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[\[PDF \(50K\)\]](#) [\[References\]](#)**The Currency Conversion in Postwar Taiwan: Gold Standard from 1949 to 1950**[Shih-hui Li](#)¹⁾

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Abstract: The discourses on Taiwanese successful currency reform in postwar period usually put emphasis on the actors of the U.S. economic aids. However, the objective of this research is to re-examine Taiwanese currency reform experiences from the vantage-point of the gold standard during 1949–50. When Kuomintang (KMT) government decided to undertake the currency conversion on June 15, 1949, it was unaided. The inflation was so severe that the KMT government must have used all the resources to finish the inflation immediately and to restore the public confidence in new currency as well as in the government itself. Under such circumstances, the KMT government established a full gold standard based on the gold reserve which the KMT government brought from mainland China in 1949. This research would like to investigate what role the gold standard played during the process of the currency conversion. Where this gold reserve was from? And how much the gold reserve possessed by the KMT government during this period of time?

Trying to answer these questions, the research investigates three sources of data: achieves of the KMT government in the period of mainland China, the official reports of the KMT government in Taiwan, and the statistics gathered from international organizations. Although the success of Taiwanese currency reform was mostly from the help of U.S. aids after 1951, but the gold standard, which was lasting for only 18 months, should be highly esteemed for its role of anti-inflation measures in postwar Taiwan.

Keywords: [inflation](#); [gold standard](#); [gold reserve](#); [currency conversion](#); [the Gold Saving Deposit Program](#)

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