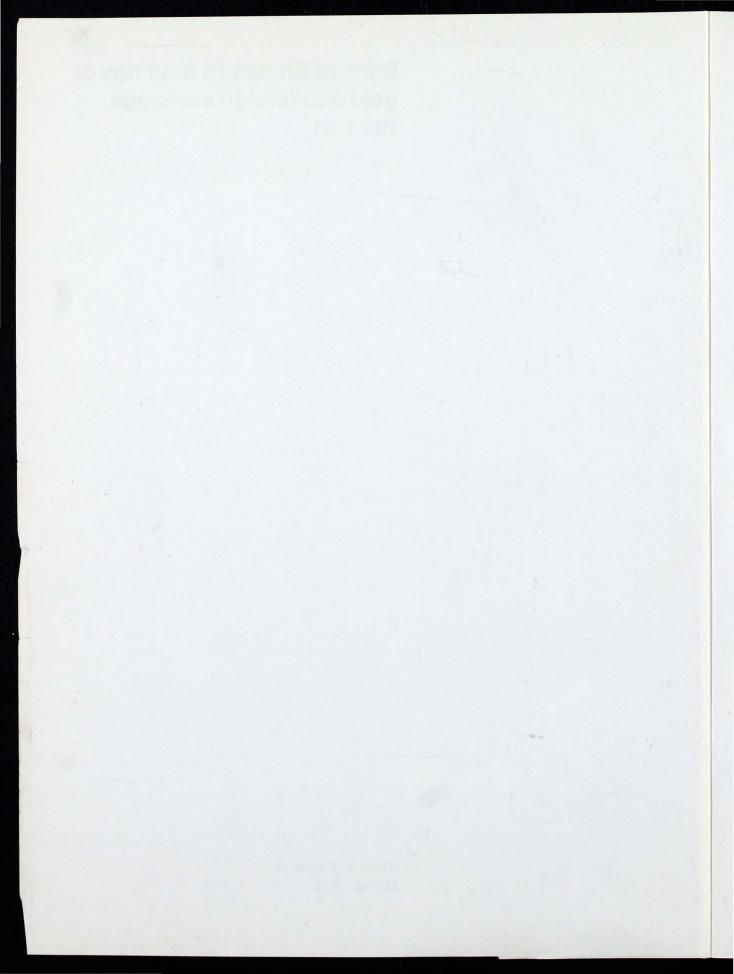
Bank of England's holdings of gold and foreign exchange, 1924-31

Bank of England March 1970



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An article on the origins and development of the Exchange Equalisation Account, which appeared in the December 1968 issue of the Bank's *Quarterly Bulletin*, included figures of official gold and currency reserves from 1932 onwards. This leaflet gives approximate figures of the Bank's holdings of such assets during the preceding seven years from the end of 1924 to the end of 1931, and so spans the inter-war period during which the United Kingdom was on the gold standard (from the end of April 1925-September 1931).

The figures of gold holdings are those of the Issue Department; some comparatively small holdings by the Banking Department are not included because, from the records available, they cannot readily be separated from holdings of silver. Gold is valued as in the Bank Returns at the time, at the Bank's selling price of 77s. $10\frac{1}{2}d$. per standard ounce (equivalent to 85s. per fine ounce). This method of valuation differs from that used in the E.E.A. article where, from mid-1932 to mid-1939, gold was valued at market prices. The difference in valuation largely explains why the figures of holdings in mid-1932 given in the earlier article were so much larger than those now quoted for the end of 1931.

The figures of foreign exchange include only U.S. dollars and French francs and so may not represent a complete record of the Bank's holdings in the years shown. However, holdings of other currencies were very much smaller, and movements in them unimportant. U.S. dollars and French francs were converted to sterling throughout at the parities ruling up to September 1931 ($\pounds 1 = U.S. \$4\cdot86656$ and French francs 124·2134).

3

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£ millions

4

Date (Wednesdays)	Gold	U.S. dollars	French francs
1924 Dec. 31	127		
1925 Mar. 25	127		
June 24	1 55ª	1	_
Sept. 30	159	3	
Dec. 30	143	5	
1926 Mar. 31	145	10	-
June 30	149	11	
Sept. 29	154	16	
Dec. 29	150	21	
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1927 Mar. 30	149	28	
June 29	150	31	
Sept. 28	149	38	
Dec. 28	151	42	
1928 Mar. 28	157	45	_
June 27	170	45	
Sept. 26	171	36	
Dec. 24	154	20	
1929 Mar. 27	153	18	
June 26	159	23	
Sept. 25	132	25	
Dec. 24	146	20	
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Date (Wednesdays)	Gold	U.S. dollars	French francs
1930 Mar. 26	155	15	
June 25	157	19	
Sept. 24	156	24	
Dec. 31	148	25	3
1931 Mar. 25	144	30	
June 24	163	26	4
Sept. 30	135	7	
Dec. 30	121	16	4

^a Includes £27 million transferred from H.M. Treasury.

— nil or less than £500,000.