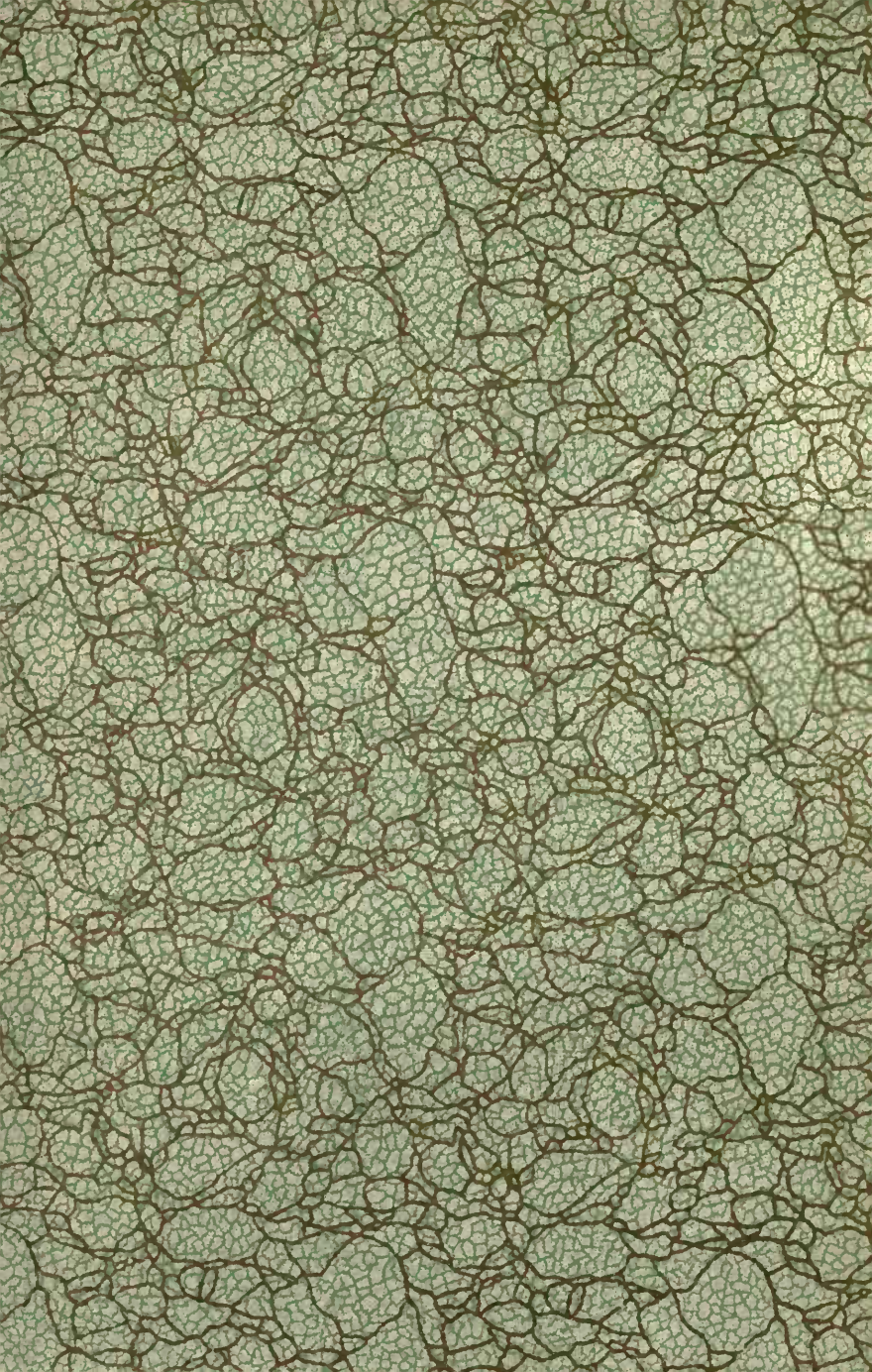
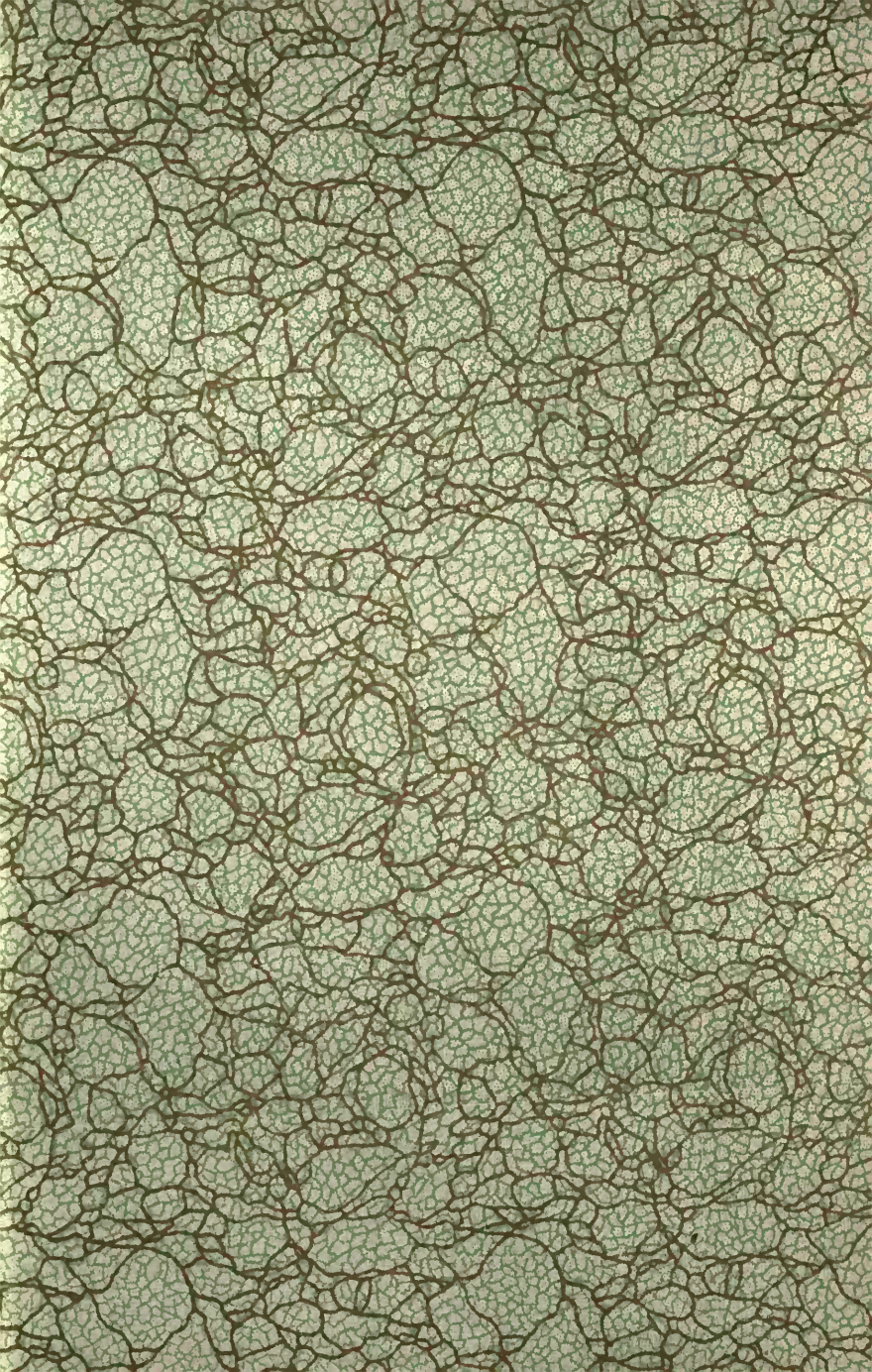


Brooks'
Foreign Exchange
Text Book





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BROOKS'
FOREIGN EXCHANGE
TEXT BOOK 7

AN ELEMENTARY TREATISE ON

Foreign Exchange
AND THE MONETARY SYSTEMS
of THE WORLD

FOR THE INSTRUCTION *and* USE *of* THE BANKER, EXPORTER,
IMPORTER, TOURIST *and* PARTICULARLY FOR
THE SCHOLAR *and* STUDENT

1906

Revised September, 1908

By HOWARD K. BROOKS

Author of "Foreign Exchange," Figured, Explained, Simplified, Illustrated

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INTRODUCTION.



NO doubt many who have become interested in the science of foreign exchange are somewhat discouraged as well as surprised to find so few text-books treating of this science which are of value to the beginner. The few books obtainable upon this subject are either too far advanced for the student or are of such a character as to require too close study to be readily comprehended. While the theory of foreign exchange is quite clearly defined in a number of works upon the subject, the use of technical terms, the absence of proper illustrations or the inability of the writers to impart knowledge has made it difficult for the beginner to understand the various processes through which the results were obtained, and as a result many students have become discouraged at trying to master what seemed to them insurmountable problems, too intricate to be overcome.

In presenting this publication the writer has invariably kept in mind the importance of explaining, in simple language, the essential principles of the science and where there seemed any doubt of the clearness of the statements, to supplement same with complete illustrations.

While practical experience is necessary in the more intricate operations in foreign exchange transactions, students and junior employes of banks and mercantile houses should experience no difficulty, with well directed study and application, in fitting themselves for lucrative positions in the foreign departments of city banks and mercantile institutions. In fact the writer believes the opportunity for

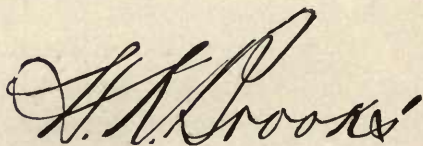
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young men in the foreign exchange departments of the concerns mentioned, are more encouraging and promise better salaries for the future, than in almost any other line of trade.

With the very large and rapidly increasing export and import business between the United States and foreign countries, necessitating large commercial money transactions, and the large and growing foreign population who are constantly sending remittances of money to their friends and relatives abroad, to say nothing of the enormous increase in travel by Americans to foreign lands, the importance of a general knowledge of foreign exchange business in its various details is becoming greater each year.

Where a few years ago dealings in foreign exchange were confined to a few leading banks and bankers at the principal large cities, we now find nearly every bank and financial institution equipped for handling such business. Merchants who formerly imported goods through brokers at seaport cities now have foreign departments for conducting the business direct.

Therefore, we urge young men to devote time and study to this branch, believing it will insure to them a higher appreciation and ultimately a greater remuneration than is afforded in other classes of financial and mercantile pursuits.

A handwritten signature in cursive script, reading "H. H. Cross". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

CHICAGO, ILL., U. S. A.

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Foreign Exchange Text Book.

CHAPTER I.

FOREIGN EXCHANGE.

The term "Foreign Exchange" is one commonly used to apply to financial transactions between countries, the word "foreign" implying a foreign country, "exchange" meaning to barter or to give one thing for another.

The dictionary gives several definitions of the word "exchange," applicable to the term "Foreign Exchange;" for example: "to part with in return for some equivalent; to exchange in foreign countries for gold; the act of giving one thing or commodity for another; the process of exchanging one debt for another, or the receiving or paying of money in one place for an equal sum in another place by order, draft, or bill of exchange."

Exchange in its broad sense covers all exchanges of commodities, but the term "Foreign Exchange" is limited to transactions between countries in the monetary settlements of such exchanges of commodities or of corporal interests.

Foreign Exchange is a system by which commercial nations discharge their debts to each other. These debts, which represent the difference between the amount we owe to foreign countries and that which they owe us, have to be paid either with cash or something equally satisfactory to creditors. The transmitting of gold and currency, while sometimes resorted to, is usually regarded an expensive and risky method; therefore, to avoid this risk and expense, the system of exchanging debts through the medium of commercial paper is adopted, and the process of so doing is termed "Foreign Exchange business."

Among the various transactions which may properly be termed Foreign Exchange are the following: The issuing of a money order, draft, check, or bill of exchange payable in a foreign country; the shipping of currency or coin from one country to another; an order, either written or cabled (telegraphed), to have a certain sum of money paid in a foreign country; a draft payable in a foreign country drawn for the value of goods exported; a draft, money order, check or bill of exchange drawn in a foreign country payable in this country; the buying or selling of foreign currency or coin, whether here or abroad; a circular letter of credit, commercial or mercantile letter of credit, circular

note, travelers' cheque, or other forms used either for obtaining money or credit in a foreign country.

To have a clear understanding of what foreign exchange business is and how it is conducted, one should know the various sources from which foreign exchange transactions emanate. Our exports and imports of commercial products and manufactured articles furnish the greatest volume of the transactions, and serve to illustrate the enormous extent of the business. By referring to statistics compiled by the United States Government we find that during the year 1905, the value of merchandise imported into the United States from foreign countries amounted to \$1,179,358,846.00, and that the value of the merchandise exported from the United States to foreign countries for the same period reached the sum of \$1,626,962,343.00, making the total value of goods exported and imported \$2,806,321,189.00, and the difference between the value of importations and exportations, representing the balance of trade in our favor, or balance due us thereon from foreign countries, the sum of \$447,603,497.00. These figures, however, fall far short of representing the total volume of business, for the period named, between this and foreign countries which was handled through the medium of the system we call "Foreign Exchange." The investments made by people in this and foreign countries in each other's stocks, bonds and enterprises of various kinds, and the interest and dividends resulting from same; the cost for transportation of goods and the commissions paid for services; the expense incurred for travel in foreign countries on business or pleasure; money borrowed or loaned to float large enterprises; remittances to relatives and friends, and the many other sources from which foreign exchange transactions are made up and which are not included in the above figures, amount in the aggregate to a sum so large as to seem almost incomprehensible, and for anyone to form anything like a correct estimate of same would be very difficult, if not impossible.

The exporters are very little interested in this balance. When goods are shipped abroad, the exporter is at once reimbursed for them by selling his foreign commercial bills of exchange against such shipments to bankers and foreign exchange dealers. The latter in return are reimbursed through the payment of the bills at maturity and each export transaction terminates by the amount being placed to the credit of the purchasers of the bills. Against this credit the banker or dealer sells his own checks, circular letters of credit, commercial letters of credit, bills of exchange, etc., to importers or others wishing to remit or obtain credit abroad, which largely offsets the balance in our favor and any remaining balance does not stay long abroad unless it can be more profitably invested there than here. The return from

abroad of American securities also offsets merchandise balances.

Trade between countries may be said to be conducted in a manner quite similar to that employed between cities and towns in this country, except that the method of payment or reimbursement to the shipper necessarily differs, by reason of the greater distance, the difference in kind of money used, and the different commercial customs. To obtain payment for goods shipped to a foreign country which perhaps would not arrive at destination for several weeks, and possibly months, according to distance or whether shipped by fast or slow steamers, to say nothing of the fact that for some countries steamers leave our ports only semi-monthly or monthly, it is the usual custom of the shipper, whom we term the "exporter," to sell his commercial bill of exchange against the shipment in advance to the highest bidder, and he rarely experiences any difficulty in finding a ready purchaser.

Our exporters, in competing with foreign manufacturers, must take into consideration the cost of transportation, insurance on goods, custom duties, commissions for services, difference in value of money and the probable price at which they can discount or sell their commercial bill (draft and documents) against same. Time credit must also be extended to the buyer. If our exporters had to wait for payment until maturity of their drafts, it would mean the tying up of a large amount of capital and possibly prevent their competing successfully.

The payment of indebtedness between countries representing innumerable transactions is adjusted through a very few centers, or as we might say, "Clearing Houses," and corresponds to the practice in vogue in this country, except that instead of being adjusted or settled daily as is done through our bank Clearing Houses, the balances are never brought to a final settlement, but continue from year to year, adjusting themselves from time to time as they mature. While the exact balances between countries are never known, the volume of same is shown in the movements of the "rates of exchange" above and below "par" between countries.

New York is the exchange centre or clearing house of North America, and to a large extent of South and Central Americas. London is the exchange centre of the British Empire and partly of the entire world; Paris of France, Belgium, Switzerland, Italy, Spain, Bulgaria, Roumania and Greece; Berlin and Hamburg of Germany, and to some extent of Russia; Vienna of Austria Hungary; Stockholm of Sweden, Norway and Denmark; Hong Kong of China and largely of other oriental countries; Yokohama of Japan, and Manila of the Philippine Islands.

Any material excess over the usual indebtedness between two countries is instantly reflected in the rise or fall of the rates of exchange between those countries, caused by the increased

or decreased demand for exchange, and no sooner do these changes in rates become known than operations are entered into which cause the rates to reach normal conditions or nearly so.

The exchanging of the money of one country into that of another country, whether by the exchange of the currency or coin itself or by means of commercial paper, as a rule, results in loss to the owner and gain to the purchaser, since each one receiving the money or paper converts it at a rate of exchange favorable to themselves. For example: If the holder of a "Letter of Credit" drawn in English money (pounds sterling) presents same at a bank in Germany, it is customary to ask for and receive not English money, but the equivalent of same in German money (marks), and in converting same the German banker will do so at a rate of exchange that will enable him to make a profit on the transaction, and he does so by determining the number of marks for which he can sell a pound sterling and then pays a less number to the holder of the letter of credit for his draft. This method of converting money is practiced by banks and other financial institutions in this country, as well as abroad. For instance, if a holder of a draft or check, payable say in London, offers same for sale or presents it to be cashed at a bank in this country, the banker will first determine the rate at which exchange on London can be sold, and will then offer such lower rate as will afford a profit in the use of the draft or check purchased by sending same to London for credit or reselling same to a banker having a London account.

If every country of the world used money of exactly the same denominations and value, even though called by different names, the exchanging of debts or the remitting of money between countries would be a very simple matter, just as simple as it is to exchange debts or to remit money to places within the United States. Owing to the different monetary and financial conditions, nearly every country now has a monetary system differing in some respects from that of other countries.

Margraff in "International Exchange," says: "In its tangible shape Foreign Exchange is an evidence of indebtedness represented by a negotiable instrument, the drawer or maker constituting the creditor, the drawee the debtor, and title thereto is vested in the payee."

"The indebtedness underlying foreign bills of exchange is created in various ways; it may be issued against the value of merchandise exported, securities, or actual funds. The major portion of foreign bills of exchange, however, are drawn against exports of commodities."

Foreign exchange transactions are generally regarded as being very complicated, but while there are some operations requiring experience and patient study, the system as a whole cannot be said to be any more intricate than many of the problems daily arising in local mercantile business.

CHAPTER II.

THE MONETARY SYSTEMS OF THE WORLD.

A knowledge of the money of account or monetary systems of the various countries of the world is one of the first things necessary to a clear understanding of foreign exchange transactions.

There are various forms of money employed by the several nations of the world to effect their exchanges. These forms may, however, be generally classified as follows:

Government notes.

Bank notes.

Certificates of deposit for gold or silver.

Gold coin or bars.

Full legal tender silver.

Subsidiary silver coins having limited legal tender.

Minor coins, i. e., base metal tokens.

The most important attribute of any form of money is its legal tender power; that is, the power conferred by law to discharge a debt payable in money. While all forms of money have in some countries a greater or less legal tender power, gold alone possesses an unlimited legal tender power throughout the world.

Paper Money.

Government notes are issued by comparatively few countries. Bank notes are issued in nearly all civilized countries. Gold and silver certificates represent actual deposits of coin or bullion, and some issues of notes are similarly covered by metallic (gold or silver) money. Government and bank notes are generally issued to a greater or less degree on the credit of the government or bank issuing them and are exchangeable for coin in accordance with the measure of that credit.

Paper money, such as government and bank notes and certificates, are, as a rule, intended solely for circulation within the country in which issued and are not legal tender outside of the country from which they emanate. Of course, paper money is often accepted in small amounts for its full face value in other countries, but it is always optional with the creditor as to its acceptance.

Gold.

By virtue of the commercial usage and the laws of the various countries of the world, gold may be said to be the only international money, and its purchasing power is practically the same throughout the civilized world. But bear in mind, the value of gold coins

is not always as expressed on their face. In large international transactions the weight of the same is regarded and not the number of pieces; and their value depends upon their weight and fineness. By fineness is meant the proportion of pure metal. Nearly all coins contain alloy, or inferior metal, which is added to increase their durability.

The value or price of the gold money of account of commercial countries is determined by the weight and fineness of the metal contained therein, which weight and fineness are established by the mint laws of the country issuing the money. It is therefore essential that the standard of weight by which the various moneys of account are established shall be unvarying and have the highest legal sanction; otherwise there would be no stability of values and no such thing as accurate deductions of pars of exchange. Gold is the only commodity in the world the value of which is established by law.

The price of gold in the United States cannot be affected by an abundance or a scarcity of supply. Our mints will buy it at the price established by law, and although there is no international agreement to maintain the price, the fact that gold is accepted by the chief commercial countries at the one universal measure of values operates to prevent any attempt to materially change its value. The price of diamonds, which are more valuable than gold, is affected by the supply or demand. Silver, used extensively as money, fluctuates in price like any commodity, the supply and demand governing its value.

Silver and Minor Coins

are also intended for domestic use, and when accepted in other countries it is at their actual metal value rather than at their face value. For illustration: The purchasing power of the silver dollar of the United States within this country, is as great for small sums as the gold dollar, but in the other countries it would be accepted only for its bullion value.

Value of Foreign Money.

Once each three months the Director of the United States mint proclaims by Circular the value of foreign coins in terms of the money of account of the United States for the purpose of establishing uniformity in the calculations of duties upon importations of merchandise entered at the various custom houses. The valuations of gold moneys of account rarely ever change, because the weight and fineness of the gold coins are fixed by the laws of the countries issuing same, but the values of silver moneys of account fluctuate frequently for the reason the market price for silver is constantly changing. The coins of silver-standard countries are valued by their pure silver contents at

the average market price of silver for the three months preceding the date of issuance of the circular by the Treasury Department at Washington.

In expressing the value of paper money and gold, silver and minor coins in use in the various countries named in this chapter, we have estimated same based upon the actual value of the gold unit, therefore, while the values as given for gold coins may be considered nearly accurate, those for paper notes and silver and minor coins are not, but are merely an estimate of their home value, based upon the actual value of their gold coins, if any, and are given for comparative purposes only.

EUROPEAN COUNTRIES.

Money of Great Britain and Colonies.

Foremost among all nations of the earth in the magnitude of its commerce, its vast colonial possessions and dependencies, and consequently its importance as the chief financial center, Great Britain furnishes the most interesting study of the money of the world. Without exception the sovereign is the most universally recognized coin, and is one of the largest of units of money. Probably more foreign exchange is drawn in sterling here and in other countries than in the moneys of all other countries combined. This is due, however, to the fact that London is the financial center of the world, and exchange on that city is generally acceptable, if not preferred. For the same reason probably ninety per cent of all letters of credit issued throughout the world are drawn in English money.

The currency of the country is gold, with subsidiary coins of silver and bronze, supplemented by a convertible currency.

Monetary Unit:

Sovereign or Pound	=20 Shillings
12 Pence	= 1 Shilling
4 Farthings	= 1 Penny

Table:

4 farthings	(expressed "far.")	=1 penny	£	s.	d.	far.
12 pence	(expressed "d.")	=1 shilling	1	=20	=240	=960
20 shillings	(expressed "s.")	=1 pound		1	= 12	= 48
21 shillings		=1 guinea			1	= 4

Table of Weights of Money.

24 grains	=1 pennyweight
20 pennyweight	=1 ounce
12 ounces	=1 pound

The value of the gold sovereign or pound in the money of the United States is \$4.8665. The nominal value of the shilling is 24½ cents and of the penny 2½ cents. The commercial value of the pound sterling in the United States fluctuates according to the demand for checks, drafts or bills of exchange on England and the supply of such exchange in the market for sale. The paper currency and the gold, silver and minor coins in use, with the weight, fineness, etc., and approximate equivalent value in United States money are as follows:

PAPER MONEY.

Bank of England Notes—£5 (\$24.33), £10 (\$48.67), £20 (\$97.33), £50 (\$243.33), £100 (\$486.65), £200 (\$973.30), £500 (\$2433.25), £1,000 (\$4866.50).

Irish Bank Notes—£1 (\$4.87), £3 (\$14.60), £5 (\$24.33), £10 (\$48.67), £20 (\$97.33), £50 (\$243.33), £100 (\$486.65). These Irish Bank Notes are issued by several banks of Ireland, and while they circulate freely in Ireland, are subject to discount of 1 penny per pound in London transactions between banks.

Scotch Bank Notes of denominations of £1, £5, £10, £20 and £100 circulate freely in Scotland, but are subject to discount of 1 penny per pound in London between banks. There are quite a large number of banks in England that issue notes, but they are subject to charges for collection in London, their circulation being purely local.

Prior to 1798, the double standard (gold and silver) prevailed with the legal ratio (a) of gold to silver of 1 to 15.21. In 1798 an act was passed prohibiting the coinage of silver, and although it was intended this measure should be provisional only it soon became permanent, and England, to all intents and purposes, has had the single gold standard since 1798. The single gold standard was definitely adopted by virtue of the act of Parliament passed June 22, 1816. The present legal ratio between gold and silver in the coinage of Great Britain is as 1 to 14.28781.

The English colonies of Malta, Gibraltar, the Cape of Good Hope, Natal, the Australian colonies, and New Zealand have the same monetary system as in England. In Canada, however, the gold dollar of the United States is the monetary unit and the pound sterling or sovereign is a legal tender at the rate of \$4.866 per pound.

Denominations	GOLD COINS.			Value in United States Money
	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	
5 pounds	616.3723	916½	565.0079	\$24.3328
2 pounds	246.5489	916½	226.0031	9.7331
Sovereign	123.2744	916½	113.0015	4.8665
Half Sovereign	61.6372	916½	56.5007	2.4332

The 5 and 2 pound pieces consist of the Special Jubilee issue in 1887, and the Special Coronation issue in 1902.

(a) See explanation of term "ratio."

SILVER COINS.

Denominations	Gross Weight (Grains)	Finesness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Crown (5 Shil.)	436.3637	925	403.6364	\$1.2166
Half Crown (2½ Shil.)	218.1818	925	201.8182	.6083
Florin (2 Shil.)	174.5455	925	161.4545	.4866
Shilling	87.2727	925	80.7272	.2433
Six Pence	43.6363	925	40.3636	.1216
Four Pence	29.0909	925	26.9090	.0811
Three Pence	21.8181	925	20.1818	.0608
Two Pence	14.5454	925	13.4545	.0405
Penny	7.2727	925	6.7272	.0202

The four-penny piece has been withdrawn, but is still accepted as three-pence. The silver one-penny and two-penny pieces are called "Mourdy" money, being distributed as Royal Alms on Mourday Thursday (the day preceding Good Friday). They are only souvenir coins and are not in general circulation.

MINOR COINS.

Denominations	Weight (Grains)	Composition	Legal Tender	Value
1 Penny	145.8333	95% Copper 4% Tin 1% Zinc	To the amount of 1 Shilling.	\$0.0202 .0101 .0050
Halfpenny	87.5000			
Farthing	43.7500			

The sovereign is not a legal tender when its weight is below 112.2921 troy grains pure gold. The Bank of England does not re-issue a sovereign when it is below the weight of 122.5 troy grains of gold and alloy. Any one presenting Bank of England notes at the Bank of England can obtain gold coins of legal weight in exchange for the same without question, delay or expense.

The British possessions where English gold is unlimited legal tender are as follows: Antigua, Ascension, Australasia, Bahama Islands, British Guiana, Basutoland, Bechuanaland, Canada, Channel Islands, Cape of Good Hope, Cypress, Dominica, Fiji Islands, Gambia, Gold Coast, Grenada, Jamaica, Lagas, Malta, Montserrat, Natal, New Guinea, Nevix, Sierre Leone, St. Lucia, St. Helena, Tobago, Trinidad, Transvaal, Tristan Da Cunha, Virgin Islands and Turks Islands.

Straits Settlements, Labuan and Hong Kong.

The monetary system established in Hong Kong and Labuan by order in council regulating the currency February 2, 1895, adopted the Mexican silver dollar (or peso) of the standard weight and millesimal fineness of 417.74 grains, 902.7 thousandths fine, to be the standard coins of the colonies of Hong Kong and Labuan. The British dollar and Hong Kong dollar to be treated as equal to the standard coin. The dollar is a legal tender for the payment of any amount. The subsidiary silver coins are limited to the amount of two dollars in payments.

The Straits Settlements coinage order of 1903 authorized the issuance of a silver dollar weighing 416 grains, 900 thousandths fine. By proclamation of the governor of the Straits Settlements, dated August 24th, 1904, the Mexican, British and Hong Kong Dollars are demonetized and the new coin is the only legal tender dollar in the Straits Settlements.

SILVER COINS, HONG KONG AND LABUAN.

Denominations	Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
British Dollar	416.0000	900	374.4000	} Estimated quarterly by director of United States Mint.
Half Dollar	209.5200	800	167.6160	
Twenty Cents	83.8088	800	67.0464	
Ten Cents	41.9044	800	33.5232	
Five Cents	20.9520	800	16.7616	

LATIN UNION COUNTRIES.

(France, Belgium, Switzerland, Greece and Italy.)

Money of France.

Unit: Franc=100 Centimes

Table of Weights of Money.

1 gram, or.....	15.43234 troy grains
10 grams=1 dekagram, or.....	154.3235 troy grains
10 dekagrams=1 hektogram, or.....	1543.2348 troy grains
10 hektograms=1 kilogram, or.....	15432.3487 troy grains

The actual value of the French gold franc in the money of the United States as declared by the director of the United States mint is 19 and 3-10ths cents (\$0.193). Francs are the currency of the countries forming the Latin Union, a union formed for the adoption of a uniform monetary system, comprising France, Belgium, Switzerland, Greece, and Italy. France, Belgium and Switzerland call their unit the "franc." Greece calls its unit the "drachma", and Italy the "lire." The free circulation of gold and silver coins issued by the countries named was further ratified at the convention held at Paris, France, November 15th, 1893. By this convention, ratifying the original arrangement, the gold and silver coins issued by each of the above mentioned countries were granted free and unlimited circulation at face value in the countries forming the Latin Union. The Italian silver coins of less than 5 lire were, however, excluded from this arrangement, as were also copper coins and paper money, which latter are subject to a slight discount when exchanged in a country other than that of issue. Austrian and Russian gold pieces are current in France. The gold 20 and 10 lei pieces of

Roumania, the gold 10 and 20 lew pieces of Bulgaria, the gold 10 and 20 dinar pieces of Servia, and the gold 10 and 20 peseta pieces of Spain, being of the same size, weight and fineness, pass current in the Latin Union countries, but the silver coins do not.

Tourists should carefully examine silver change offered by cabmen and others, and reject French coins below the value of 5 francs minted prior to 1863 and Spanish South American and Papal silver coins regardless of denomination.

The commercial value of the franc in the United States fluctuates according to the demand for checks, drafts and bills of exchange and the supply of such exchange in the market for sale.

The paper currency and the gold, silver and minor coins in circulation in France, with the weight, fineness, etc., and their approximate equivalents in United States money, are as follows:

PAPER MONEY.

BANK OF FRANCE NOTES: 50 Francs (\$9.65), 100 Francs \$19.30), 500 Francs (\$96.50), 1000 Francs (\$193.00). The old black and white notes, now withdrawn, are still redeemable and are of denominations as follows: 5 Francs (\$0.97), 20 Francs (\$3.86), 25 Francs (\$4.83), 200 Francs (\$38.60), 500 Francs (\$96.50).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
100 Francs	497.8178	900	448.0360	19.2952
50 Francs	248.9089	900	224.0180	9.6476
20 Francs	99.5635	900	89.6072	3.8590
10 Francs	49.7817	900	44.8036	1.9295
5 Francs	24.8908	900	22.4018	.9647

The 50 and 100 Franc pieces are seldom seen in general circulation.

The following gold coins embrace what bankers term "French Gold:" The 10 and 20-franc pieces of France, Belgium, and Switzerland, the 10 and 20-lires pieces of Italy, the 10 and 20-drachma pieces of Greece, the 10 and 20-dinar pieces of Servia, the 10 and 20-lei pieces of Roumania, the 10 and 20-franc pieces of Tunis (Africa), the 20-peseta pieces of Spain, the 4 and 8-florin pieces of Austria, and the 7½-ruble pieces of Russia. The Tunis gold pieces are subject to a slight discount in Paris. The 40, 50 and 100-franc pieces of France, and the 100-franc pieces of Monaco, are occasionally seen and are included in "French Gold."

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Francs	385.8089	900	347.2280	\$0.9647
2 Francs	154.3235	835	128.8601	.3859
1 Franc	77.1617	835	64.4300	.1929
50 Centimes	38.5808	835	32.2150	.0964
20 Centimes	15.4323	835	12.8860	.0385

Silver coins of less than 5 francs, bearing date prior to 1863, are not current and should be rejected. The 20-centime silver piece is seldom seen in general circulation.

The silver coins of the value of 5 francs are known as "ecus" in France and are receivable to any amount. The variety of ecus is very large and those in circulation are: French, any date from Napoleon I; Swiss, from Confederation; Italian, from Napoleon I; Sicilian, Sardinian, Belgian and Greek. The following "ecus" were withdrawn: Ferdinand II, Provisional Government (Italian) 1813, Roumanian and Spanish.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
25 Centimes (Nickel)	Pure Nickel	108.0240		\$0.0482
10 Centimes (Bronze)	} 95% copper } 4% tin } 1% zinc	154.3235	} To the amount } of 5 Francs.	.0192
5 Centimes (Bronze)		77.1617		.0096
2 Centimes (Bronze)		30.8647		.0038
1 Centime (Bronze)		15.4323		.0019

The 5 centimes piece is called "sou;" the 10 centimes piece "2 sou."

The following is a list of countries owned or controlled by France where French gold would be current. Most of these countries have adopted the French monetary system: Algeria, Comoro Islands, Andorra, Guadeloupe, Guiana, Indo-China, Madagascar, Martinique, Obok, Reunion, Senegal and Tunis.

Money of Belgium.

Unit: Franc=100 Centimes.

(Table of weights of money, same as for France.)

The actual value of the gold franc of Belgium in the money of the United States as declared by the director of the U. S. mint is the same as the franc of France and Switzerland, namely, 19 3-10 cents (\$0.193). The commercial value of the Belgian franc in the United States is generally a trifle less than the French franc and fluctuates according to the demand for checks, drafts and bills of exchange on Belgium, and the supply of such exchange in the market for sale.

The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., of coins, and their approximate equivalent value in the United States money are as follows:

PAPER MONEY.

By Banque Nationale de Belgique, 20 Francs (\$3.86), 50 Francs (\$9.65), 100 Francs (\$19.30), 500 Francs (\$96.50), 1000 Francs (\$193.00).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
100 Francs	497.8178	900	448.0360	\$19.2952
50 Francs	248.9089	900	224.0180	9.6476
20 Francs	99.5635	900	89.6072	3.8590
10 Francs	49.7817	900	44.8036	1.9295
5 Francs	24.8908	900	22.4018	.9647

The 50 and 100-Franc pieces are seldom seen in general circulation.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Francs	385.8089	900	347.2280	\$0.9647
2 Francs	154.3235	835	128.8601	.3859
1 Franc	77.1617	835	64.4300	.1929
50 Centimes	38.5808	835	32.2150	.0964
20 Centimes	15.4323	835	12.8860	.0385

Silver coins of less than 5 francs bearing date prior to 1863, are not current and should be rejected. The 20-centime silver piece is seldom seen in general circulation.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Centimes (Nickel)	} 75% copper } 25% nickel	108.0264	} To the amount } of 5 Francs.	\$0.0385
10 Centimes (Nickel)		69.4456		.0192
5 Centimes (Nickel)	} pure copper	46.2970	} To the amount } of 2 Francs.	.0096
2 Centimes (Copper)		61.7294		.0038
1 Centime (Copper)		30.8647		.0019

Money of Switzerland.

Unit: Franc=100 Centimes

(Table of weights of money, same as for France.)

The actual value of the gold franc of Switzerland in the money of the United States, as declared by the Director of the U. S. mint, is the same as the franc of France and Belgium, namely: 19 3-10 cents (\$0.193). The commercial value of the Swiss franc in the United States is generally a trifle less than the French franc, and fluctuates according to the demand for checks, drafts and bills of exchange on Switzerland and the supply of such exchange in the market for sale.

The paper currency and gold, silver and minor coins, principally in circulation, with the weight, fineness, etc., of the coins, and their approximate equivalent value in United States money, are as follows:

PAPER MONEY.

Swiss notes are issued by the forty-two Banks of Emission, the designs of which are the same for all banks, the text on the various notes varying and being applicable only to the individual banks. The denominations are: 50 Francs (\$9.65), 100 Francs (\$19.30), 1000 Francs (\$193.00).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
100 Francs	497.8178	900	448.0360	\$19.2952
50 Francs	248.9089	900	224.0180	9.6476
20 Francs	99.5635	900	89.6072	3.8590
10 Francs	49.7817	900	44.8036	1.9295
5 Francs	24.8908	900	22.4018	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Francs	385.8089	900	347.2280	\$0.9647
2 Francs	154.3235	835	128.8601	.3859
1 Franc	77.1617	835	64.4300	.1929
50 Centimes	38.5808	835	32.2150	.0964
20 Centimes	15.4323	835	12.8860	.0385

Silver coins of less than 5 francs bearing date prior to 1863 are not current and should be rejected. The 20-centime silver piece is seldom seen. The 50-centime, 1-franc and the 2-franc pieces with the reclining figure have been withdrawn.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value	
20 Centimes (Nickel)	Pure Nickel	61.7294	} To the amount of 10 Francs.	\$0.0385	
10 Centimes (Nickel)	{ 75% copper	{ 46.2970		}	.0192
5 Centimes (Nickle)	{ 25% nickel	{ 30.8647			.0096
2 Centimes (Bronze)	{ 95% copper 4% tin and 1% zinc	{ 38.5807	} To the amount of 2 Francs.	.0038	
1 Centime (Bronze)					{ 23.1485	.0019

The 10 and 5-centime pieces of brass (plated) of old issue are withdrawn.

For further information, see money of France, pages 10, 11 and 12.

Money of Italy.

Unit: Lira=100 Centesimi (singular, Centesimo).

(Table of weights of money, same as in France.)

The actual value of the gold lira (plural lire) in the money of the United States as declared by the Director of United States mint is 19 and 3-10 cents (\$0.193). The commercial value of the lire in the United States fluctuates according to the demand for checks, drafts and bills of exchange on Italy and the supply of such exchange in the market.

The paper currency and gold, silver and minor coins, principally in circulation, with the weight, fineness, etc., of the coins, and the approximate equivalent value in United States money, are as follows:

(PAPER MONEY.)

Banca d'Italia notes, 50 Lire (\$9.65), 100 Lire (\$19.30), 500 Lire (\$96.50), 1000 Lire (\$193.00). The State notes, 5 Lire (\$0.97), 10 Lire (\$1.92), 25 Lire (\$4.83), Banca di Napoli notes, of 50, 100, 500 and 1,000 Lire of same value as Banca d'Italia notes. Notes of Banca Nazionale

were withdrawn and replaced with those of Banca d'Italia, the more familiar ones being Lire 500, yellow; Lire 100, pink; Lire 50, white with pale blue print on paper very flimsy. Notes of local banks not mentioned above are accepted by bankers only for collection. Notes of various denominations issued by the Banca Nazionale, Banca Toscana, Banca Toscana di Credito, were withdrawn June 30th, 1905, on account of these Banks having consolidated with the Banca d'Italia.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Lire	99.5635	900	89.6072	\$3.8590
10 Lire	49.7817	900	44.8036	1.9295
5 Lire	24.8908	900	22.4018	.9647

The 5-lire gold piece is seldom seen.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Lire	385.8089	900	347.2280	\$0.9647
2 Lire	154.3235	835	128.8601	.3859
1 Lira	77.1617	835	64.4300	.1929
50 Centesimi	38.5808	835	32.2150	.0964
20 Centesimi	15.4323	835	12.8860	.0385

The 5-lire pieces of Sardinia and Sicili are also current at their face value.

The regulations regarding silver coins are similar to those mentioned under head of silver coins of France. The Papal silver coins are demonetized, but the 10 and 20-lire gold pieces have values slightly under their face value. The Papal silver coins are only worth the actual value of their silver, and the only ones at present appearing are those of Pius IX.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Centesimi (Nickel)	{ 75% copper 25% nickel }	61.7294	{ To amount of 5 Lire }	\$0.0385 .0483
25 Centesimi (Nickel)				
10 Centesimi (Bronze)	{ 96% copper 4% tin }	{ 154.3235 77.1617 30.8647 15.4323 }	To amount of each piece.	{ .0192 .0096 .0038 .0019
5 Centesimi (Bronze)				
2 Centesimi (Bronze)				
1 Centesimo (Bronze)				

Money of Bulgaria.

Unit: Lew (Lev)=100 Stotinki

(Table of weights of money, same as France.)

Bulgaria has the double standard. The present monetary system was established in 1880. The country has no mint; its silver pieces being coined in other countries.

The actual value of the gold lew or lev, in the money of the United States, as declared by the Director of the United States mint is 19 and 3-10 cents (\$.193). Exchange on cities of Bulgaria is rarely, if ever, drawn in Bulgarian money, it being customary to draw such exchange in French, English or German money "at exchange" on Paris, London or Berlin; therefore, the lew has no commercial value as exchange in the United

States, the cost of remittance being governed by the price of exchange on the other countries mentioned. The paper currency and gold, silver and minor coins in circulation, with their weight, fineness, etc., and their approximate equivalent value in United States money, are as follows:

PAPER MONEY.

Notes issued by the Banque Nationale Bulgare. Gold notes marked "Zuamo," 5 Lews (\$0.97), 10 Lews (\$1.93), 20 Lews (\$3.86), 50 Lews (\$9.65), 100 Lews (\$19.30); Silver Notes marked "Epedpo," 5 Lews (\$0.97), 10 Lews (\$1.93), 50 Lews (\$9.65). The 50-Lews gold notes are being withdrawn from circulation to be re-issued again with the word "Epedpo" (silver) printed over the word "Zuamo" (gold).

GOLD COINS.

The present monetary law provides for the coinage of 10 and 20-lew gold pieces, but up to the present time none have been coined. In the meantime foreign gold coins have been officially rated as follows:

English Sovereign at Lews	25.25
German 20-Mark pieces at Lews	24.50
French 20-Franc pieces at Lews	20.00
Russian Old Imperial at Lews	20.50
Turkish Pound at Lews	22.70
Austrian Ducat at Lews	11.60

The weight, fineness, etc. of the new 20-lew piece will be as follows:

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Lews (Alexander)	99.5635	900	89.6071	\$3.8590

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Lews	385.8089	900	347.2280	\$0.9648
2 Lews	154.3235	835	128.8601	.3858
1 Lew	77.1617	835	64.4300	.1929
$\frac{1}{2}$ Lew	38.5808	835	32.2150	.0965

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Stotinki	Nickel	77.1617	(No data)	\$0.0385
10 Stotinki		61.7294		.0192
5 Stotinki		46.2970		.0096
2 $\frac{1}{2}$ Stotinki		30.8647		.0048

This country has practically the same monetary system as France and other Latin Union countries.

Money of Greece.

Unit: Drachma=100 Lepta (singular, Lepton)

(Table of weights of money, same as France.)

The actual value of the gold drachma in the money of the United States, as declared by the Director of the United States mint, is 19 and 3-10ths cents (\$.193). Exchange on cities in Greece is rarely, if ever, drawn in the money of Greece, but instead is issued in English, French or German money, and for that reason the drachma has no commercial value in the United States, the cost of remittance to Greece being governed by the price of exchange on England, France or Germany.

The paper currency and gold, silver and minor coins in circulation and the weight, fineness, etc., of coins, and their approximate equivalents in United States money, are as follows:

PAPER MONEY.

Bank notes are issued in various denominations of drachma by banks.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Drachma	99.5635	900	89.6072	\$3.859C
10 Drachma	49.7817	900	44.8036	1.9295
5 Drachma	24.8908	900	22.4018	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Drachma	385.8089	900	347.2280	\$0.9647
2 Drachma	154.3235	835	128.8601	.3859
1 Drachma	77.1617	835	64.4300	.1929
50 Lepta	38.5808	835	32.2150	.0964
20 Lepta	15.4323	835	12.8860	.0385

For further information concerning silver coins, see money of France, page 10.

The gold and silver coins of Greece are similar to those issued in France and other countries comprising the Latin Union.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Lepta (Nickel)	} 75% copper 25% nickel	} 61.7294 46.2970 30.8647	} To amount of 5 Drachma	\$0.0385
10 Lepta (Nickel)				.0192
5 Lepta (Nickel)				.0096
2 Lepta (Bronze)	} 95% copper 4% tin 1% zinc	} 30.8647 15.4323		.0038
1 Lepton (Bronze)				.0019

Money of Germany.

Unit: Reichsmark or Mark=100 Pfennigs

(Table of weights of money, same as France.)

The actual value of the gold German mark in the money of the United States as declared by the Director of the United States mint, is 23 8-10ths cents (\$0.238). The commercial value of the mark in the United States fluctuates according to the demand for checks, drafts or bills of exchange on Germany, and the supply of such exchange in the market for sale.

The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., and the approximate equivalent value in United States money, are as follows:

PAPER MONEY.

5-Marks (\$1.19), 20 Marks (\$4.76), 50 Marks \$(11.90), 100 Marks (\$23.80), 1,000 Marks (\$238.00).

The following bank notes circulate generally throughout the empire: Badische Bank, 100 marks; Bayerische Bank, 100 marks; Sachsische Bank, 100 marks; Würthemberische Noten Bank, 100 marks.

Notes of the following banks are withdrawn from circulation, the closing day being December 31, 1905: Bank für Süd Deutschland, Darmstadt, and Frankfurter Bank. There are a few notes of private banks still extant, but they are considered worthless.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Double Crown (20 Marks)	122.9177	900	110.6260	\$4.7642
Crown (10 Marks)	61.4588	900	55.3130	2.3821

A 5-mark piece was formerly coined, but is now out of circulation. Light gold pieces are redeemed at par where the abrasion is the result of circulation only.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Marks	428.6765	900	385.8089	\$1.1910
2 Marks	171.4706	900	154.3235	.4764
1 Mark	85.7353	900	77.1617	.2382
50 Pfennigs	42.8676	900	38.5808	.1191

A 3-mark (German thaler) piece is also in circulation, its value in U. S. money being about 72 cents. A 20-pfennig piece was formerly coined, but is now withdrawn.

Silver "thalers" issued by any of the German Confederate States, comprising the German Empire, are current, no matter what their date of issue may be, although they are now being withdrawn from circulation. No date has as yet been fixed when they will have become finally demonetized. Excluded from circulation are only the Austrian vereinthalers. They are entirely withdrawn and have value only to collectors of old coins.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
10 Pfennigs (Nickel)	{ 75% copper 25% nickel	61.7294	} To amount of 1 Mark.	\$0.0238
5 Pfennigs (Nickel)		38.5808		.0119
2 Pfennigs (Bronze)	{ 95% copper 4% tin 1% zinc	51.4406		.0047
1 Pfennig (Bronze)		30.8647		.0023

The old 20-pfennig piece of nickel has been withdrawn.

Money of the Netherlands (Holland).

Unit: Florin or Gulden=100 Cents

(Table of weights of money, same as France.)

The money of account of Holland is the florin, gulden or guilder (different translations of the same name), of 100 cents. The actual value of the gold florin in the money of the United States as declared by the Director of the United States mint is 40 and 2-10 cents (\$0.402). The commercial value of the florin in the United States fluctuates according to the demand for checks, drafts and bills of exchange on Holland and the supply of such exchange in the market for sale. The money in circulation consists of paper currency, and gold, silver and copper coins, and the weight, fineness, etc., of the latter, and the approximate equivalent value in the money of the United States, are as follows:

PAPER MONEY.

25 Gulden (\$10.05), 40 Gulden (\$16.08), 60 Gulden (\$24.12), 100 Gulden (\$40.20), 200 Gulden (\$80.40), 300 Gulden (\$120.60), 1000 Gulden (\$402.00), issued by the Nederlandsche Bank. State Bank notes of 50 and 10 Gulden (value \$20.10 and \$4.02 respectively), payable by the Nederlandsche Bank, are also issued.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
10-Gulden	103.7054	900	93.3348	\$4.0195

The old 10-florin pieces are subject to discount. Only the 10-gulden or florin of William III and Queen Wilhelmine are now current. The ratio in coinage of gold to silver is 1 to 15.625.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Rixdaler				
(2½ Gulden)	385.8089	945	364.5894	\$1.0049
Gulden	154.3235	945	145.8357	.4019
Half-Gulden	77.1617	945	72.9178	.2009
Quarter-Gulden				
(25 cents)	55.1706	640	35.3092	.1005
Tenth-Gulden				
(10 cents)	21.6052	640	13.8273	.0401
Twentieth Gulden				
(5 cents)	10.5711	640	6.7655	.0201

Guilders issued before 1840 and the 50-cent piece of William I are withdrawn from circulation. No 2½ gulden, William III, pieces have been issued since 1874. Trade coins known as the ducat and double ducat are in circulation, but their coinage has been discontinued.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
2½ cents	$\left\{ \begin{array}{l} 95\% \text{ copper} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc} \end{array} \right\}$	61.7294	To the amount of 1 Florin.	\$0.0100
1 cent		38.5807		.0040
½ cent		19.2903		.0020

The monetary system of the Dutch colonies is the same as that of the mother country.

Money of Norway, Sweden and Denmark (Scandinavian Union)

Unit: Krone or Crown=100 Ore

(Table of weights of money, same as France.)

The Scandinavian Monetary Union embraces Norway, Sweden and Denmark, and the value of the gold krone or crown in the money of the United States, as declared by the director of the United States mint, is 26 and 8-10th cents (\$0.268). The commercial value of the krone (plural kronor) in the United States fluctuates according to the demand for checks, drafts and bills of exchange on these countries, and the supply of such exchange in the market for sale. Silver coins are legal tender as follows: The 2-kronor and 1-krone pieces to the amount of 20 kronor; the 50, 40, 25 and 10 ore pieces to the amount of 5 kronor. The money in circulation consists of paper currency and gold, silver and bronze coins, the weight, fineness, etc., of coins and the equivalent value in the money of the United States, being as follows:

PAPER MONEY.

Since January 1st, 1904, notes in circulation are issued only by the Norges Bank in Norway, the Sveriges Riksbank in Sweden, and the Danske National Bank of Denmark, in denominations as follows: 5 Kronor (\$1.34), 10 Kronor (\$2.68), 50 Kronor (\$13.40), 100 Kronor (\$26.80) 500 Kronor (\$134.00), 1000 Kronor (\$268.00).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Crowns	138.2831	900	124.4548	\$5.3598
10 Crowns	69.1415	900	62.2274	2.6799
5 Crowns	34.5707	900	31.1137	1.3389

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
2 Crowns	231.4853	800	185.1882	\$0.5359
1 Crown	115.7426	800	92.5941	.2679
50 Ore	77.1617	600	46.2976	.1339
40 Ore	61.7294	600	37.0376	.1070
25 Ore	37.3463	600	22.4077	.0669
10 Ore	22.3769	400	8.9507	.0267

MINOR COINS (Bronze).

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
5 Ore	$\left\{ \begin{array}{l} 95\% \text{ copper} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc.} \end{array} \right\}$	123.4588	To the amount of 1 Krone.	\$0.0133
2 Ore		61.7294		.0053
1 Ore		30.8647		0026

Money of Austria-Hungary.

Unit: Krone (Korona) or Crown=100 Heller (farthings).

(Table of weights of money, same as France.)

The present unit system dates from 1892. The former unit was the florin (or guilder) of 100 kreutzers. During the change from the old to the new system the old coins are accepted on the basis of one florin for 2 crowns; 1 kreutzer for 2 hellers.

The actual value of the gold krone (korona) (plural kronen) in the money of the United States, as declared by the director of the United States mint is 20 and 3-10 cents (\$0.203). The commercial value of the krone or crown in the United States fluctuates according to the demand for checks, drafts and bills of exchange on these countries and the supply of such exchange in the market for sale. The money in circulation consists of paper currency, gold, silver and nickel coins. The weight, fineness, etc., of coins and the approximate value in the money of the United States, are as follows:

PAPER MONEY.

5 Kronen (\$1.02), 10 Kronen (\$2.03), 50 Kronen (\$10.15), 100 Kronen (\$20.30) 1000 Kronen (\$203.00).

The old gulden or florin currency—of which a considerable amount is still in circulation—with the date of final redemption is as follows:

5 Florins (equal to 10 Kronen) August 31st, 1907.
 10 Florins (equal to 20 Kronen) August 31st, 1909.
 50 Florins (equal to 100 Kronen) August 31st, 1907, (a few left).
 100 Florins (equal to 200 Kronen) October 31st, 1910.
 1000 Florins (equal to 2000 Kronen) December 31st, 1910.

After these dates they will be valueless.

The new crown or kronen notes are of colors as follows: 10 crowns, mauve; 20 crowns, red; 50 crowns, blue; 100 crowns, olive green; 1000 crowns, olive green.

Austrian paper money remains in circulation provisionally. The paper florin is, like the silver florin, worth 2 crowns.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Crown piece	104.5552	900	94.0997	\$4.0525
10 Crown piece	52.2776	900	47.0498	2.0262
4 Ducats	215.4912	986 1-9	212.4983	9.1515
1 Ducat	53.8728	986 1-9	53.1245	2.2878

The 8 florin and 4 florin gold trade coins although Austrian are treated as "French Gold" but are to be no longer coined (see money of France, page 10). The ducat is a gold coin corresponding in size to the

10 kronen piece. There are also 2 ducat and 4 ducat pieces. The 4 ducat piece is a very large, thin coin, about as large as a twenty dollar United States gold piece, but only half as thick. Those issued in 1903 are called "Munzducaten;" those of previous years "Randducaten." The value of the ducat is about \$2.30 United States money. The 4 ducat piece is worth about \$9.15, or four times the value of the single ducat, plus 2 kronen 10 heller for a special minting charge. The ducat gold pieces are not legal tender, but are a commercial coin, and the 4 ducat piece is only coined to order at a special minting charge of 2 kronen 10 heller extra. The deduction for light weight gold is 1-7th the total value for every 1-2 gramme light. The ratio of gold to subsidiary silver in the new system is 1 to 13.69.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Crown piece	370.3765	900	333.3388	\$1.0131
1 Crown piece	77.1617	835	64.4300	.2026
2 Florins	381.0462	900	342.9416	.8104
1 Florin	190.5231	900	171.4708	.4052
$\frac{1}{2}$ Florin	82.4381	520	42.8678	.1013
20 Kreuzers	41.1529	500	20.5764	.0810
10 Kreuzers	25.7205	400	10.2882	.0405

The 20 and 10 kreutzer pieces are now accepted only for bullion value.

The Maria-Theresa Levantine silver Thaler pieces continue to be stamped as trade coins, with the old weight and fineness, and are worth about 97 cents in United States money. Silver coins are unlimited legal tender to the State at their nominal value; to private parties to the amount of 50 crowns.

The introduction of coins of the new system will be made by degrees, in the course of several years, during which time the coins of the old silver standard as well as the state notes will remain current. The coins of the new system, multiplied by two, are the same value as the pieces of the old silver and paper currency, 1 silver or paper florin, for instance, being equal to 2 crowns, and 1 kreutzer to 2 hellers. The value of the new crown is \$0.2026 against \$0.4052, the value of the old florin.

The 5-crown silver pieces are coined exclusively for account of the State. This coin is unlimited legal tender to the State, at its nominal value; in private business transactions, to 250 crowns.

A decree was issued January 28, 1901, ordering the retirement of the 2 and $\frac{1}{2}$ florin pieces, and they are now out of circulation.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Hellers (Nickel)	Pure nickel	61.7294	To amount of 10 Crowns.	\$0.0405 .0202
10 Hellers (Nickel)		46.2970		
2 Hellers (Bronze)	95% copper 4% tin and 1% zinc	51.4411 25.7205	On public account 10 Crowns and pri- vate acct. 1 Crown	.0040 .0020
1 Heller (Bronze)				

Money of Russia.

Unit: Ruble=100 Kopecks (Copecks)


The actual value of the gold ruble in the money of the United States as declared by the Director of the United States mint, is 51 and 5-10 cents (\$0.515). The commercial value of the ruble in the United States fluctuates according to the demand for checks, drafts and bills of exchange on Russia, and


the supply of such exchange in the market for sale. The money in circulation consists of paper currency and gold, silver and copper coins. The denominations, weight, fineness, etc., of the coins, and the approximate equivalent value in the money of the United States, are as follows:

PAPER MONEY

Ruble, color, yellow (\$0.52); 3 Ruble, color, green back (\$1.55); 5 Rubles, color, blue (\$2.58); 10 Rubles, color, red (\$5.15); 25 Rubles, color, divers (\$12.88); 50 Rubles, series 1899, (\$25.75); 100 Rubles, series 1898, with portrait of Catherine (\$51.50); 500 Rubles, series 1898 (\$257.50).

The notes of 100 rubles, rainbow colored, have been withdrawn since January 1, 1903, and are reimburseable on written application at Banque de L'Etat, St. Petersburg.

The 5 and 10 ruble notes, this shape  are withdrawn.

The only 5 and 10 ruble notes now current are those of this shape 

Care must be taken in handling Russian notes, as some excellent forgeries are extant, especially those of the 100 ruble notes mentioned above, which forgeries were considered to be equal to the original notes. Until recently the disparity between the value of the gold ruble and the paper ruble was considerable, but at present the gold and paper currency have equal value. There are no government notes. The only notes in circulation are issued by the Imperial Bank of Russia, but they are guaranteed by the treasury.

GOLD COINS.

OLD ISSUE: Alexander III, 5 rubles (\$3.87); 10 rubles (\$7.73). These coins are worth $1\frac{1}{2}$ times their face value, viz.: $7\frac{1}{2}$ and 15 rubles respectively. There is also a much older gold coin (Imperale) valued at about 10 rubles, which must be purchased as gold, as it is now withdrawn from circulation.

GOLD COINS (Present Issue.)

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
15 Rubles (Imperial)	199.1376	900	179.2239	\$7.7185
10 Rubles	132.7584	900	119.4826	5.1456
$7\frac{1}{2}$ Rubles (Half Imperial)	99.5688	900	89.6119	3.8592
5 Rubles	66.3792	900	59.7413	2.5728

Gold coin of full weight is legal tender for a payment of any amount.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
1 Ruble	308.5811	900	277.7230	\$0.5145
50 Copecks	154.2905	900	138.8615	.2573
25 Copecks	77.1452	900	69.4307	.1286
20 Copecks	55.5446	500	27.7723	.1029
15 Copecks	41.6584	500	20.8292	.0771
10 Copecks	27.7723	500	13.8861	.0514
5 Copecks	13.8861	500	6.9430	.0257

The silver ruble of Catharine II is occasionally seen and is still receivable by the State Treasury.

The 1 rube, 50-copeck and 25-copeck pieces are legal tender among private persons to an amount not exceeding 25 rubles, and the other silver coins to the amount of 3 rubles. Government treasuries receive any of these silver coins to any amount, in all payments except for customs duties, the amount received for latter being governed by custom-house regulations.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
5 Copecks	Copper	252.7895	} To the amount of 3 Rubles.	\$0.0257
3 Copecks	Copper	151.6737		.0154
2 Copecks	Copper	101.1158		.0102
1 Copeck	Copper	50.5579		.0051
$\frac{1}{2}$ Copeck	Copper	25.2789		.0025
$\frac{1}{4}$ Copeck	Copper	12.6394		.0012

The ratio of gold to silver in present coinage is 1 to 23-2438.

Money of Finland.

Unit: Finmark=100 Penni

{Table of weights of money, same as France.)

Finland has a single gold standard. Previous to 1886 Finland had the same monetary system as Russia, but the Credit Bills in the latter country did not circulate in Finland. By the law of August 9, 1877, the present monetary system was established with the "markkaa" (equal to the franc) as a monetary unit.

The actual value of the gold finmark or markkaa in the money of the United States as declared by the Director of the United States mint, is 19 and 3-10 cents (\$0.193). The commercial value of the finmark in the United States fluctuates according to the demand for checks, drafts and bills of exchange on Finland and the supply of such exchange in the market for sale. The money in circulation in Finland consists of paper currency and gold, silver and bronze coins. The denominations, weight, fineness, etc., and the approximate equivalent value in United States money, are as follows:

PAPER MONEY.

5 Finmarks (\$0.97), 10 Finmarks (\$1.93), 20 Finmarks (\$3.86), 50 Finmarks (\$9.65), 100 Finmarks (\$19.30), 500 Finmarks (\$96.50).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Markkaa	99.5695	900	89.6126	\$3.8592
10 Markkaa	49.7847	900	44.3063	1.9296

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
2 Markkaa	159.9562	868	138.8421	\$0.3859
1 Markkaa	79.9781	868	69.4210	.1929
50 Penni	39.3370	750	29.5028	.0965
25 Penni	19.6685	750	14.7514	.0483

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
10 Penni	$\left\{ \begin{array}{l} 95\% \text{ copper} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc} \end{array} \right\}$	197.4847	To amount of 1 Markkaa.	\$0.0192
5 Penni		98.7423		.0096
1 Penni		19.7484		.0019

Money of Portugal.

Unit: Milreis=1000 Reis

Table of Portuguese Money.

1 Milreis	= 2½ Crusados	= 25 Reals	= 1000 Reis
	1 Crusado	= 10 Reals	= 400 Reis
		1 Real	= 40 Reis

(Table of weights of money, same as France.)

The present monetary system of Portugal was established by the law of July 29th, 1854, with the milreis of 1000 reis as monetary unit. One thousand milreis, or 1,000,000 reis, is called a conto.

The actual value of the gold milreis in the money of the United States as declared by the Director of the United States mint, is \$1.08. Since exchange on places in Portugal is rarely, if ever, drawn in the money of that country, but instead is drawn in English, French or German money, the milreis has no commercial value in the United States and the cost of remittances to that country depends upon the price of exchange on the three countries named. In that country it is the practice to count large sums in contos or thousands of milreis, thus: 100 contos equal 100,000 milreis.

The currency of the country consists almost exclusively of silver and inconvertible paper. The paper currency and gold, silver and minor coins, with the weight, fineness, etc., of the coins and the approximate equivalent value in United States money, are as follows:

PAPER MONEY.

100\$000 reis, or 100 milreis (\$108.04), 50\$000 reis, or 50 milreis (\$54.02), 20\$000 reis, or 20 milreis (\$21.61), 10\$000 reis, or 10 milreis (\$10.80), 5\$000 reis, or 5 milreis (\$5.40), 2\$500 reis, or 2½ milreis (\$2.70).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Crown	273.6928	916 $\frac{2}{3}$	250.8851	\$10.8046
Half Crown (5 Milreis)	136.8464	916 $\frac{2}{3}$	125.4425	5.4023
Fifth Crown (2 Milreis)	54.7385	916 $\frac{2}{3}$	50.1770	2.1609
Tenth Crown (1 Milreis)	27.3692	916 $\frac{2}{3}$	25.0885	1.0804

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
1000 Reis	385.8089	916 $\frac{2}{3}$	353.6581	\$1.0804
500 Reis	192.9044	916 $\frac{2}{3}$	176.8290	.5402
200 Reis	77.1617	916 $\frac{2}{3}$	70.7316	.2402
100 Reis	38.5808	916 $\frac{2}{3}$	35.3658	.1080
50 Reis	19.2904	916 $\frac{2}{3}$	17.6829	.0540

The 150 reis silver pieces have been withdrawn. Silver is legal tender only to the amount of 5 milreis, but by Lisbon commercial usage one-third of all payments is accepted in that money.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
100 Reis (Nickel)	$\left\{ \begin{array}{l} 75\% \text{ copper and} \\ 25\% \text{ nickel} \\ 96\% \text{ copper} \\ 2\% \text{ tin and} \\ 2\% \text{ zinc} \end{array} \right.$	61.7294	$\left. \begin{array}{l} \text{To the amount} \\ \text{of 100 Reis.} \end{array} \right\}$	\$0.1080
50 Reis (Nickel)		38.5807		.0540
20 Reis (Bronze)		185.1882		.0216
10 Reis (Bronze)		92.5941		.0108
5 Reis (Bronze)		46.2970		.0054

Money of Portuguese India.

The decree of December 22, 1895, published June 28, 1902, provided for the coinage and issue of the following minor coins:

Denomination	Gross Weight (Grains)	Composition
Half tanga	200.6204	96% copper, 2% tin and 2% zinc.
Fourth tanga	96.4521	
Eighth tanga	50.1551	
Twelfth tanga	33.3339	

Money of Roumania.

Unit: Lei=100 Bani

(Table of weights of money, same as France.)

The laws of April 14, 1867, and April 30, 1879, introduced the system of the Latin Union into Roumania, the franc being called the lei, and the centime the bani; but in 1890 a measure was passed by the Roumanian Chamber abrogating the double standard and substituting for it the single gold standard, with the subsidiary silver coinage having a paying power to the amount of 50 lei or francs.

The actual value of the gold lei in the money of the United States, as declared by the Director of the United States mint, is 19 and 3-10 cents (\$.193). The commercial value of the lei in the United States fluctuates according to the demand for checks and drafts on Roumania, and the supply of such exchange in the market.

The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., of coins, and the approximate equivalent value in United States money, are as follows:

PAPER MONEY.

Notes issued by the Banque Nationale de Roumanie, 20 Lei (\$3.86), 100 Lei (\$19.30), 1000 Lei (\$193.00). These NOTES are payable on demand by said bank in the following gold:

In 20-Mark (German) pieces at . . .	24 Lei, 70 Bani each.
In Sovereigns (Eng.) at	25 Lei, 22 Bani each.
In Ducats (Aus.-Hung.) at	11 Lei, 75 Bani each.
In Napoleons (French) at	20 Lei, 00 Bani each.
In Imperials (Russian) at	20 Lei, 60 Bani each.

The 5 and 10 lei notes issued by the Government have been withdrawn and are now valueless. The discount on Roumanian notes in Paris is about $\frac{1}{2}$ %.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Leis	99.5635	900	89.6072	\$3.8590
10 Leis	49.7817	900	44.8036	1.9295
5 Leis	24.8908	900	22.4018	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Leis	385.8089	900	347.2280	\$0.9647
2 Leis	154.3235	835	128.8601	.3858
1 Lei	77.1617	835	64.4300	.1929
$\frac{1}{2}$ Lei	38.5808	835	32.2150	.0965

These silver coins do not circulate in Latin Union countries but are negotiable in Paris at a discount of about 5%.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
10 Bani	$\left\{ \begin{array}{l} 95\% \text{ copper} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc} \end{array} \right.$	154.3235	To the amount of 5 Lei.	\$0.0192
5 Bani		77.1617		.0096
2 Bani		30.8647		.0038
1 Bani		15.4323		.0019

There are also 5, 10 and 20-bani pieces of nickel, the weight, fineness, etc., of which we have no data.

Money of Servia.

Unit: Dinar=100 Paras

(Table of weights of money, same as France.)

Servia adopted the decimal system of coinage agreed upon at Paris in 1865, between France, Italy and Switzerland. The unit of value is the dinar of 100 paras. The actual currency of the country is inconvertible paper. Gold is usually at a premium, the average amount of such premium during year 1903 being 1 per cent.

The actual value of the gold dinar in the money of the United States is 19 and 3-10 cents (\$0.193). The dinar has no commercial value as exchange in the United States, since exchange on that country is usually drawn in French, English, or German money, payable at Paris, London or Berlin respectively.

The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., of coins and the approximate equivalent value in the money of the United States, are as follows:

PAPER MONEY.

Notes issued by the National Bank of Servia as follows: 50 Dinar (\$9.65), 100 Dinar (\$19.30), payable in gold, and 10 Dinar (\$1.93) payable in silver.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Dinars (Milan d'Or.)	99.5635	900	89.6071	\$3.8590
10 Dinars	49.7817	900	44.8035	1.9295

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Dinars	385.8089	900	347.2280	\$0.9647
2 Dinars	154.3235	835	128.8601	.3859
1 Dinar	77.1617	835	64.4300	.1929
50 Paras	38.5808	835	32.2150	.0964

500 dinars constitute a legal tender for 5 dinar pieces and 50 dinars for the rest of the silver coinage.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Paras (Nickel)	75% copper and 25% nickel	92.5941	To amount of 5 Dinar.	\$0.0385
10 Paras (Nickel)		61.7294		.0192
5 Paras (Nickel)		46.2970		.0096
10 Paras (Bronze)	95% copper, 4% tin and 1% zinc	154.3253	To the amount of 1 Dinar.	\$0.0192
5 Paras (Bronze)		77.1617		.0096
1 Para (Bronze)		15.4323		.0019

Money of Spain.

Unit: **Peseta=100 Centimos**

(Table of weights of money, same as France.)

In 1868 Spain adopted the monetary system of the Latin Union and is therefore bi-metallic, with the silver peseta, equivalent to the French franc, as monetary unit. The ratio of gold to silver is 1 to 15½. Gold and the 5 peseta piece are unlimited legal tender, while silver coins of less value than 5 pesetas are legal tender for only 50 pesetas.

As gold is at a premium in comparison with silver and with bank notes, it does not circulate in this country. The Bank of Spain keeps it in safes in guarantee of its notes issued. During 1903, gold was at a premium of as high as 37.30 per cent, and at times as low as 30½ per cent, but the average premium was 34.60 per cent.

The actual value of the gold peseta in the money of the United States, as declared by the Director of the United States mint, is 19 and 3-10 cents (\$.193). The commercial value of the peseta in the United States fluctuates according to the demand for drafts, checks and bills of exchange on Spain and the supply of such exchange in the market for sale. More often, however, exchange on Spain, owing to great fluctuations, is drawn in French, English or German money, and, therefore, at such time the peseta has no commercial value in the United States.

The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., of coins and their equivalent values in United States money, are as follows:

PAPER MONEY.

Notes issued by the Banco d'Espana, 25 Pesetas (\$4.82), 50 Pesetas (\$9.65), 100 Pesetas (\$19.30), 500 Pesetas (\$96.50), 1000 Pesetas (\$193.00).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
100 Pesetas	497.8178	900	448.0360	\$19.2952
50 Pesetas	248.9089	900	224.0180	9.6476
25 Pesetas	124.4543	900	112.0089	4.8238
20 Pesetas	99.5635	900	89.6072	3.8590
10 Pesetas	49.7817	900	44.8036	1.9295
5 Pesetas	24.8908	900	22.4018	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Pesetas	385.8089	900	347.2280	\$0.9647
2 Pesetas	154.3235	835	128.8607	.3859
1 Peseta	77.1617	835	64.4300	.1929
50 Centimos	38.5808	835	32.2150	.0964
20 Centimos	15.4323	835	12.8860	.0386

All the silver coins now in circulation were coined since 1868. Coins issued previous to that date are not now accepted.

MINOR COINS.

Denomination (Bronze.)	Composition	Gross Weight (Grains)	Legal Tender	Value
10 Centimos	$\left\{ \begin{array}{l} 95\% \text{ copper} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc} \end{array} \right.$	154.3235	$\left. \begin{array}{l} \text{To the amount} \\ \text{of 5 Pesetas.} \end{array} \right\}$	\$0.0192
5 Centimos		77.1617		.0096
2 Centimos		30.8647		.0038
1 Centimo		15.4323		.0019

Money of Turkey and Syria.

Unit: Piastre=40 Paras

1 Para=3 Aspes.

(100 Piastres=1 Turkish Pound.)

Table of Weights of Money.

4 grains	=1 carat
16 carats	=1 dram
100 drams	=1 Cheky
400 drams	=1 Oko

The actual value of the gold piastre in the money of the United States as declared by the Director of the United States mint, is 4 and 4-10 cents (\$0.044). The 100-piastre piece is called the Turkish pound or medjidie, or lira, which in United States money is worth \$4.396, or considerably less than the English pound. In exchange transactions between the United States and this country it is customary to draw such exchange in Turkish pounds, the commercial value of which fluctuates according to the supply and demand.

The financial institutions of Turkey are almost entirely in the hands of foreigners. The Turkish pound is a coin slightly lighter than the English sovereign, but of the same fineness. They are worth in London from 17 shillings 6 pence to 18 shillings each. Merchants retain as far as possible the 20 piastre pieces and the pound gold pieces to make their own payments, therefore the latter are at a premium, usually about 8 per cent, with a fluctuation of $\frac{1}{2}$ per cent above and below 8 per cent. For example, upon April 1st, 1903, the premium for pound pieces was as follows: The 20 piastre (medjidie) pieces were worth 108 5-40ths piastres per pound. The 5 piastre ($\frac{1}{2}$ medjidie) pieces were worth 107 30-40ths piastres per pound. Smaller silver pieces were worth 104 10-40ths piastres per pound.

PAPER MONEY.

No paper money is issued by banks or the Government. French and English paper money is in circulation.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
500 Piastres (5 Lire or Pounds)	556.8302	916 $\frac{2}{3}$	510.4277	\$21.9822
250 Piastres (2 $\frac{1}{2}$ Lire or Pounds)	278.4151	916 $\frac{2}{3}$	255.2138	10.9911
100 Piastres (1 Lire or Pound)	111.3660	916 $\frac{2}{3}$	102.0855	4.3964
50 Piastres ($\frac{1}{2}$ Lire or Pound)	55.6830	916 $\frac{2}{3}$	51.0422	2.1982
25 Piastres ($\frac{1}{4}$ Lire or Pound)	27.8415	916 $\frac{2}{3}$	25.5213	1.0991

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
20 Piastres	371.2253	830	308.1170	\$0.8793
10 Piastres	185.6126	830	155.0585	.4396
5 Piastres	92.8063	830	77.0292	.2198
2 Piastres	37.1225	830	30.8117	.0879
1 Piastre	18.5612	830	15.4058	.0439
$\frac{1}{2}$ Piastre (20 Paras)	9.2806	830	7.7029	.0219

By a decree the Government lowered the value of the 20-piastre piece to 19 piastres in consequence of which debasement the gold pound is worth 108 piastres.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value	
BRONZE.					
1 Piastre (40 Paras)	{ Fine copper 330.0363 } { Fine copper 165.0181 } { 95% copper, 82.5090 } { 3% tin, 41.2545 } { 1 $\frac{1}{2}$ % lead and 8.2501 } { $\frac{1}{2}$ % zinc }	330.0363	No data.	\$0.0439	
$\frac{1}{2}$ Piastre (20 Paras)				165.0181	.0219
$\frac{1}{4}$ Piastre (10 Paras)				82.5090	.0109
$\frac{1}{8}$ Piastre (5 Paras)				41.2545	.0055
$\frac{1}{10}$ Piastre (1 Para)				8.2501	.0011

Pieces known as bekklik and half-bekklik and altilik and half-altilik, of copper, are also issued.

Syria and the Holy Land.

This country is said to be a land of bandits, where travelers must be accompanied by armed guards. It is a dependency of Turkey and the Turkish authorities preserve the peace between the warring factions of the Christian Churches. The most acceptable coins for travelers to use are the French gold. Bank notes are generally at a discount. In the Holy Land, French and English gold coins are preferred. Commercial accounts in Syria are usually expressed in francs, and the following estimate of values of coins which are current in Holy Land (Jerusalem, Beyrout and Damascus) are given:

Napoleon (French) equal to	20 Francs.
Sovereign (Eng.) equal to	25 Francs 9 centimes.
Turkish Pound equal to	22 Francs 90 centimes.
Medijie (Silver) equal to	4 Francs 22 centimes.

Money of Ireland, Scotland and Wales.

(Same as Great Britain.)

ASIATIC COUNTRIES.**The Orient.**

“The Orient” is the term usually denoting the countries from Singapore, Straits Settlements, to Japan and would include the East Indies (Java, Sumatra and Borneo), Cochin China, the Straits Settlements, the Philippine Islands, China and Japan. India is an Oriental country, but the term “Orient” does not apply to it. The term “Far East” can also be considered synonymous with “Orient.”

The trade of the Orient is based on silver, not gold, and the two currencies are the British trade dollar and the Mexican dollar (old die). The great Oriental banks issue bank notes, these notes being payable either in “local currency” i. e., British trade dollars or Mexican dollars. Drafts drawn payable in China should be made payable in local currency. If payment is demanded in Mexican dollars the payee will be compelled to pay a premium on same according to the day’s rate. Japan, however, has recently adopted the gold standard.

The largest Oriental Banks are the Hong Kong and Shanghai Banking Corporation and the Chartered Bank of India, Australia and China, controlled by English capital, the Deutsche-Asiatische Bank, controlled by German capital, the Russo-Chinese Bank, controlled by Russian capital, and the International Banking Corporation, controlled by American capital. The first two are at present the only note-issuing banks of importance, but the International Banking Corporation expect to issue notes soon. The Yokohama Special Bank is controlled by Japanese capital.

Money of British India and Burmah.

Unit: Rupee = 16 Annas

1 Anna = 4 Pice

1 Pice = 3 Pie

Table of Weights of Money.

4 Punks = 1 Dhan

4 Dhans = 1 Ruttee

8 Ruttees = 1 Masha

12 Mashas = 1 Tola

1 Tola = 180 Grains

British India is under British military and civil rule. The unit, the silver rupee, is a coin about the size of a United States silver 50-cent piece. With the depreciation of silver there has been violent fluctuations in its value. When silver was worth

four shillings (Eng.) per ounce (\$1.00) the value of the rupee was considered to be 2 shillings (Eng.) or about 50 cents United States money, but with the fall of silver, the rupee fell to the value of about 1 shilling (25 cents), and for some years was subject to considerable changes, much to the disarrangement of Anglo-Indian commerce. The Government, however, has taken steps to steady the value of the rupee and has succeeded in maintaining the value from about 31 cents to 33 cents, or 1 shilling 3 pence to 1 shilling 4 pence, English money. The price of the rupee may be ascertained by noticing the quotations for the sale of rupee paper, i. e., bills of exchange and telegraphic transfers offered by the Indian Government through the Bank of England, London.

The circulating mediums among foreigners are paper and silver.

The actual value of the rupee in the money of the United States fluctuates according to the price of silver. The commercial value of the rupee in the United States fluctuates according to the demand for drafts, checks and bills of exchange on India and the supply of such exchange in the market for sale. Very frequently exchange on India is drawn in English money (pounds sterling) "at exchange" on London, and when so drawn the price depends upon the price of English exchange.

The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., of coins, and their approximate equivalent value, as estimated by the Director of the United States mint, are as follows:

PAPER MONEY.

Notes are issued by the various Presidencies, a slight discount being charged as exchange for the notes of one Presidency cashed in another. The denominations are of 5 rupees and upwards to 10,000 rupees, the value of which may be estimated at about 33 cents United States money per rupee.

GOLD COINS.

The standard coin of India is the sovereign (English pound) but the rupee is the money of account current at 15 rupees to the sovereign. The gold coins are the 5 rupee, $\frac{1}{2}$ mohur (\$1.62); 10 rupee, $\frac{2}{3}$ mohur (\$3.25); mohur, 15 rupees (\$4.87); double mohur, 30 rupees (\$9.74).

These gold coins ceased to circulate as currency since 1835. Though a certain number were struck in the mints, more or less regularly, down to a recent period, they were not intended for circulation but for use as ornaments, to hoard, or for the sake of the mint mark to verify the standard of the gold when offered for sale by goldsmiths and bullion dealers in the same way in which rupees were preferred to uncoined silver for conversion into ornaments. Such coinage has gradually declined with the importation of gold bars, bearing recognized marks, and for many years the few mohurs which had been coined have been struck as specimens. In future they will not be a part of the Indian monetary system.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Rupee	180.0030	916 $\frac{2}{3}$	165.0027	\$0.3244
Half-Rupee	90.0015	916 $\frac{2}{3}$	82.5013	.1622
Quarter-Rupee	45.0007	916 $\frac{2}{3}$	41.2506	.0811
Eighth-Rupee	22.5003	916 $\frac{2}{3}$	20.6253	.0405

Rupees and half rupees are full legal tender in payment or on account side by side with the gold sovereign at the rate of 15 rupees to the sovereign.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
2 Pice or $\frac{1}{2}$ Anna		200.0000	} To the amount of 1 Rupee.	\$0.0101
1 Pice or $\frac{1}{4}$ Anna		100.0000		.0050
$\frac{1}{2}$ Pice or $\frac{1}{8}$ Anna		50.0000		.0025
1 Pice or 1-12 Anna		33.3333		.0016

Money of China.

New Unit: Dollar=100 Cents

Money Table.

10 cash or li	=1 candareen
10 candareens or fun or fen	=1 mace
10 mace or tsien	=1 tael or liang

The cash or li (also called "sin" and by the Dutch "pitjes") is represented by an actual coin, but the candareen, the mace and the tael are simply denominations denoting certain fixed weights of silver.

While the monetary unit of China is a silver dollar of 100 cents the money most used is called a "tael," which is not a coin, but silver molded into cup-shaped ingots called "shoes," or "sycee" by the foreigners and "yentzu" or "yenliang" by the natives. A tael is a weight supposed to be an ounce and by the natives is called a "liang." A tael or ounce of silver varies in weight as well as in value in the different localities. The Shanghai tael, the Tientsin tael, the Pekin tael, the Chefoo tael, the Hankow tael and all other taels are specified local weights.

The Shanghai currency consists of shoes (or sycee) of silver of about 50 taels weight each. These ingots are rendered current by the "hong koo" who assays the metal and affixes to each ingot assayed by him a stamp recording the "touch" or degree of purity. The hong koo is not an official appointed by the Chinese Government, but derives his authority entirely through an arrangement among the native bankers. According to the stamp affixed by him on each shoe the "compradores," who are either partners or trusted and well paid employees of

business houses, add from 0 up to 3 taels Shanghai weight per 50 taels of actual weight. This addition thus ranges from 0 for silver of the hong koo's standard up to 6 per cent for pure silver of 100 toques or touch. A further addition of 2 per cent is made in conformity with an old custom of long standing. From these data it is easy to deduce the touch or purity of Shanghai sycee, or more properly speaking, of sycee silver calculated in the actual weight represented by it in Shanghai taels of account.

100 taels, pure silver, plus 6%.....	106.00
2% added.....	2.12

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Shanghai tael of account..... 108.12

The so-called Haikwan or Customs tael, which is produced at the Customs Bank, by melting and refining the Mexican, Spanish and other foreign dollars received in payment of duties, commands a premium over the dollars currency, ranging from 3 to 10 per cent, according to the supply and demand of the two commodities.

At Hong Kong, Canton and Fuchau, chopped dollars, which are simply Mexican dollars chopped or stamped by the natives, are the circulating medium, and in all payments it is the custom for them to be examined and weighed at the rate of 717 taels, Canton weight, per \$1,000. At Foochow chopped dollars of the lowest description pass current, but at Hong Kong and Canton only fairly good chopped dollars are taken at par.

At Amoy, accounts are kept in currency dollars weighed at 720 taels, Canton weight, per \$1,000.

At these four ports clean and unchopped Mexican dollars usually command a small premium in the market, and when sold at a premium are counted instead of weighed.

The following are the approximate average weights of the various descriptions of dollars circulating at these Chinese ports:

Japanese trade dollar	400 troy grains.
Japanese yen or dollar	416 troy grains.
Hong Kong dollar	416 troy grains.
Mexican dollar, about.....	416½ troy grains.
Carolus or Spanish dollar, about	414 troy grains.

The value in English money (pounds sterling) of the above dollars depends upon the price of bar silver in London, and has ranged in past years from 3 shillings 6 pence to 4 shillings 6 pence. Sycee and bar silver are dealt in at these ports at a variable premium, the par being taken at 717 taels, Canton weight, equal to \$1,000.

Silver dollars, although coined and in use, are not very popular except at the port cities. They bear the name of the

provinces by which issued, and although supposed to be of uniform weight and fineness are more frequently refused than accepted outside of those provinces.

Up to the present time the Chinese Government has not attempted to issue paper money and there are no gold coins. Gold is sold as a commodity in little bars of great fineness, weighing from an ounce to five or six ounces. They are pretty in appearance and bear in small characters the name of the shop that has tried them down.

Bank notes are issued in the principal cities, varying in amount from 500 to 10,000 "cash," but like the silver notes are much counterfeited and have only local circulation.

A coin called "cash," or "li," made from an alloy of copper, iron and tin, is extensively used. The coins are about the size of the United States quarter dollar (25-cent piece) with a square hole in the center for stringing them. They are generally considered worth in United States money about one-tenth of a cent or about 1,000 to the United States dollar. They are usually strung in lots of 500 or 1,000 with knots between each 100 for easier calculation.

This coin has impressed thereon Chinese characters stating the reign, etc.; on the reverse, Mantchu characters, stating the name of the mint. Originally they represented one one-thousandths part of a tael, and nominally they continue to do so to the present day; but they have long since ceased to keep up a corresponding metallic value. Not long ago it required from 1,600 to 1,800 of these coins to make up the value of a tael.

The actual value of the Chinese silver dollar in the money of the United States varies according to the price of silver. In exchange transactions between the United States and China, drafts, checks and bills of exchange are usually drawn in "dollars local currency" at exchange upon Hong Kong, although not infrequently such exchange is drawn in English money at exchange on London.

Silver pesos or dollars, known as the "Mexican" dollar, are in general circulation at the seaport cities and to some extent in other cities.

The paper currency, and gold, silver and minor coins in circulation and their approximate equivalents in United States money are as follows:

PAPER MONEY.

Notes issued by the Hong Kong and Shanghai Banking Corporation, at Hong Kong in dollars of denominations of 1, 5, 10, 50 and 100 dollars; at Shanghai and Tientsin, in both dollars and taels, in denominations of 1, 5, 10, 50 and 100. Notes issued by the Chartered Bank of India, Australia and China, at Hong Kong, in dollars, in denominations of 5, 10, 50, 100 and 1,000; at Shanghai in both dollars and taels in denominations of 5, 10, 50 and 100, and at Shanghai in 1 dollar denomination.

Notes issued by the Banque de l'Indo-China at Shanghai in dollars in denominations of 1, 5, 10 and 100. Notes issued by the Russo-Chinese Bank at Shanghai in dollars in denominations of 1, 5 and 10. Notes issued by the Yokohama Specie Bank, at Shanghai, Tientsin and Niuchwang in dollars in denominations of 1, 5 and 10.

GOLD COINS.

There are no gold coins in circulation except those of other countries.

SILVER COINS.

The Viceroys of Canton and Nanking mint dollars in small amounts but they are only accepted by banks at considerable discount. British dollar (\$0.502, value January 1, 1906), Mexican dollar (\$0.505 value January 1, 1906). The demand for Mexican dollars is such that they are usually at a premium of from $\frac{1}{2}$ to 2 per cent, fluctuating daily. At Shanghai, tael (\$0.696 value January 1, 1906). This is not a coin, but a weight of silver. The Mexican dollar circulates at Shanghai, from 73 to 76 taels being worth 100 Mexican dollars. The subsidiary silver coins are 5 cents, 10 cents, 20 cents and 50 cents. The table of weights for money at Shanghai is: 10 cash equal 1 mace; 10 mace equal 1 candareen; 10 candareens equal 1 tael. The British (Hong Kong) silver 5-cent piece is equal to 36 candareens; the 10-cent piece, 72 candareens, and the 20-cent piece, 1 mace. The silver coins of the province Kwantung are refused by banks and by the government, but circulate to a considerable extent locally. In large native transactions ingots of silver form the medium of exchange. These ingots are called "shoes" from some fancied resemblance in shape. They range in weight from a half-tael to 100 taels.

MINOR COINS.

Coins called "cash" which are described on page 36 are in general circulation among the natives.

Money of Japan.

Unit: Yen=100 Sen
1 Sen =10 Rin

Table of Weights of Money.

10 Shis =1 Rin
10 Rins =1 Fun
10 Funs =1 Momme

In 1897 Japan adopted the single gold standard with the yen of 100 sen as the monetary unit. Gold coins are full legal tender, silver coins to the amount of 10 yen and the minor coins to the amount of 1 yen.

The actual value of the gold yen in the money of the United States as declared by the director of the United States mint is 49 8-10 cents (\$0.498). The commercial value of the yen fluctuates according to the demand for drafts, checks and bills of exchange on Japan and the supply of such exchange in the market for sale. The paper currency and gold, silver and minor coins in circulation with the weight, fineness, etc., of the coins, and the approximate value in the money of the United States, are at follows:

PAPER MONEY.

Notes issued in denominations of 1, 5, 10, 25, 50, 100 and 500 yen. The value of the gold yen in United States money is 49 8-10 cents (\$0.498).

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Yen	257.2033	900	231.4830	\$9.9691
10 Yen	128.6024	900	115.7422	4.9845
5 Yen	64.3004	900	57.8704	2.4922
1 Yen (*)	12.8602	900	11.5742	.4984

(*) Not coined.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
50 Sen	208.0019	800	166.4015	\$0.2492
20 Sen	83.2020	800	56.5616	.0996
10 Sen	41.5979	800	33.2783	.0498

The silver 1-yen coins issued under the monetary law of 1871 are to be gradually exchanged for gold coins at the rate of 1 gold yen for 1 silver yen. Notice of suspension of these coins is to be given six months in advance, and any not presented for exchange within 5 years are to be treated as bullion. The old 5-yen silver coins are to continue in circulation.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
5 Sen (nickel)	$\left\{ \begin{array}{l} 75\% \text{ copper and} \\ 25\% \text{ nickel} \end{array} \right.$	71.9981	$\left. \begin{array}{l} \text{To amount} \\ 1 \text{ Yen.} \end{array} \right\}$	\$0.0245
1 Sen (bronze)		110.0018		.0049
5 Rin "	$\left\{ \begin{array}{l} 95\% \text{ copper,} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc} \end{array} \right.$	55.0009		.0024

Money of Afghanistan and Baluchistan.

These countries use practically the same monetary system as India. Their coinage is very small and there are comparatively no exchange transactions with the United States. Russian and British coins circulate in Afghanistan.

Money of Ceylon.

Unit: Rupee=100 Cents

The value of the silver rupee in the money of the United States fluctuates according to the price of silver. In exchange transactions with the United States, drafts, checks and bills of exchange would be drawn either in English money or that of India, at exchange on London, or Bombay or Calcutta. The money in circulation consists of paper currency and silver and copper coins. No gold coins are used. The silver coins are 10 cents, 25 cents and 50 cents. The minor coins are $\frac{1}{2}$ cent, 1 cent and 5 cents of copper. 100 of these copper cents are worth about $44\frac{1}{2}$ cents in United States money.

Money of Dutch East Indies (Islands).

The monetary system of Java, Sumatra and Borneo is the same as that of their mother country, Holland (The Netherlands). Their unit is the florin of 100 cents. In exchange transactions with these countries, drafts, checks and bills of exchange are usually drawn in florins or Mexican dollars.

Money of Indo-China.

Unit: Piaster=100 Cents

For the past twenty years, Indo-China, the great peninsula between India and China, has been under the jurisdiction of Great Britain, France, Siam and a few native chiefs. The British territory is made up of Burmah and the Straits Settlements, which are under East Indian administration. However, Cochin-China, Cambodia, Anam and Tonquin belong to France. The northern portions of the peninsula are subject to native chiefs. The old monetary system of Indo-China consisted of sapecks, mas and kwans; 60 sapecks being equal to 1 mas and 10 mas making 1 kwan.

The sapeck was a small zinc or pewter coin perforated like the Chinese cash or li. Gold and silver taels were also current in Cochin-China. The silver taels were worth about \$1.55. Half and quarter taels were also used. In Cambodia French 5-franc pieces circulated concurrently with Mexican and Spanish piastres.

The value of the silver piastre in the money of United States fluctuates according to the price of silver. In exchange transactions between this country and United States, drafts, checks and bills of exchange would be drawn in French money or Mexican dollars. The money in circulation consists of silver and copper coins. No gold coins.

July 5, 1905, France passed the following monetary law for French Indo-China: The French piastre of commerce and its fractions shall henceforth be manufactured of the fineness, weight, etc., indicated below:

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Piastre	416.6736	900	375.0062	\$1.0101
Half-Piastre (50 cents)	208.3368	900	187.5031	.5050
Fifth-Piastre (20 cents)	83.3347	835	69.5844	.1874
Tenth-Piastre (10 cents)	41.6673	835	34.7922	.0973

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
1-100 Piastre (1 cent)	$\left\{ \begin{array}{l} 1\% \text{ zinc,} \\ 95\% \text{ copper and} \\ 4\% \text{ tin} \end{array} \right.$	115.7426	(No data)	\$0.010
1 Sapeque (Sapeck)		30.8647		.002

Money of Persia.

Unit: Toman=10 Krans

Table of Money.

10 Shabis	=1 Penebat
2 Penebats	=1 Sahibghiran or Kran
10 Krans	=1 Toman
or 200 Shabis	=1 Toman

Table of Weights of Money.

4 Gandums	=1 Nakhod
4 Nakhods	=1 Dong
6 Dongs	=1 Miscal
2 Miscals	=1 Dirken

The principal coin of Persia is the kran of silver, the value of which is estimated by the director of the United States mint quarterly each year. The value of silver krans varies, however, greatly, as the mints of the country, which are farmed out for a yearly sum, are not considered reliable. The fineness of the kran oscillates between 760 and 900-thousandths fine. In the larger transactions the toman is taken as a unit, reckoned equal to 10 krans. There are some gold tomans and half-tomans in existence, but they are not the standard. They circulate only as commercial money and are taken by weight. The standard is silver.

The value of the gold toman in the money of the United States as declared by the director of the United States mint is about \$1.704 and of the silver kran about 8½ cents, the latter depending upon the price of silver. In exchange transactions drafts, checks and bills of exchange would be drawn in French, English or German money. The money in circulation consists of paper currency, and gold, silver and copper coins, as follows:

PAPER MONEY.

Notes issued by the Imperial Bank of Persia in denominations of 1, 2, 3, 5, 10, 20, 25, 50, 100, 500 and 1,000 tomans.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
2 Tomans	87.962	900	79.166	\$3.409
1 Toman	43.981	900	39.583	1.704

SILVER COINS.

Pieces of 5 krans, 2 krans, 1 kran, half kran and quarter kran are in circulation, but we have no data as to weight, fineness, etc. The silver kran is estimated at present price of silver to be worth about $8\frac{1}{2}$ cents.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
1 Abassi (4 chais)		308.6471		\$0.0340
2 Chais		154.3235		.0170
1 Chai		77.1617		.0085
Half Chai (pul.)		38.5808		.0042

Money of Siam.

The silver coin forming the monetary unit of Siam is called "tical or bat" and its value is fixed at 60 cents, as the Bangkok mint exchange 3 Mexican dollars for 5 ticals.

The tical is divided into salung and fuang (1 tical is equal to 8 fuang) while the copper and pewter coins take the place of the cowries—the former Siamese medium of exchange—800 of which were taken as equal to 1 fuang.

Prior to November 27, 1902, Siam was on a purely silver basis, hence its tical followed the bullion value of Mexican dollars. On the date named the mint was closed to free coinage and the Government fixed the value of the tical by establishing its ratio to the pound sterling. The rate at first was 20 to the pound, but the number was finally reduced by successive reductions of $\frac{1}{4}$ tical, and in June, 1903, the rate was $18\frac{3}{4}$ ticals to the pound, hence at that time the tical was worth 25 9-10 cents.

The new monetary law of 1903 authorizes striking the following silver pieces:

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Legal Tender
Tical	231.480	900	208.3320	Full legal tender if 98% of full weight and un-mutilated. For fractions of tical if un-mutilated.
$\frac{1}{4}$ Tical or Salung	57.8703	900	52.0833	
$\frac{1}{8}$ Tical or Fuang	28.9356	900	26.0420	

Four ticals equal 1 tämling; 20 tämling equal 1 chäng; 50 chäng equal 1 häp; 100 häp equal 1 tarä.

Cowries (also called bia in Siam) are the well known shells used in many parts of Asia and Africa as a medium of exchange for small value. In Siam about 219 or 220 are reckoned equal to 1 penny sterling (2 cents), which corresponds closely to the general rating of the bat or tical, at 2 shillings 6 pence sterling.

This is, however, more than the actual average value of the coin, which is 60 cents.

Small pewter and copper coins have of late been introduced as a substitute for the cowrie shell. The pewter coins are called "lot" and "at." They are small flat bits of pewter. Two lots equal one at.

The copper coin 2 ats, about the size of the English half-penny, only a little thicker, is called song peis. Two song peis equal one fuang.

The fuang and salung are flat pieces of silver. They represent simply a certain weight of the metal. It is the same with the bat.

Money of Philippine Islands.

Unit: Peso or Dollar=100 Centavos or Cents

The value of the gold peso in the money of the United States, as declared by the Director of the United States mint, is 50 cents. The commercial value of the peso in the United States fluctuates according to the demand for drafts, checks and bills of exchange on the Philippines and the supply of such exchange in the market for sale. In exchange transactions drafts should be drawn in pesos and centavos, or in United States dollars, the latter at exchange on New York. If drawn in "Dollars, Local Currency" they are subject to a stamp tax as a penalty.

The paper currency and gold, silver and minor coins in circulation and their approximate equivalents in United States money are as follows:

PAPER MONEY.

Notes issued by the Banco Espanol Philippino, whose issue being very limited (about \$2,000,000) are very much sought after. We have no data as to the denominations of these notes. Silver certificates (new) in denominations of 2, 5 and 10 pesos.

GOLD COINS.

No gold coins have as yet been minted, but those of the United States and Great Britain circulate.

The new gold unit will be the peso, containing 12 9-10 grains of gold, 9-10 fine—which will be legal tender for all debts, public and private in the Islands.

SILVER COINS.

Those in circulation aside from the coinage are: British trade dollar, Mexican dollar or peso, Spanish Philippine dollars or pesos, Spanish half-dollar (50 centavos), Spanish pesetas, Spanish 10, 20 and 50 centavo pieces.

The new silver coins, coined in United States, are:

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	416.000	900	374.4000	\$0.50
50 Centavos	208.000	900	187.2000	.25
20 Centavos	83.100	900	74.7900	.10
10 Centavos	41.550	900	18.6975	.05
5 Centavos	20.775	900	9.3487	.02½

MINOR COINS.

Spanish copper centavo pieces and the new 1 centavo and ½ centavo pieces of bronze.

The principal banks are the Hong Kong and Shanghai Banking Corporation, the Chartered Bank of India, Australia and China, and the International Banking Corporation.

The currency of these Islands is in a state of transition from the irregular Oriental coins to that of the United States dollars.

AFRICAN COUNTRIES.

Money of Algeria.

Unit: Franc=100 Centimes

The monetary system of Algeria (a French colony) is the same as in France. In exchange transactions drafts, checks and bills of exchange are drawn in francs or English money, and the commercial value of the franc is governed by the price of exchange on Paris and London. The money in circulation consists of paper currency and gold, silver and bronze coins. Bank notes are issued by the Bank of Algeria. Coins and value are same as in France.

Money of Egypt.

Unit: Egyptian Pound =100 Piastres
1 Piastre =10 Ochr-el-guerches

Table of Weights of Money.

1 dram or dirhem
12 drams=1 uckieh

Originally a dependency of Turkey which grossly mis-governed it. The revolution of 1881 to 1883, of Arabi Pasha, was suppressed by the English Government under Sir General

Wolseley (now Lord Wolseley) at great expense. The Arabs taking advantage of the complications, under guidance of the Mahdi, attacked the provinces of lower Egypt, and in spite of the Soudan Expedition of 1884 to 1886 to relieve General Gordon at Khartoum, the British were compelled to abandon the Province of Dorjota to the Arabs. General Kitchener recaptured the provinces.

The country is governed by a Khedive but in reality England directs all its affairs, which are now in a fairly prosperous condition. Cairo is a great social center during the winter season and the trips up the Nile River attract thousands of travelers to Egypt annually.

The monetary law of 1885 provided for the introduction of a single gold standard with silver as divisional coin. The Egyptian pound is divided into 100 piastres and the piastres into 10 ocher-el-guerches (oshr-el-ghirsh) or tenths of a piastre. Silver is legal tender to the amount of 200 piastres, or about \$10, in any one payment. Nickel and bronze coins are legal tender to the amount of 10 piastres or about 50 cents. Payments in Egypt are usually made in foreign gold pieces which are officially rated by the government as follows:

Pound Sterling (English.)	97.50 piastres
Turkish Pound	87.75 piastres
20-Franc piece	77.15 piastres

German gold coins are not rated, but are valued as follows: 20-mark piece, 95.5 piastres; 10-mark piece, 47.75 piastres.

Silver coins, such as the Maria-Theresa thalers, the medjidies, 5-franc pieces, etc., are no longer received in the public treasuries, which accept no coins except English sovereigns, 20-franc pieces and Turkish pounds.

The value of the gold Egyptian pound in the money of the United States as declared by the Director of the United States mint is \$4.943 cents. In exchange transactions between the United States and Egypt, drafts, checks and bills of exchange are rarely drawn in Egyptian money, but instead are issued in English money at exchange on London; therefore, the commercial value of the Egyptian pound is difficult to determine. The money in circulation consists of gold, silver and bronze coins. Paper currency is issued by the Bank of Egypt. English gold and French Napoleons are the best currency to provide for a trip. Paper does not command such good exchange as gold. Turkish money is also in general circulation amongst the natives.

The gold, silver and minor coins, and the weight, fineness, value, etc., are as follows:

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Egyptian Pound	131.1750	875	114.7781	\$4.9430
Half-Pound (50 piastres)	65.5875	875	57.3890	2.4715

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
20 Piastres	432.1059	833 $\frac{1}{2}$	360.0883	\$0.9886
10 Piastres	216.0529	833 $\frac{1}{2}$	180.0441	.4943
5 Piastres	108.0264	833 $\frac{1}{2}$	90.0220	.2471
2 Piastres	43.2105	833 $\frac{1}{2}$	36.0088	.0988
1 Piastre	21.6052	833 $\frac{1}{2}$	18.0044	.0494

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
NICKEL.				
5 Ocher-el-guerches	75% copper and 25% nickel	61.7294	To amount of 10 Piastres.	\$0.0247 .0098 .0049
2 Ocher-el-guerches		30.8647		
1 Ocher-el-guerche		27.0066		

A 1-piastre (nickel) piece is also coined.

BRONZE.

$\frac{1}{2}$ Ocher-el-guerche	95% copper, 4% tin and 1% zinc	51.4406	To amount of 10 Piastres.	\$0.0024 .0012
$\frac{1}{4}$ Ocher-el-guerche		30.8647		

Money of Cape Colony, Natal, Orange Free State, Sierre Leone and South African Republic (or Transvaal) of Africa.

All these countries use the monetary system of England either by reason of being a British possession or on account of their trade relations with England, and accounts are kept in pounds, shillings and pence. In exchange transactions drafts, checks and bills of exchange are usually drawn in English money at exchange on London.

German East Africa.

A decree of February 28, 1904, prescribes a new monetary system for German East Africa. The date upon which the law becomes effective shall be proclaimed by the governor. The monetary unit shall be the rupee of 100 hellers. The coins to be struck are the following:

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
2 Rupees	359.997	916 $\frac{2}{3}$	329.996	} To be estimated.
1 Rupee	179.998	916 $\frac{2}{3}$	164.998	
$\frac{1}{2}$ Rupee	89.999	916 $\frac{2}{3}$	82.499	
$\frac{1}{4}$ Rupee	44.999	916 $\frac{2}{3}$	41.249	

These coins are to be legal tender in all transactions in which coins of the German East African protectorate and rupees of British India have hitherto been legal tender, both at the public treasuries and in private trade.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender
1 Heller	$\left\{ \begin{array}{l} 95\% \text{ copper,} \\ 4\% \text{ tin and} \\ 1\% \text{ zinc} \end{array} \right.$	61.7	$\left\{ \begin{array}{l} \text{To amount of} \\ \text{2 Rupees.} \end{array} \right.$
$\frac{1}{2}$ Heller		38.5	

Other African Countries.

ABYSSINIA and ERITRIA are Italian dependencies and are supplied with silver coins by Italy, known as Eritrean dollars, half-dollar, quarter-dollar and tenth-dollar, the commercial value of which depends upon the price of silver.

CONGO FREE STATE is a Belgian colony and uses the silver and minor coins of Belgium.

MADAGASCAR, REUNION and TUNIS are French colonies and use coin furnished by France. The 5-franc piece is known as the dollar. In exchange transactions, drafts, checks and bills of exchange are usually drawn in English money at exchange on London.

ZANZIBAR is a British protectorate, but has for its unit the dollar or peso of 100 cents. Gold, silver and bronze coins are in circulation.

PACIFIC OCEAN.

Money of Australia, Fiji Islands, New Zealand and Tasmania.

These are islands in the Pacific Ocean under English control and use the money of England. In exchange transactions between the United States and these countries it is customary to draw drafts, checks and bills of exchange in pounds sterling at exchange on London.

Money of Hawaii Island.

The money in use in these islands is the same as used in the United States.

Money of Dutch East Indies (Islands).

The British portion of Borneo uses dollars and cents same as in the United States, while the Dutch portion of Borneo and Java and Sumatra use the money of Holland, florins and cents. In exchange transactions drafts, checks, etc., are usually drawn in English or Holland money.

NORTH AMERICAN COUNTRIES.

Money of Canada.

Unit: Dollar=100 Cents

The value of the silver dollar of Canada (no gold pieces are coined) in the money of the United States is governed by the price of silver, although in cities on the border and on the Great Lakes the silver coins are taken at their face value. The gold coins of the United States and Great Britain are used almost exclusively. The money in circulation consists of paper currency, silver and copper coins. The denominations of silver and copper coins are practically the same as in the United States. Notwithstanding Canada is a British colony its trade relations with the United States were too important to admit of the adoption of the complicated British monetary system.

Silver is legal tender to the amount of \$10 and bronze coins to the amount of 25 cents. The value of English silver coins in circulation has been officially fixed as follows: The crown or 5 shillings, \$1.20; the one-half crown, or 2½ shillings, \$0.60; the florin, or 2 shillings, \$0.48; the shilling, \$0.24; the one-half shilling, \$0.12. The weight, fineness, etc., of silver and minor coins are as follows:

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
50-cent pieces	179.3239	925	165.8746	\$0.50
25-cent pieces	89.6619	925	82.9373	.25
10-cent pieces	35.8647	925	33.1749	.10
5-cent pieces	17.9323	925	16.5874	.05

MINOR COINS.

Denominations	Composition	Gross Weight (Grains)	Legal Tender	Value
British Half-Penny	{ 95% copper, 4% tin and 1% zinc	87.5000	{ To amount of 1 Shilling or 25 cents.	\$0.0101

Money of United States.

Unit: Dollar=100 Cents

Table of Weights of Money.

24 grains	=1 pennyweight
20 pennyweights	=1 ounce
12 ounces	=1 pound Troy
(480 grains)	=1 ounce

14.6 Troy oz = 1 lb avoirdupois

There are ten different kinds of money in circulation in the United States, namely, gold coins, standard silver dollars, subsidiary silver, gold certificates, silver certificates, treasury notes issued under the act of July 14, 1890, United States notes (also called greenbacks and legal tenders), national-bank notes,

1 oz Troy = .9125 oz avoirdupois

and nickel and bronze coins. These forms of money are all available as circulation. While they do not all possess the full legal-tender quality, each kind has such attributes as to give it currency. The status of each kind is as follows:

GOLD COIN is legal tender at its nominal or face value for all debts, public and private, when not below the standard weight and limit of tolerance prescribed by law; and when below such standard and limit of tolerance, it is legal tender in proportion to its weight.

STANDARD SILVER DOLLARS are legal tender at their nominal or face value in payment of all debts, public and private, without regard to the amount, except where otherwise expressly stipulated in the contract.

SUBSIDIARY SILVER (silver coins under \$1) is legal tender for amounts not exceeding \$10 in any one payment.

TREASURY NOTES OF THE ACT OF JULY 14, 1890, are legal tender for all debts, public and private, except where otherwise expressly stipulated in the contract.

UNITED STATES NOTES are legal tender for all debts, public and private, except duties on imports and interest on the public debt.

GOLD CERTIFICATES, SILVER CERTIFICATES AND NATIONAL-BANK NOTES are NOT legal tender, but both classes of certificates are receivable for all public dues, while national-bank notes are receivable for all public dues except duties on imports, and may be paid out by the government for all salaries and other debts and demands owing by the United States to individuals, corporations and associations within the United States, except interest on the public debt and in redemption of the national currency. All national banks are required by law to receive the notes of other national banks at par.

THE MINOR COINS of nickel and copper are legal tender to the extent of 25 cents.

PAPER MONEY.

Gold certificates are issued in denominations of 20, 50, 100, 500, 1,000, 5,000, 10,000 dollars. Silver certificates are issued in denominations of 1, 2, 5, 10, 20, 50, 100, 500 and 1,000 dollars. National Bank notes are issued in denominations of 5, 10, 20, 50, 100, 500 and 1,000 dollars. United States notes are issued in denominations of 1, 2, 5, 10, 50, 100, 500 and 1,000 dollars. Currency certificates in denominations of 10,000 dollars. Treasury notes in denominations of 1, 2, 5, 10, 20, 100 and 1,000 dollars.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value
Double Eagle (\$20)	516.0000	900	464.4000	\$20.00
Eagle (\$10)	258.0000	900	232.2000	10.00
Half-Eagle (\$5)	129.0000	900	116.1000	5.00
Quarter-Eagle (\$2½)	64.5000	900	58.0500	2.50
One Dollar (a)	25.8000	900	23.2200	1.00

(a) Monetary unit, no longer coined:

All gold coins are unlimited legal tender for all dues.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value
Dollar	412.5000	900	371.2500	\$1.00
Half-Dollar	192.9000	900	173.6100	.50
Quarter-Dollar	96.4500	900	86.8050	.25
Dime	38.5800	900	34.7220	.10

MINOR COINS.

The present denominations of minor coins are: 5-cent piece (nickel) weighing 77.16 grains and composed of 75% copper and 25% nickel; the 1-cent piece (copper) weighing 48 grains, composed of 95% copper and 5% tin and zinc. They are legal tender not to exceed 25 cents for all dues.

Weights of Coins of the United States.

The weight of \$1,000 in United States gold coin is 53.75 ^{= 1 lb} _{cent} troy ounces, equivalent to 3.68 pounds avoirdupois.

The weight of \$1,000 in standard silver dollars is 859.375 ¹⁴ _{try} troy ounces, equivalent to 58.92 pounds avoirdupois.

The weight of \$1,000 in subsidiary silver (50, 25 and 10 cent pieces) is 803.75 troy ounces, or 55.11 pounds avoirdupois.

Money of Alaska. 1.09524 4/7 lb = 1.66

Unit: Dollar=100 Cents

The money of the United States as well as that of Canada is in circulation, but in the territory of the United States the unit is a dollar of 100 cents. Being a great gold producing country with poor banking facilities, gold dust is used for local commercial purposes in lieu of coined pieces.

Money of Mexico.

Unit: Peso=100 Centavos

Table of Weights of Money.

48 Tormins or 8 Drachmas=1 Onza or 28.752 grams or 443.7186 grains.

French weights are used.

Mexico's present money of account is the gold peso, the value of which, as declared by the director of the United States mint, is 49 8-10 cents (\$0.498).

In exchange transactions between Mexico and United States drafts, checks and bills of exchange are drawn either in Mexican dollars or in United States dollars, the latter "at exchange" on New York City. Being one of the chief silver producing countries of the world the greater part of Mexico's coinage is exported to China and the Central and South American countries. The gold standard was adopted by Act of Congress of December 9, 1904.

The currency of Mexico consists of notes of banks, silver, nickel and copper coins.

PAPER MONEY.

Notes of 28 different banks circulate at par in Mexico City, their denominations being 5, 10, 20, 100, 500 and 1,000 pesos or dollars.

The only notes accepted by the government offices in payment of duties are those of the Banco Nacional de Mexico and the Banco de Londres y Mexico. These two banks do not accept the notes of other Mexican banks, but they are generally accepted by the other banks at par. The Banco Central Mexicano, however, is obliged by contract to redeem all of the notes of the 28 banks referred to at par, except two Yucatan bank notes, which are at a discount of 5%.

GOLD COINS (old issue.)

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Pesos	522.2463	875	456.9655	\$19.6798
10 Pesos	261.1154	875	228.4760	9.8396
5 Pesos	130.5577	875	114.2380	4.9198
2½ Pesos	65.2788	875	57.1190	2.4599
1 Peso	26.1115	875	22.8476	.9839

The new gold coins are the 5 and 10-peso pieces. These coins will be nine hundred thousandths (0.900) of fine gold, and one hundred thousandths (0.100) alloy of copper. The gross weight of the 10-peso pieces are 8.3333 grams or 128.6012 grains, the 5-peso pieces being one-half the weight of the 10-peso.

In addition there are gold coins of eighth, quarter and half doubloons and the doubloon. The value of the doubloon is about \$15.53. The peso or dollar gold coin does not circulate but is used for export purposes by banks or for making payments upon gold basis. In buying the 20-peso pieces they should be purchased by weight, as they are frequently worth more than the United States \$20 pieces.

SILVER COINS.

The principal silver coin is the peso or dollar, which of modern coinage presents the most imperfect and irregular minting in existence. While the designs have a similarity, the successive issues vary slightly in size, thickness, milling and even in roundness. Furthermore, there are many counterfeits in brass and owing to the diversity of good Mexican pesos they can only be detected by the acid test. The old design circulates and is at a premium in the Orient. The subsidiary silver pieces are even more imperfect than the peso or dollar pieces. There is an old design (large) 50-centavo piece, also a new one similar in size to the United States 50-cent piece. Of the 25-centavo pieces there is a large thin one of old issue, also a new one corresponding in size to the United States 25-cent piece.

SILVER COINS (old issue).

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	417.8001	902.7	377.1803	} Value of unit is estimated quarterly by Director of U. S. Mint.
50 Centavos	208.9000	902.7	188.5901	
20 Centavos	83.5600	902.7	75.4360	
10 Centavos	41.7800	902.7	37.7180	
5 Centavos	20.8900	902.7	18.8590	

The peso and 50 centavo are of old and new style. The 20, 10 and 5-centavo pieces are of new style.

The silver coins to be minted under the Act of December 9, 1904, will be the 1-peso, 50-centavo, 20-centavo and 10-centavo. The alloy of these new silver peso coins will be nine thousand and twenty-seven ten-thousandths (0.9027) of pure silver and nine hundred and seventy-three ten-thousandths (0.0973) of copper. The other new coins will be eight hundred thousandths (0.800) fine.

MINOR COINS (old issue).

One centavo of bronze, containing 95% copper, 4% tin and 1% zinc, the nominal value being about 1 cent in United States money.

Under the Act of December 9, 1904, there will be coined a 5-centavo (5 cents) piece of nickel, and 2 and 1-centavo pieces of bronze.

The equivalent value of the new Mexican gold peso (unit) in terms of the gold coins of gold standard countries is as follows:

One Gold Peso Equals—

Germany	2.09 Marks	England	24.58 Pence
Argentina	0.516 Pesos	Italy	2.58 Lire
Austria-Hung.	2.45 Crowns	Turkey	11.36 Piastres
Belgium	2.58 Francs	India	1.53 Rupees
Bulgaria	2.58 Lews	Philippine Is.	0.996 Pesos
Brazil	0.912 Milreis	Japan	1.00 Yen
Canada	0.498 Dollars	Liberia	0.498 Dollars
Chile	1.36 Pesos	Monaco	2.58 Francs
Costa Rico	1.07 Colons	Norway	1.86 Kronors
Colombia	0.498 Dollars	Panama	0.498 Balboas
Denmark	1.86 Kronor	Netherlands	1.23 Florins
Spain	2.58 Pesetas	Portugal	0.461 Milreis
Egypt	24.24 Pence	Peru	1.02 Sols
United States	0.498 Dollars	Russia	0.967 Rubles.
Ecuador	1.02 Suces	Roumania	2.58 Lei
France	2.58 Francs	Switzerland	2.58 Francs
Finland	2.58 Finmarks	Servia	2.58 Dinars
Greece	2.58 Drachma	Sweden	1.86 Kronor
Haiti	0.516 Gourdes	Newfoundland	0.491 Dollars
Br. Honduras	0.498 Dollars	Uruguay	0.481 Pesos
		Venezuela	2.58 Bolivars.

The equivalent value of the silver pesos in money of countries having silver standard are declared by the Department of Finance and Public Credit in months of May and November of each year, and is based upon the average price of silver for the preceding six months.

The equivalent value of the gold units of countries having gold standard in the money of Mexico (pesos and cents) from and after July 1, 1905, is as follows:

1 German Mark	==0.48 Peso	1 Haitian Gourd	==1.94 Peso
1 Argentina Peso	==1.94 Peso	1 British Hond. Dol.	==2.01 Pesos
1 Aus.-Hun. Crown.	==0.41 Peso	1 English Pound	==9.76 Pesos
1 Belgian Franc	==0.39 Peso	1 Italian Lira	==0.39 Peso
1 Bulgarian Lew	==0.39 Peso	1 Turkish Piastre	==0.09 Peso
1 Brazilian Milreis	==1.10 Peso	1 Indian Rupee	==0.65 Peso
1 Canadian Dollar	==2.01 Pesos	1 Philippine Peso	==1.00 Peso
1 Chilian Peso	==0.74 Peso	1 Japanese Yen	==1.00 Peso
1 Costa Rican Colon	==0.93 Peso	1 Panama Balboa	==2.01 Pesos
1 Colombian Dollar	==2.01 Pesos	1 Netherlands Florin	==0.81 Peso
1 Scand. Kronor	==0.54 Peso	1 Portuguese Milreis	==2.17 Pesos
1 Spanish Peseta	==0.39 Peso	1 Peruvian Sol	==0.98 Peso
1 Egyptian Pound	==9.90 Pesos	1 Russian Ruble	==1.03 Peso
1 U. S. Dollar	==2.01 Pesos	1 Roumanian Lei	==0.39 Peso
1 Ecuador Sucre	==0.98 Peso	1 Swiss Franc	==0.39 Peso
1 French Franc	==0.39 Peso	1 Servian Dinar	==0.39 Peso
1 Finnish Mark	==0.39 Peso	1 Uruguay Peso	==2.08 Pesos
1 Grecian Drachma	==0.39 Peso	1 Venezuelan Bolivar	==0.39 Peso

Money of Newfoundland.

Unit: Dollar=100 Cents

Although a British colony, the money of account of Newfoundland is the dollar of 100 cents as in Canada and the United States.

The actual value of the gold dollar in the money of United States is \$1.014. The money in circulation consists of paper currency supplied by banks in Canada and gold, silver and copper coins. The gold coins of the United States and England are also in circulation and are full legal tender.

CENTRAL AMERICAN COUNTRIES.

Money of British Honduras.

Unit: Peso or Dollar=100 Centavos or Cents

Although a British colony, the money of account is the peso or dollar of 100 centavos or cents, as in other Central American States and Mexico. No gold coins or paper money are issued. The money in circulation consists of silver and bronze coins and the gold coins of the United States and Central American States. In exchange transactions between British Honduras and the United States, drafts, checks and bills of exchange are drawn in United States dollars at exchange on New York City or in Mexican dollars. The actual value of the silver peso fluctuates according to the price of silver.

Money of Panama.

By decree of June 28, 1904, Panama adopted the gold standard, prescribing as the unit of value a gold coin to be called a "balboa." It also made the United States gold dollar and its multiples legal tender in the Republic on an equivalence with the balboa and its multiples.

The law prescribes the following pieces when the executive shall make provision for the same:

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
1 Balboa	25.8	900	23.22	\$1.00
2½ Balboa	64.5	900	58.05	2.50
5 Balboa	129.0	900	116.10	5.00
10 Balboa	258.0	900	232.20	10.00
20 Balboa	516.0	900	464.40	20.00

The pieces of 10 or 20 balboa shall be coined as whichever shall be deemed most necessary for commerce.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	358.80	900	347.22	\$0.50
½ Peso	192.90	900	173.61	.25
1-5 Peso	77.16	900	69.44	.10
1-10 Peso	38.58	900	34.72	.05
1-20 Peso	19.29	900	17.36	.025

The peso is equal to one-half balboa.

National silver coins are legal tender at their nominal value in all transactions. Provisions are made for the exchange of Colombian silver coins for the new Panamanian silver coins.

MINOR COINS.

As no provision was made for the coining of new minor coins it is presumed the old minor coins will continue in use. We have no data of the latter, however.

Money of Costa Rica.

Unit: Colon=100 Centimos

Costa Rica adopted the single gold standard in October, 1896. The unit is the colon, divided into 100 centimos. The actual value of the gold colon in the money of the United States as declared by the Director of the United States mint is \$0.4654. The actual currency of the country is gold, silver and paper, payable in gold or silver. Only fractional silver is coined and silver is legal tender to the amount of 10 colon. Silver and bronze coins are most extensively used and paper currency is

issued by banks. In exchange transactions between Costa Rica and the United States, drafts, checks and bills of exchange are drawn in United States dollars at exchange on New York City or in Mexican dollars. The actual value of the silver coins fluctuates according to the price of silver. The gold, silver and minor coins in circulation and their approximate equivalents in the United States, are as follows:

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Colons	240.1274	900	216.1147	\$9.3072
10 Colons	120.0637	900	108.0573	4.6536
5 Colons	50.0318	900	54.0286	2.3268
2 Colons	24.0127	900	21.6114	.9307

Gold coins are full legal tender.

SILVER COINS.

The denomination and value of silver coins are as follows:

50 Centimos ($\frac{1}{2}$ Colon)	value \$0.2367
25 Centimos ($\frac{1}{4}$ Colon)	value 0.1163
10 Centimos (1-10 Colon)	value 0.0465
5 Centimos (1-20 Colon)	value 0.0233

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
2 Centimos	} 75% copper and 25% nickel	69.4456	{ To amount of 1 Colon	\$0.0092 .0046
1 Centimo		34.7228		

Money of Guatemala, Honduras, Nicaragua and Salvador.

Unit: Peso=100 Centavos

These republics all have the same monetary system. Being poor countries with comparatively small population, very little money is used. The money in circulation consists of paper currency and gold, silver and copper coins. The actual value of the silver peso fluctuates according to the price of silver.

Gold is usually at a high premium in Honduras.

There is no mint in Nicaragua; all coins are made abroad, as is also all paper currency.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Onza or Doubloon	417.6659	875	365.4576	\$15.7359
Half Onza	208.8329	875	182.7288	7.8694
20 Pesos	497.8169	900	448.0352	19.2952
10 Pesos	248.9084	900	224.0176	9.6476
5 Pesos	124.4542	900	112.0088	4.8238
2 Pesos	49.7816	900	44.8035	1.9295
1 Peso	24.8908	900	22.4017	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	358.8089	900	347.2280	Estimated
Half Peso (50 Centavos)	192.9044	900	173.6140	quarterly by Director of United States mint
Quarter Peso (25 Centavos)	96.4522	900	86.8070	
Dime (10 Centavos)	38.5808	835	32.2150	
Half Dime (5 Centavos)	19.2904	835	16.1075	

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
2 Centavos	{ 75% copper and 25% nickel	69.4456		\$0.0200
1 Centavo		34.7228		.0100

Atlantic Ocean.

BERMUDA ISLAND: Although the unit of money is the same as in Great Britain, accounts are still kept in dollars and cents. United States gold coins are accepted everywhere and the British gold and silver coins are in circulation. A silver British 4-penny piece called **GROAT** is supplied by Great Britain, its nominal value being about 8 cents in United States money. Paper money is issued by banks.

CAPE VERDE ISLANDS: These islands use principally the money of Portugal, although those near Africa use the rupee and coins in use in Zanzibar. In exchange transactions between these islands and the United States, drafts, checks and bills of exchange would most likely be drawn in English, French or German money. Comparatively very little money is used and very little trade with other countries.

SAINT HELENA ISLAND: This island, which is located in mid-ocean, southwest of Africa, is controlled by Great Britain and British money is alone legal tender, but being situated in a direct line for vessels passing around Cape of Good Hope, all kinds of money pass. No paper money is issued and gold is little used.

WEST INDIES ISLANDS.

ANGUILLA, BAHAMA, BARBADOES AND JAMAICA ISLANDS.

Unit: Pounds=20 Shillings of 12 Pence.

These islands, being under British control, use the English system as their unit of money, although, with the exception of Jamaica, accounts are kept in dollars and cents. Gold coins of the United States and Great Britain circulate and are accepted everywhere.

ANGUILLA is furnished by Great Britain with a four-penny silver piece called groat, the equivalent in United States money of about 8 cents. Paper money issued by banks at Nassua, Bahama and Jamaica are used.

BAHAMA is also supplied with the silver piece called groat as well as other silver and minor coins.

The monetary conditions at Barbadoes are the same as at Bahama Islands.

At JAMAICA the gold coins most generally in use are those of the United States, but British gold coins are of course accepted and to some extent used. The active circulation consists of silver and minor coins supplied by Great Britain. Paper money is issued by the Colonial Bank.

In exchange transactions drafts, checks and bills are drawn in English money at exchange on London or in United States dollars at exchange on New York City.

Money of Haiti.

Unit: Gourde=100 Cents

The money of account of Haiti is the gourde of 100 cents. The actual currency is an irredeemable paper. The metallic gourdes have disappeared almost entirely from circulation and are hoarded. Only the divisional coins are found in circulation, but even these frequently command a premium of from 1 to 2 per cent. A great many United States gold pieces are to be met with, owing to the fact that export duties have to be paid in gold. Gold is usually at a high premium, ranging from 110 to 150 per cent.

The actual value of the gold gourde as declared by the director of the United States mint is 96 and 5-10 cents (\$.965). In exchange transactions between Haiti and the United States drafts, checks and bills of exchange are usually drawn in United States dollars at exchange on New York City. The money in circulation consists of paper currency and gold, silver and bronze coins as follows:

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
10 Gourdes	248.9084	900	224.0176	\$9.6476
5 Gourdes	124.4542	900	112.0088	4.8238
2 Gourdes	49.7816	900	44.8035	1.9295
1 Gourde	24.8908	900	22.4017	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Gourde	385.8089	900	347.2280	\$0.9647
Half Gourde	192.9044	835	161.0752	.4824
Fifth Gourde	77.1617	835	64.4300	.1929
Tenth Gourde	38.5808	835	32.2150	.0964

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
2 Centimes	$\left\{ \begin{array}{l} 95\% \text{ copper,} \\ 4\% \text{ pewter and} \\ 1\% \text{ zinc} \end{array} \right.$	154.3235	To amount of 2 Gourdes.	\$0.0192
1 Centime		77.1617		.0096

Money of Cuba.

Unit: Peso=100 Centavos

The legal monetary system of Cuba is the same as that of Spain, but, as a matter of fact, accounts are kept in piastres, pesos, or dollars.

The metallic circulation is composed chiefly of United States gold, Spanish luis or 20-peseta pieces, and alphonosinos or 25-peseta pieces. The former in weight is identical with the French 20-franc gold piece, and therefore possesses a bullion value of \$3.86; the latter, equivalent to 25 pesetas, is worth \$4.82. By a Spanish decree the luis and alphonosinos, respectively, or 4 and 5 duro pieces, were declared to be worth in Cuba (Cuban money of account) \$4.24 and \$5.30, the arbitrary premium of 6 per cent being extended to keep gold in the island. These fictitious values were confirmed by an order of President McKinley in December, 1898.

In Cuba when a dollar is mentioned it is the Cuban dollar of account, which, in the absence of a special trade agreement, may be discharged in the above-named coin at the rates given.

For Government purposes the United States currency is the standard, official salaries and Cuban duties being paid in that medium.

The relative values of Spanish gold and American gold are, of course, slightly affected from day to day by special local demand for one or the other. The present tendency is to extend the use of the United States money. In the eastern end of the island, particularly in Santiago, all transactions are in United States currency, while in the western portion, in the prominent markets of Habana, Mantanzas, Cardenas, etc., though many transactions are based on the same standard, much of the business is still done on the basis of Spanish gold.

From the above statement it appears that a Cuban book account of say \$530 could be satisfied with 100 alphonosinos, or \$482 in United States gold. Consequently Spanish coin in comparison with Cuban money of account is at a premium of 6 per cent, and United States gold compared with the same money of account appears to be at a premium of 11 per cent. American gold, as compared with Spanish, therefore seems to be at a premium of approximately 5 per cent. This, however,

is purely imaginary, as 500 nominal Spanish dollars or 100 alphonosinos have the same bullion value as \$482 in United States gold.

Cuba has no currency nor Government bank notes of its own. The commercial money of the country, excepting in Santiago province, is Spanish gold supplemented by French gold. Spanish silver is the fractional currency used in connection with Spanish and French gold. In measuring other kinds of money by the United States dollars there is no difference in value between the United States gold dollar and any form of United States paper currency, all being at a parity with each other. United States silver when offered in quantities is taken at a discount, but this is on account of its inconvenience in handling and the preference for United States bills. The United States silver certificate, as above indicated, is at par with gold. The difference between a United States gold dollar and a Spanish gold dollar is determined not only by the weight and fineness of the gold in each but by the supply and demand of exchange operations.

The value of the Spanish silver is fixed by the quotations at Madrid of exchange on Paris or London, and in a lesser degree by the supply and demand, and not by any intrinsic difference in the metal.

The par of exchange in Cuba with London or England is \$4.44 Spanish gold to the pound sterling.

The actual value of the gold peso or dollar of Cuba as declared by the director of the United States mint is 92 and 6-10 cents (\$.926). In exchange transactions between the United States and Cuba drafts, checks and bills of exchange are drawn in United States dollars at exchange on New York or in pesos and centimos, the money of that country. The money in circulation consists of paper currency, gold, silver and bronze coins. United States money circulates freely.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Spanish Quadruple (Onza)	417.6659	875	365.4576	\$15.7389
Doubloon Isabella Alphonse	129.4327	900	116.4894	5.0167
(25 pesetas)	124.4543	900	112.0089	4.8238

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
10 Centimos	95% copper, 4% tin and 1% zinc	154.3235	To the amount of 5 Pesetas.	\$0.0192
5 Centimos		77.1617		.0096
2 Centimos		30.8647		.0038
1 Centimo		15.4323		.0019

Money of Porto Rico.

Unit: Dollar=100 Cents

The value of the gold dollar is the same as in the United States, namely, 100 cents.

While in some cases accounts are still kept in Spanish money, as a rule they are now kept in United States money and drafts, checks and bills of exchange are so drawn.

Money of Santo Domingo.

Unit: Dollar=100 Cents

While the unit of money of this country is the same as in the United States, so little money is used that no value of the coins, mostly silver, can be given. Paper currency is issued by banks.

Money of Martinique.

Unit: Franc=100 Centimes

The actual value of the gold franc in the money of the United States is 19 and 3-10 cents (\$0.193). This country uses the money of France almost exclusively, although United States gold coins are accepted. In exchange transactions between the United States and Martinique, drafts, checks and bills of exchange are usually drawn in United States dollars or francs.

SOUTH AMERICA.

Money of Argentine Republic.

Unit: Peso=100 Centavos

The actual currency of Argentina is depreciated paper, fluctuating greatly in value. Gold is usually at a high premium, for instance, 180 premium—that is, \$280 paper to \$100 gold. During the year 1903 gold was at a premium of 127.27 per cent. Argentine gold coins are full legal tender. Silver coins are legal tender only to the amount of 10 pesos and bronze coins to the amount of 1 peso.

The value of the gold peso in the money of the United States is 96 and 48-100 cents (\$0.9648). In exchange transactions between this country and the United States, drafts and bills of exchange are generally drawn in United States dollars at exchange on New York City, unless otherwise stipulated. The money in circulation consists of paper currency and gold, silver and copper coins, as follows:

PAPER MONEY.

The paper currency is composed exclusively of government notes convertible into gold at the conversion office at the rate of 44 centavos (cents) to one peso or dollar paper, whenever that office has gold on hand. The denominations are: 1, 2, 5, 10, 20, 50, 100, 200, 500 and 1,000. There are also 50-centavo notes and notes of 5, 10 and 20 centavos, the latter not being legal tender.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Argentina (5 Pesos)	124.4542	900	112.0088	\$4.8238
Half Argentina (2½ Peso)	62.2271	900	56.0044	2.4119

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	385.8089	900	347.2280	\$0.9648
50 Centavos	192.9044	900	173.6140	.4824
20 Centavos	77.1617	900	69.4456	.1929
10 Centavos	38.5808	900	34.7228	.0964
5 Centavos	19.2904	900	17.3614	.0482

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
20 Centavos (Nickel)	75% copper and 25% nickel	61.7294	To amount of 1 Peso.	\$0.1929
10 Centavos (Nickel)		46.2970		.0964
5 Centavos (Nickel)		30.8647		.0482
2 Centavos (Bronze)	95% copper, 4% tin and 1% zinc	154.3235		.0192
1 Centavo (Bronze)		77.1617		.0096

Money of British Guiana.

Being a British colony the money in use is supplied by Great Britain, although accounts are generally kept in dollars and cents and drafts and bills of exchange are usually so drawn.

Paper money is issued by banks. Gold does not circulate. It is at a premium of 1½ to 2 per cent over the actual currency, which is paper and silver coins.

Money of Bolivia.

Unit: Boliviano=100 Centavos

This country has the single silver standard. The money of account is the silver boliviano or silver peso. The coinage of gold has long since been suspended and the old onzas and escudos are no longer found in the country. The Bank of Bolivia issues paper money redeemable on demand and generally on a par with silver.

The value of the silver boliviano in the money of the United States fluctuates according to the market price of silver. In exchange transactions between Bolivia and the United States drafts and bills of exchange are usually drawn in United States dollars, at exchange on New York City, unless preferred in other money. The money in circulation consists of paper currency and silver, nickel and bronze coins. The home value of the silver boliviano is about the same as the home value of the silver dollar in the United States.

The weight, fineness, etc., of the silver coins are as follows:

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Boliviano	385.8089	900	347.2280	} Estimated quarterly by Director of the U. S. Mint.
50 Centavos	192.9044	900	173.6140	
20 Centavos	69.4456	900	62.5010	
10 Centavos	34.7228	900	31.2505	
5 Centavos	17.3614	900	15.6252	

The silver boliviano is worth about 43 to 44 cents at the present time.

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
10 Centavos (Nickel)	{ 75% copper and 25% nickel	77.1617	(No data)	\$0.0964
5 Centavos (Nickel)		38.5808			.0482
1 Centavo (Bronze)	{ 95% copper, 4% tin 1% zinc	154.3235		.0096
½ Centavo (Bronze)				77.1617	.0048

Money of Brazil.

Unit: Milreis=1000 Reis

Owing to the depreciation of paper money practically all gold and silver money has disappeared.

The milreis (1,000 reis) at par is worth 27 pence English money or \$0.545 United States money, so that the milreis is worth only 44.4 per cent of its face value and the premium on gold is 125 per cent. There are no bank notes in circulation. Some of the notes in circulation bear the names of banks, but the Government has arranged to take them over, so that they are, to all intents and purposes, Government notes. The only currency in circulation is paper and subsidiary nickel and copper coins.

During the year 1903 the average premium on gold was 226.6 per cent, the highest being 234.2 per cent, the lowest 216.2 per cent.

The gold standard was adopted by Brazil in 1849. The mint par of exchange between Brazil and England is 1 milreis = 26.93 pence, which makes the 20-milreis piece worth £2-

4s 10d, and other gold pieces in proportion. Paper money fluctuates in value to a considerable extent. One thousand milreis is called a "conto;" 1,000 contos are called "conto de conto."

The actual value of the gold milreis in the money of the United States as declared by the Director of the United States mint is 54 and 6-10 cents (\$0.546). In exchange transactions between this country and the United States, drafts and bills of exchange are generally drawn in United States dollars at exchange on New York City or in English money.

The weight, fineness, etc., of the coins of Brazil are as follows:

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
20 Milreis	276.6973	917	253.7314	\$10.9273
10 Milreis	138.3486	917	126.8657	5.4636
5 Milreis	69.1743	917	63.4328	2.7318

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
500 Reis	98.3812	917	90.2156	.2731
Milreis	196.7625	917	180.4312	.5463
2 Milreis	393.5250	917	360.8625	\$1.0926

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
200 Reis (Nickel)	75% copper and 25% nickel	231.4853	To amount of 1 Milreis	\$0.1092
100 Reis (Nickel)		154.3235		.0546
50 Reis (Nickel)		108.0264		.0273
40 Reis (Bronze)	95% copper, 4% tin and 1% zinc	185.1882	To amount of 200 Reis.	\$0.0218
20 Reis (Bronze)		108.0264		.0109
10 Reis (Bronze)		54.0132		.0054

Money of Chile.

Unit: Peso=100 Centavos

Chile is nominally on a gold basis but the currency is inconvertible paper.

Silver is legal tender to the amount of 50 pesos between individuals, but full legal tender to the government. Gold is full legal tender. The only mint in Chile is that at Santiago. The law of March 9, 1904, provides for the coinage of new copper coins as shown below:

The actual value of the gold peso in the money of United States as declared by the Director of the United States mint is 36 5-10 cents (\$0.365). In exchange transactions between this country and United States drafts, checks and bills of exchange are generally drawn in United States dollars at exchange on New York City, or in pesos.

The value of the gold peso is fixed by law at 1 shilling 6 pence (English money), or $36\frac{1}{2}$ cents (\$0.365) United States money, and the 10 peso (doubloon) at 15 shillings (English), or \$3.65 United States money.

PAPER MONEY.

Paper money is usually at a heavy discount. Notes are issued by about fifteen banks and are subject to a variable gold premium, and must be handled with caution on account of many excellent counterfeits.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Condor (20 Pesos)	184.9115	916 $\frac{2}{3}$	169.5022	\$7.2998
Doubloon (10 Pesos)	92.4557	916 $\frac{2}{3}$	84.7511	3.6499
Escudo (5 Pesos)	46.2278	916 $\frac{2}{3}$	42.3755	1.8249
Peso	9.2455	916 $\frac{2}{3}$	8.4751	.3649

The gold peso is not coined.

SILVER COINS.

There are two silver pesos in circulation, one being 835-1000 fine, the other 700-1000 fine, both being 20 grams or 308.640 grains. There are also 50, 20, 10 and 5 silver centavo pieces, varying from 200-1000 to 835-1000 fine.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	308.6471	835	257.7203	\$0.3649
20 Centavos	61.7294	835	51.5440	.0730
10 Centavos	30.8647	835	25.7720	.0365
5 Centavos	15.4323	835	12.8860	.0183

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender (No data)	Value
New Issue (Copper).				
2 $\frac{1}{2}$ Centavos	} 95% copper, 4% tin and 1% zinc	108.0240	(No data)	\$0.0091
2 Centavos		77.1600		.0073
1 Centavo		54.0120		.0036
$\frac{1}{2}$ Centavo		38.5800		.0018
Old Issue (Copper).				
2 Centavos	} 95% copper and 5% nickel	108.0264	(No data)	\$0.0072
1 Centavo		77.1617		.0036
$\frac{1}{2}$ Centavo		46.2970		.0018

Money of Colombia.

Unit: Dollar=100 Cents

By the law of October 25, 1903, Colombia adopted the gold standard prescribing as a monetary unit a gold dollar weighing 1,672 grams (25.8 grains) and 900 fine, the actual value being the same as that of the United States gold dollar.

The new law provides that in public or private transactions it is permissible to stipulate payment in either the gold monetary unit or paper money. If contracts stipulate payment in gold, the contract is complied with by the payment of an equivalent sum in paper money at the rate of exchange ruling on the day of payment. All obligations contracted for legal tender (moneda corriente) in which no special class of money is stated, will be understood as having been contracted for and will be payable in bills of forced currency.

The actual currency of Colombia is inconvertible paper. Gold is usually at a high premium.

In exchange transactions with the United States drafts, checks and bills of exchange are usually drawn in United States dollars at exchange on New York. The money in circulation consists of a paper currency, and gold, silver and nickel coins, as follows:

PAPER MONEY.

Notes issued by the Government and banks in denominations of 5, 10, 50, 100 and 500 pesos.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Double Condor	497.8178	900	448.0360	\$19.2952
Condor	248.9089	900	224.0180	9.6476

There are also gold coins called doubloons, half-doubloon and quarter-doubloon in circulation.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Peso	385.8089	900	347.2280	} Fluctuates according to price of silver.
2 Decimo	77.1617	835	64.4300	
Decimo	38.5808	835	32.2150	
Half Decimo	19.2904	835	16.1075	

MINOR COINS.

5, 2 and $\frac{1}{2}$ Centavo of nickel.

Money of Ecuador.

Unit: Sucre=100 Centavos

Ecuador has at present the single silver standard. Up to 1884 the currency of Ecuador consisted of the coins of the neighboring countries. Since 1884 a national currency has been introduced with the sucre or peso, 900-thousandths fine, as the monetary unit. There is, however, a paper currency at present depreciated over 50 per cent. There is no mint in the country.

The actual value of the gold sucre in the money of the United States as declared by the director of the United States mint is 48 and 7-10 cents (\$0.487). In exchange transactions with the United States drafts, checks and bills of exchange are usually drawn in United States dollars at exchange on New York City. The money in circulation consists of paper currency and gold, silver and nickel and bronze coins as follows:

PAPER MONEY.

Notes issued by banks in denominations of 5, 10, 50, 100 and 500 sucres.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
10 Sucres	125.5576	900	113.0018	\$4.8665

There is also in circulation the gold condor (\$9.65) and the double condor (\$19.30) pieces.

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Sucre	385.8089	900	347.2280	\$0.4866
Peseta (20 centavos)	77.1617	900	69.4456	.0973
Real (10 Centavos)	38.5808	900	34.7228	.0486
Midio-Real (5 Centavos)	19.2904	900	17.3614	.0243

MINOR COINS.

5, 1 and $\frac{1}{2}$ -centavo pieces of nickel and 2 and 1-centavo pieces of bronze.

Money of French Guiana.

Unit: Franc=100 Centimes

Although the unit of money in this country is the same as in France and the coins of that country are in general use, accounts are usually kept in pesos and centavos, or dollars and cents, as in the other South American countries.

Money of Paraguay.

Unit: Peso=8 Reals

The money of account of Paraguay is the peso, divided into 8 reals. It is also divided into 100 centavos. The country, however, has a depreciated paper currency. The gold onza is rated officially at $17\frac{1}{2}$ paper pesos, making the paper peso equal to 1.3617 grams or 21.01375 grains, fine gold. Five-franc pieces, venezolanos, and other piastres of the same kind are in like manner reckoned as equivalent to $1\frac{1}{4}$ paper pesos.

A financial law promulgated October, 1903, fixes the value of gold, silver and paper currency in Paraguay. This law

fixes the gold and silver of the Argentine Republic as the legal currency in Paraguay. The United States \$20 gold piece is worth \$20.40, and the English sovereign \$5 in Paraguayan gold. The banks and exchange houses observe this law. For instance, in making a draft on the United States they will take each dollar at \$1.02, when it really bears a premium of $3\frac{1}{2}$ per cent mint value in the Argentine gold. The exchange as a rule is quoted at the rate of the day on which Argentine gold is being sold. At present Argentine gold is stationary, its rating being \$8.75, which means that \$8.75 Paraguayan paper will purchase \$1 Argentine gold. This makes the Paraguayan paper peso or dollar worth at present $11\frac{1}{2}$ cents gold. In addition to the foregoing quotations of American gold there is a bank discount and a computation of interest to be calculated. The silver pieces of 25 grams (385.800 grains) 900-thousandths fine will be valued at 94 cents (centavos) Paraguayan, and the fractions their respective values accordingly.

Although the money of account of this country is as above noted, the money in circulation is principally that of Argentine Republic and Brazil. Very little money is in circulation or needed, and there are comparatively very few exchange transactions between this country and United States. We are unable to give a list of gold and silver coins, or their value. For minor coins see below:

MINOR COINS.

Denomination	Composition	Gross Weight (Grains)	Legal Tender	Value
NICKEL.				
20 Centavos or Cents	75% copper, and 25% nickel	61.7294	To amount of 2% of the pay- ment.	\$0.1929
10 Centavos or Cents		46.2970		.0964
5 Centavos or Cents		30.8647		.0482

Money of Peru.

Unit: Sol=10 Dineros of 10 Centavos

The unit, the silver sol, is the same weight and fineness as the French 5-franc piece. The free coinage of silver was suspended in April, 1897, and by the Act of December 27, 1897, the gold standard was re-established, gold having been demonetized by Act of December 30, 1872, and thereafter went out of circulation. The new gold coin, called the libra peruano (Peruvian pound) is of the same weight and fineness as the pound sterling of England and both are now in circulation in Peru concurrently, with the silver sol at the legal par of equality, which is that of 1 to 31. This ratio values the sol at 24 pence (English), (48 cents United States) and the libra at 10 sols.

Paper money disappeared from circulation in 1887, and its emission has ever since been prohibited.

The actual value of the gold sol in the money of the United States as declared by the Director of the United States mint is 48 and 7-10 (\$.487). In exchange transactions between Peru and the United States, drafts and bills of exchange are usually drawn in United States dollars at exchange on New York City, unless otherwise preferred. The money in circulation consists of gold, silver and copper coins. This country mines a vast quantity of silver.

The gold "libra," equal to 10 sols, is worth \$4.8665 in United States money.

The weight, fineness, etc., of the coins of Peru are as follows:

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Libra	123.2744	916 $\frac{2}{3}$	113.0015	\$4.8665
Half Libra	61.6372	916 $\frac{2}{3}$	56.5007	2.4332

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
Sol	385.8089	900	347.2280	\$0.4866
Half Sol	192.9044	900	173.6140	.2433
Fifth Sol	77.1617	900	69.4456	.0973
Dinero (Dime)	38.5808	900	34.7228	.0486
Half Dinero	19.2904	900	17.3614	.0243

The minor coins are 2 and 1 centavo pieces of bronze.

Money of Uruguay.

Unit: Peso=100 Centavos

The actual value of the gold peso of this country in the money of the United States as declared by the Director of the United States mint, is \$1.034. In exchange transactions with the United States, drafts, checks and bills of exchange are usually drawn in United States dollars at exchange on New York City unless preferred in the money of the country. The money in circulation consists of paper currency and gold, silver and minor coins as follows:

PAPER MONEY.

Notes issued by the local and foreign banks in various denominations of pesos.

GOLD COINS.

Peso or patacoe (\$1.04), 2 $\frac{1}{2}$ pesos or 2 patacoe pieces (\$2.59), 5 pesos or 4 patacoe pieces (\$5.17).

SILVER COINS.

Peso (\$1.04), 50 centavos (\$0.51), 20 centavos (\$0.21), 10 centavos (\$0.11). The values of these silver coins are estimated at same value as for the gold pieces.

MINOR COINS.

No data. There is no mint in this country.

Money of Venezuela.

Unit: Bolivar=20 Centavos

The monetary unit is the venezolano or peso, divided into 100 centavos, a silver coin equal in weight and fineness to the French silver 5-franc piece. The ratio of gold to silver is 1 to 15½. The only difference between the French monetary system and that of Venezuela is that whereas the French 5-franc piece is unlimited tender, the 5-bolivar piece or venezolano is legal tender only to the amount of 500 bolivars, or about \$100 in United States gold coin. In this respect Venezuela is more like a single gold standard country. For convenience, however, it is generally classed among double standard countries.

The actual value of the gold bolivar in the money of the United States is 19 and 3-10 cents (\$0.193). In exchange transactions with the United States, drafts and bills of exchange are usually drawn in United States dollars at exchange on New York City unless preferred in the money of some other country.

The money in circulation consists of paper currency and gold, silver and bronze coins as follows:

PAPER MONEY.

Notes issued by banks in various denominations of bolivars.

GOLD COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
100 Bolivars	497.8178	900	448.0360	\$19.2952
50 Bolivars	248.9089	900	224.0180	9.6476
20 Bolivars	99.5635	900	89.6072	3.8590
10 Bolivars	49.7817	900	44.8036	1.9293
5 Bolivars	24.8908	900	22.4818	.9647

SILVER COINS.

Denomination	Gross Weight (Grains)	Fineness (Thousandths)	Pure Silver (Grains)	Value in United States Money
5 Bolivars	385.8089	900	347.2280	\$0.9352
2 Bolivars	154.3235	835	128.8601	.3470
Bolivar	77.1617	835	64.4300	.1735
Half Bolivar	38.5808	835	32.2150	.0867
Quarter Bolivar	19.2904	835	16.1075	.0433
Fifth Bolivar	15.4323	835	12.8860	.0347

MINOR COINS—No data.

Miscellaneous.

AFGHANISTAN uses British India and Persian money.

ANDORA: Is the same as Spain.

ARABIA: One krusch equal to 40 diwani, equal to $1\frac{2}{3}$ marks (\$0.395); 1 mahmudi equal to 20 gass, equal to about 1-5 of a mark, or about 5 cents. One makkathaler equal to 80 cabir, equal to 3.55 marks, or about 85 cents, United States money.

CONGO STATES use French, German and English coins, and brass wire.

HIMALAYA STATES: One mohar equal to 6 annas; 8 pies equal to 80-100 of a mark, or about 19 cents United States money. One mohri rupee equal to 2 mohar or about 38 cents United States money.

KOREA uses same money as China. Recently one yang equal to 10 mum, or about 24 cents in United States money.

LUXEMBURG uses French, Dutch and German money.

MONTENEGRO uses Austrian, Turkish and Russian money.

Meaning of 16 to 1.

The phrase "16 to 1" as applied to the coinage, means that the mint value of 16 ounces of silver shall be equal to the mint value of one ounce of gold; that is, that 16 ounces of silver shall be coinable into as many standard silver dollars as 1 ounce of gold is coinable into standard gold dollars.

Standard Bullion.

Standard bullion contains 900 parts of gold or pure silver and 100 parts of copper alloy.

The coining value of an ounce of PURE gold is \$20.67183, and the coining value of an ounce of STANDARD gold is \$18.60465.

The coining value in standard silver dollars of an ounce of PURE SILVER is \$1.2929, and the coining value of an ounce of STANDARD silver is \$1.1636.

Value of standard gold coins or bullion, 900-thousandths fine, based upon the United States Government coining value of an ounce of standard gold, namely: \$18.60465 per ounce of 480 grains, from 1 to 9 ounces, with decimal for figuring from 1 to 1,000 ounces.

1 Ounce, value	\$ 18.60465116
2 Ounces, value	37.20930232
3 Ounces, value	55.81395349
4 Ounces, value	74.41860465
5 Ounces, value	93.02325581
6 Ounces, value	111.62790698
7 Ounces, value	130.23255814
8 Ounces, value	148.83720930
9 Ounces, value	167.44186046

NOTE.—Move decimal one figure to right for tens of ounces.
 Move decimal two figures to right for hundreds of ounces.
 Move decimal three figures to right for thousands of ounces.

Seigniorage.

This term as used in the United States, means the profit arising from the coining of bullion. The Government does not purchase gold bullion, but coins it on private account; that is, standard gold bullion may be deposited at the mints in any amount, to be coined for the benefit of the depositor, without charge for coinage. There is no profit from the coinage of gold bullion, the face value of gold coins being same as their bullion value. But at the present ratio of 16 to 1 the face value of the silver dollar is greater than its bullion value; therefore, when silver bullion is purchased and coined into dollars, there is a profit arising from such coinage, the amount of which depends upon the price paid for the bullion. For example, there are $371\frac{1}{4}$ grains of pure silver in a dollar, and there are 480 grains of pure silver in a fine ounce. The coinage value of a fine ounce is therefore \$1.2929. If the fine ounce can be purchased for 70 cents, the profit of its coinage (the seigniorage) is \$0.5929, and the profit on the $371\frac{1}{4}$ grains of pure silver in the single dollar is \$0.4586, which is the difference between the actual cost of the bullion in the dollar and the nominal value of the coin.

The silver purchased by the Government is carried on the books of the treasury at its actual cost, and the seigniorage is declared on the coinage of each month and paid into the treasury.

Coinage of Gold.

In the United States there is free and unlimited coinage of gold. Anyone may deposit standard gold bullion at the mints without charge for coining. When other than standard bullion is received for coinage a charge is made for parting, or for refining, or for copper alloy, as the case may be. Refining is elimination from the bullion of all base metal. Parting is separation

of any silver which may be contained in the bullion. The depositor receives in gold coin the full value of the gold in his bullion, less charges for alloy, parting, etc.

Adoption of the Gold Standard.

Since the year 1894 the following countries have adopted the gold standard:

Chile in 1895	Costa Rica in 1896	Russia in 1897
Japan in 1897	British India in 1899, at rate of 15 rupees to 1 pound sterling.	
United States in 1900	Ecuador in 1900	San Domingo (U. S. Standard) in 1901
Colombia in 1903	Panama in 1903	Mexico in 1904

The Term "Ratio."

The term "ratio" in coinage is used to express the equivalent between gold and silver under the varying mint laws. Thus it will be seen that the gold 5-franc piece weighs 1.613 grams, while the silver 5-franc piece weighs 25 grams—the relation is therefore 1 to $15\frac{1}{2}$ (arrived at by dividing the weight of the silver piece by the weight of the gold piece). In other words, a pound of gold would be coined into as many francs as $15\frac{1}{2}$ pounds of silver; therefore it is said that the coining rate of France is 1 to $15\frac{1}{2}$. This applies, however, to full debt-paying silver ONLY, for it will be seen that while the subsidiary silver pieces of France bear the same relation in weight, the fineness is less, making the pieces less valuable. In many countries the same result is effected by reducing the weight instead of the fineness of subsidiary coins. It is for this reason such coins are legal tender for small amounts only, rarely over \$10 in any civilized country, and they are made cheaper to prevent their being exported, being intended solely for domestic use.

In a like manner, minor coins, which are intrinsically of little value, are legal tender for very small amounts—say 25 to 50 cents. In most countries nickel and bronze are used for minor coins.

The ratio for coining when established by each nation was intended to represent approximately the actual value relation between gold and silver, and it may be said that for many years this was nearly correct. But the great increase in the production of silver since 1873 and the restrictions of its use by many countries caused such a reduction in its market value, that the ratio is now nearer 27 to 1 of gold, consequently almost all nations have discontinued the free and unlimited coinage of silver into full debt-paying money, for it is obvious that if any one nation were to do so the silver product costing but 65 cents per ounce would be brought to that nation's mints and coined into pieces worth \$1.2929 per ounce, which could be used to pay debts or purchase commodities in that country. In other words, they would make about 64 cents per ounce on the transaction.

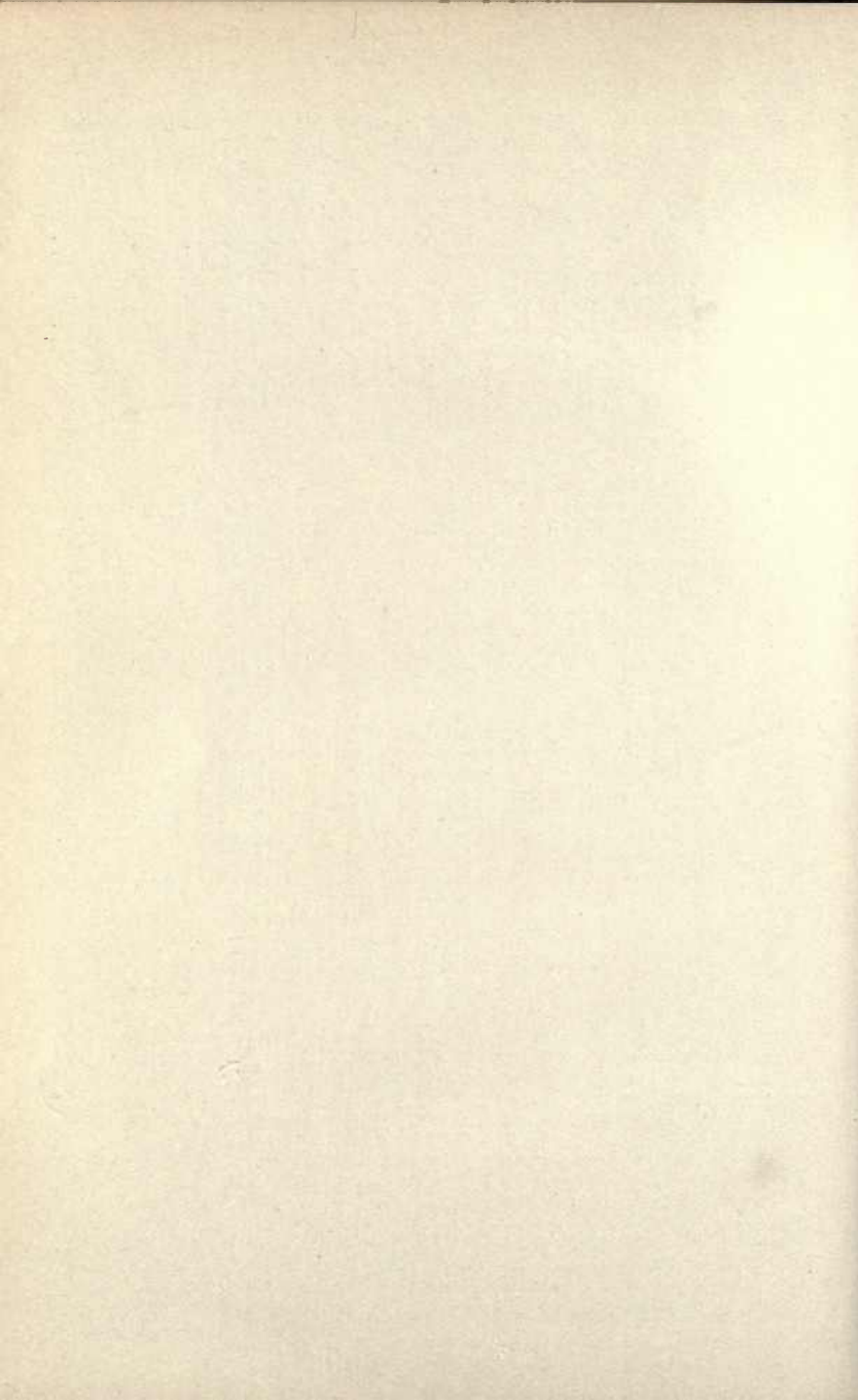
The gold monetary units of principal countries of the world and their weight, fineness and value expressed in terms of the United States gold dollar.

Country	Name of Unit	Gross Weight (Grains)	Fineness (Thousandths)	Pure Gold (Grains)	Value in United States Money
Alaska	Dollar	25.8	900	23.22	\$1.00
Algeria	Franc	4.97817	900	4.48036	.19295
Australia	Pound Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Austria-Hung.	Kronen	5.22776	900	4.70498	.20262
Bahama (I.)	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Barbadoes (I.)	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Belgium	Franc	4.97817	900	4.48036	.19295
Bermuda (I.)	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Brazil	Milreis	13.83486	917	12.68657	.54636
Bulgaria	Lew	4.97817	900	4.48036	.19295
Canada	Dollar (U.S.)	25.8	900	23.22	1.00
Cape Colony	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Chile	Peso	9.24557	916 $\frac{2}{3}$	8.47511	.36499
Colombia	Dollar	25.80287	900	23.22258	1.00
Costa Rica	Colon	12.00637	900	10.80573	1.46536
Cuba	Peseta (Legal unit)	4.97817	900	4.48036	.19295
Denmark	Kronor	6.91415	900	6.22274	.26799
Egypt	Egyptian P'd	131.1750	875	114.7781	4.9430
England	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Fiji (I.)	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Finland	Finmark	4.97847	900	4.43063	.19296
France	Franc	4.97817	900	4.48036	.19295
Germany	Reichsmark	6.14588	900	5.53130	.23821
Greece	Drachma	4.97817	900	4.48036	.19295
Hawaii	Dollar (U.S.)	25.8	900	23.22	1.00
Hayti	Gourde	24.89084	900	22.40176	.96476
Holland	Gulden	10.37054	900	9.33348	.40195
Ireland	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Italy	Lire	4.97817	900	4.48036	.19295
Jamaica (I.)	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Japan	Yen	12.86024	900	11.57422	.49845
Java	Gulden (Hol.)	10.37054	900	9.33348	.40195
Martinique	Franc (France)	4.97817	900	4.48036	.19295
Mexico	Peso	12.86023	900	11.57421	.4984
Natal	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
New Zealand	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Norway	Kronor	6.91415	900	6.22274	.26799
Panama	Balboa	25.8	900	23.22	1.00
Porto Rica	Dollar (U.S.)	25.8	900	23.22	1.00
Portugal	Milreis	27.3692	916 $\frac{2}{3}$	25.0885	1.0804
Roumania	Lei	4.97817	900	4.48036	.19295
Russia	Ruble	13.27584	900	11.94826	.51456
Scotland	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Servia	Dinar	4.97817	900	4.88035	.19295
S. African Rep.	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Spain	Peseta	4.97817	900	4.48036	.19295
Sumatra	Gulden	10.37054	900	9.33348	.40195
Sweden	Kronor	6.91415	900	6.22274	.26799
Switzerland	Franc	4.97817	900	4.48036	.19295
Tasmania	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Tunis	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665
Turkey	Turkish P'd	111.3660	916 $\frac{2}{3}$	102.0855	4.3964
United States	Dollar	25.8	900	23.22	1.00
Venezuela	Bolivar	4.97817	900	4.48036	.19295
Wales	Pounds Sterl.	123.2744	916 $\frac{2}{3}$	113.0015	4.8665

Gold monetary units of foreign countries arranged in the order of their intrinsic value.

Countries	Units	Value
Egypt	Pound	\$4.9430
Great Britain and Colonies	Pounds Sterling	4.8665
Turkey	Pound	4.3964
Portugal	Milreis	1.0804
United States	Dollar	1.00
Canada	Dollar (U. S.)	1.00
Colombia	Dollar	1.00
Panama	Balboa	1.00
Hayti	Gourde	.96476
Brazil	Milreis	.54636
Russia	Ruble	.51456
Japan	Yen	.49845
Mexico	Peso	.4984
Costa Rica	Colon	.46536
Holland and Colonies	Gulden	.40195
Chile	Peso	.36499
Denmark	} Kronor	.26799
Norway		.26799
Sweden		.26799
Germany	Reichsmark	.23821
Austria-Hungary	Kronen	.20262
Belgium	Franc	.19295
Bulgaria	Lew	.19295
Cuba	Peseta	.19295
Finland	Finmark	.19295
France	Franc	.19295
Italy	Lire	.19295
Roumania	Lew	.19295
Servia	Dinar	.19295
Spain	Peseta	.19295
Switzerland	Franc	.19295
Venezuela	Bolivar	.19295

$$\begin{array}{r}
 \underline{875} \\
 1000
 \end{array}
 \qquad
 \begin{array}{r}
 \underline{175} \\
 200
 \end{array}
 \qquad
 \begin{array}{r}
 \underline{35} \\
 40
 \end{array}
 \qquad
 \begin{array}{r}
 \underline{7} \\
 8
 \end{array}$$



CHAPTER III.

CONVERSION OF FOREIGN MONEY INTO UNITED STATES MONEY AND VICE VERSA.

The methods of figuring or converting the monies of the different foreign countries into the money of the United States and vice versa are not generally understood even by dealers in foreign exchange, for the reason that printed tables are provided and generally used for such purpose, which not only insure accurate computation but save much time and labor. Students, however, who desire to acquire a thorough knowledge of the science of foreign exchange, should be able to figure all transactions without the use of tables. The operations in figures are shown in the following examples:

ENGLISH MONEY.

Table.

4 farthings	(far.)	=	1 penny
12 pence	(d)	=	1 shilling
20 shillings	(s.)	=	1 pound or sovereign
21 shillings		=	1 guinea

£	s.	d.	far.
1	= 20	= 240	= 960
	1	= 12	= 48
		1	= 4

EXAMPLE 1.

ADDITION, ENGLISH MONEY.

	£	s.	d.
	240	12	8
	15	10	5
	5	5	4
ANSWER	£261	8s	5d

EXPLANATION.—Since 12 pence equal 1 shilling and the total of pence is 17, carry 1 to shillings, leaving 5 pence. As the total of shillings is 28 (including 1 forward from pence) and there are 20 shillings to the pound, carry 1 to pounds, leaving 8 shillings.

EXAMPLE 2.

MULTIPLICATION, ENGLISH MONEY.

£	s.	d.
215	12	8 4
<hr/>		
ANSWER £862	10s.	8d.

EXPLANATION.—4 times 8 pence = 32 pence or 2s 8d, therefore carry 2 to shillings. 4 times 12s = 48s plus 2s = 50s, or £2 10s, therefore carry 2 to pounds, leaving 10s. 4 times £215 = £860, plus £2 carried from shillings = £862.

EXAMPLE 3.

SUBTRACTION, ENGLISH MONEY.

£	s.	d.
215	12	8
212	15	10
<hr/>		
ANSWER £ 2	16s.	10d.

EXPLANATION.—Since 10d cannot be subtracted from 8d, add 12d to the minuend (upper figures), making 20d. 10d from 20 = 10d. Since 16s (includes 1s brought forward) cannot be subtracted from 12s, add 20 to the minuend, making 32s. 16s from 32s = 16s. Carry 1 to pounds. £213 from £215 = £2.

EXAMPLE 4.

DIVISION, ENGLISH MONEY.

£	s.	d.
4) 25	10	4
<hr/>		
ANSWER £ 6	7s	7d.

EXPLANATION.—Since 4 into 25 goes 6 times, leaving remainder of £1 or 20s, carry 20 to shillings, making 30s. 4 into 30 goes 7 times, leaving remainder of 2s or 24d, thus making 28d into which 4 goes 7 times.

EXAMPLE 5.

REDUCING POUNDS, SHILLINGS AND PENCE TO DECIMAL OF POUND FOR CONVENIENCE IN FIGURING:

Reduce £525 10s 6d to pounds and decimal.

Operation: £525 = £525.
 s. 10 = .50
 d. 6 = .025

ANSWER (Decimal) £525.525

EXPLANATION.—Multiply shillings by .05 because 1s is 1-20 or 5-100 of a pound. Multiply the pence by .004 1-6

because 1d is 1-240 or $4\frac{1}{6}$ thousandths of a pound. To avoid the use of the fraction $\frac{1}{6}$, add 1 if amount is over 12 and 2 if over 35, and result will be the same.

NOTE.—The reducing of pounds, shillings and pence to decimal as above shown, simplifies the process of converting English money into United States money, as will be seen by examples following.

EXAMPLE 6.

CONVERSION: ENGLISH MONEY INTO UNITED STATES MONEY:

To find the equivalent in United States money of £525 10s. 6d., at "rate of exchange," \$4.96 $\frac{1}{2}$ per pound:

Operation: £525=	£525.
s. 10=	.50
d. 6=	.025
	£525.525
	4.9650 RATE
	26276250
	3153150
	4729725
	2102100

ANSWER—2609.2316250 (\$2609.23)

NOTE.—See Example 5 for explanation of reducing pounds, shillings and pence to decimal.

EXPLANATION.—Reduce pounds, shillings and pence to decimal as explained in Example 5. Multiply the decimal by rate of exchange (\$4.96 $\frac{1}{2}$), which gives amount in dollars and cents United States money.

NOTE.—See Example 7 showing conversion of same amount United States money (\$2,609.23), into English money, which verifies correctness of figures in example 6.

EXAMPLE 7.

CONVERSION: UNITED STATES MONEY INTO ENGLISH MONEY:

To find the equivalent in English money of \$2,609.23 (United States money) at rate of exchange, \$4.96 $\frac{1}{2}$ per £:

Operation: Rate 4.9650)	2609.2300	(525.524
	2482.50	20
	126.730	s. 10.480
	99.300	12
	27.4300	d. 5.760
	24.8250	

2.60500 ANSWER—£525.10s.6d.
2.48250

NOTE.—See Example 6 showing conversion of same amount English money (£525.10s.6d.) into United States money, which verifies correctness of figures in Example 7.

122500
99300
232000
198600
33400

EXPLANATION.—Divide amount in dollars and cents (United States money) by the rate of exchange per pound, and it gives the amounts in pounds and decimal of pound. Multiply the decimal (not the pounds) by 20 (20s=£1) and it gives the shillings and decimal of shilling. Multiply the decimal (not the shillings) by 12 (12d=1s) and you find the pence and decimal of penny. If decimal of penny is 50 or over add 1 to amount in pence, otherwise discard same.

EXAMPLE 8.

CONVERSION: ENGLISH MONEY INTO UNITED STATES MONEY (another way).

To find the equivalent in United States money of £226.8s.9d. at "rate of exchange," \$4.86 per £.

Operation:	£226	8s	9d
	20s		
	4528		
	12d		
	54345		
	4.86	RATE.	
	326070		
	434760		
	217380		

240) 264116.70 (1100.486
 240

241
 240

ANSWER— \$1,100.49

1167
 960
 2070
 1920
 1500
 1440

NOTE.—The method shown in Example 6 for converting English money into United States money will be found more simple than that employed in this example.

EXPLANATION.—Multiply the pounds (226) by 20 (20s=£1) and add thereto the amount in shillings (8), which gives amount in shillings. Multiply that product by 12 (12d=1s) and add thereto the amount in pence (9), which gives total amount in pence. Multiply the pence (54345) by rate per pound (\$4.86) and we find the pence and decimal. Divide that product by 240, there being 240 pence to the pound, and you arrive at the equivalent in dollars and cents, United States money.

EXAMPLE 9.

INTEREST OR PERCENTAGE, ENGLISH MONEY.

To find interest at rate of 4 per cent on £550.15s.11d. for one year. Or what amount in English money 4 per cent of £550.15s.11d. would be.

Operation: £550 = £550.

15 = .75
11 = .046

Decimal £550.796
.04%

22.03184 (pounds and decimal)
20s.

s. 0.63680
12d.

d. 7.64160 ANSWER— £22.0s. 8d.

EXPLANATION.—First, reduce pounds, shillings and pence to decimal as explained in Example 5. Multiply the WHOLE decimal by rate per cent. (4%), which gives pounds and decimal of pound. Multiply the decimal (not the pounds) by 20 (20s = £1) and you get the shillings and decimal of a shilling. Multiply the decimal of shilling (not the shillings) by 12 (12d = 1s), and it gives the pence and decimal of penny. As the decimal of penny exceeds 5 ($\frac{1}{2}$ d) add 1 to pence.

EXAMPLE 10.

INTEREST, ENGLISH MONEY.

To find the interest in English money, on £50.12s.6d., for 93 days at rate 6 per cent, allowing 365 days to the year.

Operation: £50 = £50.

s. 12 = .60
d. 6 = .025

Decimal £50.625
.06%

(Days in year)	365	)	3.03750	(	00832	
			2920		.00832	
			<u>1175</u>		<u>93 days</u>	
			1095		02496	
			<u>800</u>		<u>.07488</u>	
			730		£0.77376	
			<u>20s.</u>		<u>20s.</u>	
					s. 15.47520	
					<u>12d.</u>	
					d. 5.70240	

ANSWER— £0.15s. 6d.

EXPLANATION.—Reduce pounds, shillings and pence to decimal as explained in Example 5. Multiply the pounds

and decimal by rate per cent (6%). Divide the product by the number of days in year (365) and multiply the quotient by the number of days for which interest is to apply (93). Multiply that product by 20 (20s = £1) and it gives the shillings and decimal. Multiply the decimal of shillings (not the shillings) by 12 (12d = 1s) and you find the pence and decimal of penny.

EXAMPLE 11.

INTEREST OR PER CENT ENGLISH MONEY.

To find 4 per cent. of £550. 15s. 11d.

Operation: £5.50	•	15s.	11d. .04% (Rate per cent.)
£22.03		3s.	8d
		20s.	
		s. 0.63 (3s. added)	
		12	

d. 7.64 (8d. added) ANSWER— £22. 0s. 8d.

EXPLANATION.—Point off two figures from the right in pounds. Multiply by rate per cent (4%). 4 times 11d = 44d or 3s 8d. 4 times 15s = 60s, plus 3s (carried from pence) = £3 3s. 4 times £5.50 plus £3 = £22.03. Multiply DECIMAL of pounds .03 by 20s = 60 plus 3s = .63s. Multiply 63s by 12d, adding 8d = 7.64d or 8d, thus giving answer, £22 0s 8d.

EXAMPLE 12.

IMPORTATIONS, VALUED IN ENGLISH MONEY.

To find in United States money value of goods imported, invoiced at £550. 15s. 11d., the advalorem duty upon which is 30 per cent:

Operation: £550 = £550.

s. 15 =	.75
d. 11 =	.046

	Decimal	£550.796	
Rate of Exchange (par)		4.8665	As used by Custom House.
		2753980	
		3304776	
		3304776	2680.45
		4406368	.30%
		2203184	
Cost in U. S. money without duty.		\$2680.4487340	
•		804.13	

\$804.135. duty.

Cost including duty \$3484.58—ANSWER

EXPLANATION.—Reduce pounds, shillings and pence to decimal as explained in Example 5. Multiply decimal by the par rate of exchange as fixed by Director of the United States mint. Multiply product by rate per cent duty (30%) and add that product to cost, not including duty.

French, Belgian and Swiss Money.

1 Franc=100 Centimes

The money of account of France, Belgium and Switzerland is the franc of 100 centimes, the actual value of the gold unit in the money of the United States being 19.3 cents.

In exchange transactions between the United States and France, Belgium and Switzerland, the rate of exchange as usually quoted in large cities is the variable number of francs and centimes allowed per \$1.00, which is expressed, for example, thus: Frs. 5.16 $\frac{1}{4}$, meaning that 5 francs and 16 $\frac{1}{4}$ centimes would be allowed for each \$1.00 United States money. At the smaller cities and towns it is customary for sellers of exchange to quote the rate for a single franc, as follows: 19.35 cents, meaning 19 and 35-100 cents (United States money) for each franc. See "Quotations for Foreign Exchange," Chapter IV.

EXAMPLE 13.

CONVERSION: FRENCH, BELGIAN AND SWISS MONEY INTO UNITED STATES MONEY.

Find cost of francs 5250.50 at rate of exchange francs 5.16 $\frac{1}{4}$.

Operation:

(Rate) 5.1625) 5250.5000 (1017.046
51625

88000	ANSWER— \$1017.05
51625	
363750	
361375	
237500	
206500	
310000	
309750	

EXPLANATION.—Divide the amount in francs by the rate of exchange.

EXAMPLE 14.

CONVERSION: UNITED STATES MONEY INTO FRENCH, BELGIAN AND SWISS MONEY.

To find the amount in francs and centimes that can be purchased for \$1017.05 at rate of exchange, francs 5.16 $\frac{1}{4}$ per \$1.00.

Operation: 1017.05

5.1625

508525
203410
610230
101705
508525

Francs 5,250.520625 ANSWER— Francs 5,250.52

EXPLANATION.—Multiply amount in United States money by the rate of exchange.

NOTE.—Example 14 is reverse of Example 13. The difference of 2 centimes ($\frac{1}{2}$ cent) is caused by not using exact fraction .046 centimes.

EXAMPLE 15.

CONVERSION: FRENCH, BELGIUM AND SWISS MONEY INTO UNITED STATES MONEY.

To find cost of francs 5250.50 in United States money at rate of exchange, francs $516\frac{1}{4}$ minus 1-16 of 1 per cent. (expressed francs $516\frac{1}{4}$ —1-16).

	Operation: 5.1625) 5250.5000 (1017.046 (U. S. money)	
	51625	
	88000	
	51625	
(1-16 of 1% of amount)	363750	
\$1017.05	361375	
.01	237500	
16) 10.1705	206500	\$1017.05
.6356 or 64c.	310000	.64
	309750	\$1016.41—ANSWER

See Quotations for Foreign Exchange, Chapter IV.

EXPLANATION.—Divide amount in francs and centimes (5250.50) by rate of exchange without using fraction 1-16 of 1 per cent, as that applies only to amount in United States money. Find 1-16 of 1 per cent of amount in United States money (\$1,017.05), which is 64 cents. Deduct 64 cents from amount in United States money and you have the answer.

EXAMPLE 16.

CONVERSION: FRENCH, BELGIAN AND SWISS MONEY INTO UNITED STATES MONEY.

To find cost of francs 5250.50 in United States money at rate of exchange, francs $5.16\frac{1}{4}$ plus 1-16 of 1% (expressed francs $5.16\frac{1}{4}$ +1-16).

Operation: 5.1625) 5250.5000 (\$1017.05

(See operation Example 15.)

1-16 of 1 per cent of \$1017.05=64 cents (See Example 15)

\$1017.05 plus 64 cents = \$1017.69—ANSWER

EXPLANATION.—Divide amount in francs and centimes by rate of exchange, which gives amount in United States money. Find 1-16 of 1 per cent of amount of United States money and add same thereto.

EXAMPLE 17.

CONVERSION OF UNITED STATES MONEY INTO FRENCH, BELGIAN AND SWISS MONEY.

To find amount of francs and centimes that can be purchased for \$1017.05 at rate of exchange, francs 5.16¼ minus 1-16 of 1 per cent (expressed francs 5.16¼-1-16).

Operation: $5.1625 \times 1017.05 = \text{francs } 5250.52$

(See Example 14.)

1-16 of 1% of \$1017.05 = 64 cents

5.1625

.64

206500

309750

3.304000 francs

Francs 5250.52 plus francs 3.30 = francs 5,253.82, the answer.

EXPLANATION.—Multiply amount of United States money by rate of exchange, as in Example 14, which gives amount in francs and centimes. Find 1-16 of 1 per cent of amount of United States money, as in Example 15. Multiply that product (64 cents) by rate, which gives amount in francs and centimes (F. 3.30) to be added to amount of francs and centimes given at the regular rate (frs. 5.16¼).

EXAMPLE 18.

CONVERSION: UNITED STATES MONEY INTO FRENCH, BELGIAN AND SWISS MONEY.

To find amount in francs and centimes that can be purchased for \$1017.05 at rate of exchange francs 5.16¼ plus 1-16 (expressed francs 5.16¼+1-16).

Operation: \$1017.05

5.1625 (rate)

Equals

5,250.52 francs

(See Example 14.)

1-16 of 1% of \$1017.05 = 64 cents

(See Example 15.)

64 cents at rate of exchange, francs 5.16¼ will be francs 3.30 which is arrived at by multiplying rate 5.1625 by 64 cents).

Deduct francs 3.30 from francs 5250.52 = francs 5,247.22—ANSWER

EXPLANATION.—Multiply amount in United States money by rate of exchange (not including fraction 1-16 of 1 per cent) to find amount in francs and centimes at regular rate which can be purchased for \$1,017.05. As the fraction is plus, a less number of francs and centimes would be given, therefore francs 3.30, which are equivalent to 64 cents at rate 5.16¼, should be deducted.

NOTE.—Always bear in mind that where the fractional rates of plus or minus are used, it applies only to the amount in United States money; therefore, in determining the amount of francs and centimes that can be allowed for a certain sum in United States money, if the fraction is minus, more francs and centimes will be given; and if plus, a less number.

EXAMPLE 19.

CONVERSION: TO FIND PRICE PER SINGLE FRANC WHEN RATE QUOTED IS PER \$1.00.

To find the price of a single franc when rate of exchange is quoted at francs 5.16 $\frac{1}{4}$.

Operation: 5.1625) 1.000000 (.1937

51625

483750

464625

191250

154875

363750

361375

ANSWER.—.1937 cents or 19 37-100 cents per franc.

EXPLANATION.—Divide one dollar by the rate per \$1.00.

NOTE.—For figuring large sums the amount in cents should be carried out five or six figures, as for example: .1937046.

Always bear in mind that the higher the quoted rate per \$1.00 for French, Belgian and Swiss exchange the lower the actual price. For example: \$5,000 at rate francs 5.15 would give 25,750 francs, while 25,750 francs at rate francs 5.20 per 1.00 would cost only \$4,951.92.

CONVERSION, FRENCH EXCHANGE: TO FIND THE PRICE OF A SINGLE FRANC WHEN RATE IS QUOTED PER \$1.00 AND IS SUPPLEMENTED BY A FRACTIONAL RATE OF PLUS OR MINUS, SUCH AS FRANCS 5.16 $\frac{1}{4}$ -1-16.

EXPLANATION.—First find the price of a single franc at the straight rate of 5.16 $\frac{1}{4}$, as shown in Example 19, which, if carried out, would have been .1937046+, then find 1-16 of 1 per cent of that rate, which in this case would be .000121. If fraction were minus, as quoted above, you would deduct .000121 from .1937046, which would leave net rate .1935836+, THE ANSWER. If fraction were plus 1-16 of 1 per cent the product .000121 should be added to rate, thus making net rate per single franc .1938256+. It is unnecessary to use all the figures of the decimal when figuring the smaller amounts in francs and dollars.

EXAMPLE 20.

CONVERSION: FRENCH, BELGIAN AND SWISS MONEY INTO UNITED STATES MONEY, WHEN RATE OF EXCHANGE IS QUOTED PER SINGLE FRANC.

To find cost of francs 5250.50 at rate 19.37 cents per single franc.

Operation: 5250.50

.1937

3675350

1575150

4725450

525050

1017.021850, or \$1017.02—ANSWER.

EXPLANATION.—Multiply the amount in francs and centimes by the rate per single franc.

NOTE.—See Example 13. You will note that the same amount in francs and centimes at rate francs $5.16\frac{1}{4}$ gives same result, or practically so, for the reason shown in Example 19. In other words, the rate francs $5.16\frac{1}{4}$ per \$1.00 is practically same as .1937 cents per single franc, the slight difference being due to not using the full decimal of cents.

EXAMPLE 21.

CONVERSION: UNITED STATES MONEY INTO FRENCH, BELGIAN AND SWISS MONEY WHEN RATE OF EXCHANGE IS QUOTED PER SINGLE FRANC.

To find the amount in francs and centimes that can be purchased for \$1017.02 at rate of exchange—.1937 cents per franc.

Operation: 1937) 1017.0200 (5250.49
 9685

4852
3874
9780
9685
9500
7748
17520
17433
87

ANSWER—Francs 5250.49.

EXPLANATION.—Divide the amount in dollars and cents by the rate of exchange per single franc.

NOTE.—You will observe that Example 21 is proof of the correctness of Example 20 of same amounts, the slight difference in amount of centimes being on account of not using the full fraction.

ADDITION, SUBTRACTION, DIVISION AND MULTIPLICATION OF FRENCH, BELGIAN AND SWISS MONEY IS DETERMINED BY SAME PROCESS AS WITH UNITED STATES MONEY.

GERMAN MONEY.

1 Mark=100 Pfennigs

The monetary unit of Germany is the reichsmark or mark, of 100 pfennigs, the value of the gold unit in the money of the United States, as fixed by the Director of the United States mint, being 23.8 cents.

In exchange transactions with Germany it is the custom in large cities to base the rate of exchange upon the equivalent of 4 marks, expressed in cents thus: "95 $\frac{1}{4}$ cents," meaning that for each 4 marks 95 $\frac{1}{4}$ cents would be charged.

In the smaller cities and towns, the rate of exchange is quoted for a single mark, thus: "23.85 cents," meaning that for each mark, 23 and 85-100 cents would be charged. See "Quotations for Foreign Exchange," Chapter IV.

EXAMPLE 22.

CONVERSION: MARKS INTO DOLLARS AT RATE PER 4 MARKS.

To find the cost of marks 5240.20 at rate of exchange 95 1-16 cents per 4 marks.

$$\begin{array}{r} \text{Operation: } 4 \text{) } .950625 \text{ (95 1-16)} \\ \hline .237656 = 1 \text{ Mark} \end{array}$$

Marks	5240.20	
at	.237656	per 1 Mark
	3144120	
	2620100	
	3144120	
	3668140	
	1572060	
	1048040	

\$1245.36497120 or \$1,245.36—ANSWER.

EXPLANATION.—Divide the rate per 4 marks by 4 to determine the cost of a single mark. Multiply the amount in marks and pfennigs by cost per single mark, and the result will be the cost in United States money.

EXAMPLE 23.

To find the cost of 5000 marks at rate of exchange, 95½ cents per 4 marks.

$$\begin{array}{r} \text{Operation: } \quad 5000 \text{ Marks} \\ \quad .9525 \text{ Rate per 4 marks.} \end{array}$$

$$\begin{array}{r} 25000 \\ 10000 \\ 25000 \\ 45000 \\ \hline 4 \text{) } 47625000 \end{array}$$

1190.625—ANSWER \$1190.63

EXPLANATION.—Multiply amount in marks by the rate of exchange per 4 marks and divide the product by 4 (marks).

EXAMPLE 24.

CONVERSION: DOLLARS INTO MARKS AT RATE PER 4 MARKS.

To find the amount in marks and pfennigs that can be purchased for \$1245.37 at rate of exchange, 95 1-16 per 4 marks.

Operation: 4) .950625 rate per 4 marks

.237656 rate per 1 mark.

.237656) 1245.370000 (5240.22
1188280

570900

475312

955880

950624

ANSWER, marks 5240.22.

525600

475312

502880

475312

27568

EXPLANATION.—Divide the rate by 4 to determine rate per single mark. Divide amount in dollars and cents by rate per single mark and the result will be amount in marks and pfennigs.

EXAMPLE 25.

CONVERSION: DOLLARS INTO MARKS AT RATE PER 4 MARKS (another way).

To find the amount in marks and pfennigs that can be purchased for \$1190.62½ at rate of exchange, 95¼ cents per 4 marks.

Operation: .9525) 1190.6250 (1250.00

9525

4 marks

23812

5000.00 marks—ANSWER

19050

47625

47625

NOTE.—See Example 23 for proof of correctness of these figures.

EXPLANATION.—Divide amount in dollars and cents by the rate per 4 marks, and multiply the quotient by 4, and the result will be in marks and pfennigs

EXAMPLE 26.

CONVERSION: MARKS INTO DOLLARS AT RATE PER 4 MARKS, SUPPLEMENTED WITH FRACTIONAL QUOTATIONS.

To find the cost of marks 5240.50 at rate of exchange, 95½ cents per 4 marks, minus 1-32 of 1% (expressed 95½—1-32).

Operation: 4) .9525 rate per 4 marks
 .238125 rate per 1 mark

	5240.50 marks	
	at .238125 cents per mark	
	<u>2620250</u>	1-32 of 1%
	1048100	<u>1247.89</u>
	524050	.01
	4192400	
	1572150	
	<u>1048100</u>	32) 12.4789 (.389 or 39 cts.
	\$1247.89406250	<u>96</u>
1-32 of 1% =	39	<u>287</u>
	<u>ANSWER—\$1247.50</u>	<u>256</u>
		318
		<u>288</u>

EXPLANATION.—Divide rate per 4 marks (without fraction) by 4 to find rate per single mark. Multiply amount in marks and pfennigs by rate per single mark and the result will be amount in dollars and cents. Find 1-32 of 1 per cent of amount in dollars and cents and deduct same from cost at regular rate.

NOTE.—If supplementary fractional rate were PLUS 1-32 of 1% instead of MINUS, its equivalent of 39 cents would be added to cost at regular rate.

EXAMPLE 27.

CONVERSION: DOLLARS INTO MARKS AT RATE PER 4 MARKS, SUPPLEMENTED WITH FRACTIONAL QUOTATIONS.

What amount in marks and pfennigs can be purchased for \$1,247.89 at rate of exchange, $95\frac{1}{2}$ plus $1-32$ of 1% (expressed $95\frac{1}{2}+1-32$.)

Operation: $4 \) \ 9525$ Rate per 4 marks

$.2381$ rate per 1 mark, or $.238125$, carried out

$.238125 \) \ 1247.890000 \ (\ 5240.48$
 1190625

572650

476250

964000

Marks 5240.48

952500

1.64

Marks $1-32$ of 1% of
 $5240.48 =$ Marks 1.64
 (See below.)

1150000

5238.84 Marks

952500

—ANSWER

5240.48

$.01$

1975000

1905000

$32 \) \ 52.4048 \ (\ 1.637$ or marks 1.64

32

70000

204

192

120

96

244

224

20

EXPLANATION.—Divide the rate per 4 marks (without fraction) by 4 to determine rate per single mark. Divide amount in dollars and cents by rate per single mark and the result will be amount in marks and pfennigs. Find $1-32$ of 1 per cent of amount in marks and pfennigs deducting same from amount in marks and pfennigs at regular rate.

NOTE.—If supplementary fractional rate had been MINUS $1-32$ of 1% instead of PLUS, its equivalent of 1.64 marks would have been added instead of deducted.

cent of amount in marks and pfennigs (5240.48) and deduct same from amount of marks and pfennigs at regular rate and the result will be the net amount of marks and pfennigs that can be purchased.

NOTE.—If the fraction had been MINUS 1-32 of 1% instead of PLUS 1-32 of 1%, the 1.64 marks would have been added instead of subtracted.

German Exchange Quotations, per 4 Marks.

To determine the price of a single mark when rate is quoted per 4 marks, supplemented by fractional quotations, plus or minus, such as $95\frac{1}{4}-1-16$: First find the rate per single mark at the regular quotation ($95\frac{1}{4}$) by dividing same by 4, as in Examples 22, 24, 26 and 27. This would make .238125 cents per mark. 1-16 of 1 per cent of .238125 is .0001488, which if deducted from .238125 gives .237976+, the net rate per single mark at quotation of $95\frac{1}{4}-1-16$. If fraction were plus 1-16, the equivalent of this fraction of 1 per cent would be added to rate per single mark, making same .2382738. Where the amount to be converted is small it is unnecessary to use all the figures here used in the decimal of a cent.

EXAMPLE 30.

CONVERSION: MARKS INTO DOLLARS AT RATE PER SINGLE MARK.

To find the cost of marks 2050.50 at rate 23.82 cents per mark.

Operation: 2050.50 marks
 .2382 rate per 1 mark

$$\begin{array}{r} 410100 \\ 1640400 \\ 615150 \\ 410100 \\ \hline \end{array}$$

488.429100 or \$488.43—ANSWER

EXPLANATION.—Multiply amount in marks and pfennigs by rate per single mark.

EXAMPLE 31.

CONVERSION: DOLLARS INTO MARKS AT RATE PER SINGLE MARK.

What amount in marks and pfennigs will \$488.43 bring at rate 23.82 cents per single mark?

Operation: .2382) 488.4300 (2050.59 marks—ANSWER
 4764

$$\begin{array}{r} 12030 \\ 11910 \\ \hline 12000 \\ 11910 \\ \hline \end{array}$$

990

EXPLANATION.—Divide amount in dollars and cents by rate per single mark.

NOTE.—Addition, multiplication, subtraction, interest or percentage, are computed in German money the same as in United States money.

Scandinavian Exchange.

Money of Norway, Sweden and Denmark:

Table.

1 Krone=100 Ores

EXAMPLE 32.

CONVERSION: KRONORS INTO DOLLARS.

Find the cost of kronors 200.50 at rate of 26.80 cents per kronor.

Operation: 200.50 kronors
.2680 rate per 1 krone

$$\begin{array}{r} 1604000 \\ 120300 \\ 40100 \\ \hline \end{array}$$

53.734000 or \$53.73—ANSWER

EXPLANATION.—Multiply amount in kronors and ores by rate per single krone.

EXAMPLE 33.

CONVERSION: DOLLARS INTO KRONORS.

What amount in kronors and ores will \$53.73 buy at rate of 26.80 cents per krone?

Operation: .2680) 53.7300 (200.485
5360

$$\begin{array}{r} 13000 \\ 10720 \\ \hline \end{array}$$

$$\begin{array}{r} 22800 \\ 21440 \\ \hline \end{array}$$

$$\begin{array}{r} 13600 \\ 13400 \\ \hline \end{array}$$

ANSWER—Kronor 200.49

NOTE.—This example proves correctness of Example 32. The difference of 1 ore is due to fraction of cent not being used.

EXPLANATION.—Divide amount in dollars and cents by rate per krone.

NOTE.—Addition, multiplication, subtraction and interest or percentage, are computed the same as in United States money.

Russian Exchange.

Money of Russia: 1 Ruble=100 Kopecks

EXAMPLE 34.

CONVERSION: RUBLES INTO DOLLARS.

Find the cost of rubles 500.10 at rate of 51.60 cents per ruble.

Operation: 500.10 rubles
.5160 rate per 1 ruble

$$\begin{array}{r} 3000600 \\ 50010 \\ \hline 250050 \end{array}$$

\$258.051600 or \$258.05—ANSWER

EXPLANATION.—Multiply amount in rubles and kopecks by rate per ruble.

EXAMPLE 35.

CONVERSION: DOLLARS INTO RUBLES.

What amount in rubles and kopecks will \$258.05 buy at rate 51.60 per ruble?

Operation: .5160) 258.0500 (500.096
25800

$$\begin{array}{r} 50000 \\ 46440 \\ \hline 35600 \\ 30960 \\ \hline \end{array}$$

ANSWER—rubles 500.10

EXPLANATION.—Divide amount in dollars and cents by rate per single ruble.

NOTE.—Addition, multiplication, subtraction and interest or percentage are computed the same as in United States money.

Austria-Hungarian Exchange.

Money of Austria-Hungary: Unit, 1 Krone=100 Hellers

EXAMPLE 36.

CONVERSION: KRONEN INTO DOLLARS.

Find the cost of kronen 250.25 at rate 20.40 cents per krone.

Operation: 250.25 kronen
.2040 rate per 1 krone

$$\begin{array}{r} 1001000 \\ 50050 \\ \hline \end{array}$$

51.051000 or \$51.05—ANSWER

EXPLANATION.—Multiply amount in kronen and heller by rate per single krone.

EXAMPLE 37.

DOLLARS INTO KRONEN.

What amount in kronen and heller will \$51.05 buy at rate 20.40 cents per single krone.

Operation: .2040) 51.0500 (250.245
 4080

10250
 10200

NOTE.—This example is proof of correctness of Example 36.

5000
 4080
 9200
 8160
 10400
 10200

EXPLANATION.—Divide amount in dollars and cents by rate per single krone.

NOTE.—Addition, multiplication, subtraction and interest or percentage, are computed the same as in United States money.

Holland (Netherlands) Exchange.

Money of Holland: Unit, 1 Gulden or Florin=100 Cents

EXAMPLE 38.

CONVERSION: GULDEN INTO DOLLARS.

Find the cost of gulden 250.50 at rate of 40.35 cents per gulden.

Operation: 250.50
 .4035

125250
 75150
 100200

101.076750 or \$101.08—ANSWER.

EXPLANATION.—Multiply amount in gulden and cents by rate per single gulden or florin.

EXAMPLE 39.

CONVERSION: DOLLARS INTO GULDEN.

What amount in gulden and cents will \$101.08 buy at rate of 40.35 per gulden?

Operation: .4035) 101.0800) 250.50 gulden—ANSWER
 8070

20380
 20175

NOTE.—This example is proof of correctness of Example 38.

20500
 20175

3250

EXPLANATION.—Divide amount in dollars and cents by rate per single gulden.

Another Method of Figuring Holland Exchange.

In the larger cities it is the practice to quote the rate for Holland exchange in cents and fractions of a cent, thus: 40 3-16 cents per gulden—and when such rates are not considered sufficiently close to secure the business they will be supplemented with fractional rates as in French and German exchange, thus: 40 3-16 minus 1-32 of 1 per cent, expressed 40 3-16—1-32.

EXAMPLE 40.

CONVERSION, GULDENS INTO DOLLARS.

Find cost of gulden 5,000.00 at rate of 40 3-16—1-32.

Operation: 5000.00 gulden
 401875=40 3-16 cents expressed decimally

2500000	
3500000	
4000000	
500000	1-32 of 1% of \$2009.38=63 cents
2000000	
<hr/>	
\$2009.37500000	
63	
<hr/>	
\$2008.74—ANSWER	

EXPLANATION.—Multiply amount in gulden and cents by rate (not including plus or minus fraction); then find 1-32 of 1 per cent of amount in dollars and cents and deduct same if MINUS or add if PLUS.

EXAMPLE 41.

CONVERSION: DOLLARS INTO GULDEN.

What amount in gulden and cents will \$2,008.75 buy at rate of 40 3-16—1-32 of 1%?

Operation: .401875) 2008.750000 (4998.44 gulden
 1607500 1.56

4012500	5000.00 gulden	
3616875		—ANSWER
<hr/>		
3956250		
3616875		
<hr/>		
1-32 of 1% of 5000 gulden=gulden 1.56	3393750	
	3215000	
<hr/>		
	1787500	
	1607500	
<hr/>		
	1800000	
	1607500	
<hr/>		
	192500	

NOTE.—This example is proof of correctness of Example 40.

EXPLANATION.—Divide the amount in dollars and cents by regular rate (40 3-16), not using the fraction 1-32. Find 1-32 of 1 per cent of amount in gulden and cents, adding same to total. Bear in mind that where fractions such as -1-32 or +1-32 are used and you are converting dollars into gulden, the equivalent of the fraction in United States money converted into gulden must be added if MINUS and deducted if PLUS.

NOTE.—Addition, subtraction, multiplication and percentage are computed in Dutch money as in United States money.

Italian Exchange.

Money of Italy: Unit, 1 Lira=100 Centesimi

EXAMPLE 42.

CONVERSION: LIRE INTO DOLLARS.

Find the cost of lire 1050.25 at rate 19.40 cents per single lira.

$$\begin{array}{r} \text{Operation:} \quad 1050.25 \\ \quad \quad \quad .1940 \\ \hline \quad \quad \quad 4201000 \\ \quad \quad \quad 945225 \\ \quad \quad \quad 105025 \\ \hline \end{array}$$

203.748500 or \$203.75—ANSWER

EXPLANATION.—Multiply amount in lire and centesimi by rate per single lira.

EXAMPLE 43.

CONVERSION: DOLLARS INTO LIRE.

What amount in lire and centesimi will \$203.75 buy at rate of 19.40 cents per lira?

$$\text{Operation: } .1940 \) \ 203.7500 \ (\ 1050.25 \ \text{lire—ANSWER}$$

$$\begin{array}{r} 1940 \\ \hline 9750 \\ 9700 \\ \hline 5000 \\ 3880 \\ \hline 11200 \\ 9700 \\ \hline 1500 \end{array}$$

NOTE.—The example here given proves the correctness of Example 42.

EXPLANATION.—Divide amount in dollars and cents by rate per single lira.

Another Method of Figuring Italian Exchange.

In the larger cities it is the practice when quoting rates for Italian exchange to quote the number of lire and centesimi that will be allowed per dollar as in the case of French exchange, thus, lire 5.17½, meaning that 5 lire 17½ centesimi would be allowed for each \$1.

EXAMPLE 44.

CONVERSION: LIRE INTO DOLLARS.

Find the cost of lire 2500.50 at rate of lire 5.17½ per \$1.00.

Operation: 5.1750) 2500.5000 (483.188
207000

430500
414000

ANSWER—\$483.19

165000
155250

97500
51750

457500
414000

435000
414000

EXPLANATION.—Divide amount in lire and centesimi by the rate per \$1.

NOTE.—Where supplementary fractional rates are used, such as plus 1-32 or minus 1-32 of 1%, use same method of figuring as in French exchange (see Examples 15, 16, 17 and 18).

EXAMPLE 45.

CONVERSION: DOLLARS INTO LIRE.

What amount in lire and centesimi will \$483.19 buy at rate of lire 5.17½ per \$1.00?

Operation: \$483.19
5.1750 lire per \$1.00

2415950
338233
48319
241595

Lire 2500.508250 ANSWER—lire 2500.50

NOTE.—This example is proof of correctness of Example 44.

EXPLANATION.—Multiply amount in dollars and cents by rate per \$1.

NOTE.—Where supplementary fractional rates are used, such as plus 1-32 or minus 1-32 of 1%, which is frequently the case, use the same method of figuring as in French exchange. See Examples 15, 16, 17 and 18.

NOTE.—Addition, multiplication, subtraction and percentage are computed in Italian money as in United States money.

Japanese Exchange.

Money of Japan: Unit, 1 Yen=100 Sen

EXAMPLE 48.

CONVERSION: YEN INTO DOLLARS.

Find cost of yen 500.50 at rate of 50.25 cents per yen.

$$\begin{array}{r} \text{Operation:} \quad 500.50 \\ \quad \quad \quad .5025 \\ \hline \quad \quad \quad 250250 \\ \quad \quad \quad 100100 \\ \quad \quad \quad 250250 \\ \hline \end{array}$$

251.501250 ANSWER—\$251.50

EXPLANATION.—Multiply amount in yen and sen by rate per yen.

EXAMPLE 49.

CONVERSION: DOLLARS INTO YEN.

What amount in yen and sen will \$251.50 buy at rate 50.25 cents per yen? Operation: .5025) 251.5000 (500.497

$$\begin{array}{r} 25125 \\ \hline 25000 \\ 20100 \\ \hline 49000 \\ 45225 \\ \hline 37750 \\ 35175 \\ \hline \end{array}$$

ANSWER—Yen 500.50

NOTE.—This example is proof of correctness of Example 48.

EXPLANATION.—Divide amount in dollars and cents by rate per yen.

NOTE.—Addition, subtraction, multiplication and percentage are computed in Japanese money same as in United States money.

Mexican Exchange.

Money of Mexico: Unit, 1 Peso (or Dollar)=100 Centavos (or Cents)

EXAMPLE 50.

CONVERSION: PESOS INTO DOLLARS.

Find cost of Pesos 450.25 at rate 45.50 per peso or dollar.

$$\begin{array}{r} \text{Operation:} \quad 450.25 \\ \quad \quad \quad .4550 \\ \hline \quad \quad \quad 2251250 \\ \quad \quad \quad 225125 \\ \quad \quad \quad 180100 \\ \hline \end{array}$$

204.863750 or \$204.86—ANSWER

EXPLANATION.—Multiply amount in pesos (Mexican dollars) by rate per peso or dollar.

EXAMPLE 51.

CONVERSION: UNITED STATES DOLLARS INTO PESOS OR MEXICAN DOLLARS.

What amount in pesos and centavos (Mexican dollars and cents) will \$204.86 buy at rate 45.50 cents per peso or dollar?

$$\begin{array}{r}
 \text{Operation: } .4550 \) \ 204.8600 \ (\ 450.241 \\
 \underline{18200} \\
 22860 \qquad \text{ANSWER—pesos } 450.24 \\
 \underline{22750} \\
 11000 \\
 \underline{9100} \\
 19000 \\
 \underline{18200} \\
 8000
 \end{array}$$

NOTE.—This example is proof of correctness of example 50; the slight difference of 1 centavo being due to not using full decimal.

EXPLANATION.—Divide amount in dollars and cents (United States money) by rate per peso (or dollar).

NOTE.—Addition, subtraction, multiplication, and percentage in Mexican money is computed the same as in United States money.

Philippine Islands and Manila Exchange.

Money of Philippine Islands: Unit, 1 Peso=100 Centavos

EXAMPLE 52.

CONVERSION: PESOS INTO DOLLARS.

Find the cost of pesos 1500.50 at rate of 48.25 cents per peso.

$$\begin{array}{r}
 \text{Operation: } 1500.50 \\
 \qquad \qquad .4825 \\
 \hline
 750250 \\
 300100 \\
 1200400 \\
 600200 \\
 \hline
 723.991250 \text{ or } \$723.99\text{—ANSWER}
 \end{array}$$

EXPLANATION.—Multiply amount in pesos and centavos by rate per single peso.

EXAMPLE 53.

CONVERSION: DOLLARS INTO PESOS.

What amount in pesos and centavos will \$723.99 buy at rate of 48.25 cents per peso?

Operation: $.4825 \times 723.9900 = 1500.497$ or pesos 1500.50
 4825 —ANSWER

24149
24125

24000
19300

47000
43425

35750
33775

NOTE.—This example is proof of correctness of Example 52.

EXPLANATION.—Divide amount in dollars and cents by the rate per peso.

NOTE.—Addition, subtraction, multiplication and percentage in Philippine money is computed same as in United States money.

Indian (British) Exchange.

Money of India; $\left\{ \begin{array}{l} 1 \text{ Rupee} = 16 \text{ Annas} \\ 1 \text{ Anna} = 12 \text{ Pies} \end{array} \right.$

EXAMPLE 54.

CONVERSION: RUPEES INTO DOLLARS.

Find the cost of 250 rupees, 12 anna, 10 pies at rate of 33.75 cents per rupee.

Operation: Rupees 250=250.
 Annas 12= .75 ($.06\frac{1}{4} \times 12 = .75$)
 Pies 10= .050 ($.005 \times 10 = .050$)

250.800
.3375

1254000
1755600
752400
752400

84.6450000 or \$84.65—ANSWER

EXPLANATION.—To reduce annas and pies to decimal of a rupee, multiply the annas by .0625, because 1 anna is $6\frac{1}{4}$ —100 of a rupee. Multiply the pies by .005, because 1 pie is

5-1000 of a rupee. This latter fraction is not exact, but the value of the pie is so little that it is unnecessary to use a closer fraction unless amount is very large, in which case add 2 if over 30. Multiply the rupees and decimal of rupee by the rate per single rupee. Note the similarity to the figuring of English exchange.

EXAMPLE 55.

CONVERSION: DOLLARS INTO RUPEES.

What amount in rupees will \$84.65 buy at rate 33.75 cents per single rupee?

Operation: .3375)	84.6500	(	250.8	rupees
	6750		16	
	17150		12.8	annas
	16875		12	
	27500		9.6	pies
	27000			
	5000			
			ANSWER—rupees 250, annas 12, pies 10	

NOTE.—This example is proof of correctness of Example 54.

EXPLANATION.—Divide the amount in dollars and cents by the rate per rupee to find amount in rupees and decimal of same. Multiply the decimal (not the rupees) by 16, because 16 annas=1 rupee. Multiply the decimal (not the annas) by 12, because 12 pies=1 anna. Note the similarity to figuring English exchange.

Brazilian Exchange.

Money of Brazil: Unit, 1 Milreis=1000 Reis

The money of account of Brazil is the milreis, the par value of which in the money of the United States is 54.6 cents. Unlike the decimals of units of other South American countries, where 100 of the decimal equal one of the unit, the milreis is divided into 1,000 reis.

In the notation of accounts the milreis are separated from the reis by a sign, thus ₤ or \$, the latter being called "cifras;" and the thousandths in milreis are separated from the hundredths by a colon (:). For example, six thousand five hundred milreis 450 reis, would be expressed thus: Rs 6:500\$450.

EXAMPLE 56.

CONVERSION: MILREIS INTO DOLLARS.

Find the cost of 6,500 milreis 450 reis (expressed Rs. 6:500 \$450) at rate 55.25 cents per milreis.

Operation: 6500.450 milreis
5525 rate per 1 milreis

$$\begin{array}{r} 32502250 \\ 13000900 \\ 32502250 \\ 32502250 \\ \hline \end{array}$$

3591.4986250 or \$3591.50—ANSWER

EXPLANATION.—Multiply the amount in milreis and reis by the rate for single milreis.

EXAMPLE 57.

CONVERSION: DOLLARS INTO MILREIS.

What amount in milreis and reis will \$3591.50 buy at rate of 55.25 per milreis?

Operation: .5525) 3591.5000000 (6500.452
33150

$$\begin{array}{r} 27650 \\ 27625 \\ \hline \end{array}$$

ANSWER—Rs. 6:500 \$452

$$\begin{array}{r} 25000 \\ 22100 \\ \hline \end{array}$$

$$\begin{array}{r} 29000 \\ 27625 \\ \hline \end{array}$$

$$\begin{array}{r} 13750 \\ 11050 \\ \hline \end{array}$$

NOTE.—This example is proof of correctness of Example 56, the difference of 2 reis being due to not using exact decimal.

EXPLANATION.—Divide amount in milreis and reis by the rate per single milreis.

CONVERSION: BRAZILIAN EXCHANGE INTO ENGLISH MONEY.

As it is frequently the custom of Brazilian merchants to quote prices on coffee and other commodities to American buyers in English money (pence per dollar), the following illustration will show the method of conversion:

EXAMPLE 58.

MILREIS INTO POUNDS, SHILLINGS AND PENCE.

If an invoice of coffee amounted to Rs. 6:500 \$450 and rate of exchange was quoted at $22\frac{1}{2}$ pence per milreis, what would the bill amount to in English money?

$$\begin{array}{r}
 \text{Operation: M } 6500.450 \\
 \qquad \qquad \qquad 22\frac{1}{2}\text{d.} \\
 \hline
 \qquad \qquad \qquad 3250225 \\
 \qquad \qquad \qquad 13000900 \\
 \qquad \qquad \qquad 13000900 \\
 \hline
 12) 146260.125 \\
 \hline
 20) 12188. \text{ and } 4\text{d} \\
 \hline
 \qquad \qquad \qquad \pounds 609 \text{ and } 8\text{s} \qquad \text{ANSWER—}\pounds 609, 8\text{s. } 4\text{d.}
 \end{array}$$

EXPLANATION.—Multiply the amount in milreis by the rate of exchange ($22\frac{1}{2}$ pence per milreis) which gives amount in pence. Divide amount in pence by 12 (12d=1s) and it gives amount in shillings and pence. Divide amount in shillings by 20 (20s=£1) and the result will be amount in pounds and shillings.

EXAMPLE 59.

If the purchaser of the coffee in this country should remit draft for invoice £609 8s 4d and current rate of exchange was, say, \$4.86 per pound, the cost in United States money would be arrived at as follows:

$$\begin{array}{r}
 \text{Operation:} \qquad \pounds 609 = \pounds 609. \\
 \qquad \qquad \qquad 8\text{s} = \qquad .40 \\
 \qquad \qquad \qquad 4\text{d} = \qquad .017 \\
 \hline
 \qquad \qquad \qquad 609.417 \\
 \qquad \qquad \qquad 4.86 \\
 \hline
 \qquad \qquad \qquad 3656502 \\
 \qquad \qquad \qquad 4875336 \\
 \qquad \qquad \qquad 2437668 \\
 \hline
 \qquad \qquad \qquad 2961.76662 \\
 \qquad \qquad \qquad \text{ANSWER—}\$ 2961.77
 \end{array}$$

For explanation of reducing pounds, shillings and pence to decimal of a pound see Example 5.
(See Example 60.)

EXAMPLE 60.

If milreis 6:500\$450 cost \$2961.77 (United States money) and it was desired to know the cost per milreis, the procedure would be as follows:

$$\begin{array}{r}
 \text{Operation: } 6500.450 \) \ 2961.77000 \ (\ .45562 + \\
 \underline{26001800} \\
 36159000 \\
 \underline{32502250} \\
 36567500 \\
 \underline{32502250} \\
 40652500 \\
 \underline{39002700} \\
 16498000 \\
 \underline{13000900} \\
 3497100
 \end{array}
 \qquad \text{ANSWER—} .45562 \text{ cents}$$

EXPLANATION.—Divide amount in United States money by amount in Brazilian money and it gives the rate per milreis.

Portuguese Exchange.

Money of Portugal: Unit, 1 Milreis=1000 Reis

The value of the gold milreis in the money of the United States is \$1.08, while the value of the gold milreis of Brazil is only 54.6 cents.

The monetary table of Portugal is as follows:

$$\begin{array}{l}
 1 \text{ milreis} = 2\frac{1}{2} \text{ crusados} = 25 \text{ reals} = 1000 \text{ reis} \\
 1 \text{ crusado} = 10 \text{ reals} = 400 \text{ reis} \\
 1 \text{ real} = 40 \text{ reis}
 \end{array}$$

EXAMPLE 61.

CONVERSION, MILREIS INTO DOLLARS.

Find the cost of 600 milreis 500 reis at rate of \$1.08 per milreis.

$$\begin{array}{l}
 \text{Operation: } 600.500 \text{ milreis} \\
 1.08 \text{ rate per 1 milreis}
 \end{array}$$

$$\begin{array}{r}
 4804000 \\
 \underline{600500} \\
 64854000
 \end{array}$$

648.54000—ANSWER \$648.54

EXPLANATION.—Multiply the amount in milreis and reis by the rate per milreis.

EXAMPLE 62.

CONVERSION: DOLLARS INTO MILREIS.

What amount in milreis and reis will \$648.54 buy at rate \$1.08 per milreis?

$$\begin{array}{r} \text{Operation: } 1.08 \) \ 648.5400 \ (\ 600.500 \\ \underline{648} \\ 540 \\ 540 \\ \hline 000 \end{array}$$

ANSWER—milreis 600.500

EXPLANATION.—Divide amount in United States money by the rate per milreis and the result will be amount in milreis and reis.

Bulgarian Exchange.

Money of Bulgaria: Unit, 1 Lew=100 Stotinka

This country has practically the same system as France, with coins of like value, but with different names.

The rate of exchange for drafts or bills of exchange on Bulgaria is rarely if ever quoted, it being customary to draw exchange on that country either in French, German or English money at exchange on Paris, Berlin or London.

The value of the gold lew in the money of the United States is the same as the franc of France, namely, 19.3 cents.

Roumanian Exchange.

Money of Roumania: Unit, 1 Lei=100 Bani

This country has practically the same monetary system as France, with coins of like value but with different names. The exact value of the gold unit (lei) in the money of the United States is the same as the franc of France—19.3 cents.

The rate of exchange for drafts and bills of exchange on Bulgaria is sometimes quoted by leading sellers of foreign exchange, and following examples will illustrate method of figuring same:

EXAMPLE 63.

CONVERSION: LEI INTO DOLLARS.

Find the cost of lei 250.25 at rate of 19.45 cents per lei.

$$\begin{array}{r} \text{Operation: } 250.25 \\ 1945 \\ \hline 125125 \\ 100100 \\ 225225 \\ 25025 \\ \hline 48673625 \end{array}$$

48.673625 ANSWER—\$48.67

EXPLANATION.—Multiply the amount in lei and bani by the rate of exchange per lei.

EXAMPLE 64.

CONVERSION: DOLLARS INTO LEI.

What amount in lei and bani can be purchased for \$48.67 at rate of 19.45 cents per lei?

$$\begin{array}{r}
 \text{Operation: } .1945 \) \ 48.6700 \ (\ 250.23 \\
 \underline{\hspace{1.5cm}} \\
 9770 \\
 9725 \\
 \hline
 4500 \\
 3890 \\
 \hline
 6100 \\
 5835 \\
 \hline
 \end{array}$$

ANSWER—lei 250.23

NOTE.—This example is proof of Example 63, the difference of 2 bani being due to not using full fraction in United States money.

EXPLANATION.—Divide amount in United States money by the rate of exchange per lei.

Spanish Exchange.

Money of Spain: Unit, 1 Peseta=100 Centimos

This country has practically the same monetary system as France, with coins of like value but of different names. The actual value of the gold peseta in the money of the United States is the same as the franc of France, 19.3 cents.

While drafts and bills of exchange on Spain are more often drawn in French, English or German money, the rate of exchange for pesetas is frequently quoted and the following are the methods of figuring same:

EXAMPLE 65.

CONVERSION: PESETAS INTO DOLLARS.

Find the cost of pesetas 250.25 at rate of 19.45 cents per peseta.

$$\begin{array}{r}
 \text{Operation: } \quad 250.25 \text{ pesetas} \\
 \quad \quad .1945 \\
 \hline
 125125 \\
 100100 \\
 225225 \\
 25025 \\
 \hline
 48.673625 \text{ ANSWER—\$48.67}
 \end{array}$$

EXPLANATION.—Multiply the amount in pesetas and centimos by the rate of exchange per peseta.

EXAMPLE 66.

CONVERSION: DOLLARS INTO PESETAS.

What amount in pesetas and centimos will \$48.67 buy at rate of 19.45 cents per peseta.?

Operation: .1945) 48.670000 (250.23 pesetas—ANSWER
3890

9770

9725

4500

3890

6100

5835

NOTE.—This example is proof of correctness of Example 65. The difference of 2 centimos is due to full fraction in United States money not being used.

EXPLANATION.—Divide the amount in United States money by the rate of exchange per peseta.

Servian Exchange.

Money of Servia: Unit, 1 Dinar=100 Paras

This country has practically the same monetary system as France, with coins of like value of different names.

The actual value of the gold dinar in the money of the United States is the same as the franc of France, 19.3 cents.

The rate of exchange for drafts and bills of exchange on Servia is rarely, if ever, quoted, it being customary to draw same either in francs on Paris, pounds sterling on London, or marks on Berlin. The method of figuring Servian exchange is the same as for French exchange where the rate quoted is per single dinar.

See Examples 20 and 21.

Finnish Exchange.

Money of Finland: Unit, 1 Finmark=100 Penni

The monetary system of this country is almost identical with that of France, having coins of like value, with different

names. The actual value of the gold finmark in the money of the United States is the same as the franc of France, 19.3 cents.

In exchange transactions between the United States and Finland the rate of exchange for drafts and bills of exchange is usually quoted at so many cents and hundredths of a cent per finmark.

EXAMPLE 67.

CONVERSION: FINMARKS INTO DOLLARS.

Find the cost of 500 finmarks 50 penni at rate of 19.50 cents per finmark.

$$\begin{array}{r}
 \text{Operation:} \quad 500.50 \text{ finmarks} \\
 \quad \quad \quad .1950 \\
 \hline
 \quad \quad \quad 2502500 \\
 \quad \quad \quad 450450 \\
 \quad \quad \quad 50050 \\
 \hline
 \quad \quad \quad 97.597500 \text{ ANSWER—\$97.60}
 \end{array}$$

EXPLANATION.—Multiply the amount in finmarks and penni by the rate of exchange per finmark.

EXAMPLE 68.

CONVERSION: DOLLARS INTO FINMARKS.

What amount in finmarks and penni will \$97.60 buy at rate of 19.50 cents per finmark?

$$\begin{array}{r}
 \text{Operation: } .1950) 97.600000 (500.51 \\
 \quad \quad \quad 9750 \\
 \hline
 \quad \quad \quad 10000 \\
 \quad \quad \quad 9750 \\
 \hline
 \quad \quad \quad 2500 \\
 \quad \quad \quad 1950 \\
 \hline
 \quad \quad \quad \text{ANSWER—finmarks } 500.51
 \end{array}$$

NOTE.—This example is proof of correctness of Example 67, the difference of 1 penni is due to not using exact fraction in United States money.

EXPLANATION.—Divide amount in United States money by the rate of exchange per finmark.

Grecian Exchange.

Money of Greece: Unit, 1 Drachma=100 Lepta

This country has practically the same monetary system as France, with coins of like value, with different names. The actual value of the gold drachma in the money of the United States is the same as the franc of France, 19.3. The rate of exchange for drafts and bills of exchange is rarely, if ever, quoted in the money of Greece, it being customary to draw such exchange in pounds sterling at exchange on London, or in francs at exchange on Paris, or in marks at exchange on Berlin, whichever is preferred by purchaser. The method of figuring Grecian exchange is the same as for French exchange where the rate quoted is per single drachma.

See Examples 20 and 21.

Turkish Exchange.

Money of Turkey: $\left\{ \begin{array}{l} 1 \text{ Turkish Pound} = 100 \text{ Piastres} \\ 1 \text{ Piastre} = 40 \text{ Paras} \\ 1 \text{ Para} = 3 \text{ Aspes} \end{array} \right.$

The actual mint value of the Turkish pound in the money of the United States is \$4.396, which, as will be noted, is considerably less than the English pound sterling, and instead of having the decimal of shillings and pence as in the case of the English pound, is divided into 100 piastres, thus making the figuring of Turkish money much easier than English money.

EXAMPLE 69.

CONVERSION: TURKISH POUNDS INTO DOLLARS.

Find the cost of 550 pounds 50 piastres at rate of \$4.50 per pound.

Operation: $\begin{array}{r} 550.50 \text{ pounds} \\ 4.50 \text{ rate per pound} \\ \hline 2752500 \\ 220200 \\ \hline 2477.2500 \end{array}$ ANSWER—\$2,477.25

EXPLANATION.—Multiply the amount in pounds and piastres by the rate per pound.

EXAMPLE 70.

CONVERSION: DOLLARS INTO TURKISH POUNDS.

What amount in pounds and piastres will \$2,477.25 buy at rate of \$4.50 per pound?

$$\begin{array}{r}
 \text{Operation: } 4.50 \) \ 2477.2500 \ (\ 550.50 \\
 \underline{2250} \\
 2272 \\
 \underline{2250} \\
 2250 \\
 \underline{2250}
 \end{array}$$

ANSWER—Turkish pounds 550.50

NOTE.—This example is proof of correctness of Example 69.

EXPLANATION. Divide the amount in dollars and cents by the rate per Turkish pound.

South American Exchange (Except Brazil).

The money of account of Argentine Republic, Chile, Colombia, Paraguay and Uruguay, is the peso of 100 centavos, the same as the money of Mexico. Owing to the fluctuation in the value of the peso of these countries, the rate of exchange is rarely ever quoted, but instead drafts and bills of exchange are usually drawn in United States dollars at exchange on New York City, or in pounds sterling, at exchange on London.

Bolivia's money of account is called the boliviano, of 100 centavos; Ecuador's the sucre, of 100 centavos; Peru's the sol, of 10 dineros, and Venezuela's the bolivar, of 20 centavos. As in the case of other South American countries exchange is usually drawn in United States dollars or pounds sterling.

The method of figuring the money of these countries is the same as for Mexican exchange. See examples 50 and 51.

Other Countries.

Australia, New Zealand, Tasmania, Straits Settlements and Jamaica, being English colonies, use the English monetary system, the pound sterling. See Examples 1 to 12, inclusive.

The Central American countries have the same monetary system as Mexico, the peso of 100 centavos. See Examples 50 and 51.

Algeria uses the French monetary system. See Examples 13 to 21, inclusive.

The Dutch East Indies countries use the Holland (Netherlands) monetary system. See Examples 38 to 41, inclusive.

The African countries of Cape Colony, Natal, Orange Free State, and South African Republic, or Transvaal, all use the English system of money. See Examples 1 to 12, inclusive.

Egypt's monetary system is the pound of 100 piastres as in Turkey, but the English, French and German systems are generally used for remittances to that country. For figuring Egyptian exchange see Examples 69 and 70.

CHAPTER IV.

QUOTATIONS FOR FOREIGN EXCHANGE.

Quotations for foreign exchange, such as drafts, checks, commercial bills, etc., are rarely understood except by those familiar with the business.

In quoting the rate of exchange for drafts, checks, etc., on countries other than Germany, France and sometimes Italy, the rate quoted is per single unit; that is, so much per pound sterling on England, per kronor on Norway, Sweden and Denmark, per ruble on Russia, etc. Exchange on France, Germany and Italy, when quoted by dealers at the smaller places, would be the same—so much per single franc, mark or lira, but at the larger cities it is the custom when quoting the rate for exchange drawn in francs to quote the number of francs and centimes that will be allowed for \$1.00, as for instance, 5.15 $\frac{5}{8}$, meaning that for each \$1.00 you will be allowed 5 francs, 15 $\frac{5}{8}$ centimes. For German exchange the quotation would be for 4 marks instead of one; for example, 95 5-16 cents, meaning that for each 4 marks you would have to pay 95 5-16 cents.

The allowance of $\frac{5}{8}$ of a centime per \$1.00, considering that one whole centime is worth only about 1-5 of a cent in our money, and a fraction like 5-16 of a cent on 4 marks, may seem a very small item, but on a transaction of 100,000 francs (about \$19,400.00) $\frac{5}{8}$ of a centime per \$1.00 in the quotation would make a difference of over \$23.00, and 5-16 of a cent per 4 marks in the quotation on 100,000 marks (about \$24,000.00) would amount to a difference of over \$78.00, or over \$15.00 on each 1-16 of a cent.

One peculiarity in the French quotation is that the rate when quoted per \$1.00 is advanced or lowered by $\frac{5}{8}$ of a centime. For illustration: the next lower rate to francs 5.15 would be 5.15 $\frac{5}{8}$, then 5.16 $\frac{1}{4}$, 5.16 $\frac{7}{8}$, 5.17 $\frac{1}{2}$, etc., there being just $\frac{5}{8}$ between each quotation. Bear in mind, the greater the number of francs and centimes allowed per dollar the lower the rate, since as the quotation is per \$1.00, the more francs and centimes you would receive for your money. For example, \$5,000 at rate francs 5.15 would give 25,750 francs, while 25,750 francs at rate francs 5.20 would only cost \$4,951.92.

The reason for this method of quoting French exchange, which is the reverse of that for other kinds of exchange, is that

$\frac{5}{8}$ of a centime is equivalent to $\frac{1}{8}$ of 1 per cent in the pound sterling, and by reason of most of the French exchange being formerly covered or paid through English exchange, this method served as a convenience in figuring and the conversion tables formerly published were so arranged. Another reason assigned for this method of quoting French exchange is that, as there are five francs to the United States dollar, $\frac{1}{8}$ of 1 per cent on one franc would call for $\frac{5}{8}$ of 1 per cent on five francs; besides, until recent years, $\frac{1}{8}$ of 1 per cent difference in quotation was regarded sufficiently close for commercial purposes.

Owing to the sharp competition among dealers in foreign exchange during the past few years, and which is becoming keener all the time, the difference of $\frac{5}{8}$ of a centime in French exchange quotations is not close enough; therefore the quotations on francs, 5.15, 5.15 $\frac{5}{8}$, 5.16 $\frac{1}{4}$, etc., are supplemented with fractional quotations, such as plus or minus 1-64, 1-32, 1-16, 3-32, 1-8, etc., of 1 per cent. For example, if the quotation francs 5.15 $\frac{5}{8}$ per \$1.00 was thought a little too high to secure the business, the quotation francs 5.15 $\frac{5}{8}$ -1-32 would be given, thus lowering the price 1-32 of 1 per cent of the gross amount in dollars and cents represented in the transaction. This supplementary fractional quotation of minus 1-32, as will be seen in the following illustration, makes quite a difference in the price on a large transaction:

100,000 francs at rate of francs 5.15 $\frac{5}{8}$ per \$1.00=\$19,393.94
 1-32 of 1% of \$19,393.94 amounts to \$6.06, the saving.

In the use of the plus and minus quotations it should always be remembered they do not apply directly to the rate, but mean 1-64, 1-32, 1-16, etc., of 1 per cent, plus or minus the equivalent amount in United States money. Also bear in mind that where the fractional quotation plus or minus is used, such for example as francs 5.15 $\frac{5}{8}$ +1-32 or 5.15 $\frac{5}{8}$ -1-32, and the purchaser calls for an amount in francs and centimes EQUIVALENT TO A CERTAIN FIXED SUM IN UNITED STATES MONEY, then the purchaser will receive a greater or less number of francs, as the case may be. (See Example 17, page 83; Example 18, page 83.)

Quotations applying to French exchange also apply to Belgian, Swiss and Italian exchange, when same are quoted per \$1.00.

Quotations for exchange on Greece, Servia and Bulgaria, which countries have monetary systems almost identical with that of France, are nearly always made in either English or French exchange. Quotations for exchange on Roumania are frequently made in money of that country (lei) per single unit, but more often in English or French exchange.

Quotations for German exchange, when quoted for four marks instead of one, are also supplemented by the plus and

minus fractional quotations as in French exchange, as for example: If 95 5-16 cents per 4 marks was thought a little too high, 95 5-16— (minus) 1-32 (of 1 per cent.) would be quoted, which on a transaction of 100,000 marks would make a difference to the purchaser of about \$7.50.

In exchange transactions between the United States and England the quotations are sometimes supplemented with quotations such as plus \$1.00, which means \$1.00 additional will be charged on each 1,000 pounds, making a difference in the rate of 10 points; that is, if the quotation were, say, $\$4.87\frac{1}{4}$ +\$1.00, it would be practically the same as \$4.8735. The custom of using the supplementary quotation of plus \$1.00 is fast dying out and instead, where transactions are of large amounts, the rates are advanced or lowered by 5-100 of a cent per pound, such as \$4.87, \$4.8705, \$4.8710, \$4.8715, etc., each 5-100 of a cent making a difference of \$5.00 on each 10,000 pounds, or \$250.00 on a transaction of 500,000 pounds (nearly 2½ million dollars), not infrequently made by large financial institutions in a single day.

In a publication entitled "Foreign Exchange: Figured, Explained, Simplified, Illustrated," furnishing conversion tables for all classes of foreign exchange transactions, the author (H. K. Brooks, 78 Monroe St., Chicago) has undertaken to have adopted a method for quoting French exchange which would do away with the confusing fractional quotations plus or minus fractions of 1 per cent, by supplying conversion tables for francs the equivalent of \$1.00 by eighths of a centime. For example: Instead of jumping from francs 5.15 to francs $5.15\frac{5}{8}$, which would be the next lower quotation under present system, the tables in his book are for francs 5.15, $5.15\frac{1}{8}$, $5.15\frac{1}{4}$, $5.15\frac{3}{8}$, $5.15\frac{1}{2}$ and then $5.15\frac{5}{8}$, and the same method is used in quoting the other rates for French, Belgian, Swiss and Italian exchange. This plan practically serves the same purpose as the use of the plus and minus fractions, avoids complication in figuring, and no doubt will be generally adopted in the near future.

The following are samples of quotations for exchange on the principal countries:

English Exchange: $\$4.87\frac{1}{4}$ per £, meaning \$4.87375 per pound Sterling.

French Exchange: (large cities) francs $5.16\frac{1}{4}$ or francs $5.16\frac{1}{4}$ —1-32, meaning that 5 francs $16\frac{1}{4}$ centimes will be allowed for each \$1.00 United States money. Where the fraction—1-32 is used, a deduction of 1-32 of 1% of the amount in United States money (after figuring at rate francs $5.16\frac{1}{4}$) will be allowed.

French Exchange: (small places) 19.25 cents per franc, which means that each franc will cost you 19 and 25 hundredths cents, United States money.

Belgian and Swiss Exchange: is quoted same as French exchange.

German Exchange: (large cities) 95 3-16 cents per 4 marks, meaning that for each 4 marks you would be charged 95 and 3-16 cents, which expressed decimally would be .951875. If you divide these figures by four the result will be the price per single mark, or .23796+. The fractions plus and minus 1-16, 1-32, 1-64, etc., are used with German exchange quotations per 4 marks as in the case of French exchange.

German Exchange: (small places) 23.80 cents per mark. This means that 23 and 80-100 cents, U. S. money, would be charged for each mark.

Italian Exchange: (large cities) lire 5.17½. This means that for each \$1.00 (United States money) 5 lire 17½ centesimi would be allowed or paid.

Italian Exchange: (small places) 19.35 cents per lira, meaning that 19 and 35-100 cents (United States money) would be charged per lira (Italian money).

The following quotations, which cover the ordinary fluctuations, are used in French, Swiss and Belgian exchange, where same is quoted per \$1.00: francs 5.10, 5.10½, 5.11¼, 5.11¾, 5.12½, 5.13¼, 5.13¾, 5.14¾, 5.15, 5.15¾, 5.16¼, 5.16¾, 5.17¼, 5.18¼, 5.18¾, 5.19¾, 5.20, 5.20¾, 5.21¼, 5.21¾, 5.22¼, 5.23¼, 5.23¾, 5.24¾, 5.25. As explained on page 114, if it is desired to quote between these rates the fractions, either plus or minus, 1-64, 1-32, 1-16, 1-8, and 3-32 of 1% are used.

Finnish Exchange Spanish Exchange Austria-Hungarian Exchange. Norwegian, Swedish and Danish Exchange. Holland (Dutch) Exchange. Roumanian Exchange. Russian Exchange. Mexican, Central and South American, Hong Kong (China) Manilla and Japanese Exchange.	}	Are quoted at so many cents and fractions of a cent in our money, that will be charged or paid per single unit of these countries. For example, Hong Kong Exchange may be quoted 45.55 cents per dollar in Hong Kong currency.
--	---	--

Turkish Exchange: \$4.50 per Turkish pound, meaning you would be charged \$4.50 United States money for each Turkish pound.

Newspaper Quotations.

Quotations on foreign exchange, as they appear in the financial columns of our leading daily newspapers and in weekly financial publications, are seldom understood except by those very familiar with the business. Although almost every newspaper has a different way of quoting the rates, some more

complete than others, the following, which is a facsimile of clipping from a daily paper, is given for illustration and explanation by reason of its completeness:

Foreign Exchange.

Sterling was firm with bankers' 60 day bills quoted at 1-8 of a cent, cheques 5, and cables 10 points above Friday's close. Rates for actual business follow:
 Bankers', 60 days..... 4.84 $\frac{1}{4}$ @ 4.84 $\frac{1}{4}$
 Bankers', sight..... 4.8695 @ 4.87
 Cable transfers..... 4.8735 @ 4.8740
 Documents for payment 4.84 $\frac{3}{8}$ @ 4.84 $\frac{7}{8}$
 Ninety days on bankers 4.82 $\frac{1}{2}$ @ 4.82 $\frac{3}{8}$
 Commercial sight. 4.8685 @ 4.8690

Continentials were less active, virtually unchanged. Bankers' sight francs closed at 5.16 $\frac{1}{4}$ @ 5.16 $\frac{1}{4}$ plus 1-32; marks, 95 $\frac{3}{8}$ less 1-32 @ 95 $\frac{3}{8}$; guilders, 40 $\frac{3}{8}$ less 1-32 @ 40 $\frac{3}{8}$.

Following were the posted rates of the leading drawers of foreign exchange:

Sterling	4.88
Paris, francs	5.15
Berlin, reichsmarks	95 $\frac{3}{4}$
Amsterdam, florins	40 $\frac{3}{8}$
Antwerp, francs.	5.15 $\frac{5}{8}$
Genoa, lire	5.15 $\frac{3}{8}$
Zurich, francs.....	5.15 $\frac{3}{8}$
Vienna, kronen.....	20.40
Stockholm, kronors	26.90
St. Petersburg, rubles	51.70

“FIRM” means a good demand with prices tending upward.

STEADY would mean a fair demand with prices likely to remain stationary.

STRONG would mean a large demand with prices certain to go higher.

DULL or WEAK would mean very little or no demand with prices tending lower.

BANKERS' 60 DAYS: This quotation is for bankers' drafts drawn in pounds sterling upon (or payable by) a bank in London, 60 days after sight or after acceptance by the paying bank. The rates 4.84 $\frac{1}{4}$ to 4.84 $\frac{1}{4}$ mean per pound sterling.

BANKERS' SIGHT: A bankers' draft for a sum in pounds sterling upon a bank in London, payable at sight or upon demand. The rates \$4.8690 to \$4.87 mean per pound sterling.

CABLE TRANSFERS: Where the money (pounds sterling) is paid abroad (London) upon an order sent by cable. The amount would be paid in London immediately upon receipt of cable instructions, usually within a few hours. (See Cable Transfers, Chap. IX.)

DOCUMENTS FOR PAYMENT: This refers to commercial bills of exchange (see Chap. IX) with documents (bill of lading and insurance certificate attached to draft), drawn against an export shipment, the words "for payment" meaning that the draft must be paid before documents are given up, thus insuring payment before delivery of goods. If "documents" were for acceptance the documents would be delivered when draft was accepted by person upon whom drawn (called "drawee"), thus enabling drawee to obtain goods before payment of draft. This quotation refers to drafts drawn in pounds sterling, drawn payable 60 days after sight (acceptance). The rates quoted are per pound sterling.

NINETY DAYS ON BANKERS: Means drafts drawn by either banks or merchants (exporters) in pounds sterling upon (payable by) a bank, 90 days after the draft is accepted by bank upon which drawn.

COMMERCIAL SIGHT: Drafts drawn by merchants (exporters) payable at sight against balances in a bank abroad which may have accumulated through sale of merchandise exported.

CONTINENTALS WERE LESS ACTIVE, VIRTUALLY UNCHANGED: This refers to bills of exchange and drafts upon cities or countries of Europe, other than Great Britain.

BANKERS' SIGHT FRANCS: This refers to drafts drawn by bankers in money of France (francs) payable by a bank, presumably at Paris. The quotation, $5.16\frac{1}{4}$ to $5.16\frac{1}{4}$ plus 1-32 is for francs per \$1.00, as explained in this chapter. The quotations for marks are for 4 marks on Germany, and those for guilders are on Holland, per guilder or gulden, or florin.

POSTED RATES: The quotations given as posted rates mean rates at which leading sellers of exchange were selling over their counter to customers, while the preceding rates in the above clipping refer to rates at which bankers bought the exchange, or in other words, "buying rates."

STERLING: This quotation is for sight drafts drawn in the money of England, pounds sterling.

PARIS, FRANCS: Drafts or checks drawn in French francs payable only at Paris. The rate is per \$1.00.

BERLIN, REICHSMARKS, DEMAND: A draft drawn payable at Berlin, Germany, in marks. The rate is for 4 marks.

AMSTERDAM, FLORINS: Demand checks or drafts on Amsterdam, Holland, drawn in money of Holland, florins or guilders (or gulden) (different nomenclature of same money). The rate is per gulden.

ANTWERP, FRANCS: This is a quotation for 5 francs 15 $\frac{1}{2}$ centimes per \$1.00 for demand drafts drawn payable at Antwerp, Belgium. This country has the same monetary system as France, with coins of same name.

GENOA, LIRE: This quotation means that for a demand check or draft on Genoa, Italy, you would have to pay at rate of 5 lire 15 $\frac{1}{2}$ centesimi per \$1.00.

ZURICH, FRANCS: For demand checks and drafts payable at Zurich, Switzerland, you would be allowed 5 francs 15 $\frac{1}{2}$ centimes for each \$1.00.

VIENNA KRONEN: For demand checks or drafts on Vienna, Austria. The rate quoted is 20.40 per kronen, the money of Austria.

STOCKHOLM, KRONORS: For demand checks and drafts on Stockholm, Sweden. The rate is 26.90 cents per kronor, the money of Norway, Sweden and Denmark.

ST. PETERSBURG, RUBLES: For demand checks and drafts on St. Petersburg, Russia. The rate is 51.70 cents per ruble, the money of Russia.

Other Newspaper Quotations.

Under the head of "Money Markets of the World" we frequently see quotations reading like this:

"Discount at London, 2 $\frac{3}{4}$ %; Paris, 2 7-16%; Berlin, 3 $\frac{1}{2}$ %."

Foreign discount rates mean the rate per cent charged or allowed on drafts discounted or paid before due. They usually apply to drafts drawn on bankers.

Some newspapers quote rates on foreign exchange in this manner: "Sterling exchange, posted rates \$4.88; actual rates, \$4.87 $\frac{1}{4}$. Documentary rates, \$4.84." Posted or nominal rates are those charged the general public for checks and drafts and apply more particularly to smaller sums. Actual rates are inside terms made to brokers or large buyers for large sums. Documentary rates are for commercial bills of exchange, which are drawn against commodities exported. (See "Commercial Bills of Exchange," Chap. IX).

We also frequently see quotations in newspapers reading in this manner: "Dated at Paris, Exchange on London frs. 25.14½ for checks." "Dated at Berlin, Exchange on London, m. 20.36½ for checks." These quotations refer to the rates at which you can buy, in Paris and Berlin, respectively, checks payable at London. In this instance, you would be allowed 25 francs 14½ centimes at Paris and 20 marks 36½ pfennigs at Berlin, per pound sterling for checks payable at London.

While the quotations given by newspapers for exchange upon the principal cities, such as New York, Chicago, St. Louis, etc., do not apply directly to foreign exchange transactions, the rates for such exchange often materially affect the rates for foreign exchange. It is usually quoted in this way: "New York exchange, 15 cents discount before clearings, 20 cents discount after clearings," or it may be at a premium instead of a discount.

"New York exchange" means checks payable by a bank in New York. Fifteen cents discount in this case would mean that New York exchange (checks, drafts, etc.) in sales between banks (not as a rule with the public) a check would be sold at a discount of 15 cents for each \$1,000. If quoted at 15 cents premium, they would charge 15 cents additional per \$1,000.

The reason the rates for New York exchange affect the rates for foreign exchange is, that the rates in the West and elsewhere in the United States are based or controlled by the rates in New York, because New York is the principal buying market; therefore if New York exchange in, say Chicago, is at a discount, in large transactions banks would sell a draft on London or other foreign city at a lower rate, depending upon amount of discount, or if New York exchange in Chicago was at a premium, then they would charge a higher rate for a draft on London, than it could be bought for in New York. The cost of transferring the funds is taken into consideration.

CHAPTER V.

RATE OF EXCHANGE.

Fixed, Fluctuating, Posted, Actual, Rising or Falling.

The term "rate of exchange" means the value or price of the money of one country reckoned in the money of any other country, the value being a fixed rate of exchange—the price a fluctuating rate of exchange.

The rate of exchange quoted between any two countries is for drafts, checks or bills of exchange, and the price includes, besides the actual equivalent of the standard coin, some allowance for interest, according to the tenor of the draft, and a premium which the seller demands for the economy and superior convenience of his draft or check, as compared with a remittance in currency or bullion. This premium, which represents the fluctuation, is more or less according to the amount of exchange in the market for sale and the demand for same.

The rate of exchange when applied to the buying or selling of drafts, checks, money orders, letters of credit, travelers' cheques, etc., means the price in our money that will be charged or paid per pound sterling, franc, mark, kronor, lira, or other moneys of foreign countries. For example, a customer inquires for the rate of exchange for a check on London. It is given to him as, say, \$4.88 per pound. In quoting the rate of exchange for drafts, checks, etc., on France and Germany, especially in large cities, instead of quoting the rate for a single franc or mark, the rate of exchange for French francs is frequently quoted for the number of francs and centimes that will be allowed or paid per \$1.00, and in the case of German marks the quotation will be for 4 marks instead of 1. (See Quotations for Foreign Exchange, Chap. IV.)

A FIXED RATE OF EXCHANGE is one where a fixed rate is charged for a certain period or indefinitely. For illustration: The Government issues money orders, drawn in foreign money, payable at a fixed rate of exchange, plus certain fees. The American Express Company issues a form known as Travelers' Cheques, upon which is printed the equivalent value in the moneys of the various European countries, such equivalents being based upon fixed rates of exchange.

The expression "fluctuating rate of exchange" is very often used because the rate of exchange for drafts, checks, bills of

exchange, etc., vary nearly every day, and, except for small sums, for which it is customary to charge a fairly high rate, it would not be practical to use fixed rates.

In ESTABLISHING or DETERMINING a rate of exchange, whether "fixed" or "fluctuating," it is arrived at as follows: To the actual equivalent in our money of pure gold or silver contained in the units of money of the different foreign countries is added, if buying, or allowed, if selling, interest from date of purchase or sale to date of payment abroad. To this is added the actual expense of having such drafts or bills paid or collected abroad, or, in other words, the commission charged by foreign bankers for their service. The cost of revenue stamps which the various countries require to be affixed to such paper must be taken into consideration, and finally the premium or profit to the seller of the exchange. (See Causes of Fluctuation of Rates of Exchange, Chap. VI.)

POSTED RATES, in foreign exchange transactions are the rates posted daily on bulletins of leading dealers in foreign exchange. They are, as a rule, intended to apply to small sums and for letters of credit. It is customary for bankers and others issuing letters of credit (they are generally drawn in pounds sterling) to charge, in addition to a fee (usually 1 per cent) the POSTED rate of exchange. The posted rate of sterling exchange, for example, is generally from $\frac{1}{2}$ to $1\frac{1}{2}$ cents per pound higher than the actual rates, which latter are used in the sale of foreign demand checks for large amounts.

ACTUAL RATES OF EXCHANGE are rates made each day by bankers and brokers for sales or purchases of large sums and are based upon the actual conditions of the market, the supply, demand, etc., admitting of very little profit over and above the actual cost.

The words "rising" or "falling" when applied to exchange rates between countries may be favorable or unfavorable, depending upon the custom of quoting exchange rate. For example, in quoting the rate of exchange between France and England, it is quoted at so many francs and centimes to the pound sterling, and the higher the quotation the more favorable to England. The rates between England and China, Japan and South American countries are quoted at so many shillings and pence to the dollar, yen, peso, sol, etc., the units of money of the countries named, therefore the higher the quoted rate the more unfavorable to England, since England would have to give more shillings and pence to their unit.

CHAPTER VI.

CAUSES OF FLUCTUATION IN RATES OF EXCHANGE.

The fluctuation in the price of foreign exchange, or as it is termed, "the rate of exchange," is due to a number of causes. If the value of the goods we exported greatly exceeded the value of the goods we imported during a certain period, the large balance due us from other countries would, if there were no other international transactions to offset same, cause the price of exchange here to be lower, for the reason that there would be less demand for remittances to foreign countries, since it is always the difference between the debits and credits that is remitted. On the other hand, if we owed foreign countries a much greater amount than they owed us, exchange here would be higher by reason of increased demand for it.

It is not alone our commercial trade that regulates the price of exchange. The monetary conditions here and abroad may entirely offset other conditions.

When the loaning rate for money here is high, capitalists and bankers will loan their money here instead of investing same in foreign commercial bills, which causes less demand for the bills, and hence lower rates. If rates for money abroad are high, there will be a greater demand for commercial bills or other exchange on foreign countries, for the purpose of getting the money to such countries to take advantage of the high interest rates, thereby causing higher rates here for foreign exchange. If the rates for money abroad are lower than here, our capitalists will borrow money in their markets for investment here, thus increasing our indebtedness to foreign countries, and when such loans become due, there will be an increased demand for foreign exchange to pay same, resulting in higher rates.

The investments made by capitalists in stocks, bonds and financial and commercial enterprises in foreign countries materially affect the rates for foreign exchange because it increases or lessens the indebtedness between countries, thus creating demand for exchange to pay same.

The discount rates at London, Paris, Berlin and other European centers very seriously affect the buying and selling

price of commercial bills drawn against commodities exported. These discount rates are the rates per cent at which commercial paper of the different classes may be discounted, that is, the allowance made for cashing or taking up the paper before maturity, or before due and payable, and as the rates here for checks, drafts, etc., on foreign countries are based upon the cost of placing credit abroad to meet payment of such checks, drafts, etc., by means of sending commercial bills, it will be seen that the discount rates abroad affect the rates here. When the discount rates abroad are high the rate for commercial bills here will be lower, and when low abroad the rate for commercial bills here will be higher. It is, therefore, always to the advantage of the exporters in this country when discount rates abroad are low. For illustration: The buyers of commercial bills in this country, in order to determine the rates which they can afford to pay, take into account three things: first, the rates at which they can sell demand checks, drafts, cables, etc., upon date of purchase of the bills; second, the rates at which such bills can be discounted abroad, in order to convert them into money or credit; and third, the cost of revenue stamps that must be affixed to the bills abroad to comply with internal revenue laws. A difference of 1 per cent in discount rates, say in London, would make a difference of $1\frac{1}{4}$ cent per pound in the cost of discounting a 90 days sight draft there, and necessarily a corresponding difference in the rates for sale here of such bill on London.

Under normal conditions the rates for foreign exchange fluctuate between what are termed gold exporting or gold importing points, which means the actual cost of the gold plus the cost of transporting it from one point to another. For example, if you wished to remit, say, to London the equivalent of £50,000 (or approximately \$250,000) and you found that the cost of the gold coin or bullion and the expense of freight, insurance, commission, etc., would be considerably less than the cost of a draft or check for the amount, payable at London, then you would ship gold in preference. If the cost were equal or greater for shipping the gold, then you would remit the check, as it would be more convenient and accompanied with less risk, even at same price. Therefore, the rates naturally do not go much above or much below the gold points.

When the rate for demand sterling gets down to, say \$4.83 $\frac{3}{4}$ to \$4.84 per pound sterling, it is generally cheaper to import gold in large amounts than to have remittance made from abroad by check. If such exchange here reaches as high as \$4.88 $\frac{1}{4}$ to \$4.88 $\frac{1}{2}$ per pound, then gold can be exported equally as cheap as for a remittance by check, draft, etc., or a cable transfer.

But notwithstanding these various conditions mentioned which affect the market price of foreign exchange in this country,

it is after all the supply and demand that mainly regulates the price, as in the case of wheat, corn, or any other commodity.

In domestic exchange there is never any question of parity, as in the case of foreign exchange, and when exchange on New York City at Chicago is quoted, for example, at 30 to 40 cents per \$1,000 discount, it means that there is a larger amount of money due from people and banks in New York to people and banks in Chicago than there is due New York City from people and banks in Chicago. There is always something on the ledgers at both points and the rate of exchange, discount or premium, indicates the extent of the balance in favor of either of the cities.

In foreign exchange the parities of the different gold coins representing the unit of the currencies of the various countries have to be considered as related to our unit, the gold dollar. The equivalent of the British gold sovereign, or pound sterling, in the gold money of the United States, is, for instance, \$4.8665. When the rate of exchange here for demand drafts or bills of exchange on London is above \$4.8665, there is a greater amount due from this country to London or to Great Britain than is owing to us, while if the rate of exchange is below \$4.8665, it indicates that Great Britain owes this country a greater amount than is owing from this country to Great Britain. When the rate of exchange is so far above or below par (\$4.8665) as to exceed the actual cost of moving the gold coin or metal, then the metal or coin is shipped, instead of remitting by draft, check or cable.

*But in war times all that
is changed.*

CHAPTER VII.

PARS OF EXCHANGE.

“Par of exchange” means equal of exchange. There is a “mint par of exchange” and also what we term the “commercial par of exchange.”

The mint par of exchange between the United States and foreign countries is the actual value in our money of the pure metal contained in the coins representing the units of money of the various countries; or, to express it differently, the equivalent of the unit of money of one country expressed in the currency of another country using the same metal (gold or silver) as a standard of value.

The Director of the United States mint is required at stated periods to proclaim the value of the coins or units of the various foreign countries, in our money, for the purpose of computing the worth of importations of goods and also the amount of custom duties assessable thereon. The value of the gold coins of countries, as fixed by the Director of the mint, rarely ever changes, since the weight and fineness of the gold units of countries are fixed by law—in the United States by Act of Congress, in Great Britain by act of Parliament.

The “mint par of exchange” is often called the “real exchange,” and the commercial par of exchange is said to be the “nominal exchange,” just as the shares of a company are said to be of the “nominal” or “face value” stated on the share certificates, while the real value would be its actual worth in open market at moment of sale. Thus the “real exchange” is the exchange rate of the day. The terms “fixed” and “movable” exchange may also be said to apply to the mint and commercial pars of exchange, respectively.

To determine the actual mint par of exchange between any two countries, it is only necessary to divide the weight of the pure gold in the gold unit of the one country by the weight of the pure gold in the coin of the other country. The mint par of exchange between the United States and countries having silver monetary units is arrived at in the same way, but as the price of silver fluctuates, the values of silver coins frequently change, and their value is based upon the price of silver for the preceding three months.

The following illustrations give the actual mint par of exchange between the United States and principal foreign countries and the method of figuring same.

THE BRITISH POUND STERLING: The value of the pound sterling, or Victoria sovereign, in our money, as fixed by Act of Congress, March 3, 1873, for computing the value of goods imported which is expressed in English money, was \$4.8665, and this value has never since been changed.

THE BRITISH SOVEREIGN weighs 123.274478 troy grains, and is 11-12 fine; therefore the pure gold contained therein weighs 113.0016 troy grains. The gold dollar of the United States weighs 25.8 troy grains, and is 9-10 fine, or 23.22 troy grains pure gold. To arrive at the mint par of exchange of the sovereign in our money, divide the weight of the pure gold in the sovereign (113.0016 troy grains) by the amount of pure gold in the dollar (23.22 troy grains) and the quotient is \$4.866520, or as usually expressed and used for commercial purposes, \$4.8665.

THE FRENCH FRANC, which is also the chief money of account in Belgium, Switzerland, Italy (called lira), Greece (called drachma). Servia (called dinar), Spain (called peseta), Roumania (called lei), Bulgaria (called lew), and Finland (called finmark), weighs 4.978128 troy grains and is 9-10 fine; therefore the pure gold therein weighs 4.4803152 troy grains. Dividing the weight of the pure gold in the franc (4.4803152 troy grains) by the pure gold in the United States dollar (23.22 troy grains) gives the mint par of exchange of the franc in our money as .19295+. The number of francs and centimes contained in the United States dollar is ascertained by dividing \$1.00 by .19295, which gives 5 francs 18.134+ centimes, or, as usually expressed, francs 5.18½.

THE GERMAN REICHSMARK OR MARK, of gold, weighs 6.1458 troy grains and is 9-10 fine; therefore the pure gold therein weighs 5.53122 troy grains, which latter if divided by the pure gold weight in the United States dollar (23.22 troy grains) gives the mint par of exchange, or 23.8309 cents, or as proclaimed by the Director of the United States mint, 23.8 cents.

THE AUSTRIA-HUNGARY GOLD KRONEN, OR CROWN, weighs gross 5.2277616 troy grains, and is 9-10 fine, thus making the weight of the pure gold therein 4.704498544 troy grains, which, if divided by the weight of the pure gold in the United States dollar (23.22 troy grains), gives 20.2626 cents, or 20.3 cents as the mint par of exchange or actual value of the gold kronen in our money.

THE SCANDINAVIAN (Norway, Sweden and Denmark) GOLD KRONOR OR CROWN, weighs 6.9141 troy grains and is 9-10 fine, which leaves the weight of the pure gold therein

as 6.22269 troy grains, which if divided by the weight of the pure gold in the United States dollar (23.22 troy grains) gives 26.798 cents, or as stated by the director of the United States mint, 26.8 cents, as the mint par of exchange.

THE RUSSIAN GOLD RUBLE, OR ROUBLE, weighs gross, 13.273894 troy grains and is 9-10ths fine, leaving weight of pure gold 11.9465046 grains, which if divided by the weight of pure gold in the United States dollar gives the value of the ruble in our money 51.449 cents, or as declared by the director of the United States mint, 51.5 cents.

THE HOLLAND GULDEN OR GUILDER, OR FLORIN (different translations of same name), weighs gross 10.26682 troy grains and is 9-10 fine and, therefore, contains 9.333489 troy grains pure gold. Dividing this weight by the weight of pure metal in the gold dollar (23.22 troy grains) gives 40.19 cents, or as stated by the director of the United States mint, 40.2 cents, which is the par of exchange between this country and Holland.

THE PORTUGUESE GOLD MILREIS weighs 27.3965 troy grains and is 916.637 fine, leaving weight 25.088524 troy grains pure gold, which if divided by the weight of the pure gold in the United States dollar gives \$1.0804, or \$1.08, as the par of exchange between the United States and Portugal.

THE BRAZILIAN GOLD MILREIS weighs gross 13.8374 troy grains and is 917-thousandths fine, thus making the weight of the pure gold therein 12.67642 troy grains, which if divided by the weight of the pure gold in the United States dollar gives 54.592 cents or 54.6 cents, as given by the director of the United States mint.

THE EGYPTIAN POUND of 100 piastres weighs 131.1749 troy grains gross and is 875-1000 fine, and therefore contains 114.778088 troy grains pure gold, which if divided by the weight of the pure gold in the United States dollar (23.22) gives the mint value of \$4.943.

THE TURKISH POUND, OR MEDJIDIE, of 100 piastres weighs gross 111.3598 troy grains and is 917-1000 fine, and therefore contains 102.079887 troy grains pure gold, which if divided by the weight of the pure gold in the United States gold dollar (23.22) gives \$4.396 as given by the director of the United States mint.

The mint par of exchange between the United States and countries having gold units, other than the countries above named, are as follows:

- Belgium, the franc of 100 centimes (gold) 19. 3 cents.
- Switzerland, the franc of 100 centimes (gold) 19. 3 cents.
- Italy, the lira of 100 centesimi (gold) 19. 3 cents.
- Greece, the drachma of 100 lepta (gold) 19. 3 cents.
- Spain, the peseta of 100 centimos (gold) 19. 3 cents
- Finland, the finmark of 100 penni, (gold) 19. 3 cents.

Japan, the yen of 100 sen (gold) 49.8 cents.
 Costa Rica, the colon of 100 centavos (gold) 46.5 cents.
 British Honduras, the dollar of 100 cents (gold) \$1.00.
 Argentine Republic, the peso of 100 centavos (gold) 96.5 cents.
 Chile, the peso of 100 centavos (gold) 36.5 cents.
 Canada, the dollar of 100 cents (gold) \$1.00.
 Ecuador, the sucre of 100 centavos (gold) 48.7 cents.
 Mexico, the peso of 100 centavos (gold) 49.8 cents.
 Peru, the libra (gold) \$4.866½.
 Turkey, the piaster of 40 paras (gold) 4.4 cents.
 Uruguay, the peso of 100 centavos (gold) \$1.034.
 Panama, the balboa (gold) \$1.00.
 Venezuela, the bolivar of 20 centavos (gold) 19.3 cents.
 New Foundland, the dollar of 100 cents (gold) \$1.014.
 Algeria, the franc of 100 centimes (gold) 19.3 cents.
 Philippine Islands, the peso of 100 centavos (gold) 50 cents.
 Liberia, the dollar of 100 cents (gold) \$1.00.
 Hayti, the gourde of 100 cents (gold) 96.5 cents.
 Colombia, the dollar of 100 cents (gold) \$1.00.

The mint par of exchange between the United States and countries having silver monetary units fluctuates according to the price of silver, but for general information we give below the mint pars of such countries, as declared by the director of the United States mint on July 1, 1908, which are valued by their pure silver contents, at the average price for silver for the three months preceding July 1, 1908.

†India, the rupee of 16 annas (silver) 32.44½ cents.
 Guatemala, the peso of 100 centavos (silver) 39.3 cents.
 Honduras, the peso of 100 centavos (silver) 39.3 cents.
 Nicaragua, the peso of 100 centavos (silver) 39.3 cents.
 Salvador, the peso of 100 centavos (silver) 39.3 cents.
 Bolivia, the boliviano of 100 centavos (silver) 39.3 cents.
 Persia, the kran of 20 shahis (silver) 7.2 cents.

China	Amoy tael	(silver) 64.4 cents.
	Canton tael	(silver) 64.2 cents.
	Chefoo tael	(silver) 61.6 cents.
	Chin Kiang tael	(silver) 62.9 cents.
	Fuchau tael	(silver) 59.5 cents.
	Haikwan tael	(silver) 65.5 cents.
	(Customs)	
	Hankow tael	(silver) 60.2 cents.
	Kong Kong*	(silver) 42.3 cents.
	British*	(silver) 42.3 cents.
	Mexican*	(silver) 42.7 cents.
	(chopped)	
	Nankin tael	(silver) 63.7 cents.
	Niuchwang tael	(silver) 60.4 cents.
	Ningpo tael	(silver) 61.9 cents.
	Peking tael	(silver) 62.8 cents.
Shanghai tael	(silver) 58.8 cents.	
Swatow tael	(silver) 59.5 cents.	
Takau tael	(silver) 64.8 cents.	
Tientsin tael	(silver) 62.4 cents.	
Kiaochoh tael	(silver) 62.4 cents.	

†The sovereign is the standard coin of India, but the rupee is the money of account, current at 15 to the sovereign.

*Dollar.

PARS OF EXCHANGE BETWEEN GREAT BRITAIN AND OTHER COUNTRIES.

The mint par of exchange between Great Britain and other countries is arrived at by comparing the quantity of pure gold or silver in the standard coin of the one country with that of another, as in the case between the United States and other countries.

The pure gold contained in the British pound sterling or sovereign is equivalent to the pure gold contained in 25 francs 22½ centimes of France, therefore the par of exchange between Great Britain and France is said to be francs 25.22½. The par of exchange between Germany and Great Britain is 20 marks 43 pfennigs, and between Great Britain and the United States \$4.8665, or in other words the pure gold in the British sovereign is equal to the pure gold in 20 marks 43 pfennigs, German money, or \$4.86 and a fraction, United States money.

The par of exchange between Great Britain and Belgium, Greece, Italy, Switzerland and Spain is the same as between Great Britain and France, i. e., the pure gold contained in 25 and 22½-100 of the units of these countries is equal to the pure gold contained in the British pound sterling, although it is customary in quoting the par of exchange between Great Britain and Spain to name the British pence to the duro or silver dollar of 5 pesetas of the latter country.

The mint par of exchange between Great Britain and Norway, Sweden and Denmark is 18 kronor 16 ores to the pound; with Holland 12 florins 11 cents to the pound; with Russia, the mint par is quoted at so many rubles to 10 pounds sterling; with Austria-Hungary 240 kronen to 10 pounds sterling.

The mint par of exchange between Great Britain, China, and South American countries which are still on a silver monetary basis, fluctuates, as is the case between those countries and the United States, same being governed by the price of silver.

The gold bullion, or specie points, as explained elsewhere, limit the variation in rates of exchange above and below par during normal times. The French exchange gives a good illustration of this. As stated above the mint par of exchange between Great Britain and France is 25 francs 22½ centimes to the pound sterling. If the indebtedness of France to Great Britain exceeds that of Great Britain to France, the demand in Paris for drafts or bills on London will be greater than the demand in London for drafts and bills on Paris, and according to the extent of this indebtedness and the urgency of the case, the French debtor will offer a higher amount than the mint par (francs 25.22½) until the rate reaches say francs 25.33 per pound, or 10½ centimes per pound over the mint par, which is equivalent to four pounds per mille (per 1,000 pounds), or sufficient

to pay the freight, insurance, packing, etc., of 1,000 pounds shipment of gold from Paris to London. Therefore, rather than pay a higher rate, the debtor in France would transmit gold to London.

In France, silver 5-franc pieces are legal tender same as gold, and therefore possess a value in home trade which cannot be said of the silver coins of Great Britain. On this account gold is at a slight premium in France, and on some occasions gold has not been exported notwithstanding the bullion points named above were reached and the rate would continue rising until it covered also the premium on gold, before exports would commence.

In the event of Great Britain being indebted to France, the competition for drafts and bills on Paris compels English debtors to offer more English money (or in view of the rate of exchange between these countries being expressed in francs) to take less French money for the pound, until the exchange rate drops to say francs 25.12½ per pound, below which the rate is not likely to go because the difference between that rate and par amounts to 10 centimes per pound, or 4 pounds per mille (per 1,000 pounds) which, as stated above, is sufficient to transport gold to Paris.

COMMERCIAL PAR OF EXCHANGE.

In the use of the term "commercial par of exchange" the author is not unmindful of the fact that the term is not in general use, but believes it is properly applied for reasons given.

The commercial par of exchange between two countries or two cities is where the indebtedness to each other is so nearly equal that the demand for remittances to such other countries or cities is about equal to the supply of such exchange in the market for sale. At such times exchange would be said to be at par; not mint par, but commercial par, and the cost of remittance, if between two countries, would represent the actual cost of the coin or bullion plus the cost of transferring the coin or bullion, involving freight charges, insurance, interest, commissions, etc., to destination.

If a remittance could be made by check or draft at less cost than by shipping the coin or bullion, then the former would be used; if, however, the cost of a check or draft exceeded the expense of sending the coin or bullion, then the latter method of remittance would be resorted to. If the cost were equal, exchange (draft or check) at commercial par of exchange, would be used, as it would be more convenient and would incur less risk.

If the United States owed England exactly the same amount England owed the United States, the debts between these two countries could be paid without the intervention of

money, and the commercial price of exchange would be at par. If, however, this country owed England a greater amount than England owed to this country, exchange here would be higher, and in England lower, and vice versa. In other words, exchange in the United States would be at a premium and in England at a discount, the premium in one case being about equal to the discount in the other.

In the United States the term "par of exchange" or "exchange at par" is frequently used to apply to exchange transactions between towns or cities. If, for example, the demand in Chicago for exchange (checks, drafts or other negotiable paper) payable, say, in New York, was about equal to the supply of such exchange for sale, exchange would be said to be at par. If, however, the demand was greater than the supply, exchange on New York would be at a premium, the amount of such premium depending upon how great the demand was at the time. If the supply of exchange for sale was in excess of the demand for it, then exchange on New York would be said to be at a discount.

CHAPTER VIII.

ARBITRATION OF EXCHANGE.

(Arbitrated Exchange.)

The arbitration of exchange is one of the most interesting operations in the foreign exchange system and requires thorough familiarity with the process by those undertaking it.

To attain proficiency in operations involving arbitration the student must familiarize himself with the monetary systems of the various foreign countries, must know the methods employed in quoting exchange rates between countries, as well as other details which ordinarily can only be learned by experience in a well equipped foreign exchange department.

Arbitration of exchange is resorted to where the transaction is between two places in different countries through the medium of some other place in another country, or, to express it more clearly, the remitting of money to one country through another country, or the buying of exchange of one country through another having different monetary units.

An occasion for the arbitration of exchange will arise when the rate of exchange here, direct upon the country to which you wish to remit, is higher than between that country and what exchange will cost on that country purchased in a third country. For illustration: Through the columns of our daily papers or by cabled information direct from abroad, the rate in London for a check on Paris, Berlin, Vienna, etc., or vice versa, is furnished. It generally reads this way: "Exchange on Paris, F. 25.12," "Exchange on Berlin, M 20.42," etc. This signifies that you could buy in London a check on Paris at the rate of 25 francs 12 centimes per pound sterling, or, on Berlin at the rate of 20 marks and 42 pfennigs per pound sterling; therefore, if you had occasion to remit a large sum, say to Berlin, and you found you could buy here a check on London and have the amount remitted from London to Berlin, cheaper than to remit to Berlin direct, the transaction would be termed "arbitration of exchange."

A banker in Chicago, having occasion to sell a remittance to London, finds that he can transfer his balance in bank at Berlin to London to meet payment of the London check with greater profit than to use the balance in the London bank for such purpose. The Chicago banker therefore sends to his London bank a check on his Berlin account, which the London banker buys at the market rate and credits the Chicago banker

with the proceeds; or instead of selling his German check in London he may purchase a London check in Berlin, whichever would be most advantageous.

Such methods of transferring money or credit from one country to another are very common with financial concerns and it is usually done for two reasons, namely: First, if a concern needed more money in London than it had there, and had more money in Berlin than it required, if the transfer of the money from Berlin to London could be made to advantage or without loss, they would instruct their Berlin correspondent or bank to remit a certain sum to London to be placed to their credit at a certain bank, which would enable the concern to meet its obligations in London without having to remit to London direct from here. Second, the transfer of money or credit from one country to another is frequently made solely to take advantage of the profit that would result in making such transfer by reason of the foreign exchange market conditions.

The price of exchange between cities in different countries fluctuates as it does between cities in the United States. For example: Today exchange (drafts or checks) may be selling in Chicago payable in New York (between banks) at a premium of say 30 cents per \$1,000. Tomorrow it may be selling at par or even at a discount. It all depends upon the demand for such remittances and the supply of such exchange for sale. The same conditions exist between the various trade centers in foreign countries.

Our large banking houses and financial concerns in this country, keeping accounts with banks abroad, are kept advised daily by cable of the rates of exchange between cities of the different foreign countries and whenever they see any material advantage to be gained by having their funds or credit transferred from one point to another, they avail themselves of it. In fact we may say that all leading American dealers in foreign exchange receive daily telegraphic advices from their correspondents at London, Paris, Hamburg, Berlin, Vienna, Amsterdam and possibly other trade centers, covering the quotations at which the foreign correspondents at each city will buy or sell for future or prompt delivery, checks on the other cities named.

The volume of transactions in French, German and other continental exchange is quite small when compared with that of English exchange. The reason for this is that most banks have accounts or balances only at London, and where balances are kept in other European cities they are usually small as compared with their London account. Therefore, in making remittances to Paris, Berlin or other cities on the continent, it is most generally effected by transferring the funds to those cities from London, which can generally be handled very satisfactorily by reason of most large European banks having branches

in London to which the funds are transferred without the necessity of transmitting same to the continental cities. It is customary, however, for banks before transferring funds from their London account, to carefully figure out the difference in cost between a remittance direct from here to the city where it is desired to place the funds and the expense of transferring same from London. This is easily determined by ascertaining the rate of exchange between London and the point referred to.

ILLUSTRATION.—Suppose a Chicago banker wishes to remit to Paris 25,250 francs and the best rate at which same could be bought upon the market was francs 5.17½ per \$1.00. This would call for \$4,879.23 as is shown by the following computation: $25,250 \div 5.175 = \$4,879.23$. If a demand draft on London could be bought at \$4.84 per pound sterling, and the cable reports from London gave quotations for checks in London on Paris at rate 25.25 francs per pound sterling, it will be seen that for 1,000 pounds a check for 25,250 francs, payable in Paris, could be had in London, and that the 1,000 pounds check on London could be bought in Chicago at the rate \$4.84 per pound or \$4,840.00. Thus by remitting to Paris through London there would be a saving of the difference between

\$4879.23	cost of check in Chicago on Paris,
and 4840.00	cost of check in London on Paris

or \$ 39.23

by having amount remitted from London to Paris instead of sending same from Chicago to Paris.

ANOTHER ILLUSTRATION.—A banker here has call for a draft on Vienna for, say, 240,175 kronen. Not having sufficient balance in bank at Vienna to cover payment of a draft of this sum, the banker cables the Vienna correspondent bank asking at what rate they will purchase a check on London. The Vienna bank offers 240 kronen 17½ heller per each 10 pounds sterling.

In figuring this transaction the banker here first determines that his London bank balance cost \$4.86½ per pound, and that he can obtain a rate of 20.30 cents per kronen for drafts on Vienna. The banker here thereupon requests the Vienna bank to draw on his London account for £10,000, for which the Vienna bank credits him 240,175 kronen, the equivalent of £10,000 at 240.17½ kronen per 10 pounds. Now let us see how the banker came out on the transaction:

240,175 kronen sold @ 20.30 per kr.	=\$48,755.53
£10,000 @ 4.86½ per £	= 48,650.00

Profit on transaction,	\$ 105.53
------------------------	-----------

At certain seasons, or during certain conditions of the financial market abroad, it may be found more profitable to

transfer balances from one foreign center to another. It may also occur that a bank may have a customer for a draft payable at a point at which it has no balance or the amount to its credit is insufficient to meet payment of its paper upon presentation. In such cases it becomes necessary for the bank, in order to meet payment of its paper, to either cable the money direct or to transfer the amount from some other city. In so doing the question of the rates of exchange between the countries and the arbitration arises.

In drawing commercial bills of exchange against shipments of goods exported to Spain, Greece, Austria-Hungary, Russia, and we may say to most countries other than Great Britain, France, Germany, Holland, Belgium, Switzerland and very often Scandinavian and Italian cities, it is the general practice of exporters to draw the drafts in the money of Great Britain (pounds sterling), France (francs) or Germany (marks), etc., rather than in the money of the country to which the goods are actually exported, and, in most cases, to make drafts payable at London, Paris, or Berlin or other trade centers of the countries named. This is done for the reason that the exporter finds his commercial bill (drafts) command a higher price than if drawn in money of other countries, and this is usually the case, for the reason that there is a greater demand in this country for remittances to Great Britain, and other countries named. On account of this practice jobbers of foreign exchange find it necessary to resort to arbitration of exchange in placing funds at the principal centers to meet payment of drafts, money orders and other remittances sold, and it is also through such arbitration that sellers arrive at the rate of exchange at which they can sell remittances to such countries. For illustration: A banker here has call for a draft payable say at Prague. Not having funds at Prague to meet payment of the draft, the banker cables his Prague correspondent asking at what rate they will buy sight drafts on London, Paris, Berlin, etc., at which cities the banker has ample funds. The bank correspondent at Prague replies that they will pay say 240 kronen $17\frac{1}{2}$ heller per 100 pound sterling for draft on London, 95 kronen 60 heller per 100 francs for drafts on Paris, and 117 kronen 40 heller per 100 marks for drafts on Berlin. The banker here will then determine which can be sold to best advantage—whether a draft on London, Paris or Berlin—and then remit to Prague a draft on the point selected, or instructs his Prague correspondent to draw his own draft on point selected for his account.

CHAPTER IX.

FOREIGN COMMERCIAL FORMS.

Circular Letter of Credit.

A Circular Letter of Credit (See Exhibits "A" and "G"), as its name implies, is a circular letter in printed or lithographed form addressed by a bank (or financial institution) issuing same, to its correspondents in foreign countries, directing that they honor the drafts of the holder, whose signature appears thereon for identification, for such sums as the holder may require, not exceeding, of course, the amount for which credit is drawn.

These letters of credit are designed to provide the holders a means of obtaining money wherever presented throughout the world, to meet their expenses of travel, and at the same time to avoid the inconvenience and risk of carrying upon their person a large sum in currency or gold.

Upon presentation of this credit to a paying correspondent, a list of which is usually printed on the second sheet of credit, or separately, and stating the amount the holder wishes to draw, expressing same in the kind of money for which credit is issued, that is, so many pounds, francs or marks, as the case may be, such correspondent, after referring to its files to verify the genuineness of the credit, signatures of officials of bank or concern issuing same, etc., with which it has been previously furnished, will fill out a form of draft (See Exhibit "C") for amount asked for, and after obtaining the holder's signature thereto, will pay, in the money of the country where presented, the equivalent of the amount asked for, and charge or enter that amount in space provided on second page of credit. (See Exhibit "B.") The draft will be drawn upon and be sent to the bank or bankers named on the face of the credit. Such draft will also specify the number of the credit, date of issue, name of issuing bank, etc.

When the credit shows the holder to have drawn the full amount of same, it will be taken up, attached to the last draft drawn, and be forwarded to the bank named on its face, for proper cancellation and return to issuing bank.

Letters of credit wanted for use in several countries are usually issued in sterling money, for the reason that exchange on London is generally preferred.

Notwithstanding a letter of credit may stipulate the purchaser is entitled to receive a specified amount in pounds sterling (English money), if presented, say in Germany, payment

would be made in marks (German money); if presented in France payment would be made in francs (French money), etc.; or if in other countries the holder would receive the money of the country in which presented and the amount paid would represent the equivalent of the number of pounds sterling asked for, at the current rate of exchange of that day upon London, and such rate would include a commission to the paying correspondent for cashing.

The issuing of letters of credit in one kind of money (pounds sterling) to holders intending to travel in countries other than Great Britain, is usually unsatisfactory, since the holder is seldom posted as to the rate of exchange on London or the amount in the money of other countries they are actually entitled to.

If holders of letters of credit, drawn in English money, when using same in other countries—countries other than those using the monetary system of Great Britain—will take the trouble to ascertain at one or two banks the rate of exchange for a check upon London, it would post them as to the amount they should receive upon their letter of credit for a given number of pounds. For illustration: If you are in Germany and the rate quoted by a bank for a check on London was say M. 20.42 (20 marks 42 pfennigs for one pound sterling), you would understand you should receive about 204 marks 20 pfennigs for each 10 pounds sterling drawn upon your credit, less a small commission for bank's service.

Banks, to issue their own letters of credit, must have funds to their credit in a bank at London, or whatever place credit is drawn upon. For that reason only the larger class of banks or financial institutions undertake to issue their own letters of credit. The smaller banks sell the credits of others and receive a certain commission on sales of same.

Circular letters of credit are usually sold at a slight advance over the rate for a demand check upon London or city upon which drawn, for the reason the credit will not likely be presented for full payment for several weeks or months and an allowance has to be made for the possible fluctuation in the price of exchange. An additional charge of about 1 per cent is generally made by the selling bank for the service.

The following are the terms upon which letters of credit are usually sold:

1. At the posted rate of exchange for bankers' checks on London, plus 1 per cent commission, the unused portion, if any, to be bought back from the holder of the credit on its return at the current buying rate of exchange for bankers' checks on London.

2. Against deposit of collateral (bonds, stocks, etc.) for an amount of sufficient value to more than cover the face amount of credit. Drafts drawn against credits issued on this

basis are charged to a temporary bank account in the name of the holder of the credit, at the current selling rate of exchange for London demand checks, plus 1 per cent commission and usually 15 days interest at 5 per cent, adjustment of the account to be made upon surrender of the credit.

3. Against a satisfactory guarantee of reimbursement for all drafts drawn against the credit, at current selling rate for London checks, plus 1 per cent commission and interest for 15 days. The latter charge is intended to cover the approximate time between payment abroad and reimbursement. (See Exhibit "D.")

It is not unusual to issue circular letters of credit so they may be used by two or more persons. This is done by entering on the credit the names of the persons who may draw upon same, and having each sign their name in space provided for signature of holder of credit.

Purchasers of letters of credit are required to sign a form of "agreement" therefor, as per exhibit "E," which agreement must also bear two or more additional signatures of the purchaser. One of these signatures is retained by bank issuing the credit, and one is sent to the foreign bank upon which credit is drawn. The latter is accompanied by a form of advice or letter showing number of credit, date of issuance, amount for which drawn, name of purchaser and date of expiration of credit. When drafts drawn against credit are received by the foreign bank upon which credit is drawn—as named on face of credit—the signatures are then compared with those previously received, the amount charged to issuing bank's account and the draft is then sent to the bank issuing credit for debit to purchaser's account.

As it would be impracticable to furnish each paying correspondent throughout the world with a copy of the signature of every purchaser of letters of credit, the genuineness of the credits presented are verified by comparing same with sample previously furnished each correspondent, by the issuing bank, such sample containing facsimiles of the signatures of all officials of issuing bank authorized to sign letters of credit.

Exhibit "A"

Reduced Specimen Copy of

CIRCULAR LETTER OF CREDIT.

AMERICAN EXPRESS COMPANY

CIRCULAR LETTER OF CREDIT.

No 1915

New York, February 29th 1906

Gentlemen,

Howard K. Brooks

whom we hereby authorize to draw at sight on the AMERICAN EXPRESS COMPANY, LONDON, to an aggregate amount of

One Hundred

Pounds Sterling (£ 100)

We engage that such Drafts shall meet with due honor in London if sighted here February 29th 1906

Each draft must bear the number of this letter of Credit, be signed in your presence and the signature compared with the one above.

THE AMOUNT OF EACH DRAFT MUST BE ENDORSED ON THIS LETTER OF CREDIT.

Your presentation of a draft drawn against this letter will be considered a guarantee to the American Express Company that you have complied with these requirements.

Yours very respectfully

AMERICAN EXPRESS COMPANY.

This Letter of Credit must be cancelled and attached to final draft drawn.

NOT EXCHANGEABLE

To Messieurs the Bankers named in the accompanying list of correspondents.

The signature of

Howard K. Brooks

Exhibit "B"

Form of Second Page of

CIRCULAR LETTER OF CREDIT.

THE AMOUNT OF EACH PAYMENT MUST BE ENTERED BELOW, and endorsements be made with care and exactness, for once entered, they must be allowed to remain without erasure or alteration.

This Letter of Credit must be canceled when exhausted and attached to the final draft drawn hereunder.

Date When Paid.	BY WHOM PAID.	NAME OF CITY.	AMOUNT.	
			EXPRESSED IN WORDS.	IN FIGURES.

Exhibit "C"

Specimen Copy of Form of Draft Drawn Against

CIRCULAR LETTER OF CREDIT.



SHANGHAI, _____ 190_____

EXCHANGE FOR _____

ON DEMAND OF THIS FIRST OF EXCHANGE
(SECOND OF THE SAME TENOR AND DATE NOT PAID) PAY TO THE ORDER OF THE
HONGKONG AND SHANGHAI BANKING CORPORATION

THE SUM OF _____

_____ VALUE RECEIVED

UNDER _____ LETTER OF CREDIT No _____

DATED _____

TO _____



Exhibit "D"

Reduced Specimen Copy of

LETTER OF CREDIT GUARANTY.

190

Received from the AMERICAN EXPRESS COMPANY its Letter

of Credit No. _____ dated _____ 190_____

in favor of Mr. _____

of _____ amounting to

_____ Pounds Sterling (£ _____)

in consideration whereof, we agree to reimburse the American Express Company on demand, the above amount or such portion thereof as may be drawn upon such Letter of Credit, together with exchange, interest and charges.

We further agree that in case such Letter of Credit be stolen or otherwise lost, the American Express Company in New York, London or Paris shall be immediately notified thereof by telegraph, and we hereby authorize the American Express Company to send its usual circular to its correspondents notifying them of the loss or theft and also to take all such precautions as it may deem advisable for the prevention of fraud, we agreeing to pay all the expenses attending same.

Signature of Purchaser.

Signature of Guarantor.

Exhibit "E"

Reduced Specimen Copy of

Purchaser's Agreement for Letter of Credit.

_____ 190_____

Having been furnished with an AMERICAN EXPRESS COMPANY'S

Letter of Credit No. _____ dated _____ 190_____

or the sum of _____ Pounds Sterling

(£ _____), and to expire on _____ 190_____

in consideration thereof I agree that in case such Letter of Credit be stolen or otherwise lost, the American Express Company in New York, London or Paris shall be immediately notified thereof by telegraph, and I hereby authorize the American Express Company to send its usual circular to its correspondents, notifying them of the loss or theft, and also to take all such precautions as it may deem advisable for the prevention of fraud, and I agree to pay the expenses attending same.

Signature of Purchaser.

Address _____

=====

(1) _____
Specimen signature of Purchaser of Letter of Credit No. _____

(2) _____
Specimen signature of Purchaser of Letter of Credit No. _____

(3) _____
Specimen signature of Purchaser of Letter of Credit No. _____

Letter of Indication.

A letter of indication is sometimes used in connection with circular letters of credit. Such letter is simply a letter of introduction of the holder to the foreign paying correspondents, bearing the signature of the holder for identification. This letter (see Exhibit "F") in substance states that a certain circular letter of credit, giving the number, date, etc. (not the amount) has been issued to such a person (naming holder) and requests that same be duly honored.

Where such letters are used the purchaser's name will not appear upon the circular letter of credit, so in case the latter is lost, or, for that matter, the letter of indication, it would be of no use to the finder, for a bank abroad would not pay either unless both were presented together. Purchasers are requested to carry the letter of credit separately from the letter of indication to avoid both being lost together. This letter of indication is used simply to diminish the risk attending the issuing of circular letters of credit in the case of their loss. (See Exhibit "G," showing circular letter of credit having letter of indication feature.)

Exhibit "F"

Specimen Copy of Form of

LETTER OF INDICATION.

COMMERCIAL NATIONAL BANK

OF CHICAGO

Chicago, U.S.A.,

To our Correspondents as listed herein :

This serves to introduce to you

M.....,

the bearer of our Circular Letter of Credit

No..... dated

a specimen of whose signature is at the foot
hereof.

COMMERCIAL NATIONAL BANK

OF CHICAGO

.....

.....

.....

SIGNATURE:

.....

.....

LIST NO.

This Letter of Indication generally appears on the first page of book containing list of Foreign Correspondents.

Exhibit "G"

Reduced Facsimile Specimen Copy of

CIRCULAR LETTER OF CREDIT.

Used with Letters of Indication.

Circular Letter of Credit.

No 0000

Commercial National Bank
OF CHICAGO.

Chicago, Ill. U.S.A.

Gentlemen,

We beg to introduce to you

M in whose favor we have opened a credit for £ _____ say _____
up to the aggregate of which amount _____ POUNDS STERLING
draw demand drafts on the _____ is authorized to

Bank of Scotland, 19 Bishopsgate Street, London.

Each draft is to be plainly marked as drawn under Commercial National Bank's Letter of Credit No. 0000

We engage that such drafts shall meet with due honor in London if negotiated within _____ months from this date, and request you to buy them at the rate at which you purchase demand drafts in London and collect your charges if any, from the bearer hereof.

The amount of each draft must be endorsed hereon, and this Letter, when exhausted, should be cancelled and attached to the last draft drawn.

M _____ has been provided with our Letter of Indication No. _____ to which _____ signature for identification _____

We are, Gentlemen,
Yours very respectfully,
Commercial National Bank of Chicago

COUNTERSIGNED

NOT EXCEEDING

To Messieurs
The Banks & Bankers named in
our Letter of Indication No. _____

Foreign Drafts or Checks.

Foreign drafts or checks (see Exhibits "H" and "I"), payable on demand for any amount desired, are issued by nearly all banks, bankers and financial institutions. Some of the banks and bankers in the larger cities keep funds deposited with banks at the principal foreign cities, against which these drafts are drawn direct, while most banks, bankers and foreign exchange dealers issue drafts through an arrangement with concerns having foreign accounts. (See Jobbers of Exchange.)

They are usually issued in the currency of the country where payable, that is, for so many pounds, shillings and pence on England, or so many marks and pfennigs if on a place in Germany, etc. In lower left corner a space is provided for entering the name of the bank or banker abroad who will cash the draft upon presentation. Nearly all foreign drafts are payable under an "advice" system, as follows: At time of issuance of draft a form of notice or advice giving number of draft, date of issue, amount and name of payee (person who should receive the money) is sent by first outgoing mail to the bank or banker abroad whose name appears on draft as paying correspondent, requesting that the draft be honored upon presentation; such advices bear the known signature of an official of the bank issuing same. In cases where issuing bank does not have its own foreign accounts the "advice" of issuing bank is at once mailed to the jobbing bank or concern through whom the selling bank has arranged for issuance of such paper, accompanied by check for net amount due jobber, whereupon the jobbing bank immediately mails "advice" to foreign bank.

Exhibit "H"

Reduced Facsimile of

FOREIGN CHECK.

No. 1322500

PARIS: 1, RUE MONNE.
KASSEL: 1, BERNHARDTSTRASSE.
GENOVA: 1, PIAZZA SAN MARCO.

190

AMERICAN EXPRESS COMPANY

CHEQUE

Chicago, Ill., U. S. A.

On presentation of this Cheque, pay to the order of the bearer

AMOUNT IN FIGURES.			

NEW YORK: 65, BROADWAY.
LONDON: 13, BUCKINGHAM STREET.
GENOVA: 1, SAN MARCO PLACE.

To the order of _____

at _____

To _____

Countersigned:

W. H. M. G.
Treasurer.

Agent.

CANCELLED
AMERICAN EXPRESS COMPANY
SAFE & DISPATCH

Exhibit "I"

Reduced Facsimile of

BANK FOREIGN CHECK.



NO. 1373650

CHICAGO SAVINGS BANK,

CHICAGO, ILL.,

190

ON PRESENTATION OF THIS CHEQUE, PAY FROM OUR BALANCE,

AMOUNT IN FIGURES.	

TO THE ORDER OF

TO

AT



CHICAGO SAVINGS BANK, CHICAGO, ILL.

1906, July, 1907

Travelers' Cheques.

While there are several kinds of travelers' cheques, all quite similar in form and intended for the same purpose, we shall only undertake to describe the travelers' cheques of the American Express Company, since that company was the originator of the system and its cheques are best known throughout the world. (See Exhibit "J.")

These cheques are designed for use and convenience of travelers and tourists in the United States and all foreign countries, and are accepted or cashed as readily as would be the currency of the country where traveling, and are safer to carry than gold or currency by reason of provisions for refunding on lost, stolen or destroyed cheques. These cheques might be properly termed "International Money" or "Universal Currency" by reason of their being accepted in every civilized country of the world at the values expressed in print on their face.

They are issued in fixed denominations of \$10, \$20, \$50, \$100 and \$200 each, in American money, and have printed thereon the equivalent values in the moneys of the various foreign countries, thus enabling holders to know the exact amount they should receive. For illustration: Take a cheque of \$20.00 denomination as per Exhibit "J." Upon the face it reads: "When countersigned below with this signature (meaning holder's or purchaser's signature) the American Express Company will pay to the order of (space for entering name of bank, hotel, etc., cashing cheque) \$20.00. In the United States and Canada, \$20.00. In England, Ireland and Scotland, £4 1s 8d. In France, Belgium and Switzerland, 102 francs, 50 centimes. In Germany, 83 marks 30 pfennigs. In Italy, (gold) 102 lire 50 centesimi. In Norway, Sweden and Denmark, 73 kronors, 39 ores. In Holland, 49 florins 2 cents. In Austria-Hungary, 98 kronen. In Russia, 38 rubles 46 kopecks." Below this is the printed signature of the treasurer of the company and space for counter-signature of holder.

With the exception of the purchaser's signature, which must be affixed in the upper left corner at the time of purchase, the spaces for date, place of payment, to whom payable and counter-signature of holder, are left blank to be filled out at the time of use. These spaces are then filled out just as you would write your personal check; and by writing your signature thereon in the presence of the cashier or person paying, your identification is established, no other identification being required.

These cheques are sold at the face value plus a commission of $\frac{1}{2}$ of 1 per cent or 50 cents per \$100, upon same terms as for circular letters of credit, namely, for cash, under guaranty of purchaser for reimbursement, and against deposit of collateral security. See form of Guaranty, Exhibit "K," and form of Collateral Security Contract, Exhibit "L."

Exhibit "K"

Reduced Specimen Copy of American Express Co.

(519
Feb., 1908.)

Travelers Cheque Guaranty.

190

Received from the **American Express Company** its **Travelers Cheques**,
as follows:

No.	DENOMI- NATION.	CHEQUES NUMBERED	
		FROM	TO—INCLUSIVE
	\$10		
	\$20		
	\$50		
	\$100		
	\$200		

amounting to _____ dollars (\$ _____),
in consideration whereof we hereby agree to reimburse the **American
Express Company** on demand for any and all of such Cheques paid by
the Company or its Correspondents, together with usual interest and
charges.

In case such Cheques or any of them should be lost or stolen we
hereby authorize the **American Express Company** to send its usual
circular to its correspondents notifying them of the loss or theft, and
also to take such precautions as it may deem advisable for the preven-
tion of fraud, we agreeing to pay any expenses attending the same.

 (Signature of Purchaser)

 (Signature of Guarantor)

Exhibit "L"

Reduced Specimen Copy of American Express Co.

Travelers Cheque

(630
June, 1896)

COLLATERAL SECURITY CONTRACT.

_____ 189

Received from the **American Express Company** its **Travelers Cheques**,
as follows:

NO.	DENOMI- NATION.	CHEQUES NUMBERED	
		FROM	TO—INCLUSIVE
	\$10		
	\$20		
	\$50		
	\$100		
	\$200		

amounting to _____ dollars (\$ _____)
in consideration whereof I hereby agree to reimburse the **American Express Company** on demand for any and all of such Cheques paid by the Company or its Agents, with interest thereon at the rate of five per cent. from date same are used, together with a commission of one-half of one per cent., having deposited with the said Company as security for payment of above named Cheques, the following property, viz.:

(Enter Description of Securities in detail.)

In the event of no other provision being made by me for payment of these Cheques, the **American Express Company** is hereby authorized to sell in such manner as it may deem proper, without notice or demand, at any Broker's Board or at public or private sale, the whole or any part of said securities, and apply the proceeds to pay any, either or all, of said Cheques, subject to a brokerage charge of one-quarter of 1 per cent.

*The above-mentioned securities
were handed me this day.*

(Signature of Purchaser.)

Agent American Express Co.

Cable Transfers of Money to Foreign Countries.

Cable transfers of money to foreign countries are made in much the same manner as are telegraphic transfers of money between points in the United States. To economize in expense for telegraphic or cable charges, and as a matter of safety, banks and financial institutions in performing such service use a telegraphic cipher code containing private test words. By the use of these codes a whole phrase, representing amount to be paid, instructions to pay, etc., is often contained in a single code word. Where money is frequently cabled to the same person, company or firm at a certain address abroad, it is customary to have such names and address registered with the foreign correspondent at place of payment so that a single word would represent the name and address of payee. We give under this heading a sample cablegram in cipher requesting payment of money abroad as an illustration of the use of cipher codes for such purpose.

Cable transfers must necessarily be effected by or through banks or financial concerns who have special arrangements for such service and who have balances (money or credit) with banks abroad where payment is to be made. An order to have a sum of money paid to a person, say in London, given to a bank or foreign exchange house in Chicago, by 9:00 a. m. would usually be paid in London the same day, notwithstanding the difference in time between these two cities is six hours, or in other words, when it is 9:00 a. m. in Chicago it is 3:00 p. m. in London.

It is customary to charge a higher rate of exchange for a cable transfer than for a draft or check of like amount and the sender is expected to pay the cost of telegraph and cable charges.

Form of Cipher Cablegram Requesting Payment of Money Abroad.

ILLUSTRATION.—The firm of H. J. Meyerfield & Co. of Chicago wish to have two thousand five hundred pounds sterling paid to Johnson, Gladstone & Co., 153 Threadneedle St. (E. C.), London, England, for their account.

The message given to telegraph company for transmission would be as follows (cipher words are fictitious):

NATIPROV, LONDON, MURTIER, MYERSON, MARDADIE.

Translated, these cipher words would mean:

(NATIPROV)—To the National Provincial Bank of England, Ltd.

(LONDON)—London, England.

(MURTIER)—Pay to the person(s) named in this cablegram.

(MYERSON)—Johnson, Gladstone & Co., 153 Threadneedle St., (E. C.) London, for account of H. J. Meyerfield & Co., Chicago, Ill., U. S. A. (Registered).

(MARDADIE)—(£2,500) Two thousand five hundred pounds sterling.

NOTE.—Each bank and financial concern transacting business of this kind uses different cipher words and as a rule have a different system of test words, the above illustration being given to show only the general method used in the transfer of money by cable.

Foreign Postal Remittances.

One of the most popular and satisfactory methods of remitting money to places in Russia, Italy, Norway, Sweden, Denmark, Austria-Hungary, Finland, and to some sections of other European countries, is by what is known as the Foreign Postal Remittance, or Bank Post Money Order (see Exhibits "M" and "N"). This is a system intended to provide for payment of money at smaller places where there are no banks, but by reason of its convenience it is very often used even though there are banks at point of payment. Among the less educated foreign classes it is used almost exclusively for remittance to the countries named, since the sender has only to furnish the address of the person abroad to whom it is desired the money should be paid and the payment is arranged for and effected by the bank or dealer selling the exchange. A foreign postal remittance blank usually comprises four stubs: the first being the selling bank's record or memorandum of the transaction; the second, the advice of the bank or dealer, containing the complete name and address of sender, amount in foreign money to be paid, and name of sender, which is either sent to the jobber in this country through whom selling bank or dealer transacts its foreign remittance business or is sent direct abroad by the sellers to their own correspondents with whom they keep an account. The third stub is a form of receipt which is given to the sender to keep, and the fourth (not always used) is a stub upon which is printed in all the various foreign languages a notice to the payee to the effect that a certain sum of money had been sent to them and in case it is not received within a reasonable length of time they should communicate with a certain bank or agency named to whom was intrusted the forwarding of the money.

When money is sent by this method the purchaser or sender is not given a draft or check to mail to payee, but instead the sender relies upon the selling bank or dealer to effect payment, which is done in following manner:

The selling bank or jobber, upon receipt of the advice form giving address of payee, amount, etc., sends this "advice" to its nearest principal bank correspondent in the country in which the payment is to be made. The foreign bank correspondent encloses in an envelope the exact amount in currency of country where payable and registers the package of currency direct to address of payee through the postoffice, and it is

then delivered by the local postmaster or mail carrier at the place payable, just as letters or packages are sent by registered mail in this country.

The convenience of this system lies in the fact that payee is not obliged to take a check to a bank and be identified before he can obtain his money, and where the payee is unfamiliar with banking methods, as is often the case with the poorer classes of people, it is far more satisfactory to have the exact amount in the currency of the country delivered to him at his residence or place of business.

In the sale of foreign postal remittances it is customary to charge, in addition to the market rate of exchange for amount in foreign money, a postage fee for registration abroad, usually 10 to 15 cents for each remittance.

It is always of great importance in transactions of this nature that the name and address of the payee be very complete and accurate.

Exhibit "M"

Reduced Facsimile of American Express Co.

FOREIGN POSTAL REMITTANCE.

REMITTERS RECEIPT - FOREIGN POSTAL REMITTANCE. No. 285295 American Express Company

Received from _____ State _____ 190_____

Address _____

For Remittance to _____

At _____

Amount Foreign Money _____ @ Rate _____ \$ _____

Postage charge, etc. \$ _____

Total. \$ _____

Agent _____

FATES BETHE - FOREIGN POSTAL REMITTANCE No. 285295 American Express Company

(100, (over 100))

This Notice should be given to Sender of Money to be forwarded by him to the Payee abroad. If the Remittance is not received within 10 days after receipt of this Notice, Payee should address a letter to the Agent or Bank through whom the money is to be forwarded as stated below.

1890. - This notice should be given to the Agent or Bank through whom the money is to be forwarded as stated below. It must be given to the Agent or Bank through whom the money is to be forwarded as stated below. It must be given to the Agent or Bank through whom the money is to be forwarded as stated below.

1890. - This notice should be given to the Agent or Bank through whom the money is to be forwarded as stated below. It must be given to the Agent or Bank through whom the money is to be forwarded as stated below. It must be given to the Agent or Bank through whom the money is to be forwarded as stated below.

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STUB OF FOREIGN POSTAL REMITTANCE. No. 285295 American Express Company

Remittance to _____ State _____ 190_____

At _____

From _____

Address _____

Amount Foreign Money _____ @ Rate _____ \$ _____

Postage charge, etc. \$ _____

Total. \$ _____

(100, (over 100))

STUB OF FOREIGN POSTAL REMITTANCE. No. 285295 American Express Company

State _____ 190_____

TO TREASURER, AMERICAN EXPRESS COMPANY, 65 Broadway, New York.

Please forward _____

Amount Foreign Money _____ @ Rate _____ \$ _____

Postage charge, etc. \$ _____

Total. \$ _____

Full Name of Party to whom the money is to be Paid.

Form with fields for Number and Street Address of such Party, City or Town, Province or Department, Country, Name and Address of Sender of Money, Name, Address.

(100, (over 100))

Exhibit "O"
 Reduced Facsimile of
FOREIGN LIMITED CHECK.

PAID <small>NEW YORK: 66 BROADWAY.</small>	AMERICAN EXPRESS COMPANY <small>FOREIGN CHECKS</small>	PAID <small>LONDON: 15 WATERLOO PLACE. MEMBERS: 11 QUEEN STREET. MEMBERS: 11 SCHMIDT STRASSE.</small>	FOREIGN CHECK	No. _____ <small>PRINT: 11 RUE SCHNE.</small>	AMERICAN EXPRESS CO. FOREIGN CHECK.
When countersigned by the Company's authorized Agent, pay this Check from our balance,			REMITTER'S RECEIPT. KEEP IT.		
To the order of <i>Allen J. Miner</i>			AMOUNT. <i>Foreign Money \$20.00</i>		
<i>Seventy-four and 40/100</i>			Date <i>4/11 1903</i> sent to <i>Allen J. Miner</i>		
PROVIDED the written amount, not including fractional money, DOES NOT EXCEED THE HIGHEST PRINTED MARGINAL AMOUNT herein in the money of the Country upon which the Check is drawn. This Check is VOID if detached from the left marginal figures, or if any erasure, alteration, endorsement or mutilation thereof is made.			By <i>Fred Hart</i>		
To <i>American Express Co. 15 Via San Lorenzo</i>			If the above described Check is presented to the Company without the countersignature of the Remitter, the Company will refund to the Remitter the face value thereof upon presentation of the Remitter's Receipt and the Remitter's Bond of Indemnity.		
Issued at <i>New York State N.Y.</i>					
AMERICAN EXPRESS COMPANY.			COUNTRESIGNED		
TREASURER: <i>John J. Larkin</i>			Agent.		
15 Via San Lorenzo			APRIL 11 1903		
at <i>New York State N.Y.</i>					

Limited Foreign Checks.

A form of order or check, limited to \$50 or the equivalent in foreign money, is issued by some of the leading express companies, and affords a convenient and safe method of sending small sums to a foreign country. As will be seen by Exhibit "O" it is similar in form to an express money order, except that instead of being drawn in dollars and cents, United States money, only, it may be drawn in the money of almost any foreign country. These checks are sold at a fixed rate of exchange plus a small fee and are paid promptly abroad by foreign bank correspondents without waiting for an "advice" from issuing office.

Foreign Postal Money Order.

The United States Government issues at postoffices in principal towns and cities an international money order, limited in amount to \$50.00 or the equivalent in foreign money, which is payable in principal foreign countries. These orders are sold at a fixed rate of exchange plus a fee (see Exhibits "P" and "Q"). A receipt bearing duplicate number and also containing name and address of payee is given to the purchaser to keep (see Exhibit "Q").

UNITED STATES OF AMERICA.

Chicago, Illinois

No 243114

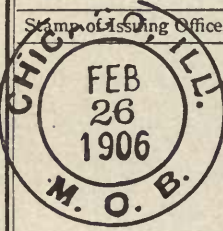
The ADVICE sent to Exchange Office at

New York

Stamp of Issuing Office.

Country of Payment.

Amount in U.S. Money



Great Britain

Dollars. Cents.

\$ - 37

(Write above "Russia," or "Italy," etc.)

INTERNATIONAL

MONEY ORDER

IN FOREIGN MONEY

£0 = 1 = 6.

MANDAT DE POSTE INTERNATIONAL.

The Postmaster at
L'Agent des Postes à

London.

(Country)
Pays

England

Pay to the person named in my Advice of this number, the sum of
Payez à la personne nommée dans mon avis le ce numéro, la somme de

One Shilling

Remitter should compare amount in order and receipt.

Signed
Fred a Russe

Postmaster.

FEB 26 1906 (Date of issue.)

INSTRUCTIONS TO REMITTERS.

If payable in France, Algeria, Great Britain, or a British Colony, send this order to payee, who should present it for payment at office drawn on.

If payable in any other country, the amount will be paid on another form, issued by the country of payment.

Received the amount of the above Order.
Reçu le montant du mandat ci-dessus.

Stamp of paying office.

Timbre du bureau payeur.

Exhibit "P" Reduced Facsimile of FOREIGN POSTAL MONEY ORDER.

DETACH HERE! THIS ORDER IS TO BE GIVEN TO THE PURCHASER.

REMITTER SHOULD KEEP THIS RECEIPT.

Chicago, Illinois No 243114

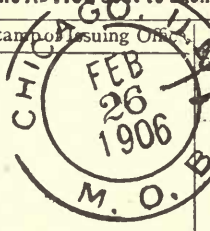
The ADVICE sent to Exchange Office at

New York

Stamp of Issuing Office

Country of Payment.

Amount in U.S. Money



Great Britain

Dollars. Cents.

\$ - 37

(Write above "Greece," or "Italy," etc.)

RECEIPT FOR INTERNATIONAL MONEY ORDER.

IN FOREIGN MONEY

£ 0 = 1 = 6

RECU D'UN

MANDAT DE POSTE INTERNATIONAL

London.

Payable at } Payable à }

(Country) Pays

England

For the sum of Pour la somme de

One Shilling

Remitter should compare amount in order and receive

Sur un

Red a Russe

Postmaster.

FEB 26 1906

190 (Date of issue)

Beneficiaire

John M. Grant

84 Queen

No.

Street.

Town or City - Ville ou Village

London

Department, Province or County / Département, Province ou Canton

England

Name of Remitter / Nom de L'Expéditeur

H. K. Brooks

Exhibit "Q" Reduced Facsimile of Receipt for FOREIGN POSTAL MONEY ORDER.

BE DETACH HERE: THIS RECEIPT IS FOR THE REMITTER, WHO IS TO KEEP IT.

Foreign Commercial Bill of Exchange.

The basis of a foreign commercial bill of exchange is, as its name implies, a commercial transaction of international character, which consists in the purchase of goods or commodities in one country for export to another country. The "draft" represents the money value of the goods which is due the exporter. The bill of lading is the contract between the transportation company and the shipper for the carrying of the goods and also serves as the order for their delivery. The insurance certificate is the certification of the Marine Insurance Company of reimbursement in case goods are lost by fire or accident while enroute on the ocean. These three documents—the draft, bill of lading and insurance certificate—comprise what is termed a foreign commercial bill of exchange. They are almost invariably issued in duplicate, for fear one set may be lost in its transmission abroad by mail; one of each set being marked original and the other duplicate, or sometimes one of the drafts will read First of Exchange and the other Second of Exchange.

Foreign commercial bills of exchange are also known as documentary bills of exchange by reason of the bill of lading and insurance certificate accompanying the draft. It is customary to send the originals of the three documents by first steamer, the duplicates or seconds by following steamer. If the original set is lost the duplicate serves the same purpose, and vice versa.

The process by which a foreign commercial bill of exchange drawn against commodities exported is created and handled and reaches its destination may best be illustrated by an actual transaction; and for such purpose the illustration will be given of a commercial bill of exchange drawn against a shipment of flour, flour being one of our chief exportable commodities.

The shipment of flour in question, destined to Liverpool, Eng., was delivered to the Soo Freight Line at Minneapolis, Minn., operating over the Minneapolis, St. Paul & Sault Ste. Marie and Canadian Pacific Railways, and a "through" bill of lading in duplicate was obtained. This through bill of lading is a form of contract issued by virtue of special arrangements with connecting ocean lines, by the term of which it is agreed, under conditions printed thereon, to transport the shipment through to destination at foreign port (Liverpool). It states the number of packages, how they are marked, their contents, the particular grade or brand of flour and the name and location of the party for whom goods are intended. It is negotiable only by endorsement of the exporter, to whose order it is drawn. (See Exhibit "R.")

Upon presentation of this evidence of shipment a marine insurance company has issued a certificate of insurance, under

the terms of which they agree to reimburse the owner of the goods in case of the loss of the shipment by fire or accident while enroute on the ocean. This shipment, as is the usual custom, is insured for about 20 per cent in excess of its billed value. (See Exhibit "S.")

The exporter then attached to these documents a draft for the amount for which flour was sold, namely £457 12s 10d. Had this shipment been destined to a point in Germany, the draft would have been drawn in marks; if to France, in francs, etc.; usually in the money of the country to which it is going, but very often it is drawn in English, French or German money although destined to some other countries, by reason of exchange on countries named being preferred. (See Exhibit "T.")

In this case the exporter agreed to allow the buyer sixty days' time in which to pay draft, after its presentation. The original draft reads: "Sixty days after sight of this first of exchange (second unpaid) pay to the order of ourselves 457 pounds, 12 shillings and 10 pence, against Soo Line through B-L. No. 1548, dated May 16, 1901, for 2,000 sacks flour, branded 'Dakota,'" and is signed "Northwestern Consolidated Milling Co., by H. E. Kent, Cashier," the latter being termed the "drawers." In the lower left-hand corner it reads: "To James Corwith & Co., Liverpool, Eng.," they being the buyers, or, as we term them, the "drawees."

Now these three documents drawn to the order of the exporters (Northwestern Consolidated Milling Co.) comprise a commercial bill of exchange. (See Exhibits "R," "S" and "T.")

Upon the same day that these documents were issued and practically before the flour had started on its long journey, the exporters offered this bill of exchange for sale. It was sold to the Security Bank of Minnesota, Minneapolis (they being the highest bidders) at the rate of \$4.84 per pound, who in turn resold it to the American Express Company at \$4.84½ per pound. The endorsements on back of draft upon its return from abroad read:

"Northwestern Consolidated Milling Co., by H. E. Kent, Cashier."

"Security Bank of Minnesota, by Thomas F. Hurley, Cashier."

"Pay to the order of National Provincial Bank, Liverpool, American Express Co., by James F. Fargo, Treas."

The latter indorsement shows the papers to have been sent to Liverpool for collection. The bank at Liverpool notified James Corwith & Co. to call and accept draft, which they did by writing "accepted" and the date over their signature.

About fifteen days afterward the flour arrived by slow steamer, and, being in immediate need of it Corwith & Co., in order to obtain the bill of lading had to pay the draft, the

instructions stamped on draft reading: "Surrender documents upon payment only." Now, as Corwith & Co. paid this draft forty-five days before it was due, the bank, as is customary, allowed them the prevailing rate of discount applicable to that class of bills, which was 2 per cent (or £1 3s 5d). The difference, £456 7s 5d was placed to the credit of the American Express Co. by the bank, which closed the transaction. Had the instructions on draft read "Surrender documents upon acceptance of draft," the bill of lading would have been delivered to Corwith & Co. when draft was accepted, thus enabling Corwith & Co. to obtain goods at once and pay the draft sixty days afterward, or at its maturity.

The method of determining the value of this commercial bill of exchange, that is, what could be paid for it, was based upon: 1st, the price demand exchange on Liverpool could be sold for; 2d, the cost of revenue stamps to be affixed when draft was accepted abroad; 3d, the interest for the number of days for which draft was drawn plus three days of grace (63 days). To better illustrate the method of buying this particular bill, or rather, of determining what could be bid for same and allow a reasonable profit, the following figures are given:

Rate per £ at which exchange on Liverpool could be sold upon date of purchase	4.8655
Cost of revenue stamps per £ which had to be affixed to draft when accepted (1-20 of 1% of rate, or 1s per £100 or fraction) . . . . .	.0024
Interest per £ for 63 days at 2% (discount rate) . . . . .	.0167
	.0191
Net worth of bill after being discountedper £	\$4.8464

PROFIT TO PURCHASERS:

- The Security Bank of Minn. paid \$4.84 per £ and sold same at 4.84½ per £, or ½ cent higher, which on £457.12s. 10d. netted them for their endorsement of the draft and trouble \$0.57
- The American Express Company paid \$4.84½ per £ and sold demand draft(s) against same on same day payable in Liverpool at rate of \$4.8655 per £, which on £457.12s 10d netted them for their endorsement, investment of \$2215.56 (cost) and trouble of collecting, \$2.29, or ½ cent per pound profit.

Frequently shippers attach to the other documents an invoice of the shipment, which was done in the case above cited. (See Exhibit "U.")

Exhibit "S"

Reduced Facsimile of CERTIFICATE OF INSURANCE, On Shipment to a Foreign Country.

Form 112.

IT IS HEREBY UNDERSTOOD AND AGREED, that all cases of loss or damage happening to the property insured under this Certificate shall be reported to the Company, or their Agents, as soon as known. In case this allowance is to be settled by arbitration, a surveyor duly appointed by the Company, in case this allowance is to be settled by arbitration, a surveyor being appointed by each party, and in case they fail to agree, they to choose another arbitrator and his decision to be final, the loser in case of arbitration to pay all arbitration fees. No sale at auction is to be made without agreement.

Shipment to ports and places in United Kingdom or in Great Britain or Channel Islands or in Mediterranean Ports subject to F. A. E. C. terms hereon, unless otherwise endorsed. All Risks clause as per policy. Shipments to all other points subject to F. A. E. C. terms hereon. On shipments to London - This Company is not liable for damage while in Barges, unless actually caused by stranding, burning, or collision.

Marks and Nos.

1000, 100 Not
Dakota
563 590
Sample Copy

See Invoice
B-154

\$2400 sea

DUPLICATE.

No. 435247

Insurance Company, Limited.

HEAD OFFICES, EXCHANGE BUILDINGS, LIVERPOOL.

CHUBB & SON, General Agents, 5 & 7 South William Street, New York.

MINNEAPOLIS, MINN., May 16 1905

This is to Certify, That on the 10th day of May 1905 this Company insured under Policy No. 3965, for Northwestern Consolidated Milling Company,

the sum of Twenty four hundred eighty Dollars in Gold, on Two thousand seven hundred and fifty valued at sum insured, shipped by Rail Road and Steamer and inland conveyances at and from Liverpool to Boston and at and thence per Steamer or Steamers to and it is hereby understood and agreed, that in the event of loss, such loss is payable to the Order of the Insurer of this Certificate.

This Certificate represents and takes the place of the Policy, and conveys all the rights of the Original Policy-holder (for the purpose of collecting any losses or claims), as fully as if the property was covered by a special Policy direct to the holder of this Certificate, and the Insurer is relieved from any liability for unpaid premiums.

Not Valid unless Countersigned by

Countersigned, Chubb & Son General Agents.

IT IS HEREBY AGREED, that any loss or claim under this Certificate, shall be paid in Sterling, at the offices of the Company, in Liverpool, at the rate of Four Dollars and ninety-five cents (54 7/8) Gold to the Pound Sterling. Claims to be adjusted according to the usages of Lloyds, but subject to the conditions of the Policy and Contract of Insurance.

NOTICE.—To conform with the Revenue Laws of Great Britain, in order to collect a claim under this Certificate, it must be stamped within ten days after its receipt in the United Kingdom.

Exhibit "T"

Reduced Facsimile of FOREIGN DRAFT. Drawn Against a Shipment to a Foreign Country (NOTE.—The "Second of Exchange" is shown because "First of Exchange" was mutilated.)

THE NORTHWESTERN CONSOLIDATED MILLING CO.

£457-12-10

PAYABLE

Minneapolis, Minn.

MAY 16 1901

*Sixty days after sight of the SECOND of exchange drawn on and paid, pay to the order of ourselves **four hundred and seven Pounds 12/10 Sterling** against *Do & Co* **£1548** dated *Do* **MAY 16 1901***

FOR THE ORDER OF *Satchel & Co* **Dakota.** *Satchel & Co*

Value received and charge the same to account of

FOR THE ORDER OF *James Corwith & Co* **Liverpool** *England*



Northwestern Consolidated Milling Co.
By A. E. Kent

3712

Cashier

FORM NO. 35 OCT. 1901. 2M

Exhibit "U"
Reduced Facsimile of
INVOICE OF SHIPMENT
To a Foreign Country

Should there be found any error in this invoice communicate at once with us and the mistake will be immediately rectified. Do not refuse payment of Draft.

James. Corwith & Co
Minneapolis, Minn. May 16 1902.
Liverpool Eng



Bought of

ORDER OF *4/11 - 890*
CAR NO *Doc Line*
BR - B-1548

LINE *Requard*
TERMS *60 days*
FRY PREPAID TO *Boston*

FORM 20 OCT. 601-30 M

<i>2000-140, Box Dakota</i>	<i>10/13/00</i>	<i>506-17-6</i>
<i>also Feb 280000 C. 9844</i>		<i>49-4-8</i>
		<i>457-12-10</i>

DUPLICATE.

Commercial Letters of Credit.

A commercial letter of credit, or, as sometimes called, a mercantile letter of credit, instead of being designed for use in obtaining funds to meet expenses of travel, as is the case with a circular letter of credit, is intended for use of mercantile houses desiring to import goods, in obtaining credit in the purchase of goods in a foreign country. (See Exhibit "V.")

It is not necessary for the purchaser of a commercial letter of credit to present same in person. Should he desire to make purchases or obtain credit with a foreign merchant he can forward credit to the merchant for that purpose. Through these credits goods can be purchased in any part of the world, either for cash or upon 30, 60, 90 days and often six months time, according to agreement.

Upon presentation of proper evidence of shipment of goods, comprising bill of lading, certificate of marine insurance and sometimes certificates of analysis or inspection, depending upon nature of shipment, a foreign bank at point goods are shipped from would purchase the shipper's draft for value of shipment, drawn on the bank or concern named on face of credit, at the buying rate for that class of commercial paper. That is, if credit and draft were drawn in pounds sterling (English money) on London the local bank would buy draft at the market rate of exchange for that class of paper on London and reimburse itself by sending the draft and accompanying documents for credit or collection to London as instructed on credit or by reselling same in the open market.

In the use of these credits, the foreign merchant is usually required under oath, before an American consul, to make out an invoice of the goods shipped.

Commercial letters of credit are issued in pounds sterling on England, in francs on France or in marks on Germany, according to request of purchaser, but more often are issued in pounds sterling for the reason they are more easily and advantageously negotiated throughout the world.

Commercial letters of credit are usually issued in four parts. One is sent to the exporter abroad, one to the bank named on face of credit in London, Paris or Berlin, as case may be, as their authority to accept drafts drawn against same, one copy is given to purchaser or importer here, and the fourth copy is retained by the seller of the credit. On the back of the copies held by the purchaser and selling bank or concern issuing same, is a form of agreement as per Exhibit "W."

Not infrequently sellers of commercial letters of credit exact from the purchaser a trust receipt in form as per Exhibit "X," the object being to enable the seller of the credit to retain legal title to the goods shipped until drafts drawn for cost of goods are paid.

Commercial letters of credit are extensively used by merchants in the purchase of goods in foreign countries, since it would be very difficult if not impracticable for a foreign merchant to keep close track of the financial standing of a customer located in a distant land.

The terms of issue of these credits vary according to the length of time drafts are drawn payable, to the financial responsibility of applicants for credit and to numerous conditions too variable to explain.

Exhibit "V"
Reduced Facsimile of
COMMERCIAL LETTER OF CREDIT.

COPY

American Express Company

Commercial Letter
of Credit No. _____

New York, _____ 190

To _____

Dear Sir _____

At the request of _____

we hereby authorize you to draw at _____
upon the **AMERICAN EXPRESS COMPANY** at _____
for any sum or sums not exceeding in all _____

_____ (I say _____) for invoice cost of
_____ to be shipped to _____

The shipments must be completed, and drafts drawn on or before
_____ 190, each draft being drawn in original and duplicate
form. The Bills of Lading must be issued to the order of the shipper and
endorsed in blank. The original and duplicate drafts (the former accompanied
by one Bill of Lading and an abstract of the Invoice) must be sent, under
advice to the American Express Company, at _____

All remaining Bills of Lading (excepting the one retained by the Captain of
the Vessel), together with Invoice, Consular Certificate, and Insurance Certificate,
must be mailed direct to the Treasurer of the American Express Company
at New York, by the negotiating Bank or Banker, and an advice to that
effect must accompany the original draft. Each draft drawn must bear the
number and date of this Credit, and the amount of draft must be endorsed hereon.

We hereby engage that drafts drawn in compliance with the terms
of this Credit shall be duly honored upon presentation.

American Express Company,

Treasurer

Insurance to be effected _____

Exhibit "W"

Reduced Specimen Copy of Agreement for

COMMERCIAL LETTER OF CREDIT.

190

To the *AMERICAN EXPRESS COMPANY*,
New York, N. Y.

Gentlemen:

Having received from you the Commercial Letter of Credit of which a true copy is on the reverse, ^I*we* hereby agree to its terms, and in consideration thereof bind ^{myself}*ourselves* to reimburse you

the Bills drawn in virtue thereof, at the current rate of exchange for prime Bankers Bills.

It is understood that the commission under this Credit shall be
per cent

Should ^I*we* anticipate the payment of any portion of the amount payable, interest at the rate of per cent per annum is to be allowed.

^I*we* hereby give you a specific claim and lien on all goods and merchandise, and the proceeds thereof, for which you may have paid or obligated yourselves under this Credit, and on all policies of insurance, which ^I*we* hereby agree to effect on such goods and merchandise to an amount sufficient to cover your advances or engagements under this Credit. ^I*we* further agree that the title to all bills of lading covering merchandise shipped under this Credit shall be and remain in you until payment of all obligations incurred by you thereunder, notwithstanding such bills of lading may have been previously endorsed by you. ^I*we* further give you full power and authority to take possession of the said merchandise and to dispose thereof at your discretion for your reimbursement as aforesaid, at public or private sale, and to charge all expenses, including commission for sale and guarantee; and ^I*we* also agree to give you any additional security that may be demanded,

^I*we* hereby guarantee upon your executing the aforesaid Letter of Credit, that you shall not be held responsible for the correctness of the signatures of the documents representing shipment or shipments under said Credit, nor for the quality or genuineness of the merchandise declared in said documents, notwithstanding such bills of lading may have been previously endorsed by you covering such shipments.

In case ^I*we* should hereafter desire to have this Credit confirmed, altered or extended by cable (which will be at ^{my}*our* expense and risk), ^I*we* hereby agree to hold you harmless and free from responsibility for errors in cabling on the part of the cable or telegraph companies.

^I*we* further authorize you to cancel this Letter of Credit at any time to the extent that it shall not have been acted upon when notice of revocation is received by the user.

This obligation is to continue in force, and to be applicable to all transactions, notwithstanding any change in the composition of the firm, firms, Company or Corporation, parties to this contract, or of the user of this Credit.

Exhibit "X"

Reduced Specimen Copy of Trust Receipt for

COMMERCIAL LETTER OF CREDIT.

TRUST RECEIPT.

Received from the American Express Company the following merchandise, their property, specified in the Bill of Lading per

dated.....marked and numbered as follows:

and in consideration thereof, ^(I)_(we) hereby agree to hold said merchandise in trust for the American Express Company, and as their property, with liberty to sell the same for their account, and further agree, in case of sale, to hand the proceeds to said Company, to apply against their acceptances on ^(my)_(our) account, under the terms of Letter of Credit No. issued for ^(my)_(our) account and for the payment of any other indebtedness of ^(mine)_(ours) to the said Company.

The American Express Company may at any time cancel this trust and take possession of said merchandise, or of the proceeds of such of the same as may then have been sold, wherever the said merchandise or proceeds may then be found. In the event of any suspension, or failure, or assignment for the benefit of creditors, on ^(my)_(our) part, or of the non-fulfillment of any obligation, or of the non-payment at maturity of any acceptance made under said Credit, or under any other Credit issued by the American Express Company on ^(my)_(our) account, or of the non-payment of any indebtedness on ^(my)_(our) part to said Company, all obligations, acceptances, indebtedness and liabilities whatsoever shall thereupon (with or without notice) mature and become due and payable.

^(I)_(We) further agree to keep said merchandise while in ^(my)_(our) hands fully insured against loss by fire.

Dated.....

£.....

CHAPTER X.

TERMS AND EXPRESSIONS USED IN FOREIGN EXCHANGE TRANSACTIONS.

Terms and expressions are frequently used in foreign exchange transactions, as in other lines of trade, which, naturally are not clearly understood except by those thoroughly familiar with the business. In this chapter we shall undertake to explain in as comprehensive a manner as possible the use and meaning of the terms and expressions most frequently used.

ACCEPTANCE. The common title given to drafts and bills of exchange after they have been accepted. A formal agreement by signature to pay a draft or bill of exchange according to its terms. The acceptance of a draft, bill of exchange or other document consists of writing the word "accepted" on the face thereof, over the date and signature of the acceptor, who in the case of a draft is the drawee, or his agent.

Drafts drawn against exports are frequently made payable say, 30, 60 or 90 days **AFTER SIGHT**, which means after they are sighted by the drawee; hence the importance of immediately presenting drafts for acceptance. The acceptor of a draft admits the obligation and acknowledges he is liable for the debt. Should the drawee refuse to accept a draft, the maker (drawer), or indorser, may proceed by law to collect amount due without waiting the maturity of the draft. When a draft is accepted by other than the drawee or his authorized agent, it is called **ACCEPTANCE FOR HONOR**.

An acceptance of a draft or bill of exchange is considered "general" when not qualified by word "special" and made payable at a specified time and place. The acceptance is termed "qualified" when accepted for a sum less than named on face of bill, and for honor or "supra protest" when accepted by a person other than the drawee.

ACCEPTANCE FOR HONOR. Where a draft, bill of exchange or other document has been accepted for the honor of the drawee or an indorser, after it has been protested for non-acceptance.

If a drawee of a bill declines to accept it when presented, or to pay it after acceptance, any person may accept or pay it for the honor of the drawer, or of an indorser, by going before the notary public who protested the bill and making declaration that he accepts or pays the bill **FOR HONOR**. It should be stated

for whose honor bill is accepted or paid and the notary public should make note thereof.

ADVICE. When used in connection with foreign exchange transactions, refers to the notice or letter from the issuer (drawer) of a draft or bill of exchange to the bank or correspondent abroad upon which the bill is drawn, asking that the draft or bill be duly honored upon presentation, and generally instructs as to the manner of reimbursement or disposition. Nearly all foreign drafts issued are payable only upon receipt by the bank or correspondent upon which draft is drawn of the advice of issuance, which contains the number, date, amount, name of issuer and payee of the draft. It is always very important that the advice be forwarded by mail upon the same steamer carrying the draft, otherwise it might result in delay in payment of draft.

AFTER SIGHT. After presentation or after acceptance of a draft or bill of exchange. Drafts are drawn payable "at sight" or a certain number of days "after sight." If at sight it would be payable upon presentation, provided no days of grace are allowed by the terms of the contract; if, say, 30 days after sight, it would be due and payable 30 days after the draft was accepted, plus days of grace, if any.

ALLONGE. Is the term given to a piece of paper attached to a draft to receive indorsements when the draft itself has not sufficient space thereon to receive same.

BILL OF EXCHANGE. Usually refers to a draft drawn payable in a foreign country. If drawn for the value of goods exported, and the bill of lading and insurance certificate are attached, it is termed a "documentary bill of exchange." If no documents accompany same it would be called a "clean bill of exchange." Bills of exchange are usually drawn in duplicate, the originals being sent abroad by first outgoing steamer, the duplicates by following steamer. (See Commercial Bills of Exchange.)

There is practically no difference between a bill of exchange and a draft, but the term bill of exchange is commonly applied to an order for payment of money in a foreign country.

A drawer of a bill of exchange is primarily liable on it until it is accepted. The liability of the indorsers follows in the order in which they appear on the bill. After a bill of exchange is accepted the acceptor becomes the person who is liable and the drawer and indorsers' liability follow in their order. The holder of a bill of exchange may, in the event of non-payment, proceed against the drawer, acceptor or indorsers, irrespective of their liability or the order in which their names appear on the paper.

The drawer of a bill of exchange guarantees to the indorsers or holder that the drawee will accept and pay same, and in the

event the drawee does not pay, the drawer warrants to do so providing the bill is properly presented and protested.

It is the duty of a holder of a bill of exchange to promptly forward same for acceptance by the drawee and after its acceptance to have same duly presented for payment. If drawee refuses to accept the bill or refuses to pay after acceptance, the drawer and indorsers must at once be notified of the fact and the bill duly protested, otherwise the drawer and indorsers will be released from liability.

It is not unusual in the drawing of bills of exchange in sets for the drawer or purchaser to send the first of exchange (original) to the point upon which drawn for acceptance and to sell the second of exchange (duplicate) upon the market, thus putting same into circulation. This second of exchange will bear the name and address of the party holding the first or accepted bill, but before payment in such cases, the first and second are attached, thus becoming one bill. The reason for sending the first of exchange in advance for acceptance is to shorten the running time of the bill, since the 30, 60 or 90 days, as the case may be, which the bill has to run before it is due, does not commence until it is presented to payee for acceptance. In selling the second of exchange a higher price can be commanded if the first has been forwarded for acceptance a week previously. But ordinarily, the original is mailed at once, the duplicate by next steamer, and the triplicate, if any, is held by the purchaser. The object of sending the duplicate by mail by a different steamer is to avoid delay in payment in case original is lost. A bank may pay either the original, duplicate or triplicate of a bill of exchange if the others have not been presented and paid. A bill of exchange may be PAID any number of times before it is due and be put into circulation between each payment, but once it is paid by the ACCEPTOR on its becoming due, it cannot again be put into circulation, nor can any action be brought upon it.

CONTINENTAL EXCHANGE. Continental exchange or a continental bill is one payable on the continent of Europe, or elsewhere in Europe than Great Britain.

CURRENCY OF A BILL. Means the time between date of acceptance and the date it is due and payable.

D-A and D-P are abbreviations used to signify the words "Documents for Acceptance" and "Documents for Payment."

In drawing time drafts against shipments exported (see Commercial Bills of Exchange) and the same are accompanied by bills of lading, it is customary, when not drawn direct upon bank or bankers, to instruct as to whether the bill of lading shall be delivered at time the draft is accepted (see Acceptance), or if payment of draft be required before delivery of bill of lading. If the former, the term "documents for acceptance" is

used; and if the latter, documents for payment. Where drafts are drawn direct on bankers, it is understood the documents (bill of lading, insurance certificate and sometimes weight certificate) may be delivered upon acceptance of draft.

DEMAND EXCHANGE. Drafts, checks or other negotiable paper drawn payable at sight or on demand by bank upon which drawn.

DIRECT AND INDIRECT EXCHANGE. Drafts or other negotiable paper drawn with the intention that they shall be presented only at the particular place upon which drawn, would be termed direct exchange. If a check were, for example, drawn payable at London but remitted to a payee at Liverpool for use by him there, it would be termed indirect exchange.

It is a common practice, though not always desirable, to draw checks and drafts payable at principal trade centers such as London, Paris, Berlin, Vienna, etc., which are intended for payment at interior places in the various countries. This is generally due to the fact that the bank or institution issuing same have no arrangement for payment of the paper at the place to which it is to be sent, but expects the payee to negotiate same with some local bank to best advantage. There are also instances where a check or draft can be negotiated to better advantage if drawn payable at a principal trade center instead of upon a bank at point to which remitted. Such cases would be called indirect exchange.

DOLLAR EXCHANGE. Means drafts, checks, etc., drawn for an amount expressed in United States dollars.

DOMESTIC EXCHANGE. Means drafts, checks or other exchange drawn payable within the country in which issued—sometimes called inland exchange. Domestic exchange is calculated in only one kind of money, while foreign exchange is calculated in two kinds of money at least.

DOMICILED. A term used to signify a certain place at which a draft, check, bill of exchange, etc., is made payable; that is, if made payable at a certain place it is domiciled at that place.

DRAFT. A written order to pay at sight (on presentation) or at some future fixed time (after sight) a specified sum. The one who issued or signs the draft is termed the drawer, the one to whom it is addressed is termed the drawee. A draft is generally payable or collectable through a bank or other financial agency. Unlike a check, which is drawn upon a bank in which the drawer has funds to his credit, a draft may be drawn for the collection of an account due the drawer, or against the value of goods sold to the drawee, which have been received or are to arrive at some future date.

A draft may be drawn payable to bearer or to the order of a person at sight (on presentation). If drawn payable after

sight it is customary to present draft to the drawee at earliest possible moment for acceptance, since the running time of the draft dates from the time it is accepted, and not from date of draft.

A draft is dependent for its payment upon its acceptance by the drawee or one upon whom it is drawn, and if the drawee refuses to accept same, or does not pay it when due, no criminal proceeding can be instituted against drawer.

When acceptance of a time draft is refused it is customary to protest same (see Protest). A draft is a piece of paper representing not money but a credit or value of the drawer in the hands of the drawee and is of little value to the drawer unless accepted by drawee.

There is practically no difference between a draft and a bill of exchange, although the term draft is commonly applied to an order for money payable within the United States, while the term bill of exchange is applied to an order for money payable in a foreign country.

After a draft is accepted it becomes practically a promise to pay on the part of the acceptor and he can be held thereon as on a note.

The word draft is frequently applied to checks as well as bills of exchange.

FIRST, SECOND AND THIRD OF EXCHANGE. It is customary in drawing drafts for the value of goods exported to issue the drafts in duplicate, and sometimes in triplicate. One of the drafts is called the first of exchange or original; the other the second of exchange or duplicate; and the third, if issued, the third of exchange or triplicate. The object of drawing drafts on foreign countries in duplicate or triplicate is to mail the first on the first outgoing steamer and the second on the following or a different steamer, so that if one is lost or delayed the other will serve the purpose, as whichever is first presented will be paid. If a third is issued, it is usually held as a memorandum. The payment of any one of the three bills cancels the others.

When drafts or bills of exchange are drawn in sets they are marked or printed as follows:—First of exchange (second and third unpaid); second of exchange (first and third unpaid); third of exchange (first and second unpaid). Or in this manner: Original (duplicate and triplicate unpaid); duplicate (original and triplicate unpaid); triplicate (original and duplicate unpaid).

GOLD EXPORTING AND IMPORTING POINTS. When the rates for drafts, checks or bills of exchange on foreign countries are so high or so low that gold can be exported or imported equally cheap, foreign exchange is said to have reached the gold exporting or the gold importing point.

The term specie point is sometimes used instead of gold

point, but the term gold point is most commonly employed because, strictly speaking, specie means any kind of metal money, while there is but one meaning to gold.

Under normal conditions the rates for foreign exchange fluctuate between what are termed gold exporting and gold importing points, which means the actual cost of the gold plus the cost of transporting it from one point to another. For example: If you wish to remit, say to London, the equivalent of £50,000 (or approximately \$250,000) and you found that the cost of the gold coin or bullion and the expense of freight charges, insurance, commission, etc., would be considerably less than the cost of a draft or check for the amount on London, then you would ship gold in preference. If, however, the cost were equal or greater for shipping gold, then you would remit by check, as it would be more convenient and attended with less risk.

When the rate for demand sterling exchange gets down to, say, \$4.83 $\frac{3}{4}$ to \$4.84 per pound, a person here desiring to obtain a large sum of money from London would find it more profitable to have the debtor ship gold to America at his expense, as the gold would bring him more money. This would be the gold importing point. When such exchange reaches, however, as high as \$4.89 to \$4.89 $\frac{1}{2}$ per pound, then gold can be exported equally cheap. This would be the gold exporting point.

IN CASE OF NEED. An expression frequently written or stamped on drafts drawn against exportations to foreign countries, which is intended as a notice to bankers or others abroad, through whose hands the draft may pass, that they must not protest draft for non-acceptance or non-payment; that in case of need, that is, in case it is not accepted upon presentation to drawee or paid at maturity, the holder must call upon a certain bank, banker or person (usually agent of the drawer) designated for reimbursement. The expression is usually used, for example, in this way: "In case of need with Dresdner Bank, Berlin, Ger." The use of the expression is to avoid exorbitant protest fees.

MATURITY. The time fixed for the payment of a draft or bill of exchange, or, in other words, when it is due to be paid. A draft drawn, payable, at, say, 60 days after sight, would mature 60 days after the draft was accepted by the drawee. If drawn payable 10 days after date the draft would mature at the expiration of 10 days. In most countries a certain number of days grace (usually three) is allowed by law. Where so allowed payment cannot be exacted until expiration of the period for which draft is drawn plus the number of days grace.

NO PROTEST. A term frequently used on drafts or other paper sent for collection to indicate that the paper must not

be protested (see Protest) if not paid or accepted, and is, therefore, not subject to protest fees usually charged by banks or collection agencies. When no instructions are given as to protesting it is customary for banks to protest same according to legal requirements, for which service a fee of about \$2.50 is exacted, and must be paid by the sender of the collection. Where drafts, notes and other papers for collection have words "no protest" thereon, it is a notice that the expense for protesting shall not be incurred.

NOTING. Is evidence in writing by a notary that presentation of a bill of exchange for acceptance or payment was made to drawee. This act reserves the formal protest act in due course of time.

PER MILLE. This means per 1,000. The term is in general use abroad and not infrequently in this country in connection with foreign exchange transactions. It is often applied to premium and discount. For example: A premium of one per mill would mean one for each thousand, equivalent to 1-10 of 1 per cent. In saying that the premium for gold in France is one per mille (French) it would mean one franc on each 1,000 francs. In speaking of the cost of revenue stamps, which have to be affixed to time drafts or bills of exchange in Germany, we say one-half per mill, which means one-half mark (50 pfennigs) on each 1,000 marks. If a bank in Germany were to charge a premium of one per mill, it would be one mark on each 1,000 marks, or 1-10 of 1 per cent.

PROTEST. In McMaster's "Irregular and Regular Commercial Paper," published by the McMaster Co., 69 Wall St., New York City, the following is given under head of "Protest:"

"The protesting of a dishonored instrument—an act which is performed by a notary public, but which under certain circumstances can be performed by another person—is an act done to prevent the release of the indorsers of all negotiable instruments and also the drawers of bills of exchange and checks, as such parties are discharged if the instrument is not protested when protest is required.

"On the day of maturity of all negotiable instruments, and on the day when a bill of exchange should be presented for acceptance, the notary, with the instrument in his possession, must present it at the place where it is drawn payable, and demand acceptance or payment, as the case may be, and on failure to receive acceptance or payment thereon, he is required to notify, by mail or in person, the indorsers and drawers of the demand and non-payment, and formally protest the instrument.

"If no place of payment is mentioned in the instrument it must be presented to the place of business of the person required to pay—the drawee of the bill or the maker of the note—and if there is no such place of business, then at his residence. If the instrument is lost it can be presented and protested by copy or description. The demand should be made personally of the party required to pay or accept, and if he be not present, then of some person in charge of the office or premises. If no person is present the demand can be made of 'whom it may concern.'"

"The notary must then, that day, note on the instrument the fact that on that date he had protested the instrument for non-acceptance or

non-payment, as the case may be. Then and in any case not later than during business hours of the next day, or not later than the last outgoing mail of such day, notice of demand, non-acceptance or non-payment and of protest must be mailed to each of the parties to the instrument. If affixed to any name is a postoffice address, the notice must be mailed, postpaid, to that address. If no such address is given, then inquiry must be made as to the business place or residence of the parties and the notice sent there. If no address can be found, a notice for such party or parties must be mailed to the owner or last indorser. Where there is doubt as to the postoffice address of a party, it is customary, as a precautionary measure, to mail several notices to different places or enclosed to different persons. If any of the parties are dead, inquiry must be made as to their personal representatives and notice be sent to such representatives, and if no personal representative be found, notice must be sent to the last residence or place of business of the deceased.

"There is no particular form of notice required; it is only necessary that it conveys information sufficient to acquaint the party of the demand and non-payment of the particular instrument. It will be sufficient to have the notice read, for instance:

CANISTEO, N. Y., Sept. 1, 1902.

"N. C. TAYLOR,
Canisteeo, N. Y.

Please take notice that a promisory note made by Tillotson & Vorhis, dated July 1, 1902, due this day, for one thousand dollars, and indorsed by you, has this day been protested for non-payment, and that the holders look to you for payment thereof, payment of the same having been duly demanded and refused.

JOHN D. MOORE,
Notary Public.

"Notice of protest can be delivered personally, and oral notice may be sufficient.

"At any subsequent time the notary issues a certificate of protest, under his hand and seal, to which is attached the instrument or a copy thereof, or both.

"The certificate must specify the time and place of presentment, the fact of presentment and the manner thereof, the cause or reason for protesting the bill, the demand made and the answer given, if any, or the fact that the drawee or acceptor could not be found.

"Protest may be made by: A notary public, or by any respectable resident of the place where the bill is dishonored, in the presence of two or more credible witnesses."

REBATE RATES. A term used in connection with documentary commercial bills of exchange and means the rate per cent that will be rebated or allowed if the draft or bill is paid before maturity or before due. For example, if a sixty-day draft drawn against commodities exported were paid by the drawee abroad, say, thirty days after the draft was accepted, the drawee would be entitled to a rebate from face amount of draft, at the prevailing rate per cent applicable to such bills for a period of thirty days.

Rebate rates apply only to time commercial bills of exchange drawn on firms where documents are for payment; that is, where bill of lading is delivered only upon payment of the draft.

SELLING RATES. The rate at which foreign exchange is sold by dealers in foreign exchange.

SHORT BILLS. A term usually applied to foreign bills of exchange which are drawn payable thirty days or less after sight or acceptance. The term "short dated bills" is sometimes used.

SIGHT BILLS. Or **SIGHT CHECKS**, or **SIGHT DRAFTS**, mean those payable at sight, on demand or on presentation.

STERLING EXCHANGE. Means drafts, checks or bills of exchange drawn in the money of Great Britain—pounds sterling.

USUANCE. The time which is allowed by custom or usage for the payment of bills of exchange drawn on a distant country. The length of the usance varies in different places, from fourteen days to six months after the date of the bill, and the bills may be drawn at usance, half-usance, double usance, etc. In recent years a four-months' usance has been established for India, China and Japan.

WITH EXCHANGE. When the words "with exchange" are endorsed on a draft for collection, or are appended thereto, it means that whatever charge there is for converting the money into a foreign money or the collecting of same, shall be borne by the drawee. In other words, the full face amount of draft plus the cost of exchange, must be paid by the drawee (one upon whom drawn).

In drawing drafts upon South American points where exorbitant charges are usually exacted by banks for collecting, it is customary to draw such drafts "with exchange," thus requiring the drawee to pay the cost of exchange between the country in which the draft is paid and the country to which the proceeds of the draft have to be remitted.

In the purchase of commercial bills of exchange drawn against commodities exported to remote countries where banking facilities are not very good it makes a great difference in net proceeds realized whether the drafts are drawn with exchange or not.

WITHOUT RECOURSE. The words "without recourse" written before an indorsement on the back of a note, check, draft or bill of exchange, absolves the person so signing from any legal process by the holder in case payment at maturity is not made. In other words, the indorser is a mere assignor of the title to the paper, and is relieved from responsibility for its payment. Indorsements, without recourse, are frequently made merely for purposes of identification of payee or genuineness of previous indorsements.

INDORSEMENTS.

An indorsement is anything written on a note, draft, check, bill of exchange or other negotiable commercial paper, pertaining to the payment thereof. The indorser is one who

makes the indorsement by writing his name, usually on back of the instrument. The following are the principal forms of indorsement:

IN BLANK. Where the indorser writes his name only, without making it payable to anyone or naming conditions of payment or making other notations. For example: S. S. JONES.

IN FULL. When indorsed payable to some particular person or persons and thus limiting payment to such persons. For example: Pay to the order of Brown, Smith & Co. S. S. JONES.

NOTE.—This form of indorsement is generally adopted as being safest, since if paper is lost or stolen the holder could not negotiate same without securing indorsement of the payees, Brown, Smith & Co.

QUALIFIED INDORSEMENT. Is one which is intended to release the indorser from all responsibility in relation to payment. For example: Pay to the order of Brown, Smith & Co., without recourse to me. S. S. JONES.

The words "to me" are sometimes omitted.

NOTE.—Qualified indorsements are also used to LIMIT the liability of the indorser, as for example, when the words "Agent," "Cashier," "Secretary," "Treasurer," etc., are placed after the signature. The use of these titles limits the responsibility of the indorser to that pertaining to his official position.

RESTRICTIVE INDORSEMENTS. Are intended to restrict payment to person or persons to whom made payable and to also stop further negotiation or transfer of the paper. For example: Pay to Brown, Smith & Co., only. S. S. JONES.

NOTE.—If paper is sent for collection and credit, indorsements would be made thus:

Pay to First National Bank for my account. S. S. JONES.

CONDITIONAL INDORSEMENTS. Those naming certain conditions to be complied with before payment is made to holder. For example: Pay to Brown, Smith & Co. upon delivery of 10 shares U. P. stock. S. S. JONES.

WAIVING PROTEST. Where the indorser waves protest and thus remains responsible to the holder of the paper, without receiving notice of protest in event of non-payment. For example: Protest and notice of protest waived. S. S. JONES.

NOTE.—When paper is sent for collection and it is not desired to have same protested in event of non-payment when due, the words "no protest" are usually indorsed thereon.

REMARKS. Your name should always be indorsed on back of drafts, checks, notes, bills, etc., just as the same appears on the face of the paper; that is, if wrongly spelled on face, it should be indorsed just the same on the back, but in addition you should correctly indorse your name underneath.

CHAPTER XI.

BUYING FOREIGN COMMERCIAL BILLS OF EXCHANGE.

The buying of foreign commercial bills of exchange is the principal medium of bankers and foreign exchange dealers in placing funds to their credit in banks abroad, against which they issue checks, drafts, letters of credit, etc. It is the foundation of most of our foreign exchange transactions. It is the principal source of profit in the business. It enables manufacturers to sell their goods abroad for cash in advance.

The buying of commercial bills of exchange can not be safely undertaken except by those thoroughly familiar with that business. It is practically equivalent to loaning money upon securities you have not seen. If the drawer of the bill has unquestionable responsibility, that of course eliminates the principal risk of loss; but if great care is not exercised in examining bills purchased, a slight imperfection or error might cause a long delay in adjusting the mistake, thereby causing loss of interest. If through a misunderstanding, or for other cause, goods are not accepted, they have to be sold to best advantage for account of owner of the bill, and proceeds of sale are applied toward payment of the draft. If there is a deficiency it is collected of the drawer of the bill, the exporter.

The buyers of commercial bills should know the market value of the goods exported; the financial standing of the drawer or exporter; should see that the bills of lading are correctly dated, correspond with shipments made; are duly signed by agent or proper official of railway or freight line; that they correspond with the insurance certificates in the various particulars; that if more than two copies were issued, you have them all; that there are no printed or stamped conditions thereon that would be likely to render them valueless under possible emergencies. If goods are perishable, see that they are routed by fast freight lines and fast steamers. If bill of lading only covers shipment to the seaport, as is sometimes the case where goods are shipped from some small inland place where through bills of lading are unobtainable, arrangements must be made through your own agent to have same exchanged for ocean bill of lading at the seaport. Any error or incompleteness of the documents will cause delay in payment, or expense for cablegrams to adjust them.

Foreign commercial bills of exchange vary as to conditions of payment abroad. If conditions of sale between buyer and

seller were that the goods were to be paid for upon delivery, the instructions accompanying the bill would say, DOCUMENTS FOR PAYMENT, meaning not to deliver bill of lading (which would enable drawee to get goods) until draft had been paid. If instructions read, DOCUMENTS FOR ACCEPTANCE, it would mean bill of lading could be delivered when draft was ACCEPTED, thus enabling drawee to obtain goods at once, and pay draft any time before maturity. (See page 171.)

It is the custom of large buyers of commercial bills of exchange to exact of exporters what is termed a HYPOTHECATION CERTIFICATE. This certificate, after describing the nature of the shipment and the documents in question, states in effect, that the bill of lading is lodged as collateral security for the acceptance and payment of the draft; that, in case the drawee declines to accept draft or it is not paid at maturity, the owner of the bill is authorized to place the property described in the hands of brokers for sale for account of whom it may concern, and apply proceeds toward payment of draft and expenses incurred; and that in case of a deficiency the seller (drawer) agrees to pay amount on demand. Sometimes exporters give a general hypothecation certificate, to apply to any and all bills of exchange purchased of them. (See page 210.)

CERTIFICATE OF INSURANCE on shipments exported are usually for a sum from 10 to 20 per cent in excess of the stated value of the goods. They should be carefully examined to see that there is no clause which would render insurance void in event of shipment not going forward within a specified period or that it would expire before arriving time of goods, in case of delay, or by reason of any of the possible emergencies likely to arise. (See page 170.)

The buyers of foreign commercial bills of exchange must be familiar with the revenue laws and commercial customs of all the foreign countries as well as the various rates of discount upon the several classes of paper, as they change from day to day.

What are known as REBATE RATES apply only to time commercial bills of exchange drawn on firms where the documents are for payment; that is, where bill of lading is delivered only upon payment of the draft. This rebate rate is an allowance made to drawee from face amount of draft, if paid before maturity or before due, and such rebate is usually 1 per cent below the Bank of England official minimum discount rate.

THE BANK OF ENGLAND OFFICIAL MINIMUM DISCOUNT RATE is fixed by the directors of the Bank of England at their meeting upon Thursday of each week; and their decision usually appears in the financial columns of our daily papers, reading thus: "Bank of England minimum discount rate unchanged;" or, "Bank of England increased (or reduced) its minimum discount rate to 3 per cent," etc.

The PRIVATE DISCOUNT RATE is the rate at which PRIVATE banks—those in Great Britain other than the Bank of England, those in Germany other than the Imperial Reichsbank, those in France other than the Bank of France, those in Holland other than the Bank of the Netherlands, those in Italy other than the Bank of Italy, etc., etc., which banks act in the capacity of fiscal agents for their respective Governments—will discount bills of exchange for account of owners or last indorsers; and this discount is governed by the Government banks' discount rate, and also by the supply of bills in the market for discount.

Foreign commercial bills of exchange drawn by exporters without documents (bill of lading and insurance certificate), known as clean bills, are generally upon their own house or branch abroad, and are against funds which have accumulated to their credit from payments for shipments previously made. Exporters, before selling their own clean bills of this kind, generally wait until the rates for exchange here are high. Such bills are discountable at the private rate of discount.

Documentary commercial bills of exchange drawn upon firms in Great Britain, where DOCUMENTS ARE FOR PAYMENT, can not be discounted upon the market as in the case of such bills where DOCUMENTS ARE FOR ACCEPTANCE; for the reason banks abroad to whom bills are sent for collection will not undertake to discount commercial bills unless they are what are called CLEAN BILLS—that is, those having no documents, or bills which permit of the documents being delivered when drafts are accepted by drawee. Commercial bills of exchange drawn upon bankers are always for acceptance, and the discount rate applying to such bills is the PRIVATE DISCOUNT RATE of the day.

CLEAN BILLS OF EXCHANGE are those having no bill of lading attached, although they may have attached the insurance certificate and an invoice of shipment. If these clean bills are drawn upon firms they are usually subject to a discount rate of $\frac{1}{4}$ of 1 per cent above the private discount rate of the day; but, if drawn upon bankers, they will be discounted at the private discount rate.

A documentary bill of exchange (commercial bill of exchange) accompanied by instructions from the exporter or drawer to deliver documents (bill of lading, etc.) only upon payment of draft by the importer or drawee, which is drawn upon a firm, is subject to a discount rate of 1 per cent below the Bank of England official minimum discount rate, but if the instructions are to deliver documents upon acceptance of drafts, the same rate of discount applies, unless the drawee is of very good financial standing, in which case the bill may be discounted by the holder (bank) at $\frac{1}{4}$ of 1 per cent above the PRIVATE discount rate of the day.

Bankers and financial concerns in selling commercial bills of exchange (documentary) sometimes stamp on the draft, "In case of need, with the National Provincial Bank of England," or the name of some other correspondent bank.

This is done to avoid a charge by intermediate banks for endorsing or protecting drafts, which charge is frequently very exorbitant. When so stamped it is a notice to all holders of the draft they may call upon the bank named if draft is not promptly accepted or honored, for relief, therefore there is no necessity for protesting, since the bank named on the draft will, by previous arrangement, always honor such drafts and charge to account of bank endorsing such notation thereon.

BANKERS' REIMBURSE BILL is where the drafts are drawn against a shipment exported, upon a banker, the documents being for acceptance. When buying such bills, you should keep a record showing names of endorsers and keep close watch of the drawer or shipper until bill is paid. The shipper should be responsible and if buying a considerable amount of such bills on the same drawee, you should ascertain through your correspondents abroad the responsibility of the drawee and be sure you do not buy more bills against a single drawee than his ordinary business requirements would indicate he needed.

Foreign Commercial Bills of Exchange are divided into two classes, namely, commercial bills, which are drawn against commodities exported, and bankers' bills which are drawn by bankers against balances to their credit abroad, which may have resulted from the payment of commercial bills or against securities. Commercial bills are usually drawn payable at sight, or 3, 30, 60 or 90 days after sight, while bankers' bills may be drawn payable in 60, 70 or 90 days, or on demand (sight) although demand bills are generally termed checks. Cable transfers are also made, which of course are paid immediately.

There are times when **GOLD** is shipped to foreign countries as an article of merchandise by reason of a special demand for it. Bankers' bills are drawn against same just as for a shipment of goods; **BUT** such cases are not frequent, and drafts would be drawn payable in the shortest time possible to save interest.

In buying foreign commercial bills of exchange it is necessary to keep advised daily of the market rates for demand checks on foreign cities or countries and also the rebate and discount rates abroad, both of which fluctuate according to market conditions, the former nearly every day.

In buying bills on countries other than Great Britain, France, Germany and Holland, and especially those drawn on other than the principal large trade centers, it is necessary to take into account the cost of having bills collected by bankers and the expense of having the funds transferred to the trade centers.

It is customary for most jobbers and large dealers in foreign exchange to keep credit balances in London, England; Paris, France; Berlin and Hamburg, Germany; and Amsterdam, Holland, upon which cities the demand for exchange is large as compared with that on other foreign cities; and the very large jobbers also keep balances in banks at Christiania, Norway; Copenhagen, Denmark; St. Petersburg and Warsaw, Russia; Antwerp, Belgium; Zurich, Switzerland; Genoa and Rome, Italy; Hong Kong, China; Manilla, Philippine Islands; Mexico City, Mexico; and Yokohama, Japan. An arrangement is made with banks at these points for a fixed charge or rate per cent for collecting commercial bills at their main as well as branch banks at interior points, which charge must be figured in buying commercial bills. The class of goods exported, against which the commercial bills are drawn, also cuts quite a figure in the value of the bills, as for illustration: Bills against shipments of meat, where DOCUMENTS ARE FOR PAYMENT, command a higher price than flour bills, because meat, being perishable, is shipped on fast steamers, and the bills are discounted or rebated almost immediately upon arrival of shipment, it being necessary for consignee (drawee) to pay draft in order to obtain the bill of lading with which to obtain goods; whereas flour, not being perishable, is usually forwarded on a slow steamer to secure lower freight rates and very often the drawee does not pay the draft until it is due, perhaps 30 or 60 days after acceptance, thus leaving goods in warehouse. This, of course, depends upon whether the consignee (drawee) is in immediate need of the flour. A draft drawn, say 60 days after sight, would mature or be due 60 days from the date it was accepted by drawee abroad—not 60 days from date of draft. If the laws of the country allowed days of grace, usually three days, then the draft would be due in 63 days from date of acceptance. The number of days of grace allowed in the United Kingdom, 3; in most of the states of the United States, 3; in South America, 6 to 15; in Mexico, 24 hours; in Russia, 36 hours on bills payable at sight and 10 days on bills drawn payable after date.

In buying commercial bills of exchange, the rates quoted are always so much per pound sterling if drawn in English money. If drawn in French money, the rate quoted would be the number of francs and centimes per United States dollar, as for example: Francs 5.15 $\frac{5}{8}$, meaning they would pay \$1.00 for each 5 francs 15 $\frac{5}{8}$ centimes. If drawn in German money, the rate would be per 4 marks (see Chapter IV, "Quotations on Foreign Exchange.")

PARTIES TO A BILL OF EXCHANGE AND THEIR RESPONSIBILITY.—The party who draws the bill is the drawer. The party to whom the order to pay is addressed is the drawee,

until he gives his assent to the transaction by writing his name across the bill, when he becomes the acceptor. The party to whom the bill is made payable is the payee. The drawer and the payee may be the same person. When any holder of a bill writes his name on the back of the bill for the purpose of transferring his interest in it to some other person he is the indorser.

The drawee upon accepting a bill (either in person or by his authorized agent) becomes primarily liable for it, but if he refuses to accept it when presented to him, or cannot pay it when due, he is said to dishonor it, and the drawer and any of the indorsers become immediately liable to the holder upon receiving notice from the holder that it has been dishonored, accompanied by a request to pay the amount.

If the drawer pay the amount, then the indorsers are discharged from their liability to the holder, but, if the last indorser is compelled to pay the amount of the bill, the drawer and those indorsing previous to the holder are still liable, for the last indorser can sue them for the amount he has paid the holder for the bill.

There is considerable competition among large jobbers of foreign exchange in buying foreign commercial bills of exchange, since they use these bills to place funds to their credit abroad, against which they sell, at wholesale or retail, letters of credit, drafts, checks, etc. Therefore when large exporters have bills for sale they call upon bankers or jobbers for bids, which, if not limited, would apply to bills of any amount. The jobber offering the highest price of course gets the bills. It is not unusual for large jobbers to buy bills to the value of \$500,000 in a single day.

To give examples showing the process by which the value of commercial bills of exchange of all classes and upon all countries are determined in buying, would consume too much space, therefore we shall only undertake in this edition to furnish illustrations for the purchase of bills of the several classes on Great Britain, France, Germany and Holland, to which countries over 62 per cent of all merchandise exported from the United States is consigned. It may be said, however, that in the purchase of bills drawn upon countries other than those named the process is practically the same, but of course a different rate of exchange and different rate of interest, etc., would apply.

Buying Bills of Exchange on Great Britain.

EXAMPLE NO. 1.

ILLUSTRATION.—A commercial bill of exchange on London, England; draft drawn payable 60 days after sight; documents (bill of lading and insurance certificate) for delivery upon pay-

ment of draft; Bank of England minimum discount rate on date of purchase, 4 per cent; market rate for DEMAND check on London, on date of purchase, \$4.88 per pound sterling.

OPERATION:

Market rate for demand check on London.....	\$4.88	
Cost per pound for revenue stamps abroad (1s per £100).....	.0024	
Interest per pound, 63 days, 3% (1% below Bank of England rate) (see table).....	.0251	
Profit, 1 cent per pound (varies according to conditions).....	.01	.0375
		<hr/>
Purchasing price per pound (or say \$4.84 $\frac{1}{4}$)		\$4.8425

NOTE.—The item of profit (1 cent per £) is used merely for illustration. It is customary for buyers to figure from $\frac{1}{8}$ to 2 cents per pound according to circumstances, competition, etc. If this bill had been drawn upon some other city in Great Britain it would be customary to deduct about $\frac{1}{4}$ of a cent per £ additional for collection and cost of transferring funds to London. The item of interest is taken from printed tables figured out to show interest per single pound for various periods at the different rates per cent. (See page 197.) The English Government requires that revenue stamps to the value of 1 shilling per £100 or fraction thereof be affixed at time of acceptance of drafts drawn payable at more than five days after sight. This is equivalent to 1–20 of 1% of the rate per single pound, which in this case (\$4.88 per £) would be .00244, but for convenience \$0.0024 per £ is generally figured. In quoting purchasing or selling price for a bill of exchange, draft or check, it is always per single pound, franc, mark, etc., as the case may be, and never for the total amount for which the bill is drawn. It will be noted that the interest or discount rate used in this example is 1% below the Bank of England minimum discount rate (see page 191) which always applies where documents are for payment instead of for acceptance.

EXAMPLE NO. 2.

ILLUSTRATION.—A commercial bill of exchange on London; draft drawn payable 90 days after sight; documents for delivery upon acceptance of draft by drawee abroad; PRIVATE rate of discount on date of purchase, 2 $\frac{1}{2}$ %; market rate for demand check on London on day of purchase, \$4.88 per pound.

OPERATION:

Market rate for demand check on London...	\$4.88	
Cost per pound for revenue stamp abroad (1s per £100).....	.0024	
Interest, 93 days, 2 $\frac{1}{2}$ % (private rate)....	.0309	
Profit 1 cent per pound (varies according to conditions).....	.01	.0433
		<hr/>
Purchasing price per pound.....		\$4.8367

NOTE.—Sterling exchange quotations are usually raised or lowered either by eighths of a cent per £ or by 5–100 of a cent per £, whichever is nearest to figures, therefore the purchasing price for this bill would

be quoted as \$4.8365 per £. Attention is directed to use in this example of the PRIVATE rate of discount which applies in all cases where the documents are for acceptance instead of for payment. (See page 191.)
(See also note under Example 1.)

EXAMPLE NO. 3.

ILLUSTRATION.—A commercial bill of exchange on London; draft drawn payable 3 days after sight; no documents attached; private rate of discount upon date purchased, 3%; market rate for demand check on London on date of purchase, \$4.88 per pound.

OPERATION:

Market rate for demand check on London.....	\$4.88	
Cost per pound for revenue stamp (1 penny)		
NOT FIGURED.....	.0000	
Interest 6 days (3 days grace), 3% (private rate).....	.0024	
Profit 1 cent per pound (varies according to conditions).....	.01	.0124
		<hr/>
Purchasing price per pound.....		\$4.8676

This rate would be quoted as \$4.86 $\frac{3}{4}$ per pound.

NOTE.—Bills of this class are known as clean bills by reason of there being no documents. (See also note under Example 1.)

EXAMPLE NO. 4.

ILLUSTRATION.—A commercial bill of exchange on London; draft drawn payable 10 days after sight; documents (bill of lading, etc.) for delivery upon acceptance of draft by drawee; private rate of discount, 2 7-16%; market rate for demand check on London on date of purchase, \$4.88 per pound.

OPERATION:

Market rate for demand check on London.....	\$4.88	
Cost per pound for revenue stamps (1s per £100).....	.0024	
Interest per pound, 13 days (3 days grace) 2 7-16% (private rate).....	.00421	
Profit $\frac{1}{4}$ cent per pound (varies according to conditions).....	.0025	.00911
		<hr/>
Purchasing price per pound.....		\$4.87089

Or say \$4.87 per pound. (See Note under Examples 1, 2 and 3.)

Stamp Tax.

The stamp tax in England on bills of exchange above three days' sight is as follows:

Up to £5.....	1 penny
£ 5 to £ 10.....	2 pence.
£10 to £ 25.....	3 pence.
£25 to £ 50.....	6 pence.
£50 to £ 75.....	9 pence.
£75 to £100.....	1 shilling.

over £100—1 shilling for every £100 or fraction thereof.

In figuring English bills of exchange the cost of revenue stamps is calculated at so much per £100, therefore, as the English shilling is worth 24 3-10 cents in United States money, the cost per pound would be figured as .0024 cents per pound, or nearly $\frac{1}{4}$ cent.

Sterling Exchange Interest Table.

Showing interest per pound sterling for use in purchasing bills of exchange drawn payable 3, 10, 30, 60, 70, 90 and 120 days after sight.

(Computed at \$4.85 per pound, and 365 days per year, which is applicable to any rate.)

NOTE.—The interest for a given number of days per pound sterling at a given rate per cent is determined by multiplying the rate per £ by the rate per cent and dividing the result by the number of days in a year.

Interest or Discount Rate	3 days sight	10 days sight	33 days sight (3 days grace)	63 days sight (3 days grace)	73 days sight (3 days grace)	93 days sight (3 days grace)	123 days sight (3 days grace)
	cents	cents	cents	cents	cents	cents	cents
1-16 of 1%...	.00002	.00008	.00027	.00052	.00061	.00077	.00102
1-8 of 1%...	.00005	.00017	.00055	.00105	.00121	.00154	.00204
3-16 of 1%...	.00007	.00025	.00082	.00157	.00182	.00232	.00306
1-4 of 1%...	.00010	.00033	.00110	.00209	.00243	.00309	.00409
5-16 of 1%...	.00012	.00042	.00137	.00262	.00303	.00386	.00511
3-8 of 1%...	.00015	.00050	.00164	.00314	.00364	.00463	.00613
7-16 of 1%...	.00017	.00058	.00192	.00366	.00424	.00541	.00715
1-2 of 1%...	.00020	.00066	.00219	.00419	.00485	.00618	.00817
9-16 of 1%...	.00022	.00075	.00247	.00471	.00546	.00695	.00919
5-8 of 1%...	.00025	.00083	.00274	.00523	.00606	.00772	.01022
11-16 of 1%...	.00027	.00091	.00301	.00576	.00667	.00850	.01124
3-4 of 1%...	.00030	.00100	.00329	.00628	.00728	.00927	.01226
13-16 of 1%...	.00032	.00108	.00356	.00680	.00788	.01004	.01328
7-8 of 1%...	.00035	.00116	.00384	.00733	.00849	.01081	.01430
15-16 of 1%...	.00037	.00125	.00411	.00785	.00909	.01159	.01532
1%.....	.00040	.00133	.00439	.00837	.00970	.01236	.01634
2%.....	.00080	.00266	.00877	.01674	.01940	.02472	.03269
3%.....	.00120	.00399	.01316	.02511	.02910	.03707	.04903
4%.....	.00160	.00532	.01754	.03349	.03880	.04943	.06538
5%.....	.00199	.00664	.02193	.04186	.04850	.06179	.08172
6%.....	.00239	.00797	.02631	.05023	.05820	.07415	.09807

on account of the very severe penalty imposed for forgery under their laws, the requiring of strict personal identification, as exacted by banks in the United States, is found unnecessary.

As an additional precaution against wrong payment, the laws of Great Britain require that where a check is crossed, as explained above, while not requiring personal identification, it must be cashed through some bank other than the one upon which it is drawn.

Notwithstanding the requirements under the laws, we presume a reasonable amount of care is exercised by banks to prevent losses by incorrect payment, and we are informed that in some countries, strangers presenting checks drawn to their order, are required to make affidavit that they are the person named, for which affidavit the paying bank exacts a small fee.

Buying Bills of Exchange on France.

EXAMPLE NO. 1.

ILLUSTRATION.—A commercial bill of exchange on Paris, France; draft drawn payable 30 days after sight; documents (bill of lading and insurance certificate) for delivery upon payment of draft; discount rate 3%; market rate for demand checks on Paris on date of purchase, francs 5.16 $\frac{1}{4}$.

OPERATION:

Market rate for demand checks on Paris.	Fr. 5.1625
Interest (or rebate) 30 days at 3% (see table) . .	.0130
Cost of revenue stamp, 1-20 of 1% of rate, or 50 centimes per 1,000 francs. . . . .	.0026
Profit $\frac{1}{4}$ of 1% of rate (varies according to conditions) . . . . .	.0129
	Fr. 5.1910
Purchasing price per \$1.00	Fr. 5.1910
Or 5.18 $\frac{3}{4}$ francs minus 1-16 of 1%.	

NOTE.—The item of $\frac{1}{4}$ of 1% profit is used merely for illustration. It is customary for buyers to figure from 1-16 to $\frac{1}{2}$ of 1% according to conditions, competition, etc. If this bill had been drawn upon a city in France other than Paris, from 1-10 to 1-16 of 1% additional would be deducted for cost of collecting draft and remitting proceeds to Paris. The item of interest is taken from printed tables figured out to show interest for various periods at the different rates per cent. The French government requires that revenue stamps, to the value of 50 centimes per 1000 francs, be affixed to drafts at time of acceptance, which is equivalent to 1-20 of 1% of rate, which in above case (rate francs 5.16 $\frac{1}{4}$) would be franc 0.0026. It will be noted that the higher the quotation for francs per \$1.00 the lower is the rate.

EXAMPLE NO. 2.

ILLUSTRATION.—A commercial bill of exchange on Marseilles, France; draft drawn payable 60 days after sight; documents (bill of lading and insurance certificate) for delivery upon acceptance of draft; discount rate 2 $\frac{3}{4}$ %; market rate for demand checks ON PARIS upon date of purchase, francs 5.16 $\frac{1}{4}$ minus 1-32 of 1%.

OPERATION:

Market rate for demand checks on Paris, francs	
5.16 $\frac{1}{4}$ —1-32	†Fr. 5.16406
Interest 60 days at rate 2 $\frac{3}{4}$ % (see table) . . . . .	.02382
Cost of revenue stamps (1-20 of 1% of rate) . . . . .	.0026
Profit $\frac{1}{4}$ of 1% of rate (see note under Ex. No. 1). . . . .	.0129
Cost of collecting and sending funds to Paris (1-16 of 1%) . . . . .	.00324
<hr/>	
Purchasing price per \$1.00	Fr. 5.20662
Or francs 5.20 $\frac{5}{8}$ minus 1-64 of 1%.	

See Fractional French rates.

†NOTE.—See note under Example 1. Where the rate is supplemented by fractional quotations such as minus or plus 1-32, 1-16, 3-32, $\frac{1}{8}$, etc., of 1% the equivalent of the fraction so used is added or deducted, as case may be, to the rate (see fractional French rates). For illustration: 1-32 of 1% of francs 5.16 $\frac{1}{4}$ (5.1625)=.00156, which added to rate 5.1625 gives 5.16406 or 5.16 $\frac{1}{4}$ —1-32. Francs 5.20674 per \$1.00, the purchasing price in above example, not being a regular commercial quotation (see quotations on foreign exchange, Chap. IV.), it is necessary to supplement a regular quotation such as 5.20 or 5.20 $\frac{5}{8}$, etc., with a fractional quotation, plus or minus 1-64, 1-32, etc. In this case the nearest quotation would be minus 1-64 of 1%. For illustration:

	5.20 $\frac{5}{8}$ =5.20625	
1-64 of 1% of 5.20 $\frac{5}{8}$ =	.00078	See fractional French rates
<hr/>		
Total,	5.20703	or francs 5.20 $\frac{5}{8}$ —1-64

EXAMPLE NO. 3.

ILLUSTRATION.—A commercial bill of exchange on Paris, France; draft drawn payable 3 days after sight; with or without documents; discount rate 3%; market rate for demand check on Paris upon date of purchase, francs 5.16 $\frac{1}{4}$ plus 1-32 of 1%.

OPERATION:

Market rate for demand check on Paris (5.16 $\frac{1}{4}$	
+1-32	Fr. 5.16094
Interest 3 days (no days of grace) at 3% . . . . .	.0013
Cost of revenue stamp . . . . .	.0026
Profit $\frac{1}{4}$ of 1% of rate (see note above) . . . . .	.0129
<hr/>	
Purchasing price per \$1.00	Fr. 5.17774
Or francs 5.17 $\frac{1}{2}$ minus 1-16 of 1%.	

NOTE.—See note under Example 1. Where the rate is supplemented by fractional quotation, such as francs 5.16 $\frac{1}{4}$ plus 1-32 of 1%, as in this case, the equivalent fraction so used is added or deducted—added if minus or deducted if plus—to the rate. In the example above 1-32 of 1% of 5.1625=.00156 (see fractional French rates) which deducted from 5.1625=5.16094. As the purchasing price in this example (francs

5.1777) is not a regular rate (see quotations on French exchange, Chap. IV), the nearest regular rate would be francs 5.17½ minus 1-16 of 1%, or francs 5.1750 plus .00313 (see fractional French rates) which makes francs 5.1781, the nearest regular quotation.

EXAMPLE NO. 4.

FRENCH EXCHANGE—BILLS ON BELGIUM AND SWITZERLAND.

ILLUSTRATION.—A commercial bill of exchange on Antwerp, Belgium; draft drawn payable 90 days after sight; documents (bill of lading, etc.) to be delivered upon acceptance of draft; discount rate 3%; market rate for demand checks ON PARIS upon date of purchase, francs 5.16¼.

OPERATION:

Market rate for demand checks on Paris.....	Fr. 5.1625
Interest 60 days at 3%.....	.0260
Cost of revenue stamp (1-20 of 1% of rate)....	.0026
Profit of ¼ of 1% of rate (5.16¼).....	.0129
Cost of collecting and transferring funds to Paris (3-16 of 1%).....	.0097
<hr/>	
Purchasing price per \$1.00.....	Fr. 5.2137
Or francs 5.21¼ minus 1-64 of 1%.	

NOTE.—In buying bills of exchange drawn upon cities in Belgium and Switzerland, it is usually necessary to have the funds collected at point payable and remitted to Paris, for which service the collecting banks charge about 3-16 of 1%. The purchasing price in above example (5.2137) not being a regular commercial rate the nearest rate is used by supplementing to same a fractional rate. For example: 5.21¼ minus 1-64 of 1%, which is 5.2125 plus .00078 = 5.2133 (see fractional French rates).

Fractional French Rates.

In buying and selling commercial bills of exchange drawn in French money, where the rates quoted or offered are supplemented with the FRACTIONAL quotations of plus or minus 1-64, 1-32, 1-16, 3-32 or 1-8 of 1 per cent, it is necessary to apply these fractions to the rate in figuring the value of the bills. We, therefore, give the decimals of these fractions for adding to or deducting from the regular rates, as the case may be, together with illustrations as follows:

If fraction is minus 1-64 of 1%	ADD	decimal .00078	to rate
If fraction is plus 1-64 of 1%	DEDUCT	decimal .00078	from rate
If fraction is minus 1-32 of 1%	ADD	decimal .00156	to rate
If fraction is plus 1-32 of 1%	DEDUCT	decimal .00156	from rate
If fraction is minus 1-16 of 1%	ADD	decimal .00313	to rate
If fraction is plus 1-16 of 1%	DEDUCT	decimal .00313	from rate
If fraction is minus 3-32 of 1%	ADD	decimal .00469	to rate
If fraction is plus 3-32 of 1%	DEDUCT	decimal .00469	from rate
If fraction is minus 1-8 of 1%	ADD	decimal .00625	to rate
If fraction is plus 1-8 of 1%	DEDUCT	decimal .00625	from rate

EXAMPLES:

Francs 5.15 $\frac{3}{8}$ —1-32	would be francs	5.15625
	and decimal	.00156
		5.15781
	Or francs	5.15781
Francs 5.16 $\frac{1}{4}$ +1-32	would be francs	5.1625
	less decimal	.00156
		5.16094
	Or francs	5.16094

EXPLANATION.—1-32 of 1% of \$1.00=.03125 cents, and in order to reduce same to centimes, multiply this amount by .05 (there being 5 centimes to 1 cent) which gives decimal .0015625, or .00156 as used in above table.

French Exchange Interest Table.

Showing interest per \$1.00 for use in purchasing bill of exchange drawn payable 3, 10, 30, 60 and 90 days after sight. (Computed on basis of francs 5.20 per \$1.00, and 360 days per year.)

Interest or Discount Rate	3	10	30	60	90
	Days Sight	Days Sight	Days Sight	Days Sight	Days Sight
	Centimes	Centimes	Centimes	Centimes	Centimes
1-16 of 1%	.00003	.00009	.00027	.00054	.00081
1-8 of 1%	.00005	.00018	.00054	.00108	.00162
3-16 of 1%	.00008	.00027	.00081	.00162	.00244
1-4 of 1%	.00011	.00036	.00108	.00217	.00325
5-16 of 1%	.00014	.00045	.00135	.00271	.00406
3-8 of 1%	.00016	.00054	.00162	.00325	.00487
7-16 of 1%	.00019	.00063	.00190	.00379	.00569
1-2 of 1%	.00022	.00072	.00217	.00433	.00650
9-16 of 1%	.00024	.00081	.00244	.00487	.00731
5-8 of 1%	.00027	.00090	.00271	.00542	.00812
11-16 of 1%	.00030	.00099	.00298	.00596	.00894
3-4 of 1%	.00032	.00108	.00325	.00650	.00975
13-16 of 1%	.00035	.00117	.00352	.00704	.01056
7-8 of 1%	.00038	.00126	.00379	.00758	.01137
15-16 of 1%	.00041	.00135	.00406	.00812	.01219
1%	.00043	.00144	.00433	.00867	.01300
2%	.00087	.00289	.00867	.01733	.02600
3%	.00130	.00433	.01300	.02600	.03900
4%	.00173	.00578	.01730	.03467	.05200
5%	.00217	.00722	.02167	.04333	.06500
6%	.00260	.00867	.02600	.05200	.07800

To above figures the cost per \$1.00 for internal revenue stamps should be added, namely, .0026 centimes.

EXAMPLE.—Find interest and cost of revenue stamps per \$1.00 on 30 days sight bill of exchange at $3\frac{1}{2}\%$.

OPERATION:

Interest, 30 days at 3%	= .013
Interest, 30 days at $\frac{1}{2}\%$	= .00217
Cost of revenue stamp	= .0026

ANSWER—Total	.01777
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(This amount should be added to demand rate, NOT DEDUCTED.)

Notes on French Bills of Exchange.

Documentary payment bills can be discounted with banks under the Bank of France rate, which is not customary in England. In discounting acceptance bills, banks usually calculate the last 5 days at the official Bank of France rate, and the balance of time at the private discount rate.

Discountable bills on first class commercial firms are discounted at the open market rate.

On bills which have matured (become due) the law grants grace until 12 o'clock noon the day following day of maturity.

The internal revenue stamp tax on all bills of exchange is 1-20 of 1%, or 50 centimes per 1,000 francs, with minimum of 10 centimes.

Checks drawn payable in France must ALWAYS be dated in words, otherwise they are subject to a tax. For example: February tenth, 1906. The reason for same is this: The law requires that a check be paid within eight days from date of issue, otherwise it is considered a bill of exchange. If the checks were dated in figures, changes in the date to bring it within the limit could easily be made and thus the tax would be evaded. A change in the written date can be detected more readily, and hence the requirement.

Buying Bills of Exchange on Germany.

EXAMPLE NO. 1.

ILLUSTRATION.—A commercial bill of exchange on Berlin or Hamburg, Germany; draft drawn payable 90 days after sight; documents (bill of lading, etc.) for delivery upon acceptance of draft; discount rate, $4\frac{5}{8}\%$. Market rate for demand checks on Berlin or Hamburg on date of purchase, 95 3-16 cents per 4 marks.

OPERATION:

Market rate for demand checks on Berlin at rate 95 3-16 cents.....		.951875
Interest, 90 days at $4\frac{5}{8}\%$ (per 4 marks)	.01098	
Cost of revenue stamps (per 4 marks)...	.0005	
Profit $\frac{1}{4}$ of 1% (varies according to conditions).....	.00238	.013860
		<hr/>
Purchasing price per 4 marks.....		.938015
Or 93 13-16 minus 1-64 of 1%.		

NOTE.—For item of interest or discount and revenue stamp see table, page 205. The item of profit is used merely for illustration. It is customary for buyers to figure from 1-16 to $\frac{1}{2}\%$ according to conditions, competition, etc. Bills drawn on Hamburg or Berlin are generally at same rate. If bills are drawn on cities in Germany other than Berlin or Hamburg, the cost of collecting and remitting to these cities must be considered, usually 1-16%. The cost of revenue stamp is figured thus: 50 pfennigs per 1,000 marks is equivalent to 1-20 of 1% of rate per 4 marks; 1-20 of 1% of 95 cents equals .000475; or, as generally figured, .0005 cents.

EXAMPLE NO. 2.

ILLUSTRATION.—A commercial bill of exchange on Hamburg, Germany; draft drawn payable 30 days after sight; documents for delivery upon payment of draft; discount rate on date of purchase, $3\frac{1}{2}\%$: market rate for demand checks on Hamburg and Berlin on date of purchase, $95\frac{1}{2}$ —1-32, or $95\frac{1}{2}$ cents per 4 marks, minus 1-32 of 1%.

OPERATION:

Market rate for demand checks on Hamburg, $95\frac{1}{2}$ —1-32.....	.9547	
Interest, 30 days at $3\frac{1}{2}\%$ (per 4 marks) ..	.00278	
Cost of revenue stamps (per 4 marks)...	.0005	
Profit $\frac{1}{4}$ of 1% (varies according to conditions).....	.00238	.00566
		<hr/>
Purchasing price per 4 marks.....		.94904
Or 94 13-16 plus 3-32 of 1%.		

NOTE.—As the commercial quotations are by 16ths, 8ths, or multiples of same, the fractions 1-64, 1-32, 1-16, 1-8, 3-32, etc., plus or minus, are used when necessary. (See quotations on German Exchange, Chap. IV.)

94 13-16 expressed decimally would be	.948125
3-32 of 1% of 95 cents =	.000893
Total	<hr/>
	.949018 or 94 13-16+3-32

Fractional German Exchange Quotations.

In buying and selling commercial bills of exchange, where the rates quoted or offered are supplemented with the FRACTIONAL quotations of plus or minus 1-64, 1-32, 1-16, 3-32 or 1-8, etc., it is necessary for convenience in figuring to apply these fractions to the rate to determine value of the bills. We therefore give below the decimals of these fractions, pointed off as in dollars and cents, for adding to or deducting from the regular rates, as the case may be, together with an illustration of their use.

If fraction is minus 1-64 of 1%, deduct from rate decimal .000149
 If fraction is minus 1-32 of 1%, deduct from rate decimal .000298
 If fraction is minus 3-64 of 1%, deduct from rate decimal .000446
 If fraction is minus 1-16 of 1%, deduct from rate decimal .000595
 If fraction is minus 5-64 of 1%, deduct from rate decimal .000744
 If fraction is minus 3-32 of 1%, deduct from rate decimal .000893
 If fraction is minus 1-8 of 1%, deduct from rate decimal .001191

NOTE.—When fractional quotation is PLUS add the decimals.

EXAMPLE.—Express decimally the rate 95 3-16 plus 3-64 of 1%.

OPERATION.—95 3-16= .951875
 3-64 of 1%= .000446

ANSWER .952321 cents

German Exchange Interest Tables.

Showing interest per 4 marks for use in purchasing bills of exchange drawn payable 3, 10, 30, 60 and 90 days after sight.

(Computed on basis of 95 cents per 4 marks, and 360 days per year.)

Interest or Discount Rate	3	10	30	60	90
	Days Sight	Days Sight	Days Sight	Days Sight	Days Sight
	Cents	Cents	Cents	Cents	Cents
1-16 of 1%	.00001	.00002	.00005	.00010	.00015
1-8 of 1%	.00001	.00003	.00010	.00020	.00030
3-16 of 1%	.00001	.00005	.00015	.00030	.00045
1-4 of 1%	.00002	.00007	.00020	.00040	.00059
5-16 of 1%	.00002	.00008	.00025	.00049	.00074
3-8 of 1%	.00003	.00010	.00030	.00059	.00089
7-16 of 1%	.00004	.00012	.00035	.00069	.00104
1-2 of 1%	.00004	.00013	.00040	.00079	.00119
9-16 of 1%	.00004	.00015	.00045	.00089	.00134
5-8 of 1%	.00005	.00016	.00050	.00099	.00148
11-16 of 1%	.00005	.00018	.00054	.00109	.00163
3-4 of 1%	.00006	.00020	.00059	.00119	.00178
13-16 of 1%	.00006	.00021	.00064	.00129	.00193
7-8 of 1%	.00007	.00023	.00069	.00139	.00208
15-16 of 1%	.00007	.00025	.00074	.00148	.00223
1%	.00008	.00026	.00079	.00158	.00237
2%	.00016	.00053	.00158	.00317	.00475
3%	.00024	.00079	.00238	.00475	.00712
4%	.00032	.00106	.00317	.00633	.00950
5%	.00040	.00132	.00396	.00792	.01187
6%	.00047	.00158	.00475	.00950	.01425

To above figures, the cost per 4 marks for internal revenue stamps, should be added, namely, .0005 cents.

EXAMPLE.—Find interest and cost of revenue stamps per 4 marks on 60 days' sight bill of exchange at $4\frac{5}{8}\%$.

OPERATION:

Interest 60 days at 4% =	.00633
Interest 60 days at $\frac{5}{8}\%$ =	.00099
Cost of revenue stamps =	.0005
<hr/>	
ANSWER—Total	.00782 cents

Notes on German Bills of Exchange.

The rate for demand checks is usually the same whether on Hamburg or Berlin.

The German Government requires that revenue stamps to the value of 50 pfennigs per 1,000 marks be affixed to drafts drawn for 1 day's sight and over, at time of acceptance of drafts.

Three days' sight letters of delegation are not subject to stamp duty; three days' sight and all other time drafts are taxed approximately .0005 cents for every 4 marks, or say \$1.00. The rate of stamp tax is equivalent to 1-20 of 1%.

The following is schedule of stamp duty:

- On amounts up to 200 marks, 10 pfennigs.
- On amounts of 200 to 400 marks, 20 pfennigs.
- On amounts of 400 to 600 marks, 30 pfennigs.
- On amounts of 600 to 800 marks, 40 pfennigs.
- On amounts of 800 to 1,000 marks, 50 pfennigs.
- Over 1,000 marks, 50 pfennigs per 1,000 marks or fraction thereof.

IMPORTERS IN GERMANY will not accept drafts against importations until the duplicate documents (duplicate draft, bill of lading, etc.) are presented, and in order to have the original draft accepted immediately upon its arrival, banks in this country when forwarding such bills for acceptance and collection will attach to the original draft a memorandum agreement to the effect that the duplicate of bill of lading is in their possession, and their correspondents (banks) are requested to guarantee the acceptors (importers) that the duplicate documents will be delivered to them as soon as received, which guarantee also gives the number and amount of draft, the name of drawer and the signature of a proper official of the bank or financial institution forwarding same.

Buying Bills of Exchange on Holland.

On account of the large export business from the United States to Holland (the Netherlands)—amounting to nearly 5 per cent of our total exports—the greater part of which is to Amsterdam and Rotterdam, the Holland business may be classed as next in importance after the German and French. Owing, however, to the comparatively small demand in the

United States for remittances to Holland the surplus of money accumulated to the credit of American bankers necessarily has to be transferred to other centers, such as London, Paris, Berlin, etc., which can usually be done through arbitration, as explained in Chapter VIII. The method of buying bills of exchange on Holland is as follows:

EXAMPLE NO. 1.

ILLUSTRATION.—A commercial bill of exchange on Amsterdam, Holland; draft drawn payable 3 days after sight; documents for delivery upon payment of draft; discount rate, $3\frac{3}{8}\%$; market rate for demand checks, on date of purchase $40\frac{1}{4}$ cents per gulden (guilder or florin).

OPERATION:

Market rate for demand check on Amsterdam .....		.4025
Interest (or rebate) 3 days at $3\frac{3}{8}\%$.....	.00012	
Cost of revenue stamp, none required...	.0000	
Profit 1-16 of 1% (varies according to conditions).....	.00025	.00037
		<hr/>
Purchasing price per gulden.....		.40213
Or rate, 40.20 cents per gulden.		

EXAMPLE NO. 2.

ILLUSTRATION.—A commercial bill of exchange on Rotterdam, Holland; draft drawn payable 10 days after sight; documents for delivery upon acceptance of draft; discount rate $3\frac{3}{8}\%$; market rate for demand checks on Rotterdam on date of purchase, 40 3-16—1-32 of 1% per gulden.

OPERATION:

Market rate for demand checks on Rotterdam .....		.401751
Interest, 10 days at $3\frac{3}{8}\%$.....	.00037	
Cost or revenue stamps (1-20 of 1\%) ...	.0002	
Profit 1-16 of 1% (varies according to conditions).....	.00025	.00082
		<hr/>
Purchasing price per gulden .....		.400931
Or rate, 40.10 cents per gulden.		

EXAMPLE NO. 3.

ILLUSTRATION.—A commercial bill of exchange on Amsterdam, Holland; draft drawn payable 60 days after sight; documents for delivery upon payment of draft; discount rate 3 7-16%; market rate for demand checks on Amsterdam upon date of purchase, 40 5-16+1-64 per gulden.

OPERATION:

Market rate for demand checks on Amsterdam .....		.403187
Interest 60 days at rate 3 7-16%.....	.00229	
Cost of revenue stamp (1-20 of 1%)....	.0002	
Profit $\frac{1}{8}$ of 1% (varies according to conditions).....	.0005	.00299
		<hr/>
Purchasing price per gulden.....		.400197
Or rate, 40+3-64 per gulden.		

Holland Exchange Fractional Quotations.

In buying and selling bills of exchange, drawn in the money of Holland, where the rate quoted or offered is supplemented with a fractional quotation such as minus or plus 1-64, 1-32, 3-64, 1-16, 1-8, etc. of 1 per cent, it is necessary for convenience in figuring to apply these fractions to the rate. We, therefore, give below the decimals of these fractions pointed off as in dollars and cents, for adding to or deducting from the regular rates, as case may be, together with an illustration of their use:

If fraction is minus 1-64 of 1%, deduct from rate decimal	.000062.
If fraction is minus 1-32 of 1%, deduct from rate decimal	.000124.
If fraction is minus 3-64 of 1%, deduct from rate decimal	.000186.
If fraction is minus 1-16 of 1%, deduct from rate decimal	.000248.
If fraction is minus 5-64 of 1%, deduct from rate decimal	.000310.
If fraction is minus 3-32 of 1%, deduct from rate decimal	.000372.
If fraction is minus 7-64 of 1%, deduct from rate decimal	.000434.
If fraction is minus 1-8 of 1%, deduct from rate decimal	.000496.

NOTE.—When fraction quoted is PLUS the above decimals should be added to rate.

EXAMPLE.—Express decimally the rate, 40 5-16+1-64.

OPERATION.— 40 5-16 = .403125
 +1-64% = .000062

ANSWER .403187

Holland Exchange Interest Tables.

Showing interest per gulden (guilder or florin) for use in purchasing bills of exchange drawn payable in 3, 10, 30, 60 and 90 days after sight.

(Computed on basis of 40 cents per gulden, and 360 days per year.)

Interest or Discount Rate	3	10	30	60	90
	Days Sight	Days Sight	Days Sight	Days Sight	Days Sight
	Cents	Cents	Cents	Cents	Cents
1-16 of 1%	.00001	.00001	.00002	.00004	.00006
1-8 of 1%	.00001	.00001	.00004	.00008	.00013
3-16 of 1%	.00001	.00002	.00006	.00012	.00019
1-4 of 1%	.00001	.00003	.00008	.00017	.00025
5-16 of 1%	.00001	.00003	.00010	.00021	.00031
3-8 of 1%	.00001	.00004	.00013	.00025	.00038
7-16 of 1%	.00001	.00005	.00015	.00029	.00044
1-2 of 1%	.00002	.00006	.00017	.00033	.00050
9-16 of 1%	.00002	.00006	.00019	.00037	.00056
5-8 of 1%	.00002	.00007	.00021	.00042	.00063
11-16 of 1%	.00002	.00008	.00023	.00046	.00069
3-4 of 1%	.00002	.00008	.00025	.00050	.00075
13-16 of 1%	.00003	.00009	.00027	.00054	.00081
7-8 of 1%	.00003	.00010	.00029	.00058	.00088
15-16 of 1%	.00003	.00010	.00031	.00063	.00094
1%	.00003	.00011	.00033	.00067	.00100
2%	.00007	.00022	.00067	.00133	.00200
3%	.00010	.00033	.00100	.00200	.00300
4%	.00013	.00044	.00133	.00267	.00400
5%	.00017	.00055	.00167	.00333	.00500
6%	.00020	.00066	.00200	.00400	.00600

To the above figures the cost per gulden for revenue stamps should be added, namely, .0002 cents.

EXAMPLE.—Find interest and cost of revenue stamp per gulden on 60 days' sight bill of exchange at rate 3 7-16%.

OPERATION:

Interest, 60 days as 3%	= .002
Interest, 60 days at 7-16%	= .00029
Cost revenue stamp	= .0002

ANSWER—Total .00249 cents

Exhibit "Y"
 Reduced Facsimile of Specimen Copy of
HYPOTHECATION CERTIFICATE.
BILLS OF EXCHANGE.

To the NATIONAL BANK OF THE REPUBLIC.
CHICAGO,

GENTLEMEN:—

Having in contemplation transactions with you from time to time in the sale of Bills of Exchange with Shipping Documents for goods or produce attached as collateral security, which documents are to be held by you for the due payment of the same, we hereby declare that upon the sale by us to you of any such Bills of Exchange our agreement with you is understood to be as follows:

You may insure any goods forming the collateral security (if not already insured, and the policy or policies deposited in your hands), from sea risk, including loss by capture, and from fire on shore, and add the premiums and expense thereof to the amount chargeable in respect of the said Bills, but it shall not be imperative upon you to effect any such Insurance.

You may sell any portion of the said goods which you may deem necessary for payment of such premiums and expenses, freight, or duties, and take such measures generally, and make such charges for commission, and are to be accountable in such manner, but not further or otherwise as in ordinary cases between a Merchant and his Correspondent.

You may take conditional acceptance to such Bills to the effect that on payment thereof at maturity or under discount the documents handed to you as collateral security shall be delivered to the Acceptors, and this shall extend to acceptances for honour.

In case default be made in acceptance of the said Bills on presentation, we agree immediately on receiving notice from you that you have been advised by telegraph of such non-acceptance, and without waiting for or requiring the protest of the said Bills, that we will pay to you the amount thereof, with all charges of every description incurred by you in consequence of the non-acceptance of the said Bills, or give you a margin which shall be satisfactory to you, either in cash or Securities, and notwithstanding that the goods or produce against which the said Bill is drawn, or the Documents thereof remain in your possession in the United Kingdom or elsewhere; and we hereby agree that your account of the disbursements, commission and charges, incurred by you in consequence of the non-acceptance of the said Bills shall be received by us as sufficient evidence of the amount of such disbursements, commission and charges, and shall not be open to objection of any kind.

In case default be made in acceptance or payment of any of the said Bills, or if the Drawees or Acceptors should suspend payment, or be adjudicated Bankrupt, or execute any Deed of Arrangement, Composition, or Inspectorship or take any other steps whatsoever towards effecting a compromise or arrangements with their creditors during the currency of the said Bills, you may at any time after either of the aforesaid events taking place, sell the goods or any part thereof without notice to or the concurrence of any person whomsoever without waiting for the maturity of the said Bills, and either by public auction or private sale, and you may act in all respects as if you had been the direct consignee of the goods, charging such commission as is usual between a Merchant and his Correspondent in ordinary cases, and shall apply the net proceeds of any sale, after deducting any payment made under the powers herein contained, with interest thereon and the usual commission and charges, in payment of the Bills with interest, re-exchange and other charges, and may retain the balance (if any) towards liquidation of any debt or liability of ours to you whether or not the same be then payable or ascertained, it being hereby agreed that the goods themselves until sale shall be liable for and be charged with the payment of all such Bills, with commission, interest, re-exchange, and other charges, debts, or liabilities, and we agree that all account sales and accounts current furnished by you in respect of the said goods shall be received by us as sufficient evidence of the accuracy of the transactions to which they refer, and shall not be open to objection of any kind.

We further authorize you, in case the net proceeds of the sale of such goods shall be insufficient to pay the amount of the said Bills, with disbursements, interest, re-exchange and charges, to draw upon us at the exchange of the day for the amount of such deficiency, and we engage to honour such drafts on presentation, or even without such drafts being sent, to pay you the amount of such deficiency on your informing us of the amount.

In case the aforesaid Power of Sale shall not have arisen during the currency of the said Bills, you may accept payment from the Drawees or Acceptors thereof, and on payment deliver the said Bills of Lading and Shipping Documents to such Drawees or Acceptors.

In case the Drawees or Acceptors should wish to take delivery of any portion of the Goods held as collateral security against the said Bills before maturity thereof, you are authorized (but not so as to be binding on you) to make such partial deliveries on receiving payment of a proportionate part of the said Bills.

The delivery to you as aforesaid of the above mentioned collateral securities is not to prejudice any of your rights on the said Bills in case of dishonour, nor shall any proceedings taken thereon prejudicially affect your title to the said securities.

All rights, powers, and authorities hereinbefore given to you shall extend to and may be exercised by the holders for the time being of the said Bills and Shipping Documents.

It is understood that in the event of Bills being paid under discount, rebate of interest shall be allowed as follows:—

At one-half per cent per annum above the advertised rate of interest for short deposits allowed by the leading London Joint Stock Banks, if the Bills are taken up in the United Kingdom of Great Britain and Ireland.

At the current minimum rate of Discount of the National Banks of France, Italy, Belgium and Germany respectively if taken up in either of those Countries.

APPENDIX.

The Use of the Cable in Foreign Exchange Transactions.

The large increase in our trade with foreign countries is almost wholly due to the increased facilities afforded by the cable, which, in connection with land lines, has united almost every commercial center of the world.

The operations in foreign commercial bills of exchange are more satisfactorily and effectively conducted, and upon a much closer margin. Instead of having to wait for mail advices of any change in the market, such information can be obtained immediately, and the risks formerly necessary to assume are removed. There was always that possibility of some unforeseen event which would entirely upset calculations, and exchange operations had to be conducted with greater caution and upon much larger margin to avoid possible loss. This condition naturally restricted the volume of business.

There are now in active operation over 300 submarine cable lines, varying in length from 14 to over 17,000 miles, and aggregating about 148,500 miles. In addition there are about 1,150 submarine cable lines aggregating nearly 20,000 miles owned by the various governments, Great Britain alone having nearly 250 of a length of nearly 4,000 miles.

With the facilities now afforded by the cable, the markets of the world are brought into close touch. The bankers and financial institutions are advised from day to day of any financial or other change likely to affect the market. They can calculate with almost exactness the cost of any exchange in which they desire to operate. The cable has brought about a most marvelous change in the method of operating in foreign exchange. For at least a portion of the day transactions between New York, Boston, Chicago and London and other foreign cities can be executed simultaneously—an order to buy in one city being executed in the other.

Notwithstanding submarine cable lines have been in successful operation since 1866, it is only recently that the laying of a line across the Pacific Ocean was commenced, and until this line is finished cable messages to the Philippines, China and Asiatic points have to go by way of London, Suez, Bombay, Singapore, Cochin China, Hong Kong, and thence to Manilla, a distance of 14,000 miles, at a cost of about \$2.35 per word.

The reason of there being no line, heretofore, across the Pacific Ocean may undoubtedly be accounted for from the fact that until the United States annexed Hawaiian Islands and acquired the islands of Guam, Wake and the Philippines, no single Government controlled landing places within suitable distance from each other to insure its successful working, since submarine cable lines cannot be operated successfully at a

distance of more than 3,500 to 4,000 miles, without an intermediate station where messages can be repeated.

This obstacle being removed, we can now look for a cable line between San Francisco and the Philippines and China in the very near future, to be operated by an American corporation. From San Francisco to Hawaii, 2,089 miles, it is already laid, and the remaining distance, Hawaii to Wake Island, 2,040 miles, from Wake Island to Guam, 1,290 miles, from Guam to Manilla, 1,500 miles, and from Manilla to Hong Kong, 630 miles—a total distance of 7,569 miles—will soon be in operation.

With this new line in operation, we can look for a great increase in trade and foreign exchange transactions between the United States and the Philippines, China, Japan, India, as well as with Australia, New Zealand and the East India Islands.

FOREIGN EXCHANGE BROKERS.

At the principal cities will usually be found one or more individuals or firms engaged exclusively in the buying and selling of foreign exchange, including commercial and bankers' bills of exchange, cable transfers, etc., for the account of banks, exporters, importers and others, and in transacting such business do so upon a commission basis. Upon large transactions their commission is as small as 1-32 of 1 per cent of the amount, and sometimes as low as 1-64 of 1 per cent. These brokers keep their patrons fully informed of the fluctuations in the rates of exchange during the day as well as the general market conditions and have the confidence of those for whom they transact business of this class.

The following table gives the brokerage on sums of \$5,000 to \$100,000, at 1-64, 1-32, 1-16 and 1-8 of 1 per cent:

Amounts	Brokerage at 1-64 of 1%	Brokerage at 1-32 of 1%	Brokerage at 1-16 of 1%	Brokerage at 1-8 of 1%
\$ 5,000.....	\$ 0.78	\$ 1.56	\$ 3.12	\$ 6.25
10,000.....	1.56	3.12	6.25	12.50
15,000.....	2.34	4.69	9.37	18.75
20,000.....	3.12	6.25	12.50	25.00
25,000.....	3.91	7.81	15.62	31.25
30,000.....	4.69	9.37	18.75	37.50
35,000.....	5.47	10.94	21.87	43.75
40,000.....	6.25	12.50	25.00	50.00
45,000.....	7.03	14.06	28.12	56.25
50,000.....	7.81	15.62	31.25	62.50
55,000.....	8.59	17.19	34.37	68.75
60,000.....	9.37	18.75	37.50	75.00
65,000.....	10.16	20.31	40.62	81.25
70,000.....	10.94	21.87	43.75	87.50
75,000.....	11.72	23.44	46.87	93.75
80,000.....	12.50	25.00	50.00	100.00
85,000.....	13.28	26.56	53.12	106.25
90,000.....	14.06	28.12	56.25	112.50
95,000.....	14.84	29.69	59.37	118.75
100,000.....	15.62	31.25	62.50	125.00

JOBBER OF FOREIGN EXCHANGE.

In the United States there are comparatively few jobbers of foreign exchange, a few banks and bankers in New York, Chicago, and one or two other cities in the United States, and the American Express Co., comprising the principal ones.

Their method of conducting the business is to furnish to banks and sellers of foreign exchange a list of their correspondents abroad, together with the blanks necessary in transacting the business with the public, consisting of blank forms of checks (see Foreign Checks, page 152), bearing name of selling bank, and also forms for effecting payment for delivery by postoffice in foreign countries at points where there are no banks (see Foreign Postal Remittance Blanks, page 161). Jobbers then quote to banks or sellers of exchange, as frequently as the market rates change, net prices at which they will sell to them exchange on the various foreign countries. The retailers to derive a profit add to these rates whatever amount they can obtain from purchasers in competition with other sellers of exchange. The checks issued, which are drawn for an amount in foreign money payable by one of the correspondents named in the list, are given to purchasers to mail abroad. The retailer IMMEDIATELY notifies the jobber giving number of check, date of issue, amount in foreign money, place of payment, etc., on a printed "advice" form, on stub of check, and encloses a check payable to jobber for amount due based upon the net rates quoted to retailer. The jobber thereupon requests his correspondent abroad to pay the check upon presentation, which the foreign bank correspondent does, and either charges amount against the jobbers' account, or, in case it is at a small city or town where the jobber does not keep funds on deposit, the paying bank, by previous arrangement, will send the check for credit or collection to some other bank in the vicinity where the jobber keeps an account.

The method of handling of foreign postal remittances by retailers through jobbers is fully explained on page 158.

It is of the greatest importance that banks or others selling foreign exchange in this manner deal only with jobbers having an unquestionable financial standing, since in the sale of forms of drafts or checks to the public bearing their name, they must assume the responsibility to the customer of correct payment, and to do so for the comparatively small margin of profit they derive on such transactions, they cannot afford to run any risk of failure of jobber to arrange for and cause correct payment of these checks.

On next two pages will be found a sample of the usual form of net quotation sheets furnished by jobbers to retailers of foreign exchange. (Exhibits "Z" and "Z" continued.)

Exhibit "Z"

AMERICAN EXPRESS COMPANY.

Treasurer's Office, 65 Broadway, New York.

BANKS AND BANKERS SETTLEMENT RATE SHEET, No. 1, JAN. 11, 1906

FOR SALE OF CHECKS ON FOREIGN COUNTRIES.

	For Checks under \$50	For Checks \$50 to \$500	For Checks \$500 to \$10,000
Pounds Sterling,	\$4.87 1/2	\$4.87	\$4.86 1/4
Turkish Pounds on Harpoot,	4.48	4.47	4.47
Turkish Pounds on Turkey,	4.52	4.51	4.50
Francs,	19.48 Cts.	19.45 Cts.	19.42 Cts.
Lei on Roumania,	19.62 "	19.52 "	19.42 "
Kronen on Austria-Hungary,	20 35 "	20.32 "	20.30 "
Finmarks on Finland,	19.40 "	19.37 "	19.35 "
Lire, paper, on Italy,	19.48 "	19.45 "	19.42 "
Marks on Germany,	23.90 "	23.87 "	23.85 "
Kroner on Norway, Sweden and Denmark,	26.88 "	26.85 "	26.83 "
Gulden on Holland,	40.30 "	40.27 "	40.25 "
Pesos on Mexico,	52 00 "	51 75 "	51.50 "
Pesos on Manila,	50.50 "	50.25 "	50.10 "
Dollars (Local Currency) on Hong Kong,	51.00 "	50.75 "	50.50 "
Yen (Local Currency) on Yokohama,	51.00 "	50.75 "	50.50 "
Rubles on Russia and Poland,	51.75 "	51.60 "	51.50 "
Rupees on India,	33.70 "	33.45 "	33.35 "

Checks in U. S. DOLLARS, on Central and South America, Mexico, West Indies, Cape Verde Islands, Hawaii, and Philippine Islands, 1/4 of 1% premium. Minimum charge for a Check 25 Cents.

NOTE.—These rates are net, including all charges, and are subject to change at any time by notice from the Treasurer's Office of the Company.

Important Checks should be advised by telegraph, if there is any likelihood of advice reaching Treasurer after mailing of Checks abroad.

Foreign Remittances at above rates, adding thereto postage charges of 10 cents for Great Britain, Germany, Austria, Norway and Sweden, and 15 cents for all other countries.

Cable Transfers at the rates and cost for telegraphic and cable service mentioned or referred to on back hereof

FOR PURCHASE OF FOREIGN EXCHANGE.

	For Checks under \$500	For Checks \$500 to \$10,000	Sixty Day Bills up to \$10,000
Pounds Sterling,	\$4.81	\$4.85 1/2	\$4.82
Francs,	5.21 1/4	5.17 1/2	5.21 1/4
Marks on Germany, . . . . .	.94	.94 7/8	.94

FOR PURCHASE AND SALE OF FOREIGN MONEY.

	We purchase.		We sell.	
	GOLD	NOTES	GOLD	NOTES
Pounds Sterling (Sovereigns (except King George) & Bank of England Notes),	\$4.85	\$4.84 1/2	\$4.87	\$4.87
Francs (Bank of France Notes, F 100 and under),	19.25 Cts	19.20 Cts.	19.55 Cts.	19.40 Cts.
Marks, (Government Notes, M. 100 and under),	23.65 "	23.65 "	23.82 "	23.80 "
Lire, (Notes of 100 and under),		19.25 "		19.45 "
Rubles, (Notes of 100 and under),	51.10 "	49.00 "	51.40 "	51.35 "
Kroner, (Government Notes),		26.50 "		26.95 "
Kronen, (Notes of 100 and under),		20.25 "		20.45 "
Canadian Bank Notes,	Discount 1/4 of 1%			

Reduced Facsimile of Specimen Copy of FOREIGN EXCHANGE JOBBERS' QUOTATIONS.

Exhibit "Z"—Continued

IMPORTANT.—In drawing checks the Index of Countries in Company's latest List of Foreign Paying Agencies should be consulted to determine in what standard of money and under what special conditions the checks are to be drawn.

Wherever present instructions require that checks be drawn at "Exchange on "London," "Paris," "Berlin," "New York," or "Manila," change the phrase to read "At buying rate for checks on "London," "Paris," "Berlin," "New York" or "Manila"

Drawing Checks in Dollars Local Currency, Pesos, Yen and Rupees.

The following should be observed in filling out the amounts of Checks mentioned above :

1.—CHECKS ON HONG KONG, CHINA.—DRAWN IN DOLLARS LOCAL CURRENCY.

1 Dollar=100 Cents.

Three Hundred and $\frac{60}{100}$ Dollars Local Currency.

The words "Local Currency" must be entered after the word "Dollars" and "Loc. Cur." in the square as shown.

Amount in Figures.		
Loc. Cur.	300	$\frac{60}{100}$

2.—CHECKS ON MEXICO AND MANILA, PHILIPPINE ISLANDS.—DRAWN IN PESOS AND CENTAVOS.

1 Peso=100 Centavos.

Three Hundred and $\frac{60}{100}$ Pesos

Amount in Figures.		
Pesos	300	$\frac{60}{100}$

3.—CHECKS ON YOKOHAMA, JAPAN.—DRAWN IN YEN.

1 Yen=100 Sen.

Ninety and $\frac{60}{100}$ Yen

Amount in Figures.		
Yen	90	$\frac{60}{100}$

4.—CHECKS ON INDIA (BRITISH).—DRAWN IN RUPEES

1 Rupee=16 Annas. 1 Anna=12 Pies.

Three Hundred Rupees, Twelve Annas, Seven Pies.

Amount in Figures.		
Rs.	300	12 | 7

TRANSFER OF MONEY BY CABLE.

The settlement rate of exchange for Cable Transfers is usually $\frac{1}{4}$ per cent. above that for Foreign Checks quoted on opposite side, minimum 50 cents, to which should be added the actual cost of the cable service. Banks and Bankers are requested to kindly telegraph or write for special rates on large Transfers.

The full name and address of payee must always be furnished. Cable Transfers payable to Banks, Bankers, etc., should state "for whose account" the transfers are made. Transfers sent to a person in care of any one else will be paid to the payee only. A Registered address must not be used unless same has been previously arranged with the Treasurer.

Following is a list of Cities to which this Company can cable direct through exclusive Agents or Banking Houses

CABLE CHARGES PER WORD FROM NEW YORK.

Alexandria, Egypt..... 50	Florence, Italy..... 31	London, England..... 25	San Juan, Porto Rico, W. I. 75
Amsterdam, Holland..... 25	Genoa, Italy..... 31	Managua, Nicaragua, C. A. 75	San Salvador, San Salvador, C. A..... 65
Antwerp, Belgium..... 25	Georgetown, Br. Guiana 1.44	Manila, Phil. Islands..... 1.12	Santiago, Chili, S. A..... 1.25
Athens, Greece..... 36	Glasgow, Scotland..... 25	Marseilles, France..... 25	Santiago, Cuba..... 20
Barbadoes, West Indies. 91	Guatemala, Guatemala, C. A..... 55	†Mexico City, Mexico.. 175	Southampton, England... 25
Belfast, Ireland..... 25	Hamburg, Germany..... 25	Montevideo, Uruguay, S. A..... 1.00	Stockholm, Sweden..... 38
Berlin, Germany..... 25	Hamilton, Bermuda..... 42	Munich, Germany..... 25	Tegucigalpa, Honduras, C. A..... 65
Bremen, Germany..... 25	Havana, Cuba..... 15	Naples, Italy..... 31	Valparaiso, Chili, S. A..... 1.25
Buenos Ayres, Argentine, S. A..... 1.00	Havre, France..... 25	Nassau, Bahamas..... 35	Venice, Italy..... 31
Cairo, Egypt..... 50	Hong Kong, China..... 1.82	Paris, France..... 25	Vienna, Austria..... 32
Christiania, Norway..... 35	Honolulu, Hawaii Is.... 47	Panama..... 97	Warsaw, Russia..... 43
Copenhagen, Denmark.. 35	*Juneau, Alaska..... 2.70	Rome, Italy..... 31	Wiborg, Finland..... 43
Cork, Ireland..... 25	Kingston, Jamaica, W. I 48	Rotterdam, Holland..... 25	Wilna, Russia..... 43
Dresden, Germany..... 25	Larnaca, Cyprus..... 66	Santo Domingo, W. I..... 1.32	Yokohama, Japan..... 1.33
Dublin, Ireland..... 25	Lima, Peru, S. A..... 1.25	St. Petersburg, Russia.. 43	Zurich, Switzerland..... 30
Edinburgh, Scotland..... 25	Liverpool, England..... 25	San Jose, Costa Rica, C.A. 75	

*For ten words or less in Text; 24 cents for each additional word.

†For ten words or less in Text; 12 cents each additional word.

Cable Transfers for places not on above list will be forwarded by mail from the nearest point unless otherwise especially instructed. Transfers will be forwarded by telegraph beyond points on above list upon the understanding that all charges are to be borne by the remitter or payee.

It is usual to figure on nine words to each message, but that, of course, depends entirely upon the length of the payee's address. By a system of registration of the address, the cable charge on succeeding Transfers to same party may be reduced considerably.

Reduced Facsimile Copy of Second Page of FOREIGN EXCHANGE JOBBERS' QUOTATIONS.

Exhibit "AA"

Reduced Facsimile of

EXPRESS MONEY ORDER.

WHEN COUNTERSIGNED BY AGENT AT POINT OF ISSUE
 MINIATURE FAC-SIMILE NOT GOOD.
EXPRESS MONEY ORDER
American Express Company
 AGREES TO TRANSMIT AND
 PAY TO THE ORDER OF *A. K. Brooks*
 THE SUM OF *Thirty Six* DOLLARS
 COUNTERSIGNED *M. H. Berry* AGENT
 ISSUED AT *New York* STATE OF *N.Y.*
 DATE *Jan 2 1906*
 ANY ERASURE, ALTERATION, DEFACEMENT OR MUTILATION OF THIS ORDER RENDERS IT VOID.

6-0000000
 AMERICAN EXPRESS CO.
 MONEY ORDER.
 REMITTER'S RECEIPT
 KEEP IT.

AMOUNT OF ORDER
 DOLLARS *36*
 CENTS *25*

PAID
 DOLLARS *36*
 CENTS *25*

Best to
A. K. Brooks
Chicago
Ill.

Order must be countersigned by
 the Remitter or authorized Agent.
 If Express Company will refuse
 to cover the face value here-
 on, it will be the responsibility of the
 Remitter and acceptance of the
 Company's Board of Directors.

Express Money Orders.

Express Money Orders as per reduced facsimile shown above are issued by the leading express companies of the United States and Canada, and while intended principally for remittances to places within the United States and Canada, are quite extensively used for remitting to Mexico, Central and South America, Cuba and other West Indies Islands and Hawaii. These money orders are issued for any sum from one cent to fifty dollars, and for larger sums by the use of two or more orders, for a small fee varying from three cents for sums of \$2.50 and under, to thirty cents for \$100. At the left margin of order a marginal guard is separated to prevent orders being raised. At the right margin is shown a "Receipt" which is separated and given to purchasers to keep. The name of the express company issuing order appears at the top as shown in the cut above of American Express Company money order. On account of the simplicity and great availability of this system it is extensively used for remitting small sums of money by mail.

FOREIGN EXCHANGE RETAILERS' GUIDE TO PROFIT.

Table for figuring profit on sales of foreign exchange or money, of any country, where the rate quoted is per single unit, i. e., so many cents per franc, mark, kronen, kronor, gulden, ruble, etc. Figures at left margin represent the quantity from 10 to 10,000, francs, marks, etc. Figures across the top show number of points to add to cost rate. Example: Customer wants draft for 700 kronor. Cost rate is 26.90 cents per kronor. Follow along line opposite 700 until you reach the amount of profit you want, say 50 cents, the figures at top above 49 cents, show you should add 7 points to cost rate, making selling rate 26.97 cents. This table cannot be used for francs per \$1.00 or marks, per 4 marks or pounds sterling.

QUANTITY.	1-2	1	2	3	4	5	6	7	8	9	10	15	20	25	30	35	40	45	50	(.01
	points	points	points	points	points	points	points	points	points	points	points	points	points	points	points	points	points	points	points	points
10.....	.00	.00	.00	.00	.00	.01	.01	.01	.01	.01	.01	.02	.02	.03	.03	.04	.04	.05	.05	.10
20.....	.00	.00	.00	.01	.01	.01	.01	.02	.02	.02	.03	.03	.04	.05	.06	.07	.08	.09	.10	.20
30.....	.00	.00	.01	.01	.01	.02	.02	.02	.03	.03	.04	.04	.06	.08	.09	.11	.12	.14	.15	.30
40.....	.00	.00	.01	.01	.02	.02	.03	.03	.04	.05	.06	.08	.10	.12	.14	.16	.18	.20	.40	
50.....	.00	.01	.01	.02	.02	.03	.03	.04	.04	.05	.06	.08	.10	.13	.15	.18	.20	.23	.50	
60.....	.00	.01	.01	.02	.02	.03	.04	.04	.05	.05	.06	.09	.12	.15	.18	.21	.24	.27	.60	
70.....	.00	.01	.01	.02	.03	.04	.04	.05	.06	.06	.07	.11	.14	.18	.21	.25	.28	.32	.70	
80.....	.00	.01	.02	.02	.03	.04	.05	.06	.06	.07	.08	.12	.16	.20	.24	.28	.32	.36	.80	
90.....	.00	.01	.02	.03	.04	.05	.05	.06	.07	.08	.09	.14	.18	.23	.27	.32	.36	.41	.90	
100.....	.00	.01	.02	.03	.04	.05	.06	.07	.08	.09	.10	.15	.20	.25	.30	.35	.40	.45	1.00	
200.....	.01	.02	.04	.06	.08	.10	.12	.14	.16	.18	.20	.30	.40	.50	.60	.70	.80	.90	2.00	
300.....	.02	.03	.06	.09	.12	.15	.18	.21	.24	.27	.30	.45	.60	.75	.90	1.05	1.20	1.35	3.00	
400.....	.02	.04	.08	.12	.16	.20	.24	.28	.32	.36	.40	.60	.80	1.00	1.20	1.40	1.60	1.80	4.00	
500.....	.02	.05	.10	.15	.20	.25	.30	.35	.40	.45	.50	.75	1.00	1.25	1.50	1.75	2.00	2.25	5.00	
600.....	.03	.06	.12	.18	.24	.30	.36	.42	.48	.54	.60	.90	1.20	1.50	1.80	2.10	2.40	2.70	6.00	
700.....	.04	.07	.14	.21	.28	.35	.42	.49	.56	.63	.70	1.05	1.40	1.75	2.10	2.45	2.80	3.15	7.00	
800.....	.04	.08	.16	.24	.32	.40	.48	.56	.64	.72	.80	1.20	1.60	2.00	2.40	2.80	3.20	3.60	8.00	
900.....	.05	.09	.18	.27	.36	.45	.54	.63	.72	.81	.90	1.35	1.80	2.25	2.70	3.15	3.60	4.05	9.00	
1,000.....	.05	.10	.20	.30	.40	.50	.60	.70	.80	.90	1.00	1.50	2.00	2.50	3.00	3.50	4.00	4.50	10.00	
2,000.....	.10	.20	.40	.60	.80	1.00	1.20	1.40	1.60	1.80	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	20.00	
3,000.....	.15	.30	.60	.90	1.20	1.50	1.80	2.10	2.40	2.70	3.00	4.50	6.00	7.50	9.00	10.50	12.00	13.50	30.00	
4,000.....	.20	.40	.80	1.20	1.60	2.00	2.40	2.80	3.20	3.60	4.00	6.00	8.00	10.00	12.00	14.00	16.00	18.00	40.00	
5,000.....	.25	.50	1.00	1.50	2.00	2.50	3.00	3.50	4.00	4.50	5.00	7.50	10.00	12.50	15.00	17.50	20.00	22.50	50.00	
6,000.....	.30	.60	1.20	1.80	2.40	3.00	3.60	4.20	4.80	5.40	6.00	9.00	12.00	15.00	18.00	21.00	24.00	27.00	60.00	
7,000.....	.35	.70	1.40	2.10	2.80	3.50	4.20	4.90	5.60	6.30	7.00	10.50	14.00	17.50	21.00	24.50	28.00	31.50	70.00	
8,000.....	.40	.80	1.60	2.40	3.20	4.00	4.80	5.60	6.40	7.20	8.00	12.00	16.00	20.00	24.00	28.00	32.00	36.00	80.00	
9,000.....	.45	.90	1.80	2.70	3.60	4.50	5.40	6.30	7.20	8.10	9.00	13.50	18.00	22.50	27.00	31.50	36.00	40.50	90.00	
10,000.....	.50	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	15.00	20.00	25.00	30.00	35.00	40.00	45.00	100.00	

THE TRAVELERS' GUIDE.

The following tables give the gold and silver coins of the United States and principal European countries with their comparative value in the money of the other countries, such value being based upon the intrinsic value of the gold unit of the countries named, as declared by the Director of the United States mint, as follows: \$4.8665 to the pound sterling of Great Britain, \$0.193 to the franc of France, Belgium and Switzerland, the finmark of Finland, the drachma of Greece, the lira of Italy, the lei of Roumania, the dinar of Servia and the peseta of Spain; \$0.238 to the mark of Germany; \$0.203 to the kronen of Austria-Hungary; \$0.268 to the kronor of Norway, Sweden and Denmark; \$0.402 to the florin or gulden of Holland (the Netherlands); \$0.515 to the ruble of Russia; \$1.00 to the dollar of the United States.

It should be understood that the values given are for comparative purposes only and do not represent, in case of silver, the actual or intrinsic values, since silver coins in other countries would generally be worth only their bullion value.

The values as given will, however, give to travelers a general idea of the value of the coins of one country in the money of the other countries and perhaps aid them in securing a fair equivalent in exchange for their money.

The traveler in Europe will find these tables very convenient for reference when exchanging the gold and silver coins of one country into the money of the other countries. For illustration: If upon your arrival in Paris from London you still have in your possession several gold English sovereigns or pounds, the table will show you should receive very nearly if not fully 25 francs and 20 centimes, less whatever charge may be made by bank or money changer for service in exchanging the money for you.

In giving the equivalent of coins in the money of countries on the continent, fractions of 5 are disregarded for the reason the gold and silver coins of these countries are usually in multiples of 5.

NAMES OF COINS AND COUNTRIES.	Value in money of United States.		Value in money of Great Britain.			Value in money of France & other c'tries named.		Value in money of Germany.		Value in money of Austria-Hung.		Value in money of Holland.		Value in money of Norway, Swed., Denmark.		Value in money of Russia.	
	Dol.	Cts.	£	s.	d.	Fr.	Cent.	Mks.	Pfg.	Kro.	Hel.	Gul.	Cts.	Kro.	Ores.	Rub.	Kop.
United States.																	
Double Eagle (\$20), gold	20.00		4. 2. 2			103.65		84.00		98.50		49.75		74.65		38.85	
Eagle (\$10), gold	10.00		2. 1. 1			51.80		42.00		49.25		24.85		37.30		19.40	
Half Eagle (\$5), gold.	5.00		1. 0. 7			25.90		21.00		24.65		12.45		18.65		9.70	
Quarter Eagle (\$2½), gold	2.50		10. 4			12.95		10.50		12.30		6.20		9.35		4.85	
Dollar, silver.....	1.00		4. 1			5.20		4.20		4.95		2.50		3.75		1.95	
Half Dollar, silver ...	.50		2. 1			2.60		2.10		2.45		1.25		1.85		1.00	
Quarter Dollar, silver.	.25		1. 0			1.30		1.05		1.25		.60		.95		.50	
Dime, silver.....	.10		5			.50		.40		.50		.25		.40		.20	
Great Britain.																	
5 Pounds, gold	24.33		5. 0. 0			126.05		102.25		119.85		60.50		90.80		47.25	
2 Pounds, gold	9.73		2. 0. 0			50.40		40.90		47.90		24.20		36.30		18.90	
Sovereign, gold	4.87		1. 0. 0			25.20		20.45		24.00		12.19		18.15		9.45	
Half Sovereign, gold..	2.43		10. 0			12.60		10.20		12.00		6.05		9.05		4.75	
Crown (5s), silver....	1.22		5. 0			6.30		5.10		6.00		3.05		4.55		2.40	
Half Crown, silver ...	.61		2. 6			3.15		2.60		3.00		1.50		2.25		1.20	
Florin (2s), silver ....	.49		2. 0			2.55		2.05		2.40		1.20		1.85		.95	
Shilling, silver .....	.24		1. 0			1.25		1.00		1.20		.60		.90		.45	
6 Pence, silver .....	.12		6			.65		.50		.60		.30		.45		.25	
4 Pence, silver .....	.08		4			.40		.35		.40		.20		.30		.15	
3 Pence, silver .....	.06		3			.30		.25		.30		.15		.20		.10	
France, etc.																	
100 Francs, gold.....	19.30		3.19. 4			100.00		81.10		95.05		48.00		72.00		37.50	
50 Francs, gold.....	9.65		1.19. 8			50.00		40.55		47.50		24.00		36.00		18.75	
20 Francs, gold.....	3.86		15.10			20.00		16.20		19.00		9.60		14.40		7.50	
10 Francs, gold.....	1.93		7.11			10.00		8.10		9.50		4.80		7.20		3.75	
5 Francs, gold.....	.96		3.11			5.00		4.05		4.70		2.40		3.60		1.85	
5 Francs, silver.....	.96		3.11			5.00		4.05		4.70		2.40		3.60		1.85	
2 Francs, silver.....	.39		1. 7			2.00		1.65		1.90		1.00		1.45		.75	
1 Franc, silver .....	.19		10			1.00		.80		.95		.50		.70		.35	
50 Centimes, silver...	.10		5			.50		.40		.50		.25		.35		.20	
20 Centimes, silver...	.04		2			.20		.20		.20		.10		.15		.10	
Holland.																	
10 Gulden, gold.....	4.02		0.16. 6			20.85		16.90		19.80		10.00		15.00		7.80	
Rix-daler, silver.....	1.00		4. 1			5.18		4.20		4.95		2.50		3.75		1.95	
Florin, silver .....	.40		1. 8			2.05		1.70		1.95		2.00		1.50		.80	
Half-Florin, silver ...	.20		10			1.05		.85		1.00		1.00		.75		.40	
25 Cents, silver .....	.10		5			.50		.40		.50		.25		.35		.20	
10 Cents, silver.....	.04		2			.20		.20		.20		.10		.15		.10	
5 Cents, silver.....	.02		1			.10		.10		.10		.05		.07		.04	

NAMES OF COINS AND COUNTRIES.	Value in money of United States.		Value in money of Great Britain.			Value in money of France & other countries named.		Value in money of Germany.		Value in money of Austria-Hung.		Value in money of Holland.		Value in money of Norway, Swed., Denmark.		Value in money of Russia.	
	Dol.	Cts.	£	s.	d.	Fr.	Cent.	Mks.	Pfg.	Kro.	Hel.	Gul.	Cts.	Kro.	Ores.	Rub.	Kop.
Germany.																	
20 Marks, gold	4.76		0.19	7		24.65		20.00		23.45		11.85		17.75		9.25	
10 Marks, gold	2.38		9.9			12.30		10.00		11.70		5.95		8.90		4.60	
5 Mark, silver	1.19		4.11			6.15		5.00		5.85		2.95		4.45		2.30	
3 Marks, silver . . . . .	.71		2.11			3.70		3.00		3.50		1.75		2.65		1.40	
2 Marks, silver . . . . .	.48		2.0			2.50		2.00		2.35		1.20		1.80		.95	
1 Mark, silver . . . . .	.24		1.0			1.25		1.00		1.20		.60		.90		.50	
50 Pfennigs, silver . . .	.12		6			.65		.50		.60		.30		.45		.25	
Austria-Hungary.																	
4 Ducats, gold	9.15		1.17	8		47.40		38.45		45.10		22.75		34.15		17.75	
20 Crowns, gold	4.05		16.8			21.00		17.00		19.95		10.05		15.10		7.85	
1 Ducat, gold	2.29		9.5			11.85		9.65		11.30		5.70		8.55		4.45	
10 Crowns, gold	2.03		8.4			10.50		8.55		10.00		5.05		7.55		3.95	
5 Crowns, silver	1.01		4.2			5.25		4.25		5.00		2.50		3.80		1.95	
2 Florins, silver . . . . .	.81		3.4			4.20		3.40		4.00		2.00		3.00		1.60	
1 Florin, silver . . . . .	.41		1.8			2.10		1.70		2.00		1.00		1.55		.80	
1 Crown, silver . . . . .	.20		10			1.05		.85		1.00		.50		.75		.40	
½ Florin, silver . . . . .	.10		5			.50		.40		.50		.25		.40		.20	
20 Kreuzers, silver . . .	.08		4			.40		.35		.40		.20		.30		.15	
10 Kreuzers, silver . . .	.04		2			.20		.20		.20		.10		.15		.10	
Norway-Sweden.																	
20 Crowns, gold	5.36		1.2	0		27.75		22.50		26.40		13.35		20.00		10.40	
10 Crowns, gold	2.68		11.0			13.85		11.25		13.20		6.65		10.00		5.20	
5 Crowns, gold	1.34		5.6			6.95		5.65		6.60		3.35		5.00		2.60	
2 Crowns, silver . . . . .	.54		2.3			2.80		2.30		2.65		1.35		2.00		1.05	
1 Crown, silver . . . . .	.27		1.2			1.40		1.15		1.35		.65		1.00		.50	
50 Ores, silver . . . . .	.13		7			.65		.55		.65		.30		.50		.25	
40 Ores, silver . . . . .	.11		6			.55		.45		.55		.25		.40		.20	
25 Ores, silver . . . . .	.07		4			.35		.30		.35		.15		.25		.15	
10 Ores, silver . . . . .	.03		2			.15		.15		.15		.05		.10		.05	
Russia.																	
Imperial (15 R), gold.	7.72		1.11	9		40.00		32.40		38.00		19.20		23.80		15.00	
10 Rubles, gold	5.15		1.1	2		26.70		21.65		25.35		12.80		19.20		10.00	
½ Imp. (7½ R), gold . . .	3.86		15.10			20.00		16.20		19.00		9.60		14.40		7.50	
5 Rubles, gold	2.57		10.7			13.30		10.80		12.65		6.40		9.60		5.00	
Ruble, silver . . . . .	.52		2.2			2.70		2.20		2.55		1.30		1.95		1.00	
Half Ruble, silver . . . . .	.26		1.1			1.35		1.10		1.30		.65		.95		.50	
25 Kopecks, silver . . . . .	.13		7			.65		.55		.65		.30		.50		.25	
20 Kopecks, silver . . . . .	.10		5			.50		.40		.50		.25		.35		.20	
15 Kopecks, silver . . . . .	.08		4			.40		.35		.40		.20		.30		.15	
10 Kopecks, silver . . . . .	.05		3			.25		.20		.25		.10		.20		.10	
5 Kopecks, silver . . . . .	.03		2			.15		.15		.15		.05		.10		.05	

FRACTIONS EXPRESSED DECIMALLY.

English, French, German, Holland and sometimes Italian exchange quotations are frequently expressed in fractions of the unit, which must be converted to the decimal in order to figure same, and unless one is constantly using such fractions it is quite confusing to the mind to immediately determine what the decimal of a fraction is. We therefore give below the fractions of 100 by sixty-fourths, with the decimal of same.

1-64=.015625	33-64=.515625
1-32=.03125	17-32=.53125
3-64=.046875	35-64=.546875
1-16=.0625	9-16=.5625
5-64=.078125	37-64=.578125
3-32=.09375	19-32=.59375
7-64=.109375	39-64=.609375
1-8=.125	5-8=.625
9-64=.140625	41-64=.640625
5-32=.15625	21-32=.65625
11-64=.171875	43-64=.671875
3-16=.1875	11-16=.6875
13-64=.203125	45-64=.703125
7-32=.21875	23-32=.71875
15-64=.234375	47-64=.734375
1-4=.25	3-4=.75
17-64=.265625	49-64=.765625
9-32=.28125	25-32=.78125
19-64=.296875	51-64=.796875
5-16=.3125	13-16=.8125
21-64=.238125	53-64=.828125
11-32=.34375	27-32=.84375
23-64=.359375	55-64=.859375
3-8=.375	7-8=.875
25-64=.390625	57-64=.890625
13-32=.40625	29-32=.90625
27-64=.421875	59-64=.921875
7-16=.4375	15-16=.9375
29-64=.453125	61-64=.953125
15-32=.46885	31-32=.96875
31-64=.484475	63-64=.984375
1-2=.50	1=.100

ILLUSTRATION: Express decimally the rate 94 15-16 (per 4 marks).

ANSWER—.949375 cents.

In the preparation of this work, it has been the constant aim of the author to present the subject matter in a readable manner free from all technical terms and phrases, and he hopes that his efforts in this direction may attain and merit success.

The chief object has been to place before the public an elementary work embracing the essentials requisite to a thorough understanding of the basic principles upon which foreign exchanges are built. He has purposely omitted furnishing data relative to opening and conducting accounts in the books of foreign bankers for the reason that the student and layman would find this to be a subject in a class by itself, very ably treated upon in Margraff's International Exchange, which we are pleased to recommend to those desiring a more advanced knowledge of the intricacies of Foreign Exchange.

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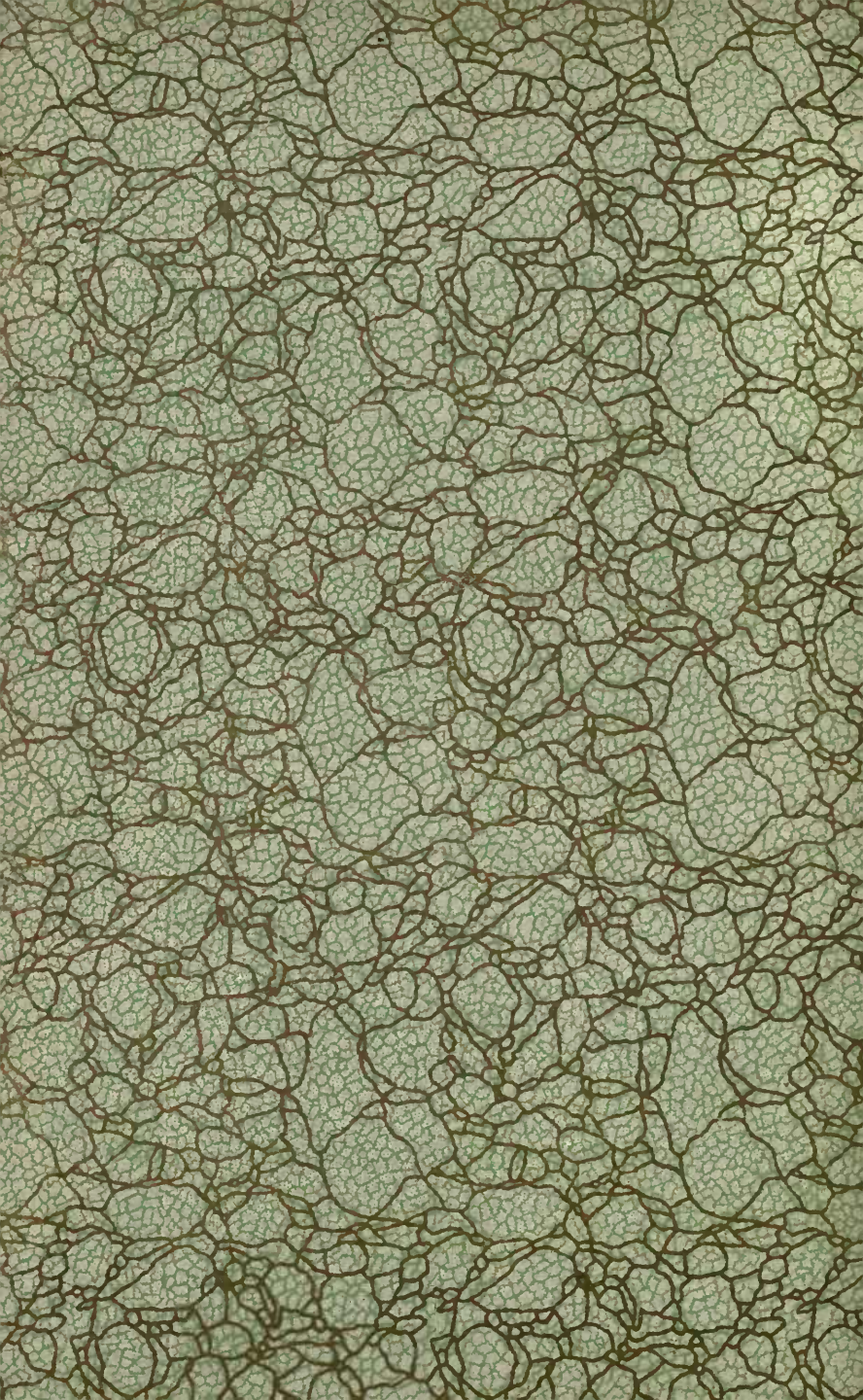
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