

ARGUMENTS AGAINST PROPOSED AMENDMENT TO BANKING
BILL THAT SILVER BE PLACED ON THE SAME BASIS
AS GOLD

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1. The gold and silver problem has been handled by other legislation; authority in these matters, subject to Congressional directives, has been vested in the President and the Secretary of the Treasury. It would not be wise to complicate this banking bill by a rider of this sort. 10

2. Power to inaugurate unlimited coinage of silver at a fixed ratio to gold is now in the hands of the President.

3. A rise in the price of silver to \$1.29 would cause further difficulties to silver-using countries, without resulting in any benefit to this country. The silver-using countries would have to protect themselves by embargoes as has been done in China. Mexico is now substituting paper and bronze money for silver.

4. A vast inflow of silver to this country would occur, if the embargoes were not effective, and would not improve the present situation, since bank reserves are now greatly in excess of requirements, and would make it more difficult for the United States to control a runaway inflation, if one should develop.

5. It might result in a substitution of silver for gold in our central reserves; which would weaken our international position, since silver is not accepted in international settlements by most countries of the world. ✓