BY FRANCIS H. SISSON, PROMINENT AMERICAN FINANCIER

FRANCE again held the centre of interest on the financial stage during the month that has just passed. The kaleidoscopic events included the resignation of the French Cabinet, the forming of a new one, the displacing of the Governor of the Bank of France, the report of a committee of experts called in by Premier Briand to diagnose the fiscal ills of his country, and the fall of the French franc to the lowest quotation in its history.

New low quotations for all time were established for French and Belgian francs on July 1, when the French franc dropped to 2.66½ cents and the Belgian to 2.70¼ cents, displacing the levels reached on May 18. The Belgian franc went still lower—to 2.52 cents on July 6.

The report of the experts called in by Premier Briand was placed in the hands of M. Caillaux on July 2 and made public two days later. It recommended the ratification of the debt accord with the United States as soon as practicable, "despite opposing considerations"; improvement of the taxation system, so as to provide a quicker and larger return and to yield about four billion francs in new revenue; cessation of the system of advances from the Bank of France to the State to cover new expenditures; a gradual reduction of the advances of the Bank to the State, so as to strengthen the bank-note cover; relief of the Treasury and a return to its normal functioning by the reorganization of a large part of the floating debt and its administration by a separate sinking fund; voluntary effort at the consolidation of the short-term national defense and Treasury bonds; the realization as soon as possible, with the aid of the Bank of France, of monetary stability; preparation for the return of capital, for which purpose it would be necessary to contract long-term loans in foreign values and to obtain credits abroad; and drafting an economic policy which would prevent in some measure inevitable difficulties that would attend a return to sound money conditions.

United States Government Finances

For the first time since the Government started its program for handling the public debt following the close of the World War, there was no quarterly offering of short-term securities for refunding purposes on June 15. Government receipts from income taxes and other sources exceeded estimates by so wide a margin that it was possible for the remainder of the fiscal year, which ended on June 30, to meet all current expenditures and to retire approximately $333,700,000 of the short-term debt that matured on June 15, without resort to additional borrowing. In announcing the Treasury's plan, which came as a surprise on June 7, Secretary Mellon stated that no further financing by the Government would be necessary until September.

The Treasury Department made public on July 1 the official figures covering its operations for the fiscal year 1925-26, disclosing a budget surplus of $377,767,816, and a reduction in the gross public debt of $872,977,572. Total ordinary receipts were nearly $200,000,000 more than in the fiscal year 1925, despite the fact that income and profits tax rates were sharply reduced in the last revenue law. The income tax returns were particularly gratifying, being about $222,000,000 larger in 1926 than in 1925.

The ordinary receipts of the Government aggregated $3,962,755,690.14, as compared with $3,780,148,684.42 in 1925. Total expenditures chargeable against ordinary receipts were $3,584,987,873.50, as contrasted with $3,529,643,446.09 in 1925.

The gross public debt, which was cut to $19,643,216,315, dropped below $20,000,000,000 for the first time since the World War.

The Treasury Department on June 15 received payments amounting to $77,783,127.06 from the following Governments, on account of their indebtedness to the United States Government: Great Britain, $67,950,000; Italy, $5,000,000; Belgium, $2,094,160.70; Czechoslovakia, $1,500,000; Estonia, $50,000; Finland, $132,945; Hungary, $29,442.98; Lithuania, $76,578.38; Poland, $750,000, and Rumania $200,000.

President Discusses Tax Cuts

President Coolidge, speaking before the eleventh regular meeting on June 21 of the Business

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