

Silver The World Sensation in 1919-1920

Silver, the metal, proved the world sensation in the year 1919, reaching the highest prices in the recorded history of the universe. For the first time in history, silver coin of the leading nations of Europe sold at a higher price than gold coin. This does not of course mean that silver is more valuable than gold, merely a silver dollar or shilling is worth more than a gold dollar or shilling.

The record high price of 79 1-8 pence per ounce British standard (925-1000ths fine) was reached in London market in November. This would have represented \$1.73 1-2 for American silver, were the British worth the normal exchange value of 486 5-8 cents in American money. Throughout the latter part of 1919 the London price fluctuated between 75 pence and 78 1-2 pence per fine ounce British standard, generally around 77 pence. This compares with prices around 26 pence for many years before 1915.

United States Prices
In the United States the actual high price reached was \$1.37 3-4 per ounce American standard, 1000-1000ths fine, at New York, \$1.40 1-2 at San Francisco. The so-called "par" of silver in the old days of "16-to-1", prior to 1873, was \$1.2929 per fine ounce. One thousand ounces silver enter into 1,293 standard silver dollars, and at recent prices for silver around \$1.32 to \$1.33, the fresh standard silver dollar (none coined since 1905), worth 100 cents as coin, is worth near 103 cents as silver. However, 1,000 ounces pure silver enter into 1,382 dollars in dimes, silver quarters and half-dollars, and our "subsidiary" silver coinage in this country is not in serious danger of the melting pot until silver passes \$1.38 per fine ounce.

A bill has been introduced in Congress to reorganize our silver coinage whereby 1,000 ounces pure silver would enter into \$1,777 subsidiary coins instead of \$1,382 as now. Chairman Platt, of the House Committee on Banking and Currency, is the father of this measure.

Pre-War vs. War Prices
The average price for many years before the war was around 55 cents an ounce for silver in New York. The record low was 46 1/2 cents in February 1915. When silver sold at 46 1/2 cents our silver dollar was worth only 35 1/2 cents, versus about 102 1/2 cents now with silver at \$1.33.

The London price of silver is the so-called world bid price. The New York price reflects and depends upon exchange value of British money at the time. The bulk of American and world silver goes to India and China via San Francisco and Vancouver. The western coast price is generally 1 1/2 to 4 1/2 cents higher than the New York price. This premium on silver in the west reflects expressage and insurance tariffs. The west coast premium particularly benefits western silver miners whose product is refined in the west. The premium through most of 1919 was over 2 cents or 3 cents an ounce in San Francisco and Vancouver over the New York price.

Silver Better Than 16-to-1
The high British or world price of 79 1/8 pence represented a value for silver way above the historic "16-to-1" ratio, to be exact, it represented 11.9 ounces silver worth one ounce of gold at \$20.67 per fine ounce for gold. The yearly average price of silver around 26 pence for over ten years before 1915, meant an average of about 37 1/2-to-1 between one ounce of silver and one ounce of gold.

The once despised silver coinage of the silver nations such as India, China, Mexico, etc., now commands the biggest premiums. The money of the leading gold nations of Europe and other parts of the world sold at a discount. Silver coinage throughout the world is worth more at bullion value than the par value of gold coin.

For instance, 5,900 British shilling coins contain just 1,000 Troy ounces pure silver, but are worth 5,929 shillings at the market price of 77 pence for British silver bullion. Over 1,000 shillings is the premium on the market value of 1,000 ounces of pure silver over the coin value in British coinage. The 5,900 shilling coins were worth £346 in the silver bullion market, and only £295 at par or gold value of £295 in gold sovereigns or in gold bullion; whereas the depreciation in exchange of British banknotes and "sterling exchange" made the £295 worth about 23 per cent still less with the exchange value of the £ down to 375 cents versus 486 5-8 par. The exchange value of the British £ at 375 cents is down 23 per cent below gold parity. The price of silver bullion at 77 pence is near 12 per cent premium above par value of equivalent British gold coin or gold bullion.

Silver Coin Above Par
The premium on silver coinage in France, Belgium and Italy is still higher, and very much higher in Germany, the Teuton and central empires and new republics, and in Russia.

Whereas the exchange value of the money of the so-called "gold" nations of Europe sold way below par, exchange value of the silver nations of the world sold at huge premiums above par.

The Mexican peso, worth about 49

cents at par, and actually selling at 47 cents for many years, sold at around \$1.05 most of the year. The Shanghai dollar, worth around 72 cents at par, and actually selling around \$1.65 at the end of 1919. The India rupee, worth 32 cents at par before the war, and about 18 cents actual value, commanded 43 to 46 1-4 cents throughout 1919. In short, the money of the great silver nations was selling at 150 to 250 per cent of par or pre-war value, generally over 200 per cent, whereas the money of the gold nations was selling at 8 or 9 cents on the dollar as in Germany and Russia, and 77 cents on the dollar in British money, which was most "well off" of the big European nations, and with American money considered at "par."

Why World Production Declined
World production of silver fell off heavily in 1919. An increase in Mexican production, chiefly at Pachuca, was wiped out by natural decline in productivity of the older established silver districts of Cobalt (Canada), Tonopah (Nevada), and Broken Hill (New South Wales, Australia). Strikes also interfered in Nevada and Canada. Worst of all, over 60 per cent of the world's silver production comes, not from silver mines, but as a by-product from copper and lead mines. Copper production was curtailed to under 60 per cent normal, and lead production curtailed nearly as much throughout the world. World output is estimated at under 160,000,000 ounces pure silver in 1919 versus 177,453,000 ozs. in 1918, and a record high of 228,738,000 ounces in 1911 when Cobalt, Tonopah, and Broken Hill and also Mexico were in their prime.

Coinage Requirements Heavy
World demand for coinage purposes was close to 300,000,000 ounces as in 1918 and 1917, or double the total world production of new silver. India, China and Mexico increased the output of new silver coinage; the United States mints worked heavily but not at capacity. There was a decrease in European coinage owing to the coin value of silver in European money being less than the bullion value or metal value of the coin. The total minting of new silver coinage in Europe, while heavy in the aggregate, is comparatively small when compared with India and China, and the decrease in European silver new coinage in 1919 was more than offset by the prodigious increase in coinage in India and the Orient.

The Mexican mints, practically idle in 1918 and early 1919 when silver sold at a higher value than the coin value of the Mexican peso, resumed activity in 1919 when the government in recognition of the high price of silver, lowered the amount of silver legally required in the peso (by act of November, 1918, again Oct. 25, 1919). The Mexican government bought 3,000,000 ounces early in the year. The act of Oct. 25 authorized the government mints to commandeer half the silver production of Mexico.

A corresponding reduction of the amount of silver in European coins is inevitable, and legislation to this effect has already been introduced in Holland, as well as in the United States, and is pending in Britain, as we go to press, as well as in Germany and France. As with Mexico, European mints and our own must become heavy coiners again, once the new coin basis is established with reduced amount of silver per coin, and therefore higher price of silver per ounce.

The use of silver in the arts and industries requires over 60,000,000 ounces of new silver yearly. Great Britain now a Debtor to India. Probably even more important than the huge coinage demand for silver is the demand to pay the net trade balance owing to India, China, and silver nations, by the world. It is fortunate, now, in the world shortage of gold, that these nations will accept silver.

The world owes India in 1919 about 850,000,000 rupees, about \$382,000,000 with the rupee around 45c. The debt to China, Hong Kong, and the East Indies, is nearly as great again. Britain has become a debtor nation to India, where formerly she was India's only great creditor nation.

This has an important bearing, especially because the premium on the rupee and the discount on sterling exchange practically insures Britain continuing a debtor nation, and, practically insures Britain maintaining India on a silver basis.

There might have been a temptation to place India on a gold basis so long as the world could thereby have been compelled to pay India in gold, and India compelled to pay Britain, an erstwhile creditor, in gold. That would have replenished Britain's gold supplies, and Britain sorely needs replenishment of her gold supplies. However, with Britain also a debtor nation to India, India should stay on a silver basis.

However, even with India placed on a gold basis, this would greatly affect silver. Assuming for a moment that India silver coinage would absolutely cease (which it would not, of course), the requirements of silver to serve as a backing for the unsecured paper "money" of Europe and America would more than fill the gap created by the suppositious withdrawal of India ut-

To The Men of America

By Rose Trumbull, Scottsdale, Arizona.
You talk of your breed of cattle,
And plan for a higher strain,
You double the food of the pasture,
You heap up the measure of grain;
You draw on the wits of the nation,
To better the barn and the pen;
But what are you doing, my brothers,
To better the breed of men?

You boast of your Morgans and Herefords,
Of the worth of a calf or a colt,
And scoff at the scrub and the mongrel,
As worthy a fool or a dolt;
You mention the points of your roadster,
With many a "wherefore" and "when,"
But, ah, are you conning, my brothers,
The worth of the children of men?

And what of your boy? Have you measured
His needs for a growing year?
Does your mark as his sire, in his features,
Mean less than your brand on a steer?
Thoroughbred—that is your watchword,
For stable and pasture and pen;
But what is your word for the homestead?
Answer, you breeders of men!

terly from the silver market.

Removal of Silver Limitations
The silver market was fixed at \$1.01 1-2 per fine ounce by the Pittman wartime act, which authorized price fixing, embargo on silver exports except under license, and which authorized the melting of 350,000,000 silver dollars in the United States Treasury, containing 270,000,000 ozs. silver, of which 200,000,000 ozs. were to be supplied to Britain and chiefly to India through Britain.

On May 5, 1919, our government announced completion of the contract with Britain and India, and removed embargo on exports and price restrictions. London for two days tried to hammer the price of silver down, and tried to obtain an additional 100,000,000 ounces silver at a fixed price of \$1.00 or thereabouts. The U. S. government refused the request, the London speculators were caught short and the price of silver reached \$1.19 3-4 on May 13, 1919, when a great

boom developed in silver stocks in the securities market. The British countered by withdrawing India from the silver market, officially at least. Since May 5, no silver has been sold for export to India, in this country, and the British government has tried to hammer silver by trying to consign gold to India, and by selling Chinese silver short, early in the summer. Huge quantities of silver have been exported to China, which has been almost utterly drained of its silver. There is a lurking suspicion that silver for India is being imported into India via the Flowery Kingdom. At any rate, it is a fact that India, the great silver consumer of the world, has not been (officially) in the silver market since May 5. This makes all the more remarkable the very remarkable climb in the price of silver since the summer.

Future Trend in Prices
Where the climb in silver will halt, it is folly to predict. The withdrawal of gold from general circulation places a greater burden on silver.

Even were gold not withdrawn from general circulation, the great increase in prices and increase in volume of commerce, makes more money and more small change imperative with which to carry on business. There has actually been less new coinage of silver and gold combined, not more, and notwithstanding increase in silver coinage.

Paper is a mighty poor substitute, as the world has found out on many occasions in the past, and as the world is finding out once more through depreciated value of the money of the so-called "gold" nations, whose "money" is really paper "shinplasters," utterly unsecured by either gold or silver to the extent of eight to twelve billion dollars recently issued. Besides the demand for silver coinage, for industrial uses of silver, and the great silver demand to pay the world's trade debts owing to India and the Orient, prodigious quantities of silver must be required in the next ten years or so to "validate" some portion of the unsecured paper "money" recently issued by the leading nations, including the United States.

Supply and Demands
What the world needs nowadays is a silver wizard or group of wizards, who with 160,000,000 ounces silver actual yearly production, and perhaps 250,000,000 ounces possible production a few years hence, to go around, can

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Charming Hats for Midwinter



We take a great many things for granted in a world that is rich in wonderful and beautiful fabrics. We hardly stop to think how they are related to the seasons of the year and that it has taken some centuries to perfect them. But they are here, at hand, for the artists in apparel to use in interpreting their ideas to us. Milliners make their choice and hats tell the story of the seasons—and much more, with rich velvets and brocades, warm, soft-looking beavers and plushes, gold and silver tissues, with furs, making up the brilliant and cheerful millinery of midwinter. There is something of splendor in it.

Four charming hats for midwinter, shown in the picture above, are good and sufficient excuse for a little extravagance on the part of the eternal feminine. Every woman knows that her hat is the most important item in her costume, and here are four that have all the excellences, beauty of fabric, beauty of line, becomingness and fitness for the season. The hat, with graceful brim, at the top of the group is a triumph of the framemaker to start with, and is made of velvet. It has a soft tam crown and a sash of wide satin ribbon ending in bows

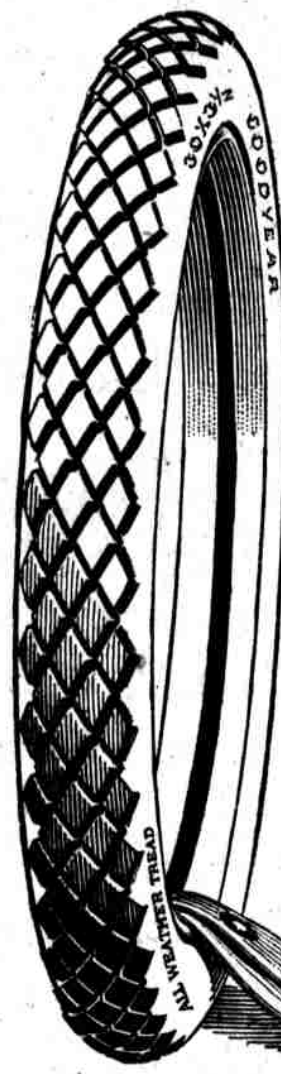
that follow the season's mandate in keeping to the right.

Just below, at the left of the group, black velvet and gold cloth brocaded with black achieve a handsome Napoleon hat, which also has a soft crown. Except for a sash and tie of narrow gold ribbon about the crown it is without trimming. This is one of several successful off-the-face hats. Opposite it a large velvet hat is faced with beaver. Its brim is turned up at the front and a handsome ornamental pin fastens it to the crown. With this hat a wide scarf of angora yarn makes a neckpiece to correspond, taking the place of fur.

Siberian squirrel fur—the lightest of the gray squirrel skins—makes the spirited turban at the bottom of the group. A small cascade of fine lace, with a bit of fur along the plaited edge, results in a trimming that cannot be improved upon. All these models are worn well down over the head and not an ear is visible.

Julia Bottomley

Goodyear Leadership— and Tires for Small Cars



Enormous resources and scrupulous care have produced in Goodyear Tires for small cars a high relative value not exceeded even in the famous Goodyear Cords on the world's highest-priced automobiles.

In addition to its larger sizes, Goodyear manufactures an average of 20,000 small car tires a day in the world's largest tire factory devoted solely to the 30x3-, 30x3 1/2-, and 31x4-inch sizes.

Last year more small cars using these sizes were factory-equipped with Goodyear Tires than with any other kind.

Their extreme worth is available for your Ford, Chevrolet, Dort, Maxwell, or other small car, at the nearest Goodyear Service Station. Go there for these tires and Goodyear Heavy Tourist Tubes.

30x 3 1/2 Goodyear Double-Cure Fabric, All-Weather Tread..... \$20.00
30x 3 1/2 Goodyear Single-Cure Fabric, Anti-Skid Tread..... \$17.65

Goodyear Heavy Tourist Tubes are built to protect casings. Why endanger a good casing with a cheap tube? Goodyear Heavy Tourist Tubes cost little more than tubes of less merit. 30x 3 1/2 size in waterproof bag..... \$3.90

GOOD YEAR