

New York Foreign Exchange Quotations

On January 31, 1934, the President of the United States proclaimed the new United States standard gold dollar to be 15.5/21, that is, 15.23809 grains 9/10 fine, as against the old gold standard of 25.8 grains 9/10 fine, thus devaluing the U. S. gold dollar to approximately 59.06236% of its former value or a reduction of gold weight and value of approximately 40.93764%. The calculations are as follows:

(new \$) 15.23809	grains	0.03174602	oz. troy 9/10 fine
(old \$) 25.8		0.05375	
= 0.028571418		0.8886854088	
= 0.048375	oz. troy or	1.504656	grammes 10/10 fine
= 59.06236 %			

Based on this new standard of 15.5/21 grains 9/10 fine, equivalent to a fine weight or pure gold content of 0.8886854 gramme, or \$35 per fine troy ounce, the cable rates of New York banks' selling foreign currencies (as of December 21, 1936) on the principal foreign world financial centres may be explained as follows:

LONDON: 4.9106 (that is, U.S.\$4.9106 per £1):
 The British Pound Sterling or gold sovereign of 7.32237196 fine grammes has a gold standard parity with the new U. S. dollar of (per £1) U.S.\$8.2397
 New York-London cross-rate, December 21st \$4.9106

	Difference (per £1)	\$3.3291
Which is equivalent to a depreciation or devaluation of the British Pound Sterling (now off the gold standard, and a "managed currency") of approximately.....		40.40%
As the old U.S. dollar has been devalued, as above stated, by approximately.....		40.94%
Therefore the devaluation of the old U.S. dollar exceeds the depreciation of the British Pound Sterling by approximately.....		0.54%

PARIS: 4-43/64 (that is, U.S.\$4.671875 per 100 French Francs):
 The new French Franc of 0.05895 fine gramme has a gold standard parity with the new U.S. dollar of U.S.\$0.066843
 per Franc, that is, (per 100 French Francs) U.S.\$6.6343
 New York-Paris cross-rate, December 21st \$4.671875

	Difference (per 100 Fr. Frcs.)	\$1.962425
Which is equivalent to a depreciation or devaluation of the French Franc (now off the gold standard, and a "managed currency") of approximately.....		29.58%

AMSTERDAM (Holland): 54-49/64 (that is, U.S.\$4.765625 per 100 Dutch guilders or florins):
 The Dutch guilder or florin of 0.6048 fine gramme has a gold standard parity with the new U.S. dollar of U.S.\$0.69063 per guilder, that is, (per 100 guilders) U.S.\$68.063
 New York-Amsterdam cross-rate, December 21st \$4.765625

	Difference (per 100 guilders)	\$13.297375
Which is equivalent to a depreciation or devaluation of the Dutch guilder (now off the gold standard, and a "managed currency") of approximately.....		19.54%

BERLIN (Germany): 40-1/4 (that is, U.S.\$40.25 per 100 Reichsmarks):
 The German monetary unit Reichsmark of 0.3584222 fine gramme has a gold standard parity with the new U.S. dollar of U.S.\$0.40335 per Reichsmark, or (per 100 Reichsmarks) U.S.\$40.335
 New York-Berlin cross-rate, December 21st \$40.25

	Difference (per 100 Reichsmarks)	\$ 0.085
Which is equivalent to a depreciation of the Reichsmark of approximately.....		0.22%

SHANGHAI (China): 29-11/16 (that is, U.S.\$0.296875 per "yuan" or Chinese dollar):
 The Chinese silver standard dollar has a fine weight or pure silver content of 23.493448 grammes which is equivalent to 0.756086 ounce troy 0.999 fine. With London silver at 21-5/16 pence (at the approximate cross-rate of 491.36) equivalent to New York silver price of 47-1/8 cents gold per ounce troy 0.999 fine, the New York-Shanghai parity is (per yuan) U.S.\$0.356306
 New York-Shanghai cross-rate, December 21st \$0.296875

	Difference (per yuan)	\$0.059431
Which is equivalent to a devaluation of the "yuan" or Chinese dollar (now off silver standard, and a "man-		

aged currency") at the present price of silver, of approximately..... 16.68%

YOKOHAMA (Japan): 28-1/2 (that is, U.S.\$0.285 per yen):
 The Japanese gold yen of 0.75 fine gramme (of identical weight and fineness as the Mexican gold peso) has a gold standard parity with the new U.S. dollar of (per yen) U.S.\$0.843943
 New York-Yokohama cross-rate, December 21st (say)..... \$0.285

	Difference (per yen)	\$0.558943
Which is equivalent to a depreciation or devaluation of the yen (now off gold standard, and a "managed currency") of approximately.....		66.23%

The French franc should be distinguished from the Belgian franc and the Swiss franc, both of which are of different weight and value from the French franc.

The Belgian franc, with a fine weight and pure gold content of 0.04184 gramme and a parity with the new U. S. dollar of \$0.04708 per franc, was, by decree of the Belgian Government on March 31, 1934, devalued to 0.03013 gramme with a new parity with the U. S. dollar of \$0.0339 per franc. This means that the Belgian franc was devalued, or reduced in gold weight and value, by approximately 27.989% of its former value before the suspension of its gold standard on March 29, 1934. One Belga equals five (5) Belgian francs.

The Swiss franc (of identical weight and fineness as the Spanish gold Peseta), with a fine weight or pure gold content of 0.2903225 gramme, has a gold standard parity with the new U. S. dollar of \$0.32669 per franc. The Swiss Government has, however, suspended its gold standard and, on November 3, 1936, announced that it would adhere in principle and practice to the new tripartite gold agreement between the United States, Great Britain, and France, and to take the same measures as these three countries for fixing the price of gold.

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