

ÉTATS-UNIS D'AMÉRIQUE,
AUSTRALIE, CANADA, CHINE, ESPAGNE,
INDE, MEXIQUE, PÉROU

Accord conclu à la Conférence monétaire et économique de Londres, en 1933, par les délégués de l'Inde, de la Chine et de l'Espagne, pays qui détiennent d'importants stocks d'argent ou qui font usage de ce métal, ainsi que par les délégués de l'Australie, du Canada, des États-Unis d'Amérique, du Mexique et du Pérou, principaux pays producteurs d'argent, signé à Londres, le 22 juillet 1933, et engagements complémentaires, signés à Londres, les 24 et 26 juillet 1933.

UNITED STATES OF AMERICA,
AUSTRALIA, CANADA, CHINA, SPAIN,
INDIA, MEXICO, PERU

Memorandum of Heads of Agreement entered into by the Delegates of India, China and Spain, as Holders of Large Stocks or Users of Silver, and of Australia, Canada, the United States of America, Mexico and Peru, as Principal Producers of Silver, at the Monetary and Economic Conference, held in London in 1933, signed at London, July 22nd, 1933, with Supplementary Undertakings, signed at London, July 24th and 26th, 1933.

No. 35II. — MEMORANDUM¹ OF HEADS OF AGREEMENT ENTERED INTO BY THE DELEGATES OF INDIA, CHINA AND SPAIN, AS HOLDERS OF LARGE STOCKS OR USERS OF SILVER, AND OF AUSTRALIA, CANADA, THE UNITED STATES, MEXICO AND PERU, AS PRINCIPAL PRODUCERS OF SILVER, AT THE MONETARY AND ECONOMIC CONFERENCE, HELD IN LONDON IN 1933. SIGNED AT LONDON, JULY 22ND, 1933.

English official text communicated by the Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Berne. The registration of this Agreement took place September 25th, 1934.

Whereas, at a meeting of the Sub-Commission II (Permanent Measures) of the Monetary and Financial Commission of the Monetary and Economic Conference held on Thursday, July 20th, 1933, the following resolution was unanimously adopted :

“ Be it resolved to recommend to all the Governments parties to this Conference :

“ (a) That an Agreement be sought between the chief silver producing countries and those countries which are the largest holders or users of silver with a view to mitigating fluctuations in the price of silver ; and that the other nations not Parties

¹ *Ratifications deposited in Washington :*

INDIA	March 21 st , 1934.
MEXICO	March 26 th , 1934.
CANADA	March 28 th , 1934.

Notice of affirmative action accepted as an instrument of ratification (paragraph 8) :

UNITED STATES OF AMERICA	December 21 st , 1933.
AUSTRALIA	February 16 th , 1934.
PERU	April 24 th , 1934.

Notifications of ratifications (paragraph 8) :

CHINA	March 27 th , 1934.
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(Formal instrument deposited on May 14th, 1934.)

“ In ratifying this Agreement, the National Government of China declares that, as silver is the basic monetary standard of China, the National Government will consider itself at liberty to take

¹ TRADUCTION. — TRANSLATION.

N^o 35^{II}. — ACCORD¹ CONCLU A LA CONFÉRENCE MONÉTAIRE ET ÉCONOMIQUE DE LONDRES, EN 1933, PAR LES DÉLÉGUÉS DE L'INDE, DE LA CHINE ET DE L'ESPAGNE, PAYS QUI DÉTIENNENT D'IMPORTANTES STOCKS D'ARGENT OU QUI FONT USAGE DE CE MÉTAL, AINSI QUE PAR LES DÉLÉGUÉS DE L'AUSTRALIE, DU CANADA, DES ÉTATS-UNIS, DU MEXIQUE ET DU PÉROU, PRINCIPAUX PAYS PRODUCTEURS D'ARGENT. SIGNÉ A LONDRES, LE 22 JUILLET 1933.

Texte officiel anglais communiqué par l'envoyé extraordinaire et ministre plénipotentiaire des États-Unis d'Amérique à Berne. L'enregistrement de cet accord a eu lieu le 25 septembre 1934.

Considérant que la Sous-Commission II (mesures permanentes) de la Commission monétaire et financière de la Conférence monétaire et économique, a adopté à l'unanimité la résolution suivante, à sa séance du jeudi 20 juillet 1933 :

« Il est décidé de recommander à tous les gouvernements représentés à la Conférence les mesures suivantes :

« a) Les principaux producteurs d'argent et les pays qui détiennent les plus grands stocks d'argent ou qui font le plus grand usage de ce métal s'efforceront d'arriver à un accord entre eux en vue d'atténuer les fluctuations du prix de l'argent;

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² Ratifications déposées à Washington :

INDE	21 mars 1934.
MEXIQUE	26 mars 1934.
CANADA	28 mars 1934.

Avis de mesures positives prises, acceptées comme instruments de ratification (paragraphe 8) :

ÉTATS-UNIS D'AMÉRIQUE	21 décembre 1933.
AUSTRALIE	16 février 1934.
PÉROU	24 avril 1934.

Notifications de ratifications (paragraphe 8) :

CHINE	27 mars 1934.
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(Instrument formel déposé le 14 mai 1934.)

[Traduction.]

« En ratifiant le présent accord, le Gouvernement national de la Chine déclare que, l'argent constituant l'étalon monétaire fondamental de la Chine, il se considère comme libre de prendre toute mesure

to this Agreement should refrain from measures which could appreciably affect the silver market ;

“ (b) That the Governments parties to this Conference shall refrain from new legislative measures which would involve further debasement of their silver coinage below a fineness of 800/1000 ;

“ (c) That they shall substitute silver coins for low-value paper currency in so far as the budgetary and local conditions of each country will permit ;

“ (d) That all of the provisions of this resolution are subject to the following exceptions and limitations :

“ The requirements of such provisions shall lapse on April 1st, 1934, if the Agreement recommended in paragraph (a) does not come into force by that date, and in no case shall extend beyond January 1st, 1938 ;

“ Governments may take any action relative to their silver coinage that they may deem necessary to prevent the flight or destruction of their silver coinage by reason of a rise in the bullion price of the silver content of their coin above the nominal or parity value of such silver coin ”, and,

Whereas, the Governments of India and Spain may desire to sell certain portions of their silver holdings, and it will be to their advantage that the countries which are large producers of silver should absorb silver as herein provided, to offset such sales, and,

Whereas, it is to the advantage of the large producing countries named in Article 2 that the sales of silver from monetary stocks be limited as herein provided, and,

Whereas, it is to the advantage of China that sales from monetary stocks of silver be offset by purchases as herein provided, with a view to its effective stabilisation ;

Now, therefore, it is agreed between the Parties hereto :

(1) (a) That the Government of India shall not dispose by sale of more than one hundred and forty million fine ounces of silver during a period of four years, commencing with January 1st, 1934. The disposals during each calendar year of the said four-year period shall be based on an average of thirty-five million fine ounces per year, it being understood, however, that if, in any year, the Government of India shall not dispose of thirty-five million fine ounces, the difference between the amount actually disposed of and thirty-five million fine ounces may be added as additional disposals in subsequent

whatever action it may deem appropriate, if, in its opinion, changes in the relative values of gold and silver adversely affect the economic condition of the Chinese people, contrary to the spirit of stabilizing the price of silver as embodied in this Agreement. ”

SPAIN April 24th, 1934.

(Formal instrument deposited on May 8th, 1934.)

By the unanimous consent of the Parties to the Agreement, the time within which the instruments of ratification might be deposited, or the notice that affirmative action necessary to carry out the purposes of the Agreement had been taken might be given, was extended to May 1st, 1934. By April 24th, 1934, the signatory Governments had either deposited their instruments of ratification with the Government of the United States or had notified that Government that affirmative action necessary to carry out the purposes of the Agreement had been taken.

The Agreement therefore became effective on April 24th, 1934.

years. Provided, further, that the maximum amount disposed of in any year shall be limited to fifty million fine ounces ;

(*b*) Notwithstanding anything previously stated in this Article, it is understood that if the Government of India should, after the date of this Agreement, sell silver to any Government for the purpose of transfer to the United States Government in payment of war debts, such silver shall be excluded from the scope of this Agreement ;

(*c*) Provided, however, that, when the total of the disposals referred to in paragraph (*a*) above plus the sales referred to in paragraph (*b*) above by the Government of India under this Agreement shall amount to one hundred and seventy-five million fine ounces, the obligation of the Parties hereto shall cease.

(2) That the Governments of Australia, Canada, the United States, Mexico and Peru, during the existence of this Agreement, shall not sell any silver, and shall also in the aggregate purchase, or otherwise arrange for withdrawing from the market, thirty-five million fine ounces of silver from the mine production of such countries in each calendar year for a period of four years, commencing with the calendar year 1934. The said Governments undertake to settle by agreement the share in the said thirty-five million fine ounces which each of them shall purchase or cause to be withdrawn.

(3) That the silver purchased or withdrawn in accordance with Article 2 above shall be used for currency purposes (either for coinage or for currency reserves), or be otherwise retained from sale during said period of four years.

(4) That the Government of China shall not sell silver resulting from demonetised coins for a period of four calendar years commencing January 1st, 1934.

(5) That the Government of Spain shall not dispose by sale of more than twenty million fine ounces of silver during a period of four years commencing January 1st, 1934. The disposals during each calendar year of the said four-year period shall be based on an average of five million fine ounces per year ; it being understood, however, that, if in any year the Government of Spain shall not dispose of five million fine ounces, the difference between the amount actually disposed of and five million fine ounces may be added as additional disposals in subsequent years ; provided, further, that the maximum amount disposed of in any year shall be limited to seven million fine ounces.

(6) That the Governments concerned will exchange all such information as may be necessary with regard to the measures to fulfil the provisions of this Memorandum of Agreement.

(7) That it is understood that, subject to the provisions of Article 8, the undertakings of each Party to the present Memorandum of Agreement are conditional upon the fulfilment of the undertakings of every other Party thereto.

(8) That this Memorandum of Agreement is subject to ratification by the Governments concerned. The instruments of ratification shall be deposited not later than April 1st, 1934, with the Government of the United States. It shall come into force as soon as the ratifications of all the Governments concerned are received, provided that all the ratifications are received before April 1st, 1934¹. A notice by any Government that the affirmative action necessary to carry out the purposes of this Agreement has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the Governments enumerated in Article 2 fail to ratify by April 1st, 1934, the Agreement shall come into force at that date if the other Governments mentioned in

¹ Extended to May 1st, 1934, by agreement of all the signatories.

Article 2 which have ratified notify the other Governments which ratify that they are prepared to purchase, or cause to be withdrawn, in the aggregate the amount of silver mentioned in Article 2. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this Agreement.

In witness whereof the undersigned have signed the present Memorandum of Agreement.

Done at London this 22nd day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

S. M. BRUCE,
Delegate of Australia.

Edgar N. RHODES,
Delegate of Canada.

W. W. YEN,
Delegate of China.

Key PITTMAN,
Delegate of United States of America.

George SCHUSTER,
Delegate of India.

Eduardo SUÁREZ,
Delegate of Mexico.

F. TUDELA,
Delegate of Peru.

L. NICOLAU D'OLWER,
Delegate of Spain.

SUPPLEMENTARY UNDERTAKINGS.

UNITED STATES OF AMERICA.

In connection with the attached Memorandum of Heads of Agreement entered into by the Delegates of India, China and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico and Peru, as principal purchasers of silver, it is understood that the Government of the United States shall purchase or otherwise arrange for withdrawing from the market, as in the attached Memorandum of Agreement provided, twenty-four million, four hundred and twenty-one thousand, four hundred and ten fine ounces of silver in each calendar year beginning with the calendar year 1934.

This understanding is conditioned upon similar undertakings being entered into by the Governments of Australia, Canada, Mexico and Peru whereby those Governments agree to purchase or otherwise arrange for withdrawing from the market of amounts of fine ounces of silver which, with the obligation hereby entered into, will make in the aggregate thirty-five million fine ounces of silver annually.

It is understood that this Agreement and the similar agreements to be entered into by the Delegates of the Governments of Australia, Canada, Mexico, and Peru are subject to the following general provisions :

- (1) That every provision of this Agreement shall terminate on January 1st, 1938.

(2) That the absorption of silver referred to in this Agreement means current mine production.

(3) That when the Government of India shall have sold, transferred or otherwise disposed of Government stocks of silver to the net amount of one hundred and seventy-five million fine ounces, as provided in paragraph (c) of Article 1 of the attached Memorandum of Heads of Agreement, the obligations of Governments to purchase under this contract shall cease.

(4) That this Memorandum is subject to ratification by the proper governmental authorities of the United States whose delegate has executed this Agreement, and the undersigned delegate undertakes to use his good offices to secure such action at the earliest possible date.

(5) That this understanding shall come into force as soon as the ratifications of all the Governments concerned are received, provided that all the ratifications are received before the 1st of April, 1934¹. A notice by any Government, Party to this understanding, that the affirmative action necessary to carry out the purposes of this understanding has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the Governments Parties to this understanding have failed to ratify by the first of April, 1934, the understanding shall go into force and effect at that date if the other Governments Parties to this understanding have ratified the understanding and have given notice that they are prepared to purchase or cause to be withdrawn in the aggregate these thirty-five million fine ounces of silver. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this Agreement.

In witness whereof, the undersigned have signed this Memorandum of Agreement.

Done at London this 26th day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

Key PITTMAN,
Delegate of the United States.

AUSTRALIA.

In connection with the attached Memorandum of Heads of Agreement entered into by the Delegates of India, China and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico and Peru, as principal purchasers of silver, it is understood that the Government of Australia shall purchase or otherwise arrange for withdrawing from the market, as in the attached Memorandum of Agreement provided, six hundred and fifty-two thousand, three hundred and fifty-five fine ounces of silver in each calendar year beginning with the calendar year 1934.

This understanding is conditioned upon similar undertakings being entered into by the Governments of Canada, the United States, Mexico and Peru whereby those Governments agree to purchase or otherwise arrange for withdrawing from the market of amounts of fine ounces of silver which, with the obligation hereby entered into, will make in the aggregate thirty-five million fine ounces of silver annually.

It is understood that this Agreement and the similar agreements to be entered into by the Delegates of the Governments of Canada, the United States, Mexico and Peru are subject to the following general provisions :

(1) That every provision of this Agreement shall terminate on January 1st, 1938.

(2) That the absorption of silver referred to in this Agreement means current mine production.

¹ See footnote, page 112 of this Volume.

(3) That when the Government of India shall have sold, transferred or otherwise disposed of Government stocks of silver to the net amount of one hundred and seventy-five million fine ounces, as provided in paragraph (c) of Article 1 of the attached Memorandum of Heads of Agreement, the obligations of Governments to purchase under this contract shall cease.

(4) That this Memorandum is subject to ratification by the proper governmental authorities of Australia whose delegate has executed this Agreement, and the undersigned delegate undertakes to use his good offices to secure such action at the earliest possible date.

(5) That this understanding shall come into force as soon as the ratifications of all the Governments concerned are received, provided that all the ratifications are received before the 1st of April, 1934¹. A notice by any Government, Party to this understanding, that the affirmative action necessary to carry out the purposes of this understanding has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the Governments Parties to this understanding have failed to ratify by the first of April, 1934, the understanding shall go into force and effect at that date if the other Governments Parties to this understanding have ratified the understanding and have given notice that they are prepared to purchase or cause to be withdrawn in the aggregate these thirty-five million fine ounces of silver. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this Agreement.

In witness whereof, the undersigned have signed this Memorandum of Agreement.

Done at London this 26th day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

S. M. BRUCE,
Delegate of Australia.

CANADA.

In connection with the attached Memorandum of Heads of Agreement entered into by the Delegates of India, China and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico and Peru, as principal purchasers of silver, it is understood that the Government of Canada shall purchase or otherwise arrange for withdrawing from the market, as in the attached Memorandum of Agreement provided, one million, six hundred and seventy-one thousand, eight hundred and two fine ounces of silver in each calendar year beginning with the calendar year 1934.

This understanding is conditioned upon similar undertakings being entered into by the Governments of Australia, United States, Mexico, and Peru, whereby those Governments agree to purchase or otherwise arrange for withdrawing from the market of amounts of fine ounces of silver which, with the obligation hereby entered into, will make in the aggregate thirty-five million fine ounces of silver annually.

It is understood that this Agreement and the similar agreements to be entered into by the Delegates of the Governments of Australia, the United States, Mexico, and Peru are subject to the following general provisions :

(1) That every provision of this Agreement shall terminate on January 1st, 1938.

(2) That the absorption of silver referred to in this Agreement means current mine production.

(3) That when the Government of India shall have sold, transferred or otherwise disposed of Government stocks of silver to the net amount of one hundred and seventy-five

¹ See footnote, page 112 of this Volume.

million fine ounces, as provided in paragraph (c) of Article 1 of the attached Memorandum of Heads of Agreement, the obligations of Governments to purchase under this contract shall cease.

(4) That this Memorandum is subject to ratification by the proper governmental authorities of Canada whose delegate has executed this Agreement, and the undersigned delegate undertakes to use his good offices to secure such action at the earliest possible date.

(5) That this understanding shall come into force as soon as the ratifications of all the Governments concerned are received, provided that all the ratifications are received before the 1st of April, 1934¹. A notice by any Government, Party to this understanding, that the affirmative action necessary to carry out the purposes of this understanding has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the Governments Parties to this understanding have failed to ratify by the first of April, 1934, the understanding shall go into force and effect at that date if the other Governments Parties to this understanding have ratified the understanding and have given notice that they are prepared to purchase or cause to be withdrawn in the aggregate these thirty-five million fine ounces of silver. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this Agreement.

In witness whereof, the undersigned have signed this Memorandum of Agreement.

Done at London this twenty-fourth day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

Edgar N. RHODES,
Delegate of Canada.

MEXICO.

In connection with the attached Memorandum of Heads of Agreement entered into by the Delegates of India, China and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico and Peru, as principal purchasers of silver, it is understood that the Government of Mexico shall purchase or otherwise arrange for withdrawing from the market, as in the attached Memorandum of Agreement provided, seven million, one hundred and fifty-nine thousand, one hundred and eight fine ounces of silver in each calendar year beginning with the calendar year 1934.

This understanding is conditioned upon similar undertakings being entered into by the Governments of Australia, Canada, United States and Peru whereby those Governments agree to purchase or otherwise arrange for withdrawing from the market of amounts of fine ounces of silver which, with the obligation hereby entered into, will make in the aggregate thirty-five million fine ounces of silver annually.

It is understood that this Agreement and the similar agreements to be entered into by the Delegates of the Governments of Australia, Canada, the United States, and Peru are subject to the following general provisions :

- (1) That every provision of this Agreement shall terminate on January 1st, 1938.
- (2) That the absorption of silver referred to in this Agreement means current mine production.
- (3) That when the Government of India shall have sold, transferred or otherwise disposed of Government stocks of silver to the net amount of one hundred and seventy-five million fine ounces, as provided in paragraph (c) of Article 1 of the attached Memorandum

¹ See footnote, page 112 of this Volume.

of Heads of Agreement, the obligations of Governments to purchase under this contract shall cease.

(4) That this Memorandum is subject to ratification by the proper governmental authorities of Mexico whose delegate has executed this Agreement, and the undersigned delegate undertakes to use his good offices to secure such action at the earliest possible date.

(5) That this understanding shall come into force as soon as the ratifications of all the Governments concerned are received, provided that all the ratifications are received before the 1st of April, 1934¹. A notice by any Government, Party to this understanding, that the affirmative action necessary to carry out the purposes of this understanding has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the Governments Parties to this understanding have failed to ratify by the first of April, 1934, the understanding shall go into force and effect at that date if the other Governments Parties to this understanding have ratified the understanding and have given notice that they are prepared to purchase or cause to be withdrawn in the aggregate these thirty-five million fine ounces of silver. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this Agreement.

In witness whereof, the undersigned have signed this Memorandum of Agreement.

Done at London this 24th day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

Eduardo SUÁREZ,
Delegate of Mexico.

PERU.

In connection with the attached Memorandum of Heads of Agreement entered into by the Delegates of India, China and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico and Peru, as principal purchasers of silver, it is understood that the Government of Peru shall purchase or otherwise arrange for withdrawing from the market, as in the attached Memorandum of Agreement provided, one million, ninety-five thousand, three hundred and twenty-five fine ounces of silver in each calendar year beginning with the calendar year 1934.

This understanding is conditioned upon similar undertakings being entered into by the Governments of Australia, Canada, United States and Mexico whereby those Governments agree to purchase or otherwise arrange for withdrawing from the market of amounts of fine ounces of silver which, with the obligation hereby entered into, will make in the aggregate thirty-five million fine ounces of silver annually.

It is understood that this Agreement and the similar agreements to be entered into by the Delegates of the Governments of Australia, Canada, the United States, and Mexico are subject to the following general provisions :

- (1) That every provision of this Agreement shall terminate on January 1st, 1938.
- (2) That the absorption of silver referred to in this Agreement means current mine production.
- (3) That when the Government of India shall have sold, transferred or otherwise disposed of Government stocks of silver to the net amount of one hundred and seventy-five million fine ounces, as provided in paragraph (c) of Article 1 of the attached Memorandum of Heads of Agreement, the obligations of Governments to purchase under this contract shall cease.

¹ See footnote, page 112 of this Volume.

(4) That this Memorandum is subject to ratification by the proper governmental authorities of Peru whose delegate has executed this Agreement, and the undersigned delegate undertakes to use his good offices to secure such action at the earliest possible date.

(5) That this understanding shall come into force as soon as the ratifications of all the Governments concerned are received, provided that all the ratifications are received before the 1st of April, 1934¹. A notice by any Government, Party to this understanding, that the affirmative action necessary to carry out the purposes of this understanding has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the Governments Parties to this understanding have failed to ratify by the first of April, 1934, the understanding shall go into force and effect at that date if the other Governments Parties to this understanding have ratified the understanding and have given notice that they are prepared to purchase or cause to be withdrawn in the aggregate these thirty-five million fine ounces of silver. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this Agreement.

In witness whereof, the undersigned have signed this Memorandum of Agreement.

Done at London this 24th day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

F. TUDELA,
Delegate of Peru.

Certified to be true and complete textual copies of the original Agreement and Supplementary Undertakings in the sole language in which they were signed.

For the Secretary of State of the
United States of America :

P. F. Allen,
*Acting Chief Clerk and
Administrative Assistant.*

¹ See footnote, page 112 of this Volume.