

Pre-1949 Chinese Bonds Fact Sheet (May 2012)

The U.S. Treasury does not hold any pre-1949 Chinese bonds in its foreign exchange reserves.

- Treasury publishes the currency composition of its foreign exchange reserve holdings at <http://www.treasury.gov/resource-center/international/ESF/Pages/esf-index.aspx>. The list does not identify any foreign exchange reserve holdings in Chinese currency, nor does it identify any foreign exchange reserves that are held in Chinese bonds.
- In addition, the Federal Reserve System also regularly publishes information about the composition of its foreign exchange reserve holdings in the publication Treasury and Federal Reserve Foreign Exchange Operations: Quarterly Reports. According to this information, none of those holdings are in Chinese currency, nor are any of the Federal Reserve System's foreign exchange reserves held in Chinese bonds.

Resolution of private claims on defaulted sovereign bonds is a private matter.

- The longstanding view of the U.S. Government is that the resolution of private claims on defaulted sovereign bonds is a private matter. With regard to defaulted sovereign bonds issued in the recent past, bondholders have participated in debt restructuring activities, or availed themselves of the contractual remedies specified in the bonds, including filing lawsuits in the jurisdictions specified in the bonds.
- In 1970, the Foreign Claims Settlement Commission (FCSC), a quasi-judicial, independent agency within the Justice Department, considered a claim on defaulted pre-1949 Chinese bonds in connection with its now completed China program under the International Claims Settlement Act of 1949. That Act authorized the FCSC to adjudicate claims of U.S. nationals against the PRC for takings of property that first arose after October 1, 1949. In FCSC Decision No. CN-147 dated March 18, 1970, the FCSC concluded that because the bonds at issue had been in default since 1939 (ten years prior to the Chinese Communist assumption of power), the claim based on those bonds did not come under the purview of the Act, and accordingly denied the claim.
- Treasury has no information regarding how many American citizens currently hold pre-Revolutionary Chinese government bonds.