

## Volume II

### The Heyday of the Gold Standard, 1820-1930

1928 June 25

**Monetary Law [France], 1928.** It took several years after the end of the First World War before France restored convertibility between the franc and gold. This excerpt from the Monetary Law of 1928 includes a list of several of pieces of wartime legislation that restricted the export and holding of gold in France during and immediately after the War.

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#### Article 1.

The provisions of Article 3 of the Law of August 5th, 1914, which order, temporarily, the forced circulation of the notes of the Bank of France and the Bank of Algeria, are repealed.

#### Article 2.

The franc, the monetary unit of France, is composed of 65.5 milligrammes of gold of a fineness of nine hundred thousandths.

This definition is not applicable to international payments which, before the promulgation of the present Law, were stipulated to be in gold francs.

#### Article 3.

The Bank of France shall be bound to make provision for the conversion of its notes into gold to bearer and at sight.

It shall have the option of so doing either by redeeming its notes in gold currency accepted as legal tender, or by exchanging them for gold at the rate of 65.5 milligrammes of gold of the fineness of nine hundred thousandths per franc.

It shall have the option of effecting such redemption or exchange exclusively at its central registered office and in respect of minimum quantities to be fixed by agreement between the Minister of Finance and the Bank of France.

Provision shall be made for the conversion under like conditions of notes of the Bank of Algeria, by agreement between the Minister of Finance and the Bank of Algeria.

The Bank of France shall be bound to purchase gold of the fineness of nine hundred thousandths at the pay-desks of its central registered office and of such subsidiary offices as it may select, without deducting interest. It shall have the right to deduct from the price paid to the seller the cost of minting at the tariff established by the Paris Mint. The costs of assaying shall be borne by the seller.

#### Article 4.

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The Bank of France shall be bound to keep a cash balance in gold bullion and coin equal to not less than thirty-five per cent (35%) of the total sum of the bearer notes in circulation and the current credit accounts.

All previous legal provisions fixing a maximum for the sum of Bank of France notes in circulation are hereby abrogated.

#### Article 5.

There will be made by the Administration of the Mint one-hundred-franc gold coins of a fineness of nine hundred thousandths.

The legal tolerance as regards the fineness is fixed at one thousandth above or below. The legal tolerance as regards the weight is fixed at two thousandths above or below.

These coins will be legal tender for an unlimited amount.

#### Article 6.

A decree of the Council of Ministers will fix the date after which the Administration of the Mint will resume the free coinage of gold for private persons. This decree will determine the conditions under which gold will be accepted for minting on the basis laid down in Article 2, and will fix the coinage fees.

Until this decree is published, the Administration of the Mint may coin gold only for the account of the Bank of France, and the fee shall be 40 francs per kilogramme of gold of a fineness of nine hundred thousandths.

[...]

#### Article 12.

The Law of the 17 Germinal of the year XI concerning the making and verifying of coins is repealed.

Are and remain repealed :

The Law of November 15th, 1915, prohibiting the export of gold bullion and of gold and silver coin;

The Law of April 12th, 1916, prohibiting the export of silver bullion;

The Decrees of April 1st, 1915, and December 2nd, 1921, prohibiting the export of nickel and copper coins as well as those of aluminium-bronze;

The Laws of February 12th, 1916, and October 16th, 1919, suppressing the traffic in the national moneys;

The Law of October 20th, 1919, prohibiting the melting and the demonitisation [sic] of the national coin;

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The provisions of the Law of April 3rd, 1918, and of the succeeding Laws relating to the prohibition on the export of French bank-notes over a certain sum;

The Law of August 7th, 1926, concerning the steps preparatory to the stabilisation of the currency, as well as all other Laws whose provisions are contrary to the present text.

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***Source:** League of Nations. 1930. Legislation on Gold, (Geneva: League of Nations), pp. 229-230. [League's translation]*