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1008 F ST., N. W.

[To Gov. Elias Carr. Raleigh
Warrenton, N. C.]

Washington, D. C., July 11 1895

Dear Father,

I have written several articles recently on the silver question for circulation in the West. The one I sent out yesterday contained as near as I could put it, the gist of the whole question, the sum & substance of it was this, & I think you will see it as I do. First, is it the fixed ratio enacted between the two metals which governs the relative value of the metals in bullion, (2) or is it the relative value of the metals in bullion which governs the relative value of the coins? The silver men say

that a fixed ratio governs the relative value of the metals in Bullion & hence that one country (if powerful enough) but certainly all countries united, can easily maintain the circulation of the two metals as money at a fixed ratio, the gold men maintain that it is the relative value of the metals in bullion which governs the relative value of the coins, hence no one country, or combination of countries could maintain the circulation of the two metals as coin at a fixed ratio. In one sense the silver men are wrong, because human law can not fix value, or govern the exchangeable relation between commodities; but human law can create a demand (as it has done in the case of gold) & demand will affect value, hence

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that the silver claim is right can not be disputed. Now as to the gold bug claim that the relative value of the metals in Bullion governs the relative value of the coins. Now they are undoubtedly right, but not in the sense in which they mean it. Because the more valuable the commodity out of which coin is made the less fitted it is for the purpose of coin, or money. The very law of being of money is that it shall circulate, & that which does not circulate & do money work can not be money. As Francis A Walker well says

"that only is money which does money work", & again "money is as money does". Now when on acct of human law the demand for gold has become so great that its bullion or commodity value is greater than its coinage value, gold is retired, is exported not as money, but as bullion, & hence according to the very law of its being ceases to be money. This is the great trouble that we have had to contend with, & a little thought along this line will explain away that great (?) law (a wank piece of idiosy) of Sir Thos. Gresham's, that the gold advocates are so fond of quoting, viz, "Bad money chimes out good money". Gresham, founder of the Royal Exchange (16th century) noticed that the new full weight coins disappeared from circulation, & that the light weight

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& abraded coins took their places. Without stopping to think he hit upon his so called great law. Now what is the rationale of the movement? Just this, the full weight coins, wholly on account of their quantity of Bullion in them, went to the melting pot & were exported, not as money, but as Bullion, so these "good coins," on acct. of their additional commodity value, proved to be not only not "good" money, but no money at all, why? Because they did not circulate, & so the work of money. But the abraded or cheaped coins did remain in circulation, did ^{do} the

work of money, answered the law
 of their being, & hence were money—
 Cheap money is not necessarily bad
 money, on the contrary, the cheaper
 money is the better it is, provided
 the end & object of money is circu-
lation, & this no sane man will
 deny. We can lay this down as an
 axiom that the cheaper the material
 of which money is made the better
 the money, Paper, under proper condi-
 tions, will drive out silver, that is
 paper would circulate & do the work
 of money & hence would be money,
 while silver being a more valuable
 commodity than paper would, ⁱⁿ seeking
 the melting pot, cease, of course, to
 circulate, & according to the definition
 of money, could not be money.
 Not one man in 500 can give you a
 definition of money or value, & this is
 the key to the whole difficulty. I hear

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Bankers & Business men talk of
"intrinsic value" - It is the very
acme of insanity - "Intrinsic value!"
who ever heard of an intrinsic
"impalpable relation", or an intrinsic
"ratio" or an intrinsic "affection of
the mind", I have given you a
sort of résumé of the article,
but I trust it has been suffi-
cient to enable you to see at
what I have been diving -

We will reach R-DC on Tuesday
evening - Love to all -

Hastily & affly

W. K. Carr

Have written you at Wauwatosa (in
case you do not receive this before

leaving R. J. that Drake will not
accompany us, About Woods I
cant yet say. If no one will
be at the Mansion Tuesday
evening, please advise me
immediately, a letter will reach
me in time.