

TREASURY DEPARTMENT,
December 12, 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 capital of every public bank will of course be restricted within a certain defined limit. It is the province of legislative prudence to adjust this limit, that while it will not be too contracted for the demand, which the course of business may create, and for the security which the public ought to have for the solidity of the paper which may be issued by the bank, it will still be within the compass of the pecuniary resources of the community; so that there may be an easy practicability of completing the subscriptions to it. When this is once done, the supposed effect of necessity ceases. There is then no longer room for the investment of any additional capital. Stock may indeed change hands by one person selling and another buying; but the money which the buyer takes out of the common mass to purchase the stock, the seller receives and restores to it. Hence the future surpluses which may accumulate, must take their natural course, and lending at interest must go on as if there were no such institution.

It must indeed flow in a more copious stream. The bank furnishes an extraordinary supply for borrowers, within its immediate sphere. A larger supply consequently remains for borrowers elsewhere. In proportion as the circulation of the bank is extended, there is an augmentation of the aggregate mass of money for answering the aggregate mass of demand. Hence greater facility in obtaining it for every purpose.

It ought not to escape without a remark, that as far as the citizens of other countries become adventurers in the bank, there is a positive increase of the gold and silver of the country. It is true, that from this a half yearly rent is drawn back, accruing from the dividends upon the stock. But as this rent arises from the employment of the capital, by our own citizens, it is probable, that it is more than replaced by the profits of that employment. It is also likely, that a part of it is, in the course of trade, converted into the products of our country: And it may even prove an incentive, in some cases, to emigration to a country in which the character of citizen is as easy to be acquired, as it is estimable and important. This view of the subject furnishes an answer to an objection which has been deduced from the circumstance here taken notice of; namely, the income resulting to foreigners from the part of the stock owned by them, which has been represented as tending to drain the country of its specie. In this objection, the original investment of the capital, and the constant use of it afterwards, seem both to have been overlooked.

That banks furnish temptations to over-trading, is the third of the enumerated objections. This must mean, that by affording additional aids to mercantile enterprise, they induce the merchant sometimes to adventure beyond the prudent or salutary point. But the very statement of the thing shews, that the subject of the charge is an occasional ill, incident to a general good. Credit of every kind (as a species of which only can bank lending have the effect supposed) must be, in different degrees, chargeable with the same inconvenience. It is even applicable to gold and silver, when they abound in circulation. But would it be wise on this account to decry the precious metals, to root out credit; or to proscribe the means of that enterprise, which is the main spring of trade, and a principal source of national wealth, because it now and then runs into excess, of which over-trading is one.

If the abuses of a beneficial thing are to determine its condemnation, there is scarcely a source of public prosperity which will not speedily be closed. In every case, the evil is to be compared with the good; and in the present case, such a comparison will issue in this, that the new and increased energies derived to commercial enterprise, from the aid of banks, are a source of general profit and advantage, which greatly outweigh the partial ills of the over-trading of a few individuals, at particular times, or of numbers in particular conjunctures.

The fourth and fifth charges may be considered together. These relate to the aid which is sometimes afforded by banks to unskilful adventurers and fraudulent traders. These charges also have some degree of foundation, tho' far less than has been pretended; and they add to the instances of partial ills, connected with more extensive and overbalancing benefits.

The practice of giving fictitious credit to improper persons is one of those evils which experience guided by interest speedily corrects. The bank itself is in so much jeopardy of being a sufferer by it, that it has the strongest of all inducements to be on its guard. It may not only be injured immediately by the delinquencies of the persons, to whom such credit is given; but eventually, by the incapacities of others, whom their impositions or failures may have ruined.

Nor is there much danger of a bank's being betrayed into this error, from want of information. The directors themselves being for the most part selected from the class of traders, are to be expected to possess individually an accurate knowledge of the characters and situations of those who come within that description. And they have in addition to this, the course of dealing of the persons themselves with the bank, to assist their judgment, which is in most cases a good index of the state in which those persons are. The artifices and shifts which those in desperate or declining circumstances are obliged to employ, to keep up the countenance which the rules of the bank require, and the train of their connexions, are so many prognostics, not difficult to be interpreted, of the fate which awaits them: Hence it not unfrequently happens, that banks are the first to discover the ungroundedness of such characters, and, by withholding credit, to announce to the public that they are not intitled to it.

If banks, in spite of every precaution, are sometimes betrayed into giving a false credit to the persons described; they more frequently enable honest and industrious men, of small or perhaps no capital, to undertake and prosecute business with advantage to themselves and to the community; and assist merchants of both capital and credit, who meet with fortuitous and unforeseen losses, which might without such helps prove fatal to them and to others, to make head against their misfortunes, and finally to retrieve their affairs: circumstances which form no inconsiderable accession to the utility of banks.

But the last and heaviest charge is still to be examined. That is, that banks tend to banish the gold and silver of the country.

The force of this objection rests upon their being an engine of paper credit, which by furnishing a substitute for the metals, is supposed to promote their exportation. It is an objection, which if it has any foundation, lies not against banks peculiarly, but against every species of paper credit.

The most common answer given to it is, that the thing supposed is of little or no consequence; that it is immaterial what serves the purpose of money, whether paper, or gold and silver; that the effect of both upon industry is the same; and that the intrinsic wealth of a nation is to be measured, not by the abundance of the precious metals contained in it, but by the quantity of the productions of its labour and industry.

This answer is not destitute of solidity, though not entirely satisfactory. It is certain, that the vivification of industry, by a full circulation, with the aid of a proper and well regulated paper credit, may more than compensate for the loss of a part of the gold

and silver of a nation; if the consequence of avoiding that loss should be a scanty or defective circulation.

But the positive and permanent increase or decrease of the precious metals in a country, can hardly ever be a matter of indifference. As the commodity taken in lieu of every other, it is a species of the most effective wealth; and as the money of the world, it is of great concern to the state, that it possess a sufficiency of it to face any demands which the protection of its external interests may create.

The objection seems to admit of another and a more conclusive answer, which controverts the fact itself. A nation that has no mines of its own, must derive the precious metals from others; generally speaking, in exchange for the products of its labour and industry. The quantity it will possess will therefore, in the ordinary course of things, be regulated by the favorable or unfavorable balance of its trade; that is, by the proportion between its abilities to supply foreigners, and its wants of them; between the amount of its exportations and that of its importations. Hence the state of its agriculture and manufactures, the quantity and quality of its labour and industry must, in the main, influence and determine the increase or decrease of its gold and silver.

If this be true, the inference seems to be, that well constituted banks favour the increase of the precious metals. It has been shewn, that they augment in different ways, the active capital of a country. This it is which generates employment; which animates and expands labour and industry. Every addition which is made to it, by contributing to put in motion a greater quantity of both, tends to create a greater quantity of the products of both. And by furnishing more materials for exportation, conduces to a favourable balance of trade, and consequently to the introduction and increase of gold and silver.

This conclusion appears to be drawn from solid premises. There are however objections to be made to it.

It may be said, that as bank paper affords a substitute for specie, it serves to counteract that rigorous necessity for the metals as a medium of circulation, which in the case of a wrong balance might restrain in some degree their exportation; and it may be added, that from the same cause, in the same case, it would retard those economical and parsimonious reforms in the manner of living, which the scarcity of money is calculated to produce, and which might be necessary to rectify such wrong balance.

There is perhaps some truth in both these observations; but they appear to be of a nature rather to form exceptions to the generality of the conclusion, than to overthrow it. The state of things, in which the absolute exigencies of circulation can be supposed to resist with any effect the urgent demands for specie, which a wrong balance of trade may occasion, presents an extreme case. And a situation in which a too expensive manner of living of a community, compared with its means, can stand in need of a corrective, from distress or necessity, is one which perhaps rarely results, but from extraordinary and adventitious causes: such for example, as a national revolution, which unsettles all the established habits of a people, and inflames the appetite for extravagance, by the illusions of an ideal wealth, engendered by the continual multiplication of a depreciating currency or some similar cause. There is good reason to believe, that where the laws are wise and well executed, and the inviolability of property and contracts maintained, the economy of a people will, in the general course of things, correspond with its means.

(To be continued.)

MASSACHUSETTS STATE LOTTERY.

The Managers at the STATE LOTTERY, present the Public with the First Class of the Massachusetts Semi-annual State Lottery, which will commence drawing in the Representatives Chamber, 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.

Prizes	of	Dollars.	is	Dollars.
1		10000		10000
2		3000		6000
3		2000		6000
6		1000		6000
10		500		5000
30		200		6000
80		100		8000
90		50		4500
100		40		4000
120		30		3600
160		20		3200
200		10		2000
7585		8		60680

8988 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. }
DAVID COBB, }
SAMUEL COOPER, } Managers.
GEORGE R. MINOT, }
JOHN KNEELAND, }

Tickets in the above Lottery are to be sold by Stephen Austin, corner of Front and Pine Streets, Philadelphia.

PLEASE TO NOTICE.

FOR the accommodation of those who would wish to become Adventurers in the First Class of the MASSACHUSETTS SEMI-ANNUAL STATE LOTTERY, letters, post paid, directed to SAMUEL COOPER, at his Office, North side State-House, Boston, enclosing Philadelphia, New-York or Boston Bank-Bills, or other good Bills, will be particularly attended to, and Tickets forwarded immediately upon the receipt of such letters.

Boston, Dec. 22, 1790.

N. B. A List of Prizes will be deposited with the Printer hereof, immediately after the drawing is completed.

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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.

HENRY KUIH,

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
TEAS;

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.

JOHN FRANCIS,

Late of NEW-YORK, respectfully informs the public, that he has opened a

Commodious Boarding House,

No. 53, FOURTH-STREET, one door from Race-Street, WHERE Gentlemen may be accommodated with GENTEEL BOARDING AND LODGING, By the Week, Month, or Year, and on the most moderate terms. Phila. Nov. 20, 1790.—[aw. gm.]

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, prepared 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.

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.

The Stage for the Eastward leaves
Hartford—Mondays and Thursdays,
Norwich—Tuesdays and Fridays,
Providence—Wednesdays and Saturdays,
For the Westward, leaves Boston
Providence—Mondays and Thursdays,
Norwich—Tuesdays and Fridays,
JESSE BROWN.

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GAZETTE OF THE UNITED STATES.

THE Editor requests those of his Subscribers whose arrearages amount to six and twelve months subscription, to make payment as soon as possible. He trusts it will prove a sufficient apology for this application, when he assures them that his receipts for the year 1790, do not amount to more than one half of the actual expence of the publication during that period.

Upwards of two hundred thousand copies of this Gazette have been published and circulated since the 15 April, 1789, the time when it commenced. From the very general approbation it has received, and the extensive and ample subscription which has followed, the editor has flattered himself with the possibility of its being supported; but at the present moment a most perplexing uncertainty rests on that event—owing to the difficulties attending the present mode of its circulation, and collecting subscriptions from situations remote from the place of publication.

January 5, 1791.

THE Subscribers for this paper, in the city of New-York, are respectfully informed, that the charge of the papers proving inconvenient to Mr. Wetmore, at the Post-Office, the Editor has engaged Mr. Samuel Campbell, Book-seller, Hanover-Square, to receive them and superintend their delivery—by whom Subscriptions and arrearages will be received.

SUNDAY SCHOOLS.

A meeting of the subscribers to the plan for establishing Sunday Schools in this city, will be held at the Academy of Mr. Joseph Sharpley, in Second Street, between Market and Arch Streets, on Tuesday next, at six o'clock in the evening, for the purpose of choosing officers. Jan. 5, 1791.

Signed by order,

M. CAREY, Sec. P. T.