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BUREAU OF FOREIGN AND DOMESTIC COMMERCE

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THE MONETARY USE OF SILVER IN 1933

BY

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Finance and Investment Division

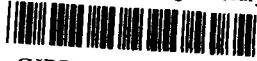


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FOREWORD

The prominence lately assumed by silver in discussions of world currency, make the present study of the position of the metal in the world's monetary systems particularly timely. This is a strictly factual bulletin, prepared in the Finance and Investment Division from information in its files and the Department's library, supplemented by reports submitted specifically for this study by a considerable number of representatives of the Departments of State and Commerce in foreign countries. The present bulletin is one of several studies of silver made by the same author, the most recent one, *The Silver Market*, Trade Promotion Series No. 139, being principally a treatment of the economic aspects of the production and distribution of silver.

The position of silver in the monetary systems of most countries is distinctly subordinate. Very few countries have silver as their standard of value, namely, China, Hong Kong, Macao, and Tibet. Even China now legally impedes the free movement of silver in certain forms into and out of the country. Several other countries rely on silver as their chief medium of exchange, but do not make it their standard of value, having adopted some form of the gold standard *de jure* or *de facto*. British India and Persia come under this category. Contrary to an impression held by some persons, neither these two countries, nor Australia, New Zealand, Mexico, or any other Latin American country employ silver as standard of value.

In a number of countries, the study shows, considerable stocks of silver are held. While those of China and India are the most important and the best known, there are significant supplies of the metal in circulation or in the monetary reserves of Spain, Germany, France, the United States, and other countries. The bulletin contains detailed information on the legal provisions relating to silver, on the position of silver in the reserves of banks of issue, the circulation of silver coin, the attitude of foreign countries toward silver, and the possibility of increased use thereof without new legislation. The survey not only covers foreign countries, but includes a detailed description of the position of silver in the United States currency system.

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