

London Silver Market: 1600-2000

Silver price: £0.27 per t.oz.	1600	
	1601	First voyage of the East India Company takes 80,000 t.oz/2.48 m.t from London to India.
United Dutch East India Company founded in Amsterdam, then London's rival for shipments to India.	1602	
	1618	East India Company authorised to ship 400,000 t.oz/12.44 m.t annually.
Official silver imports into Spain from the Americas since 1600 had totalled 303.7 million t.oz/9,446 m.t. Spanish <i>rials</i> or pieces of eight were preferred coins in Amsterdam and London markets.	1660	
	1661	East India Company got exclusive trading rights in the east, making it the largest silver buyer in London for the next two centuries.
Moses Mocatta set up in London, founding the firm that later became Mocatta & Goldsmid, the oldest members of the market. Nine generations of the family worked in the market. He shipped silver and gold to India to pay for diamonds.	1671	
	1694	Bank of England founded.
The Great Re-coinage in England during which the Royal Mint issued 15 million t.oz/466.56 m.t of silver coin, much of which was remelted and shipped to India.	1696/7	
	1700	Silver price: £0.29 per t.oz.
East India Company shipped 3.9 million t.oz/121 m.t.	1703	
	1707	Mocatta opened silver account at Bank of England and soon became the Bank's exclusive silver broker until 1840.
Failed attempt to corner the silver market by unknown speculator wrongly anticipating the official price of gold to be reduced. Left with position of 1.1 million t.oz/34.21 m.t in Bank of England's vault, which Mocatta unwound over seven months.	1717	
	1721	Mocatta confirmed exclusive silver broker to Bank of England and, in 1732, to East India Company.
Bank of England opened its Bullion Warehouse (later Bullion Office) which became crossroads of precious metal for over a century.	1732	
	1733	Mexican silver output rising fast to 9 million t.oz/280 m.t annually, later to over 15 million t.oz/466.56 m.t.
Abraham Mocatta took Asher Goldsmid as partner. Lowndes London Directory recorded: Mocatta & Goldsmid (Brokers), Grigsby's Coffee House.	1779	
	1785	Bank of England's Warehouse changed its name to the Bullion Office.
Bank of England opened special account for silver crowns brought by French fleeing the Revolution. Mocatta & Goldsmid bought £33,000 in crowns for the Bank.	1789	

Bank of England suspended cash payments in gold due to drain on reserves in Napoleonic wars and instead issued Spanish silver <i>rials</i> over stamped with head of George III, and silver tokens.	1797	
	1800	Silver price: London £0.27 per t.oz/New York: \$1.80.
Nathan Mayer Rothschild opened his banking house in London and became involved in silver and gold transactions.	1805	
	1810	House of Commons Select Committee on the High Price of Bullion was told the Bank of England's Bullion Office handled up to 6 million t.oz/186.6 m.t of silver, and Assay Office at Goldsmiths' Hall hallmarked 1.5 million t.oz of silver annually.
Sharp & Kirkup, auctioneers since 1796, started as brokers in gold and silver, but were refused Bank of England accreditation.	1811	
	1816	Coinage Act made gold the sole standard of value, but silver legal tender for up to £2.00. First major silver recoinage since 1697 used 15.7 million t.oz/488.34 m.t.
Invention of photography by Nicéphore Niépce in France; became the major use for silver in the 20th century.	1822	
	1835	Silver standard introduced in India, with one rupee coin of 0.34 t.oz/10.6 grams.
Bank of England's Bullion Office opened to 'any sworn broker' because of increase in gold and silver entering the Port of London, thus ending Mocatta's exclusive arrangement.	1840	
	1850	Crisis for silver unfolded after US and Australian gold discoveries. Over next 50 years silver largely replaced by gold in international coinage. London price fell from £0.27 per t.oz/New York \$1.42 to low of £0.11/\$0.62 by 1900.
Scale of gold discoveries transformed the London market. Stewart Pixley set up as a bullion broker, the first of four generations in the market, with William Haggard as partner. The firm later became Pixley & Abell.	1852	
	1853	Samuel Montagu founded his bullion and exchange business (today part of HSBC).
London market comprised: Brokers: Mocatta & Goldsmid, Sharps & Wilkins, Pixley & Haggard (soon Abell), Samuel Montagu & Co. Approved refiners: Johnson & Matthey, Browne & Wingrove, Rothschild's Royal Mint Refinery, H L. Raphael's Refinery.	1855	
	1856	Record 116 million t.oz/3,608 m.t sent by London market to India.
Silver discoveries in Nevada turn the US into major producer of over 55 million t.oz/16,923 m.t. annually by 1895.	1859	

London market now had direct telegraph links with New York and Bombay, making the daily price available internationally. Silver bars of 1,000 t.oz at 996 fine (or "17 betterness", a scale which related to whether the metal was "better" or "worse" than 925 standard silver) were shipped by P&O line through newly-opened Suez Canal to the east. P&O charged 2% freight and ½% insurance on silver to India and 2½% plus 1% to China.	1870	
	1871	Germany switched from silver to gold standard, triggering sales of 26 million t.oz/808.7 m.t of melted coin by Deutsche Bank through London market. During 1870s most of Europe forsook silver for gold coinage.
House of Commons Select Committee on Depreciation of Silver took expert evidence from representatives of Mocatta & Goldsmid, Pixley & Abell and Sharps & Wilkins. Their advice was that European sales from coin depressed the market, but that India was taking 85% of all new silver and could sustain price.	1876	
	1878	Strong silver lobby in the US secured the Bland Allison Act, requiring government to buy 20 million t.oz/622 m.t annually for silver coinage.
Royal Commission on Gold and Silver investigated changed relationship between the metals and revealed the only significant silver coinage left was in the US, India and China. Samuel Montagu sat on the commission, Steward Pixley and Sir Hector Hay of Mocatta gave statistical information. India still the cornerstone, but photography taking 10% of output.	1886	
	1890	Sherman Silver Purchase Act required US government to buy 54 million t.oz/1,679 m.t annually; repealed in 1893.
US presidential election had bimetallism as the key issue, with William Jennings Bryan campaigning for it. He was defeated and US went onto gold standard in 1900.	1896	
	1897	Official start of the London Silver Fixing in the offices of Sharps & Wilkins, with Mocatta & Goldsmid, Pixley & Abell, and Samuel Montagu in attendance. Fixing at 1.45 pm on weekdays and 11.45 am on Saturdays.
Silver price: London £0.11/New York \$0.62. China only major nation still on silver standard.	1900	
	1914	At outbreak of World War I Britain and France withdrew gold coin, but issued more silver.
Silver Purchase Committee, supervised by Mocatta & Goldsmid, set up to buy secretly for Britain, France and India. Bought over 300 million t.oz/9,331 m.t.	1916	

Silver price revival to £0.33/\$1.73 on strong China buying for coin.	1919	
		1926 India began 400 million t.oz/12,442 m.t silver sale from reserves, depressing price.
With onset of depression and collapse of gold standard, silver price fell to £0.05/\$0.24, the lowest on record.	1931	
		1934 US Silver Purchase Act required silver as 25% of official reserves, making US only effective buyer at home and abroad. London Silver Fixing often put on hold, waiting for US Treasury buyer to start work. The patient brokers were dubbed "Rulers of Silver".
China forced off silver standard by arbitrary price dictated by US purchases.	1935	
		1939 Outbreak of World War II. Silver under exclusive control of Bank of England, with limited allocations for industry.
London Silver Market partially re-opened. Price quoted for fine silver, not for 925 fine as earlier.	1946	
		1953 London silver market fully re-opened.
Mocatta & Goldsmid acquired by Hambros Bank; Sharps & Wilkins and Pixley & Abell merged as Sharps Pixley.	1957	
		1961 World silver fabrication exceeded mine supply, causing US Treasury to sell from stocks to keep price down.
New York Commodity Exchange started silver futures contracts. Silver price rose to \$1.29 obliging US Treasury to redeem silver certificates issued under 1934 Silver Purchase Act; Act then repealed.	1963	
		1964 US one dollar bills ceased to be silver certificates.
Higher silver price triggered smuggling out of India; 245 million t.oz/7,620 m.t shipped in next ten years via Dubai, but mostly handled by London market.	1965	
		1968 US Treasury stopped redeeming silver certificates at \$1.29 per t.oz, leading to rush to buy up 300 million which could be cashed for silver at \$1.29 and sold immediately in market at over \$1.50.
Bunker Hunt attempted to corner the silver market, pushing price to \$49.45 (£21.65) on 21 January 1980. Hunt swamped by margin calls and price collapsed to \$4.90 (£2.85) by 1982.	1979/80	
		1986 Silver smuggling into India on large scale began.
Official silver imports into India permitted for first time since 1947; India absorbed almost 1,000 million t.oz/31,000 m.t of silver in the 1990s.	1993	
		1999 London Silver Fixing became a telephone process at 12 noon; fixing members, Bank of Nova Scotia (Mocatta), HSBC (Montagu) and Deutsche Bank (Sharps Pixley).