

C O P Y

Secretary of the Treasury Snyder, on behalf of the National Advisory Council, today issued the following statement:

The United States Government welcomes the statement of the International Monetary Fund respecting measures to subsidize the production of gold. The expressed intention of the Fund to keep under review the gold policies of its members in the light of a sound international gold policy is an important forward step in the field of international financial cooperation.

The United States, as the largest gold buying country, has a peculiar and continuing interest in the role which gold subsidies may come to play in the production, movement, and price of gold. In particular, the United States would view with disfavor any tendency for countries to become dependent on subsidized gold production as a solution to the problem of arriving at and maintaining equilibrium in their balances of international payments.

In the view of the Council there are no grounds which would justify instituting a subsidy to encourage the production of gold in this country. The present monetary gold stocks of the United States, amounting to \$22.7 billion, are substantially in excess of legal reserve requirements. In the first 11 months of 1947 gold purchases by the U.S. from foreign countries amounted to \$2.7 billion.