

TREASURY DEPARTMENT,
December 13, 1790.

In obedience to the order of the HOUSE of REPRESENTATIVES of the 9th Day of August last, requiring the SECRETARY of the TREASURY to prepare and report, on this Day, such further Provision as may, in his opinion, be necessary for establishing the PUBLIC CREDIT—the said Secretary further

RESPECTFULLY REPORTS,

(CONTINUED FROM OUR LAST.)

THE support of industry is probably in every case, of more consequence towards correcting a wrong balance of trade, than any practicable retrenchments in the expenses of families or individuals: and the stagnation of it would be likely to have more effect in prolonging, than any such savings in shortening its continuance. That stagnation is a natural consequence of an inadequate medium, which, without the aid of bank circulation, would in the cases supposed, be severely felt.

It also deserves notice, that as the circulation of a bank is always in a compound ratio to the fund upon which it depends, and to the demand for it, and as that fund is itself affected by the exportation of the metals, there is no danger of its being overflooded, as in the case of paper issued at the pleasure of the government; or of its preventing the consequences of any unfavorable balance from being sufficiently felt to produce the reforms alluded to, as far as circumstances may require and admit.

Nothing can be more fallible than the comparisons which have been made between different countries, to illustrate the truth of the position under consideration. The comparative quantity of gold and silver, in different countries, depends upon an infinite variety of facts and combinations, all of which ought to be known in order to judge whether the existence or non-existence of paper currencies has any share in the relative proportions they contain. The mass and value of the productions of the labour and industry of each, compared with its wants; the nature of its establishments abroad: the kind of wars in which it is usually engaged: the relations it bears to the countries, which are the original possessors of those metals; the privileges it enjoys in their trade; and a number of other circumstances are all to be taken into the account, and render the investigation too complex to justify any reliance on the vague and general surmises, which have been hitherto hazarded on the point.

In the foregoing discussion, the objection has been considered as applying to the permanent expulsion and diminution of the metals. Their temporary exportation, for particular purposes, has not been contemplated. This, it must be confessed is facilitated by banks, from the faculty they possess of supplying their place. But their utility is in nothing more conspicuous, than in these very cases. They enable the government to pay its foreign debts, and to answer any exigencies which the external concerns of the community may have produced. They enable the merchant to support his credit (on which the prosperity of trade depends) when special circumstances prevent remittances in other modes. They enable him also to prosecute enterprises, which ultimately tend to an augmentation of the species of wealth in question. It is evident, that gold and silver may often be employed in procuring commodities abroad; which, in a circuitous commerce, replace the original fund, with considerable addition. But it is not to be inferred from this facility given to temporary exportation, that banks which are so friendly to trade and industry, are in their general tendency, inimical to the increase of the precious metals.

These several views of the subject appear sufficient to impress a full conviction of the utility of banks, and to demonstrate that they are of great importance, not only in relation to the administration of the finances, but in the general system of the political economy.

The judgment of many concerning them has no doubt been perplexed, by the misinterpretation of appearances, which were to be ascribed to other causes. The general devastation of personal property, occasioned by the late war, naturally produced on the one hand, a great demand for money, and on the other a great deficiency of it to answer the demand. Some injudicious laws, which grew out of the public distresses, by impairing confidence and causing a part of the inadequate sum in the country to be locked up, aggravated the evil: The dissipated habits, contracted by many individuals, during the war, which after the peace plunged them into expenses beyond their incomes: The number of adventurers without capital, and in many instances without information, who at that epoch rushed into trade, and were obliged to make any sacrifices to support a transient credit: The employment of considerable sums in speculations upon the public debt, which from its unsettled state was incapable of becoming itself a substitute: All these circumstances concurring, necessarily led to usurious borrowing, produced most of the inconveniences, and were the true causes of most of the appearances; which, where banks were established, have been by some erroneously placed to their account; a mistake which they might easily have avoided by turning their eyes towards places where there were none, and where, nevertheless, the same evils would have been perceived to exist, even in a greater degree than where those institutions had obtained.

These evils have either ceased, or been greatly mitigated. Their more complete extinction may be looked for from that additional security to property, which the constitution of the United States happily gives (a circumstance of prodigious moment in the scale both of public and private prosperity) from the attraction of foreign capital, under the auspices of that security, to be employed upon objects and in enterprises, for which the state of this country opens a wide and inviting field, from the consistency and stability, which the public debt is fast acquiring, as well in the public opinion at home and abroad, as in fact; from the augmentation of capital, which that circumstance and the quarter-yearly payment of interest will afford; and from the more copious circulation, which will be likely to be created by a well-constituted national bank.

The establishment of banks in this country seems to be recommended by reasons of a peculiar nature. Previously to the revolution, circulation was in a great measure carried on by paper emitted by the several local governments. In Pennsylvania alone, the quantity of it was near a million and a half of dollars. This auxiliary may be said to be now at an end. And it is generally supposed, that there has been for some time past, a deficiency of circulating medium. How far that deficiency is to be considered as real or imaginary, is not susceptible of demonstration; but there are circumstances and appearances, which, in relation to the country at large, countenance the supposition of its reality.

The circumstances are, besides the fact just mentioned respecting paper emissions, the vast tracts of waste land, and the little advanced state of manufactures. The progressive settlement of the former, while it promises ample retribution, in the generation of future resources, diminishes or obstructs, in the mean time, the active wealth of the country. It not only draws off a part of the circulating money, and places it in a more passive state, but it diverts into its own channels a portion of that species of labour and industry, which would otherwise be employed in furnishing materials for foreign trade, and which by contributing to a favorable balance, would assist the introduction of specie. In the early periods of new settlements, the settlers not only furnish no surplus for exportation, but they consume a part of that which is produced by the labour of others. The same thing is a cause, that manufactures do not advance, or advance slowly. And notwithstanding some hypotheses to the contrary, there are many

things to induce a suspicion, that the precious metals will not abound in any country which has not mines, or variety of manufactures. They have been sometimes acquired by the sword; but the modern system of war has expelled this resource; and it is one upon which the United States will never be inclined to rely.

The appearances alluded to, are, greater prevalence of direct barter, in the more interior districts of the country, which however has been for some time past gradually lessening; and greater difficulty generally in the advantageous alienation of improved real estate, which also have of late diminished, but is still seriously felt in different parts of the Union. The difficulty of getting money, which has been a general complaint, is not added to the number; because it is the complaint of all times, and one in which imagination must ever have too great scope to permit an appeal to it.

If the supposition of such a deficiency be in any degree founded, and some aid to circulation be desirable, it remains to inquire what ought to be the nature of that aid.

The emitting of paper money by the authority of government is wisely prohibited to the individual States, by the national constitution. And the spirit of that prohibition ought not to be disregarded by the government of the United States. Though paper emissions under a general authority, might have some advantages not applicable to the like emissions by the States separately; yet they are of a nature so liable to abuse, and it may even be affirmed to certain of being abused, that the wisdom of the government will be shown in never trusting itself with the use of so seducing and dangerous an expedient. In times of tranquillity, it might have no ill consequence, it might even perhaps be managed in a way to be productive of good; but in great and trying emergencies, there is almost a moral certainty of its becoming mischievous. The stamping of paper is an operation so much easier than the laying of taxes, that a government, in the practice of paper emissions, would rarely fail in any such emergency, to indulge itself too far, in the employment of that resource, to avoid as much as possible, one less suspicious to present popularity. If it should not even be carried so far as to be rendered an absolute bubble—it would at least be likely to be extended to a degree, which would occasion an inflated and artificial state of things, incompatible with the regular and prosperous course of political economy.

Among other material differences between a paper currency, issued by the mere authority of government, and one issued by a bank, payable in coin, is this: That in the first case, there is no standard to which an appeal can be made, as to the quantity which will only satisfy, or which will surcharge the circulation; in the last, that standard results from the demand. If more should be issued than is necessary, it will return upon the bank. Its emissions, as elsewhere intimated, must always be in a compound ratio to the fund and to the demand: Whence it is evident, that there is a limitation in the nature of the thing: While the discretion of the government is the only measure of the extent of the emissions, by its own authority.

This consideration further illustrates the danger of emissions of that sort, and the preference which is due to bank paper,
(To be continued.)

PROPOSALS,

By JOHN TRUMBULL,
For PUBLISHING BY SUBSCRIPTION,

TWO PRINTS,

From original Pictures painted by himself;

One representing the DEATH of General WARREN,
at the Battle of Bunker's-Hill.

The other, the DEATH of General MONTGOMERY,
in the Attack of Quebec.

IN the battle of Bunker's-Hill, the following Portraits are introduced—

<i>American.</i>	<i>British.</i>
Major General WARREN, PUTNAM.	Gen. Sir WILLIAM HOWE, Sir HENRY CLINTON, Lieut. Col. JOHN SMALL, Major PITCAIRN, and Lieut. PITCAIRN.
In the Attack of Quebec, are seen—	
General MONTGOMERY, Major MACPHERSON, and	Colonel THOMPSON, Capt. CHEESMAN.

CONDITIONS OF SUBSCRIPTION.

The prints will be engraved by two of the most eminent artists in Europe. The size will be 30 inches by 20. The price to subscribers, *Three Guineas* for each print; one half to be paid at the time of subscribing, the remainder on the delivery of the prints, which will be as soon as the work (which is already considerably advanced) can possibly be completed.

SUBSCRIPTIONS are received in this city by *Joseph Anthony*, Jun. Goldsmith and Jeweller, No. 76, Market-Street.

These prints are the first of a series, in which it is proposed to represent the most important events of the American Revolution.

No period of the history of man, is more interesting than that in which we have lived. The memory of scenes in which were laid the foundations of that free government, which secures our national and individual happiness, must ever remain dear to us, and to posterity; and if national pride be in any case justifiable, Americans have a right to glory in having given to the world an example, whose influence is rapidly spreading the love of freedom through other nations, and every where ameliorating the condition of men.

To assist in preserving the memory of the illustrious events which have marked this period of our country's glory, as well as of the men who have been the most important actors in them, is the object of this undertaking. History will do justice to an era so important; but to be read, the language in which it is written must be understood—the language of painting is universal, and intelligible in all nations, and every age.

As several years of his time, and a very considerable expence, are necessary to accomplish this undertaking, it would be an imprudent sacrifice to the mere hope of reputation to go more deeply into it, without a probability of ultimate success:—That he may judge of the degree of this probability, Mr. Trumbull, by the advice of his friends, proposes this subscription, and flatters himself with a hope of meeting that patronage from his countrymen, which will justify his pursuing the object with ardor; and without which it is impossible that so expensive a work should be continued.

The subjects proposed to be represented, in addition to the two foregoing, of *Bunker's-Hill* and *Quebec*, are—

- * THE DECLARATION of INDEPENDENCE,
- * BATTLE at TRENTON,
- * BATTLE of PRINCETOWN,
- * SURRENDER of General BURGOYNE,
- TREATY with FRANCE,
- BATTLE of EUTAW SPRINGS,
- * SURRENDER of YORK-TOWN,
- TREATY of PEACE,
- EVACUATION of NEW-YORK,
- RESIGNATION of General WASHINGTON,
- The ARCH at TRENTON,
- INAUGURATION of the PRESIDENT of the UNITED STATES.

Each picture will contain portraits of the principal characters who were present at the scene represented. Those marked with stars, are considerably advanced; and the prints from the whole will be executed of the same size, and by the most eminent engravers.

December 14.

This day is published,

By Carey, Stewart, and Co.

No. 22, in FRONT-STREET,

The American Museum,

FOR DECEMBER, 1790.

CONTENTS.

ORIGINAL ARTICLES.

METEOROLOGICAL table, November, 1790.
Observations on the weather and diseases in Phil. for do.
Sketch of the nature and causes of diseases, scientifically explained.
Curfory view of the advantages of the science of geography.
Observations on the support of the clergy. By the late gov. Livingston.
The same subject continued.
An address, delivered at the commencement in the college of Philadelphia, Dec. 15, 1790. By dr. Ruff.
Observations respecting the proposed national bank.
Extract from the second lecture of the hon. James Wilson, esq.
POETRY.

Address to the red breast.

SELECTED ARTICLES.

PROSE.

Essay on population.
Anecdote of an Indian.
Select maxims.
Essay on the influence of religion in civil society.
Reflections on the custom of burying the dead, and the danger of precipitate interment.
Julia—or the penitent daughter.
Description of a North Carolina ordinary.
Remarks respecting the isthmus or Darien.
Further remarks on the same subject.
Observations on female honor. By the rev. Joseph Lathrop.
Remarks on elections, and on voting by ballot and viva voce.
Thoughts on the progress of manufactures.
A hint to chemists.
A useful hint to apothecaries.
Of the enormous bones found in America.
Plan for liberating the negroes within the United States. By Mr. Ferdinando Fairfax.
Thoughts on propriety of reading.
Anecdote of a barbarian.
Anecdote of a Bostonian captain.
Anecdote of a Chinese tailor.

POETRY.

Stanzas addressed to the ladies.
An elegy to the memory of the American volunteers, who fell April 19, 1777.
Epilogue spoken by Mrs. Henry.
Prologue spoken by Mr. Hallam.
A winter-piece. By the rev. J. Lathrop, of West Springfield.
A Christmas ode.
January 1, 1791.

HENRY KUHL,

At No. 143, Second-Street, near Race-Street,

By advice of his friends in New-York and Philadelphia, has opened an office for the purpose of buying and selling, on commission, the different species of Stock, and of liquidated and unliquidated paper in the market.

He will obtain such Certificates as are required by the funding law, for those who have unliquidated Securities; and transfer stock from and to the Treasury and the Offices of the Commissioners of Loans, on moderate terms.

Having for several years past been employed in the Treasury of the United States, he is well acquainted with its operations and forms; and flatters himself that on that score he has a decided advantage in transacting business here. He is fully impressed with the truth of the adage that "dispatch is the soul of business," and will always make the interest of his employers an object of the first importance.

Philadelphia, December 29th, 1790.

IMPERIAL, HYSON, SOUCHONG, and BOHEA

T E A S ;

REFINED SUGARS, COFFEE, and SPICES, &c.

Of the first Quality—by Retail,

No. 17,

Third-Street, between Chestnut and Market-Streets.

WHEREAS a certain WILLIAM TUFF, of Salem County, State of New-Jersey, has two nine pound notes of hand, given by Samuel Hollinshead, jun. and by certain information, it appears that my name as a security for the same is added to those notes, unknown to me. I hereby forbid any person or persons from taking any assignment of them from him; for I am determined not to answer those notes, or any assignment of them, as I know nothing of their dealings, nor will I answer for the same.

REUBEN ROBINSON.

Cumberland County, Nov. 30, 1790.

PHILADELPHIA, JANUARY 1, 1791.

THE partnership of JOHN DUNLAP and DAVID C. CLAYPOOLE having expired this day, DAVID C. CLAYPOOLE proposes to publish a Newspaper, entitled

The Mail,

and

New Daily Advertiser.

(To be continued every Evening, Sundays excepted.)

THE MAIL shall be printed with an elegant new Type, procured for this particular purpose, on Paper, equal in size and quality to any of the Newspapers of Europe or America—And the Subscriber engages that no Means shall be spared to render the MAIL and NEW DAILY ADVERTISER in other respects worthy of the Public Patronage, which he now respectfully solicits.

The Price of the MAIL will be Eight Dollars pr. annum, to be paid at the end of the Year: And Advertisements will be received on such moderate Terms as to prove satisfactory to those who may be pleased to favor the Printer with their Commands in that line.

The MAIL will be published at the House No. 2, Lower Third Street (now occupied by Mr. J. D. Blanchard, who will shortly remove to the adjoining House, No. 4.) and at present SUBSCRIPTIONS are thankfully received at No. 48, Market-Street, by

D C. CLAYPOOLE.

E BENEZER HAZARD and JONAS ADDOMS have entered into partnership, and opened an OFFICE, at No. 173, in Market-Street, a few doors above Fourth-Street, where, under the Firm of

HAZARD and ADDOMS,

They purchase and sell all kinds of

CERTIFICATES—PAPER MONEY, and BANK STOCK.

N. B. Transfers made at the Public Offices, and Business in general transacted on Commission.
December 29.