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The following joint statement is made by the Secretary of the Treasury, Mr. Henry Morgenthau, Jr., and by His Excellency T. V. Soong, representing the Republic of China:

Another important step has been taken in the field of monetary cooperation between the United States and China by the signing of a stabilization agreement involving the purchase of Chinese yuan by the United States Stabilization Fund to the amount of United States \$50,000,000. The Agreement provides, under conditions acceptable to both parties, for the establishment by China of a United States Dollar - Chinese Yuan Stabilization Fund. Included in the Fund's resources will be the dollars acquired from the United States through the purchase of Chinese yuan and a further sum of 20,000,000 United States dollars contributed by Chinese Government banks.

This is a cooperative agreement between friendly nations that are working together in many ways to preserve the basic freedoms. Apart from the obvious purpose of stabilizing the relationship between the currencies concerned, it will be an important factor in fostering the welfare of the participating countries.

China has also entered into an Agreement with the British Treasury under which five million pounds sterling are provided for currency stabilization in addition to the existing Sino-British Stabilization

Fund which was set up in 1939. This Agreement closely parallels the Agreement between the United States and China.

These stabilization funds will be managed by a five-man Board which China is creating. The Board will consist of three Chinese, an American appointed by China on the recommendation of the Secretary of the Treasury, and a British national appointed on the recommendation of the British Treasury.