

U. S. Silver Policy
Is Complete
Failure.

BY JOHN T. FLYNN

NEW YORK, Feb. 11.—In the midst of a war of words and decisions about so many New Deal plans, two of its more or less famous instruments of recovery have been more or less forgotten. One is its gold plan or dollar devaluation. The other is its silver purchase plan.

These two moves in the field of money caused plenty of excitement at the time they were launched. The gold policy is probably due for a brief engagement in the spotlight again, while the whole subject of money stabilization is on the carpet. But what has become of the silver program?

Here is what has happened.

In June, 1934, the President

began his silver purchase plan under the law which he had just

fathered. Its object was to raise

the price of silver to aid the silver

producing states and to increase

the buying power of their money.

As a matter of fact, the principal

object was to make a surrender

to the silver states by boosting

the price of one of their great com-

modities.

THE Law required the Treasury

to purchase silver until the

price reached \$1.29 an ounce or

until the Treasury's stock of silver

was equal to one-third the stock

of gold.

At the time the Treasury had \$7,834,000,000 of gold. It had 696,000,000 ounces of silver worth \$897,000,000. So it was clear that to bring its silver stocks up to one-third its gold stocks, the Treasury would have to buy at least 1,330,000,000 ounces of silver. Now how far had it gotten with this?

In the last 18 months the Treasury has bought 622,000,000 ounces of silver, spending \$365,000,000. If our gold stocks had remained where they were, this would mean that the Treasury was still short of silver some 706,000,000 ounces. But now, in spite of these large purchases, the Treasury would still have to buy about 1,100,000,000 ounces or almost as much as when it started.

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MEANTIME the price was

pushed up to 65% cents an

ounce, or only about half the

desired price, by Dec. 15. But since

then it has declined. It was only

50% cents by the middle of Janu-

ary and a day or two ago was only

44% cents.

The trade with China has not

improved because China dominated

by British strategy, has abandoned

the silver standard and resorted to

a managed currency. And Mexico

also abandoned the silver standard.

The only result has been to make

literally a free gift to the silver

producers. And at the same time

to stimulate production. For while

in the year before the policy went

into effect, silver production in

America was 24,000,000 ounces, thus

the supply was increased, and hence a

further depressive force added to

the price.

Something might be said for an

international arrangement along

rational lines to aid silver. Nothing can be said for action by the

United States alone. The policy

has been a complete failure.

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On Commission Row

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Quotations below subject to change are

averages, unless otherwise indicated.

FT. TTS—Strawberries, Florida, pint,

20c; 35-cent pint, \$1.00; cranberries, C. C.

Florida, 16c; 16c; 16c; 16c; 16c;

Washington Box, (1-lb.) 85c; 85c; 85c;

California, 16c; 16c; 16c; 16c; 16c; 16c;

Extra Fancy Emperor, (34-cent) 85c;

Extra Fancy, (34-cent) 85c;