

**“The Crime of 1873”
Milton Friedman
Discussion Questions**

1. You are the Attorney General for the United States and Are Considering an “Indictment” for the Crime of 1873. According to Milton Friedman,
 - a. Whom should you indict?
 - b. What were the particulars of the crime?
 - c. What evidence of a crime exists?
 - d. What questions would you ask Milton Friedman when you called him as an expert witness?

2. What, according to Friedman, were the most important consequences of the Coinage Act of 1873?
 - a. How does Friedman reach the conclusion that the effect of the Coinage Act was to put the United States on the gold standard?
 - b. Who benefitted from the Act? Why?
 - c. Who suffered from the Act? Why?
 - d. Why does Friedman believe that the economic effects of the Coinage Act were not completely offset but U.S. government purchases of silver?
 - e. How does Friedman use Figures 1 and 2 to explain the consequences of the Coinage Act?
 - f. How does Friedman use Figure 3 to explain the consequences of the Act?

3. What does Friedman believe would have been the better policy choice than the Coinage Act of 1873?
 - a. How would Friedman have us interpret the “naive,” “sophisticated,” and “16-1” plots that are contained in Figure 3?
 - b. Why does Friedman say that a bimetallic standard would have been really a silver standard (p. 1175)? What does he mean?
 - c. Why does Friedman believe that prices elsewhere in the world would have risen if the U.S. had chosen to coin silver in 1873?

4. You are a member of the Grand Jury to which the Attorney General has presented Friedman’s case?
 - a. Do you vote for an indictment? Why or why not?
 - b. Do you fall asleep during the proceedings? Why or why not?