

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,

THAT from a conviction (as suggested in his Report No. I, herewith presented) that a National bank is an institution of primary importance to the prosperous administration of the Finances, and would be of the greatest utility in the operations connected with the support of the Public Credit, his attention has been drawn to devising the plan of such an institution, upon a scale which will entitle it to the confidence, and be likely to render it equal to the exigencies of the public.

Previously to entering upon the detail of this plan, he entertains the indulgence of the House, towards some preliminary reflections naturally arising out of the subject, which he hopes will be deemed neither useless nor out of place. Public opinion being the ultimate arbiter of every measure of government, it can scarcely appear improper, in deference to that, to accompany the origination of any new proposition with explanations, which the superiority of information of those to whom it is immediately addressed, would render superfluous.

It is a fact well understood, that public banks have found admission and patronage among the principal and most enlightened commercial nations. They have successively obtained in Italy, Germany, Holland, England and France, as well as in the United States. And it is a circumstance which cannot but have considerable weight, in a candid estimate of their tendency, that after an experience of centuries, there exists not a question about their utility in the countries, in which they have been so long established. Theorists and men of business unite in the acknowledgment of it.

Trade and industry, wherever they have been tried, have been indebted to them for important aid. And government has been repeatedly under the greatest obligations to them, in dangerous and distressing emergencies. That of the United States, as well in some of the most critical conjunctures of the late war, as since the peace, has received assistance from those established among us, with which it could not have dispensed.

With this two-fold evidence before us, it might be expected, that there would be a perfect union of opinions in their favor. Yet doubts have been entertained; jealousies and prejudices have circulated; and though the experiment is every day dissipating them, within the spheres in which effects are best known; yet there are still persons by whom they have not been entirely renounced. To give a full and accurate view of the subject, would be to make a treatise of a report; but there are certain aspects in which it may be cursorily exhibited, which may perhaps conduce to a just impression of its merits. These will involve a comparison of the advantages, with the disadvantages, real or supposed, of such institutions.

The following are among the principal advantages of a bank: — First. The augmentation of the active or productive capital of a country. Gold and silver, where they are employed merely as the instruments of exchange and alienation, have been not improperly denominated dead stock; but when deposited in banks, to become the basis of a paper circulation, which takes their character and place, as the signs or representations of value, they then acquire life, or, in other words, an active and productive quality. This idea, which appears rather subtle and abstract, in a general form, may be made obvious and palpable, by entering into a few particulars. It is evident, for instance, that the money which a merchant keeps in his chest, waiting for a favorable opportunity to employ it, produces nothing till that opportunity arrives. But if instead of locking it up in this manner, he either deposits it in a bank, or invests it in the stock of a bank, it yields a profit during the interval, in which he partakes, or not, according to the choice he may have made of being a depositor, or a proprietor; and when any advantageous speculation offers, in order to be able to embrace it, he has only to withdraw his money, if a depositor, or if a proprietor, to obtain a loan from the bank, or to dispose of his stock; an alternative seldom or never attended with difficulty, when the affairs of the institution are in a prosperous train. His money thus deposited or invested, is a fund upon which himself and others can borrow to a much larger amount. It is a well established fact, that banks in good credit can circulate a far greater sum than the actual quantum of their capital in gold and silver. The extent of the possible excess seems indeterminate; though it has been conjecturally stated at the proportions of two and three to one. This facility is produced in various ways. First—A great proportion of the notes which are issued and pass current as cash, are indefinitely suspended in circulation, from the confidence which each holder has, that he can at any moment turn them into gold and silver. Secondly—Every loan which a bank makes, is, in its first shape, a credit given to the borrower on its books, the amount of which it stands ready to pay, either in its own notes, or in gold or silver, at his option. But, in a great number of cases, no actual payment is made in either. The borrower, frequently, by a check, or order, transfers his credit to some other person, to whom he has a payment to make—who, in his turn, is as often content with a similar credit, because he is satisfied that he can, whenever he pleases, either convert it into cash, or pass it to some other hand as an equivalent for it. And in this manner the credit keeps circulating, performing in every stage the office of money, till it is extinguished by a discount with some person who has a payment to make to the bank, to an equal or greater amount. Thus large sums are lent and paid, frequently through a variety of hands, without the intervention of a single piece of coin. Thirdly—There is always a large quantity of gold and silver in the repositories of the bank, besides its own stock, which is placed there with a view, partly to its safe-keeping, and partly to the accommodation of an institution which is itself a source of general accommodation. These deposits are of immense consequence in the operations of a bank. Though liable to be re-drawn at any moment, experience proves, that the money so drawn changes proprietors than place, and that what is drawn out is generally so speedily replaced, as to authorize the counting upon the sums deposited, as an effective fund; which concurring with the stock of the bank, enables it to extend its loans, and to answer all the demands for coin, whether in consequence of those loans, or arising from the occasional returns of its notes.

These different circumstances explain the manner in which the ability of a bank to circulate a greater sum than its actual capital in coin, is acquired. This however must be gradual; and must be preceded by a firm establishment of confidence; a confidence which may be bestowed on the most rational grounds; since the excess in question will always be bottomed on good security of one kind or another. This every well-conducted bank carefully requires, before it will consent to advance either its money or its credit, and where there is an auxiliary capital (as will be the case in the plan hereafter submitted) which, together with the capital in coin, define the boundary that shall not be exceeded by the engagements of the bank, the security may, consistently with all the maxims of a reasonable circumspection, be regarded as complete.

The same circumstances illustrate the truth of the position, that it is one of the properties of banks to increase the active capital of a country. This, in other words, is the sum of them. The money of one individual, while he is waiting for an opportunity to employ it, by being either deposited in the bank for safe-keep-

ing, or invested in its stock, is in a condition to administer to the wants of others, without being put out of his own reach when occasion presents. This yields an extra profit, arising from what is paid for the use of his money by others, when he could not himself make use of it; and keeps the money itself in a state of incessant activity. In the almost infinite vicissitudes and competitions of mercantile enterprise, there never can be danger of an intermission of demand, or that the money will remain for a moment idle in the vaults of the bank. This additional employment given to money, and the faculty of a bank to lend and circulate a greater sum than the amount of its stock in coin, are to all the purposes of trade and industry an absolute increase of capital. Purchases and undertakings, in general, can be carried on by any given sum of bank paper or credit, as effectually as by an equal sum of gold and silver. And thus by contributing to enlarge the means of industrious and commercial enterprise, banks become nurseries of national wealth: a consequence, as satisfactorily verified by experience, as it is clearly deducible in theory.

(To be continued.)

New Line of Stages.

THE Subscriber has established a line of STAGES from Hartford to Boston, by way of Norwich and Providence, which will run thro twice a week during the Winter Season, and three times a week during the Summer Season.

Good Carriages, Horses, and careful Drivers are provided. — Passengers pay three Pence per Mile, and are allowed 14 pound Baggage each. — Extra Baggage pays at the rate of three Pence per Mile for every 150 wt. As the Mail is to go in these Stages for the year 1791, fixed hours for starting from the respective Stage Houses is absolutely necessary—from which there can be no deviation.

Norwich, Dec. 14, 1790. The Stage for the Eastward leaves Hartford—Mondays and Thnrdays, Norwich—Tuesdays and Fridays, Providence—Wednesdays and Saturdays, For the Westward, leaves Boston—Mondays and Thursdays, Providence—Tuesdays and Fridays, Norwich—Wednesdays and Saturdays.

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JESSE BROWN.

WHEREAS a certain WILLIAM TUFF, of Salem County, State of New-Jersey, has two nine pound notes of hand, given by Samuel Hollinhead, 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.

HENRY KUHLE,

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

BY advice of his friends in New-York and Philadelphia, he 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.

MASSACHUSETTS STATE LOTTERY.

THE Managers of the STATE LOTTERY, present the Public with the First Clafs of the Massachusetts semi-annual State Lottery, which will commence drawing in the Representatives' Chambers in Boston, on the Seventeenth of March next, or sooner, if the Tickets shall be disposed of.

SCHEME.

NOT TWO BLANKS TO A PRIZE.

25,000 Tickets, at Five Dollars each, are 125,000 Dollars, to be paid in the following Prizes, subject to a deduction of twelve and an half per cent. for the use of the Commonwealth.

Table with 4 columns: Prizes, Dollars, and corresponding values. Includes 1 of 10000, 2 of 3000, 3 of 2000, 6 of 1000, 10 of 500, 30 of 200, 80 of 100, 90 of 50, 100 of 40, 120 of 30, 161 of 20, 200 of 10, 7585 of 8. Total 8388 Prizes, 16612 Blanks, 25000.

TICKETS may be had of the several Managers, who will pay the Prizes on demand—of the TREASURER of the Commonwealth—of JAMES WHITE, at his Book-Store, Franklin's-Head, Court-Street, and at other places as usual.

BENJAMIN AUSTIN, jun. } Managers. DAVID COBB, SAMUEL COOPER, GEORGE R. MINOT, JOHN KNEELAND, }

Boston, July 28, 1790.

By THOMAS LANG,

No. 21, Church-Alley,

And sold by FRANCIS BAILEY, JOSEPH CRUKSHANK, WILLIAM PRIBARD, and RICE and Co. in Market-Street; and by THOMAS DOBSON, WILLIAM YOUNG, and ROBERT CAMPBELL, in Second-Street, Philadelphia.

Price 12s. 6d. (not half the price of the London edition)

The POEMS of OSSIAN,

THE SON OF FINGAL.

Translated by JAMES MACPHERSON, Esq.

Wanted, a good Cook,

Either Man or Woman.—Enquire at No. 209, Second-Street, opposite the New-Market.

PRICE CURRENT.—PHILADELPHIA.

PER QUANTITY.

DECEMBER 31.—DOLLARS at 7/6.

Large table of market prices for various goods including ANCHORS, Allum, Bricks, Butter, Candles, Flour, Hops, Iron, Lead, Lard, Leather, Logwood, Meal, Mace, Mustard, Nails, Oil, Pepper, Rice, Salt, Sugar, Spices, Starch, Soap, Tea, Tobacco, Wine, and various oils and fats.

COURSE OF EXCHANGE.

Table of exchange rates for London, Amsterdam, and other locations, including terms like 60 days, 90 days, and 3 months.

IMPERIAL, HYSON, SOUCHONG, and BOHEA TEAS;

REFINED SUGARS, COFFEE, and SPICES, &c.

Of the first Quality—by Retail,

No. 17,

Third-Street, between Chestnut and Market-Streets.

The price of this paper is 3 dollars per annum.