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Department of State  
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MEMORANDUM OF THE PRESS CONFERENCE, MONDAY, JULY 11, 1938

BRITISH TRADE AGREEMENT AND MONETARY ACCORD

At the press conference this afternoon, a correspondent said that there were news despatches from New York today to the effect that the British pound had fallen on the money market as the result of rumors that when the American-British trade agreement was signed it would be accompanied by an understanding that the British pound would be fixed at \$4.86 or \$4.87, and he asked whether the Secretary could comment. The Secretary replied that this was a question for the Treasury, being a monetary matter. He went on to say that it was his judgment that if a mutually profitable trade agreement with Great Britain was successfully concluded, based on the doctrine of equality of treatment, it would constitute one of the largest possible factors in restoring stable and healthy business conditions. Asked whether he could comment on any progress in connection with the trade agreement which might have been made in the last few days, the Secretary said that the matter was developing, and that he still adhered to his position of not undertaking to predict just when it might be brought to a conclusion. The correspondent enquired whether the Secretary would go so far as to say that he would be glad to see a trade agreement negotiated and successfully concluded apart from any monetary arrangement. In reply, the Secretary said that the correspondent would recall that it had constantly been the policy of the Department to carry on the strictly trade agreement side of the Act of Congress under which these agreements were made. The question of exchange stability and monetary arrangements was one on which he would have to refer the correspondents to the Treasury.

SINO-JAPANESE

A correspondent referred to news despatches from the