

## PREFACE

The purpose of this book is to present in one volume the background and principal developments in the use of silver as money since the beginning of the nineteenth century. The silver question was an important and controversial one from about 1876 to 1896, and again become a subject of dispute during the early 1930's. The present situation cannot be understood fully without some knowledge of the past.

The literature of the former period is extensive, and I have relied largely upon secondary sources for the earlier chapters of this book. For the recent period, comparatively few general surveys have appeared as yet, and I have made use of contemporary newspaper reports and published government documents. I have had no access to any inside sources or confidential information which eventually may make it possible for a future historian to write a fuller account of the developments of recent years and the real reasons therefor.

Since the material, especially for the recent period, has been gathered from diverse sources, it has seemed worth while to give references in considerable detail, for the sake of such readers as may wish to study the subject more fully.

A Selected Bibliography of the books and articles which have been found helpful in the preparation of this study has also been included. It is arranged by groups of chapters, and brief descriptive comments follow most of the titles. This Bibliography makes no pretense of being complete, but it is planned to be helpful to those who wish to pursue the subject further.

In the Appendixes are included various numerical data and the texts of important legislation enacted and executive measures taken concerning silver in recent years.

The charts have been planned with care to bring out certain quantitative aspects of the silver question which sometimes are lost sight of in controversial argument. Since statistical data are so quickly out of date, space has been left in many of the tables and charts for the reader, if he desires, to add figures for the next few years, although, in view of the sudden and violent changes in the silver situation, it cannot be guaranteed that sufficient space will be available on the vertical scales.

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My interest in silver developed during a residence in Changsha,

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China from 1909 to 1928, where, as treasurer of Yale in China, I found the fluctuations in its price a perplexing problem. Since then I have spent much of my spare time on the general subject of silver, and was occupied for more than a year of full time in the preparation of this book. Just after the manuscript was completed and accepted by a commercial publisher in March, 1934, I was appointed a special agent of the Treasury Department to assist Professor James Harvey Rogers in his study of the silver problem in China and India. At the request of the Department, publication of the book was deferred while I was in its employ. A four-month stay in China was of great help in supplementing what I had read of the developments in that country during six years of absence, while two months in Bombay gave me a better appreciation of what I had formerly learned from the reports of the various commissions that had studied Indian currency.

Since then the manuscript has been completely rewritten and brought up to date as regards the numerous developments in the silver situation. I wish to emphasize, however, that I have not made use of any confidential material obtained while in the service of the Department, and that I have no knowledge of official opinion except what is available to the public.

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My thanks are due to Alfred Cowles 3rd, president of the Cowles Commission for Research in Economics, for including this book in the series of Cowles Commission Monographs.

I am also grateful to Wallace B. Donham, dean, and Clinton P. Bidle, associate dean, of the Harvard Graduate School of Business Administration, by whose courtesy I had the use of an office at the school and the facilities of the Baker Library while writing the book.

I am indebted to C. W. Handy of Handy & Harman for furnishing me with an unpublished series of monthly high and low silver prices running back to 1893, which is shown in Chart 2, as well as for helpful correspondence and conversations on the subject of silver. The editors of several journals in the United States and China have kindly given me permission to use ideas or wording from articles of mine which they have published during the past twelve years; these articles are all listed in the Bibliography, but detailed references have not been made when a sentence or a paragraph here and there has been incorporated in the text. My wife, Marjorie B. Leavens, collected and preserved for me a mass of newspaper material about silver which appeared during my absence from the country in 1934, and which it would have been very difficult for me to assemble otherwise.

The Bibliography will give some idea of the numerous writers

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whose works have had a share in educating me about silver. It has been my good fortune to have the acquaintance of the two who perhaps have been the most prolific in their publications about the white metal: to conversations and correspondence with Herbert M. Bratter of Washington and Eduard Kann of Shanghai I owe a great deal, as I do also to their comprehensive writings.

The manuscript has been read, in whole or in part, at various stages of its preparation, by the following, who have been kind enough to give me the benefit of their suggestions and criticisms, but the responsibility for all statements is wholly my own: Herbert M. Bratter, of Washington, D.C., author of *Silver Market Dictionary*, and numerous other publications on silver; Harold T. Davis, professor of mathematics at Northwestern University and research associate of the Cowles Commission; Eduard Kann, of Shanghai, exchange broker and author of *The Currencies of China* and numerous other publications on silver and Chinese economics; Y. S. Leong, of Washington, D.C., author of *Silver: An Analysis of Factors Affecting Its Price*; Richard S. Meriam, professor of business economics, Harvard Graduate School of Business Administration; Jeannette P. Nichols, of Swarthmore, Penn., who is engaged in a study of silver diplomacy with special reference to American politics; Joseph E. Reeve, of the Federal Deposit Insurance Corporation, who has made a study of monetary proposals for curing the depression; Frances V. Scott, research assistant, Harvard Graduate School of Business Administration; H. W. Spaulding, of Handy & Harman, New York bullion dealers; and Gerhard Tintner, assistant professor of economics, Iowa State College.

The proof has been read by Alfred Cowles 3rd and Francis McIntyre of the Cowles Commission, and by J. R. Kantor, professor of psychology, Indiana University, and editor of the Principia Press, all of whom have discovered errors which otherwise might have been overlooked and have made suggestions for greater clarity of expression; the responsibility for any mistakes which remain is my own.

My thanks are also due to Richmond F. Bingham, Grace E. Crockett, Forrest Danson, Mary Jo Lawley, Aileen C. MacLaughlin, Lucille Marian Nelson, Fred H. Shantz, Marion White, H. Catherine Williams, and Kathryn Withers, who have assisted in the preparation of the manuscript or charts or in seeing the book through the press. The Dentan Printing Company has also been very co-operative in the manufacture of the book.

DICKSON H. LEAVENS

Colorado Springs

February 8, 1939