Wes

O'Brien City
Tarryall P.O. Colo
Apr 23rd 1897

Mr Albion W. Tourgee
Mayville N.Y.

Dear Sir.

Having recently been reading "Bystander's Notes" in the Weekly Inter-Ocean. with very much interest and pleasure particularly those touching on the Currency of financial questions I have concluded to venture for your consideration a few ideas of my own on these questions.

The silver question was paramount here during the recent Campaign and is still the one question of most importance to our people here.

Very few have any faith in International bimettalism but insist that the remonitization of silver, ~~will~~ by our own government, will help at least to restore it to its old value. individually I have no faith in the success of achievinging an international agreement or in its having any material Effect

CHAUTAUQUA COUNTY NY HISTORICAL SOCIETY 2013

on the price of silver if achieved. neither do I believe that seperate action on the part of our own government would have the effect desired. because my own ideas of the cause of the depreciation of silver are such as to lead me to the conclusion, that the united efforts of all the Civilized governments, could not materialy change the ratio value between Gold & Silver. nor could they establish by law a ratio between the two metals that would have any permanency.

Therefore I venture to give you my idea of the cause of the present low price of silver with the hope that if I am wrong, you will point out my error.

The tables of Adolph Soetbeer show ~~that~~ the entire product of the world in gold, from 1493 to 1850 to be 152,769000. ounces. and that of silver for the same period 4.816.041,000 ounces. on a ratio of production of about 31½ oz of silver to 1 of gold. From 1850 to 1895 the average rates of production has been about 15½ of silver to 1 of gold. These figures have

led me to believe that the ratio of production has had but little or no effect upon the ratio of value, but that the real cause of the present depreciation of silver is due to the greatly increased production of both and particularly that of gold. Gold by its increased plentifulness has been enabled to absorb a larger part of the monetary place formerly occupied by silver. Prior to 1880 there seems to have been but little rivalry between the two metals, but since that date the strife for place in a field constantly contracting in proportion to the supply of both metals has been constant and increasing as the supply of both has increased with the result indicating the ultimate entire supremacy of gold. Nor can I see any remedy for this condition in governmental action or in the combined action of all the civilized governments. The edict of Kings cannot effect the ebb and flow of the tides.

The only chance for a change is in the lessened production of both metals,

CHAUTAUQUA COUNTY NY HISTORICAL SOCIETY 2013

or an increased use of both, other than as money.

I do not believe that in this age the government can restrict the production, and I do believe that the tendency is toward an increase in the yearly production of both. Neither do I believe that by law the government can increase the use of both or either.

The value of the gold alone produced since 1850 equals & more than 1/3 of the total value of both gold & silver (figuring silver at 16 to 1.) & mined for the 350 years previous to that date. and it seems to be only a question of time if the present rate of production is continued, when gold alone will fill all the world's requirements as a money metal.

I also beg to submit for your criticism an idea on the currency question.

I am of the opinion that the government should have sole control of all the money of the people it alone has the taxing power and consequently

the entire wealth of the Country at its back. Individuals will die. Banks will fail. and private wealth will at times disappear but the government will still live and remain solvent and responsible for its obligations. this is the faith of 70.000,000 of people. and is likely to remain so. let us hope for many ages to come. But the money of the country should be based on material wealth. as well as faith and confidence in the government.

As near as I can ascertain from figures at hand. there is now in Circulation. paper money and silver dollars. (not including national Bank currency) about $1.000.000.000, to sustain this it is considered that the reserve of $100.000.000 in gold is sufficient. In making this statement I have assumed that the silver dollars are sustained in their value by the gold reserve, to the same extent, that they would be where they made of paper instead of silver, and that they are to all intents and purposes, simply

CHAUTAUQUA COUNTY NY HISTORICAL SOCIETY 201

a promise to pay on the part of the government their stamped value in gold. and I think I am correct in this assumption.

From this it appears that a reserve of $1.00 in gold, is sufficient to sustain the value of $10.00 in currency in circulation.

I would suggest that there be but three kinds of money issued by the government. First, Gold Coin — Second. Paper currency of one kind only. Third. small Silver Coin.

The paper currency should be entirely of demand notes. redeemable by the government on demand of the holder. either in gold Coin or Silver Bullion at its then market value. at the option of the government. all the Silver dollars now in circulation should be redeemed, and converted into bullion.

For a reserve in gold & Silver for the currency the government would have.

French Gold reserve	$150,000,000
Gold Bullion	30,000,000
Silver Bullion	125,000,000
400,000,000 Silver dollars Converted into bullion	200,000,000
Total Gold & Silver bullion	$505,000,000

CHAUTAUQUA COUNTY NY HISTORICAL SOCIETY

sufficient to sustain a currency much larger than we now have larger than the business of the country will require for a long time to come.

This plan may seem visionary and impractical, but still may contain the germ of a practical idea and as such I have ventured to suggest it to you.

Most Respt yours

J. C. Terry