

UNITED STATES  
DEPARTMENT OF COMMERCE  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

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FILE NO. 7-42  
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OFFICE OF COMMERCIAL ATTACHE  
PEKING, CHINA  
C'D. PR 9 1918 83 15<sup>c</sup> 8 120

American Legation.  
February 25, 1918.

Subject: Chinese Currency Reform.

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Chief, Bureau of Foreign and Domestic Commerce,  
Department of Commerce,  
Washington.

FOR. DOM. COM.  
DIV. OF COM. 41  
APR 9 1918  
DEPT. OF COM.

Sir:

Baron Sakatani, the new Japanese adviser to the Ministry of Finance, is quoted by the Japanese News Agency as saying:

"I will not advise the Chinese government to adopt the gold standard unless I am quite certain that the gold standard will do China good. As the present financial conditions in China are detrimental to the interests of Japan, so we Japanese must assist the Chinese to reform their currency as soon as possible. The chief thing is the reorganization of the paper money and China's domestic and foreign loans. There is no use to talk of a real gold standard for China until we have actually reorganized her paper money and made the silver coins a dependable currency. It is estimated that about 800,000,000 new silver coins are required for circulation in the Chinese money markets and for this China must have further loans from the Powers, especially Japan and the United States, since the other powers are not in a position to lend her any real help on account of the war."

Baron Sakatani is expected to arrive in Peking this week.

Very truly yours,

*A. W. Farnis*

Commercial Attaché.

copy to Kent  
Sent 4/16

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7-4-20

April 16, 1918.

Mr. Fred I. Kent,  
Director, Division of Foreign Exchange,  
Federal Reserve Board,  
Washington, D. C.

Dear Sir:

I take pleasure in referring to you the attached copy of a communication received by this Bureau from one of its foreign representatives, as indicated below. The Bureau is interested in any special comment you may have to offer, but no formal acknowledgment of this reference is necessary.

Very truly yours,

*C. D. Snow*

Assistant Chief of Bureau.

Submitted by: Mr. A. W. Ferrin, Commercial Attaché.

Place: Peking, China.

Dated: February 25, 1918.

Subject: Copy of letter to Bureau regarding Chinese Currency Reform.

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Enclosure 35489.

Inclosure.  
Form 58.

Very truly yours,

*A. W. Ferrin*  
*AS*