

The monetary cooperation which resulted from the conference of the Secretary of the Treasury of the United States of America with representatives of the Chinese Ministry of Finance in May, 1936, has contributed to the very successful functioning of the new Chinese monetary system with benefits both to the internal economy of China and to American trade.

We are now able to announce further progress in monetary cooperation between the two countries in pursuit of the understanding reached a year ago. At that time the Secretary of the Treasury, in a public statement, said:

"I feel confident that the monetary program being pursued by the National Government of China is not only along sound lines, but constitutes an important step toward the desired goal of stability of world currencies.

"To supplement their efforts toward that objective and to cooperate with them in their program of monetary reform and currency stabilization, and in accordance with our silver purchase policy, we have definitely indicated our willingness, under conditions mutually acceptable, to make purchases from the Central Bank of China of substantial amounts of silver, and also to make available to the Central Bank of China, under conditions which safeguard the interests of both countries, dollar exchange for currency stabilization purposes."

At the same time, the Minister of Finance of China in a public statement expressed the firm belief that the new measures

of monetary reform which were then being adopted by the Chinese Government, and the arrangements made with the United States would insure the stability of the Chinese currency, and this would inevitably lead to greater economic improvement and prosperity of the Chinese people.

Arrangements have now been made through which the Government of China will purchase from the United States Treasury a substantial amount of gold. To aid the Chinese Government thus to augment its gold reserves, and in accordance with the terms of the United States Silver Purchase Act of 1934, the United States Treasury will purchase an additional amount of silver from the Chinese Government.

The United States Treasury will also broaden the scope of the arrangements under which the Central Bank of China has been enabled, under conditions which safeguard the interests of both countries, to obtain dollar exchange for currency stabilization purposes.

Both the Secretary of the Treasury and the Finance Minister of China are greatly gratified by the ^{beneficial} results to both countries which have been the consequence of their understanding reached last year, and they are equally gratified to be able to announce further progress in their cooperation. It is a source of satisfaction to them that the program of monetary reforms and currency stabilization in China has been carried out with great success and has been accompanied by an increase of trade between China and other nations, particularly the United States, which occupies the first place in China's foreign trade.

Because of his desire to express the appreciation of the Chinese Government and the people of China, the Chinese Minister of

Finance came in person to the United States to conduct the negotiations which have just been concluded.

The Secretary of the Treasury greatly appreciates having had this opportunity for personal contact with the Finance Minister of China and of undertaking in conference with him to further the welfare of both countries.

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