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MONEY AND BANKING, 1936/37

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*, issued in 1936.

The first volume, *Monetary Review*, contains five separate studies dealing with foreign exchanges in general, forward exchanges, stabilisation funds, the supply of gold and gold reserves and, finally, money rates and bond yields. These studies cover the period from 1929 to March 1937, but the events of the last two or three years are dealt with in greater detail. Seventeen international tables, which summarise the principal monetary statistics of about forty countries, are appended.

In the companion volume, *Commercial Banks*, one important change has been made. In the earlier editions, each chapter was prefaced by an introductory note either describing the banking structure of the country with which that chapter dealt or, when that had already been done, summarising the important monetary and banking developments of the past year. A description has now been given of all the banking systems of the countries contained in this volume, so that further descriptive notes are no longer necessary — at any rate for the time being. The introductory notes referring to recent events have been replaced in the present edition by additional monetary and related statistics for the period 1929 to March 1937. It is believed that the real trend of developments can be better ascertained from these data relating to a relatively long period than from a survey confined to a single year. Each country continues to be treated separately, and the statistics are accompanied by brief notes explaining the data given and summarising recent legislative and other measures.

The Summary Tables, in which national statistics relating to commercial bank accounts are adapted to a standard balance-sheet form, are carried in most cases up to the end of 1935, whereas for some of the more important countries the accounts for the end of 1936 have been added.

A. LOVEDAY,

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

League of Nations,
Geneva, June 1937.

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Detailed data relating to monetary and
banking developments in forty-six
countries will be found in
the companion
volume :
“ COMMERCIAL BANKS ”.

MONETARY REVIEW.

A. — THE COURSE OF EXCHANGES.

General.

Currency stabilisation in terms of gold had been successfully achieved in all but a few countries by the beginning of 1929 ; by the end of 1936, all currencies, apart from the Albanian frank, had suffered depreciation, devaluation or had been subjected to exchange control, and only three were on an unrestricted gold basis. The dates of the principal measures affecting exchange rates and the course of the depreciation of currencies since 1929 in chronological order are shown in Tables I and II of the Appendix.

A strain on a country's currency results, as a rule, from a deterioration in the balance of payments, the demand for claims on foreign countries having become greater than the supply actually forthcoming. The factors which influence adversely the balance of payments, and, consequently, the exchange rates of most countries, may be divided into three broad groups. The first consists of those factors which adversely influence the supply side — *e.g.*, a fall in the value of exports consequent on price declines abroad, a diminution of income from services and investments abroad and a reduction in, or cessation of, the flow of capital from other countries. The second comprises the factors working on the demand side — *e.g.*, principally withdrawals of foreign balances as a result of a widespread liquidity crisis and the flight of domestic capital, due either to external influences or to banking difficulties. The third group is made up of factors working on both the demand and supply side and originating mainly from such monetary and budgetary measures as either increase the level of internal prices and costs or prevent their reduction relatively to those ruling abroad, and thereby not only make it impossible for the balance of payments to readjust itself to the extent required for the maintenance of the exchange rates, but induce an outflow of foreign balances and a flight of domestic capital.

Not every depreciation during 1929 to 1936, however, was brought about or determined as to its degree by forces which had actually expressed themselves in a marked deterioration of the balance of payments at the time of the currency depreciation. The suspension of the convertibility of the currencies of certain countries in close commercial relations with the United Kingdom when that country abandoned the gold standard, and the subsequent linking of these currencies to sterling, appear to have been due largely to a desire to forestall a deterioration of the balance of payments. On the other hand, the forces which induced the depreciation of the United States dollar to the level of the pound in 1933 were peculiar in that they were partly the result of official measures with this particular end in view.

The pressure on the exchanges which developed at different stages of the depression was met in three different ways. Many countries chose at a comparatively early stage to slip off gold on to a paper basis ; others imposed exchange control in an effort to maintain the official gold parity of their currency, but later allowed exchange adjustment, at least for certain purposes ; finally, a limited number of countries endeavoured to maintain the full gold standard by applying a more or less consistent policy of deflation, but were driven ultimately to devalue their currency, or to sever it from gold. These different systems were

sometimes combined in one and the same country or one method was substituted for another in the course of the process of exchange adjustment.

The currencies of the countries which had recourse to the first method have not, as a rule, been left to fluctuate by themselves, independently of other currencies. Most countries which went off gold prior to or after the suspension of the gold standard by the United Kingdom in September 1931 subsequently linked their currencies to sterling. In the United States, however, the abandonment of the gold standard in April 1933 was followed nine months later by provisional stabilisation of the dollar in terms of gold at about 59% of the former parity, while discretionary power for a further devaluation of the dollar down to 50% of its former gold content was vested with the President.

The countries which, at some stage of the process of exchange adjustment since 1929, have changed the legal gold content of their currency are given in Table 1 below.

Table 1.
CHANGES IN THE GOLD VALUE OF CERTAIN CURRENCIES SINCE 1929.

| Date of introduction of new parity | Country | New parity as percentage of 1929 parity | 1929 parity as percentage of new parity |
|------------------------------------|------------------------------------|---|---|
| 1931 IV | Peru | 57.53 | 173.8 |
| 1932 IV | Chile | 50.00 | 200.0 |
| 1934 II | United States | 59.06 | 169.3 |
| » II | Czechoslovakia | 83.33 | 120.0 |
| » IV | Austria | 78.72 | 127.0 |
| » VII | Salvador | 59.06 | 169.3 |
| 1935 I | Chile | 25.00 | 400.0 |
| IV | Belgium, Belgian Congo | 72.01 | 138.9 |
| IV | Luxemburg | 90.01 | 111.1 |
| IV | Danzig | 57.66 | 173.5 |
| V | Argentina | 45.86 | 218.1 |
| VIII | Uruguay | 45.60 | 219.3 |
| XII | Ecuador | 33.33 | 300.0 |
| 1936 III | U.S.S.R. | 22.94 | 435.9 |
| IX | France ¹ | { 74.81 | 133.7 |
| | | { 65.65 | 152.3 |
| IX | Switzerland ¹ | { 74.06 | 135.0 |
| | | { 65.45 | 152.8 |
| X | Italy | 59.06 | 169.3 |
| X | Czechoslovakia | 70.01 | 142.8 |
| XI | Roumania | 72.44 | 138.0 |

Not all the new gold parities shown have been effectively adhered to. Most of the currencies covered by the table are in fact not freely convertible in gold for export at these parities, some of the countries concerned having allowed the exchange values of their currency to depreciate further, while others are only maintaining their currencies at the new parities by means of exchange control.

Exchange control, whereby foreign exchange is rationed by a public body exercising a more or less complete monopoly of exchange transactions, has been widely resorted to in recent years by debtor countries, especially by those which had experienced drastic currency depreciation during the war or early post-war period. In some cases, exchange

¹ The upper and lower limits for devaluation provided by the Devaluation Law.

restrictions were introduced only after a substantial depreciation of the currency had actually taken place. The chief motives for imposing exchange control were: (1) fears that the withdrawal of foreign capital and the flight of domestic capital which at their inception had precipitated an internal banking crisis in most of these countries would, if they were not checked, entail a rapid depreciation of the currency and provoke violent inflation; (2) desire to preserve for the public authorities the exchange required in the first instance for their foreign debt service.

As mentioned above, most of the exchange-control countries have subsequently allowed exchange adjustment to take place. The following principal methods of exchange alignment applied in these countries may be distinguished:

(1) Gradual extension of the system of private clearing or compensation whereby exporters and importers are allowed, under more or less direct supervision by the central bank, to purchase and sell foreign exchange at rates agreed between themselves; this procedure has led to the establishment of a free exchange market in some of the countries where it has been applied. An analogous system is that under which the proportion of the exchange proceeds from exports to be ceded at the official rate to the central bank has been gradually reduced, while the remainder of such exchange proceeds as well as exchange emanating from sources other than exports are allowed to be sold in the free market.

(2) Establishment of premia on exports and surcharges on imports implying a corresponding depreciation of the national currency in terms of foreign currencies.

(3) The recognition by monetary authorities of one or more rates of exchange on account of defined transactions lower than the official rate.

(4) Devaluation of the national currency in terms of gold or in terms of some leading foreign currency — *e.g.*, sterling or dollar.

The extent to which individual countries have had recourse to one or the other of these procedures will be seen from the following subsections analysing exchange developments in greater detail by groups of countries.

The currencies have been divided into five groups determined in so far as possible by the nature of the forces that led to their depreciation. In the first group belong the currencies of the important raw-material-exporting countries which were the first to depreciate or be subjected to exchange control. The second group comprises those currencies which were subjected to heavy pressure as a result of the European financial crisis of the summer of 1931 or which were allowed to depreciate with sterling. The United States dollar constitutes a group by itself. The currencies which were devalued or controlled since the stabilisation of the dollar at the beginning of 1934 make up the fourth group. The fifth group comprises the exchanges of China and Iran, which were influenced by the world price of silver, and those of Spain and Turkey, whose currencies had not been legally stabilised by 1929.

Raw-material-exporting Countries.

The exchanges of the extra-European raw-material-producing countries were the first to be affected. Currency depreciation began in Uruguay as early as May 1929, followed in Argentine and Brazil at the end of 1929 and in Peru, Bolivia, Australia and New Zealand at the beginning of 1930. The Venezuelan bolivar started to fluctuate in September 1930, and the Mexican and Chilean pesos were quoted below par in August 1931. By the middle of 1932, other Latin-American currencies not linked to the dollar had depreciated or been

subjected to exchange control. The pressure on these currencies since the beginning of 1929 was due primarily to the heavy decline in value of their staple exports and, to a lesser extent, to the cessation of capital inflow and the fact that import values declined less rapidly than export values. The relative significance of the first and third factors for the more important countries may be judged from items (b) and (c), and (d) respectively of Table 2.

Table 2.

CERTAIN ECONOMIC AND FINANCIAL INDICES RELATING TO RAW-MATERIAL-EXPORTING COUNTRIES.

| | Uruguay | Argen- tine | Brazil | Peru | Bolivia | Australia | New Zealand | Chile | Mexico |
|---|-------------------|----------------|-------------------|-------|--------------------|--------------------|----------------|-----------------|---------------------|
| (a) Value of currency as % of parity in 1929: | | | | | | | | | |
| Average 1930. | 83 | 87 | 90 | 76 | 97 | 94 | 96 | 99 | 95 |
| Average 1931. | 54 | 69 | 59 | 70 | 89 | 72 | 85 | 99 ^a | 86 |
| (b) Export price indices in gold (1928 = 100): | | | | | | | | | |
| 1929. | 91 | 91 | 96 ^b | 91 | 90 ^c | 90 | 96 | 107 | . |
| 1930. | 69 | 72 | 57 ^b | 55 | 62 ^c | 68 | 73 | 70 | . |
| 1931. | 42 | 43 | 38 ^b | 45 | 48 ^c | 39 | 50 | 61 ^a | . |
| (c) Gold value of merchandise exports (1928 = 100): | | | | | | | | | |
| 1929. | 88.3 | 89.2 | 97.3 ^e | 93.6 | 124.3 ^d | 89.3 ^e | 98.9 | 118.4 | 100 ^{d e} |
| 1930. | 84.5 | 50.4 | 67.1 ^e | 67.2 | 90.2 ^d | 63.0 ^e | 77.9 | 68.6 | 75.8 ^{d e} |
| 1931. | 43.7 | 42.1 | 50.8 ^e | 39.2 | 53.7 ^d | 47.5 ^e | 53.8 | 42.7 | 58.6 ^{d e} |
| (d) Gold value of Merchandise imports (1928 = 100): | | | | | | | | | |
| 1929. | 94.8 ^f | 101.6 | 95.7 ^e | 108.6 | 113.0 ^d | 104.9 ^e | 109.4 | 134.9 | 107 ^{d e} |
| 1930. | 79.4 ^f | 76.5 | 59.2 ^e | 72.9 | 91.3 ^d | 68.4 ^e | 95.8 | 116.4 | 95.9 ^{d e} |
| 1931. | 64.9 ^f | 43.2 | 31.7 ^e | 41.4 | 47.8 ^d | 29.3 ^e | 51.6 | 58.9 | 54.1 ^{d e} |
| (e) Central gold and foreign exchange assets (end of 1928 = 100): | | | | | | | | | |
| XII. 1929 | 88 | 72 | 100 | 90 | 208 | 72 | 92 | 88 | 135 |
| XII. 1930 | 77 | 68 | 29 | 72 | 141 | 29 | 96 | 68 | 83 |
| XII. 1931 | 66 | 41 | 14 | 64 | 90 | 35 | 92 | 39 | 26 |

^a Nominal gold value.^b The price of coffee in New York.^c The price of tin in New York.^d Including bullion and specie.^e General trade.^f Official value.

The movement of item (e) illustrates the drain on the monetary reserves of these countries. The figures for New Zealand are misleading, because they do not include the trading banks' net foreign assets which are not recorded for the three years covered by the table.

During 1931, a number of the countries which had allowed free exchange transactions found it necessary to institute exchange control. Brazil imposed control in May, Chile in July, Uruguay in September and the Argentine and Bolivia in October. Though exchange restrictions were not officially introduced in Australia, foreign exchange began to be rationed in the second half of 1930 following an arrangement between the Commonwealth Bank and the trading banks to pool their sterling resources to ensure the priority of certain payments abroad. In New Zealand, a compulsory exchange pool was created at the end of 1931.

The course of the exchange rates of this group of countries since the depreciation of sterling was not uniform. The abandonment of the gold standard by the United Kingdom exerted considerable influence on the currencies of countries which had close relations with

that country. Australia and New Zealand had attempted to peg their currencies to sterling at par prior to September 21st, 1931. This attempt was abandoned in Australia in December 1931, when the Australian pound was allowed to depreciate to the rate of £A125 to £100 sterling, at which rate it has remained pegged since. The New Zealand pound had depreciated by about 10% in terms of sterling, and this rate was maintained after September 21st, 1931. In December 1931, however, a compulsory exchange pool of the six trading banks was established, exports were allowed only under licence and exporters were required to remit the exchange proceeds to New Zealand through one of the six trading banks. These restrictions were relinquished in the latter part of 1932, while the exchange rate in terms of sterling was maintained unchanged until the end of 1932. In January 1933, the rate depreciated to £N.Z.116 per £100 sterling and was fixed in February at £N.Z.125 to £100 sterling, at which rate it has since remained pegged.

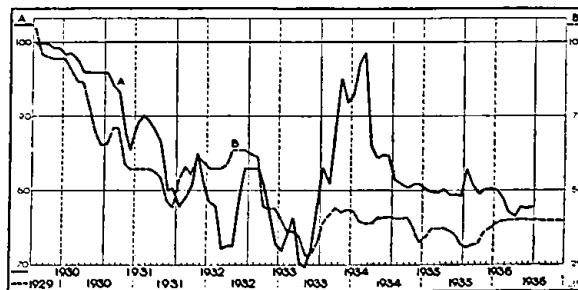
The pressure on the Argentine exchange after September 21st, 1931, was such that the peso depreciated from an average of 67.1% of its gold parity in August to 54% in October. Through the exchange control established at the middle of the latter month, the rate was raised to and maintained at about 60% until December 1933, when it fell to 50%. Since January 1934, the peso has been pegged to sterling at the rate of 15 and 17 pesos per £ for sales and purchases respectively. The latter rate was raised to 16 pesos in December 1936 following an appreciation of the free market rate to 17 pesos per £. The convertibility of the boliviano was suspended simultaneously with that of sterling, an exchange control was instituted in October 1931 and the currency was linked to sterling, but the rates had to be altered several times, largely in consequence of the inflation which started in July 1932.

The movement of the currencies which were not directly affected by the depreciation of sterling or which were not pegged to the dollar reflect in part the evolution of the world price of the staple exports of each country and, in part, internal monetary and budgetary developments. The former is strikingly illustrated by the experience of countries such as Venezuela, Brazil, Colombia and Salvador, whose exports consist almost exclusively of one staple. The close relation existing between the gold value of the Venezuelan bolivar and the United States gold price of crude petroleum, which constitutes about 80% of Venezuela's total exports, may be seen from Diagram 1 below. The monthly exchange movements are shown with a lag of five months behind the price movements.

Diagram 1.

VENEZUELAN BOLIVAR (GOLD PARITY = 100)
AND GOLD PRICE OF CRUDE PETROLEUM IN
THE UNITED STATES (1927-1929 = 100).

A. Bolivar. B. Petroleum.



The absence of any close correlation since about the middle of 1934 and the steep fall in the gold value of the bolivar after it had almost reached parity in August 1934 are due to the action of the Government at the end of that month in fixing the purchase and sale price of the United States dollar at 3.90 and 3.93 bolivars and in arranging that the oil companies should sell foreign exchange to the banks at the former rate. Exchange control was introduced in December 1936, and in April 1937 the buying and selling rates for the United States dollar were raised to 3.17 and 3.19 bolivars.

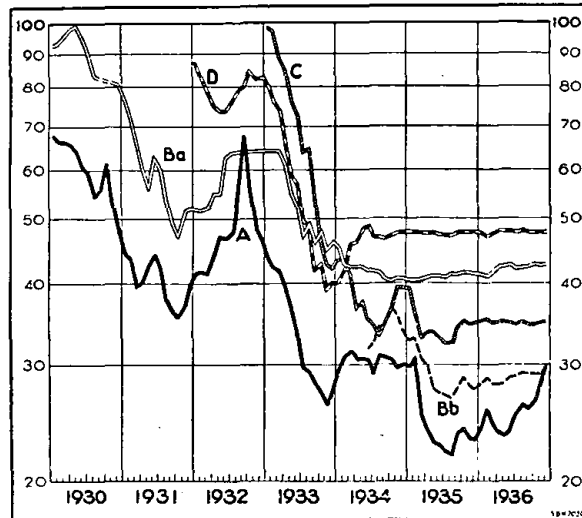
A similar correlation exists, as is disclosed by Diagram 2 below, between the gold price of coffee, which constituted during 1930 to 1935 over 90, 65 and 60% of the total exports of Salvador, Brazil and Colombia respectively, and the gold value of the currencies of these countries. The latter are shown according to official rates, the gold value of the Brazilian milreis according to free rates being also given as from May 1934, when the free market was first officially recognised.

Diagram 2.

BRAZILIAN MILREIS, COLOMBIAN PESO, AND SALVADORIAN COLON (GOLD PARITY = 100) AND GOLD PRICE OF COFFEE IN THE UNITED STATES (1929 = 100).

The diagram is drawn on a logarithmic scale.

- A. Coffee.
- Ba. Milreis according to official rates.
- Bb. Milreis according to free rates.
- C. Peso.
- D. Colon.



The exchanges of Brazil and Colombia and, consequently, their relation to the price of staple exports have been subject to control since May and September 1931 respectively. In the four cases examined, exchange rates followed, naturally or as a result of exchange management, the price of the respective staple export. In Bolivia, the Decree of May 1932 actually provided for the pegging of the boliviano to the London price of tin.

The rate of domestic currency expansion influenced in no small way the degree of depreciation of most of the currencies of this group after 1931. The full force of this factor is most striking in the evolution of the gold value of the Bolivian and Chilian currencies.

Diagram 3.

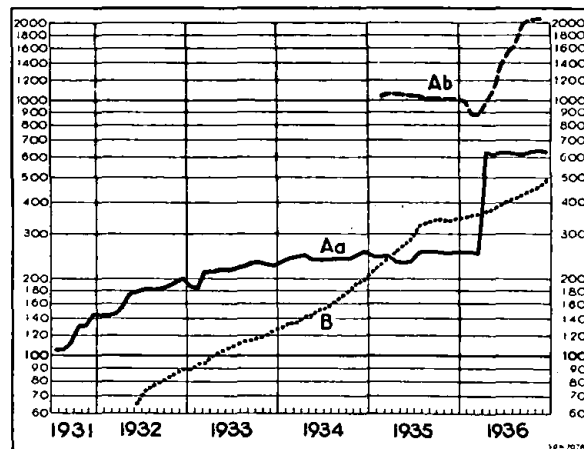
VALUE OF GOLD IN BOLIVIANOS (1929 PARITY = 100) AND THE NOTE CIRCULATION OF THE CENTRAL BANK OF BOLIVIA (XII.1929 = 100).

The diagram is drawn on a logarithmic scale.

- Aa. Value of gold in bolivianos according to official rates.
- Ab. Value of gold in bolivianos according to non-official rates. ^a
- B. Note circulation. ^b

^a I.1935 to III.1936 "export rates"; IV. to VII.1936 "free rates"; and VIII. to XII.1936 "bank rates".

^b Note circulation not available by months prior to July 1932.



The pressure of the inflation in Bolivia resulting from Government borrowing at the Central Bank ¹ to finance the war with Paraguay, which began in July 1932, is only

¹ Discounts of Treasury bonds soared from 7 million bolivianos at the end of 1931 to 57, 115, 207 and 389 millions at the end of 1932, 1933, 1934 and 1935 respectively, and the note circulation and total deposits showed a corresponding increase.

partially reflected by the official rates, which had depreciated by 84% in December 1936. At the same date, the rate at which the three principal banks sold foreign exchange, or "bank" rate, was equivalent to a depreciation of 95%.

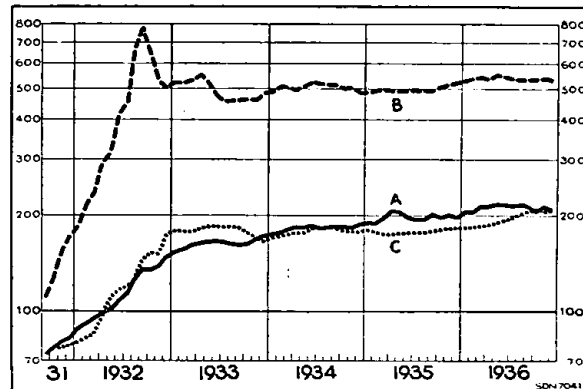
The inflation in Chile, also the result of Government borrowing at the Central Bank,¹ was of smaller magnitude and shorter duration than in Bolivia. Diagram 4 shows the total monetary supply — the sum of the note circulation and other sight liabilities of the central bank and commercial bank sight deposits — wholesale prices and the value of gold in terms of Chilean pesos as given by free market rates,^a all expressed as percentages of 1929.

Diagram 4.

VALUE OF GOLD IN TERMS OF CHILIAN PESOS (1929 PARITY = 100), SUPPLY OF MONEY (XII.1929 = 100) AND WHOLESALE PRICES (1929 = 100).

The diagram is drawn on a logarithmic scale.

- A. Supply of money.
- B. Value of gold according to free exchange rates.^a
- C. Wholesale prices.



^a IX.1931 to XII.1932 " curb rates "; I.1933 to XII.1936 " export rates ".

The sharp depreciation during the summer of 1932 occurred at a time of political disturbances. The official rate of the peso was devalued to 50% of its 1929 parity in April 1932 and to 25% in January 1935.

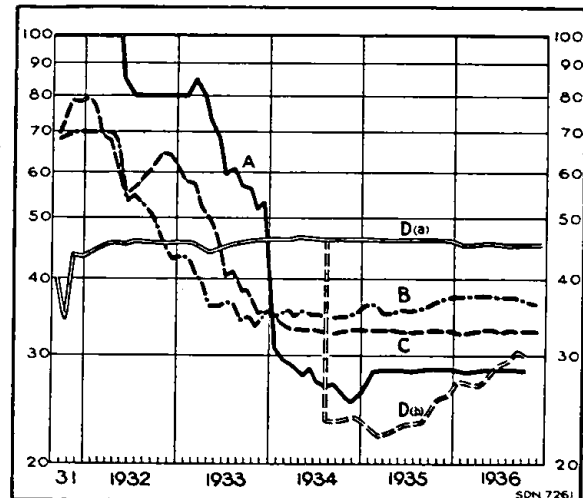
The rate of monetary expansion appears to have had, since 1931, a depressing influence also on the exchanges of Ecuador and Peru, the percentage depreciation of which in terms of gold is shown in Diagram 5 along with that of the Mexican and Uruguayan pesos. For Uruguay, both the official rates and the officially recognised free rates have been used.

Diagram 5.

MOVEMENT OF EXCHANGE RATES (GOLD PARITY = 100).

The diagram is drawn on a logarithmic scale.

- A. Ecuador.
- B. Peru.
- C. Mexico.
- Da. Uruguay (official).
- Db. Uruguay (free).



¹ Direct Treasury borrowing increased from 34 million pesos at the end of September 1931 to 84, 507 and 673 millions at the end of 1931, 1932 and 1933. At the end of 1933, this debt was consolidated into a single loan. Loans for the account of the Treasury and other public bodies continued to rise, though at a very much reduced rate, in 1934 and 1935. The share of public advances in the total assets of the Central Bank, which had soared from 15 to 67% between the end of 1931 and 1933, rose further to 75 and 78% at the end of 1934 and 1935 respectively.

The initial depreciation of the Ecuadorian sucre was due to political disturbances in the latter part of 1931, which led to a serious run on the banks and to a flight of foreign and domestic capital. Exchange control was imposed in May 1932. The sharp depreciation during 1933 and 1934 is accounted for by the inflation¹ which developed between March 1932 and June 1934. Peru adopted a new currency unit in February 1930, when the gold sol, equivalent to one-tenth of a Peruvian pound, was stabilised at 40 United States cents. The sol was devalued to 28 United States cents in April 1931, largely as a result of the flight of domestic capital and deterioration in the balance of trade. As this continued in the following year, the convertibility of the sol was suspended in May 1932. The pressure on the sol in the following two and a half years appears to have been due primarily to Government borrowing at the Central Bank.²

The suspension of the gold standard in Mexico in July 1931 had been preceded, in addition to the continued deterioration in the balance of trade since 1929 (see Table 2), by a currency panic and banking crisis in the second quarter of 1931. The sharp depreciation which followed seems to have been due in large part to the flight of capital, mainly on foreign account, which was aggravated by the liquidation of the foreign banks after the Law of June 1932.³ Since July 1933, the peso has been pegged to the American dollar at 3.55 pesos (July-November 1933) and then at 3.60 pesos to the dollar, by comparison with a par rate of 2 pesos.

Unlike the other Latin-American countries, Uruguay did not experience any monetary deflation in the early part of the depression. The large decline in the value of exports, the maintenance of a high level of imports and the cessation of capital inflow led to a depreciation of 60% in the value of the Uruguayan peso prior to the establishment of exchange control in September 1931. Since the beginning of 1932, the official rate of the peso has remained unaltered at about 46% of its former gold parity; but free rates with a discount of about 45%, as compared with the official rate, have been officially recognised since February 1934.

European Exchange-control Countries.

The financial crisis which began with the breakdown of the Austrian Creditanstalt in May 1931 was followed by the suspension of the convertibility of the currencies of some twenty countries with independent monetary systems. While the continued decline in the value of merchandise exports and of income from invisible exports were not without their influence, the pressure on the exchanges of these countries appears to have been chiefly due, directly or indirectly, to the withdrawal of foreign short-term funds on an unprecedented scale.⁴ These withdrawals affected domestic confidence in the banks or the currency and engendered runs on banks and/or flight of capital. The abandonment of the gold standard by the United Kingdom in September 1931 aggravated these tendencies and also influenced the exchange policy of countries having close relations with the United Kingdom.

The effects of the banking crisis and of the pressure on the exchanges on the central monetary reserves, the volume of commercial bank deposits and the dependence of Govern-

¹ The note circulation was more than doubled and total commercial bank deposits rose by 200% in the two and a half years ended June 30th, 1934.

² Direct advances to the Treasury and rediscounts of Treasury bills, which figured for the first time at a total of 9 million sols, or 43% of total discounts and advances, at the end of 1932, rose, largely as a result of the war with Colombia, to 40 and 60 million sols, or 82 and 96% of the total discounts and advances, at the end of 1933 and 1934 respectively.

³ See *Commercial Banks, 1929-1934*, page 179.

⁴ The estimated total outstanding short-term indebtedness declined from 70,000 million Swiss francs at the end of 1930 to 45,000 millions at the end of 1931 (according to estimates of the Bank for International Settlements).

ments on the banks of issue are shown for seventeen of these countries in Table 3. The countries are arranged in five groups more or less according to the nature or force of the influences operating on the exchanges. The third item of the table reflects mainly central bank assistance to the commercial banks.

Table 3.

PERCENTAGE MOVEMENT OF CENTRAL MONETARY RESERVES, COMMERCIAL BANK DEPOSITS AND CENTRAL BANK ADVANCES TO COMMERCIAL BANKS OF CERTAIN COUNTRIES (1929 = 100).

| | Central gold and foreign assets reserves | | | Total commercial bank deposits | | | Central bank non-Government loans, advances and discounts | | |
|--|--|-------|-------|--------------------------------|-------|-------|---|-------|-------|
| | 1930 | 1931 | 1932 | 1930 | 1931 | 1932 | 1930 | 1931 | 1932 |
| <i>European Exchange-control Countries :</i> | | | | | | | | | |
| Germany | 96.3 | 27.9 | 22.2 | 92.5 | 63.1 | 61.4 | 94.6 | 173.6 | 117.4 |
| Hungary | 94.7 | 51.9 | 48.1 | 103.2 | 85.6 | 78.0 | 90.6 | 134.0 | 136.5 |
| Austria | 122.4 | 39.7 | 24.5 | 118.3 | ... | 62.3 | 48.5 | 304.2 | 131.9 |
| Czechoslovakia | 113.1 | 76.7 | 77.5 | 106.5 | 97.4 | 93.8 | 51.9 | 229.1 | 165.7 |
| Greece | 96.6 | 61.6 | 51.3 | 112.6 | 104.2 | 99.6 | 100.6 | 164.0 | 324.3 |
| Yugoslavia | 80.4 | 122.1 | 110.2 | 107.6 | 89.0 | 72.5 | 107.8 | 148.4 | 161.9 |
| Bulgaria | 88.3 | 69.5 | 64.5 | 91.0 | 78.8 | 70.6 | 49.1 | 43.7 | 32.4 |
| Estonia | 99.7 | 73.7 | 66.8 | 110.6 | 90.9 | 77.3 | 87.5 | 87.5 | 74.4 |
| Latvia | 81.2 | 57.4 | 58.7 | 103.3 | 43.5 | 45.1 | 108.5 | 82.9 | 89.0 |
| Roumania | 69.5 | 62.6 | 63.1 | 103.9 | 58.9 | 51.0 | 83.7 | 141.6 | 139.4 |
| <i>Other Countries :</i> | | | | | | | | | |
| Denmark | 103.8 | 60.7 | 48.9 | 105.9 | 98.4 | 94.8 | 91.2 | 135.2 | 103.8 |
| Norway | 102.3 | 83.6 | 82.2 | 102.5 | 94.0 | 83.5 | 85.6 | 122.5 | 123.5 |
| Sweden | 123.1 | 50.0 | 82.4 | 104.3 | 102.1 | 102.2 | 84.7 | 147.2 | 54.1 |
| Finland | 125.5 | 80.7 | 86.2 | 102.9 | 98.6 | 95.6 | 67.7 | 94.7 | 88.1 |
| Portugal | 75.4 | 129.0 | 162.8 | 84.8 | 77.8 | 78.4 | 150.9 | 78.6 | 78.0 |
| Japan | 79.2 | 43.5 | 41.6 | 96.8 | 93.4 | 97.8 | 109.9 | 137.5 | 111.1 |
| South Africa | 100.0 | 57.4 | 52.4 | 104.8 | 93.4 | 89.8 | 64.7 | 211.8 | 88.2 |

The countries in the first group were exposed to particularly heavy withdrawals of foreign funds, which precipitated a flight of domestic capital and a run on banks. The central gold and foreign exchange reserves of Austria dropped, according to the returns of the National Bank, from 860 to 318 million schillings,¹ or by over 60%, between the end of April and the end of December 1931, despite the fact that, in June, the National Bank had been granted a short-term loan of 150 million schillings by the Bank of England. Total capital exports from Germany in the first seven and a half months of 1931 are estimated² at RM 3,500 million, of which RM 2,000 million represented withdrawals of short-term funds from the banks. The Reichsbank lost simultaneously RM 2,000 million in gold and foreign assets (1,370 millions from ordinary reserves and 630 millions from credits raised with the Bank for International Settlements and a New York banking syndicate with a view to supporting the exchange). These losses were obviously accounted for in the main by capital exports which, however, were financed to a large extent by the sale of other holdings of foreign assets available in the country. Similar estimates are not

¹ Total withdrawals of short-term funds from Austria between the beginning of the Creditanstalt crisis in May 1931 and the end of December 1931 are estimated at 700-900 million schillings, half of which represented withdrawals on domestic account.

² Estimates of the Wiggin Committee.

available for Hungary, but foreign withdrawals are believed to have been considerable. During 1931, central reserves fell by 104 million pengö, or about 50%.

Fears of further capital exports on foreign and domestic account and the deterioration in the position of the banks were followed by the imposition of exchange control in Germany and Hungary in July and in Austria in October 1931. Exchange control, though undergoing substantial modifications, mainly in the direction of instituting premia on exports and surcharges on imports, remains stringent in the first two countries.

In Hungary, where export premia and import surcharges had varied since their introduction, late in 1932, according to every individual transaction, a simplification of rates was achieved towards the end of 1935. For Austria, for example, the premia and surcharges were fixed at 10 and 13% respectively, while, for Germany, the rates were to be determined by the situation of the market; at the beginning of 1936, these rates involved an export premium of 18% and an import surcharge of 19.5%. In the Swiss, French and Belgian clearings, a uniform export premium of 38% and an import surcharge of 41% were applied, while, for countries with which Hungary had no clearing agreements, notably the United Kingdom and United States, the import surcharge was raised from 40 to 53% and the export premium fixed in a uniform manner at 50%. The rates for France and Switzerland were raised to the level of the latter group when their currencies were devalued in September 1936, a readjustment being also effected in the rates for Italy and Czechoslovakia when the lira and the crown were devalued in October 1936. Further, in order to enable it to compete with the market, the National Bank was authorised to purchase convertible foreign exchange not emanating from goods traffic at a premium of 50% over the official parity, and a surcharge of 53% was to be levied on all such exchange allotted for other than import purposes.

In Austria, the control began to be relaxed during 1933 through the introduction of the system of private compensation agreements. In April 1934, the gold value of the schilling was reduced by 21.3% and, in June 1935, restrictions were removed for all exchange dealings except those having the character of a capital export. The schilling has, since the beginning of 1934, remained at 78-79% of its former gold parity.

Though the position of the Czechoslovak banks was favourable on short-term account, their foreign short-term claims became immobilised as a result of exchange restrictions and standstill agreements introduced abroad. The withdrawal of substantial foreign credits in the summer of 1931, therefore, had to be met very largely out of central reserves, which fell by 1,300 million crowns, or 31%, in the course of 1931, half of this reduction occurring in the third quarter of 1931. Exchange control was established in October 1931, and, on February 17th, 1934, the crown was devalued by 16.66%, the balance of payments on account of current items having become passive for the first time during 1932 and 1933.¹ A second devaluation, making a total depreciation of 30%, was effected on October 9th, 1936, following the realignment of the principal gold-*bloc* currencies. The system of exchange control was, however, retained.

The Estonian kroon was maintained at par by a system of exchange control from the middle of November 1931 to the end of June 1933, when it was allowed to depreciate to the level of the Swedish krona. It was not till September 1933 that the kroon was definitely pegged to sterling at the par rate. The system of exchange control began to be relaxed in 1934, and, by the end of 1936, such restrictions as remained in force related to the export of capital.

¹ The passive balance is estimated at 166 and 43 million crowns respectively.

Foreign capital had found its way into Greece mainly in the form of long-term loans raised by the Government. Exchange control was established in 1931 owing to the flight of domestic capital, which became acute about the time of the abandonment of the gold standard by the United Kingdom. The flight of capital continued, however, and assumed large proportions in the spring of 1932. The drachma was allowed to depreciate to 51% of its parity in April of that year and continued to depreciate until the beginning of 1933, when it was pegged to the Swiss franc at 43% of its former parity. During the summer of 1936, the flight of domestic capital was resumed, and severe measures of control had to be imposed in August. After the devaluation of the Swiss franc, the drachma was attached to sterling, the range of the rates fixed being 540 to 550 drachmæ to the £, as compared with the old par rate of 375 drachmæ. Though the special measures taken in August 1936 were subsequently relaxed, the system of exchange control remains in force.

Exchange control was established in all the other countries of the second group shown in Table 3 before the end of 1931, except in Roumania, where it was instituted in May 1932. This control has been considerably relaxed in Bulgaria in recent years, largely as a result of the introduction of a system of private compensation agreements, though it has not been accompanied by an official realignment of the currency. In Latvia, the former gold parity was officially abandoned and the currency was pegged to sterling at the old par rate in October 1936; exchange control was, however, retained.

The system of exchange control in Roumania has been modified several times since its imposition in May 1932, mainly by the introduction of premia on exports and surcharges on imports.¹ The depreciation of the currency in external markets was officially recognised in June 1935, when the National Bank fixed a premium of 30%, raised to 38% in July 1936, on gold offered to it. At the beginning of November 1936, the National Bank was authorised to revalue its gold reserve at the latter rate. The system of exchange control, however, was not abolished.

In Yugoslavia, the National Bank fixed, as early as October 1932, a premium of 20% on the currencies of all countries with which no clearing agreements had been concluded and, in January 1935, this premium was raised to 28½% and applied to all countries. Since the former date, the dinar has been quoted at about 77% of its former gold parity.

Sterling Area Countries.

The suspension of the gold standard by the countries of the third group occurred coincidentally with and was primarily influenced by the depreciation of sterling. Though their balance of payments had previously tended to deteriorate for various reasons (*inter alia*, withdrawals of foreign capital in the case of Sweden and Finland and some flight of domestic capital in the case of Denmark and Norway), the gold and foreign assets reserves of these countries were still substantial, serious difficulties did not threaten their banking structure, and the Swedish and Norwegian banks were, on balance, creditors on short-term account. Denmark suspended the gold standard a week after the United Kingdom, but pressure developed on the exchanges in the following six weeks owing to the flight of domestic capital. The krone was at first maintained at about 18.50 kroner to the £ — *i.e.*, almost at par — but the rate rose to 19.50 during 1932, and in January 1933 it was raised to 22.40 kroner to the £ simultaneously with the raising of the New Zealand rate to £N.Z.125

¹ On December 1st, 1935, however, when one single premium (38%) was substituted for the variety of premia previously in force, a 12% *ad valorem* tax was imposed on petroleum exports, an equivalent duty being levied on all imports. |

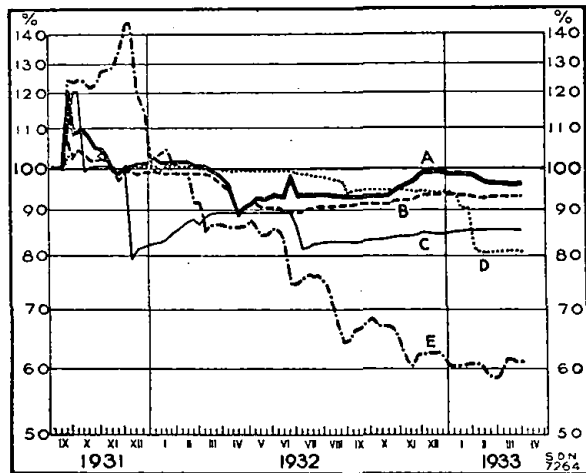
per £100 sterling. Sweden and Norway also suspended the gold standard about a week after the United Kingdom and the convertibility of the Finnish mark was suspended on October 12th, 1931. From September 1931 till January 1933, the currencies of these three countries were allowed to fluctuate more or less independently of sterling, and it was only at the beginning of February 1933 that they were definitely pegged to sterling (*cf.* Diagram 6).

Diagram 6.

MOVEMENT OF EXCHANGE RATES IN LONDON
(PAR RATE WITH £ = 100).

The diagram is drawn on a logarithmic scale.

- | | |
|-------------|-------------|
| A. Denmark. | D. Finland. |
| B. Sweden. | E. Japan. |
| C. Norway. | |



The abandonment of the gold standard by Portugal simultaneously with the United Kingdom and the pegging of the escudo to sterling at the par rate of 110 escudos per £ was the natural result of the close commercial relations between the two countries. It was not preceded, as in the other cases, by a pressure on the exchanges.

The Canadian dollar¹ began to depreciate with the suspension of the gold standard by the United Kingdom, but the fall in its gold value was moderate — about 12% — until January 1933. Between April 1933 and the end of January 1934, the Canadian dollar depreciated with the United States dollar. The reduction in its gold value by a further 23.5% between these two dates would appear to have been due to an outflow of funds, reflected in a decline during 1933 of \$10 million in the gold reserves of the Government and chartered banks and an increase in the net foreign liabilities of the latter by \$27 million. Since the *de facto* stabilisation of the United States dollar, the Canadian dollar, when not at parity with the pound or the United States dollar, has taken an intermediate position.²

Japan.

The pressure on the Japanese yen became particularly severe in the last quarter of 1931 and was followed by the suspension of specie payments on December 13th, 1931. By July 1932, when the Capital Flight Prevention Law was put into effect, the yen had depreciated to 55% of its former parity. It continued to depreciate until October 1934,

¹ Canada was excluded from Table 3, as the absence of a central bank prior to 1935 did not make possible comparisons on the lines attempted in that table.

² The annual report of the Bank of Canada for 1935 in explaining the recent course of the dollar states: "From the point of view of short-term movements, it is probable that the large volume of United States and United Kingdom investments in Canada, and the existence of so many Canadian bonds payable in two or three currencies . . . have had a tendency to restrict fluctuations in our exchange rate. A discount on the Canadian dollar in the United States encourages purchases of Canadian securities; a premium encourages selling; and the situation *vis-à-vis* the United Kingdom is the same."

since when it has been maintained at roughly 34% of the gold parity. Since November 1932, its movements have been similar to, though at first wider than, those of the pound; but since the beginning of 1934 it has been practically linked to sterling at an average rate of 1s. 2d. per yen. The pressure on the yen during 1931 and 1932 was due to three factors: a deterioration in the balance of payments on current account, due partly to the reduction in the price of silk and falling-off of income from invisible exports and partly to the heavy speculative purchases of raw materials as soon as the exchange began to weaken; withdrawals of capital on foreign and domestic account; and drain of capital to Manchuria.¹ The weakness of the exchange which developed in the latter part of 1936, due apparently to large purchases of raw materials, was followed by the tightening of exchange control at the beginning of January 1937, when a licensing system was applied to transactions in foreign exchange in settlement of imports in excess of 30,000 yen per month.

Siam.

Siam,² though directly affected by the depreciation of sterling, partly because its central reserve consisted almost entirely of sterling and partly on account of the simultaneous depreciation of the currency of the Straits Settlements, to which it sends over 37% of its total exports, did not peg its currency to sterling until June 1932, when the baht was allowed to depreciate to the par rate, or 11 baht per £. The central reserve, which had been turned into gold in 1931, was reconverted into sterling in 1933.

The Union of South Africa.

The Union of South Africa, unlike many other countries having close relations with the United Kingdom, did not abandon the gold standard simultaneously with that country,³ despite a considerable flight of capital in the last quarter of 1931 and the first quarter of 1932.⁴ In order to ensure the maintenance of the gold parity, measures were taken to strengthen the reserve position of the Reserve Bank, the Bank being authorised to purchase the entire output of the gold-mines and to lower its reserve ratio, and the commercial banks being required to furnish the Department of Finance with particulars regarding their exchange position. At the same time, a severe reduction in imports was effected. Political developments, renewed purchases of sterling and hoarding of gold towards the end of 1932 led to the suspension of specie payments and the linking of the South African pound to sterling at par rates at the end of December of that year.

¹ The estimated net capital outflow during 1930 and 1931 amounted to 295 and 314 million yen. The net outflow on account of known capital transactions in each of the following three years was 329, 276 and 129 million yen respectively. The extent to which the estimated capital outflow of 1,018 million yen during 1931 to 1934 represented capital exports to Manchuria may be judged from an estimate of the Chairman of the Mitsui Bank, according to which total capital exports to Manchuria between September 1931 and May 1935 on account of capital for Japanese concerns established there, Japanese bank advances to Manchurian authorities and participations in Manchurian bond issues amounted to 738 million yen.

² Siam was excluded from Table 3, due to the absence of data relating to the items covered by that table.

³ Australia and New Zealand had, in fact, abandoned gold prior to the United Kingdom (see above, Sub-section on "Raw-material-exporting Countries").

⁴ According to a statement of the Governor of the Reserve Bank, the commercial banks during this period had sold £S.A. 43.5 million and bought 10.7 millions, the oversold amount of 32.8 millions being provided by the export of 23 millions of gold, by the Reserve Bank selling £S.A. 6 million of its London investments and the commercial banks drawing on their London offices about £S.A. 4 million.

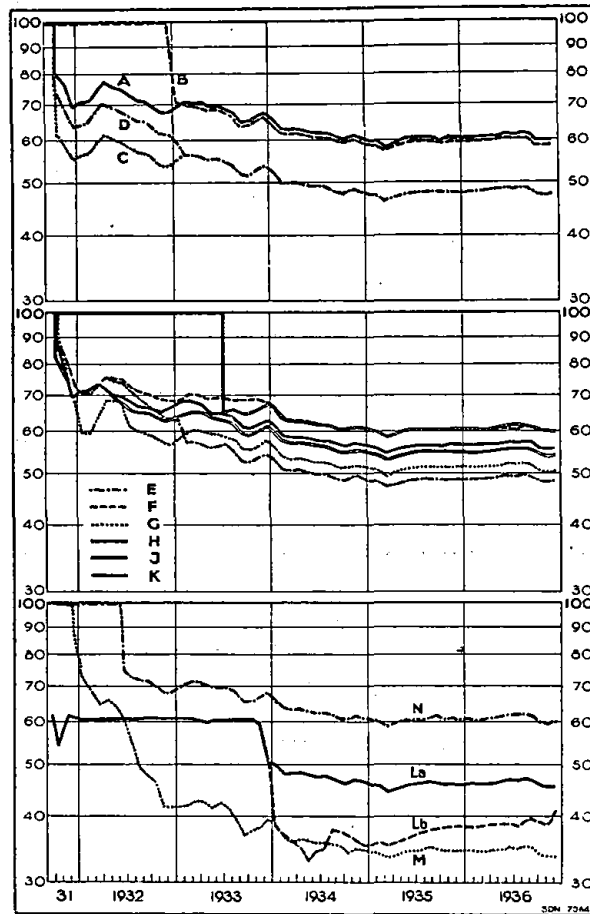
Diagram 7 shows the monthly fluctuations in the average gold value of thirteen currencies which followed closely the movements of sterling for the greater part of the period covered—September 1931 to the end of 1936.

Diagram 7.

MOVEMENT OF EXCHANGE RATES
(GOLD PARITY = 100).

The diagram is drawn on a logarithmic scale.

- | | |
|------------------|---------------------------|
| A. India. | H. Norway. |
| B. South Africa. | J. Estonia. |
| C. Australia. | K. Sweden. |
| D. New Zealand. | La. Argentina (official). |
| E. Denmark. | Lb. Argentina (free). |
| F. Portugal. | M. Japan. |
| G. Finland. | N. Siam. |



The United Kingdom and the United States.

In the United Kingdom, though the surplus on total merchandise, service and interest accounts fell, from £103 million in 1929 to 28 millions in 1930, and turned into a deficit of £104 million in 1931, largely as a result of the severity of the depression in countries importing from or in debt to that country, the main pressure on the sterling exchange in 1931 came from the withdrawal of foreign short-term funds.¹

When the financial crisis on the Continent was well under way and the position of Germany and Austria was seriously affected, attention was directed to London, which was known to be a large creditor on short-term account of these countries and not to have withdrawn funds at the same rate as other countries. This knowledge, coupled with doubts regarding the budgetary situation, led to large-scale withdrawals of funds in the summer of 1931 and the gold standard was abandoned on September 21st, 1931. Between the middle of July and September 21st, about half of the foreign short-term funds in London, or £200 million, are officially stated to have been withdrawn.² The Bank of England had lost £30 million of its gold reserve and used up £45 million out of the £130 million of credits raised

¹ The MacMillan Committee estimated these funds at the end of March 1931 at over £400 million, while readily available foreign short-term assets — acceptances on foreign account held by the acceptance houses and the joint-stock banks — were estimated at only £150 million for the same date.

² Official *communiqué* issued on September 20th, 1931. See *The Economist*, 1931, page 555.

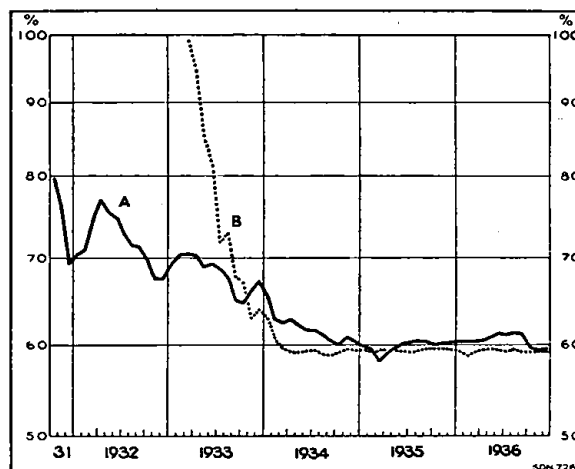
in August 1931 with the Federal Reserve Bank of New York and the Bank of France with a view to supporting the exchanges.

Diagram 8.

STERLING AND DOLLAR EXCHANGES,
MONTHLY AVERAGES (GOLD PARITY = 100).

The diagram is drawn on a
logarithmic scale.

A. Sterling.
B. Dollar.



The sharp fall in the value of the pound in the last quarter of 1931 appears to have been due mainly to the withdrawal of balances held by banking institutions, including central monetary authorities. The total central reserves of foreign assets of thirty-nine countries declined from \$2,600 million of old gold content at the end of 1930 to 1,400 millions at the end of 1931, a substantial part of this reduction being presumably due to realisations of sterling assets in the last quarter of 1931, when the pound depreciated by 30% in terms of gold.

Following a repatriation of domestic capital and an inflow of foreign funds,¹ the pound rose to 75% of its parity in March and maintained that level in May and June,² despite large sales of sterling by the Bank of England.³ The Equalisation Account, established in April, began operations late in June, when it took over £40 million worth of foreign assets from the Bank of England.⁴ In July, the pound fell to 73%, and during August and September it was kept at 71% of its gold parity.⁵ Pressure on sterling, however, developed in August and continued in the following three months,⁶ and, despite the extensive support reported⁷ to have been given by the Account, the pound fell from 71% of its parity at the end of September to 66.7% at the beginning of December.

After the war debt "token" payment⁸ and the beginning of the American banking crisis, there was a large inflow of capital into London throughout the first four months

¹ The influx of capital was due to a restoration of confidence in sterling owing to the large depreciation of the pound, the repayment of the credits of £130 million by the end of February 1932 and the knowledge that the major part of liquid funds had been withdrawn.

² In April, it had temporarily risen to 77% of the gold parity.

³ Between February and June, "other securities" in the Issue Department had risen by £50 million, representing in the main foreign exchange purchases, and the gold reserve had increased by £12.5 million (at par) in May and June.

⁴ The working capital of the Account consisted of £150 million of Treasury bills. "Other securities" of the Issue Department of the Bank of England fell by £40 million and Government securities in the same department rose by a corresponding amount in July 1932.

⁵ During these three months, the Bank of England was able to add another £6 million (at par) to its gold reserve.

⁶ This pressure was partly seasonal and partly due to renewed apprehensions regarding sterling aroused by the unsatisfactory turn of the war debt negotiations with the United States.

⁷ Professor Sprague, who had been attached to the Bank of England at this period, in evidence before the United States Committee on Banking and Currency in the summer of 1934 (see *Economist*, 1934, page 461), stated that the whole of the free reserves of the Account had been exhausted in the autumn of 1931.

⁸ This payment was actually effected by sales of gold by the Bank of England.

of 1933. Despite large purchases of gold by the Bank of England¹ suggesting heavy sales of sterling by the Account, the value of the pound in terms of francs rose from 66.7% of par at the middle of December 1932 to 71% early in March, and remained at an average of over 70% during March and April. With the abandonment of the gold standard by the United States on April 19th, 1933, the gold value of sterling appears to have been determined mainly by a tendency on the part of the Account to let the pound follow the dollar and allow the gold currencies to appreciate in terms of sterling to the level which would equate the dollar and the pound. The Account was in a position to do this, as its resources were augmented by the issue of a further £200 million of Treasury bills in May.

The abandonment of the gold standard by the United States and the subsequent depreciation of the dollar up to the end of January 1934 were not induced by a weakening in the technical position of the dollar, which, in fact, was strong,² but formed part of an experiment designed to bring about a rise in the American price level. In the last ten days of April 1933, the dollar-franc rate dropped to 87.5% of par and remained at a level of 85% until May 27th. After the approval by the President of the "Thomas Amendment" to the Farm Relief Act, providing for discretionary powers to reduce the gold content of the dollar by as much as 50% and to issue \$3,000 million of bank-notes and the beginning of security purchases by the Federal Reserve Banks in the latter half of May, the dollar-franc rate fell further and reached 80% of par by the end of June. The rate dropped to under 70% in the third week of July, after the presidential message to the World Economic Conference rejecting proposals for stabilisation. In August, the rate rose to 73% of par, but dropped again to 67.5% in September, when the Treasury abandoned its statutory gold price of \$20.67 per fine ounce and was authorised, in the interests of the mining industry, to receive gold for sale to the arts or abroad at the best price obtainable. This price was fixed at \$29.62, or 30.2% below par, on September 8th, rose gradually to \$32.28, or 36% below par, on September 20th, and fluctuated until October 25th, when the gold-purchase plan was put into effect and the Reconstruction Finance Corporation was authorised to buy newly mined gold in the United States at prices to be fixed from time to time in consultation with the Treasury. The loss of some 33% in the gold value of the dollar between April and October 25th must have been due to capital outflow. The deficit in the balance of payments on capital account during 1933 amounted to \$427 million, plus a "residual item" of 38 million, which is believed to represent unrecorded capital movements. During the same year, foreign banking accounts fell by \$383 million, and American short-term banking assets abroad rose by \$29 million. How much of this occurred prior to the suspension of the gold standard is not known. The Plan was extended to foreign markets on October 30th. The price of gold was raised by stages from \$31.36, or 34.1% below par, on October 25th to \$35, or 40.94% below par, on January 31st, 1934 (*cf.* Diagram 9 on the opposite page), at which rate the dollar was provisionally stabilised and an Exchange Stabilisation Fund³ was set up.

¹ The gold reserve rose by £60 million (at par) between the end of January and April 1933.

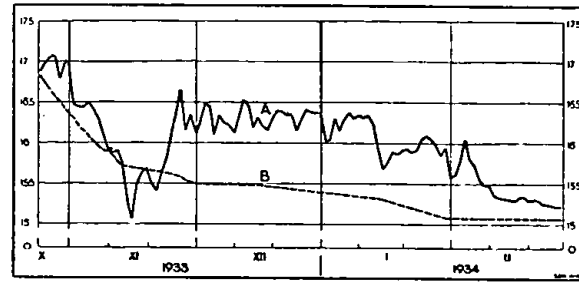
² From 1929 to 1932 inclusive, the United States balance of payments on current account had been active. The withdrawal of foreign short-term funds had been partly compensated by the realisation of American short-term assets abroad, gold exports occurring only in 1931. Between June 1932 and January 1933, the monetary gold stock rose from \$3,919 to \$4,553 million and in February and March, which were marked by serious banking difficulties, the gold stock fell by only \$271 million. Between March 4th and the imposition of a complete embargo on gold exports on April 19th, the dollar exchange remained practically at par.

³ See Section C below.

Diagram 9.

DOLLAR-FRANC RATE IN PARIS AND DOLLAR-FRANC RATE ACCORDING TO GOLD PRICE IN THE UNITED STATES (DAILY AVERAGES).
(French francs to the dollar.)

- A. Dollar-franc rate in Paris.
B. Dollar-franc rate as given by price for gold of Reconstruction Finance Corporation.



The fall in the pound-franc rate during the depreciation of the dollar was gradual but persistent, except for a temporary rise during the last quarter of 1933, the rate declining from 87.9 francs in the third week of April 1933 to 78.7 francs in the last week of January 1934. This persistent fall could not have been due, except between the middle of July and September, to any pressure on the sterling rates from the realisation of foreign balances, as, during the period as a whole, there was a considerable flow of funds to London.¹ It may, therefore, be presumed that the fall in the sterling-franc rate by 9.2 francs, or over 11%, was due in part, at least, to sales of sterling being larger than what would have been required to prevent the demand for sterling from bringing about a rise in the franc rate.²

The gold value of sterling fell fairly persistently, except for a temporary rise in November, throughout 1934, beginning the year with a franc rate of 85 to the £ and ending it with a rate of 75, despite the support which the Equalisation Account is believed to have given the exchanges by selling non-sterling assets, particularly after the first quarter of the year. This continued fall did not originate from current items in the balance of payments,³ and appears to have been due to the retransfer to New York of American balances that had sought refuge in London during 1933,⁴ the maturing of forward exchange contracts⁵ in the early part of the year, a further exodus of capital from August to October, owing to apprehensions that the pound might follow the course of the dollar if that currency was further devalued, and to the purchase of gold for hoarding by foreigners owning sterling balances. Net gold imports during the year amounted to £133 million, but a large part of these imports probably represented purchases on foreign account.⁶

During 1935 and the first nine months of 1936, sterling remained approximately stable in terms of gold, at about 60% of par, except for a short relapse in February-April of 1935, when sterling fell to as low as 56.8% of par. This fall appears to have been due chiefly to the realisation of American balances in London and to the movement of other balances

¹ Total purchases by the Account during 1933 of gold and foreign exchange, including amounts sold to the Bank of England, are estimated at 16,000 million French francs, or about £200 million at the rates of exchange then prevailing, of which slightly less than half is believed to have been acquired during the last quarter of the year. (See *PARISH: Economica*, 1935, page 67.) Simultaneously with the influx of refugee funds, there was an increase during 1933 in the reserve balances held in London by certain countries of the British Empire and certain other countries belonging to the sterling group amounting to some £60 million (paper) (see Section D below).

² Part of these excess sales are accounted for by the short-term loan of £30 million raised by the French Treasury in London at the end of April 1933.

³ The excess of imports is estimated to have been just balanced by income from services and investments abroad. Further, net overseas capital issues were small — £43 million. It is to be noted also that the foreign exchange reserves of Empire and sterling bloc countries did not decline during 1934.

⁴ Withdrawal of American balances from the London market in the two and three-quarter years ended September 30th, 1936, are estimated at \$180 million (*Federal Reserve Bulletin*, 1936, page 939).

⁵ Forward dollars in London had been at a heavy discount throughout the greater part of 1933 (see Section B below).

⁶ The gold holdings of the Bank of England rose by only £1.5 million (at par) during the year, the Equalisation Account is believed to have sold gold, and British residents are not legally allowed to hold in gold more than £10,000 each.

from the United Kingdom to New York.¹ The gold value of sterling quickly recovered, however, to 60% of par in April and remained at about that level since then, largely owing to the almost continuous flow of gold *bloc* funds to London which more than compensated the outflow of capital from or through the United Kingdom to the United States.² (The course of the sterling exchange since the Tripartite Monetary Agreements of October 1936 is described on pages 34 and 35 below.)

Gold-bloc Countries.

The special difficulties experienced by the gold-*bloc* countries — Belgium, France, Italy, Netherlands, Poland and Switzerland — during the later stages of the depression arose from the continued deflation rendered necessary inasmuch as their currencies were to be maintained on an unrestricted gold standard at the former gold parities in face of the heavy depreciation of sterling and the dollar and most other currencies. In the end, the deflationary pressure was found unendurable, at least in some of the countries concerned, and the gold *bloc* began to crumble in 1935, only to break up entirely in the autumn of 1936.

The Italian lira was the first to be affected by the flight of capital. It had been quoted consistently below par since September 1931. The Bank of Italy had experienced a gradual but continuous reduction in its monetary reserves between the end of 1928 and the introduction of exchange control at the end of May 1934. The net loss of 4,369 million lire, or nearly 40%, in the combined gold and foreign exchange reserves of the bank between the two dates was only partly due to a deficit in the balance of payments on current account.³ Between May and December 1934, the Bank lost a further 818 million lire in gold and foreign exchange, and at the end of December the exchange control was reinforced. The gold convertibility of the lira was suspended by law at the end of July 1935 and, as from November 27th, the Bank of Italy was authorised to purchase gold at a premium of 18.53%. Exchange control was not abolished when the lira was devalued to 59.06%⁴ of its old parity on October 5th, 1936.

The pressure on the belga developed quickly in the first quarter of 1935 and was not preceded, as in Italy, by protracted weakening of the exchange or of the technical position of the Central Bank. Though the gold reserves of the National Bank of Belgium declined by about 7% during 1934 and the belga for forward delivery had been at a small discount throughout that year, the attack on the currency occurred mainly during March 1935.

¹ Total American short-term assets in the United Kingdom fell steadily from \$302 million on January 2nd, 1935, to \$137 million on April 24th. At the same time, there was an increase, for the account of the United Kingdom, in short-term assets in the United States and in total purchases of securities — mainly American securities — amounting to \$32 and \$65 million respectively. The total recorded net cumulative movement of capital from or through the United Kingdom to the United States rose from \$5 million on January 16th to \$211 million on April 24th.

² During the twenty-one months ending September 30th, 1936, there was a recorded net outflow of capital to the United States from the United Kingdom of \$780 million. This capital movement was probably more than offset on balance by the inflow of funds to the United Kingdom from other countries, as the Equalisation Account is believed to have acquired during that period large amounts of gold, part of which was sold to the Bank of England. The gold reserve of the latter increased during the same period by £57 million at par (470 million new dollars) and on December 15th — soon after the repayment of the French Government loan of £40 million raised in February — by another £65 million at par (536 million new dollars) transferred to the Bank from the Equalisation Account.

³ The balance of payments on account of items other than capital is estimated to have been passive to the extent of some 1,600 and 800 million lire in 1929 and 1930 respectively, and active by about 2,400 and 500 millions in 1931 and 1932 respectively. A substantial part of the losses in central reserves represent, therefore, capital transfers, believed, according to the Bank of Italy, to have been primarily on Italian account.

⁴ Following the United States precedent, the devaluation law provides for further devaluation down to 50% of the old parity.

At the middle of that month, exchange control was established. The discount on belgas for three months' delivery, which had stood at between 5 and 10% in the first two weeks of March, rose to 32½% by the end of the month. The National Bank's bill portfolio and advances on public securities rose from 4,512 to 6,294 million francs, or by about 40%, during the same fortnight. During the last three weeks of March, the total reduction in the gold reserve of the National Bank amounted to 1,360 francs, or a little over 10%. On March 31st, 1935, the belga was provisionally devalued at 28% below its former parity, exchange control was subsequently removed, and the definite stabilisation was effected on April 1st, 1936.

The Polish zloty remained on an unrestricted gold standard until the end of April 1936, when exchange control was established. Except for large capital withdrawals, mainly on foreign account, during 1930, capital transfers during 1931 to 1934 inclusive appear to have been small,¹ and the balance of payments on current account was active, except during 1931. The gold and foreign exchange reserves of the central bank declined by 182 million zloty, or a little over 28%, during this period. The central reserves changed comparatively little during the first eight months of 1935, but declined in September to November of that year by 71 million zloty, or 13%, and again by 57 millions, or 12%, in April 1936. These gold withdrawals, coinciding with similar withdrawals from the central banks of the other countries of the gold *bloc*, represented in part a flight of capital and in part the export of capital following Jewish migration to Palestine. To the pressure on the zloty coming from capital transfers was added that of the heavy shrinkage in the favourable balance of merchandise trade due to rising imports. The exchange control imposed in April 1936 was supplemented in May by comprehensive licensing of imports and, in June, transfers on account of foreign debt service were suspended.

The three principal members of the gold *bloc* — France, the Netherlands and Switzerland — were the last countries to abandon the former gold parities of their currencies. The monetary and economic consequences of the policies pursued in these countries up to the middle of 1936 were analysed in Volume I of the last issue of this publication. Though their currencies were under pressure intermittently since the depreciation of sterling in September 1931, a heavy bear position against them did not develop until the end of March 1935 following the devaluation of the belga. The pressure was particularly heavy on the French franc. The capital flight from these three countries is reflected in the movement of their gold reserves since the end of March 1935, shown below :

| | France | Netherlands | Switzerland |
|---|------------------------------------|-------------|-------------|
| | (In millions of national currency) | | |
| March 31st, 1935 | 82,635 | 813 | 1,713 |
| June 30th, 1935 | 71,017 | 627 | 1,195 |
| September 30th, 1935 | 71,952 | 536 | 1,372 |
| December 31st, 1935 | 66,296 | 643 | 1,389 |
| March 31st, 1936 | 65,587 | 714 | 1,509 |
| June 30th, 1936 | 53,999 | 594 | 1,407 |
| September 1936 (last return before devaluation) | 50,111 | 670 | 1,533 |
| Percentage decline between March 31st, 1935, and end of September 1936 | % | % | % |
| | 41 | 18 | 11 |
| Ratio of gold reserves to total sight liabilities according to the last return before devaluation | % | % | % |
| | 54 | 79 | 86 |

¹ During these four years, for which statements on the balance of payments are available, the recorded net outflow of capital amounted to 125 million zloty.

Switzerland experienced heavy gold withdrawals during March, April and May 1935, the Netherlands during the second and third quarters of the year and France principally in the second and fourth quarters. During the first nine months of 1936, the movement of the Bank of France's gold reserve suggests an almost uninterrupted transfer of capital abroad,¹ the only months in which there was no reduction in the reserves being February, March and July. The increase in the reserve during February and the absence of any change in March are due to the loan of £40 million raised by the French Government in the former month. The movement of the gold reserves of the other two countries suggests that their capital transfers were relatively less significant and the intermittent distrust in their currencies more short-lived. In the third quarter of 1936, their gold reserves increased slightly, while the discount on the forward rates of their currencies was reduced.

The position in France was rendered more difficult by the effect of the general deflationary pressure on the State finances. The cash position of the Treasury induced the Government to raise the upper limit of Treasury-bill issues first from 10,000 to 15,000 million francs in January 1935 and then to 20,000 millions on June 23rd, 1935. The capacity of the market to absorb these bills was apparently limited, and some of them were rediscounted with the Bank of France, total domestic discounts of the Bank rising by about 6,000 millions in the last three quarters of 1935 and by more than 9,000 millions in the first five months of 1936. On June 19th, 1936, Treasury-bill holdings by the Bank were shown separately for the first time at 13,833 millions, and in the following week the Bank was authorised to transform such bills into a provisional advance to the Government. A revision of the Statutes of the Bank a month later provided that all Treasury bills should be "admitted without limit to rediscount at the bank of issue, except for the benefit of the Treasury". Though the immediate needs of the Treasury were covered by these arrangements, the programme of the new Government which assumed power in June involved, in particular, recourse to long-term borrowing to finance public works and armament requirements.

In view of these developments causing renewed apprehensions regarding the future of the franc which were reflected in a resumption of gold withdrawals from the Bank of France in the second half of August and the major part of September, the Government announced its decision to devalue the franc on September 26th, this devaluation being effected as part of an agreement between the United States, British and French Governments. The upper and lower limits of devaluation were fixed by the Law of October 1st at 25.19% and 34.35% respectively below the old parity. The Bank of France was authorised to revalue

¹ That this outflow of funds was due to monetary and political apprehensions is suggested by the nature of the capital exports to the United States, these exports taking mainly the form of transfers of short-term banking funds. The movement of capital to the United States from France, the Netherlands and Switzerland in the eighteen months ended September 30th, 1936, is shown below, a net outflow of funds from the United States being indicated by a minus sign (cumulated figures).

| | Total net capital movement | | Movement in short-term banking funds | |
|-----------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Jan. 2nd, 1935– Dec. 31st, 1935 | Dec. 31st, 1935– Sept. 30th, 1936 | Jan. 2nd, 1935– Dec. 31st, 1935 | Dec. 31st, 1935– Sept. 30th, 1936 |
| | \$ (000,000's) | | | |
| France | 210 | — 8 | 178 | — 49 |
| Netherlands | 115 | 81 | 55 | 6 |
| Switzerland | 130 | 167 | 74 | 63 |

Total net capital exports from France during 1935 are estimated at 16,000 million francs, or some 13,000 million francs (over \$800 million) in excess of the recorded net inflow of funds into the United States from that country. The larger part had sought refuge in the United Kingdom.

its gold reserves on the basis of the former rate ; of the resulting profits of slightly over 17,000 million francs, 10,000 millions were used to constitute a stabilisation fund and the remainder was applied to the redemption of the Bank's advances to the State. Dealings in gold and the export of gold were made the exclusive monopoly of the monetary authorities.¹

Switzerland and the Netherlands followed France,² the former by devaluing its currency and the latter by abandoning the old gold parity without fixing any definite limits for the depreciation of its currency in terms of gold. On September 27th, the Swiss Federal Council authorised the National Bank to devalue the franc, the upper and lower limits of this devaluation being fixed at 25.94 and 34.55% respectively below the old parity. The gold reserves were revalued on the basis of the former rate, and with the proceeds, 539 million francs, a stabilisation fund was set up. Dealings in gold continued to be free. The Netherlands suspended specie payments and placed an embargo on gold exports on the same date. An exchange stabilisation fund was established, the Netherlands Treasury issuing to it 300 million gulden in the form of Treasury bills.

China, Iran, Spain and Turkey.

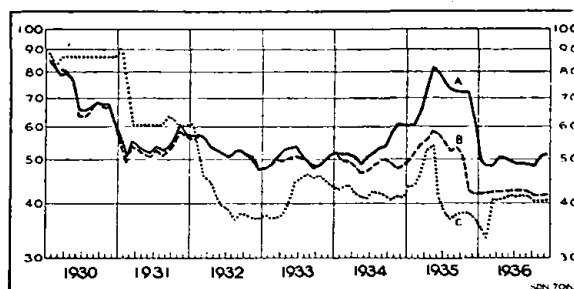
This review of exchange rates may be completed with a brief reference to the currencies of China and Iran, the value of which has been determined until recently by the world price of silver, and those of Spain and Turkey, which had not legally been stabilised before the depression. Diagram 10 compares the monthly changes in the gold price of silver, as given by prices in London, with the monthly fluctuations in the gold value of the Chinese dollar and Iranian rial.

Diagram 10.

GOLD PRICE OF SILVER IN LONDON (1929 = 100)
AND EXCHANGE RATES OF CHINESE AND
IRANIAN CURRENCIES (AVERAGE GOLD VALUE
IN 1929 = 100).

The diagram is drawn on a logarithmic scale.

- A. Silver. B. Chinese dollar.
C. Iranian rial.



The correlation between the gold price of silver and the gold value of these two currencies continued to be close until the exchanges were officially dissociated from silver. In Iran, this happened in February 1930, when exchange control was introduced ; it will be observed, however, that the control took the price of silver during most of the period between February

¹ The free gold market was re-established on March 8th, 1937 (see Volume II, chapter on " France ").

² Readjustments in exchange rates also occurred in certain countries practising exchange control. On September 28th, Greece decided to attach the drachma (linked to the Swiss franc since April 1932) to sterling at rates varying between 540 and 550 drachmas to the pound as compared with a rate of 531½ drachmas on September 25th. On the same day, the Turkish Government announced that it had adopted sterling as the basis for its currency instead of the French franc, and that the new rate would be £T6.35-6.38 to the pound as compared with a rate of £T6.34 quoted on September 25th. Latvia officially abandoned the gold standard and re-established the old parity with the pound sterling, while retaining the exchange control established in September 1931. On October 5th, the gold value of the Italian lira was provisionally fixed at 59.06% of the 1927 parity ; a margin of about 9% was provided for further devaluation. Exchange restrictions remained in force. A second devaluation of the Czechoslovak crown was effected on October 9th, making together with the devaluation of February 1934 a total depreciation of 30%.

1930 and May 1933 as the basis on which it determined its exchange rates. Restrictions were removed at the latter date and the rial was allowed to fluctuate with the price of silver until March 1936, when control was re-established and, following the example of China, the rial was divorced from silver. The dissociation of the Chinese currency from silver¹ began in October 1934, when a duty of $7\frac{1}{2}\%$ was imposed on the exports of bar silver and silver dollars, a duty of 10% on the export of other forms of silver and an equalisation charge was levied "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". These measures proved insufficient to prevent an upward movement of the exchange and exports of silver. A voluntary embargo on silver exports was put into effect in April 1935, and in June the convertibility of notes into silver was virtually suspended. The Currency Reform of November 3rd, 1935, definitely divorced the currency from silver and provided, *inter alia*, that the bank-notes issued by the three Government banks "shall be full legal tender" and that, "for the purpose of keeping the exchange value of the Chinese dollar stable at its present level, the three Government banks shall buy and sell foreign exchange in unlimited quantities". In the twelve months following this reform, the exchange rate of the Chinese dollar has been kept remarkably stable in terms of the two principal Anglo-Saxon currencies, the average weekly rates ranging in London from a low point of $14\frac{9}{32}$ pence to a high point of $14\frac{20}{32}$ pence, and in New York from a low rate of 29.32 cents to a high rate of 30.07 cents.²

Spain and Turkey did not re-establish the gold standard in the post-war period, and allowed their currencies to fluctuate until the onset of the depression. With a view to checking the flight of domestic capital, exchange control was introduced in Spain in May 1931, when the peseta had depreciated to about 50% of its parity of 1868, at first under the influence of domestic currency expansion prior to 1929, and with the onset of the depression largely as a result of a deterioration in the current items in the balance of payments. After depreciating further to 39.4% of its old gold parity in the following year, the peseta exchange fluctuated between 39.9 and 44.2% of par until March 1934. Between the latter date and the outbreak of the civil war, the control maintained the rate stable at about 42% of its old gold parity, or 55% of its average gold value in 1929. The Turkish pound, which had depreciated to about 10% of its old gold parity as a result of the inflation during the Great War, fluctuated freely until February 1930, when exchange control was introduced. The exchange was maintained stable in relation to the French franc and, when the latter was devalued, the currency was linked to sterling at £T6.35 to £T6.38 to the pound, as compared with a rate of £T6.34 quoted on September 25th, 1936.

* * *

The Tripartite Monetary Agreements.

Before concluding this review of exchange developments in the different countries, some reference needs to be made to the international agreements which accompanied the devaluation of the French franc. These agreements fall into two groups, the first constituting statements of policy and the second implementing these statements by technical arrangements. The French Government's decision to

¹ See *Money and Banking, 1935/36*, Vol. II, pages 50 ff., and W. Y. LIN: "The New Monetary System of China", Shanghai, 1936.

² These rates, incidentally, make the value of the Chinese dollar almost equal to that of the Japanese yen. The Manchurian yuan, which had fluctuated with the Chinese dollar since its introduction in 1933, was linked to the Japanese yen in the latter part of 1935.

devalue the franc, announced in its statement of September 25th, 1936, was accompanied by declarations couched in similar terms which were issued simultaneously by the Treasuries of the United Kingdom and the United States. While emphasising that the three Governments, "in their policy towards international monetary relations", must "take into full account the requirements of internal prosperity" of their respective countries, the statement reaffirms their intention to pursue a monetary policy designed "to maintain the greatest possible equilibrium in the system of international exchanges and to avoid to the utmost extent the creation of any disturbance of that system" by their "monetary action". In this connection, the three Governments declare more specifically that they "will use the appropriate available resources so as to avoid as far as possible any disturbance of the basis of international exchanges resulting from the proposed readjustment" of the franc and that "they will arrange for such [reciprocal] consultation for this purpose as may prove necessary". The Belgian Government announced its adherence to the principles stated in the tripartite declaration on September 26th, and the Netherlands and Swiss Governments did the same on November 21st.

These statements of principle were supplemented by technical arrangements relating to gold transactions between the parties to the agreement. With the devaluation of the French franc and the release of the Bank of France from the obligation to convert its notes into gold, it was no longer possible for the United States and British stabilisation funds to convert into gold by operations on the French franc balances in the currency of the other party. With the *de facto* stabilisation of the dollar on January 31st, 1934, the United States Treasury had contracted to sell gold for export only to central banks on the gold standard and when the exchange rates reached gold export point.¹ The first requirement rendered impossible the export of gold to the United Kingdom and the Netherlands, and the absence of gold points in France and Switzerland created analogous difficulties for these two countries. The obstacles were removed by the technical arrangements concluded on October 13th, 1936, between the signatories of the tripartite declaration. The United States Treasury undertook, while reserving the right to revoke or alter its decision on twenty-four hours' notice, to sell gold at \$35 per fine ounce plus $\frac{1}{4}\%$ handling charges for immediate export to, or earmark for the account of, stabilisation funds which would accord the same facilities to the United States, and announced that arrangements for such facilities had been made with France and the United Kingdom. The co-operation between the three centres was completed by the British Treasury reaching a similar agreement with the Bank of France. On November 27th, the United States Treasury modified its declaration of October 13th by adding "treasuries, or any fiscal agencies acting for or whose acts in this connection are guaranteed by the treasuries" to the organisations to which it would sell gold. On the same day, it was announced that Belgium, the Netherlands and Switzerland had become parties to the technical arrangements for the free exchange of gold. Switzerland, while making the same reservations as the United States, fixed the sale price of gold at 4,973.4 francs per kg. of fine gold. Belgium, being on an unrestricted gold standard, has, of course, a statutory price for gold.

These agreements, while constituting a form of *de facto* stabilisation, leave the fundamental position of each currency system unchanged. Sterling and the gulden remain on an independent paper basis without any indication as to the ultimate basis of their currency or the rates of interchange with the principal currencies. Though the price of gold has been fixed in Belgium, the United States and Switzerland,² the two last-mentioned countries have specifically reserved the right to revoke or alter the above arrangements at twenty-four hours' notice. Consequently, the whole system of co-operation is of a day-to-day character.

The positive aspects of the agreements are, none the less, of considerable significance. In the first place, they averted the risk of competitive currency depreciation which might have followed the realignment of the principal currencies of the gold *bloc*. Secondly, they provide the mechanism for an orderly experiment in the field of international stabilisation of currencies. Though the parties to the agreements are few, their currencies are those to which most others are directly or indirectly attached. Thirdly, their existence has been accompanied by a remarkable stability of exchange rates.

¹ The announcement of the Treasury regarding these points was phrased as follows: ". . . the Secretary of the Treasury states that, until further notice, he will also sell gold for export to foreign Central Banks whenever our exchange rates with gold-standard currencies reach gold export point". The sale price was fixed at \$35 per fine ounce plus $\frac{1}{4}\%$ handling charge, and the purchase price at \$35 per fine ounce less the usual mint charges and less $\frac{1}{4}\%$ for handling charges.

² In France, though the price of gold determined by the Devaluation Law ranges between 0.0387 and 0.0441 fine gramme of gold per franc, the price has not been fixed as in Switzerland and consequently may vary according to exchange rates between the limits set by the law.

Stability of Exchange Rates.

The tendency towards increasing stability of many currencies which has characterised international exchange developments in recent years is illustrated by Table 4, which gives by six-monthly periods since the second half of 1931 and for the first four months of 1937 the range of fluctuations in the gold value of twenty-one out of the forty-two currencies shown in the Appendix, Table II. The range shows the percentage by which the highest monthly average for each period exceeded the lowest. Countries practising exchange control which maintain their currencies nominally at par or have only in the recent past freed their exchange markets or otherwise allowed a *de facto* depreciation in exchange rates are excluded, as comparison with earlier years would be misleading. Countries which have recently devalued their currencies on to new statutory parities are likewise not taken into account.

Table 4.

RANGE OF FLUCTUATION OF GOLD VALUE OF CERTAIN CURRENCIES, 1931-1937.

(Percentage by which the highest monthly average exceeded the lowest during each period shown.)

| | 1931 | 1932 | | 1933 | | 1934 | | 1935 | | 1936 | | 1937 |
|--------------------------|-------------|--------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|------------|------------|------------|
| | 2nd half | 1st half | 2nd half | 1st half | 2nd half | 1st half | 2nd half | 1st half | 2nd half | 1st half | 2nd half | Jan.-April |
| U. S. A. | — | — | — | 22.5 | 16.6 | 6.6 | 1.4 | 0.6 | 0.6 | 1.4 | 0.8 | — |
| Mexico | 63.3 | 46.1 | 16.2 | 33.6 | 17.8 | 6.7 | 1.2 | 1.1 | 0.7 | 1.4 | 0.7 | — |
| Austria | 18.5 | 5.5 | 1.9 | 9.9 | 1.9 | 1.6 | 0.8 | 1.8 | 0.5 | 0.3 | 1.5 | 0.1 |
| Yugoslavia | — | — | 24.3 | 1.2 | 1.3 | 2.3 | 0.6 | 0.6 | 0.2 | 0.1 | 0.8 | 0.2 |
| Canada | 20.6 | 5.6 | 5.3 | 19.4 | 8.5 | 5.9 | 1.3 | 1.8 | 0.7 | 1.1 | 0.7 | 0.2 |
| China | 14.6 | 9.7 | 10.9 | 6.6 | 7.0 | 11.5 | 5.4 | 17.3 | 30.8 | 1.3 | 3.2 | 0.4 |
| Japan | 13.6 | 18.8 | 33.1 | 3.9 | 12.2 | 7.0 | 4.4 | 3.8 | 1.8 | 2.2 | 3.9 | 0.4 |
| United Kingdom | 44.0 | 9.4 | 8.3 | 2.3 | 6.2 | 6.3 | 2.7 | 3.5 | 0.7 | 1.7 | 3.6 | 0.6 |
| Portugal | 36.8 | 6.9 | 6.9 | 3.4 | 1.8 | 6.8 | 3.0 | 3.5 | 0.4 | 1.3 | 3.4 | 0.4 |
| New Zealand | 44.0 | 9.3 | 8.3 | 9.1 | 6.0 | 6.3 | 2.9 | 3.5 | 0.7 | 1.8 | 3.5 | 0.6 |
| Siam | — | 34.0 | 6.9 | 2.3 | 6.1 | 6.3 | 2.6 | 3.5 | 1.3 | 1.7 | 3.6 | 0.6 |
| Denmark | 43.5 | 8.6 | 12.8 | 13.1 | 6.1 | 6.4 | 2.6 | 3.5 | 0.7 | 1.7 | 3.6 | 0.6 |
| Sweden | 43.3 | 6.2 | 4.6 | 6.1 | 6.1 | 6.4 | 2.5 | 3.5 | 0.7 | 1.7 | 3.6 | 0.6 |
| Norway | 44.3 | 8.5 | 5.4 | 3.1 | 6.3 | 6.2 | 2.5 | 3.4 | 0.6 | 1.7 | 3.6 | 0.6 |
| Finland | 49.1 | 14.8 | 8.0 | 4.0 | 5.8 | 6.8 | 2.5 | 3.4 | 0.6 | 1.5 | 3.5 | 0.6 |
| South Africa | — | — | — | 4.1 | 6.1 | 6.2 | 2.5 | 3.5 | 0.8 | 1.7 | 3.6 | 0.6 |
| Greece | — | 103.3 | 17.9 | 5.0 | 0.5 | 0.7 | 1.0 | 0.6 | 0.3 | 0.9 | 5.9 | 0.6 |
| Australia | 38.9 | 9.2 | 8.4 | 2.2 | 6.0 | 6.7 | 3.2 | 3.5 | 0.7 | 1.9 | 3.5 | 0.7 |
| Peru | 2.2 | 31.0 | 26.5 | 21.7 | 10.5 | 4.0 | 2.2 | 3.9 | 5.0 | 0.7 | 2.5 | 0.7 |
| Estonia | — | — | — | 6.3 | 4.6 | 6.5 | 2.5 | 3.4 | 0.7 | 2.2 | 3.5 | 0.8 |
| Chile { Export | . | . | . | 15.7 | 6.9 | 8.2 | 6.9 | 1.5 | 6.6 | 4.5 | 0.8 | — |
| Chile { Free | . | . | . | 20.5 | 5.6 | 6.0 | 7.2 | 12.6 | 6.3 | 9.8 | 1.5 | 3.6 |

It will be observed that fluctuations have been widest at the initial stage of depreciation of each currency, and that, soon after, most exchanges have moved within a much narrower range. Large fluctuations have been most protracted in the Chinese, Mexican and Japanese exchanges and also in the "free rate" of the Chilean peso. The wide movements in the gold value of the Chinese dollar until the end of 1935 reflect changes in the price of silver; since the separation from silver in November 1935, fluctuations have been largely eliminated in terms of gold. The continued fall during 1933 in the gold value of the Mexican peso and the wide range of change, particularly during the early part of that year, in the gold value of the Canadian dollar resulted chiefly from the fact that their currencies depreciated with the United States dollar (as did those of certain Latin-American countries not shown in Table 4).

The alternating expansion and contraction in the range of fluctuations in the gold value of sterling since 1933, which are, naturally, reflected also in the movements of the currencies linked to sterling (about half the number of currencies covered by the table), are accounted for mainly by the shifts in the flow of funds, on the one hand, between the United Kingdom and the United States and, on the other, between the United Kingdom and other countries, particularly those of the gold *bloc*. It will be observed that, with the settling of exchange relationships after the realignment of the gold-*bloc* currencies in the autumn of 1936, the fluctuations in the gold value of the currencies of the "sterling area" became insignificant during the first four months of 1937.

The gold value of the Yugoslav dinar has moved within a narrow range ever since the first half of 1933 and that of the Austrian schilling and the Greek drachma since the latter part of that year, except, so far as the drachma is concerned, during the second half of 1936, when the currency was in effect devalued by about 4% before being attached to sterling at the beginning of October. The range of fluctuations of the United States and the Canadian dollars and of the Mexican peso has remained narrow since the second half of 1934.

The gold value of the Peruvian sol moved, after the large fluctuations which accompanied the war with Colombia during 1933, within a narrow range. Since November 1933, its gold value has risen fairly persistently from a low point of 33.2% of par reached in that month to 38.2% in April 1937. A similar tendency towards appreciation has been apparent in the free rates of other South-American countries not shown in Table 4. Thus, the free rate of the Argentine peso, after falling to about 33% of the gold parity in May 1934, rose to an average of about 42% in the first four months of 1937, and that of the Uruguayan peso rose from about 23% of par in March 1935 to 31% in March 1937. In contrast to this tendency, the free rate of the Chilean peso declined from 20.8% to 18.7% of the old gold parity between January 1935 (when the official rate of the peso was halved) and April 1937.

The growth of stability in international exchanges in recent years emerges even more strikingly if daily rates, instead of monthly averages, are taken as bases of comparison of the range of fluctuations. This is done in Table 5, which shows the annual range of the daily quotations of seven currencies in Switzerland since 1931; for 1936, only the nine months preceding the devaluation of the Swiss franc are taken into consideration.

Table 5.

YEARLY RANGE OF QUOTATIONS OF CERTAIN CURRENCIES IN SWITZERLAND, 1931-1936.
(Daily figures; maximum as per cent of minimum.)

| | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 * 9 months |
|-------------------------|------|------|------|------|------|--------------------|
| U.S.A. | 1.6 | 2.0 | 70.4 | 9.8 | 3.4 | 2.6 |
| Sweden | 51.3 | 19.1 | 17.2 | 13.1 | 6.5 | 3.3 |
| United Kingdom. | 51.2 | 19.5 | 14.9 | 13.1 | 6.7 | 3.4 |
| Norway | 43.0 | 26.3 | 16.1 | 13.0 | 6.6 | 3.4 |
| Denmark | 53.4 | 26.3 | 28.0 | 12.8 | 7.0 | 3.4 |
| Austria | 21.8 | 18.2 | 14.8 | 2.8 | 5.1 | 3.8 |
| Japan. | 42.7 | 84.8 | 24.4 | 17.0 | 6.5 | 4.4 |

* Up to September 25th, inclusive.

It will be seen that, apart from a temporary widening in the range of fluctuations of the Austrian schilling during 1935, there has been a distinct tendency for the spread between highest and lowest daily quotations to contract since the end of 1933 in the case of all the seven currencies considered, the narrowing becoming particularly marked in the first nine months of 1936.

The realignment of the currencies of France, the Netherlands and Switzerland at the end of September 1936 was accompanied, as observed above, by a widening of the range of fluctuations in the gold value of several currencies. This reaction was temporary, however, and, as from October 1936, the range of fluctuations has on the whole been narrower than in the corresponding period of recent years. Table 6, which gives in United States cents the spread between the highest and lowest quotations for the dollar in London in each week of the last quarter of 1934, 1935 and 1936 and in the first quarter of 1935, 1936 and 1937, illustrates these developments so far as sterling is concerned.

Table 6.
SPREAD BETWEEN HIGHEST AND LOWEST WEEKLY QUOTATIONS
ON DOLLAR-STERLING EXCHANGE IN CENTS.

| Week | Last quarter of | | | Week | First quarter of | | |
|---------------------------|-----------------|----------|------------------------|---------------------------|------------------|----------|----------|
| | 1934 | 1935 | 1936 | | 1935 | 1936 | 1937 |
| 1 | 6.250 | 2.375 | 3.500 | 1 | 2.1583 | 0.2322 | 0.6343 |
| 2 | 7.500 | 2.250 | 4.750 | 2 | 2.7000 | 4.4000 | 0.2500 |
| 3 | 7.625 | 2.250 | 2.125 | 3 | 2.9667 | 1.4833 | 0.7542 |
| 4 | 6.000 | 1.250 | 1.250 | 4 | 2.6316 | 5.5750 | 0.9791 |
| 5 | 4.000 | 1.875 | 0.875 | 5 | 1.4500 | 1.5768 | 0.8000 |
| 6 | 3.875 | 1.125 | 2.125 | 6 | 1.1750 | 1.2666 | 0.4833 |
| 7 | 2.250 | 1.250 | 1.875 | 7 | 1.8500 | 3.2500 | 0.3875 |
| 8 | 1.250 | 2.375 | 1.125 | 8 | 2.3167 | 1.0476 | 0.5916 |
| 9 | 1.875 | 1.375 | 1.250 | 9 | 9.0161 | 0.8250 | 1.1291 |
| 10 | 3.250 | 1.250 | 1.750 | 10 | 2.8809 | 0.7500 | 0.6059 |
| 11 | 2.250 | 1.125 | 1.625 | 11 | 5.8833 | 1.2584 | 0.2709 |
| 12 | 1.250 | 0.625 | 1.500 | 12 | 1.1083 | 1.4625 | 0.2751 |
| 13 | 1.375 | 1.000 | 0.875 | 13 | 5.0083 | 1.9334 | 1.3125 |
| Extreme quotations : | | | | Extreme quotations : | | | |
| (Cents per £) { | 4.885— | 488.625— | 487.125 ^a — | (Cents per £) { | 494.042— | 502.517— | 491.533— |
| | 5.016 | 494.250 | 491.750 | | 474.083 | 492.768 | 487.888 |
| Range | 13.125 | 5.625 | 4.625 ^a | Range | 19.958 | 9.749 | 36.468 |

^a Since October 12th.

The range of the dollar-sterling exchange was wider in the first two weeks of October 1936 than in the corresponding weeks of 1935. With the beginning of technical co-operation between the stabilisation funds of France, the United Kingdom and the United States on October 12th, 1936, there is a distinct tendency for the spread to decline. Though this is not distinctly discernible in the weekly spread in the last eleven weeks of 1936, when the range was larger than in the comparable weeks of 1935 on as many occasions as it was smaller, the range between the extreme quotations, shown at the foot of the table, was smaller. Between October 12th and the end of December 1936, the spread between the highest and lowest quotations was 4.625 cents by comparison with a spread of 5.625 in the last quarter of 1935. The contraction in the spread in the first quarter of 1937 is more marked, the weekly range, apart from the first and ninth weeks of the quarter, being distinctly

narrower than in the corresponding weeks of 1936, and the extreme of quotations being reduced to 3.646 cents by comparison with 9.749 cents during the first three months of 1936.

Stability in terms of gold or the two Anglo-Saxon currencies has also characterised the currencies of France, Switzerland and the Netherlands since their realignment at the end of September 1936. The first country was one of the original signatories to the agreements of October 12th, while the second and the third have been parties to them since November 24th. The movement in the exchange value of the French and Swiss francs and of the gulden since the first week following the resumption of quotations after their realignment may be examined on the basis of Table 7, which shows the average weekly spot quotations of each of these currencies in New York and London expressed as percentages of their former (*i.e.*, 1929) legal parities with the dollar and the pound respectively, and the average weekly quotations in London of each currency for three months forward delivery expressed in per cent of spot rates during the corresponding week.

Table 7.

QUOTATIONS OF FRENCH FRANC, SWISS FRANC AND GULDEN IN NEW YORK AND LONDON.

| Week ending | French franc in : | | | Swiss franc in : | | | Gulden in : | | |
|--------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | New York | London | | New York | London | | New York | London | |
| | Spot as % of old par | Spot as % of old par | 3 months as % of spot | Spot as % of old par | Spot as % of old par | 3 months as % of spot | Spot as % of old par | Spot as % of old par | 3 months as % of spot |
| October : | | | | | | | | | |
| 10 | 119.20 | 118.27 | 98.04 | 119.32 | 118.42 | 100.70 | 132.08 | 131.27 | 95.19 |
| 17 | 118.95 | 118.25 | 97.29 | 119.15 | 118.42 | 100.67 | 133.32 | 132.49 | 95.58 |
| 24 | 118.70 | 118.18 | 94.89 | 119.07 | 118.54 | 100.35 | 133.85 | 133.32 | 96.15 |
| 31 | 118.68 | 118.12 | 94.26 | 119.11 | 118.53 | 100.34 | 134.46 | 133.85 | 96.45 |
| November : | | | | | | | | | |
| 7 | 118.37 | 118.06 | 92.42 | 119.06 | 118.69 | 100.52 | 133.79 | 133.53 | 96.56 |
| 14 | 118.45 | 118.13 | 89.34 | 119.14 | 118.83 | 100.61 | 133.91 | 133.56 | 96.68 |
| 21 | 118.70 | 118.13 | 92.43 | 119.15 | 118.58 | 100.48 | 134.47 | 133.87 | 97.53 |
| 28 | 118.85 | 118.13 | 94.02 | 119.12 | 118.36 | 100.31 | 134.88 | 134.11 | 98.15 |
| December : | | | | | | | | | |
| 5 | 119.03 | 118.12 | 94.54 | 119.12 | 118.21 | 100.28 | 135.32 | 134.28 | 98.77 |
| 12 | 119.01 | 118.13 | 93.81 | 119.11 | 118.24 | 100.35 | 135.40 | 134.42 | 99.07 |
| 19 | 119.20 | 118.13 | 92.33 | 119.14 | 118.10 | 100.40 | 135.77 | 134.58 | 99.01 |
| 26 | 119.22 | 118.12 | 92.60 | 119.12 | 118.04 | 100.50 | 136.20 | 134.99 | 99.94 |
| January : | | | | | | | | | |
| 2 | 119.22 | 118.14 | 91.53 | 119.09 | 118.00 | 100.55 | 136.21 | 135.00 | 99.97 |
| 9 | 119.22 | 118.14 | 93.03 | 119.08 | 117.99 | 100.44 | 136.21 | 134.97 | 99.87 |
| 16 | 119.21 | 118.14 | 93.44 | 119.01 | 117.94 | 100.51 | 136.21 | 134.99 | 100.01 |
| 23 | 119.09 | 118.12 | 92.63 | 118.85 | 117.87 | 100.54 | 136.22 | 135.12 | 100.02 |
| 30 | 118.97 | 118.16 | 89.79 | 118.49 | 117.65 | 100.37 | 136.21 | 135.27 | 100.18 |
| February : | | | | | | | | | |
| 6 | 118.88 | 118.18 | 88.74 | 118.51 | 117.82 | 100.44 | 136.22 | 135.43 | 100.37 |
| 13 | 118.88 | 118.18 | 89.14 | 118.29 | 117.58 | 100.37 | 135.84 | 134.99 | 100.32 |
| 20 | 118.83 | 118.15 | 89.97 | 118.22 | 117.55 | 100.33 | 135.95 | 135.20 | 100.29 |
| 27 | 118.71 | 118.14 | 89.20 | 118.21 | 117.65 | 100.28 | 136.17 | 135.56 | 100.28 |
| March : | | | | | | | | | |
| 6 | 118.07 | 117.46 | 89.10 | 118.24 | 117.80 | 100.34 | 136.15 | 135.68 | 100.37 |
| 13 | 116.77 | 116.39 | 94.10 | 118.18 | 117.73 | 100.28 | 136.07 | 135.55 | 100.53 |
| 20 | 117.14 | 116.71 | 93.46 | 118.04 | 117.57 | 100.39 | 136.00 | 135.49 | 100.70 |
| 27 | 117.23 | 116.79 | 93.00 | 118.04 | 117.60 | 100.35 | 136.14 | 135.62 | 100.70 |

The movement of the spot rates of these currencies in terms of the two Anglo-Saxon currencies discloses interesting divergences. The French franc has been more stable in

terms of sterling, and the Swiss franc in terms of dollars, than *vice versa*, while the gulden has shown no bias towards either currency. The French franc, after the opening quotations, was successfully pegged to sterling at about 118.12% of its parity, or 105.15 francs to the £, and the franc-dollar rate remained free to move within the range given by the cross-rates between the two Anglo-Saxon exchanges. The peg was removed on March 5th, when the Government announced that steps were being taken to re-establish a free gold market and to issue a large loan for national defence. The Law of March 10th abrogated the provisions of the Devaluation Law of October 1936, under which all transactions in gold were to be made subject to authorisation by the Bank of France and owners of gold were required to sell their holdings to the Bank at the statutory price of 1928 or to pay to the Government as a tax the increment by which such holdings had increased in terms of new francs. As from March 8th, the Bank of France was authorised to allow the free importation of gold and to purchase gold at the current price without requiring the identification of the owner. The loan issued towards the middle of March carried an exchange guarantee corresponding to 106.95 francs to the £ and 21.90 to the dollar, and the value of the coupons or capital for repayment will be calculated on the basis of the most favourable rate. As a consequence of these measures, the franc was allowed to decline sharply, the franc-sterling and franc-dollar rates rising to 107 and 21.94 francs respectively on March 8th. The fall was checked, and the rates declined to 106.37 and 21.83 on March 27th.

The Swiss franc, on the other hand, remained practically stable in terms of the dollar until the third week of January 1937, and the franc-sterling rate appears to have been allowed to be determined on the basis of the cross-rates given by the dollar-sterling exchange. The stability of the franc in terms of the dollar rather than sterling may be explained by the relationships resulting from the existence of a fixed gold price in New York and Berne. In the joint statement to the Secretary of the United States Treasury despatched by the Swiss Government and the National Bank on October 28th, the latter declared its readiness to buy and sell gold at a fixed price in transactions with the United States, the purchase and sale price being respectively 4,869.80 and 4,973.92 francs per fine kilogramme of gold. On the other hand, since the latter part of January 1937, the Swiss franc has tended to weaken more in terms of the dollar than in terms of sterling.

The weekly rates of the gulden in London and New York have fluctuated more than those of the French and Swiss franc, and since the second week of November the gulden has shown a persistent tendency to appreciate in both centres, despite interventions on the part of the Netherlands Stabilisation Fund suggested by the large and uninterrupted additions to the gold reserve of the Netherlands Bank, which rose steadily from 570 million gulden (at par) at the end of November 1936 to 920 millions on March 30th, 1937. The National Bank of Switzerland, while adding considerably to its gold reserve during the last quarter of 1936, when it rose by 1,172 million francs, acquired only a further 9 millions in the first quarter of 1937. The Bank of France, on the other hand, lost gold during most of this period; its reserve, after rising to 64 milliard francs in October, fell by 4 milliards in December and by a further 3 milliards in January 1937. The first reduction in the reserves is officially stated to have been due to the repayment of the short-term loan of £40 million raised by the French Treasury in London in February 1936. A similar loan for an equivalent amount was arranged for at the end of January 1937.

Divergences are also disclosed by the movement of the forward rates for these currencies in London. While the rate for the Swiss franc moved to a premium immediately after devaluation and maintained the premium throughout the six months under review, that

for the gulden sustained a discount after the suspension of its gold convertibility, this discount disappearing towards the end of the year and being turned into a growing premium during the first quarter of 1937. The small discount shown by the opening quotations of the new French franc, on the other hand, widened considerably until the removal of the peg of the franc-sterling spot rate on March 5th, 1937, since when it has become smaller.

Purchasing-power Parities.

How far do the currency adjustments and the growing stability of exchange rates discussed above reflect the achievement of equilibrium as between various exchanges? In default of better measures of purchasing-power relationships between the different currencies, wholesale-price ratios calculated on a gold basis (see Appendix, Table IX) have been used in Table 8 on the following page, which is intended to illustrate the changes since 1929 in the purchasing power of thirty-one currencies in relation to sterling.¹ The wholesale-price indices of all the countries concerned have been recalculated in terms of the average gold value of their currencies during the months shown, the ratio of the British (Board of Trade) index to that of each country for these months being expressed as a percentage of the ratio for 1929 (average for the whole year = 100). In interpreting the table, it should be kept in mind that sterling is generally believed to have been over-valued in 1929 by some 10% in relation to the dollar and thus to all currencies which may have been in equilibrium with the dollar in that year; while the French franc, which had been legally stabilised in 1928 at a lower value in gold than would appear warranted by price relationships in that year, was in 1929 probably still under-valued to a certain extent in relation to the dollar, and thus by more than 10% in relation to sterling.²

Subject to this important reservation, most currencies (those shown in the table as standing above 100) were over-valued in terms of sterling at the end of 1931, whereas by the end of September 1936 the intervening exchange readjustments and price movements had brought many of them closer to their 1929 relationship with the pound. The range of discrepancy was then wider than 10% in the sense of either (a) an over-valuation or (b) an under-valuation in relation to sterling in the case of sixteen out of the thirty-one countries covered by the table. Group (a) — ten countries — comprised, apart from France, Italy, Switzerland and Czechoslovakia, whose currencies were devalued at the end of that month, Austria and Albania, and four countries — Germany, Hungary, Poland and Bulgaria — with currencies maintained only nominally at par. It is to be noted, however, that, in Germany, Hungary and Bulgaria, trade and other transactions are effected at exchange rates substantially lower than the official rates used in the calculations made for

¹ Regarding the theoretical and practical limitations of such calculations, see *Commercial Banks, 1929-1934*, page LXXXIII. It is interesting to note that the margin of devaluation for the belga in March 1935 appears to have been determined on the basis of purchasing-power-parity calculations. (See BAUDHUIN: "La dévaluation du franc belge", Brussels, 1935.) In Switzerland, on the other hand, while calculations based on comparisons of indices of wholesale prices and cost of living do not seem to have been ignored, reliance was placed primarily on the findings of the Federal Department of Public Economy at the time of granting export subsidies. "From these findings, it appeared that a devaluation of 30% would be sufficient to adjust, in the required degree, the level of production costs and of domestic prices to those abroad" (see Report of the National Bank for 1936, pages 19-20).

² So far as the dollar-sterling relationship is concerned, this initial over-valuation of sterling would appear later to have been partially offset — irrespective of subsequent currency adjustments — by the rise in costs in the United States consequent upon the national recovery policy inaugurated in 1933. These increases in costs have not, however, been fully reflected in a corresponding enhancement of the rise in wholesale prices in the United States since December 1933 over the rise in British wholesale prices during the same period. Similarly, it may be presumed that the rise in costs in France which accompanied the realisation of the social reform programme of June 1936 partially offset the initial over-valuation of sterling in relation to the French franc.

Table 8.

RELATIVE MOVEMENT OF GOLD PRICES IN THIRTY-ONE COUNTRIES EXPRESSED
AS PERCENTAGE OF GOLD PRICES IN THE UNITED KINGDOM.
1929 = 100.

| | VIII. 1931 | XII. 1931 | XII. 1932 | XII. 1933 | XII. 1934 | XII. 1935 | IX. 1936 | XII. 1936 | III. 1937 |
|--|---------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|
| Hungary | (103) | (151) | (134) | (114) | (150) | (167) | (140) | (144) | (141) |
| Germany | (109) | (140) | (134) | (136) | (159) | (157) | (148) | (145) | (139) |
| Austria | 115 | 134 | 140 | 128 | 142 | 138 | 129 | 128 | 121 |
| Poland | 105 | 135 | 124 | 116 | 120 | 114 | (111) | (112) | (113) |
| Albania | 119 | 165 | 137 | 105 | 110 | 131 | 120 | 119 | 111 |
| Bulgaria | 90 | (128) | (107) | (101) | (118) | (119) | (114) | (116) | (111) |
| France | 106 | 130 | 131 | 126 | 118 | 117 | 131 | 111 | 109 |
| Portugal | . | . | 116 | 115 | 114 | 101 | 91 | 106 | 106 |
| Czechoslovakia | 109 | 142 | 144 | 137 | 136 | 135 | 123 | 108 | 104 |
| Belgium | 198 | 124 | 122 | 110 | 118 | 102 | 97 | 102 | 104 |
| Switzerland | 104 | 135 | 130 | 125 | 136 | 135 | 133 | 101 | 100 |
| Netherlands | 90 | 111 | 107 | 105 | 118 | 114 | 105 | 99 | 100 |
| Yugoslavia | 99 | 123 | 98 | 94 | 102 | 114 | 99 | 104 | 99 |
| Norway | 109 | 104 | 104 | 97 | 100 | 100 | 99 | 97 | 98 |
| United States | 103 | 133 | 131 | 92 | 103 | 104 | 98 | 99 | 98 |
| Sweden | 106 | 102 | 103 | 96 | 100 | 99 | 97 | 95 | 97 |
| Finland | 112 | 117 | 104 | 101 | 102 | 99 | 95 | 93 | 95 |
| Canada | 100 | 136 | 116 | 90 | 95 | 93 | 92 | 94 | 95 |
| Union of South Africa ^a | 115 | 146 | 104 | 116 | 105 | 105 | 98 | 95 | 95 |
| Denmark | 98 | 101 | 100 | 90 | 97 | 97 | 95 | 94 | 93 |
| Greece | 106 | 146 | 91 | 92 | 102 | 101 | 92 | 90 | 92 |
| Estonia | 104 | 134 | 138 | 99 | 93 | 96 | 94 | 93 | 92 |
| Italy ^b | 93 | 121 | 121 | 111 | 120 | 141 | 131 | 89 | 90 |
| China | 86 | 121 | 97 | 94 | 99 | 86 | 84 | 90 | 89 |
| New Zealand | 111 | 130 | 105 | 92 | 93 | 95 | 91 | 89 | 84 |
| Argentina { free rate | — | — | — | — | 77 | 81 | 80 | ... | ... |
| { official rate | 81 | 109 | 107 | 94 | 102 | 98 | 94 | ... | ... |
| Australia | 80 | 81 | 81 | 83 | 83 | 81 | 82 | 81 | 78 |
| Japan | 100 | 120 | 75 | 66 | 66 | 67 | 67 | 68 | 78 |
| India | 88 | 91 | 85 | 82 | 81 | 83 | 77 | 76 | 76 |
| Peru | 89 | 117 | 80 | 69 | 75 | 79 | 74 | 73 | 76 |
| Chile { free rate | — | 84 | 70 | 65 | 78 | 70 | 67 | 67 | 75 |
| { official rate | 105 | 145 | 173 | 164 | 192 | 94 | 102 | 101 | 107 |

^a Indices available only for the months of January, April, July and October.

^b Milan index.

Table 8. Group (b) comprised, apart from India, where wholesale prices had fallen much more than in the United Kingdom, six countries — Japan, China, Australia, Argentine,¹ Peru and Chile¹ — with heavily depreciated currencies. The countries of group (b) are all exporters of raw materials and/or foodstuffs, the prices of which fell much more than those of manufactured articles during the depression.

The devaluation of the currency in France, Switzerland, Italy and Czechoslovakia brought their gold prices, and consequently their exchange rates, closer to the relationship existing in 1929.² In the six months ended March 31st, 1937, there was a narrowing in the relative over-valuation also of the German, Austrian, Albanian and Bulgarian currencies and in the relative under-valuation of the Japanese, Chilean (free rate), Chinese and Peruvian currencies, while the under-valuation of the Indian rupee remained practically unchanged. The price discrepancy widened slightly in the case of Hungary, Poland and Australia,

¹ Free rates.

² This is true also of the Netherlands.

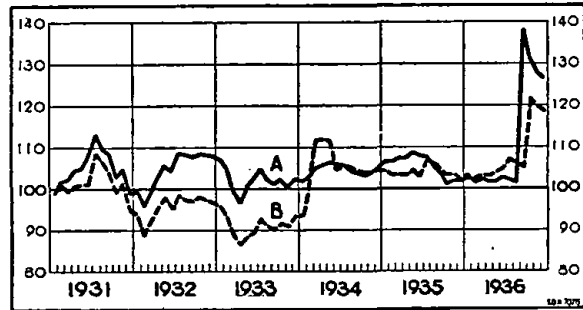
and more considerably in the case of New Zealand, the apparent under-valuation of whose currency in relation to sterling increased from 9% in September 1936 to 16% in March 1937.

The stability of prices in Austria and the rise of prices in the United Kingdom during 1935 and 1936, while exchange relationships remained unchanged, has tended to contract the spread between the price levels in the two countries; but Austrian gold prices still remained 28% higher at the end of the latter year. The range of difference between Austrian gold prices and those ruling in the neighbouring States — Switzerland and Czechoslovakia — was, however, much narrower throughout 1931-1936. This may be seen from Diagram 11.

Diagram 11.

RELATIVE PRICE MOVEMENTS IN AUSTRIA, SWITZERLAND AND CZECHOSLOVAKIA IN TERMS OF GOLD (1929 = 100).

- A. Wholesale prices in Austria in terms of gold as % of Switzerland.
- B. Wholesale prices in Austria in terms of gold as % of Czechoslovakia.



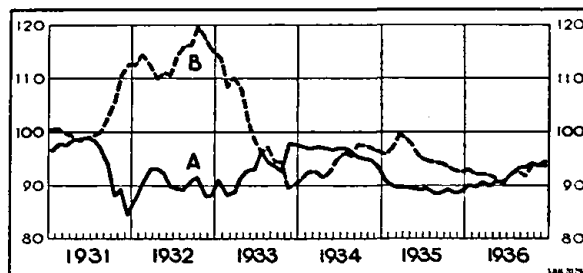
It will be observed that the ratios between Austrian gold prices and those in Switzerland and Czechoslovakia have moved consistently towards the level which one would expect on the basis of exchange rates. In the last quarter of 1936, however, gold prices in Switzerland and Czechoslovakia were substantially reduced as a result of the currency devaluation, while in Austria the price index remained relatively stable.

As the Canadian dollar has not been linked consistently either to sterling or to the United States dollar but has usually followed an intermediate course, it is interesting to compare the movement of the relationship between prices and exchanges in Canada and in these two countries. This is done in Diagram 12.

Diagram 12.

RELATIVE PRICE MOVEMENTS IN CANADA, UNITED STATES AND UNITED KINGDOM IN TERMS OF GOLD (1929 = 100).

- A. Wholesale prices in Canada in terms of gold as % of United States.
- B. Wholesale prices in Canada in terms of gold as % of United Kingdom.



The divergence in relative price movements and, consequently, in exchange relationships was significant only in the early part of the period considered. The over-valuation of the Canadian dollar in terms of sterling which characterised the period prior to June 1933 was eliminated by the depreciation of the Canadian dollar parallel with that of the United States dollar after the gold convertibility of the latter was suspended. The range of under-valuation of the Canadian dollar in terms of the United States dollar narrowed during 1933 and 1934, but tended to remain in the vicinity of 10% in the following years, as Canadian prices did not rise at the same rate as United States prices. Since May 1935, a similar divergence has characterised the relative movement of Canadian and British

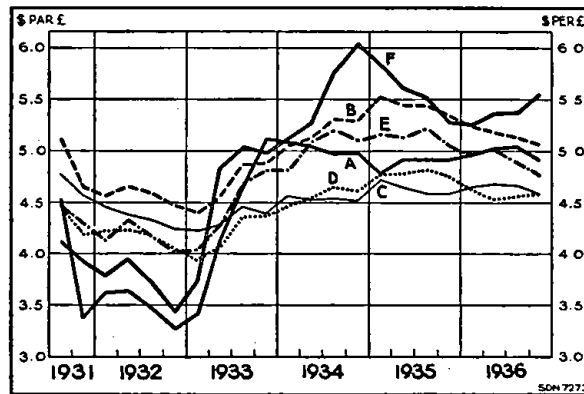
prices; consequently, at the end of 1936, the Canadian dollar was some 7% below the theoretical sterling rate determined on the basis of the 1929 price and exchange relationships.

The same general conclusions emerge from the calculation of purchasing-power parities if other years are used as base and if comparisons are made in terms of several price series. This is illustrated in Diagrams 13 and 14, which compare for every fourth month since September 1931 the deduced exchange rates of sterling in terms of United States dollars and French francs, as given by the use of base years other than 1929 and by employing several price series, with actual exchange rates.

Diagram 13.

DOLLAR-STERLING "THEORETICAL" COMPARED WITH ACTUAL EXCHANGE RATES. (IN \$ PER £.)

- A. Actual exchange rate.
- B. Rate according to official wholesale prices in United States as % of United Kingdom (1927 = 100).
- C. Rate according to cost of living in United States as % of United Kingdom (1927 = 100).
- D. Rate according to manufactured goods prices in United States as % of United Kingdom (1930 = 100).
- E. Rate according to wholesale prices in United States (I. Fisher) as % of United Kingdom (*Economist*) (18/IX/1931 = 100).
- F. Rate according to dollar prices of primary products as % of sterling prices (18/IX/1931 = 100).



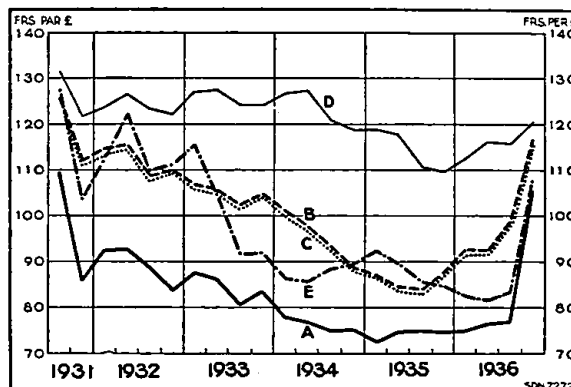
It will be observed that the pound, after being under-valued prior to the depreciation of the dollar in April 1933 in terms of dollars — or, inversely, the dollar being over-valued in relation to sterling — on the basis of all price relationships shown, has moved since that date closer to the rates given by the various price relationships. The only notable divergence is due to the relatively greater increase in dollar as compared with sterling prices of primary products (*Economist* indices). In December 1936, the range of deduced exchange rates was relatively narrow, varying from \$4.57 to \$5.56 as compared with the actual exchange rate of \$4.91. The theoretical rate was higher than the actual rate on the basis of only two of the price series compared — 11% according to the ratio of prices of primary products on the basis of September 1931 = 100 and 3% according to the ratio of wholesale prices on the basis of 1927 = 100. The deduced rate determined on the basis of the wholesale price and exchange relationships in 1929 was, according to the figures in Table 8, almost equal to the actual exchange rate — a theoretical rate of \$4.915 as compared with an actual rate of \$4.908 to the pound. The exchange rates derived from three price series shown in the diagram are lower than the actual rates: 3% according to the ratio of the Irving Fisher and the *Economist* wholesale price indices, taking September 1931 = 100, and about 7% both on the basis of the ratio of the prices of manufactured goods¹ (1930 = 100) and the ratio of cost-of-living indices (1927 = 100).

¹ The Board of Trade figures for the prices of manufactured goods and basic materials are available only as from 1930.

Diagram 14.

FRANC-STERLING "THEORETICAL" COMPARED WITH ACTUAL EXCHANGE RATES.
(IN FRENCH FRANCS PER £.)

- A. Actual exchange rate.
- B. Rate according to wholesale prices in France as % of United Kingdom (1928 = 100).
- C. Rate according to wholesale prices in France as % of United Kingdom (1930 = 100).
- D. Rate according to cost of living in France as % of United Kingdom (1930 = 100).
- E. Rate according to prices of industrial raw materials in France as % of United Kingdom (1930 = 100).



The deduced exchange rates derived from a comparison of various French and British price relationships are all above the actual exchange rates. The range of divergence between the deduced and actual exchange rates, after being considerably reduced between September 1931 and September 1935 owing to the large decline in French prices, widened in the following year mainly as a result of a more rapid rise in French than in British prices. With the devaluation of the franc, most of this discrepancy was eliminated, though the exchange rates deduced from the various price relationships in December 1936 are above the actual exchange rates. At that date, theoretical rates, according to wholesale price ratios — whether the years 1928, 1930 or 1929 (see Table 8 above) are taken as base — were about 10% higher than the actual rate : that is, the franc was over-valued by 10% in relation to sterling. The initial over-valuation of sterling or under-valuation of the franc in 1929 should, however, be borne in mind. The exchange rate worked out on the basis of cost-of-living indices, on the assumption of an equilibrium position in 1930, suggests that the franc was over-valued by some 15% at the end of 1936. That derived from a comparison of French prices of industrial raw materials and the Board of Trade price index of basic materials¹ with the same year as base period suggests an over-valuation of the franc by only 2½%.

¹ The Board of Trade figures for the prices of manufactured goods and basic materials are available only as from 1930.

B. — THE MARKET IN FORWARD EXCHANGES.

The forward market in foreign exchanges which began to develop with the European financial crisis of the summer of 1931 remained, as in the early post-war period,¹ limited to the more important currencies, principally the pound sterling, American dollar, French franc, lira (up to 1935), gulden, Swiss franc, belga and the Canadian dollar. The chief markets which are closely interrelated are those of London, New York, Paris and Amsterdam. The absence of transactions in most other currencies seems to have been due primarily to the exchange restrictions which have affected many of them since the summer of 1931.

The importance of the forward market is suggested by the following summary of the exchange transactions, during 1935 and 1936, of American banks and bankers reporting to the United States Treasury.²

| Transactions and period | Grand total | Currency of | | | | | |
|----------------------------------|-------------|----------------|--------|--------|-------------|-------------|----------|
| | | United Kingdom | Canada | France | Netherlands | Switzerland | Far East |
| \$ (000,000's) | | | | | | | |
| <i>Purchase of Exchange.</i> | | | | | | | |
| Jan. 2nd, 1935—Dec. 31st, 1935 : | | | | | | | |
| Spot | 6,728 | 3,684 | 1,209 | 1,016 | 238 | 94 | 132 |
| Forward | 2,969 | 1,805 | 416 | 313 | 112 | 24 | 226 |
| Jan. 2nd, 1936—Dec. 31st, 1936 : | | | | | | | |
| Spot | 6,358 | 3,518 | 1,451 | 645 | 229 | 82 | 122 |
| Forward | 3,062 | 1,954 | 425 | 229 | 139 | 24 | 238 |
| <i>Sale of Exchange.</i> | | | | | | | |
| Jan. 2nd, 1935—Dec. 31st, 1935 : | | | | | | | |
| Spot | 6,369 | 3,495 | 1,137 | 956 | 215 | 81 | 162 |
| Forward | 3,339 | 2,019 | 481 | 385 | 133 | 34 | 196 |
| Jan. 2nd, 1936—Dec. 31st, 1936 : | | | | | | | |
| Spot | 6,107 | 3,414 | 1,363 | 608 | 204 | 77 | 163 |
| Forward | 3,657 | 2,068 | 515 | 266 | 163 | 30 | 196 |

Over the whole period from the beginning of 1935 to the end of 1936, total forward purchases of foreign exchange represented 46% of total purchases of spot exchange, and forward sales constituted 56% of spot sales. Forward exchange transactions were greater than spot in the case of the Far-Eastern currencies, and the proportion of forward to spot transactions was large for the pound sterling, the gulden, and the Canadian dollar. In interpreting the above figures, it must be kept in mind that purchases of forward exchange are to some extent counterbalanced by sales of spot exchange and *vice versa*, so that the share of forward transactions in the total may be larger to that extent.

¹ See "A Tract on Monetary Reform," by J. M. KEYNES, pages 115-139, for a discussion on forward rates during 1920 to 1923.

² United States Treasury Department reports entitled, "Statistics of Capital Movements between the United States and Foreign Countries and of Purchases and Sales of Foreign Exchange in the United States". Report No. 2, page 15.

Contracts for forward exchange are usually for delivery either in one month or three months, and contracts for shorter or longer periods, though possible, are rare. Of the two periods for which contracts are currently made, those for delivery in three months are more common, though quotations for both periods are available in the bigger exchange markets. The method of quoting is peculiar, and refers, not to the actual forward rate, but to the margin between that and the spot rate. For purposes of analysis of the influences determining forward rates, these margins are translated into annual percentage premia or discounts by comparison with spot rates.

In normal circumstances, the forward rates are subjected simultaneously to three main determining influences :

(1) **Commercial Requirements.** — These arise out of the desire of merchants to “ hedge ” or insure themselves against exchange risks affecting their current transactions. Short-term claims and obligations in foreign currencies, arising in this way, may be transformed into claims and obligations expressed in one’s own currency by means of sales or purchases of forward exchange. The covering of exchange risks arising out of the international arbitrage of titles to wealth may perhaps be brought under the same category.

(2) **Interest Arbitrage.** — Banks and, to a lesser extent, individuals transferring capital from one country to another in search of the most profitable short-term investment may cover their spot-exchange transactions by forward transactions in the opposite direction. The incentive to such operations may be supplied by movements in interest rates at home and abroad, or by movements in the forward exchange rates. Where interest arbitrage dominates the forward exchanges, the annual percentage forward premium of country A’s currency with respect to country B’s currency will be kept near to the disparity of interest rates between B and A. Any pressure on the forward market, however caused, will be transferred to the spot market by arbitrageurs who buy forward and sell spot.

The amount of funds which arbitrageurs are able and willing to engage in this way in the forward market will, of course, vary from country to country and is in no case unlimited. Not only will the interest rates which are relevant to the profitability of such transactions depend on the circumstances and opportunities of the people or institutions which are transferring funds from one country to another, but they may also depend upon the amount of money which has already been transferred. Forward rates may further fail to correspond to the relevant interest disparity because those arbitrageurs who could operate do not wish to enhance profit at the expense of liquidity, while would-be arbitrageurs have not sufficient credit to enter on the market.

(3) **Exchange Speculation.** — In the narrow sense, those transactions are speculative which are undertaken with a view to profiting from the discrepancy between the current forward rates and the spot rates which the operator expects to prevail in the future.

In a wider sense, however, the mere holding of net assets or liabilities in a foreign currency — the failure to hedge exchange risks — may be termed speculative, or quasi-speculative, particularly if it is done with an eye to the probable course of the exchanges. By a further extension of the idea, even the covering of exchange risks may be termed speculative if it is undertaken much later than the transaction which gave rise to the exchange risk, and only on account of a change of view as to the prospect of the spot rates.

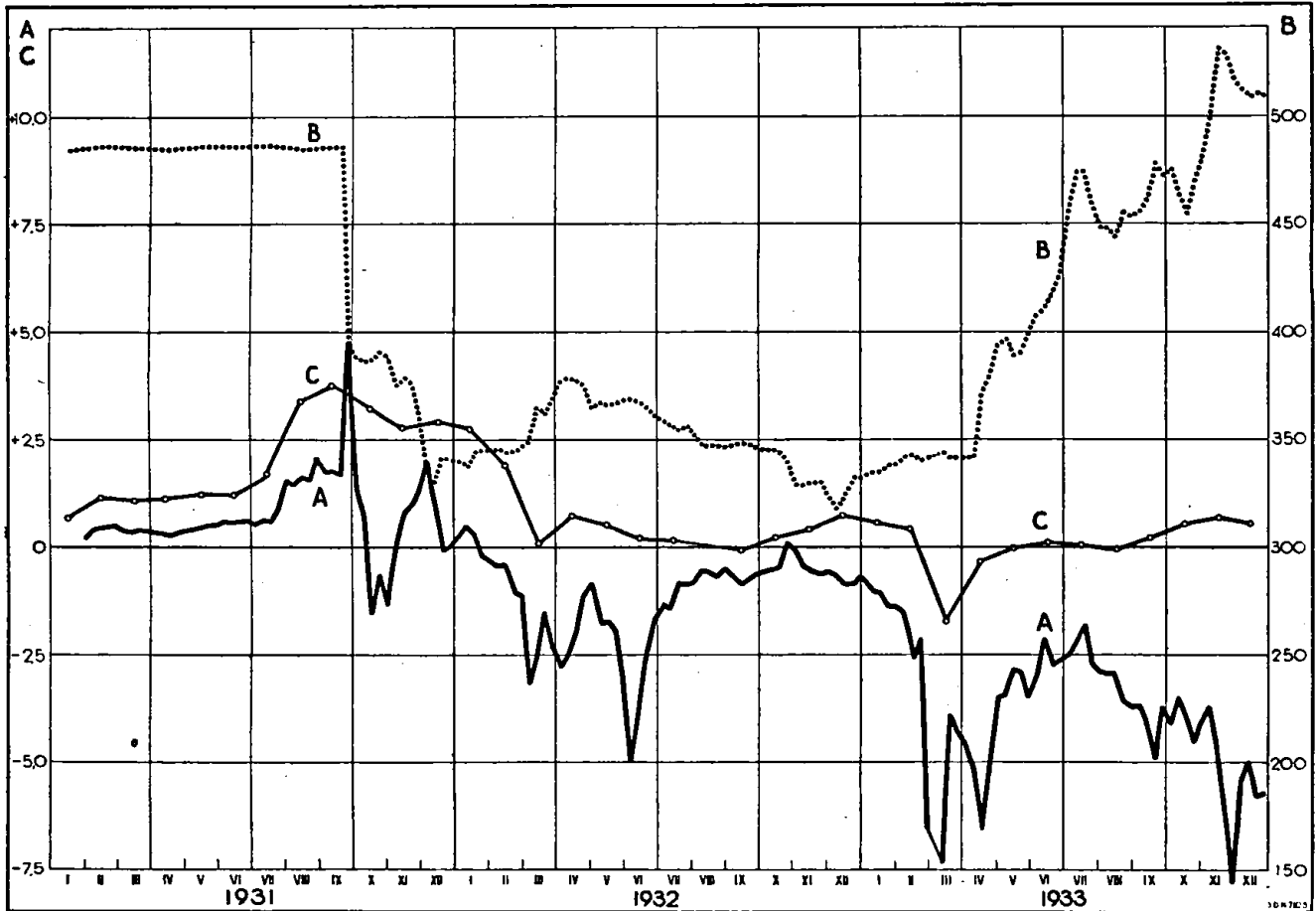
Speculation may, of course, tend to minimise or to exaggerate the forward premium (discount), according as to whether market, on balance, expects the spot rates to remain at the current level or to depart from it. Speculation of the disequilibrating sort has been very important in recent years, and its effect on forward rates has often proved too strong to be counteracted by covered interest-arbitrage. Consequently, very wide discounts have been quoted.

The relative importance of interest-arbitrage and speculation in determining forward rates and the influence of forward-exchange transactions on spot exchanges and capital movements are illustrated by the course of the rate of the forward dollar in London and by the development of the forward rates for the principal currencies of the gold *bloc* in London. The spot and forward sterling-dollar rates are shown in Diagram 15, which gives : (a) the premium or discount on three months forward dollars in London expressed in annual percentages of spot, (b) the London spot quotations for dollars, and (c) the difference in discount rates on three-months bank bills in the open markets of London and New York (London

Diagram

SPOT AND FORWARD STERLING-DOLLAR EXCHANGE

- A. Annual percentage premium or discount on three-months forward dollars in London.
 B. London spot £ - \$ rate.



rate less New York rate) for the years 1931 to 1936. Weekly figures are given for spot and forward rates, whereas only monthly averages were taken for calculating the interest difference.

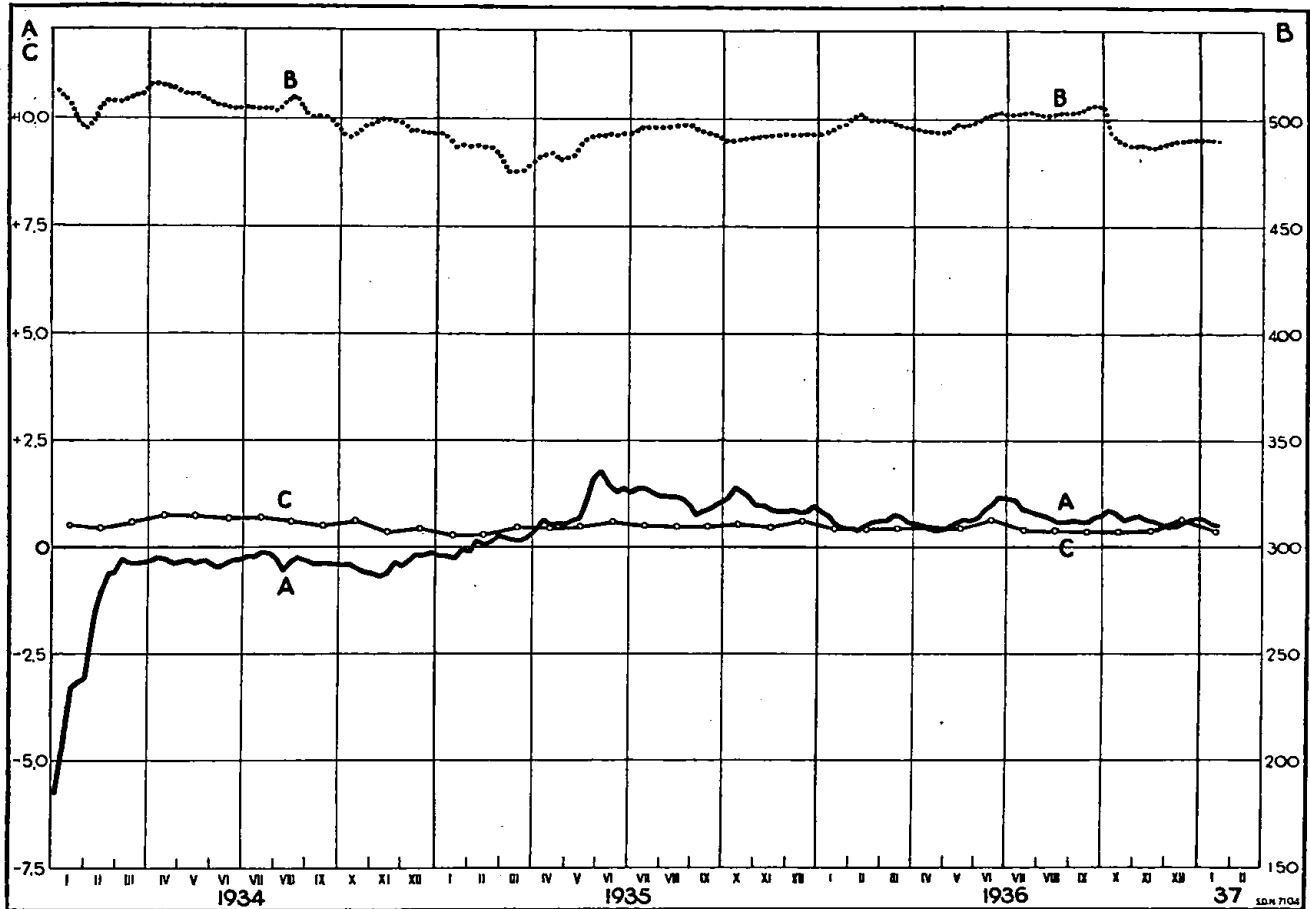
The movement of the series may be analysed in six periods. In the two months preceding September 20th, 1931, during a period when large withdrawals of funds from the London money market testified to the anxiety which prevailed as to the future of the pound, the premium on the forward dollar was actually less than it would have been if interest-arbitrage had been predominant. Thus, speculation in favour of the stability of the pound — whether private speculation or authoritative intervention — must have been strong enough to take up, not only speculative sales of forward pounds, but also sales arising out of interest-arbitrage.

The second period covers the last three months of 1931, when the external value of the pound fell precipitously. The effect of the first sudden depreciation of sterling was for the premium on forward dollars as per cent of spot to disappear and for a discount to develop. This discount was, however, short-lived, and the forward dollar moved to a premium with the further fall in the value of the pound during the last two months of the year.

15.

RATES AND THE INTEREST DIFFERENCE.

C. Difference in discount rates on three-months bank bills in London and New York (London rate less New York rate) in %.



In the third period, extending from the end of 1931 to the beginning of the banking crisis in the United States at the end of February 1933, there is a noteworthy correlation between the movements of the spot exchange and of the spread between the forward and spot exchanges. It will be noted that a depreciation of the pound is accompanied by a decline in the discount on the forward dollar, while a rise in the pound, or even a cessation of its fall, is associated with an increased discount on the forward dollar. This correlation is absent in June 1932, when the British Equalisation Account began operations, and there was uncertainty regarding its policy and fears of stabilisation implying an upward adjustment of the sterling-dollar rate. The ineffectiveness of interest-arbitrage transactions during this and other periods, indicated by the disparity between the forward spread and the interest difference, illustrates clearly the fact that such transactions do not play a significant rôle when confidence in a currency is at stake.

The disparity between the forward spread and the interest difference is even more marked during the fourth period extending from the end of February 1933 to the end of January 1934. During the month of March 1933, the banking crisis aroused serious

apprehensions regarding the future value of the dollar, and these were accentuated by the suspension of the gold standard on April 19th, 1934. During the instability of the dollar exchange, two distinct tendencies are discernible. Between the third week of April and the middle of August 1933, the forward dollar fell and rose with the spot sterling-dollar rate. This might have been due either to the fact that the further the dollar fell the less it was expected to depreciate in the future or to the support currently reported¹ to have been given to the forward dollar by American institutions, or to both factors. The discount on the forward rate began to increase after the Presidential Message to the London Economic Conference in July rejecting proposals for stabilisation, this rise becoming marked first with the abandonment of the statutory price for gold by the Treasury in September and later with the inauguration of the Gold Purchase Plan at the end of October. With the provisional stabilisation of the dollar at the end of January 1934 and the expectation that the pound would follow the dollar in its fall to the new provisional gold level, the discount fell to vanishing point by the end of February.

The weakness in the sterling-dollar spot exchange which persisted between the provisional stabilisation of the dollar and the devaluation of the belga at the end of March 1935 was accompanied by a gradual diminution in the discount on the forward dollar and by the emergence of a premium in February and March 1935. A correlation is evident during this period (similar to that noted for the period extending between the abandonment of the gold standard by the United Kingdom and the suspension of specie payments by the United States) indicating that, generally, the spread between forward and spot varied under the influence of the same factors and in the same direction as did the spot rates. These influences were, apart from seasonal factors, primarily apprehensions regarding a further devaluation of the dollar in August and October 1934, and between the middle of January and the middle of February 1935 anticipations that a possible refusal of the United States Supreme Court to consider the legislative abrogation of the gold clause as constitutionally valid might lead to an appreciation of the dollar.

The effect of the disappearance of a discount on the forward dollar and the emergence of a premium on the exchange transactions of banks in the United States are illustrated in Diagram 16, which shows the weekly movements from the beginning of 1935 to the end of 1936 of the net sterling position (representing the net balance of sterling claims and commitments in connection with both spot and forward transactions), and the net outstanding forward sterling contracts (excess of sales over purchases) of banks and bankers reporting to the United States Treasury.²

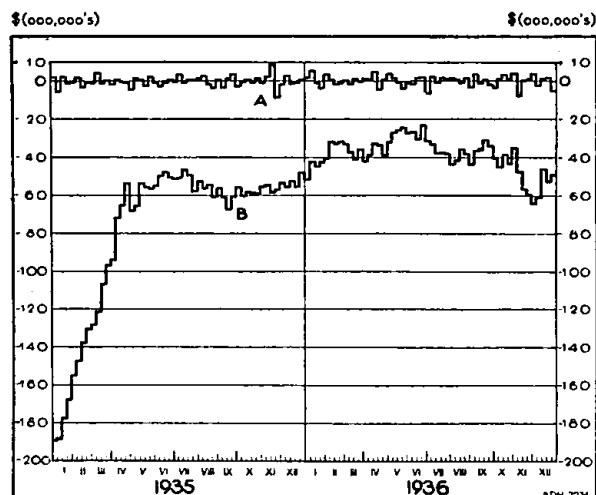
Diagram 16.

TRANSACTIONS IN STERLING EXCHANGE
OF BANKS IN THE UNITED STATES.

- A. Net sterling position of banks in spot and forward transactions.
B. Net outstanding forward sterling contracts of banks.

¹ Barclay's Bank: *Monthly Review* for May, June and July 1933.

² United States Treasury Department, *op. cit.* The first series are those given in Table 53, and the second series represents the difference between Tables 50 and 47.



Though these banks have sterling liabilities on account of forward and spot exchange transactions in excess of their sterling assets, their short position is, on the whole, so small as to suggest that they do not speculate to any great extent. Their short position on forward exchange is partly covered by other sterling assets. Both assets and obligations diminished particularly rapidly in the first four months of 1935, probably in consequence of the running out of old forward contracts, this decline occurring at a time when the discount on the forward dollar in London disappeared and turned into a premium. In the following twenty months, they show a movement which corresponds to that of the forward premium on the dollar, being reduced when the premium on the forward dollar increases and increasing when that premium declines.

The sixth period, in the movement of the series shown in Diagram 15 extending from the devaluation of the belga in March 1935 to the end of December 1936, is characterised by the rise in the spot sterling-dollar rate in May and by its firmness at over the par rate with the dollar until November 1936. This firmness was due, as pointed out in Section A above, to the almost continuous flow of funds to London from the gold-*bloc* countries — in particular, France. The forward market apparently believed this movement of the spot rate to be temporary, and the quotations for the forward went counter to the trend of spot rates almost throughout the whole period. This was the case, particularly, from April to June 1935, when the Swiss franc, gulden and French franc were subject to bear operations; May to June 1936, when there was a strong demand for sterling on the part of holders of the currencies of the three countries of the gold *bloc*; and again in September 1936, prior to the devaluation of the French franc. The forward belga in terms of sterling reacted much in the same way as the dollar to these crises and remained at a premium throughout this period, as may be seen from Diagram 18 below. The more usual relationships between spot and forward rates are not altogether absent during this period. They may be seen to have existed in September and October 1935, when fears regarding the future course of the pound were felt on account of the possible repercussions of the Italo-Ethiopian dispute, and in January 1936, when the dollar was under bear influence. In these cases, the spot dollar and the premium on the forward dollar moved in the same direction.

It is to be noted that, during this last period, the discount on the forward pound was greater than the difference in short-term interest rates between London and New York, except for short periods in January-February, April-June, and December 1936, and that this disparity tends to diminish over the whole period until it finally disappears in December 1936, when interest rates tended to harden in London in comparison with New York. This gradual diminution in the disparity would suggest that interest-arbitrageurs took advantage of the fact that they could earn more by selling pounds spot and buying them forward than they would by leaving them on deposit or investing them short-term in London. This seems to account for the large outflow of funds from London to New York, particularly since May 1935, and for the large proportion of such capital which remained idle in the form of "short-term banking funds". The proportion of the latter to total capital may be seen from the figures on the following page,¹ which show the net movement of capital to the United States for the account of the United Kingdom between the beginning of 1935 and the end of 1936 at certain selected dates according to the main use to which such capital was put,

¹ United States Treasury Department, *op. cit.* Columns 1, 2 and 3 represent figures taken from Summary Tables H, J, and N respectively of Report No. 2.

the amounts representing the cumulative weekly figures between January 2nd, 1935, and the last week of the month shown :

| | 1. Total net capital movement | 2. Net movement of banking funds \$(000,000's) | 3. Net security purchases |
|--------------------------|-------------------------------------|---|---------------------------------|
| March 1935 | 135 | 120 | 8 |
| June 1935 | 308 | 285 | 17 |
| September 1935 | 367 | 295 | 66 |
| December 1935 | 555 | 337 | 218 |
| March 1936 | 575 | 324 | 252 |
| June 1936 | 697 | 413 | 280 |
| September 1936 | 780 | 438 | 342 |
| December 1936 | 829 | 342 | 484 |

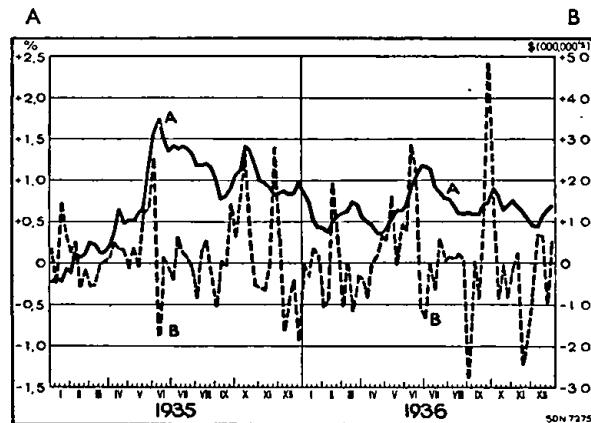
The outward movement of capital from the United Kingdom during the first half of 1935 was due in part to the reduction in holdings of short-term assets for American account in the United Kingdom, which declined by \$208 million during these six months. These, however, remained fairly stable in the subsequent period. The marked decline in banking funds during the last quarter of 1936 accompanied a diminution in the discount on forward sterling and some firming of interest rates in London.

Some light is also thrown on the interest-arbitrage transactions on the part of holders of sterling balances by Diagram 17, which compares the weekly movement of the premium in the forward dollar (three months) with the weekly changes in bank deposits in the United States held for the account of the United Kingdom between the beginning of 1935 and the end of 1936. Throughout this period deposits tend to rise and fall with the increase or decrease in the discount on forward pounds.

Diagram 17.

WEEKLY MOVEMENT IN THE PREMIUM ON FORWARD DOLLARS AND IN BRITISH BANKING DEPOSITS IN THE U.S.A.

- A. Annual percentage premium on three-months forward dollars in London.
- B. Changes in bank deposits in the United States held for account of United Kingdom in \$ (000,000's).



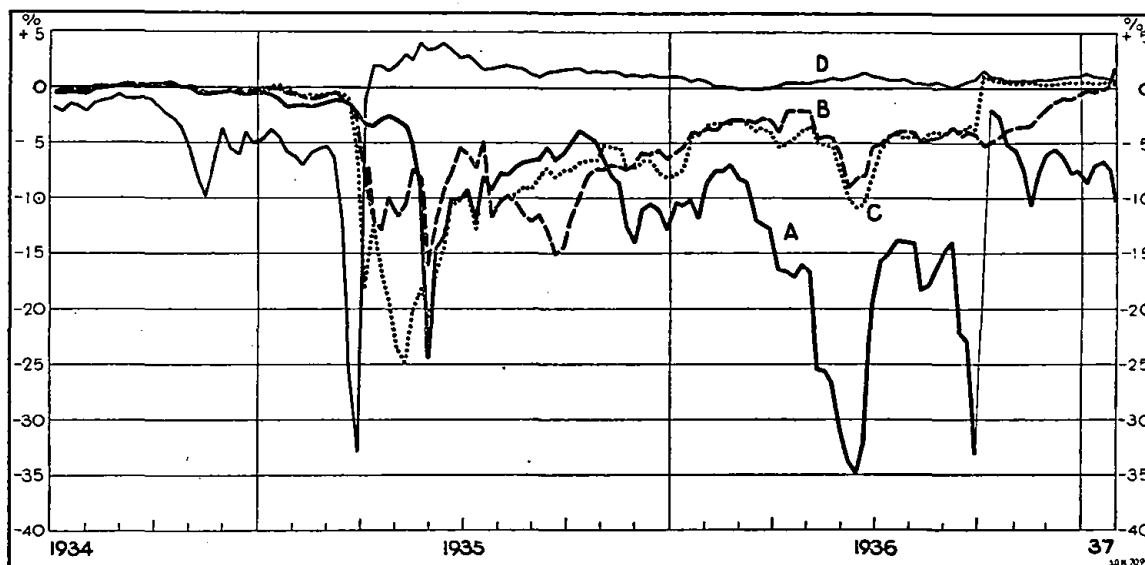
Whereas, during 1934 and the first quarter of 1935, the margin between the London spot and forward rates for the currencies of the three principal members of the gold bloc remained small in amount and moderate in movement, with the devaluation of the belga the disparity varied widely and reached at times spectacular proportions, as may be seen from Diagram 18, which shows the weekly movement of the annual percentage spread between three-months forward and spot quotations in terms of sterling for French franc, Swiss franc, gulden and the belga¹ from the beginning of 1934 to the end of January 1937.

¹ The calculations for forward rates for the period prior to the beginning of 1935 were made on the basis of the rates given in the London *Economist* and refer to closing quotations, whereas those for subsequent periods supplied by the Bank for International Settlements refer to rates fixed at the middle of the day.

Diagram 18.

ANNUAL PERCENTAGE PREMIA OR DISCOUNTS ON THREE-MONTHS
FORWARD FRENCH FRANCS, GULDEN, SWISS FRANCS AND BELGAS IN LONDON.

A. French franc. C. Swiss franc.
B. Gulden. D. Belga.



The development of large spreads and their persistence during considerable periods prior to the devaluation of these currencies attest, on the one hand, to the predominant influence of exchange speculation and, on the other, to the ineffectiveness of interest arbitrage, which, as noted above, does not play a significant rôle when confidence in the currency is at stake. The absence of arbitrage is to be explained in part by the action taken by monetary authorities. In France, the Netherlands and Switzerland, central monetary authorities appear to have come to an understanding with the banks¹ after the first exchange crisis following the devaluation of the belga, with a view to preventing banks from covering their spot-exchange transactions by forward transactions in the opposite direction and to discouraging other operations which would facilitate speculation. These measures were reinforced during 1936 and, in the case of Switzerland, became the subject of an official decree issued by the Federal Council on June 19th, 1936.¹ The anxiety of the banks and monetary authorities being principally over spot rates, forward rates were at times allowed to sink to low levels by pressure from even a small market. The understanding between the central banks and the private banks could not, for instance, prevent merchants from being influenced in the extent to which they covered their exchange risks by their own anticipations regarding the future course of the spot rates. Monetary authorities may have refrained from influencing forward rates, no doubt in the hope that the development of wide discounts would, by causing losses, curb speculation.

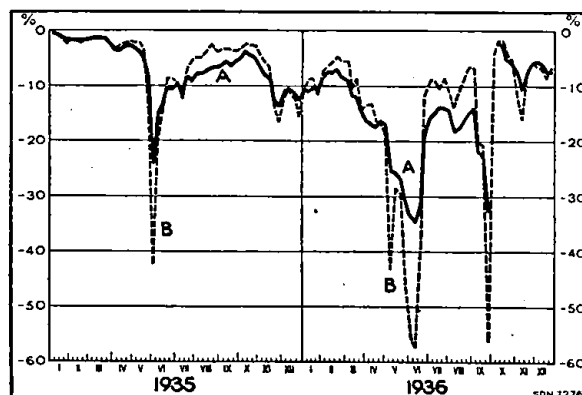
In so far as these discounts are indicative of speculative feeling or market sentiment, it is interesting to note the divergence in the discounts which developed for the forward delivery of French francs, Swiss francs and gulden. The discount on the gulden, for instance,

¹ See Annual Report of the National Bank of Switzerland for 1936, pages 17 ff. These restrictions are no longer in force in Switzerland, and were removed in the Netherlands at the beginning of February 1937.

has never on any weekly average exceeded 15 %, while the discount on forward Swiss francs, after touching 25 % in May 1935, has tended to decline and to vary, particularly since the last quarter of 1935, between 2½ and 10 % per annum by comparison with spot rates. The forward rate for the French franc, on the other hand, has not only developed larger discounts and maintained large disparities for a longer time, but also varied more widely. It would appear, therefore, that the market felt either that the gulden and Swiss franc were less likely to follow the French franc in case of the expected depreciation or that they would not depreciate to the same extent as the French franc; in neither case did market sentiment anticipate with any large degree of accuracy. Nor did these rates reflect the relative over-valuation of the currency concerned. The forward rates also moved divergently after the realignment of the three currencies at the end of September 1936. While the Swiss franc moved to a premium in relation to the pound, as the belga has done since its devaluation at the end of March 1935, the gulden and French franc continued to be quoted at a discount. The discount on the gulden diminished rapidly and disappeared by February 1937, probably as a result of the expectations of its further depreciation being belied by the maintenance of the spot rates by the Netherlands Exchange Stabilisation Fund consistently at about 80% of the former parity. The spot French franc continued weak, even after the devaluation, as a result of the persistence of capital outflow, or at least the failure of capital to return, and this may have led to an expectation that the spot rate would depreciate to the lower limit of 34.36 % set by the Devaluation Act.

Forward rates for one month appear to have varied at certain times even more widely than those for three months. This may be seen from Diagram 19, which compares the discounts on three-months and one-month forward francs in London over the years 1935 and 1936.

Diagram 19.
ANNUAL PERCENTAGE DISCOUNT
ON FRENCH FRANCS ONE-MONTH AND
THREE-MONTHS FORWARD IN LONDON.
A. One month.
B. Three months.



Where forward rates are controlled by the interest difference, the percentage annual discount given by the rates for both periods should be the same, but interest arbitrage was ineffective during this period. In so far as the forward rates mirror speculative anticipations correctly, a relatively larger discount on one-month forward francs as compared with three-months would mean that the risk of depreciation is believed to be near at hand or *vice versa*. Whether the former belief existed or not, the one-month rate exceeded the three-months rate by as big a margin as 20 % in June 1935, in June 1936 and in September 1936.

The movement of the forward rate of the Chinese dollar also affords an example of the degree of speculative activity and the absence of effective interest arbitrage. During May and June 1934, for instance, the Chinese dollar moved to a premium when it was expected to appreciate in view of the rise in the price of silver. This premium, however,

disappeared by the autumn of that year and was turned into a discount following the mild restrictions on exchanges imposed on September 8th, 1934, and the imposition of an *ad valorem* duty on the export of silver at the middle of October 1934. The average annual percentage discount on the Chinese dollar for delivery in two months in London developed as follows during 1935 and 1936 :¹

| 1935 | | 1935 | |
|---------------------|------|--------------------|------|
| January | 16.0 | October | 17.7 |
| February | 13.0 | November | 7.3 |
| March | 5.8 | December | 10.3 |
| April | 4.8 | | |
| May | 4.5 | 1936 | |
| June | 9.4 | January | 8.1 |
| July | 13.1 | February | 4.4 |
| August | 14.3 | March | 4.7 |
| September | 12.4 | April | 2.7 |

With the adoption of the new monetary policy in November 1935 and the successful pegging of the Chinese dollar spot rate in terms of pounds and United States dollars, the discount, the monthly average of which had risen to as high as 28.2 % in October 1935, declined in the course of 1936. The relatively large transactions of banks and bankers reporting to the United States Treasury in the spot and forward exchange transactions of the currencies of the Far East, summarised on page 42 above, partly reflect, during 1935 at least, dealings in the Chinese dollar. The short position of these banks and bankers was relatively high compared with their total transactions in these currencies, rising to as much as \$5.4 million on September 4th, 1935, and continuing at a high level in the following fifteen months.

¹ See W. Y. LIN : " The New Monetary System of China ", Shanghai, 1936.

C. — EXCHANGE STABILISATION FUNDS.

The system of exchange stabilisation funds which has developed since the breakdown of the international gold standard represents an important departure from traditional methods and calls for at least a brief description of its principal features. Statistical data on the operations of "stabilisation" or "equalisation" funds are almost completely lacking. The secrecy with which these operations are conducted is, indeed, one of the distinctive characteristics of the new methods of exchange regulation. In the following observations, therefore, no attempt at statistical analysis is made.

The first of these funds was the "Exchange Equalisation Account" set up in the United Kingdom in April 1932. Its initial resources consisted of £150 million of Treasury bills *plus* £25 million transferred to it from the old "Dollar Exchange Reserve", an inactive Government account. In the spring of 1933, at the time of the depreciation of the dollar, the Fund received another allocation of £200 million of Treasury bills, which brought its total resources up to £375 million.

As its name implies, the Fund was intended to equalise or smooth out fluctuations in the foreign exchanges. Its principal function, however, came to be generally regarded as the "offsetting" of short-term capital movements in a way which prevented these movements from affecting the cash basis of the domestic credit structure. The Fund meets an influx of foreign balances by the sale of Treasury bills to the money market (that is, largely to the commercial banks); the sterling resources thus obtained by the Fund are used for acquiring the foreign balances which are offered in the exchange market and which are, as a rule, subsequently converted by the Fund into gold. Unless the incoming foreign balances are invested by their holders in Treasury bills provided by the Exchange Equalisation Fund (in which case there is, in effect, a simple exchange of Treasury bills against foreign exchange, which does not affect the internal credit system at all), the effect of the operations of the Fund on the banking position is to increase Treasury-bill holdings and deposit liabilities of the commercial banks while leaving their cash reserves unchanged.

In the case of an outflow of funds, the process is reversed: the Exchange Equalisation Fund sells gold and repurchases, in effect, its Treasury bills from the banks with the proceeds of these sales.¹ Again, the amount of cash held by the banks is unaffected, while their Treasury bills and deposits decline.

It may be observed incidentally that, under this system, movements of foreign funds tend to have somewhat paradoxical effects on the domestic credit situation. The absolute amount of bankers' cash remains unchanged; but the volume of deposits is increased by an inflow and diminished by an outflow of capital, and the banks' cash ratio is lowered in the former, and raised in the latter, case; money rates, consequently, would tend to rise with an inward movement of capital and to decline when the movement is outward. The necessity for obviating such peculiar results has apparently been recognised by the autho-

¹ At its initial establishment, the Fund was of course powerless to meet an outflow of capital in this way, as it consisted exclusively of sterling assets. It may, however, have converted at the outset part of its Treasury bills into foreign exchange at the Bank of England. In July 1932, "Other securities" in the Issue Department of the Bank of England, believed to consist largely of foreign assets, fell by £40 million, while Government securities in the same Department rose by a similar amount.

rities, and part of the transfers of gold which have been made from the Fund to the Bank of England have doubtless been for the purpose of enabling the banks to support the larger volume of deposits resulting from the inflow of foreign balances without an undue reduction in their cash ratio.

The "offsetting" mechanism of the Exchange Equalisation Fund would thus appear to have been designed to provide a 100% cover for the foreign short-term funds invested in London and to prevent a repetition of the difficulties experienced in 1931 in connection with the effects of foreign withdrawals on the internal credit supply and the external exchanges. The mechanism is, of course, not new in principle. It is essentially similar to the open-market operations by which, under the gold standard, movements of gold could be — and actually often were — offset by the Central Bank.

This view of the functions of the Fund as an instrument for preventing short-term capital movements from affecting the domestic supply of credit is, however, subject to certain qualifications. In the absence of an exchange fund, the inflow of capital could not have increased the credit base at all so long as the market price of gold was higher than the Bank of England's statutory buying price of 85/- per fine ounce (which remained in force even after the suspension of the Bank's obligation to sell gold at that price), unless the Bank of England had been allowed to purchase gold at higher prices while continuing to show it at the statutory price in the published returns, as is actually done in many countries where no separate stabilisation funds have been established. Failing such a procedure, however, the inflow of funds would have forced up the exchange value of sterling; and, as the old legal buying price was strictly adhered to by the Bank (at any rate after the middle of 1932), it would have resulted in an expansion of the cash basis of the banking system only after the exchange appreciation had gone far enough to enable the Bank to acquire gold at that price. The Fund — supplied, as it was, with sterling assets — was primarily intended to prevent such an appreciation. Moreover, instead of "offsetting" the inflow of capital, it seems — on the contrary — to have been used, at first, as a technical means precisely for allowing this inflow to result in the expansion of the credit base which, without it, could not have taken place in these circumstances.¹ Between May and September 1932 — the period in which the vast conversion operation of the 5% War Loan was carried out — the gold stock of the Bank of England (valued at par), which had remained practically unchanged after September 1931, rose from £122 million to £139 million; early in 1933, it rose further to £186 million in May and to £190 million in September 1933. As the Bank was precluded from buying gold on the market, the gold acquired by it must have been transferred from the Exchange Fund, the latter acting as a technical intermediary for covering the bookkeeping losses involved.

After 1933, the "offsetting" mechanism was more strictly applied and the gold reserve of the Bank of England rose only very gradually to £200 million at the beginning of 1936, in spite of the large amounts of gold which are believed to have been acquired by the Fund in this period. In the first three quarters of 1936, the Bank's gold stock was increased, more rapidly, by £47 million, partly in order to provide the banks with increased cash reserves against their increased deposits, as mentioned above, and partly in order to offset a drain of cash for foreign hoarding. In December 1936 — after the repayment of a French

¹ The fact that the inflow of capital in 1932 represented largely a return of British funds in consequence of the improved budgetary position, the brighter business outlook and the exchange depreciation itself, and was probably only to a very small extent a movement of foreign balances for the reversal of which cover had to be provided by the "offsetting" process, appears to be of some relevance in this connection.

credit of £40 million — the Exchange Fund appears to have become so depleted of sterling assets that it transferred £65 million of gold (at par) to the Bank of England. The bulk of this transfer was offset by a reduction of the Bank's fiduciary issue by £60 million, the "offsetting" capacity of the Exchange Fund being increased by the transfer of a corresponding amount of Government securities from the Bank's Issue Department to the Fund.

The Stabilisation Fund set up in the Netherlands on September 30th, 1936, presents certain similarities to the methods adopted in the United Kingdom. The gold stock of the Netherlands Bank was not revalued after the depreciation of the florin, nor was the Bank's statutory gold price changed. The Stabilisation Fund received an allocation of 300 million gulden in Treasury bills, one-third of which it immediately exchanged for gold at the Netherlands Bank, in order, apparently, to provide against the contingency of an outflow of capital and an undue depreciation of the currency. Accordingly, the gold reserve of the Netherlands Bank fell by 100 million gulden (from 670 to 570 millions) at the beginning of October 1936, while the Bank's loans and discounts (which include Treasury bills) rose by 125 millions. The movement of capital proved to be definitely inward, and the Fund financed its gold purchases by sales of Treasury bills on the market. As its holdings of Treasury bills were thereby soon exhausted, it passed on large amounts of gold to the Central Bank. The gold stock of the Netherlands Bank, which remained unchanged at 570 million gulden for two months after October 5th, 1936, rose to 720 millions at the end of December 1936 and to 920 millions at the end of March 1937. The "offsetting" capacity of the Stabilisation Fund being limited to 300 million gulden, the Bank's acquisitions of gold — except for 100 millions which were paid for by handing the equivalent amount of Treasury bills back to the Fund — could not fail to expand the cash basis of the internal credit structure. It may be mentioned in this connection that the movement of capital to the Netherlands after the depreciation of the florin was believed to represent mainly a return flow of domestic capital which had previously been exported in anticipation of a currency devaluation.

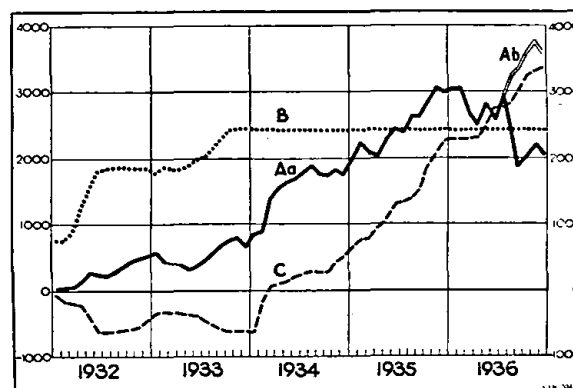
Very different from the principle of "offsetting" as applied, at least to a certain extent, in the United Kingdom and the Netherlands have been the methods practised until recently in the United States of America. The difference arose from the very structure of the Exchange Stabilisation Fund which was set up in the United States on January 31st, 1934. The Fund was composed, not of assets in domestic currency, but of gold, amounting to \$2,000 million at the new provisional parity, and representing part of the book profit on the revaluation of the gold stock. As the Fund had no resources in domestic currency with which to absorb imports of gold, the Treasury financed its gold purchases by funds obtained from the Federal Reserve Banks by handing to them gold certificates in amounts corresponding to its acquisitions of gold. Only once — in the early part of 1935 — was it necessary to support the exchange by sales of gold, and the resources of the Stabilisation Fund declined by \$200 million to \$1,800 million, at which level they have since remained. The short-lived outflow of funds which appeared at that time could not fail to affect the domestic credit system, as the sales of gold were not offset by open-market operations and tended, therefore, to withdraw Federal Reserve cash from the market. On balance, however, the years 1934-1936 witnessed an inflow of gold into the United States on a very large scale. Through the mechanism — described above — by which these imports were handled, they led directly to an expansion of the credit base. The passive rôle to which the Stabilisation Fund was reduced, owing to its initial structure, in the face of the almost continuous inflow

of capital which took place after its establishment, is clearly brought out by the following diagram, which compares member bank excess reserves with the cumulated movement of gold imports and holdings of Government securities by the Federal Reserve system. (Since August 1936, when the first increase in reserve requirements became effective, the first series is shown on the basis of the old requirements; the reasons for this presentation will be apparent from the considerations to be mentioned presently.)

Diagram 20.

MEMBER BANK EXCESS RESERVES, FEDERAL RESERVE GOVERNMENT SECURITIES AND CUMULATED GOLD IMPORTS IN THE U.S.A., 1932-1936. \$ (000,000's).

- Aa. Excess reserves.
- Ab. Excess reserves according to old requirements.
- B. Government securities.
- C. Cumulated gold imports.



It is the accumulation of unused cash reserves by the banking system of the United States that represents the " offsetting " which, in the United Kingdom and the Netherlands, has been the function of exchange funds. The fact that the monies which sought refuge in the United States during the years 1934-1936 had their principal counterpart in the growth of excess reserves and were not, on the whole, absorbed into the domestic credit structure provides an assurance that their repatriation can be effected with a minimum of disturbance in the United States.

The successive increases of legal reserve requirements made between August 1936 and May 1937, by which the minimum requirements were doubled, were designed, not only to prevent excessive credit expansion, but also to immobilise the bulk of the excess reserves — together with a corresponding part of the country's gold reserves — as cover for the foreign balances held in the United States.

In addition, a procedure of gold " sterilisation " was initiated by the United States Treasury on December 20th, 1936. Although this procedure is in no way connected with the Exchange Stabilisation Fund, it needs to be mentioned here as an example of the " offsetting " policy pursued in other countries by special funds. After December 20th, 1936, the gold purchases of the Treasury were no longer financed by the delivery of gold certificates to the Federal Reserve Banks, but by the issue of additional short-term Treasury obligations on the money market. In contrast to the exchange funds of other countries, these operations are carried out under no secrecy whatever. The gold purchased under this procedure appears in the daily statement of the Treasury as a separate item entitled " inactive gold ", which, on June 22nd, 1937, amounted already to \$1,036 million. It may be noted that the new method of " sterilisation " differs in no essential respect from " offsetting " open-market operations of the Central Bank. The increase in gold certificates held by the Federal Reserve System could, of course, have been offset by sales of Government securities from the System's own holdings.¹ The new method increases the public debt and

¹ Only part of the inflow of gold could have been offset in this way, as the Federal Reserve Banks' holdings of Government securities amounted to \$2,430 million, as compared with total gold imports of about \$4,000 million in the period 1934-1936.

involves interest costs to the Treasury, but it is apparently believed to offer certain advantages of a technical and psychological nature.¹

A similar procedure was applied in the Argentine in 1936. To offset an inflow of foreign funds, the Government purchased gold with the proceeds of new short-term issues made on the domestic money market. In addition, however, there were clear indications of a neutralising open-market policy on the part of the Central Bank. The Bank's foreign-exchange holdings (including gold held abroad) rose from 129 million pesos at the end of 1935 to 303 million pesos at the end of 1936 (its gold stock remaining unchanged), while its holdings of negotiable Government bonds declined from 235 to 19 million pesos in the same period.

Besides the Exchange Stabilisation Fund of the United States, funds of a similar structure have been set up in other countries out of the profits on the revaluation of gold reserves. In two of these countries — Belgium and Canada — their subsequent history has also been similar, in that they have remained inoperative. The Belgian fund, set up on March 30th, 1935, with gold assets amounting to 1,125 million francs, owing to the inflow of capital following the devaluation of the belga, never intervened in the market and was, in fact, wound up on April 1st, 1936, its resources being transferred to another Government institution. The Canadian Exchange Fund of \$63 million, representing part of the revaluation profit, was established on July 3rd, 1935; but a proclamation of the Governor-General which was to bring it into active operation has not been made.

Of greater practical importance are the French and Swiss Stabilisation Funds set up on October 1st and September 30th, 1936, respectively. The former was allotted a working capital of 10 milliard francs in gold, being part of the revaluation profit of 17 milliards, while the latter was credited with the whole of the revaluation profit amounting to 539 million Swiss francs. As neither of these Funds possessed assets in national currency which they could have sold on the domestic market, an inflow of capital forced them to pass on to the Central Bank any gold acquired by them. The gold reserve of the Swiss National Bank rose steadily from 1,554 million francs at the end of September 1936 to 2,709 millions at the end of December 1936, but remained unchanged, except for the addition of 9 millions in January, throughout the first quarter of 1937. The gold stock of the Bank of France, on the other hand, after rising from 58 milliards after the revaluation at the end of September to 64.4 milliards at the end of October 1936, declined to 60.4 milliards at the end of December 1936 (owing to the repayment of the sterling credit of £40 million) and further to 57.4 milliards at the end of January 1937, which would appear to suggest that the French Stabilisation Fund became depleted to some extent and had recourse to the Bank for additional supplies of gold to support the exchange.²

Some of the available information regarding the principal Exchange Stabilisation Funds may now be summarised in the following table.

¹ Had it been applied since the beginning of 1934, this method would have required additional issues of roughly \$4,000 million of Government securities to finance the absorption of gold imports during the years 1934-1936. As under the British procedure, the sterilisation of these gold imports would, in any case, have tended to raise interest rates, whether this sterilisation had been effected by sales of Government securities by the Federal Reserve Banks or by the issue of additional securities by the Treasury.

² According to an official statement, the gold holdings of the French Stabilisation Fund were entirely exhausted in June 1937.

| Fund | Date when set up | Resources expressed in national currency at the date (millions) | Resources expressed in \$ of old gold content at the rate of the day (millions) | Nature of initial assets |
|----------------------------|-----------------------------|---|---|--------------------------|
| 1. British | April 25, 1932 | £175 ^a | 656 | Treasury bills |
| | | £375 ^b | 1,287 | |
| 2. United States | January 31, 1934 | \$2,000 | 1,181 | Gold |
| 3. Belgian | March 30, 1935 ^c | Belg. Fr. 1,125 | 23 | Gold |
| 4. Canadian | July 3, 1935 | \$63 | 37 | Gold |
| 5. Netherlands | September 30, 1936 | Florins 300 | 95 | Treasury bills |
| 6. Swiss | September 30, 1936 | Swiss Fr. 539 | 73 | Gold |
| 7. French | October 1, 1936 | French Fr. 10,000 | 275 | Gold |

^a Of which £150 million direct Government appropriation and about £25 million representing the unused balances of the old dollar exchange fund.

^b Increase by £200 million in April 1933, plus the original amount.

^c Wound up on April 1st, 1936.

The above is not a complete list of institutions known as equalisation or stabilisation funds. Such institutions have been established, for instance, in the Argentine, Colombia, Czechoslovakia, Latvia, Mexico and Spain. The first four of these were set up in March 1935, April 1937, September 1936 and October 1936 respectively at the time of the revaluation of gold reserves and were credited with a part or the whole of the resulting profits. The Spanish fund, which received an advance of 25 million pesetas from the Bank of Spain, was established for the purpose of centralising and reinforcing exchange control. These and various other institutions are of lesser significance in international monetary relations and have, as a rule, a more limited scope and purpose.

This brief survey may be concluded with some general remarks on the working of stabilisation funds. As mentioned at the outset, their operations are, as a rule, secret. This secrecy is mitigated to some extent when transfers of gold between the funds and the Central Banks are made, especially in countries where the statutory gold price of the Central Bank is out of touch with the market price and where the Bank, therefore, can undertake no gold transactions in the market. But deductions based on Central-Bank returns may be of very limited value. Thus, when publishing its first weekly return after the devaluation of the franc, the Bank of France announced officially that these returns would in future be so drawn up as to render futile any inferences relating to the operations of the Stabilisation Fund. The importance attached to secrecy is illustrated by the fact that the French and Netherlands Governments discontinued the publication of Customs statistics regarding gold movements when their Stabilisation Funds began to function; but even complete Customs returns would give an inadequate picture of the operations of the funds, owing to the practice of earmarking and to shipments of gold on private account. The secrecy with which the funds conduct their operations is, of course, dictated by their functions of controlling the exchanges and by the necessity for curbing speculative activity in the exchange market. The only important exception to the secrecy of official exchange transactions is the new procedure of gold "sterilisation" in the United States, under which statements on the transactions involved are published daily. But it should be remembered in this connection that the United States dollar is a currency whose gold value is fixed — at least provisionally — at one definite point.

The description of the individual funds which was given above makes apparent the necessity of drawing a sharp distinction between two types of funds: those whose initial

resources consisted of assets convertible into domestic currency in the open market ; and those whose initial resources consisted of gold. Funds of the former type are — within certain limits which have been indicated — capable of neutralising the movement of floating balances, in the sense of preventing them from affecting the internal credit base.¹ Such funds have been in operation in the United Kingdom and the Netherlands, and essentially similar methods — though not applied by separate funds — were introduced in 1936 in the United States and the Argentine.¹

The funds of the second type have received their resources in the form of gold released by the revaluation of monetary gold reserves. Their structure does not, in general, allow them to offset the movement of short-term capital in the sense indicated. In the face of an inflow of gold, they are, in themselves, powerless to prevent an expansion of Central-Bank credit. At their initial establishment, they possess no assets in domestic currency and have to pass on immediately to the Central Bank any gold they acquire. They can acquire balances at the Central Bank by selling their own gold to the Bank ; but the purchase of new gold from the market with the funds thus obtained increases the amount of Central-Bank cash available to the market. Similarly, in the case of an outflow of capital, they are unable to prevent a contraction of credit. Their sales of gold involve a transfer of balances at the Central Bank from the ownership of the market to the ownership of the stabilisation fund. The basis of the credit structure is thereby contracted, even though there may be no change in the total sight liabilities of the Central Bank. This contraction can only be prevented if the fund re-invests in the open market the Central-Bank balances thus acquired. Unless such supplementary methods are adopted, international movements of floating capital tend to have essentially the same effects as under a gold-standard system.

Note. — At the end of June 1937, the British Exchange Equalisation Fund was increased by a further £200 million. During the preceding five years of its existence, the aggregate assets of the Fund had been reduced by approximately £125 million on account of the bookkeeping losses due to transfers of gold to the Bank of England at the old statutory price. According to a statement made by the Chancellor of the Exchequer on June 28th, 1937, the Fund held 26.7 million ounces of fine gold on March 30th, 1937, amounting to £187 million at the current market price. During the second quarter of 1937, the gold holdings of the Fund are believed to have increased further, owing to large-scale dishoarding of private stocks, heavy shipments from certain gold-producing countries and a renewed inflow of foreign balances. Official returns of the gold holdings and other assets of the Fund will in future be published on December 31st and June 30th, referring to the position three months earlier.

¹ It may be noted that the gold absorbed by such methods, especially in the United States and the United Kingdom, has originated not only in international movements of capital but doubtless in some part also in the increase of gold production which would otherwise have expanded the credit base in the countries concerned.

D. — GOLD SUPPLY AND CENTRAL MONETARY RESERVES.

NOTE. — Unless otherwise stated, the United States dollar, used as unit of account in this Section, is that of old gold content, \$1 = 1.50463 grammes of fine gold.

The supply of gold available for monetary purposes has shown a remarkable increase since 1929; there has in consequence been a substantial expansion in the visible central monetary gold reserves of the world, even though gold has been in demand for hoarding purposes in the West and more recently for the reserves of stabilisation funds. The principal sources of this increased supply have been an expanding production of new gold and releases from hoards in the East. The expansion in world production under the impetus mainly of the decline in prices and the depreciation of currencies may be seen from Table 1 below, and in greater detail from Appendix Table VII. The double figures shown for the Union of Soviet Socialist Republics represent the range of estimates that may be made by applying the officially stated rates of relative increase in recent years¹ to the somewhat divergent absolute production data available for earlier years.

Table 1.

GOLD PRODUCTION.
\$ (000,000's) of old gold content.

| | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936* |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------|
| 1. World, excl. U.S.S.R. | 384.9 | 400.6 | 426.1 | 461.7 | 468.8 | 481.3 | 513.8 | 564.9 |
| 2. World, incl. U.S.S.R. | 403.2 - 407.2 | 422.9 - 430.9 | 447.0 - 461.0 | 487.9 - 501.9 | 520.9 - 526.4 | 555.9 - 568.9 | 615.0 - 631.0 | ... |
| Union of South Africa | 215.2 | 221.5 | 224.8 | 238.9 | 227.7 | 216.6 | 222.7 | 234.3 |
| U.S.S.R. ^a | 18 - 22 | 22 - 30 | 21 - 35 | 25 - 39 | 51 - 56.5 | 73 - 86 | 100 - 116 | ... |
| U.S.A. ^b | 42.6 | 44.2 | 46.0 | 48.2 | 47.6 | 57.4 | 66.9 | 77.1 |
| Canada | 39.8 | 43.4 | 55.7 | 62.9 | 61.0 | 61.4 | 67.9 | 77.1 |
| Australia | 8.8 | 9.6 | 12.3 | 14.8 | 17.2 | 18.2 | 20.0 | 24.0 |
| Southern Rhodesia | 11.6 | 11.3 | 11.0 | 11.9 | 13.3 | 14.3 | 15.0 | 16.5 |
| Mexico | 13.5 | 13.8 | 12.9 | 12.1 | 13.2 | 13.7 | 14.1 | 15.6 |
| Japan | 6.9 | 8.0 | 8.3 | 8.3 | 9.1 | 9.8 | 12.2 | 14.0 |
| Philippines | 3.3 | 3.7 | 3.8 | 5.0 | 6.7 | 7.0 | 9.2 | 12.4 |
| Korea | 3.7 | 4.1 | 6.0 | 6.4 | 7.6 | 8.3 | 9.8 | 10.8 |
| Gold Coast | 4.3 | 5.0 | 5.4 | 5.8 | 6.3 | 6.7 | 7.4 | 8.9 |
| Belgian Congo | 3.6 | 4.0 | 4.4 | 5.3 | 5.8 | 6.8 | 7.6 | 8.6 |
| Colombia | 2.8 | 3.3 | 4.0 | 5.1 | 6.2 | 7.1 | 6.8 | 8.1 |
| India | 7.5 | 6.8 | 6.8 | 6.8 | 6.9 | 6.7 | 6.8 | 6.9 |
| Other countries ^c | 21.5 | 22.2 | 24.1 | 30.9 | 40.5 | 47.7 | 49.5 | 51.5 |

* Provisional figures.

^a Estimates; the publication of official absolute figures was interrupted in 1927. The rapid increase in production would appear to have continued in 1936, but available statements differ widely as to the actual rate of increase in that year.

^b Including Alaska.

^c See Appendix Table VII.

¹ Official absolute figures of gold production in the Union of Soviet Socialist Republics have not been published for any of the years under review.

The world output, exclusive of the Union of Soviet Socialist Republics, for 1936 was some 47% higher than in 1929. The increase during 1930 and 1931 reflects primarily the rise in production in the Union of South Africa, Canada, the United States and Australia, which resulted, in the first three countries, from the fall in operating costs and the rise in the relative value of gold following the general decline in commodity prices, whereas in Australia production was stimulated also by the depreciation of the currency and a Government bonus. World gold production rose particularly rapidly in the following years, the expansion outside the Union of Soviet Socialist Republics during that period being primarily due to the depreciation of the currencies of most producing countries, which, in the absence of a corresponding rise in costs, made profitable the more intensive working of existing mines, the exploitation of cheaper ores, and the development of new mines. The decline in production in the Union of South Africa between 1932 and 1935 and the absence of an increase in Canada during 1933 and 1934, though chiefly accounted for by increased taxation of the profits of gold mines which reduced the incentive to expand the production of existing mines, also reflects a deliberate shift to poorer ores the exploitation of which became profitable, the richer ores being kept in reserve. In other countries, however, the incentive from currency depreciation was fully operative. Its importance is illustrated, not only by the general increase in the production of existing mines in most producing countries, but also by the exploitation of the hitherto undeveloped gold resources of such areas as Tanganyika, Kenya, Nigeria and British Guinea, and to the processing of alluvial deposits. These deposits appear to have been the principal source for the increased output of the South-American countries, in particular Colombia and Chile. There was at the same time an intensive development of production in the Union of Soviet Socialist Republics; in 1933, that country became, it is believed, the third and, in 1934, the second most important producer of the world and accounted, according to available estimates, for almost one-fifth of all gold extracted in the world in 1936.

The available supply of gold has, however, expanded over and above current production through the release of gold from private holdings. Economic distress, the high premium on gold in terms of national currencies, anti-hoarding legislation, such as that of the United States in 1933, have contributed to additional supplies of gold being made available in the form of coin, old gold and gold objects. The most important source of such supplies has been the private hoards in the East, which, over the period 1890 to 1929, are believed to have absorbed 18-19% of the current production. Particularly significant has been the gold released from private hoards in India since 1931, estimated below ¹ in terms of dollars of old gold content :

\$ (000,000's) of old gold content.

| | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | Total 1931-1936 |
|--|-------|-------|-------|-------|------|------|--------------------|
| (1) Net exports | 95.7 | 195.7 | 126.1 | 137.0 | 96.1 | 71.6 | 722.2 |
| (2) Gold production in India | 6.8 | 6.8 | 6.9 | 6.7 | 6.8 | 6.9 | 40.8 |
| (3) Increase in Government reserves | 33.5 | 0.1 | — | 0.1 | — | — | 33.7 |
| (4) Decrease in private holdings in India [(1) + (3) — (2)] | 122.4 | 189.0 | 119.2 | 130.5 | 89.3 | 64.7 | 715.1 |

¹ Data of the *Federal Reserve Bulletin*.

The total amount of over \$700 million dishoarded between 1931 and 1936 roughly equals the highest annual gold output on record, that of 1936. Though there has been a decline in the amounts released from Indian holdings following the improvement in economic conditions, dishoarding had by no means ceased by the end of 1936.

Dishoarding on a substantial scale also occurred in China. As the annual output of gold in China is insignificant, the net recorded exports of 82 million American dollars of old gold content from 1929 to 1936 must represent, in the main, gold released from private hoards. To this must be added gold smuggled out which is believed to have left the country principally *via* Hong-Kong. The total net exports of gold from Hong-Kong between 1931 and 1935 amounted to \$64 million. There was also some dishoarding of gold in the Straits Settlements, total gold exports from that area exceeding \$41 million in the years 1930 to 1935. As in the case of India, the rate at which gold has been released from private holdings in China, Hong-Kong and the Straits Settlements has decreased since 1934. In addition, some \$170 million accrued between the end of 1929 and the middle of 1931 to central gold reserves from gold held by commercial banks, mainly in Latin America and Australia.

The supply of gold made available since the middle of 1931 from current production and from releases out of commercial bank reserves and private holdings has not all been added to the visible central monetary reserves of the world. Between the middle of 1931 and the end of 1936, the world production of gold, exclusive of the Union of Soviet Socialist Republics, exceeded \$2,700 million. During the same period, visible central gold reserves of the world, exclusive of the Union of Soviet Socialist Republics, have risen by something less than \$2,200 million. The exact increase is unknown, as information is not available concerning the gold reserve of Spain during the latter part of 1936. The difference between these two totals, which must have amounted to \$500-600 million plus the additional supplies of gold made available from commercial bank reserves and private holdings, from old coin, plate, etc., melted down, and such amounts of gold exported from the Union of Soviet Socialist Republics as have not become incorporated in the visible reserves of other countries, represents the gold absorbed by private holdings in the West, exchange stabilisation funds, undisclosed reserves of central banks and the arts. It is obviously impossible to estimate within reasonable limits of error what amounts of gold have flown into these different channels since the outbreak of the international financial crisis of 1931. A conservative but admittedly incomplete estimate of the amounts which since the middle of 1931 have accrued to holdings outside central monetary gold reserves in the world, apart from the Union of Soviet Socialist Republics, is provided by item (5) of the following table :

| \$ (000,000's) of old gold content | 1931 (last six months) | 1932 | 1933 | 1934 | 1935 | 1936 * | Total 1931- 1936 |
|--|------------------------------|-------|-------|-------|-------|--------------------|------------------------|
| (1) Production | 220 | 462 | 469 | 481 | 514 | 565 | 2,711 |
| (2) Net recorded releases from hoards ^a | 140 | 289 | 161 | 156 | 105 | 78 ^b | 929 |
| (3) Total [(1) + (2)] | 360 | 751 | 630 | 637 | 619 | 643 | 3,640 |
| (4) Changes in central monetary gold reserves | - 67 | + 576 | - 22 | + 915 | + 240 | + 564 ^c | + 2,206 ^c |
| (5) Net balance [(3) - (4)] | - 427 | - 175 | - 652 | + 278 | - 379 | - 79 | - 1,434 |

* Provisional figures.

^a Net exports of gold from India, China, Hong-Kong and Straits Settlements. The figures for 1931 and 1932 take account of gold previously held outside the central reserve in the United Kingdom, and most of which was exported in connection with the gold rush occurring after the suspension of the gold standard, while a minor part accrued to the Bank of England.

^b China and India only.

^c The gold reserve of the Bank of Spain is counted for the end of 1936 at its last recorded amount (July 1936).

The world output, exclusive of the Union of Soviet Socialist Republics, for 1936 was some 47% higher than in 1929. The increase during 1930 and 1931 reflects primarily the rise in production in the Union of South Africa, Canada, the United States and Australia, which resulted, in the first three countries, from the fall in operating costs and the rise in the relative value of gold following the general decline in commodity prices, whereas in Australia production was stimulated also by the depreciation of the currency and a Government bonus. World gold production rose particularly rapidly in the following years, the expansion outside the Union of Soviet Socialist Republics during that period being primarily due to the depreciation of the currencies of most producing countries, which, in the absence of a corresponding rise in costs, made profitable the more intensive working of existing mines, the exploitation of cheaper ores, and the development of new mines. The decline in production in the Union of South Africa between 1932 and 1935 and the absence of an increase in Canada during 1933 and 1934, though chiefly accounted for by increased taxation of the profits of gold mines which reduced the incentive to expand the production of existing mines, also reflects a deliberate shift to poorer ores the exploitation of which became profitable, the richer ores being kept in reserve. In other countries, however, the incentive from currency depreciation was fully operative. Its importance is illustrated, not only by the general increase in the production of existing mines in most producing countries, but also by the exploitation of the hitherto undeveloped gold resources of such areas as Tanganyika, Kenya, Nigeria and British Guinea, and to the processing of alluvial deposits. These deposits appear to have been the principal source for the increased output of the South-American countries, in particular Colombia and Chile. There was at the same time an intensive development of production in the Union of Soviet Socialist Republics; in 1933, that country became, it is believed, the third and, in 1934, the second most important producer of the world and accounted, according to available estimates, for almost one-fifth of all gold extracted in the world in 1936.

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|---|------------------------------|-------|-------|-------|-------|--------------------|------------------------|
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| (3) Total [(1) + (2)] | 360 | 751 | 630 | 637 | 619 | 643 | 3,640 |
| (4) Changes in central monetary gold reserves. | — 67 | + 576 | — 22 | + 915 | + 240 | + 564 ^c | + 2,206 ^c |
| (5) Net balance [(3) — (4)] | — 427 | — 175 | — 652 | + 278 | — 379 | — 79 | — 1,434 |

* Provisional figures.

^a Net exports of gold from India, China, Hong-Kong and Straits Settlements. The figures for 1931 and 1932 take account of gold previously held outside the central reserve in the United Kingdom, and most of which was exported in connection with the gold rush occurring after the suspension of the gold standard, while a minor part accrued to the Bank of England.

^b China and India only.

^c The gold reserve of the Bank of Spain is counted for the end of 1936 at its last recorded amount (July 1936).

Though incomplete, the figures given at the bottom of the table are believed to be roughly indicative of the trend of the movements they are designed to show. The amounts shown for the second half of 1931 and for 1932 reflect almost exclusively the hoarding of gold in certain Western countries which set in with the financial crisis of the summer of 1931; the British Exchange Stabilisation Fund did not begin operations till the end of June 1932 and, owing to the weakness of the pound in the remaining months, it may be presumed that its gold holdings, if any, were small at the end of the year. A large proportion of the gold coming forward in the course of the following four years which did not accrue to the visible reserves was probably acquired by the stabilisation funds. This would appear to have been the case during 1933, 1935 and the first three quarters of 1936, when the movement of funds to London must have led to large additions to the gold holdings of the British Fund. The increase in visible central monetary reserves in 1934 by almost \$300 million more than the current production and dishoarding from the East appears to have been due, on the other hand, in large part to the release of gold by the British Fund. Sterling was under pressure and is reported to have been supported by the Fund almost throughout 1934. In 1936, while large amounts were added to the invisible gold holdings during the first three quarters of the year as a result of renewed hoarding and the acquisition of gold by the British Fund and, at the beginning of the last quarter, by the initial gold endowment to the stabilisation funds established in France, the Netherlands and Switzerland, these additions were largely counterbalanced by the dishoarding in the gold *bloc* countries, the gold releases from the French Fund and the transfer of gold from the British Fund to the Bank of England¹ that occurred in the course of the last quarter. Large additions to the visible gold reserves were thus made during the last months of the year.

More important than the increments to the recorded reserves of the individual countries from current gold production and dishoarding have been the gold movements between these reserves on a scale unparalleled in monetary history. Appendix Table VI shows in detail the central monetary reserves of some fifty-five countries at the end of each year from 1928 to 1936, and Table 2 on the opposite page gives for the same period and for the end of March 1937 details regarding twenty-five countries which, during that period, accounted for 97% of the total central gold reserves of the world, exclusive of the Union of Soviet Socialist Republics. The countries are arranged in the order of magnitude of the reserves at the end of March 1937.

The broad changes in the distribution of gold reserves among the central banks of the world fall into four periods.² During the first period, from the end of 1928 to the middle of 1931, there were large reductions in the gold reserves of countries most affected by the fall in raw-material prices — the Argentine, Australia, Brazil, Canada, Japan, the Netherlands Indies, and Uruguay together, lost about \$500 million of their monetary gold reserves — and in the reserve of Germany mainly as a result of capital withdrawals on foreign and domestic account. The counterpart of these losses was an increase in the reserves of certain more industrialised States, notably France and the United States. The additions to the gold reserves of France and of Belgium, Switzerland and the Netherlands were partly obtained through conversion into gold of foreign exchange held by their central banks (see pages 75 ff below).

¹ On December 15th, 1936, gold to an amount of \$316 million was thus transferred for special reasons; see section C above on Stabilisation Funds.

² See *Commercial Banks, 1929-1934*, pages LXXIX ff. for a more detailed account of gold movements up to the end of 1934.

Table 2.
CENTRAL MONETARY GOLD RESERVES.
\$ (000,000's) of old gold content.

| | XII-1928 | XII-1929 | XII-1930 | VI-1931 | XII-1931 | XII-1932 | XII-1933 | XII-1934 | XII-1935 | XII-1936 * | III-1937 * |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|------------------|
| United States | 3,746 | 3,900 | 4,225 | 4,593 | 4,051 | 4,045 | 4,012 | 4,865 | 5,980 | 6,649 | 6,835 |
| France | 1,247 | 1,631 | 2,099 | 2,211 | 2,683 | 3,257 | 3,015 | 3,218 | 2,598 | 1,769 | 1,681 |
| United Kingdom | 746 | 711 | 722 | 800 | 590 | 587 | 933 | 938 | 977 | 1,529 | 1,531 |
| Spain | 494 | 495 | 471 | 468 | 434 | 436 | 436 | 438 | 435 | ^a (425) | . |
| Switzerland | 103 | 115 | 138 | 162 | 453 | 477 | 386 | 368 | 268 | 387 | 388 |
| Netherlands | 175 | 180 | 171 | 200 | 357 | 415 | 371 | 338 | 259 | 289 | 370 |
| Belgium | 126 | 163 | 191 | 200 | 354 | 361 | 380 | 348 | 346 | 373 | 366 |
| Japan | 541 | 542 | 412 | 424 | 234 | 212 | 212 | 232 | 251 | 273 | 269 |
| Argentine | 473 | 405 | 411 | 349 | 252 | 248 | 238 | 238 | 238 | 238 | 238 |
| India | 124 | 128 | 128 | 151 | 162 | 162 | 162 | 162 | 162 | 162 | 162 |
| Sweden | 63 | 66 | 65 | 64 | 55 | 55 | 99 | 94 | 109 | 142 | 142 |
| Union of S. Africa | 39 | 37 | 33 | 31 | 39 | 36 | 83 | 108 | 125 | 120 | 141 |
| Italy | 266 | 273 | 279 | 283 | 296 | 307 | 373 | 306 | 159 | 123 | ^b 123 |
| Canada | 191 | 151 | 194 | 157 | 144 | 137 | 127 | 129 | 114 | 112 | 115 |
| Roumania | 49 | 55 | 55 | 53 | 58 | 57 | 59 | 62 | 65 | 67 | 68 |
| Norway | 39 | 39 | 39 | 39 | 42 | 39 | 38 | 36 | 50 | 58 | 58 |
| Czechoslovakia | 34 | 37 | 46 | 46 | 49 | 51 | 51 | 66 | 66 | 54 | 54 |
| Poland | 70 | 79 | 63 | 64 | 67 | 56 | 53 | 56 | 50 | 44 | 46 |
| Portugal | 9 | 9 | 9 | 9 | 13 | 24 | 34 | 40 | 40 | 40 | 40 |
| Uruguay | 72 | 68 | 61 | 58 | 53 | 48 | 50 | 48 | 44 | 40 | 40 |
| Netherlands Indies | 68 | 56 | 56 | 46 | 45 | 42 | 44 | 46 | 32 | 36 | 36 |
| Denmark | 46 | 46 | 46 | 46 | 39 | 36 | 36 | 36 | 32 | 32 | 32 |
| Germany | 666 | 560 | 544 | 354 | 251 | 209 | 109 | 36 | 37 | ^c 16 | ^c 16 |
| Brazil | 149 | 150 | 11 | — | — | — | — | 4 | 10 | 14 | 15 |
| Australia | 109 | 89 | 75 | 74 | 51 | 41 | 2 | 2 | 2 | 2 | 2 |
| Other countries, excl. U.S.S.R. | 272 | 264 | 256 | 246 | 289 | 299 | 312 | 316 | 321 | 340 | ... |
| Total (excluding U.S.S.R.) | 9,917 | 10,249 | 10,800 | 11,128 | 11,061 | 11,637 | 11,615 | 12,530 | 12,770 | (13,334) | ... |
| U.S.S.R. | 92 | 147 | 249 | 261 | 328 | . | 416 | 439 | . | . | . |

* Provisional figures.

^a Spain : reserve as at the end of July 1936.

^b Italy : 20.II.1937.

^c Excluding gold held by the former " Privatnotenbanken ".

Gold movements in the second period, extending from the middle of 1931 (in fact, from the beginning of the European financial crisis of that year) to the end of 1932, reflect largely the effects of general panic withdrawals of capital and the large-scale conversion of central bank foreign assets. The latter is illustrated by the reduction between the end of 1930 and the end of 1932 of some \$1,300 million, or 80%, in the foreign assets of the central banks of France, Italy, Belgium, the Netherlands and Switzerland. These events are reflected in additions to the gold reserves of these five countries amounting to \$1,760 million in the eighteen months ended December 1932, partly at the expense of the United States, the United Kingdom, and Germany, whose reserves fell by \$900 million in the same period. The United States lost \$1,000 million in twelve months up to the middle of 1932, but about half of this loss was made good in the last half of 1932. The other notable losses during this period were the decline of over \$200 million in the reserve of the Bank of Japan and \$100 million in that of the Argentine.

The changes in the distribution of gold reserves between the end of 1932 and the end of September 1936 are characterised, on balance, by large additions to the reserves of the

United States and the United Kingdom, by increases in the reserves of countries whose currencies had been readjusted, by a continued sharp decline in German reserves and by a very large reduction in the monetary gold stock of countries whose currencies remained effectively attached to gold at the old parities. The largest movements in gold were confined during this period to a few countries, as may be seen from the first five columns of Table 3.

Table 3.

CHANGES IN VISIBLE MONETARY GOLD RESERVES OF CERTAIN COUNTRIES SINCE THE END OF 1932.
\$ (000,000's) of old gold content.

| | Year 1933 | Year 1934 | Year 1935 | I-IX 1936 | Net change XII/1932- IX/1936 | IX/1936- III/1937 | Net change XII/1932- III/1937 |
|---|--------------|--------------|--------------|--------------------|------------------------------------|----------------------|-------------------------------------|
| World, excluding U.S.S.R. | - 22 | + 915 | + 240 | + 82 ^{bc} | + 1,215 ^{bc} | + 696 ^{bd} | + 1,911 ^b |
| United States | - 33 | + 853 | + 1,115 | + 425 | + 2,364 | + 426 | + 2,790 |
| United Kingdom | + 346 | + 5 | + 39 | + 238 | + 628 | + 316 | + 944 |
| Six other countries gaining gold ^a . | + 98 | + 23 | + 51 | + 33 | + 205 | + 33 | + 238 |
| Belgium | + 19 | - 32 | - 2 | + 27 | + 12 | - 7 | + 5 |
| Netherlands | - 44 | - 33 | - 79 | + 10 | - 146 | + 101 | - 45 |
| Switzerland | - 91 | - 18 | - 100 | + 32 | - 177 | + 88 | - 89 |
| Italy | + 66 | - 67 | - 147 | - 36 ^c | - 184 ^c | ± 0 ^d | - 184 ^d |
| France | - 242 | + 203 | - 620 | - 635 | - 1,294 | - 282 | - 1,567 |

^a Sweden, Union of South Africa, Norway, Portugal, Egypt and Finland.

^b Spain, reserve as at end of July 1936.

^c Italy, reserve as at December 31st, 1936.

^d Italy, reserve as at February 20th, 1937.

Four principal and more or less closely interrelated factors were operative in bringing about the changes shown : (1) improvement in the economic conditions following the adjustment of the exchange value of the currency ; (2) repatriation of capital with return of confidence in the currency ; (3) inflow of foreign funds for investment in securities ; (4) flight of capital from countries whose currencies remained attached to gold at former parities to countries which had adjusted the value of their currencies — *e.g.*, principally to the United Kingdom and the United States.

The first factor — in a certain degree also the second — while operative in the case of all the countries which gained considerable amounts of gold during the period considered, accounts in particular for the steady increase in the reserves of the six countries (Sweden, Union of South Africa, Norway, Portugal, Egypt and Finland) grouped together in Table 3 under the heading " Other countries gaining gold ". The growth of the central monetary reserves of these countries, all belonging to the " sterling area ", took initially the form of additions to the foreign assets held by their central banks, but there has been a growing tendency to convert such assets into gold.¹ As will be illustrated below, the third factor has been of special importance in the United States, as was also the second factor — particularly in 1934.

¹ This tendency has in fact become increasingly prevalent in all countries except Australia and New Zealand, the central banks of which hold practically the whole of their reserve in the form of sterling exchange; the Currency Commission in the Irish Free State, which holds its reserves entirely in sterling exchange; and Siam, which holds a certain amount of silver, but no gold, in addition to such exchange.

Apprehensions regarding the exchange value of the currencies which remained attached to gold at their former parities (fourth factor, as above) was, however, the most important single factor operative at different times in different countries in bringing about large changes in the distribution of monetary gold reserves. This factor, coupled with banking difficulties, led to a large efflux of funds from the United States in the first quarter of 1933 giving rise to gold losses by the Federal Reserve Banks, which, in the three weeks ended March 10th, 1933, amounted to \$406 million. (These losses, however, were made good in the following months by the surrender of private gold consequent on the anti-hoarding measures.) With the abandonment of the gold standard by the United States in April, the distrust in pre-depression gold parities spread to the remaining gold currencies, and increased with the rapid depreciation of the dollar in the remaining months of the year. This distrust was accompanied primarily by renewed hoarding of gold on an unprecedented scale, to which reference was made above. During 1933, on balance, none of the gold made available from current production or from dishoarding in the East went to increase central monetary gold reserves; these, in fact, showed a net reduction. The gold lost by the Bank of France during that year apparently went into non-central bank holdings in France, which were augmented also by a large net import of gold. The only notable additions to central bank reserves during 1933 were the large increase in the reserves of the United Kingdom and of countries whose currencies were linked to sterling and in the Italian reserves largely as a result of the conversion of foreign assets.

Following the *de facto* stabilisation of the dollar at the end of January 1934, there was a return of capital to the United States on domestic as well as on foreign account, accompanied by an increase in the gold reserve of that country by \$853 million in 1934, the largest part of which occurred in the first half of the year and represented imports primarily from the United Kingdom, France and the Netherlands. These imports were rendered possible in part by the release of gold acquired in the previous year by the British Stabilisation Fund. The gold reserve of the Bank of England remained practically unchanged and the gold losses of the Bank of France in February were more than made good during the rest of the year, the increase, however, representing a shift of reserves from the other members of the gold *bloc* to France.

The legal devaluation of the dollar in the beginning of 1934 had been accompanied by a renewed wave of distrust in the gold *bloc* currencies, characterised by additional hoarding of gold and by the flight of capital. The capital flight assumed large proportions in Belgium during February and March 1935. After the devaluation of the belga at the end of the latter month, it became significant in the remaining gold countries, particularly France, and continued with occasional interruptions till the realignment of their currencies at the end of September 1936. The aggregate decline in the recorded gold reserves of these countries was heaviest in the course of 1935, the central banks of France, Italy, Switzerland and the Netherlands losing, on balance, \$946 million, an amount representing 85% of the increase in the American monetary gold stock during that year. Though Switzerland and the Netherlands suffered further reductions in their gold reserves during May and June 1936, these losses were made up by the end of September. The outflow of gold from the Bank of France continued, however, at an increased rate, the reserve in the first nine months of 1936 showing a net reduction of \$635 million, an amount almost equal to the increase in the reserves of the United States and the United Kingdom. The monetary gold stock of the United States rose during these nine months by \$425 million, and there was an addition of \$238 million to the gold held by the Bank of England.

The changes in visible central gold reserves since the end of September 1936 reflect but imperfectly the alterations that have occurred in total monetary reserves. The central bank reserves of France, Switzerland and the Netherlands were affected at the start by the creation of stabilisation funds. The first weekly return of the Bank of France after the revaluation of the gold reserves (October 2nd) shows a reduction equivalent to the 10,000 million francs attributed to the French Stabilisation Fund, or \$294 million calculated at the rate of 49 milligrammes of gold 900/1000 fine per franc at which the gold reserve was revalued. The return of the National Bank of Switzerland for October 7th, on the other hand, enters the gold reserve at its value prior to the devaluation *plus* the accretion due to a revaluation of 35.03%. In the return of the National Bank for October 7th, 1936, the revaluation increment attributed to the Fund was shown for the first time and was included in "Demand liabilities". In the end-of-the-year return, the Fund and its holdings are entered as distinct items on the assets and liabilities side of the balance-sheet at 539 million francs. The gold reserve of the Netherlands Bank, on the first return after the suspension of specie payments, disclosed a reduction of 100 million gulden at par — or \$40 million — which was officially stated to have been transferred to the Stabilisation Fund and which was balanced by an increase of 125 million paper gulden in the Bank's loans.

After the stabilisation funds had been established, the changes in central gold reserves of these countries only reflect gold transactions for the central bank's own account. There is a striking difference between the alterations of visible gold reserves of these three countries; from the first returns after the currency realignment to the end of March 1937, the gold reserves of the Netherlands and Swiss central banks rose by \$141 and \$91 million respectively, while those of the Bank of France increased by only \$5 million. The reserves of the Netherlands Bank rose steadily, increasing in almost every week after December 7th, 1936. The gold reserves of the Swiss National Bank, after rising in each of the last three months of 1936, remained unchanged, except for an addition of \$1 million in January, throughout the first quarter of 1937. On the other hand, the Bank of France's gold stock, after an expansion of \$205 million in October 1936, fell by \$117 million in December 1936 and by a further \$88 million in January of the following year. The first decline was officially stated to have been connected with the repayment by the French Government of a short-term loan of £40 million raised in London in February 1936. The second reduction occurred at a time of pressure on the franc and simultaneously with the conclusion of a loan of £40 million for the French Railways in the London market.

The other notable changes in gold reserves in the six months under review were further additions to the visible gold reserves of the United States, the United Kingdom and two of the countries with currencies attached to sterling. To the increase of American gold stocks, which rose steadily in each of the six months by a total of \$426 million, is to be added gold purchased by the Treasury under the "sterilisation" Plan of December 21st, 1936 (see Section C above on Stabilisation Funds) and shown separately as "inactive gold" in the daily statements of the Treasury. Gold so purchased increased from \$9 million of old gold content on December 24th, 1936, to \$183 million at the end of March 1937. The reserves of the Bank of England rose by \$316 million on December 15th, when the Bank took over gold from the Exchange Equalisation Account amounting to £65 million at par in exchange for securities which were released by the reduction in the fiduciary issue by £60 million. The expansion of \$33 million in the reserves of the six sterling-*bloc* countries is accounted for by an increase of \$29 million in the gold holdings of the Reserve Bank of South Africa and \$3 million in those of the Bank of Finland.

That the spectacular increase in the gold reserves of the United States has resulted from capital movements may be concluded from the following summary of the balance of payments of that country. A plus sign indicates net inward and a minus sign net outward payments :

Table 4.
AMERICAN BALANCE OF PAYMENTS (Net Amounts), 1930-1936. *
\$ (000,000's).

| | 1930-1933 | 1934 | 1935 | 1936 (9 months) | 1934- 30/X/1936 |
|--|-----------|---------|---------|--------------------|--------------------|
| I. Total net capital movement on long-term account | + 258 | + 202 | + 462 | + 464 | + 1,128 |
| of which — on foreign account | (+ 195) | (— 13) | (+ 344) | (+ 317) | (+ 648) |
| II. Total net capital movement on short-term account | — 2,015 | + 192 | + 970 | + 390 | + 1,552 |
| of which — on foreign account | (— 2,550) | (+ 86) | (+ 606) | (+ 296) | (+ 988) |
| III. Total net movement (I + II) | — 1,797 | + 394 | + 1,432 | + 854 | + 2,680 |
| IV. Merchandise and services, including interest and dividends | + 1,127 | + 375 | — 227 | — 67 | + 81 |
| V. Miscellaneous and residual | + 735 | + 482 | + 331 | — | + 778 |
| VI. Gold net exports (+) or imports (—) | + 60 | — 1,217 | — 1,739 | — 688 | — 3,644 |

* Excluding payments on internal governmental debts. Figures from League of Nations Memoranda on *Balances of Payments* and *Federal Reserve Bulletin*, 1936, pages 937-8, in particular for estimates for last two columns.

In the two and three-quarter years ended September 30th, 1936, total net imports of gold — in dollars of new gold content — amounted to \$3,644 million, representing about 90% of the increase in monetary gold stocks.¹ Net inward payments on account of current items during that period are estimated at only \$81 million, while the recorded net inflow of capital totalled some 2,700 million, of which 1,600 million, or over 60%, was for foreign account. The residual items, believed to represent unrecorded capital movements, may account for an additional inflow of funds of over \$700 million.

The largest part of the capital inflow occurred during 1935 and 1936 ; the following diagram shows the essential details concerning the cumulated net inflow of capital² and of gold into the United States from month to month in these two years.

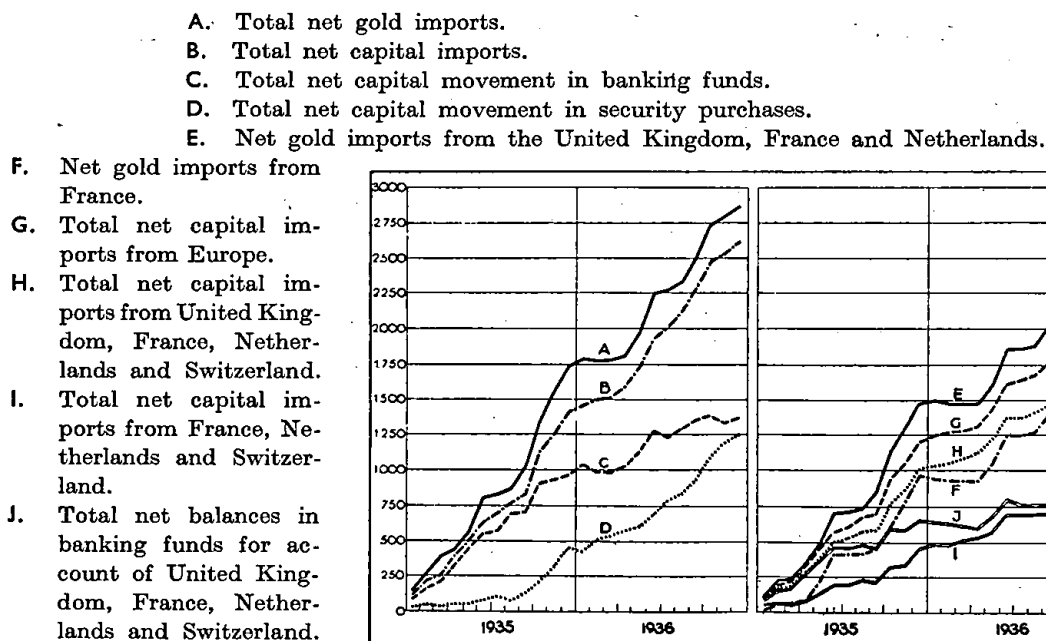
¹ The total imports in dollars of old gold content amounted to \$2,152 million. The increase in gold reserves during this period was \$2,393 million. The difference of \$241 million between these items represents purchases of locally produced gold and return of gold previously hoarded. The gold output during the three years 1934 to 1936 amounted to \$200 million of old gold content.

² Based on figures contained in "Statistics of Capital Movements between the United States and Foreign Countries and of Purchases and Sales of Foreign Exchange in the United States, January 1935 through September 1936," published by the United States Treasury Department in November 1936 and in Report No. 2 relating to the last quarter of 1936 issued early in 1937. Reference should be made to these publications regarding the scope and nature of the transactions recorded and the bases of classification, particularly as regards the geographical division of capital movements.

The figures on security purchases include small amounts in brokerage balances shown separately in the original data.

Diagram 21.

CUMULATED NET GOLD IMPORTS AND CAPITAL MOVEMENTS INTO THE UNITED STATES \$ (000,000's).



The most striking features of the movements shown above are : (1) the close correlation between total net gold imports and the total recorded net inflow of funds ; (2) the preponderance of short-term funds in total net capital movements to the United States ; (3) the large proportion of funds emanating from Europe,¹ particularly from or through the United Kingdom² and (4) the dominance of gold imports from France in total gold imports into the United States.³

The second feature characterises equally the capital movements on American and foreign account. The importance of transactions on American account may be judged by reference to Table 4 above. Of the total capital inflow in the twenty-one months ended September 30th, 1936, \$720 million, or 30%, was for American account. Of this sum, about a third represented sales of foreign securities by Americans and amortisation payments received on United States capital abroad, while the remainder is accounted for by the movement of short-term funds, the result partly of the liquidation of frozen claims on European and Latin-American countries with exchange restrictions and partly of the repatriation of liquid balances, mainly from London and the gold-bloc countries.

The movement of capital on foreign account was also mainly in short-term funds, particularly in the first nine months of 1935, since when there was a marked tendency for banking funds to be used for the purchase of securities or for incoming capital to be invested directly in securities. Total foreign short-term assets in the United States at the end of 1936 amounted to \$1,492 million, of which \$814 million, or 54%, was for European account. French, Netherlands and Swiss balances accounted for 380 millions and British balances for 236 millions. The inward movement of funds from the gold-bloc countries was associated largely with financial crises and to some extent with unsettled political conditions. The realignment of their currencies at the end of September 1936 has not been accompanied

¹ Compare second section of diagram with the first. — ² The difference between series H and I. — ³ Series F.

by a reduction in the total short-term assets held in the United States,¹ while there has been an increase in investment in securities. The large inflow of British balances was accounted for mainly by the discount on sterling for forward delivery² which made profitable the transfer of funds to New York. With a reduction in this discount and some hardening of interest rates in London since September 1936, there has been return movement of these balances; total short-term foreign assets in the United States for British account declining from \$294 to \$236 million in the last quarter of 1936. The cumulated total of securities purchased for British account (net purchases), on the other hand, rose during the same period from a total of \$342 to \$484 million.

The changes between the end of 1928 and the end of 1936 in central monetary gold reserves shown in detail in Appendix Table VII are summarised in Table 5 below. Figures relating to the Union of Soviet Socialist Republics are excluded.

Table 5.

NET CHANGES IN CENTRAL GOLD RESERVES BETWEEN THE END OF 1928 AND THE END OF 1936.
(Dollars of old gold content.)

| | Net increase or decrease | | Percentage distribution of recorded central reserves | |
|--|--------------------------|---------|--|-------------|
| | \$ (000,000's) | % | End of 1928 | End of 1936 |
| I. Countries whose reserves increased : | | | | |
| 1. United States | + 2,903 | + 77.5 | 37.8 | 49.9 |
| 2. United Kingdom | + 783 | + 105.0 | 7.5 | 11.5 |
| 3. France | + 522 | + 41.9 | 12.6 | 13.3 |
| 4. Switzerland | + 284 | + 275.7 | 1.0 | 2.9 |
| 5. Belgium | + 247 | + 196.0 | 1.3 | 2.8 |
| 6. Netherlands | + 114 | + 65.1 | 1.8 | 2.2 |
| 7. Union of South Africa | + 81 | + 207.7 | 0.4 | 0.9 |
| 8. Sweden | + 79 | + 125.4 | 0.6 | 1.1 |
| 9. Other countries ^a | + 263 | + 66.2 | 4.0 | 4.9 |
| 10. Total, 1 - 9 | + 5,276 | + 79.4 | 67.0 | 89.4 |
| II. Countries whose reserves decreased : | | | | |
| 1. Germany | - 650 | - 97.6 | 6.7 | 0.1 |
| 2. Japan | - 268 | - 49.5 | 5.5 | 2.0 |
| 3. Argentine | - 235 | - 49.7 | 4.8 | 1.8 |
| 4. Italy | - 143 | - 53.8 | 2.7 | 0.9 |
| 5. Brazil | - 135 | - 90.6 | 1.5 | 0.1 |
| 6. Australia | - 107 | - 98.2 | 1.1 | - |
| 7. Canada | - 79 | - 41.4 | 1.9 | 0.8 |
| 8. Spain ^b | - 69 | - 14.0 | 5.0 | 3.2 |
| 9. European countries other than 1, 4 and 7 ^c | - 60 | - 39.7 | 1.5 | 0.7 |
| 10. Other countries ^d | - 113 | - 48.5 | 2.3 | 0.9 |
| 11. Total, 1 - 10 | - 1,859 | - 56.8 | 33.0 | 10.6 |
| World (excluding U.S.S.R.) | + 3,417 | + 34.5 | 100 | 100 |

^a Including the following countries (net increase in millions of dollars): India (+ 38), Portugal (+ 31), Czechoslovakia (+ 20), Norway (+ 19), Roumania (+ 18), Iran (+ 14), Turkey (+ 15), Egypt (+ 14), Finland (+ 13), Venezuela (+ 12), Yugoslavia (+ 11), Chile (+ 10), Greece (+ 9), Mexico (+ 8), Estonia (+ 7), Latvia (+ 4), Lithuania (+ 4), Austria (+ 3), Danzig (+ 3), Bulgaria (+ 2), Morocco (+ 2), other countries in Latin America (+ 2), Albania (+ 1), Algeria (+ 1), Belgian Congo (+ 1), and Ecuador (+ 1).

^b Spain: reserve as at the end of July 1936.

^c Including the following countries (net decline in millions of dollars): Denmark (- 14), Hungary (- 20), Poland (- 26).

^d Including the following countries (net decline in millions of dollars): Salvador (- 1), Philippines (- 2), Bolivia (- 6), Peru (- 9), Colombia (- 13), New Zealand (- 18), Netherlands Indies (- 32), Uruguay (- 32).

¹ The movement in total short-term assets held in the United States for the account of each country between the end of September and the end of December 1936 has been as follows:

| | | | | |
|----------------------|-------------------|---------------|--------------------|--------------------|
| | | <i>France</i> | <i>Netherlands</i> | <i>Switzerland</i> |
| September 30th, 1936 | } \$(000,000's) { | 163.2 | 76.8 | 128.8 |
| December 30th, 1936 | | 176.3 | 78.8 | 123.5 |

² See above, section on Forward Exchange Rates.

The most striking features of this table are the large increases in the gold holdings of the United States, the United Kingdom, France (despite heavy gold losses since the beginning of 1935), Switzerland, Belgium and the Netherlands on the one hand and the heavy decline in the reserves of Germany, Japan, the Argentine, Italy, Brazil and Australia, on the other hand. Against a decline of over \$1,500 million in the aggregate for the six countries last mentioned there was an addition to the reserves of the first six countries of about \$4,850 million, resulting in a increase in the relative share of the latter in total recorded reserves of the world (excluding the Union of Soviet Socialist Republics) from 62% to about 83%, and a drop in that of the former from roughly 22% to only 5% between the two dates considered. The major part of the reduction in the reserves of the gold-losing countries occurred prior to 1933 — *i.e.* during the downward phase of the world economic depression. Among these countries only Germany and Italy have subsequently lost gold on a large scale,¹ while Japan and Brazil have in recent years recovered (mainly from domestic gold production) part of the previous decline in their gold reserves. The reserve of the Reichsbank was almost entirely exhausted by the end of 1934, whereas the largest decline in that of the Bank of Italy took place during 1935, when it was almost halved.

The monetary significance of the changes in the physical amount of gold reserves should be judged, however, in the light of the reduction in gold value of the various currencies. For this reduction implies an increase in the national currency value of the existing reserves. In relation to their note circulation and other sight liabilities, the great majority of the note-issuing institutions of the world held substantially larger gold reserves at the end of 1936, in terms of the actual exchange value of their currencies,² than at the end of 1929, as will be seen from columns 1 and 2 of Table 6 on the opposite page.

An increase in the national currency value of existing reserves has taken place in most of those countries — including Denmark, the Netherlands Indies and Uruguay — whose gold holdings had declined in physical amount between 1929 and 1936. The only countries which show a fall in the “real” gold reserve ratio at the latter date are Australia, Brazil, Colombia, Germany, Hungary, Italy, New Zealand, Peru and Poland — *i.e.*, nine out of the forty-three countries covered by the table. But in recent years, Australia and New Zealand have, as a measure of policy, substituted sterling exchange for most of their gold; in the case of both countries, the ratio of the combined gold (“corrected” value) and foreign-exchange

¹ The decline in the reserves of Spain since the beginning of the civil war is not known, the latest data available relate to the end of July 1936.

² See footnote ^b to Table 6.

[Continuation of notes to Table 6.]

^o Including gold shown separately from cover assets in annual report of the National Bank. At the end of 1936, the total gold stock amounted to 287.5 million schillings (see page 22 of 1936 report), or \$32 million old gold content, as against 242.8 million schillings, or \$20 million, shown in the balance-sheet.

^d For a summary of legal reserve requirements of the individual countries in 1929, see “Legislation on Gold” (League of Nations, 1930), Table III. The *Federal Reserve Bulletin* of July 1936 contains a somewhat similar summary of these requirements as subsequently amended which still held good at the end of 1936, except as regards the Bank of England, whose fiduciary issue was reduced from £260 to £200 million on December 15th of that year. In all cases where the legal minimum cover at the dates shown could be held in gold or foreign exchange at the option of the central bank, the figures given in columns 4, 7 and 8 have been computed according to the hypothesis that the minimum reserve was to be held exclusively in gold. Apparent deficiencies shown in columns 5 and 9 were more than covered by foreign exchange held in lieu of gold. Legal minimum requirements for the end of 1936 have been computed in two ways: in column 7 on the value at which gold was actually entered in the balance-sheet of the note-issuing institutions (book value); in column 8, on the *de facto* value of gold in terms of national currency according to the exchange rates ruling at the end of the year (“corrected” value). In the absence of regular representative quotations indicating the real exchange value of the currencies of Bulgaria, Germany, Hungary, Lithuania and Poland at the end of 1936, no “correction” of the value of gold in terms of these currencies has been made.

^e Legal reserve requirements suspended since July 1931.

^f Legal reserve requirements suspended since July 1935.

^g As at end of July 1936.

Table 6.

GOLD COVER RATIOS AND EXCESS OF VISIBLE GOLD RESERVES OVER ACTUAL OR THEORETICAL "LEGAL MINIMUM" REQUIREMENTS OF NOTE-ISSUING INSTITUTIONS AT THE END OF 1929 AND 1936.

| Country | Ratio of gold reserves to note circulation and other sight liabilities | | Gold reserves, legal minimum requirements ^d and excess | | | | | | |
|--|--|----------------------------------|---|--|---------------------------------------|---------------------|--|--|---|
| | | | 1929 | | | 1936 | | | |
| | 1929 ^a | 1936 ^b "corrected" | Amount held | Theoretical minimum amount legally required ^d | Excess over theoretical minimum (3-4) | Amount held | Theoretical minimum amount legally required ^d | | Excess over theoretical minimum "corrected" (6-8) |
| | | | | | | | Gold counted at legal rate (book value) | Gold "corrected" according to actual exchange rate | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | % | % | | | \$ (000,000's) | of old gold content | | | |
| Albania | 9.4 | 28.4 | 0.3 | 0.7 | — | 0.4 | 1.4 | 0.6 | + 0.8 |
| Argentine | (81.9)* | (111.9)* 74.4 | 405 | 393 | + 12 | 238 | 72 | 67 | + 171 |
| Australia | 43.2 | 0.7 | 89 | 52 | + 37 | 2 | 28 | 27 | — 25 |
| Austria | 14.6 | 25.1 ^o | 24 | 49 | — 25 | 32 ^o | 20 | 20 | + 12 ^o |
| Belgium | 38.1 | 67.8 | 163 | 126 | + 37 | 373 | 164 | 164 | + 209 |
| Brazil | 37.0 | 9.6 | 150 | 128 | + 22 | 14 | 161 | 69 | — 55 |
| Bulgaria | 24.0 | (34.2) | 10 | 14 | — 4 | 12 | 9 | (9) | (+3) |
| Canada | (80.7)* | (98.8)* 52.2 | 151 | 13 | + 138 | 112 | 51 | 51 | + 61 |
| Chile | 13.2 | 59.5 | 8 | 29 | — 21 | 17 | 57 | 14 | + 3 |
| Colombia | 41.4 | 33.8 | 22 | 16 | + 6 | 11 | 22 | 8 | + 3 |
| Czechoslovakia | 14.2 | 35.1 | 37 | 46 | — 9 | 54 | 38 | 38 | + 16 |
| Danzig | — | 73.6 | 0 | 2 | — 2 | 3 | 1 | 1 | + 2 |
| Denmark | 39.6 | 50.8 | 46 | 29 | + 17 | 32 | 21 | 10 | + 22 |
| Ecuador | 12.1 | 35.8 | 1 | 5 | — 4 | 2 | 2 | 2 | ± 0 |
| Egypt | 6.4 | 22.3 | 19 | 70 | — 51 | 32 | 59 | 35 | — 3 |
| Estonia | 12.8 | 61.7 | 2 | 5 | — 3 | 9 | 8 | 5 | + 4 |
| Finland | 19.0 | 61.3 | 8 | 8 | ± 0 | 21 | 8 | 4 | + 17 |
| France | 47.4 | 59.1 | 1,631 | 1,205 | + 426 | 1,769 | 1,049 | 987 | + 782 |
| Germany | 36.7 | (1.0) | 560 | 374 | + 186 | 16 | — ^o | — ^o | — ^o |
| Greece | 9.5 | 24.6 | 8 | 43 | — 35 | 16 | 42 | 25 | — 9 |
| Hungary | 27.2 | (13.0) | 29 | 30 | — 1 | 15 | 23 | (23) | (-8) |
| India | 19.6 | 34.8 | 128 | 327 | — 199 | 162 | 277 | 166 | — 4 |
| Italy | 27.5 | 22.0 | 273 | 396 | — 123 | 123 | — ^f | — ^f | — ^f |
| Japan | 47.2 | 67.5 | 542 | 534 | + 8 | 273 | 432 | 144 | + 129 |
| Latvia | 15.4 | 34.9 | 5 | 5 | ± 0 | 9 | 4 | 3 | + 6 |
| Lithuania | 18.0 | (38.8) | 4 | 3 | + 1 | 7 | 4 | (4) | (+3) |
| Netherlands | 49.9 | 81.4 | 180 | 135 | + 45 | 289 | 177 | 142 | + 147 |
| Netherlands Indies | 37.8 | 55.8 | 56 | 47 | + 9 | 36 | 32 | 26 | + 10 |
| New Zealand | (80.0)* | (43.0)* 20.6 | 28 | 12 | + 16 | 14 | 35 | 17 | — 3 |
| Norway | 36.0 | 74.2 | 39 | 18 | + 21 | 58 | 48 | 26 | + 32 |
| Peru | 100.0 | 65.8 | 21 | 16 | + 5 | 12 | 10 | 10 | + 2 |
| Poland | 37.4 | (29.6) | 79 | 61 | + 18 | 44 | 41 | (41) | (+3) |
| Portugal | 8.8 | 48.6 | 9 | 30 | — 21 | 40 | 29 | 17 | + 23 |
| Roumania | 30.1 | 43.3 | 55 | 46 | + 9 | 67 | 39 | 39 | + 28 |
| Spain | 68.8 | 78.8 ^g | 495 | 341 | + 154 | 425 ^g | 520 ^g | 217 ^g | + 208 ^g |
| Sweden | 29.0 | 63.8 | 66 | 59 | + 7 | 142 | 73 | 41 | + 101 |
| Switzerland | 49.6 | 98.1 | 115 | 62 | + 53 | 387 | 85 | 80 | + 307 |
| Union of South Africa | 45.7 | 94.1 | 37 | 24 | + 13 | 120 | 65 | 38 | + 101 |
| United Kingdom | 27.4 | 78.3 | 711 | 534 | + 177 | 1,529 | 1,301 | 776 | + 753 |
| United States | 64.8 | 93.2 | 3,900 | 2,622 | + 1,278 | 6,649 | 2,616 | 2,616 | + 4,033 |
| Uruguay | 58.0 | 72.7 | 68 | 39 | + 29 | 40 | 23 | 23 | + 17 |
| Venezuela | 49.5 | 80.6 | 18 | 4 | + 14 | 30 | 9 | 7 | + 23 |
| Yugoslavia | 14.8 | 29.7 | 18 | 17 | + 1 | 29 | 31 | 24 | + 5 |
| Total, excluding Germany and Italy | | | 9,378 | 7,200 | + 2,178 | 13,127 | 7,687 | 6,018 | + 7,109 |

* Ratio of gold reserves to note circulation only.

^a For the Argentine, Canada and New Zealand, see notes to Appendix Table V.

^b Figures in column 2 have been computed after writing up ("correcting") gold reserves as determined by exchange rates ruling at the end of 1936. In the case of the South-American countries with exchange control, official and not "free" rates have been taken. The central gold reserves of Bulgaria, Germany, Hungary, Lithuania and Poland have been taken at book value in calculating the cover ratios for these countries, which are shown in parentheses.

[Notes continued at foot of preceding page.]

holdings to the note and other sight liabilities of their central banks was, in fact, higher in 1936 than in 1929.¹ In the case of the remaining seven countries also, the combined gold and foreign assets ratio had fallen between the two dates, the fall being particularly heavy in Germany.

The general shift from lower to higher gold reserve ratios indicated by Table 6 may be summarised as follows :

| Gold reserve ratio | End of 1929 | End of 1936 " corrected " |
|-------------------------|---------------------|------------------------------|
| | Number of countries | |
| Less than 20% | 14 | 3 |
| 20 to 30% | 5 | 8 |
| 30 to 40% | 9 | 7 |
| | 28 | 18 |
| 40 to 50% | 7 | 3 |
| 50 to 60% | 2 | 3 |
| 60 to 80% | 2 | 12 |
| 80 to 90% | 3 | 4 |
| Over 90% | 1 | 3 |
| | 15 | 25 |

Among the forty-three countries considered, twenty-five had a gold reserve ratio of over 40% at the end of 1936, as compared with only fifteen at the end of 1929; the number of countries having a reserve ratio of less than 40% dropped from twenty-eight to eighteen. At the end of 1936, gold reserve ratios were lower than 25% — the minimum standard recommended by the World Economic Conference of 1933 — only in Germany, Brazil, Hungary and Italy and in three countries on the sterling exchange standard — namely, Australia, Egypt and New Zealand. In twenty-two countries, they were over 50%, the gold cover ratio being particularly high (over 66%) in the case of the central banks of Canada, Switzerland, the Union of South Africa, the United States, the Netherlands, Venezuela, Uruguay, the United Kingdom, the Argentine, Norway, Belgium and Japan.

An equally striking illustration of the general strengthening of the gold reserve position of the central banks is afforded by the excess of their visible gold holdings over legal minimum requirements given in Table 6. Though the minimum gold requirements cannot be exactly determined when foreign assets may, at the option of the central bank, be freely substituted for gold within the legal minimum reserve, it may be argued that in such cases only that part of the gold holdings which exceeds the minimum cover percentage as a whole (irrespective of whether foreign assets are actually included in the minimum or not) constitutes a true excess reserve. As the table is designed to illustrate the changes in theoretical " excess gold reserves ", this hypothesis has been applied in computing the figures shown in the special cases referred to. It follows, however, that what is shown in the table as a deficiency *ex hypothesi* should not be taken to mean a true deficiency in the legal sense. In the case of Germany and Italy, on the other hand, where the legal reserve prescriptions were suspended

¹ For New Zealand, comparisons between the two dates are complicated by the fact that no central bank existed in 1929. The gold figures available for that date — reserves of note-issuing commercial banks — are known to have included a substantial proportion of subsidiary coins (not shown separately) and can be put in relation to note circulation only, whereas the 1936 reserves were held as cover, not only for the notes, but also for the other sight liabilities of the new Reserve Bank. Its note circulation alone was covered almost completely by its gold (" corrected " value) and foreign-exchange holdings.

in July 1931 and July 1935 respectively, and have been left entirely indeterminate, no minimum requirements, excess or deficiency of gold are shown for the end of 1936. These countries have accordingly been excluded from the totals both for 1929 and 1936.

The increase in the aggregate of the "excess gold reserves" shown in the table, while resulting mainly from the increase in the physical amount of central bank gold holdings, has been due in part also — so far as the theoretical excess in terms of the actual exchange value of currencies (column 9) is concerned — to the fall in gold value of the liabilities in national currency against which gold is to be held as cover. On the other hand, the legal gold requirements, in terms of the value at which gold reserves were accounted in the central bank balance-sheets at the end of 1936 (column 7), were some 500 million old gold dollars higher than in 1929. This increase in legal requirements was mainly due to the growth of the note circulation in the United Kingdom and the recent reduction (December 15th, 1936) of the fiduciary issue of the Bank of England. These two factors had raised the legal minimum gold requirements of that country at the end of 1936 by almost \$800 million. In the case of the Argentine, the legal minimum gold requirements had dropped by over \$300 million as a result of the currency and central bank reform of 1935.

Columns 8 and 9, however, which take into account as far as possible the change in value of gold in terms of the different currencies taken at their actual exchange value, afford a more realistic picture of the gold reserve position at the end of 1936 than does column 7. The following comments are therefore based, so far as the changes in minimum requirements and "excess" of gold are concerned, on a comparison of the figures in columns 8 and 9 with those in columns 4 and 5. While the visible central gold reserves of the forty-one countries considered (*i.e.*, excluding Germany and Italy as well as the Union of Soviet Socialist Republics, not shown in the table) rose from \$9,378 million to \$13,127 million, or by some 3,750 millions, between the end of 1929 and the end of 1936, the theoretical minimum amount of gold required for legal cover purposes dropped from \$7,200 million to \$6,018 million, or by almost 1,200 millions, hypothetical "excess" reserves thus increasing from \$2,178 million to \$7,109 million,¹ or by over 4,900 millions, between the two dates.

It will be noted that, at the end of 1936, the excess reserves as here calculated, which were particularly large in the United States, France and the United Kingdom and relatively large in Switzerland, Belgium, Spain (July 1936), the Argentine, the Netherlands, Japan, Sweden and the Union of South Africa, exceeded in the aggregate the minimum required for legal cover purposes by almost \$1,100 million, or 18%.² In thirty-two out of the forty-one countries considered, the "excess" gold reserves had increased (or the apparent gold "deficiency"³ decreased) as compared with 1929; it had been reduced only in the following nine countries: Australia, Brazil, Canada, Colombia, Hungary, New Zealand, Peru, Poland and Uruguay. As already mentioned, Australia and New Zealand hold almost the whole of their cover reserves in the form of sterling exchange. The drop in the "excess" of gold over the minimum required for legal cover purposes in Canada is due less to the reduction

¹ Visible "free" reserves — *i.e.*, the amount by which visible gold reserves exceed legal minimum gold requirements determined on the basis of book values, as done in column 7 — are naturally smaller. By the end of 1936, they amounted in the aggregate to \$5,435 million, having increased by some 3,250 millions since the end of 1929.

² If Germany and Italy were to re-establish their former gold cover prescriptions and replenish their reserves accordingly, and if China (which is rapidly extending the issue of legal tender notes to replace silver and old private bank-notes in circulation) should adopt gold cover provisions similar to those applied in most other countries — assumptions which, of course, are purely hypothetical in character — a more or less substantial proportion of the above excess reserves would probably be absorbed in consequence for minimum cover purposes.

³ For reservations regarding the significance of the apparent gold deficiencies shown, see footnote ^d to Table 6 on page 70.

in the physical amount of its gold reserves¹ — which has in fact been more than compensated for by the writing-up of the value of the gold in the balance-sheet of the new central bank to correspond to its current exchange value in Canadian dollars — than to a widening (under the currency reform of 1935) of the range of liabilities against which gold is to be held as cover.

In the above discussion, as well as in Table 6, which is exclusively concerned with gold reserves, the supplementary reserves of foreign exchange held by most note-issuing institutions have been ignored. These reserves were large in the aggregate in 1929, their relative importance being particularly great in the case of countries applying by law or in practice some form of gold exchange standard. With the distrust in the future gold value of currencies which arose in the course of the depression, and particularly in connection with the depreciation of sterling and the dollar, a general tendency towards converting foreign assets into gold set in. But the countries which have linked their currencies to sterling, and have therefore a special interest in holding at least part of their central monetary reserves in the form of sterling exchange, have shared less, if at all, in this movement. Their foreign-currency reserves still remain important and have indeed increased markedly in the aggregate during recent years, as will be seen from Table 7 below, covering fourteen of the countries with currencies linked to sterling at the end of 1936.

Table 7.

TOTAL CENTRAL FOREIGN ASSETS RESERVES OF FOURTEEN "STERLING GROUP" COUNTRIES.
\$ (000,000's) of old gold content.

| End of | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 ^a |
|------------------------------------|-------|-------|------|-------|-------|-------|-----------------|-------------------|
| India | 265 | 186 | 82 | 134 | 138 | 178 | 185 | 184 |
| Australia | 30 | 14 | 32 | 44 | 87 | 88 | 66 | 88 |
| Egypt | 141 | 100 | 65 | 51 | 61 | 52 | 65 | 63 |
| New Zealand ^b | . | . | . | . | . | 52 | 50 | 39 |
| South Africa | 32 | 35 | — | — | 61 | 31 | 33 | 31 |
| Irish Free State | 35 | 38 | 25 | 24 | 25 | 23 | 24 | 27 |
| Palestine | 9 | 11 | 8 | 10 | 14 | 15 | 14 ^a | 14 ^a |
| Sweden | 72 | 105 | 9 | 39 | 75 | 84 | 95 | 107 |
| Siam | 43 | 38 | — | 1 | 25 | 27 | 29 | 30 |
| Finland | 17 | 23 | 10 | 10 | 19 | 19 | 17 | 19 |
| Portugal | 19 | 12 | 21 | 19 | 10 | 12 | 12 | 15 |
| Norway | 18 | 19 | 4 | 5 | 1 | 6 | 7 | 15 |
| Estonia and Latvia | 16 | 12 | 7 | 4 | 1 | 1 | 2 | 5 |
| Total \$ (000,000's) | 697 | 594 | 262 | 341 | 518 | 587 | 599 | 636 |
| (£ (paper) 000,000's) | (149) | (129) | (85) | (112) | (172) | (207) | (221) | (234) |

^a Provisional.

^b Assets of the new Reserve Bank. Data relating to the net sterling assets of the old banks of issue are not available.

The sharp decline during 1930 and 1931 in the foreign-exchange reserves of the countries shown in Table 7 was a result both of capital withdrawals and of deficiencies arising on current items of their balances of payments. With the improvement in economic conditions in most of these countries, their combined foreign-exchange reserves have increased rapidly since 1932; they almost attained the 1929 figure by the end of 1936 in terms of gold value

¹ In view of the fact that the Canadian gold reserves as shown for the end of 1929 in the table contained a substantial proportion of subsidiary coins not given separately in the balance-sheets of the note-issuing chartered banks, while the figure shown for the end of 1936 does not include any such coins, the reduction in visible gold reserves between these two dates has, in reality, been smaller than Table 6 suggests.

(in Australia, Sweden and Finland, the 1929 figure was exceeded) and rose more than 50% above that figure in terms of sterling. The cover reserves of the Irish Free State and Palestine are held exclusively and those of Australia and New Zealand almost entirely in the form of sterling exchange, that of Siam includes a certain proportion of silver (but no gold) ¹ in addition to such exchange and, since the end of 1931, India and Egypt have added only to their foreign exchange and not to their gold reserves. The Union of South Africa, Sweden, Norway, Finland, Estonia and Portugal, on the other hand, during that period converted into gold a substantial proportion of the foreign assets acquired by their central banks.

In the countries outside the "sterling group", foreign-exchange reserves have declined very considerably; in some cases, they have been completely eliminated for cover purposes. The extent to which this has happened in the case of nineteen of these countries is illustrated in Table 8.²

Table 8.
TOTAL MONETARY FOREIGN ASSETS RESERVES OF NINETEEN COUNTRIES.

| End of | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 * |
|---|-------|-------|-------|------|------|------|------|--------|
| I. European countries formerly on a gold exchange standard | | | | | | | | |
| | 292 | 268 | 92 | 65 | 54 | 27 | 38 | 49 |
| Austria | 92 | 112 | 17 | 6 | 4 | 8 | 17 | 15 |
| Czechoslovakia | 67 | 72 | 31 | 30 | 27 | 6 | 2 | 9 |
| Other ^a | 103 | 84 | 44 | 29 | 21 | 13 | 19 | 25 |
| II. Other European countries | | | | | | | | |
| | 1,534 | 1,576 | 1,008 | 287 | 65 | 43 | 72 | 50 |
| France | 1,027 | 1,030 | 843 | 175 | 46 | 38 | 52 | 40 |
| Italy | 270 | 227 | 111 | 67 | 16 | 4 | 18 | 2 |
| Switzerland | 69 | 85 | 20 | 17 | 3 | 1 | 1 | 7 |
| Netherlands | 89 | 100 | 35 | 29 | — | — | 1 | 1 |
| Belgium ^b | 80 | 135 | — | — | — | — | — | — |
| III. Latin-American countries | | | | | | | | |
| | 98 | 79 | 39 | 65 | 61 | 37 | 46 | 32 |
| Brazil | 26 | 29 | 13 | 53 | 52 | 34 | 43 | 30 |
| Chile | 46 | 34 | 15 | 5 | 5 | 1 | — | — |
| Other ^c | 26 | 16 | 11 | 7 | 4 | 2 | 3 | 2 |
| Total I-III | 1,922 | 1,923 | 1,139 | 417 | 180 | 107 | 156 | 131 |

* Provisional.

^a Bulgaria, Danzig, Hungary, Poland, Roumania, Yugoslavia.

^b Such foreign assets as are held are included since 1930 in the bill portfolio of the National Bank.

^c Colombia, Ecuador, Peru and Uruguay.

The table suggests a drop between 1929 and 1936 of some \$1,800 million of old gold content, or 93%, in the aggregate foreign assets of the nineteen countries considered. Two principal factors were operative in bringing about the changes shown: the conversion of foreign assets into gold, and the utilisation of foreign-exchange holdings by central banks

¹ The central foreign-exchange reserves of Siam had been converted into gold in 1931; but, in 1933, the gold reserve was reconverted into sterling assets.

² The figures shown exaggerate the decline (or understate the increase) in the central holdings of foreign assets to the extent that the rates at which these assets are valued in the published returns of a given country do not take full account of the depreciation of the national currency at the end of each year. While the table may not, therefore, measure accurately the absolute changes that have occurred, it nevertheless illustrates the general trend of the changes during the period considered.

Moreover, as regards particularly the countries comprised in group I of the table, the foreign assets held by their central banks have included since 1931 a more or less considerable proportion — varying from case to case — of claims in currencies subject to exchange control and therefore not freely exchangeable in gold or other currencies. The use which can be effectively made of such assets for monetary purposes is obviously limited.

in the physical amount of its gold reserves¹ — which has in fact been more than compensated for by the writing-up of the value of the gold in the balance-sheet of the new central bank to correspond to its current exchange value in Canadian dollars — than to a widening (under the currency reform of 1935) of the range of liabilities against which gold is to be held as cover.

In the above discussion, as well as in Table 6, which is exclusively concerned with gold reserves, the supplementary reserves of foreign exchange held by most note-issuing institutions have been ignored. These reserves were large in the aggregate in 1929, their relative importance being particularly great in the case of countries applying by law or in practice some form of gold exchange standard. With the distrust in the future gold value of currencies which arose in the course of the depression, and particularly in connection with the depreciation of sterling and the dollar, a general tendency towards converting foreign assets into gold set in. But the countries which have linked their currencies to sterling, and have therefore a special interest in holding at least part of their central monetary reserves in the form of sterling exchange, have shared less, if at all, in this movement. Their foreign-currency reserves still remain important and have indeed increased markedly in the aggregate during recent years, as will be seen from Table 7 below, covering fourteen of the countries with currencies linked to sterling at the end of 1936.

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\$ (000,000's) of old gold content.

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|------------------------------------|-------|-------|------|-------|-------|-------|-----------------|-------------------|
| India | 265 | 186 | 82 | 134 | 138 | 178 | 185 | 184 |
| Australia | 30 | 14 | 32 | 44 | 87 | 88 | 66 | 88 |
| Egypt. | 141 | 100 | 65 | 51 | 61 | 52 | 65 | 63 |
| New Zealand ^b | . | . | . | . | . | 52 | 50 | 39 |
| South Africa | 32 | 35 | — | — | 61 | 31 | 33 | 31 |
| Irish Free State | 35 | 38 | 25 | 24 | 25 | 23 | 24 | 27 |
| Palestine | 9 | 11 | 8 | 10 | 14 | 15 | 14 ^a | 14 ^a |
| Sweden | 72 | 105 | 9 | 39 | 75 | 84 | 95 | 107 |
| Siam | 43 | 38 | — | 1 | 25 | 27 | 29 | 30 |
| Finland | 17 | 23 | 10 | 10 | 19 | 19 | 17 | 19 |
| Portugal | 19 | 12 | 21 | 19 | 10 | 12 | 12 | 15 |
| Norway | 18 | 19 | 4 | 5 | 1 | 6 | 7 | 15 |
| Estonia and Latvia | 16 | 12 | 7 | 4 | 1 | 1 | 2 | 5 |
| Total \$ (000,000's) | 697 | 594 | 262 | 341 | 518 | 587 | 599 | 636 |
| (£ (paper) 000,000's) | (149) | (129) | (85) | (112) | (172) | (207) | (221) | (234) |

^a Provisional.

^b Assets of the new Reserve Bank. Data relating to the net sterling assets of the old banks of issue are not available.

The sharp decline during 1930 and 1931 in the foreign-exchange reserves of the countries shown in Table 7 was a result both of capital withdrawals and of deficiencies arising on current items of their balances of payments. With the improvement in economic conditions in most of these countries, their combined foreign-exchange reserves have increased rapidly since 1932; they almost attained the 1929 figure by the end of 1936 in terms of gold value

¹ In view of the fact that the Canadian gold reserves as shown for the end of 1929 in the table contained a substantial proportion of subsidiary coins not given separately in the balance-sheets of the note-issuing chartered banks, while the figure shown for the end of 1936 does not include any such coins, the reduction in visible gold reserves between these two dates has, in reality, been smaller than Table 6 suggests.

(in Australia, Sweden and Finland, the 1929 figure was exceeded) and rose more than 50% above that figure in terms of sterling. The cover reserves of the Irish Free State and Palestine are held exclusively and those of Australia and New Zealand almost entirely in the form of sterling exchange, that of Siam includes a certain proportion of silver (but no gold)¹ in addition to such exchange and, since the end of 1931, India and Egypt have added only to their foreign exchange and not to their gold reserves. The Union of South Africa, Sweden, Norway, Finland, Estonia and Portugal, on the other hand, during that period converted into gold a substantial proportion of the foreign assets acquired by their central banks.

In the countries outside the "sterling group", foreign-exchange reserves have declined very considerably; in some cases, they have been completely eliminated for cover purposes. The extent to which this has happened in the case of nineteen of these countries is illustrated in Table 8.²

Table 8.
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| End of | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 * |
|---|-------|-------|-------|------|------|------|------|--------|
| I. European countries formerly on a gold exchange standard | | | | | | | | |
| Austria | 92 | 112 | 17 | 6 | 4 | 8 | 17 | 15 |
| Czechoslovakia | 67 | 72 | 31 | 30 | 27 | 6 | 2 | 9 |
| Other ^a | 103 | 84 | 44 | 29 | 21 | 13 | 19 | 25 |
| II. Other European countries | | | | | | | | |
| France | 1,027 | 1,030 | 843 | 175 | 46 | 38 | 52 | 40 |
| Italy | 270 | 227 | 111 | 67 | 16 | 4 | 18 | 2 |
| Switzerland | 69 | 85 | 20 | 17 | 3 | 1 | 1 | 7 |
| Netherlands | 89 | 100 | 35 | 29 | — | — | 1 | 1 |
| Belgium ^b | 80 | 135 | — | — | — | — | — | — |
| III. Latin-American countries | | | | | | | | |
| Brazil | 26 | 29 | 13 | 53 | 52 | 34 | 43 | 30 |
| Chile | 46 | 34 | 15 | 5 | 5 | 1 | — | — |
| Other ^c | 26 | 16 | 11 | 7 | 4 | 2 | 3 | 2 |
| Total I-III | 1,922 | 1,923 | 1,139 | 417 | 180 | 107 | 156 | 131 |

* Provisional.

^a Bulgaria, Danzig, Hungary, Poland, Roumania, Yugoslavia.

^b Such foreign assets as are held are included since 1930 in the bill portfolio of the National Bank.

^c Colombia, Ecuador, Peru and Uruguay.

The table suggests a drop between 1929 and 1936 of some \$1,800 million of old gold content, or 93%, in the aggregate foreign assets of the nineteen countries considered. Two principal factors were operative in bringing about the changes shown: the conversion of foreign assets into gold, and the utilisation of foreign-exchange holdings by central banks

¹ The central foreign-exchange reserves of Siam had been converted into gold in 1931; but, in 1933, the gold reserve was reconverted into sterling assets.

² The figures shown exaggerate the decline (or understate the increase) in the central holdings of foreign assets to the extent that the rates at which these assets are valued in the published returns of a given country do not take full account of the depreciation of the national currency at the end of each year. While the table may not, therefore, measure accurately the absolute changes that have occurred, it nevertheless illustrates the general trend of the changes during the period considered.

Moreover, as regards particularly the countries comprised in group I of the table, the foreign assets held by their central banks have included since 1931 a more or less considerable proportion — varying from case to case — of claims in currencies subject to exchange control and therefore not freely exchangeable in gold or other currencies. The use which can be effectively made of such assets for monetary purposes is obviously limited.

to meet capital repayments or deficiencies on current items in the balance of payments. The tendency to substitute gold for foreign assets was in evidence prior to 1931 in certain countries; the Bank of France, for instance, had converted \$250 million of its foreign assets into gold during 1929. The liquidation of these assets, however, became general in the countries in the first and second groups following the suspension of the gold standard by the United Kingdom. The foreign assets of the central banks of France, Italy, Belgium, the Netherlands and Switzerland, which, between them, held, at the end of 1930, 82% of the total holdings of the nineteen countries considered, declined by some \$570 million, or 36%, during 1931, and by over \$700 million, or another 46%, in the course of 1932. Following the depreciation of the dollar and the fears engendered with regard to the other currencies remaining on gold, this process was hastened in these countries and extended to other countries. The most radical steps were taken by the central banks of Danzig and Chile. At the end of 1929, these two banks held practically all their reserves in the form of foreign assets; at the end of 1936, they were held almost exclusively in gold.

The reduction since 1929 in the relative importance of foreign assets reserves is strikingly brought out in Table 9, covering twenty-nine countries whose central banks reported holdings of both gold and foreign assets in that year. Countries with more recently established central banks, for which comparisons with 1929 are difficult to make, have been omitted. Gold reserves have been taken at their book value in calculating the percentages shown.

Table 9.

FOREIGN ASSETS AS PERCENTAGE OF TOTAL GOLD AND FOREIGN ASSETS HOLDINGS OF TWENTY-NINE CENTRAL BANKS.

| End of | 1929 | 1931 | 1934 | 1935 | 1936 |
|---------------------------------|-------|------|------|------|-------------------|
| Australia | 30.2 | 55.9 | 98.7 | 98.4 | 99.2 |
| Egypt | 88.1 | 81.5 | 72.7 | 76.7 | 76.4 |
| Albania | 90.5 | 75.5 | 61.4 | 60.2 | 68.3 |
| India | 67.4 | 42.1 | 65.3 | 65.5 | 65.4 |
| Finland | 69.3 | 65.9 | 81.6 | 73.7 | 64.6 |
| Sweden | 52.0 | 19.2 | 61.2 | 60.7 | 57.5 |
| Ecuador | 84.1 | 63.6 | 38.3 | 7.9 | 37.2 ^a |
| Austria | 79.7 | 42.5 | 22.1 | 38.9 | 36.2 |
| Hungary | 32.9 | 18.8 | 30.8 | 47.5 | 33.5 |
| Norway | 31.1 | 12.6 | 23.2 | 20.0 | 33.0 |
| Union of South Africa | 46.8 | — | 32.1 | 30.9 | 30.5 |
| Bulgaria | 45.5 | 14.5 | 7.3 | 22.0 | 30.5 |
| Portugal | 66.3 | 64.3 | 21.7 | 24.9 | . |
| Latvia | 70.1 | 31.7 | 7.9 | 13.7 | 25.2 |
| Estonia | 78.9 | 70.8 | 22.5 | 14.3 | 23.8 |
| Colombia | 40.7 | 33.7 | 11.7 | 14.2 | 20.8 |
| Roumania | 42.5 | 3.2 | 10.6 | 15.3 | 18.7 |
| Czechoslovakia | 64.3 | 39.1 | 7.9 | 2.9 | 14.5 |
| Spain | 3.8 | 11.0 | 11.1 | 11.1 | 11.7 ^b |
| Lithuania | 69.2 | 39.8 | 13.8 | 32.8 | 11.7 |
| Peru | 11.2 | 28.3 | 10.1 | 16.4 | 9.8 |
| Poland | 42.8 | 26.2 | 5.3 | 5.7 | 7.6 |
| Danzig | 100.0 | 53.9 | 11.0 | 30.7 | 5.0 |
| France | 38.5 | 23.9 | 1.2 | 2.0 | 2.4 |
| Switzerland | 37.2 | 4.2 | 0.4 | 0.5 | 1.9 |
| Chile | 85.9 | 48.7 | 1.1 | 0.9 | 1.8 |
| Italy | 49.8 | 27.8 | 1.2 | 10.8 | 1.6 |
| Netherlands | 32.9 | 8.9 | 0.1 | 0.3 | 0.3 |
| Belgium | 33.0 | — | — | — | — |

^a For 1936, cover assets only.

^b Latest figures available; July 1936.

The countries are arranged in the table in the order of the relative importance of total foreign assets in the combined gold and foreign assets reserves at the end of 1936. It should not be overlooked that, in certain countries, particularly in Central and Eastern Europe, the foreign assets taken into account in these calculations include in varying proportions claims in currencies subject to exchange control which are not freely exchangeable into other currencies or gold.

There was a more or less substantial decline in the relative share of foreign assets in total central reserves between the end of 1929 and the end of 1931 in all countries shown, with the exception of Australia, Peru and Spain. By the end of 1934, foreign assets constituted a relatively insignificant proportion of total reserves, except in countries of the "sterling area", Albania¹ and those countries whose foreign assets consisted mainly of claims in currencies subject to exchange control. The share of foreign assets in total reserves has tended to decline since the end of 1934 even in some of the countries of the sterling area, notably Finland, Sweden and the Union of South Africa. The relative importance of foreign assets in total reserves is naturally smaller than shown in Table 9 if gold reserves are written up to their market value. This is illustrated in the following sample of figures calculated in that manner.

FOREIGN ASSETS AS PERCENTAGE OF THE TOTAL OF "CORRECTED" GOLD RESERVES AND FOREIGN EXCHANGE HOLDINGS.

| | End of 1929 | End of 1936 ("corrected") |
|--------------------------|-------------|---------------------------|
| Finland | 69.3 | 48.0 |
| Sweden | 52.0 | 43.0 |
| Portugal | 66.3 | 23.0 |
| Norway | 31.1 | 19.5 |
| Estonia | 78.9 | 16.0 |
| Union of South Africa. . | 44.0 | 13.5 |

¹ The National Bank of Albania is the only central bank practising an apparently unrestricted gold standard to increase its total foreign assets. Part of this increase is due to the proceeds of Government loans raised in Italy. The failure of cover assets to decline since 1934 presumably is to be accounted for by the inability to convert lire into gold.

E. — INTEREST RATES.

The course of interest rates during the depression and the subsequent recovery is illustrated in Table VIII, "Money Rates and Bond Yields", given in the Appendix. The table includes twenty-four countries and gives seventy-five series of annual and quarterly averages covering, in most cases, the full period 1929-1936. These series are grouped by countries, so as to facilitate comparisons between the various types of rates in each country. Wherever possible, they include the official discount rates of the central bank, market rates of discount¹ and other short-term rates such as call money and Treasury bill rates, bankers' rates for loans and advances, and, finally, for each country one or two series of yields of Government, mortgage, industrial or miscellaneous bonds. The figures are primarily intended to illustrate the trend in each country and are not strictly comparable as between different countries. The bond yields and money rates quoted are not in every case representative of the price of capital in the various countries, depending as they do on the particular type of bonds selected, on the structural peculiarities of the different money markets, etc.

1. SOME GENERAL CHARACTERISTICS OF THE MOVEMENT OF INTEREST RATES, 1929-1936.

The breakdown of the boom in 1929 was followed in most countries by a general relaxation of interest rates. This movement, which conformed to past experience of periods of receding trade activity and falling prices, was sharply interrupted by the international financial and banking crisis in 1931-1932, when interest rates in many countries rose to abnormally high levels,² while prices declined rapidly, and when, consequently, the restrictive effect of high interest rates was reinforced by a heavy "price-premium" payable by business-men on any new borrowing for investment purposes. The marked decline of interest rates set in, therefore, only in 1932 or 1933, when the world slump had already reached or passed its lowest point and prices were already beginning to recover. Since that time, there has been a worldwide, though by no means uniform, tendency for a reduction in rates. In several countries, notably in Japan and the United States, the price of capital has fallen to a level unprecedented in the history of these countries, while in many others the rates ruling in 1936 were lower than at any time since the last decade of the nineteenth century. The remarkable recovery of productive activity which has taken place since 1932 — except in a few countries where rates have remained high or have tended to rise since that year — has not, on the whole, prevented the downward course of interest rates or their maintenance at an unusually low level.³ In several countries, indeed, interest rates have been deliberately forced down with a view to promoting industrial recovery. In

¹ For certain countries — such as Czechoslovakia, Denmark, Sweden — figures for market discount rates, though available, are not shown in Appendix Table VIII, as they are controlled by the commercial banks and are generally kept at the same level as the discount rate of the central bank.

² In the countries which followed the example of the United Kingdom in suspending the gold standard, interest rates, and the Bank rates in particular, were radically increased in that connection merely as a measure of precaution against a possible inflation resulting from the depreciation of their currencies.

³ Recent signs pointing towards a hardening of interest rates will be considered in Sub-section 4 below.

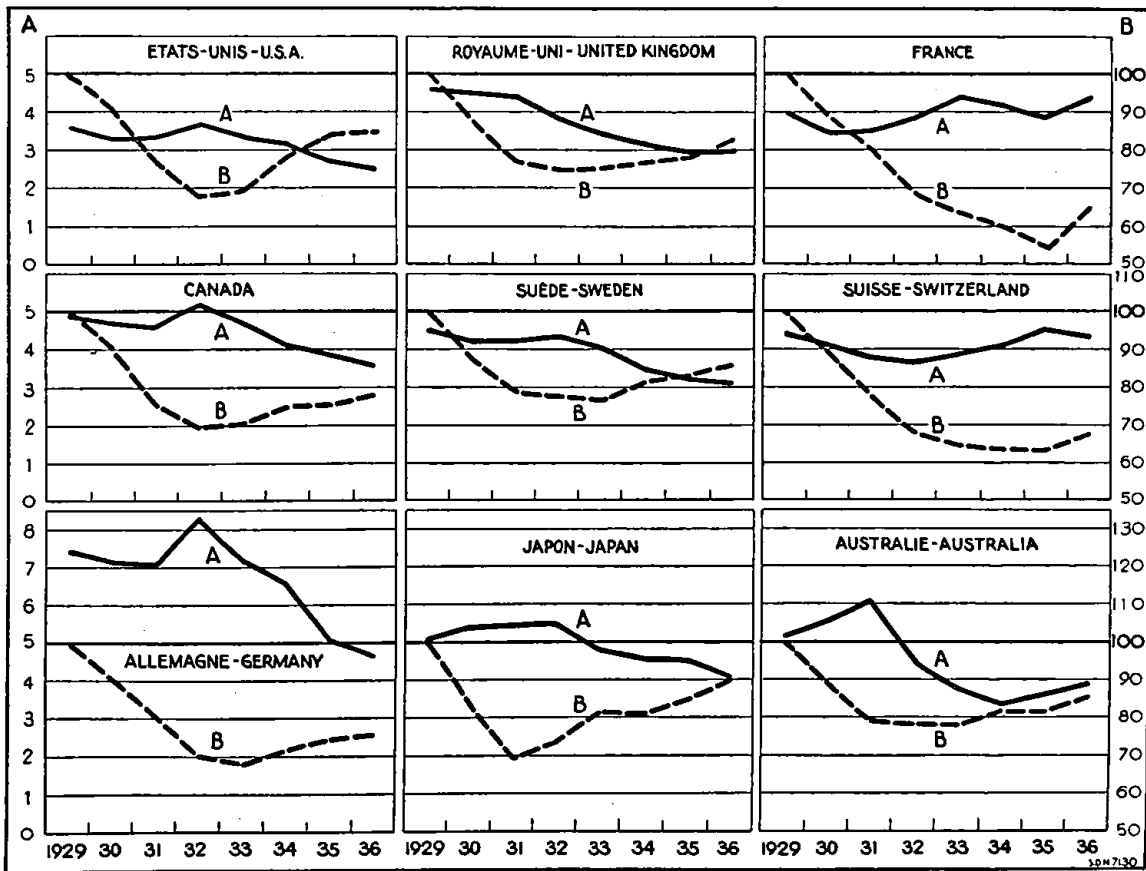
contradiction to historical experience,¹ rising prices have in many countries been accompanied by low or falling interest rates for a considerable length of time, and the movement of the "price-premium" in the period between 1930 and 1931 or 1932 has thus been sharply reversed in favour of the borrower.

The following diagram illustrates the broad trend of wholesale prices and the long-term interest rate (as reflected by the percentage yield of bonds) from 1929 to 1936. The nine countries included probably constitute a fairly representative sample for the world as a whole. In six of them (Canada, Germany, Japan, Sweden, the United Kingdom and the United States), the divergent movement of interest rates and wholesale prices in recent years is very marked (though in the United Kingdom since the beginning of 1935, interest rates have shown a slight response to the upward movement of prices). In two countries (France and Switzerland), the picture has been influenced by their currency position, and only in one (Australia) has the interest rate accompanied the upward movement of the price index in recent years.

Diagram 22.

BOND YIELDS AND WHOLESALSA PRICES.

- A. Bond yields.
- B. Wholesale prices (1929 = 100).



¹ See, for example, Irving Fisher's *Theory of Interest*, pages 429 and 436, where diagrams are given showing a high degree of correlation between interest rates and wholesale prices in the United Kingdom (1920-1924, with a lag of one year of interest behind prices) and in the United States (1900-1927, without any lag).

The reasons for the exceptionally low rates of interest attained in many countries in a period of economic recovery are, of course, attributable to the general monetary and currency policy pursued — a subject which lies outside the scope of the present section. For the general forces underlying the recent movement of interest rates, reference should be made, in particular, to the preceding edition of the present volume.¹ Here it must suffice to point to such factors as the plethora of gold emerging, as described in the previous chapter, after a period of “scarcity”; the dishoarding of currency after the banking crises of 1931-1933; and the exceptionally active policy of central banks and Governments in these years, which endeavoured, by open-market and other operations, to revive business activity by expansion of the credit base. The resulting increase in commercial banks' cash resources tended directly, in the first instance, to bring down short-term money rates. An abnormally wide “spread” between short-term and long-term rates became a characteristic feature of the relation between different types of interest rates. Nevertheless, the decline of long-term interest rates, though much more gradual, was also very marked in most countries, and was similarly to a large extent a result of the behaviour of commercial banks. Trade activity and business demand for bank credit being stagnant, the banks were forced to seek an outlet for their idle funds by extensive purchases of Government bonds and other securities. The ensuing rise in the price of bonds induced business firms to repay bank advances by selling securities lodged as collateral against such loans, by disposing of securities held by themselves in reserve, or by issuing new securities on the capital market. To the extent that the banks' purchases of securities were thus offset by a decline in their outstanding loans and advances, these purchases, while improving the liquidity of entrepreneurs, failed to relieve the banks of their surplus cash, and it required extensive further purchases of securities to produce a net addition to their earning assets. The decline in the long-term rate of interest as measured by the yield of bonds can probably to a large extent be attributed to this process. How general the phenomenon of increasing security holdings and decreasing discounts, loans and advances of commercial banks has been in recent years may be judged by the following table, which, drawn up on the basis of appendix Table XIV, shows the percentage movement of commercial banks' discounts, loans and advances and that of their investments and securities from 1931 to 1935 or 1936 on the basis of 1929 = 100. The countries are ranged in the order of investment holdings in 1935 compared with 1929.

The principal exceptions to this trend — France, the Netherlands and Switzerland, where the security holdings of the banks were considerably reduced during the period covered by the table — proved also to be exceptions to the phenomenon of the general fall of interest rates.

Even in such countries as Germany, Japan and the United States, where the securities acquired by the banks were new securities issued by the Government for the financing of budgetary deficits, the increase in the banks' investment portfolios contributed to the fall of interest rates, as the loan expenditure of the Government rendered private entrepreneurs more liquid and enabled them to reduce their indebtedness to the banks. The significance of the rise in banks' securities for the development of interest rates is, however, limited in the case of such countries as Estonia, Hungary and Poland, where this rise represented partly the mere “funding” of frozen agricultural debts carried out under Government schemes for the relief of agricultural indebtedness.

¹ *Money and Banking, 1935/36, Vol. I (Monetary Review).*

| | Discounts, loans and advances 1929 = 100 | | | | | | Investments and securities ^a 1929 = 100 | | | | | |
|------------------------------------|---|------|------|------|------|------------------|---|------|------|------|------|------------------|
| | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
| Estonia | 86 | 72 | 72 | 75 | 80 | 93 | 113 | 147 | 173 | 227 | 440 | 733 |
| Finland | 92 | 86 | 79 | 77 | 78 | 77 | 122 | 128 | 263 | 328 | 384 | 534 ^k |
| Canada | 73 | 64 | 60 | 57 | 54 | 50 | 162 | 186 | 207 | 237 | 282 | 325 |
| U.S.A. ^b | 82 | 62 | 46 | 44 | 42 | . | 144 | 150 | 178 | 244 | 265 | . |
| England and Wales . . | 93 | 64 | 85 | 83 | 89 | 94 | 119 | 197 | 234 | 244 | 245 | 260 |
| Hungary | 97 | 85 | 82 | 82 | 81 | 81 | 96 | 213 | 210 | 211 | 217 | 215 |
| Scotland | 86 | 80 | 70 | 69 | 70 | 68 | 119 | 163 | 187 | 191 | 212 | 224 |
| Brazil | 92 | 104 | 108 | 115 | 122 | . | 157 | 161 | 166 | 157 | 196 | . |
| Colombia | 71 | 51 | 45 | 43 | 48 | 60 | 114 | 153 | 209 | 239 | 187 | 209 |
| Venezuela ^c | 103 | 100 | 102 | 83 | 67 | . | 91 | 135 | 174 | 171 | 176 | . |
| Australasia ^d | 90 | 89 | 90 | 91 | 96 | . | 147 | 179 | 203 | 185 | 171 | . |
| Sweden | 105 | 100 | 93 | 91 | 92 | 96 | 104 | 108 | 117 | 162 | 164 | 155 |
| Germany ^e | 71 | 63 | 57 | 58 | 55 | 58 | 131 | 138 | 130 | 139 | 159 | 175 |
| Spain | 83 | 82 | 84 | 85 | 87 | . | 110 | 115 | 121 | 137 | 154 | . |
| Japan ^f | 100 | 100 | 102 | 92 | 108 | 119 | 93 | 96 | 107 | 123 | 139 | 153 |
| Poland | 69 | 57 | 50 | 46 | 48 | 47 | 87 | 83 | 81 | 109 | 139 | 130 |
| Chile | 73 | -73 | 83 | 102 | 116 | 123 | 188 | 388 | 175 | 81 | 138 | 175 |
| Denmark | 100 | 88 | 89 | 92 | 96 | 104 ^k | 77 | 86 | 113 | 155 | 131 | 104 ^k |
| Union of South Africa ^g | 89 | 79 | 75 | 92 | 95 | 104 | 154 | 209 | 206 | 200 | 126 | 337 |
| Yugoslavia | 102 | 87 | 79 | 72 | 67 | . | 143 | 129 | 114 | 109 | 126 | . |
| Argentina | 100 | 94 | 93 | 93 | . | . | 128 | 124 | 115 | 110 | . | . |
| Ireland | 98 | 96 | 91 | 88 | 86 | . | 100 | 115 | 111 | 110 | 112 | . |
| Switzerland | 97 | 96 | 93 | 92 | 86 | . | 121 | 121 | 109 | 103 | 104 | . |
| Czechoslovakia | 83 | 71 | 67 | 68 | 68 | . | 112 | 91 | 94 | 96 | 100 | . |
| France ^h | 84 | 86 | 81 | 77 | 70 | . | 121 | 112 | 105 | 92 | 90 | . |
| Belgium ⁱ | 80 | 64 | 62 | . | 56 | . | 126 | 123 | 121 | . | 74 | . |
| Italy ^j | 90 | 93 | 86 | 70 | 66 | 62 | 69 | 66 | 74 | 71 | 71 | 100 |
| Netherlands | 82 | 69 | 63 | 60 | 55 | . | 146 | 128 | 109 | 77 | 65 | . |
| Norway | 100 | 95 | 92 | 88 | 96 | 95 ^k | 86 | 76 | 76 | 62 | 62 | 68 ^k |

^a Government securities, where shown separately; otherwise, total investments, securities and participations.

^b All banks. End of June each year.

^c Four banks.

^d End of June following year. Including accounts of branches outside Australia and New Zealand.

^e All banks; November returns; Government securities and other investments combined.

^f Clearing House member banks.

^g Accounts of offices within the Union only.

^h Deposit and Investment banks.

ⁱ 1935 is not strictly comparable with previous years.

^j All banks. Loans, excluding those on correspondents' accounts.

^k Provisional figures.

Another factor which was undoubtedly of some importance in lowering the long-term rate of interest was the action of the banks' creditors on deposit account. As the interest rates obtainable on deposits followed — though on the whole somewhat tardily — the downward course of short-term rates generally, as in a great number of countries this movement was reinforced by legislative or semi-official pressure towards a reduction of deposit rates, and as confidence in the bond market gradually revived with the support of the banks' investment purchases, inactive deposits came to be used by the public for buying securities (or, in countries with a relatively undeveloped capital market, for making direct investments in real estate or in business enterprises). In the early stages of recovery, when business prospects were still regarded as uncertain, this movement tended to favour bonds rather than equities¹ and had thus a direct effect on the long-term rate of interest

¹ As may be seen from Diagram 29 below, the rise in share values in recent years was generally preceded by a recovery in the price of bonds.

as expressed by the yield of fixed-interest securities. The resulting increase in the activity of bank deposits is partly reflected in Table XI of the Appendix, which shows that, in the majority of the countries given, and particularly in Australia, Chile, Germany, Sweden, the Union of South Africa, the United Kingdom and the United States, there was, after 1932, an appreciable increase in current account and sight deposits proportionately to total deposits. To the extent that the securities acquired by the public were sold by entrepreneurs who used the proceeds to pay off bank debt, this process tended to reduce the total volume of deposits, to improve the cash ratio of commercial banks and thus to encourage the banks to undertake further additions to their security holdings. The fact that, in some countries, both bank deposits and interest rates declined in the early years of recovery may be attributed partly to this "disharding" of deposits by the public. Thus, for example, commercial bank deposits declined in the Argentine from 1931 to 1934, in Canada in 1932 and 1933, in Denmark in 1932, in Germany in 1933, in Sweden in 1934, and in the United Kingdom in 1933 and the first half of 1934, while bond prices rose and bank advances in these countries decreased during the respective periods.

The fall in the long-term rate of interest led to very extensive conversion operations by which debtors were able to reduce their interest charges to a lower level.¹ In several cases, the conversion of Government loans, which was not always strictly voluntary on the part of the holders, was not merely a reflection of a fall in interest rates, but was used as an active means for producing such a fall; where Government securities form a relatively large part of the total volume of securities outstanding, investors had frequently no alternative to accepting the terms offered by the Government, the price of non-Government bonds tending, under such circumstances, to adjust itself to the yield on Government securities. Direct legislative measures for reducing the interest charges of private debtors were also a common phenomenon in the early years of the recovery period, especially in agricultural communities. On the other hand, the State came to exercise a growing measure of control over the capital market in a way which tended to restrain the demand for new capital which the low level of interest rates might otherwise have elicited. Thus, for example, the two principal creditor countries — the United Kingdom and the United States — imposed restrictions on foreign lending; in the United Kingdom, domestic capital issues of municipalities and other large borrowers remained, after 1932, subject to official approval and regulation; in Germany, an official embargo on private capital issues imposed in 1931 was strictly maintained even when interest rates had fallen to nearly half of their 1931 level, while a similar system of official control was introduced in Italy. Government policy, while endeavouring to afford relief as regards old debt, limited to some extent the opportunities for new financing at the favourable terms apparent in the market. At the same time, the investment activities and financial requirements of the State itself increased in many countries, and the price of capital became accordingly a matter of increased importance from the point of view of State finance.

The preceding summary has touched upon some of the general features of the movement of interest rates in the period under review. The actual course of events presents a great diversity of tendencies in the different countries — not unnaturally perhaps, in view of the absence of a common monetary standard. The following sub-section therefore gives a brief survey of the main facts concerning the recent development of interest rates in various individual countries or groups of countries.

¹ For a short account of the main conversion operations in different countries, see the volumes for 1933, 1934, and 1935 of *Balances of Payments* (League of Nations).

2. RECENT MOVEMENTS OF INTEREST RATES IN CERTAIN COUNTRIES.

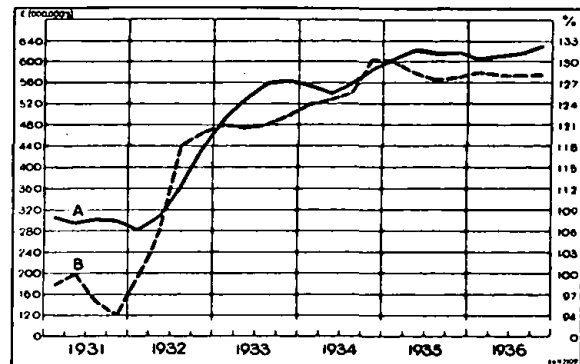
United Kingdom.

The first important country where interest rates fell after the financial crisis of 1931/32 was the United Kingdom. The extraordinarily rapid decline of money rates in the first half of 1932, when the market rate on fine bank bills, for example, dropped from 5.56% in January to 0.91% in July, was accompanied by a reduction of the bank rate from 6 to 2%. The fall in the yield of Government bonds, though less striking, was also very marked; the yield on 2½% "Consols", for example, declined from 4.52 to 3.46% between January and July 1932. The market for gilt-edged securities was greatly stimulated by a return of confidence in the budgetary position, by heavy purchases of bonds by the banks with the support of extensive open-market operations on the part of the Bank of England, and by the conversion to a 3½% basis of approximately £2,000 million of 5% Government bonds, which had been callable since 1929 and had therefore constituted an effective barrier to a reduction of bond yields generally. The extent of the Bank of England's open-market operations in 1932 is illustrated by the fact that the amount of Government securities held in the "Banking Department" was doubled; it rose from £45.3 million on January 27th, 1932, to £90.6 million on January 25th, 1933, after which it showed no considerable further changes. In the following two years, the two principal factors contributing to the continued fall of interest rates were purchases of gold by the Bank of England between January and August 1933, when the Bank's gold stock increased from £120 to £190 million and, later,

Diagram 23.

LONDON CLEARING BANKS' INVESTMENT HOLDINGS AND THE PRICE OF GILT-EDGED SECURITIES.

- A. Investment holdings £ (000,000's).
B. Price of gilt-edged securities (1929 = 100).



the issue of Government bonds for the funding of short-term debt, which, in so far as the bonds were taken up by the public, tended to reduce bank deposits and to raise the cash ratio of the banks.¹ The commercial banks, in consequence, were in a position to make substantial purchases of Government bonds; between December 1931 and December 1936, the aggregate investment holdings of the ten London clearing banks, rising from £296 million to £630 million, were more than doubled. Diagram 23 above shows a fairly close relationship between changes in the banks' investment holdings and the trend of Government bond prices up to the end of 1934, when the latter reached their peak level.

In the short-term money market, the pressure of surplus funds was such as to depress the rate on fine bank bills and Treasury bills respectively to an average of 0.41 and 0.30% in August 1933. In the following month, the clearing banks therefore entered into an agreement

¹ Deposits at the London Clearing Banks declined from an annual average of £1,953 million in 1933 to one of £1,880 million in 1934, and as cash remained on the average unchanged at £212 million, the average cash ratio rose from 10.8% to 11.3%, a ratio of 12% — the highest in the whole period 1932-1936 — being reached in March and April 1934.

not to buy Treasury bills below certain minimum rates, which were raised by stages to over 1%. In October 1934, this agreement broke down and money rates fell to a record low level; the average allotment rate on Treasury bills, for example, fell below 0.2% in January 1935. A new agreement was reached by the banks in February 1935 establishing a minimum level of $\frac{1}{2}$ % on Treasury bills, to which market rates have closely conformed up to the time of writing (March 1937), except for short periods of relative stringency due to seasonal factors or to the movement of foreign funds. The policy of the authorities was, in principle, to neutralise through the operations of the Exchange Equalisation Fund any effects which the inflow of foreign balances would otherwise have had on the domestic credit base. Important exceptions to this rule, however, were allowed to occur in 1933 and 1936, when large amounts of gold were transferred from the Exchange Equalisation Fund to the Bank of England; in 1933, the Bank's gold stock (valued at par) increased from £120 to £191 million, and in 1936 it increased from £200 to £314 million, of which £60 million were offset by a reduction of the Bank's holdings of Government securities.¹ In this way, the inflow of capital was doubtless a factor of some importance in helping the authorities to expand the basis of credit and to keep money cheap.² That it could also have the opposite effect, however, was shown in the early summer of 1936, when foreign demand for bank-notes for hoarding purposes tended to deplete the banks' cash reserves. As a result, conditions in the London money market became distinctly less easy in June 1936, when the rate on Treasury bills, for example, rose to a monthly average of 0.78% as compared with 0.54% in the previous month. To offset this drain of notes, and also to provide the banks with some additional cash to support the larger volume of deposits which had resulted partly from the inflow of foreign funds, the Bank of England had to accelerate considerably its purchases of gold, after which short-term money rates quickly relapsed to their previous low level.

The period between October 1934 and February 1935, when the breakdown of the clearing banks' agreement revealed in a striking manner the pressure of abundant credit supplies on the level of short-term money rates, was also the time when the yield of Government bonds reached its lowest point. After January 1935, when $2\frac{1}{2}$ % "Consols" standing at 92.8 showed a yield of 2.7%, the long-term rate of interest appears to have taken a gradual but definite upward trend throughout 1935 and 1936. This movement was further accentuated in the early months of 1937, the price of $2\frac{1}{2}$ % "Consols" falling to 76.6 and their yield accordingly rising to nearly 3.3%, in March 1937. According to figures calculated by the *Economist*,³ the average yield on new issues of domestic Government bonds rose from 2.19% in 1935 to 2.85% in 1936, while the corresponding figure for industrial debentures rose from 3.83% in 1935 to 4.17% in 1936. The rise of long-term interest rates in the United Kingdom will be considered further — in conjunction with similar indications in the recent experience of certain other countries — in the concluding part of the present section.

¹ Cf. the chapter on the United Kingdom in Vol. II of this publication.

² Between December 23rd, 1931, and December 23rd, 1936, the gold held by the Bank of England (at par) increased by £193 million (from £121 to £314 million). The increase was offset by a decline of £38 million in Government securities and an increase of £14 million in the reserve of notes in the Banking Department, leaving a net expansion of £141 million — a figure which is approximately equal to the increase of £52 million from a monthly average of £184 million in December 1931 to one of £236 million in December 1936 in clearing banks' cash plus the increase of £74 million (from £375 to £449 million in the same period) in the estimated net note circulation in the hands of the public.

³ Cf. *Economist*, February 13th, 1937. The figures are affected by the status and maturity of the individual loan issues, but can nevertheless be used as a general index of the cost of new capital.

Denmark, Finland, Norway, Sweden.

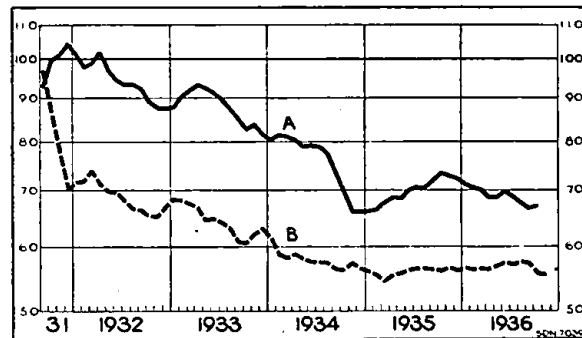
In the Scandinavian countries, a decline in interest rates occurred also relatively early. As will be seen from Table VIII of the Appendix, the yields of Government bonds declined after reaching their highest point in the last quarter of 1931 in Denmark, Norway and Sweden and in 1932 in Finland. The exchange depreciation following the suspension of the gold standard in these countries in the autumn of 1931 improved the competitive power of their export trade while increasing the protection of the home market, and stimulated a return flow of capital, with the result that, except in Denmark, the domestic credit base in the form of gold and foreign exchange reserves at the central banks was considerably increased, particularly in Sweden and Finland. Thus, in the case of Sweden, Diagram 24 shows a fairly marked parallelism between the movement of bond yields and the gold value of the krona.

Diagram 24.

SWEDEN : YIELD OF GOVERNMENT BONDS
AND GOLD VALUE OF CURRENCY.

(The diagram is drawn on a logarithmic scale.)

- A. Yield of seven Government bonds (1929 = 100).
- B. Gold value of currency (1929 = 100).



Though this parallelism may have been due in part to accidental factors, it is not unreasonable to assume a causal relationship. Once the rapid initial adjustment of the exchange value of the currency had taken place without engendering inflationary developments, the subsequent more gradual and slow decline in the value of the krona, which, while following that of the pound, was kept as from April 1932 at a somewhat lower level, strengthened the inducement for capital repatriation, the confidence in the currency remaining intact in these circumstances. Moreover, the growing exchange proceeds of export sales increased the commercial banks' cash reserves, particularly in terms of domestic currency, thus leading to an actual or expected relaxation of credit influencing the price of bonds. The extreme ease of monetary conditions in Sweden is illustrated by the monthly issues of Treasury bills from October 1934 to May 1936 at a discount rate which fluctuated only between 0.60% (November 1934) and 0.35% (September 1935). The cessation of these issues in May 1936, along with the repayment of certain other loans by the Government early in 1936, contributed to the reversal of the slight rise of bond yields which had taken place during 1935. A net export of long-term capital amounting to 40 million kronor in 1936, as against an inflow of nearly 20 millions in 1935, did not appear to disturb the downward course of bond yields during 1936; and, in the first two months of 1937, several debenture issues of industrial companies were made at a price of 102 and an interest rate of $3\frac{1}{4}\%$, their actual yield of about 3.1% being the cheapest rate for industrial financing in Swedish history.

The continuous decline of interest rates which took place in Finland after 1932 was the more remarkable in that it was accompanied by a relatively large volume of capital exports in the form of repayments of a large part of the Government's foreign debts by means of cheaper loans raised at home. From the end of 1932 to the end of 1936, the foreign

debt of the State was reduced from 2,783 to 1,185 million markkaa, while the internal debt increased from 689 to 1,934 millions.

Denmark and Norway, which did not enjoy the exceptionally favourable exchange position of Sweden and Finland, experienced nevertheless a decline of bond yields in the years 1932-1934. In Denmark, where the exchange position remained stringent throughout this period, the decline was largely a result of extensive open-market purchases of securities on the part of the central bank.¹ Under the pressure of increased demands for credit resulting from industrial recovery, bond yields gradually took an upward turn in Denmark and Norway after the last quarter of 1934 and the second quarter of 1935 respectively. In Denmark, this movement was reinforced by the discount and open-market policy of the central bank,² while in Norway the tightening of credit was accentuated in 1936 by a certain amount of hoarding as a result of a tax affecting bank deposits, leading to a rise of the central bank's discount rate from 3½ to 4% in December 1936.

United States of America.

The main forces underlying the downward movement of interest rates in the United States after 1932 were, at first, the open-market operations of the Federal Reserve Banks and, later, the heavy imports of gold. The influence of these two factors on the volume of cash reserve held by the commercial banks in excess of legal requirements is graphically illustrated in Diagram 20, Section C, above. The Government securities of the Federal Reserve Banks rose gradually from \$511 million at the end of 1929 to \$817 million at the end of 1931 and were thereafter rapidly increased by \$1,038 million in 1932 and by \$582 million in 1933. After October 1933, they were maintained practically unchanged at a level of about \$2,430 million. It is therefore to the capital repatriation and influx of foreign funds, which set in at an accelerating pace after the stabilisation of the dollar in January 1934 and which — as gold points had again been fixed — naturally took the form of gold shipments, that the subsequent decline of interest rates in the United States must chiefly be attributed. It has been officially estimated³ that the growth of member banks' reserves during the three years 1934-1936 was due to \$4,000 million of gold imports, to \$800 million of silver purchases and to \$500 million of purchases of gold from domestic sources.

The expansion of the cash base of the credit structure led, as may be seen from Appendix Table VIII, to a very marked fall of interest rates, in spite of the fact that the deficit borrowing of the Federal Government — the dominant factor in the capital market of the United States in the period under review — entailed a doubling of the total Federal debt from \$16.8 to \$33.5 milliard between June 30th, 1931, and June 30th, 1936. The banks (including the Federal Reserve Banks) absorbed more than two-thirds of this increase and came to hold more than half of the total public debt. It is doubtful if the fall of interest rates would have been appreciably greater in the absence of Government borrowing, since the increase in the Government indebtedness and loan expenditure, part of which was, in fact, incurred in refinancing "frozen" private debts thus transformed into public debt, entailed a parallel increase in the liquidity of private business as reflected by the rise in demand deposits with all member banks from \$12.1 to \$20.3 milliard between June 30th, 1933, and June 30th,

¹ The investment holdings of the National Bank plus its loans to the "Crisis Fund" (which virtually represent indirect security purchases) rose from 49 to 286 million kroner between the end of 1931 and the end of 1934.

² The discount rate of the National Bank was raised from 2½ to 3½% in August 1935 and from 3½ to 4% in November 1936, while its holdings of securities and loans to the "Crisis Fund" combined were reduced from 286 to 181 million kroner between the end of 1934 and the end of 1936.

³ *Federal Reserve Bulletin*, January 1937.

1936, and by the decline in member banks' loans to customers from \$11.3 to \$10.9 milliard in the same period, in spite of the recovery of production and business activity. The volume of demand deposits held by the member banks in 1936 was approximately 30% higher than in 1929, while the volume of business transactions¹ was, on the average, still about 10% below the level of 1929.

The decline of interest rates in the United States is strikingly illustrated by the fact that, while the total Government debt was more than doubled in the five years ending June 30th, 1936, the interest service rose only from \$599 million in the financial year 1931/32 to \$757 million in 1933/34 and even fell slightly to \$749 million in 1935/36. The relative stability of the interest charge was due partly to the large-scale conversion of war loans initiated in October 1933 and completed in 1935, but partly also to the fact that the additional debt was mainly financed by short-term paper acceptable to the banks, whose willingness to take up long-term bonds was restrained, *inter alia*, by the fear of a future rise in the interest rate and a consequent depreciation of their security holdings. The proportion of Treasury bills, certificates and notes maturing within five years to the total interest-bearing debt of the Federal Government rose from 25.6% at the end of June 1932 to 50.5% at the end of 1935. Up to February 1934, new money was raised exclusively by short-term notes and bills. The first issue of medium-term bonds, with a currency of 10-12 years, carrying interest at 3¼%, was favourably received, but the banks and the public continued to show a marked preference for the offers of short-term obligations which accompanied every issue of bonds. A reversal of this tendency, however, showed itself clearly in 1936. Subscriptions to a Treasury issue made in March 1936 inclined for the first time heavily in favour of bonds, and a similar response was accorded to subsequent issues offered in June and December 1936, while for the first time, in September 1936, an issue of long-term bonds was not accompanied by any offer of short-term paper. As a result, the proportion of bills, certificates and notes to the total interest-bearing Federal debt declined to 38.9% at the end of 1936, as against 50.5% a year earlier. There was also a gradual extension of the period of maturity of new issues of 2¾% Treasury bonds from 10-12 years in December 1935 to 20-23 years in September 1936, while the December issue in 1936, with a currency of 13-17 years, was made at a reduced interest rate of 2½%.

The success of long-term Government issues in 1936 may have been partly due to a decreased reluctance on the part of the banks to hold bonds instead of short-term obligations on which interest earnings were unprofitably low. In the second half of the year, however, the banks² slightly reduced their holdings of direct Government obligations from \$9,484 million in July to \$9,241 million in December. This would seem to suggest that the bond market received an increased measure of support from the general public. Confidence in the future maintenance of bond prices was stimulated by anticipations of an improvement of the budgetary position and by the prospect of large-scale absorption of Government securities by the newly established schemes of social insurance.³

The increase of the legal reserve requirements of the member banks by 50% in August 1936 had hardly any perceptible effect on interest rates, as it left the banks still with a substantial margin of excess reserves. Another increase by 50% of the original requirements, half of which came into force on March 1st, and half on May 1st, 1937, did, however,

¹ According to the index of business activity published by the *Annalist*.

² Reporting member banks in 101 leading cities.

³ It is officially estimated that the Social Security Fund will acquire about \$30 milliard of Government bonds within the next seventeen years.

produce an appreciable amount of selling of Government bonds on the part of the member banks, especially as the demand for bank loans was beginning to show a definite recovery. In the first quarter of 1937, therefore, bond yields took an upward turn, while other indications — such as a rise by nearly $\frac{1}{2}\%$ in the rate on acceptances — also pointed to an incipient reversal of the fall of interest rates in the United States.

Japan.

As in the United States, the development of interest rates in Japan in the period 1931-1936 was determined by a policy of credit expansion in which the Government's deficit financing played a central part. Between the end of 1931 and the end of 1936, the total of Government bonds outstanding increased from 4,525 to 9,072 million yen ; Government bonds held by the Bank of Japan rose from 260 to 764 million yen ; those held by the " ordinary " (commercial) banks, savings banks, trust companies and the Treasury Deposit Bureau combined rose from 2,896 to 5,847 millions (or by an amount equal to three-quarters of the increase in total outstanding Government bonds not taken up by the Bank of Japan) ; and the ratio of Government bonds to total deposits held by these institutions, which rose from 13,703 to 18,071 millions, increased from 21% to 32%. At the same time, the average yield on Government bonds declined from over 6% at the end of 1931 to less than 4% in December 1936, with a slight interruption in 1934, when the Bank of Japan temporarily reduced its holdings of Government securities.

The large Government conversions which were a characteristic feature of falling interest rates at a rather earlier stage in other countries were not undertaken in Japan until 1936. Between May and September of that year, five issues of $3\frac{1}{2}\%$ bonds maturing in fifteen years were made to convert 2,152 million yen of Government bonds carrying interest at 5%, the ground having been prepared by a reduction of the Bank of Japan's rediscount rate from 3.65% to 3.29% — the lowest rate in the history of the Bank — and also by a general reduction of discount, loan and deposit rates of commercial banks in April 1936. In spite of this reduction of interest rates, a certain stringency began at times to make itself felt in 1936, especially in the latter part of the year. Their very large holdings of Government securities left the banks with only a small margin for meeting the recovery in the demand for commercial advances. The total discounts, loans and advances of the " ordinary " banks, after having declined steadily since 1929, rose from 6,239 to 6,998 million yen between the end of 1934 and the end of 1936. Accordingly, the rate on day-to-day call loans, which may be considered as a sensitive index of conditions in the free money market in Tokio, touched its lowest quarterly average at 2.45% in the third quarter of 1933, after which it showed an irregular but rising tendency, reaching an average of 3.02% in the fourth quarter of 1936.

Germany.

In Germany, also, the decline of interest rates after 1932 was accompanied by large State borrowings financed by the banking system, and the resulting increase in the liquidity of private entrepreneurs was reflected in a steady decrease of commercial banks' loans and advances, which continued even in 1936. Under two Laws of March 29th, 1934, and December 12th, 1934, measures were taken to support the bond market by requiring joint-stock companies to invest in Government securities any profits exceeding a certain maximum rate and, in the first half of 1935, the Government carried out the conversion of mortgage,

State and municipal bonds from a 6% to a 4½% basis. The conversion of industrial loans, which was left to private initiative in view of their heterogeneous character and much smaller quantitative importance, began in 1936, when about 300 million marks of a total of approximately 450 million convertible bonds carrying more than 5% interest were converted to a level of 4½%-5%. The market for new capital issues was reserved almost exclusively for the consolidation loans which were issued periodically after January 1935 for the funding of the short-term obligations used in financing the Government's employment, public works and armaments programmes. The latest issue of this kind, made in May 1937 at an interest rate of 4½%, at an issue price of 98.75 and with a maturity of fifteen years, brought the total of such loans up to about 5.8 milliard marks. An important factor contributing to the ease of money in Germany is believed to have been the reduction of stocks and the accumulation of unused industrial replacement funds generally.¹ There are grounds for believing, however, that the decline of interest rates has reached its bottom limit, especially as the introduction of the Four-Year Plan has necessitated a considerable relaxation of the embargo on private issues towards the end of 1936 and will also, in all probability, entail a revival of bank advances to industrial borrowers.

Italy.

In the interests of the Government's financial requirements, Italy — like Germany — maintained restrictions on private capital issues and required business firms to invest part of their profits in Government bonds. The decline of bond yields in Italy from 1930 to 1934, which was marked by a large conversion of 5% Government debt to a 3½% level in February 1934, was interrupted in 1935, when the yield on Government bonds rose from about 4% to about 5% and when, for the financing of military operations in East Africa, a large Government loan was issued, the terms of which virtually implied an upward conversion of the 3½% bonds issued in February 1934 back to 5%. A certain relaxation showed itself in the first half of 1936. The devaluation of the lira in October was accompanied by the issue, at par, of a 5% Government loan redeemable in twenty-five years. Subscriptions to this loan were made compulsory on all owners of real estate to the extent of 5% of the value of their property, and there was, in consequence, an increased demand for bank advances on the part of subscribers whose own liquid means were insufficient to take up the required amounts.

Union of Soviet Socialist Republics.

Although in the U.S.S.R. the rate of interest does not possess the same significance as elsewhere, it may be mentioned that even that country has remained no exception to the widespread tendency towards lower rates. Under a Law of June 1936, the rate of interest on the numerous internal State loans issued since 1927, bearing interest at 8-10%, was reduced to a uniform level of 4%. At the same time, the rate allowed on savings-bank deposits was lowered from 8% to 3%, while the rates charged by the State Bank on short-term loans and overdue loans were reduced from 6% and 8% respectively to 4% and 6%.

¹ See *Deutschlands wirtschaftliche Lage an der Jahreswende 1936/37*, published by the Reichs-Kredit-Gesellschaft in Berlin.

France, the Netherlands, Switzerland.

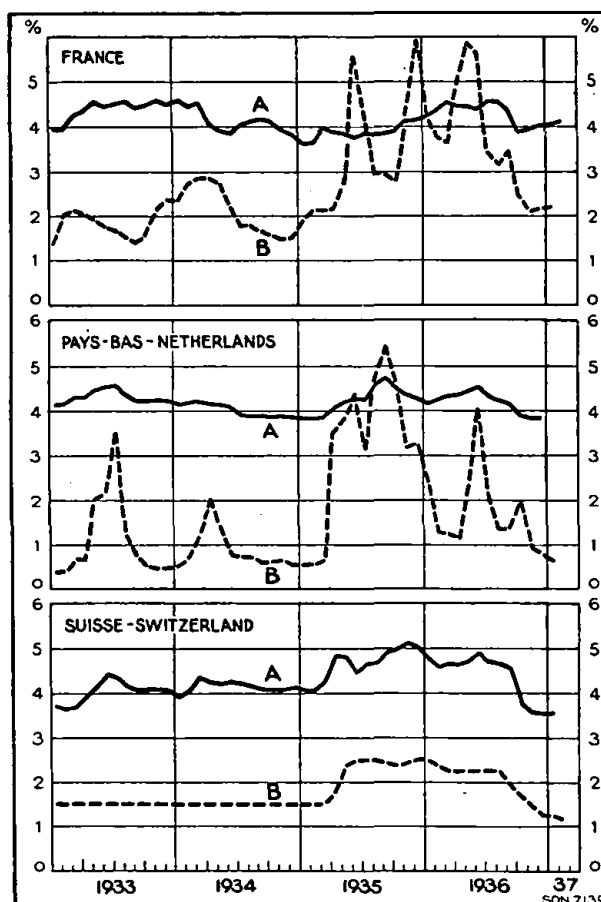
The international financial crisis of 1931 affected France, the Netherlands and Switzerland much less than most other countries. Owing to repatriation of short-term funds and also to the flight of capital to these countries from Central and Eastern Europe, 1931 and 1932 were, for them, years of relatively cheap money, as may be seen from the figures given in Table VIII of the Appendix.

The subsequent course of interest rates in the three countries which adhered to the old gold parity of their currencies until the autumn of 1936 is illustrated by Diagram 25 opposite, showing the monthly movement of bond yields and market discount rates in each of these countries from 1933 to the beginning of 1937. The main feature brought out by this diagram is the great irregularity of the movement of interest rates in these countries, especially during the years 1935 and 1936.¹ The outflow of gold accompanying the flight of capital and the deterioration of the balance of foreign trade so narrowed the credit base that interest rates became extraordinarily sensitive to all factors affecting the confidence of investors. The cash reserves of commercial banks being depleted by gold exports and internal hoarding,² the bank refrained from participating in the financing of the heavy Government deficits which arose from the shrinkage of business activity, and Government borrowings in the private capital market consequently tended to keep interest rates at relatively high levels. The currency policy of the three countries being largely identical, the diagram naturally

Diagram 25.

BOND YIELDS AND MARKET RATES OF DISCOUNT IN FRANCE, THE NETHERLANDS AND SWITZERLAND, 1933-1937.

- A. Bond yields.
B. Market rates of discount.



¹ During these two years, the official discount rate of the Bank of France was changed twenty-two times, in sharp contrast, not only to the remarkable stability of official bank rates in most other countries (such as Germany, Sweden, the United Kingdom and the United States, where the bank rate was not changed during 1935/36) but also to the pre-war tradition of the Bank itself.

² See note on following page.

shows a certain similarity in the movement of their interest rates. The three curves for the market rates of discount all show a sharp rise in the spring of 1935 and a fall in the autumn of 1936 ; the curves for France and the Netherlands show violent fluctuations within this period, while the Swiss rate, being to a large extent controlled by the banks, followed a steadier course and was not changed at all during 1933 and 1934, when the French and the Netherlands discount rates showed fairly large and roughly parallel variations. The parallelism in the movement of bond yields is rather less marked ; for, whereas discount rates responded mainly to gold movements which tended to affect the three countries equally, bond yields were more influenced by internal factors. The downward movement of bond yields in France and the Netherlands between the end of 1933 and the beginning of 1935 may be regarded as a natural reflection of the fall in prices and the stagnation of business conditions which increased the relative attractiveness of fixed-interest securities as compared with industrial shares and other business investments. In 1935 and the first half of 1936, however, the fear of devaluation, the deterioration of budgetary prospects, and the hope of business recovery combined in varying degrees to produce a marked rise in bond yields in all three countries.

The devaluation of the three gold currencies at the end of September 1936 was followed by a sharp reduction in money rates and an upward movement of security prices in these countries due to the general relaxation of the credit contraction inherent in their former currency policy and also to a certain amount of capital repatriation. The devaluation thus tended, not only to bring the price levels of different countries into closer contact, but also to remove abnormal discrepancies in interest rates between the three countries in question and the other main creditor countries.

The decline of interest rates after the devaluation was particularly marked in the Netherlands and in Switzerland, owing to a very considerable return flow of capital to these countries. In France, the Government allocated 3 milliard francs out of the total profit of 17 milliards on the revaluation of the gold stock to the "Crédit foncier" for the purpose of cheapening the cost of mortgage credit, following to that extent the example set by Belgium, where, in the spring of 1935, a large part of the revaluation profit was employed for purchasing Government securities and thus reducing bond yields and facilitating conversion operations. As, however, the old parities continued to be applied in respect of repatriated or disboarded gold, the return flow of capital to France was discouraged,

² In France, changes in the amount of 1,000-franc and 500-franc bank-notes in circulation are generally regarded as a rough indication of changes in internal hoarding. Figures are available for the composition of the note circulation on December 24th of every year and are summarised in the following table covering the period 1930-1936 :

| December 24th : | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|---|---------------------|------|------|------|------|------|------|
| | Milliards of francs | | | | | | |
| <i>Notes in circulation :</i> | | | | | | | |
| 1,000- and 500-franc notes | 44.6 | 52.7 | 52.9 | 52.8 | 54.8 | 54.0 | 59.3 |
| Notes of smaller denominations | 31.6 | 30.8 | 29.8 | 27.8 | 27.1 | 26.7 | 28.1 |
| Total | 76.2 | 83.5 | 82.7 | 80.6 | 81.9 | 80.7 | 87.4 |
| Percentage of 1,000- and 500-franc notes in total | 58 | 63 | 64 | 65 | 67 | 67 | 68 |

It will be seen that, between 1930 and 1935, the amount of 1,000- and 500-franc notes increased by 9.4 milliard francs (most of the increase occurring in 1931, a year of several bank suspensions and difficulties), while notes of smaller denominations declined by 4.9 milliards. The latter showed an increase in 1936 owing to the rise of prices and the incipient recovery of business activity, but the proportionate increase in large denomination notes was still greater.

and the prospect of heavy Government borrowing, together with apprehensions aroused by certain measures of social legislation, contributed to depress the market of fixed-interest securities. After the first impact of the devaluation in October 1936, therefore, interest rates in France again showed a rising tendency. The discount rate of the Bank of France, which had been lowered from 5 to 2% in October 1936, was raised to 4% on January 28th, 1937; at the same time, the Government took up a ten-month credit of £40 million in London, carrying interest at 3½% (as compared with 3% on the nine-month loan of £40 million which had been raised in London in February 1936). The stringency was somewhat relieved at the beginning of March 1937, when the Bank of France was empowered to purchase gold at the market price and when the Government, as a result, was able to issue an internal loan of 8 milliard francs, at a price of 98 and an interest rate of 4½%, repayable within sixty years.

Agricultural debtor countries.

The cessation and even reversal of the movement of capital to the agricultural and raw-material-producing debtor countries, along with the sharp deterioration of their terms of trade, imposed a heavy strain on their balance of external payments in the early stages of the depression. This strain, being met in part by the surrender of gold and liquid foreign assets, was reflected in the abnormally high level of interest rates ruling in these countries in the years 1930-1932. Most of these countries adjusted themselves to the situation by allowing their currencies to depreciate; and the substantial improvement of the terms of trade of agricultural countries which began in 1933 and the consequent relief of their balance of payments position brought about a distinct relaxation in their internal credit conditions. The decline of interest rates in the debtor countries was the more remarkable in that capital movements to these countries remained virtually non-existent.

In the agricultural debtor countries of South-Eastern Europe, interest rates gradually receded from the abnormally high levels attained in 1931/32. A factor which contributed to this development was the expansion of the export trade of these countries with Germany, which led to heavy unsettled clearing balances in their favour and to an expansion of internal credit in so far as these balances were taken over directly or indirectly by central or commercial banks. The decline of yields on Government bonds in Hungary, Roumania and Yugoslavia between December 1932 and December 1936 may be illustrated by the following figures:

| | Dec. 1932 | Dec. 1933 | Dec. 1934 | Dec. 1935 | Dec. 1936 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Hungary (5% Forced Loan, 1925) | 24.41 | 15.23 | 12.29 | 10.16 | 7.03 |
| Roumania (6% Government bonds) | 18.24 | 14.69 | 12.10 | 11.94 | 10.47 * |
| Yugoslavia (7% Loan, 1921) . . | 13.94 | 12.56 | 9.94 | 8.91 | 8.25 |

* November 1936.

In the Argentine, the yield of internal Government bonds given in Table VIII of the Appendix underwent an almost continuous decline from 7.28% in the third quarter of 1932 to 5.10% in the third quarter of 1936. Almost the whole of the internal debt of the Federal Government was converted from 6 and 5½% to a 5% basis at the end of 1933. The following

year saw a similar conversion of all outstanding 6% mortgage bonds ("Cédulas"), and, in 1935, provincial and municipal Governments were able to reduce their interest charges in the same way. In 1936 and in the early months of 1937, important conversion operations were effected in New York, reducing the interest on certain loans held in the United States from 6% to 4½%, and the domestic capital market of the Argentine proved sufficiently liquid to permit the redemption of part of these loans by means of cheaper issues made at home.

The decline of interest rates in Canada after the end of 1931 was promoted by deliberate measures of Government policy. Thus, in November 1932, the cash reserves of commercial banks were strengthened by advances to them of Dominion notes (of large denominations not used for public circulation) to an amount of \$35 million, thus increasing their lending capacity. The deficit borrowing of the Government, which the banks were thereby enabled to finance, had the same effect as in certain other countries discussed above — namely, that of sharply reducing the banks' loans to private customers while increasing their holdings of securities. On the initiative of the Government, the rate on savings deposits, which had been unchanged for thirty years, was lowered from 3% to 2½% in the spring of 1933, and was further reduced to 2% in November 1934. The first important conversion operation was carried out in October 1933, when a 5½% Government loan was replaced by an issue of 4% bonds. In June 1934, the Government, after reducing the minimum gold cover ratio on Dominion notes, issued an additional \$50 million of notes for meeting ordinary budget expenditure, which thus again increased the banks' cash resources. Furthermore, in view of the lively trade in securities which Canada maintains with London and New York,¹ the rise in security prices in these two centres could not fail to support also the price level of internal Canadian securities and to reduce their yield. In 1933 and 1934, for example, when bond yields in the United Kingdom were falling, Canada's net sales of outstanding securities (excluding new issues) to the United Kingdom amounted to \$53.2 and \$74.5 million respectively, and bond yields in Canada reached a low point at the beginning of 1935 — that is, at the same time as in the United Kingdom — though, after a temporary rise in 1935, accompanied by net purchases of \$13 million of securities from the United Kingdom, they fell to still lower levels in 1936.

In China, interest rates rose sharply in 1931 as a result of the military conflict in Manchuria. Thereafter, as shown in Appendix Table VIII, the "native rate of interest" in Shanghai rapidly declined again in 1932. Between 1933 and 1935, however, the annual average of the "native rate" rose from 1.83% to 5.11%. This illustrates the deflationary pressure under which China suffered in these years owing to the rise in the price of silver. The outflow of silver and the accompanying contraction of internal purchasing power was discontinued after the demonetisation of silver and the reduction of the exchange value of the currency on November 3rd, 1935; the Government was able to convert thirty various internal obligations by the issue of a 6% Consolidation Loan of Ch. \$1.46 milliard in February 1936; and the "native rate of interest" fell to an average of 2.92% in 1936. It should be observed that the "native rate", though a sensitive index of credit conditions in the principal financial centre, Shanghai, is by no means representative of the price of credit in the country as a whole, as it relates exclusively to inter-bank transactions. Thus, in the first quarter of 1934, when the Shanghai "native rate" stood at less than 1%, an

¹ The relevant statistics are published by the Dominion Bureau of Statistics in a monthly bulletin entitled *Sales and Purchases of Securities between Canada and Other Countries*.

extensive enquiry into rural indebtedness showed the normal rate on short-term loans (six to twelve months) to be between 20 and 40%.¹

The Indian money market developed an exceptional degree of liquidity after 1931. The yield on internal Government bonds fell from a level of about 7% at the end of 1931 to little more than 3% in 1936, and the discount rate on Treasury bills, as shown in Appendix Table VIII, dropped from 7.24% in the last quarter of 1931 to an average of only 0.72% in 1936. The greater part of the fall occurred during 1932, when the rise of Indian Government sterling bonds in London tempted Indian investors to sell such securities and to remit the proceeds to India for investment in rupee paper. The state of the London capital market exercises an appreciable influence on the course of interest rates in India, as there is an active market in India for sterling as well as rupee Government securities and as the yields on the latter do not normally diverge very far from those on the former, which are mainly determined in London. Another influential factor in the decline of interest rates in India was the large-scale dishoarding of gold by the peasant population which followed the depreciation of the rupee after the autumn of 1931 and which increased the cash liquidity of the banking system. As in the case of China, the cheapness of money in the main financial centres, Calcutta and Bombay, contrasted sharply with the continued scarcity of capital in the interior, partly due to inadequate machinery for the diffusion of modern credit facilities. Even in Calcutta, the "bazaar" rate — the rate of discount on bills of small traders — did not fall below 6% in the period under review. Nevertheless, the low level of interest rates in India has probably been an important factor in the rise of industrial development, building activity and public utility investments in the country in recent years.

The Union of South Africa is another debtor country where an exceptional abundance of investible funds prevailed in the years 1934-1936, in spite of heavy demands for industrial development. It is not possible to include a continuous series for this country in Appendix Table VIII, but the decline of interest rates — which occurred chiefly in 1933 — is illustrated by the reduction of the Reserve Banks' discount rate from 6% in October 1932 to 3½% in May 1933 and by the reduction of the rates allowed by commercial banks on deposits at six to nine months' notice from 4¾-5% in October 1932 to ½% in June 1933. Internal Government bonds yielded less than 3½% interest in 1936, while six-month Treasury bills were issued in that year at a rate of only ¾%. In these circumstances, the Union Government found it possible to redeem large amounts of external debt by means of domestic issues made at cheaper rates. Of the total Government debt, which declined from £274 million on March 31st, 1934, to £251 million on March 31st, 1936, the external debt constituted 60.17% at the former date and only 48.85% at the latter.

The progress of industrialisation and the general revival of internal trade activity have not, however, failed to raise interest rates in certain agricultural debtor countries in recent years. The bond yields given in Appendix Table VIII for Brazil and Chile, where the effect of rapid industrialisation on interest rates was reinforced by an inflationary rise of prices, show a rising trend after the last quarter of 1933 and the first quarter of 1935 respectively. In Australia, the yield on Government bonds reached a low point in the last quarter of 1934, after which the series given in Appendix Table VIII shows a steady increase. Australia was one of the first countries where a substantial reduction of interest rates was effected in the depression. The "Premiers' Plan", adopted in June 1931, provided for a reduction

¹ Cf. *The Chinese Economic and Statistical Review*, November 1934.

of 22½% in the interest charge of the public debt by a comprehensive loan conversion carried out in the late summer of 1931, as well as for a general reduction of banks' loan and deposit rates. Accordingly, the trading banks' rates on three-month to two-year deposits was reduced by stages from 4½-5¼% in June 1931 to 1-2½% in January 1935; in the same period, the deposit rates of the Commonwealth Savings Bank were lowered from 3-4% to 1¾-2% and the discount rate on Treasury bills from 6% to 1¾%. The forces making for a rise of Australian interest rates in the succeeding period under the influence of advancing business activity will be considered in Sub-section 4 below.

3. THE RELATION BETWEEN DIFFERENT TYPES OF INTEREST RATES.

The relation between long-term and short-term rates.

Diagram 26 on the following page, based on the quarterly averages given in Appendix Table VIII, illustrates the movement of long-term and short-term interest rates in eight countries from 1929 to 1936; it traces also the percentage ratio of the former to the latter, in order to bring out more clearly the changes in the relation between the two types of rates. The long-term rate of interest is represented by the yield on Government bonds, except for Germany, where the yield on mortgage bonds is used. The price of short-term credit is illustrated by the market rate of discount on commercial bills, except for Japan, where the call-loan rate is believed to be a more sensitive indicator of money-market conditions. For the United States, the short-term rate is represented by the average of the rates on three-month acceptances and on commercial paper. Although in 1934-1936 these rates were controlled by the principal New York banks and therefore showed little or no movement in these years, they have appeared for the present purpose to be preferable to the rate on Treasury bills, which has at times fallen actually to zero. In the United Kingdom, it was the Treasury bill rate which was controlled by the banks during most of the period 1934-1936, and this control naturally influenced also the rate on bankers' drafts shown in the diagram. In certain other countries also (as, for example, in Switzerland, where the rate was not changed during the years 1933 and 1934), short-term money rates were controlled by informal agreements between commercial banks and showed themselves, in consequence, less responsive to market fluctuations than the yields of long-term bonds.

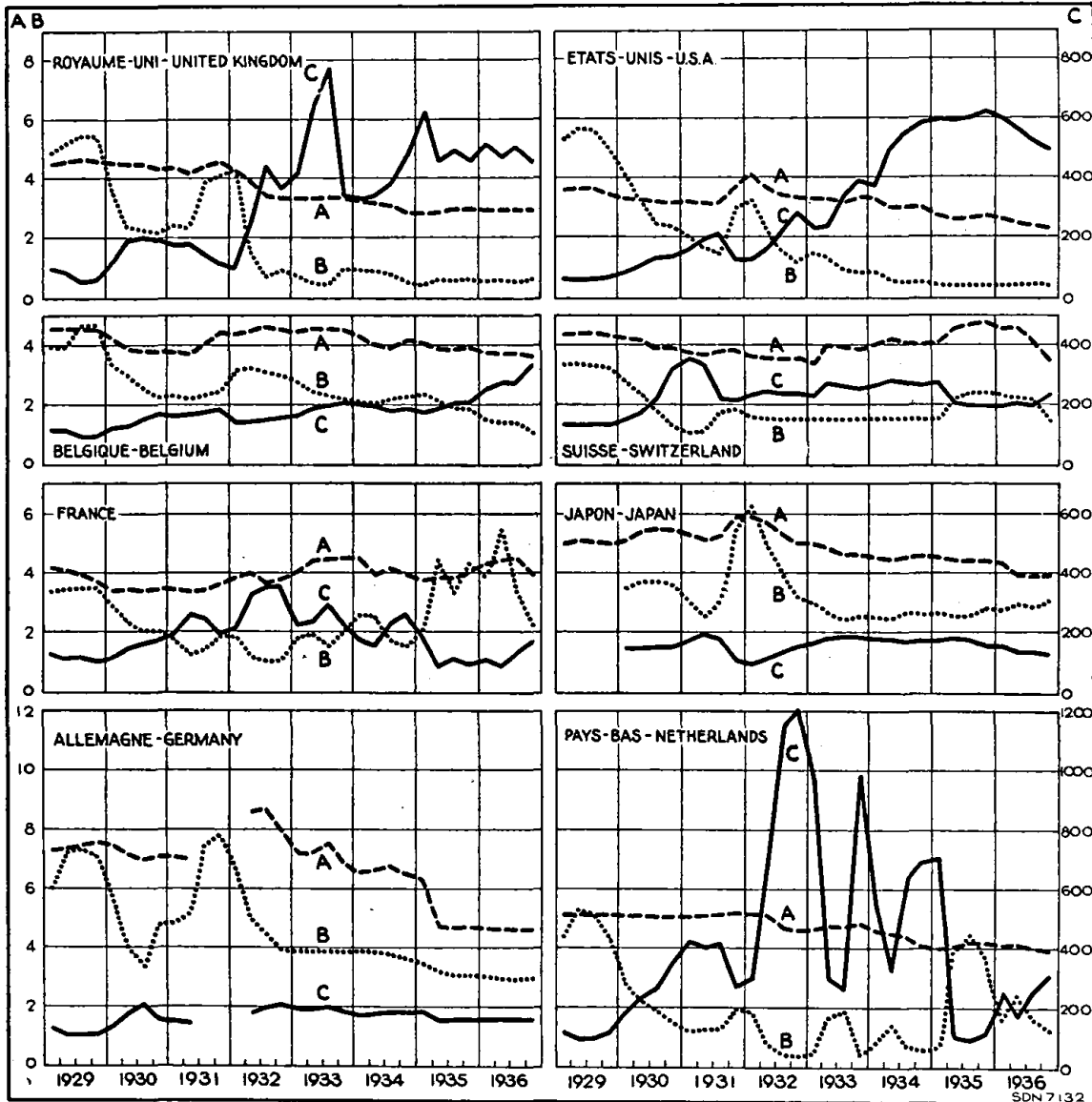
As the diagram shows, the collapse of the boom in 1929 was followed by a rapid decline in money rates; as long-term interest yields declined more slowly, the discrepancy between the two — which had been relatively small in 1929¹ — tended to increase in the eight countries in 1930. After an interruption in 1931, when — especially in the latter part of the year — the discrepancy was reduced, the movement towards a widening of the spread was resumed. In France and the Netherlands, however, the spread, though subject to considerable fluctuations, showed a narrowing tendency from 1932 to 1935, as the increasing monetary stringency in these countries reflected itself in a rising level of money rates, while at certain periods (notably in 1934) the shift of long-term investment funds in favour of fixed claims on a currency appreciating in terms of commodities tended to support the price of bonds and to prevent their yields from rising. The spread which developed in most countries after 1932 was particularly wide in the United Kingdom and the United States,

¹ In certain countries, such as the United States and the United Kingdom, short-term money rates in 1929 were actually higher than long-term interest rates.

Diagram 26.

BOND YIELDS AND MONEY RATES IN CERTAIN COUNTRIES, 1929-1936.

A. Bond yields in %. B. Money rates in %. C. Percentage ratio of A to B.



and it would probably have been wider still but for the agreements which the banks in these countries concluded under the pressure of cheap and abundant money, in order to prevent a fall of short-term rates towards zero. Thus the fluctuations of the percentage ratio of bond yields to money rates in the United Kingdom reflect the conclusion of such an agreement in October 1933 and its breakdown between September 1934 and February 1935. After the first quarter of 1935, the spread in the United Kingdom tended to widen rather than to narrow, as a result of the upward trend of bond yields and the stability of money rates, and in March 1937 the Treasury bill rate fell below 0.5% for the first time in two years, while the yield of 2½% Consols rose to over 3.25%, as compared with 2.69%

in January 1935. The reduction of the spread in the United States in 1936 resulted from an improvement of confidence in the future of bond prices, in some part due to measures of credit control, reflected in a slight increase in short-term rates, which diminished the fear of monetary inflation. The narrowing of the spread in Germany in 1935 and in Japan in 1936 was mainly due to a reduction of bond yields by large conversion operations. The diagram shows a marked increase in the ratio of bond yields to money rates in Belgium after the first quarter of 1935 — that is, after the devaluation of the belga. A similar increase took place in France, the Netherlands and Switzerland in the latter part of 1936.

Another aspect of the wide spread between long- and short-term interest rates prevailing in certain countries is the disparity between rates on different intermediate maturities, as illustrated by the following statement of various Government securities in Canada and the United States in September 1936 :

| Security | Percentage yield |
|---|------------------|
| Canada : | |
| 4½% bonds due November 1st, 1948-1958 | 3.13 |
| 3% bonds due June 1st, 1950-1955 | 2.86 |
| 5% bonds due October 15th, 1943 | 2.44 |
| 2½% bonds due June 1st, 1943 | 1.88 |
| 2% bonds due November 15th, 1939 | 1.07 |
| Treasury bills, three months | 0.64 |
| United States of America : | |
| Treasury bonds, due or callable after eight years | 2.41 |
| Treasury three- to five-year notes | 1.09 |
| Treasury 273-day bills | 0.16 |

The main factor underlying the discrepancy between bond yields and money rates and checking the shift of funds from the short-term to the long-term capital market has been the lack of confidence on the part of investors in the long-term prospects of bond prices and the fear of capital depreciation arising from a possible future rise of interest rates. It is for this reason that measures of monetary expansion have mainly affected short-term interest rates, which in some countries (such as the United States and the United Kingdom) have fallen to levels without historical precedent. The maintenance of abnormally low money rates in certain countries for a relatively long period of years without any commensurate increase in the demand for short-term funds would seem to suggest that the short-term rate of interest, as determining the cost of working capital, becomes a matter of importance to entrepreneurs only after a decline of long-term interest has had its effect in stimulating investment activity in productive equipment, the demand for short-term funds being influenced primarily by the prospective movement of prices rather than by the interest cost of carrying stocks.

Moreover, it should be noted that the exceptionally cheap rates prevailing in certain money markets have, as a rule, been only to a very limited extent obtainable by the ordinary trader. In most countries, the cheapest rates have been applicable only to Treasury bills — that is, to a relatively large volume of uniform and standardised paper, generally eligible for rediscount at the central bank, enjoying as a rule certain taxation privileges and issued by a borrower whose credit standing is normally not subject to question. In Belgium, Canada, India, Sweden, the Union of South Africa, the United Kingdom and the United States, Treasury bills were issued in 1936 at rates well below 1%. A similar standing is enjoyed by bankers' acceptances in the United Kingdom and the United States. These acceptances

carry the names of well-known accepting houses, and the lender has no need to enquire into the credit status of the ultimate borrower under each individual bill. Acceptances being mainly used in the financing of international trade, their supply has greatly diminished owing to exchange restrictions and clearing agreements, the instability of the exchanges and the comparatively low level of world trade. In the United States, the "commercial paper" rate was in 1936 the lowest money rate after the Treasury bill and acceptance rates; but this form of borrowing is only available to a limited number of large firms of undoubted credit. The proportion in which the benefit of low money-market rates has been shared by borrowers in the United States is illustrated by the fact that the total volume of outstanding commercial paper and acceptances amounted to only \$485 million at the end of June 1936, as compared with a total volume of \$2,354 million of Treasury bills outstanding at the same date.¹ In the United Kingdom, though no corresponding figures are available, the proportion of private to State borrowing on the short-term money market has probably not been very much higher in recent years. It should also be remembered that the published market rates on acceptances or commercial paper do not represent the only cost to the borrower; commission and other charges are payable to acceptors or commercial paper houses and others who negotiate such loans, and these charges have tended to remain relatively rigid during the period of falling money rates. The fact that the abnormally low rates prevailing in certain money markets have been only available to few borrowers except Governments is illustrated by the rate quoted for three- to six-month fine first-class trade bills in the London discount market, which has been practically unchanged at from 2 to 3% (according to the maturity) ever since November 1932.

The margin between the yields on industrial and Government bonds.

The quarterly movement of yields on industrial bonds and on Government securities in six countries during the period 1931-1936 is illustrated by Diagram 27 showing, in addition, the changes in the percentage ratio of industrial to Government bond yields.

In comparing the yields of industrial and Government bonds, account should be taken of the fact that the margin between the two may to some extent be due to tax exemptions and other privileges (such as eligibility for trustee investments) attaching to many Government bonds. In the main, however, changes in that margin may be taken to reflect changes in the "risk-premium" demanded by lenders on industrial investments. Government bonds being in general of a "gilt-edged" character, their actual percentage yield is, as a rule, more representative of the "pure" long-term rate of interest than the yield of private industrial bonds, in which the "risk-premium" plays a greater part. Owing to the general financial difficulties, business failures, etc., characteristic of a depression, the margin between the yield of Government securities and that of industrial bonds may then be expected to be relatively wide; while in a period of economic recovery the improvement of business and the increased willingness of the investor to take risks will tend to reduce that margin.

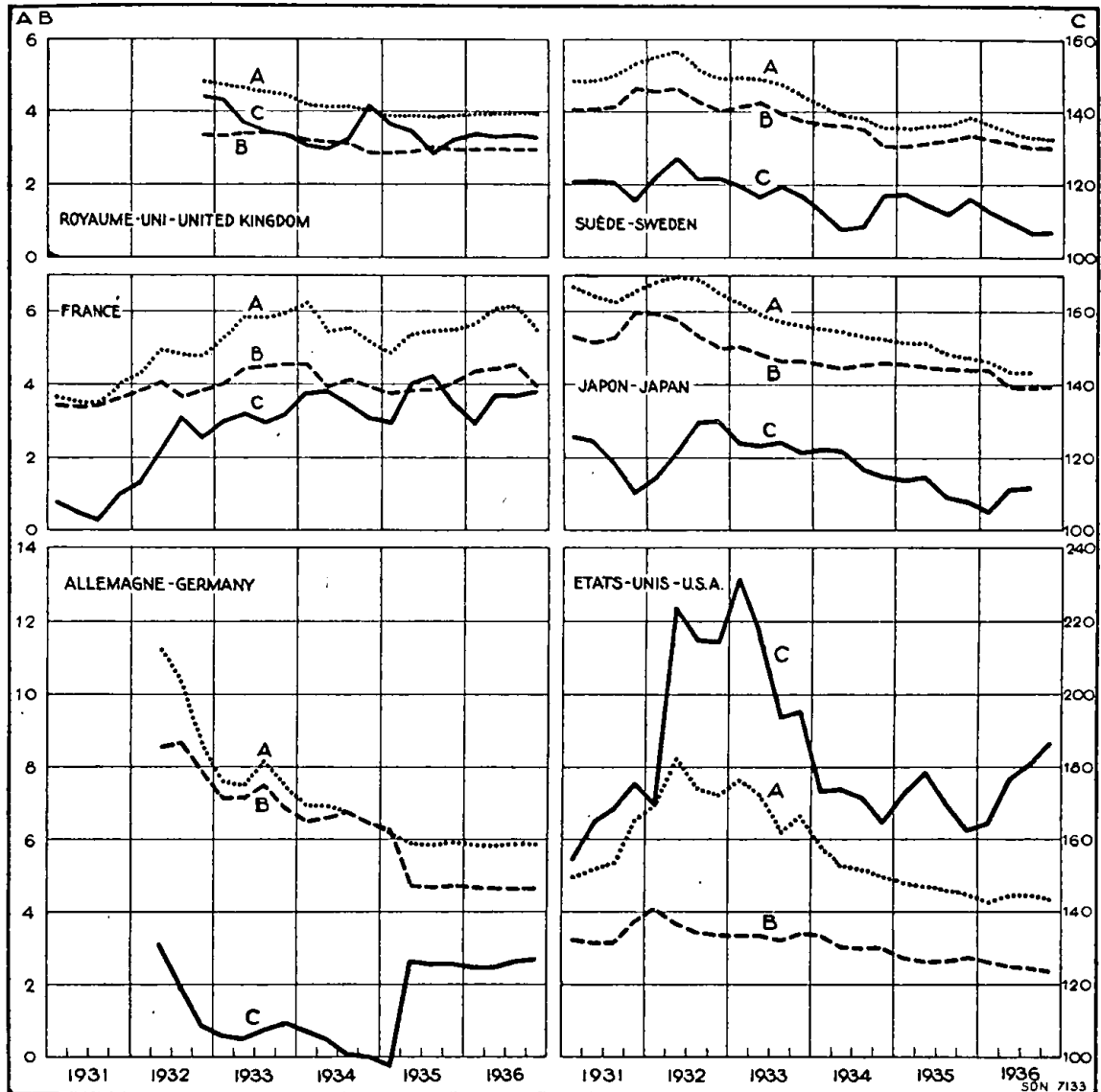
The diagram shows accordingly a substantial decline in the ratio of industrial to Government bond yields after 1932 in all the countries included except France, where the margin shows a rising trend from the middle of 1931 to the middle of 1935. In Germany and Japan, the margin was widened in 1935 and 1936 respectively by large conversion operations carried out by the Government. The increase of the margin in the United States

¹ For purposes of comparison, it may be mentioned that, at the corresponding date in 1928, when rates on acceptances and commercial paper were from 4 to 4¼%, the volume of acceptances and commercial paper was \$1,529 million; no Treasury bills were outstanding at that date.

Diagram 27.

YIELDS ON INDUSTRIAL AND GOVERNMENT BONDS IN CERTAIN COUNTRIES, 1931-1936.

A. Yield on industrial bonds.¹ B. Yield on Government bonds.² C. Percentage ratio of A to B.



in 1936 was mainly due to factors affecting the credit of the Government — that is, an improvement in budgetary prospects and anticipations of large purchases of Government bonds by the “ Trust Funds ” under the social insurance scheme. In France, on the other hand, the prospect of heavy Government borrowings contributed to reduce the percentage ratio of industrial to Government bond yields from the middle of 1935 to the first part of 1936. The rise in this ratio in the United Kingdom in 1934 appears to have been due to

¹ For France, miscellaneous bonds (see Table VIII of the Appendix).

² In the case of Germany the yield on mortgage bonds is used instead of Government bonds, as the former are of greater quantitative importance and as their movement conforms closely to the latter.

a rise in the rate of purchases of Government securities by the London Clearing Banks, as shown by Diagram 23, on page 83 above. In other countries also (as, for example, in Sweden), purchases of Government securities on the part of central or commercial banks have tended at times to widen the spread between industrial and Government bond yields. The resulting decline in the yield on Government bonds, even if that on industrial bonds has tended to lag behind, has not, of course, been without benefit to private producers, as the latter have thereby been able to finance investments by disposing of Government securities held on account of replacement or reserve funds at favourable prices.

Banks' deposit and loan rates.

The available information on interest rates allowed on deposits with commercial banks is far less complete than the statistics of market rates of short- or long-term interest. It appears, on the whole, that the spread between money rates and bond yields has to some extent reflected itself in the rates allowed on deposits for different periods, rates on deposits at sight or short notice having shown a greater proportionate decline than those on deposits payable at longer notice.¹

In Finland, for example, the average interest paid by the banks in the years 1926-1930 was 6.52% on time deposits and 4.95% on sight deposits. In 1936, the corresponding averages were 3.75% and 1.00%. The margin between the two has thus widened from 1.57 points in 1926-1930 to 2.75 in 1936.

The rates paid in Denmark since 1931 by the principal commercial banks on sight deposits and deposits payable at three months' notice are shown below. It will be seen that the absolute difference between the two rates tended to remain unchanged at 2½ points during this period; in the middle of 1933, it widened temporarily to 3 points.

| Per cent per annum | Rate on sight deposits | Rate on three-month deposits |
|--------------------------------|------------------------|------------------------------|
| September 5th, 1931 | 1½ | 3½ |
| September 26th, 1931 | 2 | 4½ |
| March 11th, 1932 | 1½ | 4 |
| May 30th, 1932 | 1 | 3½ |
| June 1st, 1933 | ½ | 3½ |
| November 30th, 1933 | ½ | 3 |
| August 22nd, 1935 * | 1 | 3½ |

* The rates fixed on this date were still in force at the end of 1936.

In Australia, the spread between three-month and two-year deposit rates, which widened from ¾ to 1 in 1931, remained unchanged during the succeeding years, as shown by the following statement of the rates allowed by the trading banks on deposits for various periods at the end of each of the years 1930-1936:

| Per cent per annum | Deposits for | | | |
|--------------------|--------------|------------|---------------|-----------|
| | Three months | Six months | Twelve months | Two years |
| 1930 | 4½ | 4¾ | 5 | 5½ |
| 1931 | 3 | 3¾ | 3¾ | 4 |
| 1932 | 2¼ | 2¾ | 3 | 3¼ |
| 1933 | 2 | 2½ | 2¾ | 3 |
| 1934 | 1½ | 2 | 2¼ | 2½ |
| 1935 | 1½ | 2 | 2¼ | 2½ |
| 1936 | 2 | 2½ | 2¾ | 3 |

¹ The rigidity of rates on longer-term deposits has probably in some cases been due to the competition of savings banks; the latter hold a larger proportion of their assets in long-term investments — on which the interest yield has fallen less than on short-term assets — and are therefore frequently in a stronger position to attract long-term deposits.

In the Union of South Africa, the rapid reduction of commercial banks' deposit rates between October 1932 and June 1933 affected short-term deposits much more than deposits payable at longer notice, as shown below :

| Per cent per annum | Deposits for | | | |
|---------------------------|--------------|------------|-------------|---------------|
| | Three months | Six months | Nine months | Twelve months |
| January 20th, 1932 . . . | 4¼ | 4¾ | 5 | 5 |
| October 10th, 1932 . . . | 3¼ | 3¾ | 4 | 4¼ |
| January 11th, 1933 . . . | 2¾ | 3¼ | 3½ | 3¾ |
| January 25th, 1933 . . . | 1 | 2 | 2½ | 3¼ |
| February 15th, 1933 . . . | — | 1½ | 2 | 3 |
| March 20th, 1933 | — | ½ | 1 | 2½ |
| June 5th, 1933 | — | ½ | ½ | 2 |

In the United States, the maximum rate on all time-deposits held by member banks, as fixed by the Federal Reserve Board, was maintained at 3% from November 1933 to January 1935 and at 2½% from February 1935 to the end of that year. The new rates which came into effect on January 1st, 1936, differentiated sharply between deposits for different periods ; while the maximum rate on deposits payable in six months or more was maintained at 2½%, the rate on three- to six-month deposits was reduced to 2% and the rate on deposits payable in less than three months was lowered to 1%.

The Banking Act of 1933 virtually abolished the payment of interest on demand deposits in the United States. The abundance of short-term funds appears to have led to similar results in certain other countries — as, *e.g.*, in Sweden, where the commercial banks ceased to allow interest on demand deposits of less than 1,000 kronor from January 1st, 1937.

In many countries, reductions in deposit rates of commercial banks have been effected under unofficial pressure from the authorities or even by direct legislative action.¹ Such reductions have often preceded important conversions of Government loans. Thus the deposit rates of the Australian trading banks were reduced by 1% in June 1931 in preparation of the conversion of the internal Government debt in July and August 1931. In Canada, a large Government conversion loan issued in the autumn of 1933 was preceded by a reduction of the rate on savings deposits from 3% to 2½% on the initiative of the Government. The Argentine Government converted almost the whole of its internal debt to a lower interest-basis in November 1933, after the rates on time deposits at commercial banks had been lowered from 2½-5¾% to 1-4½% in the earlier part of the year. A general reduction of deposit rates in Japan in April 1936 was followed by large conversion operations undertaken by the Government between May and September 1936. In Czechoslovakia, on the other hand, in contrast to the cases just mentioned, a legal reduction by 10% in interest paid on Government loans was expressly intended to prevent possible withdrawals of deposits as a result of the reduction of deposit rates which was carried out at the beginning of 1936, when the maximum rates on deposits were reduced by law by ½-¾% to a range of 3-3½% and rates on bank loans, discounts and advances by 1-1½% to legal maxima of 4½-7¼%.

Owing to the scarcity and inadequacy of the relevant data, a comprehensive picture of the movement of rates charged in the different countries by commercial banks on their loans and advances is even more difficult to obtain than in the case of deposit rates. The prevailing impression is that, during the general fall of interest rates, bankers' loan rates have been relatively rigid and that they have declined proportionately less than deposit

¹ The latter procedure has been applied by some agricultural debtor countries, such as Denmark, Estonia and Hungary, where legal maximum rates on bank deposits were established in 1933.

rates. In Finland, however, though the average rate on commercial banks' loans and advances has fallen proportionally less than their average deposit rate — the former fell from 9.38% in 1931 to 6.34% in 1935 (or by 32%), while the latter was reduced from 5.61 to 3.35% (or by 40%) during the same period — the spread between the two rates actually narrowed from 3.77 in 1931 to 2.99% in 1935. In Sweden, similar figures are only available for the savings banks, whose average rate on all credits outstanding declined from 5.42% in 1930 to 4.38% in 1934 (or by 19%); their average deposit rate was reduced from 4.35% in 1930 to 3.09% in 1934 (or by 29%), and the spread therefore increased from 1.07 in the former to 1.27 in the latter year.¹ In the Argentine, the spread between the range of banks' loan rates shown in Appendix Table VIII and the range of rates allowed on time deposits widened from 1½–2½% in the years 1929–1931 to 2½–3½% in 1935–1936. In the United Kingdom, before the era of cheap money set in in 1932, the rate of the London Clearing Banks for deposits at seven days' notice was held normally 2% below, and the rate charged on advances usually ½–1% above, the discount rate of the Bank of England, the normal spread thus ranging from 2½ to 3%; after 1932, however, the deposit rate was ½%, while the rate on advances did not fall below 4–5%, so that the spread increased to about 4%.

Appendix Table VIII includes the interest rate charged on mortgage loans by the savings banks in Sweden. This rate, which is of particular significance for the activity of the building industry, shows a remarkable decline after 1931: between the last quarter of 1931 and the last quarter of 1936 it fell by 44%, as compared with a decline by 35% in the yield of Swedish Government bonds in the same period. In contrast to this, the average interest rate charged in the United Kingdom on mortgage loans by building societies, which stood at 5.78% in 1929, only declined from 5.88% in 1932 to 5.48% in 1934 and to 5.20% in 1935.²

A continuous series of average loan rates charged by commercial banks is available for the United States and is shown in Table VIII of the Appendix.³ It will be seen that, during the period considered, the banks' loan rate stood at its highest level in 1929, along with short-term open-market rates. After 1932, the proportionate decline in the loan rate was less than that of any other series shown for the United States. On the other hand, however, the loan rate had risen less than other rates in the second half of 1931 and the first half of 1932.

In the case of Chile, a similar stability of the average loan rate of commercial banks may be observed from Appendix Table VIII; the rate declined from an annual average of 9.53% in 1931 to one of 7.14% in 1934, while the yield on Government bonds fell from 11.82% to 7.53%.

In Germany, the rate on loans and advances agreed upon by the big Berlin banks was reduced from 8% to 7% in September 1932 and further to 6½% in March 1935, but has not been changed since then, while the annual average of the yield on mortgage bonds has fallen from 8.33% in 1932 to 4.67% in 1936.

The comparative rigidity of interest rates on bank advances has to some extent been naturally dictated by the necessity for covering relatively heavy overhead expenses and by the desire to earn a dividend. The fall in open-market money rates and bond yields

¹ See the *Statistical Year-Book of Sweden*, 1936, page 203.

² These figures are calculated by the *Economist* for ninety-eight building societies (representing 84% of the total assets of the building-society movement in 1934) and are published in the *Economist* of April 11th, 1936, page 85.

³ The series chosen is that for twenty-seven southern and western cities as being more representative than rates in New York City or other northern and eastern cities. The margin between this series and that for New York City has widened appreciably in recent years. The percentage ratio of the former to the latter rose from 104 in 1929 to 125 in 1932, to 155 in 1934 and to 175 in 1936.

having reduced the income from a large part of their assets, the banks have generally not been able to reduce their loan rates in the same degree. Since their total advances are normally much larger than their share capital, a given reduction in the interest rate on bank loans involves a more than proportionate decrease in the rate of return on their own capital. The need for writing off frozen assets and losses incurred during the depression has been another factor keeping rates on bank advances relatively high. Moreover, it may be that the rigidity of loan rates has been greater in appearance than in reality, since the granting of bank loans is generally connected with a certain amount of selective restriction and rationing, which has probably been considerably relaxed with the growing abundance of money.

4. INTEREST RATES AND ECONOMIC RECOVERY.

The volume of new security issues is one of the factors reflecting the increase in the demand for capital which accompanies economic recovery and which normally tends to raise the long-term rate of interest. The table on page 104 shows the movement of capital issues in eight countries during the years 1928 to 1936. Although the data for the countries included are not compiled on a comparable basis, they may be used to illustrate the broad trends prevailing in the different capital markets during the period covered by the table.¹

The figures for foreign issues in the United States, France, the Netherlands, Switzerland and the United Kingdom — the world's principal creditor countries — illustrate the virtual absence of international long-term investment through public issues in the latter part of the period in question.

The data on refunding and conversion issues shown for the United States and the United Kingdom (excluding domestic Government issues) indicate the extent to which debtors have been able to take advantage of low interest rates by issuing new obligations on cheaper terms. It will be observed that even foreign debtors, though practically excluded from the market for new capital in the creditor countries, have been able to carry out a considerable amount of debt conversion and refunding in New York and London in recent years.

An outstanding feature revealed by the table is the high level of Government issues in certain countries. In the United States — as shown by footnote * to that table — the net issues of the Treasury since 1932 have been far larger than all other net issues combined. In Japan, the great bulk of the total net issues of bonds since 1932 has consisted of Government bonds. The same is true of Germany, especially in the years 1935 and 1936. As pointed out earlier, the large Government issues in these three countries, being mainly financed by an expansion of bank credit, have not, generally speaking, competed with private issues and have not prevented a decline of interest rates, whereas in France, where more than half of total domestic issues from 1933 to 1936 have been on Government account, Government borrowing has made increasing demands on a declining supply of available funds and has tended to raise the cost of new capital to private borrowers. As shown by the table, capital issues of domestic companies as recorded in France have steadily declined from 26.8 milliard francs in 1930 to only 3.6 milliards in 1936. In the United States, Government loan expenditure had rendered business firms so liquid that in 1936, at the end of which year industrial production just touched the 1929 level, capital issues of domestic companies,

¹ The table is based on more detailed figures given in the *Statistical Year-Book of the League of Nations*. Particulars regarding the methods of compilation, the scope of the data, etc., for the United States, Japan, France, Switzerland and the United Kingdom will be found in the 1935/36 edition of that publication, while the corresponding information for Germany, the Netherlands and Sweden will be found in the 1936/37 edition.

CAPITAL ISSUES IN CERTAIN COUNTRIES, 1928-1936.

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|--|---------|----------|---------|---------|---------|---------|---------|----------|--------------------|
| UNITED STATES OF AMERICA.* | | | | | | | | | |
| \$ (000,000's) | | | | | | | | | |
| Net Issues : | | | | | | | | | |
| Domestic | 6,789.1 | 9,419.8 | 6,003.9 | 2,860.1 | 1,165.0 | 707.9 | 1,386.4 | 1,408.6 | 1,961.8 |
| Federal and local authorities | 1,443.0 | 1,417.8 | 1,520.8 | 1,309.4 | 839.6 | 547.3 | 1,208.1 | 1,005.1 | 767.9 |
| Companies | 5,346.1 | 8,002.1 | 4,483.1 | 1,550.7 | 325.4 | 160.6 | 178.3 | 403.5 | 1,193.9 |
| of which — Bonds | 2,385.3 | 2,078.2 | 2,979.7 | 1,239.4 | 305.2 | 40.3 | 143.7 | 334.2 | 841.4 |
| Shares | 2,960.7 | 5,923.9 | 1,503.4 | 311.3 | 20.2 | 120.3 | 34.6 | 69.3 | 352.5 |
| United States Possessions | 6.2 | 5.1 | 10.3 | 1.7 | 1.3 | 1.5 | — | 3.5 | 1.6 |
| Foreign | 1,319.1 | 757.8 | 1,009.2 | 253.7 | 26.0 | 0.1 | — | — | 23.0 |
| Grand Total | 8,114.4 | 10,182.8 | 7,023.4 | 3,115.5 | 1,192.3 | 709.5 | 1,386.4 | 1,412.1 | 1,986.4 |
| Refunding : | | | | | | | | | |
| Domestic | 1,619.8 | 1,387.4 | 527.1 | 892.9 | 498.0 | 282.6 | 764.7 | 3,216.0 | 4,110.2 |
| Federal and local authorities | 35.6 | 12.9 | 53.0 | 72.4 | 179.5 | 63.3 | 453.1 | 1,352.2 | 725.2 |
| Companies | 1,584.2 | 1,374.5 | 474.0 | 820.5 | 318.5 | 219.3 | 311.6 | 1,863.8 | 3,385.0 |
| United States Possessions | — | — | — | — | — | — | — | 8.2 | 1.8 |
| Foreign | 257.7 | 22.0 | 126.5 | 14.5 | 40.0 | 61.6 | 61.2 | 116.0 | 156.5 |
| Grand Total | 1,877.5 | 1,409.4 | 653.7 | 907.4 | 538.0 | 344.2 | 825.9 | 3,340.2 | 4,268.5 |
| JAPAN. | | | | | | | | | |
| Yen (000,000's) | | | | | | | | | |
| Bonds (net issues) | | | | | | | | | |
| of which — Government | 1,218.5 | 465.9 | 386.3 | 345.2 | 1,004.1 | 1,342.6 | 1,063.2 | 1,207.7 | 1,064.0 |
| Industry, transport, etc. | 444.7 | 112.4 | 3.0 | 63.6 | 525.0 | 1,249.6 | 842.5 | 965.4 | 864.1 |
| Mortgage institut., banks, etc. | 396.6 | 163.4 | 126.9 | 77.5 | 74.0 | 8.3 | 240.1 | 209.2 | 132.6 |
| Shares (gross issues) | 89.3 | 78.6 | 168.1 | 73.3 | 134.4 | 166.9 | 141.8 | 51.8 | 79.1 |
| Grand Total | 337.6 | 399.2 | 197.8 | 185.6 | 149.6 | 448.8 | 577.9 | 448.8 | 738.1 |
| FRANCE. | | | | | | | | | |
| Francs (000,000's) | | | | | | | | | |
| Domestic issues | | | | | | | | | |
| of which — Treasury and Amortis. Fund | 33,086 | 29,400 | 31,510 | 29,500 | 28,233 | 26,786 | 28,516 | 20,019 | 12,453 |
| Bonds | 18,174 | 7,190 | 1,016 | 862 | 10,754 | 13,666 | 15,666 | 10,123 | 7,298 ^b |
| Companies | 7,580 | 10,982 | 22,424 | 20,543 | 11,971 | 8,888 | 8,705 | 6,100 | 3,036 |
| Shares | 6,496 | 8,323 | 4,373 | 2,048 | 1,356 | 963 | 984 | 907 | 560 |
| Foreign Government's issues | 130 | 562 | 2,687 | 4,354 | 1,400 | 1,508 | — | — | — |
| GERMANY. | | | | | | | | | |
| R.M. (000,000's) | | | | | | | | | |
| Domestic Issues : | | | | | | | | | |
| Bonds | 2,905 | 1,685 | 2,926 | 1,338 | 824 | 1,454 | 872 | 2,655 | 3,595 |
| of which — Public bonds (incl. Govern- ment, public enterpr., etc.) | 663 | 520 | 529 | 65 | 511 | 1,029 | 334 | 1,643 | 2,671 |
| Mortgage bonds | 1,459 | 899 | 1,814 | 993 | 280 | 371 | 465 | 831 | 724 |
| Companies | 294 | 8 | 36 | 1 | 10 | 2 | 4 | 3 | 47 |
| Shares | 1,339 | 979 | 555 | 635 | 150 | 91 | 143 | 156 | 395 |
| Grand Total | 4,244 | 2,664 | 3,481 | 1,973 | 974 | 1,545 | 1,015 | 2,811 | 3,990 |
| NETHERLANDS. | | | | | | | | | |
| Florins (000,000's) | | | | | | | | | |
| Net Issues : | | | | | | | | | |
| Domestic | | 316.7 | 294.4 | 184.4 | 239.8 | 261.6 | 263.1 | 35.5 | 154.8 |
| of which — Government | | | | | | | | | |
| Bonds | | 26.0 | 87.0 | 23.9 | 14.0 | 6.7 | 11.4 | 3.7 | 6.4 |
| Shares | | 232.8 | 19.9 | 1.9 | 0.4 | 1.3 | 16.8 | 1.6 | 2.2 |
| Foreign | | 104.2 | 204.9 | 37.5 | 23.1 | — | 0.3 | — | 0.5 |
| SWEDEN. | | | | | | | | | |
| Kronor (000,000's) | | | | | | | | | |
| Domestic Issues : | | | | | | | | | |
| Bonds (gross issues) | 341.5 | 243.5 | 903.4 | 583.0 | 464.6 | 717.9 | 499.7 | 523.6 | 617.1 |
| of which — Government | 7.1 | 44.1 | 437.5 | 227.6 | 151.1 | 428.1 | 162.8 | 59.5 | 317.3 |
| Companies | 205.8 | 100.4 | 246.5 | 185.5 | 20.0 | 60.6 | 63.0 | 130.2 | 43.4 |
| Bonds, converted and redeemed | 257.6 | 286.3 | 758.7 | 531.1 | 263.6 | 578.3 | 409.2 | 421.0 | 586.7 |
| of which — Government | 7.3 | 100.9 | 453.0 | 196.8 | 47.0 | 304.5 | 77.6 | 88.8 | 312.3 |
| Companies | 153.6 | 110.6 | 175.0 | 211.6 | 44.5 | 123.0 | 100.3 | 125.4 | 98.8 |
| Shares | 287.6 | 262.3 | 244.6 | 303.8 | 141.9 | 92.2 | 102.9 | 133.5 | 138.9 |
| SWITZERLAND. | | | | | | | | | |
| Francs (000,000's) | | | | | | | | | |
| Net Issues : | | | | | | | | | |
| Domestic | 337.03 | 756.02 | 306.90 | 545.17 | 332.91 | 282.32 | 436.59 | 162.48 | 420.64 |
| of which — Federal Government (incl. Fed. Railways) | (—3.00) | — | (—5.00) | 148.75 | 154.45 | 95.54 | 197.65 | (—10.20) | 325.78 |
| Bonds | 50.83 | 212.93 | 240.26 | 277.15 | 109.65 | 108.10 | 114.17 | 113.58 | 51.21 |
| Shares | 281.70 | 507.69 | 28.68 | 24.42 | 11.80 | 5.96 | 8.31 | 3.60 | 1.20 |
| Foreign Bond issues | 91.60 | 110.08 | 305.49 | 103.34 | 144.89 | (—1.37) | 5.50 | — | — |
| UNITED KINGDOM.* | | | | | | | | | |
| £ (000,000's) | | | | | | | | | |
| Net Issues : | | | | | | | | | |
| United Kingdom | 176.6 | 136.4 | 121.9 | 40.0 | 87.7 | 95.2 | 118.2 | 163.7 | 207.0 |
| of which — Local authorities | 17.1 | 1.7 | 29.0 | 7.2 | 10.2 | 24.0 | 28.2 | 22.6 | 41.5 |
| Companies | 159.4 | 134.7 | 92.9 | 32.9 | 77.5 | 70.2 | 91.0 | 141.1 | 165.6 |
| Other British countries | 80.1 | 55.0 | 73.5 | 36.9 | 28.8 | 33.2 | 34.0 | 17.1 | 28.3 |
| Foreign countries | 63.3 | 37.9 | 32.7 | 12.4 | 0.2 | 6.9 | 3.9 | 3.4 | 3.3 |
| Grand Total | 326.7 | 239.4 | 234.7 | 89.6 | 117.1 | 135.7 | 161.2 | 185.0 | 239.4 |
| Refunding and Conversions : | | | | | | | | | |
| United Kingdom | | | | | 17.4 | 64.8 | 49.4 | 59.5 | 49.9 |
| of which — Local authorities | | | | | 2.7 | 0.5 | 5.1 | 14.9 | 19.7 |
| Companies | | | | | 14.7 | 64.3 | 44.3 | 44.6 | 30.3 |
| Other British countries | | | | | 24.4 | 129.7 | 68.9 | 62.2 | 43.2 |
| Foreign countries | | | | | 0.1 | — | 26.2 | 9.4 | 15.8 |
| Grand Total | | | | | 41.8 | 194.4 | 146.6 | 131.2 | 109.8 |

* Excluding United States Treasury issues, for which the following figures are available since 1932 :

| | 1932 | 1933 | 1934 | 1935 | 1936 |
|----------------------|---------|---------|---------|---------|---------|
| Net issues | 3,074.0 | 3,022.3 | 4,759.4 | 3,484.2 | 3,452.9 |
| Refunding | 5,139.2 | 7,354.6 | 7,830.2 | 9,008.6 | 5,773.0 |

^b Excluding National Defence loan issued in December 1936.

^c Figures of the Bank of England. Excluding United Kingdom Government issues.

^d Includes small amounts which cannot be allocated to the above groups.

though greatly increased since 1933, were still only a fraction of the figure for 1929.¹ In the United Kingdom, however, where Government borrowings (not included in the figures shown in the table) have been relatively small during the period 1928-1936, net issues of domestic companies have shown a marked recovery since the low point of 1931, surpassing in 1936 even the previous peak level of 1928.

The revival of economic activity may affect the long-term rate of interest as reflected in the yield of bonds, not only through an increase in the total volume of securities outstanding, but also through a certain divergence observable at times between the price movement of the two main types of securities outstanding — *i.e.*, bonds and shares. When profits and dividends rise, the attractiveness of shares relatively to that of fixed-interest securities is naturally increased ; investors are tempted to redistribute their security holdings in favour of shares ; and, unless the flow of new funds seeking investment is sufficient to maintain bond prices, this shift from bonds to shares tends to depress the prices of bonds and to raise their interest yield. The rise of commodity prices, which reduces the interest return obtainable on bonds in terms of goods, tends to have a similar effect. Diagram 28 on the following page, which compares the market prices of representative Government bonds (or, as in the case of Germany and Norway, indices of bond prices) with indices of the prices of industrial shares in a number of countries, may usefully be examined from this point of view. It may be seen that, in Chile, Denmark and the United Kingdom, prices of bonds declined during 1935 and 1936, while share prices rose. In other countries also, a similar divergence shows itself at times between the movement of the two curves in recent years. In Norway, the index of bond prices declined from 102 to 97.7 between August 1935 and August 1936, while the share index rose from 87.1 to 109.1 in the same period. In Canada, the price of a 4½% Dominion loan declined from 110.75 to 107.13 during 1935 (in spite of an increase in the holdings of Government securities by the chartered banks from \$781 million to \$956 million), while the index of share values rose from 47.0 to 66.7.

In a number of countries, certain factors have already become apparent which operate through the commercial banking system and tend to influence interest rates in an upward direction. The increase in prices and production entails a revival of the demand for bank advances, as business-men require larger funds for the carrying of stocks at higher prices and for the financing of an increased volume of business turnover generally. As a result, banks may have to "make room" for their commercial customers by selling securities on the market, unless their cash reserves are large enough to meet the demand for advances without reducing other assets, or unless the central bank expands their cash basis for this purpose. In addition, the rise in prices, employment and wages tends to increase the currency requirements of the public for retail transactions, wage payments, etc., deposits are partly converted into bank-notes, and the cash reserves of the banks tend to decline. Unless this drain of cash into circulation is offset by the central bank, commercial banks may have to restrict credit and to raise interest rates.

The table on page 107 is intended to illustrate the operation of these forces in eight countries which have all attained an advanced stage of recovery. The table shows the relevant items of commercial-bank accounts and also the movement of the note circulation, wholesale

¹ In comparing the volume of company issues in the United States in 1936 with those in 1929, account must be taken, however, of the large issues made in 1929 by investment trusts, etc., the proceeds of which were in large part used merely for the purchase of other securities. According to details available (not shown in the attached table), \$2,222 million out of a total of \$8,640 million of company issues (domestic and foreign) were in 1929 made by investment trusts, etc. Such issues shrank to negligible amounts after 1929, amounting in 1936 only to \$13 million out of a total of \$1,217 million.

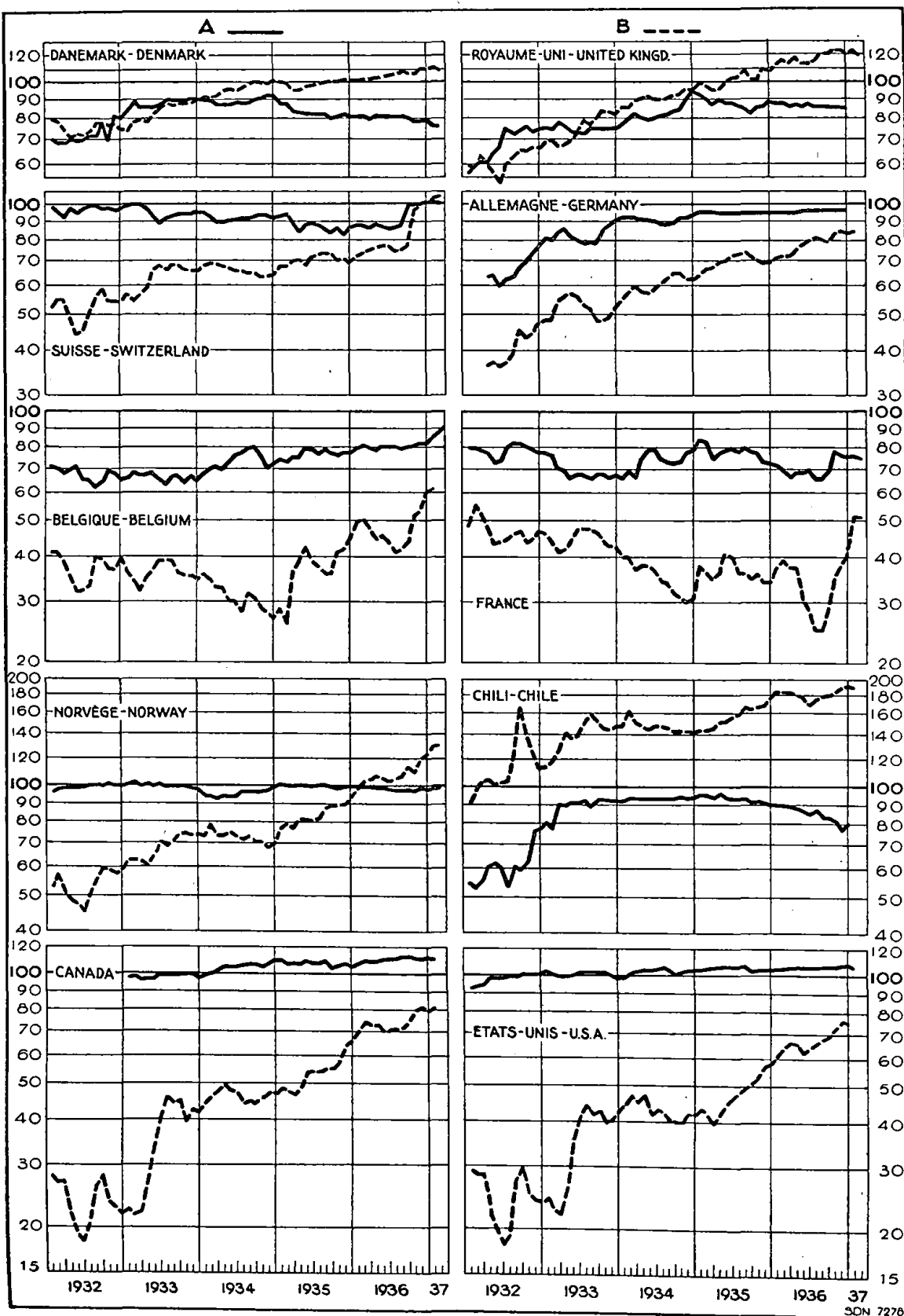
Diagram 28.

PRICES OF BONDS AND INDICES OF THE MARKET VALUE OF INDUSTRIAL SHARES, 1932-1937.

A. Bond prices.

B. Share indices (1929 = 100).

Logarithmic scale.



| End of : | 1933 | 1934 | 1935 | 1936 | End of : | 1933 | 1934 | 1935 | 1936 |
|---|-----------------|-------|-------|-------|--|--------|--------|--------|--------|
| AUSTRALIA. | | | | | CHILE. | | | | |
| £(A) (000,000's) | | | | | Pesos (000,000's) | | | | |
| <i>Trading Banks : ^a</i> | | | | | <i>Commercial Banks : ^o</i> | | | | |
| Advances | 239.3 | 248.1 | 260.8 | 267.6 | Loans and discounts ^d | 1,232 | 1,430 | 1,700 | 1,825 |
| Securities | 49.6 | 50.5 | 48.0 | 41.4 | Securities | 211 | 216 | 266 | 262 |
| Cash | 42.7 | 47.1 | 33.6 | 31.2 | Cash | 353 | 296 | 266 | 320 |
| Deposits | 281.4 | 294.8 | 292.3 | 294.0 | Deposits | 1,249 | 1,404 | 1,628 | 1,775 |
| Ratio of cash to deposits | 15.2 | 16.0 | 11.5 | 10.6 | Ratio of cash to deposits | 28.3 | 21.1 | 16.3 | 18.0 |
| Net note circulation ^b | 29.1 | 28.3 | 30.4 | 34.8 | Net currency circulation ^o | 350 | 385 | 433 | 515 |
| Wholesale prices (1929 = 100) | 79.7 | 80.9 | 81.0 | 89.4 | Wholesale prices (1929 = 100) | 167.4 | 177.7 | 120.8 | 210.8 |
| Yield of Government bonds | 3.62 | 3.20 | 3.85 | 4.02 | Industrial production (1929=100) | 91.1 | 113.1 | 120.8 | 131.1 |
| | | | | | Yield of Government bonds | 7.65 | 7.45 | 7.79 | 8.75 |
| DENMARK. | | | | | JAPAN. | | | | |
| Kroner (000,000's) | | | | | Yen (000,000's) | | | | |
| <i>Commercial Banks :</i> | | | | | <i>Ordinary banks :</i> | | | | |
| Loans and discounts | 1,638 | 1,676 | 1,747 | 1,940 | Loans and discounts ^t | 6,032 | 5,872 | 6,121 | 6,660 |
| Securities | 588 | 673 | 658 | 604 | Securities | 3,305 | 3,872 | 4,222 | 4,874 |
| Cash | 199 | 200 | 190 | 162 | Cash | 599 | 736 | 635 | 683 |
| Deposits | 1,982 | 2,059 | 2,092 | 2,169 | Deposits | 8,727 | 9,354 | 9,874 | 10,932 |
| Ratio of cash to deposits | 10.0 | 9.7 | 9.1 | 7.5 | Ratio of cash to deposits | 6.9 | 7.8 | 6.4 | 6.3 |
| Note circulation | 375 | 386 | 384 | 399 | Note circulation ^g | 1,470 | 1,538 | 1,608 | 1,756 |
| Wholesale prices (1929 = 100) | 85.6 | 92.4 | 95.5 | 103.0 | Wholesale prices (1929 = 100) | 79.8 | 82.4 | 87.3 | 97.8 |
| Industrial production (1929=100) | 96.0 | 116.0 | 124.0 | 132.0 | Industrial production (1929=100) | 124.4 | 145.4 | 152.8 | 172.4 |
| Yield of Government bonds | 3.90 | 3.83 | 4.34 | 4.52 | Yield of Government bonds | 4.56 | 4.61 | 4.32 | 3.91 |
| SWEDEN. | | | | | UNION OF SOUTH AFRICA. | | | | |
| Kronor (000,000's) | | | | | £ (000,000's) | | | | |
| <i>Commercial Banks :</i> | | | | | <i>Commercial Banks :</i> | | | | |
| Loans and discounts | 3,905 | 3,795 | 3,828 | 3,992 | Advances | 30.8 | 38.6 | 39.9 | 44.3 |
| Securities | 462 | 640 | 648 | 612 | Securities | 7.6 | 8.6 | 5.7 | 13.6 |
| Cash | 333 | 287 | 281 | 393 | Cash | 29.4 | 25.2 | 31.4 | 25.8 |
| Deposits | 3,628 | 3,553 | 3,632 | 3,833 | Deposits | 80.6 | 84.9 | 88.0 | 94.3 |
| Ratio of cash to deposits | 9.2 | 8.1 | 7.7 | 10.2 | Ratio of cash to deposits | 36.4 | 29.6 | 35.7 | 27.4 |
| Note circulation | 648 | 708 | 786 | 893 | Note circulation | 11.9 | 13.0 | 14.1 | 16.4 |
| Wholesale prices (1929 = 100) | 78.6 | 82.1 | 84.3 | 90.0 | Wholesale prices (1929 = 100) ^l | 86.0 | 85.0 | 82.8 | 85.1 |
| Industrial production (1929=100) | 99 ^h | 115 | 123 | 136 | | | | | |
| Yield of Government bonds | 3.71 | 3.01 | 3.32 | 3.03 | | | | | |
| UNITED KINGDOM. | | | | | UNITED STATES OF AMERICA. | | | | |
| £ (000,000's) | | | | | \$ (000,000's) | | | | |
| <i>London Clearing Banks : ^j</i> | | | | | <i>All Member Banks :</i> | | | | |
| Advances | 736 | 754 | 779 | 858 | Commercial loans ¹ | 4,972 | 4,708 | 5,006 | 6,041 |
| Securities | 565 | 594 | 605 | 631 | Securities | 12,386 | 16,122 | 17,810 | 19,640 |
| Cash | 213 | 216 | 221 | 236 | Cash | 3,149 | 4,691 | 6,238 | 7,269 |
| Deposits | 1,941 | 1,971 | 2,091 | 2,238 | Deposits ^m | 20,631 | 24,706 | 28,481 | 32,076 |
| Ratio of cash to deposits | 11.0 | 11.0 | 10.6 | 10.5 | Ratio of cash to deposits | 15.3 | 19.0 | 21.9 | 22.7 |
| Net currency circulation ^o | 374 | 384 | 407 | 449 | Note circulation | 5,519 | 5,536 | 5,882 | 6,543 |
| Wholesale prices (1929 = 100) ^k | 76.7 | 76.9 | 80.0 | 88.3 | Wholesale prices (1929 = 100) | 74.3 | 80.7 | 84.9 | 88.4 |
| Industrial production (1929=100) | 93.9 | 104.2 | 112.4 | 123.1 | Industrial production (1929=100) | 63.0 | 71.4 | 84.9 | 101.7 |
| Yield of Government bonds | 3.37 | 2.68 | 2.89 | 2.96 | Yield of Government bonds | 3.53 | 2.97 | 2.73 | 2.30 |

^a Average for last quarter of each year.

^b Notes held by the public.

^c Figures published in the *Monthly Bulletin* of the Central Bank of Chile. Amounts in foreign currencies converted at current official rates.

^d Loans and discounts to the public only (excluding the Government, public departments, credit institutions, etc.).

^e Notes and coin held by the public.

^f Excluding call loans.

^g Excluding notes held as reserve by banks of issue other than the Bank of Japan.

^h January 1934.

ⁱ October figures.

^j Ten banks throughout. December averages.

^k Board of Trade index.

^l All loans other than loans on securities, loans to banks, loans on real estate, acceptances and commercial paper.

^m Excluding Government, bankers' and Postal Savings deposits, and items in process of collection.

prices and — where possible — industrial production and bond yields between the end of 1933 and the end of 1936.

The advance of internal trade and building activity which has taken place in Australia since 1933 has had a very marked effect on the banking situation. It will be noticed that the steady rise in advances has been accompanied, since 1934, by a reduction in security holdings, while the fall in bankers' cash reserves since 1934 appears to have been partly due to a substantial increase in the amount of notes in the hands of the public, particularly during 1936, when the rise of prices was greatly accelerated. Part of the reduction in cash reserves and bank deposits which occurred in 1935 was doubtless due to a deterioration of the external exchange position as reflected in a decline of the sterling balances of the Commonwealth Bank from £(A) 37.7 million at the end of 1934 to £(A) 28.3 million at the end of 1935. But the internal factors making for dearer money — the rising demand for bank advances and the drain of currency into circulation — clearly remained operative in 1936, when the sterling balances of the Commonwealth Bank increased by £(A) 10.2 million. In view of the active private demand for money, the periodic loan issues made by the Australian Loan Council on behalf of the individual State Governments proved less successful in 1936, in spite of a reduction in the amounts issued and an increase in the yields offered to investors. Of two issues of £(A) 9 million and £(A) 7.5 million made in June and November 1936, only 80% and 73% respectively were taken up by the public, whereas previous issues had been fully subscribed. Particulars of these issues in recent years are given below :

| Date of issue | Amount £(A) millions | Actual net yield % |
|-------------------------|-------------------------|-----------------------|
| November 1933 | 10.3 | 3.63 |
| June 1934 | 12.2 | 3.38 |
| November 1934 | 15.0 | 3.02 |
| June 1935 | 12.5 | 3.42 |
| November 1935 | 8.0 | 3.77 |
| June 1936 | 9.0 | 3.87 |
| November 1936 | 7.5 | 3.96 |

In Denmark, the rapid progress of industrial production has entailed a growing demand for bank credit, which the banks have met in part by reducing their holdings of securities since 1934. The cash reserves of the banks have been reduced, not only by a rise in the note circulation, but also by a restrictive open-market policy of the National Bank, which, with a view to checking the industrial "boom", reduced its security portfolio from 153 to 50 million kroner between March 1935 and December 1936. As in Australia, foreign-exchange difficulties have accentuated the tightening of credit in Denmark, though in 1936, when a slight improvement in the exchange position showed itself in a decrease of the National Banks' net foreign-exchange liabilities from 73 to 41 million kroner, the rise in interest rates must be mainly attributed to the domestic factors apparent from the table.

As was mentioned earlier in this chapter, the commercial banks of Japan have experienced a steady growth of their loans and discounts since 1934. At the same time, the demands made upon them for the financing of Government deficits have not diminished, while the increased currency requirements of the public have put a certain strain on their cash position. As a result, conditions in the money market have become distinctly less easy, as shown by the small but persistent upward tendency of the call money rate in Tokio since 1934.

Banking developments in Sweden in 1936 conformed to the general trend illustrated by the above table, except for a sudden increase in bankers' cash reserves towards the end of the year, which was mainly due to increased sales of foreign balances by the commercial

banks to the Riksbank, largely in connection with current discussions regarding a possible appreciation of the currency. During 1936, there were as yet no indications of a rise of interest rates in Sweden.

The remarkable increase in the volume of currency held by the public which occurred in the United Kingdom during 1936 was partly due to foreign hoarding. The rise in bank advances, which had been relatively slow in the two preceding years, became marked in 1936. The Bank of England, however, provided sufficient cash to enable the banks to meet the demands both for currency and for advances without having to dispose of part of their security holdings. But the rate of increase in bankers' investments has, on the whole, slowed down appreciably, as may be seen from Diagram 23, given on page 83 above. The decreased support given by the banks to the bond market has undoubtedly been a factor in the gradual rise of bond yields in 1935 and 1936. During the first three months of 1937, when the yield of 2½% Consols rose from about 2.95% to about 3.25%, the principal influence in the rise of bond yields was the prospect of large Government borrowing for purposes of rearmament. At the same time, conditions in the short-term money market continued to be extremely easy, the rate on Treasury bills ruling only very slightly above the ½% level agreed upon by the banks and falling actually below it in March 1937 for the first time in two years. Part of the explanation for the divergent tendencies of long- and short-term interest rates appears to lie in the action of institutional investors who have probably transferred part of their resources from long- to short-term securities, with the intention of repurchasing their bonds later at lower prices.

The rising demand for advances is one which banks, in general, cannot easily resist, as advances are usually the most remunerative of their assets, and as the customer relationships involved are normally governed by a certain amount of competition between the banks. If their cash resources are not correspondingly increased, it is natural that banks should attempt to meet this demand by disposing of part of the fixed-interest securities acquired during the depression or the early years of recovery, rather than by calling in short-term funds and other forms of assets which have not so abnormally increased or have even diminished relatively to others. Such sales of securities by the banks tend, of course, to raise the interest yield of bonds, and thus to induce the public to purchase bonds and thereby, in effect, to liberate for the industrial circulation part of the deposits held by the public with the banking system.

Instead of attempting to prevent a gradual rise of interest rates by expanding the banks' cash basis, the monetary authorities in certain countries — faced with an increasingly rapid rise of commodity prices and a possible emergence of unstable boom conditions — have recently taken measures in the opposite direction, tending to bring interest rates once more into touch with the movement of demand for investible funds.

In Sweden and in the United States, for example, the cash basis of the banking system had become so extended as to eliminate to a large extent the influence of a rising demand for money on the course of interest rates. In Sweden, the central bank, which holds only an insignificant amount of securities in its own portfolio, was empowered in March 1937 to obtain short-term Government securities from the National Debt Office which it could sell in order to withdraw surplus funds from the market. At the same time, the Riksbank applied for parliamentary authority to pay interest on private deposits, and for legislative regulations requiring commercial banks to hold against their sight- and short-term deposit liabilities a cash reserve of at least 25%, of which three-quarters on current account at the Riksbank. Bond yields, in consequence, began to rise in March and April 1937.

In the United States, the principal measures for limiting the possibilities of further credit expansion have been the successive increases in the legal reserve requirements of the member banks. The first increase, which came into effect on August 15th, 1936, raised the minimum cash ratios by 50% — *i.e.*, from 3% to 4½% on time deposits and from 7–13% to 10½–19½% on demand deposits. Excess reserves declined accordingly from \$3,167 million on August 12th to \$1,813 million on August 17th, but, owing to the continued influx of gold, they increased again to \$2,236 million at the end of November 1936. On December 21st, 1936, therefore, as has been mentioned above, a scheme for the “sterilisation” of gold imports was announced, under which newly imported gold, instead of being passed on by the Treasury to the Federal Reserve System, was acquired and held by the Treasury by means of short-term Government obligations issued in the open market. By a further increase of member banks’ reserve requirements announced on January 30th, 1937, the minimum cash ratios were raised, by a further 50% of the original requirements, to the full amount allowed by law (*i.e.*, 6% on time deposits and 14–26% on demand deposits); one-half of this increase came into effect on March 1st and one-half on May 1st, 1937. As the actual or prospective amount of member-bank indebtedness to the Federal Reserve System has an important influence on money rates in the United States, this increase of reserve requirements was accompanied by a rise in short-term interest rates; during the first quarter of 1937, the rate on three-month acceptances rose from 0.25% to 0.56%, the rate on prime commercial paper from 0.75% to 1.00%, and the rate on three-month Treasury bills from 0.20% to 0.44%. Together with a reduction in their excess reserves of cash, the member banks were faced with an accelerated rise in the demand for commercial loans, attributable partly to the tax on undistributed profits, introduced in 1936, which deprived business firms of an important source of capital and made them more dependent on outside borrowing. The commercial loans of the weekly reporting member banks rose from \$3,424 million at the end of March 1936 to \$4,292 million at the end of December 1936 and to \$4,362 million at the end of March 1937. Their investments in Government obligations, which rose from \$10,124 million at the end of March 1936 to a high point of \$10,762 million at the end of July 1936, fell from \$10,479 million at the end of December 1936 to \$9,595 million at the end of March 1937, and, as a result, there was a sharp break in the prices of Government bonds in March 1937. For the first time since 1933, the Federal Reserve Banks undertook purchases of Government securities in April 1937 amounting to about \$100 million. These open-market operations were partly intended to smooth out the transition to the higher reserve requirements, which — though leaving the member-bank system as a whole with still about \$890 million of excess reserves after May 1st, 1937 — created difficulties of adjustment to a large number of individual banks, compelling them to reduce their holdings of Government securities. To some extent, however, the open-market purchases appear also to have been connected with a Government loan issue announced for June 1937, thus illustrating the difficulty — apparent in a number of countries — of adjusting interest rates to changed business conditions when the requirements of Government finance are at a high level.

APPENDIX.

Table I. — DATES OF PRINCIPAL MEASURES AFFECTING EXCHANGE RATES.

| Country | Official suspension of gold standard | Exchange control | | Depreciation or devaluation in relation to gold | Introduction of a new gold parity |
|------------------------------------|---|-------------------|-------------|---|--------------------------------------|
| | | Introduction | Suppression | | |
| Albania | — | — | — | — | — |
| Argentina | 17. xii. 29 | 13. x. 31 | — | xi. 29 | — |
| Australia | 17. xii. 29 | — | — | iii. 30 | — |
| Austria | 5. iv. 33 | 9. x. 31 | — | ix. 31—iv. 34 | *30. iv. 34 |
| Belgium | 30. iii. 35 | 18. iii. 35 | 26. iv. 35 | iii. 35 | 31. iii. 36 |
| Bolivia | 25. ix. 31 | 3. x. 31 | — | iii. 30 | — |
| Brazil | — | 18. v. 31 | — | xii. 29 | — |
| Bulgaria | — | 1918 | — | — | — |
| Canada | 19. x. 31 | — | — | ix. 31 | — |
| Chile | 20. iv. 32 | 30. vii. 31 | — | iv. 32 | — |
| China | — | 9. ix. 34 | — | — | — |
| Colombia | 25. ix. 31 | 25. ix. 31 | — | i. 32 | — |
| Costa Rica | — | 16. i. 32 | — | i. 32 | — |
| Cuba | 21. xi. 33 | 2. vi. 34 | 13. vii. 34 | iv. 33 | *22. v. 34 |
| Czechoslovakia | — | 2. x. 31 | — | ii. 34—x. 36 | 17.ii.34—*9.x.36 |
| Danzig | — | 12. vi. 35 | — | v. 35 | 2. v. 35 |
| Denmark | 29. ix. 31 | 18. xi. 31 | — | ix. 31 | — |
| Ecuador | 8. ii. 32 | 2.v.32—30.vii.36 | 7. x. 35 | vi. 32 | *19. xii. 35 |
| Egypt | 21. ix. 31 | — | — | ix. 31 | — |
| Estonia | 28. vi. 33 | 18. xi. 31 | — | vi. 33 | — |
| Finland | 12. x. 31 | — | — | x. 31 | — |
| France | — | — | — | ix. 36 | *1. x. 36 |
| Germany | — | 13. vii. 31 | — | — | — |
| Greece | 26. iv. 32 | 28. ix. 31 | — | iv. 32 | — |
| Guatemala | — | — | — | iv. 33 | — |
| Honduras | — | 27. iii. 34 | — | iv. 33 | — |
| Hong-Kong | — | 9. xi. 35 | — | — | — |
| Hungary | — | 17. vii. 31 | — | — | — |
| India | 21. ix. 31 | — | — | ix. 31 | — |
| Iran | — | 25.ii.30—1.iii.36 | 30. v. 33 | — | — |
| Irish Free State | 26. ix. 31 | — | — | ix. 31 | — |
| Italy | — | 26. v. 34 | — | iii. 34—x. 36 | *8. x. 36 |
| Japan | 13. xii. 31 | 1. vii. 32 | — | xii. 31 | — |
| Latvia | 28. ix. 36 | 8. x. 31 | — | ix. 36 | — |
| Lithuania | — | 1. x. 35 | — | — | — |
| Luxemburg | — | 18. iii. 35 | 26. iv. 35 | iii. 35 | 1. iv. 35 |
| Malaya (British) | 21. ix. 31 | — | — | ix. 31 | — |
| Mexico | 25. vii. 31 | — | — | viii. 31 | — |
| Netherlands | 27. ix. 36 | — | — | ix. 36 | — |
| Netherlands Indies | 27. ix. 36 | — | — | ix. 36 | — |
| New Zealand | 21. ix. 31 | — | — | iv. 30 | — |
| Nicaragua | 13. xi. 31 | 13. xi. 31 | — | i. 32 | — |
| Norway | 28. ix. 31 | — | — | ix. 31 | — |
| Palestine | 21. ix. 31 | — | — | ix. 31 | — |
| Panama | — | — | — | iv. 33 | — |
| Paraguay | — | viii. 32 | — | xi. 29 | — |
| Peru | 14. v. 32 | — | — | v. 32 | — |
| Philippines | — | — | — | iv. 33 | — |
| Poland | — | 26. iv. 36 | — | — | — |
| Portugal | 31. xii. 31 | 21. x. 22 | — | x. 31 | — |
| Roumania | — | 18. v. 32 | — | vii. 35 | — |
| Salvador, El | 9. x. 31 | viii. 33 | x. 33 | x. 31 | — |
| Siam | 11. v. 32 | — | — | vi. 32 | — |
| Spain | — | 18. v. 31 | — | 1920 | — |
| Sweden | 29. ix. 31 | — | — | ix. 31 | — |
| Switzerland | — | — | — | ix. 36 | *27. ix. 36 |
| Turkey | — | 26. ii. 30 | — | 1915 | — |
| Union of South Africa | 28. xii. 32 | — | — | i. 33 | — |
| United Kingdom | 21. ix. 31 | — | — | ix. 31 | — |
| United States of America | 20. iv. 33 | 6. iii. 33 | 12. xi. 34 | iv. 33 | *31. i. 34 |
| Uruguay | xii. 29 | 7. ix. 31 | — | iv. 29 | — |
| U.S.S.R. | — | — | — | iv. 36 | *1. iv. 36 |
| Venezuela | — | 12. xii. 36 | — | ix. 30 | — |
| Yugoslavia | — | 7. x. 31 | — | vii. 32 | — |

* Provisional parity.

Table II. — GOLD VALUE OF CURRENCIES,

| Percentage of parity | CHINA | SPAIN | IRAN | URUGUAY | URUGUAY uncontrolled free rate | ARGENTINA | ARGENTINA free rate | BRAZIL | BRAZIL free rate | BOLIVIA | BOLIVIA free rate | AUSTRALIA | NEW ZEALAND | PERU | VENEZUELA | MEXICO | UNITED KINGDOM | INDIA | BRIT. MALAYA | DENMARK | NORWAY | SWEDEN | CANADA | AUSTRIA | SALVADOR | |
|----------------------|-------|-------|------|---------|--------------------------------|-----------|---------------------|--------|------------------|---------|-------------------|-----------|-------------|------|-----------|--------|----------------|-------|--------------|---------|--------|--------|--------|---------|----------|------|
| 1929 III | | | | 100 | | | | | | | | | | | | | | | | | | | | | | |
| X | | | | 94.5 | | 100 | | 100 | | | | | | | | | | | | | | | | | | |
| XI | | | | 93.6 | | 97.4 | | | | | | | | | | | | | | | | | | | | |
| 1930 I | 84.9 | 89.2 | 88.8 | 89.9 | | 94.7 | | 92.7 | | 100 | | | | | | | | | | | | | | | | |
| II | 82.1 | 86.5 | 81.7 | 86.0 | | 89.7 | | 93.2 | | 97.7 | | 100 | | | | | | | | | | | | | | |
| III | 80.7 | 83.9 | 86.7 | 86.1 | | 88.8 | | 96.1 | | 97.4 | | 95.9 | 100 | | | | | | | | | | | | | |
| VIII | 66.0 | 74.1 | 86.8 | 80.2 | | 85.5 | | 83.2 | | 97.0 | | 94.1 | 95.8 | 100 | 100 | | | | | | | | | | | |
| 1931 VII | 53.1 | 63.4 | 60.4 | 52.5 | | 72.4 | | 60.1 | | 95.7 | | 76.6 | 91.1 | 69.9 | 90.1 | 100 | | | | | | | | | | |
| VIII | 50.9 | 59.9 | 60.4 | 44.5 | | 66.9 | | 53.2 | | 95.4 | | 76.6 | 91.2 | 69.9 | 89.4 | 60.2 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| IX | 52.5 | 61.2 | 63.4 | 40.5 | | 61.9 | | 49.4 | | 90.0 | | 71.5 | 85.0 | 69.8 | 88.1 | 67.0 | 93.1 | 92.9 | 94.3 | 94.3 | 94.8 | 97.3 | 96.3 | 96.3 | 92.1 | 96.2 |
| X | 54.5 | 61.0 | 62.2 | 33.7 | | 53.9 | | 47.0 | | 77.0 | | 61.4 | 73.0 | 68.4 | 86.2 | 73.4 | 79.9 | 78.6 | 79.5 | 82.2 | 82.4 | 86.3 | 89.1 | 89.1 | 91.3 | 94.8 |
| XI | 58.3 | 58.7 | 59.1 | 43.5 | | 61.0 | | 51.6 | | 77.5 | | 58.7 | 69.8 | 69.9 | 79.9 | 78.5 | 76.4 | 76.7 | 76.0 | 77.1 | 76.6 | 77.4 | 89.0 | 89.0 | 91.3 | 94.8 |
| XII | 56.2 | 57.2 | 60.3 | 43.1 | | 60.7 | | 51.8 | | 69.5 | | 55.2 | 63.3 | 69.9 | 80.3 | 78.3 | 69.3 | 69.5 | 68.7 | 69.4 | 69.0 | 70.6 | 69.8 | 82.7 | 83.9 | 88.2 |
| 1932 I | 55.9 | 57.2 | 60.6 | 43.4 | | 60.4 | | 51.5 | | 69.8 | | 56.3 | 64.4 | 69.9 | 77.8 | 78.9 | 70.5 | 70.7 | 69.9 | 70.5 | 69.8 | 71.6 | 85.1 | 81.3 | 81.3 | 87.0 |
| II | 56.7 | 52.9 | 52.7 | 44.6 | | 60.4 | | 51.6 | | 70.0 | | 56.7 | 64.9 | 70.0 | 79.0 | 76.0 | 71.0 | 71.3 | 70.1 | 71.0 | 70.0 | 72.0 | 87.3 | 78.2 | 82.3 | 82.3 |
| III | 56.2 | 51.8 | 45.3 | 45.5 | | 60.4 | | 51.9 | | 68.1 | | 59.7 | 68.3 | 69.6 | 80.7 | 67.6 | 74.8 | 74.8 | 72.8 | 74.7 | 73.1 | 74.1 | 89.5 | 80.1 | 78.7 | 78.7 |
| IV | 53.5 | 52.4 | 44.2 | 45.8 | | 60.3 | | 54.7 | | 64.7 | | 61.5 | 70.4 | 69.8 | 85.0 | 67.0 | 77.1 | 76.8 | 75.3 | 76.6 | 71.2 | 71.2 | 89.9 | 82.5 | 74.8 | 74.8 |
| V | 52.2 | 55.3 | 41.3 | 46.0 | | 60.5 | | 59.6 | | 56.9 | | 60.3 | 60.0 | 66.3 | 80.7 | 60.7 | 75.5 | 74.8 | 74.4 | 74.9 | 69.0 | 69.9 | 88.4 | 80.2 | 73.4 | 73.4 |
| VI | 51.7 | 56.2 | 39.1 | 45.7 | | 60.7 | | 62.7 | | 56.1 | | 59.8 | 68.4 | 53.4 | 78.5 | 54.0 | 74.9 | 74.4 | 73.9 | 74.4 | 67.4 | 69.8 | 86.7 | 78.9 | 73.4 | 73.4 |
| VII | 50.3 | 54.8 | 38.5 | 46.0 | | 60.7 | | 63.5 | | 55.4 | | 58.2 | 66.6 | 54.5 | 78.1 | 55.6 | 72.9 | 73.1 | 72.2 | 71.7 | 65.8 | 68.0 | 87.1 | 83.7 | 75.8 | 75.8 |
| VIII | 52.1 | 54.9 | 36.4 | 45.9 | | 60.7 | | 63.7 | | 55.4 | | 57.0 | 65.2 | 53.1 | 72.2 | 57.3 | 71.4 | 71.7 | 70.6 | 69.0 | 65.0 | 66.6 | 87.6 | 84.5 | 79.1 | 79.1 |
| IX | 52.4 | 55.2 | 37.9 | 45.8 | | 60.7 | | 63.7 | | 54.9 | | 57.0 | 65.1 | 51.7 | 72.6 | 60.0 | 71.3 | 71.8 | 70.9 | 67.1 | 65.1 | 66.4 | 90.3 | 85.3 | 79.7 | 79.7 |
| X | 51.4 | 55.8 | 37.2 | 45.8 | | 60.7 | | 63.7 | | 53.9 | | 55.7 | 63.7 | 48.3 | 72.6 | 62.4 | 69.8 | 70.4 | 69.5 | 65.8 | 64.1 | 65.4 | 91.2 | 85.1 | 84.0 | 84.0 |
| XI | 50.2 | 55.7 | 36.5 | 45.8 | | 60.7 | | 63.8 | | 51.4 | | 53.7 | 61.5 | 44.9 | 78.2 | 64.6 | 67.3 | 67.9 | 66.9 | 63.7 | 62.4 | 65.0 | 87.3 | 84.6 | 82.0 | 82.0 |
| XII | 47.3 | 55.2 | 36.9 | 45.8 | | 60.7 | | 63.8 | | 50.2 | | 53.8 | 61.5 | 43.1 | 82.9 | 64.2 | 67.4 | 67.9 | 67.0 | 63.5 | 63.0 | 66.8 | 86.6 | 84.4 | 84.4 | 82.2 |
| 1933 I | 47.9 | 55.7 | 37.2 | 45.8 | | 60.7 | | 63.8 | | 54.2 | | 55.2 | 60.0 | 43.6 | 82.9 | 60.5 | 69.1 | 69.6 | 68.7 | 63.1 | 64.4 | 68.3 | 87.5 | 83.2 | 79.4 | 79.4 |
| II | 48.6 | 56.2 | 36.5 | 45.8 | | 60.7 | | 63.8 | | 54.4 | | 56.1 | 56.4 | 43.2 | 82.9 | 57.0 | 70.3 | 70.8 | 69.7 | 57.0 | 65.4 | 68.2 | 83.5 | 81.5 | 75.2 | 75.2 |
| III | 49.9 | 57.5 | 37.0 | 45.8 | | 60.4 | | 63.8 | | 47.0 | | 56.0 | 56.2 | 40.7 | 80.7 | 56.8 | 70.5 | 70.7 | 69.8 | 57.2 | 65.6 | 67.9 | 83.5 | 76.8 | 73.1 | 73.1 |
| IV | 49.6 | 57.8 | 37.3 | 44.1 | | 59.9 | | 61.0 | | 46.8 | | 55.9 | 56.0 | 39.1 | 76.7 | 51.8 | 70.3 | 70.3 | 69.4 | 56.9 | 65.3 | 67.0 | 80.9 | 75.7 | 65.2 | 65.2 |
| V | 50.1 | 58.0 | 40.2 | 43.9 | | 60.0 | | 54.5 | | 46.0 | | 54.9 | 55.0 | 35.8 | 72.9 | 49.4 | 68.9 | 69.1 | 68.6 | 55.8 | 63.7 | 64.4 | 74.7 | 78.4 | 58.4 | 58.4 |
| VI | 51.0 | 57.6 | 44.3 | 44.2 | | 60.1 | | 52.1 | | 46.2 | | 55.2 | 55.3 | 35.9 | 71.9 | 45.3 | 69.3 | 69.4 | 68.9 | 56.1 | 63.6 | 64.8 | 73.3 | 78.5 | 56.5 | 56.5 |
| VII | 50.3 | 57.0 | 45.2 | 45.2 | | 60.1 | | 47.2 | | 45.7 | | 54.5 | 54.6 | 36.6 | 74.3 | 40.3 | 68.6 | 68.7 | 68.3 | 55.6 | 62.6 | 64.2 | 67.8 | 79.4 | 49.2 | 49.2 |
| VIII | 49.0 | 56.9 | 46.1 | 45.6 | | 60.0 | | 49.0 | | 45.0 | | 53.6 | 53.8 | 36.5 | 76.5 | 41.1 | 67.4 | 67.6 | 67.2 | 54.7 | 61.6 | 63.2 | 68.7 | 79.1 | 48.4 | 48.4 |
| IX | 47.9 | 57.0 | 45.2 | 45.7 | | 60.2 | | 45.9 | | 43.1 | | 51.4 | 51.6 | 34.0 | 70.1 | 38.1 | 64.6 | 64.7 | 64.5 | 52.4 | 59.0 | 60.5 | 65.0 | 78.1 | 42.0 | 42.0 |
| X | 48.1 | 57.0 | 46.1 | 46.1 | | 60.1 | | 47.7 | | 43.1 | | 51.4 | 51.5 | 34.8 | 69.8 | 38.1 | 64.6 | 64.7 | 64.7 | 52.4 | 58.9 | 60.5 | 65.7 | 78.2 | 42.9 | 42.9 |
| XI | 49.3 | 55.8 | 44.7 | 46.1 | | 59.6 | | 44.8 | | 44.1 | | 52.6 | 52.8 | 33.2 | 72.1 | 34.9 | 66.2 | 65.7 | 66.1 | 53.6 | 60.4 | 61.9 | 63.3 | 77.9 | 39.2 | 39.2 |
| XII | 51.3 | 55.8 | 43.5 | 46.2 | | 50.3 | | 46.0 | | 44.7 | | 53.6 | 53.8 | 35.4 | 78.2 | 35.6 | 67.3 | 67.3 | 67.3 | 54.6 | 61.4 | 63.0 | 64.4 | 79.3 | 40.1 | 40.1 |
| 1934 I | 51.4 | 55.9 | 42.9 | 46.2 | | 49.8 | 37.8 | 45.2 | | 43.4 | | 52.4 | 52.3 | 34.6 | 83.1 | 35.1 | 65.5 | 65.6 | 65.5 | 53.1 | 59.7 | 61.3 | 62.8 | 78.3 | 40.1 | 40.1 |
| II | 49.8 | 54.9 | 43.4 | 46.2 | | 47.9 | 36.9 | 42.9 | | 41.6 | | 49.9 | 50.0 | 34.8 | 80.9 | 33.7 | 62.7 | 62.9 | 62.7 | 50.8 | 57.2 | 58.7 | 60.1 | 78.2 | 41.9 | 41.9 |
| III | 49.4 | 55.2 | 43.9 | 46.2 | | 47.6 | 35.8 | 42.5 | | 41.1 | | 49.7 | 49.8 | 35.9 | 87.6 | 33.1 | 62.3 | 62.5 | 62.5 | 50.5 | 56.8 | 58.3 | 59.4 | 77.4 | 45.8 | 45.8 |
| IV | 48.4 | 55.3 | 41.9 | 46.6 | | 47.9 | 34.9 | 42.6 | | 40.3 | | 50.0 | 50.1 | 34.5 | 95.0 | 32.9 | 62.7 | 62.9 | 62.9 | 50.8 | 57.2 | 58.7 | 59.3 | 78.1 | 46.1 | 46.1 |
| V | 46.1 | 55.3 | 41.3 | 46.1 | | 47.5 | 32.9 | 42.6 | | 42.2 | | 49.6 | 49.7 | 35.1 | 91.7 | 33.0 | 62.2 | 62.2 | 62.4 | 50.4 | 56.7 | 58.2 | 59.4 | 78.6 | 48.0 | 48.0 |
| VI | 47.0 | 55.3 | 41.0 | 46.1 | | 47.1 | 34.4 | 42.1 | 31.5 | 42.3 | | 49.1 | 49.2 | 34.6 | 93.0 | 33.1 | 61.6 | 61.7 | 61.9 | 49.9 | 56.2 | 57.7 | 59.8 | 78.3 | 48.9 | 48.9 |
| VII | 48.2 | 55.3 | 42.4 | 46.0 | | 47.0 | 34.6 | 41.9 | 32.3 | 42.3 | | 49.0 | 49.2 | 35.1 | 97.1 | 33.1 | 61.5 | 61.7 | 61.8 | 49.9 | 56.2 | 57.6 | 60.1 | 78.2 | 47.0 | 47.0 |
| VIII | 49.1 | 55.3 | 42.0 | 46.1 | 22.8 | 46.8 | 37.7 | 41.8 | 34.2 | 41.9 | | 48.8 | 49.0 | 34.6 | 98.5 | 32.7 | 61.2 | 61.4 | 61.5 | 49.7 | 55.9 | 57.3 | 60.2 | 78.0 | 46.9 | 46.9 |
| IX | 50.0 | 55.3 | 41.5 | 46.1 | 22.7 | 46.1 | 37.3 | 40.8 | 34.2 | 41.8 | | 47.9 | 48.1 | 34.3 | 86.0 | 32.7 | 60.3 | 60.4 | 60.5 | 48.9 | 55.0 | 56.4 | 60.5 | 78.3 | 46.8 | 46.8 |
| X | 49.0 | 55.3 | 40.9 | 46.1 | 22.9 | 45.9 | 36.6 | 40.5 | 36.7 | 42.1 | | 47.6 | 47.8 | 34.5 | 84.3 | 32.9 | 60.0 | 60.2 | 60.3 | 48.7 | 54.8 | 56.2 | 60.4 | 78.3 | 47.1 | 47.1 |
| XI | 47.5 | 55.3 | 41.6 | 46.1 | 23.0 | 46.6 | 35.7 | 40.9 | 35.8 | 40.4 | | 48.4 | 48.6 | 34.8 | 84.7 | 33.1 | 61.0 | 61.1 | 61.3 | 49.4 | 55.6 | 57.1 | 60.9 | 78.1 | 47.4 | 47.4 |
| XII | 48.7 | 55.3 | 41.1 | 46.1 | 23.0 | 46.1 | 35.0 | 40.7 | 33.8 | 39.1 | | 47.9 | 48.2 | 35.0 | 84.6 | 33.1 | 60.4 | 60.5 | 60.6 | 48.9 | 55.1 | 56.5 | 60.2 | 78.6 | 47.5 | 47.5 |
| 1935 I | 49.9 | | | | | | | | | | | | | | | | | | | | | | | | | |

Table III. — CURRENCY COMPOSITION AND MOVEMENTS.

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | |
|---|--------------|---|--------------------------------|--|------------------|------------------|------------------|--|---|---------------------------------------|---------------|------------------|------------------|--------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Commercial Banks | | | | Savings Banks | | | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | Sight | | | Savings | Other | Total (A) to (I) | Savings deposits | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | | | |
| Albania | 1929 | 12 | 7 | . | 19 | . | . | . | . | . | . | . | . | |
| | 1930 | 13 | 11 | . | 24 | . | . | . | . | . | . | . | . | |
| | 1931 | 12 | 12 | . | 24 | . | . | . | . | . | . | . | . | |
| | 1932 | 13 | 14 | . | 27 | . | . | . | . | . | . | . | . | |
| | Frank | 1933 | 12 | 10 | . | 22 | . | . | . | . | . | . | . | . |
| | | 1934 | 11 | 8 | . | 19 | . | . | . | . | . | . | . | . |
| | 1929 = 100 | 1935 | 12 | 8 | . | 20 | . | . | . | . | . | . | . | . |
| | | 1936 | 11 | 16 | . | 27 | . | . | . | . | . | . | . | . |
| | | 1932 | 108 | 200 | . | 142 | . | . | . | . | . | . | . | . |
| | | 1933 | 100 | 143 | . | 116 | . | . | . | . | . | . | . | . |
| 1934 | | 92 | 114 | . | 100 | . | . | . | . | . | . | . | . | |
| 1935 | | 100 | 114 | . | 105 | . | . | . | . | . | . | . | . | |
| 1936 | | 92 | 229 | . | 142 | . | . | . | . | . | . | . | . | |
| Argentina ¹ | 1929 | 1,247 | — | . | 1,247 | 1,178 | 2,037 | . | 1,178 | 1,771 | 954 | 3,903 | 155 | |
| | 1930 | 1,261 | — | . | 1,261 | 1,189 | 1,999 | . | 1,189 | 1,713 | 1,054 | 3,956 | 158 | |
| | 1931 | 1,245 | — | . | 1,245 | 971 | 1,703 | . | 971 | 1,647 | 899 | 3,517 | 153 | |
| | Peso | 1932 | 1,339 | — | . | 1,339 | 1,083 | 1,777 | . | 1,083 | 1,570 | 872 | 3,525 | 149 |
| | | 1933 | 1,214 | — | . | 1,214 | 1,171 | 1,865 | . | 1,171 | 1,533 | 763 | 3,467 | 152 |
| | 1929 = 100 | 1934 | 1,171 | — | . | 1,171 | 1,111 | 1,882 | . | 1,111 | 1,589 | 727 | 3,427 | 163 |
| | | 1935 | 982 | 707 | 196 | 1,885 | 1,117 | *2,552 | . | 1,117 | 1,580 | 750 | 3,447 | 178 |
| | | 1936 | 1,094 | 551 | 208 | 1,853 | 1,306 | *2,659 | . | 1,306 | 1,655 | 769 | 3,730 | 194 |
| | | 1932 | 107 | — | . | 107 | 92 | 87 | 78 | 92 | 89 | 91 | 90 | 96 |
| | | 1933 | 97 | — | . | 97 | 99 | 92 | 83 | 99 | 87 | 80 | 89 | 98 |
| 1934 | | 94 | — | . | 94 | 94 | 92 | 78 | 94 | 90 | 76 | 88 | 105 | |
| 1935 | | 79 | . | . | 151 | 95 | 125 | 83 | 95 | 89 | 79 | 88 | 115 | |
| 1936 | 88 | . | . | 149 | 111 | 131 | ... | 111 | 93 | 81 | 96 | 125 | | |
| Australia ² | 1929 | 42.4 | 15.5 | *3.3 | 61.2 | 99.4 | 137.4 | . | 99.4 | — | 192.7 | 292.1 | 220.0 | |
| | 1930 | 42.5 | 7.6 | 3.3 | 53.4 | 85.2 | 98.0 | . | 85.2 | — | 194.0 | 279.2 | 196.8 | |
| | 1931 | 48.4 | 8.9 | 3.8 | 61.1 | 89.0 | 107.0 | . | 89.0 | — | 194.0 | 283.0 | 194.5 | |
| | £ | 1932 | 45.2 | 6.1 | 4.0 | 55.3 | 87.7 | 101.3 | . | 87.7 | — | 189.7 | 277.4 | 197.1 |
| | | 1933 | 45.2 | 7.2 | *4.0 | *56.4 | 94.7 | 108.2 | . | 94.7 | — | 186.9 | 281.6 | 203.3 |
| | 1929 = 100 | 1934 | 45.2 | 10.5 | *4.0 | *59.7 | 103.4 | 115.6 | . | 103.4 | — | 192.1 | 295.5 | 212.9 |
| | | 1935 | 46.3 | 10.5 | *4.0 | *60.8 | 110.6 | 137.3 | . | 110.6 | — | 182.5 | 293.1 | 220.5 |
| | | 1936 | 47.2 | 16.4 | *4.0 | 67.6 | 111.7 | 147.4 | . | 111.7 | — | 183.8 | 295.5 | 224.2 |
| | | 1932 | 107 | 39 | 121 | 90 | 88 | 74 | 81 | 88 | — | 98 | 95 | 90 |
| | | 1933 | 107 | 46 | 121 | 92 | 95 | 79 | 78 | 95 | — | 97 | 96 | 92 |
| 1934 | | 107 | 68 | 121 | 98 | 104 | 84 | 80 | 104 | — | 100 | 101 | 97 | |
| 1935 | | 109 | 68 | 121 | 99 | 111 | 100 | 82 | 111 | — | 95 | 100 | 100 | |
| 1936 | 111 | 106 | 121 | 110 | 112 | 107 | *83 | 112 | — | 95 | 101 | 102 | | |
| Austria | 1929 | 1,094 | 64 | 93 | 1,251 | 2,183 | 3,335 | . | 2,183 | . | 531 | 2,714 | 1,430 | |
| | 1930 | 1,090 | 93 | 92 | 1,275 | 2,587 | 3,760 | . | 2,587 | . | 623 | 3,210 | 1,646 | |
| | 1931 | 1,183 | 128 | 98 | 1,409 | . | . | . | . | . | . | . | 1,498 | |
| | Schilling .. | 1932 | 914 | 218 | 97 | 1,229 | 1,433 | 2,614 | . | 1,433 | . | 258 | 1,691 | 1,559 |
| | | 1933 | 952 | 142 | 96 | 1,190 | 1,222 | 2,352 | . | 1,222 | . | 227 | 1,449 | 1,547 |
| | 1929 = 100 | 1934 | 964 | 154 | 109 | 1,227 | 1,128 | 2,275 | . | 1,128 | . | 244 | 1,372 | 1,630 |
| | | 1935 | 976 | 216 | 126 | 1,318 | 1,103 | 2,299 | . | 1,103 | . | 271 | 1,374 | 1,709 |
| | | 1936 | 944 | 204 | 124 | 1,272 | ... | ... | . | ... | . | ... | ... | *1,716 |
| | | 1932 | 84 | 342 | 104 | 98 | 66 | 78 | 95 | 66 | . | 49 | 62 | 109 |
| | | 1933 | 87 | 222 | 103 | 95 | 56 | 71 | 94 | 56 | . | 43 | 53 | 108 |
| 1934 | | 88 | 241 | 117 | 98 | 52 | 68 | 93 | 52 | . | 46 | 51 | 114 | |
| 1935 | | 89 | 338 | 135 | 105 | 51 | 69 | 93 | 51 | . | 51 | 51 | 120 | |
| 1936 | 86 | 319 | 133 | 102 | ... | ... | 93 | ... | . | ... | ... | 120 | | |

* Approximate or provisional figure.

¹ Commercial banks include the Banco de la Nación. Cost-of-living figures represent yearly averages.² Figures for central bank sight liabilities, for commercial banks and for cost of living represent averages for the last quarter.³ End of December.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | | |
|---|--------------|---|---|--|---------------------|---------------------|--|---|---------------------------------------|---------|-------|---------------------|---------------------|--------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits | |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | |
| Belgium | 1929 | 14,175 | 1,244 | 592 | 16,011 | . | *33,642 | . | . | . | . | 29,363 | 5,438 | |
| | 1930 | 17,133 | 1,470 | 831 | 19,434 | . | . | . | . | . | . | 30,091 | 7,653 | |
| | 1931 | 18,930 | 1,318 | 866 | 21,114 | . | . | . | . | . | . | 26,593 | 9,115 | |
| | Franc | 1932 | 18,354 | 1,086 | 480 | 19,920 | . | *42,274 | . | . | . | . | 23,214 | 9,813 |
| | | 1933 | 17,204 | 3,006 | *500 | *20,710 | . | *35,040 | . | . | . | . | 23,289 | 9,964 |
| | | 1934 | 17,828 | 1,169 | *500 | *19,497 | . | . | . | . | . | . | . | 10,452 |
| | | 1935 | 21,218 | 4,905 | *500 | *26,623 | 16,067 | *38,235 | 16,067 | — | 3,036 | 19,103 | 10,584 | |
| | | 1936 | 23,321 | 4,442 | ... | ... | ... | ... | ... | ... | ... | ... | 11,459 | |
| | | 1932 | 129 | 87 | 81 | 124 | . | 105 | 83 | . | . | . | 79 | 180 |
| | | 1933 | 121 | 242 | 84 | 129 | . | 104 | 80 | . | . | . | 79 | 183 |
| 1929 = 100 | 1934 | 126 | 94 | 84 | 122 | . | — | 77 | . | . | . | — | 192 | |
| | 1935 | 150 | 394 | 84 | 166 | . | 114 | 82 | . | . | . | 65 | 195 | |
| | 1936 | 165 | 357 | ... | ... | . | ... | 75 | . | . | . | ... | 211 | |
| Bolivia | 1929 | 43.0 | 17.9 | 5.6 | 66.5 | 18.0 | 79.0 | . | 18.0 | 4.5 | 11.9 | 34.4 | . | |
| | 1930 | 32.2 | 14.7 | 5.6 | 52.5 | 13.7 | 65.0 | . | 13.7 | 4.1 | 11.8 | 29.6 | . | |
| | 1931 | 27.0 | 11.2 | 5.6 | 43.8 | 11.6 | 52.7 | . | 11.6 | 3.8 | 10.7 | 26.1 | . | |
| | Boliviano . | 1932 | 37.6 | 42.3 | 4.8 | 84.7 | 13.3 | 92.8 | . | 13.3 | 3.2 | 7.2 | 23.7 | . |
| | | 1933 | 53.8 | 54.0 | 5.7 | 113.5 | 23.8 | 110.5 | . | 23.8 | 3.5 | 12.5 | 39.8 | . |
| | | 1934 | 83.6 | 139.0 | 5.8 | 228.4 | 51.9 | 232.5 | . | 51.9 | 3.2 | 3.2 | 58.3 | . |
| | | 1935 | 145.9 | 231.8 | 5.3 | 383.0 | 85.8 | 390.5 | . | 85.8 | 3.4 | 3.4 | 92.6 | . |
| | | 1936 | 210.3 | 232.7 | 6.5 | 449.5 | ... | ... | . | ... | ... | ... | ... | . |
| | | 1932 | 87 | 236 | 86 | 127 | 74 | 117 | . | 74 | 71 | 61 | 69 | . |
| | | 1933 | 125 | 302 | 102 | 171 | 132 | 140 | . | 132 | 78 | 105 | 116 | . |
| 1929 = 100 | 1934 | 194 | 777 | 104 | 343 | 288 | 294 | . | 288 | 71 | 27 | 169 | . | |
| | 1935 | 339 | 1,273 | 95 | 576 | 477 | 494 | . | 477 | 87 | 29 | 269 | . | |
| | 1936 | 489 | 1,300 | 116 | 676 | ... | ... | . | ... | ... | ... | ... | . | |
| Brazil ¹ | 1929 | 3,394 | — | . | 3,394 | 3,487 | 5,331 | . | 3,487 | 431 | 2,007 | 5,925 | . | |
| | 1930 | 2,842 | — | . | 2,842 | 2,856 | 4,534 | . | 2,856 | 394 | 2,481 | 5,731 | . | |
| | 1931 | 2,942 | — | . | 2,942 | 3,490 | 5,204 | . | 3,490 | 451 | 2,021 | 5,962 | . | |
| | Milreis | 1932 | 3,239 | — | . | 3,239 | 4,732 | 6,126 | . | 4,732 | 510 | 1,601 | 6,843 | . |
| | | 1933 | 3,037 | — | . | 3,037 | 4,447 | 6,011 | . | 4,447 | 524 | 1,513 | 6,484 | . |
| | | 1934 | 3,157 | — | . | 3,157 | 5,056 | 6,803 | . | 5,056 | 566 | 1,797 | 7,419 | . |
| | | 1935 | 3,612 | — | . | 3,612 | 4,873 | 7,142 | . | 4,873 | 615 | 2,279 | 7,767 | . |
| | | 1936 | 4,050 | — | . | 4,050 | 5,245 | *7,945 | . | 5,245 | 712 | 2,375 | 8,332 | . |
| | | 1932 | 95 | — | . | 95 | 136 | 115 | . | 136 | 118 | 80 | 115 | . |
| | | 1933 | 89 | — | . | 89 | 128 | 113 | . | 128 | 122 | 75 | 109 | . |
| 1929 = 100 | 1934 | 93 | — | . | 93 | 145 | 128 | . | 145 | 131 | 90 | 125 | . | |
| | 1935 | 106 | — | . | 106 | 140 | 134 | . | 140 | 143 | 114 | 131 | . | |
| | 1936 | 119 | — | . | 119 | 150 | 149 | . | 150 | 165 | 118 | 141 | . | |
| Bulgaria ² | 1929 | 3,609 | 2,175 | 143 | 5,927 | 7,989 | 13,183 | . | 7,989 | 283 | 146 | 8,418 | 684 | |
| | 1930 | 3,296 | 1,547 | 206 | 5,049 | 7,134 | 11,287 | . | 7,134 | 351 | 174 | 7,659 | 897 | |
| | 1931 | 2,919 | 1,397 | 710 | 5,026 | 5,950 | 9,983 | . | 5,950 | 471 | 197 | 6,618 | 1,268 | |
| | Lev | 1932 | 2,635 | 1,597 | 886 | 5,118 | 5,279 | 9,491 | . | 5,279 | 517 | 196 | 5,992 | 1,486 |
| | | 1933 | 2,984 | 1,516 | 941 | 5,441 | 4,329 | 9,079 | . | 4,329 | 699 | 184 | 5,212 | 1,706 |
| | | 1934 | 2,449 | 1,734 | 1,287 | 5,470 | 4,153 | 8,936 | . | 4,153 | 1,009 | 181 | 5,343 | 2,024 |
| | | 1935 | 2,497 | 1,917 | 1,234 | 5,648 | 4,282 | 9,457 | . | 4,282 | 1,023 | 212 | 5,517 | 2,252 |
| | | 1936 | 2,571 | 2,265 | 1,244 | 6,080 | ... | ... | . | ... | ... | ... | ... | 2,429 |
| | | 1932 | 73 | 73 | 620 | 86 | 66 | 72 | 73 | 66 | 183 | 134 | 71 | 217 |
| | | 1933 | 83 | 70 | 658 | 92 | 54 | 69 | 67 | 54 | 247 | 126 | 62 | 249 |
| 1929 = 100 | 1934 | 68 | 80 | 900 | 92 | 52 | 68 | 63 | 52 | 357 | 124 | 63 | 296 | |
| | 1935 | 69 | 88 | 863 | 95 | 54 | 72 | 59 | 54 | 361 | 145 | 66 | 329 | |
| | 1936 | 71 | 104 | 863 | 103 | ... | ... | 58 | ... | ... | ... | ... | 355 | |

* Approximate or provisional figure.

¹ Commercial banks include the Banco do Brasil.² Commercial banks comprise popular banks and ordinary joint-stock banks. The latter do not specify their deposits, all of which are included in column (e).

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | |
|---|------------|---|---|--|---------------------|---------------------|------------------|--|---|---------------------------------------|------------------|---------------------|---------------------|-----|
| | | Central Banks and Treasuries | | | | Commercial Banks | Commercial Banks | | | | Savings Banks | | | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins less those held by central banks | Total (a) to (c) | Sight deposits | Sight | | | Savings | Other | Total (h) to (j) | Savings deposits | |
| Canada | 1929 | 187 | — | 32 | 219 | 821 | 1,040 | | 821 | — | 1,876 | 2,697 | 93 | |
| | 1930 | 163 | — | 32 | 195 | 689 | 884 | | 689 | — | 1,798 | 2,487 | 92 | |
| | 1931 | 160 | — | 33 | 193 | 698 | 891 | | 698 | — | 1,670 | 2,368 | 92 | |
| | 1932 | 144 | — | 33 | 177 | 538 | 715 | | 538 | — | 1,706 | 2,244 | 89 | |
| | 1933 | 151 | — | *34 | *185 | 563 | *748 | | 563 | — | 1,679 | 2,242 | 89 | |
| | 1934 | 160 | — | *34 | *194 | 628 | *822 | | 628 | — | 1,733 | 2,361 | 88 | |
| | 1935 | 170 | — | *35 | *205 | 694 | *899 | | 694 | — | 1,865 | 2,559 | 89 | |
| | 1936 | 191 | — | *35 | *226 | 755 | *981 | | 755 | — | 1,966 | 2,721 | 93 | |
| | 1929 = 100 | 1932 | 77 | — | 103 | 81 | 66 | 69 | 72 | 66 | — | 91 | 83 | 96 |
| | 1933 | 81 | — | 106 | 84 | 69 | 72 | 77 | 69 | — | 89 | 83 | 96 | |
| 1934 | 86 | — | 106 | 89 | 76 | 79 | 77 | 76 | — | 92 | 88 | 95 | | |
| 1935 | 91 | — | 109 | 94 | 85 | 86 | 79 | 85 | — | 99 | 95 | 96 | | |
| 1936 | 102 | — | 109 | 103 | 92 | 94 | 81 | 92 | — | 105 | 101 | 100 | | |
| Chile | 1929 | 352 | 127 | 35 | 514 | 512 | 860 | | 512 | 41 | 723 | 1,276 | 237 | |
| | 1930 | 306 | 85 | 35 | 426 | 434 | 729 | | 434 | 47 | 638 | 1,119 | 229 | |
| | 1931 | 319 | 90 | 35 | 444 | 419 | 677 | | 419 | 12 | 465 | 896 | 164 | |
| | 1932 | 488 | 319 | 18 | 825 | 706 | 1,177 | | 706 | — | 426 | 1,132 | 199 | |
| | 1933 | 515 | 350 | 21 | 886 | 893 | 1,431 | | 893 | — | 397 | 1,290 | 278 | |
| | 1934 | 516 | 346 | 23 | 885 | 1,124 | 1,710 | | 1,124 | — | 426 | 1,550 | 338 | |
| | 1935 | 567 | 297 | 26 | 890 | 1,191 | 1,821 | | 1,191 | — | 511 | 1,702 | 412 | |
| | 1936 | 653 | 288 | 25 | 966 | 1,226 | 1,878 | | 1,226 | — | 618 | 1,844 | 465 | |
| | 1929 = 100 | 1932 | 139 | 251 | 51 | 161 | 138 | 137 | 117 | 138 | — | 59 | 89 | 84 |
| | 1933 | 146 | 276 | 60 | 172 | 174 | 166 | 123 | 174 | — | 55 | 101 | 117 | |
| 1934 | 147 | 272 | 66 | 172 | 220 | 199 | 129 | 220 | — | 59 | 121 | 143 | | |
| 1935 | 161 | 234 | 74 | 173 | 233 | 212 | 121 | 233 | — | 71 | 133 | 174 | | |
| 1936 | 186 | 227 | 71 | 188 | 239 | 218 | ... | 239 | — | 85 | 145 | 196 | | |
| Colombia | 1929 | 46.9 | 6.2 | 11.4 | 64.5 | 39.6 | 95.8 | | 39.6 | 6.5 | 14.5 | 60.6 | . | |
| | 1930 | 35.3 | 6.1 | 10.2 | 51.6 | 30.2 | 74.7 | | 30.2 | 7.3 | 16.1 | 53.6 | . | |
| | 1931 | 28.1 | 10.2 | 12.2 | 50.5 | 26.5 | 68.1 | | 26.5 | 8.0 | 13.5 | 48.0 | . | |
| | 1932 | 30.3 | 18.4 | 13.1 | 61.8 | 34.4 | 81.4 | | 34.4 | 6.8 | 14.2 | 55.4 | . | |
| | 1933 | 39.8 | 21.0 | 13.2 | 74.0 | 39.4 | 98.6 | | 39.4 | 5.9 | 13.5 | 58.8 | . | |
| | 1934 | 48.1 | 24.3 | 13.4 | 85.8 | 48.5 | 116.9 | | 48.5 | 4.7 | 9.4 | 62.6 | . | |
| | 1935 | 51.0 | 28.8 | 15.8 | 95.6 | 49.0 | 126.9 | | 49.0 | 5.0 | 12.0 | 66.0 | . | |
| | 1936 | 65.1 | 33.1 | 11.5 | 109.7 | 57.9 | 149.4 | | 57.9 | 5.7 | 9.6 | 73.2 | . | |
| | 1929 = 100 | 1932 | 65 | 297 | 115 | 96 | 87 | 85 | . | 87 | 105 | 98 | 91 | . |
| | 1933 | 85 | 339 | 116 | 115 | 99 | 103 | . | 99 | 91 | 93 | 97 | . | |
| 1934 | 103 | 392 | 118 | 133 | 122 | 122 | . | 122 | 72 | 65 | 103 | . | | |
| 1935 | 109 | 465 | 139 | 148 | 124 | 132 | . | 124 | 77 | 83 | 109 | . | | |
| 1936 | 139 | 534 | 101 | 170 | 146 | 156 | . | 146 | 88 | 66 | 121 | . | | |
| Czecho- slovakia | 1929 | 8,230 | 675 | 332 | 9,237 | 12,566 | 19,995 | | 12,566 | . | 13,093 | 25,659 | 36,737 | |
| | 1930 | 7,824 | 570 | 362 | 8,756 | 12,993 | 20,037 | | 12,993 | . | 14,335 | 27,328 | 40,120 | |
| | 1931 | 7,679 | 361 | 437 | 8,477 | 11,221 | *18,503 | | 11,221 | . | 13,765 | 24,986 | 42,898 | |
| | 1932 | 6,754 | 602 | 519 | 7,875 | 10,832 | *16,901 | | 10,832 | . | 13,233 | 24,065 | 42,545 | |
| | 1933 | 6,334 | 871 | 544 | 7,749 | 10,884 | *17,003 | | 10,884 | . | 12,416 | 23,300 | 40,412 | |
| | 1934 | 6,017 | 766 | 602 | 7,385 | 11,471 | *17,150 | | 11,471 | . | 12,678 | 24,149 | 40,192 | |
| | 1935 | 6,137 | 411 | 604 | 7,152 | 10,857 | *15,853 | | 10,857 | . | 13,041 | 23,898 | ... | |
| | 1936 | 6,973 | 410 | 568 | 7,951 | ... | ... | | ... | . | ... | ... | ... | |
| | 1929 = 100 | 1932 | 82 | 89 | 156 | 85 | 86 | 85 | 96 | 86 | . | 101 | 94 | 116 |
| | 1933 | 77 | 129 | 164 | 84 | 87 | 85 | 92 | 87 | . | 95 | 91 | 110 | |
| 1934 | 73 | 113 | 181 | 80 | 91 | 86 | 92 | 91 | . | 97 | 94 | 109 | | |
| 1935 | 75 | 61 | 182 | 77 | 86 | 79 | 95 | 86 | . | 100 | 93 | ... | | |
| 1936 | 85 | 61 | 171 | 86 | ... | ... | 96 | ... | . | ... | ... | ... | | |

* Approximate or provisional figure.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | | |
|---|------------|---|---|---|---------------------|---------------------|--|---|---------------------------------------|---------|-------|---------------------|---------------------|--------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits | |
| | | (a) | (b) | (c) | (d) | (e) | | | (f) | (g) | (h) | (i) | (j) | (k) |
| Danzig | 1929 | 38 | 4 | *8 | 50 | . | . | . | . | . | . | 154 | . | |
| | 1930 | 38 | 2 | 8 | 48 | . | . | . | . | . | . | 151 | . | |
| | 1931 | 44 | 10 | 7 | 61 | . | . | . | . | . | . | 98 | . | |
| | Gulden.... | 1932 | 37 | 9 | 7 | 53 | . | . | . | . | . | . | 97 | . |
| | | 1933 | 40 | 11 | 7 | 58 | . | . | . | . | . | . | 83 | . |
| | | 1934 | 39 | 4 | 8 | 51 | . | . | . | . | . | . | 89 | . |
| | | 1935 | 29 | 3 | 8 | 40 | . | . | . | . | . | . | ... | . |
| | | 1936 | 32 | 8 | 8 | 48 | . | . | . | . | . | . | ... | . |
| | | 1932 | 97 | 225 | 88 | 106 | . | . | 77 | . | . | . | 63 | . |
| | | 1933 | 105 | 275 | 88 | 116 | . | . | 77 | . | . | . | 54 | . |
| 1929 = 100 | 1934 | 103 | 100 | 100 | 102 | . | . | 76 | . | . | . | 58 | . | |
| | 1935 | 76 | 75 | 100 | 80 | . | . | 93 | . | . | . | ... | . | |
| | 1936 | 84 | 200 | 100 | 96 | . | . | 96 | . | . | . | ... | . | |
| Denmark | 1929 | 367 | 68 | 26 | 461 | 551 | 935 | . | 551 | 543 | 898 | 1,992 | 2,120 | |
| | 1930 | 360 | 78 | 27 | 465 | 614 | 987 | . | 614 | 576 | 920 | 2,110 | 2,202 | |
| | 1931 | 346 | 63 | 29 | 438 | 545 | 906 | . | 545 | 536 | 879 | 1,960 | 2,192 | |
| | Krone.... | 1932 | 332 | 130 | 29 | 491 | 533 | 883 | . | 533 | 476 | 880 | 1,889 | 2,185 |
| | | 1933 | 375 | 77 | 30 | 482 | 569 | 948 | . | 569 | 521 | 901 | 1,991 | 2,203 |
| | | 1934 | 386 | 144 | 32 | 562 | 575 | 1,004 | . | 575 | 582 | 925 | 2,082 | 2,208 |
| | | 1935 | 384 | 113 | 34 | 531 | 580 | 994 | . | 580 | 594 | 946 | *2,120 | *2,172 |
| | | 1936 | 399 | 83 | 35 | 517 | *618 | *1,029 | . | *618 | *582 | *969 | *2,169 | *2,180 |
| | | 1932 | 90 | 191 | 112 | 107 | 97 | 94 | 91 | 97 | 88 | 98 | 95 | 103 |
| | | 1933 | 102 | 113 | 115 | 105 | 103 | 101 | 96 | 103 | 96 | 100 | 100 | 104 |
| 1929 = 100 | 1934 | 105 | 212 | 123 | 125 | 104 | 107 | 99 | 104 | 107 | 103 | 105 | 104 | |
| | 1935 | 105 | 166 | 131 | 115 | 105 | 106 | 102 | 105 | 109 | 105 | 106 | 102 | |
| | 1936 | 109 | 122 | 135 | 112 | 112 | 110 | 103 | 112 | 107 | 108 | 109 | 103 | |
| Ecuador | 1929 | 30 | 16 | 5 | 51 | 24 | 66 | . | 24 | — | 10 | 34 | 2 | |
| | 1930 | 23 | 17 | 5 | 45 | 22 | 58 | . | 22 | — | 11 | 33 | 3 | |
| | 1931 | 19 | 9 | 6 | 34 | 13 | 43 | . | 13 | — | 6 | 19 | 2 | |
| | Sucre..... | 1932 | 24 | 11 | 5 | 40 | 25 | 52 | . | 25 | — | 5 | 30 | 3 |
| | | 1933 | 36 | 20 | 6 | 62 | 43 | 83 | . | 43 | — | 7 | 50 | 3 |
| | | 1934 | 47 | 29 | 8 | 84 | 50 | 114 | . | 50 | — | 15 | 65 | 3 |
| | | 1935 | 49 | 40 | 8 | 97 | 43 | 123 | . | 43 | — | 20 | 63 | 4 |
| | | 1936 | 57 | 34 | 10 | 101 | ... | ... | . | ... | — | ... | ... | ... |
| | | 1932 | 80 | 69 | 100 | 78 | 104 | 79 | . | 104 | — | 50 | 88 | 150 |
| | | 1933 | 120 | 125 | 120 | 122 | 179 | 126 | . | 179 | — | 70 | 147 | 150 |
| 1929 = 100 | 1934 | 157 | 181 | 160 | 165 | 208 | 173 | . | 208 | — | 150 | 191 | 150 | |
| | 1935 | 163 | 250 | 160 | 190 | 179 | 186 | . | 179 | — | 200 | 185 | 200 | |
| | 1936 | 190 | 213 | 200 | 198 | ... | ... | . | ... | — | ... | ... | ... | |
| Egypt | 1929 | 26.6 | 32.8 | *5.0 | 64.4 | . | . | . | . | . | . | . | 4.1 | |
| | 1930 | 21.0 | 19.8 | *5.0 | 45.8 | . | . | . | . | . | . | . | 4.3 | |
| | 1931 | 19.5 | 19.7 | *5.1 | 44.3 | . | . | . | . | . | . | . | 4.3 | |
| | £E..... | 1932 | 18.7 | 23.1 | *5.1 | 46.9 | . | . | . | . | . | . | . | 5.2 |
| | | 1933 | 20.3 | 22.5 | 5.2 | 48.0 | . | . | . | . | . | . | . | 7.1 |
| | | 1934 | 19.8 | 21.4 | 5.2 | 46.4 | . | . | . | . | . | . | . | 8.4 |
| | | 1935 | 23.3 | 28.3 | 5.4 | 57.0 | . | . | . | . | . | . | . | 9.2 |
| | | 1936 | 23.1 | 26.2 | *5.4 | *54.7 | . | . | . | . | . | . | . | 11.2 |
| | | 1932 | 70 | 70 | 102 | 73 | . | . | . | . | . | . | . | 127 |
| | | 1933 | 76 | 69 | 104 | 75 | . | . | . | . | . | . | . | 173 |
| 1929 = 100 | 1934 | 74 | 65 | 104 | 72 | . | . | . | . | . | . | . | 205 | |
| | 1935 | 88 | 86 | 108 | 89 | . | . | . | . | . | . | . | 224 | |
| | 1936 | 87 | 80 | 108 | 85 | . | . | . | . | . | . | . | 273 | |

* Approximate or provisional figure.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | | |
|---|---------------------|---|---|--|---------------------|---------------------|--|---|---------------------------------------|---------|-------|---------------------|---------------------|--------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | | | |
| Estonia | 1929 | 34 | 16 | 3 | 53 | 42 | 91 | | 42 | . | 24 | 66 | 3 | |
| | 1930 | 32 | 16 | 3 | 51 | 46 | 93 | | 46 | . | 27 | 73 | 4 | |
| | 1931 | 35 | 15 | 3 | 53 | 38 | 87 | | 38 | . | 22 | 60 | 5 | |
| | Eesti Kroon ... | 1932 | 31 | 13 | 3 | 48 | 35 | 80 | | 35 | . | 16 | 51 | 5 |
| | | 1933 | 32 | 15 | 4 | 51 | 36 | 83 | | 36 | . | 15 | 51 | 6 |
| | | 1934 | 37 | 20 | 4 | 61 | 49 | 105 | | 49 | . | 16 | 65 | 8 |
| | | 1935 | 40 | 30 | 2 | 72 | 54 | 119 | | 54 | . | 20 | 74 | 10 |
| | | 1936 | 44 | 32 | 4 | 80 | 69 | 142 | | 69 | . | 24 | 93 | 10 |
| | | 1932 | 91 | 81 | 100 | 91 | 83 | 88 | 82 | 83 | . | 67 | 77 | 167 |
| | | 1933 | 94 | 94 | 133 | 96 | 86 | 91 | 83 | 86 | . | 63 | 77 | 200 |
| 1929 = 100 | 1934 | 109 | 125 | 133 | 115 | 117 | 115 | 78 | 117 | . | 67 | 98 | 267 | |
| | 1935 | 118 | 188 | 67 | 136 | 129 | 131 | 86 | 129 | . | 83 | 112 | 333 | |
| | 1936 | 129 | 200 | 133 | 151 | 164 | 156 | 93 | 164 | . | 100 | 141 | 333 | |
| Finland | 1929 | 1,361 | 227 | 52 | 1,640 | 1,486 | 2,888 | | 1,486 | 767 | 5,228 | 7,481 | 4,859 | |
| | 1930 | 1,279 | 200 | 54 | 1,533 | 1,555 | 2,865 | | 1,555 | 829 | 5,314 | 7,698 | 5,176 | |
| | 1931 | 1,293 | 133 | 57 | 1,483 | 1,635 | 2,886 | | 1,635 | 793 | 4,951 | 7,379 | 5,230 | |
| | Markka ... | 1932 | 1,085 | 183 | 89 | 1,357 | 1,607 | 2,751 | | 1,607 | 787 | 4,761 | 7,155 | 5,247 |
| | | 1933 | 1,184 | 397 | 102 | 1,683 | 1,766 | 2,915 | | 1,766 | 838 | 4,894 | 7,498 | 5,495 |
| | | 1934 | 1,277 | 359 | 116 | 1,752 | 1,525 | 2,878 | | 1,525 | 6,139 | 7,664 | 5,986 | |
| | | 1935 | 1,381 | 598 | 124 | 2,103 | 1,621 | 3,091 | | 1,621 | 6,359 | 7,980 | 6,566 | |
| | | 1936 | 1,630 | 993 | *125 | *2,748 | 1,822 | 3,719 | | 1,822 | 6,783 | 8,605 | 7,496 | |
| | | 1932 | 80 | 81 | 171 | 83 | 108 | 95 | 85 | 108 | 103 | 91 | 96 | 108 |
| | | 1933 | 87 | 175 | 196 | 103 | 119 | 101 | 82 | 119 | 109 | 94 | 100 | 113 |
| | 1929 = 100 | 1934 | 94 | 158 | 223 | 107 | 103 | 100 | 83 | 103 | | 102 | 102 | 123 |
| | | 1935 | 101 | 263 | 238 | 128 | 109 | 107 | 84 | 109 | | 106 | 107 | 135 |
| | | 1936 | 120 | 437 | 240 | 168 | 123 | 129 | 84 | 123 | | 113 | 115 | 154 |
| | France ¹ | 1929 | 67,769 | 20,094 | 1,196 | 89,059 | 42,325 | 127,891 | | 42,325 | — | 5,200 | 47,525 | 31,972 |
| 1930 | | 76,156 | 24,849 | 1,217 | 102,222 | 44,358 | 141,818 | | 44,358 | — | 5,204 | 49,562 | 38,603 | |
| 1931 | | 83,547 | 29,513 | 1,256 | 114,316 | 44,028 | 146,042 | | 44,028 | — | 3,982 | 48,010 | 50,860 | |
| Franc ... | | 1932 | 82,721 | 24,328 | 1,363 | 108,412 | 43,334 | 141,478 | | 43,334 | — | 3,523 | 46,857 | 57,283 |
| | | 1933 | 80,638 | 16,953 | 2,925 | 100,516 | 38,087 | 131,671 | | 38,087 | — | 3,246 | 41,333 | 58,859 |
| | | 1934 | 81,855 | 20,344 | 3,981 | 106,180 | 36,199 | 135,555 | | 36,199 | — | 2,817 | 39,016 | 60,736 |
| | | 1935 | 80,669 | 12,131 | *4,003 | *96,803 | 32,450 | 124,913 | | 32,450 | — | 2,412 | 34,862 | 62,794 |
| | | 1936 | 87,420 | 14,792 | ... | ... | ... | ... | | ... | — | ... | ... | 59,029 |
| | | 1932 | 122 | 121 | 114 | 122 | 102 | 111 | 91 | 102 | — | 68 | 99 | 179 |
| | | 1933 | 119 | 84 | 245 | 113 | 90 | 103 | 93 | 90 | — | 62 | 87 | 184 |
| 1929 = 100 | | 1934 | 121 | 101 | 333 | 119 | 86 | 106 | 89 | 86 | — | 54 | 82 | 190 |
| | | 1935 | 119 | 60 | 335 | 109 | 77 | 98 | 85 | 77 | — | 46 | 73 | 196 |
| | | 1936 | 129 | 74 | ... | ... | ... | ... | 95 | ... | — | ... | ... | 185 |
| Germany ² | | 1929 | 5,479 | 485 | 988 | 6,952 | 4,490 | 11,218 | | 4,490 | — | 7,623 | 12,113 | 8,827 |
| | 1930 | 5,202 | 417 | 984 | 6,603 | 4,565 | 10,933 | | 4,565 | — | 6,643 | 11,208 | 10,271 | |
| | 1931 | 5,213 | 555 | 1,179 | 6,947 | 3,870 | 10,600 | | 3,870 | — | 3,776 | 7,646 | 9,745 | |
| | Reichsmark | 1932 | 4,106 | 459 | 1,480 | 6,045 | 3,494 | 9,366 | | 3,494 | — | 3,948 | 7,442 | 9,738 |
| | | 1933 | 4,082 | 511 | 1,485 | 6,078 | 3,155 | 9,074 | | 3,155 | — | 3,860 | 7,015 | 10,684 |
| | | 1934 | 4,257 | 995 | 1,484 | 6,736 | 3,372 | 9,968 | | 3,372 | — | 3,882 | 7,254 | 12,273 |
| | | 1935 | 4,725 | 841 | 1,557 | 7,123 | 3,297 | 10,247 | | 3,297 | — | 2,896 | 6,193 | 13,424 |
| | | 1936 | 5,049 | 753 | 1,569 | 7,371 | 3,674 | 10,866 | | 3,674 | — | 3,007 | 6,681 | 14,222 |
| | | 1932 | 75 | 95 | 150 | 87 | 78 | 83 | 77 | 78 | — | 52 | 61 | 111 |
| | | 1933 | 75 | 105 | 150 | 87 | 70 | 81 | 79 | 70 | — | 51 | 58 | 121 |
| | 1929 = 100 | 1934 | 78 | 205 | 150 | 97 | 75 | 89 | 80 | 75 | — | 51 | 60 | 139 |
| | | 1935 | 86 | 173 | 158 | 102 | 73 | 91 | 80 | 73 | — | 38 | 51 | 152 |
| | | 1936 | 92 | 155 | 159 | 159 | 82 | 97 | 81 | 82 | — | 39 | 55 | 161 |

* Approximate or provisional figure.

¹ Commercial banks comprise principal deposit and investment banks. (g) : averages of last quarter.² Figures refer throughout to the end of November of each year. Deposits include correspondents' accounts.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | |
|---|-------------|---|--------------------------------|--|------------------|------------------|------------------|--|---|---------------------------------------|---------------|------------------|------------------|--------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Commercial Banks | | | | Savings Banks | | | |
| | | Note circulation (bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | Sight | | | Savings | Other | Total (h) to (i) | Savings deposits | |
| | | (a) | (b) | (c) | (d) | (e) | (f) | | | (g) | (h) | (i) | (j) | (k) |
| Greece ¹ | 1929 | 5,193 | 1,530 | *250 | 6,973 | 11,405 | 17,269 | | 11,405 | . | 1,830 | 13,235 | 1,715 | |
| | 1930 | 4,803 | 1,728 | *279 | 6,810 | 10,815 | 16,437 | | 10,815 | . | 2,648 | 13,463 | 2,385 | |
| | 1931 | 4,003 | 702 | 309 | 5,014 | 9,284 | 13,171 | | 9,284 | . | 3,120 | 12,404 | 3,101 | |
| | Drachma .. | 1932 | 4,714 | 3,451 | 338 | 8,503 | 8,812 | 16,444 | | 8,812 | . | 3,257 | 12,069 | 3,343 |
| | | 1933 | 5,449 | 5,424 | 336 | 11,209 | 9,904 | 19,141 | | 9,904 | . | 3,124 | 13,028 | 4,346 |
| | | 1934 | 5,686 | 4,166 | 348 | 10,200 | 10,949 | 18,663 | | 10,949 | . | 2,938 | 13,887 | 4,933 |
| | | 1935 | 5,988 | 4,784 | *375 | *11,147 | 10,748 | *20,575 | | 10,748 | . | 2,857 | 13,605 | 5,115 |
| | | 1936 | 6,203 | 5,715 | *400 | *12,318 | ... | ... | | ... | . | ... | ... | 5,529 |
| | | 1932 | 91 | 226 | 135 | 122 | 77 | 101 | 100 | 77 | . | 178 | 91 | 195 |
| | | 1933 | 105 | 355 | 134 | 161 | 87 | 108 | 104 | 87 | . | 171 | 98 | 253 |
| | 1929 = 100 | 1934 | 109 | 272 | 139 | 146 | 96 | 108 | 104 | 96 | . | 161 | 105 | 288 |
| | | 1935 | 115 | 313 | 150 | 160 | 94 | 119 | 106 | 94 | . | 156 | 103 | 298 |
| | | 1936 | 119 | 374 | 160 | 177 | ... | ... | 110 | ... | . | ... | ... | 322 |
| | | | | | | | | | | | | | | |
| Hungary | 1929 | 501 | 98 | 39 | 638 | 919 | *1,256 | | 919 | 992 | 909 | 2,820 | 105 | |
| | 1930 | 469 | 67 | 62 | 598 | 898 | *1,219 | | 898 | 1,019 | 992 | 2,909 | 130 | |
| | 1931 | 423 | 126 | 66 | 615 | 797 | *1,178 | | 797 | 812 | 804 | 2,413 | 105 | |
| | Pengö | 1932 | 353 | 78 | 62 | 493 | 770 | *1,055 | | 770 | 719 | 711 | 2,200 | 107 |
| | | 1933 | 369 | 103 | 70 | 542 | 775 | *1,150 | | 775 | 731 | 668 | 2,174 | 115 |
| | | 1934 | 381 | 106 | 70 | 557 | 674 | *1,060 | | 674 | 761 | 665 | 2,100 | 127 |
| | | 1935 | 417 | 147 | 71 | 635 | 701 | *1,149 | | 701 | 800 | 681 | 2,182 | 140 |
| | | 1936 | 436 | 213 | 77 | 726 | 684 | *1,226 | | 684 | 840 | 659 | 2,183 | ... |
| | | 1932 | 70 | 80 | 159 | 77 | 84 | 84 | 84 | 84 | 72 | 78 | 78 | 102 |
| | | 1933 | 74 | 105 | 179 | 85 | 84 | 92 | 78 | 84 | 74 | 73 | 77 | 110 |
| | 1929 = 100 | 1934 | 76 | 108 | 179 | 87 | 73 | 84 | 78 | 73 | 77 | 73 | 74 | 121 |
| | | 1935 | 83 | 150 | 182 | 100 | 76 | 91 | 83 | 76 | 81 | 75 | 77 | 133 |
| | | 1936 | 87 | 217 | 197 | 114 | 74 | 98 | 87 | 74 | 85 | 72 | 77 | ... |
| | | | | | | | | | | | | | | |
| India ² | 1929 | 1,794 | — | . | . | . | . | | . | . | . | 2,046 | 991 | |
| | 1930 | 1,613 | — | . | . | . | . | | . | . | . | 2,122 | 1,057 | |
| | 1931 | 1,793 | — | . | . | . | . | | . | . | . | 1,974 | 1,147 | |
| | Rupee | 1932 | 1,748 | — | . | . | . | . | | . | . | . | 2,176 | 1,350 |
| | | 1933 | 1,781 | — | . | . | . | . | | . | . | . | 2,213 | 1,456 |
| | | 1934 | 1,839 | — | . | . | . | . | | . | . | . | 2,276 | 1,654 |
| | | 1935 | 1,718 | 354 | . | 2,072 | 1,248 | 2,941 | | 1,248 | . | 991 | 2,239 | *1,753 |
| | | 1936 | 1,899 | 226 | . | 2,125 | 1,278 | 3,175 | | 1,278 | . | 1,018 | 2,297 | ... |
| | | 1932 | 97 | — | . | . | . | . | 74 | . | . | . | 106 | 136 |
| | | 1933 | 99 | — | . | . | . | . | 65 | . | . | . | 108 | 147 |
| | 1929 = 100 | 1934 | 103 | — | . | . | . | . | 67 | . | . | . | 111 | 167 |
| | | 1935 | 96 | . | . | . | . | . | 70 | . | . | . | 109 | 177 |
| | | 1936 | 106 | . | . | . | . | . | 71 | . | . | . | 112 | ... |
| | | | | | | | | | | | | | | |
| Irish Free State ³ | 1929 | 14.2 | — | 0.7 | 14.9 | . | *75.7 | | . | . | . | 126.9 | 13.0 | |
| | 1930 | 14.3 | — | 0.8 | 15.1 | . | *76.3 | | . | . | . | 128.0 | 14.5 | |
| | 1931 | 13.4 | — | 0.8 | 14.2 | . | *71.7 | | . | . | . | 128.9 | 16.1 | |
| | £ | 1932 | 13.4 | — | 0.8 | 14.2 | . | *76.7 | | . | . | . | 142.4 | 17.3 |
| | | 1933 | 13.7 | — | 0.9 | 14.6 | . | *74.8 | | . | . | . | 131.9 | 18.6 |
| | | 1934 | 13.9 | — | 0.9 | 14.8 | . | *74.0 | | . | . | . | 130.4 | 19.5 |
| | | 1935 | 14.3 | — | 1.0 | 15.3 | . | *76.8 | | . | . | . | 130.3 | 20.8 |
| | | 1936 | 15.1 | — | 1.1 | 16.2 | . | *78.7 | | . | . | . | *131.3 | ... |
| | | 1932 | 94 | — | 114 | 95 | . | 101 | 87 | . | . | . | 112 | 133 |
| | | 1933 | 96 | — | 129 | 98 | . | 99 | 87 | . | . | . | 104 | 143 |
| | 1929 = 100 | 1934 | 98 | — | 129 | 99 | . | 98 | 88 | . | . | . | 103 | 150 |
| | | 1935 | 101 | — | 143 | 103 | . | 101 | 91 | . | . | . | 103 | 160 |
| | | 1936 | 106 | — | 157 | 109 | . | 104 | 93 | . | . | . | 103 | ... |
| | | | | | | | | | | | | | | |

* Approximate or provisional figure.
¹ Sight deposits include savings accounts.
² Up to 1934: Issue Department of Treasury (a) and deposits with domestic joint-stock banks, deposits in India with Exchange Banks and private deposits with the Imperial Bank (i). Since 1935: Reserve Bank of India (a) and (b) and deposits with scheduled banks (e) (h) (i). Data for coin in circulation not available. Savings comprise P. O. savings, P. O. cash certificates and deposits with co-operative banks.
³ (g) : October 1929 = 100 ; 1932 to 1936 : November.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | |
|---|-------------|---|---|--|---------------------|---------------------|------------------|--|---|---------------------------------------|------------------|---------------------|---------------------|--------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Commercial Banks | | | | Savings Banks | | | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (c) to (e) | Sight deposits | Sight | | | Savings | Other | Total (h) to (j) | Savings deposits | |
| | | (a) | (b) | (c) | (d) | (e) | (f) | | | (g) | (h) | (i) | (j) | (k) |
| Italy ¹ | 1929 | 16,854 | 1,985 | 1,992 | 20,831 | 22,416 | 42,069 | | 22,416 | 5,092 | 3,296 | 30,804 | 25,537 | |
| | 1930 | 15,680 | 2,421 | 2,135 | 20,236 | 22,328 | 41,341 | | 22,328 | 5,075 | 3,576 | 30,979 | 27,490 | |
| | 1931 | 14,295 | 2,070 | 2,138 | 18,503 | 19,719 | 37,130 | | 19,719 | 4,377 | 2,717 | 26,813 | 29,755 | |
| | 1932 | 13,672 | 1,622 | 2,140 | 17,434 | 17,953 | 34,252 | | 17,953 | 4,178 | 2,752 | 24,883 | 32,627 | |
| | Lira | 1933 | 13,243 | 1,569 | 2,142 | 16,954 | 17,535 | 33,269 | | 17,535 | 3,899 | 3,236 | 24,670 | 36,004 |
| | 1934 | 13,145 | 1,106 | 2,144 | 16,395 | 16,905 | 32,139 | | 16,905 | 4,007 | 3,455 | 24,367 | 37,282 | |
| | 1935 | 16,297 | 1,090 | 2,363 | 19,750 | 14,925 | 33,394 | | 14,925 | 3,951 | 3,588 | 22,464 | 36,127 | |
| | 1936 | 16,525 | 1,432 | ... | ... | ... | ... | | ... | ... | ... | ... | 38,339 | |
| | 1932 | 81 | 82 | 107 | 84 | 80 | 81 | 83 | 80 | 82 | 83 | 81 | 128 | |
| | 1933 | 79 | 79 | 108 | 81 | 78 | 79 | 79 | 78 | 77 | 98 | 80 | 141 | |
| 1929 = 100 | 1934 | 78 | 56 | 108 | 79 | 75 | 76 | 75 | 75 | 79 | 105 | 79 | 146 | |
| | 1935 | 97 | 55 | 119 | 95 | 67 | 79 | 81 | 67 | 78 | 109 | 73 | 141 | |
| | 1936 | 98 | 72 | ... | ... | ... | ... | 85 | ... | ... | ... | ... | 150 | |
| | 1932 | 81 | 82 | 107 | 84 | 80 | 81 | 83 | 80 | 82 | 83 | 81 | 128 | |
| Japan ² | 1929 | 1,771 | 533 | 425 | 2,729 | 3,220 | 5,253 | | 3,220 | — | 5,993 | 9,213 | 3,479 | |
| | 1930 | 1,556 | 456 | 422 | 2,434 | 2,911 | 4,726 | | 2,911 | — | 5,748 | 8,659 | 3,890 | |
| | 1931 | 1,469 | 374 | 416 | 2,259 | 2,616 | 4,343 | | 2,616 | — | 5,558 | 8,174 | 4,252 | |
| | 1932 | 1,562 | 384 | 414 | 2,360 | 2,699 | 4,522 | | 2,699 | — | 5,433 | 8,132 | 4,381 | |
| | Yen | 1933 | 1,679 | 369 | 435 | 2,483 | 2,901 | 4,785 | | 2,901 | — | 5,826 | 8,727 | 4,623 |
| | 1934 | 1,804 | 335 | 445 | 2,584 | 3,052 | 4,900 | | 3,052 | — | 6,302 | 9,354 | 4,831 | |
| | 1935 | 1,910 | 392 | 458 | 2,760 | 3,089 | 5,214 | | 3,089 | — | 6,785 | 9,874 | 5,157 | |
| | 1936 | 2,057 | 345 | *460 | 2,862 | 3,430 | 5,609 | | 3,430 | — | 7,502 | 10,932 | 5,195 | |
| | 1932 | 88 | 72 | 97 | 86 | 84 | 86 | 85 | 84 | — | 91 | 88 | 126 | |
| | 1933 | 95 | 69 | 102 | 91 | 90 | 91 | 87 | 90 | — | 97 | 95 | 133 | |
| 1929 = 100 | 1934 | 102 | 63 | 105 | 95 | 95 | 93 | 88 | 95 | — | 105 | 102 | 139 | |
| | 1935 | 108 | 74 | 108 | 101 | 96 | 99 | 91 | 96 | — | 113 | 107 | 148 | |
| | 1936 | 116 | 65 | 108 | 105 | 107 | 107 | 95 | 107 | — | 125 | 119 | 149 | |
| | 1932 | 88 | 72 | 97 | 86 | 84 | 86 | 85 | 84 | — | 91 | 88 | 126 | |
| Latvia ³ | 1929 | 83 | 72 | 23 | 178 | 58 | 229 | | 58 | — | 4 | 62 | 10 | |
| | 1930 | 86 | 77 | 26 | 189 | 60 | 242 | | 60 | — | 4 | 64 | 15 | |
| | 1931 | 76 | 86 | 27 | 189 | 25 | 209 | | 25 | — | 2 | 27 | 15 | |
| | 1932 | 68 | 87 | 29 | 184 | 26 | 205 | | 26 | — | 2 | 28 | 19 | |
| | Lat | 1933 | 75 | 103 | 30 | 208 | 27 | 230 | | 27 | — | 2 | 29 | 27 |
| | 1934 | 82 | 112 | 30 | 224 | 33 | 249 | | 33 | — | 2 | 35 | 40 | |
| | 1935 | 81 | 110 | 31 | 222 | 39 | 249 | | 39 | — | 1 | 40 | 56 | |
| | 1936 | 85 | 136 | 30 | 251 | 74 | 310 | | 74 | — | 10 | 84 | *68 | |
| | 1932 | 82 | 121 | 126 | 103 | 45 | 90 | 76 | 45 | — | 50 | 45 | 190 | |
| | 1933 | 90 | 143 | 130 | 117 | 47 | 100 | 73 | 47 | — | 50 | 47 | 270 | |
| 1929 = 100 | 1934 | 99 | 156 | 130 | 126 | 57 | 109 | 70 | 57 | — | 50 | 56 | 400 | |
| | 1935 | 98 | 153 | 135 | 125 | 67 | 109 | 70 | 67 | — | 25 | 65 | 560 | |
| | 1936 | 102 | 189 | 130 | 141 | 128 | 135 | 73 | 128 | — | 250 | 135 | 680 | |
| | 1932 | 82 | 121 | 126 | 103 | 45 | 90 | 76 | 45 | — | 50 | 45 | 190 | |
| Lithuania | 1929 | 95 | 99 | 12 | 206 | *43 | *242 | | *43 | — | *58 | 101 | 45 | |
| | 1930 | 117 | 103 | 14 | 234 | *55 | *280 | | *55 | — | *72 | 127 | 67 | |
| | 1931 | 109 | 78 | 14 | 201 | 42 | 236 | | 42 | — | 63 | 105 | 78 | |
| | 1932 | 96 | 57 | 14 | 167 | 47 | 209 | | 47 | — | 55 | 102 | 85 | |
| | Litas | 1933 | 88 | 61 | 14 | 163 | 44 | 201 | | 44 | — | 46 | 90 | 77 |
| | 1934 | 88 | 69 | 14 | 171 | 44 | 210 | | 44 | — | 36 | 80 | 70 | |
| | 1935 | 104 | 45 | 16 | 165 | 42 | 203 | | 42 | — | 29 | 71 | *61 | |
| | 1936 | 110 | 78 | 17 | 205 | ... | ... | | ... | — | ... | ... | *72 | |
| | 1932 | 101 | 58 | 117 | 81 | 109 | 86 | 64 | 109 | — | 95 | 101 | 189 | |
| | 1933 | 93 | 62 | 117 | 79 | 102 | 83 | 58 | 102 | — | 79 | 89 | 171 | |
| 1929 = 100 | 1934 | 93 | 70 | 117 | 83 | 102 | 87 | 51 | 102 | — | 62 | 79 | 156 | |
| | 1935 | 109 | 45 | 133 | 80 | 98 | 84 | 48 | 98 | — | 50 | 70 | 136 | |
| | 1936 | 116 | 79 | 142 | 100 | ... | ... | 52 | ... | — | ... | ... | 160 | |
| | 1932 | 101 | 58 | 117 | 81 | 109 | 86 | 64 | 109 | — | 95 | 101 | 189 | |

* Approximate or provisional figure.

¹ Commercial banks comprise all ordinary joint-stock banks. Sight deposits include correspondents' accounts.² Commercial banks: "Ordinary banks".³ (g): January 1930 = 100.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | |
|---|-----------|---|---|--|---------------------|---------------------|------------------|--|---|---------------------------------------|------------------|---------------------|---------------------|-----|
| | | Central Banks and Treasuries | | | | Commercial Banks | Commercial Banks | | | | Savings Banks | | | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | Sight | | | Savings | Other | Total (h) to (j) | Savings deposits | |
| | | (a) | (b) | (c) | (d) | (e) | (f) | | | (g) | (h) | (i) | (j) | (k) |
| Mexico | 1929 | 14.1 | 48.3 | 205.6 | 268.0 | 175.6 | 419.3 | | 175.6 | — | 42.9 | 218.5 | . | |
| | 1930 | 8.5 | 45.6 | 208.2 | 262.3 | 183.0 | 400.6 | | 183.0 | — | 60.2 | 243.2 | . | |
| | 1931 | 6.6 | 43.0 | 205.2 | 254.8 | 102.0 | 330.5 | | 102.0 | — | 43.4 | 145.4 | . | |
| | 1932 | 47.3 | 66.3 | 193.4 | 307.0 | 135.2 | 382.3 | | 135.2 | — | 26.9 | 162.1 | . | |
| | 1933 | 77.7 | 67.9 | 210.0 | 355.6 | 182.4 | 460.8 | | 182.4 | — | 51.2 | 233.6 | . | |
| | 1934 | 100.0 | 93.5 | *210.0 | *403.5 | 193.1 | *514.3 | | 193.1 | — | 41.6 | 234.7 | . | |
| | 1935 | 221.4 | 132.2 | 142.0 | 495.6 | 233.8 | 649.3 | | 233.8 | 20.8 | 42.4 | 297.0 | . | |
| | 1936 | 270.2 | 112.0 | 184.2 | 566.4 | 241.3 | 715.4 | | 241.3 | 26.5 | 44.3 | 312.1 | . | |
| | 1932 | 335 | 137 | 94 | 115 | 77 | 91 | | 77 | — | 63 | 74 | . | |
| | 1933 | 551 | 141 | 102 | 133 | 104 | 110 | | 104 | — | 119 | 107 | . | |
| 1929 = 100 | 1934 | 709 | 194 | 102 | 151 | 110 | 123 | | 110 | — | 97 | 107 | . | |
| | 1935 | 1,570 | 274 | 69 | 185 | 133 | 155 | | 133 | . | 99 | 136 | . | |
| | 1936 | 1,916 | 232 | 90 | 211 | 137 | 171 | | 137 | . | 103 | 143 | . | |
| | | | | | | | | | | | | | | |
| Netherlands ¹ | 1929 | 862 | 34 | 120 | 1,016 | 634 | *1,557 | | 634 | — | 721 | 1,355 | 1,188 | |
| | 1930 | 847 | 31 | 131 | 1,009 | 712 | *1,615 | | 712 | — | 761 | 1,473 | 1,285 | |
| | 1931 | 1,025 | 180 | 119 | 1,324 | 584 | *1,787 | | 584 | — | 657 | 1,241 | 1,345 | |
| | 1932 | 963 | 304 | 120 | 1,387 | 606 | *1,781 | | 606 | — | 506 | 1,112 | 1,379 | |
| | 1933 | 913 | 231 | *120 | *1,264 | 551 | *1,600 | | 551 | — | 445 | 996 | 1,414 | |
| | 1934 | 913 | 147 | *120 | *1,180 | 538 | *1,549 | | 538 | — | 406 | 944 | 1,450 | |
| | 1935 | 810 | 51 | *120 | *981 | 465 | *1,364 | | 465 | — | 311 | 776 | *1,450 | |
| | 1936 | 794 | 310 | *120 | *1,224 | ... | ... | | ... | — | ... | ... | ... | |
| | 1932 | 112 | 894 | 100 | 137 | 96 | 114 | 84 | 96 | — | 70 | 82 | 116 | |
| | 1933 | 106 | 679 | 100 | 124 | 87 | 103 | 85 | 87 | — | 62 | 74 | 119 | |
| 1929 = 100 | 1934 | 106 | 432 | 100 | 116 | 85 | 99 | 83 | 85 | — | 56 | 70 | 122 | |
| | 1935 | 94 | 150 | 100 | 97 | 73 | 88 | 82 | 73 | — | 43 | 57 | 122 | |
| | 1936 | 92 | 912 | 100 | 120 | ... | ... | 80 | ... | — | ... | ... | ... | |
| | | | | | | | | | | | | | | |
| Netherlands Indies | 1929 | 329 | 40 | . | . | . | . | | . | . | . | . | 51 | |
| | 1930 | 266 | 47 | . | . | . | . | | . | . | . | . | 54 | |
| | 1931 | 233 | 28 | . | . | . | . | | . | . | . | . | 56 | |
| | 1932 | 207 | 32 | . | . | . | . | | . | . | . | . | 56 | |
| | 1933 | 188 | 28 | . | . | . | . | | . | . | . | . | 58 | |
| | 1934 | 177 | 37 | . | . | . | . | | . | . | . | . | 103 | |
| | 1935 | 157 | 26 | . | . | . | . | | . | . | . | . | 99 | |
| | 1936 | 162 | 34 | . | . | . | . | | . | . | . | . | ... | |
| | 1932 | 63 | 80 | . | . | . | . | | . | . | . | . | 110 | |
| | 1933 | 57 | 70 | . | . | . | . | | . | . | . | . | 114 | |
| 1929 = 100 | 1934 | 54 | 93 | . | . | . | . | | . | . | . | . | 202 | |
| | 1935 | 48 | 65 | . | . | . | . | | . | . | . | . | 194 | |
| | 1936 | 49 | 85 | . | . | . | . | | . | . | . | . | ... | |
| | | | | | | | | | | | | | | |
| New Zealand ² | 1929 | 7.2 | — | *1.0 | *8.2 | 24.2 | *32.4 | | 24.2 | — | 30.6 | 54.8 | ³ 58.7 | |
| | 1930 | 6.7 | — | *1.0 | *7.7 | 19.5 | *27.2 | | 19.5 | — | 33.0 | 52.5 | ³ 57.4 | |
| | 1931 | 7.3 | — | *1.0 | *8.3 | 17.2 | *25.2 | | 17.2 | — | 34.8 | 52.0 | ³ 53.4 | |
| | 1932 | 7.1 | — | *1.0 | *8.1 | 16.2 | *24.3 | | 16.2 | — | 35.1 | 51.3 | ³ 52.5 | |
| | 1933 | 7.6 | — | *1.0 | *8.6 | 20.5 | *29.1 | | 20.5 | — | 39.3 | 59.8 | ³ 55.7 | |
| | 1934 | 6.8 | 6.7 | *1.0 | *14.5 | 22.4 | *36.9 | | 22.4 | — | 37.7 | 60.1 | 58.7 | |
| | 1935 | 7.6 | 4.1 | *1.5 | *13.2 | 25.1 | *38.3 | | 25.1 | — | 38.6 | 63.7 | 62.2 | |
| | 1936 | 10.4 | 3.8 | *1.5 | *15.7 | 29.2 | *44.9 | | 29.2 | — | 34.1 | 63.3 | 65.4 | |
| | 1932 | 99 | — | 100 | 99 | 67 | 75 | 80 | 67 | — | 115 | 94 | 89 | |
| | 1933 | 106 | — | 100 | 105 | 85 | 90 | 80 | 85 | — | 128 | 109 | 95 | |
| 1929 = 100 | 1934 | 94 | . | 100 | 177 | 93 | 114 | 81 | 93 | — | 123 | 110 | 100 | |
| | 1935 | 106 | . | 150 | 161 | 104 | 118 | 85 | 104 | — | 126 | 116 | 106 | |
| | 1936 | 144 | . | 150 | 191 | 121 | 139 | 88 | 121 | — | 111 | 116 | 111 | |
| | | | | | | | | | | | | | | |

* Approximate or provisional figure.
¹ Commercial banks: principal banks only.
² Up to 1933: net circulation of note-issuing banks (a). Since 1934: Reserve Bank (including net circulation of old notes).
 Cost-of-living figures refer to November.
³ March 31st of the following year.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | | |
|---|-----------------|---|---|--|---------------------|---------------------|--|---|---------------------------------------|---------|-------|---------------------|---------------------|-------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | | | |
| Norway | 1929 | 318 | 90 | 18 | 426 | 124 | 493 | | 124 | 894 | 40 | 1,058 | 2,287 | |
| | 1930 | 312 | 65 | 18 | 395 | 128 | 467 | | 128 | 897 | 59 | 1,084 | 2,234 | |
| | 1931 | 334 | 68 | 19 | 421 | 113 | 489 | | 113 | 835 | 46 | 994 | 2,150 | |
| | Krone | 1932 | 315 | 77 | 19 | 411 | 99 | 456 | | 99 | 752 | 32 | 883 | 2,114 |
| | | 1933 | 327 | 64 | 19 | 410 | 83 | 446 | | 83 | 719 | 35 | 837 | 2,051 |
| | 1934 | 333 | 80 | 20 | 433 | 99 | 478 | | 99 | 700 | 41 | 840 | 1,980 | |
| | 1935 | 348 | 81 | 22 | 451 | 119 | 521 | | 119 | 745 | 40 | 904 | 1,990 | |
| | 1936 | 429 | 106 | 23 | 558 | *126 | *636 | | *126 | *680 | *42 | *848 | *1,516 | |
| | 1929 = 100 | 1932 | 99 | 86 | 106 | 96 | 80 | 92 | 90 | 80 | 84 | 80 | 83 | 92 |
| | | 1933 | 103 | 71 | 106 | 96 | 67 | 90 | 88 | 67 | 80 | 88 | 79 | 90 |
| 1934 | | 105 | 89 | 111 | 102 | 80 | 97 | 90 | 80 | 78 | 103 | 79 | 87 | |
| 1935 | | 109 | 90 | 122 | 106 | 96 | 106 | 93 | 96 | 83 | 100 | 85 | 87 | |
| 1936 | 135 | 118 | 128 | 131 | 102 | 129 | 95 | 102 | 76 | 105 | 80 | 66 | | |
| Peru | 1929 | 65 | 12 | 22 | 99 | 88 | 162 | | 88 | 23 | 53 | 164 | . | |
| | 1930 | 64 | 6 | 23 | 93 | 54 | 129 | | 54 | 17 | 43 | 114 | . | |
| | 1931 | 55 | 8 | 19 | 82 | 51 | 118 | | 51 | 18 | 34 | 103 | . | |
| | Sol | 1932 | 50 | 6 | 18 | 74 | 54 | 114 | | 54 | 20 | 29 | 103 | . |
| | | 1933 | 67 | 20 | 22 | 109 | 70 | 146 | | 70 | 26 | 31 | 127 | . |
| | 1934 | 74 | 28 | 24 | 126 | 98 | 188 | | 98 | 33 | 33 | 164 | . | |
| | 1935 | 84 | 18 | 23 | 125 | 108 | 205 | | 108 | 40 | 42 | 190 | . | |
| | 1936 | 96 | 32 | 23 | 151 | 127 | 248 | | 127 | 49 | 46 | 222 | . | |
| | 1929 = 100 | 1932 | 77 | 50 | 82 | 75 | 61 | 70 | 81 | 61 | 87 | 55 | 63 | . |
| | | 1933 | 103 | 167 | 100 | 110 | 80 | 90 | 86 | 80 | 113 | 58 | 77 | . |
| 1934 | | 114 | 233 | 109 | 127 | 111 | 116 | 81 | 111 | 143 | 62 | 100 | . | |
| 1935 | | 129 | 150 | 105 | 126 | 123 | 127 | 90 | 123 | 174 | 79 | 116 | . | |
| 1936 | 148 | 267 | 105 | 153 | 144 | 153 | 93 | 144 | 213 | 87 | 135 | . | | |
| Poland ¹ | 1929 | 1,404 | 468 | 196 | 2,068 | 520 | 2,485 | | 520 | 130 | 388 | 1,038 | 914 | |
| | 1930 | 1,331 | 210 | 238 | 1,779 | 506 | 2,187 | | 506 | 181 | 405 | 1,092 | 1,202 | |
| | 1931 | 1,220 | 213 | 240 | 1,673 | 356 | 1,957 | | 356 | 85 | 223 | 664 | 1,241 | |
| | Zloty | 1932 | 1,003 | 220 | 322 | 1,545 | 297 | 1,786 | | 297 | 76 | 191 | 564 | 1,342 |
| | | 1933 | 1,004 | 262 | 342 | 1,608 | 302 | 1,854 | | 302 | 67 | 132 | 501 | 1,368 |
| | 1934 | 981 | 241 | 384 | 1,606 | 285 | 1,831 | | 285 | 81 | 136 | 502 | 1,505 | |
| | 1935 | 1,007 | 210 | 404 | 1,621 | 286 | 1,838 | | 286 | 94 | 125 | 505 | 1,595 | |
| | 1936 | 1,034 | 292 | 428 | 1,754 | 330 | 2,014 | | 330 | 87 | 112 | 529 | 1,627 | |
| | 1929 = 100 | 1932 | 71 | 47 | 164 | 75 | 57 | 72 | 73 | 57 | 58 | 49 | 54 | 147 |
| | | 1933 | 72 | 56 | 174 | 78 | 58 | 75 | 70 | 58 | 52 | 34 | 48 | 150 |
| 1934 | | 70 | 51 | 196 | 78 | 55 | 74 | 64 | 55 | 62 | 35 | 48 | 165 | |
| 1935 | | 72 | 45 | 206 | 78 | 55 | 74 | 61 | 55 | 72 | 32 | 49 | 175 | |
| 1936 | 74 | 62 | 218 | 85 | 63 | 81 | 62 | 63 | 67 | 29 | 51 | 178 | | |
| Portugal | 1929 | 2,046 | 331 | *10 | *2,387 | 481 | *2,706 | | 481 | — | 567 | 1,048 | 1,822 | |
| | 1930 | 1,994 | 350 | *20 | *2,364 | 389 | *2,608 | | 389 | — | 494 | 883 | 1,983 | |
| | 1931 | 2,062 | 279 | 42 | 2,383 | 464 | 2,637 | | 464 | — | 347 | 811 | 2,134 | |
| | Escudo | 1932 | 2,001 | 544 | 70 | 2,615 | 481 | 2,928 | | 481 | — | 337 | 818 | 2,521 |
| | | 1933 | 1,989 | 534 | 121 | 2,644 | 521 | 2,995 | | 521 | — | 317 | 838 | 2,605 |
| | 1934 | 2,137 | 758 | 145 | 3,040 | 606 | 3,449 | | 606 | — | 359 | 965 | 2,839 | |
| | 1935 | 2,205 | 781 | 152 | 3,138 | 626 | 3,580 | | 626 | — | 330 | 956 | 2,828 | |
| | 1936 | 2,257 | 926 | 160 | 3,343 | *754 | *3,855 | | ... | — | ... | ... | ... | |
| | 1929 = 100 | 1932 | 98 | 164 | 700 | 110 | 100 | 108 | 86 | 100 | — | 59 | 78 | 138 |
| | | 1933 | 97 | 161 | 1,210 | 111 | 108 | 111 | 84 | 108 | — | 56 | 80 | 143 |
| 1934 | | 104 | 229 | 1,450 | 127 | 126 | 127 | 85 | 126 | — | 63 | 92 | 156 | |
| 1935 | | 108 | 236 | 1,520 | 131 | 130 | 132 | 85 | 130 | — | 58 | 91 | 155 | |
| 1936 | 110 | 280 | 1,600 | 140 | 157 | 142 | ... | ... | — | ... | ... | ... | | |

* Approximate or provisional figure.

¹ Commercial banks: joint-stock banks only.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | | |
|---|--------------|---|---|--|---------------------|---------------------|--|---|---------------------------------------|---------|--------|---------------------|---------------------|-------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | | | |
| Roumania | 1929 | 21,144 | 9,371 | 420 | 30,935 | 19,561 | 43,867 | | 19,561 | . | 31,753 | 51,314 | 1,730 | |
| | 1930 | 19,605 | 5,077 | 1,454 | 26,136 | 18,212 | 36,338 | | 18,212 | . | 35,111 | 53,323 | 1,993 | |
| | 1931 | 23,750 | 3,865 | 2,653 | 30,268 | 12,840 | 40,048 | | 12,840 | . | 17,366 | 30,206 | 2,298 | |
| | Leu | 1932 | 21,594 | 6,366 | 3,681 | 31,641 | 11,714 | 40,833 | | 11,714 | . | 14,469 | 26,183 | 2,376 |
| | | 1933 | 21,219 | 7,257 | 3,653 | 32,129 | 10,111 | 39,315 | | 10,111 | . | 12,886 | 22,997 | ... |
| | | 1934 | 22,307 | 7,232 | 3,599 | 33,138 | ... | ... | | ... | . | ... | ... | ... |
| | | 1935 | 23,127 | 7,665 | 3,567 | 34,359 | ... | ... | | ... | . | ... | ... | ... |
| | | 1936 | 25,663 | 10,299 | 4,475 | 40,437 | ... | ... | | ... | . | ... | ... | ... |
| | | 1932 | 102 | 68 | 876 | 102 | 60 | 93 | . | 60 | . | 46 | 51 | 137 |
| | | 1933 | 100 | 77 | 870 | 104 | 52 | 90 | . | 52 | . | 41 | 45 | ... |
| 1929 = 100 | 1934 | 106 | 77 | 857 | 107 | ... | ... | . | ... | . | ... | ... | ... | |
| | 1935 | 109 | 82 | 849 | 111 | ... | ... | . | ... | . | ... | ... | ... | |
| | 1936 | 121 | 110 | 1,065 | 131 | ... | ... | . | ... | . | ... | ... | ... | |
| Salvador | 1929 | 15 | — | . | 15 | 7 | 20 | | 7 | . | 2 | 9 | . | |
| | 1930 | 11 | — | . | 11 | 6 | 15 | | 6 | . | 2 | 8 | . | |
| | 1931 | 10 | — | . | 10 | 5 | 13 | | 5 | . | 2 | 7 | . | |
| | Colon | 1932 | 12 | — | . | 12 | 6 | 16 | | 6 | . | 2 | 8 | . |
| | | 1933 | 14 | — | . | 14 | 5 | 17 | | 5 | . | 2 | 7 | . |
| | | 1934 | 15 | 4 | . | 19 | 5 | 22 | | 5 | . | 1 | 6 | . |
| | | 1935 | 13 | 6 | . | 19 | 4 | 21 | | 4 | . | 1 | 5 | . |
| | | 1936 | 16 | 4 | . | 20 | 4 | 22 | | 4 | . | 1 | 5 | . |
| | | 1932 | 80 | . | . | 80 | 86 | 80 | . | 86 | . | 100 | 89 | . |
| | | 1933 | 93 | . | . | 93 | 71 | 85 | . | 71 | . | 100 | 78 | . |
| 1929 = 100 | 1934 | 100 | . | . | 127 | 71 | 110 | . | 71 | . | 50 | 67 | . | |
| | 1935 | 87 | . | . | 127 | 57 | 105 | . | 57 | . | 50 | 56 | . | |
| | 1936 | 107 | . | . | 133 | 57 | 110 | . | 57 | . | 50 | 56 | . | |
| Spain | 1929 | 4,458 | 2,586 | . | 7,044 | 3,605 | 9,684 | | 3,605 | . | 2,479 | 6,084 | 1,955 | |
| | 1930 | 4,767 | 2,368 | . | 7,135 | 3,899 | 10,033 | | 3,899 | . | 2,669 | 6,568 | 2,147 | |
| | 1931 | 4,993 | 2,770 | . | 7,763 | 3,015 | 9,729 | | 3,015 | . | 2,361 | 5,376 | 2,292 | |
| | Peseta | 1932 | 4,834 | 2,658 | . | 7,492 | 3,197 | 9,632 | | 3,197 | . | 2,615 | 5,812 | 2,456 |
| | | 1933 | 4,825 | 2,669 | . | 7,494 | 3,265 | 9,607 | | 3,265 | . | 2,812 | 6,077 | 2,638 |
| | | 1934 | 4,711 | 2,559 | . | 7,270 | 3,462 | 9,650 | | 3,462 | . | 3,094 | 6,556 | 3,116 |
| | | 1935 | 4,837 | 2,849 | . | 7,686 | 3,667 | 9,972 | | 3,667 | . | 3,461 | 7,128 | ... |
| | | 1936 | ... | ... | . | ... | ... | ... | | ... | . | ... | ... | ... |
| | | 1932 | 108 | 103 | . | 106 | 89 | 99 | 99 | 89 | . | 105 | 96 | 126 |
| | | 1933 | 108 | 103 | . | 106 | 91 | 99 | 99 | 91 | . | 113 | 100 | 135 |
| 1929 = 100 | 1934 | 106 | 99 | . | 103 | 96 | 100 | 101 | 96 | . | 125 | 108 | 159 | |
| | 1935 | 109 | 110 | . | 109 | 102 | 103 | 98 | 102 | . | 140 | 117 | ... | |
| | 1936 | ... | ... | . | ... | ... | ... | ... | ... | . | ... | ... | ... | |
| Sweden | 1929 | 569 | 274 | *60 | 903 | 659 | 1,478 | | 659 | 688 | 2,134 | 3,481 | 3,168 | |
| | 1930 | 594 | 293 | *60 | 947 | 681 | 1,539 | | 681 | 710 | 2,240 | 3,631 | 3,300 | |
| | 1931 | 583 | 173 | *60 | 816 | 610 | 1,338 | | 610 | 686 | 2,257 | 3,553 | 3,433 | |
| | Krona | 1932 | 598 | 203 | *60 | 861 | 625 | 1,353 | | 625 | 648 | 2,283 | 3,556 | 3,593 |
| | | 1933 | 648 | 471 | *60 | 1,179 | 674 | 1,520 | | 674 | 643 | 2,311 | 3,628 | 3,647 |
| | | 1934 | 708 | 407 | *60 | 1,175 | 697 | 1,585 | | 697 | 656 | 2,200 | 3,553 | 3,785 |
| | | 1935 | 786 | 384 | *60 | 1,230 | 766 | 1,715 | | 766 | 674 | 2,192 | 3,632 | 3,848 |
| | | 1936 | 893 | 594 | *60 | 1,547 | 892 | 2,046 | | 892 | 682 | 2,259 | 3,833 | 3,910 |
| | | 1932 | 105 | 78 | 100 | 95 | 95 | 92 | 92 | 95 | 94 | 107 | 102 | 113 |
| | | 1933 | 114 | 172 | 100 | 131 | 102 | 103 | 92 | 102 | 93 | 108 | 104 | 115 |
| 1929 = 100 | 1934 | 124 | 149 | 100 | 130 | 106 | 107 | 93 | 106 | 95 | 103 | 102 | 119 | |
| | 1935 | 138 | 140 | 100 | 136 | 116 | 116 | 95 | 116 | 98 | 103 | 104 | 121 | |
| | 1936 | 157 | 217 | 100 | 171 | 135 | 138 | 95 | 135 | 99 | 106 | 110 | 123 | |

* Approximate or provisional figure.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (continued).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | | |
|---|--|---|---|--|---------------------|---------------------|--|---|---------------------------------------|---------|---------|---------------------|---------------------|--------------------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks | |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits | |
| | | | | | | | | | | | | | | (a) |
| Switzerland | 1929 | 999 | 201 | 235 | 1,435 | 3,756 | 4,824 | ... | 3,756 | 3,294 | 6,628 | 13,678 | 1,328 | |
| | 1930 | 1,062 | 242 | 290 | 1,594 | 2,287 | 3,422 | ... | 2,287 | 4,422 | 8,010 | 14,719 | 1,434 | |
| | 1931 | 1,609 | 924 | 301 | 2,834 | 2,449 | 4,005 | ... | 2,449 | 4,575 | 7,205 | 14,229 | 1,530 | |
| | 1932 | 1,613 | 974 | 317 | 2,904 | 2,418 | 4,086 | ... | 2,418 | 4,680 | 6,811 | 13,909 | 1,608 | |
| | 1933 | 1,510 | 641 | 337 | 2,488 | 2,191 | 3,661 | ... | 2,191 | 4,591 | 6,407 | 13,189 | 1,657 | |
| | 1934 | 1,440 | 580 | *350 | *2,370 | 1,954 | *3,421 | ... | 1,954 | 4,553 | 6,136 | 12,643 | 1,687 | |
| | 1935 | 1,366 | 367 | *360 | *2,093 | 1,592 | *3,136 | ... | 1,592 | 4,410 | 5,547 | 11,549 | 1,706 | |
| | 1936 | 1,482 | 1,364 | *360 | *3,206 | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Franc | 1932 | 161 | 485 | 135 | 202 | 64 | 85 | 83 | 64 | 142 | 103 | 102 | 121 | |
| | 1933 | 151 | 319 | 143 | 173 | 58 | 76 | 81 | 58 | 139 | 97 | 96 | 125 | |
| | 1929 = 100 | 1934 | 144 | 289 | 149 | 165 | 52 | 71 | 80 | 52 | 138 | 93 | 92 | 127 |
| | 1935 | 137 | 183 | 153 | 146 | 42 | 65 | 80 | 42 | 134 | 84 | 84 | 128 | |
| | 1936 | 148 | 679 | 153 | 223 | ... | ... | 81 | ... | ... | ... | ... | ... | |
| | Turkey ¹ | 1929 | . | . | . | . | . | . | . | . | . | . | . | . |
| | | 1930 | . | . | . | . | . | . | . | . | . | . | . | . |
| | | 1931 | . | . | . | . | . | . | . | . | . | . | . | . |
| 1932 | | 148.6 | 13.3 | 8.6 | 170.5 | *(88.1) | (223.4) | ... | *(88.1) | — | *(22.0) | (110.1) | 20.9 | |
| 1933 | | 146.8 | 18.9 | 8.6 | 174.3 | 116.1 | 235.3 | ... | 116.1 | — | 24.3 | 140.4 | 20.7 | |
| 1934 | | 158.1 | 17.9 | 9.3 | 185.3 | 120.3 | 256.9 | ... | 120.3 | — | 20.4 | 140.7 | 20.7 | |
| 1935 | | 162.7 | 14.6 | 16.0 | 193.3 | 115.9 | 254.3 | ... | 115.9 | — | 35.9 | 151.8 | 20.4 | |
| 1936 | | 180.8 | 11.9 | 21.1 | 213.8 | ... | ... | ... | ... | — | ... | ... | 21.1 | |
| £T | 1933 | 99 | 142 | 100 | 102 | 132 | 105 | 77 | 132 | — | 110 | 128 | 99 | |
| | 1934 | 106 | 135 | 108 | 109 | 137 | 115 | 72 | 137 | — | 93 | 128 | 99 | |
| | 1929 = 100 | 1935 | 109 | 110 | 186 | 113 | 132 | 114 | 73 | 132 | — | 163 | 138 | 98 |
| | 1936 | 122 | 89 | 245 | 125 | ... | ... | 70 | ... | — | ... | ... | 101 | |
| | Union of South Africa ² | 1929 | 9.2 | 7.2 | *3.2 | 19.6 | 30.9 | 42.6 | ... | 30.9 | 3.5 | 26.2 | 60.6 | 11.2 |
| | | 1930 | 8.0 | 7.0 | *3.1 | 18.1 | 28.2 | 39.9 | ... | 28.2 | 3.6 | 31.7 | 63.5 | 11.2 |
| | | 1931 | 8.8 | 6.1 | *2.9 | 17.8 | 24.8 | 35.1 | ... | 24.8 | 3.7 | 28.1 | 56.6 | 11.1 |
| | | 1932 | 8.3 | 5.1 | *3.3 | 16.7 | 23.5 | 33.6 | ... | 23.5 | 3.5 | 27.4 | 54.4 | 12.0 |
| 1933 | | 11.9 | 31.1 | *3.8 | 46.8 | 52.8 | 70.3 | ... | 52.8 | 4.3 | 24.1 | 81.2 | 15.7 | |
| 1934 | | 13.0 | 28.6 | *4.2 | 45.8 | 55.6 | 76.3 | ... | 55.6 | 4.4 | 25.2 | 85.2 | 20.0 | |
| 1935 | | 14.1 | 35.3 | *4.3 | 53.7 | 61.9 | 84.3 | ... | 61.9 | 4.9 | 21.6 | 88.4 | 22.1 | |
| 1936 | | 16.4 | 28.0 | *4.3 | 48.7 | 72.1 | 95.1 | ... | 72.1 | 5.5 | 16.9 | 94.5 | 24.5 | |
| £ | 1932 | 90 | 71 | 103 | 85 | 76 | 79 | 89 | 76 | 100 | 105 | 90 | 107 | |
| | 1933 | 129 | 432 | 119 | 239 | 171 | 165 | 91 | 171 | 123 | 92 | 134 | 140 | |
| | 1929 = 100 | 1934 | 141 | 397 | 131 | 234 | 180 | 179 | 90 | 180 | 126 | 96 | 141 | 179 |
| | 1935 | 153 | 490 | 134 | 274 | 200 | 198 | 89 | 200 | 140 | 82 | 146 | 197 | |
| | 1936 | 178 | 389 | 134 | 248 | 233 | 223 | 90 | 233 | 157 | 65 | 156 | 219 | |
| | United Kingdom ³ | 1929 | 372.3 | 160.2 | 83.5 | 616.0 | 1,195.0 | 1,457.1 | ... | 1,195.0 | — | 1,016.4 | 2,211.4 | ⁴ 892.2 |
| | | 1930 | 371.5 | 175.2 | 80.3 | 627.0 | 1,230.9 | 1,507.7 | ... | 1,230.9 | — | 1,051.1 | 2,282.0 | ⁴ 923.4 |
| | | 1931 | 367.1 | 174.5 | 77.2 | 618.8 | 1,068.6 | 1,374.7 | ... | 1,068.6 | — | 1,045.0 | 2,113.6 | 912.2 |
| 1932 | | 374.1 | 145.0 | 68.2 | 587.3 | 1,214.8 | 1,476.2 | ... | 1,214.8 | — | 1,179.9 | 2,394.7 | 943.9 | |
| 1933 | | 393.1 | 159.9 | 70.1 | 623.0 | 1,249.7 | 1,546.4 | ... | 1,249.7 | — | 1,108.3 | 2,358.0 | 989.9 | |
| 1934 | | 408.1 | 156.7 | 71.0 | 635.8 | 1,282.1 | 1,577.2 | ... | 1,282.1 | — | 1,117.0 | 2,399.1 | 1,042.4 | |
| 1935 | | 427.5 | 121.3 | 73.0 | 621.8 | 1,398.2 | 1,648.2 | ... | 1,398.2 | — | 1,133.9 | 2,532.1 | 1,100.7 | |
| 1936 | | 471.4 | 202.2 | 74.0 | 747.6 | ... | ... | ... | ... | — | ... | ... | *1,160.5 | |
| £ | 1932 | 100 | 91 | 82 | 95 | 102 | 101 | 86 | 102 | — | 116 | 108 | 106 | |
| | 1933 | 106 | 100 | 84 | 101 | 105 | 106 | 86 | 105 | — | 109 | 107 | 111 | |
| | 1929 = 100 | 1934 | 110 | 98 | 85 | 103 | 107 | 108 | 86 | 107 | — | 110 | 108 | 117 |
| | 1935 | 115 | 76 | 87 | 101 | 117 | 113 | 88 | 117 | — | 112 | 114 | 123 | |
| | 1936 | 127 | 126 | 89 | 121 | ... | ... | 91 | ... | — | ... | ... | 130 | |

* Approximate or provisional figure.

¹ Commercial banks comprise national and foreign joint-stock banks (national banks only in 1932). Savings with the "Caisse d'épargne d'Istanbul" (j).² Accounts in the Union only.³ Deposits of all joint-stock banks divided into sight and other accounts according to those of London clearing banks.⁴ November 20th for Trustee Savings banks.

Table III. — CURRENCY COMPOSITION AND MOVEMENTS (concluded).

| Country, unit of currency (000,000's) and percentage base | End of | Currency Composition | | | | | | Cost of living (retail prices) 1929=100 | Commercial and Savings Banks Deposits | | | | |
|---|-----------|---|---|--|---------------------|---------------------|--|---|---------------------------------------|---------|--------|---------------------|---------------------|
| | | Central Banks and Treasuries | | | | Commercial Banks | Net amount of currency available Total (d) + (e) less cash reserve of commercial banks | | Commercial Banks | | | | Savings Banks |
| | | Note circulation (Bank and State notes) | Central bank sight liabilities | Token coins (less those held by central banks) | Total (a) to (c) | Sight deposits | | | Sight | Savings | Other | Total (h) to (j) | Savings deposits |
| | | | | | | | | | | | | | |
| U. S. A. ¹ | 1929 | 2,613 | 2,419 | 1,847 | 6,879 | 24,252 | 27,187 | 75 | 24,252 | — | 20,189 | 44,441 | 9,161 |
| | 1930 | 2,346 | 2,455 | 1,889 | 6,690 | 24,088 | 26,540 | 77 | 24,088 | — | 20,592 | 44,680 | 9,395 |
| | 1931 | 2,660 | 2,504 | 1,875 | 7,039 | 21,322 | 24,146 | 81 | 21,322 | — | 19,595 | 40,917 | 10,388 |
| | 1932 | 3,774 | 2,028 | 1,634 | 7,436 | 16,402 | 20,463 | 84 | 16,402 | — | 15,171 | 31,573 | 10,834 |
| | 1933 | 4,376 | 2,494 | 1,058 | 7,928 | 15,256 | 19,857 | 86 | 15,256 | — | 12,595 | 27,851 | 10,917 |
| | 1934 | 4,393 | 4,138 | 980 | 9,511 | 17,583 | 21,991 | 88 | 17,583 | — | 14,537 | 32,120 | 11,001 |
| | 1935 | 4,295 | 5,406 | 1,273 | 10,974 | 21,591 | 21,364 | 89 | 21,591 | — | 14,180 | 35,771 | 11,151 |
| | 1936 | 4,700 | 6,489 | 1,541 | 12,730 | ... | ... | 90 | ... | — | ... | ... | ... |
| | 1932 | 144 | 84 | 88 | 108 | 68 | 75 | 75 | 68 | — | 75 | 71 | 118 |
| | 1933 | 167 | 103 | 57 | 115 | 63 | 73 | 77 | 63 | — | 62 | 63 | 119 |
| | 1934 | 168 | 171 | 53 | 138 | 73 | 81 | 81 | 73 | — | 72 | 72 | 120 |
| | 1935 | 164 | 223 | 69 | 160 | 89 | 79 | 84 | 89 | — | 70 | 80 | 122 |
| | 1936 | 180 | 268 | 83 | 185 | ... | ... | 86 | ... | — | ... | ... | ... |
| Uruguay | 1929 | 71 | 42 | 2 | 115 | 38 | 136 | ... | 38 | — | 41 | 79 | 52 |
| | 1930 | 74 | 42 | 2 | 118 | 41 | 137 | ... | 41 | — | 48 | 89 | 53 |
| | 1931 | 81 | 32 | *2 | *115 | 43 | *129 | ... | 43 | — | 47 | 90 | 46 |
| | 1932 | 85 | 32 | *2 | *119 | 54 | *132 | ... | 54 | — | 45 | 99 | 44 |
| | 1933 | 78 | 32 | *2 | *112 | 44 | *129 | ... | 44 | — | 46 | 90 | 49 |
| | 1934 | 80 | 32 | *2 | *114 | 42 | *133 | ... | 42 | — | 49 | 91 | 46 |
| | 1935 | 82 | 29 | *2 | *113 | 39 | *129 | ... | 39 | — | 58 | 97 | 48 |
| | 1936 | 89 | 33 | *2 | *124 | 36 | *132 | ... | 36 | — | 73 | 109 | 53 |
| | 1932 | 120 | 76 | 100 | 103 | 142 | 97 | ... | 142 | — | 110 | 125 | 85 |
| | 1933 | 110 | 76 | 100 | 97 | 116 | 95 | ... | 116 | — | 112 | 114 | 94 |
| | 1934 | 113 | 76 | 100 | 99 | 111 | 98 | ... | 111 | — | 120 | 115 | 88 |
| | 1935 | 115 | 69 | 100 | 98 | 103 | 95 | ... | 103 | — | 141 | 123 | 92 |
| | 1936 | 125 | 79 | 100 | 108 | 95 | 97 | ... | 95 | — | 178 | 138 | 102 |
| Venezuela | 1929 | 58 | — | *45 | *103 | 126 | 226 | ... | 126 | 5 | — | 131 | ... |
| | 1930 | 68 | — | *45 | *113 | 58 | 168 | ... | 58 | 5 | — | 63 | ... |
| | 1931 | 61 | — | *45 | *106 | 83 | 184 | ... | 83 | 6 | — | 89 | ... |
| | 1932 | 60 | — | *50 | *110 | 84 | 191 | ... | 84 | 6 | — | 90 | ... |
| | 1933 | 58 | — | *50 | *108 | 91 | 195 | ... | 91 | 6 | — | 97 | ... |
| | 1934 | 63 | — | *50 | *113 | 105 | 213 | ... | 105 | 6 | — | 111 | ... |
| | 1935 | 72 | — | *60 | *132 | *133 | *259 | ... | *133 | *7 | — | *140 | ... |
| | 1936 | 93 | — | *60 | *153 | ... | ... | ... | ... | ... | ... | ... | ... |
| | 1932 | 103 | — | 111 | 107 | 67 | 85 | ... | 67 | 120 | — | 69 | ... |
| | 1933 | 100 | — | 111 | 105 | 72 | 86 | ... | 72 | 120 | — | 74 | ... |
| | 1934 | 109 | — | 111 | 110 | 83 | 94 | ... | 83 | 120 | — | 85 | ... |
| | 1935 | 124 | — | 133 | 128 | 106 | 115 | ... | 106 | 140 | — | 107 | ... |
| | 1936 | 160 | — | 133 | 149 | ... | ... | ... | ... | ... | ... | ... | ... |
| Yugoslavia | 1929 | 5,818 | 1,250 | 146 | 7,214 | *2,336 | *8,816 | ... | *2,336 | *7,008 | 3,842 | 13,186 | 1,803 |
| | 1930 | 5,397 | 667 | 143 | 6,207 | 2,709 | 8,144 | ... | 2,709 | 7,597 | 3,886 | 14,192 | 2,154 |
| | 1931 | 5,172 | 417 | 161 | 5,750 | 1,936 | 7,058 | ... | 1,936 | 6,867 | 2,930 | 11,733 | 2,483 |
| | 1932 | 4,773 | 698 | 479 | 5,950 | 1,426 | 6,846 | ... | 1,426 | 5,343 | 2,787 | 9,556 | 2,493 |
| | 1933 | 4,327 | 1,031 | 960 | 6,318 | 1,460 | 7,182 | ... | 1,460 | 4,900 | 2,322 | 8,682 | *2,868 |
| | 1934 | 4,384 | 866 | 994 | 6,244 | 866 | 6,513 | ... | 866 | 4,522 | 2,672 | 8,061 | *3,183 |
| | 1935 | 4,890 | 1,386 | 870 | 7,146 | 1,101 | 7,460 | ... | 1,101 | 4,354 | 2,258 | 7,713 | ... |
| | 1936 | 5,409 | 1,629 | 865 | 7,903 | ... | ... | ... | ... | ... | ... | ... | ... |
| | 1932 | 82 | 56 | 328 | 82 | 61 | 78 | 71 | 61 | 76 | 73 | 72 | 138 |
| | 1933 | 74 | 82 | 658 | 88 | 63 | 81 | 64 | 63 | 70 | 60 | 66 | 159 |
| | 1934 | 75 | 69 | 681 | 87 | 37 | 74 | 60 | 37 | 64 | 70 | 61 | 177 |
| | 1935 | 84 | 111 | 596 | 99 | 47 | 85 | 64 | 47 | 62 | 59 | 58 | ... |
| | 1936 | 93 | 130 | 592 | 110 | ... | ... | 64 | ... | ... | ... | ... | ... |

* Approximate or provisional figure.

¹ Figures refer to the end of June throughout.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS.

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Govern. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (e) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) | |
|--------------------------------|--|-------------|---|---|--|------------------------------|------------------------------------|---|--|---------------------|----------------|---|-----|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | |
| Albania National Bank | Frank . . . | 1929 | — | — | — | — | — | 5 | 5 | 2 | 19 | 21 | |
| | | 1930 | — | — | — | — | — | 6 | 6 | 2 | 26 | 28 | |
| | | 1931 | — | — | — | — | — | 7 | 7 | 5 | 21 | 26 | |
| | | 1932 | — | — | — | — | — | 6 | 6 | 5 | 25 | 30 | |
| | | 1933 | — | — | — | — | — | 3 | 3 | 7 | 20 | 27 | |
| | | 1934 | — | — | — | — | — | 3 | 3 | 7 | 17 | 24 | |
| | | 1935 | — | — | — | — | — | 4 | 4 | 8 | 15 | 23 | |
| | | 1936 | — | — | — | — | — | 4 | 4 | 8 | 16 | 24 | |
| | | 1929 = 100. | 1932 | — | — | — | — | — | 120 | 120 | 250 | 132 | 143 |
| | | 1933 | — | — | — | — | — | — | 60 | 60 | 350 | 105 | 129 |
| | | 1934 | — | — | — | — | — | — | 60 | 60 | 350 | 89 | 114 |
| | | 1935 | — | — | — | — | — | — | 80 | 80 | 400 | 79 | 110 |
| 1936 | — | — | — | — | — | — | 80 | 80 | 400 | 84 | 114 | | |
| Argentina Central Bank | Peso | 1935 | 119 | — | 119 | 235 | — | — | 354 | 1,224 | 129 | 1,353 | |
| | | 1936 | 119 | — | 119 | 418 | — | — | 537 | 1,224 | 303 | 1,527 | |
| | | 1935 = 100. | 1936 | 100 | — | 100 | 178 | — | — | 152 | 100 | 253 | 113 |
| Australia Commonwealth Bank | £A | 1929 | — | — | — | 25.7 | 7.7 | 18.6 | 52.0 | 18.2 | 7.9 | 26.2 | |
| | | 1930 | — | — | — | 23.3 | 6.3 | 20.9 | 50.5 | 15.4 | 4.3 | 19.7 | |
| | | 1931 | — | — | — | 61.9 | 10.5 | 19.2 | 91.6 | 10.5 | 13.3 | 23.8 | |
| | | 1932 | — | — | — | 57.6 | 10.9 | 22.2 | 90.7 | 8.5 | 18.0 | 26.5 | |
| | | 1933 | — | — | — | 58.7 | 9.5 | 18.3 | 86.5 | 0.5 | 34.7 | 35.2 | |
| | | 1934 | — | — | — | 59.9 | 9.5 | 22.8 | 92.2 | 0.5 | 39.2 | 39.7 | |
| | | 1935 | — | — | — | 66.0 | 9.5 | 17.1 | 92.6 | 0.5 | 30.4 | 30.9 | |
| | | 1936 | — | — | — | 69.8 | 8.1 | 22.1 | 100.0 | 1 ^{0.3} | 38.2 | 38.5 | |
| | | 1929 = 100. | 1932 | — | — | — | 224 | 142 | 119 | 174 | 47 | 228 | 101 |
| | | 1933 | — | — | — | 228 | 123 | 98 | 166 | 3 | 439 | 134 | |
| | | 1934 | — | — | — | 233 | 123 | 123 | 177 | 3 | 496 | 152 | |
| | | 1935 | — | — | — | 257 | 123 | 92 | 178 | 3 | 385 | 118 | |
| 1936 | — | — | — | 272 | 105 | 119 | 192 | 2 | 484 | 147 | | | |
| Austria National Bank | Schilling . . | 1929 | 109 | — | 109 | — | 4 | 307 | 420 | 169 | 660 | 829 | |
| | | 1930 | 101 | — | 101 | — | 7 | 149 | 257 | 214 | 801 | 1,015 | |
| | | 1931 | 96 | — | 96 | — | 5 | 934 | 1,035 | 189 | 140 | 329 | |
| | | 1932 | 663 | — | 663 | — | 1 | 405 | 1,069 | 149 | 54 | 203 | |
| | | 1933 | 624 | — | 624 | — | 1 | 288 | 913 | 189 | 38 | 227 | |
| | | 1934 | 624 | — | 624 | — | 1 | 239 | 864 | ² 242 | 69 | ² 311 | |
| | | 1935 | 624 | — | 624 | — | 1 | 226 | 851 | 242 | 154 | 396 | |
| | | 1936 | 620 | — | 620 | — | — | 209 | 829 | 243 | 138 | 381 | |
| | | 1929 = 100. | 1932 | 608 | — | 608 | — | 25 | 132 | 255 | 88 | 8 | 24 |
| | | 1933 | 572 | — | 572 | — | 25 | 94 | 217 | 112 | 6 | 27 | |
| | | 1934 | 572 | — | 572 | — | 25 | 78 | 206 | 143 | 10 | 38 | |
| | | 1935 | 572 | — | 572 | — | 25 | 74 | 203 | 143 | 23 | 48 | |
| 1936 | 569 | — | 569 | — | — | 68 | 197 | 144 | 21 | 46 | | | |
| Belgium National Bank | Franc | 1929 | — | 1,688 | 1,688 | 295 | 76 | 4,243 | 6,302 | 5,876 | 2,888 | 8,764 | |
| | | 1930 | — | 1,462 | 1,462 | 325 | 91 | 4,687 | 6,565 | 6,862 | 4,852 | 11,714 | |
| | | 1931 | — | 1,440 | 1,440 | 344 | 100 | 5,161 | 7,045 | 12,749 | — | 12,749 | |
| | | 1932 | — | 1,820 | 1,820 | 349 | — | 3,944 | 6,113 | 12,980 | — | 12,980 | |
| | | 1933 | — | 1,756 | 1,756 | 350 | — | 4,190 | 6,296 | 13,668 | — | 13,668 | |
| | | 1934 | — | 1,718 | 1,718 | 354 | — | 4,001 | 6,073 | 12,524 | — | 12,524 | |
| | | 1935 | — | 812 | 812 | 356 | — | 6,897 | 8,065 | 17,286 ² | — | 17,286 ² | |
| | | 1936 | — | 786 | 786 | 358 | — | 7,286 | 8,430 | 18,640 | — | 18,640 | |
| | | 1929 = 100. | 1932 | — | 108 | 108 | 118 | — | 93 | 97 | 221 | — | 148 |
| | | 1933 | — | 104 | 104 | 119 | — | 99 | 100 | 233 | — | 156 | |
| | | 1934 | — | 102 | 102 | 120 | — | 94 | 96 | 213 | — | 143 | |
| | | 1935 | — | 48 | 48 | 121 | — | 163 | 128 | 294 | — | 197 | |
| 1936 | — | 47 | 47 | 121 | — | 172 | 134 | 317 | — | 213 | | | |

¹ At market value.² New parity.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Governm. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) | |
|--------------------------|--|---------------------|---|---|---|------------------------------|------------------------------------|---|--|---------------|-------------------|---|--------------------|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | |
| Bolivia | Central Bank | Boliviano | 1929 | — | 4.4 | 4.4 | 3.8 | 0.6 | 17.2 | 26.0 | 9.2 | 46.4 | 55.6 |
| | | | 1930 | — | 3.3 | 3.3 | 5.1 | 2.1 | 17.8 | 28.3 | 2.8 | 36.3 | 39.1 |
| | | | 1931 | — | 2.2 | 2.2 | 6.5 | 4.6 | 18.3 | 31.6 | ¹ 16.2 | 10.5 | ¹ 26.7 |
| | | | 1932 | — | 12.7 | 12.7 | 57.1 | 4.8 | 17.9 | 92.5 | 27.0 | 2.5 | 29.5 |
| | | | 1933 | — | 3.9 | 3.9 | 115.4 | 5.2 | 15.0 | 139.5 | 7.9 | 6.7 | 14.6 |
| | | | 1934 | — | 34.9 | 34.9 | 207.3 | 3.8 | 10.1 | 256.1 | 9.5 | 4.2 | 13.7 |
| | | | 1935 | — | 4.9 | 4.9 | 388.7 | 3.1 | 5.3 | 402.0 | 19.7 | 9.1 | 28.8 |
| | | | 1936 | — | 3.7 | 3.7 | 413.4 | 4.7 | 7.1 | 428.9 | ² 64.2 | 41.4 | ² 105.6 |
| | | | 1932 | — | 289 | 289 | 1,503 | 800 | 104 | 356 | 293 | 5 | 53 |
| | | | 1933 | — | 89 | 89 | 3,037 | 867 | 87 | 537 | 86 | 14 | 26 |
| | | | 1934 | — | 793 | 793 | 5,455 | 633 | 59 | 985 | 103 | 9 | 25 |
| | | | 1935 | — | 111 | 111 | 10,229 | 517 | 31 | 1,546 | 214 | 20 | 52 |
| | | | 1936 | — | 84 | 84 | 10,879 | 783 | 41 | 1,650 | 698 | 89 | 190 |
| Bulgaria | National Bank | Lev | 1929 | 3,470 | — | 3,470 | — | 42 | 1,628 | 5,140 | 1,388 | 1,158 | 2,546 |
| | | | 1930 | 3,162 | 157 | 3,319 | — | 58 | 800 | 4,177 | 1,455 | 792 | 2,247 |
| | | | 1931 | 2,995 | 279 | 3,274 | — | 95 | 711 | 4,080 | 1,512 | 257 | 1,769 |
| | | | 1932 | 2,903 | 423 | 3,326 | — | 100 | 527 | 3,953 | 1,519 | 123 | 1,642 |
| | | | 1933 | 2,813 | 818 | 3,631 | — | 93 | 552 | 4,276 | 1,545 | 141 | 1,686 |
| | | | 1934 | 2,728 | 655 | 3,383 | — | 122 | 440 | 3,945 | 1,547 | 121 | 1,668 |
| | | | 1935 | 2,671 | 910 | 3,581 | — | 118 | 671 | 4,370 | 1,591 | 447 | 2,038 |
| | | | 1936 | 2,551 | 936 | 3,487 | — | 201 | 558 | 4,246 | 1,652 | 724 | 2,376 |
| | | | 1932 | 84 | (100) | 96 | — | 238 | 32 | 77 | 109 | 11 | 64 |
| | | | 1933 | 81 | (193) | 105 | — | 221 | 34 | 83 | 111 | 12 | 66 |
| | | | 1934 | 79 | (155) | 97 | — | 290 | 27 | 77 | 111 | 10 | 66 |
| | | | 1935 | 77 | (215) | 103 | — | 281 | 41 | 85 | 115 | 39 | 80 |
| | | | 1936 | 74 | (221) | 100 | — | 479 | 34 | 83 | 119 | 63 | 93 |
| Canada | Bank of Canada | \$ | 1935 | — | 34 | 34 | 84 | — | — | 118 | ³ 181 | 4 | 185 |
| | | | 1936 | — | 61 | 61 | 99 | — | — | 160 | ³ 179 | 9 | 188 |
| | | | 1935 = 100. | 1936 | — | 179 | 179 | 118 | — | — | 136 | 99 | 225 |
| Chile | Central Bank | Peso | 1929 | — | — | — | 25 | — | 93 | 118 | 63 | 385 | 448 |
| | | | 1930 | — | — | — | 25 | — | 112 | 137 | 62 | 279 | 341 |
| | | | 1931 | — | 184 | 184 | 8 | — | 130 | 322 | 100 | 95 | 195 |
| | | | 1932 | — | 311 | 311 | 329 | — | 129 | 769 | 84 | 70 | 154 |
| | | | 1933 | — | 672 | 672 | — | — | 120 | 792 | 95 | 72 | 167 |
| | | | 1934 | — | 704 | 704 | — | — | 59 | 763 | 140 | 2 | 142 |
| | | | 1935 | — | 697 | 697 | — | — | 89 | 786 | 141 | 1 | 142 |
| | | | 1936 | — | 690 | 690 | — | — | 176 | 866 | 141 | 2 | 143 |
| | | | 1932 | — | (100) | (100) | 1,316 | — | 139 | 652 | 133 | 18 | 34 |
| | | | 1933 | — | (216) | (216) | — | — | 129 | 671 | 151 | 19 | 37 |
| | | | 1934 | — | (226) | (226) | — | — | 63 | 647 | 222 | 1 | 32 |
| | | | 1935 | — | (224) | (224) | — | — | 96 | 666 | 224 | — | 32 |
| | | | 1936 | — | (222) | (222) | — | — | 189 | 734 | 224 | 1 | 32 |
| Colombia | Bank of the Republic | Peso | 1929 | — | 1.5 | 1.5 | 0.4 | — | 18.1 | 20.0 | 22.4 | 15.4 | 37.8 |
| | | | 1930 | — | 4.0 | 4.0 | — | — | 13.5 | 17.5 | 17.5 | 9.9 | 27.4 |
| | | | 1931 | — | 7.4 | 7.4 | 2.2 | — | 20.2 | 29.8 | 9.1 | 4.7 | 15.8 |
| | | | 1932 | — | 19.4 | 19.4 | 4.3 | 4.0 | 9.2 | 36.9 | 12.3 | 4.9 | 17.2 |
| | | | 1933 | — | 26.0 | 26.0 | 9.4 | 12.0 | 7.1 | 54.5 | 14.3 | 2.5 | 16.8 |
| | | | 1934 | — | 28.0 | 28.0 | 13.2 | 12.0 | 10.3 | 63.5 | ⁴ 14.3 | 1.9 | ⁴ 16.2 |
| | | | 1935 | — | 27.6 | 27.6 | 17.7 | 12.0 | 6.9 | 64.2 | ⁵ 27.6 | 4.6 | ⁵ 32.2 |
| | | | 1936 | — | 28.2 | 28.2 | 17.2 | 12.0 | 13.1 | 70.5 | ⁵ 33.2 | 8.8 | ⁵ 42.0 |
| | | | 1932 | — | 1,293 | 1,293 | 1,075 | (100) | 51 | 185 | 55 | 32 | 46 |
| | | | 1933 | — | 1,733 | 1,733 | 2,350 | (300) | 39 | 273 | 64 | 16 | 44 |
| | | | 1934 | — | 1,867 | 1,867 | 3,300 | (300) | 57 | 318 | 64 | 12 | 43 |
| | | | 1935 | — | 1,851 | 1,851 | 4,425 | (300) | 38 | 321 | 123 | 30 | 85 |
| | | | 1936 | — | 1,880 | 1,880 | 4,300 | (300) | 72 | 353 | 148 | 57 | 111 |

¹ Since 1931, in paper bolivianos.
² Gold revalued.
³ At market value.
⁴ Including "premium on gold".
⁵ In paper pesos.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Govern. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) | |
|--------------------------|--|--------------|---|---|--|------------------------------|------------------------------------|---|--|---------------|----------------|---|-------|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | |
| Czechoslovakia | National Bank | Koruna . . . | 1929 | 3,761 | 362 | 4,123 | — | — | 1,011 | 5,134 | 1,261 | 2,270 | 3,531 |
| | | | 1930 | 3,453 | 323 | 3,776 | — | — | 525 | 4,301 | 1,545 | 2,447 | 3,992 |
| | | | 1931 | 3,121 | 294 | 3,415 | — | — | 2,316 | 5,731 | 1,650 | 1,060 | 2,710 |
| | | | 1932 | 2,687 | — | 2,687 | — | — | 1,675 | 4,362 | 1,709 | 1,029 | 2,738 |
| | | | 1933 | 2,593 | — | 2,593 | — | — | 1,751 | 4,344 | 1,708 | 926 | 2,634 |
| | | | 1934 | 2,095 | — | 2,095 | — | — | 1,379 | 3,474 | 1,268 | 229 | 2,909 |
| | | | 1935 | 2,046 | — | 2,046 | — | — | 1,345 | 3,391 | 2,691 | 81 | 2,772 |
| | | | 1936 | 2,022 | — | 2,022 | — | — | 2,339 | 4,361 | 2,592 | 439 | 3,031 |
| | | | 1932 | 71 | — | 65 | — | — | 166 | 85 | 136 | 45 | 78 |
| | | | 1933 | 69 | — | 63 | — | — | 173 | 85 | 135 | 41 | 75 |
| | | | 1934 | 56 | — | 51 | — | — | 136 | 68 | 213 | 10 | 82 |
| | | | 1935 | 54 | — | 50 | — | — | 133 | 66 | 213 | 4 | 79 |
| | | | 1936 | 54 | — | 49 | — | — | 231 | 85 | 206 | 19 | 86 |
| | | | Danzig | Bank of Danzig | Gulden . . . | 1929 | — | — | — | — | 3 | 10 | 13 |
| 1930 | — | — | | | | — | — | 5 | 4 | 9 | — | 45 | 45 |
| 1931 | — | — | | | | — | — | 5 | 11 | 16 | 22 | 25 | 47 |
| 1932 | — | 2 | | | | 2 | — | 5 | 12 | 19 | 21 | 14 | 35 |
| 1933 | — | 1 | | | | 1 | — | 3 | 15 | 19 | 30 | 10 | 40 |
| 1934 | — | — | | | | — | — | 3 | 22 | 25 | 24 | 3 | 27 |
| 1935 | — | 1 | | | | 1 | — | 2 | 17 | 20 | 21 | 9 | 30 |
| 1936 | — | — | | | | — | — | 2 | 18 | 20 | 30 | 1 | 31 |
| 1932 | — | (100) | | | | (100) | — | 167 | 120 | 146 | (100) | 34 | 85 |
| 1933 | — | (50) | | | | (50) | — | 100 | 150 | 146 | (143) | 24 | 98 |
| 1934 | — | — | | | | — | — | 100 | 220 | 192 | (114) | 7 | 66 |
| 1935 | — | (50) | | | | (50) | — | 67 | 170 | 154 | (100) | 22 | 73 |
| 1936 | — | — | | | | — | — | 67 | 180 | 154 | (143) | 2 | 76 |
| Denmark | National Bank | Krone . . . | | | | 1929 | — | — | — | — | 38 | 182 | 220 |
| | | | 1930 | — | — | — | — | 51 | 166 | 217 | 172 | 100 | 272 |
| | | | 1931 | — | 13 | 13 | — | 49 | 246 | 308 | 144 | 15 | 159 |
| | | | 1932 | — | 60 | 60 | — | 145 | 189 | 394 | 133 | —5 | 128 |
| | | | 1933 | — | 113 | 113 | — | 120 | 201 | 434 | 133 | —27 | 106 |
| | | | 1934 | — | 192 | 192 | — | 141 | 217 | 550 | 133 | —68 | 65 |
| | | | 1935 | — | 240 | 240 | — | 94 | 212 | 546 | 118 | —73 | 45 |
| | | | 1936 | — | 222 | 222 | — | 50 | 222 | 494 | 118 | —41 | 77 |
| | | | 1932 | — | (100) | (100) | — | 382 | 104 | 179 | 77 | —6 | 49 |
| | | | 1933 | — | (188) | (188) | — | 316 | 110 | 197 | 77 | —30 | 40 |
| | | | 1934 | — | (320) | (320) | — | 371 | 119 | 250 | 77 | —76 | 25 |
| | | | 1935 | — | (400) | (400) | — | 247 | 116 | 248 | 69 | —91 | 17 |
| | | | 1936 | — | (370) | (370) | — | 132 | 122 | 225 | 69 | —46 | 29 |
| | | | Ecuador | Central Bank | Sucre . . . | 1929 | — | 10 | 10 | — | — | 5 | 15 |
| 1930 | — | 9 | | | | 9 | — | — | 5 | 14 | 6 | 23 | 29 |
| 1931 | — | 8 | | | | 8 | — | — | 6 | 14 | 6 | 10 | 16 |
| 1932 | — | 20 | | | | 20 | — | — | 9 | 29 | 14 | 3 | 17 |
| 1933 | — | 33 | | | | 33 | — | — | 17 | 50 | 14 | 4 | 18 |
| 1934 | — | 36 | | | | 36 | — | — | 15 | 51 | 17 | 10 | 27 |
| 1935 | — | 36 | | | | 36 | — | — | 25 | 61 | 37 | 3 | 40 |
| 1936 | — | 16 | | | | 16 | — | — | 23 | 39 | 33 | 19 | 52 |
| 1932 | — | 200 | | | | 200 | — | — | 180 | 193 | 233 | 10 | 49 |
| 1933 | — | 330 | | | | 330 | — | — | 340 | 333 | 233 | 14 | 51 |
| 1934 | — | 360 | | | | 360 | — | — | 300 | 340 | 267 | 34 | 77 |
| 1935 | — | 360 | | | | 360 | — | — | 500 | 407 | 617 | 10 | 114 |
| 1936 | — | 160 | | | | 160 | — | — | 460 | 260 | 550 | 66 | 149 |

¹ New parity.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Governm. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) |
|---------------------------------|--|--------|---|---|---|------------------------------|------------------------------------|---|--|---------------------|----------------|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| Egypt National Bank of Egypt | £ E. | 1929 | — | — | — | 22 | 1 | 13 | 36 | 4 | 28 | 32 |
| | | 1930 | — | — | — | 16 | 1 | 8 | 25 | 4 | 20 | 24 |
| | | 1931 | — | 1 | 1 | 15 | 1 | 9 | 26 | 4 | 19 | 23 |
| | | 1932 | — | — | — | 21 | 1 | 6 | 28 | 7 | 15 | 22 |
| | | 1933 | — | — | — | 19 | 1 | 6 | 26 | 7 | 18 | 25 |
| | | 1934 | — | — | — | 19 | 1 | 6 | 26 | 7 | 17 | 24 |
| | | 1935 | — | — | — | 22 | 3 | 7 | 32 | 7 | 21 | 28 |
| | | 1936 | — | — | — | 21 | 2 | 7 | 30 | 7 | 21 | 28 |
| | | 1932 | — | — | — | 95 | 100 | 46 | 78 | 175 | 54 | 69 |
| | | 1933 | — | — | — | 86 | 100 | 46 | 72 | 175 | 64 | 78 |
| | | 1934 | — | — | — | 86 | 100 | 46 | 72 | 175 | 61 | 75 |
| | | 1935 | — | — | — | 100 | 300 | 54 | 89 | 175 | 75 | 88 |
| 1936 | — | — | — | 95 | 200 | 54 | 83 | 175 | 75 | 88 | | |
| Estonia Bank of Estonia | Eesti Kroon | 1929 | — | — | — | 0.8 | 0.1 | 27.3 | 28.2 | 6.4 | 24.0 | 30.4 |
| | | 1930 | — | — | — | 0.3 | 0.5 | 23.9 | 24.7 | 6.6 | 23.7 | 30.3 |
| | | 1931 | — | 3.1 | 3.1 | — | 3.1 | 23.9 | 30.1 | 6.6 | 15.8 | 22.4 |
| | | 1932 | — | 4.8 | 4.8 | — | 3.1 | 20.3 | 28.2 | 15.2 | 5.1 | 20.3 |
| | | 1933 | — | 4.0 | 4.0 | — | 3.0 | 20.4 | 27.4 | 20.1 | 3.8 | 23.9 |
| | | 1934 | — | 3.3 | 3.3 | — | 2.9 | 13.3 | 19.5 | 27.7 | 8.0 | 35.7 |
| | | 1935 | — | — | — | — | 3.3 | 9.6 | 22.9 | 34.1 | 5.7 | 39.8 |
| | | 1936 | — | — | — | — | 3.6 | 22.3 | 25.9 | 34.2 | 10.7 | 44.9 |
| | | 1932 | — | (100) | (100) | — | 3,100 | 74 | 100 | 238 | 21 | 67 |
| | | 1933 | — | (83) | (83) | — | 3,000 | 75 | 97 | 314 | 16 | 79 |
| | | 1934 | — | (69) | (69) | — | 2,900 | 49 | 69 | 433 | 33 | 117 |
| | | 1935 | — | — | — | — | 3,300 | 35 | 81 | 533 | 25 | 131 |
| 1936 | — | — | — | — | 3,600 | 82 | 92 | 534 | 45 | 148 | | |
| Finland Bank of Finland | Markka . . . | 1929 | — | — | — | 287 | 36 | 1,382 | 1,705 | 302 | 683 | 985 |
| | | 1930 | — | — | — | 315 | 56 | 935 | 1,306 | 301 | 935 | 1,236 |
| | | 1931 | — | — | — | 293 | 66 | 1,309 | 1,668 | 304 | 491 | 795 |
| | | 1932 | — | — | — | 236 | 65 | 1,218 | 1,519 | 304 | 545 | 849 |
| | | 1933 | — | — | — | 246 | 70 | 716 | 1,032 | 323 | 1,324 | 1,647 |
| | | 1934 | — | — | — | 273 | 85 | 672 | 1,030 | 323 | 1,436 | 1,759 |
| | | 1935 | — | — | — | 223 | 191 | 782 | 1,196 | 472 | 1,325 | 1,797 |
| | | 1936 | — | — | — | 93 | 348 | 950 | 1,391 | 815 | 1,485 | 2,300 |
| | | 1932 | — | — | — | 82 | 181 | 88 | 89 | 101 | 80 | 86 |
| | | 1933 | — | — | — | 86 | 194 | 52 | 61 | 107 | 194 | 167 |
| | | 1934 | — | — | — | 95 | 236 | 49 | 60 | 107 | 210 | 179 |
| | | 1935 | — | — | — | 78 | 531 | 57 | 70 | 156 | 194 | 182 |
| 1936 | — | — | — | 32 | 967 | 69 | 82 | 270 | 217 | 234 | | |
| France Bank of France | Franc | 1929 | 3,200 | 5,612 | 8,812 | 113 | — | 10,979 | 19,904 | 41,622 | 26,053 | 67,675 |
| | | 1930 | 3,200 | 5,304 | 8,504 | 113 | — | 11,367 | 19,984 | 53,563 | 26,205 | 79,768 |
| | | 1931 | 3,200 | 7,157 | 10,357 | 113 | — | 11,053 | 21,523 | 68,481 | 21,500 | 89,981 |
| | | 1932 | 3,200 | 6,802 | 10,002 | 113 | — | 7,291 | 17,406 | 83,129 | 4,483 | 87,612 |
| | | 1933 | 3,200 | 6,187 | 9,387 | 113 | — | 8,506 | 18,006 | 76,959 | 1,162 | 78,121 |
| | | 1934 | 3,200 | 5,898 | 9,098 | 113 | — | 8,374 | 17,585 | 82,123 | 962 | 83,085 |
| | | 1935 | 3,200 | 5,800 | 9,000 | 113 | — | 14,617 | 23,730 | 66,298 | 1,329 | 67,627 |
| | | 1936 | 3,200 | 23,079 | 26,279 | 113 | — | 12,961 | 39,353 | 60,359 ¹ | 1,462 | 61,821 ¹ |
| | | 1932 | 100 | 121 | 114 | 100 | — | 66 | 87 | 200 | 17 | 129 |
| | | 1933 | 100 | 110 | 107 | 100 | — | 77 | 90 | 185 | 4 | 115 |
| | | 1934 | 100 | 105 | 103 | 100 | — | 76 | 88 | 195 | 4 | 123 |
| | | 1935 | 100 | 103 | 102 | 100 | — | 133 | 119 | 159 | 5 | 100 |
| 1936 | 100 | 411 | 298 | 100 | — | 118 | 198 | 145 | 6 | 91 | | |

¹ New parity.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims of Govern. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) |
|--------------------------|--|-------------|---|---|--|------------------------------|------------------------------------|---|--|---------------|----------------|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| Germany Reichsbank | Reichsmark | 1929 | 70 | 350 | 420 | — | 93 | 2,463 | 2,976 | 2,283 | 812 | 3,095 |
| | | 1930 | 70 | 347 | 417 | — | 103 | 2,331 | 2,851 | 2,216 | 764 | 2,980 |
| | | 1931 | 70 | 289 | 359 | — | 162 | 4,275 | 4,796 | 984 | —120 | 864 |
| | | 1932 | 70 | 166 | 236 | — | 323 | 2,892 | 3,451 | 806 | —120 | 686 |
| | | 1933 | 70 | 193 | 263 | — | 592 | 3,171 | 4,026 | 386 | 222 | 608 |
| | | 1934 | 70 | 167 | 237 | — | 773 | 4,132 | 5,142 | 79 | 89 | 168 |
| | | 1935 | 70 | 231 | 301 | — | 675 | 4,441 | 5,417 | 82 | 177 | 259 |
| | | 1936 | 70 | 179 | 249 | — | 534 | 5,431 | 6,214 | 66 | 111 | 177 |
| | | 1932 | 100 | 47 | 56 | — | 347 | 117 | 116 | 35 | —15 | 22 |
| | | 1933 | 100 | 55 | 63 | — | 637 | 129 | 135 | 17 | 27 | 20 |
| | | 1934 | 100 | 48 | 56 | — | 831 | 168 | 173 | 3 | 11 | 5 |
| | | 1935 | 100 | 66 | 72 | — | 726 | 180 | 182 | 4 | 22 | 8 |
| | | 1936 | 100 | 51 | 59 | — | 574 | 221 | 209 | 3 | 14 | 6 |
| Greece Bank of Greece | Drachma . . . | 1929 | 2,714 | 882 | 3,596 | — | 56 | 325 | 3,977 | 640 | 2,477 | 3,117 |
| | | 1930 | 2,714 | 675 | 3,389 | — | 299 | 327 | 4,015 | 510 | 2,502 | 3,012 |
| | | 1931 | 2,672 | 454 | 3,126 | — | 287 | 533 | 3,946 | 869 | 1,051 | 1,920 |
| | | 1932 | 2,714 | 1,928 | 4,642 | 654 | 360 | 1,054 | 6,710 | . | . | 1,599 |
| | | 1933 | 2,714 | 2,603 | 5,317 | 641 | 371 | 716 | 7,045 | . | . | 3,954 |
| | | 1934 | 2,714 | 1,361 | 4,075 | 639 | 282 | 1,211 | 6,207 | . | . | 4,013 |
| | | 1935 | 2,714 | 3,174 | 5,888 | 567 | 299 | 1,661 | 8,415 | . | . | 3,261 |
| | | 1936 | 3,605 | 3,427 | 7,032 | 557 | 488 | 1,487 | 9,564 | . | . | 3,173 |
| | | 1932 | 100 | 219 | 129 | (100) | 643 | 324 | 169 | . | . | 51 |
| | | 1933 | 100 | 295 | 148 | (98) | 663 | 220 | 177 | . | . | 127 |
| | | 1934 | 100 | 154 | 113 | (98) | 504 | 373 | 156 | . | . | 129 |
| | | 1935 | 100 | 360 | 164 | (87) | 534 | 511 | 212 | . | . | 105 |
| | | 1936 | 133 | 389 | 196 | (85) | 871 | 458 | 240 | . | . | 102 |
| Hungary National Bank | Pengö . . . | 1929 | 88 | — | 88 | — | — | 329 | 417 | 163 | 80 | 243 |
| | | 1930 | 64 | — | 64 | — | — | 298 | 362 | 163 | 67 | 230 |
| | | 1931 | 58 | — | 58 | — | — | 441 | 499 | 102 | 24 | 126 |
| | | 1932 | 52 | 24 | 76 | — | — | 449 | 525 | 97 | 20 | 117 |
| | | 1933 | 50 | 31 | 81 | — | — | 605 | 686 | 79 | 33 | 112 |
| | | 1934 | 50 | 34 | 84 | — | — | 597 | 681 | 79 | 35 | 114 |
| | | 1935 | 77 | 33 | 110 | — | — | 554 | 664 | 79 | 71 | 150 |
| | | 1936 | 98 | ... | ... | — | — | ... | 647 | 84 | ... | ... |
| | | 1932 | 59 | (100) | 86 | — | — | 136 | 126 | 60 | 25 | 48 |
| | | 1933 | 57 | (129) | 92 | — | — | 184 | 165 | 48 | 41 | 46 |
| | | 1934 | 57 | (142) | 95 | — | — | 181 | 163 | 48 | 44 | 47 |
| | | 1935 | 88 | (136) | 124 | — | — | 168 | 159 | 48 | 89 | 62 |
| | | 1936 | 111 | ... | ... | — | — | ... | 155 | 52 | ... | ... |
| India Reserve Bank | Rupee . . . | 1935 | — | 20 | 20 | 256 | 52 | — | 328 | 444 | 842 | 1,286 |
| | | 1936 | — | 10 | 10 | 234 | 63 | — | 307 | 444 | 840 | 1,284 |
| | | 1935 = 100. | — | 50 | 50 | 91 | 121 | — | 94 | 100 | 100 | 100 |
| | | 1936 | — | 50 | 50 | 91 | 121 | — | 94 | 100 | 100 | 100 |
| Italy Bank of Italy | Lira | 1929 | 1,813 | 456 | 2,269 | 1,053 | — | 7,192 | 10,964 | 5,190 | 5,151 | 10,341 |
| | | 1930 | 1,784 | 527 | 2,311 | 1,160 | — | 6,521 | 9,992 | 5,297 | 4,327 | 9,624 |
| | | 1931 | 1,773 | 370 | 2,143 | 1,375 | — | 7,411 | 10,929 | 5,626 | 2,171 | 7,797 |
| | | 1932 | 1,773 | — | 1,773 | 1,366 | — | 8,644 | 11,783 | 5,839 | 1,305 | 7,144 |
| | | 1933 | 1,773 | — | 1,773 | 1,371 | — | 5,987 | 9,131 | 7,092 | 305 | 7,397 |
| | | 1934 | 1,773 | — | 1,773 | 1,385 | — | 7,759 | 10,917 | 5,811 | 72 | 5,883 |
| | | 1935 | 1,773 | — | 1,773 | 1,399 | — | 9,989 | 13,161 | 3,027 | 368 | 3,395 |
| | | 1936 | 1,773 | 3,000 | 4,773 | 1,533 | — | 7,631 | 13,937 | 3,959 | 63 | 4,022 |
| | | 1932 | 98 | — | 78 | 130 | — | 120 | 107 | 113 | 25 | 69 |
| | | 1933 | 98 | — | 78 | 130 | — | 83 | 83 | 137 | 6 | 72 |
| | | 1934 | 98 | — | 78 | 132 | — | 108 | 100 | 112 | 1 | 57 |
| | | 1935 | 98 | — | 78 | 133 | — | 139 | 120 | 58 | 7 | 33 |
| | | 1936 | 98 | 658 | 210 | 146 | — | 106 | 127 | 76 | 1 | 39 |

1 New parity.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (Incl. discounts of Treasury bills) | Total direct claims on Govern. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (e) + (d) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) | |
|--------------------------|--|------------------|---|---|--|------------------------------|------------------------------------|---|----------------------------------|---------------|-----------------|---|-------|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | |
| Japan | Bank of Japan | Yen | 1929 | 22 | — | 22 | 202 | — | 747 | 971 | 1,072 | 261 | 1,333 |
| | | | 1930 | 22 | 3 | 25 | 176 | — | 821 | 1,022 | 826 | 230 | 1,056 |
| | | | 1931 | 22 | 3 | 25 | 252 | — | 1,027 | 1,304 | 470 | 110 | 580 |
| | | | 1932 | 22 | 25 | 47 | 565 | — | 830 | 1,442 | 425 | 130 | 555 |
| | | | 1933 | 22 | 3 | 25 | 682 | — | 919 | 1,626 | 425 | 53 | 478 |
| | | | 1934 | 22 | 46 | 68 | 647 | — | 941 | 1,656 | 466 | 54 | 520 |
| | | | 1935 | 22 | 96 | 118 | 729 | — | 914 | 1,761 | 504 | 112 | 616 |
| | | | 1936 | 22 | 164 | 186 | 829 | — | 810 | 1,825 | 548 | 51 | 599 |
| | | | 1932 | 100 | (100) | 214 | 280 | — | 111 | 149 | 40 | 50 | 42 |
| | | | 1933 | 100 | (12) | 114 | 338 | — | 123 | 167 | 40 | 20 | 36 |
| | | | 1934 | 100 | (184) | 309 | 320 | — | 126 | 171 | 43 | 21 | 39 |
| | | | 1935 | 100 | (384) | 536 | 361 | — | 122 | 181 | 47 | 43 | 46 |
| 1936 | 100 | (656) | 845 | 410 | — | 108 | 188 | 51 | 20 | 45 | | | |
| Latvia | Bank of Latvia | Lat | 1929 | — | — | — | 8 | — | 141 | 149 | 24 | 56 | 80 |
| | | | 1930 | — | — | — | 9 | — | 153 | 162 | 24 | 41 | 65 |
| | | | 1931 | — | — | — | 9 | — | 131 | 140 | 32 | 14 | 46 |
| | | | 1932 | — | — | — | 9 | — | 125 | 134 | 36 | 11 | 47 |
| | | | 1933 | — | — | — | 9 | — | 132 | 141 | 45 | 3 | 48 |
| | | | 1934 | — | — | — | 8 | — | 137 | 145 | 46 | 4 | 50 |
| | | | 1935 | — | — | — | 10 | — | 114 | 124 | 46 | 8 | 54 |
| | | | 1936 | — | — | — | 11 | — | 121 | 132 | ¹ 77 | 28 | 105 |
| | | | 1932 | — | — | — | 111 | — | 89 | 90 | 150 | 20 | 59 |
| | | | 1933 | — | — | — | 111 | — | 94 | 95 | 188 | 5 | 60 |
| | | | 1934 | — | — | — | 100 | — | 97 | 97 | 192 | 7 | 63 |
| | | | 1935 | — | — | — | 125 | — | 81 | 83 | 192 | 143 | 67 |
| 1936 | — | — | — | 138 | — | 86 | 89 | 196 | 50 | 131 | | | |
| Lithuania | Bank of Lithuania | Litas | 1929 | . | . | . | . | . | 84 | 35 | 79 | 114 | |
| | | | 1930 | . | . | . | . | . | 102 | 39 | 86 | 125 | |
| | | | 1931 | . | . | . | . | . | 109 | 50 | 33 | 83 | |
| | | | 1932 | . | . | . | . | . | 92 | 49 | 16 | 65 | |
| | | | 1933 | . | . | . | . | . | 84 | 52 | 15 | 67 | |
| | | | 1934 | . | . | . | . | . | 101 | 52 | 8 | 60 | |
| | | | 1935 | . | . | . | . | . | 102 | 36 | 18 | 54 | |
| | | | 1936 | . | . | . | . | . | 106 | 73 | 10 | 83 | |
| | | | 1932 | . | . | . | . | . | 110 | 140 | 20 | 57 | |
| | | | 1933 | . | . | . | . | . | 100 | 149 | 19 | 59 | |
| | | | 1934 | . | . | . | . | . | 120 | 149 | 10 | 53 | |
| | | | 1935 | . | . | . | . | . | 121 | 103 | 23 | 47 | |
| 1936 | . | . | . | . | . | 126 | 209 | 13 | 73 | | | | |
| Netherlands | Netherlands Bank | Gulden | 1929 | — | — | — | 25 | — | 182 | 207 | 447 | 220 | 667 |
| | | | 1930 | — | — | — | 26 | — | 148 | 174 | 426 | 247 | 673 |
| | | | 1931 | — | — | — | 27 | — | 188 | 215 | 887 | 86 | 973 |
| | | | 1932 | — | 19 | 19 | 20 | — | 118 | 157 | 1,033 | 71 | 1,104 |
| | | | 1933 | — | 18 | 18 | 22 | — | 177 | 217 | 922 | 1 | 923 |
| | | | 1934 | — | 17 | 17 | 37 | — | 174 | 228 | 842 | 1 | 843 |
| | | | 1935 | — | 15 | 15 | 40 | — | 173 | 228 | 643 | 2 | 645 |
| | | | 1936 | — | 12 | 12 | 40 | — | 343 | 395 | 720 | 2 | 722 |
| | | | 1932 | — | (100) | (100) | 80 | — | 65 | 76 | 231 | 32 | 166 |
| | | | 1933 | — | (95) | (95) | 88 | — | 97 | 105 | 206 | — | 138 |
| | | | 1934 | — | (89) | (89) | 148 | — | 96 | 110 | 188 | — | 126 |
| | | | 1935 | — | (79) | (79) | 160 | — | 95 | 110 | 144 | 1 | 97 |
| 1936 | — | (63) | (63) | 160 | — | 188 | 191 | 161 | 1 | 108 | | | |

¹ New parity.² Foreign bills only.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Governm. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) | |
|------------------------------------|--|-------------|---|---|---|------------------------------|------------------------------------|---|--|---------------|----------------|---|----|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | |
| Netherlands Indies Bank of Java | Gulden . . . | 1929 | — | — | — | — | — | 112 | 112 | 140 | 23 | 163 | |
| | | 1930 | — | — | — | — | — | 49 | 49 | 139 | 31 | 170 | |
| | | 1931 | — | 5 | 5 | — | — | 58 | 63 | 113 | 5 | 118 | |
| | | 1932 | — | — | — | — | — | 45 | 45 | 104 | 19 | 123 | |
| | | 1933 | — | — | — | — | — | 62 | 62 | 108 | 1 | 109 | |
| | | 1934 | — | 1 | 1 | — | — | 62 | 63 | 113 | 1 | 114 | |
| | | 1935 | — | — | — | — | — | 80 | 80 | 80 | 2 | 82 | |
| | | 1936 | — | 1 | 1 | — | — | 62 | 63 | 89 | 2 | 91 | |
| | | 1929 = 100. | 1932 | — | — | — | — | — | 40 | 40 | 74 | 83 | 75 |
| | | 1933 | — | — | — | — | — | — | 55 | 55 | 77 | 4 | 67 |
| | | 1934 | — | — | — | — | — | — | 55 | 56 | 81 | 4 | 70 |
| | | 1935 | — | — | — | — | — | — | 71 | 71 | 57 | 9 | 50 |
| | | 1936 | — | — | — | — | — | — | 55 | 56 | 64 | 9 | 56 |
| New Zealand Reserve Bank | £N.Z. . . . | 1934 | — | — | — | — | 2 | — | 2 | 3 | 22 | 25 | |
| | | 1935 | — | — | — | — | 2 | — | 2 | 3 | 21 | 24 | |
| | | 1936 | — | 8 | 8 | — | 3 | — | 11 | 3 | 17 | 20 | |
| | | 1935 | — | — | — | — | 100 | — | 100 | 100 | 95 | 96 | |
| | | 1936 | — | — | — | — | 150 | — | 550 | 100 | 77 | 80 | |
| Norway Bank of Norway | Krone | 1929 | — | — | — | 16 | 18 | 187 | 221 | 147 | 66 | 213 | |
| | | 1930 | — | — | — | 10 | 17 | 160 | 187 | 146 | 72 | 218 | |
| | | 1931 | — | — | — | 12 | 27 | 229 | 268 | 155 | 23 | 178 | |
| | | 1932 | — | — | — | 12 | 20 | 231 | 263 | 144 | 31 | 175 | |
| | | 1933 | — | — | — | 14 | 21 | 258 | 293 | 143 | 6 | 149 | |
| | | 1934 | — | — | — | 18 | 20 | 251 | 289 | 135 | 41 | 176 | |
| | | 1935 | — | — | — | 21 | 22 | 216 | 259 | 185 | 46 | 231 | |
| | | 1936 | — | — | — | 34 | 12 | 217 | 263 | 215 | 108 | 323 | |
| | | 1929 = 100. | 1932 | — | — | — | 75 | 111 | 124 | 119 | 98 | 47 | 82 |
| | | 1933 | — | — | — | 88 | 117 | 138 | 133 | 97 | 9 | 70 | |
| | | 1934 | — | — | — | 113 | 111 | 134 | 131 | 92 | 62 | 83 | |
| | | 1935 | — | — | — | 131 | 122 | 116 | 117 | 126 | 70 | 108 | |
| | | 1936 | — | — | — | 213 | 67 | 116 | 119 | 146 | 164 | 152 | |
| Peru Central Bank | Sol | 1929 | — | — | — | — | — | 32 | 32 | 77 | 9 | 86 | |
| | | 1930 | — | — | — | — | — | 23 | 23 | 63 | 7 | 70 | |
| | | 1931 | — | — | — | — | — | 13 | 13 | 43 | 17 | 60 | |
| | | 1932 | — | 9 | 9 | — | — | 12 | 21 | 40 | — | 40 | |
| | | 1933 | — | 27 | 27 | — | — | 22 | 49 | 42 | 3 | 45 | |
| | | 1934 | — | 34 | 34 | — | — | 28 | 62 | 40 | 4 | 44 | |
| | | 1935 | — | 33 | 33 | — | — | 25 | 58 | 40 | 8 | 48 | |
| | | 1936 | — | 46 | 46 | — | — | 38 | 84 | 44 | 5 | 49 | |
| | | 1929 = 100. | 1932 | — | (100) | (100) | — | — | 38 | 66 | 52 | — | 47 |
| | | 1933 | — | (300) | (300) | — | — | — | 69 | 153 | 55 | 33 | 52 |
| | | 1934 | — | (378) | (378) | — | — | — | 88 | 194 | 52 | 44 | 51 |
| | | 1935 | — | (367) | (367) | — | — | — | 78 | 181 | 52 | 89 | 56 |
| | | 1936 | — | (511) | (511) | — | — | — | 119 | 263 | 57 | 56 | 57 |
| Poland Bank of Poland | Zloty | 1929 | — | 30 | 30 | 55 | 28 | 781 | 894 | 701 | 526 | 1,227 | |
| | | 1930 | — | 8 | 8 | 57 | 38 | 758 | 861 | 562 | 413 | 975 | |
| | | 1931 | — | 32 | 32 | 57 | 49 | 796 | 934 | 600 | 214 | 814 | |
| | | 1932 | — | 104 | 104 | 57 | 49 | 700 | 910 | 502 | 137 | 639 | |
| | | 1933 | — | 138 | 138 | 57 | 49 | 767 | 1,011 | 476 | 88 | 564 | |
| | | 1934 | — | 138 | 138 | 57 | 46 | 709 | 950 | 503 | 28 | 531 | |
| | | 1935 | — | 158 | 158 | 57 | 84 | 799 | 1,098 | 444 | 27 | 471 | |
| | | 1936 | — | 157 | 157 | 45 | 180 | 789 | 1,171 | 393 | 30 | 423 | |
| | | 1929 = 100. | 1932 | — | 347 | 347 | 104 | 175 | 90 | 102 | 72 | 26 | 52 |
| | | 1933 | — | 460 | 460 | 104 | 175 | 98 | 113 | 68 | 17 | 46 | |
| | | 1934 | — | 460 | 460 | 104 | 164 | 91 | 106 | 72 | 5 | 43 | |
| | | 1935 | — | 527 | 527 | 104 | 300 | 102 | 123 | 63 | 5 | 38 | |
| | | 1936 | — | 523 | 523 | 82 | 643 | 101 | 131 | 56 | 6 | 34 | |

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Governm. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) | |
|------------------------------|--|--------|---|---|---|------------------------------|------------------------------------|---|--|---------------------|----------------|---|-----|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | |
| Portugal Bank of Portugal | Eseudo | 1929 | 1,751 | 10 | 1,761 | 1 | 6 | 440 | 2,208 | 209 | 412 | 621 | |
| | | 1930 | 1,531 | 10 | 1,541 | 2 | 6 | 664 | 2,213 | 209 | 259 | 468 | |
| | | 1931 | 1,058 | 11 | 1,069 | 169 | 2 | 346 | 1,586 | 286 | 515 | 801 | |
| | | 1932 | 1,055 | — | 1,055 | 228 | 14 | 343 | 1,640 | 539 | 472 | 1,011 | |
| | | 1933 | 1,052 | — | 1,052 | 267 | 12 | 332 | 1,663 | 770 | 117 | 887 | |
| | | 1934 | 1,049 | — | 1,049 | 304 | 15 | 318 | 1,686 | 903 | 250 | 1,153 | |
| | | 1935 | 1,047 | — | 1,047 | 305 | 14 | 340 | 1,706 | 910 | 302 | 1,212 | |
| | | 1936 | ... | ... | ... | ... | ... | ... | ... | ... | 912 | ... | ... |
| | | 1932 | 60 | — | 60 | 22,800 | 233 | 78 | 74 | 258 | 115 | 163 | |
| | | 1933 | 60 | — | 60 | 26,700 | 200 | 75 | 75 | 368 | 28 | 143 | |
| | | 1934 | 60 | — | 60 | 30,400 | 250 | 73 | 76 | 432 | 61 | 186 | |
| | | 1935 | 60 | — | 60 | 30,500 | 233 | 77 | 77 | 435 | 73 | 195 | |
| | | 1936 | ... | ... | ... | ... | ... | ... | ... | ... | 436 | ... | ... |
| Roumania National Bank | Leu | 1929 | 3,797 | 1,672 | 5,469 | 548 | 150 | 9,717 | 15,884 | 9,185 | 6,792 | 15,977 | |
| | | 1930 | 3,617 | — | 3,617 | 553 | 231 | 8,132 | 12,533 | 9,275 | 1,823 | 11,098 | |
| | | 1931 | 3,767 | — | 3,767 | 495 | 231 | 13,758 | 18,251 | 9,675 | 323 | 9,998 | |
| | | 1932 | 3,726 | 2,000 | 5,726 | 314 | 231 | 13,549 | 19,820 | 9,527 | 559 | 10,086 | |
| | | 1933 | 3,681 | 2,000 | 5,681 | 420 | 155 | 12,493 | 18,749 | 9,896 | 270 | 10,166 | |
| | | 1934 | 3,655 | 6,013 | 9,668 | 502 | 159 | 9,675 | 20,004 | 10,285 | 1,225 | 11,510 | |
| | | 1935 | 3,639 | 7,136 | 10,775 | 499 | 159 | 8,144 | 19,577 | 10,802 | 1,953 | 12,755 | |
| | | 1936 | 3,624 | 5,818 | 9,442 | 540 | 147 | 8,904 | 19,033 | 15,568 ¹ | 3,586 | 19,154 ¹ | |
| | | 1932 | 98 | 120 | 105 | 57 | 154 | 139 | 125 | 104 | 8 | 63 | |
| | | 1933 | 97 | 120 | 104 | 77 | 103 | 129 | 118 | 108 | 4 | 64 | |
| | | 1934 | 96 | 360 | 177 | 92 | 106 | 100 | 126 | 112 | 18 | 72 | |
| | | 1935 | 96 | 426 | 197 | 91 | 106 | 84 | 123 | 118 | 29 | 80 | |
| | | 1936 | 95 | 348 | 173 | 99 | 98 | 92 | 120 | 169 | 53 | 120 | |
| Spain Bank of Spain | Peseta | 1929 | — | 285 | 285 | 344 | 15 | 3,594 | 4,238 | 2,566 | 101 | 2,667 | |
| | | 1930 | — | 287 | 287 | 344 | 18 | 3,620 | 4,269 | 2,440 | 84 | 2,524 | |
| | | 1931 | — | 528 | 528 | 344 | 18 | 4,739 | 5,629 | 2,447 | 279 | 2,726 | |
| | | 1932 | — | 470 | 470 | 344 | 18 | 4,398 | 5,230 | 2,259 | 285 | 2,544 | |
| | | 1933 | — | 357 | 357 | 344 | 18 | 4,381 | 5,117 | 2,261 | 279 | 2,540 | |
| | | 1934 | — | 469 | 469 | 344 | 18 | 4,089 | 4,920 | 2,267 | 282 | 2,549 | |
| | | 1935 | — | 794 | 794 | 344 | 18 | 3,633 | 4,789 | 2,255 | 281 | 2,536 | |
| | | 1936 | — | — | — | — | — | — | — | — | — | — | — |
| | | 1932 | — | 165 | 165 | 100 | 120 | 122 | 123 | 88 | 282 | 95 | |
| | | 1933 | — | 125 | 125 | 100 | 120 | 122 | 121 | 88 | 276 | 95 | |
| | | 1934 | — | 165 | 165 | 100 | 120 | 114 | 116 | 88 | 279 | 96 | |
| | | 1935 | — | 279 | 279 | 100 | 120 | 101 | 213 | 88 | 278 | 95 | |
| | | 1936 | — | — | — | — | — | — | — | — | — | — | — |
| Sweden Riksbank | Krona | 1929 | — | — | — | 23 | — | 379 | 402 | 245 | 265 | 510 | |
| | | 1930 | — | — | — | 4 | 2 | 321 | 327 | 241 | 390 | 631 | |
| | | 1931 | — | — | — | 4 | — | 558 | 562 | 206 | 49 | 255 | |
| | | 1932 | — | — | — | 238 | — | 205 | 443 | 206 | 214 | 420 | |
| | | 1933 | — | — | — | 227 | — | 56 | 283 | 370 | 447 | 817 | |
| | | 1934 | — | — | — | 149 | — | 44 | 193 | 351 | 554 | 905 | |
| | | 1935 | — | — | — | 29 | 4 | 42 | 75 | 408 | 629 | 1,037 | |
| | | 1936 | — | — | — | 29 | 5 | 37 | 71 | 529 | 717 | 1,246 | |
| | | 1932 | — | — | — | 1,035 | — | 54 | 110 | 84 | 81 | 82 | |
| | | 1933 | — | — | — | 987 | — | 15 | 70 | 151 | 169 | 160 | |
| | | 1934 | — | — | — | 648 | — | 12 | 48 | 144 | 209 | 177 | |
| | | 1935 | — | — | — | 126 | — | 11 | 19 | 167 | 237 | 203 | |
| | | 1936 | — | — | — | 126 | — | 10 | 18 | 216 | 271 | 244 | |

¹ New parity.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (continued).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Govern. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (c) + (d) + (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) |
|---------------------------------------|--|--------|---|---|--|------------------------------|------------------------------------|---|--|---------------|----------------|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| Switzerland National Bank | Franc | 1929 | — | 39 | 39 | 5 | — | 226 | 270 | 595 | 353 | 948 |
| | | 1930 | — | 39 | 39 | 8 | 1 | 142 | 190 | 713 | 438 | 1,151 |
| | | 1931 | — | — | — | 29 | 9 | 125 | 163 | 2,347 | 103 | 2,450 |
| | | 1932 | — | 5 | 5 | 37 | 14 | 84 | 140 | 2,471 | 87 | 2,558 |
| | | 1933 | — | 73 | 73 | 11 | 17 | 151 | 252 | 1,998 | 17 | 2,015 |
| | | 1934 | — | 6 | 6 | 45 | 7 | 164 | 222 | 1,910 | 7 | 1,917 |
| | | 1935 | — | 176 | 176 | 40 | 5 | 231 | 452 | 1,389 | 7 | 1,396 |
| | | 1936 | — | 29 | 29 | 12 | 4 | 81 | 126 | 2,709 | 53 | 2,762 |
| | | 1932 | — | 13 | 13 | 740 | (100) | 37 | 52 | 415 | 25 | 270 |
| | | 1933 | — | 187 | 187 | 220 | (121) | 67 | 93 | 336 | 5 | 213 |
| | | 1934 | — | 15 | 15 | 900 | (50) | 73 | 82 | 321 | 2 | 202 |
| | | 1935 | — | 451 | 451 | 800 | (36) | 102 | 167 | 233 | 2 | 147 |
| | | 1936 | — | 74 | 74 | 240 | (24) | 36 | 47 | 455 | 15 | 291 |
| Turkey Central Bank | £T | 1932 | 154.8 | 0.4 | 155.2 | 28.2 | — | 2.3 | 185.7 | 20.6 | -0.7 | 19.9 |
| | | 1933 | 152.0 | 4.2 | 156.2 | 30.0 | — | 5.5 | 191.7 | 24.9 | -4.5 | 20.4 |
| | | 1934 | 148.9 | 3.7 | 152.6 | 33.5 | — | 11.8 | 197.9 | 27.5 | 0.1 | 27.6 |
| | | 1935 | 147.8 | — | 147.8 | 38.8 | — | 31.7 | 218.3 | 29.5 | -9.7 | 19.8 |
| | | 1936 | 146.7 | 2.3 | 149.0 | 41.1 | — | 40.1 | 230.2 | 33.9 | 9.9 | 43.8 |
| | | 1933 | 98 | 1,050 | 101 | 106 | — | 239 | 103 | 121 | — | 103 |
| | | 1934 | 96 | 925 | 98 | 119 | — | 513 | 107 | 133 | — | 139 |
| | | 1935 | 95 | — | 95 | 138 | — | 1,378 | 118 | 143 | — | 99 |
| 1936 | 95 | 575 | 96 | 146 | — | 1,743 | 124 | 165 | — | 220 | | |
| Union of South Africa Reserve Bank | E.S.A. | 1929 | — | — | — | 1.8 | 0.6 | 1.7 | 4.1 | 7.5 | 6.6 | 14.1 |
| | | 1930 | — | — | — | 0.2 | 1.6 | 1.1 | 2.9 | 6.7 | 7.2 | 13.9 |
| | | 1931 | — | 1.5 | 1.5 | 0.8 | 1.2 | 3.6 | 7.1 | 8.1 | — | 8.1 |
| | | 1932 | — | 3.5 | 3.5 | 0.2 | 1.9 | 1.5 | 7.1 | 7.2 | — | 7.2 |
| | | 1933 | — | 2.4 | 2.4 | — | 1.7 | 0.3 | 4.4 | 17.1 | 18.9 | 36.0 |
| | | 1934 | — | — | — | — | 1.7 | 0.1 | 1.8 | 22.3 | 10.5 | 32.8 |
| | | 1935 | — | — | — | — | 1.7 | 0.3 | 2.0 | 25.7 | 11.5 | 37.2 |
| | | 1936 | — | 0.8 | 0.8 | — | 1.7 | — | 2.5 | 24.6 | 10.8 | 35.4 |
| | | 1932 | — | (100) | (100) | 11 | 317 | 88 | 173 | 96 | — | 51 |
| | | 1933 | — | (69) | (69) | — | 283 | 18 | 107 | 228 | 286 | 255 |
| | | 1934 | — | — | — | — | 283 | 6 | 44 | 297 | 159 | 233 |
| | | 1935 | — | — | — | — | 283 | 18 | 49 | 343 | 174 | 264 |
| | | 1936 | — | (23) | (23) | — | 283 | — | 61 | 328 | 164 | 251 |
| United Kingdom Bank of England | £ | 1929 | 244.8 | — | 244.8 | 81.7 | 28.7 | 42.2 | 397.4 | 146.1 | — | 146.1 |
| | | 1930 | 244.1 | — | 244.1 | 81.0 | 35.2 | 49.0 | 409.3 | 148.3 | — | 148.3 |
| | | 1931 | 253.7 | — | 253.7 | 95.4 | 54.8 | 27.3 | 431.2 | 121.3 | — | 121.3 |
| | | 1932 | 266.2 | — | 266.2 | 102.4 | 22.8 | 18.5 | 409.9 | 120.6 | — | 120.6 |
| | | 1933 | 254.2 | — | 254.2 | 88.0 | 15.6 | 16.8 | 374.6 | 191.7 | — | 191.7 |
| | | 1934 | 256.6 | — | 256.6 | 87.5 | 11.7 | 7.6 | 363.4 | 192.8 | — | 192.8 |
| | | 1935 | 257.3 | — | 257.3 | 81.9 | 14.2 | 8.5 | 361.9 | 200.7 | — | 200.7 |
| | | 1936 | 199.8 | — | 199.8 | 134.5 | 21.3 | 17.5 | 373.1 | 314.2 | — | 314.2 |
| | | 1932 | 109 | — | 109 | 125 | 79 | 44 | 103 | 83 | — | 83 |
| | | 1933 | 104 | — | 104 | 108 | 54 | 40 | 94 | 131 | — | 131 |
| | | 1934 | 105 | — | 105 | 107 | 41 | 18 | 91 | 132 | — | 132 |
| | | 1935 | 105 | — | 105 | 100 | 49 | 20 | 91 | 137 | — | 137 |
| | | 1936 | 82 | — | 82 | 165 | 74 | 41 | 94 | 215 | — | 215 |

¹ Including, since 1932, "effets de la Caisse de prêts".

² New parity.

³ Including small amount of silver coin in Banking Department.

Table IV. — CHANGES IN PRINCIPAL ASSETS OF CENTRAL BANKS (concluded).

| Country and central bank | Unit of currency (000,000's) and percentage base | End of | State Debt relating to fiduciary note-issue | Tempor. advances to Govt. Institut. (incl. discounts of Treasury bills) | Total direct claims on Govern. (a) + (b) | Holdings of Govt. securities | Holdings of other securities, etc. | Non-Govt. loans, advances and discounts | Total domestic credits (e) + (d) ÷ (e) + (f) | Gold reserves | Foreign assets | Total gold and foreign assets (h) + (i) |
|---------------------------------|--|---------------------------------|---|---|--|------------------------------|------------------------------------|---|--|--------------------|------------------|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| U.S.A. Federal Reserve Banks | \$ | 1929 | — | — | — | 511 | 12 | 1,025 | 1,548 | 2,857 | — | 2,857 |
| | | 1930 | — | — | — | 729 | 7 | 615 | 1,351 | 2,941 | — | 2,941 |
| | | 1931 | — | — | — | 817 | 5 | 977 | 1,799 | 2,989 | — | 2,989 |
| | | 1932 | — | — | — | 1,855 | 5 | 268 | 2,128 | 3,223 | — | 3,223 |
| | | 1933 | — | — | — | 2,437 | 1 | 231 | 2,669 | 3,524 | — | 3,524 |
| | | 1934 | — | — | — | 2,430 | — | 27 | 2,457 | 5,124 | — | 5,124 |
| | | 1935 | — | — | — | 2,431 | — | 42 | 2,473 | 7,553 | — | 7,553 |
| | | 1936 | — | — | — | 2,430 | — | 33 | 2,463 | 8,852 | — | 8,852 |
| | | 1932 | — | — | — | 363 | 42 | 26 | 137 | 113 | — | 113 |
| | | 1933 | — | — | — | 477 | 8 | 23 | 172 | 123 | — | 123 |
| | | 1934 | — | — | — | 476 | — | 3 | 159 | 179 | — | 179 |
| | | 1935 | — | — | — | 476 | — | 4 | 160 | 264 | — | 264 |
| | | 1936 | — | — | — | 476 | — | 3 | 159 | 310 | — | 310 |
| | | Uruguay Bank of the Republic | Peso | 1929 | — | 8 | 8 | 1 | 1 | 100 | 110 | 66 |
| 1930 | — | | | 9 | 9 | 8 | 2 | 102 | 121 | 60 | — | 60 |
| 1931 | — | | | 12 | 12 | 7 | 1 | 91 | 111 | 51 | — | 51 |
| 1932 | — | | | 21 | 21 | 6 | 2 | 86 | 115 | 47 | 3 | 50 |
| 1933 | — | | | 24 | 24 | 6 | 1 | 74 | 105 | 49 | 4 | 53 |
| 1934 | — | | | 26 | 26 | 6 | 1 | 79 | 112 | 47 | — | 47 |
| 1935 | — | | | 30 | 30 | 6 | 1 | 67 | 104 | 191 | — | 191 |
| 1936 | — | | | 19 | 19 | 10 | 1 | 65 | 95 | 89 | — | 89 |
| 1932 | — | | | 263 | 263 | 600 | 200 | 86 | 105 | 71 | 150 | 74 |
| 1933 | — | | | 300 | 300 | 600 | 100 | 74 | 95 | 74 | 200 | 78 |
| 1934 | — | | | 325 | 325 | 600 | 100 | 79 | 102 | 71 | — | 69 |
| 1935 | — | | | 375 | 375 | 600 | 100 | 67 | 95 | 138 | — | 134 |
| 1936 | — | | | 238 | 238 | 1000 | 100 | 65 | 86 | 135 | — | 131 |
| Yugoslavia National Bank | Dinar | | | 1929 | 4,153 | — | 4,153 | — | 65 | 1,518 | 5,736 | ² 1,046 |
| | | 1930 | 4,021 | — | 4,021 | — | 88 | 1,637 | 5,746 | ² 1,080 | ² 358 | ² 1,438 |
| | | 1931 | 1,799 | — | 1,799 | — | 108 | 2,253 | 4,160 | 1,758 | 425 | 2,183 |
| | | 1932 | 1,809 | 600 | 2,409 | — | 82 | 2,457 | 4,948 | 1,761 | 209 | 1,970 |
| | | 1933 | 1,716 | 600 | 2,316 | — | 78 | 2,102 | 4,496 | 1,795 | 166 | 1,961 |
| | | 1934 | 1,687 | 600 | 2,287 | — | 135 | 1,764 | 4,186 | 1,785 | 225 | 2,010 |
| | | 1935 | 1,671 | 600 | 2,271 | — | 180 | 1,781 | 4,232 | 1,432 | 364 | 1,796 |
| | | 1936 | 1,648 | 600 | 2,248 | 102 | 181 | 1,717 | 4,248 | 1,626 | 552 | 2,178 |
| | | 1932 | 44 | (100) | 58 | — | 126 | 162 | 86 | 168 | 28 | 110 |
| | | 1933 | 41 | (100) | 56 | — | 120 | 138 | 78 | 172 | 22 | 110 |
| | | 1934 | 41 | (100) | 55 | — | 208 | 116 | 73 | 171 | 30 | 112 |
| | | 1935 | 40 | (100) | 55 | — | 277 | 117 | 74 | 137 | 49 | 100 |
| | | 1936 | 40 | (100) | 54 | — | 278 | 113 | 74 | 155 | 74 | 122 |

¹ New parity.

² Gold at new parity; foreign assets at current rate, excluding "blocked" amounts.

Table V. — CENTRAL GOLD AND FOREIGN ASSETS RESERVE RATIOS.

Figures relate to aggregate net reserves, note circulation and other sight liabilities of Central Banks and State Issue Departments at the end of each year.

(a) Gold reserves
(b) Gold reserves and eligible foreign assets
(c) Gold reserves and all foreign assets

} at book value { as per cent of total note circulation and Central Bank sight liabilities.

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|----------------------------------|-----|--------|---------|--------|--------|--------|--------|-------|-------|
| Albania | (a) | 9.4 | 8.1 | 21.0 | 19.8 | 32.6 | 37.5 | 38.7 | 28.4 |
| | (b) | 100.6 | 93.8 | 85.3 | 88.6 | 95.0 | 97.1 | 97.7 | 89.4 |
| | (c) | 100.6 | 116.0 | 108.4 | 110.5 | 122.4 | 128.3 | 117.7 | 115.4 |
| Argentina ¹ | (a) | (81.9) | (77.0) | (47.8) | (43.8) | (46.4) | (47.9) | 72.5 | 74.4 |
| | (b) | | | | | | | 80.2 | 92.8 |
| | (c) | | | | | | | 80.2 | 92.8 |
| Australia ² | (a) | 43.2 | 36.4 | 21.8 | 18.9 | 1.1 | 1.1 | 1.1 | 0.7 |
| | (b) | | | | 25.5 | 45.5 | 45.7 | 34.7 | 34.0 |
| | (c) | 61.9 | 46.6 | 49.3 | 58.9 | 78.2 | 87.8 | 67.0 | 81.8 |
| Austria | (a) | 14.6 | 18.1 | 14.5 | 13.2 | 17.2 | 21.6 | 20.3 | 21.1 |
| | (b) | 35.1 | 34.8 | 22.3 | 16.6 | 17.2 | 21.6 | 20.3 | 21.1 |
| | (c) | 71.6 | 85.8 | 25.1 | 18.0 | 20.7 | 27.8 | 33.3 | 33.1 |
| Belgium | (a) | 38.1 | 36.9 | 63.0 | 66.8 | 67.6 | 65.9 | 66.2 | 67.8 |
| | (b) | 56.8 | 63.0 | 63.0 | 66.8 | 67.6 | 65.9 | 66.2 | 67.8 |
| | (c) | 56.8 | 63.0 | 63.0 | 66.8 | 67.6 | 65.9 | 66.2 | 67.8 |
| Bolivia | (a) | 22.4 | 9.3 | 46.5 | 33.8 | 7.3 | 4.3 | 5.2 | 14.5 |
| | (b) | 66.7 | 66.5 | 61.5 | 33.8 | 7.3 | 4.3 | 5.2 | 14.5 |
| | (c) | 98.5 | 86.8 | 74.0 | 36.9 | 13.5 | 6.2 | 7.6 | 23.8 |
| Brazil ³ | (a) | 37.0 | 4.5 | 0 | 0 | 0 | 3.1 | 7.0 | 9.6 |
| | (b) | | | | | | | | |
| | (c) | 43.8 | 15.0 | 7.0 | 21.7 | 30.9 | 25.0 | 30.6 | 23.4 |
| Bulgaria | (a) | 24.0 | 30.0 | 35.0 | 35.9 | 34.3 | 37.0 | 36.0 | 34.2 |
| | (b) | 39.8 | 36.5 | 38.3 | 36.1 | 35.6 | 35.8 | 33.7 | 34.2 |
| | (c) | 44.0 | 46.4 | 41.0 | 38.8 | 37.5 | 39.9 | 46.2 | 49.1 |
| Canada ⁴ | (1) | (80.7) | (119.2) | (89.9) | (95.3) | (84.1) | (80.7) | 67.0 | 58.7 |
| | (2) | (39.8) | (60.0) | (45.5) | (43.2) | (43.5) | (36.5) | 69.5 | 63.5 |
| Chile | (a) | 13.2 | 15.8 | 24.4 | 10.4 | 11.0 | 16.3 | 16.3 | 14.9 |
| | (b) | 93.4 | 87.2 | 47.6 | 19.0 | 19.3 | 16.5 | 16.5 | 15.2 |
| | (c) | 93.4 | 87.2 | 47.6 | 19.0 | 19.3 | 16.5 | 16.5 | 15.2 |
| Colombia | (a) | 41.4 | 41.5 | 23.5 | 25.1 | 23.5 | 19.7 | 34.5 | 33.8 |
| | (b) | 69.9 | 65.2 | 35.5 | 35.1 | 27.6 | 22.3 | 40.3 | 41.0 |
| | (c) | 69.9 | 65.2 | 35.5 | 35.1 | 27.6 | 22.3 | 40.3 | 42.7 |
| Czechoslovakia | (a) | 14.2 | 18.4 | 20.5 | 23.2 | 23.7 | 39.5 | 41.1 | 35.1 |
| | (b) | 39.7 | 47.6 | 33.7 | 37.2 | 36.6 | 39.5 | 41.1 | 35.1 |
| | (c) | 39.7 | 47.6 | 33.7 | 37.2 | 36.6 | 42.9 | 42.3 | 41.1 |
| Danzig | (a) | — | — | 40.2 | 46.9 | 58.5 | 55.2 | 63.8 | 73.6 |
| | (b) | 39.7 | 41.5 | 87.3 | 77.6 | 77.9 | 61.9 | 70.1 | 73.8 |
| | (c) | 98.5 | 112.4 | 87.3 | 77.7 | 78.0 | 62.0 | 92.1 | 77.2 |
| Denmark | (a) | 39.6 | 39.3 | 35.3 | 28.8 | 29.5 | 25.1 | 23.7 | 24.5 |
| | (b) | 41.5 | 41.4 | 35.5 | 29.2 | 30.3 | 26.8 | 25.9 | 24.5 |
| | (c) | 60.3 | 62.0 | 39.0 | 27.7 | 23.4 | 12.2 | 9.0 | 16.0 |
| Ecuador | (a) | 12.1 | 14.3 | 20.1 | 40.3 | 25.6 | 22.2 | 41.1 | 35.8 |
| | (b) | 76.0 | 73.0 | 55.4 | 49.2 | 32.7 | 35.9 | 44.6 | 57.0 |
| | (c) | 76.0 | 73.0 | 55.4 | 49.2 | 32.7 | 35.9 | 44.6 | 57.0 |

¹ 1929 to 1934: Ratio of total gold with Caja de Conversión and Banco de la Nación to total note issue. Since 1935, new Central Bank and new parity.

² Commonwealth Bank only; (a) and (b): Issue Department; (c) both Departments.

³ Ratios of total gold (a) and net foreign assets (b) to total notes only. Since 1934, gold at current rate.

⁴ Up to 1934: (1) = ratio of total gold to net circulation of Chartered Bank and Dominion notes. (2) = ratio of total gold to gross issue of Chartered Bank and Dominion notes. Since 1935: (1) = ratio of total gold to net circulation of Chartered Bank and Bank of Canada notes. (2) = ratio of total gold and the Bank of Canada's foreign assets to net circulation of Chartered Bank and Bank of Canada notes. Gold at par.

Table V. — GOLD AND FOREIGN ASSETS RESERVE RATIOS (continued).

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | |
|------------------------------------|------|--------|--------|--------|--------|--------|--------|--------|--------|
| Egypt | (a) | 6.4 | 9.9 | 10.8 | 15.9 | 15.6 | 15.9 | 12.7 | 13.3 |
| | (b) | 45.9 | 52.3 | 51.1 | 45.7 | 48.1 | 48.7 | 46.4 | 48.1 |
| | (c) | 53.8 | 59.3 | 58.3 | 52.5 | 58.2 | 58.1 | 54.6 | 56.3 |
| Estonia | (a) | 12.8 | 13.8 | 13.2 | 34.3 | 43.0 | 48.7 | 48.8 | 45.0 |
| | (b) | 54.1 | 48.5 | 43.1 | 44.3 | 47.9 | 56.5 | 51.0 | 56.5 |
| | (c) | 60.5 | 63.6 | 45.0 | 45.7 | 51.0 | 62.9 | 56.9 | 59.0 |
| Finland | (a) | 19.0 | 20.4 | 21.3 | 24.0 | 20.4 | 19.7 | 23.8 | 31.1 |
| | (b) | 62.0 | 83.5 | 55.7 | 67.0 | 104.2 | 107.5 | 90.8 | 87.7 |
| | (c) | 62.0 | 83.5 | 55.7 | 67.0 | 104.2 | 107.5 | 90.8 | 87.7 |
| France | (a) | 47.4 | 53.0 | 60.6 | 77.7 | 78.9 | 80.4 | 71.4 | 59.1 |
| | (b) | — | — | — | — | — | — | — | — |
| | (c) | 77.0 | 79.0 | 79.6 | 81.8 | 80.0 | 81.3 | 72.9 | 60.5 |
| Germany | (a) | 36.7 | 37.6 | 17.2 | 18.6 | 9.4 | 2.8 | 2.6 | 1.0 |
| | (b) | 43.5 | 45.8 | 20.1 | 21.1 | 9.6 | 2.9 | 2.7 | 1.1 |
| | (c) | 49.9 | 50.7 | 15.3 | 16.1 | 14.0 | 4.4 | 5.7 | 2.6 |
| Greece ¹ | (a) | 9.5 | 7.8 | 18.5 | (7.4) | (16.7) | (18.4) | (14.5) | (10.1) |
| | (b) | 46.3 | 46.1 | 40.7 | 19.6 | 36.4 | 40.7 | 30.3 | 26.6 |
| | (c) | 46.4 | 46.1 | 40.8 | 19.6 | 36.4 | 40.7 | 30.3 | 26.6 |
| Hungary | (a) | 27.2 | 30.4 | 18.6 | 22.4 | 16.7 | 16.2 | 14.0 | 13.0 |
| | (b) | 33.7 | 36.6 | 21.6 | 25.5 | 19.3 | 20.4 | 19.9 | 19.5 |
| | (c) | 40.5 | 43.0 | 22.9 | 27.0 | 23.8 | 23.3 | 26.7 | ... |
| India ² | (a) | 19.6 | 21.8 | 24.7 | 25.4 | 24.9 | 24.2 | 21.4 | 20.9 |
| | (b) | 60.1 | 54.0 | 42.7 | 56.2 | 56.5 | 67.9 | 53.3 | 52.6 |
| | (c) | — | — | — | — | — | — | 62.0 | 60.4 |
| Irish Free State | (a) | — | — | — | — | — | — | — | — |
| | (b) | 50.2 | 55.5 | 55.2 | 55.3 | 56.4 | 56.8 | 58.1 | 60.3 |
| | (c) | 50.2 | 55.5 | 55.2 | 55.3 | 56.4 | 56.8 | 58.1 | 60.3 |
| Italy | (a) | 27.5 | 29.3 | 34.4 | 38.2 | 47.9 | 40.8 | 17.4 | 22.0 |
| | (b) | 54.9 | 53.2 | 47.6 | 46.7 | 49.9 | 41.3 | 19.5 | 22.4 |
| | (c) | 54.9 | 53.2 | 47.6 | 46.7 | 49.9 | 41.3 | 19.5 | 22.4 |
| Japan | (a) | 47.2 | 41.0 | 25.5 | 21.8 | 20.8 | 21.8 | 21.9 | 22.8 |
| | (b) | — | — | — | — | — | — | — | — |
| | (c) | 58.5 | 52.5 | 31.5 | 28.5 | 23.4 | 24.3 | 26.7 | 25.0 |
| Latvia | (a) | 15.4 | 14.8 | 19.5 | 23.1 | 25.2 | 23.9 | 24.3 | 34.9 |
| | (b) | 47.3 | 37.2 | 26.8 | 29.8 | 27.0 | 25.8 | 28.1 | 46.9 |
| | (c) | 51.6 | 39.8 | 28.5 | 30.6 | 27.1 | 26.0 | 28.1 | 46.9 |
| Lithuania | (a) | 18.0 | 17.9 | 26.8 | 32.0 | 35.0 | 33.3 | 24.2 | 38.8 |
| | (b) | 58.4 | 57.2 | 44.6 | 42.4 | 45.4 | 38.6 | 36.0 | 43.9 |
| | (c) | 58.4 | 57.2 | 44.6 | 42.4 | 45.4 | 38.6 | 36.0 | 43.9 |
| Mexico | (a) | 36.2 | 27.7 | 12.9 | 7.7 | 12.2 | 14.0 | ... | ... |
| | (b) | 67.7 | 34.2 | 21.6 | 18.4 | 19.4 | 18.9 | 83.3 | 84.1 |
| | (c) | 67.7 | 34.2 | 21.6 | 18.4 | 19.4 | 18.9 | 83.3 | 84.1 |
| Netherlands ³ | (a) | 49.9 | 48.6 | 73.6 | 81.5 | 80.6 | 79.4 | 74.8 | 65.2 |
| | (b) | — | — | — | — | — | — | — | — |
| | (c) | 74.5 | 76.7 | 80.8 | 87.1 | 80.7 | 79.5 | 75.0 | 65.4 |
| Netherlands Indies | (a) | 37.8 | 44.2 | 43.1 | 43.4 | 50.2 | 53.1 | 43.9 | 45.0 |
| | (b) | — | — | — | — | — | — | — | — |
| | (c) | 44.2 | 54.2 | 45.1 | 51.5 | 50.6 | 53.4 | 44.7 | 46.0 |
| New Zealand ⁴ | (a) | (80.0) | (88.9) | (79.3) | (61.0) | (56.2) | 11.8 | 11.5 | 9.8 |
| | (b) | — | — | — | — | — | 98.2 | 98.9 | 67.9 |
| | (c) | — | — | — | — | — | 98.2 | 98.9 | 67.9 |

¹ Since 1932: (a): Gold at stabilisation parity; (b) and (c): Gold and foreign assets at current rates.² 1929 to 1934: ratios of Treasury gold (a) and foreign assets (b) to total note issue. Since 1935: Reserve Bank of India: ratios of gold (a) and cover assets (b) and other foreign assets (c) to net circulation of notes and sight liabilities.³ Foreign assets exclude balances abroad published only for the end of March each year.⁴ 1929 to 1933: old banks of issue; ratio of gold to notes only. Since 1934: Reserve Bank.

Table V. — GOLD AND FOREIGN ASSETS RESERVE RATIOS (concluded).

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | |
|---------------------------------|------|--------|--------|--------|--------|--------|------|------|-------|
| Norway | (a) | 36.0 | 38.8 | 38.5 | 36.8 | 36.6 | 32.7 | 43.2 | 40.2 |
| | (b) | 52.2 | 57.7 | 44.1 | 44.8 | 38.0 | 42.6 | 53.9 | 60.0 |
| | (c) | 52.2 | 57.7 | 44.1 | 44.8 | 38.0 | 42.6 | 53.9 | 60.0 |
| Peru | (a) | 100.0 | 89.2 | 69.2 | 71.4 | 48.0 | 38.9 | 39.2 | 34.3 |
| | (b) | 112.6 | 100.3 | 96.6 | 72.1 | 51.1 | 43.2 | 46.8 | 34.3 |
| | (c) | 112.6 | 100.3 | 96.6 | 72.1 | 51.1 | 43.2 | 46.8 | 38.0 |
| Poland | (a) | 37.4 | 36.5 | 41.9 | 41.1 | 37.6 | 41.2 | 36.5 | 29.6 |
| | (b) | 59.8 | 55.2 | 48.0 | 45.0 | 37.6 | 43.5 | 38.7 | 31.9 |
| | (c) | 65.5 | 63.3 | 56.8 | 52.2 | 44.5 | 43.5 | 38.7 | 31.9 |
| Portugal. | (a) | 8.8 | 8.9 | 12.2 | 21.2 | 30.5 | 31.2 | 30.5 | 28.6 |
| | (b) | 11.8 | 12.0 | 33.6 | 37.8 | 33.8 | 37.8 | 38.1 | ... |
| | (c) | 26.1 | 20.0 | 34.2 | 39.7 | 35.1 | 39.8 | 40.6 | ... |
| Roumania | (a) | 30.1 | 37.6 | 35.0 | 34.1 | 34.8 | 34.8 | 35.1 | 43.3 |
| | (b) | 52.2 | 44.7 | 36.0 | 35.8 | 35.7 | 35.1 | 35.4 | 43.3 |
| | (c) | 52.4 | 45.0 | 36.2 | 36.1 | 35.7 | 39.0 | 41.4 | 53.3 |
| Salvador ¹ | (a) | (70.3) | (69.2) | (70.5) | (58.2) | (52.0) | 61.2 | 65.6 | 64.6 |
| | (b) | | | | | | 64.9 | 72.0 | 71.8 |
| | (c) | | | | | | 64.9 | 72.0 | 71.8 |
| Spain | (a) | 36.4 | 34.2 | 29.0 | 30.1 | 30.2 | 31.2 | 29.3 | ... |
| | (b) | 37.9 | 35.4 | 32.5 | 34.0 | 33.9 | 35.1 | 39.0 | ... |
| | (c) | 37.9 | 35.4 | 32.5 | 34.0 | 33.9 | 35.1 | 39.0 | ... |
| Sweden | (a) | 29.0 | 27.2 | 27.2 | 25.7 | 33.1 | 31.5 | 38.1 | 35.6 |
| | (b) | 60.5 | 71.2 | 33.7 | 52.4 | 73.0 | 81.1 | 96.9 | 83.8 |
| | (c) | 60.5 | 71.2 | 33.7 | 52.4 | 73.0 | 81.1 | 96.9 | 83.8 |
| Switzerland | (a) | 49.6 | 54.7 | 92.6 | 95.5 | 92.9 | 94.5 | 80.1 | 98.1 |
| | (b) | | | | | | | | |
| | (c) | 79.0 | 88.2 | 96.7 | 98.9 | 93.7 | 94.9 | 80.5 | 100.1 |
| Turkey ² | (a) | . | . | . | 12.7 | 15.0 | 15.6 | 16.6 | 17.2 |
| | (b) | . | . | . | 12.3 | 12.3 | 15.7 | 11.2 | 23.4 |
| | (c) | . | . | . | 12.3 | 12.3 | 15.7 | 11.2 | 23.4 |
| Union of South Africa | (a) | 45.7 | 44.6 | 54.5 | 53.2 | 39.9 | 53.6 | 52.0 | 55.4 |
| | (b) | | | | | | | | |
| | (c) | 85.8 | 92.2 | 54.8 | 53.2 | 83.9 | 78.9 | 76.0 | 79.7 |
| United Kingdom | (a) | 27.4 | 27.1 | 22.4 | 23.2 | 34.7 | 34.1 | 36.6 | 46.6 |
| | (b) | | | | | | | | |
| | (c) | | | | | | | | |
| U. S. A. ³ | (a) | 64.8 | 68.2 | 61.8 | 57.8 | 53.2 | 92.6 | 92.4 | 93.2 |
| | (b) | | | | | | | | |
| | (c) | | | | | | | | |
| Uruguay ⁴ | (a) | 58.0 | 51.3 | 45.0 | 40.1 | 44.1 | 41.8 | 82.7 | 72.7 |
| | (b) | | | | | | | | |
| | (c) | 59.4 | 51.3 | 45.0 | 42.9 | 47.7 | 41.8 | 82.7 | 72.7 |
| Venezuela | (a) | 49.5 | 59.4 | 51.4 | 51.3 | 49.4 | 62.5 | 89.0 | ... |
| | (b) | | | | | | | | |
| | (c) | 64.7 | 63.0 | 53.6 | 52.1 | 49.8 | 66.1 | 93.0 | ... |
| Yugoslavia. | (a) | 14.8 | 17.8 | 31.5 | 32.2 | 33.5 | 34.0 | 22.8 | 23.1 |
| | (b) | 25.3 | 23.7 | 37.5 | 36.0 | 35.6 | 36.3 | 23.3 | 23.1 |
| | (c) | 34.9 | 28.7 | 39.1 | 36.0 | 36.6 | 38.3 | 28.6 | 31.0 |

¹ 1929 to 1933 : old banks of issue ; ratio of gold to notes only. Since 1934 : new Central Bank and new parity.² Central Bank of the Republic of Turkey established in October 1931.³ Ratio of total gold reserves to total of all notes and gold certificates in circulation and sight liabilities of Federal Reserve Banks.⁴ Revaluation of gold reserve in 1935.

Table VI. — CENTRAL MONETARY GOLD RESERVES OF THE WORLD.
 \$ (000,000's) of old gold content.

| End of | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936* |
|---|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|
| Albania | — | — | — | 1 | 1 | 1 | 1 | 1 | 1 |
| Algeria | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Argentina ¹ | 473 | 405 | 411 | 252 | 248 | 238 | 238 | 238 | 238 |
| Australia ² | 109 | 89 | 75 | 51 | 41 | 2 | 2 | 2 | 2 |
| Austria | 24 | 24 | 30 | 27 | 21 | 27 | 27 | 27 | 27 |
| Belgium | 126 | 163 | 191 | 354 | 361 | 380 | 348 | 346 | 373 |
| Bolivia | 8 | 5 | 2 | 6 | 6 | 3 | 2 | 2 | 2 |
| Brazil | 149 | 150 | 11 | — | — | — | 4 | 10 | 14 |
| Bulgaria | 10 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 12 |
| Canada | 191 | 151 | 194 | 144 | 137 | 127 | 129 | 114 | 112 |
| Chile | 7 | 8 | 8 | 12 | 10 | 12 | 17 | 17 | 17 |
| Colombia | 24 | 22 | 17 | 9 | 12 | 14 | 11 | 9 | 11 |
| Congo, Belgian | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Czechoslovakia | 34 | 37 | 46 | 49 | 51 | 51 | 66 | 66 | 54 |
| Danzig | — | — | — | 4 | 4 | 6 | 5 | 2 | 3 |
| Denmark | 46 | 46 | 46 | 39 | 36 | 36 | 36 | 32 | 32 |
| Ecuador | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 2 | 2 |
| Egypt | 18 | 19 | 20 | 21 | 33 | 33 | 32 | 32 | 32 |
| Estonia | 2 | 2 | 2 | 2 | 4 | 5 | 7 | 9 | 9 |
| Finland | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 12 | 21 |
| France | 1,247 | 1,631 | 2,099 | 2,683 | 3,257 | 3,015 | 3,218 | 2,598 | 1,769 |
| Germany | 666 | 560 | 544 | 251 | 209 | 109 | 36 | 37 | 16 ³ |
| Greece | 7 | 8 | 7 | 11 | 8 | 24 | 23 | 20 | 16 |
| Hungary | 35 | 29 | 29 | 18 | 17 | 14 | 14 | 14 | 15 |
| India | 124 | 128 | 128 | 162 | 162 | 162 | 162 | 162 | 162 |
| Iran | — | — | 1 | 3 | 4 | 11 | 12 | 14 | 14 |
| Italy | 266 | 273 | 279 | 296 | 307 | 373 | 306 | 159 | 123 |
| Japan ⁴ | 541 | 542 | 412 | 234 | 212 | 212 | 232 | 251 | 273 |
| Latvia | 5 | 5 | 5 | 6 | 7 | 9 | 9 | 9 | 9 |
| Lithuania | 3 | 4 | 4 | 5 | 5 | 5 | 5 | 4 | 7 |
| Mexico ⁵ | 7 | 7 | 4 | 3 | 4 | 9 | 13 | *15 | *30 |
| Morocco | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 5 |
| Netherlands | 175 | 180 | 171 | 357 | 415 | 371 | 338 | 259 | 289 |
| Netherlands Indies | 68 | 56 | 56 | 45 | 42 | 44 | 46 | 32 | 36 |
| New Zealand ⁶ | 32 | 28 | 29 | 28 | 21 | 21 | 15 | 14 | 14 |
| Norway | 39 | 39 | 39 | 42 | 39 | 38 | 36 | 50 | 58 |
| Peru | 21 | 21 | 18 | 12 | 11 | 11 | 11 | 12 | 12 |
| Philippines | 3 | 3 | 3 | 3 | 1 | 1 | 1 | *1 | *1 |
| Poland | 70 | 79 | 63 | 67 | 56 | 53 | 56 | 50 | 44 |
| Portugal | 9 | 9 | 9 | 13 | 24 | 34 | 40 | 40 | 40 |
| Roumania | 49 | 55 | 55 | 58 | 57 | 59 | 62 | 65 | 67 |
| Salvador, El | 5 | 5 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Siam | — | — | — | 23 | 28 | — | — | — | — |
| Spain | 494 | 495 | 471 | 434 | 436 | 436 | 438 | 435 | — |
| Straits Settlements | 2 | 2 | 2 | 2 | 2 | *2 | *2 | *2 | *2 |
| Sweden | 63 | 66 | 65 | 55 | 55 | 99 | 94 | 109 | 142 |
| Switzerland | 103 | 115 | 138 | 453 | 477 | 386 | 368 | 268 | 387 |
| Turkey | — | — | — | 4 | 10 | 12 | 13 | 14 | 15 |
| Union of South Africa | 39 | 37 | 33 | 39 | 36 | 83 | 108 | 125 | 120 |
| United Kingdom | 746 | 711 | 722 | 590 | 587 | 933 | 938 | 977 | 1,529 |
| United States of America | 3,746 | 3,900 | 4,225 | 4,051 | 4,045 | 4,012 | 4,865 | 5,980 | 6,649 |
| Uruguay | 72 | 68 | 61 | 53 | 48 | 50 | 48 | 44 | 40 |
| Venezuela | 18 | 18 | 15 | 15 | 15 | 15 | 20 | 30 | 30 |
| Yugoslavia | 18 | 18 | 19 | 31 | 31 | 32 | 31 | 25 | 29 |
| Other countries (Latin America only) | *3 | *5 | *6 | *6 | *5 | *6 | *5 | *5 | *5 |
| U.S.S.R. ⁷ | 92 | 147 | 249 | 328 | — | 416 | 439 | — | — |
| Total | 10,009 | 10,396 | 11,049 | 11,389 | — | 12,031 | 12,969 | — | — |
| Total excluding U.S.S.R. | 9,917 | 10,249 | 10,800 | 11,061 | 11,637 | 11,615 | 12,530 | 12,770 | 12,924 ⁸ |

* Provisional figures. ¹ Argentine : gold reserves of the Conversion Office only ; since June 1935 : of the Central Bank. ² Australia : gold with the Issue Department of the Commonwealth Bank only. ³ Excluding gold held by the former "Privatnotenbanken". ⁴ Japan : domestic gold holdings of the Bank of Japan and the Government. Gold held abroad until 1929, if any, was not shown separately from other foreign assets. ⁵ Mexico : Bank of Mexico only. ⁶ New Zealand : the amounts of subsidiary coin included in the published gold reserve of the note-issuing banks up to 1933 have been estimated on the basis of specially furnished official information and are here deducted. ⁷ Union of Soviet Socialist Republics : in the course of the period considered, important amounts of Russian gold have been exported or pledged abroad. It does not emerge from available information to what extent, if any, such gold has become incorporated in the reserves of other countries while still being included in the Russian reserve figures. ⁸ Excluding reserves of Bank of Spain which stood at 425 millions at the end of July, 1936.

Table VII. — VALUE OF WORLD GOLD PRODUCTION.

\$ (000,000's) of old gold content.

| Countries | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | ** 1936 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Australia | 8.8 | 9.7 | 12.3 | 14.8 | 17.2 | 18.2 | 20.0 | 24.0 |
| Belgian Congo | 3.6 | 4.0 | 4.4 | 5.3 | 5.8 | 6.8 | 7.6 | 8.6 |
| Brazil | 2.3 | 3.0 | 2.6 | 2.4 | 2.4 | 2.3 | 2.5 | 2.5 |
| Canada | 39.8 | 43.5 | 55.7 | 62.9 | 61.0 | 61.4 | 67.9 | 77.1 |
| Chile | 0.7 | 0.4 | 0.4 | 0.8 | 3.0 | 4.9 | 5.7 | 5.4 |
| Colombia * | 2.8 | 3.3 | 4.0 | 5.1 | 6.2 | 7.1 | 6.8 | 8.1 |
| France | 1.2 | 0.9 | 1.4 | 1.9 | 1.9 | 2.1 | 1.9 | 2.0 |
| French Guiana (E) | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 | 1.3 | 1.0 | ... |
| French West Africa (E) | — | 0.1 | 0.6 | 1.4 | 1.4 | 2.0 | 2.6 | 2.2 |
| Gold Coast | 4.3 | 5.0 | 5.4 | 5.8 | 6.3 | 6.7 | 7.4 | 8.8 |
| India | 7.5 | 6.8 | 6.8 | 6.8 | 6.9 | 6.7 | 6.8 | 6.9 |
| Japan | 6.9 | 8.0 | 8.3 | 8.3 | 9.1 | 10.1 | 12.2 | 14.0 |
| Korea | 3.7 | 4.1 | 6.0 | 6.4 | 7.6 | 8.3 | 9.8 | 10.8 |
| Mexico | 13.5 | 13.8 | 12.9 | 12.1 | 13.2 | 13.7 | 14.1 | 15.6 |
| Netherlands Indies | 2.3 | 2.3 | 2.1 | 1.6 | 1.6 | 1.5 | 1.4 | ... |
| New Guinea | 0.9 | 0.5 | 0.6 | 1.3 | 2.5 | 4.5 | 5.2 | 6.6 |
| New Zealand | 2.3 | 2.4 | 2.6 | 3.4 | 3.3 | 3.2 | 3.3 | 3.3 |
| Peru | 2.5 | 1.8 | 1.7 | 1.8 | 2.0 | 2.0 | 2.3 | 2.3 |
| Philippines | 3.3 | 3.7 | 3.8 | 5.0 | 6.7 | 7.0 | 9.3 | 12.4 |
| Roumania (a) | 1.5 | 1.8 | 1.8 | 2.2 | 2.4 | 2.3 | 2.3 | 2.9 |
| Southern Rhodesia | 11.6 | 11.3 | 11.0 | 11.9 | 13.3 | 14.3 | 15.0 | 16.5 |
| Sweden | 0.7 | 0.7 | 1.3 | 2.7 | 6.0 | 5.1 | 3.7 | 3.3 |
| Tanganyika | 0.2 | 0.2 | 0.3 | 0.5 | 0.7 | 0.9 | 1.1 | ... |
| Union of South Africa | 215.2 | 221.5 | 224.8 | 238.9 | 227.7 | 216.6 | 222.7 | 234.3 |
| U.S.A. (b) | 42.6 | 44.2 | 46.0 | 48.2 | 47.6 | 57.4 | 66.9 | 77.1 |
| U.S.S.R. (c) | 18-22.0 | 22-30.0 | 21-35.0 | 25-39.0 | 51-56.5 | 73-86.0 | 100-116.0 | ... |
| Venezuela | (E) 1.0 | (E) 1.2 | 1.5 | 1.9 | 2.0 | 2.3 | 2.1 | 2.5 |
| Yugoslavia | 0.7 | 0.8 | 0.8 | 1.0 | 1.5 | 1.5 | 1.6 | 1.8 |
| Other countries | 4.3 | 4.9 | 5.3 | 6.9 | 8.8 | 11.8 | 12.7 | 20.9 |
| Total | 403.2-407.2 | 422.8-430.8 | 446.9-460.9 | 487.8-501.8 | 520.9-526.4 | 555.9-568.9 | 615.0-631.0 | ... |
| Total, excluding U.S.S.R. | 384.9 | 400.6 | 425.1 | 461.7 | 468.8 | 481.3 | 513.8 | 564.9 |

SOURCE: *Statistical Year-Book of the League of Nations, 1936/37.*

* Estimates.

** Provisional figures.

(a) Industrial production.

(b) United States, including Alaska.

(c) Estimates, the publication of official absolute figures was interrupted in 1927.

(E) Exports.

Table VIII. — MONEY RATES AND BOND YIELDS.

| For cent per annum | ARGENTINE | | AUSTRALIA | AUSTRIA | | BELGIUM | | | BRAZIL | CANADA | CHILE | | | CHINA | |
|--------------------|---|-------------------|-----------------------------------|----------------------------|-------------|----------------------------|------------------------|-----------------------------|--|------------------------|----------------------------|------------------|---|---|---------------------------|
| | Banks' discount and loan rates ^a | 5 % State Loan | Yield of Govt. bonds ^c | Central bank discount rate | Govt. bonds | Central bank discount rate | Comm. paper 1-3 months | Rente belg ^e 3 % | Yield of Govt. bonds (5% "Unformisadas") | Prov. of Ontario bonds | Central bank discount rate | Banks' loan rate | Yield of Govt. bonds (7% "Deuda Interna") | "Native rate of interest" (Shanghai) ^h | Yield of bonds (Shanghai) |
| Yearly average | | | | | | | | | | | | | | | |
| 1929 | 6.00 - 9.00 | 6.34 ^b | 5.12 | 7.33 | 6.8 | 4.35 | 4.30 | 4.52 | 6.52 ^f | 4.90 | 6.00 | 9.17 | . | 5.11 | 14.82 |
| 1930 | 6.75 - 8.50 | 6.26 ^b | 5.55 | 5.75 | 6.6 | 2.96 | 2.78 | 3.94 | 6.79 | 4.71 | 6.41 | 9.42 | 7.79 | 2.56 | 17.64 |
| 1931 | 6.75 - 9.00 | 6.52 | 6.06 ^d | 7.04 | 7.0 | 2.50 | 2.32 | 3.98 | 6.50 | 4.63 | 7.36 | 9.53 | 11.82 | 4.75 | 19.26 |
| 1932 | 6.00 - 9.00 | 7.15 | 4.42 | 6.83 | 8.4 | 3.47 | 3.12 | 4.51 | 6.35 | 5.21 | 5.23 | 9.06 | 11.42 | 3.65 | 24.46 |
| 1933 | 5.00 - 8.00 | 7.00 | 3.75 | 5.22 | 7.7 | 3.50 | 2.42 | 4.54 | 5.88 | 4.68 | 4.50 | 7.69 | 7.85 | 1.83 | 16.82 |
| 1934 | 5.00 - 7.50 | 5.39 | 3.35 | 4.74 | 7.3 | 2.93 | 2.16 | 4.08 | 5.92 | 4.11 | 4.50 | 7.14 | 7.53 | 3.29 | 12.39 |
| 1935 | 5.50 - 7.50 | 5.24 | 3.58 | 3.83 | 6.4 | 2.19 | 2.06 | 3.90 | 6.25 | 3.88 | 4.31 | 7.17 | 7.48 | 5.11 | 12.98 |
| 1936 | 4.00 - 6.50 | 5.09 | 3.88 | 3.50 | 5.9 | 2.00 | 1.33 | 3.72 | . | 3.59 | 4.50 | 7.32 | 8.26 | 2.92 | 11.55 |
| Quarterly average | | | | | | | | | | | | | | | |
| 1929 I ... | 6.00 - 8.00 | . | 5.05 | 6.50 | . | 4.00 | 3.97 | 4.52 | . | 4.73 | 6.00 | 8.94 | . | 2.41 | . |
| II .. | 6.50 - 8.00 | . | 5.09 | 7.26 | . | 4.00 | 3.97 | 4.53 | . | 4.97 | 6.00 | 8.94 | . | 5.22 | . |
| III .. | 6.50 - 8.50 | . | 5.09 | 7.54 | . | 4.66 | 4.64 | 4.53 | . | 4.95 | 6.00 | 9.40 | . | 5.48 | . |
| IV .. | 7.00 - 9.00 | . | 5.25 | 8.16 | . | 4.74 | 4.63 | 4.51 | . | 4.93 | 6.00 | 9.40 | . | 7.77 | . |
| 1930 I ... | 6.75 - 8.50 | . | 5.41 | 6.80 | . | 3.50 | 3.38 | 4.24 | . | 4.88 | 6.00 | 9.30 | 7.38 | 1.20 | . |
| II .. | 6.75 - 8.50 | . | 5.42 | 5.79 | . | 3.17 | 2.99 | 3.88 | . | 4.84 | 6.00 | 9.30 | 7.42 | 4.38 | . |
| III .. | 6.75 - 8.50 | . | 5.65 | 5.40 | . | 2.66 | 2.54 | 3.84 | . | 4.62 | 6.63 | 9.53 | 7.92 | 2.04 | . |
| IV .. | 6.75 - 8.50 | . | 5.70 | 5.00 | . | 2.50 | 2.22 | 3.79 | . | 4.50 | 7.00 | 9.53 | 8.54 | 3.14 | . |
| 1931 I ... | 6.75 - 8.50 | 6.24 | 6.09 | 5.00 | . | 2.50 | 2.31 | 3.75 | . | 4.52 | 7.00 | 9.46 | 8.94 | 1.93 | . |
| II .. | 7.00 - 9.00 | 6.46 | 6.30 | 5.52 | . | 2.50 | 2.19 | 3.70 | . | 4.42 | 8.23 | 9.46 | 11.00 | 1.31 | . |
| III .. | 7.00 - 9.00 | 6.68 | . | 9.42 | . | 2.50 | 2.33 | 4.02 | . | 4.52 | 8.04 | 9.60 | 15.23 | 4.38 | . |
| IV .. | 7.50 - 9.00 | 6.93 | 4.90 | 8.89 | . | 2.50 | 2.44 | 4.48 | . | 5.07 | 6.16 | 9.60 | 14.29 | 11.90 | . |
| 1932 I ... | 7.75 - 9.00 | 6.82 | 4.68 | 7.87 | 8.0 | 3.36 | 3.19 | 4.36 | . | 5.53 | 5.85 | 9.41 | 12.80 | 8.14 | . |
| II .. | 7.75 - 9.00 | 7.15 | 4.89 | 7.00 | 8.5 | 3.50 | 3.21 | 4.50 | . | 5.41 | 5.50 | 9.41 | 11.51 | 3.14 | . |
| III .. | 6.50 - 8.50 | 7.28 | 4.16 | 6.60 | 8.6 | 3.50 | 3.10 | 4.64 | . | 5.04 | 5.08 | 8.71 | 12.08 | 2.41 | . |
| IV .. | 6.00 - 8.50 | 7.29 | 3.96 | 6.00 | 8.4 | 3.50 | 2.91 | 4.52 | . | 4.84 | 4.50 | 8.71 | 9.77 | 1.20 | . |
| 1933 I ... | 6.00 - 8.00 | 7.22 | 3.84 | 5.92 | 7.5 | 3.50 | 2.76 | 4.45 | 6.16 | 4.76 | 4.50 | 7.81 | 8.48 | 0.84 | . |
| II .. | 5.25 - 8.00 | 6.97 | 3.80 | 5.00 | 6.9 | 3.50 | 2.41 | 4.60 | 5.85 | 4.73 | 4.50 | 7.81 | 7.72 | 1.93 | . |
| III .. | 5.00 - 7.00 | 6.94 | 3.72 | 5.00 | 7.7 | 3.50 | 2.30 | 4.58 | 5.75 | 4.59 | 4.50 | 7.57 | 7.66 | 2.19 | . |
| IV .. | 5.00 - 7.00 | 6.45 | 3.64 | 5.00 | 8.8 | 3.50 | 2.19 | 4.52 | 5.71 ^g | 4.64 | 4.50 | 7.57 | 7.60 | 2.92 | . |
| 1934 I ... | 5.00 - 7.00 | 5.51 | 3.53 | 5.00 | 7.8 | 3.50 | 2.09 | 4.27 | 6.03 | 4.53 | 4.50 | 7.07 | 7.57 | 0.95 | . |
| II .. | 5.00 - 7.00 | 5.39 | 3.39 | 4.99 | 7.1 | 3.14 | 2.06 | 4.00 | 5.95 ^g | 4.12 | 4.50 | 7.07 | 7.53 | 2.19 | . |
| III .. | 5.50 - 7.00 | 5.32 | 3.31 | 4.50 | 7.3 | 2.82 | 2.22 | 3.86 | 5.88 | 3.95 | 4.50 | 7.21 | 7.54 | 3.14 | . |
| IV .. | 6.00 - 7.50 | 5.34 | 3.16 | 4.50 | 6.8 | 2.50 | 2.28 | 4.18 | 5.85 | 3.83 | 4.50 | 7.21 | 7.47 | 7.15 | . |
| 1935 I ... | 6.00 - 7.50 | 5.25 | 3.35 | 4.29 | 6.2 | 2.50 | 2.38 | 4.06 | 6.12 | 3.74 | 4.12 | 7.13 | 7.31 | 4.60 | . |
| II .. | 6.00 - 7.50 | 5.26 | 3.50 | 4.00 | 6.4 | 2.25 | 2.13 | 3.86 | 6.11 | 3.83 | 4.16 | 7.13 | 7.37 | 5.11 | . |
| III .. | 6.00 - 7.50 | 5.20 | 3.68 | 3.56 | 6.5 | 2.00 | 1.88 | 3.86 | 6.35 | 3.96 | 4.50 | 7.21 | 7.51 | 6.42 | . |
| IV .. | 5.50 - 7.00 | 5.24 | 3.80 | 3.50 | 6.6 | 2.00 | 1.88 | 3.91 | 6.48 | 3.97 | 4.50 | 7.21 | 7.72 | 4.75 | . |
| 1936 I ... | 5.00 - 6.50 | 5.13 | 3.77 | 3.50 | 6.2 | 2.00 | 1.45 | 3.76 | 6.63 | 3.89 | 4.50 | 7.23 | 7.82 | 2.77 | 12.06 |
| II .. | 4.50 - 6.50 | 5.08 | 3.89 | 3.50 | 6.1 | 2.00 | 1.38 | 3.77 | 6.48 ^g | 3.65 | 4.50 | 7.23 | 8.12 | 3.14 | 11.50 |
| III .. | 4.00 - 6.50 | 5.10 | 3.92 | 3.50 | 5.9 | 2.00 | 1.38 | 3.76 | ... | 3.40 | 4.50 | 7.41 | 8.31 | 2.92 | 11.42 |
| IV .. | 4.00 - 6.50 | 5.06 | 3.94 | 3.50 | 5.4 | 2.00 | 1.10 | 3.67 | ... | 3.41 | 4.50 | 7.41 | 8.87 | 2.92 | 11.45 |
| 1937 Jan. . | ... | 5.03 | 4.00 | 3.50 | 5.3 | 2.00 | 1.00 | 3.37 | ... | 3.37 | 4.50 | . | 8.82 | 2.92 | 10.94 |
| Feb. . | ... | 5.01 | 4.03 | 3.50 | 5.4 | 2.00 | 1.00 | 3.28 | ... | 3.56 | 4.50 | . | ... | 2.92 | ... |
| March | ... | 4.98 | 3.93 | 3.50 | 5.4 | 2.00 | 1.00 | 3.28 | ... | 3.76 | 4.50 | . | ... | 2.92 | ... |

^a Range of rates, as published by Tornquist & Co. (*Business Conditions in Argentina*).

^b December.

^c Up to July 1931, 5% bonds redeemable 1948; since October 1931, 4% bonds redeemable 1950.

^d 9 months.

^e August-September 1931: general conversion of Commonwealth Govt. internal debt.

^f Average for 1928/29.

^g 2 months.

^h Rate of the Native Bankers' Association on inter-bank call loans.

Table VIII. — MONEY RATES AND BOND YIELDS (continued).

| Per cent per annum | CZECHOSLOVAKIA | | DENMARK | | FINLAND | | FRANCE | | | | | GERMANY | | | |
|-----------------------|-------------------------------------|----------------|-------------------------------------|---|-------------------------------------|---------------------|-------------------------------------|--|---------------------------------|------------------------|-----------------------------------|-------------------------------------|--|--------------------------------------|--------------------------------|
| | Central bank discount rate | Govt. bonds | Central bank discount rate | Irredeem- able 3½ % Govt. bonds | Central bank discount rate | 3 State loans | Central bank discount rate | Discount rate on Treasury bills ^a | Comm. paper 45-90 days | Rente perpet. 3% | 36 misc. bonds ^b | Central bank discount rate | Private discount 56-90 day bills | 6% mortgage bonds ^c | 6% indus- trial bonds |
| Yearly average | | | | | | | | | | | | | | | |
| 1929 | 5.01 | 5.76 | 5.12 | . | 7.00 | 7.7 | 3.50 | . | 3.46 | 3.98 | 4.89 | 7.10 | 6.87 | 7.40 | 7.81 |
| 1930 | 4.46 | 5.68 | 4.19 | 4.71 | 6.49 | 7.9 | 2.71 | 2.32 | 2.32 | 3.44 | 3.82 | 4.93 | 4.43 | 7.15 | 7.57 |
| 1931 | 4.77 | 5.73 | 4.22 | 4.66 | 6.52 | 8.1 | 2.11 | 1.41 | 1.57 | 3.48 | 3.70 | 6.86 | 6.14 | 7.08 ^d | 7.75 |
| 1932 | 5.15 | 6.50 | 4.50 | 4.84 | 6.77 | 8.4 | 2.50 | 1.00 | 1.28 | 3.84 | 4.73 | 5.21 | 4.95 | 8.33 ^e | 9.87 |
| 1933 | 3.57 | 6.02 | 3.17 | 4.01 | 5.58 | 7.0 | 2.50 | 1.76 | 1.83 | 4.38 | 5.74 | 4.00 | 3.88 | 7.15 | 7.64 |
| 1934 | 3.50 | 5.82 | 2.50 | 3.94 | 4.46 | 5.7 | 2.66 | 2.11 | 2.12 | 4.14 | 5.61 | 4.00 | 3.77 | 6.57 | 6.76 |
| 1935 | 3.50 | 5.21 | 2.86 | 4.20 | 4.00 | 5.4 | 3.48 | 3.23 | 3.30 | 3.88 | 5.31 | 4.00 | 3.15 | 5.08 | 5.91 |
| 1936 | 3.00 | 4.45 | 3.56 | 4.38 | 4.00 | 5.2 | 3.67 | 3.68 | 3.73 | 4.32 | 5.86 | 4.00 | 2.96 | 4.67 | 5.87 |
| Quarterly average | | | | | | | | | | | | | | | |
| 1929 I ... | 5.00 | 5.74 | 5.00 | . | 7.00 | . | 3.50 | . | 3.38 | 4.19 | 5.15 | 6.55 | 5.97 | 7.23 | 7.63 |
| II .. | 5.00 | 5.77 | 5.00 | . | 7.00 | . | 3.50 | . | 3.45 | 4.06 | 5.04 | 7.50 | 7.21 | 7.35 | 7.88 |
| III .. | 5.00 | 5.76 | 5.02 | . | 7.00 | . | 3.50 | . | 3.50 | 3.96 | 4.84 | 7.50 | 7.25 | 7.45 | 7.74 |
| IV .. | 5.00 | 5.76 | 5.46 | 5.16 | 7.00 | . | 3.50 | . | 3.50 | 3.73 | 4.52 | 7.17 | 7.05 | 7.58 | 8.00 |
| 1930 I ... | 5.00 | 5.69 | 4.86 | 4.88 | 7.00 | . | 3.17 | 2.75 | 2.88 | 3.40 | 3.77 | 6.10 | 5.66 | 7.47 | 7.72 |
| II .. | 4.51 | 5.72 | 4.18 | 4.70 | 6.65 | . | 2.66 | 2.23 | 2.32 | 3.45 | 3.83 | 4.71 | 3.98 | 7.11 | 7.31 |
| III .. | 4.00 | 5.69 | 4.00 | 4.71 | 6.31 | . | 2.50 | 2.25 | 2.05 | 3.40 | 3.77 | 4.00 | 3.31 | 6.91 | 7.33 |
| IV .. | 4.00 | 5.63 | 3.73 | 4.55 | 6.00 | . | 2.50 | 2.04 | 2.02 | 3.51 | 3.91 | 4.91 | 4.77 | 7.10 | 7.93 |
| 1931 I ... | 4.00 | 5.57 | 3.50 | 4.51 | 6.00 | . | 2.00 | 1.59 | 1.74 | 3.42 | 3.69 | 5.00 | 4.81 | 7.08 | 7.78 |
| II .. | 4.00 | 5.56 | 3.50 | 4.49 | 6.00 | . | 2.00 | 1.06 | 1.26 | 3.39 | 3.55 | 5.40 | 5.13 | 7.00 | 7.73 |
| III .. | 4.77 | 5.64 | 3.90 | 4.56 | 6.00 | . | 2.00 | 1.44 | 1.41 | 3.44 | 3.53 | 9.48 | 7.47 | . | 9.19 |
| IV .. | 6.45 | 6.16 | 6.00 | 5.22 | 8.98 | . | 2.46 | 1.54 | 1.88 | 3.67 | 4.04 | 7.78 | 7.77 | . | . |
| 1932 I ... | 6.00 | 6.35 | 5.77 | 5.06 | 7.47 | . | 2.50 | 1.68 | 1.80 | 3.83 | 4.35 | 6.76 | 6.57 | . | . |
| II .. | 5.11 | 6.73 | 4.67 | 5.04 | 5.34 | . | 2.50 | 0.98 | 1.20 | 4.04 | 4.93 | 5.18 | 4.92 | 8.56 | 11.27 |
| III .. | 4.97 | 6.52 | 4.00 | 4.73 | 6.50 | . | 2.50 | 0.53 | 1.04 | 3.67 | 4.82 | 4.90 | 4.44 | 8.67 | 10.33 |
| IV .. | 4.50 | 6.39 | 3.55 | 4.91 | 6.50 | . | 2.50 | 0.81 | 1.08 | 3.83 | 4.80 | 4.00 | 3.88 | 7.91 | 8.62 |
| 1933 I ... | 3.77 | 6.33 | 3.50 | 4.05 | 6.17 | . | 2.50 | 1.91 | 1.84 | 4.06 | 5.30 | 4.00 | 3.88 | 7.14 | 7.55 |
| II .. | 3.50 | 5.64 | 3.33 | 4.05 | 5.84 | . | 2.50 | 1.62 | 1.91 | 4.45 | 5.88 | 4.00 | 3.88 | 7.14 | 7.50 |
| III .. | 3.50 | 6.08 | 3.00 | 3.96 | 5.36 | . | 2.50 | 1.36 | 1.53 | 4.49 | 5.82 | 4.00 | 3.88 | 7.51 | 8.10 |
| IV .. | 3.50 | 6.20 | 2.83 | 3.94 | 4.94 | 6.2 | 2.50 | 2.17 | 2.03 | 4.52 | 5.97 | 4.00 | 3.88 | 6.81 | 7.46 |
| 1934 I ... | 3.50 | 5.90 | 2.50 | 3.97 | 4.50 | 5.7 | 2.80 | 2.91 | 2.65 | 4.52 | 6.24 | 4.00 | 3.88 | 6.50 | 6.93 |
| II .. | 3.50 | 5.75 | 2.50 | 4.01 | 4.50 | 5.7 | 2.83 | 2.66 | 2.58 | 3.93 | 5.44 | 4.00 | 3.84 | 6.60 | 6.90 |
| III .. | 3.50 | 5.96 | 2.50 | 3.94 | 4.50 | 5.7 | 2.50 | 1.63 | 1.73 | 4.14 | 5.58 | 4.00 | 3.75 | 6.72 | 6.78 |
| IV .. | 3.50 | 5.75 | 2.50 | 3.84 | 4.34 | 5.5 | 2.50 | 1.26 | 1.51 | 3.97 | 5.19 | 4.00 | 3.63 | 6.44 | 6.44 |
| 1935 I ... | 3.50 | 5.34 | 2.50 | 4.00 | 4.00 | 5.5 | 2.50 | 1.96 | 2.06 | 3.75 | 4.86 | 4.00 | 3.42 | 6.24 | 6.11 |
| II .. | 3.50 | 5.31 | 2.50 | 4.27 | 4.00 | 5.5 | 3.67 | 3.31 | 4.50 | 3.85 | 5.40 | 4.00 | 3.16 | 4.70 | 5.93 |
| III .. | 3.50 | 5.12 | 2.93 | 4.30 | 4.00 | 5.4 | 3.33 | 3.32 | 3.33 | 3.85 | 5.48 | 4.00 | 3.01 | 4.69 | 5.88 |
| IV .. | 3.50 | 5.08 | 3.50 | 4.31 | 4.00 | 5.3 | 4.37 | 4.35 | 4.32 | 4.08 | 5.50 | 4.00 | 3.02 | 4.70 | 5.91 |
| 1936 I ... | 3.00 | 4.43 | 3.50 | 4.35 | 4.00 | 5.3 | 3.83 | 4.06 | 3.86 | 4.39 | 5.69 | 4.00 | 3.00 | 4.69 | 5.85 |
| II .. | 3.00 | 4.43 | 3.50 | 4.34 | 4.00 | 5.2 | 5.46 | 5.44 | 5.50 | 4.43 | 6.09 | 4.00 | 2.93 | 4.68 | 5.83 |
| III .. | 3.00 | 4.43 | 3.50 | 4.32 | 4.00 | 5.2 | 3.24 | 3.18 | 3.34 | 4.51 | 6.18 | 4.00 | 2.92 | 4.66 | 5.89 |
| IV .. | 3.00 | 4.50 | 3.73 | 4.50 | 4.00 | 5.1 | 2.14 | 2.05 | 2.23 | 3.96 | 5.47 | 4.00 | 2.99 | 4.65 | 5.89 |
| 1937 Jan. . | 3.00 | 4.49 | 4.00 | 4.60 | 4.00 | ... | 4.00 | 2.07 | 2.19 | 4.01 | 5.79 | 4.00 | 3.00 | 4.63 | 5.88 |
| Feb. . | 3.00 | 4.48 | 4.00 | 4.62 | 4.00 | ... | 4.00 | 3.98 | 4.12 | 4.11 | 6.11 | 4.00 | 3.00 | 4.59 | 5.87 |
| March | 3.00 | 4.48 | 4.00 | 4.56 | 4.00 | ... | 4.00 | 4.01 | 4.13 | 4.31 | 6.20 | 4.00 | 3.00 | 4.58 | 5.87 |

^a Bons du Trésor ou de la défense.

^b 3 Government, 2 mortgage, 12 railway and 10 industrial bonds.

^c Converted to 4½% in March 1935.

^d 6 months.

^e 9 months.

Table VIII. — MONEY RATES AND BOND YIELDS (continued).

| Per cent per annum | HUNGARY | | | INDIA | | | ITALY | | | JAPAN | | | | |
|--------------------|----------------------------|---|---------------------|----------------------------|---|--|----------------------------|-----------------------------------|--------------|----------------------------|------------------------------|---------------------|---------------------------|--------------------------|
| | Central bank discount rate | Comm. paper up to 3 months ^a | Forced loan 1924 5% | Central bank discount rate | Discount rate on 3 months' Treasury bills | Yield of 4% Govt. Rupee Loan (1960-1970) | Central bank discount rate | Comm. bills 4 months ^a | Rendita 3½ % | Central bank discount rate | Call money rate ^e | Comm. paper 60 days | Average of 8 public bonds | 20 industrial debentures |
| Yearly average | | | | | | | | | | | | | | |
| 1929 | 7.60 | 5.37-10.25 | 8.76 | 6.33 | 4.96 ^b | . | 6.79 | 5.75-7.00 | 5.14 | 5.48 | . | 4.85 | 5.07 | 6.43 |
| 1930 | 5.92 | 5.50-10.00 | 8.18 | 5.89 | 5.26 | . | 5.93 | 5.00-7.00 | 5.21 | 5.39 | 3.65 | 4.85 | 5.41 | 6.54 |
| 1931 | 6.89 | 5.50-10.50 | 8.61 ^b | 7.09 | 6.41 | . | 5.88 | 4.75-7.25 | 4.90 | 5.40 | 3.52 | 4.85 | 5.44 | 6.49 |
| 1932 | 5.74 | 4.38-10.00 | 22.51 ^c | 5.03 | 4.14 | . | 5.56 | 4.50-7.25 | 4.77 | 5.30 | 4.55 | 5.24 | 5.50 | 6.84 |
| 1933 | 4.50 | 4.38-7.50 | 17.53 | 3.56 | 1.46 | . | 3.85 | 3.00-4.75 | 4.35 | 4.02 | 2.66 | 4.49 | 4.78 | 5.96 |
| 1934 | 4.50 | 4.38-7.50 | 12.22 | 3.50 | 1.72 | . | 3.10 | 3.00-4.50 | 4.09 | 3.65 | 2.59 | 4.38 | 4.53 | 5.41 |
| 1935 | 4.33 | 4.00-7.50 | 9.75 | 3.45 | 1.48 | 3.53 | 4.16 | 3.50-5.50 | 4.75 | 3.65 | 2.65 | 4.38 | 4.48 | 4.99 |
| 1936 | 4.00 | 4.00-6.50 | 7.55 | 3.00 | 0.72 | 3.17 | 4.69 | 4.50-5.50 | 4.60 | 3.38 | 2.89 | 4.19 | 4.04 | 4.46 |
| Quarterly average | | | | | | | | | | | | | | |
| 1929 I ... | 7.00 | 7.37-8.62 | 8.01 | 7.52 | . | . | 6.15 | 5.75-6.75 | 4.97 | 5.48 | . | 5.04 | 5.03 | . |
| II .. | 7.74 | 8.50-9.75 | 8.72 | 6.16 | 4.79 ^d | . | 7.00 | 6.75 | 5.10 | 5.48 | . | 4.89 | 5.13 | . |
| III .. | 8.00 | 8.75-10.25 | 9.39 | 5.00 | 3.72 ^d | . | 7.00 | 6.75-7.00 | 5.19 | 5.48 | . | 4.80 | 5.09 | . |
| IV .. | 7.67 | 8.50-10.25 | 8.91 | 6.58 | 5.46 | . | 7.00 | 6.75-7.00 | 5.29 | 5.48 | . | 4.79 | 5.05 | . |
| 1930 I ... | 6.85 | 6.75-10.00 | 8.08 | 7.00 | 6.33 | . | 6.84 | 6.50-7.00 | 5.26 | 5.48 | 3.53 | 4.82 | 5.15 | . |
| II .. | 5.82 | 5.50-8.25 | 7.87 | 6.02 | 5.62 | . | 5.90 | 5.25-6.50 | 5.15 | 5.48 | 3.72 | 4.82 | 5.42 | . |
| III .. | 5.50 | 5.50-7.25 | 8.17 | 5.10 | 4.25 | . | 5.50 | 5.25-5.50 | 5.24 | 5.48 | 3.72 | 4.83 | 5.55 | . |
| IV .. | 5.50 | 5.75-7.75 | 8.58 | 5.46 | 4.56 | . | 5.50 | 5.00-5.75 | 5.18 | 5.12 | 3.65 | 4.97 | 5.51 | . |
| 1931 I ... | 5.50 | 5.50-7.75 | 8.50 | 6.84 | 6.33 | . | 5.50 | 5.25-5.75 | 4.92 | 5.11 | 3.03 | 4.94 | 5.32 | 6.69 |
| II .. | 5.75 | 5.50-8.00 | 8.51 | 6.63 | 6.05 | . | 5.50 | 4.75-5.75 | 4.96 | 5.11 | 2.56 | 4.78 | 5.14 | 6.41 |
| III .. | 8.28 | 7.25-10.50 | . | 6.71 | 6.02 | . | 5.55 | 4.75-6.50 | 4.81 | 5.11 | 3.03 | 4.56 | 5.30 | 6.27 |
| IV .. | 8.00 | 7.75-10.00 | . | 8.00 | 7.24 | . | 7.00 | 6.00-7.25 | 4.90 | 6.26 | 5.40 | 5.18 | 5.98 | 6.59 |
| 1932 I ... | 7.20 | 6.50-10.00 | . | 6.74 | 6.13 | . | 6.89 | 5.25-7.25 | 4.80 | 6.51 | 6.28 | 5.41 | 5.96 | 6.84 |
| II .. | 6.17 | 5.50-9.00 | 24.33 | 5.30 | 4.31 | . | 5.34 | 5.00-6.25 | 4.93 | 5.64 | 4.93 | 5.41 | 5.74 | 6.96 |
| III .. | 5.00 | 4.88-8.00 | 20.62 | 4.07 | 2.82 | . | 5.00 | 5.00-5.50 | 4.76 | 4.75 | 3.94 | 5.28 | 5.30 | 6.89 |
| IV .. | 4.59 | 4.38-8.00 | 22.59 | 4.00 | 2.46 | . | 5.00 | 4.50-5.50 | 4.60 | 4.38 | 3.18 | 4.85 | 5.00 | 6.50 |
| 1933 I ... | 4.50 | 4.38-7.50 | 21.83 | 3.75 | 1.89 | . | 4.09 | 3.75-4.75 | 4.49 | 4.38 | 2.99 | 4.68 | 5.02 | 6.22 |
| II .. | 4.50 | 4.38-7.50 | 18.17 | 3.50 | 1.18 | . | 4.00 | 3.50-4.75 | 4.56 | 4.38 | 2.63 | 4.51 | 4.85 | 5.98 |
| III .. | 4.50 | 4.38-7.50 | 14.53 | 3.50 | 0.96 | . | 3.85 | 3.50-4.75 | 4.42 | 3.67 | 2.45 | 4.38 | 4.63 | 5.75 |
| IV .. | 4.50 | 4.38-7.50 | 15.59 | 3.50 | 1.84 | . | 3.30 | 3.00-4.00 | 3.95 | 3.65 | 2.56 | 4.38 | 4.64 | 5.63 |
| 1934 I ... | 4.50 | 4.38-7.50 | 13.25 | 3.50 | 2.21 | . | 3.00 | 3.00-3.50 | 3.93 | 3.65 | 2.54 | 4.38 | 4.51 | 5.53 |
| II .. | 4.50 | 4.50-7.50 | 11.72 | 3.50 | 1.85 | . | 3.00 | 3.00-3.50 | 4.25 | 3.65 | 2.49 | 4.38 | 4.44 | 5.42 |
| III .. | 4.50 | 4.50-7.50 | 11.94 | 3.50 | 1.30 | . | 3.00 | 3.00-3.50 | 4.07 | 3.65 | 2.70 | 4.38 | 4.57 | 5.31 |
| IV .. | 4.50 | 4.50-7.50 | 11.99 | 3.50 | 1.45 | 3.52 | 3.39 | 3.00-4.50 | 4.09 | 3.65 | 2.64 | 4.38 | 4.60 | 5.28 |
| 1935 I ... | 4.50 | 4.50-7.50 | 9.52 | 3.50 | 1.89 | 3.42 | 3.96 | 3.83-4.33 | 4.36 | 3.65 | 2.66 | 4.38 | 4.56 | 5.16 |
| II .. | 4.50 | 4.50-7.50 | 9.49 | 3.50 | 1.74 | 3.64 | 3.50 | 3.50-4.00 | 4.61 | 3.65 | 2.51 | 4.38 | 4.48 | 5.15 |
| III .. | 4.32 | 4.50-7.50 | 9.64 | 3.50 | 1.35 | 3.63 | 4.17 | 4.33-4.83 | 5.00 | 3.65 | 2.59 | 4.38 | 4.45 | 4.85 |
| IV .. | 4.00 | 4.00-7.00 | 10.36 | 3.32 | 0.98 | 3.37 | 5.00 | ... | 5.03 | 3.65 | 2.84 | 4.38 | 4.41 | 4.73 |
| 1936 I ... | 4.00 | 4.00-6.50 | 8.24 | 3.00 | 0.82 | 3.30 | 5.00 | ... | 4.90 | 3.65 | 2.78 | 4.38 | 4.40 | 4.62 |
| II .. | 4.00 | 4.00-6.50 | 7.93 | 3.00 | 0.71 | 3.14 | 4.70 | ... | 4.53 | 3.31 | 2.95 | 4.02 | 3.92 | 4.36 |
| III .. | 4.00 | 4.00-6.50 | 7.17 | 3.00 | 0.54 | 3.10 | 4.50 | ... | 4.61 | 3.29 | 2.82 | 4.02 | 3.90 | 4.35 |
| IV .. | 4.00 | 4.00-6.50 | 6.86 | 3.00 | 0.83 | 3.08 | 4.50 | 4.50-5.00 | 4.70 | 3.29 | 3.02 | 4.02 | 3.95 | 4.37 |
| 1937 Jan. . | 4.00 | 4.00-6.50 | 6.63 | 3.00 | 1.11 | 3.15 | 4.50 | 4.50-5.00 | 4.75 | 3.29 | 2.79 | 4.02 | 3.96 | 4.38 |
| Feb. . | 4.00 | 4.00-6.50 | 6.54 | 3.00 | 0.99 | 3.25 | 4.50 | 4.50-5.00 | 4.74 | 3.29 | 2.85 | 4.02 | 3.91 | 4.36 |
| March | 4.00 | 4.00-6.50 | ... | 3.00 | 0.98 | 3.31 | 4.50 | 4.50-5.00 | 4.78 | 3.29 | 3.01 | 4.02 | 3.90 | 4.36 |

^a Range of rates.

^b 7 months.

^c 8 months.

^d 2 months.

^e Average rate on loans callable at a day's notice in Tokio.

Table VIII. — MONEY RATES AND BOND YIELDS (continued).

| Per cent per annum | NETHERLANDS | | | | NORWAY | | POLAND | | | | SWEDEN | | | |
|--------------------|----------------------------|------------------|--------------------------|--|----------------------------|---------------|----------------------------|--|--------------------|----------------|----------------------------|-----------------------------------|---------------|------------------|
| | Central bank discount rate | Private discount | Irredeemable Govt. bonds | 8 public and industrial bonds ^a | Central bank discount rate | 5 Govt. bonds | Central bank discount rate | Assoc. of private banks 4-5 months' bills ^b | \$ Loan 6% 1919,20 | Mortgage bonds | Central bank discount rate | Savings banks' mortgage loan rate | 7 Govt. bonds | Industrial bonds |
| Yearly average | | | | | | | | | | | | | | |
| 1929 | 5.13 | 4.82 | 3.94 | 4.58 | 5.57 | 5.21 | 8.64 | 12.22 | 7.22 | 12.80 | 4.74 | 5.11 | 4.56 | 5.06 |
| 1930 | 3.22 | 2.06 | 3.81 | 4.38 | 4.53 | 5.05 | 7.21 | 11.46 | 7.84 | 11.44 | 3.72 | 4.93 | 4.18 | 4.95 |
| 1931 | 2.47 | 1.42 | 3.86 | 4.39 | 4.65 | 5.01 | 7.50 | 10.95 | 8.99 | 12.60 | 4.09 | 4.75 | 4.22 | 5.03 |
| 1932 | 2.65 | 0.85 | 3.89 | 4.82 | 4.68 | 5.02 | 7.21 | 10.67 | 10.86 | 15.20 | 4.39 | 4.90 | 4.32 | 5.33 |
| 1933 | 2.95 | 1.08 | 3.68 | 4.34 | 3.70 | 4.95 | 5.82 | 9.38 | 10.82 | 14.28 | 3.17 | 4.21 | 4.02 | 4.75 |
| 1934 | 2.50 | 0.87 | 3.35 | 4.03 | 3.50 | 4.67 | 5.00 | 9.02 | 8.44 | 11.36 | 2.50 | 3.62 | 3.47 | 3.86 |
| 1935 | 3.99 | 3.15 | 3.43 | 4.24 | 3.50 | 4.44 | 5.00 | 8.80 | 7.57 | 10.75 | 2.50 | 3.03 | 3.19 | 3.67 |
| 1936 | 2.83 | 1.73 | 3.32 | 4.19 | 3.53 | 4.52 | 5.00 | 8.63 | 8.57 | 10.10 | 2.50 | 3.03 | 3.12 | 3.41 |
| Quarterly average | | | | | | | | | | | | | | |
| 1929 I ... | 4.57 | 4.38 | 3.86 | 4.48 | 5.50 | 5.13 | 8.00 | 11.44 | 7.05 | 12.39 | 4.50 | . | 4.61 | . |
| II .. | 5.50 | 5.35 | 3.91 | 4.62 | 5.50 | 5.20 | 8.80 | 12.44 | 7.11 | 12.94 | 4.50 | . | 4.58 | . |
| III .. | 5.50 | 5.19 | 3.96 | 4.59 | 5.53 | 5.27 | 9.00 | 12.49 | 7.23 | 12.94 | 4.56 | . | 4.53 | . |
| IV .. | 4.92 | 4.30 | 4.02 | 4.61 | 5.65 | 5.25 | 8.76 | 12.49 | 7.48 | 12.92 | 5.40 | . | 4.51 | . |
| 1930 I ... | 3.91 | 2.75 | 3.86 | 4.52 | 4.94 | 5.00 | 7.98 | 12.43 | 7.78 | 11.79 | 4.37 | . | 4.23 | . |
| II .. | 3.00 | 2.17 | 3.86 | 4.44 | 4.50 | 5.10 | 6.90 | 11.76 | 7.76 | 11.06 | 3.52 | . | 4.19 | . |
| III .. | 3.00 | 1.90 | 3.80 | 4.30 | 4.50 | 5.04 | 6.50 | 10.91 | 7.70 | 11.12 | 3.50 | . | 4.22 | . |
| IV .. | 3.00 | 1.43 | 3.72 | 4.26 | 4.20 | 4.95 | 7.47 | 10.74 | 7.83 | 11.78 | 3.50 | . | 4.07 | . |
| 1931 I ... | 2.63 | 1.19 | 3.67 | 4.19 | 4.00 | 4.93 | 7.50 | 11.14 | 8.58 | 11.73 | 3.53 | 4.53 | 4.04 | 4.87 |
| II .. | 2.25 | 1.28 | 3.73 | 4.14 | 4.00 | 4.95 | 7.50 | 10.80 | 8.36 | 11.89 | 3.00 | 4.52 | 4.03 | 4.87 |
| III .. | 2.02 | 1.23 | 3.74 | 4.24 | 4.33 | 4.98 | 7.50 | 10.87 | 8.57 | 12.95 | 4.16 | 4.52 | 4.15 | 5.00 |
| IV .. | 3.00 | 1.96 | 4.31 | 5.00 | 6.28 | 5.19 | 7.50 | 11.00 | 10.43 | 13.85 | 6.26 | 5.42 | 4.66 | 5.38 |
| 1932 I ... | 3.00 | 1.73 | 4.13 | 5.09 | 5.61 | 5.13 | 7.50 | 10.90 | 10.47 | 14.07 | 5.61 | 5.40 | 4.54 | 5.55 |
| II .. | 2.59 | 0.75 | 4.06 | 5.19 | 4.77 | 5.03 | 7.50 | 10.90 | 11.26 | . | 4.60 | 4.95 | 4.46 | 5.70 |
| III .. | 2.50 | 0.41 | 3.79 | 4.67 | 4.33 | 4.97 | 7.50 | 10.90 | 11.00 | 15.33 | 3.83 | 4.66 | 4.24 | 5.15 |
| IV .. | 2.50 | 0.38 | 3.59 | 4.33 | 4.00 | 4.94 | 6.33 | 9.97 | 10.70 | 15.32 | 3.50 | 4.58 | 4.03 | 4.91 |
| 1933 I ... | 2.50 | 0.48 | 3.63 | 4.21 | 4.00 | 4.91 | 6.00 | 9.40 | 10.38 | 14.50 | 3.50 | 4.51 | 4.11 | 4.93 |
| II .. | 3.03 | 1.63 | 3.82 | 4.45 | 3.80 | 4.92 | 6.00 | 9.40 | 11.78 | 15.39 | 3.17 | 4.15 | 4.22 | 4.90 |
| III .. | 3.41 | 1.84 | 3.71 | 4.42 | 3.50 | 4.95 | 6.00 | 9.40 | 10.69 | 14.22 | 3.00 | 4.10 | 3.99 | 4.77 |
| IV .. | 2.50 | 0.49 | 3.57 | 4.26 | 3.50 | 5.02 | 5.28 | 9.30 | 10.44 | 13.02 | 2.83 | 4.07 | 3.77 | 4.41 |
| 1934 I ... | 2.50 | 0.83 | 3.51 | 4.20 | 3.50 | 4.75 | 5.00 | 9.20 | 9.14 | 11.73 | 2.50 | 3.81 | 3.69 | 4.15 |
| II .. | 2.50 | 1.39 | 3.35 | 4.14 | 3.50 | 4.73 | 5.00 | 9.13 | 8.07 | 11.74 | 2.50 | 3.72 | 3.63 | 3.90 |
| III .. | 2.50 | 0.69 | 3.28 | 3.90 | 3.50 | 4.63 | 5.00 | 8.90 | 8.34 | 10.91 | 2.50 | 3.53 | 3.51 | 3.81 |
| IV .. | 2.50 | 0.58 | 3.24 | 3.87 | 3.50 | 4.56 | 5.00 | 8.83 | 8.22 | 11.60 | 2.50 | 3.40 | 3.06 | 3.59 |
| 1935 I ... | 2.50 | 0.56 | 3.14 | 3.83 | 3.50 | 4.45 | 5.00 | 8.90 | 7.76 | 10.42 | 2.50 | 3.06 | 3.04 | 3.58 |
| II .. | 4.41 | 3.92 | 3.45 | 4.21 | 3.50 | 4.40 | 5.00 | 8.80 | 7.60 | 10.29 | 2.50 | 3.03 | 3.15 | 3.61 |
| III .. | 4.83 | 4.44 | 3.67 | 4.54 | 3.50 | 4.43 | 5.00 | 8.80 | 7.30 | 10.63 | 2.50 | 3.02 | 3.23 | 3.62 |
| IV .. | 4.21 | 3.66 | 3.45 | 4.37 | 3.50 | 4.48 | 5.00 | 8.70 | 7.67 | 11.06 | 2.50 | 3.00 | 3.33 | 3.88 |
| 1936 I ... | 2.76 | 1.62 | 3.38 | 4.27 | 3.50 | 4.46 | 5.00 | 8.57 | 7.80 | 10.07 | 2.50 | 3.00 | 3.23 | 3.63 |
| II .. | 3.10 | 2.45 | 3.42 | 4.44 | 3.50 | 4.49 | 5.00 | 8.73 | 8.32 | 10.19 | 2.50 | 3.04 | 3.14 | 3.45 |
| III .. | 3.03 | 1.59 | 3.42 | 4.23 | 3.50 | 4.59 | 5.00 | 8.63 | 9.53 | 10.30 | 2.50 | 3.04 | 3.09 | 3.29 |
| IV .. | 2.44 | 1.26 | 3.07 | 3.83 | 3.63 | 4.53 | 5.00 | 8.60 | 8.63 | 9.82 | 2.50 | 3.03 | 3.04 | 3.25 |
| 1937 Jan. . | 2.00 | 0.62 | 3.05 | 3.75 | 4.00 | 4.51 | 5.00 | 8.70 | 9.34 | 9.75 | 2.50 | ... | 3.03 | 3.01 |
| Feb. . | 2.00 | 0.41 | 3.20 | 3.77 | 4.00 | 4.49 | 5.00 | 8.70 | 9.67 | 9.72 | 2.50 | ... | 3.01 | 3.05 |
| March | 2.00 | 0.31 | 3.28 | 3.76 | 4.00 | 4.49 | 5.00 | 8.70 | 12.08 | 9.39 | 2.50 | ... | 3.05 | 3.02 |

^a 2 Government, 2 municipal, 2 industrial, 1 waterworks, 1 mortgage.^b Average of most frequent rates.

Table VIII. — MONEY RATES AND BOND YIELDS (concluded).

| Per cent per annum | SWITZERLAND | | | UNITED KINGDOM | | | | | UNITED STATES OF AMERICA | | | | | | |
|--------------------|----------------------------|-----------------|----------------------|----------------------------|----------------|-------------------------|-------------|-----------------------|---|-------------------|--------------------------|------------------|----------------|---------------------|-------------------------------|
| | Central bank discount rate | 3 months' bills | Federal Railways 3½% | Central bank discount rate | Treasury bills | Bankers' drafts 90 days | Consols 2½% | Industrial debentures | Central bank discount rate ^b | Treasury bills | Bankers' accept. 90 days | Commercial paper | Treasury bonds | 15 industrial bonds | Banks' loan rate ^f |
| Yearly average | | | | | | | | | | | | | | | |
| 1929 | 3.50 | 3.31 | 4.38 | 5.50 | 5.264 | 5.26 | 4.60 | 5.73 ^a | 5.16 | 3.25 ^c | 5.03 | 5.84 | 3.60 | 5.06 | 6.14 |
| 1930 | 2.89 | 2.01 | 4.07 | 3.42 | 2.484 | 2.57 | 4.48 | 5.39 ^a | 3.04 | 2.49 ^d | 2.46 | 3.58 | 3.28 | 4.96 | 5.72 |
| 1931 | 2.03 | 1.44 | 3.78 | 3.93 | 3.593 | 3.61 | 4.39 | 5.73 ^a | 2.12 | 1.49 ^e | 1.58 | 2.67 | 3.31 | 5.51 | 5.39 |
| 1932 | 2.00 | 1.52 | 3.62 | 3.01 | 1.486 | 1.87 | 3.76 | 4.87 ^a | 2.81 | 0.90 | 1.26 | 2.84 | 3.66 | 7.46 | 5.62 |
| 1933 | 2.00 | 1.50 | 3.84 | 2.00 | 0.591 | 0.69 | 3.38 | 4.61 | 2.56 | 0.52 | 0.61 | 1.72 | 3.31 | 6.93 | 5.56 |
| 1934 | 2.00 | 1.50 | 4.05 | 2.00 | 0.727 | 0.82 | 3.08 | 4.12 | 1.54 | 0.30 ^d | 0.24 | 1.02 | 3.10 | 5.30 | 5.17 |
| 1935 | 2.33 | 2.20 | 4.52 | 2.00 | 0.546 | 0.58 | 2.91 | 3.88 | 1.50 | 0.15 | 0.13 | 0.76 | 2.70 | 4.60 | 4.69 |
| 1936 | 2.30 | 2.06 | 4.27 | 2.00 | 0.582 | 0.60 | 2.95 | 3.92 | 1.50 | 0.15 | 0.16 | 0.75 | 2.47 | 4.37 | 4.35 |
| Quarterly average | | | | | | | | | | | | | | | |
| 1929 I ... | 3.50 | 3.33 | 4.37 | 5.10 | 4.861 | 4.90 | 4.49 | . | 5.00 | — | 5.11 | 5.60 | 3.63 | 5.00 | 5.98 |
| II .. | 3.50 | 3.35 | 4.39 | 5.50 | 5.256 | 5.25 | 4.57 | . | 5.00 | — | 5.48 | 5.99 | 3.65 | 5.06 | 6.11 |
| III .. | 3.50 | 3.30 | 4.40 | 5.56 | 5.504 | 5.48 | 4.68 | . | 5.58 | — | 5.14 | 6.11 | 3.67 | 5.10 | 6.22 |
| IV .. | 3.50 | 3.28 | 4.36 | 5.85 | 5.405 | 5.41 | 4.66 | . | 5.07 | 3.25 ^c | 4.38 | 5.64 | 3.44 | 5.07 | 6.26 |
| 1930 I ... | 3.50 | 2.76 | 4.23 | 4.49 | 3.419 | 3.55 | 4.55 | . | 4.11 | 3.30 ^c | 3.60 | 4.61 | 3.38 | 5.00 | 6.05 |
| II .. | 3.02 | 2.37 | 4.20 | 3.18 | 2.302 | 2.32 | 4.53 | . | 3.30 | 2.74 ^f | 2.49 | 3.74 | 3.30 | 4.92 | 5.77 |
| III .. | 2.56 | 1.72 | 3.92 | 3.00 | 2.203 | 2.22 | 4.51 | . | 2.50 | 1.96 ^c | 1.88 | 3.06 | 3.24 | 4.88 | 5.59 |
| IV .. | 2.50 | 1.21 | 3.94 | 3.00 | 2.208 | 2.20 | 4.33 | . | 2.47 | 1.72 ^c | 1.88 | 2.92 | 3.19 | 4.99 | 5.49 |
| 1931 I ... | 2.12 | 1.05 | 3.79 | 3.00 | 2.457 | 2.47 | 4.39 | . | 2.00 | 1.08 ^c | 1.48 | 2.52 | 3.23 | 4.99 | 5.44 |
| II .. | 2.00 | 1.11 | 3.70 | 2.74 | 2.295 | 2.31 | 4.18 | . | 1.70 | 1.14 | 1.11 | 2.19 | 3.16 | 5.20 | 5.32 |
| III .. | 2.00 | 1.78 | 3.82 | 3.50 | 3.854 | 3.87 | 4.45 | . | 1.50 | 0.78 | 0.91 | 2.01 | 3.16 | 5.34 | 5.30 |
| IV .. | 2.00 | 1.81 | 3.82 | 6.00 | 5.534 | 4.11 | 4.55 | . | 2.42 | 2.68 | 2.81 | 3.18 | 3.71 | 6.51 | 5.49 |
| 1932 I ... | 2.00 | 1.57 | 3.69 | 5.21 | 3.738 | 4.27 | 4.28 | . | 3.30 | 2.56 | 2.70 | 3.85 | 4.11 | 6.96 | 5.62 |
| II .. | 2.00 | 1.50 | 3.64 | 2.83 | 1.345 | 1.56 | 3.94 | . | 2.96 | 0.54 | 1.09 | 3.31 | 3.70 | 8.28 | 5.63 |
| III .. | 2.00 | 1.50 | 3.53 | 2.00 | 0.608 | 0.77 | 3.42 | . | 2.50 | 0.36 | 0.75 | 2.37 | 3.45 | 7.40 | 5.65 |
| IV .. | 2.00 | 1.50 | 3.60 | 2.00 | 0.871 | 0.93 | 3.38 | . | 2.50 | 0.15 | 0.49 | 1.82 | 3.36 | 7.20 | 5.57 |
| 1933 I .. | 2.00 | 1.50 | 3.46 | 2.00 | 0.681 | 0.78 | 3.34 | 4.78 | 2.82 | 0.91 | 1.04 | 1.92 | 3.31 | 7.68 | 5.61 |
| II .. | 2.00 | 1.50 | 4.07 | 2.00 | 0.415 | 0.53 | 3.40 | 4.65 | 2.83 | 0.49 | 0.59 | 2.17 | 3.32 | 7.20 | 5.65 |
| III .. | 2.00 | 1.50 | 3.98 | 2.00 | 0.355 | 0.44 | 3.41 | 4.56 | 2.50 | 0.24 | 0.38 | 1.50 | 3.20 | 6.20 | 5.54 |
| IV .. | 2.00 | 1.50 | 3.85 | 2.00 | 0.908 | 1.00 | 3.37 | 4.49 | 2.10 | 0.43 | 0.42 | 1.29 | 3.40 | 6.63 | 5.45 |
| 1934 I ... | 2.00 | 1.50 | 4.03 | 2.00 | 0.867 | 0.97 | 3.20 | 4.17 | 1.67 | 0.46 | 0.46 | 1.30 | 3.34 | 5.79 | 5.40 |
| II .. | 2.00 | 1.50 | 4.22 | 2.00 | 0.866 | 0.93 | 3.18 | 4.13 | 1.50 | 0.07 ^f | 0.19 | 1.00 | 3.02 | 5.25 | 5.27 |
| III .. | 2.00 | 1.50 | 4.08 | 2.00 | 0.693 | 0.80 | 3.10 | 4.12 | 1.50 | — | 0.19 | 0.88 | 3.01 | 5.15 | 5.05 |
| IV .. | 2.00 | 1.50 | 4.02 | 2.00 | 0.491 | 0.59 | 2.85 | 4.03 | 1.50 | — | 0.14 | 0.88 | 3.03 | 4.99 | 4.97 |
| 1935 I ... | 2.00 | 1.50 | 4.10 | 2.00 | 0.349 | 0.45 | 2.83 | 3.87 | 1.50 | 0.17 | 0.13 | 0.79 | 2.75 | 4.75 | 4.88 |
| II .. | 2.17 | 2.23 | 4.59 | 2.00 | 0.563 | 0.63 | 2.89 | 3.89 | 1.50 | 0.15 | 0.13 | 0.75 | 2.62 | 4.68 | 4.78 |
| III .. | 2.50 | 2.46 | 4.71 | 2.00 | 0.576 | 0.60 | 3.01 | 3.86 | 1.50 | 0.13 | 0.13 | 0.75 | 2.68 | 4.54 | 4.57 |
| IV .. | 2.50 | 2.44 | 4.84 | 2.00 | 0.552 | 0.64 | 2.94 | 3.89 | 1.50 | 0.14 | 0.13 | 0.75 | 2.74 | 4.46 | 4.54 |
| 1936 I ... | 2.50 | 2.37 | 4.55 | 2.00 | 0.527 | 0.56 | 2.93 | 3.92 | 1.50 | 0.10 | 0.13 | 0.75 | 2.61 | 4.29 | 4.47 |
| II .. | 2.50 | 2.25 | 4.61 | 2.00 | 0.615 | 0.63 | 2.95 | 3.92 | 1.50 | 0.17 | 0.13 | 0.75 | 2.50 | 4.42 | 4.41 |
| III .. | 2.38 | 2.16 | 4.23 | 2.00 | 0.540 | 0.57 | 2.95 | 3.93 | 1.50 | 0.16 | 0.18 | 0.75 | 2.45 | 4.42 | 4.30 |
| IV .. | 1.97 | 1.47 | 3.43 | 2.00 | 0.646 | 0.65 | 2.96 | 3.92 | 1.50 | 0.15 | 0.19 | 0.75 | 2.33 | 4.34 | 4.20 |
| 1937 Jan. . | 1.50 | 1.25 | 3.37 | 2.00 | 0.548 | 0.56 | 3.00 | 3.98 | 1.50 | 0.36 | 0.23 | 0.75 | 2.29 | 4.29 | 4.16 |
| Feb. . | 1.50 | 1.18 | 3.41 | 2.00 | 0.532 | 0.56 | 3.31 | 4.05 | 1.50 | 0.38 | 0.31 | 0.75 | 2.31 | 4.36 | 4.15 |
| March | 1.50 | 1.00 | 3.38 | 2.00 | 0.515 | 0.56 | 3.28 | 4.12 | 1.50 | 0.58 | 0.44 | 0.88 | 2.50 | ... | 4.15 |

^a December.
^b Federal Reserve Bank, New York.
^c 1 month.
^d 5 months.
^e 10 months.
^f 2 months.
^g In 27 southern and western cities.

Table IX. — INDICES OF WHOLESALE PRICES.

In National Currency and in Gold, 1929 = 100.

N. C. = National currency. G. = Gold. O. = Official rate. F. = Free rate.

| Year Month | ALBANIA | | ARGENTINE | | | | AUSTRALIA | | AUSTRIA | | BELGIUM | | BULGARIA | CANADA | | CHILE | | | | Year Month |
|----------------|---------|-----|-----------|-----|-------|----|-----------|----|---------|----|---------|----|----------|--------|-------|-------|----|-------|----|---------------|
| | N. C. | G. | G. | | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | | N. C. | G. | |
| | | | O. | F. | | | | | | | | | | | | O. | F. | | | |
| 1930 Av. . . | 88 | 96 | 83 | . | 89 | 84 | 90 | | 87 | | 81 | | 91 | 72 | 80 | 79 | 58 | | | 1930 Av. |
| 1931 > . . . | 90 | 92 | 63 | . | 79 | 57 | 84 | 81 | 74 | | 68 | | 75 | 62 | 120 | 78 | 33 | | | 1931 > |
| 1932 > . . . | 74 | 93 | 56 | . | 78 | 45 | 86 | 71 | 63 | | 60 | | 70 | 51 | 180 | 88 | 37 | | | 1932 > |
| 1933 > . . . | 57 | 89 | 53 | . | 78 | 42 | 83 | 66 | 59 | | 53 | | 70 | 45 | 179 | 89 | 37 | | | 1933 > |
| 1934 > . . . | 51 | 102 | 48 | 37 | 82 | 40 | 85 | 66 | 56 | | 54 | | 75 | 45 | 178 | 44 | 36 | | | 1934 > |
| 1935 > . . . | 56 | 101 | 46 | 37 | 82 | 39 | 84 | 66 | 63 | 50 | | | 75 | 44 | 178 | 44 | 36 | | | 1935 > |
| 1936 > . . . | 63 | ... | ... | ... | 86 | 41 | 84 | 66 | 69 | 50 | | | 78 | 46 | 197 | 49 | 36 | | | 1936 > |
| 1930 III . . . | 87 | 99 | 88 | . | 91 | 88 | 93 | | 91 | | 84 | | 96 | | 92 | | | | | 1930 III |
| VI . . . | 84 | 96 | 84 | . | 92 | 87 | 93 | | 88 | | 81 | | 92 | | 88 | | | | | VI |
| IX . . . | 92 | 94 | 80 | . | 85 | 80 | 89 | | 84 | | 79 | | 86 | | 85 | | | | | IX |
| XII . . . | 90 | 90 | 70 | . | 78 | 72 | 82 | | 80 | | 71 | | 81 | | 78 | | | | | XII |
| 1931 III . . . | 91 | 90 | 73 | . | 81 | 62 | 82 | | 78 | | 68 | | 78 | | 81 | | | | | 1931 III |
| VI . . . | 94 | 90 | 66 | . | 79 | 61 | 85 | | 75 | | 67 | | 75 | | 82 | | | | | VI |
| IX . . . | 88 | 90 | 56 | . | 77 | 55 | 83 | 81 | 70 | | 66 | | 73 | 70 | 76 | 75 | 68 | | | IX |
| XII . . . | 89 | 97 | 59 | . | 79 | 44 | 86 | 72 | 67 | | 69 | | 74 | 61 | 78 | 77 | 45 | | | XII |
| 1932 III . . . | 80 | 96 | 58 | . | 80 | 48 | 87 | 70 | 64 | | 65 | | 72 | 65 | 85 | 84 | 36 | | | 1932 III |
| VI . . . | 72 | 93 | 57 | . | 77 | 46 | 89 | 70 | 60 | | 61 | | 69 | 60 | 118 | 58 | 28 | | | VI |
| IX . . . | 66 | 92 | 56 | . | 80 | 46 | 85 | 73 | 63 | | 57 | | 69 | 62 | 146 | 73 | 19 | | | IX |
| XII . . . | 68 | 89 | 54 | . | 76 | 41 | 83 | 70 | 61 | | 53 | | 67 | 58 | 176 | 87 | 35 | | | XII |
| 1933 III . . . | 62 | 88 | 53 | . | 74 | 41 | 82 | 63 | 59 | | 52 | | 67 | 56 | 178 | 88 | 34 | | | 1933 III |
| VI . . . | 55 | 89 | 53 | . | 80 | 44 | 84 | 66 | 60 | | 52 | | 71 | 52 | 186 | 94 | 39 | | | VI |
| IX . . . | 52 | 88 | 53 | . | 82 | 42 | 83 | 65 | 58 | | 53 | | 72 | 47 | 183 | 88 | 40 | | | IX |
| XII . . . | 54 | 97 | 49 | . | 80 | 43 | 83 | 66 | 57 | | 52 | | 72 | 46 | 167 | 84 | 34 | | | XII |
| 1934 III . . . | 50 | 100 | 48 | 36 | 81 | 40 | 87 | 67 | 56 | | 53 | | 75 | 45 | 175 | 87 | 35 | | | 1934 III |
| VI . . . | 51 | 102 | 48 | 35 | 81 | 40 | 85 | 67 | 55 | | 55 | | 75 | 45 | 183 | 91 | 35 | | | VI |
| IX . . . | 52 | 104 | 48 | 39 | 83 | 40 | 83 | 65 | 55 | | 56 | | 75 | 45 | 183 | 91 | 36 | | | IX |
| XII . . . | 51 | 102 | 47 | 36 | 81 | 39 | 84 | 66 | 55 | | 55 | | 74 | 45 | 178 | 89 | 37 | | | XII |
| 1935 III . . . | 53 | 101 | 45 | 36 | 80 | 37 | 84 | 66 | 55 | 53 | | | 75 | 44 | 175 | 43 | 35 | | | 1935 III |
| VI . . . | 55 | 100 | 46 | 37 | 81 | 39 | 85 | 67 | 65 | 47 | | | 75 | 44 | 177 | 44 | 36 | | | VI |
| IX . . . | 57 | 100 | 46 | 38 | 83 | 40 | 85 | 68 | 66 | 47 | | | 76 | 45 | 180 | 44 | 36 | | | IX |
| XII . . . | 63 | 102 | 47 | 39 | 81 | 39 | 83 | 66 | 68 | 49 | | | 76 | 45 | 182 | 45 | 35 | | | XII |
| 1936 III . . . | 64 | 102 | 47 | 39 | 82 | 40 | 83 | 66 | 68 | 49 | | | 76 | 45 | 187 | 46 | 34 | | | 1936 III |
| VI . . . | 62 | 101 | 47 | 39 | 84 | 41 | 84 | 67 | 67 | 48 | | | 76 | 45 | 195 | 48 | 35 | | | VI |
| IX . . . | 62 | 104 | 49 | 41 | 87 | 42 | 84 | 66 | 70 | 50 | | | 80 | 47 | 209 | 52 | 39 | | | IX |
| XII . . . | 63 | ... | ... | ... | 89 | 42 | 86 | 67 | 75 | 54 | | | 83 | 49 | 211 | 53 | 39 | | | XII |
| 1937 III . . . | 62 | ... | ... | ... | 92 | 43 | 87 | 68 | 81 | 58 | | | 62 | 89 | 238 | 60 | 44 | | | 1937 III |

| Year Month | CHINA | | CZECHOSLOVAKIA | | DENMARK | | EGYPT | | ESTONIA | | FINLAND | | FRANCE | | GERMANY | GREECE | | Year Month | | |
|----------------|-------|----|----------------|----|---------|----|-------|----|---------|----|---------|-----|--------|----|---------|--------|-----|---------------|----------|----------|
| | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | N. C. | G. | | | |
| | | | | | | | | | | | | | | | | | | | N. C. | G. |
| 1930 Av. . . | 110 | 79 | 89 | | 87 | | 90 | | 87 | | 92 | | 88 | | 91 | | 91 | | 1930 Av. | |
| 1931 > . . . | 121 | 64 | 81 | | 76 | 71 | 84 | 78 | 78 | | 86 | 82 | 80 | | 81 | | 81 | | 1931 > | |
| 1932 > . . . | 108 | 57 | 74 | | 78 | 55 | 72 | 52 | 71 | | 92 | 57 | 68 | | 70 | | 98 | 63 | 1932 > | |
| 1933 > . . . | 99 | 49 | 72 | | 83 | 46 | 61 | 42 | 73 | 60 | | 91 | 53 | 64 | | 68 | | 110 | 48 | 1933 > |
| 1934 > . . . | 93 | 45 | 74 | 63 | 90 | 45 | 75 | 46 | 73 | 45 | | 92 | 49 | 60 | | 72 | | 109 | 47 | 1934 > |
| 1935 > . . . | 92 | 48 | 77 | 64 | 92 | 45 | 82 | 49 | 72 | 43 | | 92 | 47 | 54 | | 74 | | 111 | 48 | 1935 > |
| 1936 > . . . | 104 | 44 | 77 | 62 | 98 | 48 | 73 | 44 | 78 | 47 | | 93 | 48 | 66 | 61 | 76 | | 113 | 48 | 1936 > |
| 1930 III . . . | 107 | 86 | 91 | | 90 | | 87 | | 91 | | 94 | | 89 | | 92 | | 94 | | | 1930 III |
| VI . . . | 112 | 71 | 90 | | 86 | | 86 | | 86 | | 92 | | 86 | | 91 | | 91 | | | VI |
| IX . . . | 113 | 77 | 85 | | 84 | | 90 | | 86 | | 90 | | 89 | | 90 | | 89 | | | IX |
| XII . . . | 109 | 67 | 83 | | 80 | | 88 | | 82 | | 88 | | 86 | | 86 | | 85 | | | XII |
| 1931 III . . . | 121 | 65 | 83 | | 77 | | 91 | | 80 | | 88 | | 86 | | 83 | | 83 | | | 1931 III |
| VI . . . | 124 | 63 | 84 | | 73 | 73 | 84 | | 80 | | 85 | | 83 | | 82 | | 81 | | | VI |
| IX . . . | 124 | 65 | 78 | | 73 | 69 | 79 | 74 | 77 | | 81 | | 83 | | 82 | | 81 | | | IX |
| XII . . . | 117 | 66 | 77 | | 79 | 55 | 79 | 55 | 73 | | 94 | 63 | 71 | | 76 | | 79 | | | XII |
| 1932 III . . . | 113 | 63 | 75 | | 78 | 58 | 80 | 60 | 74 | | 94 | 60 | 71 | | 73 | | 83 | | | 1932 III |
| VI . . . | 109 | 56 | 73 | | 75 | 56 | 70 | 52 | 69 | | 89 | 60 | 68 | | 70 | | 105 | 52 | | VI |
| IX . . . | 105 | 55 | 75 | | 79 | 53 | 67 | 48 | 69 | | 92 | 55 | 66 | | 69 | | 105 | 49 | | IX |
| XII . . . | 103 | 49 | 72 | | 79 | 50 | 66 | 44 | 69 | | 92 | 52 | 66 | | 67 | | 109 | 46 | | XII |
| 1933 III . . . | 102 | 51 | 71 | | 82 | 47 | 60 | 42 | 68 | | 91 | 55 | 62 | | 66 | | 111 | 49 | | 1933 III |
| VI . . . | 100 | 51 | 74 | | 82 | 46 | 58 | 40 | 68 | 64 | | 91 | 54 | 64 | | 68 | | 110 | 48 | VI |
| IX . . . | 96 | 46 | 72 | | 85 | 45 | 59 | 38 | 78 | 50 | | 92 | 51 | 63 | | 69 | | 110 | 48 | IX |
| XII . . . | 94 | 48 | 71 | | 86 | 47 | 63 | 42 | 76 | 51 | | 91 | 52 | 65 | | 70 | | 108 | 47 | XII |
| 1934 III . . . | 92 | 46 | 73 | 61 | 89 | 45 | 68 | 42 | 75 | 47 | | 92 | 49 | 63 | | 70 | | 107 | 46 | 1934 III |
| VI . . . | 92 | 43 | 77 | 64 | 88 | 44 | 72 | 45 | 73 | 45 | | 91 | 48 | 60 | | 71 | | 107 | 46 | VI |
| IX . . . | 93 | 47 | 75 | 63 | 93 | 46 | 88 | 53 | 69 | 42 | | 92 | 47 | 58 | | 73 | | 110 | 48 | IX |
| XII . . . | 95 | 46 | 76 | 63 | 92 | 45 | 84 | 51 | 71 | 43 | | 92 | 47 | 55 | | 74 | | 110 | 47 | XII |
| 1935 III . . . | 92 | 50 | 76 | 64 | 90 | 42 | 83 | 48 | 70 | 41 | | 92 | 46 | 53 | | 73 | | 110 | 47 | 1935 III |
| VI . . . | 88 | 50 | 79 | 66 | 91 | 44 | 81 | 49 | 70 | 42 | | 92 | 47 | 53 | | 74 | | 109 | 47 | VI |
| IX . . . | 87 | 47 | 77 | 64 | 94 | 46 | 79 | 48 | 72 | 44 | | 99 | 48 | 53 | | 75 | | 111 | 48 | IX |
| XII . . . | 99 | 41 | 78 | 65 | 95 | 46 | 81 | 49 | 76 | 46 | | 93 | 48 | 56 | | 75 | | 114 | 49 | XII |
| 1936 III . . . | 102 | 43 | 77 | 64 | 95 | 47 | 76 | 46 | 77 | 47 | | 93 | 48 | 60 | | 76 | | 113 | 49 | 1936 III |
| VI . . . | 102 | 43 | 77 | 64 | 95 | 47 | 72 | 44 | 76 | 47 | | 92 | 48 | 60 | | 76 | | 111 | 47 | VI |
| IX . . . | 102 | 43 | 77 | 64 | 99 | 49 | 73 | 45 | 79 | 48 | | 94 | 49 | 67 | 47 | 76 | | 111 | 47 | IX |
| XII . . . | 114 | 48 | 81 | 57 | 103 | 50 | 72 | 43 | 81 | 48 | | 97 | 49 | 83 | 58 | 77 | | 117 | 48 | XII |
| 1937 III . . . | 119 | 49 | 84 | 58 | 108 | 52 | 77 | 46 | 86 | 52 | | 105 | 53 | 88 | 61 | 77 | | 126 | 51 | 1937 III |

Table IX. — INDICES OF WHOLESALE PRICES (*concluded*).

In National Currency and in Gold, 1929 = 100.

N. C. = National currency. G. = Gold. O. = Official rate. F. = Free rate.

| Year Month | HUNGARY | | INDIA | | ITALY | | JAPAN | | LATVIA | | NETHERLANDS | | NETHERL. INDIES | | N. ZEALAND | | NORWAY | | PERU | | POLAND | Year Month | | | |
|---------------|---------|----|-------|----|-------|----|-------|----|--------|-----|-------------|----|-----------------|-----|------------|----|--------|----|-------|----|--------|---------------|-----|----------|----------|
| | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | | | | |
| 1930 Av. | 79 | 82 | | | 90 | | 82 | | 85 | | 82 | | 91 | | 97 | | 93 | | 92 | | 96 | 88 | 89 | 1930 Av. | |
| 1931 " | 79 | 68 | 63 | | 78 | | 70 | 69 | 71 | | 68 | | 71 | | 91 | | 78 | | 82 | 77 | 94 | 65 | 78 | 1931 " | |
| 1932 " | 76 | 65 | 47 | | 73 | | 73 | 41 | 71 | | 56 | | 58 | | 87 | | 57 | | 82 | 55 | 92 | 53 | 68 | 1932 " | |
| 1933 " | 63 | 62 | 42 | | 66 | | 82 | 33 | 70 | | 52 | | 48 | | 88 | | 48 | | 82 | 51 | 97 | 36 | 61 | 1933 " | |
| 1934 " | 65 | 63 | 39 | | 65 | 63 | 81 | 29 | 69 | | 55 | | 45 | | 89 | | 44 | | 83 | 46 | 101 | 35 | 58 | 1934 " | |
| 1935 " | 74 | 65 | 39 | | 71 | 66 | 84 | 29 | 73 | | 54 | | 44 | | 93 | | 44 | | 85 | 46 | 102 | 37 | 55 | 1935 " | |
| 1936 " | 74 | 65 | 40 | | 80 | 66 | 90 | 31 | 76 | 68 | 56 | 53 | 45 | 43 | 95 | 46 | 90 | 50 | 103 | 38 | 103 | 38 | 56 | 1936 " | |
| 1930 III | 83 | | 89 | | | | 89 | | 90 | | 86 | | 94 | | 99 | | 96 | | 94 | | 97 | | 97 | 1930 III | |
| VI | 78 | | 82 | | | | 82 | | 85 | | 83 | | 91 | | 98 | | 94 | | 92 | | 96 | | 92 | VI | |
| IX | 76 | | 79 | | | | 78 | | 82 | | 79 | | 87 | | 98 | | 94 | | 91 | | 96 | | 83 | IX | |
| XII | 74 | | 71 | | | | 73 | | 75 | | 75 | | 85 | | 95 | | 91 | | 87 | | 93 | | 70 | XII | |
| 1931 III | 79 | | 71 | | | | 72 | | 73 | | 73 | | 75 | | 93 | | 85 | | 83 | | 96 | | 67 | 1931 III | |
| VI | 77 | | 66 | | | | 69 | | 70 | | 70 | | 70 | | 90 | | 82 | | 81 | | 97 | | 68 | VI | |
| IX | 79 | | 65 | 60 | | | 68 | 67 | 71 | | 64 | | 67 | | 90 | | 77 | 79 | 75 | | 94 | | 66 | IX | |
| XII | 82 | | 70 | 49 | | | 69 | 60 | 67 | | 60 | | 64 | | 90 | | 57 | 82 | 57 | | 91 | | 64 | XII | |
| 1932 III | 82 | | 67 | 50 | | | 72 | 46 | 74 | | 58 | | 61 | | 89 | | 61 | | 82 | | 60 | | 88 | 1932 III | |
| VI | 79 | | 61 | 45 | | | 67 | 41 | 72 | | 55 | | 57 | | 88 | | 60 | | 81 | | 54 | | 94 | VI | |
| IX | 74 | | 65 | 46 | | | 76 | 36 | 70 | | 54 | | 55 | | 88 | | 57 | | 83 | | 54 | | 94 | IX | |
| XII | 67 | | 62 | 42 | | | 84 | 35 | 70 | | 54 | | 53 | | 86 | | 53 | | 83 | | 52 | | 93 | XII | |
| 1933 III | 68 | | 58 | 41 | | | 67 | 81 | 35 | 70 | | 51 | | 49 | | 88 | | 50 | | 81 | | 53 | | 94 | 1933 III |
| VI | 65 | | 63 | 44 | | | 66 | 82 | 35 | 71 | | 51 | | 49 | | 89 | | 49 | | 81 | | 52 | | 97 | VI |
| IX | 58 | | 62 | 40 | | | 65 | 83 | 31 | 70 | | 53 | | 47 | | 89 | | 46 | | 83 | | 49 | | 99 | IX |
| XII | 59 | | 63 | 42 | | | 67 | 80 | 32 | 69 | | 54 | | 45 | | 89 | | 48 | | 82 | | 50 | | 100 | XII |
| 1934 III | 61 | | 62 | 39 | 65 | 63 | 80 | 29 | 69 | | 56 | | 46 | | 90 | | 45 | | 82 | | 47 | | 99 | 1934 III | |
| VI | 67 | | 64 | 39 | 64 | 62 | 79 | 28 | 68 | | 54 | | 45 | | 90 | | 44 | | 83 | | 46 | | 102 | VI | |
| IX | 69 | | 63 | 38 | 65 | 63 | 82 | 29 | 69 | | 54 | | 45 | | 90 | | 43 | | 85 | | 47 | | 103 | IX | |
| XII | 69 | | 62 | 38 | 65 | 63 | 82 | 28 | 69 | | 55 | | 45 | | 90 | | 43 | | 84 | | 46 | | 100 | XII | |
| 1935 III | 70 | | 62 | 36 | 67 | 63 | 83 | 28 | 72 | | 53 | | 44 | | 92 | | 43 | | 85 | | 45 | | 103 | 1935 III | |
| VI | 72 | | 65 | 39 | 71 | 66 | 82 | 28 | 71 | | 53 | | 44 | | 92 | | 44 | | 85 | | 46 | | 103 | VI | |
| IX | 76 | | 63 | 38 | | | 86 | 30 | 72 | | 53 | | 44 | | 95 | | 46 | | 86 | | 47 | | 101 | IX | |
| XII | 80 | | 66 | 40 | | | 87 | 30 | 73 | | 55 | | 44 | | 95 | | 46 | | 88 | | 48 | | 102 | XII | |
| 1936 III | 75 | | 65 | 39 | 79 | 71 | 87 | 30 | 73 | | 54 | | 43 | | 93 | | 45 | | 89 | | 49 | | 103 | 1936 III | |
| VI | 70 | | 64 | 39 | 79 | 70 | 88 | 31 | 72 | | 54 | | 43 | | 94 | | 46 | | 89 | | 50 | | 103 | VI | |
| IX | 72 | | 65 | 40 | 81 | 71 | 91 | 32 | 74 | | 54 | | 44 | | 95 | | 47 | | 91 | | 51 | | 103 | IX | |
| XII | 76 | | 67 | 40 | 83 | 49 | 98 | 33 | 87 | 51 | 65 | 52 | 54 | 43 | 97 | 46 | 94 | 51 | 103 | 38 | 59 | 63 | 59 | XII | |
| 1937 III | 79 | | 71 | 42 | 88 | 52 | 109 | 37 | ... | ... | 69 | 56 | ... | ... | 99 | 47 | 101 | 55 | 110 | 42 | 63 | | 63 | 1937 III | |

| Year Month | ROUMANIA | | SOUTH AFRICA | | SPAIN | | SWEDEN | | SWITZERLAND | | TURKEY | U. K. | | U. S. A. | | YUGOSLAVIA | | Year Month |
|---------------|----------|----|--------------|-----|-------|-----|--------|----|-------------|----|--------|-------|----|----------|----|------------|----|---------------|
| | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | N. C. | G. | N. C. | G. | N. C. | G. | |
| 1930 Av. | | 78 | | 89 | 101 | 80 | 87 | | 90 | | 76 | | 88 | | 91 | | 86 | 1930 Av. |
| 1931 " | | 60 | | 86 | 102 | 66 | 78 | 74 | 78 | | 65 | | 77 | 72 | 77 | | 75 | 1931 " |
| 1932 " | | 54 | | 79 | 101 | 55 | 79 | 54 | 68 | | 56 | | 75 | 54 | 68 | | 65 | 1932 " |
| 1933 " | | 52 | | 80 | 97 | 55 | 76 | 49 | 64 | | 49 | | 75 | 51 | 69 | 56 | 64 | 1933 " |
| 1934 " | | 52 | | 88 | 99 | 55 | 81 | 47 | 64 | | 51 | | 77 | 48 | 79 | 47 | 63 | 1934 " |
| 1935 " | | 60 | 54 | 82 | 49 | 101 | 83 | 46 | 64 | | 56 | | 78 | 47 | 84 | 50 | 66 | 1935 " |
| 1936 " | | 69 | 50 | 85 | 51 | . | 86 | 49 | 68 | 63 | 62 | | 83 | 50 | 85 | 50 | 68 | 1936 " |
| 1930 III | | | | a) | 101 | 85 | 89 | | 93 | | 81 | | 91 | | 95 | | 91 | 1930 III |
| VI | | | | 86 | 97 | 78 | 88 | | 89 | | 74 | | 88 | | 91 | | 86 | VI |
| IX | | | | 86 | 102 | 75 | 85 | | 87 | | 71 | | 85 | | 89 | | 82 | IX |
| XII | | | | 88 | 102 | 75 | 84 | | 83 | | 70 | | 81 | | 84 | | 78 | XII |
| 1931 III | | | | 85 | 102 | 75 | 81 | | 81 | | 66 | | 78 | | 80 | | 74 | 1931 III |
| VI | | | | 85 | 99 | 65 | 79 | | 78 | | 67 | | 76 | | 76 | | 73 | VI |
| IX | | | | 85 | 104 | 64 | 76 | 74 | 75 | | 63 | | 74 | 69 | 75 | | 71 | IX |
| XII | | | | 85 | 104 | 59 | 79 | 55 | 73 | | 61 | | 78 | 54 | 72 | | 67 | XII |
| 1932 III | | | | 81 | 79 | 105 | 78 | 58 | 70 | | 59 | | 77 | 57 | 69 | | 67 | 1932 III |
| VI | | | | 77 | 76 | 102 | 77 | 54 | 67 | | 56 | | 73 | 55 | 67 | | 65 | VI |
| IX | | | | 75 | 73 | 100 | 79 | 52 | 67 | | 52 | | 75 | 54 | 69 | | 61 | IX |
| XII | | | | 75 | 53 | 99 | 77 | 51 | 65 | | 53 | | 74 | 50 | 66 | | 64 | XII |
| 1933 III | | | | 78 | 54 | 97 | 75 | 51 | 64 | | 50 | | 72 | 51 | 63 | | 67 | 1933 III |
| VI | | | | 82 | 56 | 95 | 75 | 49 | 65 | | 50 | | 76 | 52 | 68 | 56 | 66 | VI |
| IX | | | | 86 | 55 | 96 | 78 | 47 | 64 | | 48 | | 77 | 50 | 74 | 50 | 80 | IX |
| XII | | | | 91 | 59 | 98 | 79 | 50 | 65 | | 47 | | 77 | 52 | 74 | 48 | 62 | XII |
| 1934 III | | | | 90 | 56 | 100 | 80 | 47 | 64 | | 48 | | 77 | 48 | 77 | 46 | 63 | 1934 III |
| VI | | | | 84 | 51 | 98 | 81 | 47 | 63 | | 48 | | 77 | 47 | 78 | 46 | 65 | VI |
| IX | | | | 85 | 51 | 97 | 81 | 46 | 63 | | 52 | | 77 | 47 | 81 | 43 | 63 | IX |
| XII | | | | 82 | 49 | 100 | 82 | 46 | 63 | | 56 | | 77 | 46 | 81 | 43 | 62 | XII |
| 1935 III | | | | 80 | 47 | 100 | 82 | 45 | 61 | | 54 | | 76 | 44 | 83 | 49 | 63 | 1935 III |
| VI | | | | 82 | 49 | 100 | 83 | 47 | 63 | | 52 | | 78 | 47 | 84 | 50 | 64 | VI |
| IX | | | | 83 | 49 | 100 | 85 | 46 | 65 | | 55 | | 78 | 47 | 85 | 50 | 67 | IX |
| XII | | | | 86 | 51 | 103 | 84 | 47 | 65 | | 64 | | 80 | 48 | 85 | 50 | 71 | XII |
| 1936 III | | | | 68 | 50 | 86 | 51 | 56 | 64 | | 80 | | 84 | 48 | 84 | 49 | 70 | 1936 III |
| VI | | | | 67 | 48 | 83 | 50 | 56 | 65 | | 62 | | 81 | 50 | 83 | 49 | 65 | VI |
| IX | | | | 68 | 49 | 85 | 50 | . | 87 | | 50 | | 62 | 84 | 86 | 50 | 67 | IX |
| XII | | | | 73 | 53 | 87 | 51 | . | 90 | | 50 | | 64 | 88 | 88 | 52 | 71 | XII |
| 1937 III | | | | ... | ... | ... | 97 | 54 | 80 | 56 | ... | ... | 94 | 56 | 92 | 54 | 72 | 1937 III |

a) Months of April, July, October and January.

Table X. — INDICES OF COST OF LIVING.

In National Currency and in Gold, 1929 = 100.

N. C. = National currency. G. = Gold. O. = Official rate. F. = Free rate.

| Year Month | ARGENTINE | | | AUSTRALIA | | AUSTRIA | | BELGIUM | | BULGARIA | CANADA | | CHILE | | | Year Month |
|---------------|-----------|-----|-----|-----------|-----|---------|----|---------|----|----------|--------|-----|-------|-----|----|---------------|
| | N. C. | G. | | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | N. C. | G. | N. C. | G. | | |
| | | O. | F. | | | | | | | | | | | O. | F. | |
| 1930 Av. | 102 | 88 | | 95 | 89 | 100 | | 104 | | 92 | 99 | | 99 | 97 | 71 | 1930 Av. |
| 1931 | 50 | 35 | | 85 | 61 | 96 | 93 | 93 | | 80 | | 90 | 87 | 68 | 29 | 1931 |
| 1932 | 78 | 47 | | 81 | 47 | 97 | 80 | 84 | | 73 | | 82 | 72 | 104 | 27 | 1932 |
| 1933 | 83 | 49 | | 78 | 42 | 95 | 75 | 83 | | 68 | | 78 | 57 | 130 | 26 | 1933 |
| 1934 | 78 | 38 | 28 | 80 | 39 | 95 | 74 | 79 | | 64 | | 79 | 48 | 130 | 26 | 1934 |
| 1935 | 83 | 38 | 31 | 81 | 38 | 94 | 74 | 80 | 63 | 60 | | 79 | 47 | 132 | 26 | 1935 |
| 1936 | 91 | 42 | 35 | 83 | 40 | 94 | 74 | 85 | 61 | 57 | | 81 | 48 | 144 | 27 | 1936 |
| 1930 III | | | | 98 | 95 | 100 | | 105 | | 96 | | 101 | | 95 | | 1930 III |
| VI | | | | 97 | 91 | 102 | | 102 | | 92 | | 100 | | 99 | | 1930 VI |
| IX | | | | 94 | 88 | 99 | | 105 | | 89 | | 97 | | 100 | | 1930 IX |
| XII | | | | 90 | 83 | 97 | | 101 | | 87 | | 95 | | 101 | | 1930 XII |
| 1931 III | | | | 88 | 69 | 95 | | 95 | | 82 | | 92 | | 96 | | 1931 III |
| VI | | | | 86 | 66 | 96 | | 93 | | 80 | | 89 | | 99 | | 1931 VI |
| IX | | | | 83 | 62 | 96 | 94 | 92 | | 78 | | 86 | 83 | 100 | 99 | 1931 IX |
| XII | | | | 82 | 48 | 97 | 81 | 88 | | 78 | | 85 | 70 | 99 | 98 | 1931 XII |
| 1932 III | | | | 82 | 47 | 97 | 78 | 83 | | 75 | | 83 | 74 | 93 | 92 | 1932 III |
| VI | | | | 81 | 49 | 98 | 77 | 82 | | 74 | | 80 | 69 | 100 | 49 | 1932 VI |
| IX | | | | 80 | 46 | 97 | 83 | 84 | | 73 | | 80 | 72 | 117 | 58 | 1932 IX |
| XII | | | | 79 | 43 | 96 | 81 | 86 | | 72 | | 79 | 68 | 123 | 61 | 1932 XII |
| 1933 III | | | | 78 | 44 | 94 | 72 | 83 | | 72 | | 78 | 65 | 124 | 61 | 1933 III |
| VI | | | | 78 | 43 | 95 | 75 | 81 | | 67 | | 77 | 56 | 132 | 67 | 1933 VI |
| IX | | | | 79 | 42 | 95 | 74 | 83 | | 67 | | 78 | 51 | 136 | 65 | 1933 IX |
| XII | 83 | 42 | | 79 | 42 | 96 | 76 | 83 | | 67 | | 78 | 50 | 130 | 66 | 1933 XII |
| 1934 III | 79 | 38 | 28 | 79 | 40 | 94 | 73 | 79 | | 67 | | 79 | 47 | 126 | 62 | 1934 III |
| VI | 75 | 35 | 26 | 80 | 40 | 95 | 74 | 77 | | 64 | | 78 | 47 | 131 | 65 | 1934 VI |
| IX | 79 | 36 | 29 | 80 | 39 | 95 | 74 | 80 | | 65 | | 79 | 48 | 133 | 66 | 1934 IX |
| XII | 79 | 36 | 28 | 80 | 43 | 94 | 74 | 79 | | 62 | | 79 | 48 | 136 | 68 | 1934 XII |
| 1935 III | 80 | 35 | 28 | 80 | 38 | 94 | 73 | 75 | 73 | 62 | | 79 | 46 | 130 | 32 | 1935 III |
| VI | 81 | 37 | 30 | 81 | 38 | 96 | 76 | 79 | 57 | 60 | | 79 | 47 | 132 | 33 | 1935 VI |
| IX | 86 | 40 | 33 | 81 | 39 | 95 | 75 | 83 | 60 | 60 | | 80 | 47 | 133 | 33 | 1935 IX |
| XII | 91 | 42 | 35 | 82 | 39 | 95 | 74 | 85 | 61 | 58 | | 81 | 48 | 135 | 34 | 1935 XII |
| 1936 III | 89 | 41 | 34 | 82 | 39 | 94 | 73 | 84 | 61 | 58 | | 80 | 47 | 157 | 34 | 1936 III |
| VI | 91 | 43 | 35 | 82 | 40 | 95 | 75 | 83 | 60 | 56 | | 81 | 48 | 144 | 36 | 1936 VI |
| IX | 92 | 43 | 36 | 83 | 40 | 95 | 75 | 85 | 61 | 56 | | 82 | 48 | 149 | 37 | 1936 IX |
| XII | 91 | 41 | 38 | 84 | 40 | 95 | 75 | 88 | 63 | 57 | | 82 | 48 | 150 | 38 | 1936 XII |
| 1937 III | ... | ... | ... | ... | ... | 94 | 74 | 90 | 64 | 58 | | 82 | 49 | 152 | 38 | 1937 III |

| Year Month | CHINA | | CZECHOSLOVAKIA | | DENMARK | | EGYPT | | ESTONIA | | FINLAND | | FRANCE | | GERMANY | | GREECE | | Year Month |
|---------------|-------|----|----------------|-----|---------|-----|-------|----|---------|----|---------|-----|--------|-----|---------|----|--------|----|---------------|
| | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | N. C. | G. | |
| 1930 Av. | 113 | 81 | | 98 | | 95 | | 98 | | 89 | | 92 | | 105 | | 96 | | 88 | 1930 Av. |
| 1931 | 117 | 62 | | 93 | | 89 | 83 | 91 | 85 | 86 | | 85 | 81 | 102 | | 88 | | 87 | 1931 |
| 1932 | 110 | 58 | | 92 | | 89 | 63 | 87 | 57 | 80 | | 84 | 52 | 95 | | 78 | | 59 | 1932 |
| 1933 | 99 | 49 | | 91 | | 93 | 52 | 83 | 57 | 75 | 62 | 82 | 48 | 94 | | 77 | 99 | 44 | 1933 |
| 1934 | 98 | 48 | | 90 | | 96 | 48 | 84 | 52 | 74 | 46 | 80 | 42 | 93 | | 79 | 101 | 44 | 1934 |
| 1935 | 99 | 51 | | 91 | 77 | 99 | 48 | 86 | 51 | 75 | 45 | 81 | 41 | 87 | | 80 | 102 | 44 | 1935 |
| 1936 | 105 | 44 | | 93 | 74 | 100 | 49 | 86 | 52 | 84 | 51 | 82 | 42 | 91 | 84 | 81 | 105 | 44 | 1936 |
| 1930 III | 113 | 91 | | 98 | | 96 | | 99 | | 92 | | 94 | | 102 | | 97 | | 89 | 1930 III |
| VI | 111 | 70 | | 100 | | 95 | | 97 | | 87 | | 91 | | 103 | | 96 | | 85 | 1930 VI |
| IX | 119 | 81 | | 96 | | 93 | | 98 | | 86 | | 92 | | 107 | | 96 | | 86 | 1930 IX |
| XII | 106 | 65 | | 95 | | 92 | | 94 | | 85 | | 88 | | 107 | | 93 | | 86 | 1930 XII |
| 1931 III | 123 | 67 | | 93 | | 90 | | 94 | | 84 | | 86 | | 106 | | 90 | | 88 | 1931 III |
| VI | 112 | 57 | | 96 | | 88 | | 89 | | 91 | | 83 | | 106 | | 89 | | 87 | 1931 VI |
| IX | 125 | 66 | | 94 | | 88 | 83 | 90 | 84 | 86 | | 83 | | 102 | | 87 | | 85 | 1931 IX |
| XII | 112 | 63 | | 91 | | 88 | 61 | 90 | 62 | 81 | | 86 | 58 | 96 | | 85 | | 86 | 1931 XII |
| 1932 III | 118 | 66 | | 93 | | 88 | 66 | 89 | 67 | 83 | | 85 | 54 | 96 | | 79 | | 86 | 1932 III |
| VI | 112 | 58 | | 93 | | 88 | 65 | 86 | 64 | 81 | | 82 | 55 | 96 | | 78 | | 47 | 1932 VI |
| IX | 110 | 58 | | 91 | | 90 | 60 | 85 | 61 | 80 | | 83 | 49 | 93 | | 77 | | 45 | 1932 IX |
| XII | 100 | 52 | | 93 | | 89 | 56 | 86 | 58 | 76 | | 83 | 47 | 93 | | 77 | | 41 | 1932 XII |
| 1933 III | 103 | 51 | | 90 | | 91 | 52 | 85 | 60 | 75 | | 81 | 49 | 94 | | 75 | | 43 | 1933 III |
| VI | 98 | 50 | | 92 | | 92 | 52 | 82 | 57 | 73 | 69 | 80 | 47 | 93 | | 77 | | 43 | 1933 VI |
| IX | 98 | 47 | | 90 | | 94 | 49 | 83 | 54 | 78 | 51 | 83 | 46 | 93 | | 77 | | 43 | 1933 IX |
| XII | 95 | 49 | | 89 | | 94 | 51 | 81 | 54 | 77 | 52 | 81 | 47 | 95 | | 78 | | 44 | 1933 XII |
| 1934 III | 92 | 45 | 89 | 74 | | 95 | 48 | 83 | 52 | 76 | 48 | 80 | 42 | 95 | | 78 | | 43 | 1934 III |
| VI | 91 | 43 | 91 | 76 | | 96 | 48 | 83 | 51 | 75 | 46 | 79 | 42 | 94 | | 78 | | 43 | 1934 VI |
| IX | 110 | 55 | 90 | 75 | | 97 | 47 | 87 | 52 | 73 | 44 | 81 | 42 | 92 | | 79 | | 44 | 1934 IX |
| XII | 102 | 50 | 89 | 75 | | 97 | 47 | 86 | 52 | 73 | 44 | 82 | 42 | 91 | | 79 | | 44 | 1934 XII |
| 1935 III | 97 | 53 | 90 | 75 | | 98 | 46 | 85 | 49 | 74 | 43 | 80 | 40 | 89 | | 79 | | 43 | 1935 III |
| VI | 98 | 56 | 93 | 78 | | 99 | 48 | 84 | 50 | 73 | 44 | 80 | 41 | 88 | | 80 | | 43 | 1935 VI |
| IX | 98 | 52 | 92 | 76 | | 99 | 48 | 86 | 52 | 75 | 45 | 83 | 43 | 84 | | 80 | | 44 | 1935 IX |
| XII | 101 | 42 | 92 | 76 | | 100 | 49 | 87 | 52 | 80 | 48 | 83 | 43 | 86 | | 80 | | 45 | 1935 XII |
| 1936 III | 106 | 45 | 93 | 77 | | 100 | 49 | 87 | 52 | 82 | 50 | 81 | 42 | 87 | | 81 | | 45 | 1936 III |
| VI | 104 | 44 | 93 | 77 | | 100 | 50 | 86 | 53 | 85 | 53 | 80 | 42 | 89 | | 81 | | 44 | 1936 VI |
| IX | 105 | 44 | 92 | 76 | | 101 | 50 | 85 | 52 | 85 | 52 | 82 | 43 | 91 | | 81 | | 45 | 1936 IX |
| XII | 109 | 46 | 92 | 65 | | 101 | 49 | 85 | 51 | 86 | 52 | 83 | 42 | 97 | 68 | 81 | | 44 | 1936 XII |
| 1937 III | 109 | 45 | 94 | 65 | | 103 | 49 | 85 | 51 | 88 | 53 | ... | ... | ... | ... | 81 | | 46 | 1937 III |

a) Quarterly indices.

Table XI. — PERCENTAGE COMPOSITION OF COMMERCIAL BANK DEPOSITS.

(For absolute figures, see Table III.)

(a) Current accounts and sight deposits } as percentage of total deposits.
 (b) Other deposits

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|--|----------|------|------|------|------|------|------|-------|
| Argentina | (a) 30.9 | 31.3 | 28.4 | 31.3 | 34.6 | 33.5 | 32.4 | 35.0 |
| | (b) 69.1 | 68.7 | 71.6 | 68.7 | 65.4 | 66.5 | 67.6 | 65.0 |
| Australia ¹ | (a) 33.3 | 30.9 | 31.1 | 32.1 | 33.8 | 36.2 | 37.2 | . |
| | (b) 66.7 | 69.1 | 68.9 | 67.9 | 66.2 | 63.8 | 62.8 | . |
| Austria | (a) . | 80.8 | . | 82.1 | 81.3 | 78.4 | 76.1 | . |
| | (b) . | 19.2 | . | 17.9 | 18.7 | 21.6 | 23.9 | . |
| Belgium | (a) 72.5 | . | 75.3 | 75.4 | 77.6 | . | 84.1 | . |
| | (b) 27.5 | . | 24.7 | 24.6 | 22.4 | . | 15.9 | . |
| Bolivia | (a) 58.1 | 54.5 | 54.9 | 80.7 | 73.8 | 94.7 | 96.1 | . |
| | (b) 41.9 | 45.5 | 45.1 | 19.3 | 26.2 | 5.3 | 3.9 | . |
| Brazil | (a) 58.8 | 49.8 | 58.5 | 69.2 | 68.5 | 68.1 | 62.7 | 63.0 |
| | (b) 41.2 | 50.2 | 41.5 | 30.8 | 31.5 | 31.9 | 37.3 | 37.0 |
| Canada | (a) 30.4 | 27.7 | 29.5 | 24.0 | 25.1 | 26.6 | 27.1 | 27.7 |
| | (b) 69.6 | 72.3 | 70.5 | 76.0 | 74.9 | 73.4 | 72.9 | 72.3 |
| Chile | (a) 40.1 | 38.8 | 46.8 | 62.4 | 69.2 | 73.0 | 70.0 | 66.5 |
| | (b) 59.9 | 61.2 | 53.2 | 37.6 | 30.8 | 27.0 | 30.0 | 33.5 |
| Colombia | (a) 65.3 | 56.3 | 55.2 | 62.1 | 67.0 | 77.5 | 74.2 | 79.2 |
| | (b) 34.7 | 43.7 | 44.8 | 37.9 | 33.0 | 22.5 | 25.8 | 20.8 |
| Czechoslovakia | (a) 52.1 | 50.2 | 47.7 | 47.4 | 48.3 | 46.9 | 46.0 | . |
| | (b) 47.9 | 49.8 | 52.3 | 52.6 | 51.7 | 53.1 | 54.0 | . |
| Denmark | (a) 27.7 | 29.1 | 27.8 | 28.2 | 28.6 | 27.6 | 27.4 | *28.5 |
| | (b) 72.3 | 70.9 | 72.2 | 71.8 | 71.4 | 72.4 | 72.6 | *71.5 |
| Ecuador | (a) 71.3 | 67.0 | 65.3 | 81.9 | 85.1 | 76.9 | 69.0 | *77.0 |
| | (b) 28.7 | 33.0 | 34.7 | 18.1 | 14.9 | 23.1 | 31.0 | *23.0 |
| Estonia | (a) 63.3 | 63.0 | 74.4 | 67.4 | 70.8 | 74.9 | 72.9 | 74.5 |
| | (b) 36.7 | 37.0 | 25.6 | 32.6 | 29.2 | 25.1 | 27.1 | 25.5 |
| Finland | (a) 19.9 | 20.2 | 22.2 | 22.5 | 23.6 | 19.9 | 20.3 | 21.2 |
| | (b) 80.1 | 79.8 | 77.8 | 77.5 | 76.4 | 80.1 | 79.7 | 78.8 |
| France (Deposit banks) | (a) 92.7 | 92.2 | 93.8 | 94.2 | 94.9 | 95.0 | 95.2 | 95.9 |
| | (b) 7.3 | 7.8 | 6.2 | 5.8 | 5.1 | 5.0 | 4.8 | 4.1 |
| France (Investment banks) | (a) 57.4 | 64.0 | 64.7 | 70.5 | 57.8 | 60.6 | 63.2 | . |
| | (b) 42.6 | 36.0 | 35.3 | 29.5 | 42.2 | 39.4 | 36.8 | . |
| France (Deposit & Investment banks) | (a) 89.1 | 89.5 | 91.7 | 92.5 | 92.1 | 92.8 | 93.1 | . |
| | (b) 10.9 | 10.5 | 8.3 | 7.5 | 7.9 | 7.2 | 6.9 | . |
| Germany (All banks) ² | (a) 37.1 | 40.7 | 50.6 | 46.9 | 45.0 | 46.5 | 53.2 | 55.0 |
| | (b) 62.9 | 59.3 | 49.4 | 53.1 | 55.0 | 53.5 | 46.8 | 45.0 |
| Germany (Big Berlin banks) ³ | (a) 41.8 | 45.8 | 52.3 | 48.2 | 47.3 | 51.6 | 51.5 | 54.9 |
| | (b) 58.2 | 54.2 | 47.7 | 51.8 | 52.7 | 48.4 | 48.5 | 45.1 |
| Greece | (a) 62.8 | 80.3 | 74.8 | 73.0 | 76.0 | 78.8 | 79.0 | . |
| | (b) 37.2 | 19.7 | 25.2 | 27.0 | 24.0 | 21.2 | 21.0 | . |
| Hungary | (a) 32.6 | 30.9 | 33.9 | 35.0 | 35.6 | 32.1 | 32.1 | 31.3 |
| | (b) 67.4 | 69.1 | 66.1 | 65.0 | 64.4 | 67.9 | 67.9 | 68.7 |
| Italy ⁴ | (a) 72.8 | 72.1 | 73.5 | 72.1 | 71.1 | 69.4 | 66.4 | . |
| | (b) 27.2 | 27.9 | 26.5 | 27.9 | 28.9 | 30.6 | 33.6 | . |

* Provisional figure.

¹ End of June following year. Deposits within the Dominion only.² November returns. Including balances due to German banks.³ Including balances due to German banks.⁴ Including correspondents.

Table XI. — PERCENTAGE COMPOSITION OF COMMERCIAL BANK DEPOSITS (concluded).

(a) Current accounts and sight deposits } as percentage of total deposits.
 (b) Other deposits

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|---|-------|------|------|------|------|------|------|------|-------|
| Italy ¹ | { (a) | 22.8 | 21.2 | 22.6 | 21.7 | 21.9 | 20.4 | 22.3 | . |
| | { (b) | 77.2 | 78.8 | 77.4 | 78.3 | 78.1 | 79.6 | 77.7 | . |
| Japan (" Ordinary banks ") | { (a) | 35.0 | 33.6 | 32.0 | 33.2 | 33.2 | 32.6 | 31.3 | 31.4 |
| | { (b) | 65.0 | 66.4 | 68.0 | 66.8 | 66.8 | 67.4 | 68.7 | 68.6 |
| Latvia | { (a) | 94.0 | 93.7 | 91.6 | 94.2 | 94.4 | 95.2 | 96.0 | *80.9 |
| | { (b) | 6.0 | 6.3 | 8.4 | 5.8 | 5.6 | 4.8 | 4.0 | *19.1 |
| Mexico | { (a) | 80.4 | 75.2 | 70.2 | 83.4 | 78.1 | 82.3 | 78.7 | 77.3 |
| | { (b) | 19.6 | 24.8 | 29.8 | 16.6 | 21.9 | 17.7 | 21.3 | 22.7 |
| Netherlands | { (a) | 46.8 | 48.3 | 47.1 | 54.5 | 55.3 | 57.0 | 59.9 | . |
| | { (b) | 53.2 | 51.7 | 52.9 | 45.5 | 44.7 | 43.0 | 40.1 | . |
| New Zealand ² | { (a) | 39.5 | 32.9 | 31.1 | 32.9 | 35.3 | 39.5 | 46.0 | . |
| | { (b) | 60.5 | 67.1 | 68.9 | 67.1 | 64.7 | 60.5 | 54.0 | . |
| Norway | { (a) | 11.7 | 11.8 | 11.4 | 11.2 | 9.9 | 11.8 | 13.2 | *15.6 |
| | { (b) | 88.3 | 88.2 | 88.6 | 88.8 | 90.1 | 88.2 | 86.8 | *84.4 |
| Paraguay | { (a) | . | 71.2 | 65.5 | 71.2 | 79.1 | 84.3 | 84.4 | . |
| | { (b) | . | 28.8 | 34.5 | 28.8 | 20.9 | 15.7 | 15.6 | . |
| Peru | { (a) | 51.2 | 45.0 | 48.8 | 52.4 | 55.3 | 59.7 | 56.7 | 56.5 |
| | { (b) | 48.8 | 55.0 | 51.2 | 47.6 | 44.7 | 40.3 | 43.3 | 43.5 |
| Poland | { (a) | 49.2 | 45.9 | 51.4 | 49.8 | 54.7 | 52.9 | 54.0 | 58.5 |
| | { (b) | 50.8 | 54.1 | 48.6 | 50.2 | 45.3 | 47.1 | 46.0 | 41.5 |
| Portugal | { (a) | 46.0 | 44.0 | 57.2 | 58.8 | 62.2 | 62.8 | 65.5 | . |
| | { (b) | 54.0 | 56.0 | 42.8 | 41.2 | 37.8 | 37.2 | 34.5 | . |
| Spain | { (a) | 59.3 | 59.4 | 56.1 | 55.0 | 53.7 | 52.8 | 51.4 | . |
| | { (b) | 40.7 | 40.6 | 43.9 | 45.0 | 46.3 | 47.2 | 48.6 | . |
| Sweden | { (a) | 18.9 | 18.8 | 17.2 | 17.6 | 18.6 | 19.6 | 21.1 | 23.3 |
| | { (b) | 81.1 | 81.2 | 82.8 | 82.4 | 81.4 | 80.4 | 78.9 | 76.7 |
| Switzerland | { (a) | 27.5 | 15.5 | 17.2 | 17.4 | 16.6 | 15.5 | 13.8 | . |
| | { (b) | 72.5 | 84.5 | 82.8 | 82.6 | 83.4 | 84.5 | 86.2 | . |
| Union of South Africa ³ . . . | { (a) | 50.3 | 43.9 | 43.6 | 42.8 | 64.3 | 64.9 | 69.6 | 76.0 |
| | { (b) | 49.7 | 56.1 | 56.4 | 57.2 | 35.7 | 35.1 | 30.4 | 24.0 |
| Union of South Africa ⁴ . . . | { (a) | 49.5 | 45.6 | 46.4 | 47.2 | 61.7 | 62.2 | 64.9 | 70.6 |
| | { (b) | 50.5 | 54.4 | 53.6 | 52.8 | 38.3 | 37.8 | 35.1 | 29.4 |
| United Kingdom (London Clearing banks) | { (a) | 54.0 | 53.9 | 50.6 | 50.7 | 53.0 | 53.4 | 55.2 | 56.0 |
| | { (b) | 46.0 | 46.1 | 49.4 | 49.3 | 47.0 | 46.6 | 44.8 | 44.0 |
| U. S. A. (All banks) ⁵ | { (a) | 55.2 | 54.5 | 53.2 | 53.3 | 57.9 | 60.1 | 62.7 | *65.9 |
| | { (b) | 44.8 | 45.5 | 46.8 | 46.7 | 42.1 | 39.9 | 37.3 | *34.1 |
| U. S. A. (National banks) ⁵ | { (a) | 56.3 | 55.9 | 54.7 | 52.9 | 57.3 | 59.6 | 61.8 | *65.8 |
| | { (b) | 43.7 | 44.1 | 45.3 | 47.1 | 42.7 | 40.4 | 38.2 | *34.2 |
| Uruguay | { (a) | 47.6 | 46.0 | 48.2 | 54.6 | 49.0 | 46.5 | 40.0 | 33.3 |
| | { (b) | 52.4 | 54.0 | 51.8 | 45.4 | 51.0 | 53.5 | 60.0 | 66.7 |
| Yugoslavia | { (a) | 21.5 | 19.1 | 16.5 | 14.9 | 16.8 | 10.7 | 14.3 | . |
| | { (b) | 78.5 | 80.9 | 83.5 | 85.1 | 83.2 | 89.3 | 85.7 | . |

* Provisional figure.

¹ Deposits only.

² End of June following year. Deposits within the Dominion only.

³ Deposits within the Union only.

⁴ Including deposits with branches outside the Union.

⁵ End of June each year.

Table XII. — CASH RATIOS OF COMMERCIAL BANKS.

(a) Cash as percentage of demand deposits. (c) Cash as percentage of total deposits.
 (b) Cash and other items of a cash nature as percentage of demand deposits. (d) Cash and other items of a cash nature as percentage of total deposits.

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|------------------------------------|-----|------|------|------|------|------|------|-------|-------|
| Argentina | (a) | 38.6 | 37.0 | 50.9 | 57.8 | 42.4 | 34.5 | . | . |
| | (b) | 46.2 | 47.7 | 58.6 | 68.7 | 53.6 | 44.9 | . | . |
| | (c) | 11.9 | 11.6 | 14.5 | 18.1 | 14.7 | 11.6 | . | . |
| | (d) | 14.3 | 15.0 | 16.6 | 21.5 | 18.6 | 15.1 | . | . |
| Australia ¹ | (a) | 41.9 | 65.6 | 57.2 | 46.4 | 52.6 | 36.2 | 28.2 | . |
| | (b) | 44.0 | 67.2 | 58.7 | 48.0 | 54.1 | 37.8 | 30.0 | . |
| | (c) | 13.9 | 20.2 | 17.8 | 14.9 | 17.8 | 13.1 | 10.5 | . |
| | (d) | 14.6 | 20.7 | 18.3 | 15.4 | 18.3 | 13.7 | 11.1 | . |
| New Zealand ¹ | (a) | 29.7 | 38.7 | 37.5 | 27.5 | 22.3 | 16.4 | 34.1 | . |
| | (b) | 32.8 | 41.4 | 39.9 | 28.0 | 24.5 | 26.6 | 108.0 | . |
| | (c) | 11.7 | 12.7 | 11.7 | 9.0 | 7.9 | 6.5 | 15.7 | . |
| | (d) | 12.9 | 13.6 | 12.4 | 7.5 | 8.6 | 10.5 | 49.6 | . |
| Australasia ² | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | 20.9 | 22.0 | 22.8 | 21.0 | 19.9 | 21.7 | 17.9 | . |
| | (d) | 30.4 | 28.4 | 32.0 | 27.3 | 27.8 | 28.3 | 25.5 | . |
| Austria | (a) | . | 3.6 | . | 4.0 | 6.8 | 11.0 | 15.2 | . |
| | (b) | . | 3.6 | . | 4.0 | 6.8 | 11.0 | 15.2 | . |
| | (c) | . | 2.9 | . | 3.3 | 5.5 | 8.6 | 11.6 | . |
| | (d) | . | 2.9 | . | 3.3 | 5.5 | 8.6 | 11.6 | . |
| Belgium ³ | (a) | . | . | . | . | . | . | . | . |
| | (b) | 17.2 | . | 18.2 | 27.2 | 32.8 | . | 27.7 | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 12.5 | 11.5 | 13.7 | 20.5 | 25.5 | . | 23.3 | . |
| Bolivia | (a) | 79.8 | 43.0 | 57.8 | 29.6 | 80.6 | 35.8 | 41.9 | . |
| | (b) | 79.8 | 43.0 | 57.8 | 29.6 | 80.6 | 35.8 | 41.9 | . |
| | (c) | 46.1 | 23.4 | 31.7 | 23.9 | 59.5 | 33.9 | 40.2 | . |
| | (d) | 46.1 | 23.4 | 31.7 | 23.9 | 59.5 | 33.9 | 40.2 | . |
| Brazil | (a) | 44.5 | 40.8 | 35.2 | 39.0 | 33.1 | 27.9 | 27.6 | . |
| | (b) | 50.3 | 47.4 | 39.9 | 41.4 | 36.2 | 30.7 | 30.4 | . |
| | (c) | 26.2 | 20.3 | 20.6 | 27.0 | 22.1 | 19.0 | 17.3 | . |
| | (d) | 29.6 | 23.6 | 23.4 | 28.6 | 24.8 | 20.9 | 19.1 | . |
| Bulgaria | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | 15.9 | 18.4 | 16.0 | 16.2 | 19.2 | . |
| | (d) | 10.3 | 14.8 | 21.8 | 22.6 | 20.1 | 20.3 | 27.2 | . |
| Canada | (a) | 35.4 | 39.5 | 34.7 | 46.6 | 41.3 | 42.2 | 38.8 | 36.7 |
| | (b) | 56.4 | 60.2 | 51.0 | 63.8 | 58.5 | 60.5 | 55.1 | 54.4 |
| | (c) | 10.8 | 11.0 | 10.2 | 11.2 | 10.4 | 11.2 | 10.5 | 10.2 |
| | (d) | 17.2 | 16.7 | 15.0 | 15.3 | 14.7 | 16.1 | 15.5 | 15.1 |
| Chile | (a) | 32.4 | 30.1 | 44.4 | 50.1 | 39.0 | 26.6 | 21.8 | 25.6 |
| | (b) | 44.9 | 40.7 | 51.6 | 55.0 | 44.8 | 34.1 | 27.8 | 27.7 |
| | (c) | 13.0 | 11.7 | 20.8 | 31.3 | 27.0 | 19.3 | 15.3 | 17.0 |
| | (d) | 18.0 | 15.8 | 24.1 | 34.3 | 31.0 | 24.7 | 19.4 | 18.4 |
| Colombia | (a) | 26.2 | 29.5 | 40.0 | 43.0 | 37.6 | 35.9 | 36.1 | 31.4 |
| | (b) | 26.2 | 29.5 | 40.0 | 43.0 | 37.6 | 35.9 | 36.1 | 31.4 |
| | (c) | 17.0 | 16.6 | 18.8 | 26.7 | 25.2 | 27.8 | 26.8 | 24.9 |
| | (d) | 17.0 | 16.6 | 18.8 | 26.7 | 25.2 | 27.8 | 26.8 | 24.9 |
| Czechoslovakia | (a) | 20.7 | 18.4 | . | . | . | . | . | . |
| | (b) | 31.5 | 31.7 | 23.3 | 34.8 | 32.2 | 35.6 | 43.0 | . |
| | (c) | 10.8 | 9.2 | . | . | . | . | . | . |
| | (d) | 16.4 | 15.9 | 11.1 | 16.5 | 15.5 | 16.7 | 19.8 | . |
| Denmark | (a) | 14.0 | 15.0 | 14.1 | 26.4 | 18.0 | 23.0 | 20.2 | . |
| | (b) | 18.5 | 19.7 | 18.9 | 32.3 | 35.1 | 34.8 | 32.8 | *26.3 |
| | (c) | 3.9 | 4.4 | 6.7 | 7.4 | 5.2 | 6.4 | 55.4 | . |
| | (d) | 5.1 | 5.7 | 5.3 | 9.1 | 10.0 | 9.6 | 9.0 | *7.5 |

* Provisional figure.

¹ End of June following year. Accounts of domestic offices only.

² End of June following year. Including accounts of branches outside the Dominions.

³ Figures for 1935 are not strictly comparable with previous years.

Table XII. — CASH RATIOS OF COMMERCIAL BANKS (continued).

(a) Cash as percentage of demand deposits. (c) Cash as percentage of total deposits.
 (b) Cash and other items of a cash nature as percentage of demand deposits. (d) Cash and other items of a cash nature as percentage of total deposits.

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|---|-----|------|------|------|------|------|------|------|-------|
| Ecuador | (a) | 36.2 | 38.5 | 31.0 | 54.2 | 52.0 | 39.8 | 38.4 | *50.9 |
| | (b) | 38.3 | 43.0 | 34.1 | 55.8 | 57.6 | 44.6 | 45.4 | *59.7 |
| | (c) | 25.8 | 25.8 | 20.2 | 44.4 | 44.2 | 30.6 | 26.5 | *39.2 |
| | (d) | 27.3 | 28.8 | 22.3 | 45.7 | 49.0 | 34.3 | 31.3 | *46.0 |
| Estonia | (a) | 9.2 | 8.1 | 10.8 | 8.9 | 12.1 | 10.5 | 13.1 | 10.6 |
| | (b) | 14.7 | 15.9 | 19.0 | 18.1 | 21.4 | 26.5 | 27.4 | 21.4 |
| | (c) | 5.8 | 5.1 | 6.8 | 6.0 | 8.6 | 7.9 | 9.5 | 7.9 |
| | (d) | 9.3 | 10.0 | 12.0 | 12.2 | 15.2 | 19.9 | 20.0 | 16.0 |
| Finland | (a) | 16.0 | 14.3 | 14.2 | 13.3 | 30.2 | 26.2 | 39.0 | 46.7 |
| | (b) | 20.6 | 17.7 | 16.8 | 15.3 | 32.9 | 26.2 | 39.0 | 46.7 |
| | (c) | 3.2 | 2.9 | 3.1 | 3.0 | 7.1 | 5.2 | 7.9 | 9.9 |
| | (d) | 4.1 | 3.6 | 3.7 | 3.4 | 7.7 | 5.2 | 7.9 | 9.9 |
| France (Deposit banks) | (a) | . | . | . | . | . | . | . | . |
| | (b) | 16.3 | 19.1 | 31.9 | 27.4 | 21.6 | 22.5 | 21.4 | 21.4 |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 15.1 | 17.7 | 29.9 | 26.8 | 20.5 | 21.4 | 20.4 | 20.5 |
| France (Investment banks) | (a) | 14.7 | 13.8 | 24.4 | 24.6 | 31.2 | 26.0 | 17.8 | . |
| | (b) | 38.0 | 45.8 | 43.2 | 39.5 | 46.5 | 38.0 | 37.7 | . |
| | (c) | 8.4 | 8.8 | 15.8 | 17.3 | 18.0 | 15.8 | 11.2 | . |
| | (d) | 21.8 | 29.3 | 28.0 | 27.8 | 26.9 | 23.0 | 23.8 | . |
| France (Deposit and Investment banks) | (a) | . | . | . | . | . | . | . | . |
| | (b) | 17.7 | 21.0 | 32.5 | 28.1 | 22.7 | 23.2 | 22.2 | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 15.8 | 18.8 | 29.8 | 25.9 | 21.0 | 21.5 | 20.6 | . |
| Germany (All banks) ¹ | (a) | . | . | . | . | . | . | . | . |
| | (b) | 5.7 | 5.8 | 6.1 | 5.4 | 5.8 | 4.7 | 5.2 | 4.9 |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 2.1 | 2.3 | 3.1 | 2.5 | 2.6 | 2.2 | 2.5 | 2.4 |
| Germany (All banks) ⁴ | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 2.4 | 2.7 | 3.5 | 3.0 | 3.3 | 2.6 | 2.9 | 2.7 |
| Germany (All banks) ³ | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 4.6 | 5.1 | 5.8 | 5.4 | 6.2 | 5.8 | . | . |
| Germany (Big Berlin banks) ⁴ | (a) | . | . | . | . | . | . | . | . |
| | (b) | 10.0 | 10.4 | 12.1 | 8.5 | 9.1 | 8.5 | 9.9 | 9.0 |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 4.2 | 4.8 | 6.3 | 4.1 | 4.3 | 4.2 | 4.7 | 4.5 |
| Germany (Big Berlin banks) ³ | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 4.6 | 5.4 | 7.4 | 5.1 | 5.5 | 5.2 | 5.5 | 5.1 |
| Greece | (a) | 13.3 | 11.0 | 12.1 | 9.9 | 20.0 | 22.7 | 12.3 | . |
| | (b) | 13.3 | 11.0 | 12.1 | 9.9 | 20.0 | 22.7 | 12.3 | . |
| | (c) | 81.7 | 8.8 | 9.1 | 7.2 | 15.1 | 17.9 | 9.7 | . |
| | (d) | 8.2 | 8.8 | 9.1 | 7.2 | 15.1 | 17.9 | 9.7 | . |
| Hungary | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 10.7 | 9.3 | 9.7 | 9.6 | 8.0 | 8.1 | 8.6 | 8.4 |
| Italy (All banks) ⁵ | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | 3.8 | 5.0 | 4.3 | 4.8 | 5.0 | 4.9 | 5.0 | 5.3 |
| | (d) | 9.6 | 8.3 | 9.9 | 9.7 | 9.2 | 21.7 | 21.3 | 22.5 |

* Provisional figure.

¹ November returns. Deposits include balances due to German banks.² November returns. Deposits only.³ December figures. Deposits only.⁴ December figures. Deposits include balances due to German banks.⁵ Current accounts include inland correspondents.

Table XII. — CASH RATIOS OF COMMERCIAL BANKS (continued).

(a) Cash as percentage of demand deposits. (c) Cash as percentage of total deposits.
 (b) Cash and other items of a cash nature as percentage of demand deposits. (d) Cash and other items of a cash nature as percentage of total deposits.

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|---|------|------|------|------|------|------|------|------|
| Italy (All banks) ¹ | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 10.5 | 14.3 | 12.7 | 13.3 | 13.6 | 11.6 | 11.3 |
| | (d) | 26.6 | 23.7 | 29.4 | 26.9 | 25.3 | 51.8 | 48.4 |
| Italy (Principal banks) ² | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 10.4 | 8.4 | 8.5 | 9.0 | 8.8 | 7.6 | . |
| Italy (Principal banks) ¹ | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 55.5 | 47.4 | 48.0 | 47.4 | 39.4 | 31.4 | . |
| Japan (Clearing-house Member banks) | (a) | . | . | . | . | . | . | . |
| | (b) | 27.6 | 22.7 | 22.2 | 22.4 | 22.3 | 24.3 | 21.7 |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 11.3 | 9.3 | 8.6 | 8.7 | 8.9 | 9.6 | 8.1 |
| Latvia | (a) | 12.4 | 12.4 | 19.5 | 19.1 | 18.7 | 25.7 | 31.4 |
| | (b) | 14.7 | 14.9 | 21.1 | 20.2 | 19.8 | 27.2 | 35.3 |
| | (c) | 11.7 | 11.6 | 17.9 | 17.9 | 17.6 | 24.4 | 30.2 |
| | (d) | 13.8 | 14.0 | 19.3 | 19.0 | 18.7 | 25.9 | 33.9 |
| Lithuania | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 7.5 | 7.8 | 7.6 | 6.9 | 8.2 | 7.7 | 9.1 |
| Mexico | (a) | 31.0 | 39.2 | 29.4 | 45.9 | 43.4 | 47.4 | 35.9 |
| | (b) | 35.8 | 42.9 | 32.8 | 50.3 | 47.3 | 51.7 | 41.7 |
| | (c) | 24.9 | 29.5 | 20.6 | 38.3 | 33.9 | 39.0 | 28.3 |
| | (d) | 28.7 | 32.3 | 23.0 | 41.9 | 36.9 | 42.5 | 32.9 |
| Netherlands | (a) | . | . | . | . | . | . | . |
| | (b) | 14.7 | 14.9 | 20.7 | 34.9 | 39.0 | 31.3 | 17.6 |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 6.9 | 7.2 | 9.7 | 19.0 | 21.6 | 17.8 | 10.5 |
| Norway | (a) | 45.5 | 43.9 | 40.2 | 54.0 | 57.1 | 54.5 | 40.8 |
| | (b) | 46.0 | 44.4 | 40.6 | 54.4 | 57.5 | 55.1 | 41.2 |
| | (c) | 5.3 | 5.2 | 4.6 | 6.1 | 5.6 | 6.4 | 53.8 |
| | (d) | 5.4 | 5.2 | 4.6 | 6.1 | 5.7 | 6.5 | 54.3 |
| Peru | (a) | 30.7 | 34.2 | 34.5 | 33.1 | 48.9 | 38.5 | 26.9 |
| | (b) | 30.7 | 34.4 | 35.2 | 33.8 | 74.7 | 65.5 | 53.3 |
| | (c) | 15.7 | 15.4 | 16.8 | 17.3 | 27.0 | 23.0 | 15.3 |
| | (d) | 15.7 | 15.5 | 17.2 | 17.7 | 41.3 | 39.1 | 30.2 |
| Poland | (a) | 19.8 | 17.8 | 20.3 | 20.5 | 19.8 | 20.6 | 22.5 |
| | (b) | 25.0 | 23.2 | 24.0 | 24.2 | 22.4 | 22.5 | 24.3 |
| | (c) | 9.7 | 8.2 | 10.4 | 10.2 | 10.8 | 10.9 | 12.1 |
| | (d) | 12.3 | 10.6 | 12.3 | 12.1 | 12.2 | 11.9 | 13.1 |
| Portugal | (a) | . | . | . | . | . | . | . |
| | (b) | 33.7 | 37.3 | 45.3 | 34.9 | 33.5 | 33.4 | 29.4 |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 15.5 | 16.4 | 25.9 | 20.5 | 20.3 | 20.4 | 19.2 |
| Roumania | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . |
| | (d) | 12.9 | 15.0 | 10.1 | 9.6 | 12.7 | . | . |
| Spain ³ | (a) | 26.4 | 25.3 | 34.7 | 32.9 | 34.8 | 31.0 | 37.7 |
| | (b) | 47.6 | 44.0 | 56.4 | 54.4 | 54.6 | 50.0 | 53.4 |
| | (c) | 16.0 | 15.3 | 20.1 | 18.5 | 19.0 | 16.9 | 19.4 |
| | (d) | 28.8 | 26.8 | 32.7 | 30.6 | 29.8 | 27.2 | 27.5 |

* Provisional figure.

¹ Deposits excluding correspondents.² Current accounts include inland correspondents.³ Figures for 1935 are provisional.

Table XII. — CASH RATIOS OF COMMERCIAL BANKS (concluded).

(a) Cash as percentage of demand deposits. (c) Cash as percentage of total deposits.
 (b) Cash and other items of a cash nature as percentage of demand deposits. (d) Cash and other items of a cash nature as percentage of total deposits.

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|--|-----|------|------|------|------|------|------|-------|-------|
| Sweden | (a) | 12.8 | 13.1 | 14.4 | 21.3 | 49.4 | 41.2 | 36.7 | 44.1 |
| | (b) | 19.4 | 19.8 | 22.1 | 28.8 | 57.9 | 50.1 | 45.8 | 52.1 |
| | (c) | 2.4 | 2.4 | 2.5 | 3.7 | 9.2 | 8.1 | 7.7 | 10.3 |
| | (d) | 3.7 | 3.7 | 3.8 | 5.1 | 10.8 | 9.8 | 9.1 | 12.1 |
| Switzerland | (a) | . | . | . | . | . | . | . | . |
| | (b) | 9.8 | 20.0 | 52.2 | 51.1 | 46.5 | 46.2 | 34.5 | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 2.7 | 3.1 | 8.9 | 8.9 | 7.7 | 7.1 | 4.8 | . |
| Turkey | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | 47.5 | 40.5 | 47.4 | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 50.3 | 40.4 | 34.3 | 36.1 | 39.2 | 34.6 | 36.2 | . |
| Union of South Africa ¹ . . . | (a) | 23.3 | 22.6 | 22.9 | 18.4 | 41.2 | 34.8 | 38.7 | 28.1 |
| | (b) | 31.5 | 34.2 | 30.5 | 30.6 | 46.3 | 40.5 | 43.9 | 19.8 |
| | (c) | 11.5 | 10.3 | 10.6 | 8.7 | 25.4 | 21.6 | 25.1 | 31.9 |
| | (d) | 15.6 | 15.6 | 14.1 | 14.4 | 28.6 | 25.2 | 28.5 | 22.6 |
| United Kingdom and Irish Free State : | | | | | | | | | |
| England and Wales (10 London Clearing banks) | (a) | . | . | . | . | . | . | . | . |
| | (b) | 23.8 | 23.2 | 24.2 | 22.6 | 22.5 | 21.3 | 20.3 | 18.2 |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 12.9 | 12.5 | 12.2 | 11.5 | 12.0 | 11.4 | 11.2 | 10.2 |
| England and Wales (All banks) | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 25.2 | 23.9 | 22.9 | 21.7 | 22.0 | 23.2 | 23.0 | 24.3 |
| Scotland | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 24.8 | 24.9 | 24.8 | 24.6 | 23.6 | 24.6 | 24.6 | 24.0 |
| Ireland | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 12.6 | 11.7 | 13.1 | 15.0 | 13.3 | 14.9 | 15.3 | . |
| U.S.A. (All banks) ² | (a) | 16.1 | 17.4 | 19.4 | 20.1 | 20.6 | 26.4 | 50.0 | . |
| | (b) | 22.9 | 29.3 | 28.3 | 25.9 | 27.5 | 29.6 | 53.0 | . |
| | (c) | 8.9 | 9.5 | 10.3 | 10.7 | 11.9 | 15.9 | 31.3 | . |
| | (d) | 12.7 | 15.9 | 15.1 | 13.8 | 15.9 | 17.8 | 33.2 | . |
| U.S.A. (National banks) ² | (a) | 15.3 | 15.9 | 17.3 | 18.3 | 20.4 | 28.0 | 29.8 | . |
| | (b) | 22.6 | 27.6 | 35.2 | 23.5 | 26.2 | 31.1 | 32.6 | . |
| | (c) | 8.6 | 8.9 | 9.4 | 9.7 | 11.7 | 16.7 | 18.4 | . |
| | (d) | 12.7 | 15.4 | 19.2 | 12.4 | 15.0 | 18.5 | 20.1 | . |
| Uruguay ³ | (a) | 47.1 | 53.6 | 67.9 | 76.1 | 62.0 | 53.6 | 58.6 | 76.6 |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | 22.4 | 24.7 | 32.7 | 41.6 | 30.4 | 24.9 | 23.4 | 25.5 |
| | (d) | . | . | . | . | . | . | . | . |
| Venezuela ⁴ | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | 59.6 | . | . | 74.3 | 71.3 | 89.5 | 99.3 |
| | (d) | . | 65.9 | . | . | 89.2 | 88.2 | 104.0 | 128.3 |
| Yugoslavia | (a) | . | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . | . |
| | (c) | . | . | . | . | . | . | . | . |
| | (d) | 5.6 | 5.4 | 5.4 | 5.5 | 6.9 | 7.4 | 10.2 | . |

¹ Including accounts with branches outside the Union.

² End of June each year.

³ Excluding the Banco de la República.

⁴ Ten banks.

Table XIII. — MOVEMENT OF BANK CLEARINGS 1929 = 100

A. Clearings. B. Transfers. C. Bank Debits.

| Period | Argentine Buenos Aires | Austra- lia Sydney Mel- bourne | Austria 1 | Belgium Bru- xelles et Pro- vince | Brazil Banco do Brasil | Bul- garia Na- tional Bank | Canada 2 | Chile 3 | Co- lombia 4 towns | Czecho- slovakia Prague Brno Bratis- lava | Estonia Eesti Bank | Finland Bank of Finland | France Paris 5 | Ger- many Reichs- bank | Greece Athens 6 | Hun- gary Buda- pest 7 | Italy 11 towns 8 |
|--------------------|------------------------------|--|--------------|---|---------------------------------|--|-------------|------------|--------------------------|--|--------------------------|-------------------------------|-------------------|---------------------------------|--------------------|---------------------------------|------------------------|
| | A | A | B | A | A | A | C | A | A | A | A | A | A | B | A | A | A |
| Quarterly averages | | | | | | | | | | | | | | | | | |
| 1930 I | 90 | 98 | 98 | 93 | . | . | 78 | 96 | 64 | 91 | 105 | 96 | 106 | 95 | 88 | 80 | 86 |
| II | 89 | 86 | 95 | 98 | . | . | 85 | 97 | 61 | 82 | 115 | 99 | 117 | 92 | 118 | 59 | 89 |
| III | . | 76 | 99 | 92 | . | . | 76 | 81 | 57 | 72 | 114 | 98 | 111 | 96 | 111 | 62 | 88 |
| IV | . | 90 | 104 | 93 | . | . | 82 | 77 | 51 | 77 | 89 | 99 | 100 | 92 | 129 | 90 | 95 |
| 1931 I | 114 | 87 | 90 | 81 | 75 | 74 | 67 | 65 | 54 | 81 | 67 | 82 | 96 | 84 | 105 | 65 | 90 |
| II | 81 | 82 | 103 | 83 | 82 | 59 | 74 | 58 | 47 | 70 | 71 | 79 | 106 | 86 | 106 | 73 | 85 |
| III | 74 | 71 | 84 | 78 | 77 | 55 | 61 | 41 | 47 | 77 | 74 | 75 | 86 | 81 | 99 | 181 | 78 |
| IV | 71 | 79 | 86 | 67 | 76 | 48 | 69 | 47 | 39 | 90 | 46 | 86 | 72 | 81 | 58 | 199 | 75 |
| 1932 I | 65 | 61 | 75 | 67 | 74 | 30 | 52 | 45 | 42 | 79 | 40 | 76 | 67 | 74 | 37 | 250 | 59 |
| II | 62 | 71 | 73 | 57 | 85 | 30 | 55 | 51 | 43 | 74 | 44 | 69 | 68 | 70 | 47 | 263 | 78 |
| III | 59 | 78 | 75 | 59 | 53 | 38 | 55 | 64 | 47 | 99 | 41 | 74 | 58 | 70 | 56 | 289 | 59 |
| IV | 57 | 95 | 71 | 60 | 81 | 34 | 59 | 72 | 45 | 109 | 43 | 78 | 67 | 68 | 59 | 303 | 63 |
| 1933 I | 56 | 81 | 69 | 56 | 91 | 22 | 49 | 70 | 52 | 52 | 38 | 76 | 71 | 67 | 56 | 276 | 62 |
| II | 58 | 84 | 66 | 52 | 92 | 23 | 64 | 80 | 51 | 57 | 41 | 73 | 73 | 65 | 56 | 218 | 57 |
| III | 55 | 80 | 69 | 52 | 104 | 22 | 74 | 85 | 64 | 57 | 49 | 77 | 74 | 66 | 59 | 196 | 58 |
| IV | 65 | 96 | 71 | 48 | 97 | 24 | 70 | 79 | 73 | 54 | 54 | 86 | 78 | 70 | 67 | 230 | 69 |
| 1934 I | 55 | 91 | 63 | 54 | 107 | 17 | 62 | 86 | 86 | 56 | 44 | 85 | 74 | 71 | 55 | 214 | 84 |
| II | 58 | 94 | 56 | 51 | 112 | 26 | 71 | 98 | 87 | 47 | 52 | 91 | 60 | 73 | 64 | 181 | 67 |
| III | 59 | 86 | 48 | 53 | 129 | 28 | 68 | 101 | 100 | 46 | 55 | 92 | 57 | 74 | 73 | 187 | 56 |
| IV | 59 | 95 | 52 | 63 | 126 | 40 | 82 | 110 | 88 | 54 | 60 | 100 | 62 | 79 | 77 | 245 | 73 |
| Monthly averages | | | | | | | | | | | | | | | | | |
| 1935 I | 61 | 86 | 53 | 62 | 121 | 26 | 69 | 113 | 110 | 61 | 46 | 103 | 74 | 84 | 77 | 222 | 76 |
| II | 56 | 100 | 44 | 51 | 103 | 31 | 54 | 105 | 107 | 52 | 44 | 91 | 58 | 76 | 73 | 210 | 62 |
| III | 56 | 91 | 47 | 62 | 124 | 43 | 58 | 114 | 112 | 51 | 55 | 97 | 67 | 84 | 74 | 194 | 61 |
| IV | 63 | 88 | 51 | 82 | 124 | 35 | 61 | 120 | 103 | 51 | 55 | 95 | 71 | 82 | 79 | 219 | 63 |
| V | 64 | 98 | 50 | 96 | 133 | 39 | 81 | 127 | 110 | 49 | 59 | 99 | 76 | 79 | 78 | 208 | 61 |
| VI | 67 | 101 | 48 | 62 | 123 | 25 | 70 | 112 | 98 | 43 | 66 | 98 | 64 | 82 | 72 | 196 | 69 |
| VII | 71 | 92 | 51 | 55 | 149 | 32 | 65 | 123 | 121 | 58 | 62 | 109 | 65 | 85 | 93 | 282 | 68 |
| VIII | 64 | 90 | 49 | 58 | 145 | 35 | 64 | 118 | 113 | 45 | 62 | 101 | 58 | 87 | 87 | 231 | 73 |
| IX | 71 | 91 | 50 | 48 | 146 | 46 | 62 | 98 | 110 | 52 | 71 | 101 | 57 | 92 | 78 | 208 | 72 |
| X | 79 | 106 | 56 | 54 | 149 | 49 | 75 | 128 | 123 | 67 | 68 | 119 | 71 | 94 | 85 | 260 | 75 |
| XI | 63 | 111 | 54 | 57 | 140 | 55 | 78 | 121 | 115 | 64 | 79 | 104 | 75 | 90 | 92 | 242 | 72 |
| XII | 74 | 110 | 59 | 59 | 151 | 59 | 75 | 127 | 107 | 66 | 77 | 112 | 60 | 90 | 86 | 218 | 66 |
| 1936 I | 71 | 87 | 53 | 65 | 155 | 54 | 77 | 127 | 134 | 80 | 83 | 119 | 63 | 102 | 85 | 198 | 70 |
| II | 63 | 104 | 51 | 62 | 133 | 42 | 71 | 121 | 127 | 58 | 71 | 101 | 58 | 90 | 81 | 207 | 63 |
| III | 67 | 101 | 50 | 64 | 153 | 66 | 67 | 137 | 136 | 56 | 81 | 103 | 63 | 87 | 74 | 240 | 59 |
| IV | 68 | 97 | 53 | 62 | 135 | 53 | 71 | 144 | 134 | 60 | 65 | 103 | 64 | 94 | 68 | 215 | 65 |
| V | 65 | 100 | 50 | 71 | 148 | 64 | 77 | 146 | 121 | 58 | 77 | 108 | 60 | 90 | 73 | 187 | 64 |
| VI | 70 | 98 | 49 | 66 | 143 | 39 | 81 | 132 | 106 | 99 | 85 | 113 | 59 | 94 | 74 | 206 | 64 |
| VII | 75 | 101 | 54 | 61 | 180 | 45 | 74 | 151 | 132 | 128 | 86 | 123 | 48 | 100 | 83 | 173 | 74 |
| VIII | 71 | 90 | 52 | 65 | 167 | 53 | 67 | 127 | 117 | 89 | 91 | 112 | 40 | 87 | 75 | 177 | 65 |
| IX | 70 | 93 | 54 | 65 | 152 | 99 | 81 | 125 | 117 | 102 | 96 | 127 | 51 | 93 | 72 | 218 | 55 |
| X | 70 | 111 | 62 | 87 | 158 | 70 | 86 | 151 | 130 | 102 | 98 | 139 | 61 | 102 | 86 | 248 | 70 |
| XI | 72 | 115 | 55 | 65 | 164 | 90 | 85 | 135 | 124 | 79 | 85 | 125 | 55 | 94 | 76 | 185 | 62 |
| XII | 100 | 115 | 59 | 72 | ... | 89 | 83 | 145 | 120 | 98 | 96 | 143 | 60 | 107 | 98 | 197 | 80 |
| 1937 I | 81 | ... | 55 | 73 | ... | 62 | 83 | 142 | 142 | 124 | 98 | 153 | 57 | 106 | 94 | 164 | 87 |
| II | 75 | ... | 51 | 70 | ... | 76 | 70 | 131 | 122 | 104 | 92 | 136 | 56 | 95 | 113 | 155 | 68 |
| III | 92 | ... | 60 | 83 | ... | 84 | 82 | 159 | 127 | 108 | 103 | 146 | 71 | 115 | 138 | 156 | 84 |

¹ Austrian Nationalbank, Postsparkasse und Wiener Giro- und Kasserverein. — ² All clearing-houses. — ³ Clearing-house of the Bankers Association of Paris. — ⁴ Amounts cleared plus balances cleared through transfers at the Bank of Greece. — ⁵ Clearing Association of Budapest. — ⁶ Daily averages.

Table XIII. — MOVEMENT OF BANK CLEARINGS 1929 = 100 (concluded).

A. Clearings. B. Transfers. C. Bank Debits.

| Period | Japan ¹ | Luxemburg | Netherlands National Bank | New Zealand | Norway Oslo | Peru Lima | Poland 6 towns | Portugal Lisbon Porto | Roumania Bucarest | Sweden Riksbank | Switzerland National Bank | Turkey Istanbul | Union of South Africa 7 towns | United Kingdom Country and Provincial | U. S. A. ² | Yugoslavia National Bank |
|--------------------|--------------------|-----------|---------------------------|-------------|-------------|-----------|----------------|-----------------------|-------------------|-----------------|---------------------------|-----------------|-------------------------------|---------------------------------------|-----------------------|--------------------------|
| | A | A | B | C | A | C | A | A | A | A | B | A | A | A | C | B |
| Quarterly averages | | | | | | | | | | | | | | | | |
| 1930 I | 83 | . | 89 | 105 | . | 91 | 107 | 110 | 106 | 103 | 105 | . | 104 | 98 | 87 | 92 |
| II | 84 | . | 86 | 92 | . | 82 | 122 | 82 | 139 | 108 | 103 | . | 89 | 94 | 88 | 93 |
| III | 78 | . | 87 | 81 | 107 | 81 | 124 | 101 | 151 | 107 | 95 | . | 95 | 87 | 79 | 108 |
| IV | 80 | . | 84 | 82 | 113 | 67 | 129 | 97 | 182 | 111 | 104 | . | 93 | 89 | 80 | 113 |
| 1931 I | 67 | . | 80 | 74 | 102 | 58 | 118 | 72 | 154 | 107 | 105 | 72 | 95 | 88 | 70 | 93 |
| II | 76 | . | 84 | 70 | 98 | 65 | 112 | 68 | 175 | 109 | 107 | 68 | 87 | 85 | 70 | 98 |
| III | 73 | . | 58 | 62 | 91 | 62 | 104 | 61 | 56 | 98 | 93 | 65 | 92 | 80 | 62 | 101 |
| IV | 76 | . | 49 | 63 | 94 | 63 | 92 | 72 | 24 | 111 | 79 | 77 | 87 | 86 | 60 | 74 |
| 1932 I | 77 | 95 | 44 | 67 | 73 | 63 | 86 | 81 | 13 | 92 | 60 | 56 | 84 | 87 | 51 | 69 |
| II | 79 | 94 | 40 | 63 | 79 | 66 | 92 | 76 | 12 | 89 | 56 | 52 | 71 | 83 | 48 | 66 |
| III | 79 | 79 | 37 | 54 | 75 | 70 | 87 | 74 | 13 | 76 | 47 | 59 | 78 | 80 | 43 | 63 |
| IV | 98 | 88 | 36 | 62 | 85 | 70 | 89 | 98 | 15 | 92 | 53 | 66 | 80 | 84 | 44 | 75 |
| 1933 I | 92 | 77 | 40 | 67 | 88 | 67 | 82 | 136 | 12 | 81 | 53 | 54 | 133 | 86 | 39 | 57 |
| II | 98 | 98 | 40 | 62 | 81 | 81 | 103 | 166 | 11 | 79 | 65 | 48 | 107 | 88 | 42 | 52 |
| III | 114 | 85 | 44 | 59 | 83 | 91 | 109 | 150 | 10 | 80 | 56 | 49 | 129 | 84 | 46 | 46 |
| IV | 119 | 76 | 38 | 67 | 88 | 90 | 117 | 176 | 11 | 82 | 60 | 60 | 117 | 82 | 46 | 52 |
| 1934 I | 104 | 72 | 38 | 84 | 77 | 82 | 107 | 183 | 11 | 78 | 57 | 48 | 143 | 94 | 47 | 44 |
| II | 103 | 93 | 42 | 78 | 78 | 104 | 115 | 159 | 15 | 82 | 53 | 43 | 150 | 90 | 52 | 41 |
| III | 98 | 78 | 41 | 66 | 76 | 114 | 113 | 157 | 15 | 80 | 45 | 42 | 151 | 87 | 49 | 45 |
| IV | 100 | 91 | 41 | 73 | 89 | 117 | 120 | 197 | 18 | 98 | 50 | 55 | 136 | 95 | 53 | 47 |
| Monthly averages | | | | | | | | | | | | | | | | |
| 1935 I | 88 | 74 | 44 | 68 | 97 | 114 | 114 | 167 | 16 | 95 | 52 | 46 | 144 | 101 | 55 | 38 |
| II | 91 | 78 | 37 | 86 | 75 | 102 | 111 | 160 | 17 | 77 | 44 | 55 | 145 | 96 | 48 | 33 |
| III | 100 | 146 | 37 | 92 | 87 | 106 | 139 | 165 | 15 | 95 | 55 | 40 | 148 | 92 | 57 | 41 |
| IV | 93 | 120 | 50 | 81 | 100 | 116 | 120 | 167 | 16 | 92 | 85 | 43 | 126 | 94 | 57 | 38 |
| V | 101 | 105 | 45 | 76 | 87 | 122 | 131 | 197 | 24 | 96 | 63 | 52 | 119 | 95 | 56 | 38 |
| VI | 96 | 79 | 42 | 71 | 87 | 131 | 112 | 191 | 23 | 102 | 54 | 50 | 125 | 96 | 57 | 43 |
| VII | 93 | 93 | 53 | 72 | 108 | 154 | 139 | 189 | 23 | 101 | 59 | 46 | 138 | 102 | 60 | 42 |
| VIII | 86 | 124 | 42 | 72 | 77 | 147 | 129 | 188 | 21 | 84 | 42 | 43 | 136 | 91 | 56 | 44 |
| IX | 94 | 60 | 42 | 76 | 90 | 148 | 139 | 160 | 21 | 88 | 41 | 43 | 122 | 89 | 54 | 43 |
| X | 107 | 85 | 45 | 70 | 117 | 148 | 145 | 178 | 25 | 99 | 42 | 44 | 138 | 100 | 61 | 53 |
| XI | 105 | 70 | 42 | 78 | 100 | 138 | 130 | 179 | 23 | 102 | 40 | 59 | 151 | 97 | 60 | 48 |
| XII | 129 | 64 | 41 | 94 | 117 | 138 | 137 | 189 | 19 | 101 | 44 | 48 | 134 | 106 | 68 | 47 |
| 1936 I | 95 | 73 | 42 | 85 | 105 | 146 | 132 | 184 | 14 | 98 | 41 | 57 | 153 | 107 | 63 | 42 |
| II | 97 | 58 | 40 | 104 | 94 | 124 | 125 | 163 | 20 | 82 | 44 | 49 | 160 | 103 | 57 | 43 |
| III | 107 | 76 | 34 | 104 | 101 | 147 | 142 | 203 | 21 | 85 | 52 | 45 | 158 | 101 | 65 | 41 |
| IV | 102 | 91 | 32 | 101 | 99 | 140 | 134 | 186 | 14 | 98 | 37 | 40 | 152 | 105 | 63 | 41 |
| V | 103 | 70 | 42 | 98 | 93 | 146 | 124 | 195 | 21 | 113 | 43 | 42 | 160 | 103 | 62 | 38 |
| VI | 118 | 71 | 43 | 84 | 117 | 162 | 123 | 199 | 25 | 95 | 48 | 46 | 184 | 99 | 68 | 40 |
| VII | 122 | 95 | 46 | 89 | 128 | 184 | 141 | 190 | 23 | 99 | 42 | 43 | 212 | 108 | 67 | 42 |
| VIII | 106 | 78 | 37 | 81 | 86 | 166 | 128 | 176 | 18 | 79 | 39 | 41 | 178 | 99 | 62 | 44 |
| IX | 114 | 73 | 39 | 80 | 100 | 170 | 147 | 207 | 20 | 103 | 44 | 48 | 159 | 98 | 64 | 50 |
| X | 109 | 113 | 52 | 87 | 123 | 167 | 148 | 198 | 29 | 122 | 127 | 51 | 185 | 111 | 73 | 56 |
| XI | 105 | 77 | 55 | 92 | 112 | 149 | 132 | 303 | 29 | 116 | 64 | 66 | 189 | 112 | 67 | 55 |
| XII | 137 | 76 | 64 | 117 | 116 | 173 | 145 | 281 | 25 | 129 | 61 | 76 | 202 | 116 | 84 | 57 |
| 1937 I | 118 | 72 | 60 | 141 | 110 | 150 | 133 | 214 | 21 | 113 | 51 | 72 | 230 | 120 | 74 | 51 |
| II | 120 | 69 | 45 | 157 | 99 | 135 | 125 | 203 | 23 | 127 | 50 | 53 | 239 | 115 | 64 | 46 |
| III | 153 | 90 | 51 | 115 | 114 | ... | 167 | 237 | 30 | 116 | 48 | 66 | 212 | 116 | 78 | 57 |

¹ All clearing-houses. — ² Outside New York City.

Table XIV. — PERCENTAGE MOVEMENTS OF COMMERCIAL BANK CREDITS AND INVESTMENTS
(1929 = 100.)

| Country | | 1929 - 100 | | | | | | 1936 |
|------------------------------------|-----|------------|------|------|------|-------|-------|------|
| | | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | |
| Argentina | (a) | 101 | 102 | 93 | 86 | 83 | . | . |
| | (b) | 109 | 99 | 95 | 100 | 101 | . | . |
| | (c) | 105 | 100 | 94 | 93 | 93 | . | . |
| | (d) | 115 | 128 | 124 | 115 | 110 | . | . |
| | (e) | 106 | 102 | 96 | 95 | 94 | . | . |
| | (f) | | | | | | | |
| Australia ¹ | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 92 | 87 | 89 | 90 | 97 | 100 | . |
| | (d) | 111 | 226 | 274 | 270 | 269 | 230 | . |
| | (e) | 93 | 97 | 102 | 102 | 108 | 109 | . |
| | (f) | | | | | | | |
| New Zealand ¹ | (a) | 75 | 58 | 50 | 158 | 42 | 42 | . |
| | (b) | 99 | 94 | 87 | 74 | 82 | 84 | . |
| | (c) | 99 | 94 | 86 | 77 | 81 | 84 | . |
| | (d) | 82 | 163 | 257 | 486 | 104 | 95 | . |
| | (e) | 57 | 57 | 57 | 57 | 29 | 43 | . |
| | (f) | 97 | 100 | 102 | 114 | 83 | 84 | . |
| Australasia ² | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 95 | 90 | 89 | 90 | 91 | 96 | . |
| | (d) | 101 | 147 | 179 | 203 | 185 | 171 | . |
| | (e) | 96 | 96 | 99 | 102 | 102 | 104 | . |
| | (f) | | | | | | | |
| Austria | (a) | 100 | . | 45 | 44 | 49 | 48 | . |
| | (b) | 100 | . | 52 | 44 | 39 | 36 | . |
| | (c) | 100 | . | 51 | 44 | 40 | 38 | . |
| | (d) | 100 | . | 53 | 51 | 46 | 49 | . |
| | (e) | 100 | . | 51 | 45 | 41 | 39 | . |
| | (f) | | | | | | | |
| Belgium ³ | (a) | 104 | 101 | 83 | 85 | . | 69 | . |
| | (b) | 98 | 74 | 59 | 55 | . | 52 | . |
| | (c) | 99 | 80 | 64 | 62 | . | 56 | . |
| | (d) | 125 | 126 | 123 | 121 | . | 74 | . |
| | (e) | 104 | 88 | 74 | 72 | . | 59 | . |
| | (f) | | | | | | | |
| Bolivia | (a) | 91 | 91 | 54 | 63 | 44 | 59 | . |
| | (b) | 98 | 87 | 89 | 81 | 84 | 86 | . |
| | (c) | 95 | 88 | 78 | 75 | 71 | 77 | . |
| | (d) | 118 | 148 | 446 | 713 | 1,349 | 2,131 | . |
| | (e) | 100 | 101 | 157 | 213 | 347 | 521 | . |
| | (f) | | | | | | | |
| Brazil | (a) | 85 | 83 | 102 | 106 | 105 | 117 | . |
| | (b) | 103 | 101 | 105 | 110 | 124 | 127 | . |
| | (c) | 95 | 92 | 104 | 108 | 115 | 122 | . |
| | (d) | 138 | 157 | 161 | 166 | 157 | 196 | . |
| | (e) | 96 | 95 | 106 | 110 | 117 | 125 | . |
| | (f) | | | | | | | |
| Bulgaria | (a) | 75 | 54 | 45 | 35 | 29 | 31 | . |
| | (b) | 89 | 67 | 53 | 51 | 46 | 39 | . |
| | (c) | . | . | . | . | . | . | . |
| | (d) | . | . | . | . | . | . | . |
| | (e) | . | . | . | . | . | . | . |
| | (f) | 83 | 61 | 50 | 44 | 42 | 39 | . |

¹ End of June following year. Accounts of domestic offices only.

² End of June following year. Including accounts of branches outside the Dominions.

³ 1935 is not strictly comparable with previous years.

Table XIV. — PERCENTAGE MOVEMENTS OF COMMERCIAL BANK CREDITS AND INVESTMENTS
(1929 = 100) (continued).

| Country | | 1929 = 100 | | | | | | |
|---------------------------|-----|------------|------|------|------|------|------|----------|
| | | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
| Canada | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 81 | 73 | 64 | 60 | 57 | 54 | 50 |
| | (d) | 137 | 162 | 186 | 207 | 237 | 282 | 325 |
| | (e) | 118 | 113 | 93 | 97 | 79 | 96 | 181 |
| | (f) | 90 | 86 | 82 | 82 | 84 | 88 | 92 |
| Chile | (a) | 76 | 31 | 28 | 62 | 75 | 95 | 114 |
| | (b) | 103 | 92 | 93 | 92 | 114 | 125 | 126 |
| | (c) | 95 | 73 | 73 | 83 | 102 | 116 | 123 |
| | (d) | 88 | 188 | 388 | 175 | 81 | 138 | 175 |
| | (e) | 102 | 78 | 87 | 88 | 173 | 138 | 117 |
| | (f) | 95 | 75 | 77 | 84 | 106 | 117 | 123 |
| Colombia | (a) | 84 | 58 | 36 | 34 | 48 | 59 | 76 |
| | (b) | 92 | 86 | 68 | 69 | 36 | 34 | 41 |
| | (c) | 88 | 71 | 51 | 45 | 43 | 48 | 60 |
| | (d) | 106 | 114 | 153 | 209 | 239 | 187 | 209 |
| | (e) | 90 | 76 | 63 | 64 | 64 | 64 | 77 |
| | (f) | 103 | 79 | 70 | 72 | 72 | 83 | . |
| Czechoslovakia | (b) | 99 | 83 | 71 | 66 | 67 | 66 | . |
| | (c) | 100 | 83 | 71 | 67 | 68 | 68 | . |
| | (d) | 110 | 112 | 91 | 94 | 96 | 100 | . |
| | (e) | 101 | 87 | 74 | 70 | 72 | 72 | . |
| | (f) | 106 | 107 | 89 | 87 | 89 | 95 | 103 |
| | (b) | 99 | 98 | 88 | 89 | 92 | 96 | 105 |
| Denmark | (c) | 101 | 100 | 88 | 89 | 92 | 96 | 104 |
| | (d) | 96 | 77 | 86 | 113 | 155 | 131 | 104 |
| | (e) | 116 | 104 | 102 | 107 | 113 | 109 | 104 |
| | (f) | 104 | 100 | 91 | 94 | 96 | 100 | 104 |
| | (a) | 109 | 73 | 84 | 194 | 267 | 276 | June 261 |
| | (b) | 91 | 73 | 73 | 67 | 72 | 67 | 83 |
| Ecuador | (c) | 95 | 73 | 76 | 98 | 120 | 118 | 126 |
| | (d) | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| | (e) | 103 | 79 | 77 | 74 | 76 | 84 | 87 |
| | (f) | 96 | 74 | 76 | 95 | 115 | 115 | 122 |
| | (a) | 98 | 78 | 67 | 70 | 80 | 84 | 103 |
| | (b) | 111 | 93 | 76 | 74 | 71 | 77 | 84 |
| Estonia | (c) | 105 | 86 | 72 | 72 | 75 | 80 | 93 |
| | (d) | 140 | 113 | 147 | 173 | 227 | 440 | 733 |
| | (e) | 105 | 86 | 73 | 74 | 77 | 85 | 102 |
| | (a) | 82 | 71 | 55 | 43 | 41 | 46 | 45 |
| | (b) | 104 | 103 | 102 | 99 | 97 | 95 | 94 |
| | (c) | 96 | 92 | 86 | 79 | 77 | 78 | 77 |
| Finland | (d) | 106 | 122 | 128 | 263 | 328 | 384 | 534 |
| | (e) | 122 | 129 | 160 | 172 | 337 | 373 | 534 |
| | (f) | 97 | 93 | 88 | 82 | 84 | 86 | 89 |
| | (a) | 95 | 81 | 98 | 89 | 82 | 72 | 79 |
| | (b) | 115 | 97 | 73 | 78 | 77 | 75 | 71 |
| | (c) | 102 | 86 | 89 | 85 | 80 | 73 | 76 |
| France (Deposit banks) | (d) | 117 | 132 | 101 | 104 | 104 | 100 | 101 |
| | (e) | 102 | 86 | 89 | 85 | 80 | 74 | 76 |
| | (f) | 102 | 86 | 89 | 85 | 80 | 74 | 76 |
| | (f) | 102 | 86 | 89 | 85 | 80 | 74 | 76 |

* Provisional figures.

Table XIV. — PERCENTAGE MOVEMENTS OF COMMERCIAL BANK CREDITS AND INVESTMENTS
(1929 = 100) (continued).

(a) Discounts. (c) Total discounts, loans and advances. (e) Other investments and participations.
(b) Loans and advances. (d) Government securities. (f) Total.

| Country | | 1929 - 100 | | | | | | 1936 |
|---|-----|------------|-------|-------|-------|-------|-------|-------|
| | | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | |
| France (Investment banks) | (a) | 97 | 82 | 96 | 64 | 59 | 51 | . |
| | (b) | 78 | 46 | 33 | 40 | 36 | 36 | . |
| | (c) | 85 | 59 | 56 | 49 | 45 | 42 | . |
| | (d) | 109 | 118 | 115 | 105 | 88 | 81 | . |
| | (e) | 89 | 69 | 66 | 58 | 52 | 49 | . |
| | (f) | 109 | 118 | 115 | 105 | 88 | 81 | . |
| France (Deposit and investment banks) | (a) | 95 | 81 | 98 | 87 | 80 | 71 | . |
| | (b) | 109 | 88 | 66 | 72 | 70 | 69 | . |
| | (c) | 100 | 84 | 86 | 81 | 77 | 70 | . |
| | (d) | 111 | 121 | 112 | 105 | 92 | 90 | . |
| | (e) | 100 | 84 | 87 | 82 | 77 | 71 | . |
| | (f) | 100 | 84 | 87 | 82 | 77 | 71 | . |
| Germany ¹ (All banks) | (a) | 85 | 50 | 55 | 59 | 70 | 74 | 91 |
| | (b) | 102 | 78 | 66 | 57 | 54 | 48 | 47 |
| | (c) | 97 | 71 | 63 | 57 | 58 | 55 | 58 |
| | (d) | 141 | 1,179 | 1,731 | 1,503 | 1,248 | 1,817 | 2,100 |
| | (e) | 94 | 93 | 81 | 81 | 100 | 99 | 106 |
| | (f) | 97 | 75 | 68 | 62 | 68 | 61 | 65 |
| Germany ² (All banks) | (a) | 90 | 61 | 65 | 66 | 78 | . | . |
| | (b) | 97 | 66 | 56 | 50 | 46 | . | . |
| | (c) | 95 | 65 | 59 | 54 | 55 | . | . |
| | (d) | 98 | 129 | 129 | 107 | 117 | . | . |
| | (e) | 95 | 69 | 63 | 58 | 59 | . | . |
| | (f) | 95 | 69 | 63 | 58 | 59 | . | . |
| Germany (Big Berlin banks) | (a) | 85 | 49 | 57 | 58 | 66 | 72 | 83 |
| | (b) | 96 | 65 | 58 | 49 | 43 | 39 | 36 |
| | (c) | 93 | 60 | 57 | 51 | 49 | 49 | 50 |
| | (d) | 127 | 373 | 440 | 520 | 2,007 | 2,673 | 2,953 |
| | (e) | 91 | 85 | 97 | 89 | 123 | 120 | 135 |
| | (f) | 93 | 61 | 60 | 54 | 55 | 55 | 57 |
| Greece | (a) | 69 | 58 | 41 | 71 | 71 | 65 | . |
| | (b) | 147 | 142 | 140 | 128 | 141 | 161 | . |
| | (c) | 121 | 113 | 107 | 107 | 117 | 129 | . |
| | (d) | 129 | 123 | 111 | 103 | 106 | 105 | . |
| | (e) | 122 | 115 | 108 | 106 | 115 | 124 | . |
| | (f) | 122 | 115 | 108 | 106 | 115 | 124 | . |
| Hungary | (a) | 109 | 103 | 93 | 92 | 94 | 94 | 96 |
| | (b) | 105 | 91 | 78 | 73 | 70 | 70 | 68 |
| | (c) | 107 | 97 | 85 | 82 | 82 | 81 | 81 |
| | (d) | 98 | 96 | 213 | 210 | 211 | 217 | 215 |
| | (e) | 107 | 97 | 89 | 86 | 86 | 86 | 85 |
| | (f) | 107 | 97 | 89 | 86 | 86 | 86 | 85 |
| Italy (All banks) ³ | (a) | 104 | 102 | 109 | 97 | 77 | 75 | 69 |
| | (b) | 98 | 74 | 67 | 71 | 61 | 56 | 60 |
| | (c) | 101 | 88 | 89 | 84 | 69 | 66 | 65 |
| | (d) | 93 | 69 | 66 | 74 | 71 | 71 | 100 |
| | (e) | 100 | 85 | 85 | 82 | 69 | 67 | 70 |
| | (f) | 100 | 85 | 85 | 82 | 69 | 67 | 70 |
| Italy (All banks) ⁴ | (a) | 104 | 102 | 109 | 97 | 77 | 75 | 69 |
| | (b) | 90 | 62 | 54 | 60 | 54 | 44 | 45 |
| | (c) | 100 | 90 | 93 | 86 | 70 | 66 | 62 |
| | (d) | 93 | 69 | 66 | 74 | 71 | 71 | 100 |
| | (e) | 98 | 86 | 87 | 83 | 70 | 67 | 70 |
| | (f) | 98 | 86 | 87 | 83 | 70 | 67 | 70 |

¹ November returns.

² December figures.

³ Loans include correspondents.

⁴ Loans excluding correspondents.

Table XIV. — PERCENTAGE MOVEMENTS OF COMMERCIAL BANK CREDITS AND INVESTMENTS
(1929 = 100) (continued).

| Country | | 1929 = 100 | | | | | | |
|---|-----|------------|------|------|------|------|------|------|
| | | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
| Italy (Principal banks) ¹ | (a) | 107 | 122 | 114 | 125 | 121 | . | . |
| | (b) | 104 | 76 | 74 | 63 | 67 | . | . |
| | (c) | 106 | 100 | 95 | 95 | 95 | . | . |
| | (d) | 101 | 65 | 71 | 67 | 58 | . | . |
| | (e) | 105 | 95 | 92 | 91 | 90 | . | . |
| | (f) | 105 | 95 | 92 | 91 | 90 | . | . |
| Italy (Principal banks) ² | (a) | 107 | 122 | 114 | 125 | 121 | . | . |
| | (b) | 84 | 54 | 42 | 43 | 36 | . | . |
| | (c) | 103 | 109 | 100 | 109 | 105 | . | . |
| | (d) | 101 | 65 | 71 | 67 | 58 | . | . |
| | (e) | 103 | 101 | 95 | 101 | 96 | . | . |
| | (f) | 103 | 101 | 95 | 101 | 96 | . | . |
| Japan (Clearing-house Member banks) | (a) | 95 | 87 | 94 | 98 | 105 | 119 | 141 |
| | (b) | 102 | 102 | 101 | 102 | 90 | 105 | 115 |
| | (c) | 101 | 100 | 100 | 102 | 92 | 108 | 119 |
| | (d) | 96 | 93 | 96 | 107 | 123 | 139 | 153 |
| | (e) | 99 | 97 | 99 | 104 | 104 | 119 | 132 |
| | (f) | 99 | 97 | 99 | 104 | 104 | 119 | 132 |
| Latvia | (a) | 91 | 41 | 29 | 29 | 29 | 23 | 41 |
| | (b) | 94 | 51 | 42 | 37 | 36 | 40 | 73 |
| | (c) | 93 | 47 | 37 | 34 | 33 | 33 | 60 |
| | (d) | 125 | 125 | 131 | 83 | 125 | 561 | 458 |
| | (e) | 94 | 49 | 39 | 35 | 35 | 46 | 70 |
| | (f) | 94 | 49 | 39 | 35 | 35 | 46 | 70 |
| Lithuania | (a) | 164 | 123 | 96 | 93 | 82 | 78 | . |
| | (b) | 113 | 112 | 96 | 95 | 98 | 91 | . |
| | (c) | 127 | 115 | 96 | 95 | 93 | 87 | . |
| | (d) | 97 | 97 | 94 | 93 | 95 | 98 | . |
| | (e) | 123 | 113 | 96 | 94 | 94 | 89 | . |
| | (f) | 123 | 113 | 96 | 94 | 94 | 89 | . |
| Mexico | (a) | 104 | 45 | 51 | 74 | 96 | 72 | 101 |
| | (b) | 97 | 104 | 88 | 120 | 112 | 148 | 168 |
| | (c) | 100 | 79 | 73 | 101 | 105 | 117 | 140 |
| | (d) | 97 | 60 | 68 | 91 | 98 | 54 | 66 |
| | (e) | 100 | 77 | 72 | 99 | 105 | 109 | 131 |
| | (f) | 100 | 77 | 72 | 99 | 105 | 109 | 131 |
| Netherlands | (a) | 101 | 82 | 81 | 65 | 66 | 63 | . |
| | (b) | 91 | 82 | 65 | 63 | 58 | 52 | . |
| | (c) | 94 | 82 | 69 | 63 | 60 | 55 | . |
| | (d) | 135 | 146 | 128 | 109 | 77 | 65 | . |
| | (e) | 97 | 88 | 74 | 67 | 62 | 56 | . |
| | (f) | 97 | 88 | 74 | 67 | 62 | 56 | . |
| Norway | (a) | 104 | 100 | 96 | 92 | 88 | 101 | 104 |
| | (b) | 100 | 100 | 94 | 92 | 88 | 93 | 90 |
| | (c) | 101 | 100 | 95 | 92 | 88 | 96 | 95 |
| | (d) | 98 | 86 | 76 | 76 | 62 | 62 | 68 |
| | (e) | 103 | 88 | 83 | 77 | 74 | 76 | 68 |
| | (f) | 101 | 97 | 92 | 89 | 84 | 91 | 89 |
| Peru ³ | (a) | 70 | 48 | 66 | 44 | 59 | 74 | 102 |
| | (b) | 76 | 80 | 82 | 59 | 72 | 83 | 96 |
| | (c) | 73 | 66 | 75 | 53 | 66 | 79 | 99 |
| | (d) | 89 | 4 | 9 | 9 | 10 | 13 | 15 |
| | (e) | 89 | 44 | 40 | 39 | 39 | 56 | 62 |
| | (f) | 76 | 63 | 70 | 52 | 64 | 77 | 95 |

* Provisional figures.

¹ Loans include correspondents.

² Loans excluding correspondents.

³ Figures for 1929 have been converted into soles.

Table XIV. PERCENTAGE MOVEMENTS OF COMMERCIAL BANK CREDITS AND INVESTMENTS
(1929 = 100) (continued).

| Country | | 1929 = 100 | | | | | | |
|--|-----|------------|------|------|------|------|------|------|
| | | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
| Poland | (a) | 92 | 56 | 44 | 39 | 39 | 35 | 37 |
| | (b) | 110 | 80 | 69 | 58 | 59 | 60 | 55 |
| | (c) | 102 | 69 | 57 | 50 | 46 | 48 | 47 |
| | (d) | 102 | 87 | 83 | 81 | 109 | 139 | 130 |
| | (e) | 102 | 70 | 59 | 51 | 52 | 53 | 51 |
| | (f) | 102 | 70 | 59 | 51 | 52 | 53 | 51 |
| Portugal | (a) | 66 | 55 | 59 | 66 | 78 | 85 | . |
| | (b) | 94 | 83 | 76 | 62 | 62 | 57 | . |
| | (c) | 78 | 67 | 66 | 64 | 71 | 73 | . |
| | (d) | 93 | 79 | 77 | 134 | 148 | 146 | . |
| | (e) | 79 | 68 | 67 | 70 | 78 | 79 | . |
| | (f) | 79 | 68 | 67 | 70 | 78 | 79 | . |
| Roumania | (a) | 98 | 81 | 69 | 68 | . | . | . |
| | (b) | 100 | 72 | 63 | 59 | . | . | . |
| | (c) | 99 | 77 | 66 | 63 | . | . | . |
| | (d) | 96 | 99 | 75 | 60 | . | . | . |
| | (e) | 99 | 78 | 67 | 63 | . | . | . |
| | (f) | 99 | 78 | 67 | 63 | . | . | . |
| Spain ¹ | (a) | 102 | 83 | 88 | 85 | 87 | 99 | . |
| | (b) | 105 | 79 | 79 | 83 | 82 | 79 | . |
| | (c) | 104 | 83 | 82 | 84 | 85 | 87 | . |
| | (d) | 113 | 110 | 115 | 121 | 137 | 154 | . |
| | (e) | 105 | 94 | 94 | 95 | 101 | 100 | . |
| | (f) | 106 | 91 | 93 | 96 | 102 | 109 | . |
| Sweden | (a) | 110 | 102 | 118 | 111 | 107 | 109 | 108 |
| | (b) | 106 | 106 | 95 | 87 | 86 | 86 | 92 |
| | (c) | 107 | 105 | 100 | 93 | 91 | 92 | 96 |
| | (d) | 117 | 104 | 108 | 117 | 162 | 164 | 155 |
| | (e) | 108 | 105 | 101 | 95 | 97 | 98 | 101 |
| | (f) | 108 | 105 | 101 | 95 | 97 | 98 | 101 |
| Switzerland | (a) | 105 | 72 | 60 | 50 | 48 | 35 | . |
| | (b) | 103 | 101 | 101 | 99 | 98 | 93 | . |
| | (c) | 103 | 97 | 96 | 93 | 92 | 86 | . |
| | (d) | 116 | 121 | 121 | 109 | 103 | 104 | . |
| | (e) | 104 | 99 | 97 | 94 | 92 | 87 | . |
| | (f) | 104 | 99 | 97 | 94 | 92 | 87 | . |
| Turkey | (a) | 113 | 103 | 112 | 133 | 102 | 164 | . |
| | (b) | 131 | 125 | 120 | 149 | 166 | 148 | . |
| | (c) | 127 | 121 | 119 | 146 | 154 | 151 | . |
| | (d) | 115 | 160 | 165 | 271 | 342 | 467 | . |
| | (e) | 127 | 124 | 122 | 155 | 167 | 175 | . |
| | (f) | 127 | 124 | 122 | 155 | 167 | 175 | . |
| Union of South Africa ² | (a) | 74 | 58 | 57 | 55 | 64 | 63 | 66 |
| | (b) | 92 | 100 | 86 | 81 | 102 | 106 | 117 |
| | (c) | 87 | 89 | 79 | 75 | 92 | 95 | 104 |
| | (d) | 151 | 154 | 209 | 206 | 200 | 126 | 337 |
| | (e) | 67 | 83 | 133 | 67 | 267 | 217 | 300 |
| | (f) | 91 | 93 | 87 | 83 | 101 | 98 | 121 |
| Union of South Africa ³ | (a) | 82 | 55 | 62 | 68 | 64 | 76 | 72 |
| | (b) | 89 | 86 | 81 | 78 | 96 | 99 | 111 |
| | (c) | 87 | 78 | 76 | 75 | 87 | 93 | 100 |
| | (d) | 182 | 129 | 223 | 254 | 247 | 220 | 279 |
| | (e) | 75 | 67 | 108 | 100 | 167 | 150 | 233 |
| | (f) | 103 | 86 | 101 | 105 | 115 | 115 | 132 |

¹ Figures for 1935 are provisional.

² Accounts of offices within the Union only.

³ Including accounts of branches outside the Union.

Table XIV. — PERCENTAGE MOVEMENTS OF COMMERCIAL BANK CREDITS AND INVESTMENTS
(1929 = 100) (concluded).

(a) Discounts. (c) Total discounts, loans and advances. (e) Other investments and participations.
(b) Loans and advances. (d) Government securities. (f) Total.

| Country | | 1929 - 100 | | | | | | |
|---|-----|------------|------|------|------|------|------|------|
| | | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
| United Kingdom and Irish Free State : | (a) | 141 | 104 | 174 | 131 | 114 | 136 | 129 |
| | (b) | 94 | 91 | 78 | 74 | 77 | 79 | 86 |
| | (c) | 102 | 93 | 64 | 85 | 83 | 89 | 94 |
| | (d) | 119 | 119 | 197 | 234 | 244 | 245 | 260 |
| | (e) | 102 | 102 | 118 | 130 | 134 | 159 | 166 |
| | (f) | 105 | 97 | 111 | 109 | 109 | 115 | 121 |
| Scotland | (a) | 100 | 133 | 140 | 102 | 53 | 58 | 46 |
| | (b) | 94 | 79 | 70 | 65 | 72 | 71 | 72 |
| | (c) | 95 | 86 | 80 | 70 | 69 | 70 | 68 |
| | (d) | 116 | 119 | 163 | 187 | 191 | 212 | 224 |
| | (e) | 130 | 139 | 165 | 199 | 206 | 207 | 206 |
| | (f) | 103 | 99 | 109 | 112 | 112 | 120 | 123 |
| Ireland | (a) | 531 | 533 | 592 | 506 | 84 | 76 | . |
| | (b) | 75 | 75 | 69 | 69 | 88 | 86 | . |
| | (c) | 98 | 98 | 96 | 91 | 88 | 86 | . |
| | (d) | 104 | 100 | 115 | 111 | 110 | 112 | . |
| | (e) | 101 | 99 | 105 | 100 | 98 | 98 | . |
| | (f) | 101 | 99 | 105 | 100 | 98 | 98 | . |
| U.S.A. ¹ (All banks) | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 97 | 82 | 62 | 46 | 44 | 42 | . |
| | (d) | 97 | 144 | 150 | 178 | 244 | 265 | . |
| | (e) | 108 | 97 | 75 | 56 | 52 | 73 | . |
| | (f) | 99 | 91 | 73 | 62 | 66 | 71 | . |
| U.S.A. ¹ (National banks) | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 101 | 89 | 69 | 55 | 52 | 50 | . |
| | (d) | 100 | 119 | 123 | 143 | 193 | 210 | . |
| | (e) | 108 | 111 | 91 | 73 | 80 | 105 | . |
| | (f) | 101 | 97 | 81 | 72 | 79 | 84 | . |
| Uruguay ² | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 111 | 107 | 100 | 104 | 111 | 114 | 132 |
| | (d) | . | . | . | . | . | . | . |
| | (e) | . | . | . | . | . | . | . |
| | (f) | . | . | . | . | . | . | . |
| Venezuela ³ | (a) | 111 | 118 | 92 | 117 | 99 | 78 | . |
| | (b) | 92 | 101 | 101 | 99 | 81 | 66 | . |
| | (c) | 94 | 103 | 100 | 102 | 83 | 67 | . |
| | (d) | 100 | 91 | 135 | 174 | 171 | 176 | . |
| | (e) | 95 | 102 | 102 | 107 | 90 | 76 | . |
| | (f) | 107 | 101 | 83 | 78 | 75 | 67 | . |
| Yugoslavia | (a) | 117 | 102 | 89 | 79 | 70 | 68 | . |
| | (b) | 113 | 102 | 87 | 79 | 72 | 67 | . |
| | (c) | 154 | 143 | 129 | 114 | 109 | 126 | . |
| | (d) | 116 | 104 | 90 | 81 | 74 | 72 | . |
| | (e) | 116 | 104 | 90 | 81 | 74 | 72 | . |
| | (f) | 116 | 104 | 90 | 81 | 74 | 72 | . |

¹ End of June each year.

² Excluding the Banco de la República.

³ Four banks.

Table XV. — PERCENTAGE COMPOSITION OF COMMERCIAL BANK CREDITS.

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|------------------------------------|--|--|------|------|------|------|------|------|------|
| | (a) Discounts | | | | | | | | |
| | (b) Loans and advances | | | | | | | | |
| | (c) Government securities | | | | | | | | |
| | (d) Other investments and participations | | | | | | | | |
| | | as percentage of total of these items. | | | | | | | |
| Argentina | (a) | 42.9 | 40.8 | 42.8 | 41.5 | 38.8 | 37.9 | . | . |
| | (b) | 51.7 | 53.4 | 50.4 | 51.5 | 54.7 | 55.8 | . | . |
| | (c) | | | | | | | | |
| | (d) | 5.4 | 5.8 | 6.8 | 7.0 | 6.5 | 6.3 | . | . |
| Australia ¹ | (a) | 93.2 | 91.8 | 84.0 | 81.6 | 82.0 | 83.0 | 85.6 | . |
| | (b) | | | | | | | | |
| | (c) | 6.8 | 8.2 | 16.0 | 18.4 | 18.0 | 17.0 | 14.4 | . |
| | (d) | | | | | | | | |
| New Zealand ¹ | (a) | 2.0 | 1.5 | 1.2 | 1.0 | 2.7 | 1.0 | 1.0 | . |
| | (b) | 87.6 | 89.9 | 83.0 | 75.0 | 57.2 | 87.0 | 88.0 | . |
| | (c) | 9.3 | 7.9 | 15.1 | 23.4 | 39.5 | 11.6 | 10.4 | . |
| | (d) | 1.1 | 0.7 | 0.7 | 0.6 | 0.6 | 0.4 | 0.6 | . |
| Australasia ² | (a) | 88.8 | 88.2 | 82.9 | 79.8 | 77.8 | 79.6 | 81.7 | . |
| | (b) | | | | | | | | |
| | (c) | 11.2 | 11.8 | 17.1 | 20.2 | 22.2 | 20.4 | 18.3 | . |
| | (d) | | | | | | | | |
| Austria | (a) | . | 10.3 | . | 9.1 | 10.2 | 12.5 | 12.6 | . |
| | (b) | . | 77.5 | . | 78.3 | 75.9 | 73.7 | 72.2 | . |
| | (c) | . | | . | | | | | . |
| | (d) | . | 12.2 | . | 12.6 | 13.9 | 13.8 | 15.2 | . |
| Belgium ³ | (a) | 19.2 | 19.2 | 22.2 | 21.5 | 22.7 | . | 22.4 | . |
| | (b) | 63.8 | 60.3 | 53.4 | 50.4 | 48.6 | . | 56.5 | . |
| | (c) | | | | | | | | . |
| | (d) | 17.0 | 20.5 | 24.4 | 28.1 | 28.7 | . | 15.7 | . |
| | | | | | | | | 5.4 | . |
| Bolivia | (a) | 25.1 | 22.7 | 22.7 | 8.6 | 7.4 | 3.2 | 2.9 | . |
| | (b) | 53.3 | 51.9 | 45.7 | 30.1 | 20.3 | 12.9 | 8.8 | . |
| | (c) | | | | | | | | . |
| | (d) | 21.6 | 25.4 | 31.6 | 61.3 | 72.3 | 83.9 | 88.3 | . |
| Brazil | (a) | 44.4 | 39.3 | 38.8 | 42.9 | 42.7 | 39.9 | 41.6 | . |
| | (b) | 51.9 | 55.4 | 55.1 | 51.5 | 51.7 | 55.2 | 52.7 | . |
| | (c) | | | | | | | | . |
| | (d) | 3.7 | 5.3 | 6.1 | 5.6 | 5.6 | 4.9 | 5.7 | . |
| Bulgaria | (a) | 43.7 | 39.7 | 32.7 | 32.2 | 27.7 | 30.3 | 34.9 | . |
| | (b) | 56.3 | 60.3 | 61.3 | 60.5 | 64.9 | 61.4 | 57.5 | . |
| | (c) | | | 1.0 | 0.5 | 0.3 | 2.6 | 2.2 | . |
| | (d) | | | 5.0 | 6.8 | 7.1 | 5.7 | 5.4 | . |
| Canada | (a) | 83.3 | 74.9 | 70.1 | 64.7 | 61.0 | 57.2 | 51.5 | 45.0 |
| | (b) | | | | | | | | |
| | (c) | 14.3 | 21.9 | 26.7 | 32.5 | 36.1 | 40.5 | 45.9 | 50.2 |
| | (d) | 2.4 | 3.2 | 3.2 | 2.8 | 2.9 | 2.3 | 2.6 | 4.8 |
| Chile | (a) | 28.4 | 22.6 | 11.8 | 10.3 | 21.0 | 21.9 | 22.9 | 26.3 |
| | (b) | 64.2 | 69.7 | 79.2 | 77.8 | 70.2 | 69.1 | 68.5 | 66.2 |
| | (c) | 0.9 | 0.8 | 2.3 | 4.6 | 1.9 | 0.5 | 1.0 | 1.3 |
| | (d) | 6.5 | 6.9 | 6.7 | 7.3 | 6.9 | 8.5 | 7.6 | 6.2 |
| Colombia | (a) | 48.4 | 45.3 | 37.3 | 28.0 | 25.3 | 36.1 | 44.8 | 47.7 |
| | (b) | 40.0 | 41.0 | 45.3 | 43.5 | 36.8 | 22.6 | 21.2 | 21.0 |
| | (c) | | | | | | | | |
| | (d) | 11.6 | 13.7 | 17.4 | 28.5 | 37.9 | 41.3 | 34.0 | 31.3 |
| Czechoslovakia | (a) | 10.1 | 10.2 | 9.1 | 9.6 | 10.2 | 10.1 | 11.5 | . |
| | (b) | 76.0 | 74.7 | 73.0 | 73.2 | 71.3 | 71.2 | 69.1 | . |
| | (c) | | | | | | | | . |
| | (d) | 13.9 | 15.1 | 17.9 | 17.2 | 18.5 | 18.7 | 19.4 | . |
| Denmark | (a) | 16.5 | 16.9 | 17.7 | 16.1 | 15.4 | 14.9 | 15.7 | 16.3 |
| | (b) | 59.6 | 57.2 | 58.6 | 57.8 | 57.0 | 56.1 | 57.4 | 60.0 |
| | (c) | 4.2 | 3.9 | 3.2 | 4.0 | 5.1 | 6.6 | 5.5 | |
| | (d) | 19.7 | 22.0 | 20.5 | 22.1 | 22.5 | 22.4 | 21.4 | 23.7 |

* Provisional figures.

¹ End of June following year. Accounts of domestic offices only.² End of June following year. Including accounts of branches outside the Dominions.³ 1935 is not strictly comparable with previous years.

Table XV. — PERCENTAGE COMPOSITION OF COMMERCIAL BANK CREDITS (*continued*).

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|--------------------------------|--|--|------|------|------|------|------|------|------|
| | (a) Discounts | | | | | | | | |
| | (b) Loans and advances | | | | | | | | |
| | (c) Government securities | | | | | | | | |
| | (d) Other investments and participations | | | | | | | | |
| | | as percentage of total of these items. | | | | | | | |
| Ecuador | (a) | 21.9 | 24.8 | 21.7 | 24.3 | 44.7 | 50.8 | 52.9 | . |
| | (b) | 68.1 | 64.5 | 67.6 | 65.5 | 47.5 | 42.6 | 39.8 | . |
| | (c) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | . |
| | (d) | 9.8 | 10.5 | 10.5 | 10.0 | 7.6 | 6.4 | 7.1 | . |
| Estonia | (a) | 45.0 | 41.7 | 40.6 | 41.1 | 42.6 | 46.6 | 44.3 | 45.4 |
| | (b) | 53.5 | 56.4 | 57.5 | 56.0 | 54.0 | 49.1 | 48.2 | 44.2 |
| | (c) | 1.5 | 1.9 | 1.9 | 2.9 | 3.4 | 4.3 | 7.5 | 10.4 |
| | (d) | | | | | | | | |
| Finland | (a) | 34.1 | 28.9 | 26.2 | 21.5 | 17.7 | 16.7 | 18.4 | 17.2 |
| | (b) | 63.2 | 67.8 | 70.1 | 73.7 | 76.3 | 72.5 | 69.8 | 66.7 |
| | (c) | 0.3 | 0.3 | 0.4 | 0.5 | 1.0 | 1.3 | 1.5 | 16.1 |
| | (d) | 2.4 | 3.0 | 3.3 | 4.3 | 5.0 | 9.5 | 10.3 | |
| France | (a) | 64.5 | 60.0 | 60.2 | 70.8 | 67.3 | 65.7 | 63.5 | 66.8 |
| (Deposit banks) | (b) | 34.8 | 39.2 | 38.8 | 28.4 | 31.9 | 33.4 | 35.6 | 32.3 |
| | (c) | 0.7 | 0.8 | 1.0 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| | (d) | | | | | | | | |
| France | (a) | 30.9 | 33.7 | 36.8 | 44.9 | 34.1 | 34.9 | 32.2 | . |
| (Investment banks) | (b) | 52.6 | 46.0 | 34.9 | 26.4 | 36.0 | 36.9 | 38.8 | . |
| | (c) | 16.3 | 20.3 | 28.3 | 28.7 | 29.9 | 28.2 | 29.0 | . |
| | (d) | | | | | | | | |
| France | (a) | 60.5 | 57.2 | 57.9 | 68.5 | 64.4 | 63.2 | 60.9 | . |
| (Deposit and Investment banks) | (b) | 36.9 | 39.9 | 38.4 | 28.2 | 32.3 | 33.7 | 35.9 | . |
| | (c) | 2.6 | 2.9 | 3.7 | 3.3 | 3.3 | 3.1 | 3.2 | . |
| | (d) | | | | | | | | |
| Germany ¹ | (a) | 23.3 | 20.3 | 15.5 | 19.1 | 22.1 | 26.0 | 28.5 | 32.6 |
| (All banks) | (b) | 70.9 | 74.0 | 74.3 | 69.1 | 65.6 | 61.1 | 56.4 | 51.7 |
| | (c) | 0.2 | 0.3 | 3.2 | 5.1 | 4.9 | 4.0 | 6.0 | 6.5 |
| | (d) | 5.6 | 5.4 | 7.0 | 6.7 | 7.4 | 8.9 | 9.1 | 9.2 |
| Germany ² | (a) | 25.6 | 24.2 | 22.7 | 26.4 | 29.3 | 33.9 | . | . |
| (All banks) | (b) | 67.5 | 68.7 | 64.5 | 59.6 | 57.9 | 52.5 | . | . |
| | (c) | 6.9 | 7.1 | 12.8 | 14.0 | 12.8 | 13.6 | . | . |
| | (d) | | | | | | | | |
| Germany | (a) | 27.8 | 25.3 | 22.0 | 26.4 | 29.8 | 33.1 | 36.5 | 40.0 |
| (Big Berlin banks) | (b) | 67.7 | 70.2 | 71.2 | 65.5 | 61.7 | 52.3 | 47.4 | 42.7 |
| | (c) | 0.1 | 0.2 | 0.8 | 1.0 | 1.3 | 5.0 | 6.6 | 7.1 |
| | (d) | 4.4 | 4.3 | 6.0 | 7.1 | 7.2 | 9.6 | 9.5 | 10.2 |
| Greece | (a) | 27.8 | 15.6 | 14.0 | 10.6 | 18.6 | 17.1 | 14.6 | . |
| | (b) | 54.0 | 65.0 | 66.5 | 70.5 | 63.8 | 66.1 | 70.0 | . |
| | (c) | 18.2 | 19.4 | 19.5 | 18.9 | 17.6 | 16.8 | 15.4 | . |
| | (d) | | | | | | | | |
| Hungary | (a) | 46.7 | 47.9 | 49.8 | 48.9 | 49.8 | 51.3 | 51.3 | 52.3 |
| | (b) | 50.2 | 49.2 | 47.1 | 43.6 | 42.6 | 41.0 | 40.8 | 39.8 |
| | (c) | 3.1 | 2.9 | 3.1 | 7.5 | 7.6 | 7.7 | 7.9 | 7.9 |
| | (d) | | | | | | | | |
| Italy | (a) | 43.0 | 44.8 | 51.5 | 55.0 | 50.4 | 47.7 | 48.4 | 42.3 |
| (All banks) ³ | (b) | 41.0 | 40.2 | 35.4 | 32.5 | 35.2 | 35.8 | 34.6 | 34.9 |
| | (c) | 16.0 | 15.0 | 13.1 | 12.5 | 14.4 | 16.5 | 17.0 | 22.8 |
| | (d) | | | | | | | | |
| Italy | (a) | 55.9 | 59.1 | 66.4 | 69.8 | 64.8 | 61.2 | 62.6 | 55.3 |
| (All banks) ⁴ | (b) | 23.2 | 21.1 | 16.8 | 14.4 | 16.6 | 17.7 | 15.4 | 14.9 |
| | (c) | 20.9 | 19.8 | 16.8 | 15.8 | 18.6 | 21.1 | 22.0 | 29.8 |
| | (d) | | | | | | | | |
| Italy | (a) | 45.0 | 45.9 | 57.7 | 56.0 | 61.6 | 60.6 | . | . |
| (Principal banks) ³ | (b) | 42.7 | 42.2 | 33.9 | 34.5 | 29.4 | 31.5 | . | . |
| | (c) | | | | | | | | |
| | (d) | 12.3 | 11.9 | 8.4 | 9.5 | 9.0 | 7.9 | . | . |

¹ November returns.² December figures.³ Loans include correspondents.⁴ Loans excluding correspondents.

Table XV. — PERCENTAGE COMPOSITION OF COMMERCIAL BANK CREDITS (continued).

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|--------------------------------|--|--|------|------|------|------|------|------|------|
| | (a) Discounts | | | | | | | | |
| | (b) Loans and advances | | | | | | | | |
| | (c) Government securities | | | | | | | | |
| | (d) Other investments and participations | | | | | | | | |
| | | as percentage of total of these items. | | | | | | | |
| Italy | (a) | 66.1 | 69.1 | 79.8 | 79.5 | 81.5 | 83.2 | . | . |
| (Principal banks) ¹ | (b) | 15.8 | 13.0 | 8.5 | 7.0 | 6.6 | 6.0 | . | . |
| | (c) | 18.1 | 17.9 | 11.7 | 13.5 | 11.9 | 10.8 | . | . |
| | (d) | | | | | | | | |
| Japan | (a) | 10.2 | 9.9 | 9.2 | 9.7 | 9.7 | 9.9 | 10.3 | 11.0 |
| (Clearing-house Member banks) | (b) | 53.0 | 54.5 | 55.5 | 54.3 | 52.3 | 48.2 | 46.9 | 46.1 |
| | (c) | 36.8 | 35.6 | 35.3 | 36.0 | 38.0 | 41.9 | 42.8 | 42.9 |
| | (d) | | | | | | | | |
| Latvia | (a) | 39.0 | 37.9 | 32.3 | 29.3 | 31.9 | 31.7 | 19.6 | 22.8 |
| | (b) | 58.6 | 58.8 | 61.5 | 62.5 | 62.3 | 59.5 | 50.7 | 61.2 |
| | (c) | 2.4 | 3.3 | 6.2 | 8.2 | 5.8 | 8.8 | 29.7 | 16.0 |
| | (d) | | | | | | | | |
| Lithuania | (a) | 23.8 | 31.7 | 25.9 | 23.9 | 23.5 | 20.9 | 21.0 | . |
| | (b) | 61.7 | 56.9 | 61.6 | 61.9 | 62.2 | 64.4 | 63.0 | . |
| | (c) | 14.5 | 11.4 | 12.5 | 14.2 | 14.3 | 14.7 | 16.0 | . |
| | (d) | | | | | | | | |
| Mexico | (a) | 36.3 | 37.8 | 21.2 | 25.5 | 27.0 | 33.2 | 24.0 | 27.9 |
| | (b) | 51.3 | 50.0 | 69.2 | 62.9 | 61.7 | 55.2 | 69.8 | 65.8 |
| | (c) | 12.4 | 12.2 | 9.6 | 11.6 | 11.3 | 11.6 | 6.2 | 6.3 |
| | (d) | | | | | | | | |
| Netherlands | (a) | 25.6 | 26.6 | 24.0 | 27.8 | 24.6 | 27.3 | 29.0 | . |
| | (b) | 65.6 | 61.3 | 61.5 | 57.1 | 61.1 | 61.8 | 60.8 | . |
| | (c) | 8.8 | 12.1 | 14.5 | 15.1 | 14.3 | 10.9 | 10.2 | . |
| | (d) | | | | | | | | |
| Norway | (a) | 25.6 | 26.3 | 26.2 | 26.8 | 26.3 | 27.2 | 28.5 | 29.6 |
| | (b) | 54.0 | 53.2 | 55.5 | 55.1 | 55.8 | 56.3 | 55.4 | 54.7 |
| | (c) | 6.0 | 5.8 | 5.3 | 5.0 | 5.1 | 4.3 | 4.1 | 15.7 |
| | (d) | 14.4 | 14.7 | 13.0 | 13.1 | 12.8 | 12.2 | 12.0 | |
| Peru | (a) | 37.0 | 34.0 | 28.0 | 34.6 | 31.6 | 34.4 | 35.5 | 39.7 |
| | (b) | 46.3 | 46.4 | 59.2 | 53.7 | 52.8 | 52.6 | 49.5 | 46.8 |
| | (c) | 16.7 | 19.6 | 1.1 | 2.2 | 2.9 | 2.8 | 2.9 | 2.6 |
| | (d) | | | 11.7 | 9.5 | 12.7 | 10.2 | 12.1 | 10.9 |
| Poland | (a) | 43.7 | 39.6 | 35.3 | 32.5 | 33.5 | 30.5 | 28.7 | 31.3 |
| | (b) | 51.1 | 55.2 | 58.2 | 60.1 | 58.2 | 58.5 | 57.5 | 55.4 |
| | (c) | 5.2 | 5.2 | 6.5 | 7.4 | 8.3 | 11.0 | 13.8 | 13.3 |
| | (d) | | | | | | | | |
| Portugal | (a) | 52.6 | 44.0 | 42.5 | 46.2 | 49.2 | 52.8 | 56.5 | . |
| | (b) | 39.2 | 46.3 | 48.0 | 44.4 | 35.0 | 31.5 | 28.3 | . |
| | (c) | 8.2 | 9.7 | 9.5 | 9.4 | 15.8 | 15.7 | 15.2 | . |
| | (d) | | | | | | | | |
| Roumania | (a) | 43.8 | 43.4 | 45.3 | 45.2 | 46.7 | . | . | . |
| | (b) | 47.5 | 48.1 | 43.7 | 45.0 | 45.0 | . | . | . |
| | (c) | 8.7 | 8.5 | 11.0 | 9.8 | 8.3 | . | . | . |
| | (d) | | | | | | | | |
| Spain ² | (a) | 22.9 | 22.0 | 21.0 | 21.5 | 20.2 | 19.9 | 20.4 | . |
| | (b) | 31.4 | 30.9 | 27.2 | 26.4 | 27.2 | 25.3 | 21.5 | . |
| | (c) | 26.8 | 28.5 | 32.2 | 33.0 | 33.8 | 36.0 | 40.3 | . |
| | (d) | 18.9 | 18.6 | 19.6 | 19.1 | 18.8 | 18.8 | 17.8 | . |
| Sweden | (a) | 22.5 | 22.9 | 21.9 | 26.4 | 26.3 | 24.8 | 25.1 | 24.2 |
| | (b) | 69.0 | 67.9 | 69.7 | 64.5 | 63.3 | 61.0 | 60.7 | 62.7 |
| | (c) | 8.5 | 9.2 | 8.4 | 9.1 | 10.4 | 14.2 | 14.2 | 13.1 |
| | (d) | | | | | | | | |
| Switzerland | (a) | 11.9 | 12.0 | 8.6 | 7.3 | 6.3 | 6.2 | 4.8 | . |
| | (b) | 80.9 | 80.0 | 82.6 | 83.7 | 85.3 | 85.8 | 86.5 | . |
| | (c) | 7.2 | 8.0 | 8.8 | 9.0 | 8.4 | 8.0 | 8.6 | . |
| | (d) | | | | | | | | |

* Provisional figures.

¹ Loans excluding correspondents.² Figures for 1935 are provisional.

Table XV. — PERCENTAGE COMPOSITION OF COMMERCIAL BANK CREDITS (*concluded*).

| Country | | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 |
|--|--|--|------|------|------|------|------|------|------|
| | (a) Discounts | | | | | | | | |
| | (b) Loans and advances | | | | | | | | |
| | (c) Government securities | | | | | | | | |
| | (d) Other investments and participations | | | | | | | | |
| | | as percentage of total of these items. | | | | | | | |
| Turkey | (a) | 18.4 | 16.5 | 15.4 | 16.9 | 15.7 | 11.2 | 17.3 | . |
| | (b) | 74.3 | 76.8 | 75.1 | 73.2 | 71.4 | 73.8 | 63.1 | . |
| | (c) | | | | | | | | |
| | (d) | 7.4 | 6.7 | 9.5 | 9.9 | 12.9 | 15.0 | 19.6 | . |
| Union of South Africa ¹ | (a) | 23.8 | 19.3 | 14.7 | 15.6 | 15.8 | 15.1 | 15.4 | 12.9 |
| | (b) | 68.8 | 69.3 | 73.8 | 67.6 | 67.5 | 69.4 | 74.1 | 66.6 |
| | (c) | 6.3 | 10.6 | 10.5 | 15.1 | 15.8 | 12.6 | 8.1 | 17.8 |
| | (d) | 1.1 | 0.8 | 1.0 | 1.7 | 0.9 | 2.9 | 2.4 | 2.7 |
| Union of South Africa ² | (a) | 22.2 | 17.7 | 14.1 | 13.7 | 14.4 | 12.3 | 14.7 | 12.2 |
| | (b) | 59.8 | 51.8 | 59.8 | 47.9 | 44.1 | 49.8 | 51.7 | 50.2 |
| | (c) | 16.8 | 29.6 | 25.1 | 37.1 | 40.3 | 36.1 | 32.0 | 35.4 |
| | (d) | 1.2 | 0.9 | 1.0 | 1.3 | 1.2 | 1.8 | 1.6 | 2.2 |
| United Kingdom and Irish Free State : | | | | | | | | | |
| England and Wales | (a) | 14.6 | 19.7 | 15.7 | 22.8 | 17.5 | 15.2 | 17.2 | 15.5 |
| | (b) | 66.8 | 59.9 | 62.3 | 46.7 | 45.8 | 46.8 | 45.8 | 47.4 |
| | (c) | 15.1 | 17.1 | 18.4 | 26.9 | 32.6 | 33.7 | 32.3 | 32.4 |
| | (d) | 3.4 | 3.3 | 3.6 | 3.6 | 4.1 | 4.3 | 4.7 | 4.7 |
| Scotland | (a) | 9.1 | 8.8 | 12.3 | 11.7 | 8.3 | 4.3 | 4.4 | 3.4 |
| | (b) | 55.7 | 51.0 | 44.5 | 35.7 | 32.4 | 35.5 | 33.2 | 32.7 |
| | (c) | 32.2 | 36.4 | 39.0 | 48.1 | 54.0 | 54.8 | 57.2 | 58.9 |
| | (d) | 3.0 | 3.8 | 4.2 | 4.5 | 5.3 | 5.4 | 5.2 | 5.0 |
| Ireland | (a) | 2.7 | 14.1 | 14.5 | 15.2 | 13.5 | 2.3 | 2.1 | . |
| | (b) | 50.4 | 37.5 | 38.2 | 33.4 | 34.8 | 45.3 | 44.4 | . |
| | (c) | | | | | | | | |
| | (d) | 46.9 | 48.4 | 47.3 | 51.4 | 51.7 | 52.4 | 53.5 | . |
| U.S.A. | (a) | 72.4 | 71.1 | 65.2 | 61.0 | 54.3 | 48.4 | 43.3 | . |
| (All banks) ³ | (b) | | | | | | | | |
| | (c) | 10.3 | 10.1 | 16.3 | 21.2 | 29.9 | 38.1 | 38.8 | . |
| | (d) | 17.3 | 18.8 | 18.5 | 17.8 | 15.8 | 13.5 | 17.9 | . |
| U.S.A. | (a) | 35.3 | 32.5 | 30.2 | 28.2 | 52.4 | 45.2 | 40.7 | . |
| (National banks) ³ | (b) | 33.7 | 35.9 | 33.0 | 30.6 | | | | |
| | (c) | 16.6 | 16.3 | 20.4 | 25.1 | 32.9 | 40.2 | 41.3 | . |
| | (d) | 14.4 | 15.3 | 16.4 | 16.1 | 14.7 | 14.6 | 18.0 | . |
| Venezuela ⁴ | (a) | 11.6 | 13.5 | 13.3 | 10.4 | 12.6 | 12.8 | 12.0 | . |
| | (b) | 80.7 | 78.3 | 79.8 | 79.4 | 74.9 | 72.5 | 70.0 | . |
| | (c) | | | | | | | | |
| | (d) | 7.7 | 8.2 | 6.9 | 10.2 | 12.5 | 14.7 | 18.0 | . |
| Yugoslavia | (a) | 36.2 | 33.3 | 35.2 | 33.3 | 36.3 | . | . | . |
| | (b) | 56.8 | 57.3 | 55.2 | 56.6 | 53.3 | . | . | . |
| | (c) | | | | | | . | . | . |
| | (d) | 7.0 | 9.4 | 9.6 | 10.1 | 10.4 | . | . | . |

¹ Accounts of offices within the Union only.² Including accounts of branches outside the Union.³ End of June each year.⁴ Four banks.

Table XVI. — RELATION BETWEEN GROSS PROFITS, EXPENSES AND NET PROFITS
OF COMMERCIAL BANKS OF CERTAIN COUNTRIES.

(a) Expenses
(b) Depreciation accounts
(c) Net Profit or Loss (L) } as percentage of gross profits.

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | |
|------------------------|------|------|---------|---------|---------|---------|--------|------|
| Austria ¹ | (a) | 72.4 | 62.4 | . | 81.1 | 66.2 | 69.2 | 59.0 |
| | (b) | 0.5 | 128.7 | . | 673.4 | 64.7 | 90.4 | 9.6 |
| | (c) | 17.6 | L 104.1 | . | L 682.6 | L 59.0 | L 89.0 | 3.5 |
| Czechoslovakia | (a) | 71.3 | 75.1 | 86.1 | 89.6 | 87.6 | 85.7 | 84.8 |
| | (b) | 2.6 | 2.8 | 108.5 | 2.4 | 4.4 | 13.3 | 9.8 |
| | (c) | 24.7 | 20.3 | L 95.0 | 7.8 | 6.8 | L 0.8 | 2.7 |
| Denmark | (a) | 43.9 | 43.1 | 43.1 | 38.8 | 36.7 | 41.5 | 49.4 |
| | (b) | 18.2 | 22.4 | 65.9 | 21.6 | 18.2 | 8.9 | 20.9 |
| | (c) | 36.9 | 33.4 | L 10.1 | 38.1 | 43.7 | 48.1 | 27.9 |
| Estonia | (a) | 55.8 | 54.3 | 56.3 | 64.0 | 56.0 | 50.0 | 45.2 |
| | (b) | 27.9 | 34.3 | 34.4 | 40.0 | 36.0 | 32.1 | 38.7 |
| | (c) | 16.3 | 11.4 | 9.4 | L 4.0 | 8.0 | 17.9 | 16.1 |
| Finland | (a) | 48.5 | 51.1 | 49.1 | 52.2 | 53.5 | 54.2 | 55.6 |
| | (b) | 14.0 | 16.1 | 70.8 | 27.4 | 47.7 | 14.7 | 12.2 |
| | (c) | 37.3 | 32.6 | L 20.3 | 20.4 | L 1.2 | 30.4 | 31.7 |
| France (Invest. Banks) | (a) | 47.6 | 49.8 | . | 69.6 | 72.9 | 87.9 | 83.7 |
| | (b) | 4.3 | 4.5 | . | 5.5 | 109.9 | 6.7 | 6.5 |
| | (c) | 47.1 | 43.8 | . | 21.5 | L 86.1 | 1.1 | 5.2 |
| Germany | (a) | 85.4 | 77.8 | 85.9 | 84.7 | 82.0 | 81.0 | 90.8 |
| | (b) | 0.4 | 9.6 | 191.8 | 40.9 | 23.0 | 12.0 | 0.7 |
| | (c) | 13.5 | 8.9 | L 177.7 | L 25.6 | L 5.0 | 6.3 | 7.4 |
| Greece | (a) | 77.7 | . | 77.1 | 77.3 | 79.3 | 69.1 | 65.7 |
| | (b) | 9.0 | . | 12.9 | 14.3 | 10.7 | 14.3 | 17.0 |
| | (c) | 13.3 | . | 10.0 | 8.4 | 10.0 | 16.6 | 17.3 |
| Hungary | (a) | . | 57.3 | 62.7 | 63.3 | 64.8 | 63.7 | 64.7 |
| | (b) | . | . | . | . | . | . | . |
| | (c) | . | 40.1 | 28.6 | 21.1 | 18.4 | 19.3 | 20.2 |
| Italy | (a) | . | 70.9 | 74.4 | 78.9 | 78.4 | 88.2 | . |
| | (b) | . | 1.3 | 1.4 | 1.4 | 170.6 | 0.8 | . |
| | (c) | . | 27.0 | 23.6 | 19.2 | L 149.7 | 10.2 | . |
| Japan | (a) | . | . | . | . | . | . | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 12.1 | 12.2 | 4.3 | 10.4 | 11.4 | 12.8 | 12.5 |
| Latvia | (a) | 60.2 | 60.2 | 76.2 | 91.9 | 53.3 | 74.3 | 76.7 |
| | (b) | 17.2 | 40.9 | 77.8 | 48.6 | 73.3 | 60.0 | 13.3 |
| | (c) | 22.6 | L 1.1 | L 54.0 | L 40.5 | L 28.9 | L 34.3 | 10.0 |
| Lithuania | (a) | 37.6 | 36.4 | 35.0 | 41.5 | 37.4 | 46.8 | 46.6 |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 8.0 | 7.6 | 5.0 | 3.8 | 9.1 | 3.9 | 2.7 |
| Netherlands | (a) | 46.1 | 48.7 | 54.8 | 51.6 | 56.7 | 59.5 | 57.0 |
| | (b) | 21.3 | 21.4 | 45.7 | 32.6 | 28.3 | 22.8 | 13.7 |
| | (c) | 29.9 | 27.5 | L 3.1 | 13.3 | 11.2 | 14.0 | 26.2 |
| Norway (Free Banks) | (a) | 49.8 | 49.2 | 53.3 | 52.6 | 52.7 | 52.5 | 53.6 |
| | (b) | 20.6 | 20.4 | 142.4 | 28.9 | 33.1 | 26.4 | 28.3 |
| | (c) | 29.6 | 30.4 | L 95.7 | 18.5 | 14.2 | 21.1 | 18.1 |
| Peru | (a) | . | . | . | 54.0 | 45.2 | 50.0 | 47.1 |
| | (b) | . | . | . | 22.2 | 24.7 | 14.3 | 12.9 |
| | (c) | . | . | . | 23.8 | 30.1 | 35.7 | 40.0 |
| Poland | (a) | 96.6 | 91.0 | 102.4 | 105.1 | 130.0 | 109.5 | . |
| | (b) | . | . | . | . | . | . | . |
| | (c) | 3.4 | 9.0 | L 2.4 | L 5.1 | L 30.0 | L 9.5 | . |
| Sweden | (a) | 46.4 | 49.6 | 44.5 | 43.5 | 52.0 | 48.3 | 49.4 |
| | (b) | 12.3 | 24.7 | 36.4 | 146.0 | 34.7 | 41.2 | 19.8 |
| | (c) | 40.5 | 25.1 | 18.8 | L 89.6 | 12.9 | 7.7 | 27.1 |

¹ Five banks ; since 1934, four banks.

Table XVI. — RELATION BETWEEN GROSS PROFITS, EXPENSES AND NET PROFITS OF COMMERCIAL BANKS OF CERTAIN COUNTRIES (concluded).

(a) Expenses
 (b) Depreciation accounts
 (c) Net Profit or Loss (L) } as percentage of gross profits.

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | |
|---------------------------------------|------|------|------|------|--------|--------|--------|------|
| Switzerland | (a) | 48.1 | 49.6 | 49.6 | 51.3 | 51.5 | 52.4 | 53.5 |
| | (b) | 6.5 | 6.0 | 25.4 | 36.5 | 59.3 | 26.1 | 29.4 |
| | (c) | 45.4 | 44.1 | 24.7 | 11.9 | L 11.0 | 21.4 | 16.9 |
| United Kingdom and Irish Free State : | | | | | | | | |
| England and Wales . . . | (a) | . | . | . | . | . | . | . |
| | (b) | 10.8 | 6.1 | 0.3 | 2.5 | 2.0 | 6.6 | 6.5 |
| | (c) | 83.0 | 88.4 | 96.3 | 93.7 | 93.8 | 89.8 | 87.2 |
| Scotland | (a) | . | . | . | . | . | . | . |
| | (b) | 9.3 | 9.4 | 8.0 | 8.0 | 5.9 | 10.9 | 9.7 |
| | (c) | 82.4 | 82.6 | 86.5 | 87.2 | 88.2 | 81.1 | 79.9 |
| Ireland | (a) | . | . | . | . | . | . | . |
| | (b) | 5.2 | 4.6 | 2.5 | 2.1 | 0.0 | 2.2 | . |
| | (c) | 93.6 | 94.3 | 96.3 | 96.5 | 100.0 | 97.0 | . |
| U.S.A. (National banks) . . . | (a) | 51.2 | 52.7 | 55.7 | 54.2 | 57.2 | 49.3 | 46.3 |
| | (b) | 17.7 | 22.0 | 38.4 | 63.5 | 74.5 | 90.7 | 45.1 |
| | (c) | 31.1 | 25.3 | 5.9 | L 17.7 | L 31.7 | L 40.0 | 8.6 |
| Yugoslavia | (a) | . | 79.5 | 85.4 | 89.7 | 81.8 | 78.3 | 79.2 |
| | (b) | . | 3.2 | 2.1 | 4.2 | 28.7 | 15.7 | 10.2 |
| | (c) | . | 16.3 | 11.6 | 5.4 | L 13.5 | 6.0 | 10.6 |

Table XVII. — YIELD OF BANKING CAPITAL IN CERTAIN COUNTRIES.

(a) Gross profits
(b) Net profit or loss (L) } as percentage of capital and reserves plus amounts brought forward.

| Country | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 |
|---|----------------------|----------------|-----------------|-----------------|----------------|----------------|-------------|
| Australia and New Zealand ¹ . | (a) . (b) 6.8 | . 5.3 | . 3.6 | . 2.7 | . 3.0 | . 3.0 | . 3.0 |
| Austria ² . | (a) 32.0 (b) 5.6 | 32.4 L 33.8 | . . | 64.3 L 438.7 | 30.0 L 17.7 | 26.3 L 23.4 | 26.7 0.9 |
| Czechoslovakia | (a) 27.2 (b) 6.7 | 25.0 5.1 | 24.8 L 23.6 | 24.5 1.9 | 22.7 1.5 | 22.0 L 0.2 | 23.6 0.6 |
| Denmark | (a) 17.4 (b) 6.4 | 17.9 6.0 | 19.2 L 1.9 | 20.3 7.7 | 22.6 9.9 | 20.3 9.8 | 17.7 4.9 |
| Estonia | (a) 49.8 (b) 8.1 | 40.5 4.6 | 44.1 4.1 | 32.6 L 1.3 | 31.8 2.5 | 37.9 6.8 | 41.6 6.7 |
| Finland | (a) 28.9 (b) 10.8 | 26.4 8.6 | 23.2 L 2.6 | 23.4 4.8 | 21.4 L 0.3 | 23.6 7.2 | 22.7 7.2 |
| France (Deposit banks) | (a) . (b) 8.8 | . 8.4 | . L 7.0 | . 6.3 | . 6.3 | . 6.2 | . 6.4 |
| France (Investment banks) | (a) 23.1 (b) 10.9 | 23.3 10.2 | . . | 14.1 3.0 | 12.4 L 10.7 | 12.0 0.1 | 11.7 0.6 |
| France (Dep. and Inv. banks) | (a) . (b) 9.3 | . 8.8 | . L 5.3 | . 5.5 | . 2.4 | . 5.0 | . 5.3 |
| Germany (Big Berlin banks) | (a) 51.8 (b) 7.0 | 50.4 4.5 | 66.4 L 118.1 | 58.6 L 15.0 | 58.9 L 2.9 | 57.1 3.6 | 51.5 3.8 |
| Greece | (a) 56.6 (b) 7.5 | . . | 55.2 5.5 | 53.3 4.5 | 50.6 5.0 | 33.9 5.6 | 35.8 6.2 |
| Hungary ³ | (a) . (b) . | 24.0 9.6 | 21.2 6.1 | 18.2 3.9 | 16.8 3.1 | 16.4 3.2 | 16.0 3.2 |
| Italy (Three banks) | (a) 25.1 (b) 8.7 | 23.3 6.3 | 19.4 4.6 | 17.8 3.4 | 24.5 L 36.7 | 21.4 2.2 | . . |
| Japan | (a) 51.5 (b) 6.2 | 52.9 6.5 | 46.9 2.0 | 47.4 4.9 | 46.8 5.3 | 48.0 6.2 | 47.7 5.9 |
| Latvia | (a) 27.6 (b) 6.2 | 27.0 L 0.3 | 18.6 L 10.1 | 11.8 L 4.8 | 11.9 L 4.6 | 12.7 L 4.3 | 8.1 0.8 |
| Lithuania ⁴ | (a) 33.4 (b) 2.6 | 33.8 2.7 | 34.5 1.8 | 28.5 1.0 | 25.6 2.4 | 21.1 0.7 | 20.0 0.5 |
| Netherlands | (a) 20.3 (b) 6.1 | 14.0 4.8 | 16.0 L 0.5 | 16.1 2.1 | 14.7 1.6 | 17.7 2.5 | 16.7 4.4 |
| Norway (Free banks) | (a) 16.2 (b) 4.8 | 16.4 5.0 | 20.1 L 19.3 | 18.2 3.4 | 18.0 2.6 | 18.3 3.9 | 19.2 3.5 |
| Peru ³ | (a) . (b) . | . . | . . | 16.2 3.9 | 18.6 5.6 | 17.5 6.2 | 20.2 8.1 |
| Poland ³ | (a) 36.3 (b) 1.3 | 33.3 3.0 | 26.6 L 0.6 | 20.9 L 1.1 | 14.2 L 4.3 | 15.4 L 1.5 | . . |
| Sweden | (a) 18.6 (b) 7.5 | 17.9 4.5 | 19.4 3.6 | 19.1 L 17.1 | 18.4 2.4 | 19.0 1.5 | 19.1 5.2 |
| Switzerland | (a) 15.0 (b) 6.8 | 14.8 6.5 | 14.6 3.6 | 13.1 1.6 | 13.2 L 1.4 | 12.4 2.7 | 12.2 2.1 |
| United Kingdom and Irish Free State: | | | | | | | |
| England and Wales | (a) . (b) 8.2 | . 7.3 | . 7.9 | . 6.9 | . 7.0 | . 6.9 | . 6.7 |
| Scotland | (a) . (b) 7.7 | . 7.4 | . 7.2 | . 7.2 | . 7.2 | . 6.8 | . 6.7 |
| Ireland | (a) . (b) 8.6 | . 8.5 | . 8.7 | . 7.7 | . 7.4 | . 7.1 | . 7.2 |
| U.S.A. (National banks) | (a) 31.2 (b) 9.7 | 29.2 7.4 | 28.1 1.7 | 27.9 L 4.9 | 28.0 L 8.9 | 29.3 L 11.7 | 31.6 2.7 |
| Yugoslavia | (a) . (b) . | 32.0 5.2 | 37.4 4.3 | 30.0 1.6 | 26.6 L 3.6 | 26.9 1.6 | 23.4 2.5 |

¹ Figures refer to June of the following year.

² 1929 to 1933: five banks; since 1934: four banks.

³ Amounts brought forward are not taken into consideration.

⁴ Gross profits (a) and net profits (b) as percentage of paid-up capital, reserves and earnings.