

MONEY AND EXCHANGE

MONEY AND CREDIT IN ABUNDANCE

Ease Promises to Continue for Months—Gold Holdings Create Great Potential Expansion

Money market promises to continue easy all through the fall and winter though the next four months constitute the period of greatest firmness.

Gold imports since August, 1920, are clearly the most responsible influence in present ease and potential credit power, especially in New York.

All gold imports go to the reserve banks, for the credit of the depositing member banks, who may increase their own loans from about seven to fourteen times the amount of their reserves.

This possible credit expansion is without borrowing from the Reserve banks, who may increase their own loans until their liabilities are two and a half times their reserves.

In the past several years, especially since August, 1920, the effects of the inflow of gold have been offset in considerable degree by the action of member banks in reducing the volume of rediscounts at the Federal Reserve Bank.

Time Money

Time money market is dull. Ninety days to five months' securities are most in demand.

Call Money

Call money opened at 2%, high 2%, low 2% and closed at 2%.

Commercial Paper

Commercial paper market is quiet. There is not a great deal being offered and banks are not purchasing to any noticeable extent.

Bank Acceptances

Bank acceptance market is quiet with rates steady and unchanged. Rates are as follows for prime eligible bank acceptances, spot delivery:

Gold to India

Equitable Eastern Banking Corp. is shipping \$500,000 gold to India, by the Mauritania.

Most of this gold for export is being procured at the Philadelphia Mint owing to lack of suitable small bars at the local Assay Office.

London Market

LONDON—Call money in better demand at 3 1/2% to 3 3/4%. Two-months bills 3 1/4%; three 3 1/4% to 3 13-16%; four 4% to 4 1/4%; six 1 1/4% to 1 3/4%.

Table of London market rates for various securities including British Consols, French War 5s, and Mexican Eagle.

Foreign Exchange Sterling Active

No Wide Net Changes from Tuesday's Prices—Milreis Higher—Chilean Pesos Lower

Foreign exchanges moved erratically. Rates came over from London at the opening almost unchanged from previous close, and in the early trading here Tuesday's rally was continued.

Foreign exchanges opened around Tuesday's closing levels, with most currencies showing small gains. Demand sterling was quoted \$4.44 1/2, up .00 1/4.

Part of the early speculative activity was ascribed to dispatches from Paris, stating that J. P. Morgan & Co. had expressed willingness to renew the \$100,000,000 stabilization credit to France.

Traders are watching the financial situation in France closely, as Premier Herriot's program is rather indefinite and there are various campaign promises regarding finances yet to be fulfilled.

It is likely that the \$100,000,000 credit extended the Bank of France six months ago by J. P. Morgan & Co. and other American bankers, and which expires September 12, will be renewed.

GERMANY CURTAILS ON DISCOUNT CREDIT HERE

Two Name Trade Bills Arrive, but Are Held "For Collection"—Avoid High Interest—Confidence with Stable Currency

Germany is not using any additional discounts available under the American credits arranged on behalf of the German Gold Discount Bank (Dr. Schacht's bank).

There is evidently a disposition to avoid the excessive rates of interest still charged by the German banks. The credits are costing the German borrowers from 10 to 15%.

Savings deposits are also increasing. Germans no longer hasten to put their money into tangible goods as they did when the mark was rapidly depreciating.

TO RENEW FRENCH CREDIT

Bank of France Expected to Request Six Months' Extension

It is likely that the \$100,000,000 credit extended the Bank of France six months ago by J. P. Morgan & Co. and other American bankers, and which expires September 12, will be renewed.

J. P. Morgan & Co. declined to make any statement in regard to the transaction other than to say that the matter was being talked over.

It is assumed that any such overtures naturally must come from Bank of France officials. The belief is entertained that the extension of the credit would have a supporting effect upon the French franc and tend to divert efforts of speculators who might attempt to depress the franc again.

Certain bankers are of the opinion that an extension of this credit operation for another six months would be a wise move.

GERMAN LOAN DELAY

Not Expected to Be Offered Until Some Time After October 15

Bankers intimately associated with negotiations for floating the American share of the \$300,000,000 German loan, do not expect the public offering to be made until some time between October 15 and November 15.

Some weeks ago it was thought the offering might be brought out sooner, but the technicalities surrounding the undertaking are many, and, naturally, it will take time for all interested parties to agree upon them.

Opinion still is that America will take one-half the issue.

British Loan to Russia Opposed

BOSTON—London correspondent of the Boston News Bureau cables:

"There is much opposition here to a British loan to Russia, especially to any British guaranty."

German Gold Bank

BERLIN—Principal items in German Gold Discount Bank compare as follows:

Table showing German Gold Bank items: Gold, Foreign bank notes, Foreign assets, Bills of exchange, Share capital, Current obligations, Rediscount cheques and bills.

SILVER AT NEW HIGH

Advance Attributed Largely to the Chinese Demand, with Little Metal Offered

Silver has sold at new high for the year with some sales by producers direct to consumers or banks at 69 7-16 cents an ounce.

Advance is due to a considerable extent to Chinese buying here, in London and San Francisco. Chinese demand for San Francisco shipments has driven San Francisco premium of 1/4 cent an ounce above New York with 60 1/2 cents bid and none as yet obtained at the price so far as known at this writing.

Chinese buying is being masked fairly well so that the volume can not be gauged with accuracy. However, in some instances buyers representing Chinese clients have tried to duplicate the order when they have been able to get acceptance of a bid at San Francisco.

Handy & Harman quote silver: New York, \$69 1/4, up 1/4; London 35d., unchanged; Mexican dollars \$53 1/4, up 1/4.

LONDON—Bar silver 35d., unchanged; forward 35d., up 1/4. Gold bars 98s., off 5d.

Bank Clearings

Table of bank clearings for New York, Chicago, Philadelphia, Boston, and Detroit.

In and Out of the Banks

One day in November, 1911, a man by the name of A. Roux opened an account at the Guaranty Trust Co., depositing \$21,511. He said he was going into the foreign business under the trading name of Continental Import & Export Co.

And so every year the Guaranty Trust Co. has to advertise, according to the law, along with other unclaimed deposits, for the rightful owner of this small fortune, occasionally having to defend it, as custodian, against the designs of the unscrupulous.

Mr. May pointed out the interesting fact that Moscow is one of the few places in the world at present where the United States dollar is quoted at a discount. This is because the Russian government controls both imports and exports and fixes an arbitrary price on the exchanges.

What Russia needs at the present time, Mr. May said, is foreign capital to develop its immense resources. Within its almost boundless territory is every known source of wealth. But it is mostly under ground or undeveloped.

Union Banking Corporation, organized in August under the New York state banking law, has opened offices at 39 Broadway to engage in international banking, with paid-in capital and surplus of \$500,000.

Roger P. Kavanagh has been elected a vice president of the American Trust Co., and will be in charge of the American Trust Co.'s new midtown office on Madison Avenue at 41st Street.

William Baxter, New York agent of Chartered Bank of India, Australia & China, is advised from head office in London that directors have declared interim dividend for past half year at rate of 14% per annum.

Yokohama Specie Bank has declared regular dividend of 6% for past half year, transferred 3,000,000 yen to reserve, and carried 5,268,835 to profit and loss, according to cable from home office to local branch.

City Department of Taxes and Assessments has extended until September 16 time in which brokers may file complaints against application to them of state bank tax law.

British Floating Debt Higher

LONDON—British Exchequer receipts for week ended September 6 were £10,875,223 and expenditures £21,276,103, compared with £10,876,906 and £10,155,843, respectively, the previous week. Floating debt increased to £779,122,500 from £768,583,500.

New Regime in Chile

WASHINGTON—Revolutionary developments in Chile, where a government of military officers under general Luis Altamirano has ousted the Liberal Cabinet and established a rigid censorship, continue without bloodshed, according to reports received by the Chilean Embassy and the State Department.

Greece Buying United States Lumber

WASHINGTON—Outlook for American lumber on the Greek markets is bright and it is estimated imports this year will be about double last. An enormous building program has been in progress as a result of the practical suspension of building operations throughout the decade Greece was at war.

Few Strikes in Italy

WASHINGTON—Slight indications of labor unrest have appeared in Italy after many months of calm, Trade Commissioner Osborne reports from Rome. Operators in three cotton mills in the province of Udine are on strike and the calkers and ship carpenters in Genoa struck against a proposed wage cut.

EUROPE SHIPPING U. S. CURRENCY BACK

Currency Reforms in Germany—Remove Demand for U. S. Dollars—\$9,000,000 Returns in July

Europe now is returning American currency upon a large scale and in the past four months, to August 1, approximately \$22,000,000 has flowed in from foreign points. The bulk of this currency comes from Germany, to which country heavy shipments were made in 1923 and early this year.

United States currency to the amount of \$9,000,000 was returned in the month of July alone, whereas in April the return shipments were but \$1,661,000. It is thought that currency returns were larger in August than in July.

Following is a compilation of the New York Federal Reserve Bank, showing the trend of the currency movement:

Table showing currency movement: Shipments, Receipts, Net Shipments, Net Receipts for various months from May 1923 to July 1924.

Early this year, American dollars were moving to Germany rather freely. Because of the diminished value of the German paper mark, business men and merchants found it almost impossible to do business without American dollars.

Another decrease in money circulation per capita up from last month, but still under last year's figure.

ANOTHER DECREASE IN MONEY

Circulation Per Capita Up from Last Month, but Still Under Last Year's Figure

Stock of money in the United States on September 1, 1924, totaled \$8,676,373,198, decrease of \$2,775,057 since August 1, last. Amount in circulation September 1 aggregated \$4,773,878,272 compared with \$4,665,187,268 August 1 and \$4,777,906,811 September 1, 1923.

Gold certificate circulation amounted to \$872,806,529 against \$801,380,819 July 1, 1924, which was the high since the Treasury issued the revised statement in July, 1922.

Table showing principal items of September 1, 1924, circulation statement compared with August 1, 1924, and September 1, 1923, follows:

Table showing principal items of circulation statement for Sept. 1, 1924, Aug. 1, 1924, and Sept. 1, 1923.

Total circulation per capita 42.28, down from 42.85 August 1, 1924, and 41.53, 1923.

Total stock money in United States \$8,676,373,198 \$8,704,148,255 \$8,707,407,220

CZECHOSLOVAK TRADE MORE

Aggregate of Exports and Imports in Last Eighteen Months Has Grown Approximately \$170,000,000

Czechoslovak official bureau of statistics, subordinated to the ministerial council, of which Prime Minister Antonin Svehla is now the head, publishes figures for foreign trade of Czechoslovakia from which the following table is compiled.

Table showing Czechoslovak trade: Exports, Imports, Total for Jan-June and July-December 1924 and 1923.

Since January 1, 1923, value of goods in official statements is based on the declarations of exporters and importers. Value of imported goods purchased in foreign countries represents production cost, plus packing, commission charges, insurance and freight to the frontier. No duties are added.

Value of exported goods is the invoice price at place of sale, plus packing, commissions, insurance and freight to the frontier. Export duties are also included.

GOVERNMENT INTEREST PAYMENT

Of a total of approximately \$135,000,000 interest payable by the government on September 15, 1924, it is estimated that the Federal Reserve Bank of New York will pay out about \$57,000,000.

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