National Gazette.

By *PHILIP FRENEAU.*

VOL. I. THURSDAY, NOVEMBER 17, 1791. NUMB. 6.

For the NATIONAL GAZETTE.

THOUGHTS ON THE ESTABLISHMENT OF A MINT IN THE UNITED STATES.

By THOMAS PAINE.

THE price of the machinery and the expence of labour are referved to the concluſion. I proceed therefore to conſider the Metals and the means of procuring them.

I begin with Copper.—This Metal is of too little value and of too much bulk, to anſwer the purpoſes of coin to any great extent: About ten or twenty thouſand dollars worth of copper coin is, I believe, as much as can be circulated in America.

Copper may be had in America, cheaper than in any other part of the world, and in greater quantities than are neceſſary for coining. This copper comes from the Weſt-Indies, it is the old boilers ſtills, and other utenſils which being worn out, the Planters have no uſe for the old copper. They have not, as I am informed, the means of melting it up, or do not give themſelves the trouble to do it, beſides which there is a duty of 3d ſterling per lb. on landing it in England.

Conſiderable quantities of this copper have, ſince the war, been bought in New-York, for 6d. per lb. York currency; but ſuppoſing ten pounds of it be bought for one dollar, it will conſequently follow that ten pound weight of copper is only equal to about one ounce weight of ſilver; if therefore one dollar worth of copper was to be divided into a hundred parts or cents, each cent would be above the weight and ſize of a ſilver dollar. Two oppoſite difficulties, therefore, preſent themſelves with reſpect to a copper coinage; the one is, that to give the coins, or cents, the intrinſic value they ought to have by weight, they will be too heavy and bulky for the uſe they are intended for; the other is, that to make them light enough to be convenient, they will not have intrinſic value enough to paſs, any more than half dollars would paſs for dollars.

The proportionate or relative value of ſilver to gold, is about 16 to one; that is, 16 ounces of ſilver is about the value of one ounce of gold, but the relative value of copper to ſilver, is from 120 to 140 to 1. which makes them too remote to repreſent each other in the ſhape of coin convenient for the pocket. Nobody would think of carrying braſs pound weights about him for coin, yet he muſt carry copper in that proportion.

The metal convenient for a coin under the ſilver coin, ſhould not differ more in its value from ſilver than ſilver does from gold—and if it differed ſtill leſs it would be better: but as the relative values now ſtand, the difference encreaſes where convenience requires it ſhould decreaſe. But as no ſuch a metal, which convenience requires, exiſts naturally, the queſtion is whether it will anſwer to produce it by compoſition.

Of compoſitions, three methods preſent themſelves—1ſt. Mixing ſilver and copper in fuſion—2d. Plating the copper with ſilver—3d. Plugging the copper with ſilver. But againſt all theſe there are very capital objections.—Wherever there is a want of ſatisfaction there muſt neceſſarily be a want of confidence; and this muſt always take place in all compounded metals. There is alſo a decreaſe in the intrinſic value of metals when compounded; one ſhilling worth of ſilver compounded with one ſhilling worth of copper, the compoſition is not worth two ſhillings, or what the metals were worth before they were compounded, becauſe they muſt again be ſeparated to acquire their utmoſt value, and this only can be done at a refiner's. It is not what the coin coſt to make, but what the coin is intrinſically worth when made; that only can give it currency in all caſes. Plugging copper with ſilver is the leaſt detrimental to the intrinſic value of the metals, becauſe they are the eaſieſt ſeparated; but in all theſe caſes the value of the ſilver put into the compoſition will be ſo predominant to the value of the copper, that it will be rather a baſe ſilver coin than a copper coin.

As therefore copper preſents ſo many inconveniences ariſing from its great bulk and little value, and ſo ſmall an object for eſtabliſhing a mint (for people have learned the value of copper coin too well to take it as they formerly did) all the calculations for a mint muſt be made upon ſilver and gold, and whatever may done in copper to be conſidered only as incidental.

It is I think pretty evident that copper has become a coin not from the want or ſcarcity of ſilver (becauſe the value of all the copper coin in any nation is but a trifle, and never conſidered in the eſtimation of national property) but becauſe ſilver does not admit of being divided and ſub-divided down into ſuch ſmall pieces as to contain only the value of a copper or a cent. It is this only which has induced a recourſe to copper.

In England, the loweſt ſilver coin is ſix-pence, which is equal to twelve coppers, and therefore the reſource to coppers for change, or for the purchaſe of ſmall articles under the value of ſixpence is frequently recurring; but if in America we were to coin ſilver as low as the twentieth part of a dollar, which would be pieces of five cents, the occaſion for coppers would be very much diminiſhed, and ſuch pieces would be nearly of the ſize of the French ſilver ſix ſous. I think the policy is in favor of keeping as much ſilver coin as we can in the country; and this is one of my motives for excluding copper as much as poſſible.

Some denomination under the five cent pieces would ſtill be neceſſary—but as the occaſions would be diminiſhed, a ſmall quantity would be ſufficient. It is *convenience* only that ought to be conſidered with reſpect to copper coinage, and not money or riches. It was going on this laſt idea inſtead of the firſt one that entangled the former Congreſs and the ſeveral States. They attempted to do what no other nation ever thought of doing, and which is impoſſible to do—that of exalting copper into national wealth. Nature has fixed its boundary and we muſt keep to it.

It is therefore ſomething by which to divide the five cent ſilver pieces, that appears to me the only thing to be conſidered with reſpect to a copper coinage. This may be done either by coining copper cents of the ſize and intrinſic value they ought to be, which will prevent their being counterfeited, or depreciated, or to coin or ſtamp ſmall copper pieces, as a ſort of treaſury notes, or notes of the mint, of the nominal value of one, two, and three cents, to be exchanged, if any perſon chuſes to exchange them, at the treaſury or the mint for ſilver. Theſe will be more durable than paper tickets, and capable of being extended over the continent without the danger of wearing out; and people will not compare the value of them by the metal they contain, but by the obligation to exchange them for ſilver if required. To prevent their being counterfeited they ſhould not be a tender for any thing above five cents, or more than five in any one payment; As they would be merely for the purpoſe of dividing the ſilver cents by, and not for the purpoſe of ſupplying the place of ſilver coin in large quantities, but the mint or the treaſury ſhould always exchange them to any amount, though the amount can never be much at any one time.

To give theſe notes the opportunity of getting into circulation no faſter, nor in greater quantities than the occaſions for them require, the mint ſhould not iſſue them in payment, but have them in readineſs for merchants, ſhop-keepers, &c. to fetch away by tale in exchange for ſilver or gold. This uſed to be the way the copper coinage at the tower of London got into circulation; Every ſhop-keeper knew where to go to get ten or twenty ſhillings worth.

Congreſs could ſuſtain no inconvenience, nor run any riſk in exchanging thoſe pieces for ſilver whenever they ſhould be preſented, becauſe the value of them in ſilver would be depoſited when they were firſt taken away. The difference between coining cents of their full value by weight, which they muſt have if they are to depend on their own worth for a currency, and coining copper notes, whoſe value is to depend upon their being exchangeable for ſilver at the mint, is, that the firſt of theſe methods is more than double the expence of the laſt, and the convenience to the public not ſo great, nor the ſecurity ſo good. If twenty thouſand dollars worth of nominal cents or notes were coined, the ſaving in metal and workmanſhip would be upwards of one-half, and Congreſs would have the nominal value of them realiſed in ſilver. This difference between the two methods is equal to the firſt year's expence in eſtabliſhing a mint. To conſider copper only as change, or as a medium by which to divide the ſilver coin, and to permit it to come out no faſter than it ſhall be called for, will always prevent inconvenience in the copper coinage. The contract for 100,000 pounds (lawful) of copper coinage, is, I believe, ten times more than can be circulated, becauſe it will only circulate as change. Of the profits which the contractors calculated upon, I ſend you a ſpecimen upon ſix hundred weight of copper.

600 wt of Weſt-India copper in utenſils, at 8d pr. lb. York, or 6d lawful money - -	£15 0 0	
Melting, Caſting, and plating.		
Four hands at caſting, 2/6 -	£0 10 0	
One hand at plating - -	0 3 0	
50 buſhels coal - -	0 10 5	
Salt - - -	0 1 0	
Moläſſes - - - -	0 1 0	
	——	1 5 5
Coining.		
One man cleaning and boiling	0 2 6	
Four at the cutting mill 2/6	0 10 0	
Fifteen at ſtamping do.	1 17 6	
	——	2 10 0
Six ſhillings the dollar	£18 5 5	

Three Engliſh coppers new from the mint at the tower (London) weigh 1 ounce avoirdupoiſe—conſequently 1lb. wt. copper coins 48 coppers, and 600 wt. coins 28,800, which at 108 to the dollar is £80 0 0. All theſe eſtimations are at 6s the dollar. From this may very eaſily be calculated the profits which the contractors expected to make upon £100,000. The expence of the machinery is to be added, as I have only ſtated the manual expence and materials.

Quitting this part of the ſubject, I come to make ſome conſiderations on the ſilver coin.

Opportunities for procuring ſilver and gold for coining do not preſent themſelves like thoſe for copper; but they undoubtedly would preſent themſelves more frequently if a mint was eſtabliſhed. As every nation puts ſome value upon its coin, the coin paſſes for more than the metal is worth—if, therefore, we are charged for the expence of making Spaniſh dollars, we had better make dollars for ourſelves, provided we can procure the ſilver in bars. But until we have a mint the importation of ſilver will continue to be made in coin, becauſe what can a merchant do with ſilver or gold in bars or ingots where there is no mint.

It therefore reſts to know whether ſilver in bars or gold in ingots, or any other way not coin, can be procured cheaper than in coin, and what the difference is.

The moſt effectual method to acquire this knowledge and to procure ſilver in bars, is to eſtabliſh a mint, and to deliver to every importer of bars, or other perſon, the nett produce in coin which his bars ſhall produce.

The price of ſilver in bars at the bullion-office in the bank (London) is 5/1 1-2—the price of ſilver in new Mexican dollars is 4/11 1-2—the difference is 2*d.* or the 27th part of a dollar. It is hardly to be ſuppoſed that we pay to the amount of this difference at the Havannah or elſewhere in receiving dollars inſtead of ſilver unmanufactured into coin—if we do, we pay above four times the price we can manufacture the coin for ourſelves, provided we can procure the ſilver in that proportion.

Twenty-five men will be able to complete 4,000 dollars per day from the bars. A million of dollars, coined within the ſpace of about a year and a half, at one cent per dollar, will pay all the expence of labor, and the price of machinery neceſſary for ſuch an operation, after which the expence per dollar will diminiſh, provided the men are kept employed.

The following is given to me as a tolerable proportionate eſtimate of the expence of coining copper, ſilver and gold, into cents, dollars and half-joes;

The labor of 25 men will coin, per day, about - - 10,000 coppers, or 4,000 dollars, or 2,200 half-joes.

By this it appears that the expence of coining copper is about forty times greater than that of ſilver, and about two hundred times greater than that of gold. This furniſhes an additional reaſon againſt copper coinage.

It may perhaps be aſked, that if the importer of ſilver in bars is to receive the exact produce of his bars from the mint, in coin, where will be the advantage? I anſwer, that the advantage in the firſt inſtance will be to the importer, becauſe he gets more dollars for his cargo than he would by receiving dollars at the place of ſale, and this is his inducement to bring in bars. The advantage in the ſecond inſtance, is to the whole country, becauſe it makes a greater quantity of money than there would be by importing the ſilver in coin. If the difference is 1-27th in a dollar, and bars can be procured inſtead of Spaniſh dollars, the increaſe of ſilver money in the country would be as 112 is to 108.

There is another circumſtance by which money would increaſe in the country if a mint were eſtabliſhed, which is from the old ſilver plate which is now ſent to England, and it is not improbable that ſome old ſilver plate might come from the Weſt-Indies. But until there is a mint, we muſt remain ignorant of the reſources by which ſilver and gold are to be obtained.

The whole apparatus of a mint can be made in America. The only thing neceſſary to import will be a ſmall quantity of caſt-ſteel, which is an article not made in America.

The following is a tolerable eſtimate of the expence of as much machinery as will be ſufficient to begin with, as it can occaſionally be employed in gold, ſilver, and copper,

1 coining mill - -	450 Dols.
2 cutting mills - -	180
1 plating mill for copper -	270
1 do. for ſilver - -	180
1 do for gold - -	180
1 ſett of ingots, caſt-ſteel, ſmall tools, &c, - - -	250
	1500

Coining is a new buſineſs in America. Thoſe who have propoſed contracts,