% cover reserve to consist only of cash in hand or with the Riksbank and, subject to special permission, sight claims on foreign banks. Further, it may be prescribed that the cash balances with the Riksbank should amount to a certain minimum proportion (not specified in the Enabling Act) of the cover reserve, interest at a maximum rate of 1% above the lowest discount rate to be paid to the Riksbank in respect of any amount by which such balances fall short of that proportion. The provisions of the Enabling



Act may be made applicable either to all commercial banks or only to those whose own funds amount to a given minimum figure.

As additional precautionary measures, the Government was empowered: (1) to increase the stamp duty on security transactions from 0.3% to 1.2% (to remain in force until the end of May 1938), with a view to checking excessive speculation on the Stock Exchange; (2) to make use of the abundant currency reserve up to an initial amount of 70 million kronor for State purchases from abroad of essential raw materials to be stored for defence purposes, the foreign exchange thus required to be procured from the Riksbank in exchange for Treasury bills which the Bank, in turn, may sell on the market, thereby absorbing liquid funds to a corresponding amount.

In November 1937, the members of the Association of Swedish banks reached an agreement providing for the reduction of interest rates on various categories of deposits.<sup>1</sup> More particularly, payment of interest on deposits by foreigners, other than banks and bankers (which receive no interest on funds deposited in Sweden), was reduced to a maximum of 1/2%, except for savings accounts, on which 2% is allowed to all depositors.

End of (Monthly returns)	Value of currency as % of gold (parity in 1929 <sup>a</sup> )	Wholesale prices (1929 = 100)	Riksbank							Discount rate <sup>b</sup>
			Gold	Foreign exchange	Securities	Loans and discounts	Treasury current account	Bankers' current accounts	Note circulation	
			Kronor (000,000's)							%
Dec. 1935. .	56.3	84.3	408	629	33	42	180	181	786	2.5
March 1936. .	56.5	84.3	454	507	33	40	146	226	795	2.5
June 1936. .	57.4	84.3	509	496	33	46	269	146	792	2.5
Sept. 1936. .	57.2	87.1	526	556	33	41	118	306	853	2.5
Dec. 1936. .	55.8	90.0	529	717	33	37	278	294	893	2.5
March 1937. .	55.5	97.1	531	830	33	33	112	590	873	2.5
June 1937. .	56.1	99.3	534	907	6	40	212	574	872	2.5
Sept. 1937. .	56.3	100.0	536	1,014	6	39	129	696	947	2.5
Dec. 1937. .	56.8	97.1	539	984	10	38	311	434	980	2.5

<sup>a</sup> Monthly average.

<sup>a</sup> Gold parity in 1929: 1 krona = 26.80 U.S.A. cents; 1 U.S.A. dollar = 3.73 kronor.

<sup>b</sup> Date of last change: December 1st, 1933.

End of	Commercial Banks							Post Office Savings Bank	Clearing turnover at Riksbank	Yield of seven Government bonds
	Cash	Net foreign assets	Securities	Loans and discounts	Current accounts and sight deposits	Time and savings deposits	Total deposits			
	Kronor (000,000's)									%
Dec. 1935. . . . .	281	230	648	3,828	766	2,866	3,632	497	2,028	3.32
March 1936. . . . .	309	220	603	3,882	833	2,931	3,764	501	1,711	3.21
June 1936. . . . .	234	260	621	3,878	814	2,902	3,716	498	1,902	3.15
Sept. 1936. . . . .	396	258	593	3,912	907	2,966	3,873	510	2,063	3.04
Dec. 1936. . . . .	393	157	612	3,992	892	2,941	3,833	514	2,595	3.03
March 1937. . . . .	684	— 53	573	4,064	999	3,065	4,064	527	2,330	3.05
June 1937. . . . .	669	— 46	528	4,070	1,011	3,047	4,058	530	2,664	3.06
Sept. 1937. . . . .	792	— 42	539	4,076	1,087	3,097	4,184	550	2,529	3.03
Dec. 1937. . . . .	543	+ 85	506	4,090	985	3,014	3,999	548	3,021	2.98

<sup>a</sup> Monthly average.

See *Commercial Banks 1913-1929*, page 246; *1925-1933*, page 193; *1929-1934*, page 103; *Money and Banking 1935/36*, Vol. II, page 164; *1936/37*, Vol. II, page 133.

Sources: Annual reports and monthly returns of the Riksbank. *Uppgifter om bankerna* (Bank Inspectorate) *Index* (Svenska Handelsbanken).

<sup>1</sup> The present rate of 2% on long-term deposits, maintained for deposits up to 1 million kronor, was reduced to 1 1/2% for deposits between 1 million and 2 million kronor and to 1% for the amount exceeding 2 million kronor. The rate of 1% on sight accounts was maintained.

## Riksbank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Kronor (000,000's)									
<b>ASSETS.</b>									
1. Gold . . . . .	245	241	206	206	371	351	408	529	539
(a) Gold reserve . . . . .	245	241	206	206	260	285	408	469	471
(b) Gold abroad, not included in the reserve . . . . .	—	—	—	—	111	66	—	70	68
2. Subsidiary coin . . . . .	2	3	4	6	5	3	1	2	1
3. Cheques, sight bills and foreign notes . . . . .	32	24	28	13	9	14	9	12	10
4. Foreign exchange . . . . .	266	400	54	215	449	556	640	720	1,045
(a) Current accounts abroad . . . . .	101	276	54	190	194	145	207	259	266
(b) Foreign bills . . . . .	114	60	—	25	255	365	365	391	749
(c) Foreign Government securities . . . . .	51	64	—	—	—	46	68	70	40
5. Domestic bills . . . . .	271	230	482	134	16	12	12	12	13
6. Advances on securities . . . . .	105	88	73	68	38	30	25	22	23
7. Advances on current account . . . . .	2	2	2	2	2	2	5	4	2
8. Domestic securities . . . . .	23	4	4	238	227	149	33	34	10
(a) Government . . . . .	23	4	4	238	227	149	29	29	6
(b) Other . . . . .	—	—	—	—	—	—	4	5	4
9. Exchange Difference Account . . . . .	—	—	—	19	103	96	142	241	272
10. Other assets . . . . .	3	4	8	3	6	11	2	2	7
11. Total Balance-sheet . . . . .	949	996	861	904	1,226	1,224	1,277	1,578	1,922
<b>LIABILITIES.</b>									
12. Capital . . . . .	50	50	50	50	50	50	50	50	50
13. Reserve Fund . . . . .	20	20	20	20	20	20	20	20	20
14. Notes in circulation . . . . .	569	594	583	598	648	708	786	893	980
15. Bank's orders in circulation . . . . .	2	1	1	1	2	1	2	7	29
16. Current accounts . . . . .	275	302	180	209	491	434	412	601	836
(a) Treasury . . . . .	262	284	167	153	221	209	180	278	311
(b) Domestic banks . . . . .	9	8	15	49	248	196	181	294	434
(c) Foreign banks . . . . .	1	9	4	1	3	2	12	3	61
(d) Other . . . . .	3	1	4	6	19	27	39	28	30
17. Other liabilities . . . . .	33	29	27	26	15	11	7	7	7
Discount rate (percentage) . . . . .	5	3½	6	3½	2½	2½	2½	2½	2½

**Riksbank : Gold :** Valued at the statutory gold parity (1 krona = 0.40323 gramme of fine gold). Only gold shown under item 1 (a) is eligible as "primary" cover; additional gold held abroad (item 1 (b)) is not included in the metallic reserve and counts only as "secondary" cover. **Foreign exchange :** Valued somewhat below actual exchange rates; this item consists mainly of sterling, valued at 18 kronor to the £, whereas the old parity (according to the statutory gold content of the two currencies) was 18.16, and the pegged rate since the middle of 1933 has been 19.40 kronor to the £. [At the end of 1936, the book value of the Bank's holdings of gold and foreign exchange concealed an additional reserve of 213 million kronor at actual market value. **Loans and discounts :** There have been no rediscounts to commercial banks since 1933. **Domestic Government securities :** The rise in this item in 1932 was connected mainly with the measures taken by the Government, with the help of the Riksbank, to support a large commercial bank (Skandinaviska Kreditaktiebolaget) involved in the breakdown of the Kreuger concern. Repayments by that bank of the loans received for this purpose are reflected in the subsequent decline of the Riksbank's securities until 1935. At the end of May 1937, the Riksbank's holdings of Government securities were reduced to 2 million kronor as a result of the redemption by the National Debt Office of Treasury bills to an amount of 26.5 million kronor which had been pledged with the Riksbank since 1933 when the debt of the "Kreditkassan" (an institution previously set up for supporting minor banks in difficulties) to the Bank had been assumed by that Office. The subsequent increase in this item to 6 million kronor at the end of the year is due to the financing of State purchases from abroad of essential raw materials for storage in Sweden (see introductory note). **Exchange difference account :** On purchase and sale of gold and foreign exchange, the difference between the book and purchase prices is debited and the difference between the book and sale prices credited to this account.

## Commercial Banks.

**General Note.** — It is stated that, at the beginning of 1935, certain changes were effected in the official banking statistics. The classification of items remains the same, but accounts of individual banks have in some cases been placed under different headings. In particular, a large part of the sums previously included under "Sundry Assets" has been transferred to other groups of assets. The figures since 1935, therefore, are not entirely comparable with those for the preceding years.

## Commercial Banks.

End of :	1929	1931	1932.	1933	1934	1935	1936	1937
Number of : Banks . . . . .	30	30	30	29	29	28	28	28
Branches and Sub-Branches . .	1,015	1,016	1,012	1,011	1,008	1,004	996	
<b>SUMMARY BALANCE-SHEET.</b>		<b>Kronor (000,000's)</b>						
<b>ASSETS.</b>								
1. Cash . . . . .	84	88	133	333	287	281	393	543
(a) Gold, silver and small coins . . . . .	1	1	1	1	1	1	1	1
(b) Inland notes and balances with Central Bank . . . . .	83	87	132	332	286	280	392	542
2. Other Items of a Cash Nature . . . . .	43	47	47	58	62	70	72	70
3. Bills discounted and bought . . . . .	1,301	1,393	1,355	1,167	1,117	1,150	1,138	1,221
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	1,220	1,303	1,285	1,104	1,045	1,065	1,060	1,145
(c) Commercial bills, Foreign . . . . .	81	90	70	63	72	85	78	76
4. Investments and Securities . . . . .	395	411	426	462	640	648	612	506
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	302	170	266	229	215	252	206	255
(a) At home . . . . .	89	83	172	140	128	128	110	125
(b) Abroad . . . . .	213	87	94	89	87	124	96	130
7. Loans and Advances . . . . .	3,203	3,392	3,031	2,802	2,749	2,762	2,931	2,945
(a) On current account . . . . .	732	792	650	642	509	481	512	448
(b) Other . . . . .	2,471	2,600	2,381	2,260	2,240	2,281	2,419	2,497
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	89	88	94	98	96	92	89	80
10. Sundry Assets . . . . .	220	230	453	506	221	176	191	205
11. Total Balance-sheet . . . . .	<b>5,637</b>	<b>5,819</b>	<b>5,805</b>	<b>5,655</b>	<b>5,387</b>	<b>5,431</b>	<b>5,632</b>	<b>5,825</b>
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	514	525	525	505	486	480	482	482
13. Reserve Funds . . . . .	312	309	293	204	202	203	205	218
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—
15. Cheques and Drafts in circulation . . . . .	93	76	61	72	78	78	86	91
16. Due to Banks (Correspondents) . . . . .	319	320	334	354	309	311	340	420
(a) At home . . . . .	208	257	287	245	249	225	210	224
(b) Abroad . . . . .	111	63	47	109	60	86	130	196
17. Deposits . . . . .	3,481	3,553	3,556	3,628	3,553	3,632	3,833	3,999
(a) Current accounts and sight deposits . . . . .	659	610	645	674	697	766	892	985
(b) Savings accounts . . . . .	688	686	648	643	656	674	682	722
(c) Time or fixed deposits . . . . .	2,134	2,257	2,283	2,311	2,200	2,192	2,259	2,292
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
18. Rediscounts and other borrowings by the Banks . . . . .	551	652	648	488	421	369	326	273
19. Acceptances and Endorsements . . . . .	6	2	1	3	7	8	6	8
20. Sundry Liabilities . . . . .	361	382	387	401	331	350	354	334
21. Unutilised Balances of Credits granted . . . . .	310	257	238	254	238	250	263	283
22. Borrowings against Own or Pledged Securities . . . . .	41	25	129	91	13	14	12	12
23. Guarantees . . . . .	—	(265)	151	156	134	135	145	209
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	<b>160.4</b>	<b>169.9</b>	<b>162.2</b>	<b>135.7</b>	<b>136.1</b>	<b>135.3</b>	<b>159.5</b>	
<i>To be deducted :</i>								
2. Expenses . . . . .	74.4	75.6	70.5	70.6	65.8	66.9	70.8	
(a) Salaries, etc. . . . .	46.1	46.9	46.4	46.6	45.4	46.2	47.1	
(b) Other working expenses . . . . .	19.0	21.2	19.9	19.5	16.3	17.1	16.9	
(c) Taxes, etc. . . . .	9.3	7.5	4.2	4.5	4.1	3.6	6.8	
3. Reserved for Pension Funds, etc. . . . .	1.2	0.5	0.3	0.5	3.7	5.0	7.7	
4. Written off on . . . . .	19.8	61.9	236.8	47.1	56.1	26.8	14.0	
(a) Premises, etc. . . . .	1.9	0.8	0.8	0.5	1.0	1.0	1.2	
(b) Investments and securities . . . . .	1.4	28.1	43.9	10.9	8.9	9.4	1.8	
(c) Other assets . . . . .	16.5	33.0	192.1	35.7	46.2	16.3	11.0	
5. Remaining Net Profit (+) or Loss (-) . . . . .	<b>+ 65.0</b>	<b>+ 31.9</b>	<b>- 145.4</b>	<b>+ 17.5</b>	<b>+ 10.5</b>	<b>+ 36.6</b>	<b>+ 67.0</b>	
6. Carried forward from preceding year . . . . .	35.9	44.2	31.7	27.2	28.7	24.7	28.8	
7. Taken from Reserves or Capital . . . . .	—	1.7	160.4	8.7	23.9	6.3	—	
8. Total disposed of for Dividends, etc. . . . .	<b>100.9</b>	<b>77.8</b>	<b>46.7</b>	<b>53.4</b>	<b>63.1</b>	<b>67.6</b>	<b>95.8</b>	
9. Carried to Reserves . . . . .	8.8	11.4	0.4	0.3	10.5	5.2	13.8	
10. Dividends . . . . .	51.0	34.7	19.1	23.9	27.6	33.6	52.6	
11. Directors' Fees, etc. . . . .	—	—	—	—	—	—	—	
12. Carried forward to following year . . . . .	41.1	31.7	27.2	29.2	25.0	28.8	29.4	

3. Bills discounted and bought.

Treasury bills are included under group 4. Groups 3 (b) and (c) include bills rediscounted. While, prior to 1935,

the Swedish statistics showed rediscounts in a special item outside the balance-sheet, the figures for those years have here been "corrected" according to the new procedure adopted in 1935.

	1929	1931	1932	1933	1934	1935	1936	1937
	Kronor (000,000's)							
Inland bills :								
In portfolio . . . . .	966	976	1,169	1,103	1,045	1,065	1,060	1,145
Rediscounted . . . . .	254	327	116	1	—	—	—	—
Total . . . . .	1,220	1,303	1,284	1,104	1,045	1,065	1,060	1,145
Foreign bills :								
In portfolio . . . . .	81	90	70	63	72	76	74	63
Rediscounted . . . . .	—	—	—	—	—	9	4	13
Total . . . . .	81	90	70	63	72	85	78	76

4. Investments and Securities.

	1929	1931	1932	1933	1934	1935	1936	1937
	Kronor (000,000's)							
Government securities and interest-bearing bonds :								
Inland . . . . .	162	177	199	217	173	177	196	180
Foreign . . . . .	135	126	98	63	126	116	117	89
Shares . . . . .	98	108	129	182	341	355	299	237
Total . . . . .	395	411	426	462	640	648	612	506

7. Loans and Advances.

	1929	1931	1932	1933	1934	1935	1936	1937
	Kronor (000,000's)							
Credits opened in current account :								
Actually drawn . . . . .	732	792	650	542	509	481	512	448
Undrawn balances * . . . . .	310	257	238	254	238	250	263	283
Loans . . . . .	2,471	2,600	2,381	2,260	2,240	2,281	2,419	2,497
Total . . . . .	3,513	3,649	3,269	3,056	2,987	3,012	3,194	3,228
Thereof granted against :								
1. Mortgages . . . . .	1,468	1,398	1,419	1,427	1,496	1,546	1,657	1,758
2. Shares . . . . .	1,123	1,183	888	707	597	546	580	544
3. Bonds, goods or other real security	384	589	495	495	460	480	507	483
4. Personal guarantees . . . . .	538	479	467	427	434	440	450	443
Total as above . . . . .	3,513	3,649	3,269	3,056	2,987	3,012	3,194	3,228

\* Item 21 of Summary Table.

17. Deposits.

The potential sight liability represented by the unutilised balances of credits granted are not included under deposits,

but are shown as a separate account outside the balance-sheet. Had they been included, the sums under (a) would have been as follows :

	1929	1931	1932	1933	1934	1935	1936	1937
	Kronor (000,000's)							
Giro and cheque accounts . . . . .	409	438	406	437	497	567	664	806
Unutilised balances of credits opened . . . . .	310	257	238	254	238	250	263	283
Deposits under one month . . . . .	250	172	219	237	199	199	228	179
Total . . . . .	969	867	863	928	934	1,016	1,155	1,268

Deposits by foreigners other than banks included in items 17 (a), (b) and (c), and shown separately in a footnote since 1935, were as follows :

	1935	1936	1937
	Kronor (000,000's)		
Deposits by foreigners other than banks . . . . .	156	174	220

18. Rediscounts and Other Borrowings by the Banks.

The figures for rediscounts in 1935 and 1936 represent exclusively rediscounts of foreign bills. The borrowings of

the banks against their own securities or securities received as collateral for loans are excluded and are shown outside the balance-sheet. The totals of these items are shown below.

	1929	1931	1932	1933	1934	1935	1936	1937
	Kronor (000,000 s)							
Rediscounts . . . . .	254	327	116	1	—	9	4	13
Borrowings from other than banks :								
Mortgage bonds . . . . .	135	160	151	147	151	157	170	163
Förlagsbevis . . . . .	156	159	258	256	256	197	146	97
Other borrowings . . . . .	6	6	123	84	14	6	6	—
Total (group 18) . . . . .	551	652	648	488	421	369	326	273
Borrowings against own or pledged securities	41	25	129	91	13	14	12	12
Grand total . . . . .	592	677	777	579	434	383	338	285

## SWITZERLAND

The improvement in economic and financial conditions in Switzerland in the year following the devaluation of the franc has been general and marked, as is illustrated by the statement below showing certain representative indices for the period prior to and after that measure :

	Sept. 1936 <sup>a</sup>	Sept. 1937 <sup>a</sup>		Sept. 1936 <sup>a</sup>	Sept. 1937 <sup>a</sup>
1. Foreign trade : monthly average (million francs): first nine months :			5. Indices of share prices (1929 = 100) :		
(a) Exports . . . . .	67.4	101.9	(a) Index of shares of eighty-seven companies <sup>b</sup> . . . . .	55.6	90.6
(b) Imports . . . . .	91.1	149.9	(b) Index of shares of twenty-five industrial companies <sup>b</sup> . . . . .	76.5	107.6
2. Receipts of Federal Railways : monthly average (million francs): first nine months . . . . .	22.7	27.1	6. Bond yields (State and Federal Rail- way bonds) <sup>b</sup> . . . . .	4.6	3.3
3. Tourist traffic (percentage of hotel beds occupied): first eight months	26.9	34.4	7. Money rates :		
4. Employment index (1929 = 100) . .	69.6	80.4	(a) National Bank discount rate (percentage) . . . . .	2.0	1.5
			(b) Private discount (three months) (percentage) . . . . .	2.0	1.0
			8. Wholesale-price index (1929 = 100) .	68.6	78.3
			9. Cost-of-living index (1929 = 100) . .	80.7	85.1

<sup>a</sup> Unless otherwise stated in descriptive column.

<sup>b</sup> Indices of the National Bank.

The simultaneous improvement in the monetary and banking position is reflected equally by the yearly and quarterly data shown below with respect to the National Bank and the commercial and cantonal banks. The devaluation was followed by substantial dishoarding of gold, estimated <sup>1</sup> at between 500 and 1,000 million francs, and by an almost uninterrupted inflow of capital, first on domestic and later on foreign account. This is reflected in an increase in the gold reserves of the National Bank from 1,533 million francs on September 23rd, 1936, to 2,531 millions at the end of September 1937 — an increase of 700 million francs of old gold content — and by a rise in easily realisable foreign assets from 4 millions to 405 millions between the same dates. The total sight liabilities of the Bank, including notes, rose during the same period from 1,777 to 2,965, or by about 1,200 million francs, sight deposits accounting for 85% of this increase.

The repercussions of these events on the position of the banks are also notable. In the year following the devaluation, the total deposits of the big commercial banks rose by 346 million francs, and those of the cantonal banks by 268 millions. This growth of deposits has been accompanied mainly by an increase in cash reserves, those of the big banks rising by 457 million francs, or 115%, and those of the cantonal banks by 304 millions, or 210%, during the same period. Apart from an increase in bills of exchange and security holdings, other assets have remained stationary or have declined, the fall being especially noteworthy with respect to loans and advances. Part of this decline, no doubt, ensued from the process of the writing-off of assets and general consolidation which began prior to the devaluation. This is also reflected by the movement in the own funds of the seven

<sup>1</sup> Annual Report of the National Bank for 1936 and the *Bulletin* of October 1937 of the Société de Banque Suisse.

large banks ; in the year ending September 30th, 1937, their paid-up capital fell from 732 to 524 million francs, while their reserves increased from 145 to 148 millions.

The plethora of funds affected almost at once the money market. The official discount rate was reduced from  $2\frac{1}{2}\%$  in August 1936 to  $1\frac{1}{2}\%$  — the lowest in the history of the National Bank — in November of that year, and the private acceptance rate in Zurich fell gradually from  $2\frac{1}{4}\%$  in August 1936 to 1% in March 1937, at which rate it has stood ever since. The ease of the money market soon percolated to the capital market, as is reflected by share prices and bond yields (see items 5 and 6 above). From the beginning of January to October 15th, 1937, the nominal value of total recorded capital issues in Switzerland amounted to 627 million francs, of which 391 millions represented conversions. To this should be added the French Railway loan of a nominal value of 130 million Swiss francs issued between October 15th and 22nd, 1937, in the form of 4% bonds redeemable in two years, and bearing special guarantees on the part of the French Government and the Banque de France.

The high liquidity of the market and the continued influx of capital have preoccupied the authorities. Despite demands for the utilisation of the 539 million francs, representing the proceeds of devaluation, this amount is still attributed to the Exchange Fund and continues to figure in the accounts of the National Bank as a book item. Secondly, the National Bank's non-cover assets have been reduced considerably ; the total of bills, " loan fund bonds " ,<sup>1</sup> advances and security holdings have declined from 278 million francs on September 23rd, 1937, to 64 millions on November 7th, 1937. Thirdly, an agreement between the banks and the National Bank was arrived at on November 8th, 1937, with respect to foreign funds, which became effective as from December 1st. This agreement provides, *inter alia*, that existing sight deposits on foreign account should bear no interest and should be converted into fixed deposits, and that new foreign funds are to be accepted only as time deposits subject to the usual notice of withdrawal. Further, these new deposits, when for less than six months, are to be charged 1% commission, and may bear interest only when deposited for a period of at least nine months. The banks, moreover, agree not to keep for foreign account Swiss bank-notes either on " open " or " closed " deposit.

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<sup>1</sup> For explanations regarding this item, see notes to the balance-sheet of the National Bank.

End of (Weekly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup> (Monthly average)	Wholesale price index (1929 = 100)	National Bank of Switzerland									
			Gold		Foreign exchange	Discounts		Loan Fund securities	Advances on collateral	Public securities	Notes in circulation	Other sight liabilities
			At home	Abroad		Ordinary bills, etc.	" Res- criptions "					
		<sup>b</sup>	Francs (000,000's)									
Dec 1935 . . . . .	99.8	65.2	1,171	218	7	38	115	86	142	45	1,366	401
March 1936 . . . . .	100.5	64.4	1,204	305	4	12	56	73	84	45	1,319	411
June 1936 . . . . .	99.9	65.1	1,233	174	3	17	84	60	88	45	1,301	340
Sept. 23rd, 1936 . . . . .	99.7 <sup>c</sup>		1,379	154	4	9	121	39	66	43	1,267	510
Oct. 7th, 1936 . . . . .	70.5 <sup>d</sup>		1,889	187	48	8	112	32	66	43	1,363	966
Dec. 1936 . . . . .	70.4	75.6	2,082	627	53	10	9	28	47	16	1,482	1,363
March 1937 . . . . .	69.8	80.2	2,088	630	18	14	—	16	43	18	1,394	1,409
June 1937 . . . . .	70.0	79.4	2,090	534	66	11	—	12	31	15	1,409	1,320
Sept. 1937 . . . . .	70.3	78.3	2,021	510	405	7	2	12	28	16	1,442	1,523
Dec. 1937 . . . . .	70.8	77.6	2,033	646	491	7	2	10	35	31	1,531	1,716

<sup>a</sup> Gold parity in 1929 : 1 franc = 0.19295 U.S.A. dollar ; 1 U.S.A. dollar = 5.18262 francs.

<sup>b</sup> End of month.

<sup>c</sup> From September 1st to 25th.

<sup>d</sup> September 30th.

End of	Big Swiss Banks								Cantonal Banks					Transfer turnover (National Bank) <sup>a</sup>
	Cash	Bills of exchange	Loans and advances	Securities and participations	Cheque accounts and sight deposits	Savings deposits	Time deposits	Cash bonds	Discounts, loans and advances	Loans to public corporations	Mortgage loans	Savings deposits	Cash bonds	
	Francs (000,000's)													
Dec. 1935 . . . . .	367	453	2,497	281	867	509	357	960	1,412	452	4,935	2,674	3,011	2,845
March 1936 . . . . .	369	434	2,439	293	923	503	343	937	1,372	445	4,952	2,727	3,007	3,338
June 1936 . . . . .	320	504	2,367	304	1,072	495	341	919	1,375	454	4,959	2,702	3,009	3,098
Sept. 1936 . . . . .	419	459	2,338	300	1,270	494	338	888	1,348	456	4,968	2,689	3,013	2,845
Dec. 1936 . . . . .	921	476	2,174	367	1,447	504	337	863	1,323	441	4,970	2,718	3,120	3,930
March 1937 . . . . .	840	457	2,216	380	1,501	496	313	846	1,298	412	4,975	2,742	3,092	3,075
June 1937 . . . . .	754	680	2,062	345	1,727	493	309	822	1,302	422	4,986	2,769	3,091	3,767
Sept. 1937 . . . . .	889	655	1,965	326	1,746	492	279	819	1,276	434	4,995	2,793	3,072	3,622
Dec. 1937 . . . . .	999	531	1,944	364	1,694	509	276	799	1,280	426	5,006	2,883	3,042	3,951

<sup>a</sup> Monthly figures.

See *Commercial Banks 1913-1929*, page 258 ; *1925-1933*, page 199 ; *1929-1934*, page 121 ; *Money and Banking 1935/36*, Vol. II, page 168 ; and *1936/37*, Vol. II, page 136.

**National Bank : Gold :** includes gold at home and abroad. Gold valued at 215 milligrammes of fine gold per franc. Amounts shown exclude gold held for the account of the Stabilisation Fund since September 1936. Such gold was shown at 539 million francs at the end of 1936 and 1937 in the Bank's annual reports. *Foreign assets* represent items labelled prior to 1936 as "gold assets abroad". Other foreign assets are included among *Correspondents*. *Domestic bill portfolio* : "Rescriptions" are discounted bills of the Confederation, Federal Railways, cantons and municipalities. *Loan Fund securities* are those of the "Caisse de Prêts" of the Confederation created on July 8th, 1932, with a view to granting credits against bills of exchange, covered by securities, deposits, letters of credit, savings certificates and other paper. Of *loans on collateral*, those callable within ten days constitute the bulk of total loans and may serve as note cover. *Public securities* are those purchased by the Bank on its own account and comprise mainly Federal Railway, "Caisse de Prêts", cantonal and cantonal banks bonds. In 1930, they included U.S. Treasury bills and securities, and Netherlands Treasury bills and securities. *Other assets* exclude, for the end of 1936 and 1937, the sum of 538.6 million francs attributed to the Swiss Exchange Equalisation Fund out of the revaluation of gold reserves. The difference between the official valuation of the gold reserve (215 milligrammes = 1 franc) and the purchase price of gold (203 milligrammes = 1 franc for the last quarter of 1936 and 1937) amounting to 31.3 and 30.4 millions in 1936 and 1937 respectively is, however, included. *Sight liabilities* : mainly balances of banks and payment orders and cheques outstanding amounting on an average to 1 million francs. *Deposits* : interest-bearing deposits. *Other liabilities* include, in addition to sundries, clearing debit balances amounting to 6, 16, 63 and 72 million francs at the end of 1934, 1935, 1936 and 1937 respectively.

National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Francs (000,000's)									
<b>ASSETS.</b>									
1. Gold . . . . .	595	713	2,347	2,471	1,998	1,910	1,389	2,709	2,679
2. Subsidiary coins . . . . .	25	5	4	8	6	5	4	5	6
3. Foreign assets . . . . .	353	344	103	87	17	7	7	53	491
4. Domestic bill portfolio . . . . .	150	95	35	20	51	26	153	20	9
(a) Bills and bonds discounted . . . . .	150	95	34	20	36	22	38	11	7
(b) "Rescriptions" . . . . .	—	—	0.3	0.3	15	4	115	9	2
5. Loan Fund securities . . . . .	—	—	—	5	58	6	86	29	10
6. Loans on collateral . . . . .	75	53	65	49	95	118	142	47	35
7. Correspondents . . . . .	50	43	30	18	20	20	28	18	34
(a) At home . . . . .	41	33	26	16	20	20	27	14	12
(b) Abroad . . . . .	9	10	4	2	—	—	1	4	22
8. Public securities . . . . .	5	104	38	51	28	52	45	16	31
9. Postal cheques and bills callable . . . . .	2	3	4	2	3	3	4	4	4
10. Exchange Equalisation Fund . . . . .	—	—	—	—	—	—	—	539	539
11. Other assets . . . . .	9	7	9	8	9	7	4	41	39
12. Total Balance-sheet . . . . .	<b>1,264</b>	<b>1,367</b>	<b>2,635</b>	<b>2,719</b>	<b>2,285</b>	<b>2,154</b>	<b>1,862</b>	<b>3,481</b>	<b>3,877</b>
<b>LIABILITIES.</b>									
13. Paid-up capital . . . . .	25	25	25	25	25	25	25	25	25
14. Reserve funds . . . . .	10	11	11	12	12	13	13	14	14
15. Notes in circulation . . . . .	999	1,062	1,609	1,613	1,510	1,440	1,366	1,482	1,531
16. Sight liabilities . . . . .	201	242	925	974	641	580	367	1,278	1,615
(a) Accounts of Federal administration . . . . .	28	28	40	51	9	40	8	183	12
(b) Other . . . . .	173	214	885	923	632	540	359	1,095	1,603
17. Deposit accounts . . . . .	7	8	45	68	51	46	25	30	35
18. Exchange Equalisation Fund . . . . .	—	—	—	—	—	—	—	539	539
19. Other liabilities . . . . .	22	19	20	27	46	50	66	113	118
Discount rate, end of year (percentage) . . . . .	3½	2½	2	2	2	2	2½	1½	1½

Sources : Statements, annual reports, *Monthly Bulletin* and *Schweizerische Bankwesen im Jahre 1936* of the National Bank.

Commercial Banks.

The figures for the years 1931-1934 are not fully comparable to those for 1935, in consequence of the introduction in March 1935 of the new form of balance-sheet prescribed by the regulations in execution of the Federal Law of November 8th, 1934, on Banks and Savings Banks. Furthermore, the balance-sheets of thirty-five local banks (capital : 34.5 millions ; balance-sheet total : 117.7 millions) have been introduced in the banking statistics, while eight local banks (capital : 30.3 millions ; balance-sheet total : 220.8 millions) have been omitted.

For detailed notes on certain items of the Summary Balance-sheet, see previous editions of the present volume.

4 and 5. Investments and Participations.

The composition of the investment portfolio of all cantonal banks, all big banks, and most local banks is as follows :

	1929	1930	1931	1932	1933	1934	1935	1936
Francs (000,000's)								
<i>Swiss securities :</i>								
Bonds . . . . .	734	894	951	979	921	903	945	1,054
Shares . . . . .	157	189	190	202	182	156	150	131
Total . . . . .	891	1,083	1,141	1,181	1,103	1,059	1,095	1,185
<i>Foreign securities :</i>								
Bonds . . . . .	74	91	74	60	41	36	33	25
Shares . . . . .	40	51	60	56	35	30	27	33
Total . . . . .	114	142	134	116	76	66	60	58
Grand total . . . . .	1,005	1,225	1,275	1,297	1,179	1,125	1,155	1,243



## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	212	217	217	216	223	222	249	250
<b>SUMMARY BALANCE-SHEET.</b>		Francs (000,000's)						
<b>ASSETS.</b>								
1. Cash . . . . .	367	459	1,278	1,236	1,018	903	549	1,317
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	—	—	—	—	—	—	—	—
3. Bills discounted and bought . . . . .	1,915	2,018	1,382	1,154	948	921	677	678
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	—	—	—	—	—	—	—	—
(a) Government . . . . .	1,165	1,351	1,405	1,409	1,274	1,201	1,210	1,285
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	2,177	2,352	1,114	842	716	613	611	738
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	13,056	13,443	13,203	13,161	12,945	12,783	12,159	11,683
(a) On current account . . . . .	6,947	6,023	4,475	4,113	3,700	3,444	3,187	2,875
(b) Other . . . . .	7,109	8,420	8,728	9,048	9,245	9,339	8,972	8,808
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	171	180	187	197	197	213	231	244
10. Sundry Assets . . . . .	214	183	207	189	178	176	256	273
11. Total Balance-sheet . . . . .	19,065	19,986	18,776	18,188	17,276	16,810	15,693	16,218
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	1,850	1,869	1,897	1,883	1,699	1,725	1,661	1,523
13. Reserve Funds . . . . .	541	565	569	577	537	534	494	504
14. Profit and Loss, etc. . . . .	—	10	10	10	3	5	—	—
15. Cheques and Drafts, etc., in circulation . . . . .	—	44	35	28	28	27	16	26
16. Due to Banks (Correspondents) . . . . .	1,346	1,143	692	563	567	529	470	537
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
17. Deposits . . . . .	13,678	14,719	14,229	13,909	13,189	12,643	11,549	12,049
(a) Current accounts and sight deposits . . . . .	3,756	2,287	2,449	2,418	2,191	1,954	1,892	2,226
(b) Savings accounts . . . . .	3,294	4,422	4,875	4,680	4,591	4,553	4,410	4,350
(c) Time or fixed deposits . . . . .	1,283	2,139	1,453	1,123	1,035	1,068	879	860
(d) Other deposits . . . . .	5,345	5,871	5,752	5,688	5,372	5,068	4,668	4,613
18. Rediscounts and Other Borrowings . . . . .	665	659	734	789	871	1,003	1,123	1,199
19. Acceptances and Endorsements . . . . .	702	733	385	235	165	170	120	101
20. Sundry Liabilities . . . . .	283	244	225	194	217	174	260	279
21. Rediscounts . . . . .	—	—	—	—	—	—	52	34
22. Guarantees . . . . .	—	—	—	—	—	—	197	203
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	360.7	361.6	361.0	322.8	294.4	281.5	263.1	272.8
<i>To be deducted :</i>								
2. Expenses . . . . .	173.6	179.3	179.0	165.5	151.7	147.6	140.8	140.1
(a) Salaries, etc. . . . .	150.2	154.4	154.3	144.9	134.8	129.2	123.4	122.9
(b) Other working expenses . . . . .	23.4	24.9	24.7	20.6	17.4	18.4	17.4	17.2
(c) Taxes, etc. . . . .	—	1.2	1.0	1.2	0.4	0.3	0.4	0.3
3. Reserved for Pension Funds, etc. . . . .	23.4	21.6	91.7	117.8	174.6	73.4	77.4	62.7
(a) Premises, etc. . . . .	—	—	—	—	—	—	—	—
(b) Investments and securities . . . . .	—	—	—	—	—	—	—	—
(c) Other assets . . . . .	—	—	—	—	—	—	—	—
5. Remaining Net Profit or Loss (—) . . . . .	163.7	159.5	89.3	38.3	— 32.3	60.2	44.5	69.7
6. Carried forward from preceding year . . . . .	10.9	10.0	9.9	9.7	2.7	5.0	1.8	— 32.2
7. Taken from Reserves or Capital . . . . .	—	—	30.2	70.9	138.5	29.0	—	—
8. Total disposed of for Dividends, etc. . . . .	174.6	169.5	129.4	118.9	108.9	94.2	46.3	37.5
9. Carried to Reserves . . . . .	26.3	24.2	8.4	10.6	10.9	9.1	3.2	9.6
10. Dividends . . . . .	131.5	131.2	108.8	102.7	90.6	81.7	72.5	75.5
11. Directors' Fees, etc. . . . .	3.6	3.2	1.7	1.2	1.1	0.5	0.6	0.6
12. Other purposes . . . . .	2.0	1.0	0.8	1.7	1.9	1.1	2.2	2.4
13. Carried forward to following year . . . . .	11.2	9.9	9.7	2.7	5.0	1.8	32.2	— 50.6

The composition of the Swiss portfolio is shown in the following statement, which includes all cantonal banks, but a smaller number of big banks and local banks than the preceding statement :

	1929	1930	1931	1932	1933	1934	1935	1936
	Francs (000,000's)							
<i>Bonds of :</i>								
Federal Government and Railways . . . . .	187	208	200	225	214	226	312	368
Cantons . . . . .	144	168	186	174	180	176	195	196
Municipalities . . . . .	58	97	89	88	84	82	73	82
Public Authorities total	389	473	475	487	478	484	580	646
Banks . . . . .	249	310	372	352	312	289	238	281
Trust companies . . . . .	13	22	23	19	15	11	9	8
Other enterprises . . . . .	83	89	81	121	116	119	118	119
Private undertakings total . . . . .	345	421	476	492	443	419	365	408
Total bonds . . . . .	734	894	951	979	921	903	945	1,054
<i>Shares in :</i>								
Banks . . . . .	51	60	67	78	69	50	56	53
Trust companies . . . . .	53	57	46	48	43	41	36	23
Other enterprises . . . . .	53	72	77	76	70	65	58	55
Total shares . . . . .	157	189	190	202	182	156	150	131
Grand total . . . . .	891	1,083	1,141	1,181	1,103	1,059	1,095	1,185

7. Loans and Advances.

The following statement shows the importance of overdrafts in the total of current accounts and fixed loans and advances :

	Current accounts and fixed loans		
	Covered	Uncovered	Total
	Francs (000,000's)		
1932 . . . . .	5,026	618	5,644
1933 . . . . .	4,675	504	5,179
1934 . . . . .	4,404	478	4,882
1935 . . . . .	3,724	516	4,240
1936 . . . . .	3,423	382	3,805

Loans on current account include cover for acceptances.

The following is the composition of the amounts shown under (b) since 1930 :

	1930	1931	1932	1933	1934	1935	1936
	Francs (000,000's)						
Contangos . . . . .	62	15	19	29	36	37	54
Long-term advances :							
Ordinary . . . . .	1,472	1,479	1,384	1,340	1,366	894	740
Against mortgages . . . . .	665	679	754	754	684	756	762
Mortgage loans . . . . .	6,221	6,555	6,891	7,122	7,253	7,285	7,252
Total . . . . .	8,420	8,728	9,048	9,245	9,339	8,972	8,808

17. Deposits, etc.

The sums given under (d) in this group of the Summary Table represent bank cash bonds (*Obligationen*) which, in Switzerland, largely take the place of time deposits.

18. Rediscounts and Other Borrowings.

The sums given in this group of the Summary Table consist of bonds representing "fixed loans" raised by the banks (*feste Anleihen*) and of the long-term mortgage bonds issued since 1931.

Summary of Profit-and-Loss Accounts.

1. Gross Profits.

The following table shows the composition of gross profits by sources of revenue :

	1929	1930	1931	1932	1933	1934	1935	1936
	Francs (000,000's)							
Discounts . . . . .	86.0	80.9	73.6	59.0	50.0	45.8	43.2	40.7
Net interest and commissions . . . . .	195.8	190.2	196.8	172.5	160.0	157.7	157.2	149.5
Securities and participations . . . . .	62.6	76.8	74.3	69.0	61.9	55.9	46.4	59.4
Other sources . . . . .	15.3	12.8	15.8	21.6	22.3	21.6	16.3	23.2
Recovered from assets previously written down . . . . .	1.0	0.9	0.5	0.7	0.2	0.5	—	—
Total . . . . .	360.7	361.6	361.0	322.8	294.4	281.5	263.1	272.8

4, 5 and 7. Depreciation Accounts, Net Profit or Loss, and taken from Reserves or Capital.

The 1933 figures for these items are affected principally by the reorganisation of the Banque populaire, whose losses amounted to 130.5 million francs.

## TURKEY

End of	Whole-sale price index (1929 = 100)  (Monthly average)	Central Bank of the Republic of Turkey											Clearing turnover  (Monthly)	
		Gold	Foreign assets		Treasury bills	Bills		Securities	Advances	Notes in circulation	Deposits in £T.	Deposits in foreign currencies		
			Free foreign exchange	Other foreign exchange and credit balances in clearing accounts		Treasury bills	Commercial bills					Free foreign exchange		Other foreign exchange and debit balances in clearing accounts
Dec. 1935.	64.1	29.5	0.8	8.4	147.8	26.4		38.8	5.3	162.7	14.6	1.3	17.6	24.5
March 1936.	62.0	30.0	1.2	15.5	147.4	1.7	7.9	38.7	4.8	149.8	14.9	2.5	18.9	22.7
June 1936.	61.5	30.2	0.3	10.2	146.7	3.0	7.5	38.6	17.3	147.5	17.3	4.5	22.7	23.3
Sept. 1936.	61.8	30.2	0.6	10.3	146.7	2.2	17.6	38.4	16.8	152.5	14.6	3.9	26.5	24.6
Dec. 1936.	64.2	32.1	0.1	33.6	146.7	0.4	27.3	41.1	9.2	171.4	14.8	—	22.2	38.4
March 1937.	66.2	36.7	0.1	48.9	146.0	—	22.2	41.2	8.0	166.6	13.4	—	24.9	33.5
June 1937.	63.3	36.7	—	41.0	145.3	4.0	31.9	41.2	7.9	157.5	13.3	—	28.9	37.5
Sept. 1937.	63.6	36.7	—	29.9	145.3	3.0	38.5	41.9	8.6	156.8	12.4	0.7	31.3	29.4
Dec. 1937.	...	36.7	—	23.7	144.7	—	51.5	44.4	8.9	168.6	17.8	—	24.5	45.7

See *Commercial Banks 1929-1934*, page 112; *Money and Banking 1935/36*, Vol. II, page 173; *1936/37*, Vol. II, pages 140-142.

**Value of Currency:** The value of the Turkish pound continues to be maintained by means of exchange restrictions at about 97.8% of its average exchange value in terms of gold in 1929 — *i.e.*, at £T.2.0743 to the U.S.A. dollar of old gold content. Contrary to what was stated in the last issue (page 30 of Vol. I and page 140 of Vol. II), the £T. was not linked to sterling following the devaluation of the "gold bloc" currencies. In an official statement of the Prime Minister of September 26th, 1936, it was declared that "the Government had decided not to effect a change in the value of the £T.", which "would continue to preserve its *de facto* stable value acquired up to the present in relation to gold and foreign currencies convertible into gold", and, further, that "the Central Bank would compute on that basis and publish periodically the parity of the £T. in relation to other currencies". During 1937, these rates were on the average £T.6.20 to the £ sterling.

Clearings of Istanbul clearing-house; monthly figures.

**Commercial Banks:** Summary Balance-sheet: the accounts prior to 1933 apply to national joint-stock banks only, and those for 1933-1935 also to those foreign banks publishing separate accounts for their transactions in Turkey. For 1936 the accounts of the Bank of Salonica are included, while those of the Ottoman Bank for operations in Turkey are not available.

**Banking Legislation:** A Law of June 7th, 1937, provides for the establishment of an "Agricultural Bank of the Republic of Turkey" with a capital of £T.100 million to be provided partly by capital to be transferred to it by the existing Agricultural Bank of Turkey and partly from public funds and other levies. The Caisse d'Epargne of Istanbul and the agricultural credit co-operatives and unions are to be placed under its control.

Sources: Annual reports and *Bulletin* of the Central Bank of Turkey.

**Central Bank of the Republic of Turkey:** As explained in *Commercial Banks 1929-1934*, pages 112 to 116, the Central Bank was established in October 1931. It assumed the liability for the Government note issue and was given in exchange Treasury bonds (item 7: Government debt against fiduciary issues) bearing interest at 1% and amortised, *inter alia*, by a 1% levy on the general, subsidiary and local budget. Since April 1935, the proceeds of this charge have been used by the Bank to purchase Government securities. The Treasury transferred also £T.4.7 million of gold; the remainder of the gold stock has been acquired by the Bank out of its own resources. Gold as given includes gold held abroad shown separately in the original balance-sheet. Gold is entered at £T.1,406.6 for 1 kilogramme of fine gold. *Securities:* (a) represent those eligible as note cover and (b) those not so eligible. *Advances* comprise small amounts of advances against gold and foreign exchange, and mainly advances against securities. *Other assets* include premises, etc., and sundries. *Total balance-sheet* excludes *comptes d'ordre*. *Note circulation* excludes notes held by the Bank as till money. *Other liabilities* include profit-and-loss accounts.

## Central Bank.

End of :	1932	1933	1934	1935	1936	1937 *
<b>ASSETS.</b>						
	£T. (000,000's)					
1. Gold . . . . .	20.6	24.9	27.5	29.5	33.9	36.7
2. Subsidiary coin . . . . .	0.6	0.7	0.7	0.3	0.8	1.2
3. Internal correspondents . . . . .	—	1.3	0.2	0.1	0.4	2.6
4. Foreign assets . . . . .	0.8	5.7	22.2	9.2	32.6	23.7
(a) Convertible into gold . . . . .				0.8	0.1	—
(b) Other exchange and debtors on clearing accounts . . . . .	0.8	5.7	22.2			
5. Bills . . . . .	2.7	7.9	13.0	26.4	34.1	51.5
(a) Treasury bills . . . . .	0.4	4.2	8.7	—	2.8	—
(b) Commercial bills . . . . .	2.3	3.7	9.3	26.4	31.8	51.5
6. Securities . . . . .	28.1	30.0	33.5	38.8	41.2	44.4
(a) For note cover . . . . .	27.1	28.8	28.7	34.4	37.2	39.1
(b) For own account . . . . .	1.0	1.2	4.8	4.4	4.0	5.3
7. Government debts against fiduciary note issue . . . . .	154.8	152.0	148.9	147.8	146.7	144.7
8. Advances . . . . .	—	1.8	2.5	5.3	8.3	8.9
9. Other assets . . . . .	0.7	6.5	4.3	2.6	6.2	...
10. Total Balance-sheet . . . . .	208.3	230.8	252.8	260.0	304.2	...
<b>LIABILITIES.</b>						
11. Paid-up capital . . . . .	10.5	10.5	10.5	10.5	10.5	10.5
12. Reserves . . . . .	—	0.3	0.7	1.0	6.1	6.6
13. Notes in circulation * . . . . .	148.6	146.8	158.1	162.7	180.8	168.6
14. Sight deposits in £T. . . . .	13.3	18.9	17.9	14.6	11.9	17.8
(a) Government . . . . .	3.9	—	4.6	4.7	4.9	...
(b) Banks . . . . .	8.2	—	7.7	7.8	5.5	...
(c) Other . . . . .	1.2	—	5.6	2.3	1.5	...
15. Sundry creditors . . . . .	32.9	42.7	42.1	50.2	70.0	...
16. Liabilities in foreign exchange . . . . .	1.5	10.2	22.0	18.9	22.7	24.5
(a) Convertible into gold . . . . .				1.3	—	—
(b) Other exchange and creditors on clearing accounts . . . . .	1.5	10.2	22.0			
17. Other liabilities . . . . .	1.5	1.4	1.5	2.1	2.2	...
Discount rate, end of year (percentage) . . . . .	7.0	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2

\* Statement for week ending December 31st.

\* Effective circulation — i.e., less notes held as till money by the Bank.

## Commercial Banks.

For detailed notes on various items of the balance-sheet, see preceding editions of this volume.

## 1 and 2. Cash Assets, etc.

In addition to bank-notes, silver and gold coins, gold bullion, foreign currencies, and (since 1932) balances with the Central Bank, this item includes cheques and other assets with correspondents at home and abroad.

## 3. Discounts.

These consist principally of commercial bills of under three months and Treasury bills. The proportion of foreign bills is not known. The following details are available for 1934 and 1935 with regard to the commercial bill portfolio of four Turkish banks and seven foreign banks which held

some 80% of the commercial bills of all the commercial banks. For 1936, the figures refer to all banks covered by the Summary Balance-sheet.

	1934	1935	1936
	£T. (000,000's)		
Bills under three months . . . . .	8.2	10.8	21.6
Bills over three months . . . . .	0.9	1.3	1.3
Bills whose maturity is not indicated . . . . .	0.6	0.1	1.0
Bills in litigation . . . . .	0.6	0.5	0.3
Other bills . . . . .	—	—	0.9
Total . . . . .	10.3	12.7	25.1

## Commercial Banks.

End of :	1926	1929	1930	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	21	41	42	44	42	48	47	48	46
Branches . . . . .	329	311	319	347	352	354	.	339	.
SUMMARY BALANCE-SHEET.									
£T. (000,000's)									
ASSETS.									
1. Cash . . . . .									41.1
(a) Gold, silver and small coins . . . . .									1.7
(b) Inland notes and balances with Central Bank . . . . .	20.8	57.4	46.1	38.9	39.7	55.1	48.7	54.9	39.4
2. Other Items of a Cash Nature . . . . .									1.2
3. Bills discounted and bought . . . . .	9.1	18.0	20.3	18.6	20.2	23.9	18.4	29.6	36.2
(a) Treasury bills . . . . .	.	.	.	.	.	.	.	.	11.1
(b) Commercial bills, Inland . . . . .	.	.	.	.	.	.	.	.	25.1
(c) Commercial bills, Foreign . . . . .	.	.	.	.	.	.	.	.	—
4. Investments and Securities . . . . .									17.3
(a) Government . . . . .	2.0	7.2	8.3	11.5	11.9	19.5	24.6	33.6	1.0
(b) Other . . . . .	.	.	.	.	.	.	.	.	16.3
5. Participations . . . . .									25.5
6. Due from Banks (Correspondents) . . . . .									21.0
(a) At home . . . . .	.	.	.	.	.	.	.	.	19.1
(b) Abroad . . . . .	.	.	.	.	.	.	.	.	1.9
7. Loans and Advances . . . . .	37.5	72.8	95.1	91.0	87.7	108.6	121.1	107.9	121.9
(a) On current account . . . . .	.	.	.	.	.	.	.	.	54.0
(b) Other . . . . .	.	.	.	.	.	.	.	.	67.9
8. Cover for Acceptances . . . . .									—
9. Premises, etc. . . . .	1.1	11.0	13.2	14.4	12.8	13.5	12.6	11.7	11.0
10. Sundry Assets . . . . .									20.9
11. Total Balance-sheet . . . . .									296.1
LIABILITIES.									
12. Capital paid up . . . . .	28.0	42.0	46.6	48.2	48.2	56.8	58.0	58.9	57.8
13. Reserve Funds . . . . .	0.9	2.6	4.1	4.8	5.1	4.3	4.2	4.4	5.7
14. Profit and Loss, etc. . . . .	2.7	2.9	0.7	2.0	1.7	1.8	1.5	1.6	2.8
15. Cheques and Drafts, etc., in circulation . . . . .									—
16. Due to Banks (Correspondents) . . . . .									11.8
(a) At home . . . . .	.	.	.	.	.	.	.	.	.
(b) Abroad . . . . .	.	.	.	.	.	.	.	.	.
17. Deposits . . . . .	40.0	114.2	114.0	113.4	110.1	140.4	140.7	151.8	184.8
(a) Current accounts and sight deposits . . . . .	.	.	.	.	.	(116.1)	(120.3)	(115.9)	106.5
(b) Savings accounts . . . . .	.	.	.	.	.	—	—	—	49.0
(c) Time or fixed deposits . . . . .	.	.	.	.	.	(23.8)	(20.3)	(35.7)	26.3
(d) Other deposits . . . . .	.	.	.	.	.	(0.5)	(0.1)	(0.2)	3.0
18. Rediscounts and Other Borrowings . . . . .									.
19. Acceptances and Endorsements . . . . .									.
20. Sundry Liabilities . . . . .									33.2
21. Guarantees and Acceptances . . . . .									115.2

Treasury bills held by the banks at the end of 1934 and 1935 amounted to £T.5.3 and 14.2 million respectively. Of this amount, £T.4.7 and 12.1 million respectively were held by the Agricultural Bank and the Ish Bankasi.

#### 4 and 5. Investments and Securities ; Participations.

The detailed composition of these items is not known. The specifications for 1934 and 1935 are with regard to three Turkish banks: the Ish Bankasi, the Agricultural Bank, and the Banque immobilière et des orphelins, which together held 50% of the investments and participations

of all banks. Those for 1936 refer to all banks covered by the Summary Balance-sheet.

	1934	1935	1936
	£T. (000,000's)		
Treasury bonds . . . . .	.	.	1.0
Securities held in accordance with banking law . . . . .	.	.	5.6
Securities quoted on the Stock Exchange . . . . .	11.7	6.1	6.5
Securities not quoted on the Stock Exchange . . . . .	3.9	3.6	3.7
Other securities . . . . .	.	.	0.5
Participations . . . . .	6.7	21.8	25.5
Total . . . . .	22.3	31.5	42.8

6. *Due from Banks.*

Correspondents are not shown separately and are given under "Cash assets" prior to 1936.

7. *Loans and Advances.*

Details of the composition of this item are available only since the end of 1934 with regard to four Turkish banks and four foreign banks, whose combined loans and advances represented 93% of the loans and advances of all banks in 1934. The figures for 1935 refer to three Turkish and eight foreign banks, and those for 1936 to all banks covered by the Summary Balance-sheet.

	1934	1935	1936
	£T. (000,000's)		
<i>Current-account loans :</i>			
Guaranteed by the Treasury	—	—	0.6
Against collateral . . . . .	13.7	—	12.6
Against security . . . . .	—	—	9.6
Uncovered . . . . .	18.2	15.0	31.0
Guaranteed . . . . .	16.9	27.0	—
Other . . . . .	—	—	0.2
<i>Advances :</i>			
Against mortgages . . . . .	28.9	31.1	34.4
Against goods . . . . .	13.2	10.0	13.7
Against securities . . . . .	2.4	1.6	1.2
Against bills and other guarantee . . . . .	18.8	17.2	18.6
<i>Contango (Report) Loans . . . . .</i>	<u>0.4</u>	<u>—</u>	<u>—</u>
Total . . . . .	112.5	101.9	121.9

11 and 20. *Total Assets and Liabilities.*

As full data regarding the various items of the balance-sheets are not available, no totals have been given for either assets or liabilities for the years prior to 1936. The amount

17. *Deposits.*

The detailed composition of deposits is not available for the years prior to 1933. The following table shows the composition of deposits at the end of 1933, 1934, 1935 and 1936 of the banks covered by the Summary Table (Groups 1 and 2) and of the Caisse d'épargne d'Istanbul, the Sümer Bank, and of two foreign banks not publishing detailed returns for their operations in Turkey :

	National banks	Foreign banks publishing separate returns	Total	Caisse d'épargne d'Istanbul	Sümer Bank	Ottoman Bank	Bank of Salonica	Grand total
	(1)	(2)	(1) + (2)	(3)	(4)	(5)	(6)	(1) to (6)
	£T. (000,000's)							
Current accounts and sight deposits	1933	96.1	116.1	1.9	1.4	15.0	2.8	137.2
	1934	102.9	120.3	2.1	1.2	13.5	2.7	139.8
	1935	101.3	115.9	2.3	1.7	10.3	3.0	133.2
	1936	130.5	147.8	2.3	1.3	—	3.0	154.4
Time deposits . . .	1933	22.4	23.8	18.7	0.9	—	0.2	43.6
	1934	18.6	20.3	18.6	1.2	—	0.1	40.2
	1935	34.0	35.7	18.1	1.4	0.6	0.1	55.9
	1936	37.5	38.8	18.9	2.7	—	1.6	62.0
Other deposits . . .	1933	0.5	0.5	—	—	7.7	2.7	10.9
	1934	0.1	0.1	—	—	5.1	2.4	7.6
	1935	—	0.2	—	—	5.7	2.4	8.3
	1936	0.1	0.1	—	—	22.9	2.2	25.2
Total deposits . . .	1933	119.0	140.4	20.6	2.3	22.7	5.8	191.7
	1934	121.6	140.7	20.7	2.4	18.6	5.2	187.6
	1935	135.3	151.8	20.4	3.1	16.6	5.5	197.4
	1936	168.1	186.7	21.2	4.0	22.9	6.8	241.6

Other deposits represent funds whose period of deposit has not been ascertained. "Other deposits" in the Summary Balance-sheet in 1936 represent "dépôts d'orphelins".

20. *Sundry Liabilities.*

This item, in 1936, is composed as follows :

	£T. (000,000's)
Unpaid dividends . . . . .	0.2
Borrowings . . . . .	0.2
"Ordres de paiement" . . . . .	4.0
Provisional accounts . . . . .	21.5
Provisions . . . . .	7.0
Amortisation . . . . .	<u>0.3</u>
Total . . . . .	33.2

of the balance-sheet totals as given by the Central Bank of the Republic of Turkey and exclusive of unpaid capital have been as follows :

	£T. (000,000's)	£T. (000,000's)
1926 . . . . .	114.5	312.6
1929 . . . . .	378.3	401.9
1930 . . . . .	381.9	399.4
1931 . . . . .	371.6	422.5

These include important *comptes d'ordre*.

12. *Capital paid up.*

The amount of uncalled capital of the Turkish banks is shown below :

	£T. (000,000's)	£T. (000,000's)
1926 . . . . .	12.6	17.0
1929 . . . . .	22.5	15.0
1930 . . . . .	19.5	14.7
1931 . . . . .	18.2	13.5
		13.5

The capital which the foreign banks are required to allocate to their Turkish business is paid up.

13. *Reserve Funds.*

The foreign banks are not required to, and do not, keep reserve funds in Turkey. The composition of reserve funds in 1936 is as follows :

	£T. (000,000's)
Legal reserves . . . . .	3.5
Extraordinary reserves . . . . .	2.1
Not specified . . . . .	<u>0.1</u>
Total . . . . .	5.7

## UNION OF SOUTH AFRICA

End of (Weekly returns)	Value of currency as % of the gold parity in 1929 <sup>a</sup>	Wholesale prices (1929 = 100)	South African Reserve Bank									Discount rate b
			Gold	Foreign bills	Inland bills	Loans and advances	Union Govern- ment securities	Notes in cir- culation	Deposits			
									Total	Banks	Govern- ment	
£S.A. (000,000's)												
Dec. 1935 . . .	59.5	x 82.8	25.7	11.9	0.3	—	1.7	14.1	35.3	28.4	2.4	3.5
March 1936 . . .	59.6	i 85.8	29.4	5.2	0.2	—	1.7	14.6	35.3	27.1	5.7	3.5
June 1936 . . .	60.6	iv 86.0	22.9	9.8	—	—	1.7	14.2	29.3	24.1	2.4	3.5
Sept. 1936 . . .	60.4	vii 83.1	22.9	5.1	—	—	1.7	14.1	23.8	18.0	3.4	3.5
Dec. 1936 . . .	58.9	x 85.1	24.6	10.8	—	0.8	1.7	16.4	28.0	22.5	1.7	3.5
March 1937 . . .	58.7	i 86.7	28.9	5.5	—	—	1.7	15.4	31.9	22.6	6.4	3.5
June 1937 . . .	59.3	iv 85.0	24.4	6.3	—	0.1	1.7	15.4	26.0	18.5	2.2	3.5
Sept. 1937 . . .	59.6	vii 87.4	22.9	6.4	—	0.6	1.7	15.2	23.9	18.4	2.5	3.5
Dec. 1937 . . .	60.1	x 89.1	22.9	6.9	0.3	3.5	1.7	18.1	23.5	16.9	1.5	3.5
		i 92.5										

<sup>a</sup> Gold parity in 1929 : £1 = 4.86656 U.S.A. dollars ; 1 U.S.A. dollar = £0.20548.

<sup>b</sup> Date of last change : May 15th, 1933.

■ Monthly average.

End of	Commercial Banks (accounts in Union)								Post Office Savings Banks Deposits	Clearing turnover Seven chief towns (monthly)	Bond yields Inscribed 5%
	Cash	Discounts	Investments and securities		Loans and advances	Deposits					
			Total	Government		Sight deposits	Savings deposits	Time deposits			
£S.A. (000,000's)											
Dec. 1935 . . .	31.4	8.3	5.7	4.4	39.9	61.6	4.9	21.6	15.5	57.4	3.22
March 1936 . . .	30.2	8.1	5.5	4.3	38.4	59.7	5.1	18.7	16.0	67.6	2.94
June 1936 . . .	25.9	8.0	11.0	9.4	39.6	63.3	5.2	17.3	16.7	78.7	3.06
Sept. 1936 . . .	21.0	8.2	13.7	11.9	42.3	64.3	5.4	16.5	17.3	68.3	3.00
Dec. 1936 . . .	25.8	8.6	13.6	11.8	44.3	71.8	5.5	17.0	17.7	86.5	3.18
March 1937 . . .	26.4	8.3	10.6	8.7	45.9	69.1	5.6	16.8	18.1	91.0	3.18
June 1937 . . .	21.2	9.0	12.6	10.7	46.5	68.5	5.6	17.0	18.7	78.6	3.41
Sept. 1937 . . .	21.0	10.1	10.6	8.7	48.7	65.4	5.7	19.7	19.3	72.1	3.34
Dec. 1937 . . .	.	.	.	.	.	.	.	.	19.4	69.8	3.41

See *Commercial Banks 1913-1929*, page 401 ; *1925-1933*, page 315 ; *1929-1934*, page 191 ; *Money and Banking 1935/36*, Vol. II, page 176 ; *1936/37*, Vol. II, page 143.

**South African Reserve Bank : Gold :** All gold held on December 28th, 1932, the date on which gold payments were suspended, as well as that bought since, appears at the statutory price of £3 17s. 10½d. per standard ounce. **Foreign exchange :** Since 1934, all foreign-exchange holdings are converted into South African pounds at the rate of £100 7s. 6d. South African for £100 British sterling. **Balances employed under the guarantee of the Bank of England :** The balance represents the amount held on the London short-money market. **Foreign bills discounted :** These bills consist mainly of British Treasury bills. **Investments :** These consist entirely of Union Government stocks. **Gold Premium Account :** This item represents the difference between the standard price at which the gold stands in the Bank's books and the market price actually paid for it since January 1933. Under the Currency and Exchanges Act of 1933, the profits made on such operations belong to the Government. **Other assets include,** since 1936, an account "Blocked Reichsmarks" (£S.A. 1.6 and 0.5 million on March 31st, 1936 and 1937, respectively), through which transactions arising out of the trade agreements between the Union and Germany are passed. Under these agreements, the balances representing the Union's exports to Germany are liquidated from time to time by being converted into sterling as and when funds accrue out of the proceeds of goods sold by Germany to the Union. The Bank conducts this business under the guarantee of the Union Government. **Reserve :** In 1932, the balance of exchange loss (£792,916) was written off. **Notes of other banks in circulation :** This item represents the balance of the liability assumed in July 1924, by the Bank, under the Currency and Banking Act, for all notes issued by the commercial banks outstanding at that date.

Sources : South African Reserve Bank : Annual reports. Office of Census and Statistics : *Monthly Bulletin of Union Statistics*.

## Reserve Bank.

March 31st :	1929	1930	1931	1932	1933	1934	1935	1936	1937
£S.A. (000,000's)									
<b>ASSETS.</b>									
1. Gold coin and bullion . . . . .	9.0	7.3	7.1	6.5	11.0	17.7	28.3	29.4	28.3
2. Other coin . . . . .	0.1	0.1	0.3	0.5	0.6	0.4	0.1	0.1	0.1
3. Foreign exchange . . . . .	8.8	7.6	8.8	0.2	15.3	22.9	8.2	5.9	6.7
(a) Balances with overseas Central Banks	0.9	0.3	0.3	0.1	0.2	0.2	0.3	0.3	0.2
(b) Balance employed under the guarantee of the Bank of England . . . . .	0.5	0.8	0.8	—	0.7	0.3	1.5	0.5	0.9
(c) Foreign bills discounted . . . . .	8.1	6.5	7.7	0.1	14.4	22.4	6.5	5.2	5.6
4. Domestic bills discounted . . . . .	1.2	2.4	0.6	4.4	0.8	—	0.2	0.2	—
(a) Commercial bills . . . . .	1.0	1.3	0.3	2.8	0.8	—	0.2	0.2	—
(b) Treasury bills . . . . .	0.2	1.1	0.3	1.6	—	—	—	—	—
5. Loans and advances . . . . .	0.2	0.3	0.2	2.7	2.3	0.2	—	—	—
6. Investments . . . . .	0.8	1.3	2.2	1.8	2.2	1.7	1.7	1.8	1.8
7. Gold Premium Account . . . . .	—	—	—	—	1.9	4.4	12.8	13.5	12.8
8. Other assets (including premises) . . . . .	0.6	0.6	0.6	0.6	0.6	0.9	1.2	2.5	1.6
9. Total Balance-sheet . . . . .	20.7	19.6	19.8	16.7	34.7	48.2	52.5	53.4	51.3
<b>LIABILITIES.</b>									
10. Capital . . . . .	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
11. Reserve . . . . .	0.5	0.6	0.7	—	0.6	0.6	0.9	1.0	1.0
12. Notes in circulation . . . . .	9.6	9.0	8.4	8.4	9.9	12.0	13.2	14.6	16.4
13. Notes of other banks in circulation . . . . .	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
14. Deposits . . . . .	8.4	7.8	8.2	5.8	22.3	33.5	36.3	35.3	31.2
(a) Bankers' Reserve Account . . . . .	4.8	4.4	4.4	3.7	4.7	6.7	7.3	7.7	8.7
(b) Bankers' Current Account . . . . .	0.7	0.7	0.7	0.3	14.9	21.1	18.5	19.4	14.3
(c) Government and Provincial Current Accounts . . . . .	2.7	2.6	3.0	1.6	1.4	3.5	7.9	5.7	4.8
(d) Other accounts . . . . .	0.2	0.1	0.1	0.3	1.3	2.3	2.6	2.5	3.8
15. Other liabilities . . . . .	1.0	1.0	1.3	1.4	0.8	1.0	1.0	1.4	1.6
Discount rate (percentage) . . . . .	6	5½	6	5	3½	3½	3½	3½	3½

## Commercial Banks.

The Summary Balance-sheet gives double columns for the years 1929 and 1936: the columns marked A for 1929 and 1936, and the single columns for other years, show the aggregate amount of the assets and liabilities, within and outside the Union, of all banks operating in South Africa; the columns marked B include only the accounts of offices situated within the Union.

For detailed notes on certain items of the Summary Balance-sheet, see previous editions.

## 1. Cash.

The amounts under (b) are as follows:

End of	Notes of Reserve Bank	Balance with Reserve Bank	Notes of other banks outside the Union	Total
£S.A.(000,000's)				
1929 . . . . .	2.4	4.9	1.3	8.6
1931 . . . . .	1.6	4.3	0.8	6.7
1932 . . . . .	1.7	3.9	0.7	6.3
1933 . . . . .	2.4	26.5	0.9	29.8
1934 . . . . .	2.8	21.7	1.4	25.9
1935 . . . . .	2.9	27.8	1.9	32.6
1936 . . . . .	2.7	22.4	1.4	26.5

## 4 and 5. Investments and Securities; Participations.

The division of Government securities is shown below:

End of	Union Government	British and Colonial Governments	Total
£S.A.(000,000's)			
1929 . . . . .	4.1	12.1	16.2
1931 . . . . .	6.0	14.9	20.9
1932 . . . . .	8.1	28.0	36.1
1933 . . . . .	7.8	33.4	41.2
1934 . . . . .	7.2	32.8	40.0
1935 . . . . .	4.6	31.0	35.6
1936 . . . . .	12.2	33.0	45.2

## 3. Bills discounted and bought.

The following statement shows the amount of paper under discount in the Union and abroad:

End of	In the Union	Elsewhere	Total
£S.A.(000,000's)			
1929 . . . . .	13.1	8.4	21.5
1931 . . . . .	7.6	4.2	11.8
1932 . . . . .	7.5	5.8	13.3
1933 . . . . .	7.1	7.6	14.7
1934 . . . . .	8.5	5.2	13.7
1935 . . . . .	8.3	8.0	16.3
1936 . . . . .	8.6	6.9	15.5

## 7. Loans and Advances.

The division of loans into "secured" and "unsecured" in the years under review is shown below:

End of	Secured	Unsecured	Total
£S.A.(000,000's)			
1929 . . . . .	46.2	9.7	55.9
1931 . . . . .	39.9	7.8	47.7
1932 . . . . .	38.4	5.4	43.8
1933 . . . . .	39.4	4.1	43.5
1934 . . . . .	48.7	5.0	53.7
1935 . . . . .	50.3	6.0	56.3
1936 . . . . .	54.7	7.5	62.2



## Commercial Banks.

End of :	1929		1931	1932	1933	1934	1935	1936	
	A	B						A	B
Number of : Banks . . . . .	7	7	7	8	7	8	8	8	8
Branches and Sub-Branches . . . . .	.	666	690	671	.	.	.	.	.
<b>SUMMARY BALANCE-SHEET.</b>			£S.A. (000,000's)						
<b>ASSETS.</b>									
1. Cash . . . . .	11.7	8.8	9.1	8.8	31.6	28.0	35.1	29.0	25.8
(a) Gold, silver and small coins . . . . .	3.1	1.5	2.4	2.5	1.8	2.1	2.5	2.5	0.7
(b) Inland notes and balances with Central Bank . . . . .	8.6	7.3	6.7	6.3	29.8	25.9	32.6	26.5	25.1
2. Other Items of a Cash Nature . . . . .	4.1	—	3.0	5.8	3.9	4.6	4.7	4.0	—
3. Bills discounted and bought . . . . .	21.5	13.1	11.8	13.3	14.7	13.7	16.3	15.5	8.6
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	17.4	4.1	21.7	37.4	42.4	42.0	37.4	48.0	13.6
(a) Government . . . . .	16.2	3.5	20.9	36.1	41.2	40.0	35.6	45.2	11.8
(b) Other . . . . .	1.2	0.6	0.8	1.3	1.2	2.0	1.8	2.8	1.8
5. Participations . . . . .	—	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	5.7	0.1	5.3	8.9	6.6	8.0	12.3	7.5	0.5
(a) At home . . . . .	0.1	0.1	0.1	0.2	0.3	1.0	1.3	0.5	0.5
(b) Abroad . . . . .	5.6	—	5.2	8.7	6.3	7.0	11.0	7.0	—
7. Loans and Advances . . . . .	57.8	37.9	49.9	46.7	45.0	55.2	57.5	64.1	44.3
(a) On current account . . . . .	55.9	36.8	47.7	43.8	43.5	53.7	56.3	62.2	43.8
(b) Other . . . . .	1.9	1.1	2.2	2.9	1.5	1.5	1.2	1.9	0.5
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	3.7	2.1	3.6	4.1	4.4	4.4	4.4	4.4	3.2
10. Sundry Assets . . . . .	9.4	1.2	2.6	4.1	4.8	4.4	5.5	7.9	1.8
11. Total Balance-sheet . . . . .	131.3	67.3	107.0	129.1	153.4	160.3	173.2	180.4	97.8
<b>LIABILITIES.</b>									
12. Capital paid up . . . . .	8.0	—	5.9	7.5	8.2	8.3	8.4	8.2	0.1
13. Reserve Funds . . . . .	5.0	0.1	3.7	4.7	4.5	4.7	4.8	4.8	0.1
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—	—
15. Notes in circulation . . . . .	1.5	—	0.9	1.0	1.2	1.3	1.4	1.6	—
16. Cheques and Drafts, etc., in circulation . . . . .	2.4	0.1	1.2	1.7	1.7	2.1	2.1	2.3	0.2
17. Due to Banks (Correspondents) . . . . .	1.2	0.5	1.0	1.5	1.3	1.3	1.9	2.4	0.7
(a) At home . . . . .	0.5	0.5	0.3	0.4	0.5	0.4	0.7	0.7	0.7
(b) Abroad . . . . .	0.7	—	0.7	1.1	0.8	0.9	1.2	1.7	—
18. Deposits . . . . .	101.4	60.6	85.6	101.1	124.0	129.4	139.7	146.3	94.5
(a) Current accounts and sight deposits . . . . .	50.2	30.5	39.7	47.7	76.5	80.5	90.6	103.3	71.8
(b) Savings accounts . . . . .	6.9	3.5	6.6	7.8	8.7	8.8	9.3	10.2	5.6
(c) Time or fixed deposits . . . . .	43.3	26.2	38.8	45.2	37.7	37.5	35.5	30.1	16.9
(d) Other deposits . . . . .	1.0	0.4	0.5	0.4	1.1	2.6	4.3	2.7	0.3
19. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—	—
20. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—	—
21. Sundry Liabilities . . . . .	11.8	3.9	8.7	11.6	12.5	13.2	14.9	14.8	2.2

## 10. Sundry Assets.

End of :	1929	1931	1932	1933	1934	1935	1936
	£S.A. (000,000's)						
Due by head offices and branches . . . . .	9.6	3.4	5.5	6.2	3.1	3.8	5.9
Due to head offices and branches . . . . .	3.9	2.7	4.2	4.0	1.2	1.4	0.7
1. Balance due by head offices and branches 2. Landed property other than bank pre- mises . . . . .	5.7	0.7	1.3	2.2	1.9	2.4	5.2
3. Other assets . . . . .	0.3	0.4	0.6	0.5	0.5	0.4	0.4
	3.4	1.5	2.2	2.1	2.0	2.7	2.3
Total (1 + 2 + 3) . . . . .	9.4	2.6	4.1	4.8	4.4	5.5	7.9

## UNION OF SOVIET SOCIALIST REPUBLICS

January 1st :	Notes and coins in circulation								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Roubles (000,000's)								
Bank-notes . . . . .	1,122.6	1,537.0	2,100.4	2,784.4	4,099.1	3,432.5	3,838.4	5,723.1	8,020.3
Treasury notes . . . . .	763.0	1,074.4	1,977.7	2,577.4	3,949.9	3,060.6	3,499.0	3,567.9	2,800.4
Coins . . . . .	211.7	249.6	277.1	311.5	364.0	368.4	396.4	419.4	434.9
Total . . . . .	2,097.3	2,861.0	4,355.2	5,673.3	8,413.0	6,861.5	7,733.8	9,710.4	11,255.6

January 1st	State Bank of the U.S.S.R.										
	ASSETS					Total balance- sheet	LIABILITIES				
	Precious metals and foreign exchange	Short-term loans	Government securities	Sundry assets	Capital and profits		Bank-notes and Treasury notes in circulation	Current accounts and deposits	Branch accounts, items in transit and letters of credit	Sundry liabilities	
	Roubles (000,000's)										
1932 . . . . .	719.9	10,217.7	4,113.5	1,525.8	16,576.9	1,212.9	5,361.8	8,538.9	396.0	1,067.2	
1933 . . . . .	839.0	10,451.7	5,974.2	4,910.6	22,175.5	1,190.1	8,049.0	10,825.3	871.6	1,239.5	
1934 . . . . .	941.1	14,192.8	6,000.2	4,407.0	25,541.1	1,525.8	6,493.1	15,442.7	826.9	1,252.6	
1935 . . . . .	957.8	17,223.3	6,134.9	4,588.9	28,904.9	1,756.0	7,337.4	17,588.2	706.1	1,517.2	
1936 . . . . .	1,079.4	26,666.0	6,138.2	5,192.3	39,075.9	2,292.3	9,291.0	20,472.7	2,424.8	4,595.1	
1937 . . . . .	2,215.3	34,819.3	6,138.3	6,484.9	49,657.8	2,207.5	10,820.7	26,561.3	5,344.6	4,723.7	

See : *Commercial Banks, 1929-1934*, page 117 ; *Money and Banking, 1935/36*, Vol. II, page 179 ; *1936/37*, Vol. II, page 146.

**State Bank :** After the banking reforms of 1930 and 1931, which were described in the chapter on the Union of Soviet Socialist Republics in *Commercial Banks 1929-1934*, page 117, the State Bank became the sole institution for the supply of short-term credit to production and trade. All payments between the individual State enterprises and organisations are effected through current accounts at the State Bank. The Bank maintains 3,000 branch offices.

**Value of Currency :** The exchange rate of the rouble in recent years has been fixed as follows : *November 15th, 1935-October 27th, 1936* : 1 rouble = 3 French francs ; *October 28th, 1936-June 30th, 1937* : 1 rouble = 4.25 French francs ; *July 1st, 1937-July 18th, 1937* : The official quotation was suspended by the Russian State Bank ; *from July 19th, 1937* : 1 U.S.A. \$ = 5.30 roubles.

**Source :** The above tables have been kindly furnished by the State Bank of the Union of Soviet Socialist Republics. More recent figures relating to notes and coins in circulation and the accounts of the State Bank were not to hand at the time of writing.

## UNITED KINGDOM AND IRELAND

*Note.* — For a detailed account of principal events and measures in the United Kingdom during 1937/38, see Vol. I, *Monetary Review*, Part A.

TABLE I. — BANK OF ENGLAND.

Average	Value of currency as % of gold parity in 1929 <sup>a</sup>	Bank of England <sup>b</sup>										Market rates of interest			
		Issue Department			Banking Department							Discount rate	Treasury bills	Three-month fine bank bills	Yield of Government bonds
		Gold coin and bullion	Government securities	Notes in circulation	Reserve of notes and coin	Securities			Deposits						
						Government	Dis-counts and advances	Other	Public	Bankers'	Other				
		£ (000,000's)											Per cent		
Dec. 1935 . . .	60.2	199.5	257.4	415.1	45.0	84.6	9.1	13.1	9.1	87.5	37.3	2.00	0.683	0.72	2.89
March 1936 . . .	60.3	200.6	257.0	404.9	56.5	80.6	8.9	15.9	14.3	92.6	36.7	2.00	0.521	0.56	2.94
June 1936 . . .	61.3	211.0	259.1	433.3	38.6	98.5	6.2	15.2	13.9	89.5	37.2	2.00	0.780	0.78	2.94
Sept. 1936 . . .	61.1	247.0	258.8	446.1	62.0	83.0	9.4	20.0	22.7	94.4	39.0	2.00	0.526	0.56	2.93
Dec. 1936 . . .	59.6	287.7	223.5	463.9	48.3	94.2	9.5	20.8	14.5	101.0	39.3	2.00	0.848	0.84	2.96
March 1937 . . .	59.3	313.7	198.0	466.7	47.9	93.0	4.8	22.5	27.0	85.2	37.7	2.00	0.515	0.56	3.26
June 1937 . . .	59.9	323.3	195.1	480.8	43.4	103.8	4.7	21.1	11.4	110.9	37.7	2.00	0.632	0.69	3.33
Sept. 1937 . . .	60.1	326.4	199.5	488.4	39.6	107.6	5.4	21.1	15.2	103.8	36.5	2.00	0.503	0.56	3.39
Dec. 1937 . . .	60.6	326.4	219.6	499.0	48.5	94.4	8.9	20.9	11.5	106.8	36.6	2.00	0.707	0.75	3.35

<sup>a</sup> Gold parity in 1929 : £1 = 4.87 U.S.A. dollars ; 1 U.S.A. dollar = 4s. 1¼d.

<sup>b</sup> Averages of Wednesday figures.

See *Commercial Banks 1913-1929*, page 279 ; *1925-1933*, page 207 ; *1929-1934*, page 122 ; *Money and Banking 1935/36*, page 181 ; *1936/37*, page 148.

Market Rates of Interest : *Treasury bills* : Weighted average of weekly allotment rates. Since February 1935, the London clearing-banks have by agreement refrained from buying, or bidding for, Treasury bills at a rate below ½%. *Three-month fine bank bills* : Average of brokers' buying rates. *Yield of bonds* : Irredeemable 2½% Consols.

TABLE II. — LONDON CLEARING-BANKS.

Average	London Clearing-banks											Bank clearings			
	Cash	Money at call, etc.	Bills discounted	Investments	Advances, etc.	Deposits, etc.	Cash	Money at call, etc.	Bills discounted	Investments	Advances, etc.	Current accounts	Town	Metro-politan, country and provincial	Total
	£ (000,000's)					Per cent of total deposits						£ (000,000's)			
Dec. 1935 <sup>a</sup> . . .	221	159	322	605	779	2,091	10.6	7.6	15.4	28.9	37.2	55.2	119.2	22.9	142.1
March 1936 <sup>a</sup> . . .	210	155	249	605	824	2,038	10.3	7.6	12.2	29.7	40.4	.	119.2	22.9	142.1
March 1936 . . .	217	162	252	635	849	2,108	10.3	7.7	12.0	30.1	40.3	54.2	108.3	21.8	130.1
June 1936 . . .	225	158	329	641	874	2,229	10.1	7.1	14.8	28.8	39.2	55.0	114.0	21.6	135.6
Sept. 1936 . . .	229	166	344	648	877	2,257	10.2	7.4	15.2	28.7	38.9	55.1	113.8	20.5	134.3
Dec. 1936 . . .	244	195	322	660	885	2,315	10.5	8.4	13.9	28.5	38.2	56.0	135.3	24.9	160.2
March 1937 . . .	226	170	248	667	934	2,244	10.1	7.6	11.0	29.7	41.6	54.5	131.9	25.1	157.0
June 1937 . . .	241	171	259	654	963	2,293	10.5	7.5	11.3	28.5	42.0	55.1	125.1	23.8	148.9
Sept. 1937 . . .	238	162	281	641	974	2,287	10.4	7.1	12.3	28.0	42.6	55.2	105.0	21.8	126.8
Dec. 1937 . . .	244	163	300	635	979	2,330	10.5	7.0	12.9	27.2	42.0	55.6	115.6	24.4	140.0

<sup>a</sup> Ten banks only; elsewhere, eleven.

**London Clearing-banks :** These figures represent aggregates of the monthly averages which each of these ten banks (eleven banks since January 1936) calculates on the basis of (unpublished) weekly figures. The figures are not comparable with the end-of-year accounts given in Table VIII below, which covers a larger number of banks. *Cash :* Coin, notes and balances with the Bank of England. *Money at call and short notice :* The bulk of this is lent to the bill market ; a certain proportion of money at short notice represents loans to the Stock Exchange. Since November 1934, the rate charged by the clearing-banks on call loans secured by bills eligible for discount at the Bank of England has stood at ½%. *Bills discounted :* According to figures published in the report of the Macmillan Committee in 1931, which, however, are not fully comparable with those given above, the clearing-banks' average holdings of Treasury bills and commercial bills respectively amounted to £98.3 and £122.9 million in 1929 and £128.6 and £127.2 million in 1930. The proportion of Treasury bills in the total is believed to have risen considerably since 1930. *Investments :* The practice of the banks is to enter their securities at purchase price or market value, whichever is lower. They do not, therefore, write up the book value of their securities when market quotations rise above purchase price. "Investments" consist predominantly of Government bonds. *Advances :* The movement of this item in 1936 was affected by the loan of £40 million at 3% which the French Treasury raised in London in February 1936, and of which over one-half was taken up by the clearing-banks. The loan was repaid in instalments in November and December 1936. At the end of January 1937, another loan for the French Government, amounting to £40 million, carrying interest at 3 ½% and repayable in ten months, was arranged in London, of which the clearing-banks again took up a considerable proportion. This was repaid at the end of 1937. *Deposits, etc. :* Current, deposit and other accounts. These figures are taken as the basis for calculating the percentage ratio of the other items to "total deposits". The rate agreed upon by the clearing-banks for interest allowance on deposit accounts in London at seven days' notice has stood at ½% since the middle of 1932. *Current accounts :* The percentage ratio of current accounts to total deposits in 1936 is based on figures which include the District Bank.

**Bank Clearings :** The figures represent averages per working day in the years or months shown. *Town* clearings are mainly influenced by the volume of Stock Exchange transactions, while *metropolitan, country and provincial* clearings are generally taken to reflect the movement of retail trade and productive activity.

TABLE III. — DISCOUNT COMPANIES.

The following table summarises the position of the three leading London discount houses :

End of :	1929	1931	1932	1933	1934	1935	1936	1937
<b>ASSETS.</b>								
	£ (000,000's)							
1. Cash at bankers . . . . .	2.6	2.4	2.7	2.7	2.9	3.0	3.1	3.3
2. Investments . . . . .	13.5	13.7	20.2	28.4	35.5	37.8	40.7	35.9
3. Bills discounted . . . . .	121.6	111.2	117.0	111.5	90.6	101.7	110.6	115.5
4. Loans and sundry accounts . . . . .	2.5	1.2	2.8	1.8	3.0	5.0	3.6	2.9
5. Total assets . . . . .	140.2	128.5	142.7	144.4	132.0	147.5	158.0	157.6
<b>LIABILITIES.</b>								
6. Capital and reserves . . . . .	6.2	7.0	7.0	7.0	7.0	7.0	7.7	7.7
7. Loans, deposits, etc. (including undivided profits)	92.4	86.4	105.0	111.7	105.9	114.2	121.8	120.3
8. Bills rediscounted . . . . .	40.3	33.7	28.9	24.9	18.3	25.5	27.6	28.4
9. Rebate, etc. . . . .	1.3	1.4	1.8	0.8	0.8	0.8	0.7	1.0
10. Total liabilities . . . . .	140.2	128.5	142.7	144.4	132.0	147.5	157.8	157.4

TABLE IV. — SAVINGS BANKS.

The development of deposits in savings banks is shown in the following table :

End of	Savings Banks			National Savings Certificates
	Trustee Savings Banks	Post Office Savings Banks	Total	
	£ (000,000's)			
December 1935 . . . . .	197.3	390.3	587.6	505.1
March 1936 . . . . .	202.3	405.2	607.5	507.8
June 1936 . . . . .	206.6	414.7	621.3	509.0
September 1936 . . . . .	208.7	424.1	632.8	510.5
December 1936 . . . . .	211.8	432.4	644.2	512.2
March 1937 . . . . .	216.5	446.5	663.0	514.1
June 1937 . . . . .	220.4	454.8	675.2	514.5 <sup>a</sup>
September 1937 . . . . .	221.4	461.5	682.9	514.7 <sup>a</sup>
December 1937 . . . . .	223.9	470.5	694.4	515.9 <sup>a</sup>

<sup>a</sup> Provisional figure.

TABLE V. — BANKS IN IRELAND.

The following table shows the principal accounts of the banks of the territory formerly known as the Irish Free State ; the figures represent averages for three selected dates in each quarter. It should be noted that, of the nine banks operating in Ireland, only two confine their operations to that country. Of the remaining seven, four have their head offices outside Ireland and two have important offices in London. The statistics published by the Irish Currency Commission show separately, however, assets and liabilities within (A) and outside Ireland (B).

Averages of :	Cash and bank balances	Money at call	Bills	Loans and advances	Investments	Total assets	Capital and reserves	Notes in circulation	Deposits	Total liabilities	Excess of assets over liabilities B
	£ (000,000's)										
December quarter 1933 . . . . .	A 5.2	—	5.7	42.7	5.6	62.7	13.1	5.1	123.8	145.7	
	B 10.0	10.7	2.4	25.0	85.1	137.8	3.8	3.1	46.1	54.8	83.0
December quarter 1934 . . . . .	A 5.0	—	5.4	44.7	7.4	66.2	13.2	5.1	119.8	141.6	
	B 8.8	10.5	1.8	24.5	79.7	129.8	3.9	3.3	45.1	54.4	75.4
December quarter 1935 . . . . .	A 5.3	—	5.2	43.9	7.2	65.1	13.3	5.1	118.0	139.5	
	B 9.8	10.3	1.2	23.7	80.4	130.0	3.9	3.5	46.1	55.5	74.5
June quarter 1936 . . . . .	A 5.2	—	5.2	41.2	6.9	64.8	10.1	5.1	118.7	137.1	
	B 9.3	10.6	1.2	23.7	82.4	131.7	7.1	3.7	45.8	59.4	72.3
December quarter 1936 . . . . .	A 5.4	—	4.9	44.1	7.1	64.9	10.2	5.1	118.9	137.5	
	B 9.6	10.7	1.4	23.7	81.6	131.6	7.2	3.7	45.8	59.0	72.6
June quarter 1937 . . . . .	A 5.4	—	5.5	45.3	7.2	66.7	10.2	5.1	119.2	137.8	
	B 7.6	10.6	1.3	24.3	81.2	129.7	7.2	3.8	45.0	58.7	71.0
December quarter 1937 . . . . .	A 5.6	—	5.6	46.0	7.2	67.6	10.2	5.2	117.0	135.4	
	B 8.3	9.9	1.1	24.8	76.9	125.6	7.2	3.8	44.1	57.8	67.8

A = Within Ireland — territory formerly known as the " Irish Free State ".

B = Elsewhere.

Sources : *Statistical Summary* of the Bank of England. Report of the Committee on Finance and Industry (1931, Cmd. 3897). *The Economist*. *The Statist*. *Irish Trade Journal and Statistical Bulletin*.

TABLE VI. — BANK OF ENGLAND.

Last week ending Wednesday of the year :	1929	1930	1931	1932	1933	1934	1935	1936	1937
<b>A. ISSUE DEPARTMENT.</b>									
£ (000,000's)									
<b>ASSETS.</b>									
1. Gold coin and bullion . . . . .	145.8	147.6	120.7	119.8	190.7	192.3	200.0	313.7	326.4
2. Silver coin . . . . .	4.5	4.4	4.1	3.7	3.5	2.4	1.3	—	—
3. Government debt . . . . .	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
4. Other securities . . . . .	10.9	11.5	17.2	5.1	2.3	1.0	1.4	0.1	0.3
5. Other Government securities . . . . .	233.6	233.1	242.7	255.2	243.2	245.6	246.3	188.9	208.7
6. Total . . . . .	405.8	407.6	395.7	394.8	450.7	452.3	460.0	513.7	546.4
<b>LIABILITIES (Notes issued).</b>									
7. Notes in circulation . . . . .	379.5	368.8	364.1	371.2	392.0	405.2	424.5	467.4	505.3
8. Notes in Banking Department . . . . .	26.3	38.8	31.6	23.6	58.7	47.1	35.5	46.3	41.1
<b>B. BANKING DEPARTMENT.</b>									
<b>ASSETS.</b>									
9. Cash . . . . .	26.5	39.4	32.2	24.4	59.7	47.6	36.1	46.8	41.9
(a) Notes . . . . .	26.3	38.8	31.6	23.6	58.7	47.1	35.5	46.3	41.1
(b) Gold and silver coin . . . . .	0.2	0.6	0.6	0.8	1.0	0.5	0.6	0.5	0.8
10. Government securities . . . . .	67.1	81.0	95.3	102.4	88.0	87.5	81.9	134.5	114.6
11. Other securities . . . . .	40.0	72.7	64.9	36.2	30.2	18.3	21.3	38.6	30.1
(a) Discounts and advances . . . . .	22.3	49.0	27.3	18.5	16.8	7.6	8.5	17.5	9.2
(b) Securities . . . . .	17.7	23.7	37.6	17.7	13.4	10.7	12.8	21.1	20.9
12. Total Balance-sheet . . . . .	133.6	193.1	192.4	163.0	177.9	153.4	139.3	219.9	186.6
Aggregate net Balance-sheet (A + B) * . . . . .	513.1	561.9	556.5	534.2	569.9	558.6	563.8	687.3	691.9
<b>LIABILITIES.</b>									
13. Capital . . . . .	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
14. Rest . . . . .	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
15. Public deposits . . . . .	8.8	6.6	7.7	8.9	22.2	9.9	12.1	12.1	11.4
16. Other deposits . . . . .	106.8	168.5	166.7	136.1	137.7	125.5	109.2	189.8	157.2
(a) Bankers . . . . .	71.0	132.4	128.4	102.4	101.2	89.1	72.1	150.6	120.6
(b) Other accounts . . . . .	35.8	36.1	40.3	33.7	36.5	36.4	37.1	39.2	36.6
Discount rate, end of year (percentage) . . . . .	5	3	6	2	2	2	2	2	2

\* Less notes held in Banking Department (item 9 (a) above).

**The Bank of England.**

*Returns* : The only statements published by the Bank concerning its position are the weekly returns showing in a very summary form, the position each Wednesday. The table above is therefore based on the returns for the last Wednesday of each year.

**A. ISSUE DEPARTMENT.**

*Gold coin and bullion* valued at the statutory price of £13 17s. 10½d. per standard ounce. *Government debt* is an old outstanding debt for which no bonds are held as security, but which is inscribed in the records of the Treasury and on which the latter pays to the Bank the same interest as on Consols. This debt originated in the authorisation contained in the Bank Act of 1844 for a fiduciary issue of £14 million. *Other securities* have served in the past as collateral for that part of the £14 million of fiduciary issue not covered by "Government debt", as well as for that part of the fiduciary note issue which the Bank was authorised to undertake in place of the lapsed country banks' issues. The composition of this item, the total of which has been reduced to

an insignificant amount in recent years, is left to the discretion of the Bank. *Other Government securities* include a large portion of Treasury bills which were transferred to the Bank when the former took over the currency note issue in virtue of the Act of November 1928. *The maximum limit of fiduciary issue* was fixed at £260 million by the Act of November 1928, raised to £275 million on August 1st, 1931, and lowered again to £260 million on March 31st, 1933. On December 15th, 1936, it was lowered to £200 million in connection with a transfer of gold amounting to £65 million (at par) from the Exchange Equalisation Account to the Bank, the reduction of £60 million in the fiduciary issue being accompanied by a transfer from the latter to the former of a corresponding amount of the Issue Department's Government securities. In the middle of November 1937, the fiduciary issue was raised by £20 million to £220 million for a period of two months until January 19th, 1938. It is to be noted that all notes issued by the Issue Department in excess of the fiduciary limit have to be covered in full by gold held at the same Department and entered at the statutory price fixed by the Act of November 1928. Gold purchased by the Bank since 1932 is believed to have been acquired from the Exchange Account. The nominal loss arising from the statutory and market price for gold is believed to be borne by the latter and by the Treasury.

#### B. BANKING DEPARTMENT.

*Cash : Gold and silver coin* : This item, which is composed almost entirely of silver coin, constitutes together with notes held in the Banking Department what is known as the "reserve". The "ratio" or "proportion" is the proportion of this "reserve" to deposits. *Government securities* represent direct obligations of the British Government, and include long-term securities, Ways and Means Advances to the Exchequer, and such Treasury bills as the Bank has purchased on the market on its own initiative. This item reflects the Bank's "open-market policy". *Other securities : Discounts and advances* consist entirely of commercial and Treasury bills discounted by the Bank for its clients, or accepted as collateral for advances to discount houses, private customers, and bill brokers. *Securities* include securities other than direct British Government issues with or without the guarantee of the British Government, commercial bills — domestic and foreign — purchased by the Bank on its own initiative, and any balances the Bank may hold with other central banks. *Public deposits* include, in addition to the free balances of Government departments and funds, the accounts of the National Debt Commissioners, and since 1932 such sterling balances of the Exchange Account as are not invested in Treasury bills. *Other deposits : Bankers' deposits* are, for the greater part, those of the London clearing-banks, though they may include the deposits of any British bank doing business in the United Kingdom. This item, together with the "reserve" and "ratio" referred to above are looked on as indices of conditions in the money market. *Other accounts* include mainly the deposits of English banks whose principal activities are outside the United Kingdom, those of other central banks, colonial banks, merchant bankers, discount houses, issuing-houses, the Indian Government, colonial Governments, and the accounts of the Bank's private customers.

TABLE VII. — ACCOUNTS OF THE IRISH CURRENCY COMMISSION.

On March 31st :	1930	1931	1932	1933	1934	1935	1936	1937
A. LEGAL TENDER NOTE FUND.								
ASSETS.								
1. Sterling balances on current or deposit account	0.37	0.40	0.14	0.14	0.17	0.35	0.22	0.17
2. British Government securities . . . . .	6.83	6.94	7.21	7.45	7.01	7.38	8.05	8.94
LIABILITIES								
3. Notes outstanding as at March 31st . . . . .	7.20	7.34	7.35	7.59	7.18	7.73	8.27	9.11
B. NOTE RESERVE FUND.								
4. Total Balance-sheet . . . . .	0.02	0.09	0.04	0.44	0.54	0.71	0.72	0.85
C. GENERAL FUND.								
ASSETS.								
5. Cash . . . . .	0.09	0.04	0.16	0.09	0.12	0.03	0.03	0.11
6. Investments . . . . .	—	0.06	0.05	0.17	0.32	0.46	0.52	0.62
7. Income to be received and premises . . . . .	0.05	0.17	0.18	0.17	0.15	0.16	0.14	0.13
8. Other assets . . . . .	0.64	—	—	—	—	—	—	—
9. Total net Balance-sheet . . . . .	0.78	0.27	0.39	0.43	0.59	0.65	0.69	0.86
10. <i>Per contra</i> items . . . . .	—	4.63	10.53	10.77	10.84	10.88	10.89	10.87
<i>Aggregate Balance-sheet (A + B + C, 9)</i> . . . . .	8.00	7.70	7.78	8.46	8.31	9.09	9.68	10.82
LIABILITIES.								
11. Shareholders' capital payments . . . . .	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12. Reserve funds . . . . .	0.07	0.09	0.13	0.13	0.16	0.18	0.20	0.22
13. Deposits . . . . .	0.02	0.02	0.04	0.12	0.27	0.29	0.29	0.42
14. Surplus income account and other liabilities . . . . .	0.67	0.14	0.20	0.16	0.14	0.16	0.18	0.20

Statement of Accounts of the Irish Currency Commission.

A. LEGAL TENDER NOTE FUND.

*Sterling balances on current or deposit account* are those at the London agency of the Commission or at any bank in Great Britain or Northern Ireland, and include small amounts of " money in any form which is for the time being legal tender in Great Britain for unlimited amounts ".

B. NOTE RESERVE FUND.

Only the balance-sheet total is given. The assets consist of British Government securities plus small amounts of securities guaranteed by the British Government ; the liabilities represent the " net balance of statutory transfers as modified by statutory adjustments ".

C. GENERAL FUND.

The nature of the *per contra* items excluded from the total net balance of the General Fund (and also from the aggregate balance-sheet of the Commission) will be seen from the following details relating to March 31st, 1937 :

ASSETS.	£ (000,000's)	LIABILITIES.	£ (000,000's)
Liability of shareholding banks on account of consolidated bank notes . . . . .	5.00	Consolidated bank notes outstanding . . . . .	5.00
Nominal amount of securities held on account of consolidated bank notes . . . . .	5.70	Nominal amount of securities received from shareholding banks on account of consolidated bank notes . . . . .	5.70
British silver coinage held on behalf of the Minister for Finance . . . . .	0.17	Liability at face value for British silver coinage held on behalf of the Minister for Finance . . . . .	0.17
<b>Total as <i>per contra</i></b> . . . . .	<b>10.87</b>	<b>Total as <i>per contra</i></b> . . . . .	<b>10.87</b>



an insignificant amount in recent years, is left to the discretion of the Bank. *Other Government securities* include a large portion of Treasury bills which were transferred to the Bank when the former took over the currency note issue in virtue of the Act of November 1928. *The maximum limit of fiduciary issue* was fixed at £260 million by the Act of November 1928, raised to £275 million on August 1st, 1931, and lowered again to £260 million on March 31st, 1933. On December 15th, 1936, it was lowered to £200 million in connection with a transfer of gold amounting to £65 million (at par) from the Exchange Equalisation Account to the Bank, the reduction of £60 million in the fiduciary issue being accompanied by a transfer from the latter to the former of a corresponding amount of the Issue Department's Government securities. In the middle of November 1937, the fiduciary issue was raised by £20 million to £220 million for a period of two months until January 19th, 1938. It is to be noted that all notes issued by the Issue Department in excess of the fiduciary limit have to be covered in full by gold held at the same Department and entered at the statutory price fixed by the Act of November 1928. Gold purchased by the Bank since 1932 is believed to have been acquired from the Exchange Account. The nominal loss arising from the statutory and market price for gold is believed to be borne by the latter and by the Treasury.

#### B. BANKING DEPARTMENT.

*Cash: Gold and silver coin*: This item, which is composed almost entirely of silver coin, constitutes together with notes held in the Banking Department what is known as the "reserve". The "ratio" or "proportion" is the proportion of this "reserve" to deposits. *Government securities* represent direct obligations of the British Government, and include long-term securities, Ways and Means Advances to the Exchequer, and such Treasury bills as the Bank has purchased on the market on its own initiative. This item reflects the Bank's "open-market policy". *Other securities: Discounts and advances* consist entirely of commercial and Treasury bills discounted by the Bank for its clients, or accepted as collateral for advances to discount houses, private customers, and bill brokers. *Securities* include securities other than direct British Government issues with or without the guarantee of the British Government, commercial bills — domestic and foreign — purchased by the Bank on its own initiative, and any balances the Bank may hold with other central banks. *Public deposits* include, in addition to the free balances of Government departments and funds, the accounts of the National Debt Commissioners, and since 1932 such sterling balances of the Exchange Account as are not invested in Treasury bills. *Other deposits: Bankers' deposits* are, for the greater part, those of the London clearing-banks, though they may include the deposits of any British bank doing business in the United Kingdom. This item, together with the "reserve" and "ratio" referred to above are looked on as indices of conditions in the money market. *Other accounts* include mainly the deposits of English banks whose principal activities are outside the United Kingdom, those of other central banks, colonial banks, merchant bankers, discount houses, issuing-houses, the Indian Government, colonial Governments, and the accounts of the Bank's private customers.

TABLE VII. — ACCOUNTS OF THE IRISH CURRENCY COMMISSION.

On March 31st :	1930	1931	1932	1933	1934	1935	1936	1937
<b>A. LEGAL TENDER NOTE FUND.</b>		£ (000,000's)						
ASSETS.								
1. Sterling balances on current or deposit account	0.37	0.40	0.14	0.14	0.17	0.35	0.22	0.17
2. British Government securities . . . . .	6.83	6.94	7.21	7.45	7.01	7.38	8.05	8.94
LIABILITIES								
3. Notes outstanding as at March 31st . . . . .	7.20	7.34	7.35	7.59	7.18	7.73	8.27	9.11
<b>B. NOTE RESERVE FUND.</b>								
4. Total Balance-sheet . . . . .	0.02	0.09	0.04	0.44	0.54	0.71	0.72	0.85
<b>C. GENERAL FUND.</b>								
ASSETS.								
5. Cash . . . . .	0.09	0.04	0.16	0.09	0.12	0.03	0.03	0.11
6. Investments . . . . .	—	0.06	0.05	0.17	0.32	0.46	0.52	0.62
7. Income to be received and premises . . . . .	0.05	0.17	0.18	0.17	0.15	0.16	0.14	0.13
8. Other assets . . . . .	0.64	—	—	—	—	—	—	—
9. Total net Balance-sheet . . . . .	0.78	0.27	0.39	0.43	0.59	0.65	0.69	0.86
10. <i>Per contra</i> items . . . . .	—	4.63	10.53	10.77	10.84	10.88	10.89	10.87
<i>Aggregate Balance-sheet (A + B + C, 9)</i> . . . . .	8.00	7.70	7.78	8.46	8.31	9.09	9.68	10.82
LIABILITIES.								
11. Shareholders' capital payments . . . . .	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12. Reserve funds . . . . .	0.07	0.09	0.13	0.13	0.16	0.18	0.20	0.22
13. Deposits . . . . .	0.02	0.02	0.04	0.12	0.27	0.29	0.29	0.42
14. Surplus income account and other liabilities . . . . .	0.67	0.14	0.20	0.16	0.14	0.16	0.18	0.20

## Statement of Accounts of the Irish Currency Commission.

## A. LEGAL TENDER NOTE FUND.

*Sterling balances on current or deposit account* are those at the London agency of the Commission or at any bank in Great Britain or Northern Ireland, and include small amounts of "money in any form which is for the time being legal tender in Great Britain for unlimited amounts".

## B. NOTE RESERVE FUND.

Only the balance-sheet total is given. The assets consist of British Government securities plus small amounts of securities guaranteed by the British Government; the liabilities represent the "net balance of statutory transfers as modified by statutory adjustments".

## C. GENERAL FUND.

The nature of the *per contra* items excluded from the total net balance of the General Fund (and also from the aggregate balance-sheet of the Commission) will be seen from the following details relating to March 31st, 1937:

ASSETS.	£ (000,000's)	LIABILITIES.	£ (000,000's)
Liability of shareholding banks on account of consolidated bank notes . . . . .	5.00	Consolidated bank notes outstanding . . . . .	5.00
Nominal amount of securities held on account of consolidated bank notes . . . . .	5.70	Nominal amount of securities received from shareholding banks on account of consolidated bank notes . . . . .	5.70
British silver coinage held on behalf of the Minister for Finance . . . . .	0.17	Liability at face value for British silver coinage held on behalf of the Minister for Finance . . . . .	0.17
Total as <i>per contra</i> . . . . .	10.87	Total as <i>per contra</i> . . . . .	10.87

TABLE VIII. — JOINT-STOCK BANKS IN ENGLAND AND WALES.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	16	16	16	16	16	16	15	15
Branches and Sub-Branches . . . . .	9,815	10,082	10,178	10,066	10,060	10,086	10,118	10,074
<b>SUMMARY BALANCE-SHEET.</b>		£ (000,000's)						
<b>ASSETS.</b>								
1. Cash . . . . .								
(a) Gold, silver and small coins . . . . .								
(b) Inland notes and balances with Central Bank . . . . .	481.3	472.4	414.5	446.2	446.1	477.4	498.9	565.1
2. Other Items of a Cash Nature . . . . .								
3. Bills discounted and bought . . . . .	224.3	316.4	234.1	389.2	292.8	255.2	304.2	289.5
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	260.7	303.4	304.7	496.6	587.6	611.6	628.6	663.0
(a) Government . . . . .	232.5	275.6	275.6	459.0	544.1	566.2	570.2	604.5
(b) Other . . . . .	28.2	27.8	29.1	37.6	43.5	45.4	58.4	58.5
5. Participations . . . . .	24.4	25.9	24.8	24.3	24.7	25.2	25.1	23.6
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	1,026.5	964.6	931.7	799.1	764.2	785.7	809.7	884.9
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	179.3	128.0	109.7	96.7	122.0	131.2	109.2	115.6
9. Premises, etc. . . . .	42.3	45.0	52.0	50.2	51.5	50.9	50.1	47.7
10. Sundry Assets . . . . .								
11. Total Balance-sheet . . . . .	2,238.8	2,255.7	2,071.5	2,302.3	2,288.9	2,337.2	2,425.8	2,589.4
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	78.1	80.0	80.0	80.0	80.0	80.0	79.7	79.7
13. Reserve Funds . . . . .	63.5	64.4	54.5	55.3	55.4	57.7	58.1	58.8
14. Profit and Loss, etc. . . . .	6.6	6.2	6.0	5.9	6.2	6.3	6.0	6.1
15. Notes in circulation . . . . .	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
16. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	—
17. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
18. Deposits . . . . .	1,911.0	1,976.8	1,821.0	2,064.3	2,025.2	2,061.9	2,172.7	2,329.1
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	179.3	128.0	109.7	96.7	122.0	131.2	109.2	115.6
20. Sundry Liabilities . . . . .	0.2	0.2	0.2	—	—	—	—	—
Number of Banks . . . . .	12	12	12	12	12	12	11	11
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
Capital paid up . . . . .	74.9	75.8	75.8	75.8	75.8	75.8	75.4	75.5
Reserves and Undivided Profits . . . . .	67.4	67.8	57.6	58.3	58.3	61.0	61.2	61.8
1. Gross Profits . . . . .	13.98	11.94	10.89	9.88	10.04	10.53	10.42	11.33
<i>To be deducted :</i>								
2. Expenses . . . . .	—	—	—	—	—	—	—	—
(a) Salaries, etc. . . . .	—	—	—	—	—	—	—	—
(b) Other working expenses . . . . .	—	—	—	—	—	—	—	—
(c) Taxes, etc. . . . .	—	—	—	—	—	—	—	—
3. Reserved for Pension Funds, etc. . . . .	0.89	0.66	0.37	0.37	0.42	0.37	0.65	0.58
4. Written off on . . . . .	1.48	0.73	0.03	0.25	0.20	0.70	0.68	1.14
(a) Premises, etc. . . . .	1.48	0.73	0.03	0.25	0.20	0.70	0.68	1.14
(b) Investments and securities . . . . .	—	—	—	—	—	—	—	—
(c) Other assets . . . . .	—	—	—	—	—	—	—	—
5. Remaining Net Profit . . . . .	11.61	10.55	10.49	9.26	9.42	9.46	9.09	9.61
6. Carried forward from preceding year . . . . .	3.80	3.67	3.45	3.57	3.49	3.60	3.69	3.28
7. Taken from Reserves or Capital . . . . .	—	—	—	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	15.41	14.22	13.94	12.83	12.91	13.06	12.78	12.89
9. Carried to Reserves . . . . .	1.28	0.86	1.43	0.73	0.73	0.60	0.56	0.60
10. Dividends . . . . .	10.46	9.91	8.94	8.60	8.58	8.77	8.94	8.56
11. Directors' Fees, etc. . . . .	—	—	—	—	—	—	—	—
12. Carried forward to following year . . . . .	3.67	3.45	3.57	3.49	3.60	3.69	3.28	3.73

TABLE IX. — SCOTTISH JOINT-STOCK BANKS.

End of :	1929	1930	1931	1932	1933	1934	1935	1936 :
Number of : Banks . . . . .	8	8	8	8	8	8	8	8
Branches and Sub-Branchees . . . . .	1,633	1,659	1,718	1,663	1,826	1,852	1,868	1,849
SUMMARY BALANCE-SHEET.		£ (000,000's)						
ASSETS.								
1. Cash . . . . .								
(a) Gold, silver and small coins . . . . .								
(b) Inland notes and balances with Central Bank . . . . .	62.3	63.8	60.4	68.1	66.6	70.5	75.9	79.1
2. Other Items of a Cash Nature . . . . .								
3. Bills discounted and bought . . . . .	21.6	21.6	28.8	30.3	22.0	11.5	12.5	9.9
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	83.7	98.1	101.4	136.7	157.7	161.1	177.7	188.3
(a) Government . . . . .	76.6	88.9	91.5	125.0	143.6	146.5	163.0	171.7
(b) Other . . . . .	7.1	9.2	9.9	11.7	14.1	14.6	14.7	16.6
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	132.5	124.5	104.3	92.6	86.3	94.8	94.6	95.4
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	6.5	4.8	4.8	5.1	6.3	9.9	13.6	14.8
9. Premises, etc. . . . .	4.8	4.7	4.7	4.8	4.7	4.8	4.7	4.7
10. Sundry Assets . . . . .	—	—	—	—	—	—	—	—
11. Total Balance-sheet . . . . .	311.4	317.5	304.4	337.6	343.6	352.6	379.0	392.2
LIABILITIES.								
12. Capital paid up . . . . .	12.0	13.1	13.5	13.5	13.5	13.5	13.5	13.6
13. Reserve Funds . . . . .	15.7	17.0	17.2	17.3	17.4	17.5	17.9	18.2
14. Profit and Loss, etc. . . . .	1.9	2.0	1.9	1.9	2.0	2.0	2.0	2.0
15. Notes in circulation . . . . .	21.4	21.4	21.4	21.0	19.2	21.4	21.9	23.1
16. Cheques and Drafts, etc., in circulation . . . . .	3.0	3.1	2.1	2.3	1.5	1.6	1.6	3.2
17. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
18. Deposits . . . . .	250.9	256.1	243.5	276.5	281.7	286.7	308.5	317.3
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	6.5	4.8	4.8	5.1	6.3	9.9	13.6	14.8
20. Sundry Liabilities . . . . .	—	—	—	—	—	—	—	—
SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.								
1. Gross Profits . . . . .	2.79	2.87	2.74	2.73	2.71	2.75	2.79	2.81
<i>To be deducted :</i>								
2. Expenses . . . . .	—	—	—	—	—	—	—	—
(a) Salaries, etc. . . . .	—	—	—	—	—	—	—	—
(b) Other working expenses . . . . .	—	—	—	—	—	—	—	—
(c) Taxes, etc. . . . .	—	—	—	—	—	—	—	—
3. Reserved for Pension Funds, etc. . . . .	0.23	0.23	0.15	0.13	0.16	0.22	0.29	0.31
4. Written off on . . . . .	0.26	0.27	0.22	0.22	0.16	0.30	0.27	0.23
(a) Premises, etc. . . . .	0.26	0.27	0.22	0.22	0.16	0.30	0.27	0.23
(b) Investments and securities . . . . .	—	—	—	—	—	—	—	—
(c) Other assets . . . . .	—	—	—	—	—	—	—	—
5. Remaining Net Profit . . . . .	2.30	2.37	2.37	2.38	2.39	2.23	2.23	2.27
6. Carried forward from preceding year . . . . .	2.00	2.06	2.09	2.05	2.08	2.12	2.12	2.11
7. Taken from Reserves or Capital . . . . .	—	—	—	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	4.30	4.43	4.46	4.43	4.47	4.35	4.35	4.38
9. Carried to Reserves . . . . .	0.53	0.52	0.57	0.53	0.53	0.37	0.35	0.40
10. Dividends . . . . .	1.71	1.82	1.84	1.82	1.82	1.86	1.89	1.84
11. Directors' Fees, etc. . . . .	—	—	—	—	—	—	—	—
12. Carried forward to following year . . . . .	2.06	2.09	2.05	2.08	2.12	2.12	2.11	2.14

TABLE X. — IRISH JOINT-STOCK BANKS.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of : Banks . . . . .	9	9	9	9	9	9	9	9
Branches and Sub-Branches . . . . .	1,064	1,063	1,071	1,079	1,077	1,073	1,073	1,083
<b>SUMMARY BALANCE-SHEET.</b>		£ (000,000's)						
<b>ASSETS.</b>								
1. Cash . . . . .								
(a) Gold, silver and small coins . . . . .								
(b) Inland notes and balances with Central Bank . . . . .	22.3	20.7	23.4	29.5	24.3	26.9	27.7	26.2
2. Other Items of a Cash Nature . . . . .								
3. Bills discounted and bought . . . . .	4.9	26.0	26.1	29.0	24.8	4.1	3.7	3.8
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	85.6	89.2	85.5	98.3	94.8	93.8	95.7	96.8
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	92.1	69.1	68.9	63.8	63.7	81.0	79.3	80.6
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	0.1	0.1	0.1	0.2	0.4	0.4	0.3	0.4
9. Promises, etc. . . . .	3.0	3.1	3.3	3.1	3.0	2.9	3.1	3.0
10. Sundry Assets . . . . .								
11. Total Balance-sheet . . . . .	208.0	208.2	207.3	223.9	211.0	209.1	209.8	210.8
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	8.6	8.7	8.7	8.6	8.7	8.7	8.9	8.9
13. Reserve Funds . . . . .	9.7	10.0	8.9	8.9	9.0	9.2	9.1	9.1
14. Profit and Loss, etc. . . . .	1.0	1.0	0.8	0.9	0.9	0.8	0.9	1.0
15. Notes in circulation . . . . .	10.2	9.4	8.7	8.8	8.9	9.1	9.4	9.6
16. Cheques and Drafts, etc., in circulation . . . . .	—	—	—	—	—	—	—	0.1
17. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
18. Deposits . . . . .	176.4	177.1	178.0	196.3	183.0	180.9	181.2	181.7
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	0.1	0.1	0.1	0.2	0.4	0.4	0.3	0.4
20. Sundry Liabilities . . . . .	2.0	1.9	2.1	0.2	0.1	—	—	—
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	1.72	1.74	1.62	1.43	1.34	1.34		
To be deducted :								
2. Expenses . . . . .	—	—	—	—	—	—	—	—
(a) Salaries, etc. . . . .	—	—	—	—	—	—	—	—
(b) Other working expenses . . . . .	—	—	—	—	—	—	—	—
(c) Taxes, etc. . . . .	—	—	—	—	—	—	—	—
3. Reserved for Pension Funds, etc. . . . .	0.02	0.02	0.02	0.02	—	0.01		
4. Written off on . . . . .	0.09	0.08	0.04	0.03	—	0.03		
(a) Premises, etc. . . . .	0.09	0.08	0.04	0.03	—	0.03		
(b) Investments and securities . . . . .	—	—	—	—	—	—		
(c) Other assets . . . . .	—	—	—	—	—	—		
5. Remaining Net Profit . . . . .	1.61	1.64	1.56	1.38	1.34	1.30	1.33	1.32
6. Carried forward from preceding year . . . . .	0.44	0.49	0.44	0.40	0.44	0.48	0.41	0.46
7. Taken from Reserves or Capital . . . . .	—	—	—	—	—	—	—	—
8. Total disposed of for Dividends, etc. . . . .	2.05	2.13	2.00	1.78	1.78	1.78	1.74	1.78
9. Carried to Reserves . . . . .	0.40	0.43	0.48	0.38	0.35	0.40	0.32	0.29
10. Dividends . . . . .	1.16	1.26	1.12	0.96	0.95	0.97	0.96	0.96
11. Directors' Fees, etc. . . . .	—	—	—	—	—	—	—	—
12. Carried forward to following year . . . . .	0.49	0.44	0.40	0.44	0.48	0.41	0.46	0.53

Commercial Banks.

1 and 2. *Cash Assets, etc.*

The combined sums shown for the first two groups of the Summary Balance-sheet include the following items: (a) "Cash in hand" consisting of coin, bank and currency notes and balances with the Bank of England; (b) balances with, and cheques in the course of collection on, other banks; (c) money at call and short notice. The balance-sheet form employed for the statistical summaries of the *Economist* distinguishes between (c) and the total of (a) and (b) wherever (c) is shown separately in the published accounts. It is, in fact, shown separately by all the leading banks throughout the period under review. In the case of the banks not showing money at call as a separate item, the total of (a), (b) and (c) has been included in the first column of the statement below:

End of	Cash in hand and at the Bank of England: Balances with and cheques on other banks	Money at call and short notice	Total (corresponding to the sums shown in Summary Table)
	£ (000,000's)		
<b>I. Joint-stock Banks in England and Wales.</b>			
1929 .	328.4	152.9	481.3
1930 .	325.6	146.8	472.4
1931 .	288.7	125.8	414.5
1932 .	296.9	149.3	446.2
1933 .	300.8	145.3	446.1
1934 .	311.8	165.6	477.4
1935 .	340.5	158.4	498.9
1936 .	361.8	203.3	565.1

II. *Scottish Banks.*

1929 .	40.2	22.1	62.3
1930 .	40.2	23.6	63.8
1931 .	39.3	21.1	60.4
1932 .	42.0	26.1	68.1
1933 .	40.9	25.7	66.6
1934 .	43.2	27.3	70.5
1935 .	46.4	29.5	75.9
1936 .	50.6	28.5	79.1

III. *Irish Banks.*

	I.	N.I.	Total	I.	N.I.	Total	I.	N.I.	Total
1929 .	8.9	6.2	15.1	7.2	—	7.2	16.1	6.2	22.3
1930 .	8.2	5.8	14.0	6.7	—	6.7	14.9	5.8	20.7
1931 .	7.7	5.8	13.5	9.9	—	9.9	17.6	5.8	23.4
1932 .	9.7	8.0	17.7	11.8	—	11.8	21.5	8.0	29.5
1933 .	9.7	5.7	15.4	8.9	—	8.9	18.6	5.7	24.3
1934 .	10.5	7.1	17.6	9.3	—	9.3	19.8	7.1	26.9
1935 .	10.5	7.2	17.7	10.0	—	10.0	20.5	7.2	27.7
1936 .	10.1	7.0	17.1	9.1	—	9.1	19.2	7.0	26.2

3. *Bills discounted and bought.*

The figures given for "bills discounted and bought" in balance-sheet summaries do not represent the total bill holdings of all the banks, as some of the minor banks include Treasury bills in their figures for Government securities (group 4 (a) of the Summary Table). In addition, a few banks do not show discounts separately from loans and advances, and in such cases they are included in group 7 of the Summary Balance-sheet.

4 and 5. *Investments and Securities; Participations.*

The banks do not give full details of the composition of their investments. A few of the minor banks in England and Wales do not show Government securities separately in their published accounts. In such cases, these are included under 4 (b) in the Summary Balance-sheet. As mentioned above, a minor portion of the sums shown under (a) consists

of Treasury bills not shown separately by some banks. The "other investments" are mainly gilt-edged and do not, as a rule, include stocks, shares and debentures of industrial companies. The sums shown in group 5 of the Summary Table for England and Wales represent the investments in affiliations of the "Big Five".

They consist mainly of capital participation in Scottish and Irish banks, and to a less extent in foreign and other auxiliary financial institutions. There is practically no direct participation in industry and trade.

6. *Due from Banks.*

Sight balances with, and the cheques in course of collection on, other banks are reported only by the London clearing-banks and are included in their cash assets. Correspondent accounts are, as a rule, merged with loans and advances under assets and with deposits under liabilities in the published statements of the joint-stock banks.

7. *Loans and Advances.*

As already mentioned, this item includes discounts not shown separately by some of the minor banks, and part of the correspondent accounts.

9 and 10. *Premises and Sundry Assets.*

Premises are not shown separately in the statistics of the *Economist*, but they constitute practically the whole of the joint sums shown in the balance-sheet summaries. It is generally recognised that the market value of the premises of the banks exceeds their book value and that important reserves are therefore concealed in this item of the aggregate balance-sheet.

13. *Reserve Funds.*

In addition to the ordinary reserve fund shown in the Summary Balance-sheet, other reserves are maintained to meet emergencies. These other reserves are included under deposits in the published statements. Moreover, additional resources are concealed by the fact that the premises and the investments of the banks are booked below their actual market value.

15. *Notes in Circulation.*

Joint-stock banks do not possess the right of note issue in England and Wales. The small note circulation shown in the Summary Table for England and Wales refers exclusively to the Isle of Man, which is not governed by the English currency legislation. The legislation governing the note issue in Scotland and Ireland was set out in detail in the first edition of this *Memorandum*.

17. *Due to Banks.*

The correspondent accounts as a rule are not shown separately, but are merged in the deposits in the published statements of the banks.

18. *Deposits.*

The banking statistics as regularly published in English sources do not show current accounts separately from deposit accounts. The report of the Macmillan Committee gave these details for the deposits of the London clearing-banks for the period January 1919-March 1931, and a

continuation of these series is published currently in the Bank of England *Statistical Summary* and in the League of Nations *Monthly Bulletin of Statistics*. The division of

total deposits into current accounts and deposit accounts for the years covered by the Summary Table is shown below :

	Monthly averages (December)								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
	£ (000,000's)								
Current accounts . .	957.7	991.8	865.1	991.6	1,015.4	1,044.4	1,140.1	1,287.9	1,284.1
Deposit accounts . .	815.1	846.6	845.8	962.8	900.2	909.8	924.4	1,011.9	1,026.3
Total . .	1,772.8	1,838.4	1,710.9	1,954.4	1,915.6	1,954.2	2,064.5	2,299.8	2,310.4

#### 19. *Acceptances and Endorsements.*

The greater part of the sums given represents bills accepted by the banks on behalf of their customers. These are almost entirely foreign bills accepted on behalf of home importers.

The figures shown in the Irish Summary Table refer almost exclusively to the Northern Irish banks, the acceptance business of Irish banks being insignificant.

#### *Summary of Profit-and-Loss Accounts.*

Some of the minor English joint-stock banks are omitted from the profit-and-loss statistics of the *Economist*, on which the Summary Table is based. The banks included are, however, fully representative, the aggregate of their capital and reserves constituting over 99% of the total capital and reserves of all the banks included in the Balance-sheet Summary Table in 1933. The profit-and-loss statistics for the Scottish and Irish banks are complete.

#### 1 and 2. *Gross Profits and Expenses.*

As most of the banks in the United Kingdom and Ireland adhere to the practice of deducting working expenses and income tax before disclosing their profit, these items have been excluded throughout. In recent years, the banks have disclosed their profits "after making appropriations to contingency accounts out of which provision has been made for bad and doubtful debts". It is impossible to tell from this vague phrase to what extent depreciation of assets has been covered out of earnings and to what extent out of undisclosed reserves. The amount shown as profits is entirely at the discretion of the directors.

It is evident, then, that the sums shown under 1 in the Summary Table do not represent gross profits in a true sense and are not comparable with the corresponding figures given in the profit-and-loss summaries for other countries.

#### 3. *Reserved for Pension Funds.*

This item of the Summary Table is headed "Staff" in the statistics of the *Economist* and includes all allocations for the benefit of the banking staff, which are shown separately by the banks.

#### 4. *Depreciation.*

As mentioned in the note to group 1 above, the banks do not show depreciation of investments in their published accounts.

#### 6 and 12. *Sums carried forward.*

The amounts shown in the summary for Scottish banks include the "Rest" (i.e., the Reserve Funds) of the Royal Bank of Scotland.

#### 10. *Dividends.*

The dividend figures given include a certain proportion of income tax not deducted from the sums distributed to shareholders by a number of banks.

## UNITED STATES OF AMERICA

*Note.* — For a detailed account of principal events and measures in the United States during 1937 and 1938, see *Monetary Review*, Vol. I, Part A. For previous years, see *Commercial Banks 1913-1929*, pages 324-349; *1925-1933*, pages 236-267; *1929-1934*, pages 144-154; *Money and Banking 1935/36*, Vol. I, pages 30-38; Vol. II, pages 193-203; *1936/37*, pages 156-166.

TABLE I. — FEDERAL RESERVE BANK CREDIT, GOLD STOCK, MONEY IN CIRCULATION, AND MEMBER-BANK RESERVE BALANCES.

Average of daily figures	Reserve bank credit outstanding			Monetary gold stock (excl. revaluation profits) a	Silver certificates and silver coin in circulation — end of year or month	Money in circulation	Treasury cash and deposits with Federal Reserve banks	Non-member-bank deposits with Federal Reserve banks	"Other Federal Reserve accounts"	Total member-bank reserve balances	Member-bank excess reserve balances			
	Total	U.S. Govt. securities	Bills discounted								Total	New York City	Other Reserve cities	"Country" banks
Yearly average : <span style="float: right;">\$ (100,000's)</span>														
1929 . . . .	1,459	208	952	3,996	753	4,476	229	30	376	2,358	43	11	10	22
1935 . . . .	2,475	2,431	7	6,253	1,174	5,585	2,919 <sup>b</sup>	252	255	5,001	2,469	1,012	995	462
1936 . . . .	2,481	2,430	6	7,745	1,432	6,101	2,920	551		5,989	2,512	944	1,041	527
1937 . . . .	2,554	2,504	14	8,474	1,527	6,475	3,383	595		6,830	1,220	377	236	377
March 1935 . .	2,461	2,431	7	5,746	944	5,477	3,122	236	250	4,452	2,065	779	842	444
June 1935 . .	2,479	2,431	8	6,219	1,030	5,522	2,989	266	261	4,979	2,438	915	1,079	443
Sept. 1935 . .	2,480	2,430	10	6,440	1,091	5,651	2,734	236	252	5,243	2,628	1,177	980	471
Dec. 1935 . .	2,494	2,430	6	7,266	1,174	5,897	2,869	276	263	5,716	2,983	1,350	1,133	499
March 1936 . .	2,484	2,430	6	7,366	1,205	5,857	3,278	336	266	5,420	2,653	1,056	1,054	543
June 1936 . .	2,478	2,430	6	7,708	1,306	6,062	3,372	567		5,484	2,593	908	1,189	496
Sept. 1936 . .	2,479	2,430	8	7,958	1,361	6,258	2,619	528		6,345	1,852 <sup>c</sup>	535 <sup>c</sup>	819 <sup>c</sup>	498 <sup>c</sup>
Dec. 1936 . .	2,498	2,434	7	8,387	1,432	6,563	2,512	506		6,665	2,046 <sup>e</sup>	697 <sup>e</sup>	850 <sup>e</sup>	498 <sup>e</sup>
March 1937 . .	2,472	2,432	6	8,354	1,392	6,391	2,887	530		6,704	1,371 <sup>d</sup>	401 <sup>d</sup>	542 <sup>d</sup>	428 <sup>d</sup>
June 1937 . .	2,578	2,526	15	8,296	1,457	6,435	3,453	549		6,878	876 <sup>e</sup>	176 <sup>e</sup>	359 <sup>e</sup>	341 <sup>e</sup>
Sept. 1937 . .	2,584	2,526	24	8,637	1,514	6,558	3,808	607		6,854	900	235	332	333
Dec. 1937* . .	2,628	2,565	16	8,731	1,527	6,618	3,810	713		6,879	1,071	305	446	319

Source : *Federal Reserve Bulletin* and Annual Reports of Federal Reserve Board.

\* Provisional.

<sup>a</sup> Less revaluation increment of \$2,806 million and excluding gold held in the "inactive" account of the Treasury.

<sup>b</sup> Including revaluation increment of \$2,806 million.

<sup>c</sup> Reserve requirements raised by 50% as from August 25th, 1936.

<sup>d</sup> Reserve requirements increased 16 2/3% as from March 1st, 1937.

<sup>e</sup> Reserve requirements increased 16 2/3% as from May 1st, 1937, or double of those prior to August 15th, 1936.

**Construction of Table :** For a detailed description of these items and of their significance, see *Federal Reserve Bulletin*, July 1935, pages 419-428.

**Reserve Bank Credit outstanding :** *Total* includes small amounts relating to "bills bought" and other Reserve bank credit which are not shown here separately.

**Monetary Gold Stock :** Since June 1934, the gold stock is shown without the increment of \$2,806 million resulting from the *de facto* devaluation of the dollar in January 1934. The Gold Reserve Act of January 30th, 1934, transferred the title to the gold stock of the Federal Reserve system to the United States Treasury, so that from that date this column represents only gold held by the Treasury. The Federal Reserve banks now hold gold certificates or gold-certificate credits in the books of the Treasury against which the Treasury holds gold. Since that date, too, \$287 million of gold coin not recovered by the Treasury, though previously recorded as being in circulation, has been excluded from the monetary gold stock and from money in circulation. The gold stock excludes gold in the "inactive" account of the Treasury purchased under the "Sterilisation Plan" of December 21st, 1936, which is shown in Table VI.



On September 13th, 1937, an amount of \$300 million was taken out of the "inactive" account by the transfer to the Federal Reserve Bank of New York of a corresponding sum in gold certificates.

The special powers which the Gold Reserve Act of 1934 conferred on the President with regard to gold content of the dollar and the operation of the Exchange Equalisation Fund for a period of two years expired on January 30th, 1936, and were renewed for the one additional year of extension for which the Act provides. These powers were prolonged for two and a half years up to June 30th, 1939, by Act of Congress on January 20th, 1937.

The movements of gold in and out of the United States since 1929 are shown in detail in Table VI below.

**Treasury Cash and Deposits with Federal Reserve Banks :** This item was increased by \$2,806 million on the close of business on January 30th, 1934, as a result of the reduction in the gold content of the dollar.

Of the same significance for member-bank reserves as Treasury cash and deposits with Federal Reserve banks are Treasury deposits held with all member banks — *i.e.*, an increase in them tends to increase balances and a decrease tends to reduce them. The movement of these deposits has been as follows (end-of-the-month figures):

\$ (000,000's)			
June 1929 . . . . .	348	June 1936 . . . . .	1,037
June 1935 . . . . .	779	June 1937 . . . . .	628

**Member-bank Reserve Balances with Federal Reserve System :** Excess reserves are estimated in the *Federal Reserve Bulletin* by subtracting from total reserves held the estimated required reserves. Through the successive increases in reserve requirements effected, in virtue of the Banking Act of 1935, as from August 15th, 1936, January 30th, 1937, March 1st, 1937, and May 1st, 1937, these became at the last date as follows : against net demand deposits 26% for central city banks 20% for Reserve city banks, and 14% for country banks, and against time deposits 6% for all banks.

TABLE II. — ALL BANKS : DEPOSITS (A), LOANS (B) AND INVESTMENTS (C).

	Number of banks			All banks			Member banks			Non-member banks		
	Total	Member	Non-member	A	B	C	A	B	C	A	B	C
	\$ (000,000's)											
June 30, 1929 . . . . .	25,115	8,707	16,408	53,852	41,512	16,962	32,284	25,658	10,052	21,567	15,854	6,910
June 29, 1935 . . . . .	15,994	6,410	9,584	45,766	20,272	24,145	29,496	11,928	16,857	16,270	8,344	7,288
Nov. 1, 1935 . . . . .	15,904	6,400	9,504	47,522	20,140	24,868	31,072	11,841	17,460	16,449	8,299	7,408
Dec. 31, 1935 . . . . .	15,837	6,387	9,450	48,964	20,329	25,388	32,159	12,175	17,810	16,805	8,154	7,578
March 4, 1936 . . . . .	15,808	6,377	9,431	48,771	20,275	25,882	31,774	12,099	18,189	16,997	8,176	7,693
June 30, 1936 . . . . .	15,752	6,400	9,352	51,335	20,679	27,778	34,098	12,542	19,717	17,237	8,137	8,062
Dec. 31, 1936 . . . . .	15,628	6,376	9,252	53,701	21,449	28,075	35,893	13,360	19,640	17,809	8,089	8,436
June 30, 1937 . . . . .	15,527	6,357	9,170	53,287	22,514	27,182	35,440	14,285	18,454	17,848	8,229	8,728
Dec. 31, 1937 . . . . .	...	6,341	...	...	...	...	34,810	13,958	17,794	...	...	...

Source : Annual Reports by Federal Reserve Board and *Federal Reserve Bulletin*.

This table covers all commercial banks, members as well as non-members of the Federal Reserve system, mutual and stock savings banks, trust companies and private banks. It relates to a greater number of banks than the adjoining detailed balance-sheet summary (Table VII), which is based on statistics published in the annual reports of the Comptroller of the Currency. Beginning with June 30th, 1933, figures in Table II relate to licensed banks only, with some exceptions as to non-member banks. Figures on deposits exclude inter-bank deposits.

TABLE III. — MEMBER-BANK LOANS AND INVESTMENTS BY CLASSES.

Figures have been given in Table III for only two out of three groups making up total membership, the third group, "country banks", representing the difference between the figures for all member banks and the sum of those for New York City and other Reserve cities.

**Loans to Customers :** *Loans on securities* comprise two items — a relatively small item on loans to brokers outside New York City and "loans to others" on securities. "All other" loans consist of a small amount of reporting banks' own acceptances, loans secured otherwise than on securities, and unsecured loans.

**Open-market Loans :** *Purchased paper* consists of acceptances payable in the United States, bills payable abroad, and commercial paper bought.

**United States Government Securities :** *Direct obligations* consist of Treasury bills, certificates, notes and bonds. *Fully guaranteed securities* are those issued by various credit organisations which are financed partly from Government and partly from private funds. (See below under Table IV.)

TABLE III. — MEMBER-BANK LOANS AND INVESTMENTS BY CLASSES.

Call date	Total loans and investments	Total loans	Loans to customers			Loans to banks	Open-market loans		Total investments	U.S. Government securities		Other securities
			On security	On real estate	" All other "		Purchased paper	To brokers in New York City		Direct	Guaranteed	
\$ (000,000's)												
<i>All Member Banks :</i>												
Dec. 31, 1935 . . . .	29,985	10,548	3,089	2,284	5,175	98	482	1,047	17,810	10,501	1,768	5,541
March 4, 1936 . . . .	30,288	10,460	3,043	2,301	5,116	82	469	1,089	18,189	10,564	1,880	5,745
June 30, 1936 . . . .	32,259	10,943	3,129	2,340	5,472	81	440	1,079	19,717	11,721	1,950	6,045
Dec. 31, 1936 . . . .	33,000	11,628	3,051	2,405	6,172	85	503	1,144	19,640	11,639	1,906	6,095
March 31, 1937 . . . .	32,525	11,862	3,074	2,440	6,348	99	578	1,159	18,826	10,856	1,861	6,108
June 30, 1937 . . . .	32,739	12,369	3,087	2,505	6,776	115	523	1,278	18,454	10,870	1,819	5,765
Dec. 31, 1937 . . . .	31,733	12,652	2,965	2,549	7,139	71	512	739	17,759	10,578	1,798	5,383
<i>New York City :</i>												
Dec. 31, 1935 . . . .	8,418	2,196	853	140	1,203	42	179	1,018	4,985	3,425	401	1,159
March 4, 1936 . . . .	8,802	2,215	856	148	1,211	29	158	1,043	5,355	3,602	505	1,248
June 30, 1936 . . . .	9,556	2,338	889	146	1,303	28	134	1,028	6,028	4,196	567	1,265
Dec. 31, 1936 . . . .	9,280	2,567	831	144	1,592	42	151	1,095	5,425	3,739	470	1,217
March 31, 1937 . . . .	9,101	2,676	864	142	1,669	51	129	1,105	5,140	3,356	473	1,311
June 30, 1937 . . . .	9,006	2,890	900	149	1,841	62	104	1,219	4,730	3,176	454	1,100
Dec. 31, 1937 . . . .	8,316	2,839	791	142	1,906	29	124	703	4,621	3,207	388	1,026
<i>Other Reserve Cities :</i>												
Dec. 31, 1935 . . . .	12,648	4,599	1,330	1,109	2,160	40	163	22	7,824	5,137	744	1,944
March 4, 1936 . . . .	12,601	4,527	1,308	1,109	2,111	36	160	31	7,845	5,089	745	2,011
June 30, 1936 . . . .	13,257	4,755	1,363	1,115	2,275	36	151	35	8,282	5,363	743	2,175
Dec. 31, 1936 . . . .	13,895	5,195	1,361	1,137	2,697	29	167	37	8,467	5,533	791	2,143
March 31, 1937 . . . .	13,479	5,247	1,360	1,149	2,740	31	216	39	7,945	5,103	763	2,078
June 30, 1937 . . . .	13,598	5,390	1,341	1,177	2,871	36	197	45	7,930	5,174	729	2,027
Dec. 31, 1937 . . . .	13,305	5,604	1,333	1,187	3,084	28	173	26	7,473	4,879	731	1,862

Source : Federal Reserve Bulletin.

TABLE IV. — LOANS OF GOVERNMENT CREDIT CORPORATIONS AND AGENCIES.

End of :	June 1934	December 1934	June 1935	December 1935	June 1936	December 1936	June 1937	December 1937
\$ (000,000's)								
1. Loans of organisations financed wholly from Government funds (inclusive of preferred stock) . . . .	3,321	2,904	3,097	3,050	2,847	2,600	2,477	2,484
<i>Of which :</i>								
(a) Reconstruction Finance Corporation Loans . .	(1,887)	(1,436)	(1,380)	(1,401)	(1,255)	(1,175)	(1,157)	(1,175)
(b) Preferred stock, capital notes and debentures held by the Reconstruction Finance Corporation	(780)	(834)	(873)	(872)	(789)	(651)	(582)	(555)
2. Loans of organisations financed partly from Government and partly from private funds . . . . .	3,223	5,264	5,798	6,125	6,264	6,198	6,073	5,956
Total . . . . .	6,544	8,168	8,895	9,175	9,111	8,798	8,550	8,440

Source : Federal Reserve Bulletin.

A classification of the loans of these two groups of organisations according to the nature of the loan is given below :

End of :	December 1934	June 1935	December 1935	June 1936	December 1936	June 1937	December 1937
\$ (000,000's)							
1. Loans to financial institutions . . . . .	984	792	679	556	521	488	501
2. Preferred stock, etc. . . . .	837	876	877	799	776	765	762
3. Home mortgage loans . . . . .	2,394	2,658	2,897	2,945	2,765	2,556	2,398
4. Farm mortgage loans . . . . .	2,597	2,859	2,924	2,954	2,937	2,906	2,876
5. Other agricultural loans . . . . .	402	610	677	658	599	556	560
6. All other loans . . . . .	954	1,100	1,121	1,199	1,200	1,279	1,343
Total loans and preferred stock . . . . .	8,168	8,895	9,175	9,111	8,798	8,550	8,440

TABLE V. — BANK DEBITS, VELOCITY OF CIRCULATION OF DEMAND DEPOSITS, BOND YIELDS, AND PRINCIPAL MONEY RATES.

Yearly and quarterly averages of monthly averages	Bank debits to individual accounts (monthly averages)		Index of velocity of circulation of demand deposits		Bond yields		Principal money rates in New York City					
	New York City	Outside New York City (140 centres)	New York City	Outside New York City	Treasury	Industrial	Federal Reserve Bank of New York discount rate	Stock Exchange call loans	Commercial paper 4-6 months	Commercial paper 90 days	Customers' rate on commercial loans	Average yield on Treasury bills <sup>a</sup>
<b>Yearly :</b>												
1929 . . . . .	50,257	27,662	205	127	3.60	5.31	5.16	7.61	5.84	5.03	5.88	—
1935 . . . . .	15,334	14,640	45	68	2.70	4.02	1.50	0.56	0.76	0.13	2.70	0.14
1936 . . . . .	17,412	18,306	43	70	2.47	3.50	1.50	0.91	0.75	0.15	2.49	0.14
1937 . . . . .	16,486	19,590	47	70	2.57	3.55	1.33	1.00	0.95	0.43	2.43	0.45
<b>Quarterly :</b>												
1935 : I . . . . .	14,480	14,667	45	67	2.75	4.30	1.50	1.00	0.79	0.13	2.79	0.12
II . . . . .	15,374	15,670	45	66	2.62	4.30	1.50	0.38	0.75	0.13	2.65	0.15
III . . . . .	15,161	15,701	46	68	2.68	4.25	1.50	0.25	0.75	0.13	2.67	0.13
IV . . . . .	16,320	17,402	43	69	2.74	4.14	1.50	0.60	0.75	0.13	2.70	0.14
1936 : I . . . . .	17,787	17,044	44	70	2.61	3.88	1.50	0.75	0.75	0.13	2.60	0.10
II . . . . .	17,379	17,792	42	71	2.50	3.80	1.50	0.89	0.75	0.13	2.50	0.17
III . . . . .	15,406	17,770	41	69	2.45	3.48	1.50	1.00	0.75	0.18	2.42	0.16
IV . . . . .	19,074	20,618	43	70	2.33	3.39	1.50	1.00	0.75	0.19	2.44	0.14
1937 : I . . . . .	18,800	19,869	50	72	2.37	3.46	1.50	1.00	0.88	0.32	2.47	0.44
II . . . . .	16,210	19,787	43	69	2.68	3.57	1.50	1.00	1.00	0.52	2.44	0.64
III . . . . .	14,982	19,068	46	69	2.62	3.51	1.32	1.00	1.00	0.44	2.39	0.51
IV . . . . .	15,953	19,636	47	70	2.60	3.65	1.00	1.00	1.00	0.44	2.41	0.22

<sup>a</sup> Figures from April 1934 to March 1935, for six-month bills, and from April 1935, for nine-month bills.

**Bank Debits to Individual Accounts :** Represent monthly debits or charges on the books of reporting member and non-member banks to deposit accounts of individuals, partnerships, corporations, and the Federal, State, County and Municipal Governments in 141 cities as published in the *Federal Reserve Bulletin*.

**Index of the Velocity of Circulation of Demand Deposits :** Is the one computed by the Federal Reserve Bank of New York and published in its *Bulletin*. It is based on the period 1919-1925 and corrected for seasonal movements.

**Bond Yields :** *Treasury* : Computed by Division of Research and Statistics of United States Treasury Department and representing the average of yields of all outstanding bonds (6 to 11) due or callable after eight years. *Industrial* : Computed by Moody's Investors' Service and as published in the *Federal Reserve Bulletin*. It represents average yields on forty bonds up to 1934 and less than forty bonds since the early part of that year.

TABLE VI. — CHANGES IN GOLD STOCK AND GOLD MOVEMENTS.

(See Table VI on the following page.)

**Changes in Gold Stock :** The difference between the gold stock and the sum of earmark operations and net import and export is due to such factors as domestic production, movements in and out of monetary use, imports and exports that do not affect gold stock during month or year, and the increment of \$2,806 million resulting from the revaluation of the dollar on January 30th, 1934.

**Gold Exports and Purchases of Gold :** On December 21st, 1936, it was announced that the Treasury would in future buy domestic and foreign gold against the issue of Treasury bills. These purchases figure in the statement on the gold position of the Treasury as "inactive gold", shown for the first time on December 24th at \$14.8 million.

TABLE VI. — CHANGES IN GOLD STOCK AND GOLD MOVEMENTS.

Year or quarter	Changes in gold stock				Net imports from or exports to (—) during year or quarter							
	Stock at the end of the year or quarter	Of which in Inactive Account	Net release from or addition (—) to earmark	Net gold import or export (—)	United Kingdom	France	Belgium + Netherlands + Switzerland	Mexico	Japan	Canada	India	All other
	\$ (000,000's)											
1935 . . . . .	10,125	—	0	1,739	316	934	228	14	—	95	75	67
1936 . . . . .	11,258	27	— 86	1,117	174	574	82	40	—	73	78	89
1937 . . . . .	12,760	1,228	—200	1,586	892	— 14	152	38	246	111	51	109
1935: I. . . . .	8,567	—	1	285	149	60	15	7	—	22	13	17
II. . . . .	9,116	—	— 3	519	4	351	121	3	—	23	3	14
III. . . . .	9,368	—	2	219	37	41	67	2	—	26	27	17
IV. . . . .	10,125	—	—	716	126	483	26	2	—	24	32	19
1936: I. . . . .	10,184	—	— 10	35	1	— 14	— 4	2	—	13	12	22
II. . . . .	10,608	—	— 28	476	9	338	48	20	—	14	21	26
III. . . . .	10,845	—	— 38	255	14	155	2	17	—	19	23	23
IV. . . . .	11,258	27	— 9	352	150	95	36	1	—	28	22	18
1937: I. . . . .	11,574	343	— 57	396	271	12	28	14	6	21	17	27
II. . . . .	12,318	1,087	17	633	436	13	49	5	42	43	13	32
III. . . . .	12,741	1,210	— 31	426	166	1	53	11	123	34	13	25
IV. . . . .	12,760	1,228	—130	131	19	— 40	22	8	76	13	8	25

Source: Federal Reserve Bulletin.

TABLE VII. — UNIFORM BALANCE-SHEET STATEMENT OF COMMERCIAL BANKS.

End of :	June 1934	June 1935	June 1936	Dec. 1936	June 1937	End of :	June 1934	June 1935	June 1936	Dec. 1936	June 1937
Number of banks . .	13,896	14,175	14,059	13,970	13,885						
ASSETS. \$ (000,000's)						LIABILITIES. \$ (000,000's)					
Cash in vault . . . .	623	706	916	917	844	Capital, notes, debentures . . . . .	3,319	3,365	3,213	3,081	3,054
Balances with Federal Reserve banks . . . .	3,819	4,933	5,607	6,572	6,897	Surplus . . . . .	1,962	1,893	2,042	2,185	2,225
Cash items in course of collection . . . .	1,094	1,220	2,194	2,595	2,249	Undivided profits . . .	471	529	629	666	708
Due from domestic banks . . . . .	3,661	4,522	5,267	5,589	4,496	Reserves . . . . .	492	426	415	397	409
Due from foreign banks	146	76	55	58	55	Demand deposits . . . .	15,282	18,475	22,296	24,354	23,427
U.S. Govt. securities .	10,302	12,352	14,772	14,750	13,965	Time deposits . . . . .	11,320	12,254	13,005	13,454	13,933
State and municipal securities . . . . .	2,256	2,559	2,758	2,734	2,662	U.S. Govt. deposits . .	1,708	805	1,106	946	651
Foreign securities . . .	334	296	298	279	273	Other public deposits .	2,408	2,913	3,314	3,263	3,511
Other securities . . . .	3,460	3,684	4,225	4,414	4,146	Postal savings . . . . .	661	372	196	140	132
Stock in Federal Reserve banks . . . . .	146	146	131	131	132	Due to domestic banks	4,271	5,201	6,233	6,657	5,514
Loans and discounts . .	15,189	14,495	15,107	15,939	17,015	Due to foreign banks .	164	280	475	442	632
Cover for acceptances	254	159	159	181	191	Notes in circulation . .	695	222	—	—	—
Premises . . . . .	1,213	1,210	1,195	1,178	1,173	Bills payable and rediscounts . . . . .	73	46	39	32	35
Other real estate . . .	427	508	574	560	537	Acceptances . . . . .	268	176	180	203	215
Other assets . . . . .	512	386	320	299	257	Other liabilities . . . . .	342	295	435	376	446
Total assets . . . . .	43,436	47,252	53,578	56,196	54,892	Total liabilities . . . . .	43,436	47,252	53,578	56,196	54,892

Source: Reports of the Federal Deposit Insurance Corporation.

Table VII provides a balance-sheet statement covering the majority of commercial banks which is based on completely uniform methods of classification imposed by the Federal Deposit Insurance Corporation, to whose members it relates. It is naturally more homogeneous, though covering fewer banks, than the first of the attached balance-sheet statements, which is based on the statistics published in the Annual Reports of the Comptroller of the Currency, which relates to national, State (commercial) and private banks, and loan and trust companies. The banks covered by Table VII represent about 90% of all licensed commercial banks in the United States, and, at the end of June 1937, were 13,885 in number. Of these, only 6,357 were member banks of the Federal Reserve system, but they accounted for almost 90% of the total deposits of all insured commercial banks and over 65% of the total deposits of all commercial banks.

TABLE VIII. — FEDERAL RESERVE BANKS.

End of *:	1929	1930	1931	1932	1933	1934	1935	1936	1937 <sup>d</sup>
\$ (000,000's)									
ASSETS.									
1. Gold reserve . . . . .	2,857	2,941	2,989	3,223	3,569	5,143	7,570	8,865	9,129
(a) Gold with Federal Reserve agents and Federal Reserve Board . .	2,188	2,148	2,444	2,692	3,243				
(b) Gold coin and bullion . . . . .	264	263	142	218	179				
(c) Gold certificates . . . . .	332	495	347	200	102	5,124 <sup>b</sup>	7,553 <sup>b</sup>	8,852 <sup>b</sup>	9,120 <sup>b</sup>
(d) Redemption Fund with U.S. Treas- ury . . . . .	73	35	56	40	45				
(e) Gold held abroad . . . . .	—	—	—	73	—				
(f) Redemption Fund— Federal Reserve notes . . . . .	—	—	—	—	—	19	17	13	9
2. Other cash . . . . .	236	220	241	268	225	257	265	257	352
(a) Silver certificates, standard silver dollars, subsidiary coins . . . .	93	120	149	175	117	127	186	197	—
(b) United States notes, National and Federal Reserve bank notes . .	143	100	92	93	108	130	79	60	—
3. Due from foreign banks . . . . .	1	1	9	3	3	1	1	—	—
4. Bills . . . . .	1,025	615	977	268	230	13	10	6	11
(a) Bills discounted : . . . . .									
(1) Secured by U.S. Government obligations . . . . .	354	89	321	61	27	3	2	2	10
(2) Other bills discounted. . . . .	279	162	317	174	70	4	3	1	—
(b) Bills bought in open market : . .									
(1) Payable in U.S. currency . . .	392	364	306	4	127	—	—	—	—
(2) Payable in foreign currencies .	—	—	33	29	6	6	5	3	1
5. Industrial advances . . . . .	—	—	—	—	—	14	32	25	18
6. Securities . . . . .	523	736	848	1,860	2,439	2,430	2,431	2,430	2,564
(a) U.S. Government securities : . .									
(1) Bonds . . . . .	77	164	361	422	444	396	216	491	752
(2) Treasury notes . . . . .	216	226	33	299	1,053	1,507	1,642	1,341	1,155
(3) Certificates of indebtedness . .	162	315	271	719	425	—	—	—	—
(4) Treasury bills . . . . .	56	24	152	415	516	527	573	598	657
(b) Other securities . . . . .	12	7	31	5	1	—	—	—	—
7. Uncollected items . . . . .	707	585	498	382	446	460	604	825	...
8. Other assets . . . . .	69	83	97	95	114	99	90	88	...
9. Total Balance-sheet <sup>o</sup> . . . . .	5,418	5,181	5,659	6,099	7,026	8,417	11,003	12,496	...
LIABILITIES.									
10. Capital paid up . . . . .	171	170	161	151	145	147	131	131	...
11. Reserves . . . . .	260	285	284	277	291	168	200	207	...
12. Federal Reserve notes in actual circula- tion . . . . .	1,910	1,664	2,624	2,739	3,289	3,247	3,709	4,284	4,284
13. Deposits . . . . .	2,408	2,516	2,124	2,558	2,864	4,404	6,385	7,108	7,577
(a) Member bank — reserve account .	2,354	2,470	1,960	2,509	2,729	4,095	5,586	6,606	7,027
(b) U.S. Treasurer — general account	25	19	54	6	3	121	544	244	142
(c) Foreign bank . . . . .	6	6	79	19	4	19	29	99	172
(d) Non-member clearing account . .	20	18	21	13	39	66	91	123	...
(e) Other deposits . . . . .	3	3	10	11	89	103	135	36	236
14. Deferred availability items . . . . .	673	564	478	368	431	455	592	786	...
15. Other liabilities . . . . .	38	4	8	24	24	25	13	13	...
Discount rate (percentage) . . . . .	4½	2	3½	2½	2	1½	1½	1½	1

\* Before closing books at end of year.

<sup>b</sup> From 1934 onwards: "Gold certificates on hand and due from U.S. Treasury".

<sup>c</sup> Excluding holdings of Federal Reserve notes of other reserve banks.

<sup>d</sup> Monthly Statement for end of December 1937.

#### Federal Reserve Banks.

Gold Reserve is valued at \$20.67 per fine ounce (\$1 = 1.50463 gramme of fine gold) through January 1934, and at \$35 per fine ounce (\$1 = 0.88867 gramme of fine gold) thereafter. The Gold Reserve Act of January 30th, 1934, transferred the title to the gold stock of the Federal Reserve System to the U.S. Treasury, so that from

that date amounts shown under this heading represent only gold held by the Treasury. The Federal Reserve banks now hold gold certificates or gold certificate credits in the books of the Treasury against which the Treasury holds gold. The total shown represents, as from January 30th, 1934, sums designated as "Gold certificates on hand and due from the U.S. Treasury" and comprises three items shown separately in the original statement — *i.e.* : (a) "gold certificates with Federal Reserve agents"; (b) "gold certificates in interdistrict settlement fund with Board of Governors"; and (c) "gold certificates held by banks". Item (a) corresponds to "gold with Federal Reserve agents" in the statements prior to January 30th, 1934; item (b), to "gold with Federal Reserve Board"; and item (c), to "gold coin and bullion". It should be noted that the increment of \$2,806 million on the revaluation of the gold reserve was credited to the Treasury and does not form part of the assets of the Federal Reserve banks nor does gold held by the Treasury in the "inactive account", since December 21st, 1936.

**Bills :** *Bills discounted (secured by U.S. obligations)* : This item represents rediscounts for and advances to member and non-member banks — mainly the former — against collateral of securities issued or guaranteed by the U.S. Government. *Other bills discounted* includes advances to Federal intermediate credit banks, and to individuals, partnerships and corporations under special legislation as well as ordinary rediscounts for member banks. At times, this item comprises loans on gold to foreign central banks. *Bills bought in the open market* represent (1) dollar bankers' acceptances purchased from bill dealers or banks, either outright or resale agreements and (2) acceptances payable in foreign currencies purchased from foreign central banks and guaranteed by them.

**Industrial advances** are those authorized by the Federal Reserve Bank Act of June 19th, 1934. The Federal Reserve banks may, under this Act, discount or buy from "any bank, trust company, mortgage company, credit corporation for industry or other financing institute" obligations maturing within five years entered into for the purpose of advances to industrial and commercial enterprises. The financing institution must itself advance at least 20% of the working capital or must be responsible for at least the same percentage for any loss suffered by the Federal Reserve bank. In exceptional circumstances, the Federal Reserve banks may make direct working capital advances to established private industries. The aggregate amount of credit which may be outstanding at any time is limited to the combined reserves of the Federal Reserve banks, plus amounts paid to the banks by the Treasury for this purpose.

**Securities :** *U.S. Government securities* are those purchased in the open market and reflect the banks' open-market policy.

**Uncollected Items** are the sum of "transit items", "exchange for clearing-house", and "other cash items".

**Other Assets** include, in addition to five groups of miscellaneous assets shown separately under the heading of "all other assets" in the original statement, bank premises and a redemption fund for Federal Reserve bank notes figuring at \$13 and \$2 million for 1933 and 1934 respectively.

**Total Balance-sheet** excludes amounts corresponding to Federal Reserve notes (of other reserve banks) held by ten reserve banks.

**Reserves** include obligatory reserves, "surplus", under sections 7 and 13b of the Federal Reserve Bank Act and reserves "for self-insurance" and "for losses".

**Notes in Circulation** (Federal Reserve notes) : Amounts shown are net; they exclude notes held by issuing Federal Reserve banks and branches and those forwarded for redemption, but they include notes held by the Treasury and by the Federal Reserve banks other than issuing banks. For 1933 and 1934, this item includes \$209 and \$26 million respectively of Federal Reserve bank notes in circulation.

**Deposits :** *Other deposits* include, in addition to "officers' cheques", "Federal Reserve Exchange drafts" and "all other" deposits, special deposits of member and non-member banks shown for the end of 1933 only and amounting to \$57 million.

**Other Liabilities** represent mainly profit-and-loss accounts.

TABLE IX.—COMMERCIAL BANKS.<sup>1</sup>

End of June	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	24,719	23,473	21,471	18,569	14,048	15,316	15,482	15,578
<b>SUMMARY BALANCE-SHEET.</b>		\$ (000,000's omitted)						
<b>ASSETS.</b>								
1. Cash . . . . .	3,944	4,238	4,215	3,375	3,327	5,103	11,201	14,578
(a) Gold, silver and small coins . . .	73	72	92	66	4	.	.	
(b) Inland notes and balances with Central Bank . . . . .	3,871	4,166	4,123	3,309	3,323	.	.	
2. Other Items of a Cash Nature . . . .	1,686	2,884	1,944	979	1,099	623	674	
3. Bills discounted and bought . . . . .	—	—	—	—	—	—	—	—
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	13,573	14,073	55,586	14,029	13,827	17,033	19,706	23,006
(a) Government . . . . .	5,082	4,923	7,312	7,624	9,065	12,415	13,489	18,106
(b) Other . . . . .	8,491	9,150	8,274	6,405	4,762	4,418	6,217	4,900
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . .	3,417	3,759	3,813	2,571	2,911	3,976	.	.
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	35,632	34,614	29,159	21,949	16,447	15,784	15,077	15,726
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	450	586	938	528	442	297	221	208
9. Premises, etc. . . . .	1,645	1,697	1,685	1,548	1,244	1,146	1,245	1,229
10. Sundry Assets . . . . .	1,819	1,873	1,677	1,132	1,038	1,133	1,097	1,043
11. Total Balance-sheet . . . . .	62,166	63,724	59,017	46,111	40,335	45,095	49,221	55,790
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	3,798	3,889	3,670	3,318	2,900	3,530	3,580	3,403
13. Reserve Funds . . . . .	4,077	4,447	4,271	3,683	2,774	2,560	2,552	2,690
14. Profit and Loss, etc. . . . .	950	999	845	563	502	499	479	558
15. Notes in circulation . . . . .	649	652	639	652	730	698	222	—
16. Cheques and Drafts, etc., in circulation	837	1,615	1,083	566	653	353	458	834
17. Due to Banks (Correspondents) . . .	3,629	4,337	4,829	3,212	3,316	4,372	5,438	6,763
(a) At home . . . . .	—	—	—	—	—	—	—	6,705
(b) Abroad . . . . .	—	—	—	—	—	—	—	256
18. Deposits . . . . .	44,441	44,680	40,917	31,573	27,851	32,120	35,771	40,683
(a) Current accounts and sight deposits	24,252	24,088	21,322	16,402	15,266	17,583	21,691	25,401
(b) Savings accounts . . . . .	19,884	20,261	18,127	14,739	11,708	13,775	13,336	14,122
(c) Time or fixed deposits . . . . .								
(d) Other deposits . . . . .	305	331	468	432	887	1,762	844	1,150
19. Rediscounts and Other Borrowings . .	1,629	665	453	1,231	488	182	56	43
20. Acceptances and Endorsements . . .	450	586	939	528	442	297	221	208
21. Sundry Liabilities . . . . .	1,706	1,854	1,371	785	679	484	444	608

<sup>1</sup> Abstract of combined reports of : national, State (commercial), stock savings and private banks, and loan and trust companies.

### Commercial Banks.

*General Note.*— Since 1933, the figures relate only to licensed banks. Unless otherwise indicated, the following notes refer to Table IX, showing the combined accounts of national banks, State banks, trust companies, stock savings banks and private banks.

	1929	1930	1931	1932	1933
	\$ (000,000's)				
1. Cash . . . . .					
Gold coin . . . . .	25	25	23	22	2
Gold certificates . . . . .	48	47	69	44	2
Total (1 (a)) . . . . .	73	72	92	66	4
Paper currency . . . . .	452	471	565	522	462
Cash not classified . . . . .	263	288	190	148	145
Reserve with Federal Reserve banks or reserve agents .	3,156	3,407	3,368	2,639	2,716
Total (1 (b)) . . . . .	3,871	4,166	4,123	3,309	3,323
Grand total: (1 (a) + (b)) . . . . .	3,944	4,238	4,215	3,375	3,327

TABLE X. — ALL MEMBER BANKS.

End of :	1929	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	.	.	.	6,816	6,011	6,442	6,387	6,376
Number of Branches . . . . .	.	.	.	.	.	.	2,281	2,384
<b>SUMMARY BALANCE-SHEET.</b>		\$ (000,000's omitted)						
<b>ASSETS.</b>								
1. Cash . . . . .	2,932	3,068	2,498	2,934	3,149	4,690	6,238	7,269
(a) Gold, silver and small coins . . . . .	.	.	.	.	.	.	.	.
(b) Inland notes and balances with Central Bank . . . . .	.	.	.	.	.	.	.	.
2. Other Items of a Cash Nature . . . . .	3,896	2,926	2,095	1,122	1,132	1,903	2,271	2,546
3. Bills discounted and bought . . . . .	—	—	—	—	—	—	—	—
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	9,784	10,989	11,314	12,266	12,386	16,122	17,810	19,640
(a) Government . . . . .	3,863	4,125	5,318	6,540	7,254	10,895	12,269	13,545
(b) Other . . . . .	5,921	6,864	5,996	5,726	5,132	5,227	5,541	6,095
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	2,432	2,717	1,836	2,610	2,272	3,426	3,833	4,136
(a) At home . . . . .	2,168	2,456	1,662	2,416	1,969	3,149	3,776	4,067
(b) Abroad . . . . .	264	261	174	194	303	277	57	69
7. Loans and Advances . . . . .	26,150	23,870	19,261	15,204	12,833	12,028	12,175	13,360
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	1,252	1,118	719	412	459	242	179	179
9. Premises, etc. . . . .	1,190	1,240	1,175	1,150	981	1,001	992	982
10. Sundry Assets . . . . .	1,207	1,130	790	562	664	665	624	606
11. Total Balance-sheet . . . . .	48,843	47,058	39,688	36,260	33,876	40,077	44,122	48,718
<b>LIABILITIES.</b>								
12. Capital paid up . . . . .	2,757	2,665	2,499	2,410	2,312	2,544	2,519	2,380
13. Reserve Funds . . . . .	3,179	3,155	2,895	2,561	2,192	1,999	2,053	2,261
14. Profit and Loss, etc. . . . .	910	894	605	438	355	391	458	560
15. Notes in circulation . . . . .	646	640	624	777	775	651	—	—
16. Cheques and Drafts, etc., in circulation . . . . .	1,627	1,245	749	385	339	790	882	881
17. Due to Banks (Correspondents) . . . . .	4,148	4,557	3,314	3,940	3,307	4,741	6,347	7,057
(a) At home . . . . .	3,571	3,922	2,880	3,644	3,164	4,694	5,847	6,555
(b) Abroad . . . . .	577	635	434	296	143	147	500	502
18. Deposits . . . . .	32,238	31,315	26,683	24,418	23,534	28,318	31,277	35,011
(a) Current accounts and sight deposits . . . . .	18,862	17,502	14,965	13,393	13,442	16,774	20,175	23,299
(b) Savings accounts . . . . .	13,238	13,646	11,316	10,550	9,125	9,908	10,258	10,830
(c) Time or fixed deposits . . . . .	143	267	412	475	967	1,636	844	882
(d) Other deposits . . . . .	879	355	839	547	143	13	6	15
19. Rediscounts and Other Borrowings . . . . .	1,276	1,139	732	430	481	254	173	174
20. Acceptances and Endorsements . . . . .	1,183	1,093	748	354	438	376	407	379
21. Sundry Liabilities . . . . .	—	—	—	—	—	—	—	—
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>								
1. Gross Profits . . . . .	1,575.5	1,386.9	1,241.4	1,080.5	933.7	996.9	996.9	1,085.8
<i>To be deducted :</i>								
2. Expenses . . . . .	860.2	833.3	735.3	670.3	556.1	602.4	622.8	687.0
(a) Salaries, etc. . . . .	463.8	451.8	412.5	366.6	306.0	327.4	334.5	358.0
(b) Other working expenses . . . . .	233.9	268.1	236.4	67.1	58.0	62.3	63.7	81.1
(c) Taxes, etc. . . . .	112.6	113.4	86.4	246.6	192.1	212.7	224.6	247.9
3. Reserved for Pension Funds, etc. . . . .	—	—	—	—	—	—	—	—
4. Written off on . . . . .	295.5	365.3	620.5	778.2	858.3	872.9	538.2	441.5
(a) Premises, etc. . . . .	33.2	36.6	39.1	91.4	35.7	39.4	33.6	38.7
(b) Investments and securities . . . . .	95.5	109.0	264.2	305.0	344.1	320.5	198.8	131.4
(c) Other assets . . . . .	166.8	219.7	327.2	461.8	478.5	513.0	305.8	271.4
5. Remaining Profit or Loss (—) . . . . .	419.8	188.3	—114.4	—368.0	—480.7	—478.4	—164.1	—42.7
6. Recovered from assets previously written off . . . . .	136.7	118.2	126.7	113.1	124.9	253.9	376.0	508.0
7. Net Profit or Loss (—) . . . . .	556.5	306.5	12.3	—254.9	—355.8	—224.5	211.9	465.3
8. Dividends . . . . .	408.6	372.0	335.8	245.1	150.8	173.7	186.8	198.7



	1934	1935 \$ (000,000's)	1936
Cash in vault . . . . .	661	738	967
Reserve with Federal Reserve banks or reserve agents . . . . .	4,442	10,463	13,611
Other amounts due from banks . . . . .	3,976		
Total . . . . .	9,079	11,201	14,578

The same detail is no longer given since 1934, and since 1935 the distinction between reserves held with Federal Reserve banks or reserve agents and amounts due from other banks has been dropped. In 1936, even exchanges for clearing-house, cheques and other cash items are no longer shown separately, but included with amounts due from banks.

The composition of groups (1) and (2) in the Summary Table relating to member banks is as follows :

	1929	1930	1931	1932 \$ (000,000's)	1933	1934	1935	1936
Cash in vault . . . . .	558	593	523	423	471	609	665	697
Reserve with Federal Reserve Banks . . . . .	2,374	2,475	1,975	2,511	2,678	4,081	5,573	6,572
Total (1) . . . . .	2,932	3,068	2,498	2,934	3,149	4,690	6,238	7,269
Items with Federal Reserve Banks in process of collection . . . . .	994	757	598	450	485	591		
Exchanges for clearing-house and other cheques on local banks . . . . .	2,763	2,076	1,389	595	588	1,233		
Outside cheques and other cash items . . . . .	139	93	108	77	59	79		
Total (2) . . . . .	3,896	2,926	2,095	1,122	1,132	1,903		

Since 1935, the classification of these items has been changed as follows :

Cash items in process of collection . . . . .	2,255	2,533
Cash items not in process of collection . . . . .	16	13
Total (2) . . . . .	2,271	2,546

#### 4. Investments and Securities.

	1929	1930	1931	1932 \$ (000,000's)	1933	1934	1935	1936
<i>Government (public) securities :</i>								
United States bonds . . . . .	3,845	3,695	5,560	5,925	7,251	10,004	10,822	15,276
State, county or municipal bonds . . . . .	1,237	1,228	1,752	1,699	1,814	2,411	2,667	2,830
Total (4 (a)) . . . . .	5,082	4,923	7,312	7,624	9,065	12,415	13,489	18,106
<i>Other securities :</i>								
Railroad and other public service bonds . . . . .	1,919	2,081	2,502	2,088	1,656	2,706	2,921	3,414
Other bonds, stocks, warrants, etc. . . . .	6,572	7,069	5,772	4,317	3,106	1,912	3,296	1,486
Total (4 (b)) . . . . .	8,491	9,150	8,274	6,405	4,762	4,618	6,217	4,900
Grand total (4(a)+4(b)) . . . . .	13,573	14,073	15,586	14,029	13,827	17,033	19,706	23,006

#### 6. Due from Banks.

Sums due from foreign correspondents are not shown separately in the official summary balance-sheets for all banks. The following detail is available, since 1934, in the case of member banks :

	1934	1935 \$ (000,000's)	1936
Balances with private banks and American branches of foreign banks . . . . .	3,036	37	36
Demand balances with domestic banks . . . . .		3,621	3,919
Time balances with domestic banks . . . . .	113	118	112
Total (6 (a)) . . . . .	3,149	3,776	4,067
Balances with banks in foreign countries . . . . .	185	51	55
Due from own foreign branches . . . . .	92	6	14
Total (6 (b)) . . . . .	277	57	69

#### 7. Loans and Advances.

	1929	1930	1931	1932 \$ (000,000's)	1933	1934	1935	1936
1. Commercial paper, etc., bought in the open market . . . . .	2,731	836	1,057	638	497	632	894	892
2. Overdrafts . . . . .	57	49	46	15	11	13	10	10
3. Loans to banks . . . . .	372	346	369	489	316	164	133	90
4. Loans secured by United States and other bonds . . . . .	11,163	11,472	9,053	5,968	4,664	5,187	4,632	4,717
5. Loans secured by real estate . . . . .	5,106	4,929	4,406	4,046	3,807	3,631	3,436	3,495
Whereof : Farm land . . . . .	1,858	409	442	496	401	625	529	514
Other real estate . . . . .	3,248	4,520	3,964	3,550	3,406	3,006	2,907	2,981
6. All other loans . . . . .	16,203	16,982	14,228	10,793	7,152	6,157	5,972	6,314
Grand total (1 to 6) . . . . .	35,632	34,614	29,159	21,949	16,447	15,784	15,077	15,518

UNITED STATES OF AMERICA

17. Due to Banks (Correspondents).

The composition of this item for member banks is as follows:  
 Due to Federal Reserve banks (deferred credits) . . . . .  
 Due to other banks and trust companies in the United States  
 Due to banks in foreign countries (including own branches) . . .  
 Total . . . . .

	1929	1930	1931	1932	1933	1934	1935	1936
	\$ (000,000's)							
	54	49	48	37	39	48	.	.
	3,517	3,873	2,832	3,607	3,125	4,546	5,847	6,555
	577	635	434	296	143	147	500	502
	4,148	4,557	3,314	3,940	3,307	4,741	6,347	7,057

18. Deposits.

Individual deposits subject to check . . . . .  
 Demand certificates of deposits, State, county and municipal deposits . . . . .  
 Other demand deposits . . . . .  
 Total (a) sight deposits  
 Savings account deposits . . . . .  
 Time certificates of deposit . . . . .  
 Other time deposits . . . . .  
 Postal savings deposits . . . . .  
 State, county and municipal deposits . . . . .  
 Deposits of other banks . . . . .  
 Total (b) time deposits  
 United States deposits . . . . .  
 Unclassified deposits . . . . .  
 Total (c) other deposits  
 Grand total . . . . .

	1929	1930	1931	1932	1933	1934	1935	1936
	\$ (000,000's)							
	21,410	21,078	18,675	14,324	13,404	14,868	18,300	22,458
	412	406	370	251	186	156	186	—
	1,961	1,912	1,849	1,538	1,273	2,007	2,667	2,943
	469	692	428	289	393	552	438	—
	24,252	24,088	21,322	16,402	15,256	17,583	21,591	25,401
	15,167	14,926	13,647	10,544	8,100	9,320	10,271	11,071
	3,168	3,130	2,970	2,119	1,691	1,513	1,666	1,625
	908	1,152	1,545	1,008	763	788	564	695
	90	140	263	653	778	671	375	199
	418	593	542	362	311	372	335	399
	133	320	160	53	65	111	125	143
	19,884	20,261	19,127	14,739	11,708	12,775	13,336	14,132
	287	249	448	424	859	1,736	824	1,148
	18	82	20	8	28	26	20	2
	305	331	468	432	887	1,762	844	1,150
	44,441	44,680	40,917	31,573	27,851	32,120	35,771	40,683

Summary of Profit-and-Loss Accounts.

MEMBER BANKS.

1. Gross Profits.

Net interest and discount earned  
 Collection charges, commissions, fees, etc. . . . .  
 Foreign exchange . . . . .  
 Trust department . . . . .  
 Service charges on deposit account  
 Other earnings . . . . .  
 Total . . . . .

	1929	1930	1931	1932	1933	1934	1935	1936
	\$ (000,000's)							
	1,245.4	1,086.5	981.9	852.4	735.2	769.2	757.6	816.6
	61.3	50.3	38.4	27.9	24.5	27.8	28.8	31.4
	26.2	25.0	25.7	22.5	21.8	18.0	12.3	12.2
	77.6	80.3	75.1	64.8	59.6	71.0	77.7	88.3
	165.0	144.8	120.3	112.9	72.0	83.3	84.9	97.9
	1,575.5	1,386.9	1,241.4	1,080.5	933.7	996.9	996.9	1,085.8

6. Recoveries, etc.

Recoveries on loans . . . . .  
 Recoveries on investments . . . . .  
 Profits on securities sold . . . . .  
 All other recoveries . . . . .  
 Total . . . . .

	1929	1930	1931	1932	1933	1934	1935	1936
	\$ (000,000's)							
	25.2	23.4	28.0	24.6	28.8	44.4	71.9	94.2
	20.0	12.3	13.5	60.2	80.1	185.6	277.0	160.3
	75.1	70.9	70.1	28.3	16.0	23.9	27.1	230.7
	16.4	11.6	15.1					22.8
	136.7	118.2	126.7	113.1	124.9	253.9	376.0	508.0

## URUGUAY

End of (Monthly returns)	Value of currency as % of gold parity in 1929 <sup>a</sup>		Banco de la República (Issue and Banking Departments)								Commercial Banks <sup>d</sup>				Clearing turnover Monte- video Clearing- house (monthly)
	Official rate	Uncon- trolled free rate	Gold and foreign exchange <sup>b</sup>	Advances on current account		Loans and discounts	Notes in circulation (net amount) <sup>c</sup>	Deposits		Finance Ministry's deposit	Cash	Loans	Deposits		
				Total	Government			Current account and sight	Savings				Current- account and sight	Savings and time	
Pesos (000,000's)															
Dec. 1935.	46.1	26.0	42.3	57.3	12.3	41.2	81.8	28.6	40.8	25.1	22.8	102.2	38.9	58.4	93.8
March 1936.	45.7	26.8	42.1	53.0	8.8	41.6	84.4	32.0	41.9	21.0	21.9	104.6	41.5	60.6	94.3
June 1936.	45.8	28.5	38.8	42.1	7.1	40.9	77.5	30.5	43.3	19.2	20.9	106.0	40.1	62.1	82.2
Sept. 1936.	45.5	30.8	38.8	44.2	7.6	40.7	75.1	30.5	43.3	13.3	24.0	108.2	34.5	69.7	73.2
Dec. 1936.	45.7	31.1	39.5	46.8	9.0	40.0	88.6	33.2	44.6	9.7	27.9	118.3	36.4	72.9	117.1
March 1937.	45.0	31.0	37.7	43.5	7.5	39.0	92.2	36.0	46.1	7.3	29.2	118.6	39.9	79.6	93.9
June 1937.	45.2	33.1	37.7	36.4	7.7	40.9	89.9	31.4	48.3	6.3	35.1	119.3	41.4	81.5	103.6
Sept. 1937.	45.2	33.0	37.7	42.9	11.9	42.7	87.2	29.1	48.8	4.5	34.9	121.7	41.8	83.2	127.3
Dec. 1937.	45.7	30.6	37.7	49.4	16.2	45.5	90.8	31.4	49.3	0.1	33.2 <sup>e</sup>	129.4 <sup>e</sup>	43.4 <sup>e</sup>	83.3 <sup>e</sup>	110.8

■ Monthly average.

<sup>a</sup> 1929 parity : 1 peso = 1.03424 U.S.A. dollar ; 1 U.S.A. dollar = 0.96689 peso.

<sup>b</sup> Excluding profit on the revaluation of the gold and silver reserve.

<sup>c</sup> Excluding notes held as cash in the Banking Department and notes deposited (*en custodia*) with the Clearing-house Department of the Bank.

<sup>d</sup> Monthly averages of the daily returns.

<sup>e</sup> November.

See *Commercial Banks 1925-1933*, page 303 ; *1929-1934*, page 185 ; *Money and Banking 1935/36*, Vol. II, page 204 ; *1936/37*, Vol. II, page 167.

**Value of Currency :** On December 4th, 1937, the Government approved a Bill on the value of the currency (second devaluation), fixing the new equivalent of the gold peso to the £ sterling at 7 pesos 60 centesimos (0.526662 gramme of fine gold), which corresponds to the average rate of the " free " and " controlled " exchange quotation. All exchange from exports will be purchased at this rate through the Banco de la República, but exchange from wool sales will be given a preferential sliding-scale rate in December 1937, and January and February 1938. The Bank will fix a daily importers' buying rate and will sell exchange at 8 pesos per £ to the Government for loan purposes, to the State enterprises and to public utility companies. The surplus is to be used to satisfy immediate exchange needs at a higher rate.

**Banco de la República :** Under the Law of August 14th, 1935, the note issue of the Bank was separated from its commercial banking activities. Owing to changes made simultaneously in the form of the Bank's balance-sheet, returns since that date are not strictly comparable with those for 1929-1934. In order, however, to facilitate comparisons as far as possible, a simplified summary (Table 2) has been prepared showing the position of the Bank since 1934 according to the main headings of the old balance-sheet form — *i.e.*, with elimination of the double entries of certain items consequent upon the separation of the Issue and Banking Departments since 1935. **Gold :** Up to July 1935, valued at the rate of 1 peso = 1.55615 gramme of fine gold ; since August 1935, at 1 peso = 0.70953 gramme. In the balance-sheet of the Issue Department, the gold and silver reserve is shown in terms of old pesos, the surplus resulting from its revaluation in terms of new pesos being shown as a separate item. **Advances on current account :** The fall in the amount of Government loans in 1935 is due to the repayment by means of part of the profit accruing from the revaluation of the gold and silver reserve in 1935. **Notes in circulation :** In order to arrive at the net amount of notes in circulation since 1935 as shown in the introductory table, it is necessary to deduct notes held in the Banking Department (item 7 (c) of Table 1) and notes deposited (*en custodia*) with the Clearing-house Department and amounting to 9.7 and 13.5 million pesos at the end of 1935 and 1936 respectively. **Finance Ministry's deposit :** The profit on the revaluation of the gold and silver reserve, part of which has been transferred to the Government's deposit account, is, under the Law of August 14th, 1935, to be used for financing various operations spread over a period of three years.

**Currency Devaluation :** According to the Law of December 4th, 1937, referred to in the note on " Value of currency ", the profit accruing from the new revaluation of the gold stocks held by the Issue Department of the Banco de la República and amounting to 17 million pesos is to be employed to increase the capital of the Bank from 35 to 52 million pesos and to strengthen its exchange reserve.

**Sources :** Banco de la República O. del Uruguay : *Memoria y Balance General*. Ministerio de Hacienda : *Boletín de Hacienda*. Dirección General de Estadística ; *Síntesis Estadística*.

## Banco de la República.

## I. ORIGINAL RETURNS.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
<b>A. ISSUE DEPARTMENT.</b>									
Pesos (000,000's)									
<b>ASSETS.</b>									
1. Reserve . . . . .	—	—	—	—	—	—	41.1	41.6	42.1
(a) Gold . . . . .	—	—	—	—	—	—	37.0	37.0	37.0
(b) Silver . . . . .	—	—	—	—	—	—	4.1	4.6	5.1
2. Banco de la República . . . . .	—	—	—	—	—	—	33.4	37.0	36.7
(a) Capital paid up . . . . .	—	—	—	—	—	—	32.1	35.0	35.0
(b) Bills rediscounted . . . . .	—	—	—	—	—	—	1.3	2.0	1.7
3. Profit on the revaluation of gold and silver reserve . . . . .	—	—	—	—	—	—	49.0	49.0	50.2
4. Total Balance-sheet . . . . .	—	—	—	—	—	—	123.5	127.6	129.0
<b>LIABILITIES.</b>									
5. Notes issued . . . . .	—	—	—	—	—	—	112.7	117.0	122.8
6. Banco de la República : account of the Banking Department . . . . .	—	—	—	—	—	—	10.8	10.6	6.2
<b>B. BANKING DEPARTMENT.</b>									
<b>ASSETS.</b>									
7. Cash reserves . . . . .	69.4	62.8	55.3	51.3	52.7	50.8	37.2	28.4	21.7
(a) Gold . . . . .	65.9	59.5	50.9	46.7	48.1	46.6	6.1	2.5	0.7
(b) Silver and subsidiary coin . . . . .	3.5	3.3	4.4	4.6	4.6	4.2	0.2	0.5	0.2
(c) Notes . . . . .	—	—	—	—	—	—	21.1	14.8	14.5
(d) Account of the Issue Department . . . . .	—	—	—	—	—	—	10.8	10.6	6.3
8. Advances on Current Account . . . . .	36.8	39.3	39.6	46.8	47.1	58.1	39.5	36.3	49.4
(a) To the public . . . . .	28.6	20.2	17.4	15.2	13.5	16.4	15.5	13.9	18.7
(b) National Savings and Discount Bank . . . . .	—	9.6	10.1	10.2	9.5	9.7	10.3	12.4	12.7
(c) National Treasury and other official bodies . . . . .	8.2	9.5	12.1	21.4	23.6	26.3	12.5	9.0	16.2
(d) Other loans on current account . . . . .	—	—	—	—	0.5	5.7	1.2	1.0	1.8
9. Other loans . . . . .	82.6	82.6	77.6	80.1	74.3	67.5	57.8	53.0	55.3
(a) Loans and discounts . . . . .	71.1	71.6	63.3	60.5	50.5	46.7	41.2	40.0	45.5
(b) Miscellaneous credits . . . . .	9.9	11.0	14.3	16.4	19.7	20.8	16.6	13.0	9.8
(c) Advances in foreign currencies . . . . .	1.6	—	—	3.2	4.1	—	—	—	—
10. Securities . . . . .	0.7	8.0	6.8	6.0	6.0	6.1	9.8	16.2	27.5
(a) Bonds of the Caja Autónoma de Amortización . . . . .	—	—	—	—	—	—	3.7	6.3	8.1
(b) Government securities . . . . .	0.7	8.0	6.8	6.0	6.0	6.1	6.1	9.9	19.4
11. Various debtor accounts . . . . .	8.5	8.1	0.6	0.2	1.3	2.0	13.9	26.3	12.6
12. Premises, etc. . . . .	5.0	5.8	6.9	7.7	8.3	9.4	10.5	10.5	10.1
13. Total Balance-sheet . . . . .	203.0	206.6	186.8	192.1	189.7	193.9	168.7	170.7	176.6
Aggregate net Balance-sheet (A + B) * . . . . .	203.0	206.6	186.8	192.1	189.7	193.9	271.1	283.5	291.1
<b>LIABILITIES.</b>									
14. Capital : . . . . .									
(a) Capital paid up . . . . .	26.8	27.1	27.7	27.7	27.8	27.8	32.1	35.0	35.0
(b) Reserve Fund . . . . .	1.4	1.2	1.4	5.0	3.1	4.1	2.2	4.8	16.1
(c) Issue Department . . . . .	—	—	—	—	—	—	33.4	37.0	36.7
(1) Capital paid up . . . . .	—	—	—	—	—	—	32.1	35.0	35.0
(2) Bills rediscounted . . . . .	—	—	—	—	—	—	1.3	2.0	1.7
15. Notes in circulation . . . . .	72.3	74.1	81.0	84.6	78.4	79.6	—	—	—
16. Deposits . . . . .	91.0	90.9	74.1	72.4	77.2	74.0	97.5	90.6	85.2
(a) Sight deposits . . . . .	42.4	41.9	32.1	31.8	32.0	33.0	28.6	33.2	31.4
(b) Savings accounts . . . . .	44.9	45.5	38.9	37.7	42.6	39.3	40.8	44.6	49.3
(c) Judicial deposits . . . . .	3.7	3.5	3.1	2.9	2.6	2.7	3.0	3.1	4.4
(d) Finance Ministry — revaluation profit . . . . .	—	—	—	—	—	—	28.1	9.7	0.1
17. Other liabilities . . . . .	11.5	13.3	2.6	2.4	3.2	8.4	3.5	3.3	3.6

\* Less notes held in the Banking Department (item 7 (c)).

## Banco de la República.

## 2. SIMPLIFIED BALANCE-SHEET SUMMARY.

End of :	1934	1935	1936	1937
	Pesos (000,000's)			
<b>ASSETS.</b>				
1. Gold, silver and subsidiary coin . . . . .	50.8	95.4 <sup>a</sup>	93.6 <sup>a</sup>	93.2 <sup>a</sup>
2. Advances on current account. . . . .	58.1	39.5	36.3	49.4
(a) Treasury . . . . .	26.3	12.5	9.0	16.2
(b) Other . . . . .	31.8	27.0	27.3	33.2
3. Other loans. . . . .	67.5	57.8	53.0	55.3
4. Government securities . . . . .	6.1	9.8	16.2	27.5
5. Sundry debtors . . . . .	2.0	13.9	26.3	12.6
6. Premises, etc. . . . .	9.4	10.5	10.5	10.1
7. Total Balance-sheet . . . . .	193.9	226.9	235.9	248.1
<b>LIABILITIES.</b>				
8. Capital and Reserve Fund . . . . .	31.9	34.3	39.8	51.1
9. Notes in circulation . . . . .	79.6	91.6 <sup>b</sup>	102.2 <sup>b</sup>	108.2 <sup>b</sup>
10. Deposits . . . . .	74.0	97.5	90.6	85.2
(a) Sight . . . . .	32.0	28.6	33.2	31.4
(b) Savings . . . . .	39.3	40.8	44.6	49.3
(c) Judicial deposits, etc. . . . .	2.7	3.0	3.1	4.4
(d) Government revaluation profit . . . . .	—	25.1	9.7	0.1
11. Sundry liabilities . . . . .	8.4	3.5	3.3	3.6

<sup>a</sup> At new parity — *i.e.*, including revaluation profit shown separately in the Issue Department returns.

<sup>b</sup> Excluding own notes held as cash in the Banking Department but including those deposited (*en custodia*) with the Clearing-house Department. The latter, amounting to 9.7 and 13.5 million pesos at the end of 1935 and 1936 respectively, have to be deducted in order to arrive at the net amount of notes in circulation as shown in the introductory table.

## Commercial Banks.

For detailed notes on the various items of the Summary Balance-sheet, see preceding editions of this volume.

1. Cash.	1929	1930	1931	1932	1933	1934	1935	1936
	Pesos (000,000's)							
Gold coins . . . . .	0.6	—	—	—	—	—	—	—
Notes of Banco de la República . . . . .	15.8	20.7	27.6	39.0	25.2	21.1	20.7	13.0
Sight deposits with Banco de la República	0.9	1.1	1.4	1.8	1.3	1.2	1.2	1.1
Sight deposits with "Cámara Compensadora"	—	—	—	—	—	—	—	13.4
Subsidiary issue of Banco de la República and subsidiary coin . . . . .	0.3	0.3	0.4	0.3	0.7	0.6	0.9	0.4
Total . . . . .	17.6	22.1	29.4	41.1	27.2	22.9	22.8	27.9

## 19. Rediscounts and Other Borrowings.

The rediscounts of the ordinary banks with the Banco de la República are as follows :

	Pesos (000,000's)		Pesos (000,000's)		Pesos (000,000's)		Pesos (000,000's)
1929 . . . . .	2.3	1931 . . . . .	3.5	1933 . . . . .	2.1	1935 . . . . .	1.2
1930 . . . . .	2.4	1932 . . . . .	2.5	1934 . . . . .	2.4	1936 . . . . .	2.0

## Commercial Banks.

End of :	1929	1930	1931	1932	1933	1934*	1935	1936
Number of Banks . . . . .	19	19	18	17	17	17	18	19
SUMMARY BALANCE-SHEET.		Pesos (000,000's)						
ASSETS.								
1. Cash . . . . .	17.6	22.1	29.4	41.1	27.2	22.9	22.8	27.9
(a) Gold, silver and small coins . . . . .	0.9	0.3	0.5	0.3	0.7	0.6	0.9	0.4
(b) Inland notes and balances with Central Bank . . . . .	16.7	21.8	28.9	40.8	26.5	22.3	21.9	27.5
2. Other Items of a Cash Nature . . . . .	—	—	—	—	—	—	—	—
3. Bills discounted and bought . . . . .	—	—	—	—	—	—	—	—
(a) Treasury bills . . . . .	—	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	—	—	—	—	—	—	—	—
(a) Government . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	89.5	99.5	95.5	89.7	93.3	99.6	102.2	118.3
(a) On current account . . . . .	—	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—	—
9. Premises, etc. . . . .	—	—	—	—	—	—	—	—
10. Sundry Assets . . . . .	—	—	—	—	—	—	—	—
11. Total Balance-sheet . . . . .	—	—	—	—	—	—	—	—
LIABILITIES.								
12. Capital paid up . . . . .	22.2	22.3	22.4	21.9	21.9	22.2	22.5	24.1
13. Reserve Funds . . . . .	7.1	8.0	8.8	8.9	8.3	8.3	9.0	9.1
14. Profit and Loss, etc. . . . .	—	—	—	—	—	—	—	—
15. Notes in circulation . . . . .	—	—	—	—	—	—	—	—
16. Cheques and Drafts in circulation . . . . .	—	—	—	—	—	—	—	—
17. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—	—
18. Deposits . . . . .	78.5	89.5	89.9	98.9	89.6	91.9	97.3	109.3
(a) Current accounts and sight deposits	37.4	41.2	43.3	54.0	43.9	42.7	38.9	36.4
(b) Savings accounts . . . . .	—	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	41.1	48.3	46.6	44.9	45.7	49.2	58.4	72.9
(d) Other deposits . . . . .	—	—	—	—	—	—	—	—
19. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—	—
20. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—	—
21. Sundry Liabilities . . . . .	—	—	—	—	—	—	—	—

\* End of November 1934.

## VENEZUELA

See *Commercial Banks 1925-1933*, page 310 ; *1929-1934*, page 188 ; *Money and Banking 1935/36*, Vol. II, page 207 ; *1936/37*, Vol. II, page 169.

### Value of Currency :

		Value of currency as % of the gold parity in 1929 * :	
June 1930 . . . . .	98.3	June 1935 . . . . .	80.2
June 1933 . . . . .	71.9	December 1935 . . . . .	79.2
June 1934 . . . . .	93.0	June 1936 . . . . .	80.1
		December 1936 . . . . .	77.7
		June 1937 . . . . .	99.8
		December 1937 . . . . .	94.7

\* Gold parity in 1929 : 1 bolivar = 0.19295 U.S.A. dollar ; 1 U.S.A. dollar = 5.18262 bolivars.

Under Decree of December 1st, 1936, establishing export premiums on the most important agricultural export commodities, foreign-exchange proceeds from the export of goods subject to premium must be surrendered to the National Office for the Centralisation of Exchange. The resulting exchange — less the sum reserved for official requirements — is ceded to the banks for resale. Special arrangements are stipulated with regard to the surrender of and payment for "compensation" and "controlled" currencies. On April 27th, 1937, the National Office reduced from 3.90 to 3.09 bolivars per U.S. dollar the rate at which it would purchase exchange emanating from the export of produce benefiting from export premiums, and exchange acquired from the oil companies. Exchange is sold at 3.17 bolivars to the banks and at 3.19 bolivars to the public. The expenses resulting from export premiums are met out of the profit due to the margin between the purchase and sale rates of exchange.

**Creation of a Central Bank :** A draft Bill for the creation of a Central Bank of Issue was submitted to Congress in May 1937.

**Establishment of an Industrial Bank :** A Decree of July 23rd, 1937, provides for the establishment of the *Banco Industrial de Venezuela* with a capital of 10 million bolivars, 50% of which is to be subscribed by the Government. The object of the bank is to assist in the promotion of manufacturing and mining industries. As security for the loans it extends from its own capital or such purposes, the bank may accept mortgages on property, liens on industrial and mining products or merchandise, etc. It may also, at its discretion, grant loans to small concerns without specified security. The bank may borrow money on the security of the mortgage and other guarantees which it holds. It may also receive deposits on savings account, repayable at fixed terms, up to 50% of its capital, but must keep a reserve of at least 15% of such deposits in legal tender. With the funds so obtained, as distinct from its capital, it may perform all kinds of banking transactions sanctioned by the Banking Law.

**Commercial Banks :** The summary table compiled on the basis of the statistics published in the *Boletín de la Cámara de Comercio de Caracas* includes the balance-sheets of the six national banks of issue (*Banco de Venezuela*, *Banco Caracas*, *Banco Venezolano de Crédito*, *Banco Mercantil y Agrícola*, *Banco de Maracaibo* and *Banco Comercial de Maracaibo*) and those of the branches of the four foreign banks (*Royal Bank of Canada*, *National City Bank of New York*, *Anglo-South American Bank* and *Hollandsche Bank voor West-Indië*). The two State banks — *Banco Agrícola y Pecuario* and *Banco Obrero* — whose balance-sheets are not included in this summary, are engaged exclusively in real-estate transactions.

Sources : *Boletín de la Cámara de Comercio de Caracas*.

### Commercial Banks.

#### 1. Cash.

	Gold	Silver coin and small coin Bolivars (000,000's)	Total
June 1930 . . . . .	127.1	28.6	155.7
June 1933 . . . . .	106.3	37.8	144.1
June 1934 . . . . .	103.6	40.2	143.8
Dec. 1935 . . . . .	189.5	48.1	237.6
June 1936 . . . . .	183.4	45.3	228.7
Dec. 1936 . . . . .	183.9	45.2	229.1
June 1937 . . . . .	173.5	57.2	230.7

#### 2. Other Items of a Cash Nature.

These are notes of national issue banks, held by national and foreign banks.

#### 7. Loans and Advances.

The heading "Loans and Advances" accordingly covers all the liquid assets of national and foreign banks.

	Liquid assets (local) up to 30 days	Liquid assets (local) at more than 30 days	Total
	Bolivars (000,000's)		
June 1930 . . . . .	147.3	41.6	188.9
June 1933 . . . . .	145.2	38.8	184.0
June 1934 . . . . .	140.1	32.8	172.9
Dec. 1935 . . . . .	94.7	30.4	125.1
June 1936 . . . . .	85.2	35.9	121.1
Dec. 1936 . . . . .	79.5	42.0	121.5
June 1937 . . . . .	84.9	38.3	123.2

Commercial Banks.

	June 1930	June 1933	June 1934	Dec. 1935	June 1936	Dec. 1936	June 1937
Number of Banks . . . . .	10	10	10	10	10	10	10
SUMMARY BALANCE-SHEET.							
ASSETS.							
1. Cash . . . . .	155.7	144.1	143.8	237.6	228.9	229.1	230.7
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	16.4	29.0	34.0	53.1	66.9	60.6	52.4
3. Bills discounted and bought . . . . .	—	—	—	—	—	—	—
(a) Treasury bills . . . . .	—	—	—	—	—	—	—
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	—	—
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	—	—	—	—	—	—	—
(a) Government . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
5. Participations . . . . .	—	—	—	—	—	—	—
6. Due from Banks (Correspondents) . . . . .	64.8	13.5	14.9	5.4	15.4	18.5	18.7
(a) At home . . . . .	6.4	5.5	7.3	2.7	3.8	7.7	12.5
(b) Abroad . . . . .	58.4	8.0	7.6	2.7	11.6	10.8	6.2
7. Loans and Advances . . . . .	188.9	184.0	172.9	125.1	121.1	121.5	123.2
(a) On current account . . . . .	—	—	—	—	—	—	—
(b) Other . . . . .	—	—	—	—	—	—	—
8. Cover for Acceptances . . . . .	—	—	—	—	—	—	—
9. Premises, etc. . . . .	—	6.5	12.1	22.0	19.7	22.2	23.3
10. Sundry Assets . . . . .	117.7	162.2	170.3	172.4	166.5	183.9	174.9
11. Total Balance-sheet . . . . .	543.5	539.3	548.0	615.6	618.5	635.8	623.2
LIABILITIES.							
12. Capital paid up . . . . .	50.8	50.8	50.8	49.5	49.5	52.0	54.0
13. Reserve Funds . . . . .	18.4	23.9	25.4	23.1	23.0	22.3	24.4
14. Profit and Loss, etc. . . . .	2.5	0.9	0.8	0.9	1.1	1.0	1.0
15. Notes in circulation . . . . .	91.9	102.0	101.5	114.2	131.3	141.2	141.6
16. Due to Banks (Correspondents) . . . . .	22.6	6.6	4.8	6.8	19.3	21.7	22.9
(a) At home . . . . .	—	1.7	3.4	4.6	6.8	7.0	19.0
(b) Abroad . . . . .	22.6	4.9	1.4	2.2	12.5	14.1	3.9
17. Deposits . . . . .	261.3	194.0	201.6	253.8	230.6	215.3	208.1
(a) Current accounts and sight deposits . . . . .	—	—	—	—	—	—	—
(b) Savings accounts . . . . .	—	—	—	—	—	—	—
(c) Time or fixed deposits . . . . .	—	—	—	—	—	—	—
(d) Other deposits . . . . .	—	—	—	—	—	—	—
18. Rediscounts and Other Borrowings . . . . .	—	—	—	—	—	—	—
19. Acceptances and Endorsements . . . . .	—	—	—	—	—	—	—
20. Sundry Liabilities . . . . .	96.0	162.1	163.1	167.3	163.7	182.3	171.2

15. Notes in Circulation.

The amounts shown in the Summary Table represent the gross note circulation. The net note circulation in the hands of the public is as follows :

	June 1933	June 1934	Dec. 1935	June 1936	Dec. 1936	June 1937
Gross circulation . . . . .	102.0	101.5	114.2	131.3	141.2	141.6
Notes held by banks . . . . .	29.0	34.0	53.1	66.9	60.6	52.4
Note circulation in hands of public . . . . .	73.0	67.5	61.1	64.4	80.6	89.2

The notes in circulation were issued by the following issue banks in the amounts shown :

	Dec. 1935	June 1936	Dec. 1936	June 1937
Banco de Venezuela . . . . .	65.8	83.1	93.3	93.9
Banco Caracas . . . . .	9.6	9.5	9.5	9.4
Banco Venezolano de Crédito . . . . .	17.8	17.7	17.4	17.3
Banco Mercantil y Agrícola . . . . .	12.0	12.0	12.0	12.0
Banco de Maracaibo . . . . .	5.0	5.0	5.0	5.0
Banco Comercial de Maracaibo . . . . .	4.0	4.0	4.0	4.0
	114.2	131.3	141.2	141.6

18. Deposits.

	Private deposits in all banks	Sight deposits of the Government with the Banco de Venezuela	Total
June 1930 . . . . .	171.7	89.6	261.3
June 1933 . . . . .	128.5	65.5	194.0
June 1934 . . . . .	123.0	78.6	201.6
Dec. 1935 . . . . .	163.2	90.6	253.8
June 1936 . . . . .	167.3	63.3	230.6
Dec. 1936 . . . . .	162.5	52.8	215.3
June 1937 . . . . .	168.1	40.0	208.1



## YUGOSLAVIA

End of (Weekly returns)	Value of currency as % of gold parity in 1931 <sup>a</sup>	Whole- sale prices (1929 = 100)	National Bank of the Kingdom of Yugoslavia									Subsi- diary coin	Dis- count rate <sup>b</sup>
			Gold	Foreign exchange	Bill portfolio	Loans on collateral	Govern- ment debt	Notes in circu- lation	Sight deposits		Time deposits		
									Total	Bankers' clearing accounts			
			Dinara (000,000's)										%
Dec. 1935 .	77.2	71.2	1,431	365	1,523	258	2,271	4,890	1,386	690	193	870	5
March 1936 .	77.2	69.6	1,490	313	1,389	253	2,272	4,904	1,481	565	81	815	5
June 1936 .	77.2	65.0	1,531	439	1,353	253	2,261	4,833	1,616	719	50	795	5
Sept. 1936 .	76.8	66.6	1,553	574	1,420	251	2,262	5,250	1,500	739	50	874	5
Dec. 1936 .	77.1	70.8	1,626	552	1,459	259	2,248	5,409	1,629	651	50	865	5
March 1937 .	77.3	71.7	1,650	623	1,436	247	2,249	5,382	1,980	921	50	793	5
June 1937 .	77.3	71.7	1,678	880	1,382	248	2,251	5,474	2,216	1,198	50	793	5
Sept. 1937 .	77.2	77.6	1,704	712	1,338	251	2,252	5,843	2,357	1,338	50	850	5
Dec. 1937 .	77.6	79.4	1,709	440	1,432	273	2,238	5,834	2,459	1,391	50	840	5

<sup>a</sup> Monthly average.

<sup>a</sup> Gold parity in 1931 : 1 dinar = 0.01761 U.S.A. dollar ; 1 U.S.A. dollar = 56.77852 dinara.

<sup>b</sup> Date of last change : February 1st, 1935.

End of	Commercial Banks <sup>a</sup>						Post Office Savings Banks		State Mortgage Bank		Transfer turnover	Yield of bonds	
	Cash	Discounts	Debit or current accounts	Miscel- laneous loans	Deposits		Miscel- laneous creditors	Cheque accounts	Savings deposits	Mortgage loans	Loans to auto- nomous adminis- trations	National Bank (monthly)	1921 Loan (Monthly average)
					On current account	On deposit account							
	Dinara (000,000's)												%
Dec. 1935 .	403	1,382	2,113	694	863	2,187	1,645	1,189	851	2,145	648	4,039	8.91
March 1936 .	309	1,263	2,146	685	868	2,173	1,521	1,178	886	2,117	705	3,520	8.65
June 1936 .	336	1,258	2,132	659	926	2,143	1,473	1,070	905	2,085	791	3,404	8.41
Sept. 1936 .	289	1,254	2,166	662	934	2,112	1,490	1,133	937	2,059	837	4,269	8.29
Dec. 1936 .	384	1,283	2,166	672	973	2,089	1,520	1,467	982	2,071	984	4,950	8.25
March 1937 .	365	1,177	2,293	653	1,064	2,098	1,476	1,506	1,069	2,047	1,024	4,904	7.91
June 1937 .	476	1,139	2,295	657	1,137	2,165	1,422	1,650	1,114	2,024	1,086	4,573	7.89
Sept. 1937 .	361	1,106	2,394	637	1,169	2,121	1,364	1,725	1,161	1,996	1,352	5,331	7.58
Dec. 1937 .	331 <sup>b</sup>	1,111 <sup>b</sup>	2,413 <sup>b</sup>	643 <sup>b</sup>	1,224	2,119	1,448	1,841	1,249	1,972	1,397	5,798	7.21

<sup>a</sup> Twenty principal joint-stock banks.

<sup>b</sup> November.

See *Commercial Banks 1913-1929*, page 304 ; *1925-1933*, page 224 ; *1929-1934*, page 134 ; *Money and Banking 1935/36*, Vol. II, page 210 ; *1936/37*, Vol. II, page 171.

**Exchange Control :** There were no substantial modifications during 1937 in the system of exchange control and in the regime of premiums on exports and surcharges on imports described in the last edition.

**National Bank of Yugoslavia :** Owing to changes introduced in the Bank's balance-sheet in 1931 on the occasion of the stabilisation of the currency, the returns for 1931 onwards are not strictly comparable with those for previous years. *Gold :* Up to June 23th, 1931, valued partly at the pre-war parity of the dinar and partly on conventional rates. Since the Stabilisation Law of May 11th, 1931, the gold reserve has been valued at the legal rate (1 dinar = 0.0265 gramme of fine gold). The Decree of January 15th, 1935, reduced the cover requirements of the Bank from 35 % to 25 % and authorised the Bank to write up the whole value of its gold and foreign assets by 28½ % in calculating its cover ratio. The simultaneous fall in the gold reserve by 724 million dinara (according to the weekly statement published on January 22nd, 1935) was due to liquidation of revolving foreign credits previously taken up by the Bank. *Foreign exchange :* Since September 1936,

## National Bank.

End of :	1929	1930	1931	1932	1933	1934	1935	1936	1937
Dinara (000,000's)									
<b>ASSETS.</b>									
1. Gold reserve . . . . .	95	99	1,758	1,761	1,795	1,785	1,431	1,626	1,709
2. Subsidiary coin . . . . .	41*	45*	73	140	240	206	330	335	360
3. Foreign exchange . . . . .	268	120	424	209	166	225	365	552	440
(a) For cover purposes . . . . .	268	120	388	207	111	121	33	—	—
(b) Other . . . . .	—	—	86	3	55	104	332	552	440
4. Bills discounted . . . . .	1,288	1,434	1,966	2,112	1,809	1,529	1,523	1,459	1,432
5. Advances on collateral . . . . .	230	203	287	345	293	235	258	259	273
6. Government debt . . . . .	4,153	4,021	1,799	1,809	1,716	1,687	1,671	1,648	1,638
7. Temporary advances to the Treasury . . . . .	—	—	—	600	600	600	600	600	600
8. Government securities . . . . .	—	—	—	—	—	3	30	102	201
9. Securities of reserve funds, etc. . . . .	65	88	81	66	66	118	131	166	196
10. Other assets . . . . .	1,648	703	195	191	281	444	637	989	2,191
11. Total Balance-sheet . . . . .	7,788	6,713	6,583	7,233	6,966	6,832	6,976	7,736	9,040
<b>LIABILITIES.</b>									
12. Capital . . . . .	30	30	180	180	180	180	180	180	180
13. Reserve and other funds . . . . .	162	176	87	83	98	133	161	183	233
14. Notes in circulation . . . . .	5,818	5,397	5,172	4,773	4,327	4,384	4,890	5,409	5,834
15. Sight deposits . . . . .	1,717	1,049	417	698	1,031	866	1,386	1,629	2,459
(a) Treasury . . . . .	308	186	30	14	7	7	7	59	39
(b) Banker's clearing accounts . . . . .	1,250	687	326	385	475	532	600	651	1,391
(c) Other . . . . .	161	196	61	299	549	327	689	919	1,029
16. Time deposits . . . . .	—	—	681	1,459	1,106	953	193	50	50
17. Other liabilities . . . . .	61	61	46	40	224	316	166	285	284
Discount rate (percentage) . . . . .	6	5½	7½	7½	7½	6½	5	5	5

\* Including silver for cover purposes, amounting to 18 million dinara.

no foreign exchange has been included in the legal cover reserve. *Government debt* : This item was reduced on June 28th, 1931, through the payment by the Government of 1,400 millions in cash and through the use of part of the profit accruing from the revaluation of the gold reserve (770 millions); moreover, under the law setting up the National Bank, profits derived by the Government from its share holdings in the Bank are allocated each year to the repayment of the Government debt. *Temporary advances to the Treasury* : The legal maximum is fixed at 600 million dinara. *Securities* : Government securities bought by the Bank in the open market (Article 12, paragraph I, of the Statutes). *Reserve and other funds* : The increase in 1931 is largely due to the allocation of 59 millions from the revaluation profit. *Time deposits* : The reduction in this item in 1935 is mainly due to the repayment of revolving foreign credits.

*Subsidiary Coin* : In virtue of a Law of July 31st, 1937, the existing silver coins were melted down and replaced by a new set of coins containing a lower percentage of silver.

*Banking Legislation* : In November 1937, the moratorium decree, issued on November 23rd, 1934, and prolonged since then each year, was renewed until February 23rd, 1938.

*Sources* : National Bank of the Kingdom of Yugoslavia : Weekly statements, Reports of the Governing Body, *Quarterly Bulletin*. In addition, the National Bank has kindly supplied the summary balance-sheets and the profit-and-loss accounts of the commercial banks.

## Commercial Banks.

End of :	1930	1931	1932	1933	1934	1935	1936
Number of Banks . . . . .	649	639	632	620	615	610	610
<b>SUMMARY BALANCE-SHEET.</b>		Dinara (000,000's omitted)					
<b>ASSETS.</b>							
1. Cash . . . . .	772	628	530	596	597	787	667
(a) Gold, silver and small coins . . . . .	—	—	—	—	—	—	—
(b) Inland notes and balances with Central Bank . . . . .	—	—	—	—	—	—	—
2. Other Items of a Cash Nature . . . . .	47	68	21	18	27	21	39
3. Bills discounted and bought . . . . .	5,600	5,328	4,336	4,117	3,916	3,523	3,095
(a) Treasury bills . . . . .	—	—	—	—	—	80	74
(b) Commercial bills, Inland . . . . .	—	—	—	—	—	3,443	3,021
(c) Commercial bills, Foreign . . . . .	—	—	—	—	—	—	—
4. Investments and Securities . . . . .	1,293	1,196	1,088	1,013	898	918	932
(a) Government . . . . .	—	—	—	—	—	237	268
(b) Other . . . . .	—	—	—	—	—	681	674
5. Participations . . . . .	274	256	223	148	216	368	383
6. Due from Banks (Correspondents) . . . . .	852	338	227	271	257	100	127
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
7. Loans and Advances . . . . .	9,625	8,356	7,366	6,473	5,746	5,560	6,017
(a) On current account . . . . .	8,418	7,107	6,246	4,478	4,004	3,588	3,940
(b) Other . . . . .	1,209	1,249	1,120	1,995	1,742	1,972	2,077
8. Cover for Acceptances . . . . .	73	74	81	76	63	52	58
9. Premises, etc. . . . .	842	854	866	1,041	1,113	1,040	971
10. Sundry Assets . . . . .	501	854	849	1,087	500	756	986
11. Total Balance-sheet . . . . .	19,879	17,952	15,587	14,840	13,333	13,125	13,275
<b>LIABILITIES.</b>							
12. Capital paid up . . . . .	2,960	2,968	2,952	2,785	2,543	2,494	2,482
13. Reserve Funds . . . . .	924	898	893	926	768	850	804
14. Profit and Loss, etc. . . . .	230	172	55	85	91	115	117
15. Cheques and Drafts in circulation . . . . .	—	—	—	—	—	—	—
16. Due to Banks (Correspondents) . . . . .	—	—	—	—	—	—	—
(a) At home . . . . .	—	—	—	—	—	—	—
(b) Abroad . . . . .	—	—	—	—	—	—	—
17. Deposits . . . . .	14,172	11,733	9,556	8,682	8,060	7,713	7,745
(a) Current accounts and sight deposits . . . . .	2,709	1,936	1,426	1,460	866	1,101	1,139
(b) Savings accounts . . . . .	7,597	6,867	5,343	4,900	4,622	4,354	4,146
(c) Time or fixed deposits . . . . .	—	—	—	—	—	1,776	1,890
(d) Other deposits . . . . .	3,866	2,930	2,787	2,322	2,672	482	670
18. Rediscounts and Other Borrowings . . . . .	779	1,374	1,482	1,449	1,207	1,206	1,075
19. Acceptances and Endorsements . . . . .	73	74	81	76	63	52	58
20. Sundry Liabilities . . . . .	741	733	568	837	601	695	994
21. Guarantees . . . . .	8,302	7,718	6,671	6,479	5,749	5,859	6,870
<b>SUMMARY OF PROFIT-AND-LOSS ACCOUNTS.</b>							
1. Gross Profits . . . . .	1,571	1,510	1,169	986	891	782	821
<i>To be deducted :</i>							
2. Expenses . . . . .	1,249	1,289	1,049	807	698	619	623
(a) Salaries, etc. . . . .	1,031	1,055	818	658	615	536	513
(b) Other working expenses . . . . .	114	149	170	101	40	43	66
(c) Taxes, etc. . . . .	104	85	61	48	43	40	44
3. Reserved for Pension Funds, etc. . . . .	16	14	8	29	—	—	—
4. Written off on . . . . .							150
(a) Premises, etc. . . . .							—
(b) Investments and securities . . . . .	50	32	49	283	140	80	118
(c) Other assets . . . . .							32
5. Remaining Net Profit or Loss (—) . . . . .	256	175	63	— 133	53	83	48
6. Carried forward from preceding year . . . . .	—	—	—	—	—	15	20
7. Taken from Reserves or Capital . . . . .	24	32	49	224	55	35	49
8. Total disposed of for Dividends, etc. . . . .	280	207	112	91	108	133	117
9. Carried to Reserves . . . . .	63	78	34	29	8	18	19
10. Dividends . . . . .	189	110	71	57	55	64	48
11. Directors' Fees, etc. . . . .	28	19	7	5	5	5	4
12. Other purposes . . . . .	—	—	—	—	25	26	27
13. Carried forward to following year . . . . .	—	—	—	—	15	20	19