

The Online Library of Liberty

A Project Of Liberty Fund, Inc.

Condé Raguet, *The Principles of Free Trade* [1835]



The Online Library Of Liberty

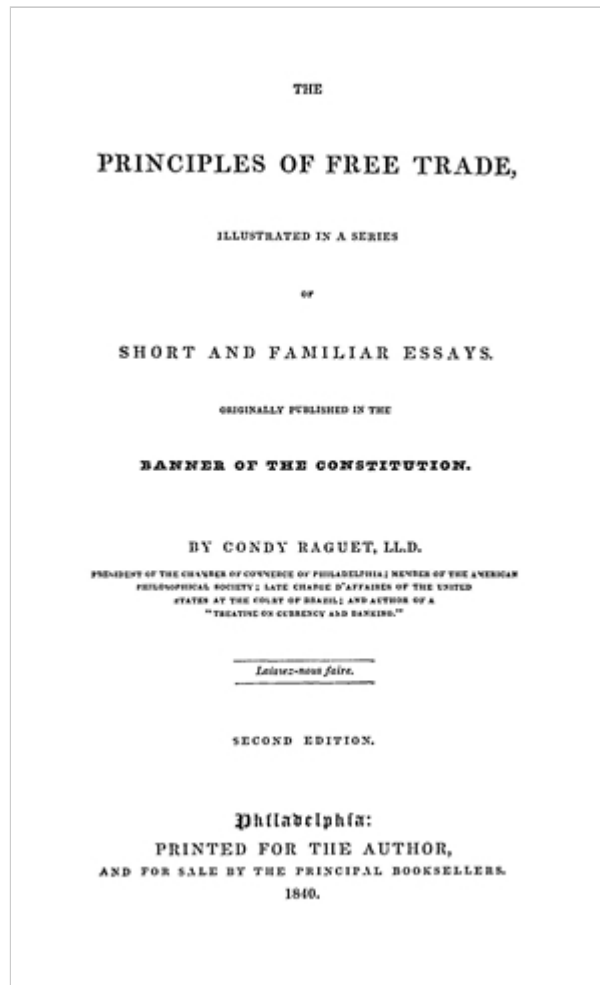
This E-Book (PDF format) is published by Liberty Fund, Inc., a private, non-profit, educational foundation established in 1960 to encourage study of the ideal of a society of free and responsible individuals. 2010 was the 50th anniversary year of the founding of Liberty Fund.

It is part of the Online Library of Liberty web site <http://oll.libertyfund.org>, which was established in 2004 in order to further the educational goals of Liberty Fund, Inc. To find out more about the author or title, to use the site's powerful search engine, to see other titles in other formats (HTML, facsimile PDF), or to make use of the hundreds of essays, educational aids, and study guides, please visit the OLL web site. This title is also part of the Portable Library of Liberty DVD which contains over 1,000 books and quotes about liberty and power, and is available free of charge upon request.

The cuneiform inscription that appears in the logo and serves as a design element in all Liberty Fund books and web sites is the earliest-known written appearance of the word “freedom” (amagi), or “liberty.” It is taken from a clay document written about 2300 B.C. in the Sumerian city-state of Lagash, in present day Iraq.

To find out more about Liberty Fund, Inc., or the Online Library of Liberty Project, please contact the Director at oll@libertyfund.org.

LIBERTY FUND, INC.
8335 Allison Pointe Trail, Suite 300
Indianapolis, Indiana 46250-1684



Edition Used:

The Principles of Free Trade illustrated in a series of short and familiar Essays originally published in the Banner of the Constitution, 2nd ed. (Philadelphia, 1840).

Author: [Condé Raguet](#)

About This Title:

A collection of essays written in the early 1830s as part of a campaign in favor of free trade. The second edition of 1840 contains the minutes of a Free Trade Convention held in Philadelphia in 1831 as well as a dedication to Colonel Biddle the editor of Jean-Baptiste Say's American edition of the *Treatise on Political Economy*.

About Liberty Fund:

Liberty Fund, Inc. is a private, educational foundation established to encourage the study of the ideal of a society of free and responsible individuals.

Copyright Information:

The text is in the public domain.

Fair Use Statement:

This material is put online to further the educational goals of Liberty Fund, Inc. Unless otherwise stated in the Copyright Information section above, this material may be used freely for educational and academic purposes. It may not be used in any way for profit.

TABLE OF CONTENTS	
<hr/>	
ESSAYS.	
I. Introductory remarks. General propositions connected with Free Trade, to be established by these essays - - - - -	1
II. Remarks on the Report of the Committee of Manufactures, made to the House of Representatives on the 5th of January, 1830. 'Impossibility of protecting one branch of industry without injuring others. Observations on the phrase, "The encouragement of manufactures," employed in the preamble to the Revenue Act of 1789. Smuggling. Downfall of the American System foretold - - - - -	5
III. Rail-roads and Canals. Impolicy of constructing them prematurely. Principles on which expenditures should be regulated. Pennsylvania will be obliged to resort to direct taxation to sustain her internal improvements - - - - -	11
IV. Ironical petition of oystermen and others, designed to show the absurdity of laws restricting industry	13
V. Incompatibility of the interests of the wool growers, with those of the wool manufacturers - - -	14
VI. Progress of Free Trade principles in the United States. North American Review. Boston Report. Southern Review. South Carolina Exposition. Dew's Lectures on the Restrictive System. Doctor Cooper. Professor Mc Vickar	16
VII. To benefit manufactures, raw materials should be admitted free, or, at low duties. Incompatibility of the interests of the owners of iron mines with those of blacksmiths, and other artificers in iron	19
VIII. Ironical petition of the owners of gold mines for protection - - - - -	21
IX. Comments on the bill reported on the 27th of January, to the House of Representatives, by the Committee of Manufactures. Impracticability of a just appraisement of manufactured goods by the officers of the customs - - - - -	23
X. Same subject continued. Impracticability of pre- fix	

Table Of Contents

<u>Advertisement to the First Edition.</u>
<u>Advertisement to the Second Edition.</u>
<u>Essays On the Principles of Free Trade.</u>
<u>Essay No. I.</u>
<u>Essay No. II.</u>
<u>Essay No. III.</u>
<u>Essay No. IV.</u>
<u>Essay No. V.</u>
<u>Essay No. VI.</u>
<u>Essay No. VII.</u>
<u>Essay No. VIII.</u>
<u>Essay No. IX.</u>
<u>Essay No. X.</u>
<u>Essay No. XI.</u>
<u>Essay No. XII.</u>
<u>Essay No. XIII.</u>
<u>Essay No. XIV.</u>
<u>Essay No. XV.</u>
<u>Essay No. XVI.</u>
<u>Essay No. XVII.</u>
<u>Essay No. XVIII.</u>
<u>Essay No. XIX.</u>
<u>Essay No. XX.</u>
<u>Essay No. XXI.</u>
<u>Essay No. XXII.</u>
<u>Essay No. XXIII.</u>
<u>Essay No. XXIV.</u>
<u>Essay No. XXV.</u>
<u>Essay No. XXVI.</u>
<u>Essay No. XXVII.</u>
<u>Essay No. XXVIII.</u>
<u>Essay No. XXIX.</u>
<u>Essay No. XXX.</u>
<u>Essay No. XXXI.</u>
<u>Essay No. XXXII.</u>
<u>Essay No. XXXIII.</u>
<u>Essay No. XXXIV.</u>
<u>Essay No. XXXV.</u>
<u>Essay No. XXXVI.</u>
<u>Essay No. XXXVII.</u>
<u>Essay No. XXXVIII.</u>
<u>Essay No. XXXIX.</u>
<u>Essay No. XL.</u>
<u>Essay No. Xli.</u>

[Essay No. Xlii.](#)
[Essay No. Xliii.](#)
[Essay No. Xliv.](#)
[Essay No. Xlv.](#)
[Essay No. Xlvi.](#)
[Essay No. Xlvii.](#)
[Essay No. Xlviii.](#)
[Essay No. Xlix.](#)
[Essay No. L.](#)
[Essay No. Li.](#)
[Essay No. Lii.](#)
[Essay No. Liii.](#)
[Essay No. Liv.](#)
[Essay No. Lv.](#)
[Essay No. Lvi.](#)
[Essay No. Lvii.](#)
[Essay No. Lviii.](#)
[Essay No. Lix.](#)
[Essay No. Lx.](#)
[Essay No. Lxi.](#)
[Essay No. Lxii.](#)
[Essay No. Lxiii.](#)
[Essay No. Lxiv.](#)
[Essay No. Lxv.](#)
[Essay No. Lxvi.](#)
[Essay No. Lxvii.](#)
[Essay No. Lxviii.](#)
[Essay No. Lxix.](#)
[Essay No. Lxx.](#)
[Essay No. Lxxi.](#)
[Essay No. Lxxii.](#)
[Essay No. Lxxiii.](#)
[Essay No. Lxxiv.](#)
[Essay No. Lxxv.](#)
[Essay No. Lxxvi.](#)
[Essay No. Lxxvii.](#)
[Essay No. Lxxviii.](#)
[Essay No. Lxxix.](#)
[Essay No. Lxxx.](#)
[Essay No. Lxxxi.](#)
[Essay No. Lxxxii.](#)
[Essay No. Lxxxiii.](#)
[Essay No. Lxxxiv.](#)
[Essay No. Lxxxv.](#)
[Essay No. Lxxxvi.](#)
[Essay No. Lxxxvii.](#)
[Essay No. Lxxxviii.](#)
[Essay No. Lxxxix.](#)

[Essay No. XC.](#)

[Essay No. XCI.](#)

[Essay No. XCII.](#)

[Essay No. XCIII.](#)

[Essay No. XCIV.](#)

[Essay No. XCV.](#)

[Essay No. XCVI.](#)

[Essay No. XCVII.](#)

[Essay No. XCVIII.](#)

[Essay No. XCIX.](#)

[Essay No. C.](#)

[Essay No. CI.](#)

[Essay No. CII.](#)

[Essay No. CIII.](#)

[Essay No. CIV.](#)

[Essay No. CV.](#)

[Essay No. CVI.](#)

[Essay No. CVII.](#)

[Essay No. CVIII.](#)

[Essay No. CIX.](#)

[Essay No. CX.](#)

[Essay No. CXI.](#)

[Essay No. CXII.](#)

[Essay No. CXIII.](#)

[Essay No. CXIV.](#)

[Essay No. CXV.](#)

[Essay No. CXVI.](#)

[Essay No. CXVII.](#)

[Essay No. CXVIII.](#)

[Essay No. CXIX.](#)

[Essay No. CXX.](#)

[Essay No. CXXI.](#)

[Essay No. CXXII.](#)

[Essay No. CXXIII.](#)

[Essay No. CXXIV.](#)

[Essay No. CXXV.](#)

[Essay No. CXXVI.](#)

[Essay No. CXXVII.](#)

[Essay No. CXXVIII.](#)

[Essay No. CXXIX.](#)

[Essay No. CXXX.](#)

[Essay No. CXXXI.](#)

[Essay No. CXXXII.](#)

[The Compromise Act.](#)

[Appendix, A.: Minutes of the Meeting Referred To, At Page 866, Which Called the Free Trade Convention.](#)

[Appendix, B.: Names of the Members of the Free Trade Convention.](#)

Appendix, C.: Imports and Exports of the United States, From the 1 St of October, 1789, to the 30 the of September, 1838, Taken From Documents Accompanying the Secretary of the Treasury's Annual Report to Congress, of the 3 D of December, 1839.

Entered according to Act of Congress, in the year 1835, by Condé Raguet, in the Clerk's Office of the Eastern District of Pennsylvania.

To Henry Lee, Esquire, of Massachusetts, Colonel Clement C. Biddle, of Pennsylvania, and His Excellency Robert Y. Hayne, late Governor of South Carolina.

Gentlemen:

The conspicuous position held by you in the Northern, Middle and Southern sections of the United States, respectively, among the advocates of Free Trade, during the contest which happily terminated with the adoption of the compromise bill of March 2d, 1833, added to your claims upon the gratitude of the author of these essays for the intellectual aid which you extended to him during the prosecution of his work, have designated you as the particular friends to whom its dedication would be appropriate. To Mr. Lee is the country indebted for that most powerful and conclusive exposition of the practical operation of the Tariff upon the interests of Agriculture, Commerce and Manufactures, "The Boston Report," which was first published in November, 1827, and to which may be ascribed the first impulse of re-action against the Restrictive System. To Colonel Biddle is it indebted for his instrumentality in disseminating sound views of public policy, through his notes appended to the six American editions of Say's Political Economy, which have appeared under his editorial superintendence. To Governor Hayne is it indebted, whilst a member of the Senate of the United States, for a series of the most clear and scientific illustrations of the Principles of Free Trade, which have ever been presented to the American community, through the medium of public speeches. And to each of you, gentlemen, is the author indebted for much moral support through correspondence and personal intercourse, in the painful and trying situation in which he was placed for four years, whilst advocating an unpopular, and, at one time, what appeared to be a hopeless cause; and he begs you to accept of the assurance of his sincere acknowledgments, and of his best wishes for your individual health and happiness.

THE AUTHOR.

Philadelphia, August, 1835.

[\[Back to Table of Contents\]](#)

ADVERTISEMENT

TO THE FIRST EDITION.

In offering to the public the present volume, the author trusts that a brief sketch of the circumstances under which its contents were originally written and published, will be acceptable to the reader.

During the war which was declared against Great Britain in 1812, and which was terminated in the commencement of 1815, the wants of the government led to a doubling of the duties which had been previously imposed upon foreign commodities. This increase of duties, accompanied as it was by diminished supplies from abroad, and by an increase of the expenses of import in the charges of insurance and freight, naturally augmented the prices of foreign products, and brought into premature existence several branches of domestic manufacture, which could only be sustained by a continuance of war prices. Accordingly, when an adjustment of the Tariff, adapted to a state of peace was about to be made, the manufacturers of cottons and woollens, whose interests were dependent upon a continuance of the double duties, earnestly solicited Congress, not for their *permanent* retention, but for such a gradual system of reduction as would enable them to avoid the ruinous effects of a sudden repeal. This reasonable request was listened to, and granted; and accordingly, by the act of April 27, 1816, the duties on certain descriptions of cotton and woollen goods were fixed at *twenty-five* per cent. ad valorem, until the 30th of June, 1819, when they were to be reduced to *twenty* per cent. Prior, however, to the arrival of this latter period, the manufacturers applied for a postponement of the time at which the reduction should take effect, and so strong an appeal was made by them to Congress, that, on the 20th of April, 1818, a law was passed, fixing the 30th of June, 1826, as the period of reduction. On the same day, two other acts were passed, one, entitled “An act to increase the duties on certain manufactured articles imported into the United States,” comprising manufactured copper, silver-plated saddlery, coach and harness furniture, cut-glass ware, tacks, brads and sprigs, and Russia sheetings; and the other, “An act to increase the duties on iron in bars and bolts, iron in pigs, castings, nails, and allum.”

The first of these acts destroyed the temporary character of the protection afforded by the act of 1816, to cottons and woollens, and the others virtually introduced the right of permanent protection, in reference to the articles therein enumerated, and thus laid the foundation of the restrictive policy, which was adopted as general by the acts of 22d of May, 1824, and May 19, 1828, known by the appellation of the “American System.” By those two laws duties were laid, with the manifest object of protection, upon almost every foreign commodity known to come into competition with the branches of domestic industry then in operation, and so unanimous was the voice of the Northern, Middle, and some of the Western states, in favour of the system, that it was generally deemed, in those sections, to be “the settled policy of the country.”

Amongst the few individuals residing north of the Potomac, who believed that the restrictive policy was adverse to the true interests of the country, and might be at least prevented from being pushed to absolute prohibition by proper efforts, was the writer of these essays, who, with the design of contributing his humble labours to the advancement of what he conceived to be so good a cause, commenced the publication, on the 1st of January, 1829, of a weekly paper, in octavo form, under the title of the "Free Trade Advocate." After the completion of two volumes of that work, it was, on the 1st of December of that year, enlarged to the quarto form, under the name of the "Banner of the Constitution," of which the third and last annual volume was completed in December, 1832.

The essays contained in this work comprise a selection from those which originally appeared as editorial in the publication just mentioned. The date of the appearance of each has been retained, for the reason that, as the Tariff from time to time during the three years embraced by the work underwent partial modifications, a history of its gradual reduction is thereby presented. These essays, however, do not reach the period of the final termination of the Free Trade conflict. On the 14th of July, 1832, an act was passed, containing a general modification of the duties, but the concessions therein contained, were not sufficient to satisfy the people of South Carolina, who had been the most conspicuous for their opposition to the restrictive policy. That state, accordingly, on the 24th of November, 1832, passed in convention an ordinance, declaring unconstitutional, and consequently null and void, and not operative in South Carolina after the 1st of February, 1833, the Tariff laws of the United States. The events which followed this measure are too well known to require a recapitulation here. Suffice it to say, that the most important of them was the passage, on the 2d of March, 1833, of a bill, entitled "An act to modify the act of the fourteenth of July, one thousand eight hundred and thirty-two, and all other acts imposing duties on imports."

By this act, known as the *Compromise Bill*, it was provided that all existing duties exceeding twenty per cent. should be gradually reduced to that amount by the 30th day of June, 1842, which, having been satisfactory to S. Carolina, her ordinance was revoked, and thus was terminated a conflict which, at one moment, endangered the peace of the Union, and which it is to be hoped will never again be revived. There is good ground for believing, that the effects of the gradual reduction of the duties will be overcome by the manufacturers in most or all of the branches affected by it, by increased skill, economy, and improved machinery, so that the losses anticipated by them will not be realized. Such a consummation is devoutly to be wished. But should it unfortunately happen, that those amongst them who, for want of capital to procure the most improved machinery, or from possessing barren iron mines, or unfertile sugar lands, cannot stand the competition of the foreign market, should, at a future day, seek to revive the restrictive policy, they must be met as heretofore, by arguments addressed to the understandings of the people. A collection of such arguments, it is confidently trusted, will be found in this volume, which, although containing some matter applicable to a particular time and particular places, will be found to embrace the investigation of almost every question that is likely to be presented in connection with protective duties, for many years to come.

For the information of those who may wish to have access at a future time to a complete history of the Free Trade contest, the author takes the liberty of stating, that, in the two publications above-mentioned, and in the "Examiner," a semimonthly work in octavo, published by him, of which the second volume was completed in July, 1835, will be found almost every important document and state paper, and an account of almost every movement growing out of the restrictive system which made its appearance, or occurred, subsequent to the year 1828. A copy of each of those works has been presented by the editor to the Library of Congress, the Library of the Pennsylvania Legislature at Harrisburgh, the Philadelphia Library, and the Library of the American Philosophical Society, where they may be seen.

Philadelphia, August, 1835.

[\[Back to Table of Contents\]](#)

ADVERTISEMENT

TO THE SECOND EDITION.

The first edition of this work, published in 1835, having been exhausted, and the question of a protective tariff having been within the last eight months revived, with every appearance of an excitement of no ordinary extent, the present moment has been embraced by the Author as the best adapted in his opinion, for the favourable reception of a second edition. In the text of the book, no alterations except a few verbal ones have been made, inasmuch as upon a careful perusal, no errors of principle or of fact have been discovered, and the essays therefore appear, as originally written.

To this edition are added in the form of an appendix, the minutes of the original meeting, which called the Free Trade Convention, held in Philadelphia in the year 1831, together with the names of the two hundred respectable gentlemen from seventeen States of the Union, who composed that Convention. To these documents is added a Table of Imports and Exports of the United States, from 1789 to 1839, from which it will appear how greatly the foreign commerce of the country has been influenced by legislation, thus exhibiting a practical illustration of the truth of the principles inculcated in this volume.

It will be perceived by the title-page, that this edition is printed for the Author. The principles of free trade, although much more extensively acknowledged at the North, than they were ten years ago, are not sufficiently popular to induce booksellers to embark in a work of this character; and no middle course existed, between his undertaking it himself, and permitting the book to remain out of print.

Philadelphia, June, 1840.

[\[Back to Table of Contents\]](#)

ESSAYS On The PRINCIPLES OF FREE TRADE.

ESSAY No. I.

december 5, 1829.

Introductory remarks. General propositions connected with Free Trade, to be established by these essays.

THE last number of the “Free Trade Advocate,” a journal commenced in January of the present year, and continued weekly at Philadelphia, was published in that city on Saturday last, the 28th of November, and, agreeably to the arrangement sometime since announced, we now offer to the patronage of the public, the first number of the “Banner of the Constitution,” which will persevere in the support of the same principles, as those which were maintained by its predecessor.

To those who were not subscribers to the Free Trade Advocate, it may be proper upon this occasion to state, that that journal was established chiefly with the design of disseminating sound views of political economy in relation to the restrictive system, banking, currency, exchange, the balance of trade, the exportation of coin, the relative value of gold and silver, and the various other branches of the science, which are essential to be understood, in order to secure correct legislation. It was conceived by its editor, acting in conjunction with a number of zealous and enlightened friends of *both the great political parties*, that a proper understanding of these topics was so intimately connected with the prosperity of the people, and the perpetuity of this confederation of Republics, that an effort to draw the public attention towards a temperate and argumentative discussion, would be attended with at least the salutary effect of inducing many to examine for themselves, who had before formed their political opinions upon the judgment of others, without that mature investigation, by which alone the truths of any science can be established. How far our efforts have succeeded, we leave to the judgment of those who have witnessed the progress of our work, and if their decision be adverse to any claims on our part, on the score of successful exertion, they will at least not deny us the merit of having displayed an untiring zeal and devotion to the cause.

That the Free Trade party has gained an accession of strength, since the passage of the last tariff law, can scarcely be doubted. The admission of the fact is every where to be seen, in the alarm evinced by the advocates of restriction, lest during the approaching session of Congress, they should be placed, *for the first time since the formation of the government*, upon the defensive. It was displayed in a recent proposition submitted to the Legislature of New-Jersey, to instruct the representatives of that state in Congress, to oppose any change of the tariff. It was displayed in several speeches delivered at the Eastward on the 4th of July last, in which denunciations against the South, and vindictiveness against all who were influenced by the patriotic and benevolent wish, of seeing the labouring classes exempt from unjust and unequal burthens, were too conspicuous to have flowed from the mere feelings of triumph over a conquered

opponent, and it continues to be displayed, in the unceasing efforts of certain journalists, to identify the anti-tariff party with the actual administration party, when, it is well known that, in many of our cities, some of the most strenuous supporters of the free trade policy, are not the friends of the administration.

Be this, however, as it may, it is manifest, that, let the ground be much or little, which has been gained by the advocates of untrammelled industry, that ground ought not to be lost through any relaxation of effort. The moment is propitious for pushing on the conquest, and whilst the champions who are placed within the walls of the capitol, are waging war in the front of the battle, let ours be the humbler task of skirmishing with the outposts. Nothing is wanted to overthrow the whole delusion which has been imposed upon the American people as a wise and judicious course of policy, but a dispassionate and unprejudiced examination of its real character, when divested of the false theories upon which it is built. Such an examination would shew—

That individuals are better judges of the most advantageous mode of employing their labour and capital, than governments—

That wealth cannot be created by the mere enactment of laws—

That commerce is an exchange of equivalents not merely beneficial to one of the parties which carries it on, but to both, by enabling each to exchange with the other, those products which it can furnish upon the most favourable terms—

That commerce must be reciprocal, and consequently, that when one nation restricts its trade with another, and says, “I will not buy,” she declares in the same words, “I will not sell.”

That as far as foreign nations refuse to take *our* productions, they *ipso facto*, and without requiring any laws on our part to enforce a retaliation, absolutely deprive us of the power to take *their* productions—

That it is an error, to suppose that free trade is only advantageous when adopted by all nations, and that the interests of a country are to be promoted by counter restrictions—

That commerce being an exchange of domestic products for foreign products, gives employment to domestic industry, inasmuch as foreign products can only be paid for with domestic products—

That all high duties exclude a portion, or the whole, of the articles upon which they are laid, by raising their price to the consumer, or, what is the same thing, by preventing the price from falling as low as it would otherwise fall, were it not for the duty, *as is the case now, with all articles made of wool, cotton, iron, and many other things—*

That this enhanced price is a real tax upon the consumer, which goes into the pocket of the favoured monopolist, not always, indeed, increasing his wealth, but preventing his loss from being as great as it would be, did the high duty not exist—

That the great fall which has taken place since the year 1816, in many articles of manufacture, has resulted chiefly from the great improvements in labour-saving machinery which have progressed not only in this country but in Europe, and which in England have advanced so rapidly, that we are informed, in late papers, that an article for the manufacture of which, 2s. 6d. used formerly to be paid, can now be had, materials and all, for 5d.—

That the complaint of the manufacturers that the duties are not high enough, is positive proof that foreign fabrics can be imported cheaper than they can be made at home, and, consequently, that there is a want of consistency in the conduct of those who assert that the tariff system brings down prices, whilst, at the same time, they demand more duties, and thus appear to court their own ruin—

That all artificial modes of raising prices, or, of preventing them from falling, are oppressions upon the poor and labouring classes, inasmuch as they are compelled to pay for the necessities of life a higher price than they would otherwise have to pay, whilst the demand for their labour is diminished, from the circumstance that their employers, being themselves also obliged to give more for the articles of which they stand in need, have less means of giving employment to others than they would otherwise possess—

That all restrictive laws retard the gradual increase of capital, by rendering the producing faculties of the community less productive, and thus prevent that rapid accumulation of wealth, in which alone is to be found the means of affording employment to an increasing population—

That restrictive laws, by compelling people to abandon pursuits in which they find it their interest to labour, and to follow others, which are only made profitable to them by laying contributions upon all the rest of the community, operate precisely like laws which should compel A, without an equivalent, to contribute to the support of B, who has not even the merit of being entitled to such support, as a public pauper—

That restrictive laws operate upon the body politic as cords and bandages do upon the body natural, and equally diminish the power of production—

That restrictive laws operate precisely in the same manner as a law would operate, which should enact that a man with two hands should only labour with one—that a farmer who could work with a plough, should dig with a spade—that the owner of a cotton factory who has mules and spindles, should spin with the distaff—that a wood-cutter should chop trees with a dull axe instead of a sharp one—or, that a taylor should sew with a blunt needle instead of a sharp-pointed one—and, finally,

That the term “American System,” is a misnomer for what is nothing but the antiquated “British System,” and that its employment, for political party purposes, is a fraud upon the honest and patriotic feeling of the nation, devised for the purpose of appealing to the prejudices of the people upon a subject, upon which their understandings alone should be addressed.

These, and many other truths of similar import, we shall undertake to establish in this paper, to the satisfaction, we trust, of any individual who holds himself subject to the rule, that conclusions, logically drawn from premises, are not liable to be rejected or admitted at the pleasure of the reader, but must be admitted as data for subsequent arguments.

In the discussion of questions of political economy, it is manifest that much abstract reasoning, as in other sciences, is necessary for a complete understanding of them. Such reasoning, however, is only adapted to the studies of comparatively few, such, for example, as those who are selected for their supposed wisdom in the science of government, to make laws for the nation. The great mass of readers have neither a taste nor an inclination for severe investigation, and, on this account, whilst we must not lose sight of the duty of offering up a regular repast for those who delight in strong food, we shall study, as much as possible, the palate of those who can only digest a moderate and diluted portion of scientific truth.

[\[Back to Table of Contents\]](#)

ESSAY No. II.

january 9, 1830.

Remarks on the Report of the Committee of Manufactures, made to the House of Representatives on the 5th of January, 1830. Impossibility of protecting one branch of industry without injuring others. Observations on the phrase "The encouragement of manufactures," employed in the preamble to the Revenue Act of 1789. Smuggling. Downfall of the American System foretold.

IN our last paper we gave the Report of the Committee on Manufactures, made to the House of Representatives on the 5th inst. on the subject of the Tariff, in which it was declared to be the opinion of the committee, that "it is inexpedient, at the present time, to make any change in the existing laws intended for the aid and protection of domestic industry." This opinion may be regarded as evidence of the sense of a majority of the committee, who are favourable to protective laws, and is important in one point of view. It establishes the fact, that the American System has been brought to a halt, and we consider that the friends of agricultural and commercial freedom, have cause to congratulate themselves upon this auspicious symptom. If high duties are calculated to augment the wealth of the nation, and promote the prosperity of the people, why hesitate to push onward, when the cry of all the woollen manufacturers is, We are not sufficiently protected? If a doubling of the duties on low-priced woollens, be essential to the salvation of the manufacturers, as has been over and over again proclaimed by their most distinguished champions, why not abolish the one dollar minimum, and thus accomplish that which has been the burthen of the writings and speeches of editors and orators for a year past? But no: The report in question recommends an abstaining from all movements, and as this is the first instance since 1816, of a hesitancy, on the part of the advocates of restriction, to push still further their favourite policy, it may be regarded as evidence of doubt as to the efficiency of the American System, or as to their power to extend its desolating influence.

With these preliminary remarks, we shall take the liberty of commenting on such parts of the report as strike us as being particularly open to criticism.

The committee say, in reference to the applications for protection from different interests—"To do justice to all, and injury to none, was a delicate and difficult undertaking." In this position, we differ from the committee. It was one of the easiest and most simple tasks imaginable. But it could be accomplished only by one mode, and that mode was to abstain from granting the request of either. If there be any doubt on this subject, we think it can be removed by a slight attention to a very simple illustration. A hatter says to Congress, "I wish a monopoly—I want a law which shall prohibit all other persons from selling hats." Says the shoemaker, "I have no objections that the hatter shall charge every body double price for his hats, as I only wear one in a year, provided that Congress will prohibit all persons but me from selling shoes." Says the tailor, "I will agree that the hatter and shoemaker may both tax the whole nation for their hats and shoes, provided that an *equal protection* be

extended to me, by prohibiting every body from making clothes but me.” Congress listens to their pretensions, and grants them the desired monopolies. Now, how does the matter stand? The hatter pays the shoemaker and the tailor a tax, upon what he consumes of their fabrics, but, as a remuneration for this, he compels *all the rest of his customers* to pay a tax to *him*. The shoemaker and the tailor do the same thing. Now if this sort of *protection*, or monopoly, were extended through the whole circle of employments,—if each individual were bound to pay to others as much as others paid to him, then the protection would be equal. What a man paid out of one pocket, would be paid back into the other, and each one, at the end of the year, would stand in the same relative position, with this difference, however, that each would have had fewer of the comforts and necessities of life, than if competition had been left free. But for protection to be equal, all employments must have monopolies, and as all cannot have them, it follows, that “justice to all and injury to none,” can never be the result of protective laws. *Laissez-nous faire*, is the only sound doctrine in such cases, and to suppose that laws, which authorize a dozen trades to levy contributions upon six hundred, are equal or just in their operation, is just as rational as to suppose that it would be advantageous for a community that every fiftieth man should be allowed to rob all the rest; for it can readily be seen, that there could be no equal justice in the case, unless each individual was allowed to rob all the others. Now if the question were fairly put, shall each man in the land be allowed to plunder all the others, or shall each be protected in the enjoyment of his property, which of the two propositions would be most likely to be adopted? The answer to this can be but in favour of the latter, and this is the answer which Congress ought to have given to the applicants for protection.

But was “the tariff of 1828, adopted as the best measure, under all circumstances, that could be *devised* to accomplish the desired object?” We think not. In some particulars it defeated the objects for which it was ostensibly enacted. It imposed high duties upon manufactures, and, at the same time, high duties upon the foreign materials, without which they could not be made. It thus destroyed the interest it was designed to uphold. It may perhaps have been the only measure, which, “under all circumstances,” could have been extorted from a majority of Congress. But it contained as much bitter as sweet, as much poison as honey; and this sad and solemn truth is now known to many, who, so far from regarding it as a measure advantageous to the manufacturing interest, have stigmatized it as “the bill of abominations.” So fully are we of the opinion, that this epithet is an appropriate one, that we do not believe there is in the whole law a single provision, which, by itself, would have had a majority of Congress in its favour. And shall such a monster, without a single feature allowed to be symmetrical by a majority of those who were present at its birth, be held up as an idol, which it would be sacrilege to touch?

But “it is now the law of the land.” This, unfortunately, is but too true, but we hope it will not long remain so. Indeed we think it cannot so continue for two years longer, if the calamities experienced in the manufacturing districts be as extensive as represented. Smuggling is now making rapid strides towards a fixed residence among us, and we shall be greatly mistaken, if another season does not witness New England herself coming to her senses, and calling out for the *statu quo ante*.

The committee think, “that any effort to change existing provisions, at the present time, would be wholly unsuccessful.” That is indeed quite probable. All attempts to repeal portions of the law, which have been found hurtful to particular interests, would meet with the undivided opposition of the members from the anti-tariff states. Whenever a sense of justice shall operate upon the North, and induce its representatives to propose a modification, which “shall do justice to all,” they will find a host ready to join with them in releasing the country from her shackles. And yet, notwithstanding the conviction of the committee, that any effort at modification would be unsuccessful, we are fully persuaded, that there is not in the law, a single duty, which, if presented by itself, would not find a majority in favour of its repeal.

“Great apprehension has been entertained that the protecting policy would, eventually, be abandoned.” And with good reason. The more its true character is known, the more must the people be convinced, that its tendency is to subvert the best interests of the country. Knowing this fact, are not apprehensions very natural, with those whose fortunes are placed at the disposal of the popular breath? And is it not a happy thing for the country, that the instability of the system, operates in restraining others from committing theirs to the same uncertain tenure? What sure guarantee can exist, in a representative government, for the continuance of a system, ascertained by a majority, for the time being, to be injurious to the interests of the nation? There can be none, and consequently there never can be a character of stability imprinted on that policy, which is believed, by a vast portion of the most intelligent people, to be hostile to the public prosperity; and, as we believe that the existing tariff law is opposed to sound policy, we shall ever use our feeble endeavours to repudiate the doctrine, so confidently laid down by the committee, that “nothing should be attempted that can, at home or abroad, be considered as giving the least countenance to the opinion or belief, that a hostile change will ever be effected.” We believe that such a change will be effected, and we further believe, that the proposition to effect it, will proceed from a portion of the very individuals who have, to their sorrow, fastened the system upon themselves and the country.

In a report proceeding from a committee containing a majority of advocates of protective laws, we are not surprised to find the fallacies of the restrictive system relied upon as arguments. We have here the old doctrine of foreigners selling us their goods for next to nothing, presented to us as a national evil. The Committee are of opinion, that if it was thought by foreign nations that we were not bound neck and heels by the cords of the restrictive system, they would force their fabrics upon us, “let the losses and sacrifices be ever so great.” This is all delusion. Foreign nations have no goods to dispose of in so silly a manner. And as to individual manufacturers, very few of them could afford to play at so losing a game for any length of time. We should like to know whether it is probable that the manufacturers of New England would be guilty of the folly of giving their goods for half price to the inhabitants of South Carolina and Virginia, in order to break down the cotton manufactures which some few individuals have been there recently establishing. If so, we should like to know how they would combine, and how long and how much they would be willing to contribute to this prostrating fund? The idea of such deliberate folly, as shipping goods to a known certain loss, is a fiction of the American System, and it has been so often repeated, that many persons take it as a fact which ought not to be doubted.

But the committee say, “It should be kept in mind, that the determination to protect the industry of this country, as far and as fast as circumstances would allow, has existed ever since the formation of our government.” We admit the position, so far as it refers to the acts of the government prior to the commencement of the restrictive policy; but we deny it, as relates to a subsequent period. During the former epoch, agriculture, commerce and manufactures, which conjointly constitute the industry of the country, were left in a state of freedom. The agriculturist, the merchant and the manufacturer, were at liberty to direct their capital and labour to any pursuit, which to them might appear to be most advantageous. Duties were imposed for the legitimate purposes of revenue alone, and were upon a scale so moderate, that no artificial excitement existed, to force into being any branches of industry but those, and they were not a few, which the natural course of things demanded. In this manner, *the industry of the country* was protected. During the latter period, on the other hand, “the industry of the country” has not been protected. The industry of manufacturers and of wool growers, and iron masters, has alone received the protection of the government. To call these few interests, which, to all the interests of the nation, bear an insignificant proportion, “the industry of the country,” is a sheer *misnomer*. As well might the hatter, the shoe-maker and the tailor we have referred to above, pretend, that “the industry of the country” was protected by their monopolies. We know very well, that the committee had their eye upon the preamble to the first act of Congress, which assigns “the encouragement of manufactures” as one of the motives of imposing a duty upon cotton and woollen fabrics of *five per cent*. But who cannot perceive, that the introduction of that phrase into the preamble was a mere expedient to render palatable to the people, even so small a duty, and one too imperiously called for by the exigencies of the government. Can any man seriously believe, who reflects that, at the present day, when, by the aid of machinery the inequalities of the wages of labour in different countries is so materially diminished, and who adverts to the fact that, from fifty to two hundred and twenty five per cent. duty is required to enable the manufacturers of this country to compete with those of Great Britain—can any man, we say, seriously believe that, in the year 1789, a duty of *five per cent*. could have been in any degree imposed for the purpose of encouraging the growth of manufactures? The idea is preposterous, and this will be manifest to all who reflect for a moment upon the fact, that, at the period designated, agriculture was so clearly the natural and most profitable channel for capital and labour to flow in, that higher duties would then have been required to divert them from that employment, than are required at the present day. Let the idea then be for ever discarded, as unworthy of reliance, that the act of 1789 was, in the most remote degree, designed for the protection of manufactures. It could not possibly so have been, if the application of means to an end was a branch of knowledge possessed by those who framed it, and it is evident, that the absurdity of so misplaced a reason was soon discovered, for it was omitted in the next act on the same subject, and has never since been restored.

In regard to frauds on the revenue, there may be, and there no doubt are, strong reasons for believing that many have been practised. Such frauds are as inseparable from high duties, as an effect is inseparable from its cause, and it is by means of these very frauds, that limits are placed upon the power of governors and legislators, which restrain them in their tendency to encroach upon the rights of individuals. We have no doubt that smuggling is fast usurping the seat of lawful commerce, and we are equally

sure, that after it shall, by a continuance of the protection which is now so generously extended to it by law, (smuggling being the branch of industry most highly protected,) become fully established, it can never afterwards be eradicated from the country. The man whose moral feeling requires two hundred per cent. to tempt him to dishonesty, will, after the first plunge, be willing to continue in crime for twenty per cent. And yet this important fact, so fully established by the experience of all Europe and South America, is regarded by the manufacturers of this country, as a bug-bear conjured up by their opponents for the purpose of exciting their fears. The time, however, will come, when they will realize the truth of the solemn warnings which have been reiterated on this point, and will regret that the morals of the people, the only safe barrier against frauds upon the revenue, had been tempted beyond what they were able to bear.

In the last paragraph of their report, the committee has thought it expedient to throw out a suggestion, probably with the view of quieting those who have been clamorous for more of the "American System." They say, "The alleged evasions of our revenue and protecting laws require an immediate and thorough investigation. If they are found to exist, the most effectual means should be employed to prevent them in future. When this is done, it is probable all may be satisfied that higher protecting duties should not be required. Until this is done, it is impossible to determine how efficient those duties may be made to operate. The committee have already proceeded to the consideration of this subject." From this, we would infer, in case the existing frauds should be found to be of limited extent, and in case it should appear, that the glut of the market and the consequent fall of prices, has not resulted from evasions of the laws, as much as from other causes, that then it may become necessary to take another turn at the windlass. In other words, the hope is indirectly held out, that, at a future day, it may be found expedient again to take up the line of march, and push on with restrictions. We think, however, that no such onward movement will be again urged upon Congress, with any reasonable prospect of success. The Western states, which have now found that they experience no benefit from the American System, but, on the contrary, a positive injury in the tendency it has to discourage emigration to the West, will naturally look well to this point, and regard it as adverse to that growth of population which they expect will one day transfer the political power heretofore wielded by the Atlantic states, to the regions west of the Alleghany. Judging indeed, from what we see, we cannot avoid the belief, that the day is not distant, when a multiplicity of questions, involving interests of the most important nature, will be brought to bear upon each other, and in the conflict which is to ensue, we shall behold the American System crumble into atoms. For this prophetic annunciation, we shall perhaps be styled visionary. Be it so. We have no hesitation in encountering the risk of so being thought, by those who shall live five years hence, and whom we consider to be the only competent tribunal to pass judgment in such a matter.*

[\[Back to Table of Contents\]](#)

ESSAY No. III.

january 13, 1830.

Rail roads and Canals. Impolicy of constructing them prematurely. Principles on which expenditures should be regulated. Pennsylvania will be obliged to resort to direct taxation to sustain her internal improvement.

THE mania for rail-roads and canals, which has latterly seized upon the public mind in all parts of the United States, as the banking mania did in 1814, cannot but be attended with the most deleterious effects. In this country, it seems, nothing is done upon system, and the great mass of the nation actually believe that, the more we have of a good thing, the better. Now, although this be true, of the moral virtues, yet it is not true of roads and canals. One rail-road, or one canal, may be beneficial to the community, whilst a dozen may ruin it. This position, we are aware, will be regarded by many, as paradoxical, and therefore needs explanation.

An artificial road or canal, is never created by magic. It can only result from the expenditure of capital, and the extent therefore to which roads and canals can be made, without encroaching upon the fund required to keep in constant employment the various branches of industry which unitedly produce the wealth of the nation, must be a limited extent. If, therefore, the existing wealth of a state be such as to bear an abstraction of ten millions of dollars, for example, without touching upon the agricultural, commercial and manufacturing capital, which can be profitably employed by the farmers, the merchants, and the manufacturers in their respective pursuits, such abstraction may be made with great advantage to the public towards the construction of a road or canal, the location of which is such, that the diminution of the expense in the transportation of the merchandize and produce which pass along its surface, will be annually equal to the revenue which could be derived from the employment of the same capital in other pursuits. But if such capital cannot be spared without depriving existing occupations of the fund requisite to enable them to carry on their business to the extent to which it could be profitably conducted, it may happen, that more injury shall be sustained by the society from this source, than can be compensated by the road or canal.

A proper understanding of this principle, is essential for all sound legislation, but its particular application must be left to the judgment of those individuals whose capitals are to be devoted to the work. They, and they alone, are the best judges of the most profitable direction of their capitals, and if they err in their calculations, they have nobody to blame but themselves. Although it be true, that individual speculations of this sort have often failed, yet we apprehend that this has been principally owing to the facilities afforded by the state governments, in the granting of charters to companies, without a guarantee that the requisite amount of capital stock to complete the undertaking, could be raised by the parties applying for incorporation. In some instances the work has been commenced before a third of the sum required to accomplish it has been subscribed, and the consequence has been that a delay in its

execution has annihilated for years all income from the expenditure, which is, *pro tanto*, a sinking of capital—or, that it has been abandoned, subject to a total loss of the outlay—or, that the original subscribers have advanced additional sums, not upon the principle of a profitable investment, but upon the principle of sending good money after bad, in the vain hopes of its overtaking and bringing it back.

In cases where the state itself undertakes the work, as in New York and Pennsylvania, the same reasoning, precisely, is applicable; but owing to the greater number of individuals who contribute to all public works, in the form of taxes, direct or indirect, and to the power which a government possesses of compelling posterity to pay for its follies, the evil is not so manifest, and indeed, if it were, there are politicians enough to be found, who, for the present improvement of their particular county, would not hesitate to saddle their great-grandchildren with the expense of making it.

The time must arrive, as it did with the banking mania, when the people will feel the effects of an improvident expenditure of capital in roads and canals. Many of them have not been called for by the actual state of population and wealth. Nor can they ever be productive to their proprietors, to an extent equal to the interest of the money expended, until after the lapse of many years. And we need hardly here say, that an expenditure of capital in the construction of a road or canal before it is wanted, is just as injudicious as it would be for a farmer to appropriate a part of his active agricultural capital to the construction of a wagon, many years before he would have any thing to transport to market.

The state of Pennsylvania is now beginning to feel the effects of improvident undertakings. She authorized too many improvements at a time, and, instead of completing one object before she commenced another, she involved herself in liabilities, from which nothing, we think, can extricate her but a direct tax.*

[\[Back to Table of Contents\]](#)

ESSAY No. IV.

january 13, 1830.

Ironical petition of oystermen and others, designed to shew the absurdity of laws restricting industry.

PETITION.

To the Honourable the Senate and House of Representatives of the United States:

The petition of the subscribers most respectfully represents, THAT your petitioners are inhabitants of the district of country which borders upon the river Delaware, and have been long engaged in the business of catching rock-fish and perch, in raking oysters, and in shooting wild ducks for the Philadelphia market—that in the pursuit of their respective occupations, your petitioners have set in motion a great quantity of *American industry*, such as that employed in fishing, and shooting, in boat-building, in navigating, and in selling fish and game in the market, and in transporting oysters in carts or wheelbarrows to the numerous oyster cellars of the city—that your petitioners are great admirers of the “American System,” inasmuch as it teaches the glorious truth, that home industry ought to be protected against foreign rivalry, and that it is unpatriotic for a people to send abroad for things which can be produced by themselves at home—that, holding these truths to be self evident, your petitioners have seen, with extreme regret, the completion of the Delaware and Chesapeake canal, which, owing to the superior abundance of fish, oysters, and wild ducks, on the waters of the Chesapeake, enables the fishermen, the oystermen, and the duck shooters, of Maryland, *a foreign State*, to undersell your petitioners in the home market—that this introduction of foreign fish, oysters and wild ducks, creates an unfavourable balance of trade against Philadelphia, by which a large amount of specie will be drained from her, which was not the case when your petitioners had the command of the home market, for they, in exchange for their fish, oysters and wild ducks, were in the habit of taking dry goods, groceries and liquors—that the notion entertained by many people, that it is good policy to buy cheap instead of dear, is one of the fallacies of the Free Trade System, and is very clearly so to your petitioners, who think that it would be manifestly for the benefit of the citizens of Philadelphia to buy their fish, oysters and wild ducks, at double price, rather than encourage the industry of foreigners, for it is humbly conceived that Maryland is as much a foreign state to Pennsylvania, as Great Britain is to the United States—that, in fine, your petitioners cannot pursue their several vocations without some Congressional aid:—

They therefore pray that your Honourable bodies, by virtue of that power granted by the Constitution, which authorizes any and every act which may be calculated to promote “the general welfare,” will impose a tax upon all fish, oysters and wild ducks, which may pass through the canal aforesaid, or entirely prohibit their importation into Philadelphia. And your petitioners, for thus putting money into their pockets, taken out of those of the consumers, will, as in duty bound, ever pray.

[\[Back to Table of Contents\]](#)

ESSAY No. V.

january 16, 1830.

Incompatibility of the interests of the wool growers, with those of the wool manufacturers.

IN the New-York Morning Herald a series of essays has been published, "On the policy of manufacturing in this country," which have proceeded as far as No. 11. Those which we have seen, have contended most strenuously for the protecting system, but have advanced nothing by way of argument, different from the ordinary language of the great body of American System writers. The author, however, is evidently a sensible man, and practically acquainted with the details of manufacturing, and he has, in some of his essays, stated a number of facts which are well worth preserving.

In his eleventh essay he has pointed out the absolute incompatibility of the interests of the wool growers and the wool manufacturers. He has shewn that, whilst the interests of the farmer are to be promoted by the high price of wool, the interests of the latter require that the raw material of their fabric should be at a low price; and he has ascribed the great imperfection of the present tariff law and its oppressive influence upon the manufacturers, to the erroneous information given by themselves to the committee of Congress, prior to its passage. We have copied in our paper of to-day this whole essay. It may be regarded as testimony of an important nature, coming from a party which can have no interest in making such an admission. The real fact is, that, not only in relation to the woollens, but also to the iron manufacture, an attempt has been made to reconcile discordant interests. If high duties are imposed upon raw materials to encourage the domestic production, just in proportion to those duties must be the discouragement of the manufacturers, and these duties may even be so high, that the foreign fabric can be imported, *ready made*, cheaper than the raw material. This we know to be the case in regard to some manufactures of iron. But why did the woollen manufacturers consent to the high duties on wool? Simply because they could in no other way secure a majority in Congress in favour of their protection. The farmers of the middle and Western states knew too well that high duties upon manufactures were a tax upon consumers, and they would not therefore willingly consent to this tax, unless a compromise could be effected, by which they should receive a part or the whole of it back again, in the form of a high price for wool. The compromise, however, failed of its object. To insure a monopoly, it is essential that a limited quantity only, of the commodity protected, can be produced. The gold diggers of North Carolina might enjoy the benefit of a monopoly, if Congress could impose a prohibitory duty upon gold, because that metal is only to be found in small quantities. But to attempt to create a monopoly for the growing of wool, when every man in the land can keep sheep, would not be less absurd, than an attempt to create a monopoly for the raising of wheat. This important truth appears to have been lost sight of by our legislature, as well as by our farmers, and the effects of their impolicy have been felt far and wide. Of all the capitals which are employed in

production, a capital invested in living animals is the most likely to bring ruin on its proprietor, when the business is overdone. Steam engines may be stopped—machinery may be suspended, and factories may be closed when there is no demand for cloth—and all that the proprietor loses, is the rent of his buildings, and his water power, the interest on his capital, and the deterioration of his machinery, from its standing idle. In the case of sheep, the matter is different. They must be fed, or killed off. In either case, they may occasion a total loss; and as in the case of their being slaughtered, they will sell for no more than the price of the cheapest meat, which, including skin, fleece and all, in many places, does not exceed one dollar a head, all the surplus paid for a flock, is a capital annihilated for the owner. A vast extent of losses of this kind has already been experienced in New-England and elsewhere, and the probability is, that, before the business is over, some millions of dollars will have been lost to the farmers by this process.

But the question is, will the farmers consent to forego all the benefits of the American System, in favour of the manufacturers? Will they agree to pay the whole tax of supporting, not merely the wool manufacturers, but those of cotton and iron and glass, and all the rest who are favoured by the protecting laws, if they are to see no way by which they are to be remunerated in part, for such an enormous burthen? We think not, and we therefore consider it likely that the wool manufacturers will be held to the terms of the original compact. Finding then that no remedy is presented in this quarter, they may appeal for a total prohibition, which would be accomplished by striking out the one dollar *minimum* from the existing law. Such a measure would seal their doom. Smuggling would then take the entire place of lawful importations, and the market price of woollen fabrics, instead of being controlled, as it now is, by the rate of lawful importations, would settle down to the rates of smuggling.

[\[Back to Table of Contents\]](#)

ESSAY No. VI.

january 20, 1830.

Progress of Free Trade principles in the United States. North American Review. Boston Report. Southern Review. South Carolina Exposition. Dew's Lectures on the Restrictive System. Doctor Cooper. Professor Mc Vickar.

IT is a source of great satisfaction to the advocates of a liberal intercourse with foreign nations, to observe the progress which the science of political economy is making in this country. Within the last two years the restrictive system has been more closely examined, as to its essential character, than at any former period, and materials have been collected, which are now at the service of any one who is disposed to understand the subject to the bottom, that will render hereafter the investigation of its doctrines comparatively easy. The old mercantile theory of Great Britain, brought over to the United States, and palmed upon the American people as a new discovery, had made great strides towards a general reception in the Northern and middle states. The immediate, direct and positive interest which those embarked in the cotton and woollen manufacture possessed in the establishment of a policy which should exclude foreign competition, had a most powerful operation. Writers and editors were also found, who, having no capacity to think upon abstract subjects, were easily induced to lend their aid in the dissemination of principles which were as adverse to the true interests of the community, as they were to the dictates of common sense; and, for a series of years preceding the passage of the last tariff law, the press overflowed with productions in praise of the American System, of which the inevitable tendency is, to depress agriculture and commerce, and promote the interests of comparatively few individuals. In vain was the voice of wisdom and warning resounded through the halls of Congress, by the numerous statesmen who have borne public testimony against the restrictive policy. In vain was the language of cogent and irrefutable reasoning poured out through the columns of the North American Review, presenting the subject in such various and intelligible aspects, that none could doubt who would read.* All, all was in vain. A delusion seized upon the public mind, and, like an epidemic disease, spread such havoc throughout the community, that the few who remained uncontaminated, were silenced by superiority of numbers, or thought it useless to attempt to oppose the torrent.

To the author of the "Boston Report" belongs the distinction of having first laid before the public, in the form of a volume, ample materials for arresting the progress of the delusion. In November 1827, a document, comprising near two hundred pages of the soundest reasoning, supported by the most satisfactory proofs, made its appearance as a "Report of a Committee of the citizens of Boston and vicinity, opposed to a further increase of duties on importations."[†] To this work succeeded an able article on the tariff, in the Southern Review, and the "Exposition of South Carolina," against the injustice and impolicy of the protective system, than which a more powerful appeal to the patriotism and common sense of the public has not often been seen.* That these works effected the commencement of a counter current in the

public mind, is manifest to all who have felt interest enough in the question to watch its progress. We pronounce it, and we do so upon the evidence both of foes and friends, that the public faith in the American System has been shaken by the efforts of the last two years to enlighten the public mind, and we predict that the time is not very distant, when thousands, who have now scales on their eyes, will look back with amazement at the fallacies and delusion of which they have suffered themselves to be the dupes.

But the publications above referred to are not the sole evidence of the advance of the important truths to which they relate. The college of William and Mary, in Virginia, has lately, through one of her professors, Thomas R. Dew, Esq., as we have already mentioned, put forth a volume which does great credit to that institution, as well as to the gentleman named. His course of “Lectures on the Restrictive System, delivered to the senior political class” of that college, and published at Richmond in October last, may be regarded as a work of the highest merit. It comprises ten lectures, occupying near two hundred pages octavo, and enters so minutely and so intelligibly into an examination of the several fallacies of the restrictive system, that the writer has not left a single point untouched, and, as far as our humble judgment extends, we think he has not left a single point which has not been entirely refuted. As far as our recollection serves, we believe that this is the first course of lectures against the restrictive system pronounced in a seminary of learning in the United States, which has been published; although we are not ignorant of the fact, that Dr. Cooper, President of the South Carolina College, and professor McVicar, of Columbia College, New York, have both enriched the science of political economy by sound and erudite publications. Professor Dew’s lectures we warmly recommend to our readers, and if the trustees of our universities and colleges were generally to adopt a course of lectures upon political philosophy, as a branch of liberal education, the youth who are now at school, but who are hereafter to make laws for the country, would enter the public service with the acquirements requisite for statesmen, and not with the smattering of knowledge in politics that qualifies them solely for the functions of statistical collectors.

[\[Back to Table of Contents\]](#)

ESSAY No. VII.

january 23, 1830.

*To benefit manufacturers, raw materials should be admitted free, or, at low duties.
Incompatibility of the interests of the owners of iron mines, with those of blacksmiths,
and other artificers in iron.*

IN order to understand the true operation of the “American System” upon the different branches of industry, it is necessary to examine each by itself. The cunning and artifice by which the manufacturers, who are protected by enormous duties, have managed to impress the public with the idea that their cause is the common cause of all the manufacturers in the country, have been too successful, and the consequence has been, that many of those whose industry has always prospered under the most moderate rates of duty, have been persuaded that their interests would be promoted by granting to others a greater extent of protection than they themselves enjoyed. But this is not all: In some instances the boasted protection to the operative manufacturer, which has invested this “American System” with a great share of its popularity, has proved to be a sheer fraud. This has been especially the case with the manufacturers of iron, as has been most ably and most conclusively shewn by the blacksmith, whose communication was published in this paper on the 9th and 13th inst., and which would have done credit to any statesman in our legislative councils.*

To promote the interests of manufacturers, the raw material upon which they employ their labour should be always furnished at the lowest possible rate. This matter is so well understood in Great Britain, that wool is there admitted at one half penny per pound, if it cost less than one shilling, and one penny per pound if it cost above; cotton at a duty of six per cent., raw silk at one penny per pound, bar iron at six dollars sixty-seven cents per ton, pig iron at two dollars twenty-two cents per ton, hemp at twenty dollars seventy-five cents per ton, and flax at one penny per hundred weight. The British government understands too well the incompatibility which exists between the high prices of raw materials and the low prices of manufactured goods, to listen to the petition of the wool growers in favour of high duties on wool, and it knows that any attempts to enable the wool growing and the wool manufacturing interests to combine, would be fatal to both. The consequence therefore of their policy is, that raw materials can be purchased by the manufacturers of England, at a price so little above the prices which they bear at the places of their growth, that the fact in regard to many articles, of growing the raw material, has ceased to be an advantage worth speaking of.* The result therefore is, that Great Britain can manufacture cheaper than those countries which tax the raw materials, independent of the advantages she enjoys from abundance of capital and cheapness of labour.

Now what are the facts in reference to the United States? Why, for the sake of benefiting the producers of the raw materials, we have imposed so heavy a duty upon their importation, that the manufacturers have, in some cases, found that it more than counterbalances all the advantages they enjoy from the high duties imposed upon the

manufactured articles. This is especially the case in the manufacture of iron. The duty upon bar iron is thirty-seven dollars per ton, which is less than the price that the English manufacturer has to pay for it, and as the duty upon many iron manufactures is but twenty-five per cent., the consequence is, that they can be imported and sold in the market at a less price per ton than the raw material can be imported for. This absurd result was very minutely and perspicuously explained in a petition from the iron manufacturers of Philadelphia, presented to the Congress of the United States prior to the passage of the last tariff law, and which was published at page 325 of the first volume of the Free Trade Advocate. Let such a duty therefore cease to be called a duty for the *protection* of the manufacturers of iron; it is a duty for their *destruction*; and can possibly benefit nobody but the owners of the land upon which the iron mines are located, who, by being authorized to levy a tax upon the consumers of bar iron, are enabled to pocket the amount, which would otherwise have gone into the pockets of the workmen, who have been deprived of the power of employing their industry in the fabrication of the raw material. That this is so, we refer to the petition above mentioned. It says: “We are completely shut out of our own market, by laws, we are told, that were made for our protection. Such articles as cost one penny and one penny and a half per pound to manufacture, *which include all those articles which could be manufactured here to the best advantage*, are now imported, and can be sold profitably at one hundred and seven dollars and twenty cents per ton, or two dollars and eighty cents less than the cost of the same quality of iron in most of our seaports.” A very important item, perhaps not thought of at the time by the petitioners, is the iron for rail roads, which, although in bars, is admitted under the denomination of manufactured iron, and is charged with but twenty-five per cent. This article can be imported at sixty dollars per ton, whilst the raw material of which it is made cannot be imported for less than eighty dollars.

What has taken place in regard to iron, has also taken place in reference to wool. The duty on that quality which cannot be raised in this country to advantage, is so high that the manufacturers say, that the duties on woollen fabrics, although ranging from forty-five to two hundred and twenty-five per cent., are not sufficient to protect them, and they consequently call out for more of the “American System.” Indeed, some of them say, that nothing short of prohibition will save them from ruin. We cannot however sympathise with this class of manufacturers, as we do with the manufacturers of iron. The “American System” was of their own seeking, whilst it was opposed by the others, as will appear from a reference to the cited petition, wherein it was expressly declared, that the petitioners were satisfied with the existing duties on manufactures of iron.

That the force of our remarks may be more apparent, we will quote the duties now payable in the United States upon the raw materials referred to. They are as follows:—

Wool, four cents per pound, and forty-five per cent., *ad valorem* besides.

Bar iron, thirty-seven dollars per ton.

Pig iron, twelve dollars and fifty cents per ton.

Hemp, fifty dollars per ton.

Flax, forty dollars per ton.

Upon cotton, the duty is three cents per pound, which, if any were imported, would be about thirty per cent., but this not being the case, it is a mere nominal duty.

[\[Back to Table of Contents\]](#)

ESSAY No. VIII.

january 30, 1830.

Ironical petition of the owners of gold mines for protection.

PETITION.

To the Honourable the Senate and House of Representatives.

THE petition of the subscribers respectfully represents: That your petitioners are of that class of political economists who believe that the wealth of a country consists in gold and silver, and having heard that gold mines had been recently discovered in the states of Virginia, North Carolina, South Carolina, and Georgia, they had been induced to abandon their agricultural, commercial and manufacturing pursuits, with the patriotic design of enriching the nation, by adding to the mass of the precious metals; which, unfortunately, owing to the balance of trade being against the country, are constantly exported. That your petitioners had not been long engaged in their new occupation, before they discovered that “all is not gold that glistens;” for, although a few individuals, who had the good fortune to strike upon fertile spots, have been successful in their enterprises, yet by far the greatest portion of those who were tempted to embark their capitals and industry in the mining business, have found, to their cost, that hunting for gold is not a more profitable business than ploughing for corn: Indeed it is thought by some, that, taking into consideration the loss of labour in unfruitful attempts to find the precious article, the discovery of these mines has thus far been rather a disadvantage than a benefit to the public.

It is easy, however, to account for the failure of these laudable experiments. Gold and silver are, as is well known to your honourable bodies, commodities produced by human labour, and it is wholly owing to the importation, free of duty, of foreign gold, which can be produced cheaper in Spanish and Portuguese America than in this country, that the home producers find their business unprofitable. Believing, as we do, that the American System is a grand panacea, in comparison with which Mr. Swaim’s is mere quackery, and that its application to the protection of gold-finders is as appropriate as to the manufacturers of cotton, wool, and iron, and especially of the last named, which is a kindred commodity, your petitioners respectfully solicit the attention of Congress to the reasoning which they use in favour of their claims.

One of the great objects of all governments is, to afford employment to the labouring classes, for labour being the only source of wealth, it follows that the more there is of it employed, the greater will be the mass of wealth created. Who cannot see, even if the great Chesapeake and Ohio canal should never be finished, that it will have been of incalculable benefit to the community, by giving employment to so many thousand labourers? Just so would it be with the gold mines of the Southern states. If properly protected by law, by the imposition of a duty of from forty-five to two hundred and twenty-five per cent. *ad valorem* upon foreign gold, they would set in motion an

infinite quantity of *American Industry*, and would place the nation in the desirable situation of not being dependent upon foreign nations for gold.

The argument, it appears to your petitioners, is equally strong in their favour, as it was when urged in favour of the iron masters, and we can see no reason why a protection granted to them, should be withheld from us.

Your petitioners, therefore, relying upon the wisdom and justice of your honourable bodies, and believing that you possess the power by the constitution, to do any thing which is calculated to promote “the general welfare,” they earnestly beg that their petition may be granted. And, as in duty bound, they will ever pray.*

[\[Back to Table of Contents\]](#)

ESSAY No. IX.

january 30, 1830.

Comments on the bill reported on the 27th of January, to the House of Representatives, by the Committee of Manufactures. Impracticability of a just appraisement of manufactured goods by the officers of the customs.

THE bill reported by the Committee of Manufactures on the 27th instant in the House of Representatives, and which will be found at full length in our paper of this day, under its appropriate title, may be looked upon as the last struggle of the American System for a sickly existence. The manufacturers of wool, after having by the instrumentality of *minimums* and *provisos*, secured a protection of from fifty to two hundred and twenty-five per cent. upon their fabrics, under the modest *nominal* duty of forty-five per cent., and having found that this enormous tax upon the people was not enough to replace the losses incident to their trade, and that no chance existed for the enforcement of a new levy, have now resorted to a scheme, of which the tendency is to throw such difficulties in the way of importations, as will most materially diminish them, if not entirely destroy them. This scheme is in itself so novel in our country, and so fraught with mischief and injustice, that a brief analysis of its features will, we trust, be acceptable to those who are not conversant with commercial details.

By this bill it is required, that all woollen goods imported, shall be taken to the custom-house, and be there examined by appraisers, who shall inspect *each piece* and determine, without the aid of invoices or of oral evidence, “according to the best of their knowledge and belief, the actual value of each square yard of the same, at the place whence imported.” Now we do pronounce it to be wholly impossible for any man or set of men, to possess such a knowledge of the quality and prices of foreign woollen manufactures, particularly at a time of great fluctuations in the foreign markets, as would enable them to decide upon the cost with that certainty which should exist, when penalties of so exorbitant and tyrannical and unjust a character are proposed to be inflicted. Can it be believed, that a committee of the Congress of the United States should seriously propose to set up the judgment of any two or three individuals, in matters of a nature not susceptible of positive exactness, against the solemn oaths of the most respectable merchants of the country, upon whose integrity the nation has thus far relied for the means of supporting the government and of paying off its debts? Can it be believed, that such a committee would propose to invest such a tribunal, denied the use of the only evidence that could render their judgments worth respecting, with the power of *doubling the duties* upon whole invoices of merchandise, of confiscating entire packages, and of sentencing the unhappy victims of such cruel and arbitrary decrees to a forfeiture besides of double the amount? And yet this is the substance of the bill. By the third section it is enacted, that the appraisers shall determine the minimum valuation or class to which the goods belong, and consequently, they may decide that a piece of cloth, invoiced at forty-nine cents per square yard, cost fifty-one cents, or that one invoiced at ninety-nine cents, cost one hundred and one cents; the effect of which would be to throw them into a

higher class, and thus subject them to twice the duty which they ought to pay. Such sporting with the property of a community might be suitable for countries where commercial honesty and oaths are held in no esteem, but for a land, distinguished above all others for its mercantile integrity and honour, it is as ill-judged and revolting a proposition as was ever before suggested.

Again, if these appraisers, upon the strength of their own judgment, should decide that the value of the goods at the place where they were purchased, is twenty per cent. more than the price at which they are invoiced, absolute forfeiture of the goods shall take place, and beside this, “all legal duties shall be paid, *the same as if no forfeiture had taken place.*” Now we candidly put the question to any reasonable man: Is it possible for any persons, however skillful in the value of woollen cloths, to decide with the precision which ought to exist where the property of a citizen is at stake, whether an article manufactured in Great Britain, France, or Germany, did in reality cost forty-nine or fifty-one cents, ninety-nine or one hundred and one cents? How could they decide with such unerring precision, whether an article in those countries where sales of bankrupts’ estates upon fluctuating markets are of constant occurrence, cost forty-five or fifty-five cents, ninety or one hundred and ten cents? And yet upon such fallibility of judgment does this bill stake the whole capital of our importers of woollen cloths. The measure is monstrous. It is calculated to deter our citizens from promoting the interests of the country by purchasing their foreign supplies cheap, through fear that by being successful in their speculations, they may be ruined. Look at the case of fluctuations in price at home: The very ground upon which the manufacturers rest their pretensions for this arbitrary measure, is conclusive as to the very fluctuation in prices which is denied to exist by this bill. It is because woollen goods have fallen, that the manufacturers require further restrictions upon importations; and yet upon a falling market abroad, they desire to urge the judgment of appraisers as better evidence of the actual cost of a commodity, than the invoice, supported by the oath of the very man who made the purchase. The whole tenor of this bill is proof of the desperate measures which the manufacturers would gladly resort to, to preserve their monopoly of the home market, and that to accomplish that, neither justice nor respect to private property would be regarded.

But this is not all: The collector of the port, if he suspects fraud, may direct every piece of cloth in an entire cargo to be measured, or, in other words, to be disfigured by the pulling and stretching and unfolding, which would be required for its measurement. This act alone, simple as it is, would occasion a reduction in the value of the cloth of no trifling amount, and beside this would stamp the owner with an infamy which might ruin, most unjustly, his reputation as a fair trader. Let us suppose a case: An American merchant, through his agent or partner abroad, by means of ready money, and a close watch upon the market, happens to purchase an invoice of cloths of the same quality as one for which his neighbour, who imports usually upon credit, is charged by the manufacturers, ten, fifteen or twenty per cent. more. The appraisers decide that the latter price is the true value. Fraud is suspected. Upon measuring one piece it is found to overrun a yard. The suspicion is strengthened, and the measurement of the whole invoice is ordered. An appeal is made to the Secretary of the Treasury, who must naturally rely in a great degree for his own judgment, as to the character of men, upon the officers of government. He confirms the decision, by

which the importer, merely because he has had the good fortune to purchase his goods cheap, and to obtain good measure, is punished by the forfeiture of the whole or one half or one fourth of his invoice, upon which he must nevertheless pay duty, and by the disfiguring of his goods; and in addition to this, is branded in his forehead as a smuggler. If it requires a jury of twelve men, in cases not connected with the revenue, to deprive a citizen of his property or reputation, or to decide upon valuations, where property is at stake upon the issue, how unjust is it, that such unlimited power over both, should be given to so irregular a tribunal.

We have not room further to extend our remarks. The bill speaks for itself, and wherever it is read, it will be pronounced, we think, to be one of the most pernicious schemes, as to principle and detail, that was ever devised as an auxiliary to a system of taxing one portion of the people for the benefit of another.

[\[Back to Table of Contents\]](#)

ESSAY No. X.

february 3, 1830.

Same subject continued. Impracticability of preventing smuggling by affixing marks on imported woollen manufactures. Smuggling into the United States through Canada.

In our last paper we made some observations upon the bill lately introduced into the House of Representatives by the Committee on Manufactures, relative to the measurement of woollen goods by the officers of the customs, and the despotic power intended to be conferred on a few individuals, of confiscating the property of the most respectable citizens, upon opinions formed, not upon evidence, but upon a supposed faculty of determining the value in foreign countries, of commodities liable to fluctuations and changes of price. We shall now proceed to examine some other features of this bill, which, if carried into effect, would establish the Inquisition in the United States as effectually as it was ever established in Portugal or Spain.

Before this bill was reported to the House of Representatives, we had understood, that the committee had before it a good deal of evidence calculated to shew, that smuggling had been practised to a very considerable extent. One of the designs, therefore, of the bill, was to prevent smuggling, and, in order to accomplish this, provisions are introduced into it, in the following words:

“And the said appraisers shall mark, or cause to be marked, each piece of such goods, or, affix some mark thereto, in such manner as the Secretary of the Treasury may direct, by which shall appear the minimum valuation or class to which it may belong, also the port or place into which the same was imported, and the time of importation.”

“That if any person shall make on, or affix to, any piece of goods mentioned in this act, any false, altered, or counterfeited mark, purporting to have been made by the appraisers as aforesaid; or if any person shall deface any mark placed on said goods, or affixed thereto by the said appraisers, such person, and every person, aiding and assisting them, shall forfeit and pay double the value of the goods on which is found any such false, altered and counterfeited, or defaced mark as aforesaid; and such goods on which shall be found any false, altered, counterfeited, or defaced mark, shall be forfeited; and if any person shall place on, or affix to, any piece of goods, any mark which said appraisers had made on, or affixed to, any other piece of goods, the goods containing the same, shall be forfeited; and the person so offending and each person aiding or assisting therein, shall be liable to the penalty in this section before provided.”

Now upon perusing the foregoing provisions, it must be obvious, that to render them efficient, a system of *espionage* must be introduced into society, which will render us subject to all the oppressions, exactions and extortions, which malevolence and fraud can suggest. The stores of the merchants and shopkeepers will be perpetually liable to

the visits of common informers, who, with the view of plundering, or of injuring the reputation of those who succeed in life better than themselves, will lodge false accusations with the legal authorities. Prosecutions will be without end. Rogues will enter privately into the stores of merchants, or, seduce apprentices and clerks to injure their employers by affixing false marks on goods, or, by altering or changing the true ones. And how is the employer to justify himself, but by a declaration on oath, which, by the very terms of this act, is pronounced to be evidence inferior to the bare opinion of an appraiser? We can conceive of nothing more revolting to the feelings of a free people, than to see their property and hard earnings thus placed at the mercy of knaves and unprincipled profligates. But to understand this subject better, let us go into details.

Every piece of woollen cloth, delivered from the custom-house, must have the appraiser's mark affixed to it, stating the minimum valuation at which it is rated, that is, whether it be valued at fifty cents, one hundred cents, two hundred and fifty cents, or four dollars per square yard. This mark may be either paper, paste-board, wood, tin or lead. Well, with these marks upon them, a dozen pieces of cloth are sold to a retailer, and in the course of the handling they undergo in his shop, the marks fall off and are lost. Now, if they have no marks on them, are the goods liable to forfeiture, or are they not? The bill says nothing about such a case. If they are liable to forfeiture, then would such forfeiture be unjust and iniquitous. If they are not liable to forfeiture, then the whole law would not be worth a straw, for the ready answer by all smugglers, would be, that the marks had fallen off.

Again, a malignant enemy of an importing merchant desires to be revenged for some real or supposed injury, committed by the latter. He contrives, by some means or other, to get into the store of the merchant, and to cut off from a piece of goods the true mark, and to put on a forged one, and then lodges his information with the collector. The inquisitors are sent, and finding, as alleged, that a piece of cloth has a mark upon it, not corresponding with its quality, they have no remedy left but to seize it, and to prosecute the owner. Now, we should like to know, by what possible means this unfortunate owner could prove, that the forgery was not committed by himself? The *prima facie* evidence is against him, and to prove a negative in such a case is impossible. Upon his character for integrity, honesty and fair dealing, he cannot rely, because that has been already impugned by a refusal to give as much credit at the custom-house to his oath, as to another man's opinion. We see no remedy for him but to submit to the payment of the double penalty, the forfeiture of his goods, and the loss of his reputation.

But notwithstanding all this arbitrary and inquisitorial proceeding, there are defects in the system which must forever render it incapable of being applied to any end beneficial to the parties desiring its adoption. It may prevent indeed fraudulent entries at the custom-house, but it cannot prevent, in the most trifling degree, real, open, *bona fide* smuggling. We should like to know who is to be the judge, on the borders of the St. Lawrence, Lakes Ontario, Erie, and Michigan, of the authenticity of the marks placed upon a piece of cloth by the appraisers of Baltimore, Philadelphia, New York, or Boston? We should like to know when a piece of cloth is once cut up, whose property the mark becomes, and what is to prevent a *bona fide* smuggler from getting

as many genuine marks as he has pieces of goods, and affixing them as exactly to the respective qualities, as the appraisers themselves did? The idea of preventing smuggling, in a country like this, so conveniently bordering for a thousand miles upon the territory of a nation, against which our prohibitory laws are principally levelled, is preposterous, and could the matter only be regarded by the manufacturers in its true light, they would discover, that for every piece of goods that are shut out of the front door, two pieces are brought in at the back door.

In making these remarks, we are not treading upon unknown ground. We have seen the operation of such laws in other countries, viz: in the West Indies, and in South America. We have seen the process of having packages of merchandize taken to the custom-house for examination and measurement. We have seen there, the confusion, the disfigurement, and the plunder incident to such an operation, and the necessary result of such inconvenient laws—corrupt bargains with the officers, to exempt the importer from this grievance. We have also seen the operation of marks, and had once occasion, in an official capacity, to remonstrate to a foreign government against an injustice practised towards a respectable American merchant, by the forfeiture of a quantity of Russia duck, found in a store after a lapse of some years, deficient in marks, when evidence of the most conclusive sort was adduced of the fact of the duties having been regularly paid. The circumstances of the case, as brought to our knowledge, left not a shadow of doubt of the fact, that the marks had been cut off, at different periods, by the persons who lodged the information, or their accomplices, for the purpose of robbing the merchant in question, which was accomplished to the extent of three thousand dollars, the court deciding that the absence of the marks was conclusive on the subject, and the American government refusing to authorise its representative to sustain the claim of the merchant.

We cannot bring our minds to believe, that such a bill as that reported by the Committee of Manufactures, can possibly be supported by a majority in Congress. Amongst the advocates of the tariff, there are many intelligent men, who must see that the effect of any measures which have a tendency to throw further difficulties in the way of commerce, is a virtual increase of the existing duty, and that a further increase of duty must increase the bounty on smuggling, which, after all that has been said on the subject of protection, is the branch of industry now most highly protected in this country. To any one who doubts that this interest is in a most thriving way, we can state, that in a conversation lately, in this city, with a gentleman who resides in Quebec, we were assured, that during the last year one hundred and fifty vessels arrived at that port more than in any former year, and that there could not be a doubt, that smuggling was very extensively practised. This we know also to be the conviction of many of the principal merchants in our cities, and, indeed, how can it be otherwise, when a man can make more in a single cold night on the Canada frontier, with a capital of a thousand dollars, than he can earn by importing goods, in the regular way, for a whole year? It has been mentioned to us, in a way that leaves us no room to doubt of its truth, that merchants, now residing in our cities, who were formerly importers to large amounts order their invoices to Canada, and sell them deliverable there, without taking the trouble to inquire whether the purchasers intend them for consumption on this or the other side of the boundary line.

A story is told of a prisoner who was indicted before a court for murder, and who, when the question was put to him, “Do you plead guilty or not guilty?” very seriously replied—“Please your Honour, the subject is so very disagreeable a one, that I think we had better drop it, and say no more about it.”

The case is precisely the same with the American System reasoners. Whenever they hear the subject of smuggling mentioned, they try to slide by it, and although they know that in Great Britain a fleet of revenue vessels and an army of custom-house officers are not capable of preventing it, they display a desire to drop it and say no more about it. Like the foolish bird which hides his head when he sees danger approach, they seem to think that they shun all risk, by avoiding to speak of it. This is indeed an evidence of delusion, not common for persons who have shewn such a keen-scentedness in matters touching their own interests, as the manufacturers, and yet the probability of an extensive system of smuggling on the frontiers and the sea-board, has never yet been admitted by any writer within our knowledge, on that side of the question, as an evil that cannot be guarded against.

The greatest danger, which we have always anticipated on this head, was, from the act of smuggling being rendered excusable by popular opinion, upon the ground of its being a mere evasion of an unconstitutional law. This doctrine is now publicly proclaimed in some quarters, and is likely to become popular from the sanction given to it by intelligent writers. Already has there existed in this country, as in all others, a class of people who have distinguished between an act, evil in itself, and an act, the commission of which would be wrong, merely because prohibited by law; and there has consequently always been a class of persons who have had no conscientious scruples upon smuggling, where an oath can be avoided, although the moral sentiment of the great mass of the people has not justified this discrimination. The American System has now, however, raised up a new class, who will feel no compunctions whatever upon this subject, regarding, as they do, *the act prohibiting*, more unlawful and unjustifiable, than *the act prohibited*.

[\[Back to Table of Contents\]](#)

ESSAY No. XI.

february 3, 1830.

Trade between the United States and Madeira. Influence of high duties upon wine, in diminishing exports, as well as imports. Effects upon consumption of a small increase in price.

THE commerce between the United States and the island of Madeira, affords one of the most fatal examples of the folly of tampering with trade, and of the ruinous consequences of high duties, which is afforded by our custom-house returns. Our exports, which were once two millions three hundred and thirty-six thousand six hundred and fifty six dollars in a year, have dwindled away to one hundred and eleven thousand nine hundred and thirty three dollars, as will appear from the following statement, which shews the amount exported in the following years:—

1798 332,625
 1799 203,185
 1800 522,728
 1801 528,344
 1802 481,053
 1803 370,878
 1804 586,869
 1805 479,182
 1806 519,213
 1807 528,375
 1808 131,102
 1809 2,336,656
 1810 1,587,641
 1811 961,733
 1812 700,225
 1813 361,719
 1814 32,540
 1815 613,942
 1816 353,342
 1817 448,832
 1818 486,186
 1819 320,875
 1820 223,928
 1821 193,414
 1822 186,952
 1823 117,685
 1824 315,896
 1825 122,840
 1826 119,058
 1827 100,153
 1828 111,933

The above table commences with the first year in which an account was kept of the exports to Madeira, separate from those to the other Portuguese dominions, and up to 1802, inclusive, comprises the articles of foreign as well as of domestic growth. Since that year the exports include none but domestic productions, of which the principal were flour, corn, corn meal, ship bread, lumber, fish, oil, spermaceti candles, beef, pork, butter, lard, hams, bacon, rice, bees' wax, tallow, candles and soap. Now if we can perceive a great falling off in the amount of these exports, since the increase of the duties upon Madeira wine, it is very fair to conclude, that a great part, if not the whole of it, has resulted from that increase. By the act of 1794, the duty on London Particular was fifty-six cents, and upon other Madeira, 40 cents per gallon. By the act of 1816, the duty, which had been raised by the war act, was retained at one hundred cents upon all kinds of Madeira, and continued at that rate until 1828, when it was reduced to fifty cents, to take effect from the 1st of January, 1829.

To those who have not been accustomed to reflect upon the great influence upon consumption, of a small change in the price of a commodity, the foregoing revolution in our commerce with Madeira will hardly appear to have been brought about by so slight an increase of duty. To such we would remark, that in some articles of luxury, a resort to a diminished quantity is had upon the most moderate rise in price, or the use of it is abandoned altogether. An increase of sixty cents in the duty on one gallon of Madeira wine, would occasion an increase of price, by the time it reached the hand of the consumer, of seventy-five cents, inasmuch as each vender charges a profit upon his advance of the amount of the duty. Wine, which used to be three dollars, must be sold at three dollars and seventy-five cents; and our wine merchants know, that the great mass of persons who used to purchase common Madeira wine, regarded three dollars as the maximum price which they would consent to give. We understand that, in Philadelphia, there is not now a gallon of Madeira wine drunk, where formerly there was a demi-jean, and we have the authority of an extensive dealer in wine for asserting, that many, who were formerly liberal consumers of wine, are now drinkers of brandy. The misfortune of this too is, that after new habits are formed, it is no easy matter to change them, and one of the lamentable effects flowing from the American System is, that it has converted drinkers of wine into drinkers of spirits. If any one doubts our position, as to the influence of a small rise of price upon consumption, let him inquire of his next door neighbour, whether he does not, in marketing for his family, establish in his own mind a limit for articles of luxury, such as butter, eggs, lamb, asparagus, cream cheese, lobsters, young chickens, strawberries and other delicate fruits, beyond which he will not purchase, and he will soon ascertain, that there is not an individual whose consumption of luxuries is not regulated by very arbitrary laws.

That we should import more wine from Maderia than we pay for with our exports, which is the case at present, is one of the consequences of our own acts. Madeira, at one time, took from us forty thousand barrels of flour per annum, besides large quantities of corn. She paid us in wine, of which we took from her, at that time, about five thousand pipes. We then resolved, by increasing the duty on wine, to diminish the extent of our trade, and we now import only two thousand five hundred pipes, for a population nearly double. This step drove Madeira to find out another market for bread. She found it in Sardinia, from which country she now derives the supply which she formerly drew from the United States, and at a much cheaper rate; and as Sardinia takes no wine from her, she pays for her bread with the funds which we pay her for wine. This roundabout commerce is now the most profitable for Madeira. How soon our reduction of duties will bring back trade into its old channels, time will determine. The taste and fashion for wine, will gradually return with its cheapness, and as the vessels which bring it to this country will be able to carry outward cargoes at a very low freight, there cannot but be a revival, to some extent, of the export trade. The nation, however, has lost by its folly millions which can never be regained, and has driven thousands from the consumption of a wholesome and innocent liquor, to inebriating substitutes, which they can never be induced to abandon.*

[\[Back to Table of Contents\]](#)

ESSAY No. XII.

february 10, 1830.

The Protective System not the settled policy of the country. Its first introduction into the legislation of the United States in the year 1824. Unsoundness of the doctrine that a bad system ought to be adhered to, merely because it has long existed.

SOME politicians affect to believe, that the protecting policy is the settled policy of the country; and although the individuals who are now in the enjoyment of monopolies, no doubt would wish such to be the case, yet we cannot see how it is possible for any statesman, with the evidence which is before his eyes, to fall into such an erroneous belief.

The high duty system, as it regards cotton and woollen fabrics, was brought upon the country by the necessities of the late war. It was a system established solely for the raising of revenue for the support of government, and when it was prolonged by the act of 1816, it was so far from being adopted as a settled policy, that the act bears upon its very face the most conclusive evidence that such was not the fact. A reference to that act will shew, that its object was a measure of *temporary* relief to the existing manufacturers, designed, not to render high duties perpetual charges upon the pockets of the people, but to save from imminent ruin, those who had embarked their capitals in buildings and machinery. It declared, that, after the expiration of three years, the duties on those articles *should be lowered*. But this is not all: Prior to the expiration of the three years expressed, viz., on April 20, 1818, a second manifestation of the views of Congress was given, in an act to postpone this reduction for an additional term of seven years. The first act, therefore, which adopted the protecting policy as a permanent one, was the tariff act of 1824, and now, after a lapse of six years, during the whole of which time, the country has resounded, from one extremity to the other, with the cry that the policy was ruinous to commerce and agriculture, and was not only impolitic, but unconstitutional, grave statesmen are to be found, who openly assert that they conceive it to be the settled system of the country.

We should like those who advocate this doctrine, to inform us of the process by which they have arrived at this conclusion. Is it from the length of time that it has been in existence? Is it because six years have revolved since it was forced upon the country, in opposition to the agricultural interests of the South, and the commercial and navigating interests of the North? Why, the most insignificant custom or right could not be substantiated by an existence of so very limited a term; and shall we be told, that an incubus, which has been bearing its destructive weight upon the body politic for the short space of six years, has thereby acquired a perpetual right to occupy its seat? The idea is revolting. Men of pliant consciences, or of feeble minds, may whip themselves, or be seduced, into the persuasion that that policy is permanent, which favours their own interests, or accords with their own fallacious reasoning; but how those who are exempt from these two defects can abandon their posts as sentinels of truth, and surrender the country to the dominion of error and delusion, is not easily to

be comprehended. Of what avail is it, that men of mighty powers of mind, skilled in the deepest knowledge which belongs to the science of government, and principled in the doctrines which alone constitute political philosophy, shall be placed in high stations, if they are not to exert those powers, that knowledge, and those principles, in proclaiming the truths, a knowledge of which they know to be essential to the well-being of the country? Can any imaginable circumstance justify an acquiescence on the part of a legislator in a system of legislative folly, contrary to his convictions of what is right? If such doctrine were admissible, then would error never be eradicated after it had once taken its seat in the councils of the nation, and ignorance, delusion and usurpation would triumph over wisdom, common sense and the constitution.

In combating against error, the great consolation enjoyed by the champion of truth, is found in the conviction, in his own mind, that *magna est veritas et prevalebit*. The early apostles of the Christian faith were cheered amidst the persecutions which they experienced by this maxim of comfort. The philosophers who have at various periods advanced the cause of science, and by successive victories over error have planted the systems which are now received, were encouraged in their onward march by the assurance that truth was mighty, and would prevail. The sages who planned the American revolution, and staked their lives, their fortunes and their sacred honours, upon the issue, could only have ventured upon so hazardous an experiment as that of proclaiming what was every where denied, that the people have a capacity for self government, from possessing an intimate conviction of the all-powerful force of truth. And, lastly, the statesmen of Great Britain, who, by their manly and enlightened course, are now combating the errors of a system, not of six years' duration, but of some hundred years' growth, are supported in a warfare against prejudice and interest unparalleled in other countries, by the firm persuasion, that the sword of truth, when wielded in defence of the best interests of a country, must sooner or later prove triumphant. What should we think, if Mr. Huskisson, towards whom the eyes of all the liberal politicians of the old and new world have so long been turned, who has immortalized himself as the great champion of an enlightened and wise course of policy, should all at once rise up in his seat in Parliament, and vote in favour of the most oppressive restrictions on trade, declaring, at the same time, that his opinions of the injurious and destructive tendency of those restrictions remained unchanged, and justifying his vote by the shallow and untenable plea, that he considered himself bound in duty to support the restrictive system, because a majority of Parliament had for centuries fastened it upon the country? Would we not condemn him as an apostate from the truth, and as a deserter from the cause he was under moral obligation to defend? And yet he would have the venerable plea of antiquity to protect him, of which an American statesman is altogether destitute.

[\[Back to Table of Contents\]](#)

ESSAY No. XIII.

february 10, 1830.

The British Corn laws: Influence of, upon the commerce of the United States.

BY the late advices from England, to January 4th, some very useful information is to be collected, as to the operation of the corn laws upon the interests of this country, and as that is one of the most important subjects which can occupy the attention of our public men, we have thought it worth while to draw their attention to it.

In an article under the London head of January 2d, remarking upon the grain market, the following facts are furnished:

That the average price of wheat in England, during the last three years, was as follows:

1827—55s. per quarter of 560 lbs.

1828—59s. 6d. quarter of 560 lbs.

1829—66s. 7d. quarter of 560 lbs.

These prices, reduced into Winchester bushels of 60lbs., and estimating exchange on London at 10 per cent. advance, would be equal to 144 cents for 1827—156 cents for 1828, and 175 cents for 1829.

The year 1829, it will be recollected, was a year of very great scarcity, owing to the deficient harvest of 1828, and yet the highest price for wheat, during that year, according to the same statement, was only upon an average for the first quarter of the year, 72s. 5d.—for the second quarter, 70s.—for the third quarter, 66s. 6d.—and, for the fourth, ending on 1st of December, 57s. 6d.

It is a notion widely entertained in this country, that the British corn laws exclude from the British markets an almost incalculable quantity of American grain, and it is this erroneous idea that does more to strengthen the American System, than any other single consideration. Now, if in seasons of ordinary abundance in England, the price of grain, as is shewn above, does not exceed one hundred and fifty cents per bushel of sixty pounds, it must be very clear, that a very moderate duty, say such an one as we ourselves impose on foreign wheat, twenty-five cents per bushel, would, in ordinary years, exclude our grain; for as freight cannot be estimated at less than twenty cents per bushel, and insurance, commissions and other charges, at less than ten cents more, and as the price of grain in our seaports cannot upon an average be estimated below one dollar per bushel, nothing could be gained by its shipment. Indeed the proof of this fact is so clear to any man who knows how to reduce sterling money into currency, and who will take the trouble of reading the first English price current he

meets with, that none can any longer believe this fallacy, who is not determined to remain in ignorance.

But even if this were not as we have described it, there is another reason, which would completely put at rest the idea, that we should greatly profit by the abolition of the corn laws of England. It is, that other countries can supply her much cheaper than we can. Mr. Jacobs, in his “Report on the trade in corn, ordered by the House of Commons to be printed 14th March, 1826,” calculates that wheat can be imported into England, free of duty, from the maritime provinces of Russia at forty-three shillings per quarter, from Cracow at forty-five shillings and sixpence, and from Warsaw at forty-eight shillings. Since the opening of trade to the Black Sea, we have seen the price of wheat at Odessa, quoted we think below twenty-five shillings the quarter. These are facts which are within the reach of any person who wishes to understand the true state of the case, and as they are facts which have a most intimate connection with our legislation upon foreign interests, we think that the raising of a Committee in Congress, for the purpose of embodying in a report all the information which could be collected on the subject of the foreign grain markets, would be of incalculable advantage to the nation. To a public document, there is attached a weight and influence which does not belong to a private composition, and besides this there is given to it a circulation through the gazettes which no other publication could possibly have.

That other nations can supply Great Britain with grain cheaper than we can, has been we think most clearly demonstrated by the experience of the past year. From the statement above referred to, we learn that the quantity of foreign wheat entered for consumption in the United Kingdom, during the year, was about a million and a half of quarters, equal to fourteen millions of Winchester bushels. And what proportion of this was supplied by the United States? The statement before us does not inform us, but from enquiries made personally of merchants whose business it was to be acquainted with the fact, we think we are far within the truth, when we say, that the quantity of flour exported from the United States to Great Britain, between September, 1828, when the news of the failure of the crop first reached the United States, and September, 1829, did not exceed one hundred and fifty thousand barrels, equal to seven hundred and fifty thousand bushels of wheat. And why did we not export a larger quantity?—Simply because we had it not to spare, and this fact of itself is sufficient to put down, at once, the doctrine so constantly harped upon by certain political arithmeticians, that agriculture is so overdone that the farmer knows not what to do with his produce.*

[\[Back to Table of Contents\]](#)

ESSAY No. XIV.

february 13, 1830.

*On the influence upon public and private prosperity of labour-saving machinery.
Absurdity of the prevailing opinion that labour-saving machines are injurious to the
interests of the working classes.*

Mr. Editor—

I saw some time ago in one of the papers, an account of a newly-invented cart, by which one man, a boy and three horses, can remove and embank as much dirt in one day, as twenty men can with three common carts. Now, as I belong to the American System party, I look upon this invention as pregnant with the most disastrous consequences. It will inevitably throw out of employment thousands of the industrious poor, who now obtain their living by working on our numerous rail roads and canals, and who will not in any imaginable mode be able to obtain the means of subsistence for themselves and families. Would it not be a thousand times more beneficial to the public, that the old fashioned process of digging and carting should be adhered to, rather than that this new-fangled contrivance should be introduced into general use? Only reflect for a moment, Mr. Editor, upon the immense amount of *American Industry* that would be thrown out of employment. The statement says, that the work can be done, by the new method, at one-sixth of the expense of the old; in other words, that one man will be able to do what it used to take six men to perform. The very thoughts of this are appalling, and, to the philanthropic mind, are of the most grief-inspiring character. Instead of seeing our industrious labouring population having full employment, one of the very motives for which internal improvements have been so widely introduced, five-sixths of them will be discharged, and thus will an immense capital of labour be sunk to the community, which could have been profitably employed in real American Industry.

I have not addressed you, since the time when I gave you some hints for the Free Trade Advocate, upon the advantages of snow storms, in affording employment to the poor.

Yours, Truly, ***A Friend To American Industry.***

These American System reasoners are the most incorrigible logicians in the world. The doctrine here advanced is the old story about manufactures giving employment to the poor, which has been so often refuted, that one would suppose it hardly possible that a vestige of it should remain. The fact, however, is otherwise. It is not long since we had a conversation with a respectable English gentleman, in which he expressed his opinion, that the chief cause of the great distress which has lately existed in Great Britain, was the extensive introduction of labour-saving machinery. He said he considered labour-saving machinery as a positive evil, and by way of illustrating how

it was so, he expressed himself as follows: "I recollect, when I was a boy, in England, I have often gone to a farm house, where I have seen the family all industriously occupied. One would be spinning, and another weaving. At the present day such employments are entirely banished from many houses, owing to the cheapness with which cotton and woollen cloths are to be had." We asked him if he thought that an invention which would enable two persons of the family to do what it formerly took three to perform, was an evil? He replied in the affirmative, and finding him to be a disciple of Bell's Weekly Messenger, we gave up his conversion as hopeless.

That labour-saving machines, when first introduced, do operate, for a time, to the prejudice of the individuals whose pursuits have been disturbed by them, is undeniably true; but that the community, considered as one family, having a common interest, sustains any injury, is not true. This can be demonstrated by supposing the case of a family, which is but an epitome of a larger society. If it consist of ten in number, who, by their joint labour, raise all the food they eat, and manufacture all the clothes they wear, it is very manifest, that, if any labour-saving invention should be introduced amongst them, which would be equal to the labour of one individual, the effect of it would be, either that the whole ten would have a tenth part of their time to devote to study or recreation, or to some other pursuit, or that the labour of one individual of the ten might be applied to the production of some additional article of necessity, or comfort, which the family did not before possess. If, however, there was no such article that could be thought of at the moment, time would soon point out one, for human wants and desires have no limits, and, in the mean time, it is very evident, that the ability of the family to maintain the whole ten, even admitting one to be idle, would be just as great as it was before.

The structure of society differs somewhat from that of a private family, though not so much as might at first sight appear. In society, each individual maintains himself, and does not call upon the other members for assistance, unless he is reduced to absolute want. An individual, therefore, may suffer very materially by the introduction of labour-saving machinery, until he can have time to find out some new employment, or until, what very often happens, the increased demand for the article, in the production of which he used to be employed, arising from its cheapness, shall have restored the demand for his labour. In the mean time, however, it must be observed, that the society is just as able to maintain the labourer in question, in his state of idleness, as it was whilst he was employed, because the products of the industry of the whole society would be as great as they were before. The evil, however, could be but temporary. Labour-saving machinery is only gradually introduced, and the increased demand for commodities, so speedily follows the reduction of price, always accompanying the superior facility of fabrication, that only a limited number of individuals are, at any one time, in danger of being thrown out of employment.

In regard to the labour-saving machine which forms the subject of the foregoing communication, the effect of its general introduction would be, that the work to which it is applied would be done in one-sixth part of the time originally contemplated, if the same number of hands should be kept at work, and, at the expiration of that time, the employers would be in possession of a capital sufficient to employ the same labourers upon five other canals or rail roads, or, if they were not wanted, upon some other

species of work requiring manual labour. But to make this plain, suppose a canal to be projected, to cost six millions of dollars, and to occupy six thousand men for six years. All at once a machine, for excavating, loading, transporting, and embanking the earth, is invented, which will enable each man to perform the work which before required six. Now, as the proprietor of the canal has every inducement to finish his work with all possible despatch, in order to save the interest on his capital expended, and to hasten the period at which he should collect his tolls, he will naturally keep the whole of his six thousand men employed for one year, which will be all the time that is requisite for the completion of his work. No men therefore would be discharged during that term, and as the proprietor would have at his disposal at the end of the year, five millions of dollars, he could, if he found it to be his interest, undertake new canals, or, at all events, some other species of work, requiring the labour of six thousand men; and the very saving of that capital, brought about by the labour-saving invention, may be looked upon as a fund absolutely set apart for the support of the same six thousand men, or another equal number of labourers for five years. Indeed, as capital saved is always an addition to the stock, from which all labourers must be supported, it is impossible to imagine any diminution in the expenses of producing a commodity, or even a canal, without, at the same time, forming the idea of a fresh fund, which will as certainly be devoted to the support of industry of some kind or other, as that it exists.

What is true of this case, is equally true of almost all other occupations into which labour-saving inventions can be introduced, and there is scarcely one, where the increased demand for the commodities, lowered in price by the adoption of machinery, has not kept up the demand for an equal number of labourers. This has clearly been the case in reference to the cotton manufacture—more people being now employed on it, than before the invention of the modern power-looms and spindles.

[\[Back to Table of Contents\]](#)

ESSAY No. XV.

february 13, 1830.

The beet sugar manufacture of France. Injurious effects of governmental protection afforded to it. Comparative consumption of sugar in France and in the United States. Tax paid by the consumers of sugar in the United States for the support of the sugar planters of Louisiana.

A FEW months ago, an article went the rounds of the American papers, in the following words:—

“The manufacture of sugar from beets, which was introduced into France by Napoleon, in 1811 and 1812, has increased to such an extent, that there are now nearly one hundred sugar manufactories in that country, producing an annual amount of about five million kilogrammes, or five thousand nine hundred and twenty-one tons. In Picardy alone, the number of manufactories is twenty-five. While the price of refined sugar in Paris, is eleven and a halfpence sterling, per pound, the manufacture is profitable. It is estimated that one-half of all the sugar consumed in Paris, and one-eleventh of the total consumed in France, is made from beets. For whiteness and beauty, it is said, when refined, to be unequalled by any other. ‘Bulk for bulk, however, the refined West India sugar is sweeter than the refined beet sugar; but weight for weight, the two are equally sweet.’ The discovery of sugar in the beet root, was made by the celebrated German chemist, Margrave, and announced to the public in 1747.”

Many of those who copy this article, do it, not as the mere record of a statistical fact, but as a practical illustration of the benefits France is deriving from what is called the *protection* of her domestic industry, and instead of its being held up, as it ought to be, as a solemn warning to other nations not to follow the silly example, it is no doubt regarded by many of our American System philosophers as worthy of all imitation. The figures are no doubt very imposing, and to those who are more familiar with a pound of sugar, than with kilogrammes or tons, the quantity mentioned may appear to be immense. For the benefit of such, we will offer a few remarks upon this subject, for the purpose of presenting it in its true light, and if, after the analysis we shall make of the celebrated beet sugar, there be any one disposed to think that France is a gainer by the policy of Napoleon, we have no objections that he should continue to enjoy his opinion.

From the foregoing statement, the following facts appear:

First. That beet sugar is produced in France, to the extent of five million kilogrammes, which is eleven million and twenty-five thousand pounds.*

Secondly. That this is equal to one-eleventh part of the total consumption of sugar in France.

Thirdly. That the manufacture of beet sugar is only profitable when the price of refined sugar in Paris is eleven and a quarter pence sterling per pound, or about twenty one cents of our money.

It appears then from the foregoing statement, that the beet sugar manufacture in France is a losing business, unless refined sugar is worth twenty-one cents per pound. But refined sugar could not be kept up at twenty-one cents, but by means of a high duty upon raw sugar. That duty is about eight cents per pound for brown, and ten cents for white, and of this a great portion no doubt is levied for the purpose of protecting the manufacture of beet sugar. Supposing one cent only of this duty to be for the purpose of protection, then it will follow, that, as the total consumption is equal to eleven times the quantity manufactured from beets, that is, to one hundred and twenty-one million two hundred and seventy-five thousand pounds, the consumers are annually taxed the sum of one million two hundred and twelve thousand seven hundred and fifty dollars, for the purpose of enabling one hundred beet sugar makers to produce a quantity of sugar which could be procured in the West Indies or Brazil, in exchange for French wines, silks, and other productions, *for less than half the amount of this tax alone.*

The statement upon which we are commenting, admits that West India sugar, pound for pound, contains as much sweetness as the beet sugar, and as the former can be purchased in the Antilles for five cents a pound, the quantity of eleven millions and twenty-five thousand pounds, the quantity manufactured, would cost but five hundred and fifty-one thousand two hundred and fifty dollars.

From this view of the subject, it may be seen how extremely prejudicial to the consumers of sugar in France, is the existence of the beet sugar manufacture, and the simplest arithmetical calculation will shew, that it would be a profitable bargain for the people of France to raise, by way of contribution, a million of dollars, and pay it to the beet sugar makers *as a gratuity*, for stopping their works, if they would consent to the abolition of the duty imposed for their protection of one cent per pound. If the quantity of eleven million and twenty-five thousand pounds of sugar, could be procured abroad for five hundred and fifty-one thousand two hundred and fifty dollars, it is very clear that the domestic substitute, of equal weight, is really worth no more, so that by the commutation we suggest, the beet sugar makers would receive a much larger sum than the true value of their goods, besides being left at liberty to apply their labour and capital to any other occupation, the result from which would be clear national gain.

But we apprehend that the mischief which the French population sustains from the protection of the beet sugar manufacture, is much greater than the amount here assumed. The part of the duty intended for protection, is probably greater than one cent per pound, and we are much mistaken if the total consumption of the country is not somewhat underrated. By a document, published a few months ago in the Baltimore American, it appears that the quantity of sugar produced in the United States in the year 1828, was eighty-seven thousand nine hundred and sixty-five hogsheads, which, estimating the hogsheads upon an average at one thousand pounds, would be eighty-seven millions nine hundred and sixty-five thousand pounds. The

quantity imported in the year 1827, as appears by the official report of the Secretary of the Treasury, was fifty-five millions one hundred and twenty-three thousand five hundred and fifteen pounds, so that the total annual consumption of the United States may be estimated at least at one hundred and thirty-two million pounds, or at eleven pounds per head. It can therefore be hardly probable that the consumption of France, with a population of thirty millions, can be less than ours, with a population of twelve millions.

In regard to the protection which the sugar planters of Louisiana enjoy, by the present tariff, it is quite time for the American people to reflect upon the amount of the tax which is paid for the support of the domestic production. From the statement last referred to, it appears, that the profits of sugar planting are sufficiently inviting to have induced an extended cultivation, so that, it is said, *two hundred and six* additional planters will send sugar to market, produced in 1829, who have never sent any before. If, of the present duty of three cents per pound, only one half is considered as for protection, it is manifest that the American people pay for the one hundred and thirty-two millions of pounds they consume, the sum of one million nine hundred and eighty thousand dollars more than they would be obliged to pay if the duty was reduced to a revenue scale. In other words, they pay a tax of that enormous amount, for the support of the sugar planting interest, and with no more justice than the French population does, for the support of the beet sugar manufacture. From information which we have received from an intelligent source, we have no doubt that sugar planting is the most profitable branch of agriculture now carried on in this country, and we think it would be an act of real benefit to that interest, to reduce the duty upon sugar, if for no other reason than to prevent that waste of capital which must ultimately result from the rushing of so many new undertakers into its cultivation. If this is not done soon, the nation will be called upon, in a few years, to prohibit the importation of foreign sugar, in order to save the sugar planters from ruin.

It is proper here to mention, that the manufacturers of beet sugar, in France, are not content with the present enormous duties, but have been, during the past year, petitioning the government for an increase, as necessary to sustain them from absolute destruction. This is truly *a la mode* of the American System, and is only another evidence of the truth, that hot house plants can never, in the frigid zone, be rendered capable of existence, but by keeping up the same, or a greater degree of heat.

[\[Back to Table of Contents\]](#)

ESSAY No. XVI.

february 17, 1830.

Remarks on an essay of Publicola. No one branch of industry can permanently be more productive than another. Want of employment cannot long exist in the United States, whilst vacant lands are so abundant. Domestic manufactures shewn to have flourished in the United States long before the protective system was introduced.

THE period will some day arrive, when the nation will awake as from a dream, from the delusion under which she has so long laboured, and when it will be hard to make people believe, that such absurdities as those upon which the “American System” is founded, could ever have had an existence amongst that class of persons who are reputed to be the intelligent, and who are the influential. So firmly are we persuaded of this, that, valuing somewhat our labours in the cause of sound doctrine, and not being disposed, some ten years hence, should this paper then continue to exist, to be looked back upon as a combatant of theories not seriously entertained by the community, we deem it expedient to bring into the columns of our paper, an occasional sentiment from some of the most conspicuous writers on the side of the question which we oppose.

Amongst these writers, is one, who, under the signature of “Publicola,” last year published in the New York Morning Herald a series of essays, “On the policy of manufacturing in this country.” This writer, like all the rest of his co-labourers, founds the greater part of his arguments upon assumptions which are not admissible, and consequently, whilst he draws conclusions which may be satisfactory to himself, they cannot be so to those who deny his premises.

Upon this occasion we will quote a paragraph or two, from his tenth essay, which our readers will find to contain a specimen of the sort of reasoning so constantly resorted to to effect a perpetuity of the same miserable policy, as that under which the nation is now suffering. It commences thus:

“If productive labour be the only source of wealth, and manufactures afford the second best source of labour, positions that will not be disputed by any one capable of giving them a disinterested consideration, it will follow, that every wise government, having a population sufficient for the object, will grant such protection to manufactures as will permanently establish them in their country.”

The foregoing would pass with some people for sound doctrine. We shall show that it is not so, and we deny, *in limine*, the position, that “manufactures afford the second best source of labour.” There can be no such thing as a permanent superiority of one branch of business over another; for if capital and labour, devoted to agriculture, were, for any great length of time together, more profitable than capital and labour employed in other pursuits, persons would leave the latter pursuits, and fly to the former, until the equilibrium should be restored. The idea, therefore, of classifying

pursuits, and laying it down as an axiom, that commerce, or agriculture, or manufactures, if left to themselves, is a more profitable branch of industry than the others, is at once denying one of the fundamental principles of the science proposed to be discussed; and if the corner-stone of the building be feeble—if it be neither plumb, square, nor level, how can the superstructure be strong?—If, however, it were true, as laid down, that “manufactures afford the second best source of labour,” it would follow, that that government would act most wisely, which should leave the manufacturers in the full enjoyment of their relative advantages. No artificial stimulus would be required to induce those who followed the third best source of labour, to abandon it, inasmuch as sufficient inducement would be held out, by the superior profits of the second and first. We think, therefore, that the conclusion, in this case, is not one which would legitimately flow from the premises, admitting them to be sound; but having shewn that they are not sound, it follows that every deduction drawn from them must be fallacious.

“It will not be denied that we have at this moment a considerable surplus population who cannot find employment. Our government, therefore, have no ground on which they can predicate a plea for lessening the manufactures at present established; in fact, if we look around us, and note the increasing numbers applying in vain for labour, we must be convinced that, instead of curtailing the modes of employment now existing, it is the imperious duty of our government to open still further sources. If they neglect to do this, that portion of the population now daily petitioning for labour must rapidly increase, and instead of becoming productive citizens, will rely solely on the cold hand of charity for relief, thereby draining the pockets of their more successful neighbours, and entailing on the country an increasingly extensive class of reckless paupers.”

The doctrine, that there are in the United States a vast number of persons who cannot procure employment, has long been a favourite one with the restrictive party. If there be however any truth in the position, they may thank their own policy for it. Restrictive laws retard the accumulation of capital, and as capital is the only source of affording employment to labourers, it is manifest that any measure which diminishes the ratio of accumulation, must have the effect of throwing people out of employment. To attempt to cure such an evil, therefore, by further restrictions, would only be making the matter worse, as it has been made ever since the year 1816, and would be as silly, as if the quack, who had brought his patient to death’s door by debility from bleeding, should insist upon it that the way to cure him would be to apply the lancet again.

But, after all, it is not true that any great portion of people are permanently unemployed. The number of able-bodied paupers throughout the United States has not sensibly increased. In large commercial cities, such for example as New York, there may be much temporary distress from the want of employment, because the population of those cities, being driven from their accustomed vocations by the anti-commercial policy, have not yet had time to fall into new pursuits. But we maintain that such a thing as a permanent want of employment, in a country where there are tens of millions of acres of fertile land, to be had for a dollar and a quarter an acre, *cannot exist*. This is a conclusive argument on the subject, and we will venture to

affirm, that there is not a miserable weaver in Spitalfields who would not consider himself as independent as a prince, if he could be transported to such a country. Agriculture, it may be said, will be overdone. We answer, plenty of bread and meat, plenty of warm clothes, plenty of fuel, and plenty of log houses, can never be overdone; and if a man cannot secure these by working with the spindle or the loom, he can never fail to secure them with the axe, the spade and the plough.

“To establish manufactures in any country not before possessing them, it is necessary they should be, during their infancy, supported by high protective duties—duties at least equivalent to the difference in the value of labour, price of raw material, deficiency of capital, and want of skill. Without such protective duties, no new country can ever enter into competition with another where manufactures have been long established. It is folly to talk of a middle course; a protection fully equal to the difference must be granted, or our manufactures must decline, till the reduction in wages and raw material enable those engaged in them to resume operations.”

To lay down what rules would be necessary for the introduction of manufactures into a country where there were none before, would hardly seem to be necessary in a code of laws intended for this country, where manufactures not only exist, but where they have existed since the first settlement of the colonies, to an extent adequate to furnish *nine-tenths* of all the manufactured commodities consumed by the nation. According to Seybert’s Statistics, page 8, it appears that the amount of articles manufactured in the United States in the year 1810, was one hundred and ninety-eight million six hundred and thirteen thousand four hundred and seventy-one dollars. Our population, at that time, was seven million two hundred and thirty thousand nine hundred and three souls, and the “American System” had not yet begun to *protect* the industry of the country, and can therefore lay no claim to an agency in establishing manufactures before that period. This *fact* ought of itself to overturn the theory of this writer, and would be conclusive on the subject, if facts were allowed to weigh with those who are under the influence of the delusion to which we have above adverted.

[\[Back to Table of Contents\]](#)

ESSAY No. XVII.

february 17, 1830.

One fact is worth a thousand theories. Fallacy conveyed by this phrase, employed in reference to the manufacture of carpets.

IN the tariff newspapers one is perpetually saluted with this dogma, and it is really amusing to see, sometimes, how perfectly farcical is its application. The following is an example, which some time ago went the rounds, without note or comment:—

From the Virginia Free Press.

“One fact is worth a thousand theories.—A gentleman of Martinsburgh gave us a striking instance in proof, that the American System only requires a fair test, and a reasonable perseverance, to render it triumphantly successful. He informs us that he saw the other day, a large box of cloths, manufactured in the factory of Messrs. Gibbs & Orrick, directed to Baltimore. Upon inquiry into the strange occurrence, he was informed that the company find in that city a ready market for a large portion of their products, which are of most excellent quality. Mr. G. C. Crondatt’s carpet manufactory, in that town, produces carpeting of a quality and pattern fully equal to the best Scotch fabrics. Success to the cause of home industry, and to its great patron and generous supporters!”

Now we should like the editor of the Free Press to tell us what fact, worth a thousand theories, is supposed to be established by the circumstance herein stated, viz: that a large box of cloths, manufactured by Messrs. Gibbs & Orrick, was seen directed to Baltimore; and that “upon inquiry into the strange occurrence,” it was ascertained that that company find in Baltimore a ready market for a large portion of their products? Is it pointed out as an object for exultation, that a manufacturer of cloth, with a protecting duty of from 50 to 225 per cent. in his favour, is enabled to carry on a profitable business? Nobody ever doubted that manufacturers would thrive, if those who carried them on were authorised by law to take out of the pockets of those who consumed them, an amount equal to what they would otherwise have lost, and a large profit to boot. Suppose Mr. Pratt, of Philadelphia, should procure a law to prohibit totally the importation of tea, upon the principle, that, in his hot house, he could raise tea for ten dollars a pound, a price which some people could afford to give, what would be thought of an editor who should cry out, “Success to the cause of home industry, and to its great patron and generous supporters?” Would not such an editor be looked upon as very little removed from the degree of a wiseacre? We think he would, and we do really wish, that those who bring forward facts in opposition to theories, would take the trouble to state what are the facts they mean to substantiate. It may be very true, that Mr. Crondatt’s manufactory “produces carpeting of a quality and pattern fully equal to the best Scotch fabrics.” But who would thank any man for doing this, with a protecting duty in his favour of 70 cents per square yard for Brussels, Turkey and Wilton, and 40 cents for Ingrain, Kidderminster and Venetian,

when the retail prices in London, as we have shewn at page 156 of the Free Trade Advocate, vol. 2, are only for Brussels from 68 to 108 cents per square yard, Kidderminster 48 to 84 cents, and Venetian 48 to 56 cents? If the fact intended to be established in the article quoted be, that Messrs. Gibbs & Orrick, and Mr. Crondatt, of the town of Martinsburgh, are growing rich in consequence of being authorised to tax all the purchasers of cloth and carpets, who deal with them, a sum equal to the difference between their prices and the prices at which similar articles could be imported, no one will dispute it; but we doubt very much whether such a fact is worth a thousand theories—such as this, for example, that cheap cloths and cheap carpets are better than dear ones of the same quality. If the fact, so joyfully announced, had been that cloth and carpets could be manufactured at Martinsburgh, at prices so low as not to require more than a mere revenue duty to sustain them, then we would have agreed with the editor of the Free Press, that such a fact was worth a thousand theories, for such a fact would prove, by its very existence, that high duties would be unnecessary for such manufactures.

[\[Back to Table of Contents\]](#)

ESSAY No. XVIII.

february 20, 1830.

Plausibility of the terms “Domestic Industry” and “American System.” The consumption of foreign products affords employment to American industry as much as the consumption of domestic products. This proved, by a comparison of the two modes of converting raw cotton into fabrics, the commercial process, and the manufacturing process.

THERE is something so captivating in the term “Domestic Industry,” and something so patriotic in the term “American System,” that it is not to be wondered at, that the party which first seized upon those expressions as watch words, should have succeeded with the mass of the people, and have carried their point by a *coup de main*. The time once was, when, by “domestic industry” was meant the industry of the farmer, the planter, the miller, the mariner, the merchant, the mechanic, the tradesman, the day labourer, the artizan, and, in fine, all the various individuals, who by their industry contributed to advance the wealth of the nation and the prosperity of the people. At the present day it signifies very little more than the industry of the very few persons who are employed in the spinning and weaving of cotton and wool, and who do not comprise more than one in every one hundred of the whole population. In vain is it urged upon the champions of the “American System,” that foreign commodities can only be procured in exchange for domestic commodities, and that domestic commodities can only be produced by the employment of domestic industry. They will not believe that the industry of Pennsylvania, which is employed in the raising of wheat, pork, butter, lard, beef, whiskey, corn, hams, linseed oil, wagons, carts, carriages, harness, saddlery, hats, boots, shoes, books, stationary, and a hundred other articles, and which are exchanged with the cotton, rice, and tobacco growers of the South, for bills on Great Britain, with which she pays for the manufactures she imports from that country, is domestic industry; for, if they did so believe, they would never repeat, so steadily, the exploded argument, that to import foreign fabrics is to be tributary to foreign industry.

When we reflect upon the tenacity with which this doctrine is adhered to, contrary to the clearest demonstration, for its falsity is as self evident as that two and two are four, we are almost tempted to regard as hopeless all expectations of seeing the public mind enlightened upon this important subject. When we hear men, some of them too the most conspicuous politicians of the country, pronounce with great earnestness their conviction, that to import foreign fabrics is paying foreign tribute—that the American cotton manufacturers enter into successful competition with the British in foreign markets, when they are not able to do it in the home market, without a protection of from 25 to 175 per cent.—that experience shews that the effects of high duties are to reduce the prices of commodities below what they would be without them—that high duties instead of diminishing commerce, increase it—that the way for a nation to grow rich, is to refuse to purchase the products of other nations, and thereby to diminish the extent of the sales of her own products;—when, we say, we

hear such doctrines as these, advanced as the doctrines of sound political economy, we are persuaded that, in order to produce a change of opinion, *reason* is not the faculty of the mind which is to be addressed. As well might a teacher of mathematics attempt to instruct in the principles of that science a scholar, who, at the threshold, should refuse to admit that two parallel lines can never meet, or that any two sides of a triangle are greater than the third. The powerful reasoning of Adam Smith, the clear demonstrations of Say, and the forcible and able expositions of McCulloch, would have no more influence in effecting a change of the views of some we could name, than if they were the wild and silly effusions of ignorant declaimers.

There must, however, be some individuals, whose rational faculties have not been distorted so as to prevent them from perceiving a truth, and to such we address the following illustration of the position which we have already more than once advanced—That the importation of foreign fabrics is nothing more than a mode of production, which gives employment to domestic industry, in the same manner, precisely, that manufacturing does.

Let us suppose two individuals, each possessing a capital of thirty thousand dollars, and each resolved to direct his industry towards the same object, the production of cotton fabrics.—The one proposes to produce them by *manufacturing industry*, the other by *commercial industry*. The one expends one-third of his capital in building a factory and machinery, and the residue in the purchase of raw cotton, and in the payment of the wages of spinners and weavers. The other expends one-third of his capital in building a ship, and the other two-thirds in the purchase of raw cotton to be shipped to Great Britain, and in the payment of the wages of the crew of his vessel. By these expenditures each one will have contributed towards the support of domestic industry. The one will have employed carpenters, brick-layers, machine-makers, smiths, lumber and iron dealers, to the amount of ten thousand dollars. The other will have employed ship-carpenters, riggers, sail-makers, mast-makers, boat-builders, rope-makers, plumbers, painters, caulkers, timber and iron dealers, and various others, to an equal amount. The one will have employed a number of spinners and weavers. The other will have employed a number of sailors, and each, it will be observed, employs the same amount of capital. Now, whether the actual number of individuals employed in the two different modes of production, be greater in the manufacturing process, or in the commercial process, is of no sort of consequence. The simple question which presents itself is, whether or not the cotton fabrics, which are imported in exchange for the raw cotton exported, are not as much the representative of American industry, value for value, as the cotton fabrics made at home; and, if so, must not that mode of production, whether it be the manufacturing or the commercial one, which produces the greatest number of yards of cotton cloth, of the same quality, be the most profitable one for the nation to pursue? To answer this question in the negative, would be the same thing as to say, that cheapness in purchasing, which is the end and aim of all the efforts now making by science and philosophy, in all the branches of industry all over the world, is not to be preferred to dearness—which is too absurd to be worth a serious refutation.

[\[Back to Table of Contents\]](#)

ESSAY No. XIX.

february 21, 1830.

Absurdity of restrictions upon industry, and the employment of capital, shewn in an ironical petition from the cultivators of grapes.

PETITION.

To the Honourable the Senate and House of Representatives of the United States.

The petition of the subscribers respectfully represents:

THAT your petitioners are about to enter largely into the cultivation of the grape, with the laudable and patriotic design of assisting to render this country independent of foreign countries, for its supply of wine; but that your petitioners find obstructions in the way of their enterprise, which nothing but the fostering and protecting hand of Congress can enable them to surmount: These obstructions your petitioners will take the liberty briefly to enumerate:

In the first place, the soil and climate of this country are not well adapted for the grape, and consequently the product of a vineyard must be comparatively small, when compared with that of one of similar extent in France, Spain, Portugal, Teneriffe, or Madeira.

In the second place, labour in the United States is comparatively higher than it is in the wine producing countries of Europe, owing to the facility which exists here of procuring land of first rate quality, adapted to the growing of wheat and corn, and almost every other species of agricultural product, at one dollar and a quarter per acre, which operates decidedly to the disadvantage of the home producer of wine, and, in conjunction with the cause first named, enables the foreigner to undersell him in the home market.

Your petitioners have carefully studied the writings of Messrs. Niles and Carey, and the speeches of Messrs. Clay, Burgess, Lockwood, and others, in favour of the "American System," and have been clearly convinced, that nothing is so well calculated to increase the wealth of a nation, as imposing restrictions upon the industry of the people. It appears to your petitioners, as has been clearly shewn in some of the writings and speeches referred to, that the great end and object of this government is to organize the whole labor of the people, and to put into activity as much *American industry* as possible. Your petitioners could demonstrate, to the satisfaction of your honourable bodies, that, to produce a pipe of wine in this country, would require the labour of five times as many people as would be required to produce a similar quantity in France, and hence the nation would be greatly benefited by affording the protection which your petitioners solicit, which is merely to prohibit the importation of claret, port, Madeira and other wines, which can enter into

competition with the home producer, who will thereby be put into possession of the home market, which is his natural and unalienable right.

Your petitioners are aware, that there exists in the community a class of persons, who are operated upon by the most inveterate prejudices, and who persist in declaring, that the wine produced in this country is not as good as that which is imported from France, Portugal, Spain, and Madeira. This your petitioners conceive as a prejudice, founded in a predilection for foreign luxuries, and we can consider no man as entitled to the appellation of patriot, who does not consider the products of his own country to be better than those of foreign growth. The case is the same in reference to whiskey and French brandy. Whilst the former can be had in oceans, at twenty-five cents per gallon, there are persons, so destitute of the love of country, that they basely consent to give a dollar and a half a gallon for liquor which is not half so good. Your petitioners are clearly of opinion, that laws should be made to regulate the public taste, and that those who will not conform, in their fancies and appetites, to the consumption of those articles which can be produced at home, even at double the expense at which rival articles can be imported, should be made to do without either.

In regard to the ability of your petitioners to supply the home demand, there exists amongst them not a shadow of doubt. All that is wanted is full and ample protection, for it can readily be seen that a resort to hot houses can easily be had for those species of grapes to which our climate is not congenial. As to an increase of price, which would be apprehended from an act of prohibition, your petitioners regard it as a bug-bear. Have we not seen that high duties bring down prices instead of raising them? Look at cotton and woollen goods, and see the blessings which the nation enjoys from the tariff. But even if a similar effect should not follow a prohibition of foreign wines, your petitioners consider that a rise in price would be highly advantageous to the country. By doubling the price of wine, you double the wealth of the community, as relates to that particular article, and it is now becoming universally received as a sound principle in political economy, that the dearer an article is, the better it is for the consumer.

With these views, which will, we trust, be found to be in perfect harmony with the orthodox tenets of the "American System," we submit the matter to the wisdom of the legislature; and if a provision could be inserted in the law, to prevent all others from raising grapes, it might perhaps obviate the necessity of our applying at a future day for a bounty to enable us to carry on our labours. And your petitioners, as in duty bound, will ever pray.

[\[Back to Table of Contents\]](#)

ESSAY No. XX.

february 27, 1830.

Progress of improvements, especially in labour-saving machinery. The United States deprived of a participation in these improvements by restrictive laws. Nations that will not buy, cannot sell. Commerce an exchange of equivalents, illustrated by transactions between individuals.

THE rapid march of science, skill and enterprise, which has characterised the present century, is as unparalleled in history, as it is calculated to excite our amazement. Time and space seem to be gradually disappearing before the energetic and inventive powers of man. A sea-voyage, which formerly required three months, is now performed in as many weeks. By the aid of turnpike roads and steamboats, a journey, which a few years ago was performed with difficulty in seven days, may now be performed in two or three, and after the introduction of rail roads and steam carriages, we may reasonably expect to see the present velocity more than doubled. With all this improvement too, there is introduced along with it a diminution in the expense of transporting commodities, by which articles intended to supply the necessities, the comforts or the luxuries of life, are brought to the door of every individual upon much more economical terms than before.

Ingenuity and enterprise, however, are not confined to the mere facilities of locomotion. They are extended to the operations of agriculture and manufactures; and not a year passes without the introduction, into both of these pursuits, of some labour-saving invention, which occasions a reduction in the cost of the articles to which it is applied. It is, however, more particularly in manufactures, that are visible the mighty results which have been the astonishment of the present day. When we compare the slow and tedious process of the distaff, follow it up to the common spinning-wheel, and then examine the almost incredible rapidity with which spinning is performed, by the most improved machinery now in operation; and when we compare the facility and ease and expedition with which the power loom can convert yarn into cloth with the laborious movement of the common loom of former days, we need not be surprised at the great reduction which has been made in the prices of cotton and woollen fabrics. An article which used to cost for the weaving, perhaps fifty cents, can now be had for ten, and there are even some manufactures, the price of which, including materials and all, is less than half the former cost of making alone.

Unfortunately, however, the people of the United States are deprived, by the laws of the country, from participating in some of the benefits which have resulted to the world from the great improvements to which we have referred. As if desirous to remain in a stationary condition, and to spurn the blessings which other nations are ready to confer upon us, we build up walls around the Republic and prohibit them from entering. To the nation which says, "We will give you *two* yards of clothing, at the same price which it will cost you to make *one*, and will take in exchange for them some one or more of the numerous products of agriculture with which your country

abounds,” we reply, that, “Although we think it right that *we* should exercise the privilege of buying of you only those commodities which suit us best, yet we are not disposed to grant you the same indulgence. If you will not give us eight dollars a barrel for flour, which you can purchase from your European neighbours at six, we will take our revenge by refusing to sell you cotton at a higher price than we can get from others.” Can any thing be more absurd than such a system of reasoning?

But how, it may be asked, do we refuse to sell cotton to Great Britain? We answer, by refusing to buy her manufactures. Nations which cannot sell, cannot buy, and nations that will not buy, cannot sell. Cause and effect are not more inseparable, than the acts of buying and selling, amongst nations. Any one may see, that a nation which could sell nothing, could buy nothing; and if this position be true in the whole, it must be true in part. Every increase of duty, therefore, which excludes a million of foreign commodities, deprives the nation of the power of exporting a million of domestic products; for foreign commerce, being nothing but the simple operation of exchanging one thing for another of equal value at the place where the exchange is made, no exchange can take place unless the parties mutually consent to take from each other. Of the truth of this principle every day affords ample illustration in the pursuits of individual life. The farmer we will suppose to say to the hatter and the shoemaker, “Henceforth I intend to make my own hats and shoes, and as you cannot live without provisions, you will be obliged to buy of me with money.” The hatter and shoemaker reply, “All the money we receive in the way of our business, we have other calls for, and if, therefore, you will not take our hats and shoes, which are the only things we have to give, we must try to find out some other farmer who will trade with us, and if we cannot do that, we shall be obliged to raise the provisions which we used to get from you in our own gardens and fields. In such case you will perceive, that neither you, nor we, will be as well off as when we used to exchange the articles which *we* could make to the best advantage, for those which *you* could make to the best advantage; and we therefore caution you against a proceeding by which you cannot gain, and which will injure yourself as much as it will injure us.” Wherever you travel through the country, you hear this question—“Will you trade?” Now what is this, but an admission of the principle, that if you will not buy of *me*, I cannot buy of *you*?

[\[Back to Table of Contents\]](#)

ESSAY No. XXI.

march 3, 1830.

Desponding tone of the Southern papers as to the prospect before us. Apathy of the merchants beginning to wear off. Symptom of a change of public opinion beginning to appear.

WE are sorry to observe the desponding tone which has lately appeared in several of our Southern and South-western papers, in relation to a modification of the tariff; for although we cannot but admit that present indications are far from being favourable to the expectation of a repeal during the present session of Congress, yet we feel a strong persuasion that another year will alter the face of things. At the present moment there are several elements working towards the accomplishment of that desirable object. One is, that the apprehension of the establishment in the United States of the Holy Inquisition, in conformity with the principles of the bill recently reported by the Committee on Manufactures, has infused a little life into the dry bones of the merchants of the Northern cities, and aroused them from the lethargy and indifference to their rights which they have displayed ever since the passage of the tariff act of 1828, and which has been carried to such an extent, that, with the meekness of sheep led to the slaughter, they have submitted to their fate without so much as a murmur. A few symptoms of revival have just now begun to appear. We ourselves have seen the necessity so urgent of a co-operation on the part of the mercantile interest of the North with the agricultural interests of the South, that not content with the arguments employed in our editorial columns, we have resorted to other means of operation. Overlooking the fact that, since the establishment of our journal at Washington, our list of subscribers in the four commercial cities of Boston, New York, Philadelphia, and Baltimore, instead of increasing, has diminished so greatly as not to leave us in the whole two hundred and fifty who have considered the unfurling of our "Banner" in the cause of free trade, as worthy of their patronage, we have written private letters to a few spirited individuals, urging them to employ their exertions in getting up, if possible, some expression of public opinion, by which their fellow-labourers in the cause of the country at the South, should not have reason to apprehend, as many of them do, that they have all deserted the standard of freedom and gone over to the enemy. The indications are favourable, but we cannot say sufficiently so to remove from our minds the apprehension that the inquisition bill may yet become a law; and we will take this occasion to remark to our commercial friends, that unless some strong remonstrances be presented, and that without delay, there are grounds for fearing that their worst apprehensions will be realised. They cannot expect their friends who are less interested, to make more active exertions than themselves.

A second cause which is operating in our favour, is the ruin and devastation now stalking over the face of the country, and which are visiting the same misery upon tens of thousands of deluded individuals, which the banking system, another offspring of legislative folly, spread over the land some twelve years ago. The wool growers and wool manufacturers are every where suffering from the excess of competition,

and nothing prevents an immediate wide-spread bankruptcy but the hopes that some miracle will be wrought to save them from total destruction. A third cause, and one more powerful than either of the others, and which in fact is the chief occasion of the low price of goods, is smuggling, which, by degrees, is undermining the morals of the nation, and which at no distant day is to accomplish the total annihilation of all the unnatural cotton and woollen manufacturing establishments in the country. Smuggling is destined to accomplish, what reason and a sense of justice have thus far failed to do; and although we most deeply deplore that good is to be wrought by the agency of such improper means, yet there is one consolation left us, which is, that the advocates of the American System will have nobody to blame but themselves for the consequences.

[\[Back to Table of Contents\]](#)

ESSAY No. XXII.

march 3, 1830.

Design of Rail roads and canals. Their advantages. The protective policy incompatible with Internal Improvements.

THE great object of rail roads and canals, is to cheapen the transportation of commodities, especially of the kinds which comprise little value in a large bulk. Hence they may be immensely important to cities and populous towns, in reducing the prices of wood, lumber, coal, lime, hay, corn, flour, and numerous other articles produced from the land. They are also important to the country, by enabling distant farmers to transport to market, produce, which before was unsaleable, on account of the heavy expense of land carriage, and to receive from the seaports, iron, salt, groceries, crockery, hardware, and numerous other articles of foreign production. It is therefore chiefly for the transportation of such objects that rail roads and canals are adapted. In reference to commodities which comprise great value in small bulk, they are of so little advantage as hardly to be worth naming. The actual expense of transporting merchandise from Philadelphia to Pittsburgh, a distance of three hundred miles, all the way by a turnpike road, has not for some years, upon an average, exceeded three cents per pound, and therefore, *one cent per pound for one hundred miles*, may be considered as an estimate sufficiently exact for any ordinary calculation. Supposing canals and rail roads, therefore, to reduce this expense to one-fifth, or even much less, the diminution of expense would not be very sensibly felt upon those valuable commodities which constitute so great a proportion of the supplies sent from the East to the West; upon teas, fine woollen cotton and silk goods, linens, and many other articles, it would not be perceptible, whilst upon hundreds of other objects it would not amount to a difference greater than is sometimes to be found between the prices of two stores in the same town. Even upon the coarsest species of cotton shirting manufactured in this country, weighing about one third of a pound to a square yard, the difference would be such a trifle as to be scarcely visible to the consumer.

Now, if these facts be admitted, it is very clear that rail roads and canals, in order to be profitable to their proprietors, require the existence of that state of things which produces the most numerous exchanges of bulky articles. And what is that state of things? Clearly, foreign commerce, which, by creating a demand for foreign productions, carries with it a demand, as inseparable as cause and effect, for our agricultural productions. It is all folly to cry out that foreign nations will not buy of us. The reason they do not buy more than they do, is because we refuse to buy of them, and the more we refuse to buy of them, the more do we put it out of their power to buy of us. It is our own fault that the exports of our agricultural products are not one hundred millions of dollars annually, instead of fifty.

It is no answer to this proposition to say, that the home trade calls for rail roads and canals; for if we understand the views of the authors of the "American System," their

project is, to let every state and county and village have a portion of its *blessings*. In some of the reveries of these philosophers, they have imagined the “American System” to be plastered all over the country, studding the surface of each state with manufacturing villages, and bringing the consumer along side of the producer. Indeed the work is already advancing. In Pennsylvania and Kentucky, meetings of manufacturers have already been held, adopting the system, in particular villages and counties, upon the professed ground that it is injurious to the public interests to import from another state or town, articles which can be made on the spot, and which, by the by, never would be imported unless they could be had cheaper or better. Now, we humbly ask any intelligent man, who is capable of thinking on the subject, whether the “American System” is not adverse to the Internal Improvement policy, and whether it is not a capital error, to suppose that canals and rail roads are called for by that state of things which places the manufacturer along side of the farmer? Even supposing that manufactories should generally be located in New England, canals and rail roads would not be needed to convey to that section of country the cotton and wool and flour of the Southern and middle states. The ocean and the rivers afford already ample means of a cheap communication. We therefore think that the advocates of internal improvement have made a great mistake in connecting their policy with that of the tariff party, who, if their plan should succeed to its full extent, would require no artificial roads and canals to carry on their concerns.

[\[Back to Table of Contents\]](#)

ESSAY No. XXIII.

march 3, 1830.

Indifference of the public as to indirect taxes. Doctrine that paying high prices for commodities is beneficial to labourers, shewn to be erroneous. Extraordinary blindness of persons who live on fixed incomes, in relation to the protective system.

ONE of the strangest anomalies which has ever been presented in this country, is the aversion of the people to pay direct taxes for the support of government, and their entire willingness to pay indirect ones, which are to go to the support of individuals. The man who would rebel at a land tax of ten dollars, if payment were demanded by a tax gatherer, will most cheerfully pay a hundred dollars, if the collector of the tax is the custom-house. Now we cannot see why the mode of collection should make so great a difference as is here expressed. Undoubtedly the collection of the revenue by duties on imported commodities, is much the most convenient and satisfactory to the public at large, but this convenience may be too dearly paid for.

The fact however, is, the people generally do not know that they pay a tax when they consume a foreign commodity. The family which consumes a barrel of sugar in a year, does not know that it pays a tax on it of five dollars, and the same sum on a bag of coffee. Nor does the gentleman who wears a suit of broadcloth know that he pays a tax on it of twenty dollars, and that he cannot put a carpet on his floor without paying a tax for the privilege, of from ten to a hundred dollars. The farmer does not know, that if he consumes on his farm in ploughs, chains, hooks, harrows, hinges, axes, spades, shovels, and the various other articles necessary for his business, 5 cwt. of iron in a year, he pays a tax of \$9.25. The labouring man, who works from morning till night for a scanty subsistence, does not know, that for every square yard of flannel or green baize or cloth he purchases for clothing, for his family, he pays a tax equal to more than the first cost of some qualities of those articles in England, and to twice the cost of others. We wonder why the benevolent societies of the different cities do not take up this subject, and see the poor restored to their rights. It would be a thousand times more to their interest, than the various expedients resorted to, to extend partial and temporary relief; for, it is very clear, that many of those who become chargeable, would be able to escape pauperism, by being timely relieved from an oppressive burthen. It is the last hair that breaks the camel's back. It is often the deficiency of a dollar or two, that throws the poor man behind hand, and prevents him from ever again obtaining his original position in the race to wards competency. This is known to every body. Many a merchant even could trace his misfortunes to the want at some period of a very small sum, which, throwing him on the list of borrowers, has eventually driven him into losses and sacrifices that could never afterwards be repaired. How important then, is it, that no unnecessary, partial and unjust system of taxation should prevail, to bring about such a state of things!

The common argument against these positions is, that although it be true, that people pay more for foreign commodities under high duties, than under low duties, yet that

they get more for their labour. Never was there a greater fallacy advanced than this. The opposite result, on the contrary, is the truth. They get *less* for their labour, and upon the plain principle, that as every body else has to pay a higher price than they would have to pay, were the duties low, for the articles of which they stand in need, the means of every body to purchase the labour of others is proportionally diminished. That this is so, will be manifest to any one who reflects for a moment upon an individual case. Can any man, who has to pay a tax of ten dollars, afford to employ as many persons as if he paid none? If not, then it will be seen that a tax equal only to five dollars per head of the population of the United States, for the support of manufactures, would diminish the consuming power of the community to the extent of sixty millions of dollars, and, consequently, diminish the demand for labour in an equal ratio.

But there is one class of persons, who are so clearly injured by the American System, that we are at a loss to account for the total blindness they exhibit in regard to their interests. We allude to those who live upon fixed incomes, whether they are derived from salaries, stocks, public funds, ground rents, mortgages, or annuities. No one will pretend to say, that *their* revenues are increased by the imposition of high duties; and when we know, that a family which expends \$2000 per annum, cannot pay less than \$100 in taxes on their consumption, not for the support of government, but for the support of persons who are carrying on a losing trade, which cannot be sustained without contributions from the people, we are really astonished at the quiescence with which they submit to be fleeced. There is many an individual, who is at this day prevented from giving his children a good education, because the money which he ought to appropriate to that object, is extorted from his pocket, in order to enable some manufacturer to make the fabrics of which he stands in need, at double the price at which they could be procured from others. How long will this delusion last?

[\[Back to Table of Contents\]](#)

ESSAY No. XXIV.

march 3, 1830.

Recent efforts to advance the cause of free trade. Mr. Cambreleng's Report on Commerce.

AMIDST the calamities which are now weighing down the American people, and which have been brought upon them by a policy, as destructive in its tendency as it is fraudulent in its name, there is one consolation to be found, in the reflection, that the struggle for freedom in trade has brought out a more full and enlarged discussion of the principles of political economy, as connected with the restrictive system, than had ever before been presented. Prior to 1816, the scientific works of Smith, Say, Franklin, and a few other political philosophers, constituted almost all the learning which was accessible on the subject; and even in these writings, the truth, that industry is most productive when left free from legislative interference, was rather asserted as a self-evident proposition, than as a doubtful doctrine, calling for illustration. Hence, when fourteen years ago our statesmen were called upon to oppose the innovation upon the then existing liberal policy of this country towards foreign nations, which was then first attempted, they were compelled to rely more upon general principles than upon detailed expositions. Economical science, at that day, stood unsupported by auxiliary authorities, as the principles of the common law stood, before an accumulation of the books of reports. The case is now however altered—the constant efforts which have been made since the year 1819, by the advocates of monopoly, to extend the restrictive system over the whole face of the land, have naturally led to an examination of the mischievous tendency of that system, and of the fallacious arguments employed by the oppressors of the people, to induce them to hold still whilst they were getting fleeced. At this day, there are books, and documents, and speeches, all produced within the last seven years, which have shed such a light upon the subject of the delusion called the “American System,” that no man need now grope in the dark, who does not prefer obscurity to light.

But this is not all. The work is still going bravely on, and every year will witness an increase of knowledge on the subject, which, at a future time, cannot but assume a form so powerful, that all the artifices, absurdities, and childish fancies, gravely put forth as political economy, by grave men, who imagine themselves to be statesmen, will be dissipated like fogs before the morning sun.

Amongst the recent productions with which the cause of sound political science has been enriched, the Report upon Commerce, made to the House of Representatives by Mr. Cambreleng, stands pre-eminent. To that gentleman, the country is in no small degree indebted, for one of the most able, nay, we must say, according to our humble apprehension, *the most able and masterly* exposition of the practical operation of restrictive laws, that has ever been submitted to Congress; for it not only advances and maintains in an argumentative, sound, and logical manner, the grand essential *theories* of free trade, but it supports and renders irrefutable those theories, by the

adducing of the most conclusive *facts*, collated in the form of tables. To those only who are accustomed to scientific and statistical researches, can possibly be known the labour bestowed upon a composition of this sort. It is not within the walls of a committee room in the Capitol, however industriously a member may be employed, that such full developments of important principles and facts are to be made. Months of unceasing toil are requisite for the amassing of such a body of information as is contained in this report; and when we find an individual, whose zeal for the interests of the country has led him to devote to the public service, as we presume Mr. Cambreleng has done, time and industry not belonging to the public, we think that his claims to the public gratitude are very materially increased. In our next paper we shall commence the publication of this important document. It will be read by every friend to the true interests of the country with satisfaction, and should be preserved for future reference by all those who wish to retain in their possession a document, before which all the vapid and silly effusions of the whole College of “American System” philosophers sink into mere non-entity. The facts which are there brought forward cannot be disputed, and we are so fully convinced, that this document itself contains sufficient evidence to establish beyond all *rational* doubt, the absolute and consummate folly of the restrictive system, even as regards the interests of the manufacturers, that we say, without hesitation, that those who reject such testimony, cannot be reached by the powers of reason.

The merchants of New York, says the Evening Post, have made arrangements for printing 5000 copies of Mr. Cambreleng’s able and masterly Report on Commerce, for distribution. This is as it should be. Those who are injured by the tariff policy, thousands of dollars a year, should not hesitate to expend their tens, in the dissemination of knowledge, calculated to overthrow that policy. It was by means of the press, that the arch heresy which is destroying the peace and prosperity of this country, became first implanted amongst us, and it is by means of the press, that the imposture is to be eradicated. But the press cannot operate, unless some one will pay for its support. And who, in the natural order of things, should perform that duty? Clearly, those who are to put a hundred dollars into their pockets, for every five they take out.

It is a remarkable fact, and one which ought not to be forgotten, that of all the writers and statesmen, who within the last seven years have done so much to enlighten the public mind, upon matters of political economy, there is not one, who has a deeper stake in the question of high duties, than any moderate consumer of foreign commodities. And yet all their literary, scientific and political services, and they have neither been few nor unimportant, have been rendered to the cause, without any remuneration, except the self-consciousness of having performed a service to the country. Of their exertions of the mind and the pen, others are to reap the reward, and the least therefore that these latter can do, is to compliment those who have laboured for their interests, by giving circulation to the writings and public documents, which are the fruits of their labours, and which can alone remove the veil from the eyes of the people.

[\[Back to Table of Contents\]](#)

ESSAY No. XXV.

march 6, 1830.

The doctrine, that countervailing duties against the restrictive laws of other nations are beneficial, shewn to be unsound, by reference to the trade between Buenos Ayres and the United States.

ONE of the most usual arguments with the advocates of high duties, and even with some who strongly incline to the doctrine of free trade, is, that if nations adopt the restrictive system, as relates to our productions, it is wise policy in us to adopt it in relation to their productions. A very simple illustration will shew the fallacy of this position, and we shall draw one, from a species of trade which can very easily be comprehended.

The commerce between the United States and Buenos Ayres consists, for the most part, in an exchange of agricultural products. We send to her, flour; she gives us in exchange for it, hides. Now, why should the people of the United States, who have such an abundance of grazing lands, send all the way to Buenos Ayres, a distance of seven thousand miles, to procure what they can raise at home? And why should the people of Buenos Ayres, who have very fine wheat lands, send all the way to North America to procure what they can raise at home? The answer is plain; because each, by appropriating its lands to the raising of the particular species of agricultural productions for which they are best adapted, and then bartering the one for the other, can procure a greater quantity of the article desired, than if it were raised at home. In other words, the American farmer, by raising wheat, can purchase with it, by sending it abroad, more hides than he could obtain if he were to raise cattle on his farm; and the Buenos Ayrean *Gaucha*, by grazing cattle, can purchase more flour, by sending his hides abroad, than he could raise, with the same capital and labour, if he were to till his lands. This is the principle upon which commerce is founded. Every nation has some particular advantage over others, or else an interchange of commodities could not exist, and whether this advantage be *natural*, as in climate or soil—or, *artificial*, as in skill, industry, intelligence, enterprize, low wages, or, abundance of capital, it is of no sort of consequence; the benefits of mutual exchanges are the same.

Let us now suppose that at Buenos Ayres there is no duty on American flour, as in the United States there is no duty on Buenos Ayrean hides. Let us also suppose, that a Pennsylvania farmer upon one hundred acres of land can raise 2000 bushels of wheat, which can be manufactured into 400 barrels of flour, and that this flour can be bartered at Buenos Ayres for hides, so as to bring back, we will suppose, after paying freight outwards and homewards, and paying insurance, commissions, and all other charges, 400 hides, that is, one hide for every barrel of flour. We will also suppose that the Pennsylvania farmer, by grazing instead of tillage, can only get off of his hundred acres of land, 200 hides, that is half the quantity. The proposition we are to combat asserts, that if the Buenos Ayrean government should lay a duty on flour, it would be good policy in our government to lay a corresponding duty on hides, that is,

that we should be benefited by such countervailing duty. Let us examine this matter minutely.

Buenos Ayres imposes a duty of fifty per cent on American flour. The effect of this would be to diminish its consumption; for, at a higher price, it is not possible that the same quantity of any commodity can be consumed. The Pennsylvania farmer finds a diminished demand for flour at Buenos Ayres, and he will not, consequently, raise so much wheat. He experiences a positive loss from this diminution of his trade, arising from the act of the Buenos Ayrean government, and the Buenos Ayrean people also experience a corresponding loss, from a diminution in the demand for hides. Each nation, from necessity, will be obliged to turn a portion of its capital and industry to a less productive branch of agriculture. But the Pennsylvania farmer can still find a market at Buenos Ayres for the produce of 75 acres of his land, that is, for 300 barrels of flour, and can receive in exchange for it 300 hides. It is therefore better for him, to go on with his trade, because, notwithstanding this high duty, he can get more hides from Buenos Ayres for the produce of his 75 acres, than he could get from turning his land to grazing.

Buenos Ayres, we will suppose, goes still further. She increases the duty on American flour, and by that means diminishes the consumption of it to 200 barrels. Still the Pennsylvania farmer can find a market for the product of half his land, and so long as the market is left open to him for any portion of it, it is not for his interest that he should restrict it, further than the Buenos Ayrean government itself has done. A half a loaf is better than no bread. If a man refuses to buy two hats, that is no reason why a hatter should refuse to sell him one, or, if he refuses to buy of a butcher a quarter of mutton, that is no reason why the butcher should refuse to sell him a leg. That a countervailing duty would only make matters worse, can easily be shewn by following up the illustration.

The United States government, by way of retaliation, lays a duty upon Buenos Ayrean hides. This diminishes the sale of hides in Buenos Ayres, and as those who cannot sell, are deprived to an equal extent of the power of buying, the demand for American flour is, to that amount, diminished, and thus the Pennsylvania farmer would find that the act of his own government, instead of benefiting him, had aggravated the original evil, and that the effect of such a measure would be precisely like that of a man, who, by way of retaliation upon another for a supposed wrong, should fall to work and pull his hair out of his own head, as some foolish children do.

A countervailing duty is only justifiable upon economical principles, where there is a reasonable probability that the original aggressor upon the laws of free trade can be coerced into an abandonment of his error. If it should fail of success, it cannot but be productive of mischief, and as a permanent system it is always to be avoided. Unless this reasoning can be shewn to be unsound, it must follow that, if nine nations out of ten adopt the restrictive system, it is the true policy of the tenth one to stick to free trade, and if the nine are silly enough to refuse to buy two barrels of flour, to sell them one, rather than none.

[\[Back to Table of Contents\]](#)

ESSAY No. XXVI.

march 6, 1830.

The American System adopted in Kentucky. Absurdity of, shewn in a reference to the proceedings of a public meeting at Versailles, in that state. Circle described by the money received by the graziers of the Western country in exchange for live stock. Individuals, as well as nations, are enabled to sell, because they buy.

WE present our readers below, with the proceedings of a meeting of mechanics and citizens of the town of Versailles, in Woodford county, Kentucky, held in October last, adopting the principles laid down by the American System, which teach, that it is good policy for a nation to deal as little as possible with foreigners. The address of the committee appointed by the meeting, will be found to be in perfect accordance with the leading features of the restrictive policy. It denies that any reasoning is required, “to prove that it is the interest of Kentuckians to encourage and use Kentucky manufactures in preference to the manufactures of *our sister states*, and particularly the manufactures of foreign nations,”—insists upon it, that trade with the Eastern and Northern states drains them of their money; and asserts that Kentucky, by the present course, will become more impoverished than other states possessing fewer natural advantages.

From this movement in the West, which appears to have been preceded by one in Shelby county, where “*the true Kentucky policy*” seems to have first been proclaimed, it strikes us that the shoe begins to pinch in that quarter of the country, as it has already done in so many other sections of the union. It is well known to the community, that Kentucky is an agricultural state, and that amongst her articles of export are thousands of horses, cattle and hogs, which are driven into the Carolinas and Georgia, where they are sold for money. It is also known, that during the last year a spirit of retaliation against Kentucky, for the active part taken by her Representatives in Congress in favour of the system so injurious to the Southern states, was manifested by the latter in a refusal to purchase the usual supply of animals. This refusal could not but have resulted in great inconvenience and loss to many of the drovers and raisers of stock, who, in their turn, must have fallen short in their payments to the merchants and mechanics at home; or, at all events, have been deprived of a part of the capital with which they had usually carried on their business. It is impossible that any great interruption to trade, domestic or foreign, can ever take place, without shewing its effects throughout the whole community upon which the interruption operates; and if the drovers of Kentucky, last year carried back from the Southern states only two or three hundred thousand dollars less than the amount which they had usually received for the same number of animals, numerous embarrassments must have been felt in the grazing districts. The real causes however of embarrassment, and what is called scarcity of money, are not always apparent to those who are only indirectly reached by the sinking of capital, and the chances are ten to one that some erroneous one will be assigned.

This has clearly been the case in Philadelphia, in reference to the American System. Every step taken in that wretched policy, has operated upon that commercial city, precisely in the same manner as a decree abolishing certain employments. Ship-builders, boat-builders, riggers, sail-makers, rope-makers, plumbers, smiths, painters, stevedores, clerks, porters, and all others who gain their livelihood by commerce and navigation, are thrown out of employment, and swell the ranks of the competitors in other species of labour, whilst their wives and daughters are compelled to seek employment with their needle, in channels already filled up with a due proportion of seamstresses. These people, from their station in life, are most of them incapable of judging of the real cause of their sufferings, and can very readily be made to believe, that the falling off of commerce, which they behold, is the result of the refusal of foreign nations to buy of us, when it is in fact owing to our own folly in refusing to buy of them, and thereby putting it out of their power to buy of us; for nations if they cannot sell, cannot buy.

In the Kentucky address there is visible the same species of erroneous reasoning. The committee seem to suppose, that whether the people of Kentucky consume the manufactures of the North and East or not, there will be the same demand at the South, for the productions which they sell for money. This is a great error. The money drawn out of Carolina for horses and cattle in one year, *is the same money which is drawn out the next*. If a bundle of bank notes, or a bag of dollars could have made a speech at the Versailles meeting, it would have been pretty much in the following terms:—"I am by nature a wanderer, and can no more be compelled to remain in Kentucky, than the water of the Ohio can be made to stop at the falls. My late owner brought me from Carolina, where I was exchanged for a drove of hogs. On my arrival in this state, I was handed over to a storekeeper, who to-morrow is going to send me to a manufacturer in Massachusetts, to pay his bill for domestic goods, purchased six months ago. I shall not long remain in that quarter. The crop of cotton will begin to be ready for shipment, from Charleston, about the first of November, and I shall be sent there to buy cotton, to make more domestic goods. There I shall fall into the hands of a factor, who will send me into the country as a remittance to some planter, and before another year is over, I will be back here again as the price of a drove of horses. Therefore you can readily see, that if any impediment is put in the way of my going to the Eastern manufacturer, no more cattle can be sold in Carolina, because the Carolina planter will not get his usual supply of cash from the North, inasmuch as the Eastern manufacturer can only buy cotton, because the Kentucky merchant buys his manufactured goods." This is the real operation of the internal trade of this country, as far as it is carried on by money, and not by the intervention of bills of exchange; and if it were possible for Kentucky to carry the American System to the extent recommended by the meeting of Versailles, she would find a corresponding falling off in her exports of live stock. The circle which we have mentioned, as performed by the money brought into Kentucky for her produce exported, is just as regularly described as that of the earth around the sun.

We rejoice to see such proceedings as those alluded to. Their entire absurdity will strike the common sense of the public, and lead them to reflect upon the miserable condition to which we should be brought, if the system were carried out to its full extent—if not only every state, but every county, every township, nay every

individual family, should resolve to manufacture within itself, all the articles required to supply its wants. And here we will take occasion to remark, that the idea inculcated by the address, that shoes, hats, saddlery, tin ware and many articles made of iron, are much cheaper in Kentucky (quality considered) than when imported, is of a somewhat dubious character to us, who hold the doctrine that people are the best judges of their own interests. If, however, this is not true of those for whom the address was intended, the manifest remedy would have been to have addressed their understandings, and not their prejudices—to have convinced them that Kentucky manufactures were cheaper and better than foreign, and there would then have been no necessity for the cultivation of those bad passions of jealousy and ill will, which must always exist, where one party is persuaded that he is “tributary” to another. By such a course too, the liberal doctrines of free trade would have been inculcated, instead of the selfish fallacies of the restrictive system; for, by the principles of an enlightened political economy, it is enjoined upon all to buy of those who can furnish at the cheapest rate, any article of a given quality.

[\[Back to Table of Contents\]](#)

ESSAY No. XXVII.

march 24, 1830.

Foreign capital. Employment of, shewn to be advantageous to the country, and one of the great sources of the prosperity of the United States. Fallacy shewn, of the assertion that an exportation of public stocks and bank stocks is injurious.

ONE of the great evils supposed to be inflicted on the country by the importation of foreign manufactures is, that it occasions the transmission abroad of immense quantities of public stock, bank stock and other similar securities. The constant repetition of this theme has made a very deep impression on the community, and many honest people do really believe that this operation is positively disadvantageous to the nation. We think we can demonstrate that it is not so, and with that view, submit the following remarks, which, although not new to most of our readers, may be so to some.

Ever since the colonies, which now form these United States, were planted by the mother country, it has been found advantageous for the inhabitants of this country to borrow capital from Europe; for, as capital invested here, would usually produce in agriculture, commerce, or manufactures, a greater revenue than the amount of the interest at which it could be borrowed, there was a clear gain to the country of the difference. Thus, if a man could borrow in London £100, at five per cent. interest, and apply it to some productive employment by which he could convert the £100 into £110, it is manifest that he would be a gainer of five pounds, and that although five pounds would have to be sent out of the country to pay to the foreign capitalist the interest on his loan, yet the country would still have been five pounds richer than if the loan had never been made.

Such foreign loans have always been made to a very great extent, and it is to this circumstance that is in a great degree to be ascribed the unexampled rapidity which has characterized the march of our population on the road to wealth. But let it not be understood that by loans of capital, we mean loans of money, from individual to individual. We allude to the loans of capital in the form of merchandise sold to our merchants upon credit, and which perhaps at no period since the revolution, have ever been less in amount than several millions of dollars. To those who are not accustomed to regard a sale of merchandise on credit, in the light of a loan of capital, the proposition may not perhaps at first sight appear to be clear, but a little reflection will shew that there is no difference in the two cases, except indeed that the man who borrows merchandise is better off than the one who borrows money, for the latter in reality only requires money that he may have the means of buying merchandise.

The advantages which a young and thriving country derives from the borrowing of capital from abroad, consists in this:—that she is thereby enabled to put into activity industry, which would otherwise remain idle and unproductive. For, it is evident that, without capital, either in the shape of agricultural produce, merchandize, raw

materials, ships, or implements, &c., it is impossible to set people at work. Even the farmer who derives his food from the earth, cannot subsist, unless he possesses a capital in provisions sufficient to feed him until his crops come to maturity; and if the operations of these purchases on credit, should be traced through their remotest ramifications, it would be found that, fields in Missouri are now getting ploughed, which would have been this day lying waste, had not some merchant in England, sold upon a credit to some merchant in Philadelphia, articles, which he, solely by means of this credit, was enabled to sell to a merchant in St. Louis, who, owing to this facility, was enabled to sell to the farmer in question, as his only means of supporting himself, of buying implements and seed, and of hiring others to assist him, whilst his grain was growing. The same is true of the operations of commerce. What a vast proportion of our export trade consists of cargoes purchased on credit; and although these credits are not directly obtained by the exporting merchant from the foreign capitalist, yet they are indirectly obtained from him, for, without the aid of his loans to some person in the community, the domestic capitalist could not have given the credit on his produce. In many cases indeed, the credit obtained by the importer is clearly shewn to result from the credit given by the European capitalist—as, where foreign merchandize is exported to the West Indies or to South America, purchased at a credit, which the importer is only enabled to give, because he receives it.

From this it may be seen, that whenever capital can be borrowed abroad, at a less rate of interest than the profit which can be derived from its employment at home, it is advantageous to the country to borrow it, and that the more that is borrowed for purposes of productive industry, the better. Whenever such loans cease to be profitable, they will cease to be made, but so long as ten per cent. can be produced from agricultural, commercial, or manufacturing employments, and so long as domestic capital cannot be had at less than six per cent., whilst foreign capital can be had at four, so long will the country be a gainer by borrowing. Now, what are public stocks? Nothing but the promissory notes or bonds of the government, stipulating for the payment of certain sums of money at specified or at indefinite periods. They differ in nothing, except as to the supposed solidity of the security, from the notes or bonds of individuals, and the exportation of ten millions of them has no more unfavourable influence on the wealth or prosperity of the country, than the exportation of ten millions of notes and bonds issued and made payable at a future day by a hundred importing merchants. It is true, that the amount of the interest is annually withdrawn from the country, but how manifest is it that this interest is only a part of the profit which has been made by the employment of the capital, and to look upon that as an evil, would not be less absurd, than if a man who should borrow a hundred dollars at five per cent., and make ten out of it, should complain that he was getting ruined, because he was obliged to pay his creditor for the hire of the instrument by which he had put five dollars into his pocket.

[\[Back to Table of Contents\]](#)

ESSAY No. XXVIII.

march 27, 1830.

Advantages of direct taxation over indirect taxation. Difference shewn in the case of the expenses of a labouring man. Probable amount of indirect tax paid by the population of the United States.

A SENSIBLE writer in Georgia, who has favoured us with an article which appears to day, has advanced the opinion that it would be for the interest of the people of this country to support the government by raising an adequate fund by direct taxation, rather than by imposts. That his position is sound, we are perfectly satisfied, but the misfortune is, that, in the actual state of public information, it would be impossible to convince the people that it was better for them to put their hands into their own pockets and take out *one* dollar, than to let somebody else do it for them, and take out *five*. That the custom-house process of taxing the nation costs five times the amount that the process of a direct tax would cost, we think can easily be demonstrated, and although we have not the most remote idea of ever seeing so much good sense in the nation, as would lead us to make, our ports free ports, yet we think the subject is one which is worth commenting on.

After the year 1834, when the whole of the public debt will have been extinguished, and the world will be presented with a phenomenon in politics never before beheld, of a nation containing a population of twelve millions of people, *without a national debt of a single cent*, the expenses of this government will amount to an annual sum not exceeding twelve millions of dollars. This sum would average, upon the whole population, 1 dollar per head, or, say 5 dollars upon every family of five persons; but if assessed in the mode in which state taxes, or county rates and levies, or corporation taxes, *all of which are direct taxes*, are assessed, would vary in such a way as would probably not fall upon the generality of the poor at a higher rate than fifty cents per family, nor upon any of the rich, at more than fifty dollars per family. That such a compromise would be immensely for the benefit of all, will not be disputed by any one who will for a moment reflect upon the indirect tax he pays under the present system of duties.

We will first notice the rich man, who lives in more or less affluence, and who has a family of five persons. The tax he pays upon his clothing for himself, his wife and three children—upon his carpeting, bedding, bed linen, blankets, table linen, towels and furniture—upon his knives and forks, plates, dishes, china and glass ware—upon his hats, shoes and boots—upon his carriage and harness—the locks and hinges, bolts and nails, and window glass, employed in building his house—upon his sugar, coffee, tea, wine, brandy, porter, beer, spices, and the hundreds of other articles which form a part of his consumption—the tax he pays, we say, will probably amount to several hundred dollars per annum, and certainly to not less than twice or thrice the amount he would have to contribute in the form of a direct tax. But it is not for the rich that we have any concern. They are able to take care of themselves, and if they are willing

to pay two or three taxes instead of one, they are at liberty to dispose of their wealth as suits them best.

The case is not so, however, with the poor and labouring man. He is obliged to toil from morning till night, to procure a humble subsistence; and instead of being taxed lighter in proportion to his inability to pay, he is taxed heavier. It would be no difficult matter to shew how he would be a gainer by the substitution of a direct tax for a custom-house tax, and as his bill of fare can be easily made up, we shall trouble the reader with a short statement. We shall take a mechanic who earns one dollar per day, upon an average, or, say, \$300 per annum, who has a wife and three children.

His rent we will suppose to be \$50, but if his landlord had not been compelled to pay high duties upon the window glass, locks, bolts, nails, hinges, fastenings, screws, and other articles used in building the house, he could have obtained it for less, say,	\$1	
For himself, he would require one suit of good woollen clothes, containing three square yards, at \$2.25 per yard, the duty of which is just one half, or,	3	37½
One suit of working clothes, three square yards, at 90 cents, the duty on which is just half, or	1	35
For himself, his wife, and children, he would require ten square yards of coarse flannel, upon which the duty is 22½ cents per square yard, equal to	2	25
He would also want for lining, 10 square yards of baize, upon which the duty is also 22½ cents per square yard, equal to	2	25
The other clothing of himself and family, hats, shoes, blankets, stockings, &c., would not cost less than \$30, upon which the duty would be at least	10	
They would consume two bushels of salt, on meat, fish, the table, &c., the duty on which would be		50
Six pounds of tea—duty at 50 cts.	3	
Fifty pounds of sugar—duty 3 cts.	1	50
Twelve pounds of coffee—duty at 5 cts.		60
One gallon of foreign liquor—duty 40 cts.		40
All other articles not enumerated,	0	77½
		\$27 00
Amount brought up,		\$ 27 00
Instead of this enormous sum which he now pays, he would, under a direct tax, have to pay	1	
		\$
Leaving a clear gain in his favour of	26	00

That the duty system operates as a tax upon the whole nation, to the extent of sixty millions of dollars per annum at least, that is, upon an average, of five dollars per head of the whole population, can easily be ascertained by any one who will take the trouble of making a detailed calculation of his own expenses, keeping in mind that whether he consumes foreign or domestic commodities, he is to estimate the duty charged upon the foreign article, as a part of the price he pays for the domestic article.

For it is evident, that if a man pays for a yard of domestic muslin ten cents, which, were it not for the protecting duty, he could purchase for eight cents, he is taxed two cents, or twenty-five per cent., which he would otherwise escape. Thus it is evident, that the amount of duties collected in the year, is no evidence whatever of the amount of the tax which consumers pay; for, were the case otherwise, the absurdity would exist, of supposing that the higher the duty the less the tax, inasmuch as fewer goods would be imported under high duties, than under low duties.

We should like some domestic economist, who keeps an account of the expenses of his family, to furnish us with an accurate statement of the articles he consumes in the year, with a statement of their cost under the present rates of duty, and of what would be their cost if there were no duty. Some important and striking views on this subject of indirect taxation might be presented to the people, which would open their eyes, and lead them to regard as their best friends, those who are most anxious to see them relieved from all burthens, except those which are absolutely necessary for the support of a cheap government, such as ours ought to be.

[\[Back to Table of Contents\]](#)

ESSAY No. XXIX.

march 27, 1830.

Theory of the balance of trade being proved by the rate of exchange on England to be against the United States, shewn to be fallacious. Cause of the nominal high rate of exchange pointed out. The true par shewn.

THE Baltimore Gazette has recently re-published a pamphlet, entitled "Observations on the Currency," which is full of those heresies in relation to the balance of trade and the rate of exchange, that must ever stand in the way of any correct understanding of the subject of currency. The writer talks of the balance of trade as having been so much against this country at one time, as to occasion a rise in the price of bills of exchange on London to 15 or 20 per cent. premium; as if any merchant, who had a debt to pay in England, would throw away so large a sum, when he could send the money, at an expense of two per cent., for freight and insurance. The well known fact that gold and silver can be shipped to Europe at a cost not exceeding one and a half, or two per cent., ought to put at rest all theories which teach that exchange amongst an intelligent, speculating, eagle-eyed, mercantile population, can ever depart from the true par, above or below, to a greater extent than the cost of trans-shipment of the precious metals.

But how happens it, some may ask, that exchange on London is now quoted in the prices current at 8 per cent. premium? The answer is simple enough. The currency of Great Britain, for all sums above 42 shillings, is *gold*; in the United States it is *silver*; and as the quantity of gold contained in the British pound sterling (or sovereign) is convertible, not only in England, but in France, and in all other parts of Europe, South America and the West Indies, and even in this country, into a greater quantity of silver than is contained in \$4.44, that sum is no longer the par upon which any calculation is to be made of the rate of exchange. All estimates, therefore, which assume \$4.44 in silver, as the par of a pound sterling in gold, will of necessity be erroneous.

That this position is true, can easily be seen by a reference to the rate of exchange on France and Amsterdam, where the currency, as with us, is silver. It is quoted in the same price current, on Paris, at 5 francs 35 centimes per dollar, that is, for one silver dollar here, a bill can be purchased, which in France will command 5f. 35c. Now what is the par of a dollar estimated in francs? The 5 franc piece of France is equivalent by tale, according to the report of the director of our mint, made in January 1829, to 93 hundredths and 2 mills of a dollar, and consequently, 5 francs 35 centimes are equivalent to about 99¾ cents, which is as near par as may be, taking into account a small difference which exists in the purity of the two coins.

On Amsterdam, the exchange is quoted at 39½ to 40 cents per guilder. The par of the guilder, in our silver currency, is 40 cents, so that, taking the rate of 39½ cents per guilder, it will appear, that for forty cents, American silver money, a bill can be bought on Amsterdam for 39½ cents silver money, which is an advance of one and a

quarter per cent. The exchange on Hamburg would give the same result. Now if the premium on sterling bills did not arise from the cause we have assigned, would not our merchants, who have debts to pay in England, buy bills on France, Amsterdam, or Hamburg, which they can get at, or near par, and re-invest the amount in those countries in bills on England, so as to save 7 or 8 per cent.? Most assuredly they would. The reason, therefore, they do not attempt it, is, that they find in France, Amsterdam and Hamburg, that the same premium is demanded for bills on London which they would have to pay here, and arising from the same cause, *to wit*, that the relative value of gold and silver, in all the markets of the trading world, including those countries where they are produced, has undergone a change, and that an ounce of gold, which, twenty years ago, was worth but *fifteen* ounces of silver, will now sell for *sixteen* ounces, or thereabouts. As further proof of this, let the British prices current for several years past be examined, and it will be seen that dollars have been generally quoted at about 4s. 10d. per ounce, which is equal to about 4s. 2d. each dollar. At this rate, a British pound sterling, or sovereign, will purchase in England 4 silver dollars and 80 hundredth parts of a dollar, which is precisely the amount which must be paid in the United States for a bill for this very pound sterling. Now we would ask any sensible man, if a bill on London can be purchased in this country for £100 sterling, by the payment of 480 silver dollars, which is the amount called for by the *nominal* premium of 8 per cent., and if the said bill can be converted in London into exactly 480 silver dollars, whether it can be said that exchange is against the country? And if not, what becomes of all the fallacy about the balance of trade, upon which so much of the reasoning of the Baltimore writer is founded? It all vanishes before the touch of analysis, as we shall shew upon a future occasion.

In regard to the 15 or 20 per cent. premium on bills, to which the writer above referred to alludes, it also was a mere *appearance*, and not a *reality*. It arose partly from the cause we have just explained, but chiefly from the difference between two paper currencies of different degrees of depreciation. We well recollect to have seen bills on London at 20 per cent. discount, and afterwards at 20 per cent. premium; and yet during the whole of this fluctuation, there was never a moment when real exchange varied more than 2 or 3 per cent. In one case the currency of Great Britain was greatly depreciated, whilst ours was sound; and in the other case, viz., in the year 1815, her currency had become greatly restored, whilst ours had become inconvertible paper.

[\[Back to Table of Contents\]](#)

ESSAY No. XXX.

april 17, 1530.

Importance of the study of Political Economy. Duties imposed by the act of 1790 upon various commodities. Fallacious reasoning, employed to shew that free trade has diminished the navigation of England.

THE following article we have copied from a Philadelphia paper:

“We have lately seen some statements made at a meeting of the Hull ship-owners in England, held ‘to take into consideration the ruinous effects of free trade.’ The results in England for the last six years, are as follows:

Value of cotton manufactures exported in the years ending 5th Jan. 1824,	£
1825, 1826,	44,025,558
Value, &c., &c., in the years ending 5th January, 1827, 1828, 1829,	38,024,870
Decrease during the last three years,	6,000,688
Value of linens exported in the years ending 5th January, 1824, 1825,	6,668,718
1826,	
Value, &c., &c., in the years ending 5th January, 1827, 1828, 1829,	5,382,881
Decrease during the last three years,	1,285,837
Value of woollens exported in the years ending 5th January, 1824, 1825,	17,869,756
1826,	
Value, &c., &c., in the years ending 5th January, 1827, 1828, 1829,	15,380,995
Decrease during the last three years,	2,488,761
Value of silks exported in the years ending 5th January, 1824, 1825,	1,090,137
1826,	
Value, &c., &c., in the years ending 5th January, 1827, 1828, 1829,	660,203
Decrease during the last three years,	429,934”

The great superiority of an acquaintance with the science of political economy, over mere political arithmetic, consists in this, that the former teaches the nature of the causes which are calculated to produce particular effects, whilst the latter contents itself with a mere collection of statistical facts, which, in themselves, prove nothing, except so far as they are demonstrated to be the results of known specific causes.

Hence, when correct statistical tables are exhibited to the political economist, he is, from a knowledge of the causes which are capable of producing such results, enabled to assign to them their true origin. He is not left in doubt as to what might, or what might not have produced the various phenomena which are constantly observable in the operations of commerce; and as he is as well acquainted with the effects which will result from any proposed measure before it be adopted, as if he had all the advantage of experience to support him, he is better qualified to administer the affairs of a government, than one who is not capable of judging of the tendency of a measure

until after it has been tried, and who, even then, is not capable of seeing that an effect of his own producing did actually flow from his agency.

Prior to the year 1816, the American Government was in the hands of political economists. The people themselves were political economists. During the early period of our existence as an independent nation, there was not a farmer in the whole country with intellects so obtuse, as not to be able to see, that duties upon foreign goods were taxes upon those who consumed them—that high duties would diminish their consumption—and that, consequently, they could not sell as much flour, and grain, and beef, and pork, to foreigners, as if we purchased more of their productions. This sagacity was so strong and clear sighted, that it required great management in the government to coax the people to consent to pay the most moderate duties on imports; and hence we find, notwithstanding the whole weight of the Revolutionary debt, duties of from 5 to 10 per cent. upon the necessities of life, were all that the members of Congress found it politic to impose upon their constituents. The following are some of the duties imposed by the act of 1790.

Baizes, 5 per cent.
 Blankets, woollen, 5 per cent.
 Bonnets and hats for women, 5 per cent.
 Brass, manufactures of, 5 per cent.
 Bridles, saddles and harness, 7½.
 Cabinet wares, 7½.
 Cables and cordage, tarred, 100 cts. per cwt.
 Carpets and carpeting of all kinds, 7½.
 Chocolate, 5 per cent.
 Clothing ready made, 7½ per cent.
 Composition rods, bolts, spikes, or nails, 5 per cent.
 Copper, manufactures of, 7½ per cent.
 Coffee, 4 cts. per lb.
 Cordage, untarred and yarns, 150 cst. per cwt.
 Corks, 5 per cent.
 Cotton, manufactures of, 7½ per cent.
 Flannels, 5 per cent.
 Flats for making hats or bonnets, 5 per cent.
 Flax, all manufactures of, 5 per cent.
 Floor cloths, mats, &c., 5 per cent.
 Glass, window, 12½ per cent.
 Hats of beaver, felt, wool, &c., 7½ per cent.
 Hemp, 54 cts. per cwt.
 Iron, slit and rolled, anchors, castings, 7½ per cent.
 Nails, 1 cent per lb.
 Japanned wares of all kinds, 5 per cent.
 Leather, tanned or tawed, and manufactures of, 7½ per cent.
 Lead, in bars, pigs, sheet, shot, 1 cent per lb.
 Lead, red and white, 10 per cent.
 Manufactures of satins and silks, 7½ per cent.
 Manufactures of brass, copper, iron, lead, pewter, steel, or tin, 7½ per cent.

Millinery ready made, 7½ per cent.
 Molasses, 3 cts. per gallon.
 Mustard, 10 per cent.
 Nankeens, 7½ per cent.
 Nutmegs, 10 per cent.
 Oil, castor, salad, linseed, olive, 5 per cent.
 Paper, 10 per cent.
 Quills, 5 per cent.
 Raisins, 10 per cent.
 Shoes, or slippers of silk, 10 cts. per pair
 Stockings of wool, 5 per cent.
 Stockings of cotton or silk, 7½ per cent.
 Sugar, brown, 1½ cts. per lb.
 Sugar, lump, 2½ per cent.
 Sugar, loaf, 5 per cent.
 Spirits, brandy, gin, &c., 5 per cent.
 Teas, 10 to 32 cents per lb.
 Types for printing, 5 per cent.
 Vinegar, 5 per cent.
 Wines, 20 to 35 cents per gallon

As soon, however, as personal and party politics assumed in the estimation of the people a character of more importance than measures of state policy—as soon as the people began to think that the elevation of particular individuals to office was of more consequence than the advancement of the interests of the nation; as soon, in fine, as *principles* were sacrificed to a blind devotion to *men*, then the government fell into the hands of the political arithmeticians; and we accordingly find, that since 1816, the majority in Congress has uniformly relied upon figures and statistical calculations, rather than upon reasoning, for the support of their measures. Now as this class of politicians begin to reason at the wrong end—as they make principles accommodate themselves to figures, and do not see that figures must accommodate themselves to principles, they are not capable of drawing correct conclusions from any given premises. This has been remarkably the case in reference to the statement given above from the proceedings of the Hull shipowners. They ascertained, that the value of the cotton, linen, woollen and silk manufactures exported from Great Britain in 1827, 1828 and 1829, was less than the amount exported in 1824, 1825 and 1826; and inasmuch as the principles of Free Trade had been partially adopted within the last six years, they conclude that this falling off in exports has resulted from the adoption of those principles. If they had ascribed it to any other cause, such as the war in Greece, the death of the last Pope, the earthquakes in Chili, the restoration of absolute government in Portugal, or, the immense flocks of wild pigeons that some time ago flew over a part of Pennsylvania, all of which events occurred within six years, their reasoning would have been quite as logical. Each of these occurrences is just as capable of producing the falling off in the exports referred to, as the adoption of the principles of Free Trade; and had these ship-owners of Hull used a little common sense, and before they drew their conclusions endeavoured to reflect a moment whether it was possible that a policy which increases imports could diminish exports, they would not so readily have exposed their ignorance in the public prints. They

would have gone to work in another way, and they would have soon discovered that their figures, in the hands of those who know how to trace effects up to their producing causes, and to discriminate between what can and what can not produce a particular result, would lead to very different conclusions.

We are not sufficiently acquainted with all the circumstances which in England may have combined to occasion this diminution in the value of exports; but, assuming that the statements are correct, we can, at the first blush, name two, either of which was capable of itself of producing the whole, or nearly the whole, of the reduction.

The *first* is, the great diminution in the prices of cotton, linen, woollen, and silk manufactures, which has taken place within the last three years. The falling off in the exports as stated is, upon an average, a little less than 15 per cent. Now it is manifest, that if the diminution of the cost of production has been equal to 15 per cent., a diminution in the *value* is no evidence of a diminution of quantity. But what has been the fact in relation to the cost of producing these manufactures? Why, that the reduction has been greater than fifteen per cent. In cotton goods, it has been 20 or more; and in woollens, it has been probably as much, owing in both cases to a fall in the price of raw materials, improvements in labour-saving machinery, &c.; and if the tables of *quantity* could be referred to, we will venture to assert, that, although the *value* exported may have been diminished, yet that the number of yards must have been greatly increased.

The *second* is, the restrictive laws of other nations, which have had a tendency to diminish the demand for British goods, and which might have occasioned a great reduction. Within three years, there have been great changes in this respect, in the countries to which Great Britain exports a large portion of her manufactures. In the United States we have, as is well known, imposed restrictions upon the importation of British goods, to a very great extent. In Mexico, cottons, which constitute the great mass of the exports of the above table, have been totally prohibited, whilst other articles have had the duties increased. In Peru, a similar prohibition of cotton goods at one time, in 1829, existed. In Colombia, a general raising of duties took place in the same year; and, in addition to this, the wars which have raged within the last three years in all the states of South America, without a single exception, have all had a tendency to prevent that increased demand for British manufactures, which would otherwise have taken place. Such would be the deductions of sound reason; but the ship-owners of Hull, like the philosophers of the American System, undertook to reason upon a subject the nature of which they did not understand, and thus involved themselves in the folly of complaining of the very policy which could not fail to promote the navigating interest.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXI.

april 21, 1830.

Comments on a speech of Mr. Clay, delivered at Natchez. Two markets, the home and foreign, can best be secured by free trade. The fall in the prices of commodities in the United States since the year 1815, shewn not to have been occasioned by the restrictive system.

SINCE the retirement of Mr. Clay from the office of Secretary of State, we have never noticed in any of his speeches, any other than general observations upon the benefits of the “American System,” prior to the one delivered at a public dinner at Natchez, on the 18th of March, as we have seen it published in the National Intelligencer. Upon that occasion he entered upon some arguments in support of his favourite theory, and has thereby laid himself open to that just criticism upon his doctrines, which is alike exempt from a display of party prejudice, or of personal asperity. The President of the day, in his address, in alluding to Mr. Clay, used, amongst other complimentary expressions, this language:—“He has ever been the firm and constant advocate of domestic industry and internal improvement: and however individuals may differ in opinion as to some of those questions, Mr. Clay must be allowed by all, to have invariably sought for the interests, and advocated the cause, of his country.” In this expression there is certainly nothing to warrant the idea, that the company present on the occasion, was favourable to the tariff policy. The same devotion to the interests of “domestic industry,” for which Mr. Clay was complimented, has characterized the public acts of all our prominent statesmen; and where they have differed, it has not been upon the point, whether “domestic industry” should, or should not, be advocated, but whether manufacturing industry should have a preference over agricultural and commercial industry; or, whether each, being like the others, “domestic industry,” should be left in that state of freedom in which it was placed by nature and the constitution. It may indeed be a question, how any politician can be said to be in favour of “domestic industry,” when he advocates a policy which depresses two branches, and elevates but one; and especially when one of the depressed branches is that which furnishes occupation and support to four-fifths of the whole nation. But so it is. The farmers themselves have been silly enough to suffer themselves to be duped into the belief, that there is no domestic industry but spinning and weaving in large factories, and we are therefore not to be surprised that this admission on their part should be employed as a weapon in future assaults upon their interests. But to the speech:—

Mr. Clay took a brief, but necessarily general view of the American System, to which allusion had been made. “I am aware, Mr. President, he said, that many of us differ widely, yet honestly, in opinion upon this subject. I would not obtrude *my* opinions unnecessarily upon others, yet I trust I shall be pardoned, if I offer one or two remarks upon this important measure. When it was first brought forward in Congress, it was urged against it, that the country was not prepared for the introduction of manufactures to any great extent—that our territory being extensive, our soil fertile,

stronger inducements were held out by other branches of industry—that labour commanded a higher price here than in Europe—that Great Britain possessed other and decided advantages over us, particularly in the skill of her mechanics, and in the perfection to which she had brought her machinery—that it must follow, of course, that her manufactures would be cheaper and better. The experience of years, [said Mr. C.,] has shown the fallacy of these predictions. Not only have they been proved to be groundless, but the argument is now upon the other side. American manufactures are not only cheaper, but they are better, being more durable.

“The subject, Mr. President, appears to me to be summed up in two questions—one in relation to *sale*—the other to *purchase*.

“How is it in relation to the seller? Sir, I put the simple question—is it not better that he should have *two* markets than *one*—a *home* market, as well as a *foreign* market? Let me confine myself to the staple of your own state. You complain, and not without reason, of the present low prices of cotton. There is a surplus of the raw material in the foreign market, and the necessary consequence is, a depreciation in value. But, sir, what would be the result, if the two hundred thousand bales, which are now consumed by the home manufacturers, should be thrown into the foreign market, which is already glutted? Why, sir, further and alarming depreciation in price—the consequence would be inevitable.

“Now, sir, for the buyer—how is it with him? Bring forward any article you please, that has been affected at all by the tariff, and let us see if the price has not been reduced since the tariff of ’24? Sir, I challenge the investigation. I will refer you to an article, which at this moment suggests itself—it may be because it touches individual interest.” [Here Mr. Clay could not restrain a mutual smile with a gentleman, who at the moment caught his eye, and who for many years had been Mr. Clay’s agent in this place for the sale of Cotton Bagging, which was the article to which he referred.] “Formerly, Bagging sold at from thirty to forty cents—it is now selling at eighteen cents. But, Mr. President, I cannot enter upon the details of this measure. I will not detain you longer. Upon this subject, I am fully aware that many wise and honest men are radically opposed to me in sentiment. Sir, I have not the presumption to hold up my opinion as infallible—it may be that I am wrong. *But*, sir, said Mr. C., after a long and anxious observance of the effects of the “American System,” not only upon the immediate objects of its operation, but upon other great branches of our national industry—it is my unshaken opinion—it is my solemn belief—that it forms one of the great foundation stones, upon which *alone*, the independence and prosperity of our beloved country can rest securely.”

In this eulogium upon the system to which Mr. Clay has allied his future fortunes and political prospects, there are several erroneous positions and fallacies of reasoning, which we hardly expected to find at this late period of time. These we shall undertake to point out, and we challenge any partizan of the American System to refute our positions, or to sustain those of Mr. Clay, by proof or argument.

The first position of Mr. Clay, to which we object, is one of fact, and is found in that expression, wherein he lays it down as a matter proved by the experience of years,

and admitting of no dispute, that *American manufactures are not only cheaper than those of Great Britain, but better*. This declaration will no doubt be read with astonishment by many who are acquainted with the fact, that the whole tariff policy is founded upon a denial of this position. High duties are laid wholly and solely because foreign manufactures can be imported into the country, and after paying freight, commissions, insurance, merchants' profits, and a moderate revenue duty, can be sold below the price at which the same articles can be manufactured in this country. Were this not the case, why should the manufacturers and their friends in Congress manifest such aversion to touch the tariff, that every effort of the friends of agriculture and commerce, during the present session, has been stifled and put down by an arbitrary vote? Why should the manufacturers urge upon Congress the adoption in this country of a system of *espionage* and of inquisitorial persecution, which would do honour to the Holy Inquisition itself, or to the Dey of Algiers, if foreign manufactures, after paying all expenses of importation, and a high premium for the risk of smuggling, could not be sold cheaper than our manufacturers can sell them? Why should the same party, for the sake of preventing the reduction of duties, which the people anticipate after the extinguishment of the public debt, already have commenced a system of expenditure of the public money, which shall raise up new drafts upon the public purse to take the place of the debt? Why, in fine, should the whole body of the American System party anticipate from a reduction of duties an overthrow of their whole edifice? The answer to these questions is too plain to be misunderstood, and they cannot but be in direct opposition to Mr. Clay's assumption. To attempt, therefore, to bring forward additional testimony to disprove this position, would be an insult to the understandings of those whom we address. It would be like bringing forward the eleven additional reasons assigned by a suitor in court amongst a dozen, to account for the absence of a witness, after having stated as the first one, that the man was dead.

Nor will Mr. Clay escape the imputation of having laid an erroneous foundation for his arguments, by mixing up the *quality* of manufactures with their *price*. When it is asserted, that foreign goods can be sold cheaper than domestic, the remark is always understood as having reference to goods of the same quality, and the expression therefore of *better*, as applied by Mr. Clay, is only pushing somewhat further his doctrine of *cheapness*; for if domestic goods are not only *cheaper* than foreign, but *better*, they are doubly cheap. We shall conclude this part of the subject, by asserting, what we think will not be disputed. Mr. Clay's doctrine, that American manufactures are cheaper than foreign, is true, or it is not true. If it is true, there is no necessity for a continuance of the high duties; for in that case our manufactures would enjoy that *natural protection* which is afforded by their superior cheapness, and which it would not be in the power of foreign governments to overthrow or disturb. If it is not true, then it must follow, that all reasoning founded upon its admission, falls to the ground. This is the dilemma in which Mr. Clay now stands, and we care not which of its horns shall be selected for him.

The next point we object to, is one of fallacious reasoning. It is the doctrine of the home and foreign markets. "Is it not better that we should have *two* markets than *one*—a *home* market as well as a *foreign* market?" To this question, put by Mr. Clay, the universal answer must be, affirmative. But what is the policy best calculated to

give us the command of two markets of the greatest extent?—"Prohibit importations," says Mr. Clay. "Reduce your duties," say we. Nations which will not buy, cannot sell. If we will not take the coffee and sugar and rum and molasses of the West Indies and Brazil, they cannot take our flour, our beef, pork, hams, lard, butter, &c. If we will not take the cotton, woollen and iron fabrics of Great Britain, she cannot take our cotton, tobacco and rice. If all foreign imports were prohibited, all domestic exports would be equally prohibited, unless we should be silly enough to give away our property for nothing, and, consequently, a diminution of any portion of our foreign imports cannot take place without a diminution of an equal amount of our domestic exports. Exports and imports are as necessarily connected as effect and cause. One cannot exist without the other, and if there be any one truth of economical science, which cannot be disputed by any man of a clear and logical mind, it is, that commerce is an exchange of equivalents. Now, if these positions be true, it is manifest, that restrictive laws which diminish imports, at the same time diminish exports. The very glut of cotton in the foreign market, spoken of by Mr. Clay, *is the result of our diminished demand for British fabrics*. It is the same sort of glut that the manufacturers of cotton bagging would find, if they were to refuse to take in exchange for it the only articles which the cotton planters could give them. And it is the same sort of glut that our merchants constantly find at the islands in the West Indies, to which they export flour and other agricultural produce, in consequence of their government's refusing, by high duties, to permit them to receive as much coffee, sugar, rum, and molasses, the only articles which the West India planters have to give, as they would be willing to let us have in exchange for our produce.

But Mr. Clay thinks, that the glut of cotton in the foreign market would be increased if the 200,000 bales now supposed to be consumed in this country, were to be thrown into it, and that the price would be greatly reduced. Nothing can be clearer than this, *unless* indeed the duties upon foreign manufactures were at the same time reduced to a moderate revenue scale; and in that case, we would venture to affirm, that the additional supply of 200,000 bales in a year, so far from occasioning a reduction of price, would be followed by a rise. And why? For the simple reason, that a demand would exist in this country for a greater quantity of foreign fabrics than was before consumed, inasmuch as the consumption would increase as the price declined, and inasmuch as there are no limits to the extent of imports into a country, except those prescribed by the inability to sell, which inability may be brought about, as we have shewn, by its own acts, as well as by the acts of others.

The third point to which we take exception, is that of ascribing to the operation of the tariff policy, a fall in the prices of commodities, which is a position resulting from fallacious reasoning. We are aware that, since the adoption of our restrictive system, a great fall has taken place in the prices of almost every article of consumption. We are also aware, that advantage has been taken of this fortuitous circumstance by the manufacturers, to impress upon the public mind the belief, that the fall has been occasioned by the tariff policy, and millions of people now in these United States, because they see that goods are cheaper now than they were fifteen years ago, do really believe that they are cheaper on account of the adoption of the American System. We hardly expected, however, that any citizen so elevated as Mr. Clay, and with such opportunities of receiving proper light on this subject, could have suffered

himself to be deceived by such a gross fallacy. It seems, however, that we have been mistaken; and as we think it important that those who aspire to high stations in this government, should have their opinions, upon matters that are connected with the welfare of the people, examined with the same freedom as those of more humble citizens, we shall trespass a little longer upon the patience of the reader.

That there has been since the year 1815, a great fall in the prices of foreign commodities, is true. It is observable in almost every article of necessity and comfort; in woollen cloths, silks, cotton, and iron fabrics of every description, in teas, wines, liquors, coffee, sugar, salt, &c.

One cause of this fall was the change from a state of war to a state of peace. During the war, all foreign commodities were necessarily enhanced in price, on account of the increased risk and expenses of importation; and as this fact is known to every one, it needs no argument to support it.

A second cause was the restoration of the currency from a depreciated paper one, to a sound metallic one. This cause alone, without the aid of any other co-operating causes, would have occasioned a reduction in the price of every article consumed, of from 5 to 20 per cent., according to the state of the depreciation in different places, excepting in New England alone, where, to the lasting credit of the banks of that section of country, the currency was maintained sound throughout.

A third cause was that gradual diminution in the cost of producing and of transporting commodities, raw materials as well as manufactures, which results from the various improvements made in all the branches of industry, in agriculture, navigation, manufactures, and the mechanic arts, from the slow but steady and sure progress of science, skill, education, and philosophy; and which will go on, towards the effecting of further reductions in the cost of producing, perhaps for ages to come. This last cause has had an universal operation all over the world, whilst the two first named have been peculiar to us, or, to other nations similarly situated.

A fourth and last cause has been the great and astonishing discoveries in the art of labour-saving, which have been made within fifteen years, and especially in the machinery for spinning and weaving, by which one man is enabled to do what formerly required perhaps two or more, and which, by diminishing the quantity of human labour required to produce a fabric, enables the producer to sell it cheaper than before, inasmuch as the price of every product depends upon the quantity of labour necessary for its production. This is the great cause which has occasioned that revolution in the prices of woollen and cotton goods, which has been erroneously ascribed to the operation of the tariff; and it is a cause which would have operated whether our tariff policy had ever been adopted or not, owing to the great competition which exists amongst the individual manufacturers of Europe, to undersell one another in the markets of the world.

That this is the case, is evident from the fact, that notwithstanding the fall which has taken place since 1815, *foreign goods would be much cheaper now than domestic ones of the same quality, if the duties were to be reduced*, as is known to every

merchant who purchases foreign goods for exportation; for as the drawback allowed him is precisely equal to the amount of the duty, he knows that if there were no duty charged, the price of the article for consumption would be just as cheap as it is for exportation. In regard to the article of cotton bagging, specifically referred to by Mr. Clay, who it seems is a manufacturer of this article, it is well known that, although its price may have fallen within a few years, from the causes we have stated above, from 30 to 40 cents a yard, down to 18 cents, *yet it would be five cents per square yard cheaper, were it not for the actual duty.*

In this speech, as far as quoted by us, there is but a single sentiment in which we coincide with the orator, and which is to be found in the expression, “It may be that I am wrong.” This admission is somewhat more frank than we are accustomed to see from the advocates of the tariff, and if it be sincere, as we are bound to suppose it to be, it ought to operate as a solemn warning to the party which looks to Mr. Clay as their leader, and to induce them to pause and reflect. If there exist a doubt as to the policy of the tariff on one side, and no doubt whatever on the other, which we affirm to be the case; and especially if this absence of all doubt is strengthened by a moral, steadfast, and perfect conviction that the tariff is also illegal, unconstitutional, and oppressive; we think that a wise and prudent statesman would hesitate before he should resolve to push his measures to an extreme, that might endanger the existence of the government. But notwithstanding this avowal of fallibility, Mr. Clay is still of opinion, that “the American System forms one of the great foundation-stones upon which *alone* the independence and prosperity of our beloved country can rest securely.” It may indeed give us independence, but it will be the independence of poverty instead of the independence of wealth—the independence of beggary instead of the independence of competency—the independence of misery instead of the independence of comfort—the independence of idleness instead of the independence of constant employment. That this is the sort of independence which Mr. Clay desires, we do not believe, notwithstanding he states, explicitly, that he has arrived at his conviction from a “long and anxious observance of the effects of the American System, not only upon the immediate objects of its operation, but upon other great branches of our national industry.”

Now let us examine and see what have been the effects of the American System. According to Mr. Niles’ repeated declarations, the manufacturers of woollens are nearly all ruined, and the owners of sheep have been obliged to deliver over their flocks to the slaughter. The cotton-spinners and weavers in various parts of the union have been obliged to suspend their works, to make immense sacrifices of their goods, and hundreds of them have been totally prostrated. The distillers of rum in New England have been nearly all broken up. The manufacturers of iron, as has been proved irrefutably before Congress, and as we have shewn in this paper, have been thrown out of employment at the rate of probably *five* for every *one* employed by the iron masters. The rope-makers, ship-carpenters, smiths, riggers, sail-makers, plumbers, mast-makers, block-makers, stevedores, ship-joiners, painters, dray and cart-men, have been deprived of employment, in consequence of the high duties obliging the merchants to send their ships to Europe to be rigged and fitted with sails. The ship-owners have seen their ships rotting at the wharves. The farmers have experienced a diminished demand for produce of every description. The planters have

sustained a loss of millions by the fall in the price of cotton. People have been driven from wines and foreign spirits to whiskey, and have abandoned temperance for excess. Honest men have been converted into smugglers, and finally, a *crisis* has been brought upon the country, of a nature so serious, that nothing like it has been seen since the year 1775. Now if this state of things be one of independence, it is such an independence as we hope the nation will not long continue to enjoy; and we do altogether deny it to be such a one, as that the "*prosperity* of our beloved country can rest" upon it securely. If any of the positions or reasoning that we have herein advanced can be controverted, we should be glad to see any friend of Mr. Clay point out their defects, and we offer the free use of our columns to any gentleman who may be inclined to use them for the purpose. Our object is the development of truth; and if the supporters of the "American System" cannot uphold their doctrines by any more sound arguments than those employed by Mr. Clay, in the article we have quoted, they must be prepared to anticipate the downfall of their fabric. The public mind is daily becoming more and more enlightened. The mists and delusion which have overspread the land are fast dispersing; and, to our view, the day is not distant, when the nation will awake as from a dream, to its true interests, and will acknowledge that domestic industry is not confined to spindles and looms, but that agriculture and commerce are equally domestic industry, when carried on by American citizens, as manufactures, and entitled to *equal protection*, viz., the protection which can only result from leaving them all as free and unshackled as they can possibly be left, consistent with the collection of a revenue adequate to the support of an economical government.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXII.

april 24, 1830.

General Smith's Report on the Currency, in the Senate of the United States. Influence of the banking system under cash payments. Causes which check the excessive issue of bank notes. Doctrine of the true par of exchange on England.

WE publish to-day the Report of General Smith, chairman of the Committee on Finance, in the Senate of the United States, upon the subject of a national currency. It is a sound, sensible and orthodox production, which does great credit to the committee, and displays a full acquaintance with the important subject to which it relates. There is indeed no safety in any system of currency, but one which has for its basis the precious metals; nor can there be safety in any banking institutions administered by government, or their agents. The expansive power of a mixed currency can only be securely trusted to individual interest, and even here there is a necessity for much caution in the framing of charters of incorporation, so as to render the obligation of a punctual payment of their notes, on the part of banks, too imperative to be trifled with.

We agree with the chairman of the committee, that a more uniform currency throughout an extended country, cannot exist, than the one which now prevails throughout all those parts of the United States where the local banks do really pay their notes when called upon, in coin; for, if an individual in any one of the states holds the note of a bank, he can convert it at pleasure into an equal amount of coin; and no more certain equivalency can exist, than that which exists between a silver dollar in the pocket of a man at New Orleans, and a silver dollar in the pocket of a man at Passamaquoddy. Where there is in fact a real *bona fide* cash payment by the banks, without the exercise on their part of any disposition to influence the holders of their notes, through fear, favour or affection—and where there is on the part of the public, no fear of offending bank-directors, or of exciting their vengeance in the form of withholding discounts—the currency must needs every where be sound, and consequently equivalent, for a hard dollar is a hard dollar all the world over. Occasions may indeed occur, in which a convertible currency shall, for a time, be depreciated, but it cannot long continue so. If, for example, one of the banks in Philadelphia should issue to-day an undue proportion of notes, the excess would return for payment to-morrow, through the other banks, with the unerring certainty of fate. And if all the banks of Philadelphia should do the same thing, and issue an excessive quantity of paper, so as to depreciate the currency of that city below the level of the currencies of the other cities, the evil could last but a short time. The effect would be, that all prices would rise in Philadelphia. Bills of exchange upon foreign countries, and public stocks, would rise first, and the consequence would be, that the brokers of New York and Baltimore, whose business it is to watch currencies as well as market prices, would soon send on for sale, from their cheap markets, a sufficient amount of those articles to throw the Philadelphia banks into debt to the New York and Baltimore banks, which debts they would be obliged to liquidate in

coin. This is the machinery which is in constant operation to prevent excessive issues. Each individual bank in a city imposes a check upon all the rest. The aggregate number of banks of one city, impose a check upon the banks of another city; and the whole mass of banks of one entire country have a check imposed upon them by the general level of currencies throughout the trading world; which must needs regulate the course of exchange, and say, in effect, "Thus far shalt thou go and no farther."

As to the idea entertained by some people, because a man in Missouri, who has a horse-load of Spanish dollars, cannot find any body who will carry them all the way to Philadelphia for him, and there give him the same quantity of Spanish dollars, without charging him any thing for his trouble and expenses, that therefore the currency is not equivalent, is too absurd to merit an argument. Between two places, at which the currency is equally sound, there will needs be at times a rate of exchange for or against, and bank notes when they travel beyond the mere precincts of the institution by which they are issued, perform the functions of small bills of exchange. When they cannot therefore at a distance from home, be converted into coin at par, it proves nothing as affects the currency, but merely shews that, in that particular place, there are at the time more buyers than sellers of small bills of exchange.

In General Smith's Report, we are particularly pleased with the satisfactory manner in which he proves the soundness of the currency, by the rate of exchange on England. His elucidation is clear, philosophical, and indisputable, and should be read by all who wish to free themselves from the delusive idea, that the balance of trade is shewn to be against the country, by the nominal high rate of exchange. General Smith shews, and shews truly, that although bills on London are quoted at 8 to 9 per cent. advance, they are in reality *below par*; and so far as exchange proves any thing on the subject, it proves that the balance of trade is and has been for a long time in favour of the country. This is a matter of great importance to be understood, and as it is a very simple one, it is within the scope of the comprehension of the most simple mind.

If two men should be talking of the temperature of the weather, as proved by a thermometer, every body would admit, that it would be necessary for them to agree upon a particular degree of heat or cold as the starting point of their argument. We will now suppose, that one of them asserts that the cold is ten degrees *above* zero, and that the other insists upon it that the cold is little more than ten degrees *below* zero. It would be impossible for them to settle the dispute in any other way than by agreeing that they would be governed by the same standard. Upon reference to Fahrenheit, who takes his zero at 32 degrees below freezing point, it is found that the former is right. Upon reference to Reaumur, who takes his zero at freezing point and makes a different scale of degrees, it is found that the latter is right. No difference between them could afterwards exist, for they would find it necessary in all future discussions to understand, before-hand, a common point to start from.

The question of exchange stands precisely upon the same footing. A certain class of reasoners say, that exchange is above par. General Smith says, it is below par. Where is the starting point? It is the value of a *silver* dollar in British *gold* currency, in which our debts are contracted and made payable. The class of reasoners referred to, say, a dollar is 4s. 6d. sterling. General Smith says it is not, and General Smith is right, and

in support of his position brings forward the London prices current to shew, that silver dollars are there only worth 4s. 1½d. each. The fact is, that Spanish dollars are not a legal tender in England at any fixed value, and they are consequently worth no more than they will sell for in the market, and consequently all calculations which take 4s. 6d. as the basis of their value, is starting at a wrong zero. But does not our act of Congress say, that \$4.44 are equivalent to a British pound sterling? And suppose an act of Congress were to say, that the moon was made of green cheese, would that alter the fact, whatever it might be? It is enough for us to know, that no British law says any such thing, and as the British manufacturers who sell us their merchandise, have a good deal more to say in the matter than we have, we must not lose sight of the principle that it takes two to make a bargain. Our Congress has a right to say, that in estimating the imposts upon British invoices which pay *ad valorem* duties, the pound sterling shall be reduced into currency as the equivalent of \$4.44. This it has done, and nothing more; but such local legislation cannot affect the question of equivalency in England. There, the pound sterling is the equivalent of \$4.85 within a small fraction, as is proved from the fact that a dollar is worth but 49½ pence, and, consequently, one pound sterling would purchase 4 dollars and 85 hundredth parts of a dollar. No sophistry can stand up against these facts, and it is therefore too clear to admit of a doubt, that, estimating exchange at the *true par*, the rate will be found to be in our favour. This can be proved thus:—

A bill of exchange on London, for £100, can be procured at	\$ 44
With the addition of 8 per cent. premium, which add,	444 33
Making	477 77
Which said bill will procure in London, according to the above quotation of dollars, at 49½ pence each	484 85
Leaving a balance of	7 08

equal to a profit of very near *one and a half per cent.*

This is the true view of the subject, and the nation is under obligations to General Smith for bringing this important illustration of a matter, so little understood even by merchants, into the view of the public, in a document, which, from its official character, will have a circulation equal to one hundred times that of any private essay or treatise that could be written on the subject.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXIII.

april 28, 1830.

Bill reducing the duties on tea, coffee, and cocoa. First step towards the overthrow of the high duty system.

IT will have been perceived by the proceedings of Congress, that, on the 21st instant, the bill to reduce the duties on teas, coffee and cocoa, passed the House of Representatives by a vote of 163 to 5. The reduction of the duty on teas, is to take effect after the 31st of December, 1831, and will diminish the rates per pound as follows:

Upon Imperial, Gunpowder, and Gomee, from 50 to 25 cts.

Old Hyson and Young Hyson,	20 18
Hyson Skin and other green,	28 12
Souchong, and other black, (except Bohea,)	25 10
Bohea,	12 4

Upon coffee, the reduction is to take effect from the 31st of December, 1830, from 5 cents per pound, (which is nearly one hundred per cent. on its cost in the West Indies and Brazil,) to 2 cents, and after the 31st December, 1831, to 1 cent.

Upon cocoa, the reduction is to take effect from the 31st of December, 1831, from two cents to 1 cent per pound.

This measure may be regarded as the first step towards a repeal of the present burthensome system of taxation by high duties, by which the American people are more heavily oppressed than any other nation on earth. The almost entire unanimity of the vote places beyond a doubt the universal conviction of the members of the House of Representatives, that high duties are a tax upon consumers—a proposition self-evident, one would suppose, but which has been over and over again denied by the advocates of the protecting policy, when asserted in reference to manufactures. By this vote the friends of free trade have gained much. They have gained in principle and they have gained in reputation. They have shown to the nation that they are the true friends of the people; that they are the enemies of taxation, except for the necessary support of government—and as evidence of their sincerity, they have shown their willingness to discuss every question upon its own merits. Had they acted upon the principle which brought the American System into being, they would have opposed the reduction of duties upon teas and coffee, for fear of weakening the strength of their party, and would have voted for the reduction of no duty unless they could have obtained the reduction of the whole. They perceive that, as no one duty had a majority of Congress in its favour, so neither one will have a majority in favour of sustaining it; and they feel perfectly assured, that an edifice, which was put together by such improper, injudicious, and mischievous combinations, would fall to

pieces, stone by stone, if the question upon each single duty could be fairly tested and honestly voted on. But although a successful issue to the efforts of the enemies of taxation cannot be looked for at the present session of Congress, in reference to other matters, yet we are perfectly convinced that our prospects are brightening. We are told, that in the Western country the debate in the Senate upon State rights, the circulation of Mr. Cambreleng's report on commerce, and the extensive discussions which have been going on all over the Union, in reference to the tariff policy, have produced a powerful effect upon the public sentiment; and there is to be seen abundant evidence of a weakened confidence in the durability of the scheme of taxation miscalled the American System. The reduction of the duties on coffee, cocoa, and tea, when they shall begin to operate, cannot fail to give a foretaste of the blessings of free trade, and we are firmly persuaded, that as soon as the people discover, as they assuredly will, that this reduction makes these articles cheaper, and increases the demand for those agricultural productions which we exchange directly for coffee and cocoa, and which we ship to Mexico, South America, the West Indies, and Europe, for the purpose of procuring the dollars with which we pay for our teas, they will cry out for an extension of the blessing, and insist upon being clothed cheap, as well as being fed cheap. Like the bear that has once got a taste of the honey, they will not rest satisfied until they overturn the hive and come into full possession of its treasures.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXIV.

april 28, 1830.

Twofold operation of the tariff. It diminishes imports, and it diminishes exports. High duties fall heavier upon the consumers in the interior, than upon those on the seaboard. The cotton, rice, and tobacco planters more injured by the protective system, than the growers of other products.

THE people of the South, it is well known, loudly complain of the operation of the tariff system upon their interests, and we hear the question frequently asked, Why should they represent their sufferings to be greater than those of the inhabitants of the other states, seeing that if high duties are a tax upon consumers, they pay no more than their share? This is a question of some importance, and merits a brief examination; for if it can be made to appear, that the cotton growers are no more injured than other classes of citizens, their complaints will not be entitled to as much sympathy, as an opposite result would give them a fair claim to.

The high duty system works two ways upon the nation that adopts it. In the first place, it diminishes imports; in the second place, it diminishes exports. These positions we shall undertake to prove.

It diminishes imports, by raising the price of the imported commodity to the consumer. No nation can afford to consume as many foreign goods at high prices as at low prices, and for the same reason, that no individual can afford to buy as many goods at high prices as at low prices, since every man's income is limited, and the extent to which he can buy, is limited by his income. This proposition one would suppose would be self-evident. It is so to a man who earns a dollar a day, and who knows that he cannot afford to buy as many coats in a year, if the cloth costs him two dollars a yard, as if it cost him but one dollar. But it is not so to many of those who fancy themselves to be statesmen, and who tell you that high duties do not diminish commerce; and it is for their benefit that we have undertaken to prove what, in our estimation, requires no more argument to support, than that six-pence will not buy as much as a shilling.

The tariff system diminishes exports, in consequence of its depriving foreign nations of the power to pay for them. If a man who has an article for sale, refuses to take in exchange for it the only commodities which others have to offer, he cannot possibly sell. He may give away, if he chooses, but this would be a game at which he could not long afford to play. The same is the case with a nation. If she will not buy, she cannot sell. It will be admitted, we think, that commerce is an exchange of equivalents; that is, of commodities of equal value at the places where the exchanges are made. Now if a nation imports foreign articles to the extent of fifty millions of dollars, can she do this, but in consequence of selling fifty millions of dollars worth of her produce? The answer must be in the negative. And if the proposition be true in whole, must it not be true in part? If, for example, she refuses to purchase beyond the extent of twenty-five

millions of dollars, must not her exports be at the same time reduced to twenty-five millions? Here we shall be told, by some who only think superficially on such subjects, that it by no means follows that her exports would be diminished; for that foreign nations would give her gold and silver for the overplus. To render such a doctrine as this admissible, the *possibility* of such payments, in gold and silver, must be established. Great Britain exports in a year to this country, manufactures of cotton, wool, iron, &c., to the amount of, say twenty-five millions of dollars, and takes in exchange for them, chiefly cotton, tobacco, and rice. Now suppose she were to say to the United States, "I will only take hereafter from you half the quantity of cotton, tobacco, and rice, that I now take; you must pay the balance in money." Where would this money come from? Would not the trade instantly be reduced one half? And what is true in this case, is true in all others. It would even be true with Mexico and Peru; for even those gold and silver producing countries can furnish but a very small proportion of the quantity that would be required to make such enormous payments as the doctrine advanced calls for. To our mind it is as clear, as that two and two are four, that for every diminution of imports, there is, *pro tanto*, a diminution of exports; that the two are just as inseparable as cause and effect; and that a law which says, you shall diminish your imports, pronounces, in the same words, you shall diminish your exports. These two points being then established, as we believe, let us see how each operates.

We have shewn that high duties raise prices, or (if they happen to be laid, as ours have been since 1816, during the operation of causes which have been annually bringing down the costs of production,) what is the same thing, they prevent prices from being as low as they would otherwise be. These duties operate as a tax upon all consumers. Each consumer pays exactly in proportion to the quantity he consumes, with this modification, that *the tax falls heaviest upon consumers who live at a distance from the seaports*, inasmuch as the profits of merchants in the country are higher, owing to the deficiency of capital, than on the seaboard; and beside the duty, the consumer is obliged to pay a profit to the merchant on that duty, which, where profits are from 20 to 50 per cent., falls very heavily upon him. The cotton grower, under this view of the subject, pays no more tax than other inland consumers, and as he possesses, like all others, the right to limit his consumption of foreign commodities, or of the domestic substitute, he would stand upon the same footing as all other consumers. High duties then, operating as a tax on consumption, fall equally upon all consumers, leaving out of view the question of inequality as to the articles selected for taxation, which, under the "American System," consist of those which make the burthen fall heaviest upon the farmers and the working men.

Let us now examine the subject under the other aspect. High duties diminish exports. By this operation, the loss falls directly upon those who raise the articles of which the export is diminished, and those who were concerned in the export trade and navigation of the country; and *indirectly* upon the whole community, inasmuch as the total product of the entire land and labour of the country is not as great as it would have been under a greater extent of exchanges. The greatest portion of the loss, however, would fall upon the first named class, especially if they should be agriculturists, possessing land adapted peculiarly for the cultivation of the articles referred to. Thus we have seen, by an article lately published in this paper upon the

French restrictive system, that the refusal to import iron, linen, &c., from the North of Europe into France, had occasioned so great a diminution of the demand for wine, that three millions of people, engaged in the cultivation of the grape, had been thrown into a state of the most extreme distress. Now, inasmuch as cotton, rice and tobacco constitute the only important productions of agriculture which we can furnish to Great Britain cheaper than she can procure them elsewhere, and which she finds it convenient to take in exchange for her manufactures, and inasmuch as she is ready and willing to take of those articles to as great an amount as we are willing to purchase of her, it is manifest, that a refusal to take British goods, amounts to a positive interdict upon the cultivation of cotton, rice and tobacco, to an extent equal to the value of the articles which we exclude. Whether this operates upon the growers of those articles more or less oppressively, depends upon various circumstances. If the land upon which cotton, rice and tobacco are grown, is not capable of producing as valuable a crop of other products, (which is not to be supposed, or otherwise it would have been applied to the cultivation of such more valuable products,) the loss will be precisely equal to this difference, and in reference to cotton lands, we can readily suppose that a prohibition to raise cotton upon them, would be an almost entire annihilation of their value.

From this view of the subject, if the reasoning is correct, it is evident that the Southern states feel the pressure of the high duty system more sensibly than those of the North and West, and it is not therefore to be wondered at that they should be more restive than the others under the burthen. We have heard a distinguished Carolina planter say, that, in his district of country, during the past year, he did not derive from the labour of his hands, more, upon an average, than ten cents per day each, including the use of the land. A little reflection will shew how a trifling fall in the price of cotton affects the income of the growers. Thus, if cotton were ten cents per pound, and the actual expenses of raising it, six cents, a fall of one cent per pound would not be a mere diminution of the planter's income of ten per cent.; it would be a diminution of twenty-five per cent.—seeing, that only four of the ten cents consisted of revenue. Upon the same principle, a fall of two cents per pound would be a reduction of fifty per cent., or one half of his whole income; and this is the extent to which the income of no small portion of the cotton planters has been reduced.

This severe pressure has naturally excited a good deal of inquiry in the Southern states; and the people have, consequently, applied themselves to a study of the principles of that science which points out the operation of restrictive laws. They are consequently better political economists than the inhabitants of the other states, and they understand better than the latter how to present the question in its true *matter-of-fact* form. When they are told by a Northern manufacturer, that goods are cheaper than they used to be fifteen years ago, they admit the fact, but they ask this question—“Can I get as many pounds of iron, or of sugar, or as many bushels of salt, or as many yards of cotton or woollen cloth, for a bale of cotton, as I could if there was no American System to keep up the prices of the former articles, and to restrict my market for the latter?” This, after all, is the true question, and no honest man, who has a mind capable of comprehending the most simple proposition, can answer in the affirmative. The truth is too apparent to admit of denial, that the effect of the restrictive system is to diminish the exchangeable value of cotton, rice, and tobacco,

and thus to sacrifice the interests of the people whom Heaven has favoured with a climate and soil adapted for their cultivation, for the fancied, not real, benefit of others, inhabiting different sections of country.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXV.

may 1, 1830.

Internal Improvements. True influence of, upon the wealth of nations.

IT is one of the easiest things in the world to make a speech on Internal Improvements, which shall captivate the great mass of the people, and lead them to believe that the orator is perfect master of the whole subject. It consists in nothing more than laying down general propositions which no body can dispute, and then in insisting upon it, that those propositions are precisely applicable to the particular improvement under consideration. Mr. Hemphill, in his speech on the Buffalo and New Orleans road bill, gives us a specimen of this sort of reasoning. He says, "A thorough and judicious execution of internal improvement would enliven the whole country. The advantages of such public works are so universally acknowledged, that it would be time mis-spent to go into any reasoning on the subject. The results have been the same in all ages, and nations." Now no one will dispute that a "judicious" execution of internal improvement would enliven the country; but Mr. Hemphill, in the whole course of his speech, has not advanced a single argument, to shew what is meant by the term "judicious;" and he has left the matter, notwithstanding his exertions to prove that the road in question was entitled to that appellation, as open as the question of a "judicious tariff" has been left by others.

We ourselves are advocates of a "judicious tariff;" but what we mean by judicious, is a tariff that shall consult the interests of the whole people and not of a particular part of them, and which will impose no more taxes on the nation, than what are required for the support of an economical government. We are also the friends of a "judicious execution of internal improvements," and as we probably differ from Mr. Hemphill in the acceptance of that term, as much as we do from Mr. Niles or Mr. Carey, in relation to a "judicious tariff," we will point out the grounds of that difference, in as brief and intelligible a way as we can, waiving the question of constitutionality, and treating the subject as an economical one.

That turnpike roads, rail roads, and canals, have an important influence when judiciously located, upon the prosperity of a country, is too palpable to admit of dispute. They are labour-saving machines in commerce, as steam-engines are in manufactures, and, by diminishing the expense of transportation, they enable the consumers of produce and merchandize to supply themselves at a cheaper rate than before. Still, however, although this position is incontrovertible, yet it by no means follows that roads and canals ought to be indefinitely multiplied; and it is from a want of an acquaintance with the science of political economy, which points out the rule which is to determine between what is a judicious and what is not a judicious expenditure of money on internal improvements, that so much mischief has already been done, and that so much more is threatened.

Suppose the question were put to a farmer whether a good road to market was not desirable to him, what would be his reply? Clearly, an affirmative one. Suppose the further question were put to him, how much he would contribute towards the making of such a road, what would then be his answer? It would probably be this, and if he were a man of sense it would certainly be this: "I will contribute such sum as will be likely to bring back to me a pecuniary return at least equal to all the pecuniary disadvantage I shall sustain by parting with my capital." In fact, this is the only sound mode of calculation upon such a subject, and it is the mode so plainly pointed out by common sense, that every individual farmer acts upon it as if by instinct. And the mode in which he comes at his conclusion, is by a sort of account current between the advantages he should obtain from the improvement, and the disadvantage he would sustain from parting with his capital. He would first ascertain, as near as he could, the quantity of produce which he would have to send to market, and would then compare the cost of its transportation under his existing facilities, with the cost under the proposed improvement. If the difference should be very considerable, he would be disposed to contribute largely; but he would take care to be assured, before he parted with his money, that he should gain quite as much annually, as the annual income derived from his capital, whether that were employed in loans, or in his agricultural business.

The road here spoken of, the reader will remember, is a road which collects no tolls, but in the construction of which a capital is expended, without any other return to the contributors than what they may derive in the saving of transportation on their products. And the reason why we have supposed such a road is, that the true nature of what are called internal improvements may be exhibited. The test of the utility, or, if the reader pleases, "the judicious execution" of these, whether they be turnpikes, rail roads, or canals, is entirely the same. The only criterion which can be employed is, *whether or no the diminution of the expense of transporting all the persons and commodities which would pass over its surface, would be greater than, equal to, or less than, the income which could be derived by the constructors from the employment of the same capital in other pursuits.* If the diminution would be greater, the improvement would be beneficial; if it would be equal, the improvement would be indifferent; and if it would be less, the improvement would be positively injurious; and for the same reason that it would be injurious to a farmer to expend a hundred dollars from which he could derive six dollars per annum, in the construction of a road, which would enable him to save by transportation only five dollars.

The foregoing is the view of the question of internal improvements as a purely economical one. And it must moreover be recollected, that the calculations must have reference to the very moment at which the capital is expended. Many persons are apt to suppose, that a loss would not be experienced, if it could be shewn that, in a few years, the necessary saving would be as great as the income lost by the expenditure. This is an error. The compound interest of capital must always be added to the cost of a work in order to ascertain its true cost; and as money doubles at compound interest of six per cent. in less than twelve years, a work which costs a million of dollars to day, will stand the nation in two millions at the expiration of eleven years and about eight months. It could easily be shewn, we think, that the capital wasted, near forty years ago, in an abortive, because premature attempt, to cut a canal from Philadelphia,

by the way of Reading, to the Susquehanna, if it had been saved and accumulated, would have been more than sufficient to complete the work at the present day, which has been accomplished by a vast expenditure of new capital.

It will be observed, that in this examination of the subject, we have kept the economical question separate from all other incidental ones, of which there are a number, which, in the minds of many people are so confusedly mixed up with the true one, that they cannot see the latter in its proper light. The rise in the value of land, the convenience of travelling, the comfort of a good road to those who live on its route, giving employment to labourers, and various other considerations, all enter into the account with some people, and convey to their minds the idea of some magnificent, indescribable aggregate of benefits, which captivate them to such a degree that they think with Mr. Hemphill, “that it would be time mis-spent to go into any reasoning on the subject.” Now we do not think so. We think that the subject is precisely such a one as calls more loudly for going into reasoning upon it than any other, with a single exception, now before the nation; for notwithstanding all the speeches which have been made in favour of roads and canals, at this and former sessions of Congress, very little has been adduced to shew the scientific grounds upon which they are to be justified.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXVI.

may 5, 1830.

Report of the Committee on Agriculture to the House of Representatives, recommending protection to the growth of silk. Impolicy of, shewn. Absurdity of the common notion about the balance of trade.

THE Committee on Agriculture of the House of Representatives has made a report on the subject of the culture of silk in the United States, and like all the modern documents, which recommend Congress to appropriate the public money for the purpose of inducing people to do, what the same documents invariably say it is for their interest to do, it is founded upon the errors of the old mercantile theory, now better known in this country under the appellation of the American System. When we see a gentleman so eminent as the chairman of that committee, in that profession which of all the liberal pursuits qualifies its votaries for clear and logical reasoning, advance such fallacious positions as some of those contained in the report referred to, we are at a loss to conjecture by what process of the mind he could have been brought to their belief. It is true the report does not recommend high duties upon foreign silks to encourage their domestic manufacture, but it goes one step towards it, and if that stop be not cut short at the threshold, we shall see re-acted the whole scene of devastation which has followed in the footsteps of the cotton and woollen *protective* systems. It recommends an “appropriation of a small and insignificant sum of money,” to be granted to Mr. D’Homergue, a French gentleman who understands the art of reeling silk from the cocoons, to remain in this country for the purpose of teaching that operation to others. Now we unhesitatingly say, that if Mr. D’Homergue, who has been in this country for a year, or near it, who has published essays upon essays upon the culture of silk, and who has had constant intercourse with the most conspicuous supporters of the protecting system, has not been able to convince any one or more individuals that it was their interest to avail themselves of his talents and skill by raising “a small and insignificant sum of money,” we do not see how it can be shewn to be the duty of the government to interfere in this matter, even supposing it had the constitutional right, any more than that it is its duty to appropriate money for the purpose of inducing foreigners to introduce into the country any other species of skill.

But let us look at the arguments. “The importation of silk, during the year which ended on the 30th of September, 1828, amounted to \$8,463,563, of which \$1,274,461 were exported; but in the same year, the exportation of bread-stuffs from the country amounted only to \$5,414,665, leaving a balance against us of nearly two millions.” Here we have again revived the old exploded doctrine of the balance of trade. Now if this statement of the case is a logical one, it implies that bread-stuffs constitute the fund out of which we pay for our silks, or otherwise why should they be selected from a mass of fifty millions of exports, any more than cotton or tobacco? The proposition then would stand thus:—If we export bread-stuffs, worth \$5,414,665, and, in exchange therefor, procure silks worth \$7,189,102, (the value imported after

deducting those exported,) we are losers by the operation of nearly 2,000,000 dollars. This, to be sure, would be strange reasoning, but it is the reasoning of the committee; from which we differ in opinion, inasmuch as it appears to us that the very opposite result would have been proved, *viz.*, that we had gained near two millions of dollars by the trade.

If a farmer in Ohio, where a barrel of flour is worth three dollars, sends it to New Orleans where it sells for five, and there purchases with the money ten bushels of salt, which at home are worth ten dollars, he is, according to the American System doctrines, going fast to ruin. The balance of trade is against him. He imports to a greater amount than he exports. He is losing money, and if he long perseveres in such a course, he will be drained of his last dollar. Now if such a doctrine were seriously advanced, there is not in the whole country a single individual with an intellect so obtuse as not to see its absurdity; and yet the moment this fallacy is predicated of a nation instead of an individual, the moment it is dignified with the title of the great doctrine of the balance of trade, and is mystified by volumes of statistical tables, the whole nation loses sight of common sense, and insists upon it, that a country which exports fifty millions of dollars worth of produce, and imports sixty millions of dollars worth of foreign goods, *purchased with the proceeds of the sales*, is getting ruined. How plain it is to be seen, that in the case of the Ohio farmer, his trade has been profitable, instead of having been injurious to him; for although he does not get the whole of the difference between the three dollars and the ten dollars, the Ohio prices of his flour and salt, yet he gets a part of it, the rest having been paid for freight, insurance, portorage, and commissions. The case is the same with national imports and exports; and as produce cannot be sent abroad, nor foreign goods be imported, without similar expenses, and as our custom-house returns always give the value of the domestic articles at home, before the expenses on them begin, and the value of the foreign article after the expenses have been incurred, it follows, as a necessary consequence, that the aggregate value of imports must be greater than the aggregate value of exports, or else the nation must be carrying on a losing trade.

The committee say they “regard the general culture of silk as of vast national advantage in many points of view. If zealously undertaken and prosecuted, it will in a few years furnish an article of export of great value, and thus the millions paid by the people of the United States for silk stuffs, will be compensated for by the sale of our raw silk.” Now this may be true, or it may not be true. It is quite possible that the culture of silk, in some parts of the United States, may become a profitable branch of business. But if it ever does become a more profitable branch of industry than those which now exist, it can only be by its introduction in the natural way. No forcing can render it so. The raising of silk worms requires very little capital, or skill, and is within the capability of almost every man, woman and child in the country. But it is a great error to suppose, as the committee does, that the culture of silk “will detract nothing from agricultural or manufacturing labour.” This is one of the great fallacies of the American System. It supposes that the labour of the people can be made to produce all which is now produced, and eight millions of dollars worth of silk besides. It is true, that there are at this moment in some of our cities, people who are suffering because they have been deprived of employment, owing to the destruction of commerce by the tariff system; yet it is not true, that, throughout the country, any

great attention could be paid to the cultivation of silk worms, without interfering with other labours; for, as far as we have had an opportunity of judging of agricultural life, we have never seen an industrious farmer who could truly say that he had nothing to do.

But if the culture of silk shall shew itself to be a profitable branch of business, people will gradually fall into it without legislative aid; and there are no doubt now going on investigations, prompted by individual interest, which will soon introduce into the country, in the proper way, all the regular skill requisite for the filature of the cocoons—and this would be much more beneficial than any interference of the government, seeing that such interference would look like a warranty of the experiment, and in consequence of it, thousands of people might be induced to plant orchards of mulberry trees where they had better plant wheat and corn.

The committee further “anticipate, that, at a period not remote, when we shall be in possession of the finest material produced in any country, the manufacture of silk stuffs will necessarily be introduced into the United States.” That attempts will be made to force the manufacture of silk stuffs in this country, is quite possible, but that it will ever be introduced in the natural course of things, so long as Western lands can be had for one dollar and a quarter an acre, we do not believe. The mere possession of a raw material, when a great deal of human labour is requisite to convert it into a fabric, is of very little account. This is especially the case with an article of so great value as raw silk. The freight and expenses of transporting such a commodity to France or England, would not be two per cent., and the mere fact of raising it, would give us therefore no advantage worth naming. Even in the bulky article of cotton, the freight alone upon which is ten to fifteen per cent., the advantage we enjoy is of so trifling an account, that it requires protecting duties of from 50 to 175 per cent. to shut out of our market goods made with our own cotton. With silk the matter would be the same; and we should say that those who seriously look forward to the day, when American labour will be able to enter into competition with British, French, and Chinese labour, must anticipate a more rapid increase of our population than we have ever thought possible, and a greater extent of misery and poverty than we have ever considered likely to visit the people of this country, or than we hope will ever be their portion.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXVII.

may 5, 1830.

The benefits of Free Trade illustrated by the commerce carried on between the states of Maine and Virginia and other Southern states. Robbing Peter of one dollar to pay Paul half-a-dollar, is the real effect of the restrictive system.

IT was stated in the Portland Argus a few weeks ago, that 46,300 bushels of corn had been brought to that port within a short period from the Southern states. This *fact* illustrates a very important principle connected with the subject of free trade, to which our attention had recently been drawn by an intelligent gentleman from the state of Maine, lately on a visit to this city.

It seems that the soil of the state of Maine is remarkably fertile in the article of potatoes, and not so fertile in the article of corn. It also seems that the soil of Maryland, Virginia and North Carolina are remarkably fertile in the article of corn, and not so fertile in the article of potatoes. The inhabitants therefore of these two districts of country, find it for their interest to carry on a free trade, in these two articles, because the Northern people, by planting potatoes, can get out of their land more corn, than if they planted corn, and because the Southern people can get out of their land more potatoes, by planting corn, than if they planted potatoes. Paradoxical as this may appear, it is nevertheless true; and it is in fact an epitome of the whole system of foreign commerce, which can only be carried on between two nations, each of which has an advantage over the other in the facility of producing some particular commodity or other. Now, whether this advantage consists in difference of soil, climate, industrious habits, skill, lowness of wages, superior abundance of capital, or labour-saving machinery, it is of no sort of consequence. If an advantage exists, it will create commerce. If one does not exist, commerce cannot take place; and where commerce cannot take place, there is no necessity for laws to say that it shall not take place.

Now, suppose that an acre of land in Maine will produce 100 bushels of potatoes, which can be sold for 50 bushels of Southern corn, and suppose that the same acre if planted with corn will produce but 25 bushels; would it not be absurd for any law-makers to start up in Maine, and insist upon it that it was injurious for the people of that state to import Virginia corn, because it encouraged the industry of foreigners and interfered with the domestic production of corn? Would not the corn growers be looked upon as guilty of an impudent interference with the rights of all the corn eaters in Maine, if they should cry out for a protecting duty against Virginia corn? One would suppose so; and yet, strange as it may appear, stranger things than this have been done in our country, and have met the approbation of many who have passed in the world for statesmen. The case in point affords a fine field for illustrating the doctrine of protecting duties, in a way that can be brought down to the apprehension of the simplest farmer, and we shall accordingly avail ourselves of it.

According to the positions here stated, a farmer in Maine can raise on an acre of land only 25 bushels of corn if he plants corn, but he can raise 50 bushels of corn, if he plants potatoes. It is therefore clearly his interest to plant potatoes. But he will not plant all his land with potatoes. He will plant some corn, because as there are, in agriculture, liabilities to bad seasons, which might perchance destroy a crop of potatoes, whilst corn would not be injured, he adopts the sound rule of not putting all his eggs in one basket. And besides all this, he, perhaps, has some land which is better adapted for corn than potatoes; and he knows, at all events, that the demand in Virginia for potatoes is limited, and that the price of corn there must also depend upon the character of the season. Perhaps in some years the crop of corn in Virginia might fail, whilst that of potatoes should succeed, and that the same might happen in Maine, which would put an end to the trade in those two articles.

But the wiseacres of Maine, we will suppose, take it into their heads, as the wiseacres of England have done, that it is better for the people to eat dear bread than cheap bread, and for this purpose, they lay a protecting duty upon foreign corn of twenty per cent. The effect of this duty would be to raise the price of corn twenty per cent. This would be an injury to all the eaters of corn, inasmuch as it would have the effect of compelling them to work six days to procure the quantity of corn that they could before procure by working five days; in other words, it would oblige people to pay for five bushels of corn, the same price they used to pay for six. This would no doubt be a benefit to the corn growers, and exactly the same sort of benefit that would be enjoyed by a hatter, if a law were enacted to compel every man to pay him six dollars for a hat which another hatter would furnish for five. The scheme would thus appear to be, at best, nothing but robbing "Peter to pay Paul," by which the community would lose out of one pocket what they gained in the other. But it would be worse than this, it would be robbing Peter of a dollar, and only paying Paul half-a-dollar; and it is from the demonstrable character of this proposition that the folly of protective laws can be pointed out.

If the high duty system were a mere shifting of property from one man's pocket to another, it would be harmless as regards its influence upon the general prosperity, in the same manner that the wealth of the community is not in any manner affected by a highwayman's appropriating to himself another man's purse. But the misfortune is, that in the transfer alluded to, there is a positive loss. The real price which is paid for every commodity, is human labour. The rich, who do not work, but who live upon the interest of money, and the rents of houses and lands, do not perceive this truth: but the farmer, the merchant, the seaman, the manufacturer, the mechanic, and all others who gain their living by the sweat of their brow, understand it perfectly well; and they all know that it would be better for them to procure any article they may want by working for it one day, than by working for it two days. Now if the price of a day's work is one dollar, and the price of a barrel of flour is five dollars, it is the same thing, whether we say that a barrel of flour is worth five dollars, or is worth five days' labour. But inasmuch as a day's labour may be applied to so many different things, and inasmuch as it does not convey any definite and accurate idea, it is more convenient that the value of a thing should be expressed in money, than in days' labour. Still, when a man hears that a thing costs so much money, he should always remember that this money represents a certain quantity of labour.

If the price of corn be raised twenty per cent., the effect, as we have stated above, is to compel the consumers of corn to work six days in order to procure the quantity which before could be procured with five days' labour, and, consequently, the effect of any measure which should bring about such a rise artificially, would be precisely the same thing as if a law should be passed to compel people to turn grindstones one day out of six, when there were no tools to be ground. It is, in other words, as regards the consumers, *an entire annihilation of the value of the one-sixth part of their labour*. Now, unless it can be made to appear, that five days' labour of the corn growers in Maine, by the operation of the protective system, shall produce as much corn as six days' labour before produced, the whole community, considered as one family, would have been losers by the operation. But what is the fact? The land is no more fertile than before. An acre will produce no more corn than before. A day's work in ploughing, sowing and harrowing, will produce no more bushels than before, and consequently the loss of the produce of one day in six, sustained by the consumers of corn, not being made up by the corn growers, the society, considered as a whole, (which is the only mode in which such a question is to be regarded,) are losers precisely to that extent. If examined closely, it will be found that such a law as the one we have supposed to be adopted in the state of Maine, would be nothing more nor less, than a law declaring that the consumers of corn should labour one day out of every six, without any equivalent whatever, for the sole and exclusive benefit of the corn growers; and that the united labour of the corn growers and the potatoe growers, would not produce in the aggregate within twenty per cent. as much corn and potatoes, as were produced by them before the restriction.

The case we have here stated, is a perfect illustration of the restrictive system, as applied to any other species of industry. Whether it be adopted in the form of corn laws, or laws protecting the cultivation of sugar from cane or beets, or the manufacture of salt, iron, glass, woollen and cotton goods, it is in essence the same. The effect of it is, to make the aggregate products of the labour of the whole community less than they would be if the government would confine itself to its proper sphere; that is—"restrain men from injuring one another, and leave them otherwise free to regulate their own pursuits of industry and improvement."

[\[Back to Table of Contents\]](#)

ESSAY No. XXXVIII.

may 8, 1830.

Reasons why the price of home-grown wool is cheaper in England than in the United States. Prices of fresh meat in England. Price of sheep in the United States.

ONE of the reasons why the British can raise wool cheaper than we can in this country, is, that the British people are great mutton eaters, as well as beef eaters. This fact is proved by the price which mutton bears throughout that whole country, and it is very clear, that if the English raisers of sheep can sell the carcasses alone of the animal, for a very considerable price, they have an advantage over those of a country where mutton is not a favourite food of the people, and is consequently cheap.

It has been a common notion in this country, that we could raise wool cheaper than the British, upon the ground that land is cheaper in the United States than in England; and this advantage of superior cheapness of land has been considered as more than sufficient to counteract the disadvantages to which we are subject from the rapacity of wolves and dogs, severity of climate, and a want of acquaintance with the different modes of treatment, which long experience alone can furnish. There may be some truth in this supposition; but if it can be shewn that a sheep in England is worth, after he is raised, two or three times as much as one can be sold for in the United States, it is very clear that a greater expense could be afforded in the former country than in this, without enhancing the price of wool.

In looking over “Evans & Ruffy’s Farmers Journal and Agricultural Advertiser,” published at London some time last year, we had the curiosity to examine the prices current of fresh meat in the English markets, and as these may furnish data for other calculations than the one we are about to make, we shall transcribe them for the benefit of our readers. The prices mentioned are for the stone of 8 lbs. sinking offal.

“*Smithfield, Monday August 24.* On Friday the demand for beef was rather dull, and last Monday’s prices were hardly supported. Mutton and lamb were in pretty good request. This morning the beef trade is tolerable; very choice things realise 4s. 4d.—but for the general trade we go no higher than 4s. 2d.; and that price is maintained with difficulty. There is a fair request for mutton; good old Downs make about 4s. 4d. Lamb is rather heavy in disposal, but at much about the same prices as last Monday. Beef, 3s. 0d. to 4s. 2d.—Veal 4s. 2d. to 5s. 2d.—Mutton 3s. 4d. to 4s. 2d.—Pork, 4s. 0d. to 4s. 10.—Lamb, 4s. 2d. to 5s. 0d.

Newgate. Beef, 3s. 0d. to 3s. 6d.—Mutton, 3s. 4d. to 3s. 10d.—Veal, 3s. 4d. to 4s. 8d.—Pork, 3s. 4d. to 4s. 8d.—Lamb, 4s. 0d. to 4s. 8d.

Ledenhall. Beef, 2s. 8d. to 3s. 6d.—Mutton, 3s. 0d. to 4s. 0d.—Veal, 3s. 4d. to 4s. 10d.—Pork, 3s. 6d. to 4s. 10d.—Lamb, 4s. 4d. to 5s. 2d.

Southall cattle market, August 19. Beef, 3s. 2d. to 4s. 2d.—Mutton, 3s. 6d. to 4s. 4d.—Veal, 4s. 6d. to 5s. 2d.—Pork, 3s. 10d. to 4s. 6d.—Lamb, 4s. 6d. to 5s. 0d.

Reading cattle market, August 17. Beef, 3s. 4d. to 4s. 8d.—Mutton, 3s. 4d. to 4s. 8d.—Lamb, 4s. 0d. to 4s. 10d.—Veal, 3s. 8d. to 4s. 6d.

The following prices are per pound.

Birmingham, Smithfield, August 20. Beef, 5¼d. to 6¼d.—Mutton, 5½d. to 6½d.—Veal 5½d. to 7½d.

Bristol, August 20. Beef, 5d. to 6d.—Mutton, 5d. to 6½d.—Pork 4½d. to 5d.

Kirkdale, Liverpool, August 17. Beef, 5d. to 5¾d.—Mutton, 5¼d. to 5¾d.—Lamb 5½d. to 6d.

Manchester Smithfield. Beef, 3½d. to 5¾d.—Mutton, 3½d. to 6½d.—Veal, 5d. to 7d.—Pork, 3d. to 4d.—Lamb, 4d. to 6d.

Norwich, August 22. Beef, 6d. to 8d.—Veal, 5. to 7½d.—Mutton, 5d. to 7d.—Lamb, 6d. to 7d.—Pork, 5d. to 7½d.”

From the foregoing statement the following facts appear; *first*, that mutton in England sells for as much as beef, and in many places for more; and *secondly*, that the average price, which we have ascertained from summing up the various rates and taking the medium, is 5½d. and a fraction, which, reducing British currency into ours, at the rate of exchange current for some years past, is 11 cents per pound. Thus it will be seen, that in almost any part of England, the carcass of a sheep, weighing 50 lbs. will sell as meat for \$5.50, leaving the skin and wool as an incidental product.

Now what is the state of the case in this country? Hundreds of thousands of sheep can be purchased in the interior districts, carcasses, skin, wool and all, for one single dollar per head. The price of mutton in the Philadelphia market, and we believe in the markets of all our Atlantic cities, is never more than 6¼ cents per pound, generally 5 cents, and we have often known it as low as 4. In the country villages, in the Western country, it is even less, and it does not admit of a doubt, that there is, with a great portion of our country inhabitants, a prejudice against mutton. The same prejudice exists amongst the blacks, and with some religious sects, and it is in reality in the cities alone, where the American System finds any considerable aid from the consumption of mutton. In order therefore to compete with the British, in the raising of wool, we must become a nation of mutton eaters; and we are clearly of opinion, that those who wish to see wool in this country produced as cheap as it is in England, should set the example of having nothing but sheep served up at political barbecues, at the tables of the woollen spinners and weavers, and at the festivals of the American Institute. They should always keep in mind, that the cod-fishery of New England was, in a great degree, established by the patriotic resolution of our Eastern fellow-citizens, to have a cod-fish dinner once a week. This being a legitimate protection to the wool growing interest, with which no one would have a right to find fault, it would stand upon a different footing from a tariff law, which taxes a man against his will; and if,

in the progress of time, the American people shall be willing to pay more for mutton than for beef, some hopes may be indulged, that the awful butchery of sheep, which we understand is now going on to a great extent, will not be repeated.

We are not, however, of opinion, that such a change in the public taste will soon be brought about. The interests of the graziers of cattle and the growers of hogs in the Western country, in New York and New England, are decidedly opposed to it, and it is quite probable that so long as beef and pork can be brought to market from a distance of from 5 to 800 miles, as it is now, in a living state, and sold at reasonable prices, so long will they be preferred.

[\[Back to Table of Contents\]](#)

ESSAY No. XXXIX.

may 12, 1830.

Effects of the restrictive system, in throwing people out of employment. The American System older than is commonly supposed.

OF the deplorable effects of the “American System,” upon our commercial cities, we have the following striking example, presented upon the very best authority:

From Niles’ Register of April 17.

“Mr. Carey, who is never weary in the cause of philanthropy, (says the Philadelphia Inquirer,) has published another pamphlet on the inadequacy of the wages paid to females, employed in the subordinate departments of mechanical trades. He states, that there are in the four Northern cities, probably from 18,000 to 20,000 women, who, if constantly employed for sixteen hours out of the twenty-four, cannot, on an average, earn more than a dollar and a quarter per week.”

If this statement of numbers is correct, it establishes one of two things: *First*, that the number of females who cannot now find employment, has been increased as the tariff system has advanced; or, *secondly*, that the tariff system has not answered one of the great ends for which it was instituted—that of affording ample employment to the poor. In either case it ought to be abandoned. But we are quite sure that the tendency of the restrictive policy is to diminish the demand for labour, inasmuch as it diminishes capital, the great fund from which all labour derives its support; or, what is the same thing, prevents capital from increasing as fast as it would otherwise increase. If a farmer has to pay fifty or a hundred dollars taxes, he cannot afford to employ as many people as if he had paid none. If a manufacturer or mechanic has to do the same thing, his demand for the labour of others must decrease in the same proportion; and inasmuch as high duties are taxes, the means of those who pay them are diminished in proportion to their amount.

To us, it is as clear as the light of day, that the state of things described by Mr. Carey, is the result of the restrictive system. It arises from the fact, that the breaking up of commerce and navigation, deprives of a part of their accustomed employment, the men who are engaged in the various branches of business connected with trade and ship-building, and the consequence is, that their wives and daughters are obliged to assist in the maintenance of their families by labouring for others. A very little reflection will shew, that in large, crowded populations, like those of our Northern cities, there must always be thousands who stand so near the brink of that necessity which compels people to hire themselves out, that the slightest withdrawal of their usual scanty means of support, will cast them into the ranks, already overflowing, of those who are competitors in the more humble walks. We do know the fact, that in the city of Philadelphia, and we presume it is the case in other cities, young women of very respectable classes, who fifteen or twenty years ago were maintained by their

parents, are now obliged to labour for themselves, and as the needle is the implement to which most of them resort, the tendency of their competition is to deprive of a portion of their employment, those who occupy inferior stations. Now it may happen, that a very slight reduction of income from wages, may multiply the number of competitors to an extensive degree, and we would say to Mr. Carey, that, if he does not wish to see his 20,000 doubled to 40,000, he should take as active a part in getting the taxes upon these very people taken off, as he did in getting them put on. There is many a mechanic in our cities who pays \$50 a year taxes, and who is thereby kept down by a constant pressure, whereas if he were relieved from this burthen, he would live in comfort, and have something to lay up.

In confirmation of our opinion on this subject, we annex hereto the following extract, from a letter lately addressed by a mechanic of Philadelphia to a member of Congress.

“April 15, 1830.

“I have been informed by men of the greatest respectability, that, was it not for the exertions of the wives of many of the rope-makers and ship-wrights, they, with their families, would be at the charge of the poor rates, such is the falling off of their respective business, more particularly of the rope-makers; and, as to myself, had I stood in need of some hundreds of hands the last winter, I could have had them. Few weeks pass but from two to a dozen come to ask for work. Many say to me, ‘Give me any wages you like, for I cannot bear to be going about the streets and my family in want of bread and all other necessaries of life.’ Such language as this, has been held to me many times during the last six months.”

The honour of having given birth to the American System, it seems, is not due, as has been commonly supposed, to the politicians and writers who have been struggling for the last fifteen years to break down agriculture, commerce and navigation, and to fix upon the people of this country a weight of taxation, from which nature, in conferring upon them a fertile soil and salubrious climate, and the political institutions of the country by guaranteeing them liberty, intended that they should be exempt. That system, which after all is nothing but the cast-off and exploded bundle of absurdities so long cherished in the dark days of Europe as the mercantile theory of wealth, dates its introduction into this country, so early as the commencement of the last century. Of this fact we were not apprized until recently, when, in a weekly journal, of great value for its statistical and historical documents, published at Philadelphia, we met with the following statement.

From the Pennsylvania Register.

“1718. A petition was presented to the Assembly for prevention of inhabitants of Jersey from selling any meat, &c., in the market.

“1722. A petition was presented to the General Assembly on behalf of day labourers, stating that the practice of blacks being employed, was a great disadvantage to them who had emigrated from Europe for the purpose of obtaining a livelihood; that they

were poor and honest, and they therefore hoped a law would be prepared for the prevention of employment to the blacks.”

Thus it seems, that so long ago as a hundred and seventeen years, the same spirit of monopoly that has characterized the farmers of Philadelphia county, in their late petition to Congress to shut out foreign provisions, had seized upon the philanthropic inhabitants of the counties bordering upon the city of brotherly love, so as to lead them to regard their neighbours of New Jersey, situate on the side of the river opposite to Philadelphia, as foreign rivals in the market of that city. Truly, when we published some months ago, in the Free Trade Advocate, an ironical petition of the Pennsylvania farmers praying the City Councils to prohibit the importation into Philadelphia, of the meats, vegetables and fruits of Jersey, we had not the most distant idea that so gross and palpable an absurdity could ever have been seriously entertained, as a measure of state policy.

But it seems that it was not alone the farmers of that day who had been seized with the American System mania. The “free productive labourers,” or, as Mr. Niles also calls them, “the salt of the earth, the only safe depository under heaven of substantial virtue,” were equally afflicted, and they could not endure the idea of seeing an unhappy fellow-creature, merely because he happened to be black, enter into competition with them in the market of labour. Now we do really think, that this specimen of “the salt of the earth” is widely different from the one which we have been always accustomed to regard with veneration, inasmuch as this latter was commanded to teach the principles of kindness, benevolence, good will and christian charity, to every creature. But the real fact is, that the monopoly, or American System, in all its forms, is the same selfish, grovelling, anti-christian spirit at the present day, that it was a hundred or a thousand years ago, under whatever name it may have been presented.

[\[Back to Table of Contents\]](#)

ESSAY No. XL.

may 19, 1830.

Injurious influence of high duties upon foreign liquors, on the cause of temperance.

WE have been politely furnished by its author, with the copy of an essay published in “The New England Farmer” of April 30, “On the means necessary to accomplish a total abolition of the practice of drinking ardent spirits.” It is a very sensible production, and the writer professes to accomplish his object in that rational way, which, if adopted by the Temperance Societies, would more effectually tend to reform the public taste for liquor, than by any compulsory process, or *forced voluntary* associations, that can be devised. In speaking of the habit of inebriety, the writer says, “Is it not a cardinal point to change this habit in the *natural way*? Far be it from me to arrest the progress of exertions in the pulpit—the diffusion of moral precepts, or to discourage the extension of societies for suppressing intemperance, and conventions to abstain from ardent spirits. Our object is to urge these associations and the community, especially the fairer and most estimable portion, whose influence and *handy works* will have commanding force, to exert all their physical energies for the diffusion of pleasant, mild and innocent stimulants to suit the condition, taste, and circumstances of all ranks and classes, throughout our whole country, and place these substitutes within their reach in the most alluring forms. The substitutes we shall notice are the fermented liquors, such as wine, perry, cider, beer, and the milder stimulants and restoratives of tea, coffee, cocoa, chocolate, &c.”

The author is a friend to low duties on wine, tea, coffee, &c., and is of opinion, that in proportion to their increased consumption will be the improvement of public morals. He has quoted from this paper, in support of his views, some remarks made by us relative to the trade with the island of Madeira, and the letter which accompanied them from a merchant in Lancaster, shewing that the people of that vicinity left off drinking wine and took to whiskey, when the duty on the former was increased. There is, however, one subject in connection with this question of temperance, which is worthy of consideration, and which if properly understood and acted upon by that portion of our citizens who take a zealous part in Temperance Societies, could not fail to produce the most beneficial effects.

It is well known that the great cause of inebriety in this country is the cheapness of whiskey. A gallon can be purchased for from 20 to 30 cents in almost any part of the United States, and as a quart is worth but from five to seven and a half cents, the means of intoxication are so entirely within the reach of every individual, that the only wonder is, that there are not more drunkards than there are. Now as we cannot make laws to increase the price of whiskey, (for no majority in Congress since the whiskey insurrections in Pennsylvania has been disposed to lay a direct tax on distillation,) it ought to be desirable to ascertain if there be not some other mode by which the consumption of that liquor may be diminished, in addition to those resorted to by the Temperance Societies. Such a mode exists, and it simply consists in

reducing the duty on French brandy, West India spirits, and Holland gin. The duty on the first and second named articles is 53 cents per gallon, and on the third, 57 cents, for first proof, and as the market price of each is about one dollar to one dollar ten cents per gallon, a reduction of the duty, consistent with all purposes of revenue, might be made to bring it down to 60 cents a gallon. Such a reduction would have the effect of elevating the public taste for liquor. We well recollect the time, when the country labourers in the neighbouring counties of Philadelphia, indignantly spurned rye whiskey. Apple brandy and rum was their accustomed drink, but the superior cheapness of whiskey triumphed in time over the liberality of their employers, and compelled them to accommodate their palates to the new standard.

By the tariff of 1790, the duty on liquors was 5 per cent. By the act of 1794, the duty on gin was 28 cents, and on brandy and spirits, 25. That was the period of temperance. But as soon as the American System made its appearance, sobriety was banished.

By the act of 1816, gin was raised to 42 cents, and brandy and spirits to 38—and by the act of 1828, gin was further increased to 57 cents, and brandy and spirits to 53.

To judge from the accumulating clamour about intemperance, it is manifest that a fondness for liquor has kept pace, *pari passu*, with the increase of duties, and the laws, as they now stand, do virtually bear on their face a positive command, that no poor man shall taste French brandy, Jamaica spirits, or Holland gin, however much inclined he may be to be satisfied with a gill of those palatable liquors, in preference to drinking a pint of nauseous whiskey. Instead of letting him have *a drop of comfort*, as it was called in olden time, he must now be drenched with a gallon of the alcohol of Indian corn. We think it can hardly be necessary to undertake to prove, that, if the public taste were raised to a higher standard by a resort to more expensive liquors, there would be a diminution of drunkards. The sum of money which any man can afford to expend in liquor, must always be a limited one; and whether that sum be small or great, it will only buy one-half the quantity at sixty cents, that it will buy at thirty. Of this position we think there cannot be a doubt, and we will put the question to any man, whose throat has not been burnt to insensibility, and whose olfactories have not lost all power of discriminating between a pleasant and a nauseous flavour, whether he would not, at any time, have an allowance of one gill of *old* Jamaica spirits, in preference to two or three gills of *new* corn whiskey?

All this may be very true, cries the moralist and the stickler for Temperance Societies, but then the American System? Very well, gentlemen, if you prefer the American System and a nation of sots, to Free Trade and a sober population, be it so. You only thereby shew the depth of your philanthropy to be equal to that of the patriotism of some others we could point out. But what would you say, if we could prove to you, with the clearness of mathematical demonstration, that the substitution of foreign liquors for domestic, instead of injuring the agricultural interest would positively benefit it, and that thus Providence has very wisely directed that the physical and moral happiness of man are to be promoted by the same measures? We pledge ourselves to do this in our next paper.

[\[Back to Table of Contents\]](#)

ESSAY No. XLI.

may 19, 1830.

The protective policy of the United States falls more heavily upon the poor than upon the rich. Quantity of salt produced and consumed in the United States. The duty is so great, that it would be for the interest of the consumers to raise a fund for the support of the salt makers, if they would consent to take it off.

THE United States is the first government ever established for the benefit of the people, that has acted upon the principle that the poorer a man is, the more heavily ought he to be taxed. In Great Britain, where, by means of rotten boroughs and disproportioned representations, the landed interest can always secure a majority in the House of Commons, and where, by the constitution of the kingdom, the mighty land owners have the right by birth to make laws for the plebeian multitude, it is very natural to expect, from the selfish spirit of man, that the weight of the national burthens should be made to fall upon the labouring people. Hence have sprung up corn laws, by which a tax is laid upon *bread* of at least fifty millions of dollars a year (estimating the population at 20 millions, and the increased price at only 2½ dollars per head) for the benefit, not of the farmers, nor of the agricultural labourers, but of the landed proprietors, who pocket this enormous sum in the shape of increased rent, as a hundred and fifty owners of iron mines, furnaces and forges, in this country, pocket the tax of *two millions*, paid by the consumers of iron, which Congress, in its zeal for “the general welfare,” has extorted by law from the farmers and mechanics and merchants.

It is true, that our laws do not throw the taxation upon bread. But they throw it upon other articles of prime necessity, and here we shall take occasion to copy, from an able and justly celebrated article, which appeared in the Southern Review for November, 1828, the following eloquent and expressive language.

“We might extend the enumeration to almost every article of human consumption to be found on the list of imports. Wherever we go, and whatever we do, we are in contact with the emblems of oppression. When we lie down at night, we are covered with them. When we get up in the morning, we are clothed with them. When we sit down to our frugal repast, we swallow them in our food. When we go into the fields to perform the daily labours of husbandry, we see and handle them in every implement we use. The very light of heaven comes to us in our dwellings, heavily charged with tributary taxation. In a word it may be said, almost without a figure, that ‘from the crown of our head to the sole of our feet,’ we are, already, even in the infancy of our government, ‘covered all over’ with taxation, and unjust, if not unconstitutional, impositions.”

With respect to the article of salt, there is no principle of policy or justice which demands the continuance of the duty. The government will shortly have a revenue far beyond its wants, and every one who has visited the interior of the country, where

salt, from the expense of transportation, can only be procured at a high price, is acquainted with the fact, that vast quantities of meat are spoiled every year in curing, owing to the necessity into which the poorer class of farmers are driven, to use the smallest possible quantity of salt. And why, let us ask, is the poor man's porridge to be taxed, and why are the hardy yeomanry of the country, who taste fresh meat only once in a week or a month, to be burthened, in order to enable the rich to eat fresh meat every day? Reader, have you any curiosity to know the reason why? It can be easily gratified. It is because a few individuals in Massachusetts and other states on the seaboard, have entered into the lists of competition in the process of converting the water of the ocean into salt by evaporation, with the inhabitants of Turks Island and Exuma, and as the sun does not work as hard in this operation in a cold climate, as he does within the tropics, the laws of nature are aided by a law of Congress, which says, What the sun fails to put into the pockets of the salt manufacturers of New England, shall be supplied by the labouring people of the country. But there is another reason. The great, powerful, and wealthy state of New York, possesses salt lakes so rich in product, that, after paying the expense of fuel to boil the water, the salt can be sold for 8 or 9 cents per bushel; and, availing herself of this great natural blessing to increase her revenue, she has imposed a duty of 12½ cents per bushel, equal to 133½ per cent. upon the cost of the article. It is to enable New York to collect this local tax, which amounted last year to more than \$157,000, that she combines with other protecting interests to perpetuate a national tax, which amounted last year, in the form of duties alone, to \$714,618. As proof of what is here asserted, we refer to the speech of Mr. Maynard in the Senate of New York, which was published in the National Intelligencer of the 14th inst.

The reasons however in favour of the salt tax, are not limited to these two. There is yet another. It is this. The proprietors of the great western salt works, being few in number, and having a complete monopoly of the supply of the Western country, have combined together to put money into each other's pockets, by keeping up the price of salt; and as the process of boring for salt springs, to the depth of several hundred feet, is a costly operation, and very often proves abortive, the check to monopoly is limited to a few capitalists, who, after they succeed, find it for their interest to combine with the rest. The fact, that the proprietors of two of the principal works in Western Virginia and Pennsylvania had mutually agreed not to undersell one another in the Cincinnati market, was derived by us, last year, from one of the individuals most deeply interested in one of those establishments.

The quantity of salt now produced in the whole United States, does not exceed 4,500,000 bushels of 56 lbs. The quantity imported last year was near 6 million bushels; so that for the sake of encouraging the forced manufacture of 4½ millions of bushels, which, at the rate at which it can be produced in New York, would be of the value of but 385,000 dollars, the nation is made to pay 20 cents a bushel upon 10½ millions of bushels, equal to the enormous tax of \$2,100,000. Why, it would be far better for the people to raise by subscription a million of dollars per annum, and pay to the manufacturers of salt to stand idle, rather than to continue this encouragement, as it is called, of domestic industry. The admission of Mr. Maynard, in the speech above referred to, is conclusive on the subject as a question of protection to American industry. He shews conclusively, that salt can be manufactured at Salina at less than

half the price at which it can be imported *free of duty*, and consequently the domestic manufacturer stands in no need of protection. But the coffers of the state of New York must be replenished, and the people of the United States must be called upon to make up the deficit. Can any thing be imagined more arbitrary or unjust? In the name of common equity, if we must pay through the nose, for the support of private and unfortunate speculators, to save them from loss, let us not also be called upon to enrich the wealthiest state in the Union, by taxing every spoonful of salt which we put in our bread, our butter, and our pickling tubs, and upon every grain that we put in our mouths. We hope the present session of Congress will not close without wiping out this vestige of oppression and injustice from our statute books.

[\[Back to Table of Contents\]](#)

ESSAY No. XLII.

may 22, 1830.

A reduction of the duties on foreign liquors would promote the cause of agriculture. This proved, by reference to our trade with the West Indies, France and Holland.

IN our last paper we promised to shew to the Temperance Societies, that a reduction of the duty on West India spirits, French brandy, and Holland gin, so as to enable the importer to sell those articles at 60 cents a gallon instead of a dollar, (the present wholesale price,) besides encouraging temperance, would promote, instead of injure, the interests of agriculture; and we think if we can make out our case, that we have a right to claim their adhesion to the cause of free trade.

West India spirits is an article imported from Jamaica, St. Croix, Antigua, or the other islands, where it costs about 40 cents a gallon, a little more or less. The people who make it, have a queer notion that those who want it ought to pay for it; and although we have often heard arguments in support of the American System, which supposed that the British were a generous people, who would send their cotton and woollen goods to the United States and give them to us for nothing, yet we have never heard of any West India planter being so liberal. In fine, the producers of rum insist upon it that commerce is an exchange of equivalents, and that for every gallon of rum they sell, they must have forty cents worth of some other thing. Indeed their stubbornness upon this point is so well known, that the American merchants, when they send a vessel to the West Indies to get a cargo of rum, never think of asking for it for nothing, but always take with them something to swop for the rum. The articles generally taken for this purpose, are those which the planter stands more in need of than he does of liquor, and these articles consist mostly of the products of agriculture, such as staves and heading, shingles, boards and planks, timber, lumber, masts, spars, tar, pitch, rosin, turpentine, skins, furs, beef, tallow, horned cattle, butter, lard, pork, cheese, hams, bacon, hogs, horses, mules, sheep, flour, Indian corn, corn meal, rye meal, rye, oats and other small grain, biscuit, ship-bread, potatoes, apples, rice, tobacco, beer, porter, leather, candles, soap, hops, linseed oil, vinegar, and some other articles. Now any man who has ever looked over an invoice of a cargo destined for the West Indies, will have discovered that nine-tenths of it invariably consist of the products of agriculture, and chiefly of flour, corn meal, pork, lard, hams, bacon, and lumber; and as in our trade with the West Indies our vessels bring back in rum, sugar, coffee, &c., no more than the quantity purchased with the proceeds of the sales of the outward cargo, it follows that, for every gallon of spirits we import, a sale has been effected of agricultural produce, worth in the West Indies, after the addition of freight, insurance, commissions, &c., forty cents, and which had cost at home, before shipment, we will suppose, thirty cents. In other words, for every 100 gallons of rum we import, our farmers sell thirty dollars worth of produce, and whether that produce be in one form or the other, is of no sort of consequence to their interests.

The question now presents itself, if, instead of selling this produce to the West India planters, for rum, the farmer sells it to the domestic distiller for whiskey, what demand will be made upon agriculture to supply the demand for 100 gallons of whiskey? This question is very easy of solution. It is known to every one, who has made inquiries of distillers on the subject, that one bushel of corn, out of which all the cheap *rye whiskey* is made, will produce two gallons and a half of whiskey, and consequently forty bushels will produce a hundred gallons. The next question is, what is the value at the still-house of a bushel of corn? In some places, as in Ohio, it is as low as 25 cents, and even lower, and in no place where distilleries are established, is it higher than 50 cents, the average of which is 37½ cents. It follows, therefore, that for every gallon of whiskey consumed in the country, there is a demand upon agriculture for only fifteen cents worth of produce, which is precisely one-half the quantity which would be required to meet the demand for one gallon of West India rum. If this reasoning can be controverted, we should like to see it done. We have never yet found a reasoner who could advance even a plausible argument in opposition to it, and we now challenge the whole school of American System philosophers to meet us upon this point, and we will cheerfully publish their communications.

It may indeed be urged, that by the present cheapness of whiskey, a greater quantity is consumed than would be consumed of foreign spirits at double the price. That is no doubt true; but although that would be an argument for the distillers of Lancaster county, and for the American System politicians, it is not such a one as the Temperance Societies should employ. It is indeed a lamentable truth, that the American System has not only struck a deadly blow at the physical prosperity of the people, but has done more to sap and undermine the morals of the nation, by converting honest and sober people into smugglers and drunkards, than can be easily remedied, and those who have been instrumental in its establishment, will some day, we trust, feel the responsibility they have incurred.

Having thus, as we conceive, settled one branch of the subject, we shall now take up the case of French brandy. We export to France, annually, eight or nine millions of dollars worth of agricultural produce, consisting chiefly of rice, cotton, and tobacco. Although these articles grow south of Mason and Dixon's line, they are not the less, on that account, the products of agriculture. Every pipe of 100 gallons of French brandy, therefore, shut out of the country by high duties, occasions a diminished demand upon the products of the planting states, for thirty dollars worth of cotton, rice and tobacco, whereas a hundred gallons of whiskey creates a demand, as in the above case, for only fifteen dollars worth.

The case is the same in regard to Holland gin. We export to Holland, annually, about two millions of dollars value of domestic products, chiefly consisting of pot and pearl ashes, rice, cotton, and tobacco, and the same result takes place as has been described in relation to brandy. If Wiesp anchor gin were drank instead of whiskey, each gallon would occasion a demand upon agriculture for double the amount created by a demand for a gallon of whiskey.

Perhaps it will be said that these nations would not purchase of us more largely than they now do, if the duty on their liquors were reduced. If that should be the case, then

it would be very clear that we could not buy any more of their liquors. A country which possesses no mines of gold and silver, can only pay for what it purchases abroad, with agricultural productions or manufactures, and if she has none that will suit the countries of which she wishes to purchase, she cannot buy their commodities. Neither the Frenchman nor the Dutchman will give us his liquor for nothing, and there need therefore be no fears that the country would be inundated with brandy and gin. At all events we should lose nothing by trying the experiment, and as the agriculturists are the people mainly interested in this question, we can assure them, that if they wish to consult their own true interest, they will give it a trial, for if it fails, the domestic distillation is always at hand to place matters in *statu quo*, and as for the duty, the government no longer needs it for revenue.

But even supposing, what we are sure would take place, that there would not be as many gallons of foreign liquor drank at 60 cents, as there now is of whiskey, the reduction would have to be very great indeed to reduce the demand for the productions of agriculture below what it now is, for we have shewn that one-half of the whole number of gallons might be curtailed without diminishing the value of the productions necessary to procure them with. But even if the reduction were to be much greater than one-half, still agriculture would not suffer. The sobriety of the people, consequent upon drinking only a gill, where they used to drink a pint, would promote industry, decency, education and improved manners; and the inevitable effect of this would be to increase the demand upon agriculture for those other productions, belonging to the comforts and luxuries of the table, which whiskey-topers never aspire to. In these opinions we are strongly confirmed; and if the Temperance Societies will only examine the subject, they will find that the remedy for inebriety, which we have suggested, will be a powerful coadjutor to their other exertions.

[\[Back to Table of Contents\]](#)

ESSAY No. XLIII.

may 29, 1830.

American industry promoted as much by the consumption of foreign commodities, as by that of domestic productions.

IT is truly extraordinary to see the pertinacity with which the American System philosophers hold on to the doctrine that agriculture is not American industry. Now if the planting and harrowing of land, the sowing of seed, the gathering of the crop, and the hauling of it to market, all performed on American soil, under the jurisdiction of American laws, under the protection of the American government, and by American citizens, is not American industry—we should like to know what right spinning and weaving, and especially when they are performed, as they are to a great extent, by foreigners, have to the appellation? But who says that the labour of the husbandman or the planter is not American industry? We answer, all the restrictive writers who touch the subject. They do not, it is true, make the assertion *in direct terms*, for that would injure their cause with the farmers, who, forming a majority of the nation, can control its political course. But they constantly do it *indirectly*, when they boast that a piece of home-made cloth is the product of domestic industry, and deny that a piece of foreign cloth is. For how can a piece of foreign cloth be brought into the country, except in exchange for some product of agriculture? And how can a product of agriculture be brought into existence except by the exercise of American industry? If a Pennsylvania farmer raises five bushels of wheat, converts it into flour, and sells that flour abroad for a yard of cloth, has not as much American industry been employed in procuring that yard of cloth as if it was the produce of one of our own factories? How any one can deny a truth so self-evident, it is not easy to perceive, and yet it is, as we have said, denied every day, and even by many who should know better. For those, however, who are innocently in error on the subject, we will offer a few illustrations:

“Louisiana sugar,” say the restrictionists, “is the product of domestic industry—West India sugar is not.” But West India sugar is altogether purchased with flour, corn meal, lard, butter, beef, pork, and other productions of agriculture. Is not therefore the labour of the Pennsylvania or Ohio farmer as much instrumental in producing the foreign sugar, as the labour of the Louisiana planter, in producing the domestic?

Again, the same reasoners say, that the iron produced by the iron masters of Pennsylvania, Maryland, &c., is the product of American industry, but that English, Russian and Swedish iron is not. And yet English, Russian and Swedish iron could not possibly be procured but in exchange for agricultural productions. Sometimes, indeed, this exchange is not a direct one. Very often we send a cargo of flour to the West Indies or Brazil, exchange it there for sugar or coffee, and with that sugar or coffee go to Europe and purchase the iron. When, however, such circuitous voyages are undertaken, it is because more iron can be procured for the flour, even after paying the double freight and expenses, than could be procured by a direct barter, or

otherwise it would not be done, and it can be of no sort of consequence to us whether the voyage be direct or indirect, provided we obtain the most profitable result. Now, if ten barrels of flour can be sent to the Havana, and be there converted into as much sugar as will procure a ton of iron in St. Petersburg, we should wish to know whether American industry has not been applied to the procuring of it, as much as if a ton of iron had been smelted and hammered from ore dug up in Lancaster county?

Again we are told, that salt, manufactured at Salina in New York, at Conemaugh in Pennsylvania, and Kenhawa in Virginia, is the product of American industry; but that salt imported from Lisbon, Cadiz, and Turks Island, is not. Now is it supposed that the salt makers of those places give us their salt for nothing? We hardly think that any one will advance such an absurd position. We must therefore pay for it. And how can a nation, which has no gold and silver mines, pay for foreign products but by domestic products? And if we pay for salt with flour, and other similar productions, or, what is the same thing, with commodities purchased abroad in exchange for those productions, why is not foreign salt as much the product of American industry as domestic-made salt?

The same reasoning applies to all articles of foreign production. *They are all the productions of domestic labour*, and are as much entitled to the rank of American industry as any species of labour performed with the spindle or loom. It is true, that foreign products are not always procured by an immediate exchange for domestic products. Wherever this, however, is not the case, as we have already remarked, it is always because, by pursuing an indirect exchange through the intervention of a third party, a more profitable barter can be made. And surely no individual would condemn another for making a circuitous bargain, by which he could put more into his pocket than by making a direct one. Who would say that the farmer was unwise, who, having wool for sale, and wishing a pair of boots, should prefer giving it to the hatter for an order upon the boot-maker for a pair of boots, rather than insisting upon a direct exchange with the boot-maker, who, not being in want of wool, should refuse to give him for it, more than a pair of shoes? And how then can it be maintained, as some of our politicians do, that, unless we can make a direct exchange with a foreign nation, it is unprofitable to trade with her? If, say they, Great Britain will not give us as much for our flour as the West Indians and South Americans will give, our true policy is not to exchange cotton with her for her manufactures, although she is willing to give us for it more than any other nation, and to take from us as much as we can raise and are willing to let her have, for its proper equivalent in her productions. This is precisely the same thing as if the farmer we have just referred to, should say that, because the boot-maker would not give him as much as the hatter for his wool, he would not sell him wheat for a pair of boots, when nobody else would give him for it more than a pair of shoes. It is really time that our *soi-disant* statesmen should abandon such childish arguments, and look at things as they really are. The true state of the case is this: Pennsylvania raises wheat, and wants woollen cloths. She says to Great Britain, I will give you flour for manufactured goods. Great Britain says, Agreed—I consent to the exchange. But Pennsylvania says, You will not give me as much for my flour as I can get from others. That may be, replies Great Britain, and therefore your best policy will be, to let your neighbours, Carolina, Georgia, &c., have your flour in exchange for their cotton, and I will let you have for the cotton more manufactured goods than

you can get from any other European nation, and twice as much as you can make at home, with the same number of hands now employed in raising the flour with which they will be paid for. Pennsylvania consents, and it is by this roundabout process that she does actually at this time pay for nearly all the British goods she receives, amounting to several millions of dollars annually. And now, we would ask, is not this circuitous mode of dealing with Great Britain more advantageous to Pennsylvania than a direct exchange of flour for manufactures would be? And is not as much American industry employed by that mode of procuring cloths as would be set in motion by taking the labouring man from the tail of the plough and putting him to work in a factory?

[\[Back to Table of Contents\]](#)

ESSAY No. XLIV.

june 9, 1830.

The consumption of commodities diminishes as prices rise. Proved, in reference to the price of ice in Philadelphia, in 1828. Danger of tampering with commerce.

IT is known to every one, that, as commodities rise in price, their consumption is diminished, and that, as they fall in price, their consumption is increased. The ratio, however, of the diminution or the increase, is not the same in regard to all commodities. A rise in the price of *the necessities* of life, will not occasion as great a diminution of the ordinary consumption, as a rise in the price of the *comforts of life*; nor will a rise in the price of these latter articles occasion so great a diminution as a rise in the price of *luxuries*. So, on the other hand, a fall in the price of the necessities of life, will not increase the consumption, so much as a fall in the price of the comforts of life will increase the consumption of these latter; nor will a fall in the price of the comforts of life, increase their consumption so much as a fall in the price of luxuries will increase their consumption. Each article, too, of each class, is governed, perhaps, by different proportions, and therefore there is no fixed rule by which a general scale can be formed. But we will illustrate these positions.

A rise in the price of flour from five dollars to ten dollars per barrel, which is one hundred per cent., would not reduce the consumption of bread to one-half the usual quantity, because, being a necessary of life, it could not be dispensed with in that proportion. But a rise in the price of tea and coffee and other such articles, which belong to the class of comforts, to double the usual rates of the market, would diminish their consumption to a quantity less than one-half, and for the reason that the mass of consumers have limited incomes, and have no more than a certain sum to expend in such articles, so that resort would be had by a great portion of the community to substitutes, such as rye and beans, whilst others would use milk, &c. A rise in the price of wines and other luxuries to the extent of one hundred per cent., would reduce their consumption much below one-half, for, being articles which could easily be dispensed with, they would readily be laid aside. That these positions are correct, with some few exceptions, will be manifest, from what is exhibited in the daily transactions of life. Almost every economical family has rules as to the maximum price which it is willing to pay for articles in the market. Where there are one hundred persons, who would give twenty-five cents per pound for butter, there are not half that number who would give fifty cents, even for reduced quantities. Some persons make it a rule never to buy eggs at a higher price than a particular rate per dozen, whilst others, in the season for lamb, asparagus, green peas, strawberries, and fruits, never buy those luxuries at all, until they fall to the prices which they have laid down as their maximums.

This being the case as it regards a rise in prices, it follows, that the very opposite results would flow from a fall in prices. A fall in the price of flour, to one-half, would not double the consumption. One, in the price of tea and coffee, to that extent, would,

no doubt, double it; whilst one in the price of wine might carry the increase of consumption much farther.

A curious and striking illustration of the operation of price upon consumption, in regard to an article of luxury, was communicated to us last year. The custom of carrying about the streets of Philadelphia, in the summer season, the article of ice, for the use of families, was introduced about twenty-five years ago. From that period until the year 1827, the consumption gradually increased, insomuch that, in that year, as many as 3000 families received a daily supply, equal, on an average, to about half-a-peck per day, at thirty-seven and a half cents per week. The winter of 1827-8 having been so mild that no ice was formed in that vicinity, a foreign supply was looked to, when it was calculated that ice, imported from New England, could not be delivered to customers for less than four times the old price, that is, one dollar and a half per week for half a peck per day. To ascertain the quantity which would be required by the demand at this increased price, the dealers in the article united in an estimate, by which it was assumed that one-fourth the usual supply would be called for, being the proportion corresponding to the rise in price. The result, however, did not confirm the correctness of this calculation. Instead of seven hundred and fifty consumers, the anticipated number, the number was less than four hundred, and of these, many diminished their quantity, so that it appeared that, for every one thousand bushels sold at the low price, not more than about one hundred were demanded at the high price. Another example occurred in the case of the sale of mineral water. A number of the dealers, on account of the dearness of ice at that time, doubled the price, but the consumption fell off so greatly, that in a very short time they were obliged to fall back to the old rate.

Our object in bringing these merely speculative truths into view, is to lay down the bases of some practical illustrations in relation to the influence of high duties upon the commerce of the United States. The raising of prices by artificial means, such as the imposition of high duties, inevitably diminishes the consumption, and thus disturbs the usual current of imports and exports. New habits and tastes become formed; those at home, as well as those abroad, who were before concerned in the trade, are driven into new pursuits, and the reducing of the duties may not, for many years, if ever, restore the old state of things. How often does it not happen, that the high rate of tolls charged on a turnpike-road, has driven travellers into a new route, which they have continued to adhere to even after a reduction of the tolls on the old road? In the case above referred to, relating to mineral water, a most injurious effect upon the trade was experienced. The lowering of the price to the old rates did not bring back the customers, for some of them discovered, by the interruption of their usual supply, what they did not before know, that it was possible to do without such a luxury.

One remarkable fact relative to the turning of trade from its accustomed channels we shall here mention. Prior to the last war, it was the custom, almost universally, for the ships which sailed out of Philadelphia, to stop at New Castle, on the Delaware, to get their supplies of live stock, and many of their sea stores, for the voyage. During the war there were bodies of troops stationed in that vicinity, composed of volunteers from Pennsylvania and Delaware, and, in 1814, as late as December, to the number of three or four thousand, and no small portion of these being citizens possessed of

means to live on the best the country could afford, such as eggs, fowls, ducks, and other poultry, the breeding stock of the neighbourhood was encroached upon, so that in the spring of 1815, when commerce was resumed, the first vessels which stopped at New Castle for their accustomed stock, could not get supplied. This disappointment was soon made public. No more vessels stopped at New Castle. Poulterers started up in Philadelphia to meet the new demand, and New Castle forever lost the trade. This was the main cause of the dilapidated condition of that town, which is so observable to those who remember the life and bustle which twenty years ago were exhibited there. To tamper with trade is as dangerous an operation as tampering with one's bodily health, and none but quacks ever attempt it in either case.

[\[Back to Table of Contents\]](#)

ESSAY No. XLV.

june 16, 1830.

Niles' Register. Communication extracted from, as to the relative advantages of domestic and foreign labour. Fallacy of its reasoning exposed.

MR. NILES' Register being looked upon by the restrictive party as a sort of text-book, in regard to the truths of political economy, may be considered in this country as the standard of American System orthodoxy, and, as such, has an extensive circulation, and a powerful influence. We cannot, however, say, that we have ever been forcibly struck with any of his reasonings, and whilst we give him credit for his industry and indefatigable zeal in collecting statistical facts, we think it would not require much effort to point out the fallacy of many of the conclusions which he draws from those facts. The following article, some months ago, particularly attracted our attention:

From Niles' Weekly Register of Oct. 31.

"Domestic and Foreign Labour.—The following statement is from a practical man. It is highly interesting; but might have been much further extended, as to the labour actually employed, through the establishment spoken of, and the capital vested in lands, buildings &c., to carry it on, and to subsist the persons *directly* engaged in this business. It is however sufficient to show the difference between domestic and foreign labour, in their effects on national prosperity—the success of which must depend upon the profitable and full employment of the people; seeing that there is no other way than by *labour* to obtain national wealth. Not less than *five hundred* persons are subsisted by the establishment spoken of.

to the editors of the register.

Philadelphia, Oct. 26, 1829.

"In your Register of Saturday, I observed an extract from the Boston Manufacturer," in which, with reference to the comparative effects of commerce and manufactures upon the domestic industry of a nation, it is stated, that 200 sailors employed for a year will bring us all the bar iron that we purchase from abroad, while it would employ fifteen thousand persons to make it.

"In further illustration of the same subject, I send you the annexed statement, showing the amount of American labour set in motion and advantageously employed, during one year, in both the branches of manufactures and navigation, by one small establishment, engaged in making iron. To import the same quantity, (less than 1000 tons,) which here gives employ and comfortable support to so many American citizens, would, if brought from Great Britain in American vessels, require the labour of some fifteen or twenty seamen during thirty or forty days—but if transported in

British ships, the whole would be accomplished without giving occupation or contributing to the support of a single American for one moment. When I add, that the article, when made, is sold at a price less than it could be imported for, if no other duty existed than that which, were he Secretary of the Treasury, the editor of the “Banner of the Constitution” would himself be compelled to recommend, or preside over an empty exchequer, it would hardly be contended, even by that gentlemen, that the consumer is taxed by the system which has produced this result.

“I answer for the facts, as they are taken from the books of the concern.

“1. To cut the wood requires an average of about 50 men for five months, at that period of the year during which there is not much demand for labour at other employ.

“2. To convert it into coal and deliver it at the works, 19 men and 16 horses, during 9 months.

“3. To raise [dig] and deliver the ore at a point from whence it is transported by water, 15 men and 16 horses, for 9 months.

“4. To transport this ore and other heavy raw materials requires 3000 tons of coasting vessels. Sloops and schooners of 50 to 70 tons are employed, and 4 or 5 of these, navigated by 15 to 20 men, do the work in about 8 months.

“5. Thirty to thirty-five men, and 15 to 20 boys, are employed for 10 months in converting these raw materials into the manufactured article—and then nearly 1000 tons of coasting craft in carrying them to market.

“The aggregate of this labour you will perceive is equal to about 100 *men* for one year—to import the same in an American vessel would, as before remarked, require less than one-fifth of the men for one-twelfth of the time.

“But this is not all. The labourers and their families on shore, and the horses, consumed, whilst so engaged, the following articles—

480 barrels flour,
120 barrels mess pork,
100 barrels salt fish,
6,000 bushels corn,
4,400 lbs. coffee,
4,000 lbs. sugar,
1,500 gallons molasses,
dollars in value of dry goods, besides a large sum in miscellaneous articles,
3,500 including hay for the horses, &c. Of the dry goods, about 2-3ds. were of domestic origin.

“The establishment being situated in a comparative wilderness, the articles of agricultural produce were all brought from a distance, and paid a further tribute to American industry and capital in transportation.

C.”

The article above quoted, is, if we understand it aright, intended to shew, that the labour of *fifteen* or *twenty* seamen employed for *thirty* or *forty* days, is capable of bringing into the country as much iron as it would require *one hundred men* to produce in this country in *one year*, and that it is for the interest of the nation that the domestic production should be resorted to instead of importation. Now, if we state the proposition correctly, it follows, that the writer is of opinion, that the more laborious the process by which a commodity is attainable, the more advantageous it is to the public; in other words, that it is better for the public that a hundred men should be employed a whole year in producing one thousand tons of iron, at home, than that fifteen or twenty should be employed thirty or forty days, in procuring the same quantity from abroad. This, to be sure, is a very extraordinary doctrine, and is in fact a repetition of the fallacy once refuted by us in the Free Trade Advocate, under the illustration of a snow-storm. It has its origin in the absurd belief, that if the people are only employed, it matters not how they are employed; whereas the truth is, that, in an economical point of view, it is often better for people to remain idle, than to be employed in labour which can only be remunerated by levying contributions on the public.

There is a story told of our fellow-citizen, Stephen Girard, of Philadelphia, who understands the practical truths of political economy as well as any man in the country, as is shown by the skilful management of his great commercial capital and his bank. A man applied to him one day for charitable aid, who had every appearance of being able to labour. Mr. Girard asked him why he did not work? He replied, that he could not find any employment. Mr. Girard suspecting this to be an excuse for idleness, and wishing to try the applicant, said, he would give him some employment. He then directed him to remove a large pile of bricks, which was near at hand, to another place. This the man accomplished, and then applied for his reward. “The business is but half done,” said Mr. Girard, “they must all be moved back again into the old place.” The absurdity of such sort of American industry as this, was too glaring even for the mendicant, and rather than look and feel like a fool, he sneaked off without his pay. Now, had one of our American System philosophers been present at this occurrence, he would without doubt have denounced the beggar, as he would any individual of the free trade party, for his ignorance, in not being able to perceive how advantageous it was for the public that people should be employed; and he would have thought that it was decidedly beneficial to the community, that this man should have been employed in removing these bricks, even though a few should be broken by the operation, rather than that he should have been maintained as a pauper without working.

But, says Mr. “C.,” the 1000 tons of iron produced at the iron works, by the labour of these *one hundred men* for one year, is sold at a price less than it could be imported for under a moderate revenue duty. If this is the case, and if this price remunerates the iron-master for the capital and labour employed in his works, as we presume it does, it presents one of the strongest arguments against the high duties on iron that could be adduced. For, if iron can be profitably made in this country under duties of only 20 or 25 per cent., why should \$37 per ton, equal to 140 per cent. be imposed? Certainly

there can be no reason, except it be to enable the owners of sterile or exhausted mines to force into operation unproductive ore banks, which had better be suffered to lie idle, like the salt-petre caves of Kentucky, that can only be made to produce that article at two or three times the price of the foreign. *Again:* If the iron which these 100 men produce at home in a year, is no more than the quantity which 15 or 20 sailors could produce by importation in thirty or forty days, would it not be the best policy to adopt the latter course for procuring iron? For, if 1000 tons of iron could be had from abroad, with *one-sixtieth* of the labour requisite to produce it at home, would it not be better to save the other fifty-nine parts, and apply it to some other purpose? To make this plainer, we will illustrate it by a reference to a particular case.

We will suppose that the iron works alluded to are those of Mr. R., in New Jersey. He has land possessing iron mines, or bog ore, and he has capital enough to maintain one hundred men for a year. These men he maintains by paying them wages, or, in other words, by giving them the quantity of flour, pork, fish, corn, coffee, sugar, molasses, and dry goods, stated in Mr. C.'s estimate. In return for this expenditure he receives annually 1000 tons of iron. Now, if Mr. R., by diverting a part of his capital to commerce, could get, by the labour of 20 of his men as sailors, in one month, as much iron as he now gets by the labour of the whole hundred for one year, would he not, if he was a man of common sense, resort to the least expensive and laborious process of procuring his 1000 tons of iron? For, it will be perceived, that, with his 1000 tons of foreign iron, he would have as abundant means to maintain the whole body of his labourers, as if they had all been occupied in making iron; and if he had nothing more profitable for them to do, and was solicitous that no American industry should be lost to the country, he might set them to work in carrying bricks from one place to another. But we know Mr. R. too well, to believe that he would be guilty of such an absurdity. If he was determined to keep a hundred men in his employ, he would set some of them at chopping wood for the Philadelphia market, others in hauling it, some in cultivating his land, or in building houses and barns, or perhaps in embellishing his grounds by walks or hedges, or in making a canal or rail road from his woods down to the river; and under such a state of things, would it not be better for him and for the community, and for the very labourers themselves, than that the whole hundred should be occupied in doing nothing more than producing 1000 tons of iron?

Under this view of the subject, we cannot conceive it possible that any individual could prefer to see a hundred men employed in making 1000 tons of domestic iron, when it is possible for the same hundred, by a different mode of applying their labour, to produce 1000 tons of foreign iron, and other articles of fifty-nine times the value, perhaps, beside. If there be any such man in the community, his mind must be obnubilated. Mr. C. himself would not prefer it; and he, certainly, when he wrote the above communication, was not aware of the *reductio ad absurdum* of which it was susceptible. The fact is, the whole reasoning of Mr. C. is grounded on the error of supposing that when 1000 tons of iron are brought into the country, it is there brought by the labour of fifteen or twenty sailors for one month. This is an entirely false assumption, and is no more true than it would be to assert that the labour of the carter, who hauls a load of wood to our door, is the labour which produces the wood. The part which the sailors perform in the total operation of production is a very small part indeed. It is probably, in every ton of iron, not more than the tenth or twentieth part of

the domestic labour employed in producing it. The labour of the merchant who directs the voyage, and of the ship-carpenter, rigger, sail-maker, boat-builder, ship-smith, painter, plumber, stevedore, and porter, and of a dozen others employed in building, rigging, and loading a ship, must be taken into the account. And even these, all put together, form but a small part of the domestic labour employed in the production of the foreign iron. To whose labour then is due the foreign iron, if not to the seamen and the mechanics employed in ship-building? We answer, to the hard-working farmer—to the man who by his plough has turned up the ground, who has planted the seed, harrowed it into the earth, harvested the grain, hauled it to his barn, threshed the sheaves, and carried the wheat to the mill to be ground for exportation—to the man who, by diversifying his agricultural pursuits, has raised beef and pork, hams, lard, butter, whiskey, cider, staves and heading, shingles, boards, plank, lumber, spars, tar, pitch, turpentine, skins, furs, cattle, cheese, hogs, horses, corn, corn meal, rye meal, oats, potatoes, apples, onions, cotton, rice, and tobacco, and the numerous other agricultural products which form the mass of our annual exports. Without these labours of the farmer and planter no foreign iron could come into the country, unless foreigners would give it to us for nothing, which is not at all likely; and therefore, in drawing a comparison between the quantity of labour employed in producing 1000 tons of domestic and foreign iron, respectively, the domestic industry of the farmer and planter in producing the equivalent with which alone the latter could be obtained, must not be omitted, it being the most essential part.

In thus pointing out the error of Mr. C.'s reasoning, we must advert to an error in one of his facts. He says—"But this is not all. The labourers and their families on shore, and the horses, consumed while so engaged, the following articles," &c. Now this expression seems to imply that the provisions and clothing consumed by the one hundred labourers, were in addition to their wages. This, however, is not the case. No labourer who receives a dollar a day, can consume his wages and a dollar's worth of flour, pork, and salt-fish besides. The articles enumerated were the real capital consumed by the labourers, and constituted their wages; for, whether they received coin, or bank notes, or the orders of their employer upon his own store, the coin, or notes, or orders, must have been given in exchange for the provisions and clothing, which alone could be consumed.

As to the last paragraph of Mr. C.'s communication, it is but a confirmation of the theory upon which he has built this comparative estimate of foreign and domestic labour. He supposes that it is of so much importance that American industry should be employed, that it is of positive advantage that the agricultural produce consumed at Mr. R.'s iron works should be brought from a distance. Upon this principle, it would also be of advantage that the smelting house should be at a distance from the ore banks, inasmuch as the conveyance of the ore to the furnace would give employment to additional American industry; and we see no reason, if the doctrine be a sound one, why it is not the better the further it is pushed. We see no reason why Mr. R. would not promote his best interests, and those of the public, by transferring his works to Egg Harbour, which we presume is not fifty miles from his ore banks, for, in that case, it would employ a great many more hands, and horses, and oxen, than it now does, to produce his 1000 tons of iron.

As to the question, whether the domestic or the foreign mode of procuring a thousand tons of iron, gives employment to the most American industry, we shall leave it to others to answer. This, however, we will say, that if restrictive laws did not interfere, the common sense of the public would lead them to get their iron by the employment of the fewest possible number of people, and never by the employment of the greatest number; so that if the commercial process required a fewer number of hands than the manufacturing process, it would be unquestionably resorted to, and *vice versa*.

[\[Back to Table of Contents\]](#)

ESSAY No. XLVI.

june 23, 1830.

Remarks on the passage of the bills reducing the duties on tea, coffee, cocoa, salt and molasses. The protective system can only be broken up by attacking it in detail. The inquisitorial features of Mr. Mallory's bill abandoned.

IT appears that some of our Southern friends are not pleased at the passage of the bills reducing the duties on tea, coffee, cocoa, salt, and molasses; being apprehensive that the effect of it will be to render more difficult the repeal of the other taxes which bear more heavily upon the South. They are of opinion that the Southern delegation in Congress, instead of advocating, as they did we believe, unanimously, these partial measures favouring principally the ship-owning and lumber and grain-growing states, should have opposed any reduction, except a general one which would have touched the most odious and oppressive features of the American System. In this view of the subject, we think our friends are in error, and we will state our reasons for this belief.

At the commencement of the late session of Congress, we believe it was the general sentiment of the anti-tariff party, that the proper way to attack the system was, to aim a blow at the whole, and not to listen to any plans for a partial assault. It was thought that certain sections of the country had become so heartily sick of particular burthens imposed upon them by the log-rolling system, that they would gladly unite with the Southern representatives in casting off the yoke, even at the hazard of overthrowing the other parts of the system. Under this impression, we presume it was, that, on the 5th of February a bill was introduced into the House of Representatives by Mr. McDuffie, chairman of the Committee of Ways and Means, for a general reduction of duties. The votes however which took place on that bill, on the 8th of the same month, most clearly showed, that the combination was too strongly riveted together by the common ties of interest, to be vulnerable, if the whole were attacked at once. It was decided, by a vote of 107 to 79, not merely that the bill should not pass, but *that it should not even be discussed*, and it was accordingly laid upon the table, or, in other words, laid upon the shelf.

Nothing then remained for the minority, but to resort to the expedient of taking the bundle of rods which had inflicted so many severe stripes upon the nation, one by one, in order to try what could be effected by that process. The monstrous and untenable doctrine had been set up by the Committee of Manufactures, and by certain distinguished members of both houses of Congress, that the American System, admitted by these latter to be vicious and injurious in principle, had *now become the settled policy of the country*. To put down this hideous feature of legislation, which, if admitted as valid, would perpetuate the reign of darkness, of vandalism, and of misery, in this country, for which there are in store, we trust, higher destinies than any that can be conferred by such politicians as those to whom we have alluded, was of the greatest importance. It was indeed of infinite moment that the people, that the world, with which we have commercial intercourse, should be made to know, that,

although some individuals, who had been hostile to the tariff policy, but had found it convenient no longer to oppose it, had now justified the latter course by professing to believe that a system of six years standing had acquired a right to perpetuity by prescription, yet that the body of the nation was not so immersed in ignorance, or a blind devotion to political leaders, as to persevere longer in a policy than it was found to answer the ends of its institution. To prove, therefore, that the American System was *not the settled policy of the country*, called for the united efforts of the true friends of the people, and by their acting in concert, that desirable object was accomplished. No man, henceforth, who values his reputation or his sincerity as a statesman, will be found to profess a belief, that a policy can be looked upon as settled, which has met with so violent a shock as that which has been experienced by the high duty policy within the last two months.

It is true, that, in commencing the work of demolition, the most feeble points were first assailed. Tea, coffee, and cocoa, articles not produced in this country, presented themselves as prominent objects through which the public pulse might be felt, and through which an opportunity might be afforded to the editors throughout the country, who did not feel at liberty *directly* to attack the tariff, to do it *indirectly*, by setting forth the blessings of low prices. The anticipated result was fully accomplished, and it may be considered, that the re-action of public opinion upon Congress in relation to these articles, prepared the tariff party for the further steps of reducing the duty on salt and molasses, and allowing a drawback upon domestic spirits distilled from foreign molasses. But, in regard to the article of tea, a still further point was gained. The China trade has always been regarded by the tariff party as one of the most injurious to the country that has been carried on, on account of its *draining us of our specie*; and the facilities now afforded for the further exportation of coin to that country, by the votes of the very tariff party themselves, may be looked upon as abandoning one of their strong holds. We are not unaware, that a part of the tea brought from China, is paid for with skins, furs, ginseng, and a few other articles of domestic produce, or with British goods shipped in England, or with seal skins and other products obtained in the South seas; but these bear but a small proportion to the amount purchased with Spanish dollars, and therefore a direct and almost unanimous vote to encourage the exportation of dollars from this country, evinces a clearing off of a part of the mental obnubilation which has so long obscured the vision of our political arithmeticians.

That the reduction of the salt duty is a real breach in the walls of the American System, cannot be doubted. Although it was originally imposed as a mere revenue duty, yet it would have been reduced soon after the war, as originally contemplated, had its continuance not been urged, upon the same ground precisely as the continuance of the cotton and woollen duties, viz., the injury of those who had embarked their capitals in the domestic manufacture, at a period when the duties were not designed for protection. The molasses duty, perhaps, cannot be altogether considered as a *bona fide* part of the tariff policy, inasmuch as it was ingrafted on the main stock by the enemies of the system. Considered, however, as a measure highly favourable to Louisiana, one of the most thorough-going tariff states in the Union, it was clearly one of the elements which made the combination stronger, and, taken in connexion with the abolition of the drawback on New England rum which accompanied its adoption, the object of which was protection to the whiskey distillers

of Pennsylvania, Ohio, &c., it cannot but be regarded as one of the rods which helped to make the bundle more difficult to be broken. Upon the whole, when we add the entire abandonment of Mr. Mallary's bill, intended to establish the holy inquisition in our custom-houses, its substitution by a new measure which so entirely altered the character of the original, that of it, it could scarcely be said, *stat nominis umbra*, abundant evidence is afforded of a great triumph, on the part of the friends of free trade, over an opposition which six months ago appeared to be insurmountable.

Considering, as we do, the course pursued by the anti-tariff party in Congress, as a display of good generalship, we cannot easily bring ourselves to believe, that any more efficient course could have been adopted, and we look forward with great confidence to the developments of the next six months, as corroboratory of our views. The reduction of the duty on salt and molasses, articles so necessary to the poor man, will give an opportunity to the editors who are at heart on our side, but have too many American System subscribers to risk an open assault, to lead public opinion into a correct mode of thinking upon the other branches of the system. From salt and molasses, the transition will not be great to sugar and clothing, to iron, cotton bagging, and wool. It is a great thing, in carrying on war against an enemy, who has possessed himself of one's country, to compel him to commence a retreat. Every new position that is taken up, becomes a fresh *point d'appui*, and the advantages can hardly be over-rated, which the invaded enjoys, when he has once seen the invader turn his back. This favourable posture of the battle now belongs to the friends of free trade; and if the advantages be followed up as they ought to be, without the slightest relaxation, we may expect, before long, to see the enemy driven back to his own borders, or throwing himself upon the mercy of the victors.

[\[Back to Table of Contents\]](#)

ESSAY No. XLVII.

july 14, 1830.

Internal Improvements. Question of benefits resulting from, fairly tested. Influence of the impost and funding system, as promoting extravagance in government. Sinking of capital. Erroneous opinions generally entertained in respect to it.

THE question of Internal Improvement, as it is called, is one, the real character of which is less understood in the middle and Northern states, than any other which is intimately connected with the prosperity of the country; and as we consider it of great importance that the advocates of free trade should become acquainted with its true nature, we shall offer a few remarks on the subject, for their especial benefit.

It is a common notion, with the great body of the people, that the construction of roads and canals can never be otherwise than beneficial to the country. This belief arises from the general prevalence of two great fallacies, which even some sensible men have embraced without due consideration. The *first* is, the supposition that the public good is promoted by simply giving employment to people; and the *second* is, the idea that, as a road or canal cheapens the expense of transportation, it must needs be of general advantage. We shall give to each of these opinions a brief examination, and if we do not completely expose their unsoundness, we shall esteem it as a great favour, if any one who reads this paper will point out the error of our reasoning.

That industry is better in a moral point of view than idleness, we cannot dispute, and if we were writing a treatise for the use of a house of correction, we should say that it would be better to employ lazy vagrants in carrying bricks from one pile to another, and then in carrying them back again, than to indulge them in their lazy habits. But examining the subject under an economical point of view, the question is entirely altered, and assumes this form—Is it beneficial to the public that there should be employed, at the expense of others, people, the value of whose labour, after the work is completed, is not equal to the capital expended? This is a very simple proposition, and easy of solution. Let, for example, any farmer ask himself whether it would be advantageous for him to employ a labourer to work on his farm for a year, at an expense in wages of one hundred dollars cash, if the produce of his labour was worth only ninety dollars cash? Let him ask himself, whether it would be advantageous for him to employ a man to dig a ditch around his fields, to drain off the water, at an expense of a hundred dollars, if the increased productiveness of his fields, by the draining, would not be annually equal to the annual income which he could have derived from the employment of his hundred dollars in some other way? Let him ask himself, whether it would be advantageous for him to employ people to make a road for him to go to market upon, at an expense of a thousand dollars, if the saving which would accrue to him in time, in the wear and tear of wagons, cattle and horse-shoes, should not be annually equal to the annual revenue that he could have derived from the employment of his thousand dollars in some other enterprise? If any one, on putting these questions to himself, should receive an affirmative answer, we should

like to hear the arguments by which it would be supported. But we are persuaded that none can be given, unless it be this: The ditch, or the road, although it may not this year produce the saving expected, yet it will do so some years hence. This, to be sure, has some speciousness about it, but it must vanish as an argument, when brought to the test of analysis, as we shall show.

In all estimates of the expenditure of capital, the calculation, to be sound, must be made in reference to the time of the expenditure; and if the income to be derived from it, does not commence until a future day, there must be added to the principal, a sum equal to what would have been gained in the interim, by its employment in some other way. Thus, in the case of the ditch, if its usefulness should not show itself for five years, and if, after that period, it should not annually produce the income of one hundred dollars, and of such additional sum as could have been made out of the one hundred dollars in five years, employed in some other way, it would have been a losing concern; at no future period would the farmer be in possession of as much revenue, as if he had let the ditch alone. The case is the same with the road. An interest account must be kept with it, and the farmer could not fail to discover that, as money doubles itself at compound interest in less than twelve years, his road, at the expiration of that term, must yield him the income of two thousand dollars, or he will be worse off than if he had let the road alone. If the saving in the mean time should have been more than sufficient to keep the road in repair, this surplus, it is true, will be a set-off on the credit side of the account, and will of course diminish the accumulating ratio of the compound interest. But, for the better elucidation of this subject, we will state an account current:

<i>Dr. The Road.</i>		<i>Contra. Cr.</i>	
1818. Amount of	\$1000	1830. Jan. 1.	\$ 600
Jan. 1. cost,			
1830. Compound		By amount of saving in transportation in	
Jan. interest, at 6	1000	[oc] 12 years, including compound interest,	
1. per cent. per		calculated on the different sums saved, up	
annum,		to this date	
1830. Expenses of			
Jan. repairs in 12	100	[oc]	
1. years,			
		Balance	1,500
	\$2,100		
			\$2,100

From this statement it would appear, that the cost of the road, to the farmer, would be \$1,500, and that, consequently, unless the saving he could subsequently derive from it, would be equal to what he could derive from the employment of his \$1,500 in some other investment, he would be a loser from the operation.

What has been here said in relation to an individual farmer, is equally true of a community of farmers, or of any other body of people. It is true of a township, of a

county, of a state, and of a nation; and as the wife and children of an individual, have a positive interest in the judicious employment of his capital, so have all the members of a great national family a positive interest in the judicious employment of the national capital. The interest, to be sure, is not so perceptible to the great mass of the people, but this arises from two vicious features in the policy of nations, viz: the *impost system*, and the *funding system*; by the former of which, the people are taxed without knowing it, and, by the latter, are enabled to saddle posterity with the expenses resulting from their own extravagance and folly. If direct taxation were resorted to, instead of indirect taxation, and if every generation would adopt the just maxim, *let us pay as we go*, there would be nearly the same prudence in the expenditure of capital exercised by governments as by individuals. But it is very clear that a mere alteration of the mode of raising the funds, does not affect the question of judicious or injudicious expenditure; and the loss to the public, arising from an expenditure of capital in the construction of a road or canal, where it is not wanted, or before it is wanted, is not less a loss because the people are not sensible of it.

We have, upon several occasions, undertaken to point out the fallacy which so widely prevails, that, where labourers are employed on a public work, there is no sinking of capital, inasmuch as the money which they receive as wages, is not consumed, but circulated amongst the community. We recollect to have heard it asserted many years ago, that the Erie canal would be of great benefit to the state of New York, on account of the employment it would give to so many thousand people, even though it should never be completed. Now, to understand this subject, let us go back to our farmer, and consult him about his ditch and road. He will tell us, that the labourers employed by him, did not, it is true, eat or drink the Spanish dollars and bank notes which he paid them as wages, but that they took them to the store, and laid them out in provisions, groceries, liquors, tobacco, clothing, and other articles, which they did actually eat, drink, and wear, and otherwise consume. How will the case then stand? Why, that during the progress of the work a capital has been consumed equal to the value of the money paid as wages, which capital was not reproduced by the ditchers and road makers. Had these workmen been employed in the labours of the farm, in ploughing, harrowing, sowing, reaping, threshing, and the various other agricultural occupations, the case would have been different. There would have been reproduced by their labour, wheat and other grain, equal to the value of the things which they consumed whilst employed; and yet it will be perceived that, in this case, they would no more have eaten and drunk the money in which their wages were paid, than in the other case. A proper view of the difference between capital and money, is all important in political economy. No sort of labour can be carried on without a consumption of capital. A wind mill consumes capital, by the wear and tear of the machinery. A water mill consumes capital by wear and tear, and the destruction of dams and races. A steam mill consumes capital by wear and tear, and by its constant demand for fuel. The farmer, the merchant, the manufacturer, the mechanic, the tradesman, and all others, who by their employments add to the mass of the *material* products of the country, consume capital whilst they are occupied, inasmuch as they eat, drink, clothe, lodge, and warm themselves. Even the generators of *immaterial* products, such as lawyers, members of Congress, musicians, and play actors, who produce nothing but pleadings, speeches, concerts, and the enjoyment of crying or laughing at a tragedy or farce, consume capital whilst they are occupied. All tame animals do the

same thing; and whenever the time shall arrive when the consumption of capital ceases with a man, he ceases to be needed any longer on this planet.

Now, money, it will be observed, is never consumed; and it is consequently never referred to when consumption of capital is spoken of. It is the mere instrument by which the capital, which is daily consumed by the individuals of the nation, is distributed to the various consumers. It performs the same function that wagons and carts perform; and as well might it be said, on a market day in Philadelphia, that there was no consumption of capital, consisting of meat, poultry, fruit, and vegetables, because the thousands of wagons and carts that line Second street, from Vine to South street, are not also eaten or drunk up. How such an error could have obtained such a deep root, we are at a loss to imagine. But we are not at a loss to understand why the error is perpetuated. It is because the editors of papers at the North prefer the darkness of the American System, to the light of truth, and, on that account, close their columns to the only sort of discussions which are calculated to avert calamities from this nation, which they will deplore too late.

[\[Back to Table of Contents\]](#)

ESSAY No. XLVIII.

july 28, 1830.

Doctrine of the balance of trade. Errors of the common opinion in relation to it, refuted. True doctrine of exchange.

THE doctrine of *the balance of trade* has ever been a source of confusion to many who have passed in the world for statesmen, and although one of the simplest matters to be understood that is to be found in the whole science of political economy, it has been at the bottom of almost all the bad legislation upon commerce which has taken place in Europe and this country. The great difficulty which the friends of free trade have at all times had to correct the common error on this point, has not arisen from any difficulty in explaining the subject, but from an obstinate refusal, on the part of those who have embraced the theory which supposes that gold and silver are of more importance to a country than an equal value of other commodities, to listen to their arguments. That this is the case, we shall undertake to demonstrate, and we think we can present the subject in so plain and clear a light, that any one may understand it who will take the trouble of reading these remarks.

The doctrine we are to combat, asserts that the balance of trade has been against this country for many years past; that we have imported more than we have exported; and that on this account the country has been drained of its specie; and that the inevitable tendency of a long perseverance in such a commerce as we have been thus carrying on, is to impoverish the country. The proof which is brought forward in support of these positions, is, *first* the custom-house returns of imports and exports, by which it appears that, during the last nine years, for example, the nation has imported, upon an average, about *four millions of dollars per annum* more than she has exported;* and *secondly*, the current rate of exchange upon London, which, within the same period, has ranged, *nominally*, from 5 to 13 per cent. above par.

Our present object is to show, that the facts here brought forward to prove an unfavourable balance of trade, do not sustain the proposition; and first, let us examine the evidence afforded by the custom-house returns.

The value of the articles exported, as given therein, is their value in this country at the time of shipment, and before the expenses of freight, insurance, commission, &c., have been incurred. The value of the articles imported, is their estimated value after they have reached this country, and it is therefore clear, that, so far from the excess of imports over exports being a proof of an unfavourable balance of trade, it is usually a proof of a favourable one. Let us illustrate this by a case. A merchant at Baltimore loads a vessel for Brazil with 1000 barrels of flour, which cost \$5 a barrel, that is, \$5000. This cargo, in order to give him a profit, must sell abroad for as much more than the first cost, as the freight and other expenses incurred in the shipment. Supposing these to amount to three dollars a barrel, he must obtain at least \$8000 for his cargo, and then supposing the nett proceeds of the sales to be invested in sugar or

coffee or hides, upon which also the expense of commissions, portage, freight, and insurance must be incurred, equal, we will suppose, to one dollar more per barrel, he must obtain for those articles at least \$9000, in order to replace his original capital, and to repay the freight of his vessel, insurance, and other charges. Here then we see an export, according to the custom-house estimate of \$5000, and an import, according to the same estimate of \$9000, and yet there is no balance of trade against the country. The inward cargo is procured by the sale of the outward cargo, and just in proportion as the voyage is profitable, must the value of the return cargo be greater than that of the outward cargo. It will thus be manifest, that, as far as the custom-house returns throw any light upon the subject, they prove, that an excess of imports over exports is evidence of a favourable balance of trade, and if there be any truth in figures, this point is conclusively demonstrated.

In reference to the other position, relied upon as evidence that the balance of trade is against the country, namely, that the exchange upon England has, for many years, been greatly above par, a little reflection will show that it is just as groundless as the other. When we say that a bill on London is 10 per cent. above par, we say so in conformity to an old custom, which was established at a time when a dollar was equivalent to 4s. 6d. of British currency, and when, consequently, a pound sterling was the equivalent of \$4.44 of American currency. If, however, these proportions have undergone a change of late years—if the silver dollar has lost part of its former value as exchangeable for gold, which is the currency in which debts are contracted by our merchants who trade to Great Britain, it is very clear that the same starting point will not answer for the calculation that used to answer. The *par* of former days is not the *par* of the present day, and hence any calculations which are built upon the former must be erroneous. Now what are the facts of the case? Every one who reads a commercial newspaper, must have seen, during many years past, the price of Spanish dollars quoted in the London market, in British gold currency (the currency, let it be observed, in which all contracts above 42 shillings are payable) at about 4s. 10d. per ounce, which, estimating the weight of the dollar at 17dwt. 6grs. is 4s. 2d. each. The real par, then, as nearly as one can be assumed between two commodities which are liable to fluctuations in their relative value, is 4s. 2d., and it is from this valuation, as a basis, that all sound calculations must, for the time being, be made. But we will prove this.

A merchant sends an order to Manchester for an invoice of goods, to cost exactly £100 sterling in gold. When he imports these goods, he knows that he must sell them for silver, and the first thing he does, is to calculate whether twenty *silver* shillings are equivalent to twenty *gold* shillings; or, in other words, whether an Englishman means by a shilling, the same amount of money that an American means. He soon finds this out by referring to the estimation in which each of them holds the Spanish dollar. He finds that the Englishman considers the Spanish dollar as worth but 4s. 2d., because, as it is not a legal tender in Great Britain, any more than cotton or tobacco, it is only worth what it will sell for as merchandise. The American, on the contrary, has a notion, which it is difficult to beat out of his head, that a Spanish dollar is 4s. 6d. sterling. But the merchant discovers that, whatever the notion may be which the American entertains as to the value of the dollar, it can have no influence on the Englishman, to whom he owes the £100, and he, accordingly, in fixing his price upon

the imported article, takes into consideration that every Spanish dollar he receives will only pay 4s. 2d. of his debt, and that, consequently, in contracting a debt in England, for £100 sterling, he has contracted a debt for precisely \$480. This, to be sure, in the common parlance of merchants, is called allowing for the exchange, but it is in reality nothing more than the reduction of one money of account into another.

The market price at New York, of a bill on London, some short time since, was quoted at 7 per cent. above par. In order, therefore, to procure a bill for £100 sterling, a merchant would have to pay \$475 55, that being the actual sum with which he could discharge his debt. So far, then, from finding exchange to be against him, it is actually in his favour; for by purchasing a bill at 7 per cent. *nominal* premium, he can pay his debt with a less number of dollars than if he were to ship the coin, besides saving the expense of its shipment.

We ought to beg pardon of many of our readers, for so frequent a repetition of the A B C's of economical science. But let it be remembered, that the constant dropping of water will wear away stone. Iron requires a good many blows on the anvil, before a strong impression is made on it; and, strange as it may appear at this enlightened day, we every now and then come across a man to whom the simplest elements are altogether new, and who truly believes that an excess of imports over exports, or an exchange, *nominally* unfavourable, is evidence that the country is going fast to ruin.

[\[Back to Table of Contents\]](#)

ESSAY No. XLIX.

august 4, 1830.

Influence of the tariff upon the Southern states. Total possible consumption in the United States of cotton fabrics.

SOME of the Pennsylvania editors have the most summary mode of putting an end to an argument that can well be devised. Some time ago the Village Record disposed of the Internal Improvement question in the following droll manner, and pretty much in the same words: "After all, the best mode will be, to consider the question as settled, and to go on with the works." The President, however, has thought differently on the subject, and, so far from the question being settled, we are quite sure that it never will be settled upon the plan of the Village Record.

Precisely in the same short-metre style has the Pennsylvania Inquirer lately handled the Tariff question. In making some remarks upon Mr. Cheves' speech, at the State Rights' Celebration at Charleston, it says:

"Mr. Cheves declares, in reference to the tariff laws, that the Southern states are 'bowed down and humbled,' by the rest of the Union, 'to colonial suffering, dependence, and degradation.' He attempts to sustain this position by the argument, that there are no fewer than seven sovereign states, whose agricultural staples require a foreign market, to be of any value; that they have been deprived of this market without their own concurrence, not one of their representatives having voted for the tariff, and that their money is taken from their pockets without their consent and against their will. This is the substance of the argument.

"In reply, we contend, that the home market for the Southern staples, at least for the great staple of cotton, the only one materially affected by the tariff, has extended more rapidly than the foreign market has contracted; that the home market is more certain, safe, and settled, than the foreign market, and that South Carolina has sold her cottons to as great a profit, and to as great an extent, as if the tariff laws had never been passed. These are facts which no theoretical speculation on the part of Southern statesmen can refute."

It will be here observed, that the Inquirer arrives at his conclusion, not by argument, nor by any process of reasoning, but by assuming as admitted the chief point in dispute. The Southern statesmen assert, that, by the exclusion of foreign goods, which, if admitted, would be paid for with cotton, they lose the sale of that staple to an amount at least equal to the value of the articles excluded, and that this loss cannot possibly be counterbalanced by the increased demand of the home market. One reason for this is, and it ought to be conclusive with any man who can understand a simple proposition, that if cotton fabrics were imported, they would be so much cheaper than those made at home that more of them would be consumed than can now be consumed. That they would be cheaper, is proved by the necessity of the existence of

the high duty of from 35 to 100 per cent. to shut them out; so that, even upon this simple view of the case, there would even be, under low duties, a greater demand for cotton to be exported to Europe and brought back in a manufactured state for our use, than the domestic factories can afford. Another and more important reason, however, consists in this, that high duties, on iron, hardware, woollen goods, and the various other articles that are partly or wholly excluded by the tariff system, diminish the European demand for cotton, without increasing the domestic demand, which is only affected by the exclusion of cotton or linen goods. Every duty, therefore, which prevents the importation of three millions of dollars worth of such goods, destroys the sale of 100,000 bales of cotton, estimating each bale to contain 300 pounds, at 10 cents per pound.

But we have still another position to advance, which we challenge the Inquirer, or any paper north of the Potomac, to refute. It is this—Admitting (for the sake of discussion) that the increased home demand, *up to this time*, has been equal to the diminished foreign demand, the argument can have no force whatever in future; and for this simple reason, that 200,000 bales of cotton, which is now the estimated quantity manufactured at home, is the greatest possible quantity that can be consumed by the present population, even if there were a total prohibition of every species of cotton fabric. This can easily be proved, by a statement which, we flatter ourselves, will not be rejected by any one on account of its too narrow limits.

One pound of cotton, manufactured into what are commonly called domestics, will make about five yards. Of finer and lighter goods, it will make more; of coarser and heavier ones, it will make less. One-fifth of a pound may perhaps be assumed as the average; and if this be admitted, it will follow that 200,000 bales of cotton, weighing each 300 lbs., will make 300,000,000 yards, which is equal to 25 yards for each man, woman, and child, rich and poor, bond and free, in the whole, estimating the population at 12,000,000. Now, we would like to know whether the consumption of cotton goods, in all their forms, is likely ever to be pushed, by the present population, beyond this enormous quantity, and if not, there can arise no home demand to compensate for the loss of the foreign demand, now bearing its weight upon the Southern states. But it may be said, the population will increase. Granted; but producers will also increase in the same ratio with consumers, and the relative position of the two classes will be the same as before. It will also be said, that we shall manufacture for exportation. Granted; but, whatever wiseacres and conjures may say to the contrary, no nation can compete to advantage with another in a foreign market, when she cannot do it in her own. To pretend that our manufacturers of cotton can send their goods to South America, and after paying freight, insurance, commissions, duties, and other charges, can undersell the British, when, without incurring these expenses, they cannot do it at home without a duty of from 35 to 100 per cent., is just as absurd as to suppose that Mr. Henry Pratt could export coffee, raised in his hot-house, to Europe, to undersell the Brazilians. An occasional lucky voyage may be made to some of the unsettled countries of the South, where the markets are sometimes understocked, in the same manner that European goods imported into this country, are sometimes advantageously exported, even though burthened with the charges of import, from which articles direct from Europe are exempt; but any man who suffers himself to believe that his once drawing a prize in a lottery, is any proof

that lotteries are a profitable concern, for all who adventure, must be under a high degree of delusion, and if he gets ruined by his folly, he will have nobody to blame but himself.

[\[Back to Table of Contents\]](#)

ESSAY No. L.

august 4, 1830.

Short cuts. The American System adverse to the policy of procuring commodities at the least cost of labour.

EVERY person who has passed any time in the country, must have observed how very sagacious the farmers are in finding out *short cuts*. If there be a blacksmith's shop which can be got at by a shorter route than the main road, you are sure to see a foot path crossing the fields in one of those *crooked-straight* lines that invariably characterize a track from one set of bars to another. Now, why does the farmer go across the fields, sometimes treading down his grain and destroying the productive power of a long strip of his land? Why does he not go along the main road? The answer is simple enough: because the value of the time and labour he saves by going the shortest way, more than counterbalances the loss of his grain.

This practice of taking short cuts, is visible every where, when labourers work for themselves. There is a sort of instinct which leads people of every grade of intellect to find out how they can do the most with the least trouble. Even the brute creation is governed by the same principle, and cattle always take the shortest route they can find to the watering place. In agriculture there is a constant effort going on to make two blades of grass grow where one only used to grow before. In commerce and navigation there is every day some improvement by which transportation can be effected with less labour and in less time than before, whilst in manufactures, so numerous have been the short cuts discovered by the ingenuity of man, that in some branches, one man can do what it before required ten to perform.

To the persons who are practically engaged in these various pursuits, these improvements are known and are distinctly visible. But to those who are not so engaged, they only become manifest in the effect which they are seen to produce, that is, *a fall in the prices of articles*. This fall in prices is nothing in the world but an evidence that somebody has found out a short cut, by which the cheapened articles can be produced with less labour, or in less time, than before, and hence cheapness is synonymous with a diminution of labour. If a man can earn to day, by one day's work, or what is the same thing, the price of one day's work, as much of any particular article, as he could yesterday only procure with two days' work, it is very clear that his condition is bettered; and as well might one attempt to prove that the moon was made of green cheese, as to prove that cheapness is not a solid blessing, inasmuch as it enables people to get more of a thing than they could otherwise get with the same labour.

Any system, therefore, whether it be called "American," or any thing else, the object of which is to keep up the prices of goods, is a system which declares that it is better for people to have few things than many things, one coat than two coats, one pound of sugar than two pounds, one bushel of salt than two bushels, one pound of coffee than

two pounds, one ploughshare, one axe, one spade, one shovel, than double the number. It is, in fine, a system which decrees that the farmer shall not take a short cut to the blacksmith's shop, but shall go all the way around by the road, when, perhaps, his ploughshare wants sharpening, and the weather threatens to rain, and the delay may be fatal to his interests. Many a crop has been lost by an hour's loss of time.

[\[Back to Table of Contents\]](#)

ESSAY No. LI.

august 18, 1830.

Tendency of the protective policy to prevent emigration to the West. The doctrine that agriculture is overdone, denied. Contrast between the condition of a farmer, and that of an operator in a factory.

ONE of the greatest delusions which belongs to the American System, is that so widely entertained amongst the people of the Western country, that their interests are promoted by a policy, of which the tendency is to prevent emigration from the Atlantic states. The states of Kentucky, Ohio, Indiana, Illinois, Missouri, and the territories of Michigan and Arkansas, have within their limits more than a hundred millions of acres of uncultivated lands, which can only possess a value by an increase of population. Their true policy, therefore, undoubtedly is, to encourage emigration from the Eastern states, and it has only been within a few years that they have been blind to this palpable truth. In the ordinary course of things, the Western country would be the natural retreat for the surplus population of New England and the middle States; and of the million of souls who have taken up their abode in Ohio, within forty years, the great body are from those sections of country. It is this emigration which has caused her forests to disappear, her uncultivated wildernesses to be inhabited, and her whole surface to be covered with farms and thriving villages. What then should have induced her population to favour the adoption of a system, the tendency of which is evidently to check the streams of emigration? If manufactures are to be raised up, according to the theory of the American System philosophers, to prevent people from turning farmers, it is very manifest that the effect of such a measure will be to retain in the districts best adapted for manufactures, the population which would otherwise have emigrated. And where are those districts? Clearly in New England and the middle states, where the population is dense, and capital abundant, and where labourers can be more advantageously procured than they can possibly be in a new country, where land can be purchased in fee simple at one dollar and a quarter per acre, and where a very little start in the world will enable every man to be his own master and the owner of a farm.

Amongst the advocates of the American System along the seaboard, there is a perpetual cry that agriculture is overdone, that no more people can get their living by agriculture than those already engaged in it. Was ever such sheer nonsense heard in any country but this? What, are we to be told, that because a farmer who cultivates poor land in Philadelphia county cannot grow rich in a few years, that therefore one who emigrates to Ohio, buys eighty acres of land for one hundred dollars, and in one year's time is as independent for his food, necessary clothing, fuel, and lodging, as the wealthiest nabob in the land, cannot get his living as well as one who is content to be cooped up in a cotton or woollen factory? Compare the situation of the two individuals. Look at the robust, hardy, yeoman of the West, seated on his farm of eighty acres, with his table groaning under the weight of the meat, bread, vegetables, and fruit, which his labour readily produces—with his family warmly clad with cloth

woven out of yarn spun in his own house by his wife and daughters; seated before a fire sufficient to roast an ox, and sheltered from the winter's cold by a cottage built by his own labour and that of his hospitable neighbours. See him, healthful and sprightly, go through his daily work, master of his own actions, accountable for the steady employment of his time to no earthly superior, and enjoying himself, after the fatigues of the day are over, with reading the news, or studying the politics in which he or his sons may become conspicuous actors. Then turn your eyes to the workshop, and behold the emaciated, slender form of the weaver, seated at his loom—accompany him home to his table, furnished with the most scanty fare, produced at the cost of his unremitting toil. Behold his family, slenderly clad, and perhaps occupied in the same or a similar prison with himself—breathing stagnant air, the fibres of cotton, and the exhalations of oil, and of dying drugs; and all huddling at night around a dark chunk or two, in a crowded upper room of a tenement of which he can with difficulty pay the rent. See him, heavy and sorrowful, followed by his young children, not one of them having a minute of time they can call their own, bending their course to the factory, where, day after day, week after week, month after month, year after year, their eyes behold nothing but the whirling of spindles, the motion of shuttles, and the revolution of wheels—and where their ears hear nothing but the noise of machinery, or the reproving voice of a task-master, hired to see that not a second is lost by conversation or rest. See him, unacquainted with the news, or the politics of the day, and so dependent upon his employers for his daily bread that he cannot refuse to vote the ticket which they may put into his hand, without the slightest prospect that either he or his posterity can ever take a part in public affairs, or be other than spinners and weavers, living from hand to mouth. Compare the situations of these two individuals, we say, and then answer whether a system, which is calculated to turn into slaves those who might be freemen, to retain in ignorance and poverty those who might become enlightened and prosperous, to impair the morals and health of those who might remain chaste and healthful, is not as anti-republican as it is mischievous and wicked?

But it is not necessary that all who emigrate should become farmers. There are in the West, mechanic and manufacturing employments, which require no artificial aid from tariff laws to support them, sufficient to afford occupation for all the emigrants who can be spared from the over-populated districts. Carpenters, bricklayers, masons, plasterers, painters, glaziers, tinmen, coppersmiths, tailors, shoemakers, hatters, dyers, millers, boatmen, wagoners, welldiggers, joiners, blacksmiths, and numerous others, are wanted throughout the whole Western country, and will continue to be wanted so long as population increases. A field is open for *millions* of emigrants in the vast regions which are comprised within the valley of the Mississippi, and nothing is calculated to retard that emigration so much as the American System, which teaches, that it is better for people to bow the neck to masters in Rhode Island, Massachusetts, New Jersey, Pennsylvania, Delaware, and Maryland, or to waste their capitals in fruitless attempts to raise wool cheaper than it can be had abroad, than to become freemen in the West, with the *certainty* of maintenance from whatever pursuit a man may be engaged in. In the Western country nothing is heard of town meetings to lay contributions upon the citizens for the relief of the indigent. Every man, woman, and child, capable and willing to work, can find employment and subsistence. This we speak from personal observation made in course of two journeys through Ohio, during

the years 1821 and 1828; and were it not for the temptations held out by the *hopes* that the tariff system—which has thus far wholly failed as a means of increasing employment for the poor—may still bring about the event, which, like an *ignis fatuus*, has avoided the grasp of its pursuers, emigration would be continued with redoubled vigor; and the philanthropist and true patriot, who desires only the happiness of the great American family, and feels no jealousy of the growing power of the West, would have the satisfaction to see his fellow citizens enjoying that abundance and independence which are so essential to the preservation of the prosperity and liberties of the people.

[\[Back to Table of Contents\]](#)

ESSAY No. LII.

september 1, 1830.

Two modes of producing cloth—the process called manufacture, and the process called commerce. High duties are taxes upon those who produce cloth by the latter process. Mr. McDuffie's speech.

IN that part of Mr. McDuffie's speech which was published in our last paper, a view of the tariff question was presented, which could not fail to have arrested the attention of the reader, and convinced him more and more of the injustice of the restrictive system, as to its operation on the interests of the cotton, rice, and tobacco growing states. The view referred to we shall notice after a few prefatory remarks.

There are two modes of producing cotton and woollen fabrics: one is, by the process called *manufacture*, and the other is, by the process called *agriculture and commerce*. The former mode is resorted to when goods are made near at hand, and the latter, when they are made at a distance. Each mode, however, requires equally the employment of American industry, although this industry is employed in different ways. When the fabric is produced by the process of *manufacture*, the labourers are employed in workshops. When it is produced by the process of *agriculture and commerce*, the labourers are employed in fields and in ships. Now, we apprehend that no one would assert, that the labour of agriculturists and sailors was less important to the country than that of operatives in a factory, and that it should be less entitled to the respect and consideration of the community. They must therefore be considered as standing on the same footing, and consequently *that* system which sets in motion the industry of the planters, farmers, merchants, seamen, ship-carpenters, ropemakers, sailmakers, riggers, pilots, stevedores, painters, plumbers, ships' smiths, and caulkers, with the dozen other occupations connected with agriculture, navigation, and commerce, is just as much entitled to legislative regard, as that which sets in motion the industry of spinners and weavers.

But as this is a very important matter to be settled, we shall elucidate these positions.

Paul and Peter are two neighbours, living in the country, with large families, for the clothing of which they each require, annually, five hundred yards of woollen cloth. It is therefore of great consequence to them, that they should get their supplies at the least possible cost of labour, or, what is the same thing, of money—for labour, worth one dollar cash, is just of as much value as the dollar which is paid for it. Paul is an American System man, who has taken up the notion that it is for his interest to make his own cloth, and he accordingly employs a part of his family, say five persons, in carrying on the process of manufacture. Peter, on the contrary, is a free trade man, who thinks it for his interest to buy his cloth from somebody else, for he has made a calculation that, with the labour of three of his family, two in the field and one in a ship, he can raise as much cotton, rice, tobacco, wheat, beef, pork, or something else, as will, if sent abroad, purchase his 500 yards of cloth. It is true, that under his system,

he has only *three* of his family employed in producing him 500 yards of cloth, whereas Paul has *five* employed, but he sees, at the same time, that he is a clear gainer of the value of the labour of two hands, which he can employ in producing something that Paul will have to do without; and, at all events, he perceives that he would be quite as well off as Paul, even if these two extra hands were, for the sake of keeping them employed, set to turning grindstones all day.

Now we should like to know whether the agricultural and commercial process of producing cloth, is not just as much American industry as the manufacturing process? To deny such a plain proposition would not be less absurd than to deny that two and two are four, and we cannot believe it possible that any one can be found so blind as not to see it.

We now come to Mr. McDuffie's theory. If it be true, that the agricultural and commercial process of making cloth, is as much American industry as the manufacturing process, is there any reason why any distinction should be made by law, which should favour one more than the other? We certainly can see none. Suppose a hatter should discover a process by which he could make a good hat for two dollars, of a quality that his neighbours could not sell for less than four, would it be just to prohibit by law this man from making hats, for fear it would injure the others? Suppose a farmer, by the discovery of some new compost or mode of tillage, could produce double the quantity of wheat on an acre that the neighbouring farmers could produce, would it be right to prohibit him from raising wheat, because he could undersell his neighbours? Suppose an iron master should, by the process of *rolling* pig iron into bars, be able to sell bar iron at twenty dollars a ton less than others who pursued the *hammering* process, would it be right to prevent him from enjoying the benefit of his discovery for fear of injuring the interests of the others? No one will pretend to answer in the affirmative to any of these questions. And now, let us ask, if one portion of our citizens, by applying their industry to the *agricultural and commercial* process of making cloth, can afford to sell it for half the price that others can who make it by the *manufacturing* process, is it right that they should be prohibited from enjoying the benefit, which, according to the rules of natural and political justice, is their birthright? We can see none. And yet what is the fact? Why, that such prohibition is now actually enforced by a system of taxation, as iniquitous and unjust as it is oppressive and unconstitutional. Protecting duties, as they are insidiously called, in favour of those who produce cloth by the manufacturing process, *are nothing in the world but taxes upon the industry of those American citizens, who produce cloth by the agricultural and commercial process*. Can a free people be so blind to their interests, or so deaf to the calls of justice, as to suffer such fraud and injustice longer to exist?

[\[Back to Table of Contents\]](#)

ESSAY No. LIII.

september 1, 1830.

The settled policy doctrine at war with the march of improvement. Absurdity of supposing that the vested interests of individuals should be preferred to the great interests of the community.

AMONGST the advocates of the tariff system, there is a class of individuals whom we have sometimes distinguished by the appellation of *settled policy men*, and in reference to whose theory we propose to say a few words. These individuals are at heart believers in all the doctrines of free trade, but having attached themselves to a particular party, or to a particular candidate for the Presidency, or, considering their own political elevation to depend upon supporting the policy called for by a majority of their constituents, have thought proper to desert the standard of what they know to be the truth. In doing this, however, they have met with difficulties not easily surmounted. A conscientious man, who considers himself subject to the law of political as well as moral honesty, cannot at his pleasure turn and twist important principles, so as to adapt them to his interest; and hence has originated the necessity for some expedient, which should have the double effect of blinding the eyes of the public, and, to a certain extent, those of the individual himself. This expedient is, to justify the support of the tariff upon the ground, not that it is founded upon true principles of political economy, but that, having been once adopted, it ought to be adhered to.

Any one who reflects for a moment, can see the mischievous tendency of such a doctrine. It is a doctrine calculated to perpetuate error, and is at war with all the lights of the age, and with the advancement of human knowledge. It would be as strong a warranty for the perpetuation of the blue laws of Connecticut, did they still exist, or for the drowning of witches, had that once *settled policy* not been abandoned, as for the continuance of the tariff. But, say its advocates, regard must be had to the vested interests of those who have embarked in manufactures, upon the faith of the laws of 1816, '24, and '28. And why so? we would ask. Was any pledge given by the law of 1816, that even the comparatively moderate duties of that day would be rendered perpetual? So far from it, that law expressly declared, that the duty of *twenty-five* per cent. imposed upon cotton and woollen fabrics, *was only to continue three years, and was then to be reduced to twenty per cent.*; and, even so late as 1818, when the stipulation for *three* years was cancelled, it was only by prolonging the temporary character of the protection for *seven* additional years. There is not therefore a shadow of justice in any claim set up by those who embarked in the cotton and woollen manufactures prior to 1824, since the then existing laws positively declared, that their protective operation was to cease in 1826. Can any thing be clearer than this? Laws exist, declaring that a certain duty of 25 per cent. shall continue until "the thirtieth of June, one thousand eight hundred and twenty-six," upon cotton and woollen fabrics, and shall then be reduced to twenty per cent. With these laws staring them in the face, speaking a language not susceptible of misconstruction, some hundreds of individuals

invest their capitals in manufacturing establishments, and then, with a hardihood and effrontery not easily to be imagined, come forward and say, we are entitled to an eternal tax upon the industry of the country, because we embarked in manufactures upon the faith of the laws.

But it may be said by the *settled policy men*, we allude more especially to that class of people who did not engage in manufactures until the *temporary* character of the protecting laws was laid aside by its entire omission in the act of 1824. And pray, was there any stipulation in that act, which guarantied duties *forever*; of 50 to 175 per cent. upon coarse cottons, of 45 to 225 per cent. upon woollen goods, and of 100 to 180 per cent. upon iron? Did not the act bear upon its face the character of a law for raising revenue, with the two-fold design of supporting the government and of paying off the national debt? And how could such a law be presumed to be intended to be continued after the entire discharge of the debt? No inference in favour of perpetuity can certainly be drawn either from the body of the law, or from its title, and it can therefore only be regarded as upon the footing of all other general laws, that is, to last as long as the interests of the country, as understood by Congress, should require. Does then the passage of such a law involve any pledge, that it will never be altered so as to give a claim for indemnity to those who have embarked in a lottery, with the full knowledge, that in a popular government there can be no settled legislative policy? We think not, and to make this matter more clear, we will illustrate it by an analogous case or two.

The state of Pennsylvania within the last twenty years has granted acts of incorporation for the construction of a turnpike road from Harrisburg to Pittsburg. These laws have induced thousands of individuals to embark their capitals in that undertaking. Within the last five years, the Legislature of Pennsylvania has ascertained that *the general welfare* of the state would be promoted by the construction of a canal from Harrisburg to Pittsburg, and she accordingly embarks in the enterprise. The effect of this improvement will be as complete an annihilation of the turnpike road as a productive capital to the stockholders, as if it had been swallowed up by an earthquake, inasmuch as it is hardly probable that its receipts from tolls, after the completion of the canal, will be more than adequate to keep it in repair. Now, would it be sound reasoning to say, that the state should not have undertaken the construction of this canal, from regard to the *vested interests* of those who had shown their patriotic enterprise in constructing the road? However much we may regret the individual loss attendant upon such improvements, yet all speculations must needs be entered upon, subject to all the risks, seen and not seen, which may occur by a change of policy, or the discovery of new lights, or from any other cause. Without such risk, no enterprise can be imagined at the present day. A canal may be superseded by a rail road to-morrow—a rail road placed on the ground, may be superseded by one raised in the air. Not a machine is invented, but may be improved upon; and no doubt one great source of the distress existing amongst manufacturers, arises from the interests vested in old machinery, which is rendered useless and valueless by new discoveries. And shall the march of improvement be arrested because the owners of the old-fashioned hand looms and spinning wheels will have no further occasion for those antiquated instruments? Between this case and that of the tariff, there is a perfect analogy. The tariff system is a system which holds on to old

notions. It says, that the turnpike road is better than the canal; that old machinery is preferable to the newly-invented; that wheelbarrows are to be preferred to horse-carts for the conveyance of burthens. And how does it say so? Why, by declaring that dear things are better than cheap things; for, to render things cheap, is the great end and object of all improvements.

Again. A law is passed by a state, for locating the seat of justice in a new county. A courthouse and jail are built, and houses are erected for the lawyers, judges, tavernkeepers, black smiths, merchants, and the hundreds of others, who remove thither for no other reason but that it is the county town. After a while, the centre of population requires a new location. Those whose property is to be deserted, cry out "*vested interests*;" we are to be ruined; we embarked our property upon the faith of the laws, &c. Must the county town remain as before, to the great inconvenience of the people, merely to save from loss those who had built houses in it? If this be true doctrine, great injustice was done to the people of Lancaster, when the seat of the State Government of Pennsylvania was removed to Harrisburg, and still greater to the city of Philadelphia, from which it had before been removed.

Again. The time may possibly arrive, at which the location of the seat of the Federal Government at Washington may become unsatisfactory. But a city containing dwelling houses for twenty thousand inhabitants has sprung up, altogether in consequence of that location, on a spot which, otherwise, at this day, might have been an unproductive farm or two. Millions of dollars have been invested in public and private buildings, and a removal of the government to any other place would annihilate the value of property now worth an immense sum. Would it be pretended, that because of these *vested interests*, the Seat of Government should never be removed? We think not, and for the very simple reason, that the greatest good of the greatest number is always to be consulted by all governments, and because every man who has built a house at Washington, has built it with a full knowledge of the *possibility* that it may some day lose a part of its value, if not the whole, by a transfer of the government to some other quarter.

Our limits will not allow us to go further, at this time, but we shall in our next continue the subject, and endeavour to drive *the settled policy men* out of the corner in which they have been penned up, and from which they continue to cry out, "Although we believe in the doctrine of free trade, yet we are of opinion that, *as a pure question of political economy*, it would be unwise, after millions of dollars have been invested in manufactures, to withdraw the protection now extended to them, inasmuch as by such withdrawal, more would be lost than gained."

[\[Back to Table of Contents\]](#)

ESSAY No. LIV.

september 1, 1830.

The Monkey System. The case of robbing Peter to pay Paul, fairly stated.

THE following article is copied from the Georgia Journal: “*The Monkey System*.—The Examiner newspaper for October 4, tells us: ‘The monkeys of Exeter ’Change, in London, used to be confined in a row of narrow cages, each of which had a pan in the centre of its front, for the monkey’s food. When all the monkeys were supplied with their messes, it was observable that scarcely any one of them eat out of his own pan. Each thrust his arms through the bars, and robbed his right or left hand neighbour. Half what was so seized, was spilt and lost in the conveyance; and while one monkey was so unprofitably engaged in plundering, his own pan was exposed to similar depredations. The mingled knavery and absurdity was shockingly human.’

“We beg leave once for all to state, that we have adopted the preceding paragraph as a standing motto for our remarks on the ‘*American System*.’ It suits the purpose so well that we can’t dispense with it. It fits like a bug’s shirt, as they say. And we intend to keep it up until Clay and Niles and Carey, one and all of them, turn in and advocate our branch of it, called the Raccoon System.”

The analogy between the Monkey System and the American System, is as perfect as it is possible for an analogy to be. It is the robbing Peter of a dollar, paying Paul half-a-dollar, and throwing the other half into the sea, and then insisting upon it, that this operation is a positive gain to the joint concern of Peter, Paul, & Co. As there may however be some of our readers who cannot exactly see how this is, we will make it plain.

Paul is a manufacturer of woollen cloth at Pawtucket. Owing to the high rate of wages in this country, arising chiefly from the cheapness of good land in the Western states, *which enables any man with a hundred dollars to buy himself a farm of eighty acres, and to become an independent freeholder*, he cannot make a yard of coarse cloth at less than one dollar and a half, whilst a foreign manufacturer can furnish one of the same quality for one dollar. Peter is a working man, who gets his living by the sweat of his brow, and whose interest it is to get a coat in exchange for as little labour as he can, or, in other words, at the lowest possible price he can. Paul applies to Congress for a protecting duty to prevent Peter from buying his coat of the foreigner, which he would certainly do if Paul did not stand in his way. Paul tells Congress, that, although he can make the cloth at one dollar and a half per yard, yet that 50 cents duty on the foreign article will not be enough, because the foreigner can afford to pay that duty and undersell him, seeing that a dollar and a half gives him no profit. He says he ought to be protected by a duty of one dollar per yard, which is agreed to by Congress, and thus he is enabled to charge Peter two dollars for a yard of cloth, worth in reality only one dollar. Peter, in this case, is robbed of a dollar, but Paul pockets

only half-a-dollar, the other half dollar having been lost in the increased cost of manufacturing, just as much as if it had been thrown into the sea.

That this loss does take place whenever a more costly mode of producing any thing is resorted to, is just as clear as that there is a gain, whenever a less expensive mode of producing is resorted to. If a farmer has found that ploughing his fields, instead of digging them, is a gain, he would not deny that his being compelled to lay aside the plough and to resort to spades, would be a loss. Would not any one consider a law, that should declare that all power looms and spinning jennies should be abandoned, and that nothing but the spinning wheel and old fashioned hand looms should be used, as decreeing a positive loss? And why? Because it would be pursuing a more laborious, and consequently a more expensive process of arriving at the same end. It matters not whether the cheaper production be carried on in a foreign country or not. Foreign articles cannot possibly be obtained but in exchange for domestic articles, and the consumption of foreign goods can only take place where an equal value of domestic goods has been exported. There is however this difference between them. Under the free trade system, Peter would have been compelled to work only one day for a yard of cloth, (supposing wages at a dollar a day,) but under the monkey system, he would be compelled to work two days, and he would very probably think this a hardship. "No," says Paul, "it is good for you to have to work two days for a coat, instead of one, for thereby twice as much American industry is kept in motion." "Granted," says Peter, "but I might as well be occupied in turning a grindstone without having any thing to grind, for one of the days, under the monkey system, if the result of the two days' work is no more than one would be under the free trade system." It is thus demonstrable, that, under the American System, the produce of the labour of the whole people, is not as great as it would be under the free trade system, and consequently the share of the good things of this life which falls to the lot of each, is not as great. Like the monkeys of Exeter 'Change, each man, woman, and child, gets less than if each were to be content with what was in his own pan, and let his neighbour's alone.

[\[Back to Table of Contents\]](#)

ESSAY No. LV.

september 1, 1830.

Niles' Register. Fallacious reasoning of, in reference to the tariff upon the price of certain manufactures of iron and steel.

THE following article, from a recent number of Niles' Register, has been copied into several tariff papers:

“*The question—again—*‘Are protected articles any cheaper than the British would have sold them to us, if we had not protected them?’

“A practical man, a machine-maker, informs us, that cast steel is higher than it was twelve years ago, and blacksmiths' anvils at about the same price that they were then, because the manufacture has not been sufficiently protected. That cast steel was 470 dollars a ton, and now is 490: that, as a maker of spindles, he probably uses more cast steel than any other person in the United States, but would be exceedingly glad if a duty of 100 dollars per ton were laid upon the material, being certain that its domestic manufacture would then be extensively carried on, *and the price lessened*. He says, further, that many spindles are smuggled, and mentions a case in which a hogshead, invoiced as horse combs, or curry-combs, was valued at sixty dollars for duty, and contained one thousand dollars worth of spindles.”

This article is one of those *matter of fact* productions, supported on the authority of what are called *practical* men, by which it is expected to cajole the American people, and to make them sit easy under a weight of taxation, which no free nation on earth, having in their own hands the legislative power, would knowingly submit to. The matters set forth, are of such a nature, that none but practical men, who are familiar with *prices current*, can disprove. They are beyond the reach of persons who reside in the country, and are therefore calculated to make false impressions, for the want of other evidence. Situated here at Washington, without that access to a hundred importing merchants which we could have in a few minutes if our location were at Philadelphia or New York, it is somewhat difficult to meet such statements, with the proper sort of testimony. We have found from experience, that letters cannot supply the place of verbal communications. Merchants have their own affairs to attend to, and although they would willingly give any information that was asked, if sought for in person, they have a prodigious aversion to write letters, unless it be to a correspondent with whom they expect the balance of trade will be in their favour, which is not the case in dealing with us. To supply this deficiency, however, in some sort, we shall have recourse to such means as are within our reach.

The article in question asserts, that *cast steel* is higher than it was twelve years ago; that it was *then* 470 dollars per ton, and that it is now 490. Upon looking over “Canfield's American Argus” of July 19, 1830, published at New York, which is the

latest number of that price current we have seen, we find the following quotations of the price of English cast steel in the principal cities, viz:

New York, 17½ to 19 cents per lb.
 Philadelphia, 17 to 20 cents per lb.
 Baltimore, 17 to 18¾ cents per lb.
 Boston, 17 to 18¾ cents per lb.

Taking 18½ cents as the average price per pound, the cost of a ton containing 2240 lbs. would be \$414 40, and therefore, if the price twelve years ago was \$470, a fact of which we have no knowledge, it is evident that cast steel has fallen, instead of risen.

That steel has fallen in Europe within the last twelve years, cannot be doubted by any one, who has observed the almost universal decline in prices which has taken place in other articles. It has not, it is true, fallen as much in proportion to its price as iron, but it must have fallen at least as much per ton as the iron of which it is made has fallen, for there is not the slightest ground for supposing that the art of making steel has gone backward instead of forward, and that it is now more expensive to convert a ton of iron into steel, than it formerly was. If, however, the fact were, in reality, that steel is now higher in this country than it was twelve years ago, a part of the increased price might be accounted for, by the increased duty of ten dollars per ton imposed by the tariff of 1828; the effect of which must unquestionably be, to make steel ten dollars per ton dearer than it would have been if that increase of duty had not been imposed. As to the wish of this *practical* man, that a duty of \$100 per ton should be laid on this article, instead of the present duty of \$30, we can assure him that, if such duty were to be imposed, it would increase the price of steel to the spindle maker 80 or 90 dollars per ton, (for the importing merchant would have his profit on the increased duty, and so would the retailer,) and that where *one* dollar's worth of spindles are now smuggled, *ten* would be smuggled. If the competition of all the steel makers in Europe combined, where iron is from 27 to \$40 per ton, and wages half the price they are in this country, has not been able to bring down the price of steel in twelve years, to pretend that the additional competition of the United States could effect it, would be just as rational as to suppose that tea could be grown in hot-houses sufficient to bring down the price in China.

The next proposition is, that *blacksmiths' anvils* are about the same price in this country that they were twelve years ago, and that the reason why there has not been a fall in their price, is, according to the evidence of this *practical man*, that they have not been sufficiently protected.

The first part of this proposition is, for aught we know, true enough. We presume the art of making anvils has not, in twelve years, advanced so greatly as to abridge the *manual* labour requisite for their manufacture. The common business of a blacksmith, or an anvil-maker, like the business of digging a garden, requires perhaps as much hard work as it did twelve years ago, but it certainly cannot require any more. Now, as iron has fallen in price within twelve years, nothing can be clearer, than that the price of anvils must have fallen at the place where they are made. The fact of their not having fallen in this country, if such really be the case, can be accounted for by the

increase of the duty which has taken place within twelve years, *and which has been 22 per cent. ad valorem*. But upon what authority, it may be asked, do we assert that such increase of duty has taken place? We reply, upon the best authority in the world—upon official documents. By the tariff law of 1816, the duty on anvils was 15 per cent. By the law of 1824 it was raised to 2 cents per lb. and so continues. By the last report of the Secretary of the Treasury, it appears that, in the year ending on the 30th of September, 1829, there were imported 699,836 pounds of anvils, the value of which was \$37,873, equal to 5 cents 4 mills per lb. Now, a duty of 2 cents upon what cost 5 cents 4 mills, is 37 per cent., which is an advance upon the old duty of the amount we have expressed; and, consequently, if the duty had remained as it was twelve years ago, anvils would have been 22 per cent. cheaper than they were then, from this one cause alone.

[\[Back to Table of Contents\]](#)

ESSAY No. LVI.

september 8, 1830.

Mr. Clay's Speech at Cincinnati. Quotations from, and remarks upon.

A FULL report of the speech delivered by Mr. Clay, on the 3d of August last, at Cincinnati, has been published, containing in detail his views upon the several prominent questions which now divide public opinion. It occupies seven columns and a half of the National Journal, and may be looked upon as a confession of the political faith of one of the candidates for the Presidency.

The only portion of it which we propose to examine at this time, is a part of what relates to the tariff question; and as the doctrines advanced by Mr. Clay may be considered as supported by the strongest reasoning of the strongest man whom the American System can bring into the field, we think that if they can be shown not to be sustained, the laws of honourable warfare require that the contest should be abandoned, and that the peace and harmony of the country should no longer be jeopardized, by a vain and futile attempt to adhere to a system which is altogether founded on fallacies. In discussing topics of such a complex nature as those which are connected with the restrictive policy, we are aware of the great labour which is inseparable from an analytical exposition. A single fallacy, uttered in a dozen words, may require whole pages to refute, inasmuch as such a fallacy may be the conclusion to which a person has arrived, after a long process of reasoning, the unsoundness of which can only be shown by travelling over the whole ground, and pointing out, step by step, the errors assumed as truths. The radical difference between the reasoners on the free trade side, and those on the restrictive side, consists in this, and it is observable to any one who will take the trouble to examine it, that the former assume no position which they do not support by logical proof: the latter assume as truths, *the very points in dispute*, and then draw conclusions from them, plausible in appearance, and true enough, *if the premises from which they flowed were true*.

Thus, for example, in the speech before us, Mr. Clay lays down as axioms, the following positions:

1. That the great object of the American System is, "to secure the independence of our country, to augment its wealth, and to diffuse the comforts of civilization throughout society."

We, on the other hand, deny that the means pursued can accomplish either one of these ends, for the simple reason, that the American System restricts the productive power of the community, and where there is any restriction upon industry, such as must exist where any one man is compelled by law to follow a business, which his interest would not lead him to follow without such compulsion, the total quantity of things produced must be less. The *independence* here spoken of, is that which is enjoyed by a labouring man, who is obliged to work ten days, to pay for an American

made coat, when he could purchase a foreign one of as good quality, by working five days for it. The augmented *wealth*, is that which a family would enjoy, who had to pay double price for all their clothing and groceries; and the *comforts* of civilization, would resemble those experienced by the twelve thousand females in Philadelphia, New York, and Baltimore, described by Mr. Carey as not being able to earn twelve and a half cents a day.

2. That the American System “may be called a system of real reciprocity, under the operation of which one citizen, or one part of the country, can exchange one description of the produce of labour, with another citizen, or another part of the country, for a different description of the produce of labour.”

And pray, would not the free trade system, be as much a system of reciprocity as this? Would it prevent any individual from trading with another, *if it was his interest to do so*? Would it throw any obstacles in the way of an interchange of commodities between different sections of the country? On the contrary would it not enlarge the sphere of reciprocity, by throwing it open to the competition of the world? But perhaps Mr. Clay means, that if duties of a hundred per cent. were not imposed upon cotton fabrics, the people of the manufacturing states would have nothing to exchange with the people of the planting states. That might possibly be, but in the name of common justice, if a Carolina planter is compelled by law to give a Rhode Island weaver a bale of cotton for 300 yards of cloth, when a foreigner would give him for it 600 yards, call this any thing but *reciprocity*, if a reciprocity of benefits is intended. The term is a gross misnomer, and is not at all adapted to express the operation of the system, which is neither more nor less than authorizing Peter to rob Paul of fifty cents, and Paul to rob Peter of a dollar, which the latter would think no reciprocity at all.

3. That “it is a system which develops, improves, and perfects, the capabilities of our common country, and enables us to avail ourselves of all the resources with which Providence has blessed us.”

So far from this being the case, it produces the opposite effects. It may indeed turn a farmer into a spinner, and take him from the field, where he breathes an atmosphere of purity, freedom, and independence, and coop him up in a workshop, to inhale stagnant air, and to vote the ticket put into his hand by his employer. It may convert a sailor into a weaver, and thus deprive the nation of one of the main pillars of its defence and glory, and civilization of one of the great instruments of its conveyance from the more enlightened to the less enlightened portions of the human family. But what development of capabilities would this display? The business of a farmer and a mariner requires quite as much mental capacity as that of a spinner or weaver, and so far from the moral power of the country being advanced, by the conversion into manufacturers of those who would otherwise embrace agriculture and commerce, we should consider it decidedly as a retrograde movement. As to the resources with which Providence has blessed us, some of the principal ones are these: more than a hundred millions of acres of land, now unoccupied, (and capable of sustaining as many people,) which can be bought at a dollar and a quarter an acre; unbounded forests of ship timber; a locality on the globe which gives us advantages in carrying

on commerce with the West Indies, with Mexico, and the whole of South America, which Europe does not enjoy; and, above all, an enterprising, venturesome, industrious, and liberty-loving people, whose faculties would have a much fairer chance of development, by traversing the remotest regions of the earth, whitening every sea with their canvass, and bringing home in exchange for the products of agriculture and of *the natural manufactures of the country*, of which there are many that need not the aid of taxation to support them, the productions and fabrics of foreign climes, *in far greater abundance than they could have been produced at home by the application of the same quantity of labour*.

4. That “to the labouring classes it is invaluable, since it increases and multiplies the demands for their industry, and gives them an option of employments.”

Here we have a specimen of the poisoned honey. A position is assumed as granted, which, if true, would terminate the whole discussion. It is upon this grand delusion that the whole question turns. It is to prove, that the doctrine here laid down, with all the authority of a dogma, is *the very reverse of true*, and to save nations and individuals from the ruin and mischief of embracing it, that Adam Smith, Say, Ricardo, McCulloch, and a dozen others, have written their able and irrefutable treatises. And yet, with all the lights of the present age, with the testimony against this doctrine of the most eminent statesmen of this and other countries, it is now gravely put forth, as a principle which ought not to be disputed, that the imposing of restrictions upon agriculture and commerce, increases the demand for the industry of the labouring classes. Now, we will venture to assert, that there was not amongst the hearers of Mr. Clay, a single working man or farmer, who, if the following questions had been presented to him, would not have given answers directly subversive of Mr. Clay’s position.

Is it an advantage to you to pay a tax of three cents a pound on all the sugar you use in your family, merely that a few sugar planters in Louisiana may be enabled to ride in coaches?

Is it an advantage to you that you should have to pay a tax of 22½ cents on every square yard of flannel or green baize you may require for the clothing of yourself, wife, and children, in order that a few stockholders in manufacturing establishments may declare large dividends?

Is it an advantage to you, that you should have to pay a tax of five dollars upon every ten dollars you expend in the purchase of woollen clothes, merely for the sake of enabling others to grow rich, or even of saving them from loss?

Is it an advantage to you, to pay a tax of \$37 per ton, upon all the bar iron used in building houses and steam-boats, and in agricultural and mechanics’ implements?

Is it an advantage to you, to pay, as you do, the wholesale merchant’s profit of ten per cent. and the retail merchants’ profit of ten or twenty per cent., more, upon these very taxes, they being obliged, when they purchase the goods, to pay the tax, which is always included in the price?

If your answer to these questions be in the negative, that is, if it be no advantage for you to be thus heavily taxed, must it not be a disadvantage to you?

Would you have as much money to expend in other objects, as if you had not been thus taxed? and if not, could you afford to employ the industry of as many other people, as if the tax had remained in your pocket?

Now, what is true in your case, is true in every body else's. Taxation takes away from people the power to consume the products of the industry of others, and if you have to pay fifty dollars a year more for things, than you would have to pay for them if you were not taxed, you will have precisely fifty dollars less to expend upon your own comfort. Away then with the absurdity of representing taxation as a blessing.

5. That "it adds power and strength to our Union by new ties of interest, blending and connecting together all its parts, and creating an interest with each in the prosperity of the other."

We think this position completely overturned, by the facts of the case. The American System, so far from adding power and strength to our Union, is the very thing that is at this moment threatening its dissolution. A greater unanimity of sentiment has never prevailed upon any one question in this country, than that which now exists in six or seven states, in regard to this matter. There is indeed a wide difference of opinion, as to the mode of displaying hostility against it, but we apprehend that the number of individuals who are prepared to submit to it as *the settled policy of the country*, is a mere handful. To speak of it, therefore, as a bond of strength and power, is a capital error; and to suppose that it *ever can become so*, is, we apprehend, a fatal delusion, and such as no one who aspires to be at the head of this government ought to indulge in.

6. That "it secures to our own country, whose skill and enterprise, properly fostered and sustained, cannot be surpassed, those vast profits which are made in other countries, by the operation of converting the raw material into manufactured articles."

Had we been complimenting the skill and enterprise of our country, we should have represented them as not being surpassed by those of any other nation, and as being capable of the fullest development, without the aid of the miserable crutch called protection. A free people are most skilful and enterprising, when their industry is left unshackled, and although, even with the cords and bandages of restrictions about them, they will still be prosperous, in the same manner that a man, after the loss of one of his fingers, may still get his living at manual labour, yet their prosperity cannot be as great as it would have been, had perfect liberty of employment been guaranteed by the laws, as it was by the constitution. To suppose, therefore, that we can, by restrictive laws, secure the profits of manufactures, that result in other countries from local advantages which do not exist here, such as cheapness of labour, the low price of iron for machinery, and the superabundance of capital, is not less chimerical, than to suppose that we could, by raising tea in hothouses, obtain the profits which the Chinese enjoy. If Mr. Clay attaches any advantage to the possessing of the raw material, we can assure him, that bar iron is in England less than \$30 per ton; that

wool is cheaper than it is in this country, where high duties are imposed on purpose to make it dear; and that, with respect to the article of cotton, the Liverpool price is very seldom more than one cent per pound higher than the Boston and Philadelphia price, which, upon a yard of muslin, containing one-fifth of a pound, is an almost imperceptible advantage.

7. That “it naturalizes and creates within the bosom of our country, all the arts: and mixing the farmer, manufacturer, mechanic, artist, and those engaged in other vocations, together, admits of those mutual exchanges so conducive to the prosperity of all and every one, free from the perils of the sea and war.”

Every person who will reflect upon the subject, will perceive that, in every country where the soil is capable of sustaining the population by moderate industry, the great mass of products consumed, must, from the nature of things, be produced at home. The existence, therefore, of farmers, mechanics, manufacturers, artists, and those who are engaged in other pursuits, is the natural state of society, and is no more brought about by the protecting system than the existence of lawyers, physicians, and clergymen. Wherever there is land occupied, there must be farmers; wherever there are farmers, there must be mechanics, manufacturers, artists, merchants, &c.; and whether there are high duties, or low duties, or no duties at all, this must always be the case; with this difference, however, that there would be more of them, if the taxation was low, than if it was high. Did Mr. Clay, by employing this language to “the working men” of Cincinnati, intend to inculcate the idea, that, if the prices of foreign goods were to be reduced by the lowering of the duties to half their present prices, the carpenters, bricklayers, masons, plasterers, painters, glaziers, lime-burners, stone-quarriers, brick-makers, lumber merchants, paper hangers, cellar diggers, carters, and others employed in building houses would be injured in their business? Or, that the steam-boat builders, steam engine makers, boat men, canal men, wagoners, dray men, and other; concerned in preparing the means of transporting the increased quantities of flour, pork, beef, lard, hams, butter, whiskey, and other productions of agriculture, which would be called for by foreign countries *if we would admit their productions at low rates of duty*, would be losers by the reduction of prices? Or, that the manufacturers and tradesmen of that thriving and beautiful city, emphatically styled the Queen of the West, the brewers, bakers, book-binders, blacksmiths, barbers, coopers, confectioners, curriers, cabinet makers, chairmakers, coppersmiths, coach makers, coach painters, coach trimmers, dyers, distillers, gunsmiths, grave-diggers, harness makers, hatters, innkeepers, joiners, livery stable keepers, labourers, milkmen, milliners, mantua-makers, mill-wrights, printers, pavers, pump-makers, paper-carriers, potters, shoemakers, soap-boilers, saddlers, stage-drivers, tailors, tobaccoconists, tallow chandlers, tinmen, tanners, upholsterers, wheelrights, wood-sawyers, watchmakers, &c., would be injured in their occupations? Or, that any of these people, or that any of the farmers of Ohio, or the owners of property in Cincinnati, would be injured by the adoption of a policy, the tendency of which would inevitably be, to encourage emigration to the West? If so, we apprehend his hearers must have thought their understandings greatly undervalued. The people of Cincinnati are too shrewd not to be able to perceive, that emigration to the West is the great source of prosperity to that city, and that, consequently, any policy which has a tendency to keep population in the Eastern States, is a positive injury to them. But Mr.

Clay caps the climax of his long string of fallacies with the following one, which is not less palpable than the rest.

“All this it effects whilst it nourishes and leaves a fair scope to foreign trade.”

Who can read this without perceiving that it assumes as granted the whole point in dispute? It is impossible that any one branch of industry can be supported by a tax upon the other branches, without depressing the latter to an extent equal at least to the support given to the former. It is impossible to sustain manufactures by a tax upon agriculture and commerce, and leave either of the latter as prosperous as it would otherwise be; and no “fair scope” can be predicated of any pursuit, unless under a state of perfect freedom.

But although we cannot compliment Mr. Clay for expressing the views of an enlightened statesmen upon these points, we will give him credit for consistency. He does not, like many of the tariff party, indulge in acrimonious language against the British for their corn laws. He is an advocate of that system, and if he were a member of the British Parliament, he would advocate as strenuously the soundness of the policy of compelling an Englishman to pay double price for a loaf of bread, as he does that of making one of his own countrymen pay double price for a coat or a pound of sugar. This is his language:

“Suppose we were a nation that clad ourselves, and made all the implements necessary to civilization, but did not produce our own bread, which we bought from foreign countries, although our own was capable of producing it, under the influence of suitable laws of protection, ought not such laws to be enacted? The case supposed is not essentially different from the real state of things which led to the adoption of the American System.”

At present we shall content ourselves with a single further quotation, which immediately followed the above:

“That system has had a wonderful success. It has completely falsified all the predictions of its opponents. It has increased the wealth, and power, and population, of the nation. It has diminished the price of articles of consumption, and has placed them within the reach of a far greater number of people than could have found means to command them, if they had been manufactured abroad instead of at home”!!!

Mr. Niles insists upon it that castor oil has fallen in price in consequence of the protecting duty imposed upon the foreign article, and as proof incontestible of this assertion, he shows that the price in 1819 was \$5 per gallon, and that it is now \$1.25. He does not, however, show, which is quite essential to his argument, that if the present duty of forty cents per gallon were taken off, castor oil would not be lower than it is. Cotton goods, woollen goods, sugar, coffee, tea, hardware, iron, and almost every thing else, are cheaper now than they were in 1816, and if the American System did not stand in the way, they would be much cheaper still.

[\[Back to Table of Contents\]](#)

ESSAY No. LVII.

september 8, 1830.

The settled policy doctrine in continuation. Estimate of the value of capital vested in the protected manufactures. It would be better for the country that this capital should be sunk, than that the protective policy should be adhered to. Probable maximum of loss on this capital, if all duties were abolished.

IN continuation of the remarks contained in Essay No. 53, we shall now proceed to examine the doctrine relied upon by many of our most conspicuous politicians, as justificatory of their support of the tariff system, namely, that after millions of dollars have been invested in manufactures, to withdraw the protection now afforded to them, would be unwise, and impolitic, considered even as a pure question of political economy.

In this position, there is no doubt a plausibility, which at first sight may be apt to allure; but we flatter ourselves that we shall be able to present such an analysis of it as will completely show, that those who have taken refuge in it, from the scorching rays of truth, have taken refuge in a fallacy. The proposition, in a simple form, is this: "In the United States, there is a capital invested in the cotton and woollen manufactures of, say, *fifty millions of dollars*. These manufactures are sustained by protecting duties, varying, upon cottons, from 25 to 175 per cent., and upon woollens from 45 to 255 per cent., averaging more than 100 per cent., but which we will suppose, for the sake of argument, to be only 50 per cent. beyond such duty as would be called for, for purposes of revenue, which is a very low estimate. It is for the interest of the nation, considered as one family," says the theory, "that the consumers of cotton and woollen fabrics should continue to pay an increased price of fifty per cent. for those articles, rather than that the capital invested should be left *to take its chance*, under a moderate revenue duty."

A moment's reflection will convince any one, that the truth or fallacy of this position depends entirely upon the proportion which the annual tax bears to the annual value of the capital invested. The annual value of the capital of fifty millions of dollars, at six per cent. per annum, is three millions of dollars; at ten per cent. five millions. For a perpetual annual income of five millions of dollars, well secured, the owners of the manufacturing capital referred to, would very readily consent to its complete annihilation, either by burning it, or sinking it in the ocean, and that sum may therefore be considered as the maximum of its value to the individuals who own it, and, consequently, to the nation. No capital, in the present state of wealth, can, in this country, be estimated as producing more than ten per cent. per annum, whether employed in agriculture, commerce, or manufactures, and hence that sum may be fairly assumed as the full value to the nation. Now, if the annual tax imposed upon the industry of the country, for the purpose of enabling the proprietors of the manufacturing capital to procure five millions of dollars out of it per annum, can be shown to exceed five millions of dollars, it will be very evident, that it would be better

for the nation that the whole capital should be sunk, rather than that the tariff system should be persevered in. That there may be no doubt of this position, we will illustrate this by a familiar case or two.

A new road is constructed, to enable the farmers of a particular neighbourhood to convey their produce to market more cheaply than by the old road, at an expense of one hundred dollars to each. The profit which these farmers could have derived from employing their money in some other way, we will suppose to be ten per cent. per annum, and consequently the original expenditure of the capital involved a perpetual tax upon the industry of each of the farmers of ten dollars a year. Their motive for making this expenditure, was to diminish, as we have said, the expenses of transportation, and the road certainly would not have been constructed, had it not been clear to them, that the diminution would have been greater per annum, than the amount, of ten dollars. This amount, we will suppose, to have been fifteen or twenty dollars, that is to say, each farmer, by sinking a capital of one hundred dollars, equal to ten dollars per annum, has enabled himself to save fifteen or twenty dollars per annum, by the reduction in transportation.

Now, whilst this road is in full operation, a plan is started for constructing a canal, which passes by the doors of these farmers, and so reduces the expenses of transportation, that, instead of saving fifteen or twenty dollars to each, it will save fifty. The theory of the *vested interest* men is, that it is better for the farmers to stick to the road. The theory of the free trade doctrine is, that it is better for the farmers, and the whole community, even if the former have to contribute another hundred dollars a-piece towards the canal, to abandon the road and avail themselves of the advantages held out by the canal; for, by so doing, they will put into their pockets an annual saving greater than the annual value of the two capitals invested.

Again. A weaver has a loom worth fifty dollars, by which he can weave twenty yards of cloth in a day. A new invention appears by which double the quantity can be woven. It is better, says the theory of the American System, that this weaver should stick to the old loom, than that he should purchase the new one, because otherwise he would sink the capital vested in the former.

These examples are sufficient to show, that the question is a simple one of profit and loss. If it appear that the annual expected gain or saving by the new process, will not be equal to the annual value of the capitals vested, in that case, it will be clearly beneficial to adhere to the old system. Suppose, for instance, a canal should be constructed at a cost of a million of dollars, which would, according to our estimate of the value of capital, involve an annual sacrifice of a hundred thousand dollars, or ten per cent. Suppose then a rail road were projected to run parallel to it, to cost an equal sum, and consequently to be attended by an equal annual sacrifice. Now, unless it was clear, that the annual saving to the community by the diminished rates of transportation, should be equal at least to two hundred thousand dollars, it would be bad policy to construct the rail road. And so, on the other hand, it would be good policy to construct it, if the annual saving should exceed that sum, even though the canal should be abandoned, and be suffered to become dry.

The only point, therefore, to be ascertained, in order to settle the matter under discussion is, whether the American people, as a whole, sustain a greater annual loss by the taxation imposed upon them, for the support of the cotton and woollen manufacture, than the annual loss they would sustain by the annihilation of a capital of fifty millions of dollars; or, in other words, is the increased price of the cotton and woollen goods consumed in the country, occasioned by the high duties, greater than five millions of dollars per annum?

We apprehend that few persons would be at a loss for an answer to this question. The population of the United States is twelve millions. If the increased price of the cotton and woollen goods occasioned by the high duties, was only equal to fifty cents per annum each, the tax would be six millions, and, according to our demonstration, it would be better for the nation, rather than continue such a tax, to see the fifty millions of capital invested in the manufacture of those articles annihilated. But fifty cents per head on the whole population, is a very small portion of the tax really imposed for the support of the cotton and woollen manufactures. We should think it much more likely to amount to two or three dollars per head; but of this, any person may judge for himself, it being sufficient for us, that, in the low estimate of fifty cents per head, we have found ample foundation for the establishment of our position.

Now it will be remarked, that, in this view of the subject, we have supposed the whole fifty millions of capital to be annihilated. But could such annihilation take place under any reduction of duties, even under an abolition of the whole? Clearly not, for,

First. Of this fifty millions of dollars, probably three-fourths, at this moment, of what is left, consists of goods on hand, raw materials, bills receiveable, book debts, and cash, none of which would be entirely lost, under such a gradual reduction of the duties as would be readily acceded to by the friends of free trade, if the reduction were to be certain and ample.

Secondly. The remaining one-fourth, consisting of buildings and machinery, would in part be applicable to some other purposes, and would not therefore lose all its value; and

Thirdly. From the very nature of things, a part of the cotton and woollen manufacture now carried on in this country, would be carried on if the duties were reduced to 15 per cent., at which they were before the protecting system began, as they were when the duties were but 5 per cent., and as they would be if there were no duties at all.

The clamour therefore raised against a reduction of the duties as destructive of fifty millions of capital, is a false hue and cry. We do not believe the loss would be ten. We do not, however mean by this to say, that those who made up the original capitals of fifty millions would get back forty. A part of the fifty has probably been sunk long ago, and has therefore been *irrecoverably* lost. That loss cannot be chargeable to an act hereafter to take place, and therefore, in estimating a loss to result from a reduction of duties, a loss already sustained must not be taken into the account.

[\[Back to Table of Contents\]](#)

ESSAY No. LVIII.

october 6, 1830.

Fallacy of the doctrine, that it is for the public interest that legislative protection should be extended to every thing that can be abundantly produced in the country, illustrated by reference to figs.

IT is a prominent doctrine of the advocates of the Peter and Paul System, that every article which can be abundantly produced in the country, should be encouraged by legislative protection; and our readers will recollect, that certain farmers in Pennsylvania last winter petitioned Congress to impose protecting duties upon a number of articles which had eluded the searching powers of the committee of Congress that reported the last tariff act. We recollect, however, one article, which has not, we believe, heretofore drawn the attention of any of the friends of protection, and for their benefit we will mention it. It is the delicious article called *figs*. They grow in the vicinity of Washington, in sufficient abundance to be sold in the market at 12½ to 6¼ cents per dozen, a fact of which we had repeated proof in the month of September. Now, as figs can undoubtedly be raised in the district of Columbia, to the extent of 1,220,266 pounds, the quantity imported last year, as that quantity would only be a trifle more than forty pounds to the acre, allowing two pounds of green to be equal to one of dry, why not fall to work at once, prohibit the importation of figs from France, Spain, and Turkey, and thus save to the country, *the specie* which is sent abroad to pay for this foreign luxury? That nothing is wanted to insure a home supply equal to the domestic demand, but *adequate protection*, cannot be questioned by any one who will reflect upon the subject, and there is no more reason why figs should not be protected, than raccoons or castor oil.

Nay, according to the theory of the restrictionists, why could we not raise figs for exportation? The inevitable effect of high duties, they say, is to lower prices; and they even tell us, that the more efficient the protection, that is, the higher the duties are, the greater will be the fall. Well, now, assuming this principle as correct, the true policy would be to put on a duty that would certainly break up the importation. To accomplish this, we think a duty of two or three thousand per cent. would be sufficient. Dry figs cost in Smyrna about 3 or 4 cents a pound. The present duty is 3 cents, which is a hundred per cent., or near it. An increase of this duty to a dollar a pound would effectually stop their importation, and so elevate their price, *for a season*, as that the inhabitants of the fig region would have the entire command of the domestic market, which, at a dollar a pound, would not call for more than a few hundred pounds, sufficient to supply the demand for roasting to put on swelled faces, and for furnishing Mr. Rand with animalculæ to exhibit in his solar microscope.

But this *season*, say the protection folks, would be short. The domestic competition would *ultimately* reduce the price below 3 or 4 cents, and we should then be able to export figs in competition with the French, Spaniards, and Turks. As proof of this, they bring forward the case of coarse domestic cottons and they say, that the mere fact

of their being exported, is proof that we can undersell the British in foreign markets. Now, if this be the sort of proof which satisfies the restrictionists, why do they not back their faith in this position, by proposing to reduce a part of the duty on coarse cotton goods? For surely, if they can undersell the British in foreign markets, where their fabrics cannot be sent without incurring the expenses of freight, insurance, and commissions, why can they not undersell them in our own market, where they meet the British subject to these charges, whilst they themselves are exempt from them? Will it be believed ten years hence, that men calling themselves statesmen, have relied upon such arguments as these to give them fame and advancement to high stations? We cannot believe it possible, and were it not from a conviction that the stupefaction which has so long prevailed, is gradually wearing away, we should not have patience calmly to discuss a matter so self-evident in its nature.

[\[Back to Table of Contents\]](#)

ESSAY No. LIX.

october 13, 1830.

Importance of the science of Political Economy to an American lawyer or politician.

WE have, in this journal, endeavoured to impress upon the minds of our readers, the importance of the study of political economy, as a branch of knowledge absolutely indispensable for every one who aspires to political stations, and who would naturally be expected to be conversant with the principles of constitutional law. We have also suggested, that, although in Europe, where the powers of government are not restricted by specific limitations, and where the right to favour one branch of industry at the expense of another is not denied, there is no necessary connexion between political economy and the study of law, yet that, under our form of government, the case is widely different. Thus, in England, a man may be an efficient political economist without being a lawyer, or he may be a good lawyer without being a proficient in political economy, and may, as such, occupy the most elevated seat on the bench of justice. In this country, on the other hand, the highest judicial stations can only be properly and faithfully filled by those who are skilled in political economy, and for the simple reason that those who are not so skilled cannot have the confidence of the whole community in reference to their competency to decide upon the constitutionality of laws, with the tendency and nature of which, as regards national and individual wealth, they are unacquainted.

Every one must know, that the imputation of infallibility to any set of individuals, let them be whom they may, is absurd. Men are at best but men, and as such, are liable to err; and the idea, therefore, that there ever can exist any tribunal which can be capable of deciding without the possibility of being wrong, must be founded upon a belief in the perfection of human nature, which experience has not established. The most that can be expected, therefore, in any court of justice, is an approximation to infallibility, and even that cannot be looked for except where the judges are wholly uninfluenced by the prominent political questions which occupy the public mind. The body politic has within it a moving principle which directs the general mass. This may be called public opinion, and when powerfully excited it moves on like a mighty current, drawing within its influence all the individuals of the community amongst which it flows. Even judges are not exempt from its power, and, say what we will, a chiming in with the received opinions of the great mass of the people amongst whom one lives, is, in a greater or less degree, to be looked for in judicial, as well as in legislative, and executive transactions. But our present purpose is not to touch upon this ground of fallibility. It is to show that no one is qualified to sit in judgment on the bench of the Supreme Court of the United States, upon any case involving a constitutional doubt, the decision of which in one particular way might do mischief to the nation, unless he possesses a complete knowledge of the effects which such decision would necessarily produce. For, it is reasonable to suppose, that a judge, in making up his opinion upon a doubtful power, would endeavour to inquire into the motives which induced the grantors to confer it. If those motives were clearly shown to be, the welfare and

benefit of the grantors, he would undoubtedly construe the power in the manner, *which, in his opinion*, would accomplish the end proposed. Let us suppose a case. Suppose a law to be passed by Congress, appropriating twelve millions of dollars per annum to the construction of roads and canals, taking for their authority one or all of the clauses in the constitution which declare that the Congress shall have power,

“To establish post offices and post roads,”

“To declare war,”

“To regulate commerce with foreign nations, and among the several states,”

“To pay the debts and provide for the common defence and general welfare of the United States,” and

“To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.”

Suppose it were contended, by a large portion of the grantors, that neither of the above clauses authorized either expressly or by fair implication, the right to expend the public money for the objects proposed; and suppose further, that such a law was brought before a court, for a decision upon its constitutionality, the opinion of whose members should be, that roads and canals were eminently beneficial to the whole nation, and that the more of them there were the better, and that there could be no sinking of capital in their construction, but only a mere change of hands by the circulation of the money—would such a court, let me ask, be competent to decide the case to the satisfaction of any man whose mind is at all tinctured with the true doctrine of political science?

Again, suppose a law to be passed, under the clause of the Constitution which declares that Congress shall have power “to lay and collect taxes, duties, imposts, and excises,” the manifest design of which law should be to take out of the pockets of people engaged in agriculture and commerce, twelve millions of dollars per annum, and put them, without an equivalent, into the pockets of people engaged in manufactures. Suppose, further, that the right to authorize this plunder was disputed by many who, constituted a portion of the body that conferred the power relied upon as authority, before a tribunal which conscientiously believed that the complaints of the *plunderers* were groundless, that so far from being injured, they were greatly benefited; that they did not understand their interests half so well as the majority of Congress did; that high duties make goods cheap instead of dear, and that the shutting out of foreign goods increases the export of domestic products—what sort of a decision, think you, would result upon the constitutionality of the law? Such a one, we apprehend, as no friend of the freedom of trade could reconcile with that high reputation for ability and political knowledge, which have been so deservedly ascribed to the distinguished body that framed the Constitution.

[\[Back to Table of Contents\]](#)

ESSAY No. LX.

october 13, 1830.

The doctrine of exchange. Nominal advance of six per cent. above par, shewn to be below par.

IT is said that the freemasons have a method of discovering who is and who is not of the craft, by very slight indications. The same is true of the fraternity of political economists, who can discover in five minutes' conversation whether a man understands the subject or not. One of the surest evidences of an entire want of acquaintance with the principles of the science, is, talking about the balance of trade being against the country, and draining the specie from it. Whenever a reasoner advances that doctrine, depend upon it he knows nothing of the matter of which he professes to be the expounder, and we advise all students whose minds have been imbued with that heresy, to wash themselves free from it, at the very outset. True it is, that the number of those who still hold on to it, is very limited, compared to what it formerly was. The main pillars of the theory were, the current rate of exchange on England, and the custom-house returns of the value of imports and exports. The former of these has been utterly demolished by the report of General Smith, made to the Senate last winter, and by the report of the Secretary of the Treasury, on the relative value of gold and silver. The latter pillar is fast tumbling to pieces, and we are quite sure, that if the restrictive system were not intimately allied to the fortunes of some political leaders, it would very soon go by the board, and be abandoned by every man of sense in the country.

As to the doctrine of exchange upon England, it has now been conclusively demonstrated, that a Spanish dollar is not the equivalent of 4s. 6d. sterling, as is commonly supposed, but has, for many years, been only equal to about 4s. 1d. to 4s. 2d. So that when we make a calculation upon 4s. 6d. as the *par*, we assume an erroneous starting point, and consequently exchange may appear to be *above* par, when it is in reality *below* par, as is the case at this moment, as we shall show.

The *nominal* rate of a bill on London, payable in gold, which is the currency in which all our merchants contract to pay for what they purchase, is at this moment six per cent. premium. This nominal rate, it will be observed, does not imply that 106 ounces of pure gold must be here paid for a bill on London that will there command 100 ounces of the same, but it simply means that, according to the mercantile custom of computing exchange, by which a Spanish dollar is erroneously supposed to be capable of discharging a debt of 4s. 6d., it would require 106 Spanish dollars to pay a debt for 100 times 4s. 6d. As soon, however, as the calculation is stripped of its fallacy, the true state of the case appears. It is perceived that the debt is due in *gold*, and that the tender of payment is made in *silver*, which the Englishman no more agreed to take than he did to take cotton or tobacco, and consequently, that, in estimating the *real* rate of exchange, the true value of the silver dollar in gold currency must be ascertained, *that being the true and only par for the time being*.

Now, by this rule, let us examine a particular case. A merchant imports an invoice of goods amounting to £100 sterling. The Spanish dollar is worth, in London, 4s. 2d., being at the rate of about 4s. 10d. per ounce. If he send dollars to London to pay this debt, it will require 480, and not 444,44, according to the common erroneous mode of computation. Unless, therefore, he is compelled to pay for his bill more than 480 dollars, it cannot be said to cost a premium. Now, what is the fact at the present moment? If a merchant buy a bill at sight upon London at 6 per cent., nominal premium, the broker will make out his account thus:

Tommy Nokes to John A. Stiles,	Dr.
For Peter, Paul, & Co's bill on John Bull, Esq. London, at sight, for £100 sterling.	\$444 44
Advance 6 per cent.	26 67
	471 11
Brokerage $\frac{1}{4}$ per cent.	1 18
	\$472 29

So that it costs the purchaser for his bill \$7.71 less than the number of dollars he had contracted to pay, which, instead of being 6 per cent. against him, is, in reality, more than $1\frac{1}{2}$ per cent. in his favour.

The real truth is, that the variation of exchange from the true par, between two great trading communities, one way or the other, can never, for any length of time, be greater than the expense of transporting the coin from one country to another. Two per cent. may be looked upon as constituting the utmost limits of fluctuation between this country and Europe, in times of peace; for, as the freight, insurance, commissions, brokerage, &c., united, do not exceed that amount, no merchant who has money to pay, or to receive, will agree to lose more. It is now fortunate for the country, that documents have been placed before the public, by the Secretary of the Treasury, sufficient to settle this matter for ever. It has been shown that, although between the years 1811 and 1817, *nominal* exchange in some of our cities, upon London, ranged from 20 per cent. *below* par, to 20 per cent. *above* par, yet that during that whole period, the *real* exchange, measuring gold against gold, or silver against silver, was never more than three per cent. The *nominal* variation arose partly from the same cause as that which now operates, to wit, a change in the relative value of gold and silver in the markets of the trading world, from the proportion of *one to fifteen* to that of about *one to sixteen*, but chiefly from another cause, which we shall briefly explain. Prior to 1814, the currency of the United States was gold and silver, and bank paper exchangeable for gold or silver, whilst that of Great Britain, for many years, was inconvertible paper, greatly depreciated. During that time nominal exchange was *below par*, because a silver dollar of United States' currency was worth more than 4s. 6d. of British paper currency. In August, 1814, all the banks in the United States, south of New England, stopped payment, in consequence of which the currency of this country became depreciated, whilst that of Great Britain happened, at the same time, to become meliorated. Nominal exchange *then* rose *above par*, because 4s. 6d. of British paper currency was less depreciated than a paper dollar of our currency. In 1817, our currency was restored to a sound silver state, and in 1821, that of Great

Britain was restored to a sound gold state, and since the latter period, the *nominal* premium on exchange between the two countries has been occasioned solely by the change in the relative value of gold and silver, which has been operative in a greater or less degree for fifteen years, controlled by the operations of commerce, which may influence, as we have stated, the exchange, to the extent of two per cent., one way or the other.

To all this reasoning, we are prepared to hear it urged, by the skimmers in political economy, “This is *theory*—let us have *facts*.” Well gentlemen, you shall have facts. The first we will give you is the following:

From the New York Gazette of Sept. 29.

“We understand, from an intelligent merchant, that specie is now on its way from London to the United States, and daily we remark arrivals of specie from almost every part of the world—a strong evidence that the United States stands now a creditor to all the leading marts of commerce.”

Will this answer your purpose? If not, perhaps the following will:

From the National Intelligencer of Oct. 6.

“*All the World in Debt to the United States.*—The packet-ship Robert Edwards, from London, has on board about \$50,000 in specie. This is a profitless remittance, but the best one by which the merchants could get back the proceeds of their shipments. Exchange on the United States is therefore so much above par, in London, that the excess is sufficient to pay all charges of freight, insurance, &c., on the transmission of specie.—*Journal of Commerce.*”

Now, as this money was shipped at London in August, in consequence of orders, written no doubt by the American owners, in July, it is only necessary for us to know what was the rate of exchange on London, in this country, at the time those orders were written, to put the seal for ever upon this disputed question, and to settle it, so conclusively, that again to attempt to refute it would be as silly as to enter into a serious argument to prove that two and two are four.

We happen to have before us “Canfield’s American Argus,” of 19th July, 1830, containing prices current of stocks and exchange, in which bills on London at that period are quoted as follows:

At New York, 6½ to 7 per cent. premium.
Philadelphia, 6 to 6¼ per cent. premium.
Baltimore, 5¾ to 6 per cent. premium.
Boston, 6¼ to 6½ per cent. premium.

Now, we would ask, would any merchant of common sense, if he could sell a bill at 6 per cent. premium, be so unmindful of his interest, or so ignorant of his business, as to prefer to import the money due to him in England, at the certain loss of that premium,

besides the expenses of freight, insurance, and commissions incurred by the transmission of the coin? No one, however obtuse his intellects, will pretend to assert it, and we do really think that the balance-of-trade-men have now, by this draining of Great Britain of her specie, met with a blow, in their favourite theory of exchange, which they cannot survive.

[\[Back to Table of Contents\]](#)

ESSAY No. LXI.

october 20, 1830.

The doctrine of American cotton fabrics meeting successfully the British cotton fabrics in foreign markets, shewn to be fallacious, as regards exports to Buenos Ayres.

WE have upon various occasions exposed the absurdity of the doctrine that our manufacturers can meet successfully the British, in foreign markets, with those articles which they find it necessary to protect by high duties, for fear that they shall be beaten out of the home market. We have urged, that if a foreigner can make cotton fabrics so much cheaper than our manufacturers can make them, that he can afford to send them to this country, to pay freight, insurance, and commissions upon them, and a moderate duty besides, and undersell us at our own factory doors, it is preposterous to suppose that we can ourselves incur all those expenses, and meet him successfully in foreign markets. And yet there are men with minds of such obliquity, that they cannot see a truth so self-evident as this. They insist upon it, that the mere fact of our exporting cotton fabrics, is proof that we carry on a successful competition, and seem to forget that we also export to the value of sixteen millions of dollars per annum of foreign productions, saddled with the expenses of importation, and yet no one would contend that, with those articles, we can meet the producers of them abroad upon terms of perfect equality. The simple fact is, that our commerce with the West Indies and South America, is an irregular hap-hazard trade, founded upon the maxim, “hit or miss—luck’s all.” The markets with which we trade are fluctuating, sometimes high and sometimes low, and the consequence is, that a good voyage may sometimes be made with articles that are in demand, even though they cost in this country higher than they could be bought for in Europe. Our success in this trade is due to our geographical position, more than to any thing else.

But the question is not, do we export cotton goods? but, do we export them to a profit? As to this point, we are inclined to believe that, if we could get a sight of the accounts of sales of what go to South America, nine out of ten invoices would exhibit what the merchants call a Flemish account. This, however, is difficult to prove. Merchants do not like to tell their losses. When they do, nobody believes them, but every one supposes it to be a manœuvre to deter him from shipping to a profitable market; and besides all this, the currencies of Brazil, Monte Video, Buenos Ayres, Chili, and perhaps Peru, are so variously depreciated, that there is a sort of mystification about prices, that renders it pretty difficult to come at the truth. Fortunately, however, we are enabled to throw some light on this subject. We have now before us a letter recently received, addressed to us by an American gentleman at Buenos Ayres, which we think will open the eyes of some of those who have suffered themselves to be blinded, upon this subject of exports. It is as follows:

“*Buenos Ayres, May 30, 1830.*”

“There is now on hand in this place probably near one thousand bales of American cottons, some of which have been here since December and January last, and most of the holders would gladly sell them for any thing near cost and charges, for the market is so completely stocked with British goods of a like description, that there is no probable chance of any speedy improvement in price. The importation of brown cottons, from the 16th Sept., 1828, to the 1st of Nov., 1829, was estimated at 1,683,669 yards of American, and 808,618 1-2 yards of British, since when, the importation of the latter has been proportionably much greater, and are now sold at such prices as almost to exclude the American (without greater sacrifice) from the market. It is said that the loss to the manufacturers is very great, and that the commission houses here being in advance, they are obliged to be sold for whatever they will bring; but if this is the case, it is certainly strange policy that they should be continually manufactured, and sent here, when a certain loss must be calculated upon. It is therefore, I think, fair to suppose, that something that we are not aware of, gives to the manufacturer a sufficient advantage to cover this ostensible loss. However, be it as it may, the effect is equally ruinous to the holder of cottons from the United States. The civil discords which now so unhappily distract this country, destroying in a measure the intercourse with the interior, shut up what was heretofore a very considerable market for these articles: nor is there now any prospect of a speedy arrangement of these differences; for the leaders of the various factions, seeking rather their own aggrandizement, than the public good, know no distinction between individual hatred and political difference, and have plunged the country in an anarchy, than which any regular government would be preferable; for the excesses committed by the different factions are such as would not be credited at home, where we have not yet learned personally to hate the man who may differ from us in his political views.”

From an intelligent merchant largely concerned in the Pacific trade, we last year learned, that the shippers of cotton goods to South America were chiefly the manufacturers themselves, and, if we recollect aright, we were also told that the chief part of them were shipped by the manufacturers of the middle States, who, finding that they were undersold in the domestic market *by the New England manufacturers*, had resorted to shipments as the only mode of getting clear of their surplus.

To those who are captivated by the sound of numbers, the quantity of domestic cottons imported into Buenos Ayres in thirteen months and a half, at a period immediately following a war of two years and upwards, during which time the river Plate was blockaded, will no doubt appear to be very great, and they will be disposed to exclaim, “Long live the American System.” To those however, who are accustomed to analyze, and to examine things before they swallow them, it will be sufficient to say, that 1,683,669 yards of cotton goods were worth at Providence, (R. I.) according to a late statement published in the papers, headed “Importation of cotton into Providence,” nine cents per yard, that is \$151,530.21; that this quantity, as appears from the same statement, would require less than 1200 bales of raw cotton to make it, and, finally, that to export the whole quantity and to import the proceeds of the sales, would not require more than the bulk of one ship.

[\[Back to Table of Contents\]](#)

ESSAY No. LXII.

october 20, 1830.

The West India trade. Benefits resulting from its being opened with the United States.

ONE of the most unhappy results flowing from the extent to which party and personal politics have been carried in this country, for several years past, is that of wholly destroying the nationality of our public acts, and of making them all subservient to party ends. There is now in the United States no conceivable measure, which the present or any other administration could adopt, which would not be liable to be made the theme of party abuse and misrepresentation, and which would not be viewed as praiseworthy or otherwise, according as it happened to militate against, or favour, the elevation of particular men. To this shrine of personal politics all other considerations are sacrificed, and matters which concern the interests and prosperity, nay, the very honour of the country, are held as nothing in comparison with the advancement to power of particular individuals.

In nothing has the truth of these remarks been more fully confirmed, than in the many editorial comments which have recently appeared throughout the country, in reference to the late negotiations concerning the British colonial trade. One set of papers cry it up, as if it was to eventuate in the aggrandizement of the whole community; whilst another set cry it down, as not worth possessing. Both are in error, because each has formed its opinion by looking at it through the medium of party prejudice, and a proper view of the case would probably show that the truth lies between. Now, whether the restoration of this branch of commerce be due to one administration or another, the character of the benefits, whatever they may be, which the nation is to enjoy, is precisely the same; and we have not been a little surprised to observe, in some commercial newspapers, how possible it is for editors to become so absorbed in personal politics, as to lose sight of the ordinary and well established principles of trade, and to endeavour to destroy the merit of an act, merely because accomplished by an administration to which they are opposed.

The question whether the restoration of our trade with the British colonies will be advantageous or not, is a simple one of political economy. It depends altogether upon the fact, whether by enjoying the direct trade we can or cannot export to those colonies more of the articles which they derive from the United States than we now export; and whether we can or cannot export other articles which are now excluded on account of the expenses and difficulties attendant upon a circuitous voyage. To determine the first point, we think, will not be difficult. The freight, insurance, commissions, and other charges incident to a shipment of flour from the United States *direct* to Jamaica, for example, will not be as great as if the shipment was made *indirectly*, through the island of St. Thomas or St. Bartholomew, or even the neighbouring island of Hayti or Cuba. This position cannot be disputed. Nor can it be disputed that this reduction of the expenses of shipment will enable the inhabitants of Jamaica to get their flour cheaper than if the indirect channel alone was accessible to

them. Now, as it is a principle supported as well by the lights of experience as the lights of science, that the consumption of commodities increases when the price declines, and we challenge any one to produce a single exception to the principle, it follows as a necessary consequence, *all other circumstances equal*, that our exports to the British colonies *must increase*, by the opening of the direct trade.

In regard to the second point, there exists no more difficulty than in the former. A great portion of the commerce which has always existed between this country and the West Indies, is in the exportation of live stock and lumber. These commodities will not bear the expenses of trans-shipment. Live stock requires large supplies of hay and other provisions to be carried with them, and as they cannot be stowed away in bulk, but take up a great deal of room, the freight upon them, or rather their *passage money*, is very heavy. Besides this, the exporters of horses, mules, oxen, sheep, and hogs, oftentimes meet with difficulties against which they cannot protect themselves by insurance. Sometimes they fall in with calms, which last so long as to starve out their passengers, and so frequent have been these calamities, that they have been of sufficient notoriety to give the name of *the horse latitudes* to that region which is located between the variable and trade winds. As to lumber, any one who has ever had to pay the expense of hauling a load of boards or scantling for twenty miles, can easily perceive how prohibitory a double freight would be.

During the six years preceding the 30th September, 1826 (the ports were closed on 1st of December of that year) the exports from the United States to the British West Indies, were as follows, viz:

1821	\$264,632
1822	449,601
1823	1,617,845
1824	1,750,703
1825	1,635,574
1826	2,078,871
	\$7,797,226

Of these exports, the following articles, viz., staves, and heading, shingles, boards, plank, hewn timber, lumber, masts and spars, naval stores, horned cattle, hogs, horses, mules, and sheep, constituted near a fourth, and in the year 1826, amounted to more than half a million of dollars in value, having gradually increased to that extent, from \$66,135, the value exported in 1822.

To ascertain the precise value of such a trade, is not, it is true, a very easy matter. No doubt a great portion of the articles which, prior to 1827, were exported *directly* to the British West Indies, have since reached them *indirectly*, through other channels, but nothing can be clearer than that the quantity thus circuitously shipped must have been less than the quantity which would have gone, had a direct intercourse existed. No man who reflects a moment on the subject can fail seeing that this is so; and it is therefore folly for people to try to deceive themselves by delusive theories. Every direct trade by which the expenses of shipment are diminished, enables the consumers

of our agricultural products to buy more than they would buy, if no such diminution had taken place, and no pretended set of *facts* can controvert this theory. The question, as it affects *navigation*, may be somewhat different, but the principle upon which we reason is equally applicable to that branch of industry. To convey *directly* the articles which are now conveyed *indirectly*, will require an equal extent of tonnage, and there will then be a gain of the tonnage required for the conveyance of the articles which are now excluded, and all the additional products which will be brought into demand by the fall in the price, owing to the diminished freight.

But it is said that British vessels will interfere with American vessels. If the former can be navigated cheaper than the latter, this will undoubtedly be the case. And suppose it were so. Are agriculture and commerce to be sacrificed to the tonnage interest? As the consistent and uncompromising opponents of all legalized monopolies—whether manufacturing, agricultural, commercial or navigating—we should hope not. But, upon this score, we have little to dread. We can underwork the British, and need not fear their competition. Our trade with their European dominions establishes fully this fact. British and American vessels are admitted upon the same terms into the ports of the United States, and Great Britain, and yet we hear no complaints from our merchants that the British ships have a preference. At all events, if they were to come in for a share, it is not likely that that share would be equal to the increased demand for tonnage arising from the increased exports.

Before leaving this subject, there is one circumstance to which we wish to call the reader's attention. It is the gradual increase in the annual amount of our exports to the British West Indies, exhibited by the above statement. It shows that commerce is cautious in its movements, and, like a river, can only work its way into a new channel by degrees. Had the trade not been interrupted, it is possible that it might have been carried, during the present year, to the extent of three millions of dollars.

[\[Back to Table of Contents\]](#)

ESSAY No. LXIII.

october 27, 1830.

The export of cotton fabrics from the United States no proof that we can undersell the British in foreign markets. Exports to Turkey, and other ports on the Mediterranean.

THE following article is copied from the Boston Daily Advertiser:

“*Cotton Manufactures.*—In the third volume of the Encyclopædia Americana is an interesting article, giving a history of the cotton manufacture in England, and in this country. An opinion is there expressed, that the whole process of the manufacture is performed to as great advantage in this country as in any part of the world; and that particularly for descriptions of a coarse fabric, the advantages of possessing the raw material, and of water power for moving the machinery, with the proximity of the South American market, more than counterbalance the disadvantages of the higher cost of machinery, and of some branches of labour. This view of the subject has been confirmed by the success of recent shipments to foreign markets.”

There is no class of citizens who would more rejoice, than the friends of free trade, if the opinion above advanced by the writer in the Encyclopædia had been “confirmed,” as the editor of the Advertiser supposes it to have been; for, in such case, the cotton manufacturers would voluntarily come forward and propose a reduction of the duty, and thus remove one of the chief causes of dissatisfaction against the tariff. But, we apprehend that the Boston Advertiser has not examined the subject any closer than the Encyclopædia has done it, and has adopted the idea, that we can manufacture as cheap as the British, from the simple fact that domestic cottons are exported to foreign countries. That this is no evidence whatever on the subject, is annually proved from the Reports of the Secretary of the Treasury, which show, that foreign merchandise is imported from Great Britain, France, Holland, Russia, Sweden, Germany, and other countries, to the amount of upwards of twenty millions of dollars, and although saddled with the expenses of freight from the country where they are produced, with insurance, profits, commissions, and other charges, is exported to other foreign countries, where it comes in competition with the same articles from the producing countries. The real fact is, that a great part of the commerce carried on by our merchants, as we have said upon a former occasion, is in the nature of a scramble. He who runs fastest, gets the prize; and it is precisely because our geographical situation gives us advantages in the trade with the West Indies and the continent of America, which Europe does not and never can enjoy, that our rulers ought to leave commerce with the least possible extent of restriction. We have no doubt that, if all duties were low, our cities would become depots for immense amounts of merchandize waiting for the freshest advices, that are now shut out by the high duties, which deter merchants from importing, through the fear that a favourable market abroad may not offer, before the expiration of the term within which they would be entitled to the benefit of drawback. And as to the very article of coarse cotton goods, we are well persuaded that, if the duty on the foreign articles were reduced to 15 per cent., our

exports of them to South America would be double what we now export of the domestic fabric. The real truth is, that cheap as domestic muslin now is, it can be made cheaper in England, and the most conclusive evidence of this fact is to be found in the resolute manner in which the manufacturers adhere to the tariff, which, upon all low priced muslins, is entirely prohibitory. If, however, the Boston Advertiser has any other ground than the one we have stated, for its belief, we should like to see it, and we think it is a duty owing to the country, for the manufacturers of any protected article which can now stand alone, to come forward and confess the fact, and propose a repeal of the protecting duty. Nothing but such a frank and just course can ever satisfy the nation; and we think that even the manufacturers themselves would hardly be disposed to hazard the existence of the Union, by adhering to a principle which produces no practical benefit.

But the Advertiser proceeds thus:

“The following extract from a letter of a mercantile house at Constantinople, shows with what favour the American manufacture is regarded in that market, and the extent of the demand for it;

“*Constantinople, June 12.*—The whole Turkish army and navy, and the great bulk of the population generally, make use chiefly of the cotton goods known in England as *grey domestics*, and here as *Americas*. You will at once perceive from this fact, that the consumption must be immense. Hitherto the intercourse between the United States and this capital has been exclusively through the medium of Smyrna; but from this time forward it will be established direct, and we look for some excellent business to commence in a few weeks hence. For the reason alluded to, of our getting real American domestics indirectly, we see scarcely any thing of the sort here. The English spurious imitations, flimsy and cheap, have usurped their place, and, under the American name, enjoy a reputation to which they are ill entitled. We calculate the present consumption here at near 100,000 pieces annually, and it must vastly increase, as the organization of the Mussulman nation produces more opulence among the lower classes. When once the American cottons come forward freely, they will always be infinitely preferred to the English, unless they should happen to stand in very much dearer, when there would always be large buyers of the cheaper commodity. Allow us to say, then, that we consider a low price as a desideratum, even if it were necessary, to obtain that point, to deteriorate the value of the article a little. We could not recommend bringing it down too low, as it would be well to keep up its character of superiority over its rival.”

Suppose we were to say, that the whole of the interior population of Brazil was clothed with cotton fabrics, like the Turkish soldiers and sailors—what would that argue in favour of an extension of our trade in that article to Brazil? Absolutely nothing. The fact is, that, of every ten yards of cotton cloth consumed in Brazil, nine are made in the country, as they probably are in Turkey; and if this was not the case, we should be none the better for it, seeing that the British supply the same article cheaper than we can. The writer of the letter from Constantinople very justly observes that, to command a sale, our domestics should not “stand in very much dearer” than the English; and he might have said, that if they stood in any dearer at all, for the

same quality, they could not be sold. This is the universal law of trade. Nobody consumes goods for any love to the makers. Every purchaser buys where he can get most value for his money, and it makes no odds to a Turk, whether his trowsers are made in England, France, or the United States.

From the manner in which this letter is introduced, and from its own contents, one might be led to suppose that the Turkish nation were already very familiar with our domestics. This we doubt very much. Upon reference to the Treasury Reports, we find that, during the year ending on the 30th September, 1828, there were exported to “Turkey, Levant, &c.,” white piece goods to the value of \$3,880, and printed and coloured to the value of \$417, and during the year ending on 30th September, 1829, white piece goods to the value of \$4,004, and printed and coloured to the value of \$172. Prior to these years, we presume that a less quantity must have been exported, and it is therefore very evident, that not many Turkish soldiers or sailors could have ever seen our domestic cloths.

But perhaps we shall be told, that the “*grey domestics*” or “*Americas*,” spoken of by the Constantinople letter writer, had been sent into Turkey from some of the Mediterranean ports, to which they had been previously shipped. Now, as every fair argument of our opponents ought to be fairly met, and as this is undoubtedly one, we shall give it all due weight. Upon reference to the official returns of the exports of the United States, we find that the value of domestic cottons, exported to *all the ports* situate within the Straits of Gibraltar, was as follows, viz:

	year ending 30th september,	
	1828.	1829.
Gibraltar,	23,182	2,914
Spain on the Mediterranean,	728	
Italy and Malta,	2,941	1,485
Trieste and other Austrian ports,		10,080
Greece and Grecian Archipelago, (none)		(none)
Morocco and other Barbary States (none)		(none)
	\$26,851	\$14,479

The aggregate of these exports in two years, therefore, to all the regions washed by the Mediterranean and its tributary seas, is thus officially shown to have been but \$41,330, and yet the American people are gravely told, that “the whole Turkish army and navy, and the great bulk of the population generally, make use chiefly of the cotton goods known in England as *grey domestics*, and here as *Americas*.”

The first official documents of the Treasury which noticed the exports of domestic cotton fabrics from the United States, separate from other manufactures, was in 1826. From these it appears, according to Waterston & Vanzandt’s Tables, that there were exported to the Mediterranean ports, white and coloured cotton goods—

In 1826, to the value of \$11,445,
In 1827, to the value of 23,908.

That these goods were shipped as experiments, must be manifest to any one who will reflect upon the diminutive amount. That the experiment has failed, after a trial of three years, is established by the diminished export of 1829. It is really to be lamented, that persons who travel abroad are often so little qualified to communicate correct and useful information to their countrymen. The writer of the letter in question has done a great deal of mischief from his *mania scribendi* upon subjects which he does not understand, for not only has he given occasion to several editors to boast of our great trade to Turkey, in cotton goods, but he will probably induce some inexperienced merchant to try his hand at furnishing the “whole Turkish army and navy, and the great bulk of the population generally,” with what are called in England “*grey domestics*,” and in Constantinople, “*Americas*.”

[\[Back to Table of Contents\]](#)

ESSAY No. LXIV.

november 3, 1830.

The advocates of free trade are the true friends of the labouring classes. Comments on a speech of Harrison Gray Otis, Esq., at Boston. The number of persons whose employments are sustained by protecting duties, is a very limited one.

WE have, upon various occasions, in this journal, adverted to the policy pursued by the advocates of restriction, in endeavouring to impress upon the minds of the great body of the mechanics and labouring classes, the identity of their interests with those of the monopoly seekers, and we have often felt, in the exercise of our editorial duties, the great want of a specific term, to signify against what particular descriptions of manufacturers our general remarks were levelled. In consequence of this want, the free trade party has laboured under a great disadvantage. We are obliged, in denouncing the system of restrictions, to employ the general term *manufactures*, and we thereby run the risk of being regarded as the opponents of all manufacturers, whereas, in truth, we are only the opponents of that particular portion of them, *forming but a very small part of the whole body*, who require for their support an exorbitant taxation to be levied upon the pockets of all the rest of the people. Against that immense body of men who live by their labour in cities and towns, and who rely for their success upon their industry, skill, and enterprise, and not upon the forced contributions of their neighbours, we have not the slightest warfare to make. Their interests are identified with those of the agriculturists, merchants, and seamen, and they have no more sure and sincere well-wishers than the friends of free trade.

For what, let us ask, is the free trade party contending? It is for a course of national policy, the effect of which will be to *reduce* the price of commodities to the consumers. And against whom are they contending? Against the few whom nothing will suit, but a policy, the effect of which is, to *increase* the price of commodities to the consumers. Every man, therefore, whose interest it is to buy cheap, properly belongs to the free trade interest, and if he does not belong to the free trade party he stands in opposition to his best and truest friends. Yes, we affirm it, the true friends of the poor man, of the day labourer, of the mechanic, and of nine-tenths of all the manufacturers, and the whole body of farmers, planters, traders, and sailors, are the comparative few, who, stemming the torrent of abuse, and prejudice, and odium, which have overflowed the northern sections of our land, are steadily marching on as the volunteer champions of the *liberty of the hand*.

In the city of Boston, there was recently held at Faneuil Hall, a festival by the Mechanics, who, upon the occasion, invited Messrs. Webster, Otis, Gorham, E. Everett, A. H. Everett, Sullivan, and others, not of the mechanical profession. The speeches delivered by some of these gentlemen were published in the Boston Commercial Gazette of October 18, and from one of them, that of Mr. Otis, the mayor of Boston, we extract the following passage, which occurs in connexion with some

complimentary remarks upon the Association, which had once been the object of an improper prejudice.

“It was, however, deeply to be lamented, that hostility to the institution had not ceased. In another quarter of the country, opposition of a most inveterate and impassioned character had been displayed, not, indeed, to this particular Association, but to the cultivation and success of the mechanic arts in this country. It was disguised under the colour of hostility to domestic manufactures. But it is one and the same thing. When I consult my dictionary, I find that a mechanic is defined to be a manufacturer, and that a manufacturer is described to be a workman. The words have the same derivation, and are synonymous—the individuals form one and the same class. There is no difference in the nature of things, nor in practical results, between the interests of those who make the cloth and those who fashion it into garments—of those who build houses, and those who erect factories and construct machinery. The chain which connects the mechanical and manufacturing arts, however varied, is indissoluble without the ruin of the whole. The enmity that breaks down one, undermines another. The policy that forbids the making of cloth at Lowell, will annihilate the business of making shoes at Lynn. And all the reasons given for having factories of cotton and woollen confined to foreign countries, are equally strong in favour of transferring all our ‘workshops to Europe.’ To defeat this scheme it was only necessary to comprehend clearly its scope and tendency, and to resist all efforts made to create jealousies and dissensions between those who are essentially engaged in promoting a common interest. It is the interest only to which attention should be directed, and not to the individuals or corporations, by which any particular manufacture is patronized and supported. Labour and the labour of working men, is the foundation of them all, and the prosperity of the working classes is involved in the success of making that labour profitable to the community. This intimate connexion is obvious to the apprehension of every intelligent mind. It is understood and avowed by the working men of other places and states—of Washington—of Ohio—of Kentucky—of Philadelphia—of Baltimore, and elsewhere—and I have no doubt will be equally comprehended and supported by the members of this Association. In conclusion, I propose the following toast:

The most ancient and natural alliance that ever existed upon earth; the alliance between the arts which furnish habitations and those which produce clothing for the human race. They are by nature one and indivisible—and what God hath joined, let no man strive to break asunder.”

In the extract above quoted, Mr. Otis has struggled hard to show, that the manufacturers of woollen and cotton fabrics have the same interests with those who fashion them into garments—that is, tailors and seamstresses. Now, we think we can show, that Mr. Otis has ventured a position which cannot be sustained. Every body knows, that, in proportion to the cheapness of cloth, a greater quantity is made into garments, and it follows as certainly as an effect follows its cause, that any policy which prevents cloth from being as cheap as it would be without that policy, diminishes the demand for the labour of those who live by making clothes. It would be vain to deny this self-evident proposition; and as the restrictive system of this country is designed to keep up the price of cloth, and does actually accomplish that

design, it is just as sound reasoning to pretend to identify the interests of the two classes named, as to identify the interests of the growers of wool with the manufacturer of wool, one of which is benefited by a high price for the raw material, and the other by a low price.

But Mr. Otis further says, that the interests “of those who build houses, and those who erect factories,” are identical. This is saying nothing more, than that a man who builds a house of one size or shape, has the same interests as a man who builds one of another size or shape. This is a mere truism, which we shall not dispute. Nor shall we dispute the further position, that the interest of the former is not different from that of the man who builds machinery. The labour employed in both cases is mechanical labour, and labour unprotected by any species of tax upon the industry of others. The carpenter, the bricklayer, the mason, the plasterer, the painter, the glazier, the lumber-cutter, the brick-maker, the lime-burner, the cellar-digger, the hod-carrier, the machine-maker, are all upon the same footing. They have no monopoly of their trades against the world, as some of their fellow citizens have, for they are open to the rivalry of Europe, and have their competition every year rendered more injurious to them by immigration. But how it can be pretended to identify their interests with those of the monopolists, who thrive only by the taxes on the industry of all the rest of the community, we are not able to see. We can as readily imagine an identity of interests between a tax-payer and a tax-collector, or between a wolf and a sheep. The truth is, that the man who is authorised by the compulsory process of law, to put his fingers into his neighbour’s pocket and take from it a dollar for a yard of cloth, which the neighbour could, in the absence of such a law, buy from somebody else for half-a-dollar, never can have an identity of interests with that plundered neighbour. The neighbour may, indeed, if he be a good natured simpleton, not see the slight of hand by which his pocket is picked, especially if it be done by a corporation, which, being an invisible person, might perform such an operation better than a visible agent; but others will see it, and if he will not listen to their warning, he deserves to be fleeced.

Mr. Otis further says—“The chain which connects the mechanical and manufacturing arts, however varied, is indissoluble without the ruin of the whole.” There is some truth in this, if applied to that natural connexion between the pursuits of industry which belongs to the condition of society in a state of freedom. When laws do not interfere with the employments of people, the labours of a population are invariably directed to the most profitable pursuits, and hence a chain of beautiful, because natural proportions, is the result. The moment, however, law-makers arrogate to themselves the power of regulating the labour of the people, by declaring that some trades shall be increased and others diminished, the chain becomes immediately disfigured. Instead of a uniform construction, which, let it be remembered, is essential to the strength and durability of the chain, we have a long link and a short link, a thick link and a slender link, and so far from gaining, we become immense losers by the operation. But, says Mr. Otis, “the policy that forbids the making of cloth at Lowell, will annihilate the business of making shoes at Lynn.” There is in this expression less candour than we should have expected from Mr. Otis. That gentleman must know perfectly well, that with the entire free trade party in the United States, the question of protection is, and always has been, a question of *exorbitancy*; that the duties of 1816, if permitted to stand without increase, would never have occasioned the angry and

bitter feelings of sectional interests which now unhappily prevail; and that there is not now a public man in Congress, who would not readily consent to settle down upon the tariff of 1816. And what then would be the fate of the shoe manufacture? Why a duty of twenty-five cents per pair upon men's shoes, and fifteen cents upon children's, the rate fixed in that year, *and which has never since been altered*. The selection of this article was truly unfortunate. The shoe manufacture of Lynn dates its prosperity to a period much anterior to 1816, at a time when the duty was but 15 and 10 cents per pair, the rate fixed in 1794, and would have been prosperous, had no increase ever taken place.

But "all the reasons given for having factories of cotton and woollen confined to foreign countries, are equally strong in favour of transferring all our workshops to Europe," says Mr. Otis. We should be glad to be told who has ever proposed having factories of cotton and woollen *confined* to foreign countries; and we should pronounce any such man ignorant of the first principles of political economy. Every one who has examined the subject must know, that in the natural course of things, a vast proportion of the cotton and woollen fabrics consumed in this country, must of necessity be produced in the country, as the most advantageous mode of employing a certain portion of labour. He must also know that this has always been the case with woollen goods, even when the duties were but five per cent., and that it would be the case now if the duties were reduced to five per cent. To *confine* our cotton and woollen factories to foreign countries, would be a violation of the very principle of freedom for which the friends of free trade are contending, and would, therefore, never be proposed by them. That policy would be as unsound which would force importations, as that which would force domestic production. But admitting that there should be any party silly enough to recommend such a course, it would not, nevertheless, prove that the duties on cotton and woollen manufactures ought not to be reduced. Nor would it prove that such policy would be equally strong in favour of transferring all our workshops to Europe. The great bulk of the workshops of every country must needs be within that country. The labour of the great body of the mechanics and other working men, can only be employed at home, and Mr. Otis may take it as an indisputable principle, that none of our workshops will ever be transferred to Europe unless a greater quantity of productions can be obtained out of them there than at home, with the same quantity of American industry. That "labour, and the labour of working men, is the foundation of all manufactures," cannot be denied, but this does not prove that it is not better to employ a working man in agriculture, if two yards of cloth can be obtained out of a day's labour, than to employ him in manufactures which will only produce one yard in the same time.

[\[Back to Table of Contents\]](#)

ESSAY No. LXV.

november 3, 1830.

The boasted exports of cotton fabrics, to the East Indies and China, shewn to prove nothing as to our ability to undersell the British in foreign markets.

THE following articles have been copied into a number of papers, and will no doubt go the rounds:

From the Boston Daily Advertiser.

Theory vs. Facts.—The opponents of the American System have predicted that it would work the speedy destruction of our commerce and navigation—and they will now quote you chapter and verse from all the writers on free trade, to prove it. Within the last three months, some *thousands of tons* of merchandise have been imported in our ships from Calcutta, three fourths of the bulk of which consist of raw materials for the use of our manufactories in this vicinity, and upon which the ship owners have pocketed a freight of from twenty-five to thirty dollars per ton, and the importers twenty to forty per cent., profit—and, what is more to be noted and wondered at, *a part of these very cargoes have been paid for by our cotton manufactures* sold in Calcutta at a profit of from 15 to 25 per cent. The instances of profitable shipments of our coarse cottons to India are not one or two, but *many*. The intrinsic superiority of our “domestics” to the “India cottons,” is now almost as well understood and appreciated by the natives of Hindostan as by those of New England.

If there yet remain amongst us any who would advocate the policy of “keeping our workshops in Europe,” let them remain as monuments of the safety with which errors in *theory* may be tolerated, while reason and such facts are at hand to refute them. But beware how you allow their theories to be brought into practice!

You will soon have an opportunity of seeing the practical result of one branch of the “free trade system” in the opening of the British West India ports. English shipping will again become most troublesome competitors—and your sagacious Yankee ship-owners are already hesitating as to the propriety of shouting, quite so loudly, hosannas, in praise of this “masterly achievement in diplomacy which is to place the administration in another blaze of glory.”

From the Salem Gazette.

“Salem.—*Carrying Cotton to Calcutta.*—It is but a few years since this action would have been deemed no less absurd than that expressed by the corresponding phrase of “Carrying Coal to Newcastle;” yet it bids fair to be soon one of frequent occurrence. The ship *Rome*, of this port, belonging to P. Dodge, Esq., on the outward voyage from which she has just returned, carried about 300 bales of American cotton cloths, which it is well understood paid a high profit in Calcutta. Those whose memory extends to

the very recent period when the trashy cottons of India, with their uncouth nomenclature, filled our market, will hardly be able to realize that the natives of Bengal are now dependent upon foreign countries for the cotton with which they are clothed—but it is true. The manufacture of cotton has almost ceased there, and is now confined to the production of a few goods of the very coarsest kind, their wants being principally supplied from Great Britain. The steam-engine allows no competition of human labour.

American cottons find a ready market in the island of Madagascar, where they are a favourite article. Many bales have been sent to that quarter by our Salem merchants, who have found their account in it.”

The foregoing accounts are highly flattering, and will no doubt be considered by many who read them, as conclusive on the subject of our ability to export largely of cotton manufactures. We, however, are somewhat sceptical on this point. Although we know, and admit the fact, that since the improvements in labour-saving machinery which have been made in Europe and in this country, within the last fourteen years, have superseded in a great degree the manual labour previously applied to the spinning and weaving of cotton, and have reduced the cost of manufacturing the coarse qualities to a fourth or less of the former expense, yet we are very far from believing that the manufacture “has almost ceased” in India, “and is now confined to the production of a few goods of the very coarsest kind,” or, that “the natives of Bengal are now dependent upon foreign countries for the cotton with which they are clothed.” The reasons why we are sceptical upon these points, notwithstanding the high authority quoted above, founded no doubt upon what was supposed to be good testimony, are the following:

First. It is impossible that so great a revolution in the industry of so numerous a people as the inhabitants of Bengal, could have taken place in the short space of fourteen years. Prior to that period, India supplied a considerable proportion of the cotton manufactures consumed by the inhabitants of North and South America, the West Indies, and Europe, besides all her own population; and to make good the positions above laid down, it ought to have been shown, by reference to some authentic documents, from what countries she now derives her supplies. If she derives them from Great Britain, as asserted, she must pay for them; and the imports from India into Great Britain would consequently show a gradually increasing amount. To ascertain how this fact is, we have not at hand the necessary documents to refer to, but we have a table before us, which gives the following statement of the value of all the merchandise imported into Great Britain from the East Indies *and China*, in the following years:

1815 £8,042,292
 1816 8,312,591
 1817 7,687,328
 1818 7,342,800
 1819 7,544,462
 1820 7,565,678
 1821 6,256,210
 1822 5,123,000
 1823 6,918,540

This certainly does not look much like a gradually increasing export from India, at least up to 1823; but even admitting a very considerable one since that year, how plain is to be seen the improbability of its having amounted to any such extent as would warrant the assertion of the wants of the population of Bengal “being *principally* supplied from Great Britain.”

Secondly. It is well known that the improvements in labour-saving machinery which have made the great revolution in the cotton manufacture, are chiefly applied to the coarsest goods, and not to the finer qualities; and, consequently, the position that the Bengalese are driven out of the manufacture of the latter, and can only find their account in making the former, is not reconcileable with sound philosophy. The contrary effect ought, in the natural course of things, to have been produced, and we presume has been produced, as far as the cotton manufacture of India has been influenced by these improvements. In the year ending on 30th September, 1828, there were imported into the United States from the British East Indies, white, printed, and coloured cotton goods, to the amount of 105,799 dollars, and in the year ending Sept. 30, 1829, to the amount of 45,153 dollars. Will the Salem Gazette say, that these were the coarsest species of goods? We think not; or else our merchants who exported coarse goods must have been committing a great folly, for a profitable trade could not have been carried on both ways in the same article.

Let us now examine the position respecting the “*many*” profitable shipments of our coarse cottons to India, the superiority of which, in the opinion of the writer in the Boston Gazette, has become “now almost as well understood and appreciated by the natives of Hindostan, as by those of New England.” In this assumption, we think the correspondent of the Gazette has been just about as much mistaken, as the Constantinople correspondent of the same paper, whose letter we examined in our last, was, respecting the consumption of cotton fabrics by the Turks. To enable the population of Bengal, or indeed any considerable portion of them, to become intimately acquainted with our “domestics,” would require no inconsiderable shipments, even to afford samples. Now let us see whether such shipments have been made. The first accounts of the export of cotton fabrics, separate from other manufactures, were kept by the Treasury Department in 1826, prior to which year the exports were not considerable. Upon reference to the official documents, we find that the exports of white and printed and coloured cottons to the British East Indies, were as follows:

1826 nothing.

1827 \$1,200

1828 1,957

1829 9,553

Total \$12,710

Here we have, to be sure, a pretty quantity of domestics, to exhibit so extensively amongst so many millions of people, as to enable their superiority to become “almost as well understood and appreciated” by them, as by the shrewd population of New England. The position really must have been advanced through inadvertence.

But perhaps we shall be told, that the “*many*” shipments alluded to, were first made to other ports, and from them to Calcutta. This is an argument, and we will see how it will hold out. For the purpose of giving a fair chance to the respectable writers whose positions we are combating, and who we are quite sure would make out a better case, if they were only on the side where they properly belong, we have examined the official documents, and find the following as the total amount of exports of cotton goods, to all countries East of the Cape of Good Hope, viz:

	1826.	
China		\$14,931
	1827.	
China		9,388
	1828.	
China		\$14,981
Dutch East Indies		2,557
Manilla and Philippine Islands		534
Asia generally		583
		18,655
	1829.	
China		\$25,913
Dutch East Indies		5,777
Manilla and Philippine Islands		552
Asia generally		5,233
		37,475
Add to this the amount exported during the same period to the British East Indies		12,710
	And we have a total of	\$93,159

This amount is not equal, upon an average, to \$24,000 per annum, and we would be glad to see it stated by the Boston Advertiser, what proportion of the “*thousands of tons*” of merchandise imported at Boston, within the last three months, were “*paid for by our cotton manufactures;*” and we should like the Salem Gazette to let us know what quantity of American cottons would “find a ready market at Madagascar.” We are inclined to think, that the answer would be, “not much;” and truly we think, that neither the trade with Turkey, nor that with the East Indies, is of such magnitude, as to

warrant all the shouts of exultation which have been raised about them. As to the dogmatical assertion of the Salem Gazette, that “the steam engine allows no competition of human labour,” we take the liberty of suggesting to him, that he will not find that position supported by facts. Not only is a vast proportion of the cloth manufactured in Great Britain woven by the hand loom, but it is the case even in this country, where wages are so much dearer, and must be more extensively so in India, where labour is so much cheaper. In a former number of this paper, we published an article from an English newspaper, stating that a large manufacturing concern was about abandoning the power loom, in consequence of the hand loom having, by the lowness of wages, become the cheapest.

In this examination, we have met the question fairly, and we think the Boston Advertiser and Salem Gazette are bound to sustain their positions, or acknowledge a defeat. We will most cheerfully listen to their replies, and give them an insertion in our columns; and should they be able to show that we can export cotton goods to Calcutta, to a profit, we shall expect it of their candour honestly to confess that the prohibitory duty of this country is now no longer necessary.

P. S. After the foregoing was written, we were favoured with a letter from a highly respectable merchant of Philadelphia, which will completely settle this question. This is the sort of argument necessary for our cause in the present state of the contest, and if the merchants generally knew how much they could aid the cause of free trade and their own pockets, by communications like the one referred to, they would hardly withhold contributions so easily to be made:

“Philadelphia, Oct. 22, 1830.

“Dear Sir:

I have lately noticed your publications in the Banner, on the subject of the possibility of our coarse cotton manufactures competing in foreign markets with the British, in reply to the various small publications or paragraphs appearing in the tariff newspapers. There is, however, one, which I believe has escaped your eye. It appeared in a Salem or Boston paper, and has since been copied into several of the newspapers of this city, which even goes further than any thing yet published to show how cheap coarse cotton goods can be made in this country, and that we can even beat the British in their own territories, and that too in a cotton-growing, manufacturing country, where the price of labour is about 10 cents per day.

The publication alluded to states that a Mr. Dodge, of Salem, exported in the ship Rome, to Calcutta, 300 bales of domestic manufactured cotton goods, and sold them advantageously. In order that you may judge of the correctness of this statement, I will state to you a fact which I can readily establish. I recently imported into this country a quantity of East India white cotton goods, assimilating in fabric to the coarse American or domestic muslin of 40 inches actual width, bleached and put up in bales, and sold them at less than twelve cents per yard, short price, (that is, free of duty, or taking the drawback to meet the duty,) to a person for exportation to South America, he purchasing them in preference to American manufactures, and I making

on the importation a fair mercantile profit, and such as will induce me to repeat the importation, and I feel a tolerable certainty of obtaining the same price.—Prior to making the sale, I showed the goods to a person who had been engaged in the manufacturing of cottons, who admitted that at the price named to him, rather more too than I sold them at, they were cheaper than any thing in the market.

Should the Salem publication be substantiated, what a most fortunate state of things have we arrived at in mercantile affairs! I can import East India goods at a profit, and Mr. Dodge can ship articles of similar fabric to the East Indies, and make a profit.”

[\[Back to Table of Contents\]](#)

ESSAY No. LXVI.

november 10, 1830.

Impossibility of preventing smuggling into the United States, on the Canada frontier.

WE presume that the following instance of smuggling is but a slender sample of what may be looked for in the winter, when the freezing of the lakes and rivers which separate our Northern frontier from Canada, will render a custom-house about as efficient a protection against the unlawful importation of goods, as a block-house or two would be upon a line of six or seven hundred miles, against the invasion of an army. It is really astonishing that the friends of the restrictive system should not be able to perceive, that to prevent smuggling upon a scale sufficiently great to counteract all their high duties, is *a physical as well as a moral impossibility*, and that after a system has once been completely organized, it will be impossible to break it down. This nation has thus far been preserved from the evils of smuggling by the moral sentiment of the people. That moral sentiment has operated like a wall around the country, and has prevented the illicit introduction of foreign commodities. But even the morals of a well-disposed population may be shaken by strong temptation. The consciences of men differ in their width and breadth. There are hundreds of individuals who would shudder at the idea of perjury for a paltry profit of twenty-five per cent., but who for the sake of a hundred or two hundred per cent. could easily reconcile themselves to what is called *a custom-house oath*. There are also thousands, who for the sake of twenty-five per cent. profit on cotton and woollen cloths, would not for the world violate the laws of their country, but who, if they could pocket eight times, four times, or even twice that amount, would think it no great crime to take a sleigh-ride to Canada, and accommodate their neighbours by selling them goods, on their return, at half the price of regular importation. If any one doubts that such things could exist in a moral community like that of the United States, he can easily satisfy himself by propounding the following question to the first dozen casuists he may meet. Suppose a storekeeper were to ask forty cents a yard for flannel or baize, and his next door neighbour would ask but thirty cents for the same quality, how many purchasers out of every hundred in this moral city of Washington would refuse to purchase of the latter, merely because there was a suspicion that he had bought his goods of a smuggler, and not of a regular importer? Then let the same question be put, in reference to that portion of our population who are conscientiously in the belief that the tariff law is unconstitutional, and therefore not morally binding upon them, as is the case almost wholly throughout the Southern and South-western states, and partially throughout all the other states, and we should be much surprised if he would find in the reply any thing to warrant him in relying upon high duties as a protection against foreign competition.

But, say the restrictionists, there is one sovereign remedy against smuggling—which is prohibition—and to that we must at last resort. This is precisely the sort of reasoning which the drowning man employs, when, finding that the plank eludes his grasp, he cries out, “I have yet one other hope left—I will seize that straw!” If we

were desirous of seeing the total overthrow of the American System, and could reconcile our morals to the doctrine that the end in all cases justifies the means, we would recommend prohibition as the most efficient method of accomplishing it. Such a step, in the actual posture of affairs, would look like giving permanency to a system now regarded by the great body of the people as temporary, and merely intended to assist for a while those who have declared that by and by they will need no governmental aid. Such appearance of permanency would alarm the nation, and induce the agricultural portion of the middle and Western states to reflect deeper upon the subject than they have hitherto done, and perhaps induce them to repeal the whole code; or, if this should not take place, many more persons than are now concerned in smuggling, would turn their attention to that profitable branch of industry. We should then have foreign goods cheaper than they are now. The supplies now imported under high duties, would then be imported free of duties, and as this would lower their price, greater quantities would be brought into the country, in competition with the domestic fabric.

It is all idle to attempt to controvert this reasoning, by the feeble argument, that, under a state of prohibition the foreign article can be detected. This may be the case with some things, but with the great mass of cotton and woollen cloths, of the qualities to which prohibition would be extended, such facility of detection could not exist. We every day hear it proclaimed in the tariff papers, that cloths and calicoes and carpets are made in this country so much like the British, that they cannot be distinguished from them. And are not the powers of imitation in England as great as ours? Cannot marks be forged to suit every manufacturer in the country? Can every revenue officer in the land be qualified to judge of the validity of the marks upon tens of thousands of pieces of goods which may come under his inspection? And even admitting a degree of knowledge which no human being can possess, of what avail would his science be in detecting the millions of yards which would enter the country without coming under his view? of what avail would it be in detecting the retailers, who might keep in their shops one legitimate mark, as the successive appendage of a dozen illegitimate pieces of cloth? The idea is preposterous. Detection could only result from a wide spread system of *espionage*, by which the stores and shops of merchants and traders would be liable to the intrusive visits of revenue officers and common informers, their business to constant interruptions from inquisitorial and impertinent interference, and their credit to injury from ill founded suspicions and surmises. Such a state of things we hope never to see in this country, and such a state of things we are satisfied never can be introduced until the people shall prefer the interests of a favoured few to the enjoyment of that liberty for which their ancestors sacrificed so much.

The following is the article referred to:

“We learn from a friend who has just returned from Whitehall, that, on Thursday last, a Mr. Delancey, one of Mr. McNeal’s Inspectors at that place, made a seizure of twelve bales of woollens, consisting principally of baizes, which had been landed, as conjectured, from a boat called the Mohegan, laden with boards, from Champlain. The bales were landed within less than a mile of Whitehall, in the woods, three in a place, and about three-fourths of a mile from each other. Said goods are now in the hands of the Collector at Plattsburgh.”—*Rutland (Vt.) Herald*.

The duty on baize is $22\frac{1}{2}$ cents per square yard. This article, of a coarse quality, can be bought in England for 6d. per yard, 36 inches wide, that is, at par, 11 cents per square yard. The duty upon it, therefore, is 200 per cent., so that a smuggler can afford to run a good deal of risk, and if he only succeeds in one of two speculations, he makes a handsome profit. We have no doubt that the smugglers are all great friends of the American System.

[\[Back to Table of Contents\]](#)

ESSAY No. LXVII.

november 24, 1830.

A profitable commerce always shews an excess of imports over exports. This proved, by reference to the West India trade, and the whaling voyages.

THE American System philosophers having had one of the main props of their doctrine, that *the balance of trade* has been for years against the country, wholly annihilated by the simple fact, that we now import specie from England, whilst *nominal* exchange, supposed by them to be *real*, is against this country six per cent., they have now nothing left to sustain that theory, but the custom-house amount of imports and exports. Their philosophy is this: If we export domestic commodities to the value of 50 millions of dollars, and import foreign goods to the value of 55 millions, the balance of trade is against us, and the difference must be paid in specie, which drains us of our cash, makes money scarce, and will inevitably ruin the country. A great many honest, well-meaning people believe this, and on that account, cry out against foreign commerce. For such we will offer a few remarks, which any body can understand, and we are sure that there is not a man in the land, who would not see the fallacy of the doctrine we are combating, if he would only take the trouble to read them.

A merchant ships to the West Indies 1000 barrels of flour, which cost in New York 5 dollars a barrel, that is, \$5000. The freight of the voyage out, we will suppose, to be two dollars per barrel, and the insurance, commissions, and other charges, to amount to one dollar per barrel more. Unless, therefore, the merchant can sell his flour at 8 dollars per barrel, he will lose by the shipment, and we will accordingly suppose that he sells his cargo for \$8000. This amount he invests in sugar, coffee, rum, molasses, or something else, and brings home. But he must pay freight, insurance, and commissions on these articles also, or, if he owns the vessel, he must incur expenses in navigating her, equivalent or nearly equivalent to the freight. These additional expenses we will estimate at a sum equal to two dollars per barrel, and it will then appear, that, in order to make a saving voyage, the merchant must sell his return cargo for \$10,000. But in such case, we should have on the customhouse books, an export of \$5000, and an import of \$10,000, and according to the Peter and Paul theory, we should have to export \$5000 in specie to pay the balance. But what if the merchant had made a clear profit besides of \$1000. Then there would have been a balance of trade against us of \$6000. Truly this is a droll sort of argument to be seriously employed, and yet droll as it is, it is one of the strongest arguments relied upon by the supporters of the American System. According to their political arithmetic, the more ruinous the voyage, the more advantageous to the country. If, say they, the outward cargo which cost \$5000 should be sold at such a price as that only \$4000 worth of commodities should be received in return for it, the balance of trade would be in favour of the country, because more was exported than was imported, and consequently we should receive \$1000 in specie in payment of the balance.

Again: A ship is fitted out at New Bedford to go to the South Seas upon a whaling or a sealing voyage, having on board no cargo but staves for the oil casks, and stores to feed the crew for a three years' cruise, worth \$10,000. She brings home oil worth \$30,000, or she takes her seal skins to China and brings home teas and silks worth \$50,000. "This is a dreadful ruinous business," say the balance of trade men. "We import more than we export." They make no account of the *American industry* employed in harpooning whales, or in knocking the seals over with clubs. The sort of voyages they require to enrich the nation, are losing voyages, for the more oil or tea that should be thus imported, the greater would be the balance against us. We have known in our life time two voyages that came precisely up to the requirements of the American System. The export in one case was 100 barrels of corn meal to the West Indies, and in the other, 1000 barrels of flour to Lima, shipped on freight. In both cases the shipment sold for less than the amount of freight and charges. The shippers lost all their capital, and were brought in debt besides, but it was nevertheless a glorious issue for the commerce of the country. There was a considerable export, and no import; consequently there was a balance of trade in favour of the country, to be paid in specie. We think, however, it would puzzle a wiser man than some of our restrictive philosophers, to tell by whom the balance was to be paid.

Reader, the cases referred to here are but an epitome of the whole commerce of the country. If the commerce is profitable, the amount of imports must needs appear on the custom-house books greater than the amount of exports. But in reality the custom-house statements are far from being conclusive on the subject. A great deal of coin is imported in small parcels which is not entered at the custom-house, and a great many articles are, and have been at all times, smuggled. One thing, however, is certain, and that is, that no nation can, for any length of time, import more than she exports. Commerce, in the long run, is an exchange of equal values, and although in one year more may be exported than imported, or, *vice versa*, yet there is a constant tendency to equilibrium, and that equilibrium is ascertained better by the operation of *real* exchange, than by any documents that can possibly be collected.

[\[Back to Table of Contents\]](#)

ESSAY No. LXVIII.

november 24, 1830.

The sugar duty. Probable effect upon the price of sugar throughout the trading world, if that duty were abolished. Probable effect upon the sugar-planting interest of Louisiana.

THE following article upon the subject of the duty on sugar, is extracted from a Mississippi paper, the *Natchez Gazette*:

“*Mr. Editor*—You will oblige a Planter of Adams County, by publishing the following extract from a letter, received by the mail of last week, from a gentleman (now in the north) who owns a large sugar estate in Louisiana; addressed to his friend in this neighbourhood.

“ ‘I thank you for your opinions about sugar, and your *advice* to sell my estate, in consequence of the probability of a repeal of the duty on sugar. I cannot bring my mind to the same conclusion. A repeal of the duty would be no saving to the consumers in the U. States—it would only ruin Louisiana, for the benefit of the W. Indies; inasmuch as the planters of Louisiana would have to turn their attention and their capital to cotton and provisions: and the product would consequently be so much diminished in two or three years, that the price would advance in the West Indies, and would command higher prices *here* than *our* sugar now does. Our best informed iron masters were opposed to the last additional duty on iron, fearing *home* competition more than *foreign*. The result shows their fears were well founded, for there is a considerable decline in the price of the *home* article.

“Would it not be cruel now, after encouraging the investment of so much capital in sugar estates, to reduce the duties, and thereby prostrate all the new establishments? if the protection is continued, in a few years, more will be raised in the United States, than will be required for consumption; and the price must be reduced by domestic competition, to the lowest sum for which it can be produced.

“As regards myself, I cannot be a great sufferer, if the duty is repealed; for I am, fortunately, out of debt, and can devote one half of my cleared land to the culture of cotton and provisions. That part of it, which has been in cultivation in *cane* for some years, can be greatly improved by two or three crops of peas, ploughed in, in the winter; and on the remainder, I can make 60 or 80 hogsheads of sugar, merely to keep my hands accustomed to the culture and manufacture. I have no fear that, by the time my poor land is restored by two or three crops of peas, the price of sugar will be 10 cents by the crop, instead of 6 or 6¼, which we now get; and I will then be prepared to push the culture to the extent of my means. If I should *then* desire to sell, I doubt not I shall get a much better price for my estate than I can *now* realize.

“If my recollection serves me, the crop of Louisiana sugar, in 1816, was but 16 or 17,000 hogsheads; *then* the price was 10 to 12½ cents. I believe the crop of the present year, is estimated at 80,000 hogsheads. If only half the new establishments are converted into cotton estates, the price of sugar would not be much reduced by a repeal of the duty. The consumption is increasing daily, and will be greatly accelerated by the repeal of the duty on tea and coffee; so that, in another year, if the crop is diminished 20 or 30,000 hogsheads, by the repeal of the sugar duty, the price will rather advance than decline.

“I should think there was much more to be apprehended by the cotton planter from a repeal of this duty, than by the sugar growers—for, the inevitable result will be, to increase the product of cotton greatly beyond the consumption, and thereby create a glut in the market, which must reduce the price. I would, therefore, *advise* you to sell your cotton estate, and hold your funds for a year or two, and then invest in a sugar estate, which will probably, at that period, be bought for one-third less than they now can. If you do this, by the time you get your sugar estate fairly under way, I have not a doubt it will pay you well, for the price of sugar must then be at least 8 if not 10 cents.’ ”

It would seem from the foregoing, that the sugar planters of Louisiana have the faculty of lulling themselves into the same fatal security which is so generally displayed by the Northern manufacturers. Some of them suppose that the duty on sugar is in no danger of being reduced; and what is a little extraordinary, they found this belief upon the notion that the consumers of sugar will be deterred from reducing it, through the fear that the price of the foreign article will be raised upon them, should the culture in this country be materially diminished. To let these gentlemen see that the consumers understand this subject too well to be led into an abandonment of their rights, we shall take the liberty of dissecting the letter in question.

The duty on brown sugar is three cents per pound, which is about equal to its first cost in the West Indies, and is, therefore, 100 per cent. The present price of sugar at New York is as follows:

Havanna brown	7½ to 8½ dolls. per 100 lbs.
Muscovado	7 to 8 dolls. per 100 lbs.
Porto Rico	7 to 8½ dolls. per 100 lbs.
Brazil brown	6½ to 8 dolls. per 100 lbs.

Now, if any merchant wishes to buy sugar for exportation, he can procure it just as readily for the above prices, *with a deduction of three cents per pound*, as any grocer can, for home consumption, buy it at the full prices named. This, then, settles the question, as to the fact that sugar, if there was no duty on it, can be imported and sold at from 3½ to 5½ cents per pound. But, it is supposed, that if the duty were reduced, the increased demand made upon the West Indies and Brazil, owing to the diminution of the home production, would occasion a rise in price to 8 or 10 cents. To suppose such an effect, would require that this increased demand should bear a very great proportion to the total demand for sugar existing in the commercial world. Now let us see what this proportion would be. The crop of the present year in Louisiana is

estimated at 80,000 hogsheads, equal, according to the common estimate, to 1000 lbs. per hogshead, making in all 80,000,000 lbs. The proposition then is, that an increased demand upon all the sugar growing countries in the world, including the East Indies, China, and Manilla, (which now supply 800 millions of people with sugar,) for the consumption of 12 millions of persons, would have the effect of raising it from 3½ and 5½ cents per lb. to 8 or 10. The idea is preposterous, and cannot be entertained for a single moment by any man who will reflect on the subject.

This statement of the question, it must be observed, is the fairest possible one for the writer of this letter; for, had we been pressed within narrow limits, we should have stated, that this increased demand was only to supply a little more than one half of the demand of the United States, say that of eight millions of people. We already import 60,000,000 pounds of sugar, and make besides a large quantity from the maple. And now, let us ask, what effect would be produced upon the sugar markets of the world, by an increase of demand arising from the addition of one new consumer to every one hundred? We apprehend, just about as much as would be produced in the price of flour, if there was an increased demand for one barrel to every hundred. And all this too is argued upon the supposition that the quantity of sugar made in the world could not be increased. But what is the fact in reference to this point? Why, that the West Indies alone could produce this additional quantity, without scarcely feeling the new demand. As proof of this, we submit the following

*Statement of the
quantity of Sugar
imported into
Great Britain in
the ten following
years, from the
British W. Indies
alone.*

cwts.

1813, 3,500,000
1814, 3,403,793
1815, 3,493,116
1816, 3,440,595
1817, 3,563,741
1818, 3,662,520
1819, 3,785,434
1820, 3,623,319
1821, 3,734,292
1822, 3,303,698
35,513,508

Equal, upon an average, to 3,551,350 cwts. or 397,751,200 lbs., that is, near five times the new quantity demanded. Any one who knows how the British West Indies have been kept down in their production, by the colonial system, will have no difficulty in

perceiving how readily an increased demand for eighty millions of pounds could be supplied.

But, after all, would the cultivation of sugar be abandoned in Louisiana, if the duty were reduced? We do not believe it would, and for the following reasons.

First. Capital was turned of its own accord to the cultivation of sugar, at a time when the existing duty of 2½ cents a pound did not afford a protection of fifty per cent. At the period referred to by the letter writer, when sugar was at ten to twelve and a half cents per lb. the foreign cost was at least *five* cents for what now is procured at *three*. The protection was therefore at that period only half what it is now, and it is very clear, that if the cultivation of sugar was sufficiently profitable to invite investments when the experience of the planters in that species of agriculture was extremely limited, it must continue so, under the same *ad valorem* rate of duty, now that the planters have had fourteen years' experience.

Secondly. A great portion of the land of Louisiana is better adapted to the cultivation of sugar, than any thing else, and would yield a greater income to its proprietor, planted with cane, even under a reduced duty on sugar, than if planted with cotton.

But even if this were not the case, the idea of maintaining a monopoly of so great magnitude, as that of the cultivation of sugar, must be abandoned. The tax of *four millions of dollars* now paid, is too much to be imposed upon the people of the United States, for the purpose of maintaining the sugar planters. Estimating the labour of each hand engaged in the cultivation of sugar at the moderate rate of \$112 per annum, the amount of 1600 lbs. of sugar, at 7 cents per pound, the whole number required to produce 80,000,000 pounds, would be but 50,000; and if for the support of these 50,000 hands, a tax is laid upon the people of three cents a pound upon the 140 millions of pounds consumed by them, it amounts to a bounty of \$80 upon every hand. And for doing what? Why, for making a quantity of sugar, that can positively be purchased abroad *for a great deal less money than the bounty alone*; for 80 millions of pounds can be bought for three cents a pound, which would be but \$2,400,000, while the bounty paid on raising an equal quantity is \$4,200,000. These are *facts*, and they are facts worth a thousand theories, and we challenge a refutation of them. As to the reference to the case of the high duty on iron, it is a most unfortunate one for the planter in question, and shows how little he is acquainted with matters upon which his interest so greatly depends. The iron masters, notwithstanding that the price of iron is lower than it formerly was, make the sugar planters pay two or three prices for every pound of iron that they buy for their mills and machinery, and by that means get back the tax they pay on their sugar, which the mass of the community are not enabled to do.

As regards the sage remark, that the abolition of the duty on raw cotton, would do more injury to the cotton planters, than the reduction of the duty on sugar would do to the sugar planters, we can only say, that we should be glad to see them both in the same bill, and we will venture to say, that if the representatives from Louisiana will at the next session of Congress offer to join the representatives from South Carolina, Virginia, North Carolina, Georgia, Tennessee, Mississippi, and Alabama, in a

voluntary sacrifice upon the altar of the country's peace and prosperity, the sugar duty, the others will cheerfully offer upon the same altar the cotton duty.

[\[Back to Table of Contents\]](#)

ESSAY No. LXIX.

november 24, 1830.

Fallacy of supposing that the mere exportation of cotton fabrics, is proof that we can undersell the British in foreign markets, proved by the fact that we export foreign goods burthened with all the expenses of importation into the United States.

THE tariff party assert, that the fact of our *exporting* cotton fabrics, is conclusive proof that we can undersell the British in foreign markets. In refutation of this doctrine, we have shown, that the same argument might be applied with equal force to our exportation of foreign goods imported into this country saddled with freight, insurance, commissions, and profits; and yet no one would believe that we could meet the producers of those articles in foreign markets upon equal terms. Who would say, that because we export British manufactures to the West Indies and South America, we can undersell the British themselves in the same articles, who have but one set of expenses to encounter? No one, certainly, who would examine the subject.

But we have a stronger argument still than this. We can shew, that the amount of foreign goods exported from this country, upon which not only the expenses of freight, insurance, and commissions have been incurred, *but even the charge of our own import duty besides*, has been annually greater than the value of all the domestic cotton goods exported.

By Waterson & Vanzandt's Statistical Tables, it appears that the value of the foreign goods imported into this country, *which paid duties*, and were exported during the seven years ending with 1827, *without any drawback*, was as follows:

In 1821,	\$0,981,723
1822,	1,104,710
1823,	1,287,571
1824,	1,348,147
1825,	1,309,590
1826,	1,168,496
1827,	881,271
	\$8,081,508

It thus appears, that during those seven years, there was an average exportation to the amount of \$1,154,501, of foreign goods, burthened with all the charges of import and our duties besides. Now, would any man argue, that the mere fact of this exportation was proof that we could undersell in foreign markets the very producers themselves of these commodities? If not, there is an end of the other position as an argument. That cottons may sometimes be sold in South America to a profit, is not denied; but that is not owing to our meeting the British in competition, but to our *not* meeting them. It is because we happen to pop upon a scanty market, where goods have risen in

consequence of a scarcity; and as our geographical position gives us an advantage in this respect over the Europeans, we turn it to account, precisely as we do with the foreign goods which we export. But although we sometimes hit it, we oftener miss it, except with those articles in which we have an advantage over other nations, which we certainly have not with cotton goods, or with any article that has paid a duty at our custom-house that is not refunded. Our geographical position, in reference to the West Indies and South America, is of incalculable value to the United States. It gives us exactly the same sort of advantage that a tradesman possesses, whose customers are near him, over one whose customers are at a distance. Half the world live so much from hand to mouth, that when they want a thing, they cannot wait a long time for it, and would rather pay more than send a great distance for it. Instead of making the most of this position, our law makers are absolutely counteracting the beneficent designs of nature, by the adoption of laws which put it out of our power to have on hand in this country large stocks of foreign goods, waiting ready for the first chance of an opening in the neighbouring markets.

[\[Back to Table of Contents\]](#)

ESSAY No. LXX.

november 24, 1830.

Mischief likely to result from forcing the construction of canals and rail roads. True nature of capital described.

AFTER the awful scourging which the people of the United States experienced from the mania for banks that prevailed some sixteen years ago, it is a little remarkable, that they have not been led to reflect upon the danger of applying the *forcing principle* to other matters quite as likely to result in disaster. At the period we refer to, banks were brought into unnatural existence for the purpose of *forcing* the manufacture of money, and in precisely the same manner as the tariff was brought into unnatural existence for the purpose of *forcing* the manufacture of certain descriptions of goods. They were both the offspring of what is called log-rolling, and were effected by combinations founded upon the erroneous principles that two wrongs could make a right. Of forty banks authorized in Pennsylvania, in 1814, not one could have obtained a charter upon its individual claims; and of the hundred or more taxes on foreign merchandise, imposed by what are called our protective laws, not one could ever have found a majority of Congress to support it, unconnected with others. The banking system occasioned the loss of millions of dollars, by inviting the people to abandon industrious pursuits for speculation. The tariff system has already destroyed tens of millions of dollars, by driving the industry of the people from more productive to less productive pursuits. They were the twins of a common parent, and had their origin in the avarice of a few, who desired to grow rich at the expense of the many.

But there is another species of manufacture to which the forcing principle is now getting applied; and, without pretending to the gift of prophecy, we foretell, that the day will arrive when the nation will most sorely repent of its establishment. We allude to the manufacture of rail roads and canals. In making this assertion, we are fully aware that we run the hazard of being denounced as narrow minded, and as destitute of the enlightened views entertained by the great statesmen in Congress, and in the various State Legislatures, upon the subject of Internal Improvements. We cannot however help that. Simon Snyder was denounced in the same way by the bank manufacturers, because he put his *veto* upon the bill for creating the forty banks above referred to; and yet Simon Snyder's independence and disregard of personal consequences upon that occasion, commanded the respect of the reflecting part of the community, and left on the records of the state an imperishable monument of sound and irrefutable reasoning. But to the point: How is it possible that rail roads and canals can do injury to the public? Do they not facilitate intercourse and diminish the expenses of transporting produce to the market, and merchandise to the interior of the country? Do they not afford employment to thousands of labourers, and improve the value of the lands through which they pass? How then can they, under any circumstances, do mischief? To reply to these questions in a manner satisfactory to those whose minds have never been directed to the important study of the true nature of capital, and the intimate connexion that subsists between its judicious employment

and the public prosperity, will be no easy matter. Still we shall attempt to do it; and as our object is the development of truth, we should take it as a favour if any one, who thinks our logic unsound, would point out its errors.

Most people, when they hear of *capital*, think of *money*. When it is said, such a merchant has a large capital in trade, it is supposed that he has a great deal of money; and when it is said that such a one is a great capitalist, it is immediately supposed that he has a great quantity of money. A little reflection, however, will show, that what is meant in both these cases by capital, is not money, but money's worth. The capital of the merchant may be, and generally is, in merchandise and ships, or, even in bills of exchange, promissory notes, and book debts, which are in reality not money, but mere contracts for the payment of money. And so of the capitalist. If he be a dealer in stocks, the whole of his capital may consist of certificates of stock in banks, insurance offices, or the public funds. It is therefore evident, that capital does not always mean money; and it is therefore necessary that reasoners on this subject should have a clear view of this fact, in order to enable them to comprehend the nature of capital. What, then, *is* capital? Are the bills of exchange, promissory notes, book debts, and certificates of stocks, capital? We answer, not in the strict sense of the term; for although they may at pleasure enable their owners to command capital, yet they are not capital itself. And this brings us to the answer. The capital of a community is that mass of property, and things possessing exchangeable value, which is made up of the private capitals of the individuals who compose the community; such as the lands, houses, buildings, cattle, agricultural implements, and the produce, of the farmers; the ships, merchandise, and gold and silver, of the merchants; and the factories, machinery, tools, raw materials, and manufactured goods, of the manufacturers and mechanics. It comprises, consequently, all articles necessary for the food and clothing, and comfortable accommodation of man, as well as all the instruments which he employs in the application of his labour; and when it is said, that a capital of a million of dollars is to be expended in a particular work, this is the sort of capital alluded to, and not the mere money which acts as the instrument of conveying the capital to the labourers who consume it.

Now, every one may know, if he will reflect a little, that upon the abundance or scarcity of this capital, must depend the wealth or poverty of the whole people. He may also know, that upon its judicious application will necessarily depend the prosperity of the public, precisely as upon the judicious application of private capital, must depend the prosperity of an individual family. If, for example, a large portion of the existing capital of a community were to be burnt up, or lost in the sea, or ruined by tempests or wet weather, as crops sometimes are, any one can perceive that the community would suffer. Indeed, no loss whatever can happen without affecting the interests, directly or remotely, of all; for, although the loss may be subsequently repaired, it cannot be repaired without the sacrifice of a new capital of the raw materials, food, and clothing, consumed by the labourers in producing an article corresponding to the one destroyed. This position is a beautiful illustration of the intimate relation which subsists between all the members of a community. Each is benefited by the prosperity of the rest, and each is injured by the misfortune of either.

It is not, however, only by such causes as we have enumerated that capital may be destroyed. It may be equally annihilated by injudicious applications to roads and canals. No road or canal can possibly be constructed without the sacrifice of a capital equal to the value of the raw materials and the labour applied to its construction. It is therefore of great importance, in determining the question of the expediency of a road or canal, to ascertain whether the capital can be drawn from other employments, without occasioning to them an injury greater in amount than the benefit which the public would derive from the road or canal. If, for example, it appear that capital employed in agriculture, commerce, or manufactures, would yield ten per cent. per annum; in order to render the expediency of a road or canal unquestionable, it ought to be shown, that the benefits accruing to the public from its construction, from the moment of its completion, would be equal to more than ten per cent. upon the capital expended, and the interest which could have been earned during the time the work was progressing. Should this result not take place; if, for example, the benefits should only be equal to nine per cent. upon the capital expended, the effects on the community would be precisely the same as if one tenth of the capital had been sunk in the ocean; and so of any greater disparity. It is not an answer to this position to say, that at a future day the road or canal would produce a benefit of ten per cent. If that be pretended, there must be added to the capital the profit it could have earned for the intervening term of years, as a part of the real cost; and the ten per cent. must be yielded upon that total sum. It appears to us that this matter is so clear, as hardly to require any further illustration; and as we are inclined to think, from the wide spreading mania for internal improvement, which seems now to be raging every where throughout the country, that many roads and canals will be undertaken without reference to the only sound principles of calculation applicable to the subject, we are fully persuaded that an extensive injury will ensue, which will retard the solid prosperity of the country, unless those who have the State Legislative power in their hands shall try to understand the matter better.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXI.

december 1, 1830.

The cotton manufacture of Rhode Island. Tax paid by the consumers of cotton fabrics for the support of. Probable number of operatives employed in the cotton manufacture of the United States.

The following article is copied from the Providence Daily Advertiser:

“Importation of Cotton into Providence.—We have been favoured with facts upon which are predicated the following accurate statements, worthy the attention of our friends at the South. The amount of Cotton imported into Providence, the year ending the 30th Sep. 1830, was 42,612 bales.

“Stock on hand the same day, [being unusually small for the season] as follows:

New Orleans,	929 bales
Alabama,	145
Uplands,	464
Sea Island,	117
Total,	1,655

“The consumption of cotton from this market, has been fully 42,000 bales, within the past year, worth, upon an average, \$40 per bale, amounting to a total of about \$1,700,000.

“This cotton has been manufactured into about 70,500,000 yards of cloth, which was sold at about nine cents per yard, averaging the different qualities and prices, thus producing a gross sale of \$6,450,000.

“Of this sum a very great proportion has been returned to the South, in payment for cotton and provisions, leaving to the manufacturer a reasonable profit, if an opinion may be formed from the cheerful activity which now prevails in this neighbourhood.”

It appears, from the foregoing statement, that the price which the manufacturers of Providence pay for cotton is very little less than the price it sells for at Liverpool. Bales of cotton usually weigh, upon an average, about 300 pounds, and at \$40 per bale, the price is about 13 cents per pound. The price at Liverpool was not long since quoted, in the papers, as follows: “Upland, $6\frac{3}{4}$ to $7\frac{3}{4}$ d.—Orleans, 7 to $7\frac{3}{4}$ d.—Alabama, $6\frac{3}{4}$ to 7d.” Taking the average at $7\frac{1}{4}$ d., and allowing 6 per cent. for the exchange, we have fourteen cents and a small fraction. One fact is therefore conclusively established, by this statement, and it is a very important one, viz., that our possessing the raw material gives an advantage to the American manufacturer, not exceeding one cent per pound—which is equal to less than one-fifth of a cent on every yard manufactured, seeing that, according to the Providence statement, one bale

of cotton will make 1678 yards of cloth, which, estimating 300 pounds to the bale, is a little more than $5\frac{1}{2}$ yards to every pound.

But the most important fact established by this statement, is, that when these 42,000 bales of cotton leave the hands of the Rhode Island manufacturers, they are charged with the expenses and profits of manufacturing, amounting to 4,750,000 dollars; and, if any merit is taken to the manufacturers, for sending a portion of their cloth to the South, it ought to be shown that the South gets as many yards of cloth, for a bale of cotton, as she could get for it in other places; or otherwise she might consider it no great favour to be compelled to deal with the domestic manufacturer, and submit to his terms. Let us therefore see how the case would stand.

A bale of cotton is worth \$40, and, at Providence, can be exchanged for 444 yards of cloth, being at the rate of nine cents per yard. But the same bale of cotton can be exchanged, at Liverpool, for a greater number of yards, and for the simple reason, that cotton cloth is cheaper at Liverpool than at Providence. That it is cheaper at the former, than at the latter place, is proved conclusively, by the pertinacity with which the manufacturers adhere to the prohibitory duty, the design of which is to stop the importation of the low priced cloths, which prevents the people from knowing how much cheaper they can be made abroad than at home. It is also demonstrable from another well known fact, that manufacturing labour, even when aided by machinery, is cheaper in England than in this country: for, as iron, of which machinery is made, is there about one-third the price it is here, and as the labour of mechanics, to build machinery, is cheaper there than here, it follows that spinning and weaving, by machinery, can both be performed cheaper there than here, to say nothing of the superior abundance of capital, which reduces the interest of money and the rates of profits.

But perhaps it may still be urged that this is not conclusive—the absolute fact of the superior cheapness must be demonstrated by producing the article itself, with a well-authenticated invoice. It is not easy to find prohibited goods in a market, but we have no doubt that the same quality of goods, which are stated above to have cost upon an average, nine cents per yard, could be imported and sold, after paying a moderate revenue duty, at seven or eight cents. Taking the latter price, however, and estimating the saving at only one cent per yard, let us see how much it will amount to. Only 705,000 dollars of a tax laid upon the consumers of cotton cloth in the United States, for the benefit of a few capitalists in Rhode-Island, which is at the rate of \$70.50 per head of the whole cotton manufacturing population of that State, estimating them at ten thousand. Why, it would be better to give them all a bounty, men, women, and children, of forty dollars a piece, the sum allowed to the Pennsylvania revolutionary soldiers, than to submit to so enormous a tax. It is truly laughable to see what a racket can be made by some editors, about paltry sums of \$1940, and such like, while the people are getting their pockets picked of millions, without being told of it.—Truly we are a nation that strain at gnats and swallow camels. Why, if the whole 200,000 bales of cotton, supposed to be consumed in the United States, were worked up into cloth, as the 42,000 bales were in Rhode-Island, and sold at *a single cent* per yard more than it could be imported for, the total tax would be \$3,333,333. But we are quite sure that neither one cent, nor two cents per yard, would cover the increased

price which is paid by the consumers of cotton, for the support of the cotton manufacturers. In other words, *ten millions of dollars* do not cover the tax paid upon this single item of protected commodities: and can we wonder, therefore, that those who pocket the bonus, which is equal to \$200 per annum, per head, of fifty thousand operatives—which is more than the number employed in spinning and weaving 200,000 bales of cotton—should cry out most lustily against those who are trying to deprive them of it?

That we do not make these calculations at random, we can convince our readers, from the following exposition. A very frank and intelligent gentleman, engaged in the manufacture of cotton, gave us, some time last year, the following information: By the most improved spinning machinery then in use, one person could spin, in a day, ten pounds of cotton, into yarn of the size called No. 15, which is that used in the fabrication of what are called domestics. These ten pounds of yarn will make fifty yards of such cloth, of the width of thirty inches, each pound being sufficient to make five yards. By the most improved power-loom machinery, also at that time in use, one person can weave fifty yards of such domestics in a day; so that the united labour of two persons can produce, in a day, from the raw material, fifty yards of cloth—or, in other words, the labour of one person can produce twenty-five yards in a day, or seven thousand five hundred yards in a year, estimating three hundred working days in that term. Upon these estimates, it will therefore appear, that forty thousand persons could manufacture the whole 200,000 bales, if made into domestics; but, as other qualities are also made, which require more labour, we have taken 50,000 as the number to whom it would be better to grant a bounty, rather than continue the tax. Should, however, this number be deemed too small, we have no objections to doubling it; and it would even then appear, that the nation pays a tax, for the support of the cotton manufacturers, of 100 dollars per head, of all who are concerned in it.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXII.

december 8, 1830.

Remarks upon an article in the Encyclopædia Americana, on the cotton manufacture of the United States. Reasons why we cannot manufacture as cheap as the British.

IN our paper of to-day will be found a history of the Cotton Manufacture, copied from the “Encyclopædia Americana.” This article, although evidently drawn up by one who does not understand the principles of political economy, and who, in consequence thereof, asserts, as admitted, some positions not at all supported by the facts of the case, is, nevertheless, valuable as a statistical document. It shows—

1st. That the great improvements in machinery, which have reduced the expenses of manufacturing cotton, in Europe and in this country, have principally been introduced since the year 1815.

2nd. That the fall which took place in England, between 1814 and 1826, was about 55 per cent.

3rd. That the price of cotton fabrics in 1829, was less than one-third of the price in 1815.

4th. That Great Britain exported, in 1828, cotton yarns, and other manufactures, to the value of £17,045,638 sterling; and that the total annual value of the cotton manufactured by her has been estimated by some at £36,000,000 sterling, equal to \$170,000,000, estimating exchange at 6½ per cent advance.

5th. That the price of raw cotton is now only about one-third of what it was in 1815.

6th. That one person can attend two or three machines, which will produce, each, from thirty to forty yards of cloth per day.

There is, however, one manifest error in the statement, which is, in estimating the consumption of cotton, in the United States, at 85,000,000 pounds, and supposing that quantity capable only of producing 140,000,000 yards of cloth. The common estimates have carried the consumption beyond 200,000 bales of 300 pounds—that is 60,000,000 lbs.—and any person who will take the trouble of weighing a yard of domestic muslin, will ascertain that it does not exceed one-fifth of a pound. Even sheetings would not come up to the requirements of this writer, and canvass would not much, if any, exceed them.—The quantity of 140,000,000 yards is probably underrated, but even supposing it to be 300,000,000, equal, upon an average, to 25 yards per head of the whole population, the quantity of raw cotton requisite to manufacture that number of yards would not equal the quantity stated.

As to the idea of America “pouring back upon Asia” her original manufacture, it is altogether groundless. In our paper of the 3d ultimo we showed, from official documents, that the total value of cotton fabrics exported to all countries east of the Cape of Good Hope, during the *four years* commencing with 1826 and ending with 1829, was but \$93,159, not enough to make a cargo for a schooner. In estimating the annual export, to all parts of the world, at 10,000,000 yards, (which are worth about \$1,000,000,) the writer is correct enough, but, as to the idea of a successful competition being carried on with Great Britain, in foreign countries, it is wholly fallacious.—This fallacy is even deducible from this article itself; for, if it be true, as asserted, that “neither capital nor labour, employed” in the cotton manufacture, in England, receive a fair remuneration, it is clear that they can undersell us, owing to the superior cheapness of capital and labour enjoyed by them. Besides, an export of one million of dollars does not look much like a successful competition with a nation which exports annually, cotton fabrics to *eighty times* the amount.

It is a pity that the statistical collectors would not confine themselves to their proper vocation, and avoid meddling with political economy, which they do not understand. By so doing, they would be useful in their employments, and would not be instrumental, as they are, in leading people into error, by their false assumptions and deductions. The writer of this article, in the Encyclopædia, is particularly obnoxious to the imputation of not having *stuck to his last*—and, as he has undertaken to philosophize, and as his piece has been pretty extensively circulated, we shall devote a little further time to the examination of his doctrines.

He says: “It is thought that the possession of the raw material on the spot, and the use of the comparatively cheap moving power of water, instead of steam, with the proximity of the great markets of South America, are advantages in favour of the United States, more than sufficient to counterbalance some disadvantage in the higher cost of machinery, and, as is commonly supposed, in the higher wages of labour; but, the labour in the cotton mills, producing these goods, being wholly performed by females, has been ascertained not to be dearer than the same description of work, in England; and, as it is not easily applicable to any other branch of industry, it would seem not improbable that this country will be the future source of supply, in coarse cottons, for foreign markets.” Now, if there be any truth in the account current here drawn between the advantages enjoyed in this country, and those enjoyed in England, showing a balance in our favour, we should like to be told why it is, that the manufacturers of cotton goods do not come forward, honestly confess that they can underwork the British, and propose a reduction of the duty. Would not such a course go far to allay the excitement which exists against this branch of business, and which is founded in a belief that the nation pays a tax of *ten millions of dollars* for the benefit of the master-manufacturers, equal to two hundred dollars a head upon the whole number of men, women, and children, employed in manufacturing 200,000 bales?

But, no. We see not the slightest indication of a conciliatory spirit on this point. The receivers of ten millions of dollars annually, from the consumers of cotton goods, *without an equivalent*, are not so generous as some folks are, with other people’s money. They will never voluntarily consent to give up one dime of it, even for the

sake of restoring harmony to the country; and, when the duty is reduced, as assuredly it will be, before the lapse of many years, it will be altogether owing to the perseverance of their adversaries, who are now struggling to regain their lost property. But let us briefly weigh the items of this account current.

The American manufacturer has the advantage of the raw material. And what is the value of this advantage? The difference in freight from Charleston, Savannah, or New Orleans, to Liverpool, and from the same places to Baltimore, Philadelphia, New York, Providence, or Boston, does not exceed one cent per pound, and is very often not more than half a cent; and any one who will examine the prices current of all the places named, will see, that two cents per pound will cover the average difference of prices quoted in our Northern cities and at Liverpool. Now, as one pound of cotton will make five yards of the common coarse shirtings, and perhaps more of the finer class of fabrics, it is clear that the advantage of possessing the raw material is not equal to *one half of a cent per yard*.

The American manufacturer has also the advantage of cheap water power, whilst the British uses steam power. Of the importance of this advantage, we have no practical information, to enable us to judge; but, taking the estimate of our writer as the basis of a calculation, and supposing that one person can tend machines that will produce, say eighty to one hundred yards of cloth in a day, the difference on each yard, resulting from the employment of water power instead of steam power, can be but a small fraction. But we doubt altogether the assumption of the superior cheapness of the water power of this country, over the steam power of England. Water power is not procurable for nothing. It is attended with the expenses of constructing and repairing dams, races, and flood-gates, and with obstructions arising from ice and freshets. Steam engines in England, can be made with comparatively little expense, owing to the cheapness of iron, which is one-third the price it is here, and fuel is less than the price we are accustomed to pay for it in our Atlantic manufacturing cities, as is shown by the importations of coal from England, under a duty of six cents per bushel, in addition to the charges of freight, insurance, &c. Upon this point, however, we shall seek for some practical information, and would be glad if any of our correspondents, who are acquainted with the subject, would give us a comparative view of the economical advantages of water power and steam power.

The American manufacturer has also the advantage of the proximity of the South American market. This is undoubtedly true, but it produces no sort of effect whatever, upon his power to make the fabric cheaper. It might, with as much propriety, be urged, that the proximity of Canada was a great benefit to the sugar planters of Louisiana, in enabling them to raise sugar cheaper; but any one can see, that, unless a domestic article can compete with a foreign one, on the spot where it is produced, it is *impossible* that it can do it in any foreign market, however near. The proximity of South America to the United States is undoubtedly a great advantage to the latter, not in enabling us to manufacture cheaper, but in offering a steady market for those commodities in which we have an advantage over other nations, and temporary markets for those foreign commodities of which we may happen to be apprised of a scarcity, before a knowledge of it can reach our rivals in Europe. To enjoy, however, this advantage, so as to make it really worth possessing, a system of low duties on

foreign goods is necessary. If duties were reduced to an average of about fifteen per centum, which would give us as much revenue as such a government as ours would need for its support, the stores of our commercial cities would be filled with the productions and manufactures of Europe, waiting ready for the freshest advices from Mexico, Central America, Colombia, and the West Indies. As it now stands, we are denied, by the American System, this benefit, conferred upon us by our natural position. Our high duties prevent the importation of large surplus stocks; for, although the duty may be drawn back upon exportation, yet it often happens that no opportunity for a profitable shipment may be afforded, until the bonds are payable, or the terms limiting the benefit of drawback expire, and this operates as a discouragement to importations.

The American manufacturer has also the advantage of female labour. And why cannot the manufacturer of England have the same advantage? If the labour of men is cheaper there than here, we know not why that of females and children is not so too. The fact is, that all these assumptions of the writer in question, are adopted, not as a well-authenticated basis of any reasoning, to show that we do really manufacture cotton goods cheaper than they do in England, but as matters which ought to be true, in case it were true, as taken for granted, that we do so manufacture. In other words, this writer, as all the others have done who have preceded him on the same side, takes for granted the very matter in dispute, and then spins out a theory adapted to sustain a baseless fabric. This conduct has been so uniform, that we have often been reminded by it of the puzzling question once propounded to a number of wise-acres, “what is the reason why a *living* fish, placed in a bucket of water, will not increase the weight of the bucket?” Amongst the reasons assigned, one supposed that it was owing to the effort made by the fish to swim, which kept its weight suspended. After several equally philosophical replies, one of the company, more philosophical than the rest, said, that, before he answered the question, he would like to know what *the fact* was, and, having procured a pair of scales, a bucket of water, and a living fish, he found that, after the fish was put into the bucket, the weight was increased precisely equal to the weight of the fish. Now, we think it would be a good plan for the political arithmeticians to imitate the example of this sensible man, and not to trouble themselves with hunting up reasons to sustain a position, unless they know, beforehand, that the position is true. They will, by pursuing such a course, save themselves much trouble, and the public from much mischief.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXIII.

december 15, 1830.

Vote in Congress upon a resolution to repeal the duty on sugar.

THE vote taken in the House of Representatives, on the 13th instant, upon the resolution offered by Mr. Haynes, of Georgia, relative to a reduction of the duty on Sugar, may be considered as far from an unfavourable one. Our readers will recollect, that a resolution, offered on the 15th of December, of last year, by Mr. Conner, of North Carolina, for a reduction of the duty on Salt, was defeated in the same manner, and by nearly an equal vote, the yeas being 78 for, and the nays 92 against, consideration; and yet, before the close of the session, the duty on salt was reduced.

In order that a proper view of the subject may be presented, we have arranged the votes on this question geographically, and they stand as follows;

STATES.	Yeas.	Nays.	Absent.	Total.
Maine	4	3	0	7
New Hampshire	5	0	1	6
Massachusetts	0	11	2	13
Rhode Island	0	1	1	2
Connecticut	0	6	0	6
Vermont	0	4	1	5
New York	14	17	3	34
New Jersey	0	5	1	6
Pennsylvania	0	24	2	26
Delaware	0	0	1	1
Maryland	4	3	2	9
Virginia	14	2	6	22
North Carolina	11	0	2	13
South Carolina	8	0	1	9
Georgia	5	0	2	7
Kentucky	2	8	2	12
Tennessee	7	0	2	9
Ohio	2	12	0	14
Louisiana	0	3	0	3
Indiana	2	0	1	3
Alabama	3	0	0	3
Mississippi	1	0	0	1
Illinois	0	1	0	1
Missouri	1	0	0	1
	83	100	30	213

Of the absentees, it is fair to presume that those from New Hampshire, Virginia, North Carolina, South Carolina, Georgia, Tennessee, and Indiana—in number, fifteen—would, had they been present, have voted in favour of consideration; and thus, leaving the other fifteen to go to the other side, the vote would have stood, 115 to 98, giving a majority of 17. Now, admitting this to be the case, it is evident that a simple change of nine votes would make the difference between consideration and no consideration. We hope that our friends in Congress will look at this, and show the same perseverance that their opponents did, who thought their victory half accomplished, when they came within thirty or forty votes of being a majority. If, however, they should fail this year, success must await them at the next session of Congress. None of the elections for members of Congress, which have taken place during the present year, have added strength to the tariff party, as far as we know, but, in Maine and New York, there have been several changes the other way—enough, we think, to turn the scale, without relying upon the other causes which are now in operation and gradually producing a re-action in public sentiment.

But, upon what principle is the duty on sugar to remain untouched? The people of Georgia and Mississippi, where alone it is cultivated, out of Louisiana, tell you, by the votes of their representatives, that they do not want protection. All the Southern and Southwestern states, except Louisiana, say the same thing. That government must be over-kind and over-paternal, which forces its favours upon those who do not want them. We dare say, that, if the iron-masters, and the cotton and woollen manufacturers, were to petition Congress for a repeal of their protecting duties, the Southern representatives would not insist upon forcing them upon them; and we see no reason why a similar acquiescence should not be displayed in this case.

That Louisiana should be in favour of the continuance of the duty, is as natural as that the people of Pawtucket, Lowell, and Patterson, should be in favour of the cotton and woollen duties. People every where have a wonderful fondness for pocketing other people's money, without giving an equivalent for it; and there are few men so virtuous as to refuse a legal monopoly, if it were offered them for nothing. In another part of our paper will be found some remarks upon this sugar question written before we saw this movement in Congress.

As regards the vote given on the 16th, upon Mr. Barringer's resolution, to reduce the duty on iron, cotton-bagging, coarse woollen goods costing less than fifty cents per square yard, and brown sugar the yeas and nays upon which will be found under our Congressional head, the result was what might have been anticipated. The moment an attempt is made to attack more than one object at a time, the combination spirit is excited, and a host is rallied in defence of fifty wrongs against which, singly, a majority would probably be opposed.

The different results of these two votes will show the necessity of attacking the system in detail. The forces we have to oppose are not a solid column. They consist of detached squads, and are to be cut off by platoons. Let the duty on sugar be reduced, and Louisiana is then restored to our ranks, where she properly belongs. Let the duty on cotton-bagging and hemp be reduced, and Kentucky will have nothing to wed her to the American System. Let the duty on iron be reduced, and Pennsylvania belongs to

us. The rest must surrender at discretion, and, like magnanimous conquerors, we could then display a generosity to the vanquished, which they, in the days of their success, never dreamed of extending to those whose interests were destroyed by their selfish policy.

In this first movement on the sugar duty, we are glad to see Georgia in the advance. She is one of the states which has been most strongly tempted to go over to the enemy, as having made some progress in the cultivation of sugar. We are pleased, also, to see Mississippi by her side—and, as the whole South and Southwest, except Louisiana, have gone almost *en masse* against it, we hope never again to hear the protection of sugar brought out, as it is daily, in the tariff papers, as a Southern measure.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXIV.

december 15, 1830.

The Sugar duty. Tax paid for the support of the sugar planting interest in the United States. Cost of an invoice of sugar at Matanzas.

THE advocates for taxation are always calling out for *facts*. They say that one fact is worth a thousand theories. We say so too, but we mean a different thing from what they mean. We mean, that one fact, illustrative of a sound theory, is worth a thousand theories unsupported by facts. To make this plain, we will be somewhat particular. It is a fact—for example—that sugar is now cheaper, all over the world, than it was fourteen years ago. This fact proves, that, owing to improved modes of cultivation, to improvements in machinery, to the extension of the culture in Brazil and other countries, and to the various other causes which have operated all over the world, in multiplying the products which agriculture, *in all its departments*, yields, with the same exertions of human labour, sugar can be produced more cheaply than formerly. But it proves nothing more, and, consequently, when it is asserted that this fact is proof that the American tariff of high duties has occasioned this reduction of price all over the world, we pronounce the fact to be worth a thousand such theories.

In our paper of the 24th November, we devoted a considerable space to the examination of the sugar duty, and demonstrated, what cannot be controverted, and what we think will not lose by repetition. It was there shown—

First. That the production of sugar in Louisiana is estimated at 80,000 hhds., equal to about 80,000,000 lbs.

Secondly. That the quantity we import from abroad is about 60,000,000 lbs.

Thirdly. That the consumers of sugar in the United States pay, upon their whole consumption of 140,000,000 pounds, a tax of three cents a pound, equal, in the whole, to \$4,200,000, of which \$2,400,000 go into the pockets of a very few sugar planters.

Fourthly. That the whole number of hands, in Louisiana, employed in raising the quantity of sugar there produced, estimating the value of the labour of each hand at the low estimate of \$112, which would be the value of 1,600 pounds of sugar, at seven cents per pound, is but 50,000.

Fifthly. That, consequently, a tax of \$4,200,000, imposed upon the people of the United States, for the sake of employing 50,000 hands, is a tax at the rate of \$84 a head.

Sixthly. That this tax of \$4,200,000 is a much greater sum than the price at which the whole 80,000 hhds., produced in Louisiana, could be purchased for abroad; and that, consequently, it would be more advantageous for the nation to pay the Louisiana

planters a bounty of \$50 a head, equal to their entire maintenance, upon all the hands employed in the cultivation of sugar, and let them stand behind their masters' chairs at table, or behind their coaches when they ride, than to persevere in the duty, when the only benefit which it can possibly confer, is, to put into the pockets of not exceeding two hundred rich men, the sum of \$2,400,000, which is, upon an average, \$12,000 a piece, raised chiefly at the expense of the substantial comfort and happiness of the working people of this country.

Seventhly. That the idea of supposing that the production of 80,000 hhds. of sugar in the United States, had caused a reduction in the price of sugar all over the world, could only be entertained by one who had never reflected on the subject. It was shown, that the imports into Great Britain alone, from her West India colonies alone, during ten years, commencing with 1813, and ending with 1822, was, upon an average, 397,513,508 pounds, a quantity nearly five times as great as that now produced in the United States; and it was argued, that the addition of 80,000 hhds. to the stock which annually supplies 800,000,000 of people with sugar, would produce no more effect upon the price of sugar, in the market of the commercial world, than the addition of one barrel of flour to every hundred, would produce upon the price of flour; and how much that would be, any farmer can judge for himself.

In making the calculations which led to these results, we are now satisfied that our extreme caution to be within limits, presented the question in too favourable a light for the sugar interest. We believe that \$112 per head, as the value of the sugar produced by each hand, is too low an estimate, and think that \$200 would be nearer the mark. The estimate of seven cents per pound, as the value of the sugar, was also too high. Placing this latter at five cents, which is probably the maximum which the planter receives, we have then \$4,000,000 as the total cost of all the sugar produced in Louisiana; and, if our other position be correct, this quantity is produced by the labour of 20,000 hands. In these positions we cannot be far from the truth, and it will consequently appear that this nation pays a tax, for the raising of sugar, equal to \$210 a head upon all who are concerned in its production, which is a sum adequate to support, four times over, the said 20,000 hands, and would pay the first cost, in foreign countries, of *all the sugar that the people of the United States now consume.*

But how can this be proved? it will be asked. We answer, by turning to the prices of sugar in the West Indies and other countries, the soil and climates of which are adapted to its cultivation. Upon former occasions, we have spoken of three cents per pound as the foreign cost of sugar. We are now enabled to furnish a document, which will settle this question. It is a copy of a fresh invoice of sugar, purchased in September last, furnished to us by a respectable merchant, from which we have only omitted the names of the shipper and consignee, and the marks and numbers of the packages.

From this document it will be seen, that, on the 16th of September last, the highest price paid at Matanzas, in the island of Cuba, for Brown Sugar, was \$2.25 per 100 lbs., Spanish weight, which is eight per cent. better than our English weight; that some, of an inferior quality, cost but \$1.25—that is, *a cent and a quarter a pound*; and that, after adding the enormous expense of the boxes, which is equal to about 75

cents per 100 pounds, the average price is less than three cents per pound. The addition of export duty, drayage, weighing, brokerage, commissions, &c., increases the cost; but, notwithstanding these, and the freight, insurance, storage, and merchants' profits besides, the price at this day, in New York, for Brown Havana Sugar, is quoted at \$7 to \$7.75 per 100 pounds, *long price*—that is, including the duty; and for exportation, it can be purchased at \$4 to \$4.75 per 100 pounds. The following is the invoice referred to, with which we shall take leave of the subject at present.

(COPY.) *Invoice of Sugars, shipped by M. & S. on board the brig Miles Standish, Captain Foster, bound to New York, by order of J. A. Esq., for account of whom it may concern:*

nett.

141 boxes Brown Sugar, Wg. 56,797, at \$2.1-4	\$ 1,277 7 1-2
20 boxes ordinary Sugar, — 7,752, 1.1-4	96 7
48 boxes White Sugar, — 20,129, 4.1-4	855 4
12 boxes White Sugar, — 5,159, 4	206 3
71 boxes Brown Sugar, — 31,665, 2	633 2 1-2
12 boxes White Sugar, — 5,038, 4	201 4
34 boxes Brown Sugar, — 14,729, 2	294 4 1-2
82 boxes Brown Sugar, — 36,792, 2.1-8	781 6 1-2
7 boxes White Sugar, — 2,849, 4	113 7 1-2
11 boxes Brown Sugar, — 4,473, 2.1-8	95 0 1-2
16 boxes White Sugar, — 6,505, 4	260 1 1-2
30 boxes Brown Sugar, — 11,331, 2.1-4	254 7 1-2
484 boxes	
464 boxes	at \$3.1-4 \$ 1,508
20 boxes	2.1-2 50
	\$ 6,630

Charges.

Export duty,	\$ 1,051
Drayage, weighing, &c.	151 2
Brokerage, 1-2 per cent.	33 1
	1,235 3
	\$ 7,865 3
Commissions, at 2 1-2 per cent.	196 5
	\$ 8,062

E. E. Matanzas, 16th Sept. 1830.

(Signed) M. & S.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXV.

december 29, 1830.

Remarks upon the annual Report of the Secretary of the Treasury.

THE Report of the Secretary of the Treasury will be found in our paper of to-day.
From it, it will be seen—

That the revenue, during the year 1828, amounted to	\$24,763,629 23
And the expenditures, to	25,459,479 52
That the revenue, during the year 1829, amounted to	\$24,827,627 38
And the expenditures, to	25,044,358 40
That the known and estimated revenue during the year 1830, will be,	\$24,161,018 79
And the expenditures known, and estimated,	25,096,941 82
That the balance which will be in the Treasury on the first of January, is estimated (including one million four hundred thousand dollars not effective money) at	\$4,819,781 76
From the Report, will also be seen—	
That the total amount of the public debt, which will remain unredeemed on the 1st of January, 1831, will be but	\$39,123,191 68
This debt is redeemable as follows:	
At the pleasure of the gov't	\$18,876,463 53
After the 31st December, 1831,	5,000,000 00
After the 1st January, 1832,	5,999,999 13
After the 31st December, 1832,	2,284,068 74
After the 31st December, 1833,	2,227,363 98
After the 1st January, 1835,	4,735,296 30
	\$39,123,191 68

And, consequently, if the Sinking Fund is supplied, as we have no doubt it will be, with the necessary means of ten millions of dollars per annum, the sublime spectacle will be presented to the world, on the second of January, one thousand eight hundred and thirty-five, of a nation, containing a population of thirteen millions of souls, without a National Debt, of one single dollar, and possessing shares in the Stock of the Bank of the United States, to the value of \$7,000,000.

When that day arrives, it ought to be celebrated as a day of national jubilee, from one extremity of the Union to the other. No event that has transpired since the 4th of July, 1776, has done more for the cause of liberty, throughout the world, than will be accomplished by a wide promulgation of the joyful truth, that our Republic has fulfilled all its engagements with those who confided to her honour, and, after paying in forty-five years, upwards of two hundred and twenty millions of dollars debt, besides nearly an equal sum in interest, had reached the happy goal, which had never before been attained by any populous nation. We hope the people will not lose sight of this jubilee. No celebration that could possibly be devised, would ring through the world with such eclat, as this grand consummation, accompanied as it would be by the further heart-cheering intelligence that the expenditures of the government, and consequently the taxation, *direct* and *indirect*, imposed upon the people, did not exceed one dollar a head, upon an average.

In reference to the estimates of the Report, for the approaching year, it is stated that the imports into the United States, during the year ending on the 30th September, 1830, amounted to \$68,500,000, and the amount of exports to \$73,800,000. This result, according to the doctrines of the restrictionists, is a favourable indication of our commerce. We export more than we import—and so we should do, if half our ships should be lost at sea, and yet no one would pretend that the country was a gainer, in such case, by exporting more than she imported. In truth, this fact, which in reality proves nothing, one way or the other, is only worth noticing, as giving another *coup de grace*, if one were wanted, to the cherished fallacy that the balance of trade is against the country. It had already been demonstrated that the rate of exchange on England was no evidence of the existence of such a balance, by the importation of coin from Great Britain into the United States, whilst exchange was at 6 per cent. premium, so called—and we now have it of record, from the custom-house returns, that no such balance exists; and yet the desire to hold on to the tariff is as strong as ever.

As to the views of the Secretary, in regard to the probable diminution of the revenue arising from the duties on coffee, cocoa, salt and molasses, we entirely accord with them. It does not of necessity follow, that the sum saved by the consumers of those articles, by the reduction of duties, will be specifically applied to the purchase of an equal value of the same commodities, in addition to what they already consume; nor does it follow, even if this were the case, that the amount of duty collected, under one cent a pound duty on coffee, for example, would be as great as under five cents; for this would suppose a consumption of five times the quantity, whereas the saving of four cents, enjoyed by the consumers, would only afford the means of paying for three pounds, the sum which they before used to pay for two. There is, in fiscal legislation, a happy medium, the striking upon which gives the greatest possible income. It is neither bordering on the extreme of very low duties, nor on that of very high duties—but each specific class of articles has its own medium, and it is the business of statesmen to find it out. In fixing most of our present duties, when revenue for the support of government and the discharge of the public debt, was wanted, we think that no scientific attention was devoted to this subject. Duties have been laid hap-hazard, without rhyme or reason, and care should be taken, in removing them, that the random

system be not again pursued: for, by going below the mark, we should be compelled again to increase them.

The Secretary informs us, that, since the year 1825, there has been, with the exception of the year 1828, a gradual reduction of imports. This will appear from the following statement:

In the year 1826 there were imported	\$84,974,477
1827	79,484,068
1828	88,509,824
1829	74,492,527
1830	73,800,000
	\$401,260,896

The increase in 1828 was greater than would otherwise have taken place, owing to the tariff, which went into operation on the 30th June and 1st September, of that year; and a fair way of stating this question would be, to take the average of the five years which have elapsed since 1825, which will be found to be	\$80,252,179
whilst the imports of 1825 were	96,340,075
leaving an annual falling off of	\$16,087,896

That this great decline in the foreign commerce of a population annually increasing in wealth and numbers, and which has added to the latter, within the last five years, at least ten per centum, calling for an additional import of 9,634,007 dollars, should have occasioned a “material depression” in the navigating interest, as we are officially informed has been the case, is not to be wondered at. A falling off of *one-sixth* of the import trade of a country is no light calamity for ship-owners and seamen, for it cannot but throw out of employment one-sixth of the tonnage employed in the import trade, to say nothing of the injury inflicted upon ship-builders, riggers, sail-makers, rope-makers, and the numerous other mechanics and labourers connected in navigating pursuits, in preventing that increase of their business which a gradually increasing commerce carries with it. The recommendation of the Secretary to Congress, to consider how far the navigating interest can be relieved from its burthens, is judicious and well-timed, and we hope that the Committee on Commerce will renew their efforts to bring the subject before the nation.

In reference to the suggestion of the Report, that any further reduction of duties, should any be contemplated by Congress, ought to take effect at a period “sufficiently remote for the payment of the entire debt,” we take the liberty, respectfully, of differing from the Secretary. The entire relief of the people from the burthen of the public debt, desirable as it undoubtedly is, is nothing, to be compared to their relief from their bondage to the Restrictive System; and we unhesitatingly say, that we would rather submit a little longer to a portion of the debt, than to the unconstitutional exaction of oppressive and unequal taxes. Some consideration is, however, due to the interests of those who have stocks on hand, that might be affected by a too great and sudden reduction, and a reasonable postponement of the operation of part of the reduction might be made, such as took place with the salt, tea, and coffee duties; and

in regard to some branches of manufacture, we should be inclined to act with much liberality, provided that the manufacturers themselves should acquiesce in the reduction. But a postponement until after the debt should be paid, would be altogether too hazardous. Look at the fate of a similar act, passed in 1816. By that act, it was declared, that the duties on woollen and cotton goods should be reduced, from 25 down to 20 per centum *ad valorem*, at the expiration of *three years*. Before the three years had expired, another act was passed, extending the period for the reduction *seven years* longer. And what was the result? Why, that, before the ten years had come round, those very duties were *increased*, instead of being reduced, and the generous and magnanimous men, whose good faith had been imposed upon in this transaction, were laughed at by those who pocketed the benefits of this deception, and have even been impudently pronounced to be friends of the high duty system. We hope that no friend to our cause will hereafter vote for any bill that does not touch the duty, to some extent, before the ensuing session of Congress.

Upon the subject of smuggling, the Secretary states a fact, which is conclusive, as to the impolicy of high duties. It is, that more spices were exported from the United States, during the seven years preceding 1828, than were imported—and yet we do not raise an ounce of any kind. From this indisputable evidence, it will not be difficult to imagine that the game is carried on in other articles than cloves, mace, nutmegs, and cinnamon, to a greater extent than is dreamt of in your moral philosophy. May we not, indeed, account, in this manner, for a fact stated in the Report, and which never before happened, as far as can be ascertained from the Treasury returns, viz., that our official *exports*, during the last year, were 5,300,000 dollars more than our official *imports*. That this was not to make up a balance created in the year preceding, is evident from the fact, that the imports of that year exceeded the exports only \$2,133,946, and this was a very small excess to result from the commerce of a year. We think, indeed, that the statements of both years testify to an immense amount of smuggling; for, the exports for the two years united amounted to \$3,166,054 more than the imports, whilst it appears that, during the eight preceding years, the average annual excess of imports, over exports, was \$4,215,418. Now, if, as appears, there was, in 1829 and 1830, merchandise exported, which ought to have produced an excess of imports to the amount of \$8,430,836, and if, in place of doing this, it left a deficiency of \$3,166,054, does it not afford strong ground for presumption that there has been smuggling carried on, if not to the extent of \$11,596,890, at least to the extent of a great part of it? We have no knowledge that our merchants have been less successful, in the last two years, than in the preceding eight, and the foreign exchanges afford no evidence that they have large funds abroad to draw for.

We come now to that part of the Report which recommends an alteration of the system of determining the value of goods subject to an *ad valorem* duty; and here, we think, the Secretary has advanced a position which cannot be sustained. By the present laws, the duty is assessed upon the *actual cost* of the goods abroad, with an addition of certain charges, and ten per cent. when imported from any country on this side of the Cape of Good Hope, and twenty per cent. when from countries beyond it. This system of taking the actual cost abroad as the basis of the duty, is founded upon the clearest principles of sound reason, justice, and policy; for, whilst it holds out a strong incentive to merchants to purchase abroad as cheap as they can, by which the

country gains, let who may be the importer, it consults sound policy in our intercourse with foreign nations, inasmuch as it gives to those who supply us upon the most favourable terms, the advantages to which they are fairly entitled.

What has astonished us greatly in the remarks of the Secretary, is, his regarding the advantages which the skilful and experienced merchant, possessing capital, enjoys over his unskilful, inexperienced, and moneyless competitor, as a sort of evil to the country that is to be averted by wholesome legislation. The Report says, “the purchaser who lays in his goods low, not only derives a profit directly from this circumstance, but from the difference in the amount of duty paid on them at the custom-house.” And, pray, is it not right that he should enjoy this advantage, and does he not thereby confer a benefit on the consumer by selling his goods cheaper than he could do if he had not had this advantage? But it seems that this advantage is more likely to be enjoyed by foreigners than by native merchants. This sort of argument partakes more of the “American System” than we had expected to find upon this occasion. And even admitting, for the sake of argument, that foreigners can supply us cheaper than the native merchants can, are the nation, the consumers, injured thereby? Do the native merchants themselves complain, that, owing to the present mode of fixing *ad valorem* duties, they are so injured by the foreigners that they wish the law changed? We apprehend not. But, after all, this sort of argument is founded upon mere surmise. We think it very doubtful whether foreigners do make their purchases any cheaper than the American merchants do, who now have their partners and agents located in Europe for the express purpose of buying cheap, for cash, furnished with better information as to what suits the American market, than any foreign resident can be. But, even if this were not the case, the advantage which the native importer has over the foreign shipper, in selling his own goods, far outweighs all the benefits which the other can derive from cheap purchases, although the Secretary considers it to be merely equal. As much of the discussion turns upon this point, we will bring into view a simple fact, which will illustrate, in some degree, our position. Where one merchant fails whose business it is alone to import, as is chiefly the case with those who import from Europe, and sell their own goods, there are ten fail whose business consists in exporting and leaving to others the sale of their goods, as happens with those, for example, who trade to the West Indies.

As to the fact mentioned by the Secretary, that “this advantage is greatly increased under the operation of the classification of woollen cloths,” we would simply remark, that this increase arises from the gross absurdity of the law, which imposes twice the duty upon a square yard of cloth which costs 101 cents, that it does upon one that costs 99 cents. And is it a matter to be complained of, that merchants should use every possible effort to buy upon the most favourable terms, in order that they may be able to sell to the consumers, coarse cloths, one-third cheaper than they could do, if they had not been able to obtain a reduction from the foreign manufacturer of two cents a yard?

But, to remedy these supposed evils, it is proposed to alter the mode of valuation, by taking the market value in the United States, of imported commodities, as the basis of the calculation. To this plan, the Secretary says, “the only objections which appear to have weight, are: 1st, the difficulty of making so minute an appraisement as would be

necessary, of all the articles of importation, without a considerable increase of custom-house officers—and, 2d, of making the appraisement uniform at all the ports.” The first objection, he thinks, can “be obviated, by arranging the goods into classes according to value, in such manner as to render the appraisement not more laborious than at present.” If the question was one of labour simply, the position of the Secretary might possibly be right. But it is not so. It is one involving a degree of skill and integrity, and an acquaintance with the daily transactions of the market, which no man or set of men could possibly possess. Amongst the articles imported from abroad, and which are subject to an *ad valorem* duty, there are hundreds of articles, particularly fancy goods, of which no market price can be fixed, except by the actual chaffering between buyer and seller. There are, besides, every day imported new articles, never before manufactured, the market price of which can only be determined by the actual sales of the day, which sales cannot be made until the goods have passed the custom-house. To require an invoice, on oath, from the importer, of the value, in the United States, of his goods, would be, to require from a merchant the secrets of his trade, and at the same time to tempt the veracity of some, and to expose others to imputations of fraudulent designs, in case their estimates should happen to be below the prices which they afterwards find can be obtained. Besides, the market price is not always a fixed point. It ranges over a surface of five to twenty per centum, in a great variety of articles, and two men, equally honest and conscientious, might be found taking oaths, on the same day, varying so widely as to render one of them suspected of a fraudulent undervaluing.

In reference to the second objection, the Secretary thinks it can be obviated “by establishing a regular intercommunication and transmission of prices current and samples between the custom-houses.” Let us see how this would operate. There are near a hundred custom-houses in as many ports. Each one is to send a price current and a sample of every individual article, and of every quality of that article—how often we are not told, and whither we are not told. It can hardly be to each of the other ninety-nine custom-houses. We will suppose it to be to some central city, where a Board is to be established for the purpose of settling the valuation. This can only be done by taking the averages, and the tariff valuation would then be a rate which, perhaps, would correspond with the market price of no one principal port. It would be below that of some places, and above that of others, and would thus operate unequally. But this is not the worst of it. This average would be constantly changing, and, whilst one merchant in one port was entering his goods at one valuation, another, at a more distant port, would be entering his at a different one. In fine, we do really believe the scheme of the Secretary to be wholly impracticable, and we are quite persuaded that the present system of valuation would be found to be equally exceptionable, were it not for the aid of the invoices of the cost of the goods abroad, that furnish a key to the appraisers, without which they would be as incapable of forming a sound judgment of market prices, as a strange navigator, on our coast, would be, without a chart. But why require the oath of a merchant to a fact, the correctness of which he can only guess, when you are not willing to take his oath as to a fact of which he is sure?

But, there is another objection to this system of valuation, having quite as much weight as either of the others, which appears to have escaped the notice of the

Secretary. It is, that no greater obstruction can be thrown into the way of foreign commerce, than uncertainty as to what duty will be payable on the importation of merchandise. Every one who is acquainted with the operations of trade, knows, that a variation of one or two per cent., even in the rate of exchange, very frequently decides a merchant to order goods from abroad, or to suspend his orders. According to the Secretary's plan no one can tell, at any one period, what would be the rate of duty at the time his goods should arrive—and how could any certain calculations be made of the cost of importation? It will be answered, that, if the duty rises, the price will also have risen, and that will compensate the merchant. But will it compensate the consumer? Is it not enough that the consumer should pay an increased price for an article, but that he must also be compelled to pay an increased tax upon it? Sound policy, and considerations for the public, would rather seem to favour an opposite rule, as the British do with their corn-laws, that is, diminish the duty as the price rises, in order that the burthen may not fall too heavily on any one article.

But independent of the interests of the consumer, the merchant himself would much prefer leaving the duty as it now is, for, under a system like ours, where there are duties of 100 per cent., and where a rise in the market price of ten per cent. would make a rise also in the duty of ten per cent., nothing would be gained; and even with respect to articles which pay but 50 per cent. duty, not enough would be gained to compensate for the uncertainty of the duty, and for the diminished demand necessarily arising from the increased price, occasioned by the increased duty.

The argument employed by the Secretary as one of the reasons for the proposed change, viz., that, owing to an alteration in the relative value of gold and silver, since the pound sterling was declared by law to be the equivalent of \$4.44, which has rendered the former in reality the equivalent of \$4.80, is sound enough. It is perfectly true, that the importer from Great Britain pays duty on 7½ per cent. less than the actual cost in silver of his goods. But, notwithstanding this, he pays the duty which the law intended he should pay; for, those who made the law could not have been ignorant of a fact known to have existed for more than ten years. Any new rating of the value in silver of the pound sterling, therefore, would be a virtual increase of the duty; and, as this is admitted by the Secretary, we take great pleasure in again finding ourselves in agreement with him. What is also said relative to the depreciated currencies of foreign countries, is also true enough, but a better remedy for the evil than that of valuing goods in the United States, would be, to let every invoice made out in a foreign depreciated currency, be accompanied by consular or other certificates, of the true value, in effective money, of the said depreciated currency.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXVI.

december 29, 1830.

A Copper mine discovered. Extent of taxation imposed by the American System.

THE following piece of intelligence we have copied from another paper:

“Another Copper Mine.—The Norristown (Pa.) Herald, of Tuesday, says: “The Perkiomen Copper-Mining Company have lately discovered another copper-mine, in Frederick township, on a tract of land a few miles above their old mine, which, from the abundance of red, green, and blue copper ore, taken out but a few feet below the surface, promises to be of vast importance. Experienced miners, who have examined the mine and ore, say, that it far exceeds any of the kind they have ever seen in Europe or America. The company have purchased the tract of land, containing one hundred acres, where the copper has been discovered, and also the tract adjoining, containing one hundred and fifty acres, by which they will gain water-power sufficient, not only to work all the pumps required, but also for any machinery or mill works which may be necessary. The superintendant will be at the mine on Thursday next, when those who wish to see it are invited to attend. *A few shares of stock, we understand, are for sale.*”

The concluding sentence of the foregoing article looks amazingly as if this copper-mine was got up for a speculation. Be this, however, as it may, we venture to predict, that, before another Congress goes round, we shall see this concern sending in their petition for a protecting duty upon copper. They will probably set forth, that the wealth of a country consists in its mineral treasures; that the mines of Perkiomen are too barren to be worked, unless pig copper can be made to bring 40 or 50 cents a pound, as in the good old war times; that it is now selling at 18 cents; that it is an outrageous shame that there should be no duty on an article so essential for the building of ships, as sheathing copper, and so small a one as four cents a pound on bolts; and that a commodity so necessary for the distillers of whiskey and rum, as copper bottoms, should be admitted at 15 per cent. If this petition be listened to, it will probably induce a hundred others, who happen to have land upon which symptoms of copper ore have appeared, also to fall to mining, and, as the first duty cannot answer their purposes, they will apply for an increase of it; and it is not unlikely, if the present mania for conferring legislative monopolies be not arrested, we shall have another blow aimed at the ship-building interest, which will take out of the pockets of the merchants, ten thousand dollars, for the sake of putting one into the pockets of the Perkiomen Mining Company, who, it seems, are wealthy people, able to afford to give a good price for two hundred and fifty acres of land. Our prediction on this head, is not, at this day, more foreign to probability, than would have been, two years ago, one anticipating that an attempt would be made to get a duty on foreign hides, in order to put money into the pockets of the graziers; and yet we have seen such an attempt made. The truth is, that the desire of growing rich, at other people's expense, has become so general, that every body seems to be planning some scheme by which he

can have a monopoly against every body else. The only remedy we can devise, in the case, is this, and we do most earnestly recommend it to our friends in Congress, for adoption. Whenever the substance of a petition is announced by a member, which, for the benefit of those who are not initiated in legislative mysteries, we will state, is the only mode in which nine out of ten petitions are served up—let some one ask him how much cash will satisfy the petitioners. As soon as this is ascertained, let provision be made for raising the money by direct taxes from the people, and let the applicants be bought off at once. Depend upon it, that an annual tax of ten millions of dollars, to pay gratuities, would occasion an immense saving to the country, which, in our humble estimation, does not maintain its present system of revenue and protection together, at a less cost than five dollars a head upon the whole population, that is, sixty millions of dollars per annum. If any man doubts this, let him put these questions to himself, and he will soon be convinced:

How much more do I pay for the foreign goods consumed by my family, than they could be bought for, if there was no duty?

How much more do I pay for goods of domestic production, than I would have to pay, if there was no duty to shut out the foreign competition?

How much do I pay for every thing I use, foreign and domestic, in consequence of every body of whom I purchase being obliged, as I am, to pay dearer for the articles above-mentioned?

A little acquaintance with the iniquitous character of the American System, which reverses the rule of taxation that belongs to other governments, and compels people to pay high rates in proportion to their poverty, and not in proportion to their wealth, would soon convince any one that the estimate we have assumed is quite within bounds. There is nothing that we eat, or drink, or wear, that is not taxed, one way or another. Our coffee, tea, chocolate, and sugar, are taxed. Our milk and bread are taxed, because we must pay the milkman and baker more for those articles than they would sell them for if they were not taxed like ourselves. We are taxed in our meat, and poultry, and fish, in the same way. We are taxed in our wine, brandy, and whiskey. The table is taxed, the table-cloth is taxed, the plates, and knives, and forks, and the glasses, are all taxed. The pepper, and salt, the oil, and vinegar, are taxed. Our hats, coats, vests, pantaloons, boots, shoes, linen, cravats, flannel, pocket handkerchiefs, suspenders, are all taxed. The hats, and gowns, and cloaks, and every other article of apparel for females and children are taxed. We write on taxed paper, with a taxed pen, made with a taxed penknife, and seal a letter with a taxed wafer or wax. We walk with a taxed cane, shoot game with a taxed gun, taxed powder, and taxed shot, or kill a buck with a taxed rifle. We ride in a taxed stagecoach, we take a trip in a taxed steamboat, or drive a taxed wagon, over a taxed road. In fine, in whatever direction we turn our heads, taxation stares us in the face—and, if we only had candour enough to confess the truth, we would all acknowledge that a more tax-ridden people, than we boasters of light taxes and economical government are, is not to be found on the face of the earth.

And *cui bono*? More than half of it, for the benefit of a mere handful of monopolists, whom it would be infinitely better to maintain directly out of the public treasury, than to allow to put their fingers into the people's pockets, in the manner they now do.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXVII.

january 12, 1831.

Enumeration of articles that have fallen in price. True causes of that fall.

THE New England Farmer, an agricultural paper, it seems, has taken up the cause of the manufacturing corporations of Boston, and has come out with a list of benefits resulting from the high duty system. The following is an extract.

From the National Journal of 1st January.

“A few such facts as we find thrown together in the New England Farmer—a work of increasing merit and reputation—speak an intelligible language as to the “effects of the tariff,” and we readily quote them.

‘Flannels have been reduced in price from 23 cents to 17 cents per yard.

‘Cotton manufactures have fallen *fifty* per cent. *A man can buy a shirt for half what it used to cost.*

‘Chemical preparations have fallen *fifty* per cent.

‘Window glass, in 1816 worth \$15 per 100 square feet, now sells for \$7.50. *As many tumblers can be bought now for 50 cents as used to cost us \$1.*

‘Lead and all its manufactures are reduced in cost.

‘The *duty* on pig lead is 3 cents per lb. and its *price* 3 cents per lb.

‘Gunpowder has fallen from 45 cents to 22, and even 10 or 12 cents per lb.

‘Spirits of Turpentine 50 cents in 1823, now 30 cents per gallon.

‘Cyphering slates are 33 and one-third per cent. cheaper, in consequence of a duty of 33 and one-third per cent.

‘Castor oil in 1824 was \$3 per gallon; in consequence of a duty of 40 per cent. it fell to \$1.50 per gallon.

‘Before we made fire brick we paid England \$70 per 1000. Now they are made as good by ourselves for \$30 per 1000, in consequence of a *protecting tariff*.

‘This list might be extended to fifty other articles.

‘Notwithstanding the tariff, the *tonnage*, foreign and coasting, of the United States, has been steadily and rapidly increasing for the last fifteen years.

‘The revenue from imposts has steadily increased—not so much from the increase of duties, as from the obvious reason, that the more we *have to sell*, the more we *can buy*.’

“Let the people examine into these facts, and since the presidential contest is placed by the friends of the administration on that footing, let them decide which they will have—General Jackson, or the tariff system.”

This list will probably have a wide circulation through the tariff papers, and will no doubt carry conviction to the minds of all who have not sense enough to discriminate between a cause which is capable of producing, and one which is not capable of producing, a given effect, or, who have not honesty enough to listen to arguments that militate against their pockets. It may even stagger some who have sense and honesty both, but that can only be for a short season, for, as soon as the fallacy in which these assertions are enveloped is stripped off, they will abandon the delusion.

The foregoing list is nothing but a short abridgment of Mr. Niles’ “Politics for Farmers,” published last autumn, and is one of the many evidences afforded of the facility with which error can be circulated, when the press is under the control of those whose interests or political aggrandisement are to be promoted by it. Now, the fallacy in this article consists in two particulars:

First. In ascribing to our tariff the fall in prices referred to; and,

Secondly. In *concealing the fact*, that, if the tariff were out of the way, all these articles, except lead and spirits of turpentine, would be still cheaper than they now are.

The fact is, that owing to general causes, which have been in operation for centuries, throughout the industrious world, and more especially since the last general pacification of Europe, the powers of human labour have been greatly multiplied in all the departments of industry, whether connected with agriculture, commerce, or manufactures. In every branch, almost, labour-saving machines have been introduced, and in every trade and occupation that can be named, have improved skill, ingenuity, and dexterity, added to the productive powers of the hand. Improvements in agricultural implements, new discoveries in modes of tillage, and of preparing composts and manures, have greatly increased the productive powers of land and labour. Improvements in ship-building, and in the rigging and sails of vessels, and in the science of navigation, have added vastly to the productive power of the labour of merchants and seamen. Improvements in machinery and mechanics’ instruments, have, in the same manner, abridged the process and labour by which manufactures are produced. All the elements have been placed in requisition, and earth, and water, and air, and fire itself, have all been forced, by the mighty powers of the mind of man, to render far greater services to the human family, than they were formerly supposed capable of doing. Is it then any wonder, that articles, destined to supply the wants of society, should fall in price, seeing that they can be produced with so much less human labour than before? Unquestionably not—and hence we find that there is not a single article, of any description, *which is not now cheaper than it was in 1816*, unless

it be some few productions of agriculture, of which, from natural causes, the supply cannot be increased.

To leave no doubt upon this subject, it is our intention, in a short time, to bring into the view of the readers of this journal a list of articles with which our protective system has had nothing to do, showing their prices, at New York, in the year 1816, and at this day, and we will then leave it to any candid man to judge whether there is any foundation for ascribing the fall of the protected to the tariff. If articles not protected have fallen as much as those which have been protected, all will allow that it at least renders questionable the assumption of the advocates of high duties, that our tariff has exclusively occasioned the fall. At present, we shall content ourselves with showing, that, whilst we admit that such a fall in prices has taken place as is contended for, yet, that, were it not for our high duties, all the articles enumerated *would be cheaper still*. This is the true question to be submitted to the people, and this is the question that every editor, who believes in the truth of the free trade doctrines, is bound to present to his readers. But, let us examine these statements separately.

“Flannels have been reduced in price from 23 cents to 17 cents per yard.”

The Farmer has not here faithfully copied his original. Mr. Niles did not quote flannels as an article that had fallen, but one that had not risen in consequence of the tax imposed upon them in 1824 and 1828. Both, however, have greatly erred. The real fact is, that flannels, owing to the existing duty of 22½ cts. per square yard, do now sell for forty cents per square yard—which, were it not for the duty, *would be sold at 17½ cents*.

“Cotton manufactures have fallen 50 per centum: a man can buy a shirt for half what it used to cost.”

This is perfectly true, but it is also true, that, were it not for the prohibitory duty, a man could buy three shirts for the same sum he now has to pay for two. Else, why adhere to a prohibitory duty of 50 to 175 per cent. upon coarse cottons?

“Chemical preparations have fallen 50 per cent.”

True again, but, were it not for the existing duty, a still greater fall would take place, as is manifest from the high duties kept on, to exclude the foreign article.

“Window glass, in 1816, worth \$15 per 100 square feet, now sells at \$7.50. As many tumblers can be bought now for 50 cents, as used to cost us \$1.”

All true enough—but, notwithstanding this, English glass continues to be imported, although subject to a duty of \$3 to \$5 per one hundred feet, and could be sold below \$7.50 were it not for the duty. And, were it not for the duty, as many tumblers could be had for 33 cents, as are now bought with 50 cents.

“Lead and all its manufactures are reduced in cost. The duty on pig lead is three cents per lb., and its price is three cents per lb.”

The duty on pig lead is prohibitory. Its present low price arises from the great fertility of the American lead mines, which have, within a few years, come into our possession, by Indian treaties. As to the manufactures of lead, were it not for the duty, low as they are, they would be sold as follows:

White lead, dry, 5 cts. per lb. cheaper than now;

“NA ground in oil, 5 cts. per lb. cheaper than now;

Sheet lead, 3 cts. per lb. cheaper than now; for all these articles are still imported, subject to those rates of duty.

And, that the reader may see the operation of this system upon the painting of houses and barns, to protect them from the weather, we will quote the actual prices in New York, at which, this day, the above articles can be purchased *for exportation*:

White lead, English dry, \$4 per cwt.;

“NA English ground in oil, \$5 per cwt.;

Sheet lead, 2½ cents per lb.

Let any man compare these prices, which are those at which a foreigner can get supplied in our market, with those that a resident citizen has to pay, and the fallacy of his being benefited by high duties will very soon be apparent.

“Gunpowder has fallen from 45 cents to 22, and even 10 or 12 cents per pound.”

English gunpowder can now be bought in the New York market *for exportation* at from 17 cents per pound, *down to six cents per pound*. The lowest quotation for American, is 13 cents per pound. Let the friends of Internal Improvements, by states and corporations, who want to blow rocks, look at this. Let the sharp-shooters of the West, and the farmers who are digging wells, look also at this. If it were not for the high duties, they would be able to buy a pound and a half of powder for the price they now have to pay for one.

“Spirits of turpentine, 50 cents in 1823, now 30 cents per gallon.”

Now here we admit there has been a considerable fall, and we are not aware that the removal of the duty upon this article, would make it come any lower. But why do these bunglers furnish their opponents with a stick to break their own heads? The duty on spirits of turpentine, since the institution of the government, was never more than *fifteen per cent.*, and the success of its manufacture is to be ascribed to the *protection* which the raw material has received from the hardy sons of the forests of North Carolina, who need no taxes upon their fellow-citizens to enable them to prosper. We wonder these humourists did not bring in tar, pitch, and rosin, for they have also fallen greatly too, under a similar duty of 15 per cent.

“Cyphering slates are 33 and one-third per cent. cheaper in consequence of a duty of 33 and one-third per cent.

Now, if it be true, that cyphering slates are 33 and one-third per cent. cheaper than they used to be, we affirm, without fear of contradiction, that if it were not for the duty, they would be 33 and one-third per cent. cheaper still, *because they continue to be imported under that duty*, and sold to the retail merchants and stationers. Nothing can be clearer than this, that, so long as an article continues to be regularly imported under the high duties, so long is it incontrovertibly proved, that, were it not for the duty, the price would be just so much less.

“Castor oil, in 1824, was \$3 per gallon; in consequence of a duty of 40 per cent., it fell to \$1.50 per gallon.”

The duty imposed in 1824 was not, as here stated, 40 per cent., but 40 cents per gallon, which was not equal to 15 per ct.; but, if it were not for the duty, it would be still forty cents cheaper. As proof of this, we refer to the last Treasury Statement of Imports that has been published, where it appears that six hundred and eleven gallons of castor oil were imported, in the year 1829, from the Dutch West Indies, the cost of which was \$231; that is, something less than 38 cents per gallon. Its present price, in New York, is 100 cents.

“Before we made fire-bricks, we paid England \$70 per 1000. Now they are made as good, by ourselves, for \$30 per 1000, in consequence of a *protecting tariff*.”

The bungle committed here is precisely the same as that in relation to the spirits of turpentine, and it was pointed out in a communication from our shrewd correspondent “An Operative Manufacturer,” in our paper of the 22d ult., who showed that, not only was the duty on bricks but 15 per cent., but that English ones had been imported and sold in Philadelphia, last year, at \$21 per 1000.

“This list might be extended to fifty articles.”

Aye—and every one of them could be disposed of in the same way.

“Notwithstanding the tariff, the *tonnage*, foreign and coasting, of the United States, has been steadily and rapidly increasing for the last fifteen years.”

The Secretary of the Treasury, in his late report, asserts that our tonnage has fallen off in the aggregate, and his authority upon that point we hold to be much better than that of the New England Farmer. If the coasting tonnage has increased, it is owing wholly *to the principles of free trade between the different states* being thus far suffered to remain without violation—and, great as this trade now is, it would have been far greater had the same principles been allowed to operate in our intercourse with foreign nations.

“The revenue from imposts has steadily increased—not so much from the increase of the duties, as from the obvious reason, that, the more we *have to sell*, the more we can buy.”

Now, although the latter branch of this sentence is perfectly true, yet the reasoning in relation to it is droll enough: The revenue has increased, because “The more we have to sell, the more we can buy.” But *did* we sell more, and *did* we buy more? Facts, stubborn facts, stare this Farmer in the face, and disprove his loose allegations. In an article in our last paper, we showed that the falling off in our imports, upon an average of the five years which have elapsed since 1825, has been upwards of *sixteen millions of dollars* per annum—a fact to which our attention had been drawn by the Treasury Report. It is, therefore, not a fact that the increase of revenue has arisen from increased importations, which is the position intended to be laid down; and in reality it is not even a fact that the revenue from imposts has increased at all, for since the year 1825 the annual average has been less than the amount of that year, and during the last three years it has been nearly stationary. The reason, however, why it has not fallen off is, because the duties have been increased—for otherwise there would have been a falling off in the revenue, exactly proportionate to the falling off in the imports, had the imports fallen off, which is not probable.

If this is the sort of political arithmetic by which candidates are to be advanced to high political stations, we hope that every honest citizen who has any regard for the reputation and interests of the country, will well reflect upon it. When we meet with a man who really does not understand the subject, we can pity the vanity which leads him to expose his ignorance. But when we see assertions ushered forth as facts, which must be known to many who circulate them as wholly destitute of foundation, we are not able to reconcile such conduct with the faithful discharge of editorial duties.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXVIII.

january 12, 1831.

The story of John, Monsieur Crapeau, and Jonathan, as illustrative of the absurdity of the doctrine that industry prospers by restrictions.

THE following remarks appeared in the National Journal of the first instant:

“*The Tariff!*”—It has been declared in the New York Evening Post, that the next Presidential Election will decide the fate of the tariff. Mr. Cambreleng has told us, on the floor of Congress, that a *revolution is about to take place in the affairs of this country*; and has pretty distinctly indicated that this revolution is to consist in the abolition of the Protective System, and the introduction of what he and other visionaries of the same school designate *Free Trade*. Public attention cannot be too forcibly or too frequently called to these avowals of a settled purpose to destroy that policy which the wisest men in our country have sanctioned in the most explicit terms, and which all previous administrations have laboured to establish and perpetuate. The people of every section, of every state, county, town, and hamlet, of our country, should be made to understand the great aim of those who are seeking to re-elect General Jackson; and, understanding it, if they shall think proper to give to it their aid, we are ready to submit, only reserving to ourselves the privilege of crying, “God save the Republic!” in rather a more modest tone than heretofore.

“We would invoke the people, however, before they give their assent to this threatened revolution, to thoroughly understand the system which is to be revolutionized. It is the system which supported Great Britain through a quarter of a century of sanguinary and expensive wars, in which she had to rely more on her pecuniary than her physical resources; on the ingenuity of her financiers, rather than the skill of her generals. The loom did more for her than the sword, because it enabled her to supply plentifully, and in perfection, the fabric which her enemies, by the force of necessity, were compelled to take at her hands, and thus, by a process destructive to themselves, to be constantly replenishing her treasury, as fast as it was exhausted, and contributing those means which were returned to them in deadly missiles and a mortal expenditure of munitions of war. By the power of her machinery, she not only moved, but wielded the world. She protected her manufactures, and they gave back an opulent recompense. By the light of her experience, our wisest statesmen have guided the policy of this country; and it is only now, when Great Britain has discovered that we are manufacturing rivals, from whom she has reason to apprehend an injurious competition, that her politicians have thrown out a set of glittering theories on the subject of the freedom of trade, with which she hopes to delude us from the path of prosperity, and to turn our credulity and ignorance to her own advantage. We trust the people will be wiser than their rulers, and not suffer themselves to be caught by loose speculations and prettily constructed sophisms—that they will hold fast to the policy which has worked well, and not foolishly play into the hands of their adversaries.”

The foregoing article, which ascribes the prosperity of England to the restrictive system, puts us in mind of a story, which we shall relate, for the amusement of our readers.

There was once an honest, hard-working fellow, named John, a manufacturer by trade, who was able, by dint of great industry and close application, to earn three shillings sterling a day. He was in the full possession of all his limbs and energies, but one day, in a fit of mental derangement, he cut off one of his fingers. His neighbours all pitied him greatly on account of this misfortune, for they all saw that John could not do as much work with nine fingers as with ten, and, as his former wages were barely adequate to his support, they apprehended that he would not be able to get his living, and would become chargeable upon the poor rates. It so happened, however, after John recovered his reason, that he saw the danger of his situation, and he forthwith put his wits to work to find out some contrivance by which he could make up for the loss of his finger. He was not long unsuccessful. He invented an improvement upon the machine with which he carried on his occupation, by which he could do more work with his nine fingers, than he used to do with his ten, besides paying the expense of the improvement—and in this way he was able to earn four shillings a day. He kept the secret, however, to himself, and, in a quiet and snug way, went on laying up money, instead of falling behindhand.

In the progress of time, the improvement in his circumstances became very visible, and it excited the astonishment of all his neighbours to see him so thriving, and they put their heads together to see if they could find out the cause of John's prosperity. At length, one Crapeau, a Frenchman, who was more wise than the rest, after puzzling his brains right hard, became satisfied that he had discovered the secret. He insisted upon it that John's unexampled prosperity was owing to the loss of his finger, and believing, very correctly, that, if a man could do more work with nine fingers than with ten, it would be an improvement upon the system to have but eight fingers, he without any more ado, deliberately took a hatchet and cut off *two* of his fingers. His friends pitied his delusion, for they felt quite assured that he had mistaken the cause of John's growing circumstances, and they very kindly marked him down as a fresh subject for the alms-house. Strange, however, to tell, Crapeau, after his recovery from his wound, appeared to thrive more than he had ever done before—and this second example of success, after what had been predicted, began to excite the doubts of the wisest of his neighbours, who had never before listened to the idea that John's success was owing to the loss of his finger, but had always insisted that it was *in spite of it*.

Amongst these doubters was one named Jonathan, who had always before been reputed to be a remarkably shrewd, cute, enterprising, industrious youth, who, finding that his competitors, John and Crapeau, could undersell him, and, not being able to divine any cause for it, but their lack of fingers, he at last fell into the belief which now became prevalent, and resolved to curtail his physical powers. He did not, however, act precipitately. He very wisely recollected, that fingers, when once cut off, can not again be easily replaced, and he concluded, that, if there was any mode by which he could diminish his power to work, (for that appeared to him to be the true question,) without absolute excision, it would be the safest mode of trying the experiment. He accordingly hit upon the expedient of tying one of his hands behind

his back, and in this way he went to work, amidst the shouts and acclamations of his neighbours, who thought that Jonathan had outwitted all his competitors, and was now upon the high road to opulence. Sure enough. By working earlier in the morning, and later in the evening, with the aid of labour-saving machinery, young Jonathan was seen to grow rich—for, although he could not do as much work as John or Crapeau, yet, with his one hand he had acquired such wonderful dexterity, that he could turn out more work in a day than he used to do with two. With open mouths, his friends and acquaintances would gape and stare when they saw Jonathan wear a broadcloth long coat on Sunday, instead of a coarse roundabout jacket, and not a soul of them any longer entertained the least doubt but that his great success was owing to the *restrictions* he had imposed upon his industry. All, therefore, followed his example, which spread like wildfire through the country, and the *restrictive system*, which Jonathan, (by way of securing for it greater favour with the people than it could enjoy if it was known to be nothing but an improvement upon John's loss of a finger,) called the "American System," became, in the opinion of many, *the settled policy of the country*.

Happily, however, such palpable nonsense as growing rich by cutting off and tying one's limbs, was too gross to be endured by the reflecting few, and the result was, that, after a few years' trial, Jonathan began to find out, by listening to some of his friends, whom he at one time thought were his enemies, that he had mistaken the true cause of John and Crapeau's prosperity, and that, so far from their being benefited by the loss of their fingers, they would have been twice as well off, had they not been deprived of those great auxiliaries to labour. He accordingly resolved to untie his hand; but, as he was partly ashamed to do it all at once, for fear of being laughed at, and partly afraid that the circulation of the blood, after so long a stagnation, would be injuriously rapid, he went to work by degrees. Last spring he untied three or four knots; this winter we expect he will untie a couple more, and, in two years' time, he will, we trust, have restored his hand to a state of perfect liberty, when he may laugh in his sleeve to think how much better off he is than John and the Frenchman, who can never recover their lost fingers.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXIX.

january 19, 1831.

Proposed duty on Screws. Effect of, examined.

WE had really hoped, that, at the present eventful moment, when the American System is shaking the Union to its centre, a decent respect for the public tranquillity would have induced those who are pocketing large sums of the people's money, without an equivalent, to remain satisfied with their present monopolies, and to show a willingness, if not to retrace their steps, at least to halt, and not to press their system further, at the hazard of losing all they have. In this we have been disappointed. On the 23d ultimo, in the Senate of the United States, Mr. Marks presented "the petition of a Company in Philipsburg, Pennsylvania, for the manufacture of Iron Screws, praying that the duty on those articles, when imported, may be changed from an *ad valorem* to a specific duty,"—which was referred to the Committee on Manufactures.

This article of screws, we believe, is manufactured by only one or two establishments in the United States. They were taken under the protection of the American System in the year 1824, and favoured with a duty of 30 per centum, which, added to the expense of importation, amounting probably to 20 per centum more, gave a clear advantage to the American manufacturer, of 50 per centum over his foreign competitor. This, however, did not satisfy his calculation, or compensate for his want of skill and dexterity—and, in the year 1828. when the majority of Congress gave a broad invitation to all who wanted new monopolies, or old ones enlarged, he modestly asked to be indulged with a trifling increase of 10 per cent. Coming from Pennsylvania, "the key-stone of the federal arch," so civil a request could not be refused, and, emboldened by this success, we now see the same concern coming forward and soliciting another increase, from 40 per centum, to—what?—not to 50 per centum, but to a *specific duty*—in other words, to such a duty as will rise, in its *ad valorem* ratio, as the price of foreign screws declines, and, in that manner, ultimately exclude them from the market, without letting the public see the cause. In this manner have the coarse cottons been shut out. Had the specific duty of 6¼ cents per square yard, which at the time it was fixed, in 1816, was about 25 per centum *ad valorem*, remained without any increase, it would have answered the purpose of excluding, without the aid of the higher duty, the coarser fabrics: for, as these annually fell in price, the ratio of the duty became increased from that very cause, and, what was but 25 per centum when the foreign cost was 25 cents per yard, would have become 125 when the foreign cost declined to five cents. We think that the nation has seen enough of specific duties to be convinced that they are the most unjust and unequal of all, and that they furnish a cloak for impositions and frauds upon the public, which cannot be practised under a *bona fide* system of *ad valorem* duties. Such are the duties now existing upon cotton goods which cost 35 cents per square yard, or less, and upon all coarse woollen cloths, flannels, and baizes. On the face of the law they are called *ad valorem* duties, but they are, in reality, specific duties, and we think ought to be

returned under that head in the annual Commercial Statements, made by the Secretary of the Treasury to Congress.

What this screw concern want Congress to do, is, probably, to enact a clause in the following form: “And be it enacted, &c., That henceforth the duty upon iron screws, called wood screws, shall be 40 per centum *ad valorem*—*provided*, that all screws, costing less than the highest price at which the largest and best finished are sold, and such as cannot be made in this country, shall be deemed to have cost said highest price, (although they may not have cost a fourth of the money,) and shall be charged with duty accordingly.” We trust, however, that Congress, if it desires to favour the manufacturers of screws, will do it in a way compatible with the peace and interests of the country; that is, by taking off the duty on iron, for herein consists the principal difficulty which Messrs. Phillips, & Co. have to encounter, although they do not say so in the frank manner that the Philadelphia blacksmiths, last winter, stated their grievances.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXX.

february 9, 1831.

Reports of the Majority and Minority of the Committee on Manufactures. Doctrines of, examined.

IN our last paper we published the report of the Committee on Manufactures, presented by Mr. Mallary, on the 13th of January. The principles of political economy are so well understood by nine-tenths of those who read this paper, that the fallacies and heretical doctrines with which it abounds will be detected by them, without any specific pointing out. To enter into a detailed criticism, embracing all its errors, would require more space than we can devote to it, and would, in fact, be a mere repetition of arguments which have been over and over again advanced. To any one who has a mind capable of comprehending scientific truths, it will be manifest, that a single paragraph may contain as much fallacy as it would require pages to refute. It will also be manifest, that, if it be allowed in a document, intended to prove the soundness of a policy, to assume, *as admitted*, the very points in dispute, and upon the establishment or rejection of which the whole matter turns, it would be necessary, in order to overthrow its positions, that a course of elementary reasoning should be resorted to. For instance: Mr. Mallary asserts, "Congress has, for years, and on repeated occasions, exercised *its wisdom* on the tariff." Now, we wholly deny that any *wisdom* whatever has been displayed on this subject—but, on the contrary, the most consummate *folly*. But, to establish our position, it would be necessary to show, as we have repeatedly done in this journal:

That the object of all legislation should be the greatest good of the greatest number;

That restrictions upon industry create a faulty distribution of capital and labour, by driving both into channels different from the natural ones which they would pursue if left in a state of freedom;

That this faulty distribution of capital and labour, of necessity diminishes the total joint product of the capital and labour of the country;

That no diminution of the products of capital and labour can take place without diminishing the prosperity and comforts of the community;

That not only is there a diminution of the aggregate mass of products, but there is, besides, an unequal distribution of what remains, inasmuch as some people get more than their fair proportion of it, whilst others get less;

That high duties are taxes upon consumers, and taxes which ought never to be imposed, but for the necessary exigences of government;

That high duties upon imported goods operate as obstructions to the exportation of domestic products, and weigh most heavily upon the producers of those commodities, which would be exported more abundantly if foreign goods were not excluded;

That all protective duties are *prohibitory* duties to a greater or less extent—for, if some foreign goods were not excluded by them, there would not be a demand for the home product to the same extent:

That the Restrictive System of the United States is founded upon the most iniquitous and unjust principles, because it falls most heavily upon the poor and labouring classes, and taxes people high in proportion to their inability to bear the burden.

Fifty other propositions, of equal weight, could be brought forward—but, as they would not appear self-evident to those who had convinced themselves that cutting off a man's fingers, or tying his hands behind his back, would increase his power to work, it would be necessary to enter into an argument to prove each separate one, which could not be done in a single essay. Many philosophical truths require a volume of explanation, and any one may see how difficult it would be, for example, for an astronomer to prove, to the satisfaction of an Indian, that the sun does not move. If Dr. Herschell should say to an untutored savage, that that body stands still, and that the earth moves, the latter would most certainly deny it, and would support his denial, most probably, by the well-known argument of the American System philosophers—"Seeing is believing; one *fact* is worth a thousand *theories*."

Mr. Mallary is evidently alarmed for the fate of his favourite system, and with good reason too. Such a compound of folly, selfishness, and injustice, cannot stand before the weapons of truth, which are now assailing it from all quarters of the country. Our particular position, perhaps, gives us as good an opportunity of judging upon this matter, as is enjoyed by any other individual, and we unhesitatingly say, that the indications of a giving way of the restrictive policy, are abundant. How far Mr. Mallary has helped his cause by availing himself of his official station to connect with personal politics a measure which should be decided wholly without reference to men, remains to be seen. We think we express the opinions of many of the tariff party, when we say, that this has been a bad move, for them, on the political chess-board, for it has given an opportunity to the friends of the administration to draw a line between the advocates of prohibition, and the advocates of a moderate tariff, which cannot fail to pave the way for more enlightened views.

To-day we publish the report of the Minority of the Committee, presented by Mr. Monell. Although it contains unsound doctrines enough, yet there are some principles advocated in it, which, if carried out, would accomplish all that the friends of Free Trade could desire. Amongst these, are, the position laid down, that it is wrong to protect a combination of interests, each of which, taken separately, it would be injurious to protect—that, to lay duties for the *sole* purpose of protecting domestic industry, would be an anomaly in government—that it is impolitic to extend protection to any article, unless there be a reasonable probability, that, by *temporary* aid, it could sustain itself against foreign competition—and, that the duty on coarse cottons ought to be reduced, and upon the ground assumed by the tariff party, viz.,

that we can undersell the British in foreign markets, and of course in our own markets. It is very natural for those who are in a minority to consider *that* which is not *against* them, as *for* them. In this light do we regard the report of Mr. Monell. If it does not contain such orthodoxy as is required to entitle it to the rank of a sound production in political economy, it is not half as far from the standard as Mr. Mallery's paper—and, in these dark times, there is a satisfaction in beholding, if it be but a single ray of light, shooting forth from the dark expanse. The two reports, as they now stand, seem to cut the American System into two, one part to be called Mr. Clay's System, and the other General Jackson's System. The former advocates prohibition and restriction, as the permanent and settled policy of the country: the latter advocates moderate duties and temporary protection. The public is to take its choice of the two halves of the System, and we can hardly doubt that a large majority will prefer the moderate side. What is principally wanted, is, to strip the American System of the sanctity with which it has been invested by false and silly notions of patriotism. This we think will be done during the ensuing recess of Congress, by *the party press*, and we are very much mistaken, if, in one year from this time, Diana of the Ephesians, once thought so great, will not be held in low estimation by thousands of her former worshippers.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXI.

february 16, 1831.

The West India trade. Effects of interfering with it by commercial legislation pointed out.

A RESPECTABLE correspondent in Virginia addressed us, some time ago, the following letter, accompanied by an article on the West India trade, which we published in our last paper:

Gloucester County, November 7, 1830.

“Sir:

Never having seen the subject of the West India trade treated exactly as I could have desired, I take the liberty of giving you my views upon it, over the signature of “A Farmer,” to publish, if found to be correct. This is the first of my composition for the public eye, and therefore shall not feel mortified if it is deemed unworthy a place in your paper; though, in the latter event, should be pleased to have my notions set right, by an expression of your opinion on the subject, in the Banner, or in a private communication to me. Yours, &c.”

As our correspondent has asked our opinion on this subject, we will cheerfully give it.

The positions with which the Farmer sets out—viz., that the income of a nation is limited, and that its imports cannot exceed its exports—are undoubtedly correct. Hence it follows, that, if the price of an article, imported into any country, be raised, by the imposition of duties, or by increased expenses, such as are incident to an indirect voyage, the quantity which that nation can afford to consume, must of necessity be diminished, in the same manner precisely as a labouring man must diminish his consumption of food and clothing when their prices are increased. No nation or individual can purchase as many articles at high prices as at low prices, and, to suppose that they can, betrays a want of analytical examination of the subject. To explain our opinions on this matter, we will take a specific case. Say, for instance, our trade with the island of Jamaica, under a direct and under an indirect trade, and, what will be true in reference to that, will be true in reference to the other islands.

Between Jamaica and the United States, we will suppose there is a direct trade. A barrel of flour here costs six dollars, and the freight and charges upon it, and ordinary mercantile profit, require that it should be sold, at Jamaica, so as to nett, there, eight dollars. A cargo of 1000 barrels is shipped and sold in Jamaica, for 8000 dollars, which sum is invested in 1000 barrels of sugar.

This direct trade is then prohibited, and the accustomed exchange of flour for sugar can only take place at a neutral island. To that island the American merchant ships his

flour, and to that island the Jamaica planter ships his sugar. The price of both articles will therefore be regulated by the free competition of the neutral market, and thus it will appear that neither party is obliged to sell to the other for any less price than he can obtain from others. But at this market the Jamaica planter purchases American flour, and the price he pays for it, by the time he receives it in Jamaica, is just as much more than he would have to pay under a direct trade, as the increased expenses, whatever they may be, of the double voyage. Supposing these to be one dollar per barrel more, his supply will cost him nine dollars per barrel, and, as he cannot afford to buy as many barrels as when the price was but eight dollars, he must diminish the quantity proportionably, and be content with 900 barrels, because that quantity will absorb, at the new price, his whole fund of 8000 dollars. The loss to the American farmer, from this process, will be the loss of the sale of 100 barrels of flour out of every thousand which he used to sell to Jamaica, but no more, and the influence which this loss can have upon the price, in the home market, of flour, will only be in the proportion that the diminished sales to Jamaica would bear to the total demand for flour—and even that would be of momentary duration, inasmuch as the new production of flour would soon be made to conform to the new demand, and restore the old price. It is an error to suppose that any increased demand for flour in the United States would *permanently* raise its price. If five dollars per barrel afford a return for the capital and labour, and the use of the land employed in the production of wheat, equal to the average returns derived from other pursuits, as we presume it does, or it would not be raised so abundantly, any rise above five dollars would draw more capital, land, and labour, to that branch of agriculture, until the new quantity should equal the new demand—and then the price would be restored to the old rates. The same is true of a diminished demand for flour, which could only have a temporary effect; for, as capital, land, and labour, would find more profitable employment in other pursuits, they would be turned from the cultivation of wheat, until the price should again be raised to the remunerating point.

The same effect precisely would take place with the sugar. The Jamaica planter would sell less sugar, by 100 barrels out of every 1000, than he used to sell, but the price of sugar in Jamaica would only decline in the proportion that the diminished demand of the United States would bear to the total demand, upon the Jamaica market, for sugar. This decline, too, would be but temporary, as in the other case, for the production of sugar would be diminished until the price should rise to the remunerating point.

If we are correct in these positions, the following facts will be evident:

First. That the interruption of this direct trade is beneficial to neither party; and,

Secondly. That each party loses the sale of a portion of its agricultural products, for which a market did before exist.

As to the question of tonnage, that being a mixed question, is not so susceptible of definite illustration as the other. To convey 900 barrels of flour from the United States to St. Thomas's, would clearly not require as much tonnage as to convey 1000 barrels to Jamaica; nor would the transportation of 900 barrels of sugar from Jamaica to St. Thomas's require as much tonnage as to transport 1000 barrels to the United States.

But whether the total quantity of American and British tonnage, together, employed in the indirect trade, be not greater than in the direct trade, we are not prepared to assert. We presume it is—but the merits of the question would not thereby be affected. There is no more reason why prices should be artificially raised, to please the ship-owners of either country, than there is to please the manufacturers.

Now, in order to solve the problem which the Virginia Farmer has proposed, it is only necessary to reverse our reasoning, and it would then appear, that the effect of a restoration of a direct trade with the British West Indies must be to increase the mutual exchange of products to an extent at least equal to the whole additional expenses of the circuitous route, which will now be saved to the two countries. This we say in reference to those commodities in which the trade was not entirely broken up. But, as regards the articles of live stock and lumber, which could not bear the expense of a double shipment, the benefits of the restoration will be more perceptible, although even in them they will not appear in the form of permanently increased *prices*, but of a permanently increased *demand*.

In the above calculations we have not employed the accuracy which nice proportions call for. We have, for instance, spoken of 900 barrels, where precision required only 889. But this was done for the convenience of the reader. In the same manner we have spoken of 100 barrels, where 111 was the proper number.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXII.

february 23, 1831.

Examination of the doctrine, that the American Protective System has reduced the prices of foreign goods in foreign countries.

OF all the assumed propositions of the tariff party, there is none which has more plausibility than this, viz., “that, even admitting that the American tariff has not reduced the prices of the protected articles as low as they can be purchased in foreign countries, yet, that it undoubtedly has had the effect of reducing the prices of foreign goods in foreign countries.” There are probably some of our friends who have been puzzled to answer this postulate, but we think we can furnish them with the means of meeting it hereafter.

The proposition, stripped of its generality, is simply this: that, owing to the existence of our protecting duty on sugar, for example, of three cents per pound, the price of sugar in the West Indies is permanently lower than it would have been had this duty not existed. Now, we deny this proposition, and call for the arguments by which it is sustained. If there be a single one, it must be the following, viz., that, as we have withdrawn or withheld our custom from the foreign sugar-growing countries of the world, to the extent of 80,000 hogsheads per annum, this diminished demand must have occasioned a reduction in the expenses of cultivation; for it is only by such a reduction that the price of sugar could be *permanently* reduced. A sudden cessation of a great demand for a commodity, upon any given supply, would no doubt have the effect of diminishing *temporarily* the price, but, as the future supply would soon be adjusted to the future demand, no *permanent* fall could be occasioned. In this particular article, however, there is not the slightest reason for believing that the least temporary fall was ever for a single moment occasioned, in the foreign price of sugar, by our increase of the duty from two cents to three cents per pound, and for the simple reason, that, since the duty was raised, there has been no sensible diminution of the imports for consumption. Our increased demand, arising from our increase of population, has been quite equal to the domestic production. Now, the only question to be determined, is, what *permanent* effect a diminution of demand has upon the price of a commodity—can it have the effect of lowering it? Is it not a universal truth, known to every body, that the more there is called for of a particular article, the cheaper it can be furnished? Will not every manufacturer agree to supply a customer at a lower price, when he takes a large quantity, than when he requires only a small one? How then can withdrawing or withholding a demand have the same effect as the demand itself? It cannot possibly have it, and it is therefore clear, that, so far from our duty on sugar having the effect of reducing the price of that article in the general market of the world, it has the contrary effect: it prevents sugar from being as cheap as it otherwise would be, although we admit that an additional demand for 80,000 hhds., on the general stock of the world, would have but an imperceptible operation.

But let us take another article for the illustration of this principle. The proposition we are combating, says, that, owing to our duty of \$37 per ton on foreign iron, iron in foreign countries has been made permanently cheaper. Our domestic production of iron is estimated at about 30,000 tons per annum. The quantity we import is about the same, so that one-half of our demand is supplied by foreign countries. Now, the only *temporary* influence which the withholding of our demand upon all the iron-producing countries of Europe, for 30,000 tons, could have, would be in the proportion that six millions of consumers of iron bear to the whole iron-consuming population of the world, that uses the iron and hardware of Europe, which would be an imperceptible one, as will appear to any one who reflects, that, of the vast body of people who inhabit this globe, every individual, almost, uses European iron, in some shape or other, as an implement or a weapon. And, as to any *permanent* effect, upon what principle can it be contended, because the Americans choose to make at home, at an expense of \$80, an article that can be purchased abroad for \$30, *which is the fact in reference to a ton of iron*, that the foreign iron manufacturer can afford to sell it cheaper than if he had a greater demand?

Again.—It is asserted, in substance, that, owing to our duty of 8¾ cents per square yard upon cotton goods, the price of cotton goods in foreign countries is permanently cheaper. And here again we will ask, why should such an effect be produced? Every body knows that the price of this article has been reduced partly by the fall in price of the raw material, (a fall occasioned by the very principle we are contending for, an increased demand,) but chiefly from the improvements in labour-saving machinery, which have taken place since 1815, and which a close competition has had much agency in producing. We say *close* competition, because that is the only sort of competition that can be efficient. When thousands of people are engaged in a particular branch of industry, pretty nearly on a par as to ability, then competition sets their wits, ingenuity, and energy, to work, and in that way they discover expeditious and economical processes, which would never otherwise have been found out. It is like the competition between two horses, pretty nearly matched, in a race. Each one is made to exert his utmost speed, because the other is made to do so too. But, to pretend that any real competition exists with those who require duties of 50 or 100 per centum to enable them to be upon an equality with others, is just as absurd as to suppose that a fleet horse would be pushed in a race with another that could not run half as fast. We are not able to perceive how the competition of the American manufacturers ever can, whilst they need high duties to sustain them, have any influence whatever upon the price of similar commodities abroad. They may indeed have an influence in preventing the prices from falling as low as they otherwise would fall, and we have no doubt that they produce this effect; for, by diminishing the demand for cotton goods in Europe, they prevent the competition from being as strong as it otherwise would be.

If this reasoning be sound, as we think it is, it will apply to all the protected articles, and we have long been of opinion, that, so far from our protective policy having reduced the prices of manufactured goods abroad, it has prevented them from falling as low as they otherwise would have done. But, even admitting that the proposition we have taken as the text of this article were true, what argument would it afford in favour of our adherence to the restrictive system? If we have occasioned a fall of prices abroad, in the name of common sense let us have the benefit of it. Do not let us,

like a parcel of numsculls stand by, and see other people enjoy all the advantages which we have purchased at so great a sacrifice as that of throwing twenty thousand females in our large cities out of employ, five times as many men, driving our sailors to foreign service, and our merchants out of their accustomed trade, heaping insupportable burthens upon the planting States, and finally placing in jeopardy the existence of the Union. Let us, like sensible people, share with others the blessings which we have been instrumental in gratuitously conferring upon them.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXIII.

february 23, 1831.

Speculations as to the effects which would result from the adoption of the principles of Free Trade in the United States. Superior economy of direct taxation over indirect.

AFTER the payment of the public debt, what a glorious spectacle might not the United States present to the world, if their statesmen had the light of political science to guide them, and if the people could only be made to understand their own true interests. They would, in such case, lay the foundation for a policy having for its object *the greatest good of the greatest number*, by preparing the way for a *gradual* adoption of the principles of free trade in their most unlimited extent. What would be the effects of that policy, we shall undertake briefly to describe; not that we think it at all likely that there will be wisdom and virtue enough in our day for the consummation of so glorious a result, but that our readers may see the contrast which exists between the system now mis-called American, and that which, in our estimation, would alone deserve that distinguishing name.

To support such a government as ours, upon the economical scale appropriate to a republic, in which the tax-payers are themselves the sovereigns, does not call for more than \$12,000,000, including the army, navy, civil list, expenses of foreign intercourse, and all others incident to the management of our public concerns. This sum, divided amongst the population, would not exceed one dollar per head upon an average, and, if assessed in the ordinary mode in which state taxes, county rates and levies, and taxes for the support of cities, towns, or townships, are assessed, would probably range from twenty-five cents to ten dollars per head. In other words, a poor man would contribute twenty-five cents per annum for each member of his family, towards the support of government, and a man worth his hundreds of thousands of dollars would not pay more than ten dollars. That this government could be maintained at that trifling cost, after the public debt is paid off, is as demonstrable as that two and two are four, and, were it not for that inconsistent folly which is so remarkable in this country, and which leads people to look upon a *direct* tax of a dollar, for the support of the Federal Government, as a bug-bear, whilst they pay, *direct* taxes of twice the amount for the support of State and local authorities, and five times the amount in *indirect* taxes for the support of monopolies, the present system of raising the revenue could not last. If any man wishes to see the difference it would make to him, whether the one system or the other were adopted, he can easily do so, by asking himself the following questions:

How much more do I now pay, for the foreign articles I consume in my family, than I should have to pay if there were no duties upon them?

How much more do I now pay, for the domestic articles I consume in my family, than I should have to pay if there were no duties upon foreign goods, operating as a tax

upon the producers of the domestic articles, and compelling them to charge higher for their goods than they would have to charge if there were no such duties?

These are very simple questions, and questions very easily answered, and there is not a man in the land, however poor, who could not, *in two or three items only*, show that he now pays an indirect tax equal to the whole amount of direct tax he would have to pay, if there were no duties. There is many a man who now pays, in the price of the single article of sugar alone, as much tax as he would have to pay for his whole contribution. As to those persons who live in comfortable circumstances, there is not one who does not, in the ordinary dress of his family, pay more tax than one dollar a head, and, as regards those who can afford to wear broadcloth, the tax upon a single suit is upwards of ten dollars. We do not descend to further particulars, because the subject is so plain a one that any individual can understand it; but we state, as our sincere belief, that the increased prices paid by the whole body of consumers, occasioned by the imposition of duties, in articles of food, drink, clothing, furniture, utensils, implements, and all other articles consumed, is not short of five dollars a head upon the population, which is equal to *sixty millions of dollars per annum*. Now, if this estimate be correct, it will follow, that a saving to the nation could be effected, of forty-eight millions of dollars per annum, if the impost system were substituted by a system of direct taxation.

But this would not be all. Under a system of direct taxation, the burden would fall upon the right shoulders. The poor man would only pay his fair share, whereas, under the system now existing, he pays more than his share, for the tax is levied in such a way as to throw the principle weight upon the working classes. How a nation of working people can permit themselves to be ridden as they are, by an army of monopolists, booted and spurred, is one of the most incomprehensible things in nature, and almost makes one doubt of their capacity for self-government. The time once was, in this country, when the very names of monopoly and taxation were odious in the ears of the people. Now, they hug the abettors of these measures of oppression to their bosoms, as their best friends, and spurn from them those who are labouring to free them from a bondage which is as disgraceful to their understandings as it is destructive of their interests.

We shall, perhaps, be told by some of *the booted and spurred*, that, if there were no duties, no branch of industry could flourish. This would be as much as to say, that no branch of industry could thrive without levying contributions upon the rest of the community. Such language is idle, and can easily be refuted. Would not agriculture, the natural business of this country, thrive, if our ports were made as free as Gibraltar or Genoa? Could not more grain, and flour, and beef, and pork, and butter, and lard, be sold, if all the world was allowed to bring us their commodities free of taxation? Why do we consider it of importance, in our negotiations with foreign powers, that we should have our productions admitted by them at low duties? Is it not because there would be a more extensive barter of our commodities for theirs? And would not, consequently, our removal of duties produce the same effect, and extend their barter for our commodities? Common sense will answer yes. “But no,” says the American System, “foreigners will not buy our agricultural productions.” Very well—then we cannot buy theirs. Nothing is clearer than this. Will they give them to us for nothing?

If they will, so much the better. No people could be losers if it were to rain broadcloths and hardware. But the truth of the matter is, that foreigners are not such fools as to give us their wares without full value received. They may sometimes make accidental losing voyages, but, to say that any merchant or manufacturer will ship goods to a certain loss, is to ascribe, to a very close, calculating class of people, a folly, of which they have never yet been guilty. What would be thought of any one who should insist upon it that the ruinous shipments of cotton made from this country to England, in 1826, were designed to injure the British speculators in cotton? To argue seriously on such a subject, is almost impossible. Commerce is an exchange of equivalents, and imports from abroad can never take place into any country where corresponding amounts are not exported.

But, not only would agriculture thrive under a trade perfectly free; manufactures would themselves prosper. All those connected with ship building would flourish beyond any former example. But, independent of these, every species of employment, almost, would advance. For instance, population would increase, calling for additional houses; carpenters, bricklayers, masons, painters, glaziers, plaisterers, brickmakers, lumber-cutters, saw-millers, boat-men, raft-men, lime-burners, cart-men, cellar-diggers, and all others connected in any way with building, would all find an additional demand for their labour. Houses cannot be imported, and must therefore all be made in the country. Indeed, from the very nature of things, the great mass of the products of labour consumed in any country, must needs be produced in that country, arising from the limits which are placed on foreign commerce, by the expenses of transportation, and by the similarity of soil and climate, which occasions a similarity of productions. These circumstances constitute a natural barrier to competition, or, as some would say, a natural protection against foreign competition. If a bushel of wheat can be raised in Pennsylvania, for a dollar, and a similar bushel can be raised in France for the same price, there can be no commerce between those countries, as far as that article is concerned; nor can there be any commerce, if the expenses of transport are too great to be remunerated. At Pittsburg coal can be purchased at four cents a bushel—at New York it is worth twenty cents; but, as far as coal is the only equivalent which an inhabitant of Pittsburg has to pay for New York merchandise, so far is he deprived of the power of purchasing, because the New York merchant cannot find his account in taking coal in payment. From this it will be seen, that, in all commerce, two things are requisite to carry it into effect: *first*, that there should be goods to sell: and, *secondly*, that he who wants to buy them should have something to give in exchange, which the seller is willing to take. We dare say that the Pittsburgers have no limits to the extent to which they would buy New York merchandise, if the New York merchants would take coal in payment. But, as the latter cannot do so consistently with their interests, the former have a natural limit imposed upon their demand.

The same thing precisely exists in reference to the United States and Europe. There is a natural barrier imposed upon the commerce of the two countries, which it is not possible to remove, although it may be greatly diminished by economy in navigation. The natural protection enjoyed by a person engaged in any domestic industry, is equal, not only to the expenses of importing a similar product, but also to the additional expense of exporting the domestic product with which it was purchased.

That this is the case, may be evident, from this consideration: The total mass of foreign goods consumed in this country, if they could be imported by magic, and be paid for by domestic goods, exported also by magic, would cost precisely as much less than they now do, as the expenses of freight, insurance, commissions, and the other charges incident to the aggregate mass of imports and exports. We state this, merely to show, that, without any duties, there is a sufficient protection for domestic employments, and that, under a trade entirely free, foreign competition could only interfere with those few, very few, branches of business, which owe their establishment to the hot-house process, which ought never to have been forced upon the country, and which it would be advantageous for the nation to get clear of with all the expedition that would be consistent with a *reasonable* regard to the interests of those who are engaged in them.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXIV.

february 23, 1831.

The Cotton manufacture. Tax imposed thereby upon consumers. Imports and exports of foreign cottons for five years.

THE tariff people say, that it is not true that the consumers of cotton goods in the United States pay an increased price for the domestic article, equal to the whole duty to which a similar foreign one is liable; and, because they can prove this, by showing that the lower qualities of domestics can be bought at 7 or 8 cents a yard, whilst the duty is $8\frac{3}{4}$ cents, they endeavour to make the public believe that no additional price whatever is paid by the consumer. To do this, however, they are obliged to assert that cotton goods can be made as cheap in this country as in Europe—a position *which is wholly refuted by their adherence to the prohibitory duty*, which they are not willing to abandon in the slightest degree. Can any one believe for a single moment, that such a duty as the one now existing would be adhered to with such pertinacity, were it not from a full knowledge that its removal would bring the foreign article into competition with the domestic? Undoubtedly not. What the precise amount of the tax, which the present duty puts into the pockets of the manufacturers, is, nobody but themselves can tell; but we think we can prove, from testimony furnished by themselves, that the amount is a most enormous one, and such as no free people on earth, but the dupes of the American System would submit to.

It is insisted by some of the manufacturers, that the quantity of cotton manufactured in the United States is 200,000 bales. The writer who furnished the article in the “Encyclopædia Americana,” under the head of “The Cotton Manufacture,” in a communication to us, published in this journal of 26th January, estimates it at 50,000,000 pounds. According to the same writer, each pound of cotton will make 4 yards of cloth—which is less than other statements have made it, and, consequently, there are manufactured, in the United States, 200,000,000 yards.

Now, if the duty upon foreign cotton cloth has the effect of increasing the price of the domestic article only *one cent* per yard, the tax amounts to *two millions of dollars*.

If it increases it *two cents* it amounts to *four millions of dollars*—and,

If it increases it *three cents* it amounts to *six millions of dollars*.

If, instead of taking the estimates of the writer referred to, which are the most moderate we recollect to have seen, and assume, 200,000 bales, of 300 lbs., as the quantity consumed, and 5 yards as the quantity of cloth manufactured out of each pound, according to a Rhode Island statement published some time ago, we should have 300,000,000 yards, which, at 3 cents increased price, would be a tax upon the nation of *nine millions of dollars*.

We shall not, however, at present, lay the tax at more than six millions of dollars, besides what goes into the public treasury, and which amounts to at least three millions of dollars more, as will appear from the following.

The quantity of cotton piece goods imported into the United States—white, printed, and coloured—with the quantities exported, was as follows:

<i>White—Imported.</i>	<i>White—Exported.</i>
1825 \$3,326,208	\$705,339
1826 2,260,024	682,407
1827 2,584,994	495,188
<i>White—Imported.</i>	<i>White—Exported.</i>
1828 2,451,316	406,623
1829 2,242,805	302,435
<i>Printed & Col'd Imp.</i>	<i>Printed & Col'd Exp.</i>
1825 \$7,709,830	\$1,105,252
1826 5,056,725	1,032,381
1827 5,316,546	964,904
1828 6,133,844	1,402,103
1829 4,404,078	751,871
\$41,486,370	\$7,848,503

Now, deducting the exports from the imports, we have an aggregate of \$33,637,867, the amount of foreign cotton goods consumed in the United States in five years, being, upon an average, \$6,727,573 per annum. What proportion of these goods were low priced, we have no means of ascertaining. Upon none of them, however, was the duty less than 25 per centum, and, if there were any which cost as low as $8\frac{3}{4}$ cents per square yard, the duty was 100 per centum. That there was a great proportion of them which cost as low as 12 cents, we have the evidence of an intelligent merchant, familiar with the English trade, for asserting; and the duty, therefore, we think, will not be overrated, if placed, upon the whole, at 50 per cent. on an average, or say \$3,000,000.

Leaving out of the question the amount which goes into the treasury, let us now see how the bounty of six millions, paid to the manufacturers, operates. By the improved machinery now in existence, it is possible for one person to spin, in a day, as much cotton as will make fifty yards of cloth, and it is possible for another person to weave fifty yards of cloth in a day. At this rate, each twenty-five yards of cloth calls for the labour of one person, and, consequently, one person, in a year, or three hundred working days, can make 7,500 yards. At this rate, it would require 26,667 operatives to make 200,000,000 yards. But we have no objection to fixing the number at 50,000, which is nearly double, and we presume that no one will say that we have here underrated the operatives required to spin and weave all the cotton cloth manufactured in the United States. Now, if this number be assumed, it will follow, that, if the duty on cotton goods increases their price *one cent* a yard, it operates as a bounty of *forty dollars a head*, per annum, upon every man, woman, and child, employed throughout the United States, in the cotton manufacture, which is precisely equal to the pension

which the State of Pennsylvania thinks it enough to allow to the old revolutionary soldiers, who fought and bled for the emancipation of the country from the very sort of tyranny now practised by a majority of Congress. If the duty, however, operate as a tax of *two* cents per yard, it will be equal to a bounty of *eighty* dollars per head, and if of *three* cents, it will be equal to a bounty of *one hundred, and twenty* dollars a head, for every operative, young and old, male and female. This bounty, it will be recollected, is paid to the master manufacturers, *over and above* the fair price of the cloth—that is, the price which the consumer would have to pay for it if there were no duty. In other words, it is paid as a *gratuity*, and, as this latter sum is much more than the whole labour of all these persons is worth, keeping them employed in the cotton manufacture adds no more to the wealth of the community, than if they were all kept turning grind stones, without any thing to be ground.

Let the restrictionists say what they please, their system, in all its parts, comes to this, and, if any one of them is inclined to attempt to refute this reasoning, our columns are open to his communications. We have examined this subject attentively. The facts we assume as the basis of our reasoning are such as any man can ascertain to be true, and the conclusions are necessary results from those facts. We now declare, and we defy contradiction, that it would be advantageous for the consumers of cotton goods in this country, rather than adhere to the present system, to raise a fund, similar to the fund we have recommended for the sugar planters, and to pay out of it a sinecure of five thousand dollars a year, to every proprietor of a cotton factory in the United States, supposing them to amount to two hundred, and a salary of one hundred dollars a year to every man, woman, and child, employed in the manufacture of cotton, as a consideration for standing idle, with their hands hanging down by their sides, and letting the consumers of cotton goods buy them where they can get them cheapest. Against such a proposition no objection could lie, upon the ground that it would be depriving the operatives of their living, for this plan would furnish them with the means of living better, without work, than they now possess, with work.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXV.

march 2, 1831.

Importance of the study of Political Economy as the means of removing the prejudice of the working classes against the capitalists. Such prejudices shewn to be injurious to the former.

THOSE persons who fancy that a dissemination of the true principles of political economy, at this particular day, can have no reference to the general interests of society, except as regards the tariff and internal improvement questions, are in great error. There has been lately awakened amongst the working-men, in different parts of the country, a spirit of inquiry, having for its object the most praiseworthy measures—and, whilst in some quarters it is highly gratifying to observe that sound and sensible views of the true interests of the community are entertained, yet, in others, we regret to say, the most pernicious doctrines are advanced, and such as, if permitted to gain strength, by the apathy of those who are bound to interpose, may bring incalculable mischief on the country.

One of the doctrines which has struck us as being peculiarly destructive of the happiness and prosperity of the nation, is that so strongly urged of late, that the labourer does not get, in the ordinary distribution of wealth, as society is organized, his proper reward. In other words, that the owner of the capital which furnishes the means of employing labour, gets more than his proper share. Now, it is very manifest, that, if this sentiment should become widely diffused, it will lay the foundation for the bitterest animosities and jealousies between those who are designed, by the natural order of things, to be the best friends of each other: and it is the duty, as it is clearly the interest, of all who understand this subject, to assist in the circulation of proper views concerning it. Can any man reflect for a moment upon the condition of things that would exist, if the great mass of the mechanics and other working people were to be made really to believe that they were deprived of their rights by the arbitrary power of the rich, without perceiving the necessity of endeavouring to arrest it? And how is this to be done? By a study of the science which teaches how to explain the relations between the capitalist and the labourer; or, if time or taste is wanted for such a study, *by contributing towards the support of editors and lecturers* who are qualified for the task, and in no other way.

Our attention has recently been drawn to this subject, by noticing, in the “Practical Politician,” published at Boston, a correspondence between the Corresponding Secretary of the Dorchester Working-Men’s Association, and Stephen Simpson, Esq., of Philadelphia, which first appeared in the “Mechanics’ Free Press,” of the latter city, in relation to this subject. The former gentleman addressed to Mr. Simpson a letter, asking his opinion as to the best means of remedying the evil of deficient rewards for labour. From Mr. Simpson’s reply, dated on the 31st December, 1830, the following is extracted:

“ ‘The relation between the prices of labour, and of real property, or land,’ is fraught with important queries and deductions. This question embraces *rents, the rates of interest*, and other topics of great interest. Property, lands, rents, interest, &c., have all been rated *too high*, from the prevalence of an opinion that the *capitalist*, the land proprietor, &c., were more *meritorious and honourable* than the humble bee who fills the hive with honey. It was, no doubt, on this *feeling*, that labour was originally depressed, and the scanty pittance of bare livelihood allowed by the lord to his vassal. It is self-evident that justice never ordained the present relation between the labourer and the capitalist. Its origin was *feudal barbarism*. Land derives its value from the *labour* bestowed on it; and reason and equity decree a due proportion to him who toils, of its fruits. When the labourer can barely live, after paying his rent, and accumulates nothing—it shows that the rent is extortionate, and lands bear a disproportionate value to labour. So with interest, and the cost of land on sale. These species of capital are all too high, as is proved by the *poverty* of the producer and the opulence of the capitalist. Effects like these at once proclaim the radical injustice of the principles that enter into the distribution of wealth. The man whose labour imparts its value to the land, should receive a proportion of the profits, which, accumulated judiciously, would enable him to purchase the same in a certain number of years—not remain for ever a slave and a beggar, whilst the proprietor is daily adding acre to acre, and thousands to thousands, without stirring from his easy chair. Under existing regulations, I need not remark, to one of your habits of observation, that the son of industry is almost forever the slave of penury—whilst the capitalist swallows all the fruits of his toil, in rent, interest, &c. How shall this be corrected? The man of industry is under the *necessity* of working to live—but the capitalist will only employ him on his own terms; the former has no remedy, therefore, but at the polls—to vote for men who will bring society to its *first principles* of sound constitutional justice, and decree to merit its reward—not reward idle wealth at the expense of merit.

“As it is labour that gives value to every commodity—to land, houses, mines, &c., &c.,—so have I ever held it a just principle, in regard to the wages of labour, that *skill and industry* should ever be to their possessor as much a source of competency, as capital; in other words, industry and skill ought to be real *capital* to the working-man, which should yield him as *large a share of profits* as the money-capital of the stockholder does, through the man who *produces* his interest and rent.”

In these remarks, advanced, we are quite sure, in sincerity, and with a laudable zeal for the interests of the working classes, we are sorry to say, that there lie the seeds of great mischief, such as we are persuaded Mr. Simpson would not voluntarily be the means of occasioning. They have already appeared in two papers, and perhaps will be extended to more, and thus will a heresy be widely diffused, under the sanction of a gentleman who received a very considerable vote as a candidate for Congress, last October, in the district composed of a part of Philadelphia and the Southern Liberties. With Mr. Simpson we have been personally acquainted from early life, and we have no feelings towards him but those of kindness—but, as we most decidedly object to his doctrines as above put forth, we will offer a few remarks, with the view of pointing out what we conceive to be their error.

The first unsound position in the above quotation is contained in these words: “Property, lands, rents, interests, &c., have all been rated too high.” This we understand to mean, that the man who has property to sell can get more for it than it is worth; that the man who has lands and houses to rent can get more for them than they are worth; that the man who has money to lend can get more for it than it is worth. Now, what evidence is there that this is the fact? The value of any species of property and commodity is, and can only be determined by *the competition of the market*. If a house will sell for ten thousand dollars, it is because the purchaser prefers the house to ten thousand dollars, and it is just as fair for the seller to argue that the ten thousand dollars are rated too high, as it is for the purchaser to argue that the house is rated too high. The same is true of a tract of land. The buyer and seller each prefers the article he has acquired by the exchange—the one prefers the money, the other prefers the land. So in the case of rent. The man who wants a house has the choice of all the empty houses. If A asks too much rent, he may apply to B—if B asks too much, he may apply to C. To all these people it is just as desirable to have a tenant, as it is for the man to have a house, and the price that must be paid for the rent will depend upon the competition of the market, and the tenant will have no more right to say that the landlord charges too much, than the landlord will have a right to say that the tenant pays too little. The case is the same in reference to the interest of money. There are hundreds of lenders, and there are hundreds of borrowers, and the interest of money, in any given place, upon *undoubted security*, will always be determined by the competition that is carried on between them. Where, however, the security is doubtful, or where laws interfere to prevent the natural competition of the market, by imposing penalties upon loans made at a rate exceeding a fixed per centage, there, indeed, an additional charge will be made for the increased risk, and for the odium and hazard incurred by taking more than the legal rate. But, in neither case has the borrower any more right to complain that the lender fixes the interest too high, than the lender has to complain that the borrower fixes it too low. Indeed, there is no possible mode of determining the exchangeable value of a thing, but the price it will bring; and, to pretend to say that any article is rated too high, is tantamount to saying that there is another law which ought to regulate prices, than the laws of competition. Such a law it would puzzle a wiser man than those who reason thus to find out, and we doubt if there is a working-man so ignorant of his own interests as to consent to have the value of his labour determined by any other principle than would be afforded by the competition of the whole community.

If the foregoing positions be true, Mr. Simpson is not correct in the doctrine, that the actual rates of property, land, rent, and interest, are owing to “the prevalence of an opinion that the *capitalist*, the land proprietor, &c., were more *meritorious and honourable* than the humble bee who fills the hive with honey.” For, amongst whom could the opinion here referred to have been so prevalent as to settle the rates? Surely it will not be pretended that tenants and borrowers, a body vastly more numerous than landlords and capitalists, could have been so silly as to give more for rent and interest than a fair rate, because they considered the latter more meritorious and honourable than themselves. This could never have been the case; and it is very manifest, that, as it takes two to make a bargain, it is not possible that the landlords and capitalists, from any notions they entertained of their own merit or honour, could have settled the question. And yet Mr. Simpson says, “it was no doubt on this *feeling* that labour was

originally depressed, and the scanty pittance of bare livelihood allotted by the lord to his vassal.” If Mr. Simpson can see, in the condition of the free labouring population of this country, any similarity to that of the vassals of the feudal lords, he sees what we have never discovered, and what we doubt if any working freeman in this land has ever yet discovered. The laws which regulate the rate of wages, where each one of the contracting parties has an equal right to stipulate for terms, is as distinct from those which prevail where one party alone has the power to decide, as liberty is distinct from slavery—and there is between them such incongruity, that the one system never could have had its origin in the other. The laws of competition would have existed if there had never been a vassal in the world, and the wages of labour in this country are neither higher nor lower than they would have been if no feudal system had ever been heard of.

But “Land derives its value from the labour bestowed upon it, and reason and equity decree a due proportion to him who toils, of its fruits.” There can be nothing more true than the latter branch of this proposition, nor is there any thing more true than that he who toils on the land *does get* “a due proportion of its fruits.” Were this *due proportion* not received by farmers and agricultural labourers, they would very soon abandon the land in the old settled countries, and go to the West, where they can procure land for a dollar and a quarter an acre—or, if they have not the means to purchase, where they can rent a farm for a very low sum, or where they can command, for a week’s work, as much of the fruits of the land as they can consume in a month. The illustration of land was badly chosen on this occasion. No man, who reflects upon the toil, and labour, and expense, of clearing a farm, of fencing it, of erecting a dwelling-house, a barn, stables, and out-houses upon it, and planting an orchard, would consider the rent which the landlord usually receives for it as too great a share of the joint produce of the land and labour; for, let it never be forgotten, in an argument of this sort, that the land does its share of the work of production. That land is rated too high, Mr. Simpson undertakes to argue, from “the *poverty* of the producer, and the opulence of the capitalist.” But, where is the evidence of the poverty of the producer? Is there any class of people in the world so happy, so independent, so exempt from the misfortune of poverty, as the American agriculturist? We believe there is none. But it may be said, they do not rent their farms, they are themselves the owners. If this be so, they are then the very capitalists to whom all this *opulence* is ascribed. But where does this opulence show itself? Is it to be found in splendid mansions, gorgeous equipages, luxurious living, magnificent furniture and apparel? No. We see no such emblems of wealth throughout our republican country. But we do see comfortable and substantial dwellings, fertile and highly cultivated fields, strong teams, comfortable firesides, warm apparel, and abundant tables loaded with wholesome food. These, however, are the fruits of the industry of the *working-man*, united to the profits of the *capitalist*, and this happy combination proves, most incontestibly, that the interests of the two are so fairly and advantageously blended, that the working-man could not do without the capitalist, nor the capitalist without the working-man. But, of all countries on earth, this is the one in which the least odium should attach to land owners—and we are at a loss to conceive how Mr. Simpson could have permitted himself to indulge in a reflection against three-fourths of our farmers, for at least that proportion are capitalists—that is, the owners of their farms.

But Mr. Simpson thinks that those who rent farms, and who, perhaps, by paying an annual rent of one or two hundred dollars, are furnished with the means of maintaining their families in comfort and respectability, pay too much. He thinks that “the man whose labour imparts value to the land”—(he should rather have said imparts value to the seed which he sows for the joint benefit of himself and the landlord)—ought to get enough to purchase the same “in a certain number of years.” Now, we can assure Mr. Simpson, that this is most generally the case. This “certain number,” however, is not very definite. He certainly cannot do it in five years, but may in ten, fifteen, or twenty; and there is no reason why a man who works on a farm, should be able, in less time, to buy out his landlord, than that a sailor on board a ship should, in the same time, be able to buy out the owner of the vessel. The accumulation of capital is a very slow process, and it can only be accomplished with great economy and prudence by those who have nothing but their labour to begin with. But by no people is it more effectually or more extensively accomplished, in this country, than by those who labour. Look at the value of the capital, in farms, and houses, created by labour, within thirty years, in our Western country, and say whether all the fortunes amassed by commerce and speculation, on the sea-board, are to be compared to it, and then say whether there is any foundation for the remark that “the son of industry is almost forever the slave of penury.”

But, “How shall this be corrected?” Aye, that is the question. It is one, however, that is easily answered: *Abolish restrictions on industry*—keep in mind the fable of the boys and the frogs, and never leave out of sight, that, if you protect one class of people in pelting another, you inflict upon the injured class a greater evil than can be compensated for by all the good which is conferred upon the favoured one. Electing to public stations men who hold the doctrines put forth by Mr. Simpson, is the worst of all possible modes of remedying any of the existing evils. They will only make it worse. They do not see where the disease lies. Like Doctor Sangrado, they ascribe the derangement of the body politic to too little blood having been drawn, when it owes its debility to too free a use of the lancet, and thus, in attempting to cure, they kill.

Mr. Simpson, finally, to sum up his argument, says—“In other words, industry and skill ought to be real *capital* to the working-man, which should yield him as large a *share of profits* as the money-capital of the stockholder does, through the man who *produces* his interest and rent.” From this remark it would appear, that Mr. Simpson does not believe that industry and skill do yield the working-man as *large a share of profits* as the money-capital of the stockholder. But do we not see that this is the case uniformly? Farms are let out on the shares very often—the landlord and tenant each taking one half. Very often farms are rented, and the tenant, at the end of the year, after maintaining his family better than he could do if they were hired out at wages, lays up as much as he pays rent to the landlord. We see it also in other pursuits, in regard to the owner of money. A man possesses \$100, which he lends to a mechanic for \$6 for a year. The mechanic converts it into wood, and makes furniture of it, which he sells for \$150—into leather, and makes boots and shoes of it, which he sells for \$175—into furs, and makes hats of it, which he sells for \$200, and so on. We do not believe there is a single article, upon which the labour of a mechanic or working-man is brought to operate, in regard to which the capitalist gets any thing like one-half of the additional value imparted to it by the labour.

But let us take a case, which will present the question most fairly. A mechanic is able to apply his industry upon a raw material, in the course of a year, to a certain extent, which requires a capital of \$1000, we will suppose. Without this capital he would be unable to employ his industry. Now, if he borrows it of a capitalist, he must pay for the use of it \$60 for a year; and we will ask any man if that sum is any thing near the *share of profits* which he himself is enabled to derive from the possession of that capital? In many branches of business the labourer gets nine-tenths of the increased value imparted to a raw material, and the capitalist but one; and yet the one is represented as an extortioner, who can demand his own terms, and the other as a victim to rapacity, who has no share in making the bargain.

We cannot suppose that Mr. Simpson meant to say, that a working-man, whose labour is worth \$300 a year, ought to have as large an income as a man who owns \$10,000. If he chooses that *skill and industry* shall stand in the place of capital, (for they never can be capital itself, seeing that capital and industry are as distinct as a value already created and the mere power to create a value,) he must fix some rule for the adjustment. He certainly would not attach the same capital-value to the industry of a rag-man that he would to that of a hod-carrier—nor would he place the industry of this latter on a par with that of a mechanic—nor would he place that of all mechanics upon the same footing, seeing that some branches of business require more intelligence, bodily strength, genius, and a longer term of apprenticeship, to learn, than others, and that some are more unhealthy, and more confining than others—whilst, between individuals, even of the same trade, there is a great difference, in physical power, in skill, dexterity, industry, and moral conduct, which of themselves confer claims to superior reward. Where, then, shall we find a standard by which to ascertain the precise quantum of *skill and industry* which is to be regarded as the equivalent of a given amount of capital? Where shall we find it? Nowhere but in the market rate of wages and of interest, for it exists nowhere else. And when a labourer, in a state of free competition, gets a dollar a day for his work, he receives the precise proportion, neither more nor less, that he ought to receive, in the most equitable of all possible modes of dividing the profits which his labour and the capital of the capitalist have, *by their joint co-operation*, produced. In like manner, the owner of the capital, who receives his six dollars, for the use, for a whole year, of one hundred dollars, receives the precise proportion to which he is entitled, under the most equitable distribution. All attempts to disturb the law of competition must be attended with mischief to the labourer. If it be attempted to lower the rate of interest, by law, below the market rate, capital will fly to some other place, to seek more profitable employment, and the labourer will find, that, as he has fewer capitalists to deal with, the rate of interest will be increased upon him.

After writing the principal part of the foregoing comments, a friend placed in our hands a work, published in London, in December last, very intimately connected with the same subject. It consists of three Lectures upon Wages, delivered, at the University of Oxford, by Mr. Senior, formerly Professor of Political Economy in that Institution, and whose Lectures upon the transmission of the precious metals from one country to another, were so deservedly admired by the readers of the Free Trade Advocate, in which they were published by us. These Lectures, which are not long, are preceded by a preface, containing much instructive matter; and, as we do not

know how we could fill up an equal portion of our paper to as much advantage as by giving the whole to our readers, it is our intention to do so. The theory of wages is in itself an abstract subject, and, although one which will not be interesting to all of our readers, we know it will be acceptable to many.

The copy placed in our hands, as above mentioned, and of which we commence the publication this day, was accompanied by a short note, which, as it contains some facts known to the writer, who has lately visited England, we take the liberty of transcribing. The testimony he bears to the services which Mr. Senior has rendered to the cause of science, corresponds with the general sentiment of our friends on this side the Atlantic, who have made political economy a study, and whose opinions are known to us, and we feel well persuaded that they will rejoice to hear that an opportunity will be soon afforded of seeing a complete edition of his Lectures.

“In England the study of Political Economy, as a science, is rapidly spreading, and the principles of the liberal system proportionably extending. The young are growing up imbued with its truths, and reflecting men of every age in the community, uniting in their support, so that we may, ere long, look with confidence for their practical influence in the policy of that government. It is the conquest of reason over prejudice, and, in proportion to the diffusion of sound knowledge, it must and will go on. Nothing has tended more to this improvement, than the introduction of Political Economy as an academic study, into the University of Oxford, and the ability with which the duties of that department have been performed by its late Professor, Nassau W. Senior, Esq., of Gray’s Inn, London. This gentleman, uniting the precision and knowledge of the lawyer to the enlarged views of the economist, has not only shown how happily such studies may be blended, but, by applying to his new duties the nice discrimination and rigid analysis which belong to his actual profession, has added to the strength and clearness of its conclusions. The tenure of the Professorship being limited to five years, he has now yielded it to a worthy successor, Dr. Whately, Principal of St. Alban’s Hall, Oxford, whose merits, as a sound and logical reasoner, are well known. The conditions of the endowment require an annual publication of at least two lectures. Those of Mr. Senior’s, published under this provision, are already well known; and it is understood that the whole course delivered by him, will, ere long, be given to the public. Three Lectures upon the subject of Wages, he has recently republished, as having a bearing upon the present distress of England; the preface to which, now added, points out with great truth, as appears to me, both the causes and the remedies of the evil.”

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXVI.

march 9, 1831.

Adjournment of Congress. Prospects of the Free Trade cause. Upon its success depends the continuance of the Union.

CONGRESS having now adjourned, the city of Washington, for the ensuing nine months, will be no longer the point to which the public eye will be turned to discover the indications of the policy by which this government is to be hereafter guided. Those who are anxious on the subject, who believe with us, that the approaching contest will be terminated by the establishment of a government of unlimited powers, or the overthrow of the American System, who regard the question now at issue as destined to settle the fate of the Republic, will very naturally look to the press for such light on the subject, as may enable them to judge whether any probability exists that the returning good sense of those who have, for a time, favoured the destructive policy which is now shaking this Union to its centre, is, or is not, likely to restore the country to that peace and harmony which all good men must so earnestly desire. Indeed, if some strong indications of a return to the true principles upon which this government was founded, should not be manifested before the next meeting of Congress, that body will assemble under circumstances of the most painful character. Those who have lulled themselves into the belief that the excited state of the South is either partial or evanescent, and that it will subside without the redress of the grievances complained of, have paid little attention to the course of public opinion for seven years, and have profited little by the experience of the last half century in reference to every contest for liberty. Pending the discontents of the colonies which now form this Confederation of States, prior to 1776, the British Government fancied that harsh language and strong measures would silence the complaints of those who were murmuring at unlawful taxation. At a subsequent period, France thought that the kidnapping of Touissaint L'Ouverture, and the letting loose of some kennels of bloodhounds, would quiet the discontents of St. Domingo. When the Spanish king was told that Venezuela, Buenos Ayres, Montivedeo, Chili, Peru, Guatimala, and Mexico were in a state of excitement which would lead to their dismemberment from the Castilian empire, he ascribed such communications to the unfounded fears of those about him, who did not understand human nature as well as himself. Don John of Portugal, exhibited the same incredulity, and, in 1822, when he was told that Brazil would separate from the mother country, he and the Cortes laughed at the silly suggestion.

It is, perhaps, in the nature of things, that those who are in the possession of power should never have a full sense of the danger of overstepping the bounds of moderation in its exercise. Sometimes, however, we see discretion interpose to ward off impending convulsions. Mr. Jefferson gave up the embargo because he saw that the New England States protested against it as an unconstitutional measure, and because he thought that a longer perseverance in it would drive them to a separation. In later times, the British ministry yielded to the Catholics, upon the ground that indications

of an approaching civil war were too manifest to remain unnoticed. But instances of infatuation kept up to the last moment, are, perhaps, most frequent. The expulsion of Charles the Tenth from France, of the House of Orange from Belgium, of Constantine from Poland, were all of them events no more likely to happen eight months ago, than the expulsion of King Philip from France, or of King William from Great Britain is at this day. A very small portion of the dissatisfaction which really exists any where, under oppression, is allowed to show itself in outward acts, and it is only when a storm is raised, that the elements of opposition are truly displayed. Who would have pronounced on the 25th day of last July, that there was in Paris a feeling which, if once aroused by a potent cause, would change the form of the government, and drive headlong from his throne, in the short space of three days, the man who knew not how to respect the charter under which he exercised his power? When liberty is at stake, men care little about consequences, and whether the liberty which has been violated by rulers be that of speech, or of the press, or of the hand, by taking from the mouth of labour the bread it has earned, it matters but little. Redress will be sought in precisely the same way, and with as complete a recklessness of the consequences. Does it not, then, behoove those who have an interest in the perpetuation of this Union, and our republican institutions, to weigh well the mighty results that may flow from a longer refusal to listen to the arguments of those who say they are wronged by the mode in which this Government has been lately administered? Is it becoming a wise and patriotic people to look upon the voice of the Southern states as entitled to no respect, because they do not send to Congress a majority of its members? Have minorities no rights under a government designed to be one of limited powers, and powers expressly limited for the purpose of protecting minorities? What those States complain of, and what they have a right to complain of, is, that the people of the North will not listen to their appeals for justice. They deny the right of any man to pronounce a judgment upon the merits of their cause, without hearing what they have to say. They complain that the northern press is closed to their remonstrances, and that rational, legal, and constitutional arguments are met by denunciations and contumely. Indeed, so coarse a domination, so contemptuous an indifference, and so stubborn a disregard of a decent respect for sovereign States have been displayed, that we do not see how any patriotic mind can behold them with composure.

North of the Potomac this Journal is the only one mainly devoted to the discussion of questions of free trade and constitutional liberty. To its columns, therefore, have its patrons a right to look for such intelligence as may throw light upon the actual state of the contest. Just in proportion as reason and argument appear to be likely to produce the change in public policy, *which can alone save the Republic*, will forbearance and long-suffering operate on the minds of those who almost now despair of redress, except from a resort to measures which they, as well as all others, would deeply deplore. With the design, therefore, of bringing the matter as it really stands into the view of our readers, we shall extract more copiously than we have heretofore done, from the different papers in the North and West, with which we exchange, such articles as may be calculated to show whether or no the anticipations which we have always entertained, that the American System would be overthrown, are likely to be realized.

Already have there appeared some articles favourable to our principles, in quarters where, three months ago, not a breath would have been uttered on the subject, and these may be considered as indications of a latent disposition to come out by degrees in proportion as the public mind is prepared for the truth. The party press will no doubt become more and more enlisted in the contest than it has heretofore been, and many who have not ventured to denounce the restrictive policy, as the American System, will do it as Mr. Clay's System. We shall also copy from our southern and southwestern papers, sufficient matter to enable our readers in other quarters to see what impressions have been produced upon the public mind in those regions, by the closing of the session of Congress without the adoption of a single measure calculated to inspire them with the belief that a relaxation of the restrictive shackles is soon likely to take place.

Before closing these remarks, we take the liberty of soliciting from our various friends throughout the Union, during the season when they make their remittances, communications as to the state of public opinion in their respective neighbourhoods. It is possible for them to make this journal the instrument of great good to the cause which they have so much at heart. The concentration of the evidence which could be furnished by several hundreds of our subscribers, could not fail to afford mutual aid and support, and, as public opinion acquires a body and strength, in proportion as each individual knows how others think and feel, in the same manner that the right wing of an army in an engagement fights better when it knows that the battle is well maintained on the extreme left, much is to be gained by having one common depository of intelligence. The circulation of this paper throws it into the view of near a hundred editors, located in nearly all of the States. It reaches, besides, most of the Departments and Bureaus of the Federal Government, some fifty or sixty members of Congress, who patronize it throughout the year, the Governors of several States, a number of members of State Legislatures, a considerable body of lawyers who travel the circuits, of planters, farmers, and scientific political economists, near a hundred physicians who have patients to visit, four or five Colleges, reading Rooms in several of our cities, and the counting houses of some of the most intelligent merchants. With these chances of circulation, as far as they extend, it may be seen that this paper has access to the most efficient channels for embodying public opinion, which the country affords, and if its future usefulness shall not be equal to its capabilities, it will not be the fault of the Editor.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXVII.

march 9, 1831.

Political Economy taught in several institutions in this country Professor Vethake's Introductory Lecture.

IT is already known to our readers that Political Economy is taught, as a branch of liberal education, in Columbia College, New York, in William and Mary, Virginia, and in the South Carolina College, under Professors McVickar, Dew, and Cooper, respectively. Those who admire that science, and who regard it as one of the chief studies to which the youthful mind should be directed in a country where the avenues to public stations are open to all, will now learn with pleasure that a course of lectures has been recently instituted at Princeton College, a seminary celebrated for the number of eminent and enlightened men who claim it as their Alma Mater. The Introductory Lecture to this course was delivered by Professor Vethake, on the 31st of January last, and has since been published in pamphlet form, "at the request of the Senior Class." A copy of it will be found in our paper of this day, and, as it is written by one who thoroughly understands the subject, and in adaptation to the minds of those who have not yet studied it closely, it will be easily understood by any one who will take the trouble to peruse it. For our parts, as humble amateurs of the science, we feel under great obligations to Professor Vethake for the able and spirited manner in which he has defended the champions of the true faith, by separating them from the ignorant empyrics and quacks, who, because they have stored their heads and their libraries with a mass of statistical tables, fancy themselves capable of teaching doctrines with which they are utterly unacquainted.

In this lecture, which we earnestly recommend to the reader, the Professor very properly urges that every student, who is, as one of the people, destined in future life to exercise the privilege and perform the duty of an independent elector, ought to feel himself bound to direct a portion of his attention to the science. In this sentiment we know that all concur who have themselves examined into the importance of the study. Ninetenths of the misery now suffered by the population of Europe and this country arises from the ignorance of those who are placed at the head of affairs, of political philosophy, a branch of knowledge as indispensable to the statesman, as that of navigation is to the mariner. So long as this neglect of the only means adapted to the accomplishment of the end of good government continues, so long will portions of society be distressed, and so long will there exist a liability to fall into greater evils owing to the want of knowledge of the causes which occasion the existing ones. The case is even now plainly presented before us. Our restrictive laws have deprived more people of employment, in some branches of industry, than have gained employment in others. Their operation, however, being insidious, indirect, and invisible, the mind of the uneducated man is incapable of seeing the cause of his loss of employment. Political demagogues and quack doctors, tell him that his suffering is owing to the circumstance that the restriction has not been pushed far enough, and he, falling into

the snare, advocates a policy, by his vote, which renders his situation, or that of somebody else, more wretched still.

The Professor states, what is perfectly correct, that there is now going on a great contest between truth and error, and he asks, with great justice, “Are we not called on by a sense of duty to take a side, at least, if we have the opportunity of acquiring the requisite information to enable us to make up an opinion? And does not he who remains neutral in such a contest, and in such circumstances, in fact take the side of error, by contributing to retard the progress of knowledge, and to delay the period of the ultimate triumph of truth, which it is in his power, and *which it is his duty to accelerate?*” We recommend these serious questions to the especial perusal of certain of our editorial brethren, who, convinced as firmly of the truth of the free trade doctrines as was Adam Smith himself, are, nevertheless, upholding the cause of what they *know to be untrue*, by closing their columns to free discussions of, if not by positive eulogiums upon, the restrictive policy. We would ask such if they can lay their hands upon their hearts, and say, with a clear conscience, that they are performing their duty as honest men, as virtuous citizens, as pure patriots? Can personal or political devotion to any man, or any party, justify an abandonment of principle, and especially at a period when all the influence of philosophy, and all the aid of integrity, are called in requisition to save the country? We think not, and we trust that the number will be few who will ever have occasion to say, “The time once was, when my co-operation with the resolute few who braved the storm of prejudice, delusion and avarice, but were forced to yield to the blast, might have saved the Union.”

The remarks of the lecturer, upon the objections raised against the science of political economy, upon the ground of its being *metaphysical, abstract, and theoretical*, are perfectly just and conclusive against the objectors, and will be acknowledged so to be by every man who is capable of comprehending the force of a logical demonstration. His strictures, too, upon your anti-theorist, your “practical man,” who believes nothing but *facts*, who is so full of the idea that *one fact is worth a thousand theories*, that he is wholly incapable of designating the cause which produces any given effect, are altogether merited. And he throws great light upon one matter which has been involved in partial obscurity, and that is, the cause of the perseverance in error of those who possess minds capable of perceiving the truth. He says: “All men are slow to alter the opinions in which they have been educated, and which have been, as it were, interwoven into their general system of thinking, and intimately associated, perhaps, with many other favourite doctrines; *and such alteration is more especially difficult, if the individual have, in mature or advanced life, committed himself before the public in support of his opinions.*” There is, however, one other principle, as potent as the one he has mentioned, not merely in retaining men in error, but in inducing them to desert the truth, and to embrace error, and that is *self-interest*. This powerful stimulant lies, in this country, at the root of the evil, the existence of which all men of sound political views cannot but deplore. No sooner does a politician, a lawyer, or even a merchant, become a stockholder in a manufacturing corporation, or a co-partner in some cotton, or woollen, or iron establishment, than a new light breaks in upon him, and he falls to work to conjure up a string of sophisms by which he may persuade himself, which he finds little difficulty in doing, that truth is error, and that

error is truth. The same thing happens with those whose selfish views run in a vein of political ambition. If they wish to be elected to public stations, or to receive appointments from those who are already placed there, they straightway reason themselves into the belief that white is black, and that black is white, and they all appear to adopt the creed that there is no such thing as truth—that that only is truth, to any particular man, which appears to him, for the time being, to be such.

To conclude: Professor Vethake asserts, what is perfectly true, that the truths of political economy, are in accordance with the truths of Christianity. The principles of free trade are the precepts of the most unbounded philanthropy. We consider the lecture as a harbinger of good. The reputation of the Professor, for deep erudition in the mathematics, is extensive, and the influence of his name, in connection with this lecture, cannot fail to produce an accession of strength and numbers to our cause.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXVIII.

march 9, 1831.

Impossibility of preventing smuggling. Extent to which it is carried on in Europe. Honourable conduct of the people of the South in not resorting to it as a means of redress.

IN a country situated like the United States, with a sea-coast of near two thousand miles in extent, and separated from a foreign territory for perhaps a thousand miles more, by lakes and rivers, and a mere geographical line, it is almost as physically impossible to prevent smuggling, as it would be to shut out the tides of the ocean. This proposition must be self-evident, and it is therefore clear, that the only protection which exists against the general introduction of contraband trade, is to be found in the moral sense of the people. That moral sense, however, with nine persons out of ten, has its price. Very few, perhaps, would be willing to sell it for a profit of fifteen per centum, but, when the inducement held out is thirty, fifty, or one hundred per centum, there are few, we apprehend, who would refuse to part with it. In forming our opinion on this subject, we must not suffer ourselves to be blinded by too high an estimate of the moral character of our own people. We must look to the broad school of experience in other countries, where high duties and prohibitions have been long familiar, and see how they operate there, and if we find that all over the world, smuggling is connived at, or directly sanctioned, by the great body of the people, we should hardly expect to form an exception to so general a rule. Nay, let the question be asked, what proportion of our citizens would buy a yard of cloth at seven dollars, from a merchant's store, if he could buy one, next door to him, of the same quality, for six dollars, even though there might be strong reasons for suspecting that the latter had been brought into the country by smuggling? Would the great mass of the people ever think it incumbent on them, if a grocer should offer to sell sugar at five dollars a hundred, whilst others asked six or seven dollars for the same quality, to enquire whether it was smuggled or not? We apprehend that an answer will be given, to both these questions, by no means calculated to inspire a belief in the existence of any such moral feeling as would operate as a check upon the industry of smugglers, and this, after all, is the main element in this branch of business. If people of respectability and character have no qualms of conscience to urge them to withhold purchases where a suspicion exists, there will be no lack of enterprising rogues to meet their demands.

We have lately made some inquiries on this subject, from persons who have travelled in Great Britain and on the Continent of Europe, and their testimony has satisfied us, that, in the intercourse between France and England, every thing is smuggled, by travellers, that can possibly be concealed. People that would not for the world defraud an individual out of six pence, have no hesitation in pocketing six pounds which ought by law to go into the public treasury. And, not only does this practice extend to the inferior and middling classes of people, to whom the saving is an object in a pecuniary point of view, but to people of the highest rank and fortune. Even ladies, in crossing the channel, are in the habit of concealing upon their persons, laces, jewelry,

and articles of valuable clothing, and, what is the worst of it, no stigma of disgrace is attached to such a transaction, and, in the politest circles of society, the illicit introduction of foreign goods is spoken of by them without any reserve, or the slightest sense of their having been guilty of a dishonest act. Such is the inevitable effect of a long perseverance in tempting duties; and the misfortune of it is, that, after the moral sense has once been broken down, by a duty of fifty per centum, it cannot be raised again by a return to low duties. It is precisely like the taste for liquors. Had the duties on wines and foreign brandy and spirits been kept at a low rate, tens of thousands, who are now drunkards upon cheap whiskey, would have remained to this day temperate drinkers of the former, from which they were driven by the high price occasioned by the duty.

A writer in one of the New York papers, in an article which we lately saw quoted in the National Gazette, asserts, that there are now persons in England who will undertake for *fifteen per centum*, to ensure the safe arrival of goods at certain points of the United States, free of duty. We think this quite probable. A gentleman lately from England has assured us that goods can be insured from London to Paris, by the way of Ostend, against all the risks attendant upon smuggling, for seven and a half per centum. All through South America and the West Indies smuggling is carried on upon a most extensive scale, and it is known to every body, is practised by almost everybody, and excites no compunctions, except those which arise from the fear of detection. Old Don John, of Portugal, when in Brazil, used to say that he knew he did not get above one half his revenue, but he said he should gain nothing by clearing all the rogues out of the custom-house, for that their places would be supplied by a hungry set, who would not be content with a half.

Now, when we reflect that the duties in most other countries are not as high as they are in this, and that their facilities of detection are greater than ours, owing to more limited territory, a more dense population, and greater experience, how can we expect to remain free from contamination? Our custom-house officers may not become corrupt, but our border inhabitants, being driven from honest pursuits by laws restricting their industry, will assuredly not long remain pure. And here we cannot withhold a tribute of respect to the high-minded and honourable conduct of the people of the Southern states, who, having at their disposal the means of destroying the forced manufacturing interests of the North, by a process which in some other countries would have been resorted to without hesitation, have spurned at the idea of accomplishing their emancipation from the burdensome system by which they are oppressed, by ignoble means. Yes, it may be asserted, without danger of contradiction, that there are people in other countries, if not in our own, who, had their interests been lawlessly trampled upon, as have been those of the planting states, would, instead of securing redress by a manly contest for their rights, very soon have settled the question, by the simple operation of shutting their eyes, along the sea-coast, to the illicit introduction of foreign goods, brought to their doors, by their fellow-citizens of other States perhaps, in the same manner that goods are now brought from Canada. For their conduct in this particular, they merit, and will receive, the applause of every honest man; and, if those whose interests have been preserved by this observance of an honourable line of conduct, possessed half the magnanimity

which has been thus displayed, they would unite in doing homage to Southern virtue, and express their gratitude by returning to the paths of justice and the Constitution.

[\[Back to Table of Contents\]](#)

ESSAY No. LXXXIX.

march 9, 1831.

Remarks on a passage in Mr. Mallery's report, declaring that we can manufacture cottons as cheap as the British. This position refuted. Cost to the people of the United States, of supporting the cotton manufacture.

MR. MALLARY in his late report in favour of the Prohibitory System, has introduced the following passage:

“But, suppose the protecting duty withdrawn, and the American manufacturer left to compete with foreign labour on equal terms. Admit the cottons of India, England, and Scotland, and what would be the effect? Within two years, not a single cotton-mill in the United States would be in motion. The immense capital invested in them, amounting to many millions, would be utterly sunk to the country, and their owners irretrievably ruined. And why? *Not because we cannot make the goods as cheap as in Manchester or Glasgow*, but because a war would be waged, by British capital, against American capital—a war of *extermination*. Such a war has been waged upon every article of American industry, wherever the protecting duty has been inadequate, or the law extending the duty so framed that mercantile cupidity, and the cunning of foreign manufacturers, could evade it.”

This sort of logic has been at all times much relied upon by the tariff party, but, as it has heretofore seldom appeared, except in the silly effusions of the political arithmeticians who know nothing of political economy, we have scarcely deemed it worth the trouble of refutation. Being now presented to us, however, in a grave state paper, intended to set forth the creed of the American System as we are to have it in case of the election of Mr. Clay, it ought not to be passed without some special notice.

The position we understand to mean, that, although we can now manufacture cotton goods in this country *as cheap as in Manchester or Glasgow*, which the committee undertake to prove, in a previous part of their report, by the assertion that “large exportations of them are made to foreign countries: they are carried to India, China, and South America, where they are sold to advantage,”—yet, the removal of the duty would lead to such immense importations, owing to the readiness of the foreign manufacturers to sell their goods *for less than cost*, that our mills would not be able to carry on their operations. Let us now examine this position, and see to what it would lead.

The quantity of cotton annually manufactured in the United States is, according to the broadest estimate, 200,000 bales, of 300 pounds each, making 60,000,000 pounds. Assuming the quantity of cloth manufactured from each pound of cotton at four yards, we shall have 240,000,000 yards, equal to twenty yards a head upon our whole population. Now, whatever may be the average price per yard at which these fabrics are produced, it is evident that an equal quantity of similar products could not be

imported from abroad, without incurring the expenses of freight, insurance, commissions, packages, portorage, and other charges, from which the American fabric would be exempt. We think that one cent per yard would be a low estimate for these increased expenses, and, if that position be granted, it will follow, that, in order to enable the foreign manufacturers to enter our market upon *equal terms* with the American, they must agree to lose, at the very start, one cent a yard, which, upon goods costing from 5 to 10 cents per yard, would be from 20 to 10 per centum, making an average of 15 per centum. But it must be recollected that this loss of 15 per centum would not of itself answer the purpose of breaking down the American manufacture. The American manufacturer would still be able to stand his ground: for, even with this loss on his shoulders, the foreign manufacturer would not be able to undersell the American. He would be merely able to sell at the same price, and, as such a trade would be a senseless one, promising a certain present loss, without the prospect of any eventual gain, it certainly could not long be continued. No manufacturer in the world would be such a numbskull as to send goods abroad for the purpose of selling them at the price he could get for them at home, sinking, without an equivalent, all the expenses of the voyage, and even incurring the risk, well known to British manufacturers, of never getting paid for them at all.

But we think we can hear Mr. Mallary say, “Aye, but the foreign manufacturer will not be content to lose one cent a yard; he will consent to lose two, or three, or four, or five, rather than not succeed in breaking down the rival manufacture.” Very well—let us examine this position also. The loss of an additional cent per yard would amount to 15 per centum more, making the whole loss 30 per centum. But would a reduction in the price of cotton fabrics, of one cent a yard, which could only take place by a sacrifice, on the part of the foreign manufacturer, equal to 30 per centum upon his invoice, have the effect of stopping all our cotton mills? Would a reduction of two cents a yard do it? It might certainly stop some of those in the middle states, where skill and economy are not so far advanced as in some other quarters, but in New England it would probably not stop one. Would a reduction of three cents a yard do it? For the sake of argument, we will suppose that it would. We will suppose, that, if all our manufacturers were obliged, by foreign competition, to sell their fabrics at three cents per yard less than they now procure, it would be unprofitable for them to manufacture any more. This, then, we will suppose to be the extent of the sacrifice called for, on the part of the foreign manufacturers, to enable them to stop all our cotton mills. And how much will it amount to per annum? Why, precisely four cents per yard upon 240,000,000 yards—that is \$9,600,000, or 60 per centum upon the invoice cost.

Now, can any man believe that any set of manufacturers would be so regardless of their interests, as to give away, *for nothing*, more than one-half their property, in order to induce others to purchase the residue at a mere remunerating price? Human nature, and even human folly, great as it sometimes is, can furnish no foundation for such a belief. If, however, Mr. Mallary thinks that the foreign manufacturers would be guilty of such stupidity, it must be because they would expect some eventual benefit. He perhaps supposes, that, after the American mills had been stopped, the foreigners would raise their price. Very well, let us suppose they do. If they raise it one cent a yard, the New England cotton-mills will again go into operation. If they raise it two

cents, those of the middle States will again go into operation. And, if they raise it three cents, the old price and customary profits will again be restored, and the foreigners would find that they were no better off than when they began; but on the contrary, if they continued their “war of *extermination*,” (*self-extermination* it should have been,) for two years only, they would be nearly *twenty millions* of dollars out of pocket, which by no possible contrivance could ever be regained.

In order to give the slightest pretensions to soundness to the position we are combating, it ought to be shown, that, when the cotton-mills are stopped their value is annihilated, the same as if they were burnt to the ground, or swallowed up by an earthquake. But this is not the case. They are merely shut up, and, although they may sustain some injury from rust and want of use, the loss, besides, which is sustained by the community, is only equal to the interest of the capital invested, which is a mere trifle, compared to the advantages the community would have gained by procuring their supply of cotton fabrics at a diminished cost of three cents per yard. Supposing the whole value, in the United States, invested in buildings and machinery applied to the cotton manufacture, to be equal to ten millions of dollars, (which would pay for five hundred at \$20,000 a piece,) the annual loss, by their being suspended, would be equal to but 600,000 dollars—whereas the gain to the community, in getting 240,000,000 yards of cloth, at three cents per yard less than cost, would amount to \$7,200,000.

But here we shall be told, that the labour of 50,000 people, employed in the cotton manufacture, would be lost to the country. But would that be the case? Could not all those persons find employment in agriculture, or some other pursuit, if they would consent to work at less wages than they now receive at the cotton-mills? We can have no doubt of it; but, as we have to deal with a class of reasoners who admit nothing but what favours their determination to hold on to the American System, we are obliged to argue with them on their own ground. And we therefore contend, that, even should there have been a total loss to the country of the entire labour of these 50,000 persons, the community would still have been gainers—and we prove it thus:

The advantage gained by a reduction of three cents per yard, on 240,000,000 yards of cotton cloth, would be	\$7,200,000
Deduct the interest on capital invested in idle buildings and machinery,	600,000
Also possible injury sustained by want of use,	600,000
Also the value of the labour of 50,000 men, and children, at \$100 each per ann. upon an average,	5,000,000
	\$6,200,000
Leaving a clear gain of	\$1,000,000

At this stage of the argument we shall probably be stopped by another position, which was once gravely put forth by Professor List, viz., that it is no advantage to a country to get goods cheap from abroad. That profound reasoner asserted, in a Lecture delivered at Harrisburg, that it was a great evil to a country to import cheap goods, which could be manufactured at home. This doctrine, carried out to its full extent, maintains that half a loaf is better than a whole one, that one pound of sugar is better

than two, that a roundabout jacket is better than a long coat, and half a cord of wood, of a cold day, is better than a whole one, that a great coat is better than a great coat and cloak besides. To combat such nonsense by serious argument, is enough to try the patience of a saint, and we must therefore leave it for others who have more of that virtue than we possess.

It would seem that those who believe that the foreign manufacturers are ready to make sacrifices to any extent to ruin our manufacturers, have never given themselves the trouble to think who was to bear the loss. Some pretend that the British Government would bear it. It would perhaps be difficult to persuade a certain class of people that this was not the case. There are some editors in this country who profess to believe that the British Government employ people to set fire to our manufacturing establishments, and to kill our sheep. With such people it would be vain to argue: the question with them is not one of *reason*, but of *passion*—and,

“Convince a man against his will,
He’s of the same opinion still.”

We think it much more likely that the British Government, if it were to interfere at all in forcing the manufactures of private individuals into this country, would do it by affording facilities to the trade with Canada, with the view of aiding their clandestine introduction through that channel; but we think no man can seriously believe, that, loaded as Great Britain is with debt and taxes, her government would undertake to pay the losses of individual manufacturers, in enterprises which could not possibly now or hereafter eventuate in benefit. If cotton-mills were like oak trees, which require a century to replace them, and if acorns were a valuable nut, there might be some ground for apprehending the agency of some foreign rival in destroying the existing forests. But, in regard to cotton factories, a couple of years would suffice to replace all there is in this country, even if they were to be destroyed, and not merely suspended. If, then, the British Government is not likely to raise the annual fund of \$9,600,000, requisite to suspend one single branch only of our industry, who will do it? The manufacturers. What manufacturers? Those who expect the benefit. But what benefit? None can ever accrue to them: for the most they can expect, in return for so enormous a sacrifice, would be, to raise the price again to the old rate. As for raising it higher, as many, who think only skin-deep suppose, it would be impossible. If manufacturing is profitable in the United States at present prices, an increase of one cent a yard would only draw fresh capital into manufactures, and down would come the price again to the general level of profits.

But, even supposing that our manufacturers were not to recover, the price could never be raised, abroad, to any point higher than the one which existed at the time of the commencement of the “war of extermination.” For, the very moment that the manufacturers who made the sacrifice should begin to charge higher prices, others, who shared no part of the loss, would step in with their competition, and prevent it. In so large a community as that of Great Britain, combinations of manufacturers are impossible. Competition operates with its full force, and a knowledge of this fact is of itself sufficient to prevent any one class of individuals from embarking in a sacrifice,

the benefits of which, if any accrue, will be just as accessible to others as to themselves.

The more we have looked at this subject, the more are we convinced that this doctrine of foreign sacrifices, to keep down our manufactures, is altogether destitute of sound reason to support it. Great sacrifices are sometimes made by the casualties of commerce, but in no instance, we believe, could Mr. Mallery lay his hand on one, and show that the loss was foreseen at the time of shipment.

[\[Back to Table of Contents\]](#)

ESSAY No. XC.

march 16, 1831.

The Salt duty. Remarks on the speech of Mr. Maxwell in Congress. Congress not pledged to sustain the vested interests of the few, at the expense of the interests of the many.

MR. MAXWELL of Virginia, in his remarks on the subject of the salt duty, in the House of Representatives, used the following language:

“The amount of capital vested in the manufacture of salt, in the United States, is not less than \$7,000,000, which, together with the difficulty experienced by the people of this country, during the last war, in obtaining the article, ought to admonish every one of the importance of having full information upon the subject, and of the propriety of legislating cautiously, lest the manufacturer of American salt be injured, and, in case of a war with a foreign nation, the same consequences result that have heretofore taken place.”

There is no greater error prevailing, on the subject of political economy, than in reference to what are called *vested interests*. There are some people who think, that, because capital has been invested in particular branches of business, the world is to remain stationary, and not to go on in the march of improvement, because it may injure the interests of those who are engaged in them. This is all idle talk. Every man who embarks in an enterprize, under a government like ours, where the laws are liable to perpetual changes, does so with a full knowledge of the risk he incurs. As to the idea of pledges, by the government, that particular duties will be adhered to, whether revenue is wanted or not, it is sheer nonsense, and is entitled to no more consideration, than would be an argument against changing the seat of justice in a county, if called for by the interests of the inhabitants. The owners of the tavern, store, and blacksmith’s shop, in the county-town, would no doubt think it unjust and cruel, and they would probably urge that, when they put up their buildings, they considered the legislature to be solemnly pledged never to injure their property by removing the court house and jail. But what would be the answer of the jurors and suitors? “The greatest good of the greatest number is to be consulted. Our aggregate loss, if we indulge you, will be greater than your aggregate loss if we do not, and this is the question which is to determine the expediency of the removal.”

This, in fact, is the true proposition which is to determine all questions of vested interests, where there has not been a solemn guarantee, for a term of years, by charter; and the expediency of a change must be determined by an account-current, placing on the debit side the loss to be sustained by the vested interests, and on the credit side the gain of the public. Now let us examine this salt question by this rule.

Mr. Maxwell supposes that the total value of the capital invested in Salt-works is \$7,000,000. Of this amount, if it be correct, and we have no means of confirming or

disproving it, a part has been expended in boring for salt-springs, in digging wells, and in constructing buildings, vats, and other necessary works. But a large portion of it must consist of the circulating capital employed by the proprietors, and which exists in the form of salt, or money, or promissory notes from purchasers, or book-debts. Whatever portion that amount may be, a gradual reduction of the duty could not in any event greatly diminish it; and, therefore, when the annihilation of capital is spoken of, that part which is circulating, it must be remembered, does not experience so great a depression as that part which is fixed, and which cannot be applied to any other purpose.

We shall not, however, in this argument, take advantage of this difference, but will undertake to prove, that, even if the removal of the entire duty on salt were to be attended with the absolute annihilation of all the salt-works, and the whole capital of \$7,000,000, it would be a sacrifice from which more would be gained than lost. And we prove it thus:

The loss to the country, from the destruction of property worth \$7,000,000, is equal to \$420,000 per annum, that being the interest of the former sum, at six per centum, and that being a fair equivalent for the use of capital. The quantity of salt manufactured in the United States is estimated, we believe, at somewhere about 4,500,000 bushels, of 56 pounds. The increased price, upon this quantity, of 15 cents per bushel, occasioned by the duty, operates as a loss, to the consumers of salt, of \$675,000 per annum. In other words, were it not for the duty on salt, its price would be 675,000 dollars per annum less than it now is; and, as this sum is greater than the loss that would be sustained by the entire sinking of \$7,000,000, the result shows a clear gain to the community of \$255,000 per annum.

In this statement we have left entirely out of view the additional saving which would result to the community, by the abolition of the duty on salt, in the reduction in the price of near 6,000,000 bushels of foreign salt, now imported, and which would amount to 1,200,000 more. We have also left out of view the saving to the country of a large quantity of provisions which are annually spoiled from a deficiency of salt, particularly in the western country, where the duty on salt adds so much to its price, that an inadequate quantity is very often used.

We are, however, far from believing that the removal of the entire duty on salt would have the effect of breaking up its domestic manufacture. Salt can be made at the New York works, at Salina, at twelve cents per bushel, were it not for the state tax, imposed upon its production, of twelve and a half cents. With this salt no foreign salt can possibly come into competition. As to the works in Pennsylvania, Virginia, and other parts of the western country, the distance from the seaboard operates as a natural protection; and, although the rents of the landlords, the profits of the manufacturers, and the wages of their labourers, would be reduced, yet we think it not at all likely that any but those of the weakest brine would be abandoned. On the seacoast the case is different. Where nothing stronger than the salt-water of the ocean is to be had, the manufacture would perhaps not stand against the competition of foreign salt, and the works would be abandoned. But, in this case, we have shown that the public would gain more than it would lose.

We think the proposition brought forward by Mr. Mallary, for repealing the law which provides for the reduction of the duty on salt from 15 to 10 cents per bushel, to take effect on the 31st of December next, was a highly injudicious step for the manufacturers of that article. We had thought the salt question settled last winter, for some years at least. We had supposed that the opponents of the Restrictive System were so far satisfied with the reduction then agreed upon, that they were not inclined to go further with that branch of industry, so as to compel the salt makers to be the scape goats to bear the sins of all the rest of the protected fraternity. How far that feeling of forbearance has been disturbed by the movement in question, we cannot with certainty say, but we cannot help thinking, that, had it not been for Mr. Mallary's bill, the idea of a total repeal of the duty would not have been suggested, unless in connection with a very general reduction of duties. Upon certain people no experience confers the slightest degree of wisdom. "He loses all, that grasps too much," is as true now as it ever was, and we predict that the day is not very distant, when the manufacturers, who are now weighing their monopolies against the Union, as it were, in a pair of scales, will bitterly deplore the high-handed, uncompromising, and stubborn course, which they are now pursuing, in the vain hope that they can permanently fix upon the necks of the freemen of this country a yoke of oppression and injustice, which has no sanction but in their avarice and thirst of unlawful gain.

And, whilst upon this subject, we take the liberty of referring the reader to an article in another part of our paper, copied from the *Susquehannah Register*, being *the first article, opposed to any branch of the American System*, that we have met with for a number of years, in a Pennsylvania country paper. The article is sound, instructive, and manly, and will, we trust, be followed up by others in the same strain.

[\[Back to Table of Contents\]](#)

ESSAY No. XCI.

march 16, 1831.

Probable course of the restrictive party. Right of Congress to lay protecting duties denied. Should the next session of Congress pass without a reduction of duties, the cause of free-trade will be lost. Great indifference of the commercial cities upon the subject. We look to the agriculturists for rescue from the restrictive system.

IN compliance with the request contained in a communication, published in our paper of the 2d instant, signed “South Carolina,” we shall offer a few remarks on the subject to which it refers.

It is very manifest that the monopolists, who are now enjoying the benefit of exorbitant duties, under the existing tariff, and the party which, from ignorance in some, and political ambition in others, supports them in their injustice, begin now to see the impossibility, after the extinguishment of the public debt, of collecting a revenue, from duties, of double the amount called for by the constitutional expenditures of the government. They will, therefore, very naturally endeavour to create some new demands upon the treasury, in order to justify the continuance of the present duties; and, if they cannot accomplish this by appropriations for internal improvements, or for purposes of general education, or for the support of hospitals and asylums for the deaf, dumb, and blind, they will extend more and more the paternal arms of Congress, so as to embrace every individual who happened to hear the sound of a drum during the revolutionary war. Indeed we see no reason why, in a short time, the national sympathies will not be appealed to for the purpose of allowing a pension to the regular soldiers, volunteers, and militia, who took up arms, during the war of 1812, for a thirty days’ tour of duty. No class of people are disposed to be so liberal to old soldiers as the manufacturers; for, as it costs them nothing to be charitable, but, on the contrary, as they pocket one dollar for every dollar raised for the benefit of the soldiers, they can afford to be the most patriotic people of the whole country. Should this scheme fail, other propositions will be thought of, in sufficient abundance to create a permanent demand upon the public coffers for ten millions of dollars; and we are firmly persuaded that, rather than reduce the duties, persons could be found, who would readily consent to vote that the amount of revenue should be annually collected and thrown to the bottom of the ocean.

In case all these schemes should fail, and the impossibility of keeping up the revenue to twenty-two millions should be seen and acknowledged, the next step will be to remove entirely the duties from those articles which are not at all, or to a very limited extent, produced in the country, such as teas, coffee, spices, wines, drugs, tropical fruits, China-ware, and some others, so as to bring down the revenue to twelve millions of dollars—*retaining all the odious and oppressive features of the system untouched*. Such a course would leave the body of the wrong, against which all the opposition has been levelled, precisely where it now stands, and the cause of liberty and the Constitution would be found to be no gainers. So far from it, such a course

would, as our correspondent justly observes, rivet upon us more firmly than ever the restrictive system, as the settled policy of the country; and it behooves all who advocate the doctrines of free trade to raise their voices against this scheme, before it be too late.

The right of Congress to lay duties directly for the protection of manufactures, has been clearly proved never to have been delegated to that body by the Constitution. Nor has the power to impose such duties, with the design indirectly of operating in favour of manufactures, ever been delegated. Protection, it is true, does result from duties, as a necessary effect—and, when it takes place, nobody has a right to complain; but revenue, and revenue alone, should be the design of the law. Pending the debate in the first Congress, when duties of from 5 to 7½ per centum were proposed, some of the members urged the selection of some particular articles in preference to others, upon the ground that thereby indirect protection would be afforded to manufactures. And if it were now a question in Congress, whether duties should be 5 or 7½ per centum, such an arrangement might be permitted to operate as a means of conciliation. The principle, however, is unsound, even in cases where such small duties as those named are contemplated. The interests of *revenue* and *protection* are adverse to each other. Revenue requires imports—Protection requires prohibition; for it is only by prohibition, to some extent, that the manufacturer can be protected. If revenue alone were consulted, the duties would be imposed chiefly on those articles, the consumption of which would throw the weight of the taxation on those who were best able to bear it. When protection is regarded, this great principle is lost sight of, and taxation may be made to fall upon those who are least able to bear it. This truth is exemplified fully under our present system. Our taxes are made to fall most heavily upon those who are least able to bear them. Coarse goods, worn by the poor and working classes, invariably pay higher duties than fine goods, worn by the rich. If the new scheme goes into effect, the enormity of this policy will be still more apparent. Many luxuries will be entirely exempt from duties, whilst the most important necessities of life will remain subject to the highest rates.

But, we doubt if any member of the first Congress, had the question been put to him, as it is to us, this day—"Shall coarse woollen and cotton goods be burdened with a hundred per cent. duty, and shall Imperial tea and Madeira wine be admitted duty free?"—would have sanctioned, by his vote, such a monstrous proposition. It is not possible to believe it—nor can we believe that Congress has any more right to select the objects of taxation, with any other design than to secure the greatest possible amount of duties with the least obstruction to commerce, than it has to impose a duty on carriages with springs, for the purpose of encouraging the manufacture of Jersey wagons.

Should the next session of Congress pass over without such material reduction, in the duties of the existing odious tariff, as will give assurance of a return, after the extinguishment of the public debt, to an equitable scale of revenue duties, the cause of free trade will, in our humble estimation, be forever lost. Our readers will recollect that we have, ever since the establishment of this journal, favoured the belief that the public mind North of the Potomac was in a capacity of receiving the truths of political science, and that a love for the Union would outweigh all the calculations of selfish,

local, and ambitious interests, and would lead to such a spirit of conciliation as could not but eventuate in a settlement of the disputed questions, without the further excitement, at the South, of revolutionary feelings. It is, therefore, with reluctance that we now feel ourselves constrained to confess that our faith in the potency of argument and reason is beginning to waver. The efforts making at the South and South-west, to extricate the country from the trammels of the restrictive system, are not supported, at the North, as they should be; and, strange as it may appear, there exists upon the subject, even amongst those who depend for their support upon foreign commerce, an indifference which almost indicates a bowing of the neck to the restrictive system, as the settled policy of the country. If, therefore, the merchants, whose interests are most directly affected by the anti-commercial policy, no longer feel themselves identified with the advocates of free trade—if they will neither, by their intellectual nor pecuniary aid, contribute to the support of the only means, short of revolution, by which the policy favourable to their interests can be restored—how is it to be expected, that those who possess less intelligence, more limited means, and a less direct interest, will do it? That we may not be misunderstood, we shall descend to some particulars.

The city of Baltimore is a commercial city of considerable extent, possessing a population of probably 80,000. The tonnage of Maryland, chiefly, as we presume, belonging to Baltimore, was, in the year 1826, registered 62,127 tons, enrolled and licensed, 90,538—making an aggregate of 152,665 tons. The imports of the state, in that year, were \$4,928,569, and the exports \$4,010,748. *In that city there is not a single paper, as far as we can learn, that even breathes the name of free trade!*

The city of Philadelphia contains a population of about 140,000. The tonnage of Pennsylvania, all belonging to Philadelphia, was, in 1826, registered 63,443 tons, enrolled and licensed 9,242—making an aggregate of 72,685 tons. The imports, in that year, were \$13,551,779, and the exports \$8,331,722. In Philadelphia there are seven daily and several weekly newspapers, and, amongst them all, *there is but one which ever ventures to publish an article touching even upon the hem of the American System!* Since the removal of the Free Trade Advocate from Philadelphia, in November, 1829, there has not been issued, from the whole press in Pennsylvania, as much, against the restrictive policy, as is contained in one number of our journal.

The city of New York contains a population of upwards of 200,000. The tonnage of the state, almost wholly belonging to the city, was, in 1826, registered 161,452 tons, enrolled and licensed 156,986—making an aggregate of 318,438 tons. The imports, in that year, were \$38,115,630, and the exports \$21,947,791. In this city there are nine daily papers, of which three are favourable to free trade, and are politically opposed to the American System candidate for the Presidency. The rest, with one exception, are opposed to the present administration, and if they are in favour of free trade they touch upon it so lightly, that, from the complexion of their columns, one is led to believe that most of them would prefer their favourite candidate and the American System, to his defeat and free trade.

The city of Boston contains a population of upwards of 60,000. The tonnage of Massachusetts was, in 1826, registered 183,177 tons, enrolled and licensed

164,980—making an aggregate of 348,157 tons; but what proportion of it belonged to Boston we are unable to say. The imports of the state were, in that year, \$17,063,482, and the exports \$10,098,862. *In Boston there is but one paper which advocates the principles of free trade!*

From the foregoing exposition it will be seen, that, in the cities of the North, the ancient commercial spirit has become almost extinct. Political devotion to certain individuals, and hatred of others, have overturned the sound theoretical and practical views for which our merchants were formerly distinguished; and it unfortunately seems, that, for the purpose of placing some men in power, and putting others out, the press is kept in a state of silence upon vital questions, which are of far more importance to the country than the elevation or rejection of any individual, whoever he may be. *Men, not Principles*, is now emphatically the doctrine of thousands, who formerly would have repudiated so immoral a precept; and it is, no doubt, to this perversion of honest and honourable feeling, that the press is made to bow.

The time once was, when the American merchants prided themselves upon their acquaintance with the true interests of the country, and when they took a lead in the advocacy of the principles by which alone those interests can be promoted. The time once was, when, as a body, they were looked up to for light; when their influence in all our commercial cities controlled the press and made it subservient to the cause of freedom and general prosperity. We well recollect the day when the columns of every paper, save one, in Philadelphia, were open to the most full and free assaults upon the restrictive policy, and when a merchant, who was favourable to that policy, would have been regarded with amazement. Shall we ever again behold those days? We fear not. The redemption of the country from the bonds of the restrictive system will be accomplished, if ever it be, by the sons of agriculture, and it is to that portion of our fellow-citizens to whom we are mainly to look for our rescue. As evidence of what the commercial character, intelligence, and spirit of this country, *once was*, we have a document, which we shall shortly lay before our readers. It is a Memorial, adopted in the year 1820, by a “*Convention of Delegates*, representing the merchants, and others interested in commerce, assembled at Philadelphia.” It is replete with sound views, exhibits a masterly acquaintance with the principles of national economy, expressed in language of no ordinary cast, and cannot fail to be read, by every lover of the doctrines it so ably espouses, as a precious monument of the mercantile wisdom of days that are past

[\[Back to Table of Contents\]](#)

ESSAY No. XCII.

march 23, 1831.

The trade of the Western country. Practical operation of.

THE following article is copied from the “Cincinnati Daily Advertiser,” of March 3d:

“*Shipments from Cincinnati.*—We have conversed with a number of gentlemen engaged in the pork business, and, from the best information we can obtain, the returns (at usual prices) for pork, bacon, and lard, shipped from this port this season, will not fall short of *one million and a half of dollars*. The quantity put up here, and in the vicinity, to Dayton included, is greater than it ever has been. We have it from good authority, that there are now twenty-five thousand barrels of flour at Dayton, together with a quantity of whiskey, pork, bacon, lard, &c., waiting the opening of the canal, which, judging from the appearance of it yesterday, will not be navigable for several days to come—it has now been closed nearly three months, and has occasioned much loss and distress to the upper part of the city. The extra business, and the facility of getting to market at the most desirable time, would, in two or three years, pay for turning it into a rail-road.”

Almost the whole of the above quantity of pork, bacon, and lard, descends the Ohio and Mississippi river, to New Orleans, from which it is shipped to the West Indies, or the Atlantic cities, except the part which is consumed in Mississippi and Louisiana. Let us now compare the result of this operation, as it is now carried on, with what would take place if our duties on foreign commodities were low.

In exchange for this produce, the Ohio farmer no doubt desires to get, out of the store of the merchant who buys it of him, as many store goods as the merchant can be induced to give; and would he not, therefore, be greatly benefited, if the merchant could afford to sell him goods at a cheaper rate—or, what is the same thing, if the merchant could afford to give him more dry goods, sugar, salt, iron, and such other things as he might want, in exchange for his pork, bacon, and lard? Now, if it were not for the present high duties, there is not a single article that the farmer desires to get at the store in Dayton or Cincinnati, which could not be purchased at a much cheaper rate than now; and the only question for him to decide, in order to enable him to judge how far he is benefited or injured by high duties, is this: Should I get as high a price for my pork, bacon, and lard, if the duties on foreign goods were reduced, as I now get? To this question there could be but one answer. If duties were reduced, we should consume more foreign goods, because they would be cheaper, and other nations, finding us to become better customers in buying of them, would necessarily buy more of us. The market for pork, bacon, and lard, would consequently be extended—more could be sold, at the same price, whilst of all store goods the prices would fall. But, not only would the foreign demand increase—the domestic demand would also increase. The saving of the great mass of the people, in getting their foreign goods cheaper than before, would give them the means of buying more pork,

bacon, and lard. How a truth, so self-evident as this, can long remain concealed from the Ohio farmers, we are not able to imagine.

[\[Back to Table of Contents\]](#)

ESSAY No. XCIII.

march 23, 1831.

The Coasting trade. Causes of its great increase. Shewn not to arise from the restrictive system.

MUCH reliance is placed, by the political arithmeticians, upon the fact, that the coasting trade of the United States has greatly increased since the year 1816, and they bring this forward as proof of the wisdom of the restrictive policy. This, however, is only another instance of that confusion of intellect that occasions effects to be ascribed to wrong and inadequate causes, which is observable in the whole course of their reasoning when they undertake to travel out of their vocation, and meddle with political economy.

The increase of the coasting trade is due to the following causes:

First. To the increase of population, and of course to the increase of demand in each state for the particular products of the others, in the cultivation or manufacture of which they possess some peculiar natural or artificial advantage.

Secondly. To the absolute increase of productions, arising from the improvements which have taken place in every branch of industry, of late years, and which enable the same number of labourers to produce a greater quantity of commodities than before; which increase would have taken place, and have called for an increase of the coasting tonnage, even though the population had not been increased.

Thirdly. To the extensive settlement of the Western country, which has multiplied the rude products of agriculture, having their outlet through the Mississippi, and their market in the Atlantic states.

Fourthly. To the improvements in steam navigation, which now render it possible for the Western country, as high up the Ohio river as Pittsburg, to get from New York, Philadelphia, and Baltimore, via New Orleans, many foreign commodities, which were formerly transported by land.

Fifthly. To the gradual tendency of New York to draw to herself a disproportionate share of the foreign commerce of the country, owing to her great commercial advantages—which tendency diminishes the direct trade between various ports of the United States and foreign countries, and leads them to carry on their foreign exports and imports, by coasting tonnage, through New York.

These causes are amply sufficient to account for the chief part of the increase of the coasting trade which has taken place since 1816; but,

Sixthly. A further increase, to a *limited extent*, is to be ascribed to the transportation of commodities to and from the states where the manufactures of cotton, wool, iron, and sugar, have been forced. The precise extent of this increase cannot be ascertained, but a little reflection will show that it cannot amount to much. By way of illustration, let us take, for example, the boasted article of cotton. The consumption of this article, by the manufacturers in the United States, is estimated at 200,000 bales. A ship of five hundred tons burthen will carry 1500 bales. From Charleston or Savannah, to the Northern ports, eight voyages can be made in a year, and from New Orleans four, making an average of six voyages—and, consequently, *twenty-three ships*, of the size we have mentioned, are sufficient to transport the whole 200,000 bales from the states where they are produced, to the states where they are manufactured. The same vessels can also, on their return voyages, transport all the fabrics which can be made out of that quantity of cotton; and it will thus appear, that twenty-three ships, or an equal tonnage in vessels of other sizes, are sufficient to do all the coastwise carrying which is required by the cotton manufacture. Now, although the establishment of the cotton manufacture in this country may afford employment through the year for twenty-three ships, yet, it will hardly be pretended that this benefits the general navigating interest of the country as a whole; for, were it not for that manufacture, this same identical cotton would be transported to Europe, and would give employment to more vessels, inasmuch as the voyage could not be performed in the same time.

As to the transportation of wool coastwise, we presume it does not give employment for a single ship. And, as to iron, the quantity exported coastwise, from the middle states, where it is produced, over and above what used to be so exported prior to the high duties, would certainly not occupy more space than would be left by the manufactured cottons shipped in return for the raw cotton.

But the article of sugar, produced in Louisiana, calls for increased tonnage. This is true—but let us see how much it will be. A ship from New Orleans, of five hundred tons, will carry 1000 hogsheads at a voyage, and make four voyages in a year. The quantity transported coastwise we will suppose to be 80,000 hogsheads, the whole quantity produced. It will therefore require twenty ships of that size to do all the carrying that the sugar interest calls for. But is this a benefit to the navigating interest? Would not the importation of an equal quantity of sugar, from the West Indies and Brazil, call for a greater amount of tonnage than is now employed in the Louisiana trade? Nobody can doubt it; and thus it will appear, that the great increase given to the coasting trade, by affording employment for twenty ships, in carrying sugar, is at most a mere substitution of enrolled and licensed tonnage for registered tonnage.

We have, however, one more fallacy to overturn. It is said that the manufacturers of New England consume a great quantity of bread-stuffs raised in the middle states. Now, let us suppose that this quantity is equal to 100,000 barrels, which would afford a barrel a-piece to all the persons concerned in the manufacture of cotton and wool in the whole United States, and then let us see how many ships would be required to transport this quantity. A ship of five hundred tons will carry 5000 barrels, and will make eight voyages in a year, so that, to transport this mighty quantity, which is a great deal more than really goes, in consequence of the restrictive policy, would require *two ships and a half*.

These, then, are all the benefits which the coasting trade has derived from the forced manufacturing policy. More than nine-tenths of its increase are owing to the unrestricted intercourse which is maintained between the different states—in other words, to the principles of *free trade* existing between them; and this great prosperity is nothing but an epitome of the still greater prosperity which it would enjoy, if its twin-sister, foreign trade, were rescued from her shackles. If foreign commerce were entirely unrestricted, we have no doubt that the coasting trade would be vastly more extensive; for, as the prosperity of the whole people would be increased, their power to extend exchanges of the productions of the different states would be also increased.

[\[Back to Table of Contents\]](#)

ESSAY No. XCIV.

march 30, 1831.

The city of Pittsburg. Causes of its growth and prosperity as a manufacturing town. Shewn not to be due to restrictive laws.

THE city of Pittsburg is one of the strong holds of the American System. It is quite probable that there is not, in the whole population, a single individual who ever opens his lips on the subject of free trade, unless it be to denounce it, whatever he may think in relation to it. To attempt, therefore, to convert such a community to the true faith, would be almost as vain as to attempt to convert the Turks to Christianity. It is impossible to change the opinions of those who are determined to listen to no arguments but those which favour their existing notions, and we suppose that it would be just as impracticable to find readers who would pay for this journal, in that city, as it would be to find readers to pay for Scott's Commentaries in that part of Constantinople from which the Franks are excluded. The people of Pittsburg would no doubt be as much astonished to hear it asserted that the restrictive policy was injurious to their prosperity, as the people of Brazil are when foreigners tell them that the use of carts for heavy burdens, which are in general use there, *having the axletree to turn round with the wheels*, is not an advantageous custom. It is nevertheless true—and, if we cannot demonstrate it to the satisfaction of any intelligent man, we should like to see any such point out the defect of our reasoning, and we will cheerfully publish it.

Pittsburg is a city containing, with its suburbs, upwards of twenty thousand inhabitants. It is extensively engaged in manufactures, but chiefly in the manufacture of steamboats, steam engines, and various other branches in which iron constitutes the chief material. This iron is not produced in Pittsburg, nor even in its vicinity, but is transported from a distance of at least one hundred miles, and, until within a year past, during which a canal for part of the way has been in operation, this transportation has been performed by land, at an average expense of at least \$20 per ton. From this it will be seen that the interest of Pittsburg is not at all identified with the interests of the owners of the iron-mines, who are the only class of people in this country benefited by the high duty on iron. So far from it, her interests are directly opposed to theirs. Her interest is to get iron cheap; their interest is to sell it dear. They stand in relation to each other as buyer and seller, and the Juniata iron masters are as much foreigners to the Pittsburg iron manufacturers, as are those of England. To identify their interests is impossible. They never have been the same—they are not now the same—and they never can be the same, unless it can be shown that the interests of the man whose trade flourishes most when he buys raw materials cheap, are the same with those of the man whose trade flourishes most when he sells those raw materials dear. We are almost ashamed to be so particular in elucidating a self-evident proposition, but, as we like to clear the road thoroughly as we proceed in an argument, we think it best to stop by the way and pick up even the smallest pebbles that lie in the path.

Upon the cheapness of raw materials, other circumstances being equal, must depend the greater or less extent of any manufacture. If iron was cheaper, at Pittsburg, than it now is, the greater would be the number of steamboats, of steam engines, of machines, of cut nails, of castings, of chains, of spades, shovels, hoes, axes, crowbars, ploughs, harrows, carts, wagons, carriages, horse shoes, scythes, hatchets, hammers, cutlery, and the various other articles of manufacture which are there carried on. Of this position there can be no denial. There is not, in the whole American "Birmingham," a common labourer who would not see its truth, if presented to him; and the only question, therefore, for us now to consider, is, whether iron is as cheap at Pittsburg, under the present high duty, as it would be under a low duty of fifteen per centum. But first we will advert to the past history of this iron manufacture.

The manufacture of iron for the use of ships, river craft, and for all the various purposes of agriculture, has been carried on at all times since the settlement of Pittsburg, but has become much more extended since the introduction, on the Western waters, within the last twenty years, of steamboats and steam-engines. Owing to the great expense of transportation by land, from the Atlantic cities, in former years, foreign iron was a prohibited article. For several years after the last war, the freight of goods to Pittsburg from Baltimore, the nearest Atlantic port, was never below \$5 per 100 lbs., and was sometimes as high as \$8. This charge, upon iron, would have amounted to \$112 to \$179.20 per ton. But, as the iron mines on the head waters of the Juniata could furnish it at a much less price, on account of the diminished distance, supplies from that source were procured, upon the natural principles of free trade, as being the cheapest that could possibly be got. The position, too, of the Juniata mines, conferred upon their owners the monopoly of the Western supply, a monopoly of which no one had a right to complain, because it arose from the natural operation of things.

In process of time, as foreign iron became cheaper, (for it has been falling in price, in England, ever since the year 1814,) as the price of land-carriage declined, and as water communications were getting pushed up from Philadelphia towards Pittsburg, through the region of the Juniata mines, Pittsburg would have felt the influence of these blessings, had it suited the interests of the iron masters; but they, having long enjoyed the fruits of a natural monopoly, were determined, since that was lost to them forever, to secure to themselves an artificial monopoly, which would put an equal profit into their pockets. Accordingly they have so contrived it, that a high duty is now made to perform the function which mountains and bad roads used to perform before. The iron aristocracy have decreed, that the manufacturers of Pittsburg shall not have the benefit of cheap iron, and thus far they have been enabled to gull them into the belief, that the more they pay for iron the better. We think, however, that this delusion cannot last much longer. After the completion of the Pennsylvania canal, within a year or two, it will be possible to transport iron to Pittsburg, from Philadelphia, at about \$10 per ton; and, consequently, it would be possible for the manufacturers there, if it were not for the duty, to procure foreign iron at \$60 or \$70 per ton, instead of \$100. The land-carriage has of late years been as low as \$3 to \$2 per 100 pounds; but although much lower than before, it has still amounted to prohibition. Now, cannot any body see, who can command the half of an idea, that Pittsburg would be as much benefited, after the Pennsylvania canal is finished, by free

trade in iron, as any part of the country? Nay, would she not be more so in proportion to her size? Nothing is clearer—and how she can longer remain under such delusion, it will be difficult to conceive.

But it may be asked, how has it happened that Pittsburg has thrived under the restrictive system? We answer:

First. That the restrictive system, as far as it relates to iron, which constitutes the great bulk of her manufactures, has never yet reached her. She has procured her supplies of iron from a quarter from which she would have drawn them whether the duty had been one dollar, ten dollars, or fifty dollars, a ton; and,

Secondly. That her natural advantages for carrying on the manufacture of iron are so great, that she would prosper in spite of any restrictive system.

These advantages are, a position at the confluence of two mighty rivers, which flow through a fertile country—a productive soil in her neighbourhood, owing to which provisions are brought to market at a very low price, and enable workmen to live better, upon low money wages, than they can, in some other places, upon high wages—and, lastly, inexhaustible beds of bituminous coal, which enable the manufacturers to supply themselves at the very low price of four cents a bushel, or \$1.44 cents per chaldron of 36 bushels, delivered. The advantages of cheap fuel, in reference to all the manufactures of iron, are too apparent to need illustration, and we shall only, therefore, say, that, in this particular, the Pittsburg manufacturers have a decided advantage, not only over other towns of the United States, but even over the manufacturers of Great Britain. An excise or coastwise duty keeps up the price of it there, and we have now before us a London Price Current, of the 30th of November last, with the following quotations, per chaldron:

Coals, Newcastle, best,	30s. 6d. to 35s.
seconds,	29 0 to 30
Sunderland,	34 3 to 37
Scotch, Welsh, and York,	27 0 to 31

The lowest price here named is equal to \$6, and the highest to \$8.21, per chaldron.

That the difference, too, in the comfort of living, as regards fuel, between a manufacturer at Pittsburg and one at N. York may be apparent, we state that the price of a chaldron of Liverpool coal, in this city, has, for the last six weeks, been at \$12, and is seldom below \$9.

In reference to other manufactures which require cheap fuel, Pittsburg enjoys natural advantages which few other places possess, and the immense extent of country to which she can have access by water, must forever secure her a great and growing prosperity. In order that the advantages which she already enjoys, in regard to the manufacture of machinery, may be made apparent, we can assert, as a fact, that steam engines have been made, within two years, at Pittsburg, upon orders from the eastward, and transported *by land* all the way to Philadelphia, a distance of three

hundred miles. And yet this is a place, the inhabitants of which cry out that they would not be benefited by cheap iron. Why, if they possessed common sense, and would exercise it, they would perceive, that, if the duty was taken off from iron, so as to reduce its price \$30 a ton, that sum would, after the completion of the Pennsylvania canal, pay the whole freight of foreign iron from Philadelphia to Pittsburg, and of steam engines back again, which would enable them greatly to extend the advantages they now enjoy, and which are to be ascribed to cheap fuel, cheap living, and cheap rents. A family in Pittsburg can be supported upon half the sum that one can be in any of the Atlantic cities—and if Pittsburg would rely upon her natural advantages for her prosperity, instead of upon the nonsense called the American System, she would prosper far more rapidly than she has heretofore done. By low duties, her population would procure their foreign supplies of raw materials and other commodities at much less than their present prices, and at the same time the demand for her iron manufactures would be increased.

[\[Back to Table of Contents\]](#)

ESSAY No. XCV.

march 30, 1831.

The consumption of foreign commodities gives employment to home industry as much as the consumption of domestic products.

THE fallacy which the restrictionists use to the most advantage, is the one that asserts, that, by importing and consuming foreign commodities, we afford encouragement to foreign industry, to the disadvantage of our own—that, in fact, it is taking the bread out of the mouths of our own citizens, and giving it to foreigners. This position, which possesses at first sight a plausibility, makes such a strong appeal to the feelings of the great mass of the people, who believe that “charity begins at home,” that it is taken for granted by nine persons out of ten, who are not inclined to take the trouble of thinking on the subject. Nothing, however, can be more erroneous than this belief, as we have often shown in this journal—but as our opponents are constantly harping upon it as an incontrovertible doctrine, it becomes necessary for us to repeat, over and over again, the same arguments, in the hope that some new mode of presenting the question may catch hold of the minds of some, who have heretofore been proof against the force of reason. In a labour like that which we have undertaken to perform, great patience is required; and although we suppose that the great body of our readers understand all these hackneyed subjects, yet there are others, who read our paper, who must be fed with milk, because they cannot yet digest meat.

When foreign commodities are imported, they are not paid for, or they are paid for. This is a proposition which no one can dispute.

If they are not paid for, they are a clear gain to the country, and are as much a benefit to the nation as any gratuity would be to an individual from another individual. No one would think it other than a public gain if it were to rain dollars, or broadcloths, or muslins, or hardware, provided they did not fall on the people and break their heads. Nor could any one consider it other than advantageous to us, if the British or the French should pour into the country whole cargoes of their fabrics, and give them to us for nothing. This is also a proposition which none but an idiot would dispute. To be sure we do not often have an opportunity of experiencing such benefits. Foreigners are very much like ourselves. They have no idea of giving a *quid*, without receiving a *quo*; and hence it may be taken as an incontrovertible truth, that, with the exception of the comparatively small amount which insolvent merchants owe to foreigners, the nation pays for every thing it imports from abroad.

The next question is, how are foreign goods paid for? They are paid for, either—

First. With merchandise, shipped directly to the country from which the foreign imports are received; or,

Secondly. With bills of exchange, drawn upon shipments of produce to other foreign countries; or,

Thirdly. With merchandise procured with American produce in foreign countries, and carried to the countries from which we import; or,

Fourthly. With gold and silver.

Now, whether the payment be made in the one mode or the other, the value given is precisely equal to the value received; and hence it is that commerce is an exchange of equivalents as estimated in the foreign markets where the foreign goods are purchased. All that remains, then, to be seen, is, whether this trade can possibly be carried on without affording as much employment to domestic industry as to foreign industry; for, if it cannot be, the position we are combating must be abandoned as untenable.

If payment be made in the *first* mode, it is self-evident that it cannot be done without employing domestic industry to a value equal to the foreign. No man can ship a cargo of flour to the West Indies, of tobacco to France, of cotton to England, in exchange for sugar, silks, or woollen cloths, without affording employment to the industry of the agriculturists who produce those articles, equal in value to the industry of those foreigners who produce the commodities received in return.

The same principle is equally true of the *second* mode. No merchant can ship a cargo to Holland, and there sell it for bills on England, without affording employment to domestic industry equal to the value of that employed in producing the articles paid for with the bills.

It is equally true of the *third* mode. A cargo of iron or hemp, purchased in Russia, with a cargo of sugar, purchased in Brazil with a cargo of flour, cannot be imported without affording employment to the domestic industry of those who produced the flour, equal in value to the industry of those who produced the iron or hemp.

Nor is there the slightest difference in regard to the *fourth* mode. Gold and silver are as much articles of merchandise as iron and lead, and, excepting the quantity produced in the Southern states, of the latter metal, which is *directly* the produce of American industry, they are, and can only *be*, procured in exchange for the products of domestic industry. So that, viewing the matter as we may, it is impossible to give it any other aspect than the true one, which is, that foreign goods cannot possibly be consumed without giving employment to domestic industry equal in value to the foreign industry employed in their production. Indeed this principle is so plain, that no man can fail to see it, and we defy all the sophistry of the most ingenious champions of the restrictive school to controvert it. If any such will venture to enter upon the task, we will cheerfully open our columns to their communications. We have never yet refused to publish an article from an opponent. Our object is the investigation of truth—and, if a similar disposition was prevalent with the generality of editors, the nation could not long be humbugged by such nonsense as is passed off upon the people for science and political philosophy. Would any man believe that it is

positively in defence of such absurdities as the one we have just refuted, that a party in this country is willing to hazard the very existence of the Union? And yet the fact is even so—for there is not a dogma of the American System that stands upon any stronger ground than this.

[\[Back to Table of Contents\]](#)

ESSAY No. XCVI.

april 6, 1831.

The present crisis calls for increased efforts on the part of the friends of free trade. The tax paid by Pennsylvania for the support of the American System, far exceeds her gains from it. An account-current stated.

OUR friends at the North begin to despond, and, in our humble opinion, the present crisis calls for increased efforts on the part of those who desire to see the principles of free trade established by a revolution in public opinion, and not by a revolution in which the sword shall perform the service which argument and reasoning are capable of effecting. That the party press is gradually coming to our aid, is very manifest—but the obstructions which are placed in its way, in some of the states, are too great to be surmounted but by slow degrees. For a long time yet to come, truth must be mixed up with fallacy, in accommodation to the prevailing prejudices of the day—and it is therefore not difficult to be seen, how important it is that a Banner should be constantly held up to the view of the combatants, upon which the true doctrine is inscribed. The course we have uniformly pursued, has been to maintain the abstract principles of political economy; and, although we may be considered as *ultra* in our views, we offer no apology for them. *They are the truths of science*—and, if others cannot come up to the mark, that is no reason why we should desert the standard.

We hinted, in a late paper, that a powerful demonstration upon Pennsylvania might make a deep impression upon that state. Pennsylvania has no direct interest in the tariff policy at all equal to the injury she sustains from its operation. Estimating her population at one tenth of the whole population of the United States—that is, 1,200,000 souls—and estimating her consumption of foreign commodities in the same proportion—it appears that, of the duties paid into the treasury, she contributes \$2,400,000, the total amount being about \$24,000,000. But this is not the whole burden she sustains from the impost system. She contributes one-tenth of the bounties paid to the monopolists who are favoured by law with the privilege, exclusive to a certain extent, of supplying certain commodities to the people of this country. She pays \$240,000 per annum into the pockets of the sugar planters of Louisiana, of the whole bounty of \$2,400,000. She pays at least \$600,000 to the cotton manufacturers, that sum being equal to the one-tenth of two cents increased price per yard upon the quantity said to be manufactured in the country. She pays at least \$1,200,000 to the manufacturers of wool, increased price, equal to one dollar per head of her population, which any one may see is not an over-estimate. She pays, on the various other articles consumed by her, and which have the benefit of protecting duties in their favour, such as iron, salt, glass, hardware, &c., or which are rendered dearer because their producers are taxed heavily on the articles they consume, an increased price, equal to at least \$1,560,000 more. In short, the impost system, by its direct and indirect operations combined, cannot cost Pennsylvania one cent less than \$6,000,000—that is, five dollars a head on her population—one-half of which, at least, may be placed to the account of the protective system.

Let us now examine, and see what she gains by the protective system. She produces a quantity of iron, equal, say, to 25,000 tons. Most of this iron is produced in the interior, and is not affected by foreign competition. That part of the duty which is imposed for protection does not exceed \$20 upon an average, and, consequently, her whole gain on this article, as a state, cannot possibly amount to more than \$500,000. She produces, in one district only, salt, which is so far out of the reach of the competition of foreign salt, that, if there were no duty at all upon it, the price could not be influenced. She produces cotton goods, but to a very limited extent, compared to her own consumption. The rest of her manufactures are very few of them dependent upon the protective system. They flourished when the duties were low, and they would continue to flourish if the duties were low again. Philadelphia has been prominent for her numerous manufactures ever since the period of the revolution, and her prosperity, so far from being dependent upon the restrictive system, has been injured by it. If an accurate statement could be made, by way of account-current, showing the advantages Pennsylvania enjoys from the existence of the tariff, and the advantages she would experience under a system of unrestricted trade, the balance would be shown to be so greatly in favour of the latter, that not a farmer in the state would hesitate as to the choice. Of this position we are firmly convinced, but the difficulty is, how can illustrations of these facts be brought into the view of the people? The existing press is afraid to touch the subject, because error and prejudice are so widely diffused that loss of patronage and political standing might be the consequence. Nor will people very readily pay for the privilege of reading a paper which they know contains views adverse to their existing notions. In all other matters, where it is desirable to reclaim people from error, the mode usually resorted to is to distribute gratuitously the means of illumination. Experience declares that there is no other effective mode of proceeding. If it were designed to teach Christianity in India, the mode of proceeding would be to *give* the New Testament to the Hindoos, and not to wait until they should come to buy it. Before a man will purchase a book, he must first have the inclination to read it. It must be put in his way without cost. We were for years witnesses of the struggle made in Philadelphia to disseminate the doctrines of restriction. Pamphlet after pamphlet was written, and literally forced upon the people against their wishes. One single individual, as we mentioned on a former occasion, expended a thousand dollars on this system of carrying the war into the enemy's *houses*, and he had the gratification to find that his efforts were at last successful. He absolutely converted a free trade population to the opposite side of the question.

Now, can one who is acquainted with the difference between carrying on a combat with the sharp sword of truth and the blunt weapons of error, doubt of the success which would attend efforts directed to a specific point? We may perhaps attach an idea of too much potency to truth, but we have a very strong impression that the state of Pennsylvania may be carried by a bold stroke, and all will admit, that, if she can be detached from her allegiance to the American System, the fabric will crumble to atoms. At all events it is worth the attempt. The present year offers the most favourable moment for the experiment; and, if we should be seconded in our views by any considerable number of the friends to our cause, we flatter ourselves that we can offer a plan of operation which will be both practicable and economical.

[\[Back to Table of Contents\]](#)

ESSAY No. XCVII.

april 19, 1831.

Reasons why restrictive laws have been established in most countries. History of the Excise System in the United States in 1795.

EVERY one who has examined the subject, knows, that the reason why restrictive laws have been introduced into the commercial policy of most nations, is, that those who have a *great* and *direct* interest in their enactment can always bring their influence and power to bear upon the government more efficiently, than those, even though vastly more numerous, whose interest is *small* and *indirect*. Hence, when ship-owners have wanted navigation laws, to insure them a monopoly in the transportation of commodities, being assembled in sea-ports, and in compact bodies, they have at all times been enabled to present their claims for *protection* in a manner which the rest of the community, who are injured by monopolies of all kinds, have not been able to resist. The same is true of manufacturers: living in cities and towns, they can combine with facility; and, having a direct interest in all they can extort from the pockets of the rest of the nation, they spare neither pains nor money to accomplish their ends. The community, on the other hand—which comprises, in reference to each specific monopoly, every individual in the country who is not directly concerned in that specific monopoly—finding their contributions light, feel an indifference on the subject, and do not take the trouble to prevent the rapacity which by degrees is consuming their substance. The tax of \$4,200,000, now paid on sugar, is contributed by twelve millions of people; but, because it amounts on an average, to only 35 cents a head, it is regarded as a burden of too trifling a weight to merit consideration. And yet three such duties would support the whole expenses of this government after the public debt is extinguished. Now, when it is recollected, that, of this \$4,200,000, more than one half of it—viz., \$2,400,000—goes into the pockets of about five hundred sugar planters in Louisiana, in the shape of a duty of three cents a pound upon 80,000,000 lbs. of sugar—or, if it does not go there, it is a dead loss to the nation, incurred on their account—it is difficult to discover the reason why the zeal of *the few*, to keep on this duty, should be stronger than that of *the many*, to get it off? So in reference to the duty on iron, on cotton and woollen fabrics, and the fifty other articles, the manufacture of which is sustained by plundering the rest of the community, without an equivalent. The direct interests of the few are so great, and the benefits so certain, that they have every motive for activity and exertion. Hence they buy up the press, circulate their fallacious arguments, to prove to the people that high duties make goods cheap, and send men of their own class to Congress, by the votes of their dependents and retainers.

On the other hand, the public, good-natured fool as it is, stands by, with its hands hanging down by its sides, and looks on with as much unconcern as an idiot, who has fallen into the hands of a highwayman. It holds out no inducement for an advocacy of its cause. It neither pays nor thanks those who take up a defence of its rights, but permits them to struggle against prejudice and the bad feelings of those whose

interests or ambition are endangered by their efforts, with scarcely a word of comfort to cheer them on their way. We have long since come to the conclusion, that, were it not for the spark of liberty which has been left burning in the breasts of the Southern people, and the mere abstract love of truth and justice which exists there, and in a few, *very* few, bosoms at the North, the cause of free trade would succumb to the monopolists, and the whole nation be turned over to them, bound hand and foot.

We have been led to these reflections by perusing a pamphlet of 116 pages, published at Philadelphia, anonymously, “for the booksellers,” in the year 1795, entitled “A Short History of the Nature and Consequences of Excise Laws; including some account of the recent interruption of the Manufactories of Snuff and Refined Sugars.” This work affords a remarkable and striking example of the pertinacity with which the manufacturers hold together and resist any encroachments made upon their interests: and presents, besides, some very interesting particulars, of which we shall offer a brief summary, and from which we shall be able to draw some conclusions highly favourable to the cause we espouse.

In the year 1794 a bill was introduced into the Congress of the United States, imposing an excise of four cents a pound upon all tobacco, and eight cents a pound upon all snuff manufactured, and of two cents a pound upon all sugar refined, in the United States. This measure excited the alarm and hostility of the tobacconists and sugar-refiners, who, with great unanimity, combined to prevent its passage. On the 2d of May the tobacconists presented to the House of Representatives a remonstrance against the bill as far as it referred to them, setting forth, in sound and strong terms, the impolicy of such a tax. They deprecated, not only the adoption of excises, as a means of raising revenue, but they particularly urged the inexpediency of imposing a burden upon a manufacture which only dated its existence from the close of the revolutionary war. They insisted, also, upon the obligation of the government to favour domestic manufactures—not, however, by high duties upon rival commodities imported from abroad, for they adopt the precise ground taken by the Philadelphia blacksmiths, and insist upon it that the imposition of a corresponding duty on the foreign manufacture would be “delusive and nugatory”—but by the government’s *merely keeping its hands off*. They say: “Societies are formed in almost every state, to introduce, encourage, and protect, domestic manufactures; and the independence of the United States, in arts, as well as government, must be made perfect, *unless the hand of power shall prematurely shackle with a tax* those exertions which the wise and the virtuous would stimulate with a bounty.”

At the same time a memorial of similar import was presented from the sugar-refiners; and, by way of giving strength to these representations, a meeting of the tobacconists and sugar-refiners [as droll a combination of traders, if one looks at the commodities they deal in, as is easily to be imagined,] was held on the 7th day of May, at which it was, amongst other things—

Resolved, That, on a retrospective view of the taxes on the various manufactures of Europe, scarce any, and not even the article of bread, is exempt; and, as the present measure appears an imitation of the policy of the said governments, it therefore becomes a general concern to the manufacturing interest of this country.

Resolved, That a committee be appointed to invite to a general meeting *all the manufacturers* of the city of Philadelphia and its vicinity, who may be of opinion that an extension of the said contemplated law may affect their rights and interests, in order to present to the view of that Honourable House the destructive consequences attending the completion of such a law, and of which we conceive they are not sufficiently aware.

Accordingly there appeared, on the following day, a notice, of which the following is a copy:

EXCISE—*Citizens Attend!!*—Whereas a proposition has been adopted by the House of Representatives of Congress, for imposing an excise upon two of the domestic manufactures of the United States—(tobacco and snuff, and refined sugar)—and, besides the fatal consequences inevitably attending the immediate objects of the tax, it is justly apprehended that this precedent will hereafter be employed to countenance similar excises, till, by insidious and successive impositions, every art and manufactory will be involved in a system forever odious to freemen, dangerous to liberty, pernicious to morals, and destructive of industry. And whereas it is the duty, as well as the interest, of all good citizens, to resist, by every peaceable and constitutional method, the first attempts to introduce into the administration of a free government those oppressive regulations, which never fail to acquire irresistible force from the increase of their number, and the length of their continuance:

In order, therefore, to obtain the common sentiments and cooperation of the manufacturers of Philadelphia, in support of their common cause, all the manufacturers of malt, hops, beer, ale, and cider, of tobacco, and snuff, of sugar, of starch, and hair-powder, of chocolate and cocoa paste, of vinegar, of glass, of candles and soap, of paper and pasteboard, of leather and skins, of iron, &c., &c., and all other manufacturers whatsoever, together with such other citizens as justly condemn the imposition of excises upon the infant manufactories of America, are earnestly requested to assemble, at the State-House, at 5 o'clock this afternoon, to devise and pursue such lawful measures as the nature of the case may require.—*Philadelphia, May, 8, 1794.*

In pursuance of this notice, a meeting took place, at which sundry resolutions were adopted, and copies were ordered to be transmitted to the President of the United States, and the Speaker of the House, denouncing the proposed excise as “unjust, impolitic, oppressive, dangerous, and unnecessary.” Petitions were also again sent on to Congress, from the sugar-refiners and the tobacconists, remonstrating, in the strongest terms, against the proposed measure. On the 19th of May a memorial from the tobacconists of Baltimore was also sent in. The effect of this perseverance was the striking out of the tobacco bill, the excise upon tobacco; but the majority of the House of Representatives remained as inexorable to the entreaties of the petitioners in reference to the excise upon snuff and loaf-sugar, as the present majority of Congress has been to the entreaties of the blacksmiths, whose sufferings are quite as great, under a tax differing from an excise only in name. The bills were passed by that body; but the tobacconists and sugar-refiners, with a devotion to the principles of liberty as truly Virginian as the commodity in which the former were accustomed to deal, sent

in a petition, on the 26th of May, to the Senate, urging that body to arrest the passage of the bill. In this attempt also they failed, and they then deputed a committee to confer with a committee of the Senate, with no better success; and then, as a last resort, they presented a memorial to President Washington, beseeching him to exercise his constitutional negative, by putting his *veto* on the two bills. This request was not acceded to by the President, and the bills became laws.

After such repeated discomfitures, had the petitioners been merchants or farmers of the present day, they would have abandoned the cause as a forlorn hope. But not so with those manufacturers. With the true spirit of freemen, who spurned at the idea of a partial and oppressive taxation, who “asked not an exemption from taxes, but a security from outrage—who sought not to be less exposed, in occupation, fortune, or person, than their fellow-citizens, but insisted that they ought not to be more,” as they said to the Senate—they tried another channel for redress. In September, of that same year, they sent into the Legislature of Pennsylvania a strong petition, calling upon that body to aid them in the recovery of their rights.

The Legislature of Pennsylvania took no step in consequence of this petition—but the manufacturers were not thereby deterred from prosecuting their claims for redress. Soon after the meeting of Congress, in the following December, a report was made, by a committee of the House, recommending, *as one of the means of paying off the National Debt*, the continuance of the excises on refined sugar and snuff. Much time did not elapse before the voice of the sugar-refiners and tobacconists was again heard in their hall, in the form of remonstrances, urging anew the repeal of the odious taxes. The sugar-refiners, in urging their claims, employed the following emphatic and sound argument: “The sole objects which induce to the formation of government, are, protection of person and property, the inculcation of morality, and encouragement to the arts. In these considerations is government a blessing. But these objects are completely destroyed, and we return to a state worse than that in which we were before the formation of the social compact, when the taxes for the support of that government are apportioned grossly unequal.” We recommend this passage to the perusal of the manufacturers of the present day, for the sentiment is as true now as it was then, and perhaps they may draw from it a little of the moral instruction which they so much need. The remonstrance of the tobacconists also contained some sensible reflections, and urged upon Congress, as the most equitable mode of collecting a revenue, a tax on estates, real and personal—and concluded by expressing their willingness “to subscribe and pay, by reasonable instalments, their several proportions of the public debt, or to submit with cheerfulness to any general system of taxation on property of every description, operating equally on all classes of citizens, in proportion to their means, for the speedy liberation of their country from the weight and danger of the public burdens.”

To give force and effect to these new representations, the pamphlet before us was written and published. It contained, in detail, all the transactions of which we have given the above brief outline, together with copies of the various petitions referred to, and a full account of the Excise System, as it operated in Great Britain, supported by sound and conclusive reasoning. It demonstrated, from the experience of other

countries, the demoralization produced by high duties, in leading to purjury and smuggling, and showed, most clearly, the injustice of all partial taxation.

The petition of the sugar-refiners met with no success, and the excise was continued until the 30th June, 1802, after the election of Mr. Jefferson to the presidency, when it was repealed. The snuff-makers had better luck: in 1795 the excise was taken off, and in place of it a duty was imposed upon all mills employed in the manufacture of snuff—In 1796 this law was suspended, and, subsequently again, in 1797, and on the 24th of April of that year it was repealed. The ground of this abandonment of the duty was, perhaps, more owing to the operations of fraud, than in regard to the representations of the tobacconists. By the first law a drawback was allowed upon snuff exported, equal to the duty, and by the second law a drawback of six cents per pound. In 1795 it turned out, that, whilst the gross amount of duties was \$20,000, the drawbacks amounted to \$25,000.

In this pamphlet one of the matters which struck us most forcibly, was, that, in no part of it, did the manufacturers rest their claims for protection, upon any other act of the government, than merely keeping its hands off. The argument was, “We do not wish you to tax other people for our benefit—we want merely to be exempt from being borne down by partial taxation.” In one of the resolutions adopted at the town-meeting it was expressly asserted—“On the exertions of individuals, America must, after all, rely for her manufactures.” An example of the exercise of the right by a *State*, to protect manufactures, is furnished in this pamphlet, in the following words:

When a manufactory was to be established at Patterson, in New Jersey, Mr. Alexander Hamilton, one of its founders, did not think that *his* institution could bear excessive burdens. He drew an act, passed for its encouragement *by that State*, of date the 22d of November, 1791, and which fills more than sixteen folio pages. By the fourth clause, the lands, tenements, goods, and chattels of the society, were exempted from all taxes levied by the state for ten years. The manufacturers themselves had numerous privileges. Among others, they were, by the fifth clause, exempted “from all poll and capitation taxes, and taxes on their respective faculties or occupations, and from all taxes in the nature of general assessments.” By the twenty-fifth section the society were empowered to raise an hundred thousand dollars by way of lottery.

Another fact is also striking in the history of the revenue system, afforded by this pamphlet. Why was so odious a system of taxation resorted to, at the hazard of a rebellion, when the duties upon imported commodities were so very low as they were in 1794, when cotton goods paid but 15 per cent., woollen but 10, iron but 15, and most other articles proportionably low? It was because the good sense of the nation knew that high duties prevent imports, and that the obstruction of imports prevents exports. Had our legislators of 1794 been of the school of the American System, they would have risked no rebellions, but have shewn the deluded people that high duties make goods cheap, and augment exports.

[\[Back to Table of Contents\]](#)

ESSAY No. XCVIII.

april 20, 1831.

The American System fallacy, illustrated by the motion of a steamboat.

“FATHER,” said a little boy the other day, who was standing on the wharf looking at a steamboat coming *down* the North river at the rate of nine or ten miles an hour, “only see how fast the tide makes that steamboat sail.” “Don’t you see, my son,” said the gentleman who had him by the hand, “that the tide is running up? Only look at that board floating on the water, and you will see that the power of the tide is to make the steamboat go the other way. What you see is not the effect of the tide; it is impossible that the tide can produce a motion opposed to its own direction.” The little boy replied, “Well, but father, I do not see any body pushing the steamboat, and I don’t know what it can be that makes it go if it isn’t the tide.”

This idea was quite excuseable in a child, but when we see grown persons, or rather big children, entertain the same opinions, we cannot so readily excuse them. The little boy’s argument is the precise argument of the tariff party. The tariff is the flood-tide, the sole tendency and power of which is, to make the prices of commodities *go up*. The steam-power is the counteracting influence of improvements in labour-saving machinery, and increased skill resulting from the march of knowledge, science, and philosophy, all of which have a tendency to *carry prices down*, and their combined force being much greater than that of the tariff, they overcome its resistance. When any man, therefore, insists upon it, that the tariff makes prices fall, his powers of reasoning are not one grade superior to those of the little boy above-mentioned, and he may be literally said to cry out, “I don’t know what it can be that makes it go if it isn’t the tide.”

Now any one may see, with half an eye, that if it were not for the opposing tide, the above-mentioned steamboat would have gone much faster than she did; and so it is with the tariff. It prevents things from being as cheap as they would otherwise be, and has had no more to do with the fall in prices which has taken place since the year 1816, than the tide had to do with carrying the little boy’s steamboat against its own current.

We are glad to see that the people are beginning to have their eyes opened on this subject, and, if they would only read over the list of 250 articles published by us, not long since, under the head of “Politics for Farmers,” comprising all descriptions of foreign and domestic productions, every one of which, *with only a dozen exceptions*, had fallen in price since 1816, whether subject to high duties, or low duties, or no duties at all, they would no longer believe that, when the tide is running *up*, it can carry things *down*.

[\[Back to Table of Contents\]](#)

ESSAY No. XCIX.

may 4, 1831.

*Influence of a judicious expenditure of capital upon the welfare of society.
Comparison of the three modes in which incomes are usually expended.*

IN our paper of to-day will be found an Address, delivered before the Agricultural Society of Berkshire county, in Massachusetts, in October last. It contains many sensible reflections, conveyed in agreeable language, adapted to the comprehension of every one, and displays, on the part of the orator, an intimate acquaintance with the operation of a judicious expenditure of capital, upon the welfare of a community.

This subject is one which is not sufficiently adverted to by the great mass of the people. Every body knows, that employment promotes the general prosperity, but few take the trouble of thinking upon the radical difference which exists between different sorts of employment. And yet there is as much diversity in the ultimate effects produced by different species of employment, as there is in those resulting from different climates or soils. We shall illustrate what we mean, by drawing the outlines of three distinct individual characters, each of whom we will suppose to be possessed of a clear income of ten thousand dollars per annum.

Tom is a gay fashionable man, who lives in a house which costs him two thousand dollars per annum rent. A further sum of three thousand dollars per annum is expended in the substantial objects which belong to the support and comfort of every wealthy family—leaving him a surplus of five thousand dollars, which he may expend as his fancy inclines him. With this sum he pays the wages and maintenance of a house full of servants. He has his footman, butler, and French cook—he has a barber to shave him, and a valet to brush his coat. He gives dinner parties and balls, and by his expenditure gives abundant employment to the manufacturers of pastry, confectionary, and ice-creams. He frequents concerts and theatres, and thus encourages the industry of musicians and play-actors—and, at the end of the year, he felicitates himself upon the benefit his expenditures have been to society, by reflecting that he has given employment to a great many people; and that he has done so, no one can doubt.

Dick is a plain domestic man, but, being wealthy, and considering himself bound to live like a gentleman, he also expends in rent and substantials his five thousand dollars a year. But he differs from *Tom* in his mode of expenditure of the balance. He chooses to employ cabinet-makers to add new articles to his furniture, painters to furnish pictures for his rooms, printers and book-binders to increase his library, carpenters and masons to extend his buildings. He also consoles himself with the reflection that he has given employment to a great many people, although to people of a different description from those maintained by *Tom*.

Harry is also a liberal gentleman, and, like the two others, expends the one-half of his income in rent and substantial comforts. He differs, however, from both, in regard to his expenditure of the other half. He too gives employment to a great number of people, but it is by setting them at work in ploughing his land, or in navigating his ships.

Now, if it be supposed that each of these persons shall have given employment, throughout the year, by the expenditure of the second five thousand dollars a piece, to the same number of individuals, it will follow, that, as regards the *immediate* effect produced upon the condition of the latter, the result is the same; and hence it is that those who do not look further than *immediate* effects, are not able to discover wherein the one mode of employment has been less beneficial than another. That there is, however, a vast difference in the *ultimate* condition of these very people, as well as of all the rest of the community, according as the one or the other system of expenditure is adopted, can easily be shown, and we shall proceed to point it out.

In the first place, as regards Tom. Of his five thousand dollars there is not a vestige remaining. It is true that the actual money which he paid away, in coin or bank notes, has not been destroyed, but is still in existence, in the hands of somebody else, in the same manner that the money expended by Dick and Harry is still in existence; but the *quid pro quo* which he received in exchange for his money has entirely vanished. It is impossible to accumulate the product of that sort of industry which consists in riding behind a coach, drawing bottles of wine, standing behind one's chair at table, cooking savoury dishes, shaving a grizzly beard, or brushing a gentleman's coat. It is impossible to accumulate, for future use, the products of the industry of musicians or play-actors—and what has become of his dinners, his pastry, his confectionary, and his ice-creams? All, all annihilated—so that it is plain, that, for all his vast expenditure, he has nothing to show for it; and, if he wants to carry on the same course for another year, he can only do it by means of *another* five thousand dollars.

Let us now examine into Dick's circumstances at the end of the year. He will be found to be better off than Tom—he has something to show for his money, which is capable of administering to his future gratification—he has a larger house, more extensively furnished and ornamented with paintings, which every time they are looked at infuse a degree of satisfaction—he has his library enlarged by a new stock of books, and his mind of course furnished with fresh sources of knowledge. It is true he cannot apply these articles to the maintenance of the same people another year, but he must do this with another five thousand dollars; but any one may see that he is better off than Tom, precisely to the extent of the value, whatever that may be, of what he has to show for his money.

Lastly, we come to examine the result of Harry's expenditure. It will be recollected that he expended precisely the same sum as Tom and Dick, and contributed to the support of exactly as many people. His money, too, is still in the hands of others, undestroyed; and what has he to show for it? Why, a barn full of grain, or a ship full of merchandise, worth more than the five thousand dollars which he expended, and constituting a fund, capable, by its being annually applied in the same way, and its being annually reproduced, to maintain forever the same or a greater number of

people—leaving his income of each future year free, to be applied to the employment and support of *another* set of labourers.

From this statement of the case, it may be easily seen how important it is to a community, whether money be expended in one mode or another. But, in presenting the question, we are far from wishing to be understood as laying down fixed rules for the expenditure of capital. Every man has an undoubted right to do as he pleases with what is his own, and we are not unaware that, in a wealthy and complicated state of society, there must needs be vast expenditures, where the equivalent given in exchange is consumed at the very moment of production, without the possibility of ever again appearing in any other form. Our illustration was mainly designed to show that that prejudice which exists against some rich men of economical habits, because they do not live in style and expend large sums in entertainments, equipages, and retinues, is ill-founded, however honest it may be, if it have for its basis a belief that such individuals do not contribute as much towards the support of the poor as their more liberal and fashionable neighbours.

[\[Back to Table of Contents\]](#)

ESSAY No. C.

may 4, 1831.

Remarks on an Address of a member of Congress, from Maryland. Folly exposed, of the doctrine that we pay money for British goods. Imports and exports of gold and silver for five years. Exports to the British West Indies.

THE following is an extract from an Address to his constituents, lately published by one of the Representatives in Congress from the state of Maryland:

“I am a decided advocate for the protection of American industry, and for distributing among our own mechanics, manufacturers, and labourers, those millions of dollars which we have annually bestowed on the artisans and labour of foreign nations, especially England, who refuses to take the wheat, corn, and tobacco, of our agriculturists, in exchange for their manufactures, and require to be paid in our hard-earned dollars.

“The creation of a home-market is the natural result of the protective system. A single fact will illustrate its value. The small manufacturing state of Rhode Island purchases more of our flour than all the British West India islands.”

When we see such absurdities as these put forth at this late day, by a member of Congress, we almost lose our patience, and are half inclined to the opinion that the time for overthrowing the restrictive system, by argument and reason, has passed. If men, who are elected to legislative stations, are not only deficient in the very elementary principles of the science of government, but persevere in their ignorance, although they have within their reach the means of acquiring a correct knowledge of it, and advance such crudities as is contained in the foregoing paragraphs, we know not how those who occupy inferior stations can ever be made to embrace the truth.

The honourable member seems to suppose, that we pay in hard dollars for every thing we import from England. Perhaps the best way to disprove this fallacy will be to show the amount of specie imported and exported during the last five years, from and to all parts of the world, as is done in the following table, being from the latest published Treasury Reports:

Imports.

	gold.	silver.
1825	\$378,257	\$5,252,661
1826	562,546	5,740,139
1827	1,019,399	6,618,077
1828	738,570	6,216,458
1829	706,028	5,749,839
	\$3,404,800	\$29,577,174

Exports.

	gold.	silver.
1825	\$315,672	\$8,470,534
1826	434,555	3,623,385
1827	820,304	6,139,155
1828	928,384	6,565,804
1829	935,102	3,136,941
	\$3,434,017	\$27,935,819

From the foregoing statement it appears, that the imports, in five years, of gold and silver coin, amounted to	\$32,981,974
And the exports, in the same five years, to	31,368,836
Showing an excess of imports over exports, of	\$1,613,138

This is what the American System philosophers call *draining the country of its specie*, and which silly doctrine the Maryland member appears to have adopted. The operation of it is this. We export our products to the countries where gold and silver are produced, or where they happen to be the most profitable articles of merchandise which our merchants can procure in exchange for their cargoes. After they are brought home, not being called for by the wants of the currency, the channels of circulation being already filled up with other coin and bank notes, they are exported, and for precisely the same reason that they were imported, because they happen to be, at the time, the most profitable articles of merchandise which are offered in the market. Nobody ever brings coin into the country, or takes it out, if any other article of merchandise offers a better profit. No merchant, in his trade, prefers coin to other commodities, because all other commodities pay a better freight for his vessels, by occupying more space; and any man who supposes that coin is brought home if any thing else will give a profit, knows nothing of commerce.

As to the proportion of the above amount of coin that was exported, during the five years, to Great Britain, we have no documents at hand to show, except for the last two years.

In the year 1828 it was	2,292,775
In the year 1829 it was	542,446
Making, in all,	\$2,835,221
Which was very little more than double the quantity exported, in the same time, to the little island of Cuba, which, in the year 1828, amounted to	784,978
In the year 1829, to	525,144
	\$1,310,122

This simple statement, we should think, ought to be sufficient to satisfy any man, who really desires to know the truth, of the utter silliness of any argument which is founded upon the slang—for slang it is, and nothing else—that we export our dollars to pay for foreign goods. If it was not for their exportation, they would not be imported. It is the very fact that coin may be wanted for exportation, that renders it a desirable commodity to bring home—and nothing is clearer, than that if the exportation of coin could be effectually prohibited, by some contrivance never yet discovered, it would not be imported, but would be transported from one place abroad to another place abroad. Instead of importing dollars from Mexico, as we now do, they would be sent direct to Cuba, England, and France, and the other countries to which we now export them.

As to the refusal of Great Britain to take our corn, flour, and tobacco, the assertion is not literally correct. All that can be truly said on the subject is, that her policy exhibits, on the part of her rulers, the same consummate folly that ours does on the part of our rulers, seeing that the British corn-laws and the American System are of the same family, and equally conspiracies against the interests of the working classes, and designed to increase the wealth of the aristocracy. She does admit our corn, flour, and tobacco, but under high duties;—but, if she chooses to compel her people to eat dear bread, and to chew dear tobacco, or smoke dear segars, is that any reason why our Congress should compel the American people to wear dear clothes, eat dear sugar, and build ships, steam-engines, and machinery, with dear iron?

How the honourable member found out that Rhode Island purchases more flour from the grain-growing states, than all the British West India islands, we are not able to ascertain. Every body knows that until lately those islands were closed to our commerce, and we think it would be no easy matter to procure such information as would enable any one to lay down so dogmatical a proposition, without proof. Pray, can the gentleman tell us how much flour Rhode Island imports from the middle states? We doubt very much if she consumes fifty thousand barrels in a year; whereas, the British West Indies consumed, in the year

1823 110,775 barrels flour, and 210,905 bushels corn.
 1824 120,239 barrels flour, and 193,003 bushels corn.
 1825 114,626 barrels flour, and 179,175 bushels corn.
 1826 133,619 barrels flour, and 159,507 bushels corn.

And the quantity would, by this time, probably have been doubled, had it not been for our wise system of thinking, that no bread at all is better than half a loaf. What they may hereafter consume may perhaps appear from the following extracts:

West India Trade.—Between the 1st and 15th of February, seventeen vessels from the United States arrived at Barbadoes, with cargoes; of this number fourteen were American vessels, and the remainder British. The greater number came to an entry—the others went on.—*Bermuda paper.*

West India Trade.—The Richmond Enquirer mentions, that, in the Virginia House of delegates, Mr. Maxwell, “the eloquent and ingenious delegate of the borough of Norfolk,” had stated, in a speech on the Pilot bill, this striking fact, that, since the recent opening of the West India trade, thirty vessels had cleared in one month, from Norfolk, for the West Indies—a fact as strongly indicative of the growing prosperity of Norfolk, as it is creditable to the present administration.—*N. Y. Evening Post.*

[\[Back to Table of Contents\]](#)

ESSAY No. CI.

may 4, 1831.

*Nature of the war carried on between the friends of free trade and their opponents.
Who are the parties arrayed on each side.*

THE war at this day carried on throughout the world between the advocates of Free Trade and the Restrictive System, is one in reality in which the principle contended for, is, whether goods shall be cheap or dear; whether the people shall have two loaves of bread at their dinner, or one; two suits of clothes to their backs, or one. On the side of Free-Trade, although they may not know it, are arrayed, all the philosophers, who by their studies and researches into the hidden branches of knowledge are every day drawing out fresh treasures of wisdom, which are freely spread before the human family, that each individual may profit by their discoveries; all the men of science and mechanical genius, who are constantly occupied in inventing labour-saving machinery, by which the products of industry, whether employed in agriculture, commerce or manufactures, may be attainable with less labour than before; all the industrious classes—farmers, mechanics, navigators, merchants, artisans, and manufacturers who by increased skill in their business, closer application, and the observance of economy in time and expenditure, are every moment increasing the productive powers of land and labour. On the same side are enrolled, all the statesmen of Europe and America, who truly deserve that appellation, and all the philanthropists who are occupied in those unceasing exertions to better the condition of the poor, which we see every where exhibited: In fine, on the side of Free Trade are to be found, all those, in every part of the world, who understand the true nature of liberty, and who exert themselves to establish its true principles, in order that the whole human family may enjoy the greatest possible extent of comforts and blessings which their labour is capable of producing.

On the restrictive side are to be found, in every country, the monopolists of every description, from the man who lives as the great landlords of England do, by plundering the poor man of half his loaf, to the man who robs him of one of his coats, or insists upon it that he shall have but half a spoonful of sugar to his cup of tea, that they may ride in coaches, and riot in luxury. On the same side are to be found no small number of honest but deluded people, who, for want of opportunity, or the ability to examine abstract and difficult questions, have been led into error—and a host of politicians and quack statesmen, who, having no knowledge of the subject of political philosophy, seize upon the Restrictive System as a hobby upon which they may ride into power. To this party also belong, in this country, a few individuals who understand the true nature of the question, but who have not principle, or independence enough to stand up in opposition to the doctrines which their consciences condemn.

The efforts of the Free Trade party are, to make things cheap, or, in other words, procurable, for the least possible quantity of labour called for by the lights and

improvements of the age. The efforts of the restrictive party are to make things dear, that is, cost more labour than is absolutely necessary to procure them. Thus far, however, philosophy, science, ingenuity, and skill, have beat their opponents. Every few days almost we see announced some invention or improvement by which some article can be had cheaper than before, or, of a better quality at the same price, which is the same thing. The power of steam carries the boat faster one way, than the tide carries her the other way, and thus, *in spite of* all the efforts of the restrictive party, she makes headway through the water.

[\[Back to Table of Contents\]](#)

ESSAY No. CII.

may 11, 1831.

Error of ascribing the fall in the prices of goods to the Tariff. True cause pointed out.

THE advocates of high duties upon the necessities of life—that is, the friends of the ‘American System’—are constantly crying out that the protecting policy has made the protected articles cheap. They tell us so because they have observed that prices have fallen, whilst duties have increased; and, not being able to discriminate between a cause which is capable of producing a particular effect, and one which is wholly incapable of producing it, they adopt crude and confused notions, which prevent them from thinking correctly. In a conversation, the other day, in a stagecoach, with a Pennsylvania farmer, upon this subject, he said, that it was enough for him to know, that, since the Protective System had been adopted, cotton goods, iron, and glass, were much cheaper than they were before it was adopted. We asked him if it had never occurred to him that the fall he spoke of, and which we fully admitted, had been occasioned by the late eclipse of the sun? that being a cause quite as capable of producing such an effect as high duties. We asked him if he had not noticed that coffee, tea, chocolate, spices, silks, wines, copper, tin, crockery, and a hundred other things, which we do not pretend to manufacture or to produce ourselves, had also fallen in price?—and, if so, upon what ground could he take it for granted that the tariff had occasioned the fall upon the articles he had specified? The real truth is, that, so far from the fall in the price of the articles which enjoy the highest protection having been occasioned by the high duties, *the fall invariably preceded the increased duties*. Cotton goods did not fall after the year 1816, in consequence of the duty imposed in that year, but the duty of that year was imposed in consequence of the fall which had taken place in 1815, and which rendered the then existing duty inadequate as a prohibition. Again, they did not fall after the year 1824, in consequence of the further increase of duty of that year, but the additional duty of that year was imposed owing to the vast improvements in labour-saving machinery, introduced into the cotton manufactures of England. A further diminution of the price abroad led to the increase of duty in 1828; and the only reason why we do not hear a clamour for more protection, is, that the duty is now *prohibitory* upon all the low-priced goods—and, consequently, the American System operates with its full force upon that one article.

The same facts exist in reference to all the other articles which enjoy the greatest degree of prohibition in their favour. Causes of a general nature, operating throughout the industrious world, have, happily for the human family, enabled a day’s work to produce more than it formerly could be made to produce, and the effect of this has been a decline of price, which brings the article to the consumer at a less cost of labour than it used to cost him before. Four yards of common muslin, which, at 25 cents a yard in 1815, would have cost a day’s labour, can now be had for less than half a day’s labour, and, were it not for the American System, could be had for one-third of a day’s labour. Is any one so blind to his interests as not to perceive that “cheapness” and “dearness” are nothing but other terms to express a greater or less

degree of labour? and is any one so stupid as to prefer to toil a whole day to procure what it is possible for him to procure by half a day's work? In a community like ours, one would suppose that the answer to this question would be a negative one.

Unfortunately, however, it is not so. The prevailing doctrine, in Pennsylvania and several other states, is, that the more laborious the process by which a commodity is obtained, the better. It is better, say they who are under the delusion of the American System, to give two prices for a ton of iron, or a bushel of salt, or a pound of sugar, or a yard of cloth, than one price. It is better, say they, to have one coat than two coats, to have one plough than two ploughs, to have one loaf than two loaves. Or else, why, in the name of common sense, when Providence places within their reach double quantities of things, in exchange for their labour, do they reject the gratuitous offer, and, like idiots, prefer the smallest quantity? Such infatuation is incomprehensible; but, as Pennsylvania has exhibited, upon several occasions—as, for instance, when under the influence of the forty-bank mania, and the Redhefferian system of perpetual motion—an equal degree of delusion, which ultimately passed away, we have no doubt that, when her present selfish politicians begin to lose their popularity, as all have done who have gone before them, the people will come to their senses, and no longer insist upon it that the proper way to make a people prosperous is to make them pay dear for things which it is possible for them to get cheap.

[\[Back to Table of Contents\]](#)

ESSAY No. CIII.

may 11, 1831.

The Cotton manufactures. Remarks upon a communication from a manufacturer under the signature of Statist. Imports and exports of Cotton goods, plain and coloured. Fallacy of the doctrine that foreign articles are driven out of the American market by the superior quality of the domestic goods, when, in fact, they are shut out by prohibition.

IN our paper of to-day will be found a third communication from our correspondent Statist, upon the subject of the Cotton manufacture. He still insists upon it that we can manufacture cotton fabrics in this country cheaper than the British, and asserts that, within the last year or two, a considerable extension has been given to this branch of business, by the production of a species of coarse fabric, which is fast driving out of use the coarse linens of the continent of Europe. The candour and frankness with which this writer gives his views of the manufacture in question, entitle him to a fair hearing. In regard to his first proposition, that is, that coarse cotton goods can be manufactured cheaper in this country than in England, he is either wrong or he is right. If he is wrong, then it follows that the American nation is taxed to support the cotton manufacture, without any more reason and authority than if it were taxed for the purpose of raising a fund to pay a higher interest to manufacturing capitalists than others can get for their money, or to pay higher wages to manufacturing operatives than other industrious classes can get by being employed in commerce or agriculture. If he is right, then it follows that there is no necessity for the protecting duty, and, consequently, it ought to be abolished.

But it will perhaps be said, that, although we can manufacture cheaper than the British, yet that our manufacturers will not sell as cheap as the British—that the foreign goods being shut out by the high duty, leaves the home market a monopoly, and as the manufacturers lost money by their operations for two years, they are now making up these losses. That cotton goods have greatly risen within a year, is a well known fact. Upon some articles a rise has taken place of from 20 to 50 per cent., and if the former prices paid the cost of production, the present prices must yield enormous profits. Supposing the quantity of cotton manufactured in the U. States to be what the tariff party say it is, 200,000 bales of 300lbs., that is 60,000,000 pounds, and supposing this to be manufactured into four yards of cloth to a pound, which would be 240,000,000 of yards, a rise upon that quantity of only three cents a yard, would be a clear tax upon the nation of \$7,200,000. And for whose benefit would this tax be? Not for that of the operatives who are employed in the cotton manufacture, for they get no more wages in that business than people engaged in other branches of industry. For whose benefit, then? Why, for that of the wealthy stockholders in the manufacturing corporations of New England, and the individual rich capitalists in the other states who own the factories. It is, in fact, literally to increase the wealth of the wealthy, and thus to raise up, by artificial means, an aristocracy to lord it over the country, and to control its politics, as if wealth acquired by legitimate means was not

capable of accomplishing it fast enough to suit our republican taste. It is, indeed, the most extraordinary infatuation that ever seized upon a people, which actually urges them on to court and solicit increased taxation, for the sake of promoting the interests of rich corporations and individuals, at a moment, too, when all Europe is shaking their burdens from their backs.

As to the position of our correspondent, that our coarse cottons are driving out of use the coarse linens of the continent of Europe, the advantages or disadvantages which may result therefrom to the country, must depend upon whether they are driven out by high duties on the foreign article, or by the cheapness and superiority of the domestic article. It is a very easy process to drive an article out of use by prohibiting its importation, and such driving out is by no means an indication of a national gain. Suppose a duty were imposed upon mahogany of a dollar a foot, for the purpose of putting money into the pockets of the owners of the forests where curled maple is produced. The effect would no doubt be, that domestic woods would take the place of the foreign, and then we should hear some wiseacre say, that maple, walnut, and cherry were now manufactured to such perfection as to drive out of use the mahogany of St. Domingo and Honduras. This is the sort of false reasoning that has produced so much delusion throughout the country. Congress enacts a law prohibiting the importation of certain foreign articles, and then, because they cease to make their appearance, we are foolish enough to fancy that they are shut out by the superior cheapness of our own commodities. If, in regard to the particular commodity referred to by Statist, the article be really “cheaper and better” than linen, why then the course we would recommend would be, to reduce the duty on the linen, and leave the consumer free to take his choice. In a country like ours, every man, rich or poor, ought to be left in a state of *perfect liberty* to buy what he pleases. The government has no right to place any obstructions in his way, except what are necessary to enable it to collect from him a fair contribution for its economical support. All beyond this is wrong and oppression. If, therefore, a Southern planter says he likes for the clothing of his negroes linen or woollen in preference to cotton, and is willing to pay a higher price for it, why, let him do as he pleases. He has every motive to consult his own true interest and that of the slave, in choosing the cheapest and best commodity, and we would a thousand times rather leave it to his judgment than to that of any body else. Depend upon it, that if cotton cloth, for the clothing of the negroes at the South, is “cheaper and better” than German dowlas, as Statist affirms it to be, it will soon be found out, and introduced into general use.

In this communication of our correspondent, he asserts what is altogether new to us. It is, that the finer cottons have been manufactured in this country to a greater profit than the coarse ones. He states, that the duty has been high enough to *protect* the finer as well as the coarse ones, and he repeats, that even the former can be manufactured cheaper here than in England. This assertion is undoubtedly at variance with all the received notions on this subject, and is an additional argument in favour of taking off the duty. But we honestly confess our inability to accede to this proposition, without some further light on this subject.

The imports into this country, and exports from it, of white cottons, during the last five years, of which official reports have been published, were as follows:

<i>Imports.</i>	<i>Exports.</i>
1825 \$3,326,208	\$705,339
1826 2,260,024	682,407
1827 2,584,994	495,188
1828 2,451,316	406,623
1829 2,242,805	302,435
\$12,865,347	\$2,591,992
Now, if from	\$12,865,347
We deduct	2,591,992
There will remain a balance of \$10,273,355	

which is more than two millions of dollars per annum paid for foreign cotton goods, for consumption, which paid a duty of not less than 25 per centum ad valorem, and from that up to 100, besides at least 15 per centum expenses of importation. Now, if the foreign manufacturer, after paying all this enormous duty, and these expenses, got his own money for his goods—which is to be presumed, or he would not have gone on with his trade—what an exorbitant profit our domestic manufacturers must have made upon the quantity they sold at the same prices! At least one-third or one-half must have been clear profit—and our readers will owe a heavy debt of gratitude to Statist if he can make out this case, which is far more favourable to our side of the question than we had ever supposed.

The profits, however, of the plain cotton manufacture, it seems, are equalled by those of the calico-printing branch, the progress of which, in this country, is described in very glowing colours. Our correspondent supposes, that thirty-five to forty millions of yards are printed in the United States, and that twenty to twenty-five millions of yards are imported. The imports and exports of printed and coloured goods, during the last five years, stood thus:

<i>Imports.</i>	<i>Exports.</i>
1825 \$7,709,830	\$1,105,252
1826 5,036,725	1,032,381
1827 5,316,546	964,904
1828 6,133,844	1,402,103
1829 4,404,078	751,871
\$28,621,023	\$5,256,511
Now if from	\$28,621,023
We deduct	5,256,511
There will be a balance of \$23,364,512	

the value of foreign printed and coloured cotton goods consumed in the country during the last five years, which is equal, upon an average, to \$4,672,902 per annum.

These goods, like the white ones, paid a duty of 25 to 100 per centum, besides 15 per centum expenses of importation—which, taken together, at an average of 60 per cent., increased their cost to the consumer \$2,803,741. Now if the domestic manufacturers

sold nearly double the quantity that was imported, they must have made a profit of nearly \$5,600,000—that is, a sum nearly double the amount of duties and charges upon the quantity imported; and if this sum be added to the duties actually paid, it will show a tax upon the nation, for the support of the calico manufacture, of upwards of *eight millions of dollars*. Whatever Statist may think on the subject, our humble opinion is, that this is paying too dear for the whistle. As to the idea that the calico manufacture is any more deserving of governmental patronage than any other branch of business, we think that these statements entirely refute it. It never can be the policy of any government to encourage the domestic production, at the expense of the consumers, of any article to the value of twelve millions of dollars, which requires a tax to sustain it equal to eight millions of dollars.

[\[Back to Table of Contents\]](#)

ESSAY No. CIV.

may 18, 1831.

Importance of the study of Political Economy to private individuals as well as to public men. Evils resulting to the community from the want of understanding the operation of poor laws, and from misapplied philanthropy.

IF the science of Political Economy were taught in all our schools, not merely as a branch of liberal education, but as a familiar study, the interests of society would be immensely promoted. There is scarcely a transaction in life, connected with the administration of affairs, from the government of the whole Union, and that of each particular state, down to the government of every individual family, which is not dependent for its laws upon this important science. No man deserves to be classed amongst statesmen or legislators who does not thoroughly comprehend it. A member of Congress who is not acquainted with the principles that teach the mode by which the greatest good of the greatest number is best to be promoted, is as unqualified for his post as an individual would be to teach algebra, who was ignorant of the simple rules of arithmetic. In like manner, a member of Assembly, who knows nothing of banking, of currency, of the principles upon which capital may be accumulated or wasted, of the sound rules by which taxes should be apportioned, of the administration of the poor-laws, of the regulation of the interest of money, and the various other matters which appertain to the functions of our state Governments, must always legislate in the dark. Even the corporations of cities and boroughs, and the administrators of the affairs of a county, township, or parish, can never fulfill their duties to the public, without some acquaintance with the laws which relate to income and expenditure. And, lastly, what family can enjoy as much substantial comfort and independence, as one in which the domestic economy is regulated, not by the laws of parsimony, but by the dictates of a science which teaches how the greatest extent of enjoyments is to be secured at the least cost of labour.

The idea that Political Economy is an abstruse, dry, and uninteresting subject, is founded in error. It is true that the most abstract principles of the science, like those of any other branch of philosophy, are beyond the reach of ordinary minds—but its more plain and practical elements are as easily to be apprehended as any other matter of every day concern. It is not, how ever, intended hereby to advance the position that the attractions held out by this study are sufficiently strong to induce every one to enter upon it; such universal power of attraction belongs to no pursuit whatever. Look at the beautiful study of botany, for example, or the useful science of chemistry, or the amusing researches of natural history, and professors will tell you that the number of individuals who embark with zeal in those departments of knowledge is comparatively limited. Still there are many who devote their attention to these studies, and who find a satisfaction which amply compensates them for the labour, although they may not be in a situation to apply the knowledge they may acquire to any practical utility. And would not Political Economy be studied if it were generally known that its principles are as intimately connected with the daily transactions of

society, as the principles of domestic economy are with the daily transactions of an individual family? Nine-tenths of the misery and suffering of the poor and labouring classes arises from the absence of all knowledge of Political Economy on the part of those who are chosen to regulate affairs. In reference, especially, to our poor laws and charitable institutions, the most lamentable ignorance prevails. Instead of striking at the root of the evil, and cutting out the cancer which is consuming the body politic, we are content to apply an external plaister, which only conceals from our sight the mortal ulcer, but leaves the disease more deeply seated than ever. The whole system of our charitable institutions, designed for the temporary relief of the poor, requires revision. Instead of diminishing pauperism, they increase it, by holding out inducements for those who would otherwise depend—aye, and successfully depend, too—upon their own exertions for their support, to rely upon charitable aid. They multiply the class, already sufficiently large, of those who calculate upon public patronage, for their maintenance, and create, in the humblest walks of life, a class of people corresponding to that which is found in the higher grades, who rely altogether upon public offices for their support. Charity, when well regulated, is a cardinal virtue, but every species of alms-giving is not charity. A good motive must be tempered by a sound discretion. Hospitals and asylums, for the deaf and dumb, and blind, for infants who are too young to obtain their livelihood, for aged people who are too old or infirm to labour, for lunatics, idiots, and those who are physically incapable of helping themselves, are deserving of all support. But where persons labour under none of these disabilities or afflictions, the claim for charitable aid ought to be very fully established to entitle it to attention; and, where it is ascertained to be founded upon casualty or misfortune, and not misconduct, the relief should be afforded in the way of furnishing employment, rather than in the payment of gratuities.

Upon this subject, we are aware, there is in our community, a morbid sensibility. To take an active part in charitable institutions is quite a *mania*, and those who venture to advance opinions intended to show that more mischief than good may result from a blind, indiscriminate zeal, are looked upon as uncharitable and hard-hearted. The odium attendant upon this imputation is too much for editors generally to hazard, and hence we rarely see the press enter upon the discussion of this delicate question. For our part, with feelings of charity and good will extending to the poor of other countries as well as our own, and limited by no such anti-christian doctrine as that “charity begins at home,” we shall cheerfully open the columns of this paper to a free discussion of any measure which proposes the melioration of the physical condition of the human family. Our plan of relief is the adoption of the principles of Free Trade, and the abolition of all restrictions upon the liberty of the hand. In a state of perfect freedom, pauperism of able-bodied persons would be unknown. The fertile and almost unlimited regions of the West, are capable of supplying the means of abundance and independence to millions of emigrants—and all who could not find employment in the commerce and manufactures of cities and towns, would find it in the agriculture of the country, which would be greatly extended under a liberal system of commercial policy. The man who devotes his time to an active administration of some charitable institution for the relief of the poor, and who at the same time advocates the Restrictive System, is like the quack-doctor, who, whilst he was prescribing flannels

and bandages for the gouty foot of a patient, fed him up with choice dainties and luxurious potations.

[\[Back to Table of Contents\]](#)

ESSAY No. CV.

may 25, 1831.

The Message of the Governor of Connecticut, in which many fallacies appear as to the Restrictive System, examined, and its errors pointed out. The doctrine of the home and foreign markets, as held by the advocates of restriction, shewn to be fallacious.

THE following are extracts from the Message of Gov. Peters to the Legislature of the State of Connecticut, delivered at the opening of its session, at the commencement of the present month of May:

“The industrious habits of the people are favourable to manufacturing employments—their progress and experience in the art have abundantly increased the intrinsic value of the articles manufactured—and the competition among the stockholders has, at the same time, reduced the prices.”

If it be true that the industrious habits of the people are favourable to manufacturing employments, where is the necessity of artificial stimulants to give them an impulse? This is a point upon which great confusion exists in the minds of the Tariff party. They say manufacturing is one of the natural employments of this country, to which a great proportion of the industry of the people must *needs be* applied. We say so too, and furthermore we say, that if Congress were to take an anti-manufacturing whim, and try to keep manufactures down, they could not do it. But the Tariff party say, this being true, it follows of necessity that the Government ought to grant bounties to manufacturers for doing the very thing which their interest points out to them as the most profitable. This is precisely the same sort of reasoning as if a baker were to say, “People must eat bread—there must be bakers—but the Government ought to lay a tax upon the people, to enrich them.” Governor Peters has fallen into the same error, and thinks that those who are not lame, ought to be provided, at the public expense, with a staff to walk with. His idea about the reduction of prices, shows that he has not examined this subject. Domestic competition has had as little to do with bringing down the prices of cotton and woollen manufactures, as it has had to do with bringing down the prices of tea and coffee. Would any one think that a scrub-race between a couple of carthorses, near Philadelphia, could have any influence upon the fleetness of the famous horses which lately exhibited such speed over the New York course? The truth is, that in manufactures there is a grand race now going on all over the world. The more full and free the competition, and the wider the market, the greater will be the reduction of price. Laws, therefore, which restrict the universality of the competition, and thereby narrow the market, diminish the chances of reduction; and hence, the artificial encouragement given to those manufactures which have not sprung up in this country in the natural course of things, has positively retarded the ratio of reduction. The case may be illustrated thus: The city of Philadelphia is situated in Pennsylvania, on the western bank of the Delaware; the state of New Jersey, which is situated on the opposite side of the river, supplies the Philadelphia market with nearly all the melons and peaches which are brought there; the

competition among the Jersey farmers is so great, that there has been for many years a gradual reduction in the price of those articles. Both these fruits can be produced in Pennsylvania, but not to such advantage as many other articles of agricultural produce, for which her soil is better adapted. Now, suppose, by way of encouraging the growth of melons and peaches in Pennsylvania, the corporation of Philadelphia should exercise a power not delegated to it, and should impose a duty upon all that should be brought over from Jersey—and suppose that notwithstanding this duty, the Jersey farmers could find their account in still supplying the Philadelphia market with melons and peaches, and even at a lower price than before the duty was laid, which would of course compel the Pennsylvania farmers also to come down with their prices—would it not be silly to say that the reduction had been occasioned by the Pennsylvania competition? And would it not be equally clear, that the demand in the Philadelphia market, for melons and peaches, being less than it would have been without the duty, which keeps up the price, the reduction would be less than if free competition had existed?

“The consumer reaps the benefit, while he obtains the further advantage of a home-market for the raw material and the agricultural productions of the country, without encountering the expense and danger of transportation to foreign countries, and the caprices of their governments.”

The “benefit” which the consumer reaps, is that of paying two prices for a ton of iron, for a suit of clothes, or for a pound of sugar, instead of one. The “advantage” he obtains, is that of having *one* market instead of *two*. The nonsense, which is so current, about creating a home-market for agricultural products, by artificial means, in a country where there is an abundance of land, sufficient for the sustenance of ten times the existing population, can alone be founded on the supposition that people can only be induced to eat and clothe themselves when thereunto compelled by an act of Congress. It is surprising that so self-evident a proposition cannot be universally admitted, that the whole population of the United States must be fed and clothed, whether we have foreign trade or not. The home-market must exist as long as people have appetites to be gratified and backs to be covered; and those whose industry supplies these wants are just as sure of the home-market as a lawyer is sure of being benefited by the litigation of his neighbours. The great point to be gained is, to have a foreign market besides. This is what the friends of Free Trade are exerting themselves to accomplish. They say that the farmers ought to have two markets for their flour, grain, beef, pork, hams, lard, butter, &c.; and they say that the consumers of manufactures ought to have two markets to buy in. In this country nineteen men out of twenty are interested in this question, as agricultural producers, or as consumers, and the other twentieth it is, alone, which is benefited by the restrictive system.

The idea of its being a desirable thing to avoid “the expense and danger” of foreign commerce, is quite novel. If the expense and danger of shipping a cargo of mules and horses from Connecticut to the West Indies were equivalent to thirty dollars a head, and if the increased price obtained at Jamaica was sixty dollars a head, would Gov. Peters’ political philosophy teach him that this was a process which ought to be avoided? If so, we can tell him that we know gentlemen in New Haven who have a very different opinion on the subject, and who are now enriching themselves and the

country by “encountering the expense and danger” of transportation, and of the *horse latitudes* to boot. As to the caprices of foreign governments, it is a happy thing for mankind that no mischief can result from them, which does not weigh with a more heavy hand upon those who indulge in them, than upon those against whom they may be levelled. If the British Government is so unwise as to show its caprice, and say that the British people shall be put upon a short allowance of bread, would the American Government act any more wisely if it were to retaliate, by declaring that the American people shall be put upon a short allowance of shirts and coats? This is the true statement of the case; John is so full of caprice, that he cuts off one of his fingers—and Jonathan, by way of avenging himself, insists upon it that his true policy is to cut off two of his own by way of retaliation.

“In time of peace, this system renders our country independent—in time of war we are not reduced to the humiliating necessity of violating our own laws to procure clothing and blankets from the enemy, to cover our suffering armies.”

The independence in time of peace here spoken of, is, to use the witty language of a Southern statesman, “Robinson Crusoe in his goat-skins.” It is the independence of having one coat instead of two, one ton of iron instead of two, one barrel of sugar instead of two; or, to apply the case to the ladies, it is the independence of having one dress, one hat, or one shawl, where two might be had. In time of war it is undoubtedly very humiliating to be beholden to an enemy for favors. But there is no necessity for this. Unless we were at war with the whole world, there would always be some neutrals ready to supply us; and nothing is more certain than that that nation is always best prepared for war, which, by low duties, permits the accumulation within her territory of large stocks of foreign merchandise, to be availed of in case fresh supplies should be cut off. The doctrine of Governor Peters is this: That, because it is *possible* that we may be at war one year out of twenty, during which we may *possibly* have to pay for foreign supplies an increased price, equal to twenty or thirty per cent., to pay for the increased insurance and freight, it is sound policy, in order to avoid this *possible* evil, to begin at once, and to compel ourselves to pay double price for the whole twenty years. This is the whole sum and substance of this argument—and it is just as rational as it would be for the shoemaker to make his own hats, at double the cost of labour which he would have to incur by exchanging shoes for hats, merely because he took it into his head that *possibly* he and the hatter, at some distant day, might have a falling out.

“*The South* and the West participate in the benefits, from the improved quality and reduced prices of domestic manufactured articles, and in finding a sure market, with an increased demand, for the productions of their farms.”

Adding insult to injury never mends a matter. It is bad enough for a man to be robbed; but to be told by the robber that the loss of his purse is a positive gain to him, is carrying the joke too far. The “benefits” which the South experiences from the American System, are like those experienced by York county, in Pennsylvania, in consequence of the legislature fusing to let the Baltimoreans construct a rail-road, by which York county would have access to two markets instead of one. As to the South benefiting by the improved quality and the reduced price of manufactures, that is not

the question at issue. The question is, whether she gets her supplies as good or as cheap as she would get them if it were not for the high duties. A pound of sugar can now be had for six cents, which used to cost twelve, and if it were not for the duty it could be had for three. The American System has had about as much to do with the fall in the price of sugar throughout the world, as it has had to do in bringing down the price of logwood or mahogany, which have fallen as much as sugar; and, as far as it is concerned, its only operation is to prevent sugar from being as cheap as it would otherwise be. But because the power of steam carries a boat down the river at the rate of twelve miles an hour, whilst the tide carries her up at the rate of three, it is insisted, that the velocity of nine miles, which the boat gains, results from the force of the tide. The “sure market” which the West finds for her agricultural produce, is that of a people whose powers of purchasing are limited by restrictions upon their industry, and is nothing like as great as it would be if every one was free to sell where he could sell dearest, and buy where he could buy cheapest.

“The encouragement and protection of domestic manufactures has been a sound policy of the Government of the United States from the commencement of its operations. This policy *it has become a settled principle* of the people to continue.”

The encouragement and protection afforded to domestic manufactures, at the commencement of our government, were limited to the *indirect* operation of duties of five to fifteen per centum, *imposed solely for revenue*. So long as revenue is needed, and so long as the custom-house is resorted to, so long will the same sort of protection be afforded. But if the Governor means to say that duties of thirty-five to two hundred and twenty-five per centum are to be adhered to, as *the settled policy of the country*, for the benefit of the manufacturing corporations of New England, we think his Excellency will find himself mistaken.

It is remarkable how precisely alike all the philosophers of the American System mystify the subject whenever they touch it. They take good care never to approach the true question, which is this: Is it not advantageous to a community to have cheap goods in preference to dear ones, and does not the American System prevent goods from being as cheap as they otherwise would be? Let them answer this question.

[\[Back to Table of Contents\]](#)

ESSAY No. CVI.

june 1, 1831.

Letter from Mr. Clay to some manufacturers in Pittsburg, in answer to one, accompanied by a present of some articles of domestic manufacture. Doctrines of, examined. Amount of revenue collected for 1815 to 1829. Imports and exports of certain years. Tonnage from 1815 to 1829.

We have met with the following article in the “National Gazette:”

“*The American System.*—Some enterprising manufacturers of Pittsburgh, (Penn.) lately addressed a note to Mr. Clay, accompanied by several articles and implements from their own workshops, as a just tribute of respect for his exertions in the great cause of American Manufactures and Home Industry. These gentlemen state, in their letter, that ‘every particle in the composition of these utensils, from the ore to the finished instrument, is the produce of American soil, skill, and labour. The iron was made under our personal inspection, and the steel in our convertory, under the direction and according to the improved process of an American gentleman, E. L. Losey. We therefore take a pride and pleasure in warranting these articles to you as good.’”

“The Editor of the ‘Pittsburg Gazette’ with some difficulty obtained from the gentlemen who sent these articles a copy of their letter, and of Mr. Clay’s friendly reply, for publication. This last we subjoin:

“Ashland, 3d May, 1831.

“***Gentlemen:***

I postponed answering your obliging letter of the 22d of March last, borne by Mr. Stephens, until the fate of the articles, also committed to his care, for my use, was certainly ascertained. After various narrow escapes, from accidents unfortunately occurring, I believe, to several steamboats, I have the pleasure to inform you that I yesterday safely received them, consisting of a spade, shovel, axe, hoe, and carving knife and fork. They are all excellent of their kinds, and do great credit to the artizans by whom they were made. I beg your acceptance of my grateful thanks for them, for the friendly spirit which prompted you to tender them, and for the flattering terms in which they are conveyed. Their value is much enhanced in my view, as you justly anticipated, by the fact that every particle of the utensils, from the ore to the last finish, is the produce of American soil, skill, and labour. The successful manufacture of steel at Pittsburg was a desideratum, and I am happy to perceive, from the specimen in these articles, that the quality of it, as far as I can judge, realizes every wish.

“You are right in supposing that I derive very great satisfaction from witnessing the prosperity of Pittsburg, and the complete success of our American System. Never had the friends of any great measure of National policy more cause to rejoice—never were the predictions of the foes of any such measure more refuted, than in the instance of the triumph of that system. It was objected to it, that it would dry up the sources of the public revenue. The revenue has been increased. It was said that our foreign commerce would be destroyed. Our foreign commerce has been greatly nourished and extended by its operation, changing only some of its subjects. It was urged that it would impair our marine. Our navigation, and especially the most valuable part of it, has been rapidly extended. It was reproached with comprehending enormous burdens to consumers, by obliging them to purchase worse, and at dearer prices, articles of American origin, than similar articles of foreign manufacture. Almost every protected article has been greatly reduced in price, and, in some instances, so much that the cost of the article scarcely equals the duty of protection. It is in vain that the opponents of the system seek, by subtle and ingenious solutions, to account for this gratifying fact—the fact itself falsifies their predictions—and it is worth a thousand hairsplitting theories. Finally, it was urged that the system would be a fruitful source of vice, and immorality, and depravity. It has rescued from impending ruin thousands, who, for the want of employment, would have been lost to society, and has filled their abodes with comfort, abundance, and happiness. It has saved, and made virtuous members of the community, thousands, of both sexes, who, but for its existence, would have become victims to vice, indolence, and dissipation: and I sincerely believe that every part of our common country has been benefited by it.

“With My Best Wishes For Your Prosperity
And Happiness,
“I Am, Gentlemen, Your Obedient Servant,

“H. CLAY.

“Messrs. Barnet, Shorb & Co.”

That the persons who are deeply interested in those branches of manufacture which require high duties to sustain them, should take every occasion to make an appeal to the false notions of patriotism by which so many people have been led into erroneous modes of thinking, is not to be wondered at. Nor is it to be wondered at that those politicians who have mounted the American System, as a hobby upon which they expect to ride into power, should every now and then have a chance afforded them, by their friends, to proclaim their continued adhesion to the saddle. Hence we often see the farce performed of a present of some manufactured commodity to some aspirant, accompanied by a letter, puffing both it and him, for no purpose in the world but to throw snuff into the eyes of the public.

The facts which are set forth in the preceding statement, are, simply, that some manufacturers at Pittsburg had made a present to Farmer Clay of a spade, a shovel, an axe, a hoe, and a carving knife and fork, which had been manufactured out of American iron and American wood. Now in this fact there is nothing wonderful. With

the exception of the knife and fork, all these implements have been made in this country, and we dare say even in Pittsburg, of precisely the same materials, ever since the independence of the country; for iron and wood being two of the natural products of the soil, have at all times been abundant. Nor is there any thing remarkable or wonderful in the fact that there should be found American workmen capable of manufacturing implements which have always been demanded by the wants of agriculture. A stranger, who had never visited this country, on seeing this correspondence, would suppose that we were a sort of half-civilized people who had just introduced amongst us the art of manufacturing iron, when in truth spades and shovels, axes and hoes, have at all times been made by our blacksmiths, to supply nine-tenths of the wants of the nation. Now, what is there in this parade and flourish of trumpets to excite our amazement? Are we told that these implements are made at Pittsburg so *cheap* that the domestic article can be procured with less money, or with less labour, than foreign ones of the same quality? Not at all. Not a single syllable appears upon this important point, the only one which is calculated to enable us to form a judgment whether the existence of this manufacture is advantageous or injurious to the public. Suppose Mr. Pratt should send a present to Mr. Clay, of a pound of coffee, from his hot-house on the Schuylkill, to raise which had cost him five dollars, expended upon the American industry of builders, glaziers, gardeners, wood-cutters, wood-haulers, and the various other persons required to build a hot-house, to superintend the plants, and to keep up a fire there in winter; and suppose Mr. Pratt should think he had rendered a great service to the agriculture of the country, by enabling his fellow-citizens to drink real American coffee, “the produce of American soil, skill, and labor,”—what would be thought of Mr. Clay’s qualifications for the Presidency, if he should laud Mr. Pratt to the skies, and advocate the raising of coffee in hot-houses, by prohibiting the importation of all foreign coffee? We think the common sense of the country would perceive the shallowness of the policy, and would laugh down any such system. But only call the same nonsense “the American System,”—let iron, and not coffee, be the article to be forced by the hot-house process—tickle the ears of the people with “*encouragement* of American industry,”—call it “*protection*,” and not “*prohibition*,”—and, like a parcel of ninnyhammers, they instantly forget that this whole scheme is nothing but a roundabout way of getting a thing, which they can get, if they choose, with half the trouble or sacrifice of labour. It is nothing but going to mill by the road, when there is a short cut through the fields which will carry you there in half the time and with half the trouble.

These remarks are made under the supposition that the prices of the articles presented to Mr. Clay were higher than articles of the same quality would be, were the duty no more than sufficient for revenue. We presumed this to be the case, from Mr. Clay’s considering this specimen of manufactures as one evidence of the success of the American System. That system, every body knows, has nothing to do with those branches of business comprising nine-tenths and more of the pursuits of the community, which are natural to the country, and result from the ordinary structure of society. It only embraces those manufactures which cannot be supported without a tax on the nation, imposed in the same manner precisely as would be the case if the Government, in order to encourage the domestic growth of coffee, at five dollars a

pound, when it can be had abroad at five cents, should prohibit the people from drinking foreign coffee.

In Mr. Clay's reply, he makes a pretty bold attack upon the Free Trade party. He says their predictions have not been verified—The public revenue has increased, instead of being diminished: Commerce has expanded, instead of being destroyed: Navigation has been extended, instead of being impaired: Prices have fallen, and not risen: Virtue has flourished, and vice decayed. These positions, it must be remembered, are put forth by a gentleman now aspiring to rule the destinies of this Confederacy of Republics. We have a right to expect, therefore, that he did not offer them hap-hazard, but that, before he risked his reputation as a statesman upon them, he had examined into their correctness. We shall soon see how the fact is; and here we shall take occasion to remark, that all the reasoning, on the part of the advocates of Free Trade, as to the effects anticipated from the restrictive system, must be construed *relatively* to the existing population—thus: if it be said that revenue and commerce will be diminished by the restrictive system, the fair construction would be that the ratio of each to the population would be diminished, and not that the simple aggregate amount would be less. It never could have been intended, by those who wrote against the restrictive system when the population of the U. States was ten millions, that an increase of duties would diminish commerce so that, after the population should increase to twenty millions, the aggregate of imports and exports would certainly be less in amount. The prophecy would be fully made out, if it could be shown that the imports and exports, *per head*, were diminished. That this has been the case, we shall undertake to demonstrate, from the Official Reports of the Secretary of the Treasury, which we presume will be of sufficient authority to stand up against the bare allegation of any individual, be he whom he may.

The following Table exhibits the *net revenue* derived from commerce in the fifteen years specified, brought down to the latest year of which any report has been published—omitting the fractions of a dollar:

1815	\$36,306,022.	Free Trade after the war.
1816	27,484,100.	Same.
1817	17,524,775.	Tariff of 1816 in operation.
1818	21,828,451.	Same.
1819	17,116,702.	Same.
1820	12,449,556.	Same—predictions fully verified.
1821	15,898,434.	
1822	20,500,775.	Country began to recover, the natural causes of prosperity,
1823	17,008,570.	overpowering the retarding operation of the Tariff.
1824	20,385,430.	
1825	24,358,202.	Tariff of 1824 not yet in full operation.
1826	20,248,054.	It operated this year.
1827	22,472,067.	Country recovering.
1828	24,969,812.	Same.
1829	22,192,879.	Thrown back by Tariff of 1828.

It thus appears, that, in every instance, the new Tariff diminished the revenue; but as the credits given on the duties threw the payments to a later period, and as it took time for the merchants to find out, by dear-bought experience, that the increased duties diminished the consumption of goods, the effects were not visible until a year or two after the respective laws were passed.

By the different Census' of the United States, it appears that the population stood as follows:

1810 7,230,903.

1820 9,637,999.

1830 12,788,742.

Now if we take the first two years in the above table of revenue, which probably exhibit something near what would have been the revenue of the country had the restrictive system not been adopted, we shall have an average revenue of \$31,895,061. But we are willing to make a large allowance for the fact, that, after the war, an unusual extent of imports was called for by the wants of the country; and we will therefore be content to fix the amount of revenue at \$25,500,000, which is an abatement of upwards of six millions per annum. Estimating, then, the population at 8,500,000, we have a revenue equal to \$3 per head on the whole population. Taking the last two years in the table, including even one during which the fresh restrictions had not yet operated, and calling the population only twelve millions, we have but \$1.96 per head as the revenue collected. But if these periods appear too short to cast an average upon, let us take the first five years, and we shall find an average revenue of \$24,052,010, and, if we assume 9,000,000 as the average population, we shall have an average revenue equal to \$2.67 per head. The last five years, on the other hand, give an average revenue of \$22,848,206—[less, in absolute amount, than that given from 1815 to 1820!—and, taking the population at 12,000,000, present the result of only \$1.90 per head. We now ask the intelligent and honest reader whether he thinks Mr. Clay has made out his case?—and, if not, whether it is a proof of wisdom for a man, who seeks the confidence of the nation, to advance such random positions as the one we have examined?

We shall now examine the second position of Mr. Clay, in which he asserts that the predictions of the Free Trade party have not been verified in regard to the diminution of commerce. And here we claim the same right to insist that the diminution predicted could only be construed to have reference to population. For example, suppose it had been predicted, when the population was five millions, and the production of wheat fifty millions of bushels per annum, that certain measures would diminish the quantity of wheat, and produce distress; and suppose the population should afterwards increase to ten millions, and the production of wheat should be seventy-five millions of bushels, instead of a hundred millions, would not the prediction have been verified? We think that those who were half starved, if not the whole of the population, would answer in the affirmative.

The Exports of the United States, for the last fifteen years, of which the official statements have been published, were as follows:

1816 \$81,920,452.
 1817 87,671,569.
 1818 93,281,133.
 1819 70,142,521.
 1820 69,691,669.
 1821 64,974,382.
 1822 72,160,281
 1823 74,699,030
 1824 75,986,657
 1825 99,535,388.
 1826 77,595,322
 1827 82,324,827
 1828 72,264,686
 1829 72,358,671.
 1830 73,849,508.

We have not inserted the Table of Imports here, lest we might confuse the reader with too many figures, but it will be found in a note below.* Now from the foregoing it will appear, that, during the five years, from 1816 to 1820, both inclusive, the average of exports was \$80,541,469 per annum, being equal to \$8.95 per head of the population, which did not exceed 9,000,000. And it will also appear, that, for the five years, from 1826 to 1830, both inclusive, the average was only \$75,678,603, being less in aggregate amount, and only equal to \$6.30 per head, estimating the population at 12,000,000. Had the ratio of exports kept up in proportion to the population, the average would have been \$107,388,625—that is *thirty-one millions* more than the actual amount.

But we are not content to let the matter rest here. We shall call the attention of the reader to the foreign commerce of the country before free trade was interrupted by the restrictions which commenced in 1808, with the embargo. Our exports during the ten years preceding that measure were as follows:

1798 \$61,527,097.
 1799 78,665,522.
 1800 70,971,780.
 1801 94,115,925
 1802 72,483,160.
 1803 55,800,033.
 1804 77,699,074.
 1805 95,566,021.
 1806 101,536,963.
 1807 108,343,150.

The average of the above ten years is \$81,670,872. Now as the population in 1800 was 5,319,762, and in 1810 was 7,230,903, it will be fair to estimate the average

population during those ten years at 6,000,000, which would show an export equal to \$13.61 per head of the population, *which is more than double the amount exported at this day*. And, taking these ten years as a basis of calculation of what the commerce of the country would have been, had it not been interrupted by restrictions, we may fairly conclude that, at this day, our exports would have been \$176,953,556, the proportion which would correspond to the increase of population from six to thirteen millions, *instead of a hundred millions per annum less*.

It has been thus demonstrated, as we think, that Mr. Clay's declaration, that "our foreign commerce has been greatly nourished and extended by its operation, (viz., the operation of the American System,) "changing only some of its subjects," is not established; and we challenge him, or any of his friends, by any process of reasoning, to make out his case.

Let us now see what he says about our Navigation: "Our navigation, and especially the most valuable part of it, *has been rapidly extended*." In showing that this position is as erroneous as the rest, we shall rely upon the official documents. The following is a comparative view of the registered and enrolled and licensed Tonnage of the United States, from 1815 to 1829, inclusive, expressed in tons and 95ths of a ton:

<i>Registered. Enrolled & Licensed. Total.</i>		
1815	854,294 74 513,833 04	1,368,127 78
1816	800,759 63 571,458 85	1,372,218 53
1817	809,724 70 590,186 66	1,399,911 41
1818	606,088 64 609,095 51	1,225,184 20
1819	612,930 44 647,821 17	1,260,751 61
1820	619,047 53 661,118 66	1,280,166 24
1821	619,096 40 679,062 30	1,298,958 70
1822	628,150 41 696,548 71	1,324,699 17
1823	639,920 76 696,644 87	1,336,565 68
1824	669,972 60 719,190 37	1,389,163 02
1825	700,787 08 722,323 69	1,423,111 77
1826	737,978 15 796,212 68	1,534,190 83
1827	747,170 44 873,437 34	1,620,607 78
1828	812,619 37 928,772 50	1,741,391 87
1829	650,142 88 610,654 88	1,260,797 81

The reader will be surprised to observe in the foregoing table, so great a falling off in the tonnage, from 1828 to 1829, as nearly half a million of tons; and it will be but fair to inform him, that for many years prior to 1829 the custom-house returns had not been corrected by deducting the tonnage lost, worn out, and sold abroad. The correction has now been made, but owing to the impossibility of correcting the error of any previous year, the real state of the case can perhaps never be known. We think, however, that no candid man who would cast his eye over the preceding table, would aver that any evidence was there afforded of an increase of tonnage since the year 1816, when the American System was commenced. To reason from erroneous figures,

is throwing away time, and we shall not, therefore, attempt to do it. But we will maintain, that even if it could be shown, that our navigation has been increased in absolute amount of tonnage, it would afford no evidence whatever of the prosperity of commerce, as an insulated fact. For instance, we maintain that, if the tonnage in 1815 had been only 1,000,000, and in 1829 was 1,260,797, it would afford no evidence of increased commerce. And why? Because, since the former period the prices of all commodities, foreign and domestic, have been so greatly reduced that the same value of articles require more tonnage to transport them. When coffee was at twenty cents a pound in the West Indies, one vessel could bring a value which it would now require three to carry. The same may be said of most other articles. Fifty millions of dollars, exported and imported, will probably employ half as many vessels again as they used to do, and the reason why the tonnage has not increased with the fall of goods, is owing to the improved skill in shipbuilding and increased science in navigation, by which a given number of vessels will make half as many voyages again in a year as they used to do. Thus it appears, that not only has Mr. Clay staked his reputation upon the denial of a proposition which is not only a correct one when examined with the liberality due to honest reasoning, but is even true to the very letter. Our navigation has been diminished by the Tariff policy; and, in reference to our registered tonnage, no perverse imagination, with the foregoing table before it, could undertake to maintain that the registered tonnage of 1829 was greater than that of 1815.

As to the increase of the coasting trade, which Mr. Clay, contrary to the sound rules of political economy, which teach that no one branch of navigation can long remain more profitable than another, where capital and labour are left free to flow into it, it is quite probable that there may have been some increase to it—which is not to be wondered at, when we recollect the great number of steamboats built since 1815, and which are all included amongst the enrolled and licensed tonnage. This increase, however, is not an overbalance for the diminution of the registered tonnage, as may readily be seen from a reference to the table, and, to speak of it as a gain, is perfectly idle.

The position asserted by Mr. Clay, that the Tariff has made the protected articles cheap, has been too often refuted, in this journal, to need any further exposure of its utter destitution of facts to support it. It is the story of the little boy and the tide, and argues, on the part of any one who employs it as an argument, either a culpable neglect to seek for the truth, or a wilful perversion of it after it has been acquired. We have published in this paper a list of two hundred and fifty articles with their prices in 1816 and 1831, and have shown most conclusively that every one of them had fallen in price, excepting only the following twelve, viz: pig-copper, opium, beaver skins, hoop-iron, under leather, pine scantling, wooden hoops, dry yellow ocre, Bordeaux brandy, tortoise shell, English whiting, and claret bottles. This list included every commodity which was quoted in the two prices current from which we made up the comparative statement, and consequently embraced articles which were subject to high duties, to low duties, and to no duties at all, and afforded evidence, which no honest man could reject, that our high duties were not the cause of the decline in price.

As to the last charge of false prediction, made by Mr. Clay, namely, that “the system would be a fruitful source of vice and immorality and depravity,” we think it disproved by the late assemblage of a Convention at New York of the Manufacturers, for the purpose of endeavouring to prevent frauds on the revenue. We published, not long since, the proceedings of a meeting at Providence, at which it was admitted that smuggling and perjury to a great extent were now carried on; and, if this be not vice, and immorality, and depravity, we know not what may be so called. In regard to the morals of the people employed in factories, a prophecy of injurious results can hardly be pronounced to have failed at so early a day as the present. The system has not yet had time to work, and, even if it has, the immorality to which it has given rise is not of that sort which reaches the knowledge of the public. We have, nevertheless, been told, that at a village in the neighbourhood of this city, where a number of manufactures are carried on, nocturnal revellings and tavern dances are not unfrequent, such as certainly would not take place if the young people there employed were scattered through the country upon the farms from which they have been withdrawn, to the great inconvenience and injury of the families who are thus deprived of their labour. That the factories do not afford the wide relief which was promised by the friends of the system, is proved from the fact, so often repeated by Mr. Matthew Carey, that there are in the Northern cities many thousands of women who are destitute of employment.

But we entirely deny the possibility of any improved condition of the labouring people, as a body, by any system, the tendency and design of which is to diminish the total mass of products. It is impossible that a people can fare so well under laws which prohibit them from buying cheap clothing and cheap groceries, as they would, were there no such laws; and, consequently, to attempt to cure distress arising from the want of articles of necessity, by insisting that there shall be fewer of them than there otherwise would be, is just as absurd as it would be for a physician to attempt to cure the debility brought on by a copious effusion of blood by a further resort to the lancet. This is common sense. Any man that wishes to see it, can see it, and we are of late very much inclined to the opinion that there are in our community more knaves than fools.

To conclude, Mr. Clay thinks “it is vain that the opponents of the system seek, by subtle and ingenious solutions, to account for the gratifying fact—the fact itself falsifies their predictions, and it is worth a thousand hair-splitting theories.” Now this quotation shows that Mr. Clay has never read any of the arguments of the opponents of his system, for they certainly advance no hair-splitting theories. Where is the hair-splitting, when we say that if there was no duty on sugar it would be three cents per pound cheaper than it is?—if there was none upon iron it would be \$37 per ton cheaper than it is?—that if there were none upon cotton and woollen goods they would be 30 to 50 per centum cheaper than they are? It is a hair-splitting theory which denies these facts, not which asserts and proves them. Let these facts be disproved, and then Mr. Clay may talk of theories. A system must be a feeble one, that can only be supported by postulates—by bare assertion, without proof. Such a system is Mr. Clay’s system—and, whatever may be his opinion on the subject, we feel quite assured that *it has seen its best days*.

[\[Back to Table of Contents\]](#)

ESSAY No. CVII.

june 1, 1831.

Horse shoes imported ready made. Cost of, shewn by reference to an invoice. Foreign pig iron imported as necessary to make machinery for domestic manufactures, so that the duty upon it of fifty per cent. is at war with the American System.

THE advocates of the Restrictive System say, that nothing but *facts* can produce any impression upon their reasoning faculties. They despise *theories*, although the proposition that two and two are four is a theory. As we are obliged, then, to take them in their own way, we shall submit for their inspection the following fact:

Every body knows that there is a duty upon iron of \$37 per ton, and that the farmers, mechanics, and other working-men have been cajoled into the belief that this duty has been imposed for the encouragement of the industry of blacksmiths and other artificers of iron. This fallacy was fully exposed during the last session of Congress, in a petition, signed by three hundred Philadelphia blacksmiths, who proved, most conclusively, that the duty, so far from benefiting them, was of infinite injury in depriving them of employment, and that, in reality, not an individual throughout the country was benefited, except the few rich proprietors of iron-mines and iron-works, amounting probably to not more than two or three hundred in the whole United States. We intend now to state a case, to which we invite the attention of our farmers.

A few days ago we were invited by a merchant of this city to visit his counting-house, for the purpose of seeing a sample of *horse shoes*, ready-made, imported from England. We did so, and were permitted to take the following abstract from one of his invoices, for the purpose of showing their cost. To this invoice the merchant also added the expenses actually paid by him on the importation.

Invoice of Horse Shoes.

40 cwt. of horse shoes, at 16s. 9d. per cwt.		£33 10 0
Casks and packing,	£2 9 0	
Duty and town dues,	0 2 9	
Export duty,	0 3 0	
Carriage of six casks,	3 7 6	
Carterage and portorage,	0 6 0	
Bills of lading,	0 3 6	
Insurance 40s., Stamp 12s.,	1 2 0	
	£7 13 9	
Amount brought forward,	£7 13 9	
Commission 2 1-2 per cent,	1 3 5	
		£8 17 2
		42 7 2
At par,		\$188 27
Exchange 7 per cent. premium,		13 18
		\$201 45
Duties on importation, 25 per cent. on £33 10 0, including bond and permit	\$40 95	
Freight and primage,	17 00	
		\$57 95
		\$259 40

Equal to \$5.80 per 100 lbs.

These horse-shoes are all finished, except turning up at the ends, and have the holes for the nails already punched in them—and, that the public may know that there is no mistake about the cost of importation, we are authorized to state that the importer, who is a native citizen, and no “British agent,” will dispose of them, as far as *ten tons*, the quantity he has on hand, at *six cents* a pound, which is but a trifle more than the blacksmiths in and near our cities have to pay for the raw material, and less than some country blacksmiths, distant from the sea-board, are obliged to pay. This is called *protecting* the industry of mechanics and manufacturers, and is the greatest humbug that was ever played off against a nation.

Let us now see how the farmers are benefited by this duty on iron, merely as regards horse shoes. These shoes weigh 1lb. 2oz. a piece, making 4 1-2lbs. for a set. They can therefore be imported and sold under a duty of 25 per centum—which in all conscience is duty enough for every legitimate want of such an economical government as ours ought to be, at 27 cents per set. Now if these shoes were introduced into general use, it would diminish greatly the demand for journeymen blacksmiths, and throw them out of employment, as any farmer may perceive; and it is this circumstance which now operates against their extensive sale in cities. The quality of the iron has been tried and found to be excellent: but the master blacksmiths hesitate to buy them, because the journeymen have declared that they will not let them come into the shops. The American blacksmiths say it will diminish the demand for

their labour, and take the bread out of the mouths of themselves and families, in order to benefit the English blacksmiths. They think it is an outrage upon their rights, to lay so heavy a tax upon iron as to make it an object for merchants to import horse-shoes ready made, and they are now preparing materials for a fresh petition to the next Congress, which, we think, will present the subject in a stronger light than it has yet been exhibited in.

Having observed an advertisement in one of our city papers, of English *pig* iron for sale, we had the curiosity to call upon the importer and inquire its price, subject as it is to a duty of \$12.50 per ton. We found the price to be \$45, whilst that of American pig iron is \$30 to \$35. It seems that this English iron has peculiar properties, from which the American is exempt, which renders it the best adapted for all the small castings which belong to the machinery employed in the cotton and woollen factories; so that the duty of \$12.50 per ton, which is *fifty per centum* upon the foreign cost of the article, operates as a tax precisely to that extent, upon that portion of the machinery which must needs be made of this iron, on account of its fineness and its capability of being turned in a lathe. Here we have another instance in which the American System is at war with itself. For the encouragement of cotton and wool spinners and weavers, a tax upon all consumers of cotton and woollen goods, to the extent of 35 to 225 per cent., is imposed. But, say the wool growers, we will not agree that you shall feed out of our pans, unless you will assist us to get a law authorizing us to eat out of the pans of all the rest of the community. The spinners and weavers consent to this, because, relying upon their strength and their long arms, they calculate that, upon the whole, they will be able to gain more plunder than they will lose—and so a tax is put upon wool. Then start up the iron masters, and say, “Gentlemen, we will not agree that you shall thrust your fingers into our pans and take out the choice pieces, unless you will consent that we shall come in for our sop out of all the pans of the community.” This modest request is cheerfully accorded, under the generous and paternal title of “mutual protection;” which means nothing but mutual robbery, besides the robbery of all the rest of the public to boot, and a tax is put upon iron which draws from the pockets of the whole body of farmers a vastly greater amount than the whole body of farmers derive from the tax on wool.

But the best of the joke is, that the good natured public, simpleton as it is, is made all the time to believe that these burdens, imposed upon their backs, rather tend to lighten than to aggravate the load which is already there; and they thus exhibit the same sort of stultification as was displayed by a late inventor of a boat on the Western waters, who said he had contrived it so that the heavier the boat was loaded the faster she would go. They are even made to believe that heavy taxation sets a good deal of American industry in motion. There is no doubt that the taxes incident to the national debt of Great Britain and the support of the government, set a good deal of British industry in motion; but the mischief of it is, that this industry is working for others, and not for one’s self. And, admitting the case to be the same here, where would be the benefit? To the man who labours, if he is not to enjoy the fruits of his own industry, it is of very little odds whether he works for the fund holders or the manufacturing monopolists and corporations.

[\[Back to Table of Contents\]](#)

ESSAY No. CVIII.

june 8, 1831.

Political Arithmeticians. The Cotton manufactures shewn to be a heavy tax on the country. Hocus-pocus of Statistical Tables.

IT has always been the policy of the Restrictionists, not only in this country but in all others, to deal largely in figures; hence they have derived the name of political arithmeticians, and they are just as different a class from the political economists, as book-keepers are a distinct class from the merchants who plan, direct, and oversee the commercial operations which produce the results to which the functions of the book-keepers are confined. If one of your mechanical book-keepers, (we allude to those who have never studied the theory of commerce, and are only conversant with debits, and credits, and balance-sheets,) were to turn merchant, he would probably reason in this way: "I perceive by the books of my employer, that, upon an exportation of 1000 pounds of opium, to China, he cleared 1000 dollars. Now if 1000 pounds give a profit of 1000 dollars, it is clear that 100,000 pounds will give a profit of 100,000 dollars—for, so says the rule of three." He therefore ships the latter quantity, overstocks the market, and sinks all his capital. Such instances are of every day's occurrence, and they are to be ascribed to the want of *theoretical* knowledge of the principles by which commerce is governed; and any one may thus see that an acquaintance with figures is not enough to qualify a man to reason correctly upon matters which require a depth of thought. Figures, however, are exceedingly well adapted to mystify a subject where the object is to conceal the truth. A political arithmetician—or, what is the same thing, according to the definition of Dugald Stewart, a statistical collector—very often so completely buries himself up in figures, that he hardly knows himself to what conclusions his premises lead; and, as the mass of the people are not capable of reasoning analytically, they are carried away by the arithmetical exhibition, in the same way that a jury, in a Court of Common Pleas, is sometimes overpowered by the pile of volumes which the *case* lawyer has heaped up before him. These *case* lawyers are amazingly popular with a certain sort of people—and so are the political arithmeticians. Their voluminous references are too astounding for the ordinary mind; and, as many people judge of the abilities of a man by the number and size of the books he can quote from, they consider those the wisest lawyers who can bring into court the greatest number of volumes of reports, and those the wisest statesmen who can produce the most statistical tables. And yet it not unfrequently happens, that in the whole pleadings of the lawyer, and in the whole book of homilies of the political arithmeticians, there shall not be as much brains as one could put in a thimble.

We have been led into these remarks from seeing the following specimen of statistical hocus-pocus, in the "Providence American" of the 14th of May, transmitted to us by a correspondent:

“Effects of Manufactures on Commerce.—A mercantile gentleman has favoured us with the following Statement of Exports of Cotton from New Orleans, commencing October 1st, 1830, and ending April 23d, 1831.

To Northern ports in the United States:

New York	bales 27,012
Boston	26,602
Providence	12,129
Philadelphia	3,501
Baltimore	2,340
Portsmouth	3,179
Other ports	330
Total to Northern ports	bales 76,293

To Foreign ports, viz:

Liverpool, Glasgow, and Greenock	118,256
France	25,573
Other European ports	3,685
Total of foreign exportation,	bales 147,514
Whole amount exported from New Orleans in 6 months.	bales 223,807

“More than one-third of the above exports have been made coastwise in the United States, and the most part will be manufactured into cloth by American hands, again to employ a large amount of tonnage, besides land transportation, to markets both at home and abroad.

“The freighting of this amount of cotton has employed 31,750 tons of shipping, at an average of 250 tons to 600 bales—thus requiring 127 ships of 250 tons each. The freight on the cotton exported from New Orleans, into ports of the United States, at \$5 per bale, will amount to \$381,465.

“Strike out this immense business, by destroying the ‘accursed tariff,’ and where will commerce look for a substitute for this valuable employment?—to say nothing of the destruction to labour and capital employed in the manufacture and land transportation of the material and manufactured articles.

“The opponents to the tariff must give up their argument, that the American System is injurious to commerce. They have nothing to rest this theory upon. We have in this estimate about one-fourth the amount of cotton exported, abroad and coastwise, from all the ports of the United States. Will the anti-tariff advocates point out any injury to commerce, arising from manufactures, that can amount to the one-hundredth part of the benefits conferred upon it in this item alone?”

Now it appears, from the foregoing article, that merely because 223,807 bales of cotton have been exported from New Orleans in six months, of which one-third were shipped coastwise, it is to be inferred that it is sound policy for the consumers of cotton goods in the United States to pay the Rhode Island manufacturers three or four cents a yard more for their cotton fabrics, than they can be had for elsewhere. But let

us take up the writer upon his own admissions, and see what we can make out of him. He thinks that of this cotton, probably one-third will be manufactured in the United States, say 75,000 bales, and he infers this because that quantity has been shipped coastwise, and he makes little allowance for the portion of this quantity which will be shipped to Europe from Philadelphia, New York, and the other cities to which it has been exported. Now, 75,000 bales, weighing 300 lbs. each, is 22,500,000 lbs.; this quantity of cotton manufactured into cloth, at 5 yards to the pound, which is a fair average, would produce 112,500,000 yards; and supposing this to be sold by the manufacturers to the consumers, at three cents per yard more than the same quality of cloth could be had for from other sources, it amounts to a tax of only \$3,375,000 upon the nation, for the support of the cotton manufacturers who *get supplied from New Orleans*; leaving all those who get their supplies from Mobile, Savannah, Charleston, Georgetown, and the ports of North Carolina and Virginia, to levy nearly twice as much besides, if it be true, as is stated by the Tariff party, that the whole quantity manufactured in the United States is 200,000 bales.

It may perhaps be urged, that although the duty on cotton goods of the lowest quality is 8 3-4 cts. per square yard, or about 6 1-2 cts. per running yard, (three quarters wide,) and that although the manufacturers, even to preserve the peace of the country, are not willing to abate one jot of this prohibitory duty, which is conclusive that they cannot do without it, yet that we have rated the increased price too high. Be it so. We will be satisfied, upon this occasion, to take *one cent* per yard as the increased price, and an account current would stand thus upon the basis furnished above:

Dr. { *The Consumer of Cotton Goods, in account current with the American System.*
} Cr.

To a tax of one cent per yard on 112,500,000 yards of cotton cloth,	\$1,125,000	By freight earned in transporting cotton coastwise,	\$381,465
		Balance,	743,535
			\$1,125,000

The above balance shows the loss to the concern, unless the manufacturers can show that they sell their goods as cheap as they can be imported, and this they can only do by manifesting a willingness to reduce the duty to a revenue scale.

In the foregoing account we have placed on the credit side the freight earned by the vessels transporting cotton coastwise. Now were it not for the American System, the same cotton which was thus shipped coastwise, would have been transported to Europe, and an equal freight would have been earned by the same vessels; so that striking out this item from the account, we should have a true statement, presenting a positive loss to the consumers of cotton fabrics, of \$1,125,000. If the Providence American will undertake to disprove our calculations, or our reasoning, we will with pleasure copy his remarks.

[\[Back to Table of Contents\]](#)

ESSAY No. CIX.

june 1, 1831.

The manufacture of houses, as a branch of business, greatly injured by the duties on iron, glass, iron-mongery, paints, and other materials required for building.

ONE of the most extensive and important branches of manufacture carried on in Philadelphia, is the manufacture of *houses*. This branch of domestic industry affords employment to many thousands of persons, such as architects, blacksmiths, brick-layers, bell-hangers, brick-makers, carpenters, carters, cellar-diggers, glaziers, gardeners, labourers, lime-burners, lumber-merchants, locksmiths, masons, marble-masons, ornamental-painters, painters, paper-stainers, paper-hangers, plaisterers, plumbers, pump-makers, stone-cutters, tinmen, varnish-makers, white-washers, wall-colourers, well-diggers, and many others; and our present object is to inquire whether any—and if any, what—interest, these numerous classes of working-men have in the continuance of the Restrictive System.

Any one may see, that the cheaper houses can be built, the more of them can be sold or rented; for, such in general is the desire of every individual family to live by itself, that nothing induces people to put up with a room or two under the same roof with another, but their inability to pay the rent of a whole house. To enter seriously upon an argument to show that more houses can be rented, at cheap rents, than at dear rents, would be presuming too much upon the ignorance of the reader, and we shall therefore content ourselves with this simple remark, that, with respect to a very large class of persons, it is a small sum which decides whether a family will go to house-keeping, or remain at lodgings, or as the tenant of part of a house. One hundred dollars, fifty dollars, nay, twenty dollars per annum, in the rent, frequently offers the inducement which leads to the demand for another house; and as the comfort of a family is greatly promoted by having its own castle, there is no telling what would be the extent of the demand for houses, in all our commercial cities, if houses were built at as cheap a rate as they could be built at, if it were not for the system of high duties. It is well known that a great proportion of our houses are built by mechanics, for sale. A carpenter, a brick-layer, a plaisterer, and others, frequently unite together, and build a row of houses, by each working for the other. Much of the work is done with their own hands and much of it by apprentices. If it were not for the tax upon clothing, and groceries, and upon every thing which the master-mechanic and his family, his apprentices, and journeymen, consume, he could afford to sell his house that much cheaper, and make the same profit he now does.

But it is not only the tax upon the articles consumed in families, which increases the cost of houses. Upon all the ironmongery, such as locks, hinges, bolts, bells, &c., there is a considerable duty—one which will not be wanted after the extinguishment of the public debt. Upon screws there is a tax of 40 per centum, upon cut nails a tax of at least two cents per pound, and upon all the iron work executed by a blacksmith a tax equal to 50 to 150 per centum on the foreign cost of the iron. Upon all the

window-glass there is an enormous tax, of from \$3 to \$5 per 100 feet. Upon the lead employed in the spouts and gutters of the roof, and in the pipes to convey the Schuylkill water into the houses, yards, and bath-houses, there is also a heavy tax, of 3 cents a pound upon the former, and 5 cents upon the latter. Upon the paints used inside and outside of the house, upon the fences, and back-buildings, there is a very heavy tax. Upon red and white lead the tax is \$5 per 100 pounds, and upon Spanish brown and yellow ochre \$1.50 per 100 pounds.

Many persons may perhaps suppose, that the tax upon the manufacture of houses is limited to those articles which may be imported from abroad at a cheaper rate. This, however, is not the case. There is not a material of any kind, used in the structure of a building, nor any species of labour employed upon it, which does not cost more on account of the Restrictive System. The brick-maker charges more for his bricks than he otherwise would do, because his workmen are under the necessity of being paid more wages, owing to the heavy taxes which it has been the policy of our *paternal* government to impose upon the labouring classes, in the form of high duties upon groceries, coarse cotton and woollen goods, and upon almost every thing they consume. The lime-burners in the country charge more for lime, because their expenses are increased in the same way; the wagons in which they convey the lime to the city, cost them more, on account of the duty on iron, and they must therefore have more for the carriage. The same is true of the owners of stone-quarries. The lumber-cutters in North Carolina, Pennsylvania, and New York, must all charge more for boards, plank, and scantling, in consequence of the taxes imposed upon all their implements of trade, upon the vessels which transport the lumber, and upon every thing they eat, drink, wear, and sleep under and upon. The wages of all labourers and mechanics, of every kind, from the man who digs the cellar to the one who puts the last touch of paint upon the finished edifice, are more or less regulated by the expense of living. For if a working-man, at the wages he receives under high taxes, can comfortably maintain himself and family, he can maintain them equally well if the taxes were low, after a considerable abatement in his price, which he would readily make, as it would be the means of giving him more employment.

But we have not yet enumerated all the burdens imposed upon the manufacture of houses. Owing to the taxes imposed upon the subsistence of the community, which we have brought into view, and to those imposed upon the building of houses, as above described, the public expenses are increased: all public officers must be paid more salary; it costs more to erect public buildings, to maintain the public paupers, to light the city, to pave it, and to watch it. And will it be believed that the iron pipes, laid down to convey the Schuylkill water through the city, which now extend for many miles, cost so much more than they need cost, that, for every *four* miles of pipe we might have had *five* miles? All these causes operating together, increase the public taxes; and because the city, county, poor, and health-taxes, are higher, the owner of the ground must have more for his ground, and the owner of the house must have more rent. The ramifications of the high duty system may be traced throughout all the expenditures of the community, and we have not a doubt but that the whole cost, to the nation, of collecting its revenue, under the existing regulations, amounts at least to a tax of five dollars per head, or sixty-five millions of dollars per annum, upon thirteen millions of souls, the actual population.

If the manufacturers of houses should any longer adhere to a system which operates so decidedly against them, and without *producing a single benefit to them*, it will be a confirmation of the old adage, that “Fools build houses,” &c.

[\[Back to Table of Contents\]](#)

ESSAY No. CX.

june 15, 1831.

Proceedings of a Convention of Wool Growers. Examination of one of the Reports made thereto. Doctrine of Minimums explained. Frauds upon the revenue.

WE publish to-day the proceedings of a Convention of Delegates, appointed by persons interested in the growth and manufacture of Wool, held at New York on the 18th of May last, as far as the same have been officially published. A reference to these proceedings will show that a committee was appointed to examine into the subject of the alledged frauds on the revenue, and that another was appointed “to take into consideration the expediency of forming a *National Association*, with auxiliary branches in each state, having for its object the procurement of statistical facts, the diffusing of information on all points relating to the national industry,”—[viz. *the industry of the protected manufacturers*]—“and the sustaining, by united effort, that industry against foreign rivalry;” that is, prevent the people from having cheap goods.

We propose briefly to examine the first of these reports, and, before so doing, we shall trouble the reader with a few preliminary remarks, explanatory of the doctrine of *minimums*.

A man, unskilled in the science of legislation as it is carried on at Washington, who should take up a report of the Secretary of the Treasury, giving a statement of the revenue derived from imports, would be able to discover no duty imposed upon woollen cloths of a higher rate than fifty per centum, and he would very naturally infer that no higher duty was charged upon any. It would appear to him that the official reports of the Treasury Department would carry on their face the impress of truth, for he would suppose that, as they must be drawn up in conformity with the laws, and that as in the legislation of a government created *by* the people, and *for* the people, no majority of Congress would be so daring as to practice fraud in the enactment of laws, with the express design of concealing from the people the real extent of their burdens, he would naturally conclude that, when he saw fifty per cent. recorded as the maximum of duty, it would not be possible that he should be actually paying one hundred per cent. And yet such is the fact—a fact which, if it could only be brought into the view of those who are the victims of the fraud, would of itself be sufficient to overthrow the American System, as a wicked imposture. But it may be asked, “Can it be possible that a man pays a hundred per centum duty, when the law says he only ought to pay fifty?” It is even so—and the mystery is soon cleared up, when it is stated that the very law which says you shall pay fifty per centum *ad valorem*, also says a yard of cloth which costs fifty-one cents shall be valued at a dollar. Suppose that Congress, in laying internal duties during the last war, had enacted a law in this form: “The tax upon a copper still shall be one dollar per gallon upon the capacity of the still, *provided* that a still which can hold only *fifty-one gallons* shall be deemed to hold *one hundred gallons*, and shall pay duty accordingly,”—what think you, gentle reader, would the ‘whiskey boys’ of

Pennsylvania have said to such a law? We are very much mistaken if some of them would not have hoisted the liberty-pole as they did in old times, denounced the majority of Congress as guilty of an outrageous fraud, and put the collector of the tax at defiance. The discreet part of the community, to a man, would have condemned such unmanly and insidious conduct, and would have said, like patriots, “If the country requires that there should be a duty of two dollars a gallon on the capacity of the stills, let Congress say so above-board like men, and not take from us two dollars, when we think we are only paying one. Fair play is a jewel. The people have a right to know how much they pay towards the support of the government, and it is a violation of their rights if any thing is concealed which can be made palpable.”

This case of the still is the precise case of the woollens:—the law says that cloth, costing abroad—

“Between 50 and 100 cents per square yard, shall be valued at \$1.00;—between 100 and 250 cents per square yard, shall be valued at \$2.50;—between 250 and 400 cents per square yard, shall be valued at \$4.00.”

And the duty is charged accordingly, upon the latter prices, at the rate of *forty-five* per centum. The result of this mode of cheating the public—(we like to call things by their right names)—is this:

The duty on cloth which costs

51 cents per square yard, is	88 per cent.
60 cents per square yard, is	75 per cent.
70 cents per square yard, is	64 per cent.
80 cents per square yard, is	56 per cent.
90 cents per square yard, is	50 per cent.
100 cents per square yard, is	45 per cent.
101 cents per square yard, is	111 per cent.
125 cents per square yard, is	90 per cent.
150 cents per square yard, is	75 per cent.
175 cents per square yard, is	64 per cent.
200 cents per square yard, is	56 per cent.
225 cents per square yard, is	50 per cent.
250 cents per square yard, is	45 per cent.
251 cents per square yard, is	71 per cent.
275 cents per square yard, is	65 per cent.
300 cents per square yard, is	60 per cent.
325 cents per square yard, is	55 per cent.
350 cents per square yard, is	51 per cent.
375 cents per square yard, is	48 per cent.
400 cents per square yard, is	45 per cent.
401 cents, and all above yard, is	50 per cent.

But, not only is this mode of fixing the duty a fraud—it is even a fraud to call the duty an *ad valorem* duty. It is as much a specific duty as that upon sugar, and operates precisely in the same way—that is, the lower the quality of the article, the higher the duty. Thus the poor or working man, who is obliged to be content with coarse cloth, is made to pay from 45 to 111 per centum, whilst the rich man pays no more than 50 per centum for the very finest of his apparel. This is the system called the “*American System*”—this is the policy which men, professing to consult the interests of the farmers and working classes, are endeavouring to render “the settled policy of the country”—and, unfortunately, this is the delusion which has now such a strong hold upon a majority of the people of the Northern states, as to lead them to regard as their foes the philanthropists, the statesmen, and the patriots, who are now labouring to extricate them from the fatal heresy.

The first report above referred to, commences by stating what the law is relative to the valuation of goods under the different minimums, and the committee then proceed to lay down some positions, and to draw from them their inferences.

The first case they adduce is that of 80,000 yards of cloth having been imported by one concern, the principal part of which was entered at a value not exceeding 6s. 9d. per running yard, which gives the cost, per square yard, at about 98 or 99 cents,* and brings it under the one dollar minimum. The committee are of opinion that this cloth must have cost more than 6s. 9d. per running yard, and they form this opinion from two considerations: one is, that the goods were shipped *to order*, and not imported by the consignee on his own account, which they probably supposed involved the shipment in a sort of mystification; and the other is, that the prices which these goods brought in the New York market were higher than goods costing as low as 6s. 9d. ought to command.

As to the first consideration, the committee admit that the mode of consignment to order is not necessarily an indication of fraud. In this they are correct. Shipments are very often made in foreign countries, and the bills of lading filled up without the name of any consignee; in this case, the term “to order” is used, to signify that the goods are to be delivered to such person as the shipper may assign the bill of lading to, by endorsement. This is sometimes done where a shipper wishes, before his property gets into the hands of a consignee, to ascertain the state of his credit; in which case he transmits the invoice to a third party, to whose discretion the delivery of the bill of lading is intrusted. It may occur, owing to a fraudulent intention, but we are not aware of any instance in which a fraud could be perpetrated by an absent owner, by filling up the bill of lading to order, better than by designating the consignee. In either case, the consignee can only swear to the invoice according to the best of his knowledge and belief; and if there is any reason to believe that fraudulent invoices are made out by foreign shippers, we know of no remedy but to prohibit foreigners from shipping goods to this country at all. This is possibly the next step in the march of the “*American System*,” which the woollen manufacturers will recommend. And now we should like to inquire, what has become of Mr. Mallary’s celebrated bill of May 28, 1830? Has it proved, as was predicted, wholly inefficacious? The committee admit as much. They are forced to confess that, notwithstanding their entire belief in the honesty and good faith of the collector and appraisers, and that portion “of the great

body of American merchants who pursue an honest and honourable trade," it has not been practicable to prevent the undervaluing of goods in the invoices.

As to the second consideration, the committee are partly right, and they are partly wrong. They have made out their case, we think, as to some of the goods referred to, but not as to all; and, as we have been at some pains to collect information on this subject, for the correctness of which we pledge ourselves, we shall enter into some details.

The committee infer that the goods in question were undervalued in the invoice, because they commanded in the New-York market, from \$2.50 to \$4.25 per yard. From this position it would seem to be taken for granted, that goods costing 6s. 9d. per yard, or less, will not command those prices. We have it in our power to show, that goods, which cost in England, on the 14th of January, 1831, 6s. 5d. to 6s. 8d., were sold, in the Philadelphia market, by the importer, *to wholesale dealers*, at from \$2.67 to \$3.20 per yard, after paying the full duty, and leaving the importer a profit of 18 per centum. We have seen the invoice, and account of sales, and from the high standing of the party, who, in this community, for integrity and character, stands second to none, we pronounce the inference of the committee, as to sales under \$3.20 per yard, as resting altogether upon suspicion.

In reference, however, to the cloths which have sold at from \$3.25 to \$4.25, we have equally strong authority for believing that what the committee states *may* be true. The importer referred to purchased his goods in England, *for cash*, of one of the principal manufacturing houses, and he is of opinion that no goods could have been laid in cheaper, by others, unless in those cases where persons on the spot, looking out for bargains, should sometimes find chances of speculation, which a regular importer, who orders his goods from the manufacturer, cannot enjoy. It sometimes happens that a stock of goods belonging to the estate of a bankrupt trader, is placed under the auctioneer's hammer, and sold at a sacrifice. It also sometimes happens that a manufacturer, who is pressed for money, forces his goods off at auction, or procures an advance upon them, of a broker, who is authorised to force a sale in case of their non-redemption. In any of these cases, a piece of cloth may very well come into the possession of a bona fide purchaser, at 6s. 9d. per yard, which the manufacturer would have held at a higher price; and we can see no difficulty in believing that one merchant may ship to this country the same quality of cloth, at 6s. 9d., for which another would have to pay ten, fifteen, or twenty per cent. higher. If, however, it be true, as the committee state, that goods have been entered at 6s. 9d. per yard, which have commanded, in the New York market, as high as \$4 to \$4.25, the presumption of an under-valuation, *by the shipper*, would be too strong to be resisted, although it would not necessarily implicate the consignee, who might be a commission merchant of the highest character, selected for his integrity, with the very object the better to conceal the fraud.

Now, admitting the case to be as represented by the committee, what does it prove? Nothing more than that frauds upon the revenue will be perpetrated just in proportion as the temptation is increased, and that it is impossible to prevent them by any vigilance at the custom-house. An intelligent importer has given us his opinion, that,

to guard *effectually* against the possibility of fraud, one hundred appraisers would be necessary at the port of New York alone, where such great importations take place; for, indeed, without the examination of every package, and even piece, what certainty can there be of fair valuation? But this is not all. One hundred appraisers might and would have different opinions as to the value of cloth, and an article which would be placed at 99 cents by one appraiser, and thus made subject to a duty of 46 per centum, might by another be placed at 101 cents, and thus be made subject to a duty of 111 per centum. Every one can see that it is the system of minimums which creates nine-tenths of the temptation to fraud. If the duty on woollen cloths were a bona fide duty of 45 per centum *ad valorem*, great and oppressive as it would be, it would remove the principal inducement for deceptive valuations. The duty payable on a cloth costing 101 to 120 cents per yard, would be but a trifle more than the duty upon one costing 99 cents, and this trifle would be too inconsiderable to sear the consciences of any great portion of the people. But when the reward of a false oath is the difference between 46 and 111 per centum, there are too many, we fear, who would endeavour to persuade themselves that a custom-house oath is a mere matter of form.

In the report of the committee, under consideration, there is one curious fact mentioned, as throwing difficulties into the way of a correct appraisement of cloths, which is, that the number of invoices presented at the custom-house, with low valuations, is so great, that the appraisers are amazingly puzzled. Now, *prima facie*, this fact ought rather to be proof of a low price of goods; for, upon what ground can these invoices be pronounced fraudulent? A number of invoices, corresponding in prices and quality, are a much better criterion of cost, than the opinions of any individuals residing three thousand miles from the market where they were purchased.

As to the course pursued by the Secretary of the Treasury, and for which he has been found fault with, by the committee, it only proves how difficult it is to execute laws where the penalty is out of all proportion to the offence. There is something so revolting in the idea of forfeiting all a man's property, as might very well happen, merely because he was so fortunate as to purchase his goods in England a few cents cheaper per yard than his neighbour, that it is not probable that any other decisions need be looked for at the Treasury Department, unless fraud is too manifest to be doubted.

It is not a little remarkable that the Committee on Frauds say not a word about smuggling, which is unquestionably carried on to a considerable extent. They seem as if they were determined to let the smugglers enjoy the whole of the protection which their industry now enjoys under our system of encouraging domestic employments. They seem not to be aware, that just in proportion as undervaluations at the custom-house are prevented, capital and industry will be turned into the other channel; and we do aver, that, when the system of smuggling on the Northern frontiers gets well organized, it will be utterly impossible to prevent it so long as the duties afford a clear profit of 45 to 111 per centum. We do not mean to say that frauds on the revenue should be countenanced in any shape, but we are firmly persuaded that nothing can put a stop to them but a reduction of the duties. It is too much for the people of the United States to be taxed for the support of the government, and an aristocracy of manufacturers, and, at the same time, for the support of an aristocracy of smugglers.

[\[Back to Table of Contents\]](#)

ESSAY No. CXI.

june 22, 1831.

Free Trade Convention proposed, to be held at Philadelphia.

Anti-Tariff Convention.—A number of gentlemen, from different states, favourable to the principles of Free Trade, having assembled at Philadelphia on the 6th of June, and taken into consideration an Address,* published in the New York Evening Post, recommending an Anti-Tariff Convention, unanimously

Resolved, That a Convention, for the purpose of securing the efficient co-operation of the friends of Free Trade, throughout the United States, in procuring the repeal of the Restrictive System, be held at the Mansion-House Hotel, in the city of Philadelphia, at 10 o'clock in the morning of Friday, the 30th day of September next; and that there be invited to attend the same, such citizens, from all the states of the Union, *without distinction of party*, who are favourable to the object of the meeting, as may find it convenient to attend. It was also

Resolved, That notice of the said meeting be published, and that editors throughout the United States, friendly to the cause of Free Trade, be requested to give it circulation.

The Address referred to in the foregoing article, originally published in the New York Evening Post, and subsequently in the Banner, appeared with some typographical errors. A corrected copy is this day presented, on our first page, and a reference to it will show how many reasons there are why the opponents of restrictive and prohibitory laws should exert themselves, and meet their adversaries with their own weapons. The resolution adopted at the late meeting of the Manufacturers at New York, to organize societies throughout the country, for the propagation of the fallacies of the American System, supported as it was by the raising of a fund of five thousand dollars, and the enrolling of one thousand subscribers for a daily paper in New York, must satisfy any one that no effort will be left untried to fasten upon us the yoke of the restrictive bondage. If those whose property is thus to be sported with, in order to enrich the monopolists, will not endeavour to stem the current, at least by concentrating their influence and intellectual powers, by assembling together and giving such a weight to their opinions as can never be conferred in any other mode, they must prepare to submit, or to encounter the hazard of revolution. What is chiefly wanted at the North, is, that the people should *know* that the complainants at the South are in earnest. The local divisions about the *means* of redress is construed into a diversity of sentiment as to the real operation of the protective policy upon Southern interests and feelings. Let it be once understood that the South is unanimous in her conviction that the tariff policy is oppressive and unconstitutional, and that she will not forever submit to usurpations which annihilate the liberty, for the preservation of which the Union and the Constitution were framed, and a change of policy may be looked for. The presence, at Philadelphia, at the Convention, in September next, of

some of the distinguished citizens of the South and Southwest, would do more to convince our well-disposed but deluded advocates of the tariff, that the harmony of the country requires a sacrifice, than all that could be written in the very few papers which have magnanimity enough to give a hearing to the complaints of the planting states. We therefore earnestly press it upon those gentlemen who can make it convenient to attend, to do so. Amongst the farmers, planters, merchants, professors of political economy in our various colleges, lawyers, physicians, and retired gentlemen, who belong to the side of Free Trade, there exists a mass of intellect, which could be brought to bear most advantageously upon the Northern states at the present crisis. If the approaching occasion is lost, another may never be afforded, and future times may look back upon this memorable period, and say, "How possible it was for a few men to have saved that Union!" In conclusion we state, that the annual commencement at Princeton College takes place on the 28th September, and as there are amongst the *alumni* of that institution a great number of our distinguished citizens, whose presence at the Convention would be desirable, we mention the fact as an additional inducement for their attendance, as it would afford an opportunity for the admixture of the *utile dulci*.

[\[Back to Table of Contents\]](#)

ESSAY No. CXII.

june 22, 1831.

A Camel's hair Shawl shewn to be the product of domestic industry, although manufactured in India.

“WHO would give a thousand dollars for a shawl,” asked a lady of our acquaintance, the other day, who had been shown one at a shop, at that price, “when so many poor people could be relieved from distress with such a sum?” The remark was very natural, and one which is very often excited when people give extravagant prices for articles of dress or luxury. But are we sure that the rich man, who can afford to spend large sums in costly apparel, does not, by so doing, render as great a service to the poor as if he gave his money in alms? Let us examine the history of this shawl, and see how many people will have been benefited by its sale, and thus have been prevented from the necessity of asking alms—which is a far better mode of serving the poor, than giving them alms after they are in want; for in one case they produce something in exchange for the money they receive, and in the other case they do not.

The shawl was a rich green, with a splendid border, of what is called real camel's hair. It was made in the East Indies, where it possibly cost five hundred dollars, the residue of the price being required to pay freight, insurance, interest, commissions, duties, and other charges, and the importer's and retailer's profits. The process necessary for its manufacture, and for procuring the raw material in India, gave a demand for the labour of a number of persons, and its transportation to this country employed many more, such as the seamen who navi gated the ship, the mechanics who built her, and the labourers who assisted in loading and unloading her. In fact, the labouring classes in every country, who live by their industry, may be considered more or less as standing in need of the patron age of the rich; and if that patronage were to be withheld, it is easily to be seen that they would soon be placed in the attitude of paupers, instead of that of industrious producers, who give an equivalent for what they receive. From this it may be seen, that those who buy articles of value, cannot do it without giving employment to the labouring classes, which employment it is that keeps them from actual poverty.

But we expect to hear some *patriotic* American System man cry out, “This is all true enough, but charity should begin at home: If our rich people are inclined to expend their money upon articles of taste and luxury, let them give employment to our own citizens, by purchasing articles of domestic production.” What! has the American System no bowels of compassion for the poor Hindoos? Does it teach, that philanthropy is no longer friendship to *man*, but to one's own household? Does it prescribe limits to the spirit of benevolence and good will due to the whole human family as children of one common parent, and say, Love thyself better than thy neighbour? Does it assert that the rule of conduct obligatory upon every individual, towards other individuals, is not of equal obligation upon a nation in reference to other nations? We ask these questions, not for information, but to shame that portion

of the champions of the Restrictive System who make professions of piety, and who, whilst they compass the whole earth to make proselytes to their faith, are putting into practice and maintaining a vile and anti-christian policy, subversive of all the feelings of charity and universal benevolence, which true philanthropy and religion enjoin.

But we will argue with them upon their own ground—we will take them up upon their own selfish reasoning—and will show that the purchase of this *foreign* shawl, produced by the industry of Indians, was nevertheless procured by *domestic industry*. We presume that no one will deny, that that part of the price which pays the ship-owner, the seamen, the ship-carpenter, the sail-maker, the rigger, the mast-maker, the ship-smith, the painter, the plumber, the block-maker, the pilot, the porter, the merchant, the clerk, the retailer, and the various others whose industry is in part rewarded by the importation of this shawl, is a reward to American industry. And now, as to the other part of the price, supposed to be equal to five hundred dollars. Was the shawl obtained for nothing? We presume no one will assert this. It was therefore paid for: And how was it paid for?

First. Either by shipping cotton goods to Calcutta, from Boston, or some other port; or,

Secondly. By a bill on London, transmitted for sale to Calcutta; or,

Thirdly. By a shipment of specie.

As to the first mode, (which is quite a possible one, for there were cotton goods shipped to India, within the last five years, enough to pay for two dozen shawls,)* any statistical collector might see that the fund was derived directly from domestic industry; and it therefore wants no further evidence to prove that the shawl was the product of American industry.

As to the second mode, the bill upon London could only have been drawn upon some fund deposited there from the sale of some products of American industry, shipped to London, or some other place; and, in this case, the shawl will have been procured by domestic industry.

As to the third and last mode, the only point we have to ascertain is, how the specie was obtained by us. If it came out of the mines in North Carolina or Georgia, it was clearly produced by domestic industry. But if it came from Mexico, it was paid for by domestic productions of some kind or other; and, although the process was a little more round-about than the other mode, it was still a purchase of a shawl with the products of domestic industry.

To make this plainer, we will illustrate it by an analogous case. A lady wants a camel's hair shawl. The lady's husband has a store full of goods of another sort, and he offers these in exchange for the shawl. The owner of the shawl says he does not want any coffee, or tea, or cotton, or tobacco, or rice, and that nothing will suit him but money. But the merchant finds another dealer, who wants coffee, tea, &c., but who has no shawls for sale, and is willing to pay money for what he buys. The

husband therefore sells his coffee, tea, &c., to the one, and buys the shawl of the other. Now is not the shawl, in this case, as certainly and as manifestly procured with the coffee, tea, cotton, tobacco, or rice, as if the very shawl-merchant himself had taken them?

[\[Back to Table of Contents\]](#)

ESSAY No. CXIII.

july 6, 1831.

Political Economy for the Ladies. Tax upon Carpets, and Floor-cloths—operation of.

SOME people have a notion that Political Economy is too dry and abstruse a subject for the ladies. There are some of its departments which are undoubtedly so, but there are other branches again which any one may comprehend; and, to show that we are right in this position, we have written the present article.

Every house-keeper knows the comfort, in summer time, of having a cool covering on the floor—such, for instance, as a China straw-matting. Such an article is not merely an article of luxury, it even promotes economy, by saving the labour of frequent scrubbing; and every one can perceive, that, with a neat covering on the floor, the room can be furnished to look well with less expense than where there is none. We leave this to the judgment of any lady; and if she decides in our favour, we will ask her attention to a few remarks upon the beauties of the American System.

We will suppose, that on the first of June she took up her carpets from the parlours, chambers, and entry, with the intention of purchasing China matting, to put down for the summer. On going to the different shops, she finds, to her amazement, that there is none to be had of the first quality, (which we understand to be the fact now in Philadelphia,) and that for the inferior qualities they ask 62 1-2 cents a yard for the yard and a half wide. She inquires the cause of this, of her husband, when he comes home to dinner, and he tells her that this scarcity and high price are owing to the *Protecting* System, as some people call it. She then very naturally asks whether there is any China matting manufactured in this country, which requires that the manufacturer should oblige house-keepers to pay as much for covering two rooms as they ought to pay for covering three? The husband answers, No. “Why, then,” asks the lady, “should there be a high tax upon China matting?” The husband is puzzled to answer this, and he promises to inquire into it the next time he goes out. He is not long in getting a key to the scheme of *protecting* the ladies against cheap floor-cloths, and, for their benefit, we will lay it before them.

By the tariff of 1824, oil cloths and China matting were both subject to a duty of 30 per centum on the first cost. It seems that a few persons in the United States had undertaken the patriotic enterprise of supplying their fellow-citizens with oil cloths, at double the price they cost in other countries, but had found out that they could not accomplish this without a law to impose a penalty upon every person who should be so unpatriotic as to use an English, French, or German oil cloth. They also found out, that if the penalty upon the use of foreign oil cloth should be made very high, people would be driven to the use of China matting, and in order to prevent this, it was cunningly devised that another penalty should be imposed upon any house-keeper who should dare to use this latter article. The matter was laid before Congress in 1828, and the request of the patent floor-cloth manufacturers, viz.,—that twelve

millions of people should be taxed to support one, two, or three, unprofitable establishments—appearing, to that enlightened body, to be so very reasonable, it was readily acceded to. A penalty of 50 cents per square yard upon oil cloth, and of 15 cents per square yard upon China matting was imposed.

Now, 15 cents per square yard upon China matting, is equal to 22 1-2 cents per running yard; and, consequently, if it were not for the tax, the price would now be but 40 cents per yard. Indeed it would not be so much, for it must be remembered that the merchant charges a profit upon the duty which he is obliged to pay.

There are now existing in this country what are called *Mite Societies*—that is, societies composed of ladies, who contribute very small sums, or mites, annually, towards particular objects. Now we would recommend a Mite Society to be formed, for the purpose of raising a fund to put an end to the monopoly of the floor-cloth manufacturers, and to enable house-keepers to buy China matting at its fair and natural price. If double the number of floors were covered with matting that there now are, which would be the case if it could be had at 25 cents per yard less than its present price, the comfort of families would be amazingly promoted; and when the smallness of the sum that will be sufficient to purchase this great privilege shall be named, we are satisfied that many persons will be astonished. Our calculation is this: The whole number of persons in the United States, employed in the manufacture of floor-cloths, cannot exceed *one hundred*. Estimating their earnings at the high price of 300 dollars per annum each, the amount would be 30,000 dollars. Now if a fund were raised, equal to one-fourth of a cent per head of the whole population of the United States, estimated at thirteen millions, it would be more than sufficient, by \$2,500, to maintain the whole of these people, even supposing them to be able to get no other employment.

[\[Back to Table of Contents\]](#)

ESSAY No. CXIV.

august 10, 1831.

*Imports and Exports inseparably connected; one cannot exist without the other.
Commerce an exchange of equivalents.*

ONE of the points most essential to be clearly understood, in Political Economy, is, *the absolute inseparableness* of imports and exports; and if we look at the arguments of that portion of the tariff party who pretend to reason upon the subject, we shall discover that a want of knowledge of this important truth lies at the bottom of their whole fallacious theory. They seem to suppose that a country can carry on an *export* trade, without at the same time carrying on an *import* trade, and hence they are constantly at work to try to find out how they can increase the export of domestic products, and at the same time diminish the import of foreign products. Like the disciples of the old commercial school, who maintained that a country was enriched, not in proportion to the aggregate extent of its trade, but in proportion to the quantity of the precious metals which were brought into it, they seem to regard as the very apostles of wisdom those who are seeking after the philosopher's stone in the form of an excess of exports over imports. A little reflection upon this subject will, we think, satisfy any one, that this search will be nothing different from a wild-goose chase. Like an *ignis fatuus*, it is ever dancing before the eyes of the bewildered pursuer, and like it, must forever elude his grasp.

Commerce is nothing in the world but an exchange of commodities for commodities *of equal value at the place where the exchange is made*. Nations never give commodities to other nations for nothing. Even individuals rarely do it; for, although a Chinese hong-merchant may sometimes make a *cumshaw* or present to an American supercargo, yet he probably gets, in exchange for it, its full value, in ginseng, opium, or extra commissions. If, however, nations were to be so foolish as voluntarily to give their commodities away for nothing, the nations to whom they were given would be gainers to the full value of the gift, and would certainly not be guilty of the folly of refusing to receive them, upon the ground that the balance of trade was against them, as proved from their importing more than they exported. Now if other nations will not give us their products for nothing, we think it may very safely be assumed, that we will not give them our products for nothing; and it must therefore be manifest to any man, who does not regard the people of the United States as a nation of boobies, that, for every dollar we export, we import a dollar's worth in return.

From this it will be evident, that imports and exports go together hand in hand. It is no doubt sometimes the case, that in one particular year, imports may exceed exports, and *vice versa*; but there is a perpetual tendency to equalization, and upon an average of five or ten years it can hardly fail that the amount of one is exactly counterbalanced by the amount of the other. Is it not therefore self-evident, that whatever measures have a tendency to prohibit imports, must of necessity at the same time prohibit exports, to an equal extent? We do not see how this can be doubted, and, according to

our custom, we cheerfully offer the columns of this paper to any writer who will undertake to refute this position.

Every nation has it in its power to diminish the actual amount of its exports, by two processes, equally efficacious. One is by positively prohibiting exports; the other is by prohibiting imports. It matters not, as to the final result, which one be resorted to. Prohibitory duties on foreign commodities, as far as they operate, are just as effectual in preventing exports, as an embargo operating upon the same value of goods. We cannot say that ten millions of dollars' worth of foreign products shall be excluded, without saying, at the same time, that ten millions of dollars worth of domestic products shall be cut off from our exports; cause and effect are not more inseparably united; and it is because the Tariff party will not give themselves the trouble of thinking upon this point, nor of listening to the arguments which so conclusively establish the fallacy of their reasoning, that the Southern people have so strong grounds for dissatisfaction. The Southern people say, and they say very correctly too, that if duties are imposed upon foreign products which exclude ten millions of dollars worth of goods, this prohibition is attended by a diminution of ten millions of dollars in the exports of domestic products, and that, as the article of cotton is the one which would undoubtedly be the preferred commodity for a great part of this sum, the operation of the duty is more oppressive on the cotton-planters than on any other class. Of this fact, no one who understands the subject entertains any doubt; and even supposing that the Constitution authorises protecting duties, which we wholly deny, the inequality of their operation ought to be an objection to their adoption under a government founded upon a supposed conciliation of interests.

If then these positions be true—if imports and exports are inseparably connected, and if a nation can at its pleasure equally *diminish* its exports, by prohibiting the one or the other—it is equally clear that a nation may *augment* its exports, either by reducing the actual rate of duties on foreign commodities, or by removing the obstructions placed upon those exports. This is what we have always contended for in this journal. The restrictionists do not understand this principle, and on that account, when they cut off exports by the refusal to take foreign goods, they fall into the error of supposing that it is the fault of foreign nations that we do not sell more domestic productions. They delight in having discovered, as they suppose, that foreigners will not buy of us—when it is in fact we, who will not permit them to buy. We do really believe, that there are amongst them some prominent men so ignorant on this point, that if their system was carried out to its full extent, so as to exclude all foreign imports, and consequently to cut off all domestic exports, they would maintain that our commerce had ceased because foreigners would not buy our productions.

[\[Back to Table of Contents\]](#)

ESSAY No. CXV.

september 7, 1831.

The Culture of Silk. Remarks upon a letter of David Porter, Esq. Folly exposed, of forcing the manufacture of Silk.

David Porter, Esquire, our Minister to Constantinople, in a letter written at Mahon, under date of June 8th, to John S. Skinner, Esquire, of Baltimore, contains the following passage in reference to the cultivation of Silk:

“I shall try and send you a very simple mode of cultivating the silk-worm, preparing the silk, and adapted, in the most simple form, to the use of families. I shall get it from a poor, plain Mahonese woman, who for her amusement raises the worm, separates the silk from the cocoon, spins and manufactures, and sells it. She showed me several pounds of excellent sewing-silk, of the remains of what she had last year. I shall send you a sample. You will be surprised at the simplicity of all the means of obtaining silk, and of the little trouble attending it.

“This is written in haste, as the vessel sails immediately, (this afternoon,) but to-morrow, if I can possibly spare the time, I will give my attention to the subject, and be more particular. The cultivation of silk is not so troublesome as the cultivation of flax, and infinitely more certain and profitable. The simple mode, which I hope to be able to describe, will, I expect, induce our good housewives to give some attention to the subject, and by a gradual introduction of its culture among us, save, in the end, millions of money which finds its way to this side of the Atlantic. For silk is an indispensable article, and is one of the first necessity—as much so as tea and sugar. No man or woman can put on a coat, shawl, hat, glove, or dress himself in any way, without it.”

If Commodore Porter can introduce into this country the knowledge of a mode of cultivating silk, which shall be “infinitely more certain and profitable than the cultivation of flax,” he will undoubtedly render the country a great service. We are sorry, however, to observe by his letter, that the Commodore has fallen into the common error of supposing that, if silk were raised in the United States, the whole of the value would be that much clear gain to the country, and save the “millions of money” which cross the Atlantic.

The Commodore will no doubt admit, that the silk dresses, coats, shawls, hats, stockings, and gloves, which are worn by our ladies and gentlemen, and which are imported from Europe, are paid for with American productions of some sort or other. *They are, consequently, the product of American industry;* and the question to be decided is, whether the people of the United States would get more silk manufactures, by the labour of a hundred persons employed in agriculture, than by the labour of a hundred persons employed in raising silk-worms and preparing silk? Whichever process would produce the most silk goods, would be the most advantageous to the

country. It is very clear that we cannot have the silk and the surplus to export too. We cannot have, in a single animal, two cats and two skins, and all the reasoning which is intended to prove that we can, is founded upon a capital error, which pervades all the writings of the tariff advocates, from the North American Review down to the most humble member of the tariff school.

It is not true that the people who are employed in raising the agricultural products with which we annually pay for silks, to the value of *seven millions of dollars*, could raise these products and seven millions of dollars' worth of silk *besides*. Nor is it true that there are people in the United States who could raise silk-worms without leaving some other business by which they already get their living. There is, in this country, no such thing as an unemployed population, except the few individuals who inhabit our poor-houses, and even many of them do some work, adequate in part to their support. If any one doubts these positions, let him go into the country and inquire of the first farmer he meets. He will learn from him, that farmers and farmers' wives and daughters have no spare time. They get up at the dawn of day, and work until night, and have no time to attend to the raising of silk-worms, without neglecting something else more important and profitable. It is true that there are some persons of leisure, who, for amusement, might raise silk-worms, in the same manner that ladies employ their leisure time in making lace, embroidery, or bead-reticules—but it is even questionable whether in such cases it could be done without giving up some other amusing employment, quite as profitable and quite as productive of utility as the raising of silk-worms. Still we do not mean to say that there may not be a benefit in raising silk-worms in some parts of our extended country, provided it can be carried on without the application of the high-pressure system. Against all duties for *forcing* into existence any branch of industry, whether agricultural, commercial, or manufacturing, we do most earnestly protest. If people can raise silk-worms to advantage—if they can spin or throw sewing silk—or if they can weave flags to hang up in the Capitol at Washington, without laying a tax upon the whole nation, let them do it. The friends of the freedom of trade are also the friends of the freedom of industry, and they are the last people who would interfere to prevent any individual from directing his capital and labour to whatever pursuit he may consider best adapted to promote his own prosperity or happiness.

But in the name of common sense do not, for the purpose of enabling Mr. D'Homergue to reel ten thousand dollars' worth of cocoons, enact a law to say that all the sewing-silk and all the silk manufactures imported into the country shall be subject to a protecting duty, in addition to the present one, which is 15 per cent. upon raw silk, 20 per cent. upon manufactures, and 30 per cent. if they come from beyond the Cape of Good Hope. No protecting duty could place the manufacture of silk in this country in a state to compete with the silks of China, France, or England, short of fifty per centum; and a duty to that extent would be a tax of three and a half millions of dollars upon an article which the country could not supply for an age. A tax on silk, like a tax on china, would be one of the most wanton attempts to tax the many for the benefit of the few; for if silk be, as Commodore Porter says, as much an article "of the first necessity" as tea and sugar, it would be taxing thirteen millions of people, to enable a mere handful of individuals to carry on a losing concern, having no more

claim upon public favour for protection, than the business of hunting racoons in Georgia.

[\[Back to Table of Contents\]](#)

ESSAY No. CXVI.

october 12, 1831.

British Corn Laws. Impolicy of, shewn. Similarity between laws for the protection of Corn, and of Iron.

EVERY body who has examined the subject knows, that the Corn Laws of England benefit nobody but the owners of the land, and the tenants who hold under long leases executed before those laws were passed. By excluding foreign grain by a high duty, the landlords, who hold a monopoly of the land, are enabled to get a higher rent for it than they would otherwise obtain, and the tenants under old leases, get a higher price for their grain. It is easy therefore to see, that all the rest of the community are losers, inasmuch as they are obliged to pay a higher price for their bread. So long as Parliament was controlled by the land-holders, there was no prospect of a repeal of the Corn Laws: for, like our manufacturers, they have always made a great outcry about destroying their vested interests—interests which became vested by a positive wrong against the rest of the community. Under the reform about to take place, it is to be hoped that the interests of the bread eaters will be consulted; and we therefore look forward to the day when the Corn Laws will be repealed, or greatly modified. In such event would agriculture be destroyed in Great Britain? Clearly not. Many individuals would indeed be losers, but the losses, as far as they should fall upon landlords, would be only leaving in the pockets of the consumers, money otherwise unjustly extorted from them. Part of these losses too would be compensated by the diminution of the poor rates: for if bread was cheaper, all other food would also be cheaper, and employment would be more abundant, and there would, consequently, be fewer paupers for the landlords to maintain. One class of persons, and one only would suffer, for whom commiseration ought to be excited, that is tenants who had rented lands upon long leases since the existence of the monopoly-price of grain; but no one would say that twenty millions of people should continue to buy dear bread, merely that a few thousands might be saved from loss. Agriculture would, however, sustain, comparatively, very little diminution. The lands of England now under tillage are sufficiently fertile to warrant their cultivation, even were there a very moderate duty on foreign grain. We have now before us a statement of the imports and exports of Wheat and Flour into and from Great Britain for twenty-one years prior to 1813, before the present system of Corn Laws was established, by which it appears that, during that term, only *one-twenty-sixth part* of the wheat and flour consumed in the country was foreign, although the import, in some years, was upwards of a million of quarters, of eight bushels. Supposing the best lands to be as fertile now as they were then, and, from the modern improvements in agriculture they are probably more so, it is not likely that a repeal of the Corn Laws would do more than to throw out of tillage those barren and unproductive soils which have only been rendered worthy of cultivation by the monopoly-price of grain. This would probably be the whole extent of the mischief; and yet we dare say that the body of the landlords are endeavouring to alarm the people, by telling them that, if the Corn Laws were to be repealed, nobody could raise a bushel of wheat without loss, and that the Americans and other

foreigners, having them in their power, would raise upon them the price of grain, to the point of starvation.

Precisely as stands the question of the Corn Laws in England, stands the Iron question in this country. From the earliest settlement of the colonies, iron has been manufactured from the ore, and some of the greatest fortunes have been made by the owners of iron works, whilst the duty was five to ten per centum ad valorem. That the production of iron requires no artificial stimulus, is evident from the fact, that under the Colonial Governments not only was no protection afforded to it, but endeavours were even made, by the mother country, to keep it down. A reduction of the duty would restore the old state of things. The fertile mines would be worked, as they always have been, whilst those which are barren, and which cannot be made to yield a ton of iron at a less cost than the price of two tons of foreign iron, will be abandoned, as they ought to be. What proportion these may bear to the whole number cannot easily be ascertained. Much will depend upon their proximity to the sea ports. An iron establishment near Philadelphia, would feel a reduction more than one which is situated in the interior of the state. The same duty does not equally protect all against foreign competition: for if the price of transportation from Philadelphia to Centre County, in Pennsylvania, for example, be \$12 per ton, an iron-master in that county could stand his ground with ten dollars less duty than one living so near Philadelphia as to be reached by the foreign competition at an expense of two dollars per ton. There are, in the United States, a great number of iron-works in the interior, so situated that foreign iron, if it were admitted duty free, could not come into competition with them, owing to the natural protection derived from the expenses of transportation, which they enjoy.

[\[Back to Table of Contents\]](#)

ESSAY No. CXVII.

october 12, 1831.

Importance of Iron as a metal. Impolicy of an artificial augmentation of its price. Pennsylvania injured, instead of being benefited by the duty on Iron.

A WRITER in the “Franklin Repository,” of this state, in an article, re-published in Poulson’s Advertiser of 22d September, in adverting to the efforts making to strike a blow against the high duty on iron, very justly and feelingly remarks, that if that duty should be reduced, the tariff will go by the board: for that, independent of the protection of iron, neither Pennsylvania, New Jersey, nor Maryland, has any interest in the American System. This opinion is not peculiar to the paper just cited. It is, perhaps, universal at the North, and hence the friends of Free Trade have not neglected any means of exposing the injustice and mischievous effects of that duty upon the prosperity of agriculture, navigation, manufactures, and the mechanic arts.

Iron is decidedly the most useful product which exists, except food. To its powerful agency are we indebted for every improvement in agriculture, since the first man scratched the ground with a stick, and harvested his grain by pulling it up by the roots or breaking it off with his hands; for every improvement in navigation, since the first canoe was dug out with a sharp stone, or burned out with fire; for every improvement in manufactures and the mechanic arts, since the needle was substituted for the thorn, or the knife for the sharp flint. Without it, the human family would positively merge at once into a state of semi-barbarism, or perish for the want of food and raiment. Not a single thing, adapted to the wants of man in his present civilized state, could be obtained. There would be an end to ploughs and harrows, to ships and steamboats, to looms and spindles, to the implements and utensils of every trade. Now if this be true, is it not evident, that just in proportion to the abundance of iron, must the great interests of society, in all its departments of industry, be promoted and extended? We do not see how any sensible mind can hesitate to reply in the affirmative; and, up to this stage of the argument, we have no doubt that the sentiment of the American people would be unanimous. The question, then, which first presents itself, is, by what means or process can iron be placed most within the reach of those who have occasion to use it? The answer is plain enough—by rendering it *cheap* to the consumers. And how is iron to be rendered cheap to the consumers? By letting them buy it in any part of the world where they can get the most of it in return for what they have to dispose of.

Every body knows, that the cost of iron depends upon the fertility of the mines where it is produced, and upon the expenses of mining it. The reason why iron is now, in England, as low as \$25 a ton, notwithstanding the greater depth in the earth from which the ore must be raised, is, that every year new machinery has been invented, with power sufficient to counteract more than all the increased expenses. To this machinery, made from the very iron which it is intended to raise, is due a great part of this reduction in the price. Now suppose a law were passed, in England, to prevent the

use of machinery at the mines, by which the price of iron should be raised \$37 per ton, would not every considerate man in the world cry out against the measure, not merely as impolitic, but as anti-Christian? Would it not be regarded as a conspiracy against the comforts of the human family, and against the progress of science and the arts? We cannot imagine any man so obtuse in intellect, as not to conclude with us in opinion on this point.

And we will now respectfully ask of the advocates of the American System, where is the difference between a law prohibiting the use of labour-saving machines, and any other law which has the effect of raising the price of iron thirty-seven dollars a ton? We cannot possibly conceive of any—and, as our Tariff law has this effect, we look upon it with precisely the same views as we should regard its prototype. *Free Trade* is nothing but a great labour-saving machine, and to prevent its operations with the view of promoting the interests of the many, is as stupid and absurd as it would be to destroy half a crop of grain, with the view of promoting the interests of the consumers of bread—whilst, to prevent its operation, with the view of promoting the interests of the few, is positively wicked. As far as the people of Pennsylvania have a hand in preventing iron from being cheap, we are free to admit that the great body of them are not chargeable with the imputation of wickedness. They think they are in pursuit of their interest, but they have got upon the wrong scent. Like a pack of hounds, they have been drawn off from the track of the hare, and are now in full chase after a drag, which has so vitiated the atmosphere with its odour that they can no longer adapt their olfactories to the true scent. If this were not the case, the iron duty could not stand six months. So far from its being a benefit to the state of Pennsylvania, we do not believe that it is a real benefit to a single county in the state, and we would pledge ourselves to demonstrate it to any individual whose nose is free from the contamination of the drag.

[\[Back to Table of Contents\]](#)

ESSAY No. CXVIII.

november 2, 1831.

The tabac de mille fleurs. Extent of the tax imposed on the people of the United States, for the support of the Cotton and Woollen, Iron and Sugar manufacturers.

A STORY is told of an old Frenchman in Paris, who from affluent circumstances had been reduced to poverty, and who obtained his living in the following manner. He took a daily position in the neighbourhood of the principal tobacconist, whose store was frequented by thousands of snuff-takers, each of whom offered his replenished and variously scented box to the respectable mendicant, that he might take a pinch. The snuff thus collected was all put together, and was afterwards sold, under the title of *le tabac de mille fleurs*, (snuff of a thousand flowers,) in sufficient quantity to maintain the old gentleman.

It is precisely in this way that the cotton and woollen manufacturers, the iron masters, sugar planters, and all the rest of those who live upon public contributions, get their living; with this difference, however, that in the case of the Frenchman, the pinch of snuff was given voluntarily—whilst, in the case of the others, it is extorted by the power of law. No doubt every polite Frenchman, as he offered his box, said to himself, “a pinch of snuff is not much,” and, in like manner, every good tariff man says to himself, “it is not much for me, every time I want a piece of muslin, or a suit of clothes, or a hundred weight of iron, or a barrel of sugar, to give half of it to the custom-house,” for the benefit of my neighbours A, B, C, and D. Notwithstanding, however, they think it not to be much, yet we can prove it to be a good deal, and we will demonstrate it in reference to a few of the most prominent articles of manufacture.

The advocates of the tariff say, that 200,000 bales of cotton are manufactured in this country, which, taking the average weight at 300 lbs., would give sixty millions of pounds. This cotton is made into fabrics varying from three to five yards per pound, and taking the average—that is four yards—would, consequently, make 240 millions of yards. Now supposing the operation of the tariff to occasion a rise of *one cent only* per yard upon all that is made in the country, (and if it did not do this, why should the manufacturers hold on so tenaciously to the present duty of 8 3-4 cents per square yard?) it would amount to a tax of *two millions four hundred thousand dollars* upon the good people of the United States. Should the rise be two cents, it would amount to a tax of \$4,800,000, and if it were three cents, it would amount to \$7,200,000, besides the duty paid upon about seven millions of dollars worth imported—equal to about \$1,800,000 more—making in the whole the moderate sum taken from the people, a pinch at a time, of nine millions of dollars.

Of the actual extent of the woollen manufacture in the United States, there have never yet appeared any statistical statements. One thing however, is known, that upon woollen cloths and cassimeres, flannels and baizes, the duty is from 45 to 225 per

centum, and as importations have been made, and are still making, upon which, within our knowledge, duties have been paid of eighty per centum, it will be very evident that the domestic article must command in the market at least fifty per centum more than it would do if there was no duty. In other words, there is no cloth, cassimere, flannel, or baize, now worn in the United States, foreign or domestic, for which we must not pay three dollars for two dollars' worth.

Every man, woman, and child in the United States, wears some of the manufactures of wool we have mentioned, and if the high duty have the effect of increasing the cost of clothing of each individual in a year, to the extent of *one dollar* only upon an average, it snows a tax of *thirteen millions of dollars*. That this is not overrated, will appear to any one who is told that upon one single yard of broadcloth, even of the coarsest quality worn by working-men, the duty is sixty-two and a half cents, and that the duty upon a single yard of flannel or baize, of the coarsest quality, a yard wide, is twenty-two and a half cents. No man or boy puts a suit on his back that does not pay from one dollar to fifteen dollars tax. No woman or girl can be clothed with less than two or three yards of flannel in a year, and the smallest infant must have some. But even supposing this calculation to be overrated, which we do not admit, the warmest admirer of the tariff must acknowledge that the woollen imitators of the Frenchman take a pretty large pinch out of the public snuff-box, and that the tax cannot be less than fifty cents per head, or six millions and a half of dollars.

As regards the consumption of iron in the United States, we have no certain data to reason upon. The testimony given before the Committee on Manufactures in 1828, represented the quantity to be 60,000 tons, of which about one-half was imported, and the other half made at home. The iron-masters, however, in a representation made to Congress last winter, insisted upon it that 100,000 tons of iron were produced in the United States, and we have no objection, in this argument, to take their own words for it. Now, as the importation exceeds 30,000 tons, (having been 35,000 on the average of the three years ending with 1829,) we have, then, 135,000 tons as the total quantity of iron consumed. If then we suppose that the protecting duty on iron has the effect of keeping up the price on the whole quantity, only ten dollars a ton, it amounts to a tax of *one million three hundred and fifty thousand dollars*; if of twenty dollars, to a tax of *two millions seven hundred thousand dollars*; and if of thirty dollars, to a tax of upwards of *four millions of dollars*. That the reader may judge how far one or the other of these taxes is imposed, we lay before him the actual rates of duties, which the iron masters say are so necessary to their support that they cannot consent to a reduction of them.

Anchors,	\$44	80 per ton.
Anvils,	44	80 per ton.
Band iron,	78	40 per ton.
Bars or bolts, hammered,	22	40 per ton.
Bars or bolts, rolled,	37	00 per ton.
Chain cables,	67	20 per ton.
Casement rods,	78	40 per ton.
Cast vessels—not otherwise specified,	33	60 per ton.
Castings—all other ditto,	22	40 per ton.
Hoop iron,	78	40 per ton.
Mill cranks of wrought iron,	89	60 per ton.
Nails, viz., battins, brads, sprigs, and tacks exceeding 16 oz., clout, hob, horse, rose, scupper, cut, or wrought, of all sizes,	112	00 per ton.
Pigs,	12	50 per ton.
Round iron, of three-eighths to eight-sixteenths of an inch in diameter,	78	40 per ton.
Scrap iron,	12	50 per ton.
Scroll iron,	78	40 per ton.
Sheet iron,	78	40 per ton.
Slit, or rolled for band iron,	78	40 per ton.
Spikes,	89	60 per ton.
Square iron,	30	00 per ton.
Weights, cast,	22	40 per ton.

We shall now look to the article of sugar, and see how large a pinch the sugar planters take.

The consumption of sugar in the United States, prior to the present year, has been estimated at 130,000 hogsheads, of 1,000 pounds, of which 80,000 were made at home, and 50,000 imported. The duty on brown sugar is three cents a pound, and on white, four cents. If the duty has the effect of raising the price on the whole quantity only one cent a pound, it amounts to a tax of \$1,300,000; if it raises it two cents, it amounts to a tax of \$2,600,000; and if it raises it three cents, it amounts to a tax of \$3,900,000; and if we add the additional duty on the white, it may be assumed, in round numbers, at *four millions of dollars*.

In these statements there is no *theory*. They are made in such a way that any man who is capable of thinking, can see at once whether they are right or wrong. We invite criticism upon them. If they are not correct, they can be disproved. If they cannot be disproved, they establish, beyond the reach of contradiction—

That the people of the United States pay, for the support of the cotton manufacturers, from \$2,400,000 to 9,000,000 per annum.

For the support of the woollen manufacturers, \$6,500,000 to \$13,000,000.

For the support of the iron-masters, from \$1,350,000 to \$4,000,000.

For the support of the sugar planters, from \$1,300,000 to \$4,000,000.

If we take the aggregate of the highest rates here given, we shall have, upon four articles alone, the enormous tax of *thirty millions* of dollars. If we take the lowest rates, we shall have *eleven millions five hundred and fifty thousand dollars*; and if we take the medium between both, which is fair in such reasoning, and most unquestionably cannot be above the truth, we shall have near \$20,755,000. Of the weight of such a burden any one may have a proper conception, if he only reflects that this sum would pay the interest of a public debt of *three hundred and forty-six millions of dollars*, at five per cent. Is it not, therefore, wonderful beyond imagination, that a whole nation, which is making such a racket about the extinguishment of a paltry public debt of thirty millions of dollars, as if the interest upon it was going to ruin them, should calmly and contentedly, not merely submit, but absolutely court, a burden of *eleven times greater amount*? Verily, it may be said of our wise and discerning people, that they strain at a gnat and swallow a camel. It is time for them to shut up the public snuff-box. If the Frenchman in Paris had been as unconscionable as our monopolists—if every time he had taken a pinch of snuff he had used with his thumb two fingers instead of one, the contributors to his support would probably have cut off his supply. Such a fate undoubtedly awaits our gentlemen, for it is altogether impossible to conceive how a whole people can be much longer cajoled by a handful of men, particularly when they reflect that the tax they pay for the support of the four manufactures we have mentioned, *besides the full value of the articles purchased*, is equal to a bounty of *one hundred dollars a head* upon every man, woman, and child, concerned in the whole of them, even if we fix their aggregate numbers at the incredible estimate of 207,550 souls.

[\[Back to Table of Contents\]](#)

ESSAY No. CXIX.

december 7, 1831.

The employment of a great number of labourers not always a proof of prosperity. This proved, in reference to the manufactories of Great Falls Village. Amount of tax imposed on the public for their support.

IF a traveller were passing along a road, and should see a thousand men busy at work in digging a canal, and were to learn that they received a dollar a day for their labour, it would strike him at once that this was a good thing for the labourers; but it would not so readily appear to him that it was a good thing for the public, for that might depend upon circumstances. For instance, if the canal were made in a direction where a sparse population resided, who had little agricultural produce to transport to market, and who of course could afford to pay for very few foreign products, it might be possible that the public would not gain as much by the canal as it would lose by the absorbing of *the capital* of beef and pork, flour and potatoes, clothing and groceries, whiskey and materials consumed by the labourers, whilst making the canal, and which was not re-produced by their labour, as it would have been had the men been employed in ploughing instead of digging canals. Thus it may be seen that the mere employment of a great number of persons is no certain evidence of public prosperity; and one of the advantages of an acquaintance with the principles of Political Economy consists in its enabling one to analyze mere facts, so as to discover whether they harmonize with a sound or a false theory; for, without a theory of some kind, no facts can be employed in argument.

In reference to this question of employment, there is a wide difference between the views of the political arithmeticians and those of the political economists. For the former, it is sufficient evidence of prosperity if people are employed: the latter require, to satisfy them, that this employment should be judiciously directed. They would, for example, think it no evidence of public prosperity, if all the inhabitants of a village were employed at good wages in turning grindstones, when there was nothing to be sharpened upon them. Nor can they behold any more certain signs of prosperity, if they see all the inhabitants of a village turning cotton-spindles, and superintending looms worked by water-power, if the cloth they produce is no greater in quantity than the consumers of cloth could have procured, for a sum *as much less than that actually paid by them to the village factory*, as would equal the whole amount of the wages paid to all the labourers of the village. Between this and the grindstone system they would be able to discover no difference, in principle or effect; and it is, therefore, not to be wondered at, that they cannot acknowledge all to be gold that glistens.

To illustrate what we mean, so as to make it plain to the most uneducated mind, we will state a particular case. In the New York American Advocate there was lately published a letter from Great-Falls Village, N. H., giving an account of a factory established there, of which the following is a copy:

“Great-Falls Village, }

“*Town of Somersworth*, (N. H.) October 21, 1831. }

“*Dear Sir—*

This village, seven years since, was an entire swamp and wilderness. It then contained a solitary farmhouse and a small saw-mill. It now contains five large factory-mills, two large hotels, ten blocks (3 stories high) of brick, and about one hundred frame dwelling houses, three churches, and eight or ten stores, and about two thousand inhabitants. There are four cotton and one woollen mill. The cotton mills contain, it is said, more spindles than are run by any other establishment in the United States, viz., thirty-one thousand! with preparations sufficient to supply nine-hundred looms, which produce six millions of yards of cotton cloth per annum. These mills consume, annually, above 3,000 bales of cotton, weighing 1,250,000 pounds. The largest mill is 400 feet long, and 6 stories high, and contains 22,000 spindles and 650 looms. The cotton mills alone give employment to 90 men, over 100 boys, and 600 females. They use from 7 to 8000 gallons of oil, 200 tons of anthracite coal, 500 barrels of flour for sizing, and 300 sides of leather.

“The mills, which are of brick, handsomely ornamented with hammered granite sills and window-caps, are arranged along a fine canal thirty feet wide, and from six to seven feet deep, extending from the dam at the north of the village to the southern extremity of it. Along this canal is the great highway from the different mills, where a foot-path of planks protect the feet of the operatives in wet weather; and rows of trees, on either bank, bid fair soon to afford a sufficient shade for the heat of summer.”

Now we are willing to admit, that this array of statistics and big figures is prodigiously appalling, and we are not astonished that so many honest and simple-minded people are bewildered when they see such a volume of arithmetic staring them in the face. Such statements, however, have no terrors for the mind which has been habituated to analyze, and to separate the wheat from the chaff, the valuable materials from the rubbish. The fallacy of appearances can soon be stripped from the substantial reality, and the truth be made to appear.

From the foregoing statement we learn—

First. That 1,250,000 pounds of cotton can be converted into 6,000,000 of yards of cloth, which is very nearly 5 yards to the pound of cotton.

Secondly. That the manufacture of 6,000,000 yards of cloth require, in a year, for the spinning and weaving, 790 men, boys, and females—which is equal, upon an average, to 7,594 yards to each operative.

It is not stated how much wages are paid to these operatives, nor is it material for our present purpose. Our design is merely to show that the case is one which belongs to the grindstone system, and we do it thus:

The duty on cotton cloths of the quality above referred to, is 8 3-4 cents per square yard, or about 6 1-2 cents per running yard of three quarters' width. The tariff party pretend that their duties are not prohibitory. If that were the case, they would be able to sell their cotton cloth at 6 1-2 cents per yard higher than the foreign cloth costs abroad. But we do not agree with them. The duty on all low-priced cottons is prohibitory; and we are therefore willing to acknowledge, that the protection they enjoy is not more than half the amount of the duty, or say, three cents per yard. Now let us see how this operates.

A protection of 3 cents per yard enables the manufacturer to sell his cloth for 3 cents a yard more than he could get for it without the protection. This sum is a tax upon the consumer, because he has to pay that much more than he would otherwise have to pay. Now if one yard of cloth occasions a tax of 3 cents, how much tax must be paid on six millions of yards? Answer, \$180,000—equal to \$227 bounty per head for each operative, young and old, male and female, employed in their manufacture.

Now we do maintain, and defy contradiction, that it would be better for the public, rather than pay this enormous tax to support this single factory, to make up a purse equal to \$100 a head for these 790 operatives, and give them each that sum as an annuity for standing idle, or, if it be an object to have them employed, for turning grindstones. The public would thereby be a gainer of a sum equal to \$127 a head upon all these operatives, or, in the aggregate, of \$101,000—and they could well afford to do this, and even pay for all the oil, coal, flour and leather, consumed by the factory, which would amount to about \$12,500 more.

The letter then proceeds—

“The woollen mill is a fine 6 story brick building, 220 feet in length, containing all the machinery necessary for the manufacture of from 120 to 130,000 yards of fine broadcloth yearly. This is also said to be the largest woollen manufactory in America. The consumption of the raw material, and various articles of commerce, is immense. Upwards of 200,000 pounds of wool, 5000 gallons of oil, 150 tons of anthracite coal, besides indigo, madder, copperas, together with numerous kinds of drugs necessary in the manufacture of woollen cloth, annually giving employment, within the establishment, to 300 individuals.

“Connected with the woollen is a carpet manufactory, where the best description of ingrain carpeting is made. The perfection of the dye, beauty of arrangement of the colours, and taste in figures, are not surpassed by the best quality of those imported. This factory is capable of producing 150,000 yards annually.

“This Company, “The Great-Falls Manufacturing,” have a capital of one million of dollars, and own most of the property in and around the village.

“The churches are handsomely located, on rising ground, at the south of the village, and they are built in a style of great neatness. The first in beauty and architecture is for the use of the Congregationalists, who are said to comprise most of the persons of

standing and influence. The Methodists and Baptists have also separate churches, and are more numerous than the Congregationalists.”

From the foregoing extract we learn, that 300 individuals are employed in a factory which produces 120 to 130,000 yards of *fine* broadcloth yearly—which is equal, taking the lowest estimate, to 400 yards per head. In this journal we have published various statements, *proving* that during the year 1831 large quantities of fine broadcloths have been imported into this country, and sold at a good profit, after paying from 50 to 100 per centum duty. At the late Convention of the Manufacturers at New York, it was stated by one of the speakers that the real protection enjoyed by the manufacturers did not exceed 40 to 45 per centum, owing to fraudulent entries at the custom-house; but this assertion was repudiated by the official Address, which denied the existence, to any great extent, of frauds upon the revenue. We have investigated this subject minutely, and positively aver that this amount falls short of the actual protection. The duty, therefore, on fine broadcloths, not being a prohibitory one, the duty paid on importation is the precise measure of the tax paid by the consumer. This tax upon all cloths, costing abroad above \$1.50 per running yard, and less than \$3.75 per running yard, amounts to \$1.68 3-4 per running yard; and as this is the quality called fine broadcloths manufactured in this country, it follows that the bounty paid to the cloth-makers at Great Falls Village *over and above the price at which foreign cloth of the same quality could be purchased*, upon 120,000 yards, is \$202,500. This sum amounts to a bounty of \$675 to each operative employed in this manufacture!!! Now we would candidly ask the reader whether it would not be good policy for the wearers of cloths to raise a fund and to allow each of these operatives a salary of \$100 a year, if they would only direct their American industry to the turning of grindstones, and leave the public to buy their cloth where they could get it cheapest?

But it may be asked, what would the farmers do with their 200,000 pounds of wool, if it was not for this factory? We answer, the consumers of cloth could afford, out of their savings, to pay the farmers a bonus as great as the extra profit (equal to the protecting duty on wool of 4 cents per pound and 50 per centum ad valorem) which they derive by raising wool in preference to other things—which is the most they ought in reason to desire. If this should be 25 cents a pound, (and upon coarse qualities it would not be ten cents,) it would amount to but \$50,000 per annum. They could even afford to pay *more*, without suffering by the bargain; and could, besides, pay out and out for all the coal, oil, indigo, madder, copperas, and all the other things used in the manufacture; and in addition to this, if it were necessary, a profit to the owners of the establishment equal to 10 per centum upon the capital invested in buildings and machinery. As this is an important subject, we will state it in the form of an account, thus:

Salary paid to 300 operatives, at \$100 per head	\$30,000
Farmers' profit on 200,000 lbs. wool, at 25 cents	50,000
5000 gallons of oil, at \$1,	5,000
150 tons anthracite coal, at \$8 per ton,	1,200
Indigo, madder, copperas, &c., suppose	3,800
Profits on capital invested by the stockholders, in buildings and machinery, estimated at \$250,000, at 10 per centum,	25,000
Total	\$115,000

Now if this sum were deducted from the \$202,500, the amount saved to the consumers in the price of the cloth, there would be a clear gain to them of \$87,500, besides being in possession of oil, coal, drugs, &c., charged at \$10,000.

Those who have never turned their attention to analyzing the deceptive appearance of these tariff statistics, will be astonished to see how utterly worthless they are as the basis of a system to be adopted by an intelligent nation. And yet, such as we have shown these cotton and woollen concerns to be, can most of the other kindred establishments be proved to be. The real truth is, that the tax paid by the nation upon the cotton, woollen, iron, and sugar monopolies, *besides the full worth of the goods*, is greater in amount than the whole sum of the wages paid to the whole mass of operatives employed in them, and is as much a dead loss to the public as if they were to pay a similar amount to the same people for turning grindstones, provided they enjoy the liberty of getting their commodities at the cheapest market.

In regard to the carpet manufacture referred to above, the writer has left us in the dark as to the most material part of his statement, viz., the number of persons it takes to make 150,000 yards of ingrain carpets. It is possible, however, to arrive at some conclusion, without such aid, and we shall attempt to do it.

Ingrain carpets are worth in this city, by retail, about 130 cents per square yard. At the Great Falls Manufactory they cannot be worth more than 120 cents by wholesale. The duty upon ingrain carpets is 40 cents per square yard; and as this duty is not prohibitory, foreign ones being constantly imported, it follows that a tax is paid to the carpet concern of the Great Falls Factory of \$60,000 per annum. In other words, they sell their carpets at \$60,000 more than they are worth—and for the benefit of how many labourers? Certainly not more than half the number employed in producing the cloth. If 150 then be assumed, it will appear that these sixty thousand dollars are equal to a bounty of \$400 per head of the operatives, which is no trifle to be paid by the purchasers of carpets *in addition to the full value of the article*.

With such a power to lay the nation under contribution as that possessed by the Great-Falls Manufactory for its support, it is no wonder that this wealthy corporation should “own most of the property in and around the village,” and be able to build churches. With a grant of an equally profitable monopoly by Congress, we would undertake to create a flourishing village on the top of the Catskill mountain, or in the pine barrens of South Carolina.

[\[Back to Table of Contents\]](#)

ESSAY No. CXX.

january 18, 1832.

Vested Interests; true character of. The poor have as much right to be protected in theirs, as the rich have.

WE hear a great deal said about *vested interests* in manufactures; and when a poor man complains that he has to pay a tax of a hundred per cent. on his coat, which he wants to get clear of, he is gravely told that he cannot be exempted from that tax, because it will interfere with the *vested interests* of his rich neighbour, the manufacturer. Now we should like to know whether, in a free country like this, and under a government instituted for no earthly object but to establish equality of rights and equality of protection—we should like to know, we say, whether a poor man has not a vested interest in a cheap coat, and whether his vested interest does not as much entitle him to the care and consideration of the government, as the vested interest of the manufacturer? If not, we should like to see the reason pointed out. It may be said, perhaps, that the rich man's interest is a *large* one, whilst that of the poor man is a *small* one. True; but is justice, in a free country, to be meted out to men in proportion to their wealth? Is the poor man less entitled to his own than the rich man? No one will, certainly, dare to reply in the affirmative, whatever he may think: but should there be any who entertain views so unjust, we will meet them with an argument which they cannot gainsay. It is this. The aggregate of the vested interests of all the poor men in cheap coats, is greater than the aggregate of the vested interests of all the rich men in the manufactories which produce cloth for those coats. The money taken out of the pockets of all the poor men, in the shape of a tax upon their coats, is equal to what goes into the pockets of all the manufacturers, in the shape of bounty for their cloth, and what goes into the treasury besides. If for every ten dollars the manufacturers receive in the shape of bounty, one is paid into the treasury upon foreign cloths, in the shape of duty, it is evident that the vested interests of the manufacturers are only equal to ten dollars, whilst that of the wearers of coats is eleven dollars.

Now here, it will be seen, are vested interests of opposite character; and the question ought to be, which is the interest which has the highest claim for protection? Is it the one which exists of natural and political right, or is it the one which was only brought into existence by a violation of natural right, and which can only be continued by a perseverance in that violation? The case appears to us to be not at all different from those which every day are presented before our courts of justice. A man having a vested interest in what is called a purse, is robbed on the highway, whereupon the robber vests the said interest in himself, and whines most piteously at the idea of having to give it up. No doubt, if he could be tried by a jury of robbers, they would decide that his vested interest ought not to be disturbed. But as juries are generally composed of different materials, their view of the matter is different.

In the United States every citizen, whether he be high or low, rich or poor, gentle or simple, nabob or working-man, has a vested interest, by the nature of the government, in exemption from all taxation, *except for the support of government*. Of this vested interest he cannot be deprived, but by a wrong; and if he has been once deprived of it, it is infatuation to say that he ought not to be reinstated in his rights, for fear of doing injury to the wrong-doer—not, indeed, by making him disgorge all the accumulated fruits of his injustice, as strict retribution would require—but by putting an estoppel on his continuance to do wrong. As well might it be urged, that the robber above referred to should not only be excused from giving up his plunder, but that it would be an act of oppression to deprive him of the privilege of robbing the same man every time he passed over Hounslow Heath. Turn it as you please—examine it over and over—and it cannot be controverted, that a man who has a vested interest in his pocket, in the shape of a silver dollar, has a greater claim upon the government to enable him to keep it there, than any other individual has upon that government to enable him to extort it from its possessor without an equivalent. This is the doctrine of *vested interests*. and as it is a matter which has deceived many, as to its true character, we shall endeavour hereafter to throw more light upon it.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXI.

january 25, 1832.

Remarks on Mr. Clay's Speech in the Senate of the United States, delivered on the 11th of January, 1832. in favour of reducing certain duties, and altering the Tariff.

WE publish to-day the Speech of Mr. Clay, in the Senate of the United States, on the 11th instant, in relation to his scheme for relieving the wealthy consumers of luxuries from taxation, and for leaving the necessities of life, consumed by the poor and labouring classes, permanently burdened with heavy duties. We propose to offer a few remarks on some of its prominent features, and where we can agree with the orator, we will say so.

That the policy of restriction is “deeply seated in the affections of a large majority of the people” of the Western and Northern States, is but too true; but that it “stands self-vindicated in the general prosperity, in the rich fruits it has scattered over the land, in the experience of all prosperous and powerful nations, present and past, and now in that of our own,” is one of those postulates that something more than bare assertion is requisite to establish. So far from its being a self-evident proposition, we think that the converse of it is nearer the truth. Most of the prosperity which now exists, at home and abroad, is the result of that portion of freedom which has been left, in every country, to some branches of its trade; and to ascribe, therefore, the prosperity of nations to a cause incapable of producing prosperity, is almost as sound an argument as it would be to insist that the ability of a labourer with one arm to earn his living, is due to the arm he has lost and not to the one that remains. This mode of reasoning, which belongs to the advocates of restriction, of taking for granted the whole matter in dispute, may do very well for the political arithmeticians; but we should have been better pleased had the orator told us whether, by “rich fruits” we are to understand the crisis of the government, brought on by the desperation of the South, or the *twenty per cent. dividends* of the New England manufacturing corporations.

The compliment paid to the late Mr. Lowndes was merited, and will no doubt be received in South Carolina as a species of balm to mollify the wounds inflicted by the chains which now gall the people of that state. But we cannot so readily admit the compliment paid to the Congress which passed “the abused Tariff of 1824.” From the mention made of it by Mr. Clay, a stranger, unacquainted with the motives which led to that act, might imagine that that Congress was composed of financiers, who, by great skill and wisdom in fiscal concerns, had drafted a bill designed to effect a speedy reduction of the Public Debt. Not so: nothing was further from their intentions. Their design, so far from being to raise a revenue, was to prevent a revenue from being raised. So far from wishing to pay the Public Debt, their object was to prevent its ever being paid. And is it not a high joke, that because the wants of the country were so great that the people were compelled to pay the increased price of commodities occasioned by that act, rather than do without them, thereby keeping up the public revenue, this undiminished income should be pronounced to have been the

end in view, when it was merely an effect of a cause designed to produce an opposite result? In this position we think there is a want of that candour which ought to characterize one aspiring to an elevated post. What should we think of the fairness of a man who should throw another into a pit, with a view of breaking his neck, and who, finding the man come out unhurt with a bag of gold in his hand, found at the bottom, should attempt to cajole the injured man, by telling him that it was to enable him to become rich that he had cast him into the pit? That the revenue would have been greater, since 1824, without the increased duties, than with them, we flatter ourselves would not be denied by any sound financier; and, therefore, to ascribe the final extinguishment of the debt, in 1832, to a law preventing the increase of the revenue, when, without such law it would have been extinguished in 1830, is a droll way of displaying an acquaintance with financial concerns. In regard to the assertion, that “no administration can justly claim for itself” the merit of having paid the debt, we admit the correctness of it in one sense: neither the last nor the present administration assisted in bringing money into the Treasury. But we feel bound to say, that the present administration may justly claim for itself the merit of having applied funds to the payment of the debt, which could not have been devoted to that object had the Internal Improvement policy of the preceding administration been persevered in by General Jackson; and, hence, we conclude that his administration may justly claim to itself the merit of having greatly hastened the payment of the debt. For instance, when General Jackson came into office, the debt was about \$58,000,000. Had he not set his face against the system of unconstitutional appropriations, the debt, this day, would still have been \$58,000,000, and twenty years hence it would have been more. No man can doubt of this who recollects that schemes were on foot, and applications were before Congress, in 1830, for appropriations for Internal Improvements, and other public works, to the amount of upwards of ninety millions of dollars.

In regard to the payment of the three per cent. stock, we differ wholly from the views of the orator. That stock was created for debts due to public creditors, who were by the very acceptance of it, (bearing an interest of but three per cent., when money was richly worth six per cent.,) virtually deprived of nearly one-half of their capitals. The obligation of the government to pay that debt when all other stocks bearing a higher interest are paid off, is as much incumbent on it as the discharge of a similar debt would be upon an individual. The idea that the people, who forced the public creditors to submit to their terms of payment, are not bound to pay their debts when they are able, because, by keeping their creditors out of their just dues they can make a profit by speculating on other people’s money, appears to resemble the transaction of a merchant, of whom we once heard, who always, when he could get one per cent. a month for money in the market, used to let his bonds lie over at the custom-house, knowing that when judgment was obtained against him he was liable only to an interest of six per cent. per annum, and that he could thus pocket at the rate of six per cent. per annum, by his want of punctuality. We should be sorry to see any such doctrines introduced into the moral code of our Treasury, for we differ from the orator in his views of the “moral value of the payment of a National Debt.” The moral value consists in *absolute payment*, when there are the means at hand, and not in the mere existence of an ability to pay; and it is to a confidence in the payment of these three

per cents, when the other stocks were paid off, that some of their present owners have paid for them very nearly the par value.

But let us see what is this mighty sum, which thirteen millions of people are to save annually by the course recommended, and which has excited this new-born zeal for the people? Precisely *three cents* a piece per annum, for the number of years which Mr. Clay would postpone the payment. The three per cent. stocks amount to \$13,296,626.21, which is just one dollar a head upon the population. Now let us ask, is there in this community a single individual who would forego the satisfaction of seeing the nation *wholly exempt from the Revolutionary Debt*, now of forty years' standing, merely that he might save three cents a year for a few years longer?—for we can hardly suppose that Mr. Clay would postpone the payment for ever. We think there is not such an individual, unless he be found amongst that class who consider a national debt as a national blessing, and the ability, without the will to pay, as a commendable trait in the character of a government. And we are not even a little astonished, that a man who thinks so little of abstracting “from the pockets of the people,” in the form of taxes upon consumption and bounties to manufacturers, at least five dollars a piece per annum, should display such extreme sympathy for them when called upon to pay three cents a year, the balance due of the sum paid for their liberty. If this is not straining at a gnat and swallowing a camel, we know not what can be so considered.

But although differing from Mr. Clay upon so many points, we are pleased to find in his speech some few sentiments to which we can fully subscribe.

He speaks of “the repeal or reduction of duties” “as relieving the consumption of the country.” This is an honest confession, and is sufficient to put to shame the whole herd of political arithmeticians, who are endeavouring to humbug the people with the notion that a reduction of duties has a tendency to raise prices. You shall hear a shallow pated writer proclaim, that “theory laughs at facts,” because the demand for coffee *throughout the world* has produced a rise in its price greater than our reduction of duties, which could not be met by an increased supply, owing to the fact that coffee cannot be spun or wove, but must be produced on trees which do not bear fruit in less than three years. To Mr. Clay, then, we are indebted for blotting out this nonsense from the Tariff argument—for after this admission we do not think any honest man will venture his reputation by re-asserting it.

In Mr. Clay's opposition to a distribution of the surplus revenue, we also heartily concur. Upon that subject we have never had but one opinion, and that opinion has been repeatedly expressed in this journal. It is a pity, however, that Mr. Clay cannot perceive, that all the objections urged by him against raising a fund for distribution amongst the several states, are equally applicable to the raising of a fund for expenditures on Internal Improvements. It would be taken “from the pockets of one portion of the people, to be ultimately returned to the same pockets,” which would be expensive and “unwise,” or “collected from one portion of the people and given to another,” which would be “unjust.” And if one process is unconstitutional, because no authority for it is found in the Constitution, it is difficult to imagine why the other is

not equally so, seeing that there is in that instrument the same silence observed in relation to it.

To do justice, however, to Mr. Clay, although he wishes a part of the revenue arising from imposts to go to Internal Improvements, yet he wishes that the principal fund should be derived from the sale of the public lands. We confess, however, that we do not see any sound reason why the money arising from the sale of the common property of the nation should be regarded as altering the character of the expenditure. It is still an expenditure of a fund coming out of the pockets of the people, and would be so as long as a dollar were derived from the custom-house. The proceeds of the sales of the public lands diminish the amount that must be raised by taxation, and the burden is not the less felt, whether two and a half millions be taken for Internal Improvements, from the money specifically raised from duties, or from the sale of lands. But we are not surprised to see the stand taken by the champion of the West for the advocates of taking Southern and Eastern money to make roads in the West. “As certain as you preside in that chair, or as the sun performs its diurnal revolution,” says Mr. Clay, “they will not be satisfied with an abandonment of the policy.” We think this quite probable. The Internal Improvement half of the American System party will die quite as hard as the Tariff half. No body likes to give up inordinate gains, and it is therefore quite natural, that those who expect to profit by a particular scheme of national policy, should hold on to their interests. It seems, however, that the West will not come to Washington in “a tone of menace or supplication, but in the language of conscious right.” We had thought the experienced Senator was too well acquainted with the practice of Congress, to suffer himself to be seduced by the vain idea that “the language of conscious right” can effect any thing there. An *interested majority* will never listen to such language; for like the Wellington Ministry, in reference to the Catholic Question, and like the present British House of Lords, in relation to Reform, they are to be moved by nothing but *their fears*. The fear that the Western states may some of these days insist upon holding all the national domain within their borders, in fee simple for their own especial and individual use, might possibly present the question in such a light as would have its influence; but this would be nothing more nor less than a measure brought about by the fear of the *nullification* of the land laws—an event which we consider quite likely to happen, notwithstanding the great hostility of the West to the nullification of any other laws, if they cannot accomplish their object in any other way.

As to the West having no “direct interest” in the expenditures for the navy or the fortifications, we apprehend the honourable Senator forgets that the great object of the navy is, to protect the agricultural interests of the country, and commerce only as secondary thereto—that the object of fortifications is to protect the National Independence, in which all feel an equal interest, from Maine to Louisiana, and from the Atlantic to the Rocky Mountains. But how he could assert that the West has no direct interest in the expenditure for the army, when it is known that many contracts for supplies are made in Ohio, and that a considerable portion of the army is employed to protect the West from the assaults of the Indians, we are not able to conceive. Such doctrines as this do more to weaken the confidence of the people in the blessings and benefits of the Union, than all the threats of disunion that could be uttered; for when the protection of the national honour and independence shall be

supposed to be only of local interest, the days of the Republic may be considered as numbered.

In giving his *projet* for a modification of the Tariff, and for his assumption of the ground of a pacificator, Mr. Clay resorts to a curious expedient. He conjures up in his imagination an extreme position, which has never been assumed even by the most unconscionable of the Tariff party, which is that of augmenting the duties on the protected articles. We are not aware that any such ground has been assumed by any portion of the favoured monopolists. The most that the cotton and woollen manufactures, the iron masters, and the sugar planters, have desired, is, that the bounties in their favour may not be reduced. If an arbiter proposes to reconcile conflicting interests by splitting the difference, he is bound in fairness to take the demands of both the contending parties as they stand. He is not justified in taking higher ground for either than what is taken by himself, for the sake of favouring him in the striking of the happy medium, or *juste milieu*. This Mr. Clay has done, and this for the purpose of making it appear that in his proposition there are concessions made by his party.

And what is this *juste milieu*, think you, gentle reader? The advocates of the liberty of employment have never complained of the high duties on wine and silk stockings, upon spices and anchovies, upon olives and capers, upon jewellery and lace, upon court-plaister and billiard balls. The whole force of their opposition has been directed against the high duties on the necessities of life, such as coarse cotton and woollen clothing, used chiefly by the working classes, upon iron, and sugar, and the various other commodities consumed in greater quantities by the poor than by the rich—whilst their opponents have assumed a ground diametrically the reverse. And now steps forward Mr. Clay, in the attitude of a self-constituted arbitrator, and says, in substance, “Gentlemen, there is a wide difference of opinion between you—I will settle it for you in the twinkling of an eye. Take off the duties from silk stockings and Champagne and Burgundy, and the other luxuries and delicacies used by the rich, and leave the whole burden of supporting the government upon the shoulders of the poor. This mode is the most equitable and reasonable, and it presents an *undebateable* ground, on which I had hoped we could all safely tread, without difficulty. It exacts no sacrifice of principle from the opponent of the American System.” Hear him, hear him, ye People of the South!—hear him, hear him, ye People of the North who are not blinded by pecuniary interest or political prejudice! Is it possible that the great *Statesman* of the West should have paid so little attention to the discussions of the last ten years, as to have imbibed the notion that the Free Trade Party was contending for a reduction of the duties upon Imperial tea and Brussels lace? Why, the veriest tyro in politics could not have made such a mistake, and God help the country if ever such statesman-like views as these get into power. The idea of coaxing the Free Trade Party into these terms, is, to be sure, funny enough, coming from the chief of a party which claims, as *the settled policy* of the country, every scheme which enures to their especial benefit. Old birds are not to be caught with chaff. To this project, then, we reply in Mr. Clay’s own language, applied to a very proper mode objected to by him, “there are insuperable objections,”—and we have no hesitation in expressing our belief, that a more certain mode of fixing for ever on the country the chains of the

Restrictive System could not be devised, than this very *aristocratic* scheme, which proposes to exempt the rich from taxation on their luxuries.

We are glad, however, to see that Mr. Clay is opposed to entire prohibition. This he acknowledges, and he therefore washes his hands of a large portion of his party, who believe that nothing but prohibition can keep up their monopolies. Mr. Clay is, however, in favour of going so close to the wind, as just to permit the introduction of as much of a foreign article as would be good for sore eyes. This, he thinks, would keep up “a salutary competition,” and he also thinks, that, if the door to importation “be hermetically sealed, the danger is incurred of *monopoly*.” How precious does that word sound upon our ears! When has a Tariff man *ever* before pronounced *monopoly* as an evil to be guarded against? Surely Mr. Clay’s faith in the tenets of the Tariff Church lately held at N. York is not orthodox. He will run the risk of excommunication if he continues at this rate to let out the real belief of his heart.

There is, however, some allowance to be made for Mr. Clay’s inconsistency in connecting sound principles with unsound applications. It seems that it is not easy for him “to draw the line between luxuries and necessities. It will be difficult to make the people believe that bohea tea is a luxury, and the article of fine broadcloths is a necessary of life.” Now, unfortunately for Mr. Clay, it so happens that nobody ever made the assertion which he so triumphantly disputes. The friends of low taxes, in Congress, all voted in favour of reducing the duty on bohea tea to 4 cents a pound, its present rate, which is low enough in all conscience, for mere revenue purposes; and whilst they have denounced the duty on coarse woollens as an unjustifiable tax, amounting as it does to from 45 to 225 per centum, they have scarcely ever mentioned the duty of 50 per centum upon the finest broadcloths, except for the purpose of showing the discrimination made, by the American System, between the poor and the rich. And here we cannot help remarking the Quixotic custom of the tariff reasoners. Instead of meeting and combating the positions of their opponents, they raise up wind-mills and attack and belabour them most lustily. This is a case in point, but it shows the miserable ground upon which the Tariff Party stand in relation to the rights of the poor. Bohea tea, now subject to the moderate duty of 4 cents a pound, which is about 15 per centum of its present market price, (28 cents,) is the only article in the whole list of foreign commodities consumed chiefly by the poor, which Mr. Clay has expressed his readiness to relieve from taxation. But if Mr. Clay finds it difficult to discriminate between luxuries and necessities, there are some articles upon which he can possibly have no doubt. The following we consider to be of this class, and we publish it that others may see that there can be no such doubt:

Brown sugar, coarse cottons and calicoes, coarse flannels, baizes, and woollen cloths, such as are worn by the farmers and mechanics and their families—iron for implements of agriculture, ship building, and machinery, stoves and stove-pipes, and other such things.

If, however, Mr. Clay finds it difficult to distinguish between a luxury and a necessary of life, he will not have the same difficulty, we trust, in distinguishing between an excessive and a moderate duty; and upon this point we are pleased to notice that his views are favourable to the cause of Free Trade. “If it can be shown,” says he, “that *in*

any instance, they are excessive or disproportionately burdensome on any section of the Union, for one, *I am ready to vote for their reduction or modification.*” Here we have a pledge, and one which cannot be departed from; and as we do know that documents are in a train of exhibition to Congress, which will prove most conclusively that the duties on cotton and woollen goods, iron, hemp, and various other articles, are excessive, we are gratified to have the assurance of Mr. Clay’s support in their reduction.

As to the necessity of a rigid enforcement of the revenue laws, urged by Mr. Clay, no one will dispute the propriety of their being so enforced—but many doubt the possibility of it. In our humble estimation, it is just as impossible to prevent the smuggling in a country like ours, so accessible by land and water, under exorbitant duties, as it was for Spain to prevent the exportation of dollars, by the enactment of penal laws. Smuggling is, at this moment, a more profitable branch of “American industry” than lawful commerce, and every day new modes are discovered, and new temptations held out to men of doubtful consciences. There is no possible mode of having revenue laws faithfully executed but by removing the temptations to smuggling and fraud.

The plan suggested, of reducing the credit on duties, we think, might be advantageously adopted. The long credits now given, under such exorbitant duties as those which exist upon various articles, furnish large capitals to many merchants who find the American System exceedingly convenient. To this circumstance may be ascribed no small share of the indifference to the existence of high duties, which is known to prevail in some of our commercial cities; and we are opposed to all measures of policy, the tendency of which is to strengthen the Tariff Party. Mr. Clay could not do a more unwise thing for the manufacturers, than reduce the credits on duties. Such a course would drive to the Free Trade side hundreds of merchants who are now excellent tariff men, and who would regard a reduction of the term of credit as injurious to them as a reduction of the duties themselves.

Our neighbour of the National Gazette, in speaking of this speech of Mr. Clay, says, “It is distinguished by comprehensive political wisdom.” We should like to know whether the following expression is thus distinguished:

“Whatever may be the qualifications to which the theory of the balance of trade may be liable, it may be safely affirmed, that when the aggregate of the importations from all foreign countries exceeds the aggregate of the exportations to all foreign countries considerably, the unfavourable balance must be made up by a remittance of the precious metals to some extent. Accordingly, we find the existence of the other fact to which I allude, the high price of bills of exchange on England.”

Now we really had thought that the doctrine of exchange was so well understood, that no individual, supposed to be distinguished for “political wisdom,” could have ventured, at this enlightened day, to ascribe the high price of bills of exchange upon England to the balance of trade. Why, even the *philosophers* of the restrictive school have given up that argument, and for the last two years have admitted that the true par of exchange on England was a nominal premium of 8 per cent.

Mr. Clay considers “a gradual reduction of duties” as “a slow, but certain poison.” If that be the case, he and his friends will not relish the proposition of Mr. Hayne, which is to reduce the duties gradually. It is well, however, to be remarked here, that the policy of a gradual reduction is not a *sine qua non* with the friends of Free Trade. If our opponents prefer an immediate reduction, we certainly shall not object to it; and we have always considered it as a cession upon our part, although it seems not to be so considered by Mr. Clay.

In reference to the Hon. Senator’s project of increasing the duties upon foreign distilled spirits, we enter a decided protest against it, not merely on account of its hostile bearing upon foreign commerce, but also on account of its injurious influence upon agriculture and public morals. Every gallon of spirits imported into this country from the West Indies, is as much the direct product of corn, and wheat, and other agricultural productions, as whiskey is the product of corn, rye, and potatoes. For every gallon of West India rum prohibited by a duty, there is the loss of the sale of an equal value of agricultural produce; and the same is true of brandy and Holland gin, although the exchange may not appear to be so direct. In regard to public morals, an increase in the price of foreign liquors has the certain effect of driving their consumers to whiskey; and when once the taste for liquor becomes so vitiated that it cannot discover the difference between cognac brandy and new whiskey just out of the still, the inevitable consequence is an increase of quantity. We have no doubt that the vast extent of intemperance which prevails throughout the country is, in a great degree, to be traced to high duties upon foreign liquors and wines; and if we wished to frustrate the benevolent exertions of the Temperance Societies, we would advocate Mr. Clay’s policy. If this be a part of the “political wisdom” for which this speech is distinguished, we do not envy its author the reputation it will give him.

Nor do we see much political wisdom in the following question, proposed by the Hon. Senator: “Is it material to the consumer, wherever situated, whether the collection be made upon a few or many objects, provided, whatever be the mode, the amount of his contribution to the public exchequer remains the same?” Its want of wisdom consists in its want of fairness. It is not putting the question, now at issue before the people, in its true shape. The question is this: If the public revenue be reduced to the sum required for the support of government, is it material whether it be raised upon all necessities and all luxuries, or whether luxuries shall be exempt from taxation, and some of the necessities of life alone be saddled with the whole expenses of supporting government—and this, not by an equitable ratio of *ad valorem* duties, but by a system of discriminating duties, intended still further to oppress the poor and labouring classes, by making them pay more than their fair share? This is the question, properly stated, and thus stated, we would willingly abide by the answer that would be given to it by nine out of ten of the community. How any gentleman can associate such views as this with the idea of conciliation, we are at a loss to imagine; and if we should be asked what we should consider an overture of conciliation, we would reply, Nothing short of an abandonment of the minimum system, and a reduction of all the high duties, whether upon the protected or unprotected articles.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXII.

february 22, 1832.

National Independence; true nature of. The mutual dependence of nations upon each other, resulting from commerce, dishonourable to neither.

THERE is no subject to which the sensibilities of the American people are more alive, than that of their National Independence. The recollection of our former state, and of the impositions practised upon us by the mother country whilst we were dependent colonies, still clings to the bosom of the patriot, and nothing is more revolting to him than the idea of being dependent upon a foreign nation for any of the blessings he enjoys. So far as this feeling originates in a love of *political* independence, so far it is a noble and high-minded sentiment. No man amongst us would consent to receive the laws from a foreign land, or to be subject to the mandates and government of a foreign power. But, whilst this is the case, let us be cautious not to suffer this glorious term to be perverted, and to be employed as an instrument to decoy us into national folly. Let us not imagine, that to be independent of a foreign country, requires us to renounce the opportunity we may enjoy of promoting the happiness and prosperity of our own country, by commercial intercourse. Let us not delude ourselves into the belief, that because we will not submit to the yoke of a foreign government, we are bound to reject the favours which her people are willing to confer upon us. Let us not, because we do not choose the king of England to reign over us, commit the folly of refusing to sell his subjects our cotton, if they will give us more things for it, that we want, than any body else. And yet this is the sort of conduct which is preached up, by certain modern *philosophers*, as constituting independence. Away with such absurdity, fit only to cajole idiots.

What would be thought of a man, in our community, who should be so *independent* in his spirit that he could not brook the idea of being dependent upon any body else for the supply of any of his wants? He would have to be his own tailor, shoe-maker, and hatter—his own baker and butcher; and, by undertaking to supply all his wants himself, he would not be half so well off as his neighbours who should be so poor-spirited as to consent to be dependent upon other people. Now, where is the difference between the case of an individual and a nation? We challenge the production of the shadow of a difference. In truth, the error consists, in both cases, in representing that as a dependence on one side, which is, in reality, a *mutual dependence*. There is no one-sided dependence between two people or nations who exchange equal values. Commercial intercourse can only lead to mutual dependence. Is the farmer, who sells his grain to the merchant, willing to admit that he is dependent upon the latter, any more than the merchant is dependent upon *him*? Is the mechanic, who labours for his employer, prepared to say that he alone, of the two, is dependent? Is the man who employs a lawyer, any more dependent upon him than the lawyer is dependent upon the man who gives the fee? We think no one will answer in the affirmative. Then let the difference be pointed out between those cases and that of the mutual dependence which exists between nations. Are not the West Indies as much dependent upon us for

our flour, corn meal, beef, pork, butter, and lard, as we are dependent upon them for sugar, molasses, and spirits? Is not France as much dependent upon us for cotton, rice, and tobacco, as we are upon her for wines, silks, and fancy goods? Is not Great Britain as much dependent upon us for cotton, as we are upon her for woollen goods and ironmongery? Why then is it said that dealing with foreign countries is discreditable to us? If so, it is equally discreditable to them.

But, in truth, there is nothing discreditable about it, any more than there is in a farmer's selling his wheat for the most he can get, and buying with the proceeds as many store goods as the merchant will give him. This mutual dependence is a part of the design of the Creator, in the constitution of the human race. Man is born a dependent being; he is brought up a dependent being; and, unless he becomes a hermit, he continues all his life a dependent being. And this very dependence it is which lies at the bottom of all parental, filial, and conjugal ties. Without it, man would be immersed in selfish passions; would care for nobody; would respect nobody; would love nobody; and would be less social than the brutes, whose mutual dependence leads them to congregate for mutual safety. Of the truth of this position we conceive every individual has evidence within his own breast. And, that the same mutual dependence is designed, by the same Creator, to be extended to nations, is manifest from the facilities to intercourse which have been conferred upon man by the science of navigation, from the variety of soils and climates with which the earth has been enriched, and from the multiplicity of products peculiar to these. Had a mutual dependence between nations never been designed, it is quite probable that the quadrant and compass would never have been invented, or that the law of propelling forces would never have been so modified as to enable a ship to make way against an opposing wind.

Some people may, perhaps, reply, that the facility of intercourse between nations is only designed to enable each to procure from the others commodities which it cannot itself produce. But even here there would be established a mutual dependence, no less discreditable than any other; for, after all, it is only for articles of comfort or luxury that nations are mutually dependent upon one another. For the actual necessities of life, no nation ever has been, or ever can be, dependent upon a foreign country. The bulk of the food necessary for the support of men and cattle, and of the materials necessary for the clothing and fuel of the former, is too great to bear the expenses of a distant transportation; and hence we find that there is not a country on the face of the globe that does not produce the ordinary food and materials for clothing its population. In some countries, the bread of the people is wheat, rye, or corn; in others it is rice; in others fruits; in others the mandioca root. This last substance furnishes the bread of four millions of people in Brazil—a few only of whom are acquainted with wheat-flour, and with that only as a luxury. In some countries the ordinary clothing is of wool; in others of cotton; in others of flax or hemp; in others of skins; and in others of the bark of trees—and there is no nation that ever has imported any very material portion of its clothing. Notwithstanding all the clamour about foreign dependence, the United States has never, in any one year, exclusive of fine and high-priced goods, imported an amount of cotton and woollen clothing sufficient to cover one-twentieth part of her population; and it is very doubtful whether she would import a quantity equal to a tenth of the consumption of the country if all duties were abolished—and

for the simple reason, that *the household manufactures* of the farmers, which have always prospered without protecting duties, can, as they always have done, carry on a successful competition, in the home-market, with foreign goods.

We trust that, in the foregoing remarks, we have shown that, whilst a love of political independence is a commendable virtue in every patriot, a desire for commercial independence is a selfish, misanthropic, and anti-Christian passion, at variance with the dictates of common sense, and at war with the true interests, happiness, and prosperity of a country.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXIII.

march 14, 1831.

The Vested Interests of the few not to be upheld by the sacrifice of the interests of the many; this position sustained by reference to many well known cases.

IN a monarchical or aristocratical government, where the few rule the many, and where the interests of the many are sacrificed to promote the interests of the few, there may be vested interests, for the protection of which all other interests are made subservient. In a popular government, however, instituted for the equal benefit and protection of all, there can be no special interest, vested in any conceivable manner, for the advancement of which all others must be sacrificed. The march of intellect which has been exhibited with such rapid strides for the last half century, has been nothing but one perpetual overthrow of vested interests; which, although not so visible to our bodily senses as some other works of demolition, is not less real; and nature herself, in this mighty work, cries out, "The vested interests of the few are not to be protected at the cost of the many." What has become of the vested interests in distaffs? Swept away by the spinning-wheels. What has become of the vested interests in spinning-wheels? Destroyed by the inventions of Arkwright—and these again by others following one another in rapid succession, down to the most improved machinery in Statist's factory, near Boston, who is as far ahead of some of his fellow-manufacturers, in the perfection of his works, according to what we have heard, as these again are ahead of the machinery of five years back. Look, too, at the steamboats. What has become of the vested interests in shallops and sloops, that formerly plied upon the Chesapeake, the Delaware, the Hudson, and the Sound, for the conveyance of passengers? What has become of the vested interests in stages and horses, where land travelling has been broken up by water conveyance? Look at the interests vested in turnpike-roads, swallowed up and rendered valueless by canals; and then cast an eye into futurity, and see these canals again all devoured by rail-roads. The vested interests in wheel-barrows have been sacrificed by carts and wagons. Cast your eyes to the river Schuylkill—where are the interests vested in the former water-works—in the basin at the end of Chestnut Street—in the large building in which the water was first raised, at the corner of Schuylkill Front Street—in the huge tunnel which conveyed the water to the Centre Square—and in the marble edifice in which it was raised to its proper elevation for distribution? All swept away by the new works at Fairmount. Where are the interests vested in the ten miles of wooden pipes, which formerly conveyed the water through the city? Destroyed, to make room for the present iron pipes. In fine, look where we will, we see every where a constant succession of improvements. And why have these improvements been resorted to, at such a great sacrifice of vested interests? Because it was more advantageous for the public that the new improvements should be introduced, even at the cost of annihilating the existing vested interests, than that they should not have been introduced. It is for the same reason that Pennsylvania, having two stone-turnpike roads to Pittsburg, (built at a cost, to individuals and the state, of at least five millions of dollars,) has undertaken a canal which will almost entirely render the road

valueless. It is for the same reasons that a company is about now undertaking a rail-road from Albany to Buffalo, over a tract of country occupied by a canal which is capable of transporting to market all the produce which is likely to offer for these twenty years to come. It is for the same reason, that a man who has nothing but a hatchet to chop wood with, buys an axe, which renders his hatchet of no use in felling a tree.

In all these cases where existing interests have been sacrificed, the question has been simply this: By these improvements, will all the annual gains be greater than all the annual losses? This is the only possible rule for determining a matter of this sort. And the question is not one whit different, whether the object to be obtained be cheap travelling, cheap water, cheap transportation, cheap clothing, cheap sugar, cheap iron. Where a Restrictive System exists, Free Trade is precisely like the invention of some new machine to cheapen production. It is a great labour-saving machine. Its operation is precisely the same as if a machine were invented by which one man could do the work of two. To reject Free Trade, then, on account of its influence on the vested interests of manufacturers, would be precisely the same as if such an improvement as we have described were to be rejected, for fear of the injury which would be done to the owners of less perfect machinery, or as if the Philadelphia Councils had rejected the new-water-works and iron pipes, because their adoption would entirely destroy the value of the old water-works and wooden pipes.

It is, no doubt, unpleasant to see the prosperity of one's neighbours disturbed. When the fashion to wear wigs was abandoned, it was no doubt a painful reflection to see the vested interests of wig-makers, in wig-blocks, &c., sacrificed; but who would say that people should continue to wear wigs, if they did not like it, for the sake of the wig-makers? In a country like this, where the laws are made and unmade at the popular will, it is preposterous to talk of vested rights in a monopoly. The only vested rights are, the rights of freedom of employment and of protection against fraud and violence; and every man who embarks in any particular pursuit, does it at his own risk. Those who choose to hazard their property, by staking it upon an artificial system, founded in injustice and wrong, have no right to complain, if, when those who have been wronged resume their rights, they should lose what they chose to hazard in a *run for luck*, as some of the Bostonians call their speculations in manufacturing stock.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXIV.

april 11, 1832.

The Flour Trade of the United States. Quantity shipped to Great Britain and her colonies.

EVERY body who has watched the gradual crumbling away of the pillars of the American System, must have seen that, shortly, it would be left without a support sufficient to sustain it. The doctrine of the balance of trade—the high nominal rate of exchange—the exportation of specie—and the great fall in the prices of goods between 1816 and 1831—were at one time relied upon as the main supporters of the rickety fabric. These have, however, all been swept away by the power of truth, leaving but a few more columns to share the same fate. One of these was the dearly cherished doctrine that foreign nations would not take our agricultural productions in exchange for their manufactures. In vain was it urged that Great Britain purchased of us cotton, tobacco, rice, naval stores, and other articles, equal in value to from twenty to twenty-five millions of dollars per annum, and that she was willing to take to a much larger amount if we would take more of her manufactures. All this amounted to nothing: “*She will not take our flour,*” was the constant cry, and this was sufficient to satisfy all the non-thinkers of the Middle states, who had not brains enough to see, that, by the export of Southern staples, they were able to sell to the Southern people more flour.

Happily, however, for the cause of Free Trade, this argument is taken out of the mouths of the restrictionists by the commercial operations of the last year. It is shown by the Treasury documents, that the quantity of flour exported during the year ending on the 30th September, 1831, to “Great Britain and Ireland,” was 879,430 barrels, which was greater than the total export of flour from the United States *to all parts of the world*, in any one of the eight years between 1821 and 1830, with the single exception of the year 1824, when the number exported was 996,792.

The fact is, that ever since the modification of the British Corn-Laws, in July 1828, by which flour and grain have been admitted, at all times, *under far less duties than we impose upon some British iron, and cotton, and woollen goods*, our exports of those articles have been gradually increasing, and, in the natural course of things, they must go on increasing. But to the proof, which will be found in the following

TABLE, showing the Exports of Flour from the United States, in the following years.

YEARS.	To Great Britain and Ireland.	To all other parts of the world.	Total Exports.
1822	12,096	815,769	827,865
1823	4,252	852,450	756,702
1824	70,873	925,919	996,792
1825	27,272	786,634	813,906
1826	18,357	839,463	857,820
1827	53,129	812,362	865,491
1828	23,258	837,551	860,809
1829	221,176	616,209	837,385
1830	326,182	899,699	1,225,881
1831	879,430	925,775	1,805,205

In the year 1831, there were exported to the British North American provinces, 150,645 barrels of flour; of which it is highly probable that nearly the whole were re-exported to England, under the very low colonial duty, or, what is the same thing, were consumed in the provinces, in place of an equal number of barrels of colonial flour spared from the consumption, owing to the American supply brought into Canada *free of duty*. It may therefore fairly be assumed, that Great Britain took from the United States, in the year 1831, upwards of one million of barrels of flour, *besides a large quantity of grain*—which is more than one-half of the total exports to all other parts of the world. Shall we be told, after this, that a nation which, in 1829 and 1830, took *one-fourth* of the whole quantity of flour exported, and, in 1831, *one-half*, refuses to take our flour? A further adherence to this position cannot be *honestly* maintained.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXV.

may 2, 1832.

The Cotton manufacture. Statistics of, in the United States, as published by the New York Tariff Convention. Tax imposed for the support of, upon consumers.

ONE great benefit conferred upon the public by the Tariff Convention at New York, last October, was the adoption of measures for the collection of statistical details, which were very much needed by the Free Trade party, as documents best adapted to demonstrate the absurdity of the Restrictive System. In pointing out the operation of the duty on cotton goods, as we have frequently done in this journal, we were obliged to assume *data*, arrived at by a process of reasoning, to argue upon, and we always knew that an argument which was not founded upon positions admitted by the opposite party, was not as powerful as one where the positions were admitted. The necessity, however, of arguing in the dark upon the subject of the cotton manufacture, is now obviated, and we shall henceforth assume as correct, the following statement, condensed by the “New York American Advocate,” from the materials furnished by the Convention, until we are advised that a more authentic one exists:

“Cotton Manufactures.—Summary of the results of the present state of the Cotton manufacture in the United States:

Capital employed	\$44,914,988
Number of mills	795
Number of spindles	1,246,503
Number of looms	33,506
Pounds of yarn sold	10,642,000
Yards of cloth	230,461,990
Pounds of cloth	58,604,726
Males employed	18,539
Females employed	38,927
Pounds of cotton used	77,557,316
Pounds of starch	1,641,253
Barrels of flour for sizing	17,245
Cords of wood	46,519
Tons of coal	24,420
Gallons of oil	9,205
Value of other articles	\$599,333
Spindles building	172,024
Hand weavers	4,761
Total dependants	117,626
Annual value	\$26,000,000
Aggregate wages.	10,594,944

Cotton consumed 77,557,031 pounds, is 214,882 bales, of the average of 361 86.100 pounds.”

From the foregoing statement it appears, that the number of yards of cotton cloth manufactured in the United States is 230,461,990. This immense production, we are told, owes its existence to a Protecting Tariff, and that if the existing duty were to be greatly reduced, the manufacture would be totally destroyed. If there be any truth or meaning in this declaration, it amounts to this, that by means of the Tariff, the manufacturers of cotton cloth are enabled to get a higher price for it than they could get if there was no duty. The extent of this augmented price is not, however, mentioned; but, be it what it may, it constitutes the precise tax which the people of the United States pay for the support of the cotton manufacture. The present duty on cotton cloth of the kind manufactured in this country is $8\frac{3}{4}$ cents per square yard, which is $6\frac{1}{2}$ cents per running yard of the usual width of three quarters. Now if the whole of this duty were requisite to sustain the manufacture, the tax would be $6\frac{1}{2}$ cents per yard; but such is not the case. It is only on the finer qualities, and on prints and calicoes, which sell for about 18 to 20 cents per yard, that the whole of this duty is necessary for preventing the foreign competition. Upon the coarsest qualities a duty of three cents would be sufficient; but, as we wish to be liberal in our allowances, we are willing to assume three cents per yard, upon an average, as the extent of the tax imposed upon the nation for the support of the cotton manufacture, which, upon the quantity stated, would amount to \$6,913,859. That this amount is not overrated, we are most thoroughly convinced; and, if we add to it the tax paid for the yarns, amounting to 10,642,000 pounds, which are charged with a duty of 15 cents per pound, but which we shall only estimate at 6 cents per lb., amounting to \$638,520, we shall have a gross sum of upwards of \$7,500,000, *paid for the support of the cotton manufacture, by the consumers of cotton goods, over and above the full value of the articles*. If any body doubts the correctness of this estimate, he can convince himself by asking the first cotton manufacturer he meets whether he will put his name to a declaration of his willingness to reduce the duty below 3 cents per yard upon any one quality which he manufactures.

Having thus demonstrated, from the statistical facts furnished by the manufacturers themselves, that the nation pays them a clear bounty, *without any equivalent*, of upwards of \$7,500,000 per annum, we are, nevertheless, disposed to pursue our argument upon the most liberal basis, and will, therefore, assume the bounty on cotton cloth to be only *two cents* per yard, and that upon yarn to be only *four cents* per pound. We shall then have \$5,000,000 as the bonus paid to the manufacturers, *over and above the full value of their goods*.

Let us now examine another point.

By the foregoing statement it appears, that the number of persons employed, in the United States, in the cotton manufacture, is, males, 18,539, females, 38,927, hand-weavers, 4,761—making a total of 62,227. It is not stated what number of each sex are grown persons, and what number are children—but every body knows that a very large portion of them are children. Now if five millions of dollars are contributed by the people of the United States towards the support of 62,227 persons, besides paying

their employers the full value of the articles they manufacture, the amount is precisely \$80 and a fraction per head, as any one may see, who will take the trouble to make the calculation.

Eighty dollars a piece, per annum, is a sum amply sufficient to maintain all the operatives, young and old, who are employed in the cotton manufacture; and it is, therefore, manifest, that the benefit which the community derives from the labour of the whole manufacturing community is not one sixpence more than it would be if these sixty-two thousand and odd persons were employed in turning grindstones, and if the consumers of cotton goods were at liberty to buy their goods where they could get them cheapest. It would, therefore, be better for the public, to enter into a contract with the owners of the cotton factories, to allow each of their operatives a pension, for standing idle, of \$40 per annum, the amount which Pennsylvania allows to old soldiers, which would be equal to \$2,500,000, if they would, in consideration thereof, shut up their factories.

It may, perhaps, be thought, that the owners of factories would not agree to this, unless some compensation were also made to them for the interest on their capitals. Very well—let us examine and see what we could afford to do towards buying them up.

We are told by the above statement, that the capital employed in the cotton manufacture in the United States is \$44,914,988. This of course includes the cost of buildings, machinery, lands, and water-power, and the funds invested in raw materials, goods on hand, outstanding debts, and money in hand to pay wages. What proportion of this amount is fixed capital, which cannot well be applied to other pursuits, is not stated, but, as we are told that the whole number of cotton mills is 795, and these have probably not cost, upon an average, with all their appurtenances and machinery, more than \$30,000 a piece, we may reasonably conclude that 24,000,000 dollars would be an ample allowance. The rest of the capital being circulating, such as goods and money, could easily be turned into foreign commerce, which would be opened by Free Trade. Now it is evident, that after paying the pensions to the operatives, there would be a fund left, to be disposed of to buy up the proprietors of the factories, of \$2,500,000, which would enable the public to allow them an interest or rent for shutting them up. Six per centum would be sufficient allowance, and this, upon twenty-four millions of dollars, would amount to \$1,440,000, which would leave to the consumers a clear gain of \$1,060,000 by the compromise, besides all the advantages they would derive from a more extended foreign demand for their agricultural productions, and by an exemption from a large amount now paid in duties upon cotton fabrics imported.

The only conceivable answer to this reasoning, is, that the Tariff does not protect the manufacture of cotton fabrics to the extent of two cents per yard. Then, gentlemen, we ask, Does it protect them to the extent of one cent?—for, if so, the tax is then two millions and a half of dollars. If it does not do this, then come forward, like true patriots, and quiet the discontents of the country, by proposing a reduction of the duty to one cent per yard, and every body will be satisfied. If the manufacture can be

sustained without any duty, why persevere in holding on to the present one, at the hazard of breaking up the Union?

[\[Back to Table of Contents\]](#)

ESSAY No. CXXVI.

june 13, 1832.

The natural protection against foreign competition enjoyed by the industry of the United States, from geographical position, and the bulky nature of their productions, shewn.

EVERY new discussion in relation to the Tariff policy sheds fresh light upon it. In the supplemental memorial to Congress, drawn up by Messrs. Harper and Dew, there is the following expression—"Perhaps the foreign nations, among whom restrictive systems are said to obtain, do not afford protection so efficient as our manufacturers would receive from the natural situation of the country, and the wants of the government for revenue." This is perfectly true, and it can be shown, most conclusively, that the natural protection which the industry of the United States enjoys against foreign competition, arising from the nature of their products, and their distance from Europe, which increases the expenses of transportation both ways, is much greater than that enjoyed by any European nation on the Atlantic, in its intercourse with any other; and that, consequently, a much less duty is required to shut out the foreign commodity. We have said "both ways," because, in estimating the natural protection, we must take into consideration the expenses of transportation, not only of the article imported, but of the article exported to pay for it; and as the United States produce no silver, and not much more gold than what is consumed in gilding and manufactures, and very few fabrics which can be sent to Europe to advantage, it so happens that bulky raw materials constitute the chief products with which the country pays for its foreign imports. As this is a very important view of the subject, we will endeavour to illustrate it more fully.

England and France both produce iron and silk gloves. In the manufacture of iron England has the advantage, whilst in the manufacture of silk gloves France has the advantage. The *natural* protection which England enjoys against the competition of France, consists in the freight of iron and gloves across the channel, the expense of insurance, commissions, and other small charges of shipment, the whole of which would not exceed, both ways, five per centum. Even if these articles were as bulky as crates of crockery and wines, the expense would be very inconsiderable, and perhaps ten per cent., both ways, would be the whole extent of natural protection that could be enjoyed by the industry of either country.

Now, how stands the case in the United States? The freight of iron from England to the United States, is \$2.22 per ton, equal to 5 per centum upon hammered iron, and 10 per centum upon rolled iron. Upon articles of hard ware, which occupy greater space, it is considerably more. Upon coarse woollens, flannels, and baizes, and cotton goods, it is estimated at 10 per centum. And perhaps it would not be far from the truth to say, that the natural protection enjoyed by the American manufacturers, upon the simple operation of importation, is equal, upon an average, to what is enjoyed by any

European nation in its interchanges with any other European nation on the Atlantic, both ways.

It remains then to be seen, what extent of natural protection is enjoyed by the American manufacturers, owing to the bulky nature of the products with which alone we can pay for the foreign commodities we import from Europe. Cotton, tobacco, rice, grain, flour, naval stores, lumber, fish, provisions, cattle, horses, mules, &c., &c., constitute the chief articles with which we purchase foreign commodities. All these articles occupy a considerable bulk for a small value, and the expense of sending them to the foreign market constitutes a natural protection to that amount, whatever it may be. Of the total exports of the year ending 30th September, 1830, according to the last Treasury Statement published, there were, of

Productions of the Sea,	\$1,725,270
Forest,	4,192,047
Agriculture, viz.	
Rice,	\$1,986,824
Tobacco,	5,586,365
Cotton,	29,674,883
All other articles, including flour, grain, corn, bread, potatoes, apples, cattle, hogs, horses, mules, beef, pork, lard, butter, cheese, &c.	9,729,260
	46,977,332
Manufactures, viz.	
Cotton goods,	\$1,318,183
Gold and silver coin,	937,151
All other kinds, including soap, candles, boots, shoes, furniture, carriages, hats, saddlery, beer, porter, ale, snuff, lead, linseed oil, spirits of turpentine, rum, loaf sugar, chocolate, gunpowder, drugs, wearing apparel, combs, buttons, brushes, umbrellas, parasols printing presses, types, musical instruments, books and maps, paper, stationery, paints, varnish, earthen and stone ware, glass, tin ware, trunks, bricks, lime, salt, artificial flowers, &c.	4,002,797
	6,258,131
Non-enumerated articles,	309,249
	\$59,462,029

It is not necessary to examine very minutely the charges attendant upon the exportation of all these commodities. It will be sufficient to look only at a few. The freight alone upon cotton, which constitutes *more than half of all our exports*, taking it at one cent per pound, and the cost of the article at the port of shipment at ten cents, is 10 per centum—upon rice it is 15 per centum—upon tobacco it is 15 per cent.—upon flour it is 20 per centum, that is \$1 upon a barrel costing five dollars—upon some articles it is more; and, taking the average at 15 per centum, it is probable that 10 per centum may be considered as the absolute amount of *natural*

protection enjoyed by the industry of America over that of any European country, in relation to its intercourse with any other, arising from the bulky nature of its productions, and the distance at which we are located from foreign nations.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXVII.

july 11, 1832.

Anti-Christian character of the American System.

IT is to us one of the most incomprehensible things that so many persons, who profess to be advocates of religion and good will to man, should be the disciples of a philosophy which teaches that the selfish principle is paramount to the principle of neighbourly love. If there be one truth which the Christian dispensation enforces with more than peculiar emphasis, after a man's duty to God, it is a man's duty to his neighbour. Upon these two principles hang all the law and the prophets.

And what is man's duty to his neighbour? It is to act towards him according to the rules of equity and justice—it is to do unto him as you would that he should do unto you. An observance of these rules could not fail to make of society a complete band of brothers; and, so far from their operating to the disadvantage of individuals, their happiness would be incalculably promoted by it. The truth of this position may be illustrated by a case which is familiar to every body who is acquainted with the laws of hospitality and good breeding. At a dinner table, for example, where a dozen well-bred people are seated, the principle of neighbourly love is exhibited in form, if not in substance. Each person, instead of helping himself to the best dish within his reach, offers it to his neighbour—and thus every one enjoys the advantage of the kind offers of eleven persons, instead of relying upon his own individual exertions, as would be the case at a canine festival, where the strongest alone could be fully gratified.

Now what does the restrictive philosophy teach? Why, that individuals, pursuing particular branches of industry, should consult their own interests, without any regard whatever to the interests of their neighbours; that sections or districts of country should unite together in a scheme calculated to render others tributary to them; and, carrying the principle still further out, that nations should study their own selfish interests, without regard to the interests of other nations. The consequences of such a course of conduct cannot be other than to produce private enmities and heart-burnings between those who benefit and those who suffer, *as is visible, every day, to our own eyes*—civil war between different sections of the same country, *as we may see before another year*—and foreign wars of which we have witnessed an abundance within the last half century, growing out of commercial restrictions.

If it were true that the Christian religion enjoined one sort of duty from man to man, and another sort of duty from nation to nation, there might be some ground for the adoption of one rule as applicable to one case, and another rule as applicable to the other. But no distinction is made between them, and peace on earth, and good will to men, are every where inculcated. Or, if it were true that the adoption of the selfish principle, in opposition to the neighbourly principle, either in relation to individuals, sections of country, or nations, would promote even the temporal interests of man, something might be allowed to those who embraced it, upon the score of human

frailty, which often prefers a temporal to a spiritual blessing. But no such effect follows. The Restrictive System not only is injurious to the whole nation which adopts it, and to every separate branch of industry which is carried on in it, but, in the long run, to most of the very favoured classes themselves: for every one must perceive, that the profits and wages gained in protected branches of industry must ultimately be brought down to the common average of profits and wages, by which they are placed on a level with others which are not protected—and, when they reach that point, they participate with the rest of the nation in bearing their share of the national loss arising from the diminished production of the total land and labour of the country. We say “most of the favoured classes,” because the exceptions to it are rare, and consist only in those branches of business in which domestic competition is restricted by natural causes, such as soil and climate, &c. Thus, the owners of fertile iron-mines and salt-wells, in this country, might enjoy a permanent advantage from protective laws, because the number of fertile ore-banks and salt-springs is limited; but there can be no such thing as conferring a perpetual advantage over the rest of the community, by law, upon the growers of wool, or the manufacturers of cotton or woollen cloths—because in those branches of business there is no natural limit to competition. That this is the case is manifest from the actual situation of the protected classes. Over-production has already produced a re-action, and the market price of many articles will not now replace the cost of production.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXVIII.

august 22, 1832.

A few Short Answers to Tariff Arguments.

1. IF a tariff man says it is advantageous for a country to *protect* its *domestic industry*, tell him so it is, and that it is for that reason you advocate Free Trade, for that, as there are three sorts of industry, agricultural, commercial and manufacturing, you are opposed to any system which grants any especial favour to one branch at the expense of the rest.

2. If he says that manufacturing industry, which clothes the people, is alone entitled to the appellation of domestic industry, tell him that the industry of the farmers, which feeds the people, and gives them the raw materials for their clothes, is also domestic industry, and entitled to as much consideration from government as any other.

3. If he says that manufacturing industry can be protected by high duties, without injuring agricultural and commercial industry, tell him he has not examined the subject.

4. If he says he has read Niles' Register and the Address of the Tariff Convention, tell him he must read Adam Smith and the Free Trade Memorial.

5. If he says he has read them, ask him if he has any manufacturing stock, or is concerned in iron mines or sugar plantations, or is determined to have Henry Clay for President, *nolens volens*.

6. If he says that Political Economy is a theory, tell him the most mischievous theory in the world is the one which supposes that Congress can regulate the trades and occupations of the people better than they can do it themselves.

7. If he says that a tariff is not designed to compel people to follow particular trades, tell him that, whatever it may be designed for, it has the effect of driving people out of commerce and agriculture into manufactures, and that in no other way can the forced manufactures be supplied with labour and capital.

8. If he says that the labour and capital employed by manufactures is not withdrawn from agriculture or commerce, but constitute a *dormant* stock, which would, without the stimulus of the tariff, have been idle and unproductive, tell him there is no dormant capital or labour in this country.

9. If he demands of you to prove this, tell him that banks have no where at any time had any difficulty in lending their capitals at six per centum—that, if a city capitalist has more than he can lend at home, let him send it into the Western and Southwestern country, where the demand for capital is so great that all the merchants purchase their

supplies of foreign and domestic store goods in our cities *upon credit*, thereby *demonstrating* that there is full employment for tens of millions of dollars at a higher rate of interest than six per centum: for, if this were not the case, the merchants would pay cash for their goods, and avail themselves of the discount allowed by the merchants for prompt payment, which is never less than 6 per centum per annum. In relation to *dormant labour*, tell him that you can prove there is no such thing, except when labourers are asleep, by the simple fact that there are, no where in this country, except occasionally in a few overgrown cities, any able-bodied persons who have not at all times supported themselves by labour of some kind or other. The very limited lists of able-bodied paupers in our different poor-houses, exhibit the true extent of dormant labour; and, in nine cases out of ten, as regards these, no stimulus would set their *American industry* in motion but that of the tread-mill.

10. If he says that foreign commerce encourages foreign industry, tell him that it cannot possibly do this without affording an equal encouragement to domestic industry, and for the very simple reason, that we cannot import a foreign article without paying for it with a domestic article.

11. If he says we may pay for the foreign article with specie, tell him that we could not get that specie but in exchange for some domestic article, and that, although the exchange of flour for broadcloths may not be a direct one, it is, nevertheless, as real an exchange as takes place in nine out of ten transactions which every day occur in individual life. Who doubts, when he sees a farmer sell his grain for money to the miller, and sees him give that money for store goods, that the store goods are in reality received in exchange for his grain? So unquestionably is this transaction one of exchange, that, had it not been for the knowledge of the merchant that this farmer would have grain to sell, and would want store goods, he would not have laid in a stock.

12. If he admits it to be true, that for every dollar's worth of foreign goods brought into the country, there must be sent out an equal value of domestic goods, but insists that this operation only gives employment to one domestic capital, whereas, had domestic articles been produced, in the place of the foreign ones, every exchange would give employment to two domestic capitals, tell him that a man cannot have any more than a cat and her skin—that a child cannot eat its cake and have it too—that the same capital and labour which furnish seventy millions of exports, cannot furnish seventy millions of domestic manufactures *besides*, to be exchanged for them—that seventy millions of exports represent the quantity of products left after feeding and clothing thirteen millions of people—and that another surplus of seventy millions, to be exchanged for them, would require another population of thirteen millions of people.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXIX.

september 12, 1832.

The duty on Bar Iron. No one gains by it but the owners of iron mines.

IN a former article we showed that none of the persons who are concerned in the fabrication of iron, from the time that the ore is dug from the mines or the bogs, until it appears in the form of a finished article, is interested in the duty on *pig* iron, except the owners of iron mines; and for the plain reason, that it is the interest of these last that *pig* iron should be dear, because it is the produce of their land—whilst it is the interest of all the others that it should be cheap, because it is the raw material of their business. We shall now examine and see who are interested in the duty on bar iron.

And, *first*, it will be evident, that the owners of the iron mines which are situated within the reach of the competition of foreign bar iron, are interested; for, if no duty were imposed upon bar iron, it could be imported and sold cheaper than domestic bar iron could be produced. This fact is too manifest to need illustration; and it is equally manifest, that those mines which are situated at a considerable distance from the seaboard, would not be affected if bar iron were admitted duty free.

Secondly. The owners of forges which are situated within the reach of foreign competition, are benefited by the duty on bar iron, *but only because there is a duty upon pig iron*. Let the duty on pig iron be taken off, and the forge owners could well afford to have the duty reduced. The protection which they now enjoy, by a duty of \$22.40 upon hammered iron, is only necessary to them because, by the duty upon pig iron, of \$12.50 per ton, they are compelled to pay, for a ton and a half of that article, which is the raw material of their fabric, \$18.75 more than they would otherwise have to pay, it requiring that quantity of pigs to make one ton of bar iron. The real advantage in their favour, now enjoyed by the forge owners, over what they would possess if there was no duty on pig iron, is but \$3.65 per ton; and they are now positively no better off than they would be if the duty on pig iron was entirely repealed, and a duty on foreign bar iron, of \$3.65 per ton, were imposed. Their position, as relates to this question, is precisely the same as that of the tailors, who are protected, by a duty of 50 per centum upon ready-made clothing, merely because there is a heavy duty on cloth, the raw material of their labour; which duty, it could easily be shown, the tailors would not need if there was no duty on cloth. The forge owners could, therefore, well afford a reduction of the duty to a revenue scale, without being affected by it in the slightest degree; and if this is the case with those whose works are within the reach of foreign competition, how evident is it that none of the rest could be affected by it. Indeed the clamour which is made about the iron duty is all occasioned by the ignorance of those who have not examined the subject; and, as the matter comes to be better understood, people will see that the owners of the mines are at the bottom of the whole imposition.

Having thus shown the operation of this duty upon the owners of the iron mines and forges, let us now see whether the blacksmiths are benefited by the duty on bar iron. Bar iron is to them the raw material of their business. The cheaper the price of bar iron, the more articles they are called upon to make. Any one, who cannot see that they are injured by this duty, we refer to the petition of the Philadelphia blacksmiths, presented to the last Congress, where the subject is handled in a masterly manner, and is placed on such grounds as to be altogether irrefutable.

From these considerations it is evident, that the only persons who are benefited by the duty on bar iron are the owners of the iron mines; and even of them, a small portion only, living on the sea-board, are deeply interested. The question then comes to this; are all the improvements in agriculture, commerce, and manufactures, to which iron is an indispensable material, to be kept back, in order that a few owners of iron mines shall be enabled to carry on a profitable business, at the expense of the public?

[\[Back to Table of Contents\]](#)

ESSAY No. CXXX.

october 10, 1832.

The effects of domestic competition on the prices of foreign manufactures at the places of their production.

ONE of the most plausible arguments advanced by the advocates of the Restrictive System in favour of their policy is, that the competition created in the United States by the tariff has had an influence in reducing the prices of cotton and woollen manufactures, not only in this country, but also in Great Britain. This argument, we confess, has, at first sight, a semblance of truth: and we shall therefore be obliged, in order to expose its fallacy, to examine it somewhat in detail.

The effect of competition is, doubtless, to diminish prices. But what is competition? It is that struggle between the producers of particular commodities, of similar or nearly similar description, and of equal or nearly equal quality, by which each endeavours to make it the interest of a purchaser to give him a preference, which is usually accomplished by a reduction of price. It is this struggle to which the world is indebted for the many improvements which now exist in labour-saving machinery, for the great increase in skill and dexterity, and of economy in the application of industry, and for the constant efforts which philosophy and science are daily bestowing upon the advancement of the powers of production. But competition, in order to be efficient, must be carried on between persons who are upon a par, or nearly upon a par—that is, who can afford to sell their fabrics at the same, or nearly the same, prices. If A, who is a hatter, for example, proposes to enter into competition with B, who is also a hatter, he can only do so by offering his hats, of equal quality, at the same price at which the latter offers his. If, from any cause, A is not able to make them as cheap as B, there can be no competition, on the part of A, which will have a tendency to induce B to lower his price. The tendency of the competition is, indeed, to make A reduce his price; but, as he cannot do this without loss, he must, sooner or later, quit the field.

The case is precisely similar in regard to the position in which the United States stand towards Great Britain. The latter nation having advantages over the former in cheapness of capital and wages, and being quite upon a par as to improved machinery, and very nearly so as to some raw materials, and upon a better footing as regards others, is able to produce manufactures of cotton, wool, and iron, at a cheaper rate than they can be produced in the United States. Indeed the difference in the cost of production of some fabrics, between the two countries, is so great, that, were it not for high duties, no competition whatever could be sustained; and, therefore, the rival-ship of the United States, under a system of Free Trade, could have no influence whatever in reducing their prices. Let us now see whether the case be altered by the artificial competition brought about by high duties. An article of cotton manufacture, we will suppose to cost, in England, with charges of impost added, ten cents per yard, whilst the cost of making a similar fabric, at home, would be fifteen cents per yard. The

question then is, whether a protecting duty of fifty per centum would have the effect of reducing the price, in Great Britain, below ten cents.

In the first place, the immediate effect of such a law would be to diminish the importation, into the United States, of cotton fabrics, on account of the rise in price: for, nothing is more clear, than that as price rises, consumption diminishes. This diminution of demand would occasion a temporary fall in the price of cotton fabrics in Great Britain, partly arising from the excess of stocks on hand, for which the regular market would have been thus cut off, partly from a fall in the wages of labour, which would result from the dismissing of the surplus hands, and partly from the fall which would take place in the price of the raw material. This fall, however, would not have been the result of competition, but of a diminished demand, and would only be of temporary duration. The production of cotton manufactures would be suspended until the supply should be adapted to the new extent of the demand—wages would recover their former level, by the idle hands gradually finding employment in other pursuits—and the production of cotton would be diminished until the supply should be only equal to the new demand. The price would then again rise to ten cents, and thus far it will be seen that the operation of duties would have been productive of no *permanent* reduction of price. Much evil, however, would have resulted, pending this process, to the American manufacturers. They would, for a considerable time, have had to encounter the foreign competition of foreign fabrics, sold in the market at less than the cost of importation, and, besides this, the domestic competition, which, operating together, would have brought down prices below the American cost of production. Time, however, would cure the evil, and, ultimately, no more fabrics would be produced than could be sold at prices which would give the ordinary profits of capital; and thus the prices of cotton fabrics would settle at ten cents per yard in Great Britain, and fifteen cents in the United States. It remains now, to be seen, whether the competition hereafter to be carried on in the two countries would diminish the price, in Great Britain, below ten cents. To ascertain this, it would be requisite to know whether the number of competitors would be greater or less after the imposition of the high duties, for, according to the number of competitors must be the probabilities of diminished prices. A moment's consideration would solve this difficulty. The establishment of manufactures in the U. States would increase competition in this country; but the cessation of the American demand would diminish it in Great Britain; and, as the number of persons who could find employment in manufactures, which could only be sold at fifteen cents per yard, would not be as great as the number which would be employed in manufactures which could be sold at ten cents per yard, in the two countries united, the competition would not be as strong as if the high duties had never been imposed—and, consequently, prices would not be as likely to fall.

It is therefore an error, to suppose that our Tariff has had the effect of occasioning any permanent reduction in the prices of manufactures in Great Britain. Besides, if it be true that a manufacturer can afford to reduce his price in proportion to the quantities he sells, which we believe, is admitted by all, it follows, that our tariff, by diminishing the quantities of certain fabrics required from Great Britain, has had the tendency of keeping up, instead of diminishing, prices in that country; and, low as the prices already are there, they would have been still lower had not our Restrictive System

diminished the demand for them. But, say our restrictionists, the high duties have created a domestic competition which has brought down prices in the United States. This is true, but no domestic competition can ever bring down prices below the cost of production; and as the cost of production in the United States, where capital is worth from five to ten per centum per annum, wages fifty cents to a dollar and a half per day, and first rate land, in the Western country, at one dollar and a quarter per acre, can never be so low as it is in Great Britain, where capital can be had at three per centum per annum, labour at half our rates, and where land is wholly beyond the reach of the labouring poor—it is altogether impossible, so long as those inequalities exist, that we can manufacture as cheap as the British can. This important fact seems to be entirely overlooked by the manufacturers, and they are perpetually urging the idea that all they want is a protection for a few years, until they can get fairly under way. This they said in 1816, this they said in 1824 and 1828, and this they will say fifty years hence, unless they should, as is quite likely, long before, be broken down by smugglers. The fact is, no temporary protection can avail against such permanent inequalities as those we have described. The prices of the raw materials, wool and iron, are cheaper in Great Britain than they are in this country, whilst cotton does not cost one cent per pound more to transport it to Liverpool, than it does to transport it from the cotton-growing to the manufacturing states. In manufacturing skill and invention, too, there are no improvements, in this country, which would not be accessible to the British; and, if we have cheap water power, they have cheap steam power, and, besides this, iron and mechanical labour, to make their machinery, at half the price which we must pay. All idea, therefore, of any ultimate reduction of prices, by domestic competition in this country, down to the British prices, is, in our opinion, altogether delusive.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXXI.

november 14, 1832.

The forced consumption of Cotton in the United States, occasions a diminution of the foreign demand to a much greater extent.

THERE exists a practice, with the Tariff party, of advancing their cause by the enunciation of propositions which are true in themselves, but which convey erroneous or false impressions, owing to other correlative truths being left out of sight. Of this number is one which is now going the rounds of the newspapers, in the following words:

“It is calculated that, of the cotton raised in the Southern states, 150,000 bales are manufactured in the Middle and Eastern states.”

What is left out of sight here, is, that in order that this quantity of cotton may be manufactured in the Middle and Eastern states, the Southern states are prevented from selling *double the quantity*—that is, 300,000 bales of cotton—to foreign nations. If we are asked for the proof of this, we give it thus:

These 150,000 bales of cotton, which cost 10 cts. per pound, are converted into cloth, which sells for at least 40 cents per pound, as may be evident when it is known that a pound of cotton will make five yards of cloth worth 8 cents per yard. A bale of cotton weighs about 300 pounds, and the quantity contained in 150,000 bales is, consequently, 45,000,000 pounds—for which the manufacturers, at 10 cts. per pound, pay \$4,500,000. But they *sell* the cloth made out of this cotton, to the amount of four times that sum—that is, to the amount of \$18,000,000. Now let any one put the question to himself, and ask, whether foreign nations would not most gladly take *double the quantity of cotton*, from the Southern states, which our manufacturers take, if we would purchase of them cotton manufactures to the value of \$18,000,000? And would they not, besides, give us their goods much cheaper? There is not a doubt but that the tariff enables the cotton manufacturers to get *at least* two cents per yard more for their fabrics, upon an average, than the same qualities could be procured for elsewhere. This increase of price is equal to ten cents on a pound of cloth containing five yards; and it would thus seem that the consumers of cotton cloth, in the United States, are positively no better off, by the existence of the domestic cotton manufacture, than they would be if they were to procure all they consume from abroad, and give the foreign manufacturer the raw material *for nothing*. This assertion may appear strange, but we will substantiate it by a very simple illustration:

A farmer has for sale a bushel of wheat, worth one dollar. He wants a yard of cloth, for which the American manufacturer asks \$4, and will take his bushel of wheat in *part payment*, at one dollar. A foreigner will furnish him a yard of the same quality of cloth for \$3. Now it is clear that, to the farmer, it makes no sort of odds whether he buys of the American manufacturer the yard of cloth at \$4, and gives him the wheat,

in part payment, at \$1, or buys it of the foreigner at \$3, and gives him the wheat for nothing. And yet, although there would be no difference to the farmer which bargain he made, although he can perceive that the latter one would be rank stupidity, and the former one lead to precisely the same result—yet, because the said former one is called the American System, he is bamboozled into the belief that it would amazingly be for his interest to give his wheat for a nominal price taken away from him at the very same instant, in the price he must pay for his cloth.

Between the case of the flour and the cotton, there is no difference; and, what is true of a bushel of wheat, is also true of 150,000 bales of cotton.

[\[Back to Table of Contents\]](#)

ESSAY No. CXXXII.

december 31, 1832.

Closing Address of the Editor, on the discontinuance of the Banner of the Constitution. Retrospective View of the progress made by the cause of Free Trade during the four last years.

THE present number terminates the third volume of the “Banner,” and closes its publication.

In taking leave of the many friends who have honoured us with their support, during the whole, or a part, of the four years which we have devoted to the maintenance of the cause of *Free Trade*, we cannot refrain from indulging in a few remarks, which custom seems to call for, on the occasion.

At the period when we embarked in the editorial career, the Tariff Act of 1828 had been in operation six months, and the Protective Policy was regarded by the great body of the people North of the Potomac, as *the settled policy of the country*. A residence of near five years in South America, in the service of the Government, had given us a practical opportunity of judging of the importance of foreign commerce, under a system of Free Trade; and after our return to the United States, it occurred to us, that so noble a cause ought not to be suffered to perish, without at least some efforts to save it. The path of our *interest* lay in a different direction, but we chose to assist in making the attempt to rally the broken forces which had been dispersed by the mighty power of the “American System,” by co-operating with the few who remained true to principle; and although, by almost ninety-nine out of every hundred men at the North, it was considered as a “forlorn hope,” we were not deterred from the experiment. During the first year, when we published the Free Trade Advocate, the efforts of our party were almost fruitless. One of the great political bodies into which the country was divided, seized upon the American System as the means of riding into power. The popularity of *a term* which was calculated to make a strong appeal to the patriotic feelings of the people, was too potent for the opposite party to resist, and they accordingly adopted the same theme. The second year began to exhibit some symptoms of returning reason at the North, which induced the Jackson party to begin to speak of “a judicious Tariff.” The third saw great changes; and the fourth wound up with a declaration of adhesion to the principles of Free Trade, on the part of the President and his Secretary of the Treasury, almost as orthodox as held by Adam Smith himself.

That this Journal has been, in the estimation of many of our friends, in some degree instrumental in bringing about this change of sentiment, it would be an affectation of modesty in us to deny. Keeping up a constant and steady fire, for four years, upon the strong holds of the enemy, having, at times through our exchange papers, *a hundred presses* and upwards, which made occasional or copious extracts from our columns, and furnishing a weekly supply of materials to twelve or fifteen hundred intelligent

men, in all parts of the United States, including the Executive Officers at Washington, and a considerable number of Members of Congress, and of State Legislatures, it would, indeed, have been strange if some of our shot had not taken effect. In this result, however, the merit, if any be due, belongs chiefly to the powerful speeches, documents, essays, and other productions, with which our columns have been enriched by others, and which enabled us to embody in a small compass, more information upon Political Economy and Constitutional Law, than is to be found in any work that has ever heretofore been published. Our own immediate efforts were chiefly directed to practical and familiar illustrations of the doctrines we espoused, and to the collecting of facts in reference to the operation of the tariff, to be *found nowhere in books*, which would serve, in the hands of statesmen, as materials for more laboured and studied productions; and if in this humble service we have been successful, it is to be wholly ascribed to the undivided attention with which we have pursued the subject.

But if we lay no claim to merit on the score of ability, there is one matter which we have a right to urge, without being liable to the imputation of vanity. In the course we have pursued, our intentions have been sincere and patriotic. We have not been, as far as we can judge of our motives, in the slightest degree influenced by selfish considerations; and if we have differed in our political views from most of our personal friends, we venture to think that they will admit, that neither the hope of political preferment or of pecuniary reward, has induced us to stand up against such a current of prejudice as that which it has been our fate to encounter. Towards those who have differed from us, we entertain not the shadow of ill will. There is not a manufacturer at the North, or a sugar planter at the South, or an iron master in any part of the Union, whom we would not willingly serve, as far as we are able, if we could do it without interfering with the higher obligation we owe to the public; and we have, therefore, the happiness to know, that we lay down our arms in peace with all men. If others have enmity towards us, we can assure them that it is not reciprocated. We profess a creed which teaches unbounded charity and good will to man; and we feel, on this occasion, that we obey its dictates. To our editorial brethren, we are bound to acknowledge their liberal and gentlemanly deportment towards us. We have never, ourselves, descended to personalities, and, with a few obscure exceptions, we have never met with rude attacks from others; a circumstance which has proved conclusively to our mind, that it is possible to place the newspaper press upon a much more dignified ground, than it at present occupies. Every one who has read our paper knows, that we have always handled the American System without gloves; that we have attacked it with small sword and broad sword; that we have assailed it in every honourable manner we could invent, with the weapons of argument, of irony, and of ridicule; and yet, because we treated with courtesy those who upheld it, we have enjoyed almost an entire exemption from the tirades and denunciations with which some of our contemporaries, who attack *men*, are greeted almost daily.

To that portion of our subscribers who have fulfilled their engagements with us, we tender our most grateful acknowledgments. To those who are yet to render us that favour, we shall, in due time, perform the same pleasing service. From *many hundreds* of our patrons we have received the kindest letters, filled with expressions

of the most friendly feelings; and if we have not replied to them all, it has not been because we have not been deeply impressed with a proper sense of what was due to unsolicited marks of civility, but because we felt reluctant to tax others with the postage, which we could not ourselves well afford to pay. To all, we bid an affectionate farewell; and we trust that Heaven, in its goodness, will carry us safely, without bloodshed or disunion, through the awful crisis at which the country has at last arrived.

[\[Back to Table of Contents\]](#)

THE COMPROMISE ACT.

AN ACT to modify the act of the fourteenth of July, one thousand eight hundred and thirty-two, and all other acts imposing duties on imports.

[Sec. 1.] *Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled,* That from and after the thirty-first day of December, one thousand eight hundred and thirty-three, in all cases where duties are imposed on foreign imports by the act of the fourteenth day of July, one thousand eight hundred and thirty-two, entitled “An act to alter and amend the several acts imposing duties on imports,” or by any other act, shall exceed twenty per centum on the value thereof, one-tenth part of such excess shall be deducted; from and after the thirty-first day of December, one thousand eight hundred and thirty-five, another tenth part thereof shall be deducted; from and after the thirty-first day of December, one thousand eight hundred and thirty-seven, another tenth part thereof shall be deducted; from and after the thirty-first day of December, one thousand eight hundred and thirty-nine, another tenth part thereof shall be deducted; and from and after the thirty-first day of December, one thousand eight hundred and forty-one, one-half of the residue of such excess shall be deducted; and from and after the thirtieth day of June, one thousand eight hundred and forty-two, the other half thereof shall be deducted.

Sec. 2. And be it further enacted, That so much of the second section of the act of the fourteenth of July aforesaid, as fixes the rate of duty on all milled and fulled cloth, known by the names of plains, kerseys, or kendal cottons, of which wool is the only material, the value whereof does not exceed thirty-five cents a square yard, at five per centum ad valorem, shall be, and the same is hereby repealed. And the said articles shall be subject to the same duty of fifty per centum, as is provided by the said second section for other manufactures of wool; which duty shall be liable to the same deductions as are prescribed by the first section of this act.

Sec. 3. And be it further enacted, That until the thirtieth day of June, one thousand eight hundred and forty two, the duties imposed by existing laws, as modified by this act, shall remain and continue to be collected. And from and after the day last aforesaid, all duties upon imports shall be collected in ready money; and all credits now allowed by law in the payment of duties, shall be, and hereby are abolished; and such duties shall be laid for the purpose of raising such revenue as may be necessary to an economical administration of the Government; and from and after the day last aforesaid, the duties required to be paid by law on goods, wares and merchandise, shall be assessed upon the value thereof at the port where the same shall be entered, under such regulations as may be prescribed by law.

Sec. 4. And be it further enacted, That in addition to the articles now exempt by the act of the fourteenth of July, one thousand eight hundred and thirty-two, and the existing laws, from the payment of duties, the following articles, imported from and after the thirty-first day of December, one thousand eight hundred and thirty-three, and until the thirtieth day of June, one thousand eight hundred and forty-two, shall also (be)

admitted to entry, free from duty, to wit: bleached and unbleached linens, table linen, linen napkins, and linen cambrics; and worsted stuff goods, shawls, and other manufactures of silk and worsted, manufactures of silk, or of which silk shall be the component material of chief value, coming from this side of the Cape of Good Hope, except sewing silk.

Sec. 5. *And be it further enacted*, That from and after the said thirtieth day of June, one thousand eight hundred and forty-two, the following articles shall be admitted to entry, free from duty, to wit: indigo, quicksilver, sulphur, crude saltpetre, grindstones, refined borax, emery, opium, tin in plates and sheets, gum arabic, gum senegal, lac dye, madder, madder root, nuts and berries used in dyeing, saffron, tumeric, woad or pastel, aloes, ambergris, Burgundy pitch, cochineal, chamomile flowers, coriander seed, catsup, chalk, coculus indicus, horn plates for lanterns, ox horns, other horns and tips, India rubber, manufactured ivory, juniper berries, musk, nuts of all kinds, oil of juniper, unmanufactured rattans and reeds, tortoise-shell, tin foil, shellac, vegetables used principally in dyeing and composing dyes, weld, and all articles employed chiefly for dyeing, except alum, copperas, bichromate of potash, prussiate of potash, chromate of potash, and nitrate of lead, aquafortis, and tartaric acid. And all imports on which the first section of this act may operate, and all articles now admitted to entry free from duty, or paying a less rate of duty than twenty per centum ad valorem, before the said thirtieth day of June, one thousand eight hundred and forty-two, from and after that day may be admitted to entry subject to such duty, not exceeding twenty per centum ad valorem, as shall be provided for by law.

Sec. 6. *And be it further enacted*, That so much of the act of the fourteenth day of July, one thousand eight hundred and thirty-two, or of any other act as is inconsistent with this act, shall be, and the same is hereby repealed: *Provided*, That nothing herein contained shall be so construed as to prevent the passage, prior or subsequent to the said thirtieth day of June, one thousand eight hundred and forty-two, free of any act or acts, from time to time, that may be necessary to detect, prevent, or punish evasions of the duties on imports imposed by law, nor to prevent the passage of any act, prior to the thirtieth day of June, one thousand eight hundred and forty-two, in the contingency either of excess or deficiency of revenue, altering the rates of duties on articles which, by the aforesaid act of fourteenth day of July, one thousand eight hundred and thirty-two, are subject to a less rate of duty than twenty per centum ad valorem, in such manner as not to exceed that rate, and so to adjust the revenue to either of the said contingencies.

[*Approved, March 2, 1833.*]

THE END.

[\[Back to Table of Contents\]](#)

APPENDIX, A.

Minutes Of The Meeting Referred To, At Page 866, Which Called The Free Trade Convention.

free trade meeting.

A number of gentlemen from different States, having assembled at the house of Condé Raguet, No. 12 Sansom street, at his invitation, on the evening of Monday the 6th of June, 1831, for the purpose of conversing upon matters connected with the advancement of the principles of Free Trade, there were present the following individuals, namely,

Henry D. Sedgwick, of Stockbridge, Mass.

Theodore Sedgwick, of same.

Hon. Warren R. Davis, of Pendleton, S. C.

Dr. Philip Tidyman, of Charleston, S. C.

Clement C. Biddle, of Philadelphia, Pa.

John Sarchet, —

William McIlhenny, —

Edward Bettle, —

William Swift, —

Benjamin Gerhard, —

Condé Raguet. —

On motion it was *Resolved*, that the Company do organize itself into a meeting for the purpose of deliberating upon the expediency of calling an Anti-Tariff Convention; whereupon, Clement C. Biddle was appointed Chairman, and Condé Raguet, Secretary.

The attention of the meeting having been called to an address recently published in the New York Evening Post, and written by Mr. Henry D. Sedgwick, a gentleman present at the meeting, it was unanimously

Resolved, That a Convention for the purpose of securing the efficient co-operation of the friends of Free Trade, throughout the United States, in procuring the repeal of the Restrictive System, be held at the Mansion House Hotel, in the City of Philadelphia, at 10 o'clock in the morning of Friday, the 30th day of September next; and that there be invited to the same, such citizens from all the States of the Union, *without distinction of party*, who are favourable to the object of the meeting, as may find it convenient to attend.

It was also

Resolved, That notice of the said meeting be published, and that editors throughout the United States, friendly to the cause of Free Trade, be requested to give it circulation.

On motion,

Resolved, That a Committee be appointed to correspond with, and invite to the Convention, such friends of our cause as may reside at a distance.

Whereupon, the following gentlemen were appointed by the meeting, viz.: Messrs. H. D. Sedgwick, Biddle, Davis, Tidyman, and Raguet.

Resolved, That the said Committee be authorized to associate with them, such other individuals residing in other States, as they may deem proper.

And then the meeting adjourned, *sine die*.

Clement C. Biddle, *Chairman*.

Attest.

Condy Raguet, *Secretary*.

[\[Back to Table of Contents\]](#)

APPENDIX, B.

Names Of The Members Of The Free Trade Convention,

Which assembled in Philadelphia, on the 30th of September, 1831, at the Musical Fund Hall, and continued in session until the 7th of October, as taken from the printed Journal in pamphlet form, of which copies were furnished to each member.

MAINE.

Joshua Carpenter, Charles Q. Clapp.
S. H. Mudge,

MASSACHUSETTS.

Henry Lee,	Isaac Newhall,
T. S. Pomeroy,	J. W. Rogers,
Samuel Swett,	Henry Williams,
Gideon Tucker,	Edward Cruft,
Horatio Byington,	William Goddard,
Theodore Sedgwick,	Ebenezer Breed,
John L. Gardner,	William Foster,
George Peabody,	Thomas P. Bancroft,
Pickering Dodge,	John Pickens.

Joseph Ropes,

RHODE ISLAND.

William Hunter.

CONNECTICUT.

William J. Forbes, Roger Minot Sherman.
James Donaghe,

NEW YORK.

Preserved Fish,	George T. Trimble,
Edwin Bergh,	Albert Gallatin,
Jonathan Goodhue,	Jacob Lorillard,
John A. Stephens,	Moses H. Grinnell,
John Constable,	Zebedee Ring,
George Griswold,	John S. Crary,
John Leonard,	James G. King,
Samuel P. Brown,	H. Kneeland,
Thomas R. Mercein,	Charles H. Russell,
Isaac Carow,	Isaac Bronson,
James Boorman,	James Heard,
Benjamin L. Swan,	E. D. Comstock,

John Augustine Smith, Silas M. Stilwell.

NEW JERSEY.

C. L. Hardenbergh, John C. Schenck,
John Bayard Kirkpatrick, John Potter,
J. C. Van Dyke, Henry Vethake,
Miles C. Smith, John R. Thomson,
Henry Clow, R. F. Stockton.

PENNSYLVANIA.

Joseph R. Evans, George Emlen,
Clement C. Biddle, Edward D. Ingraham,
John M. Barclay, E. Littell,
Samuel F. Smith, Isaac W. Norris,
Richard Price, Henry R. Watson,
John A. Brown, P. H. Nicklin,
Condy Raguet, Samuel Spackman,
Thomas P. Cope, William McIlhenny.

MARYLAND.

William W. Handy, George Hoffman,
Arnold D. Jones, John I. Donaldson.

VIRGINIA.

Philip P. Barbour,	Charles Yancey,
Rickard Booker,	Ferdinand W. Risque,
Samuel L. Venable,	Thomas W. Gilmer,
Walker Hawes,	H. R. Anderson,
Thomas Miller,	Charles Everett,
George C. Dromgoole,	George M. Payne,
Richard Jones,	William Maxwell,
Robert Hurt,	R. O. Grayson,
Malcolm Macfarland,	John W. Jones,
Burwell Bassett,	William O. Goode,
Josiah Ellis,	William Townes,
Alexander Gordon Knox,	William B. Rogers,
James S. Brander,	William P. Taylor,
Benjamin F. Dabney,	Philip A. Dew,
S. A. Storrow,	Linn Banks,
Charles Cooke,	James Lyons,
Henry H. Watts,	James Jones,
John Dickinson,	William H. Roane,
C. D. McIndoe,	John Tabb,
John H. Bernard,	Thomas T. Giles,
Henry E. Watkins,	James Magruder,
James M. Garnett,	William Daniel, Jr.,
Thomas R. Dew,	Archibald Bryce, Jr.,
John Brokenbrough,	Benjamin H. Magruder,
William G. Overton,	S. H. Davis,
Randolph Harrison,	Littleton Upsher.

NORTH CAROLINA.

Joseph B. Skinner,	Joseph B. G. Roulhac,
Louis D. Wilson,	Edward B. Dudley,
William R. Holt,	Joseph D. White,
William W. Jones,	David Outlaw,
William A. Blount,	Robert C. G. Hilliard,
Samuel T. Sawyer,	John E. Wood,
Thomas S. Hoskins,	J. W. Cochran,
Charles Fisher,	N. Bruer.
James Iredell,	

SOUTH CAROLINA.

Zachariah P. Herndon, A. P. Butler,
F. W. Davie, T. R. Mitchell,
Thomas Pinckney, Philip Tidyman,
William Butler, William Pope,
Henry N. Cruger, James Lynah,
Henry C. Young, John D. Edwards,
H. A. Middleton, Langdon Cheves,
W. Wilkinson, Hugh Wilson,
Stephen D. Miller, T. Pinkney Alston,
John Fraser, William Harper,
Job Johnston, Henry Middleton,
John Carter, Daniel E. Huger,
Joseph E. Jenkins, Hugh S. Legare,
J. H. Glover, John Taylor,
Edward Richardson, J. Berkley Grimball,
William C. Preston, William Smith,
James G. Spann, Thomson T. Player,
James Cuthbert, James Rose,
T. D. Singleton, Thomas Williams, Jr.,
Joseph W. Allston, Thomas Fleming.
C. Macbeth,

GEORGIA.

Eli S. Shorter, Robert Habersham,
Alexander Telfair, John Cumming,
Seaborn Jones, John Macpherson Berrien.

ALABAMA.

John A. Elmore, P. Waters,
Enoch Parsons, Ward Taylor,
John W. Moore, Henry Goldthwaite,
Benajah S. Bibb, Archibald P. Baldwin,
Alfred V. Scott, William J. Mason.
Howell Rose,

MISSISSIPPI.

George Poindexter.

TENNESSEE.

William E. Butler, Alexander Patton.

[\[Back to Table of Contents\]](#)

APPENDIX, C.

Imports And Exports Of The United States, From The 1St Of October, 1789, To The 30The Of September, 1838, Taken From Documents Accompanying The Secretary Of The Treasury'S Annual Report To Congress, Of The 3D Of December, 1839.

Years.	Total Value of Imports.	Total Value of Exports.	Domestic.	Foreign.
1790	\$23,000,000	\$20,205,156	\$19,666,000	\$539,156
1791	29,200,000	19,012,041	18,500,000	512,041
1792	31,500,000	20,753,098	19,000,000	1,753,098
1793	31,100,000	26,109,572	24,000,000	2,109,572
1794	34,600,000	33,026,233	26,500,000	6,526,233
1795	69,756,268	47,989,472	39,500,000	8,489,472
1796	81,436,164	67,064,097	40,764,097	26,300,000
1797	75,379,406	56,850,006	29,850,026	27,000,000
1798	68,551,700	61,527,097	28,527,097	33,000,000
1799	79,069,148	78,665,522	33,142,522	45,523,000
1800	91,252,768	70,971,780	31,840,903	39,130,877
1801	111,363,511	94,115,925	47,473,204	46,642,721
1802	76,333,333	72,483,160	36,708,189	35,774,971
1803	64,666,666	55,800,033	42,205,961	13,594,072
1804	\$85,000,000	\$77,699,074	\$41,467,477	\$36,231,597
1805	120,600,000	95,566,021	42,387,002	53,179,019
1806	129,410,000	101,536,963	41,253,727	60,283,236
1807	138,500,000	108,343,150	48,699,592	59,643,558
1808	56,990,000	22,430,960	9,433,546	12,997,414
1809	59,400,000	52,203,231	31,405,700	20,797,531
1810	85,400,000	66,757,974	42,366,679	24,391,295
1811	53,400,000	61,316,831	45,294,041	16,022,790
1812	77,030,000	38,527,236	30,032,109	8,495,127
1813	22,005,000	27,855,997	25,008,152	2,847,845
1814	12,965,000	6,927,441	6,782,272	145,169
1815	113,041,274	52,557,753	45,974,403	6,583,350
1816	147,103,000	81,920,452	64,781,896	17,138,556
1817	99,250,000	87,671,569	68,313,500	19,358,069
1818	121,750,000	93,281,133	73,854,437	19,426,696
1819	87,125,000	70,142,521	50,976,838	19,165,683
1820	74,450,000	69,691,669	51,683,640	18,008,029
1821	62,585,724	64,974,382	43,671,894	21,302,488
1822	83,241,511	72,160,387	49,874,185	22,286,202
1823	77,579,267	74,699,030	47,155,408	27,543,622
1824	80,549,007	75,986,657	50,649,500	25,337,157
1825	96,340,075	99,535,388	66,944,745	32,590,643
1826	84,974,477	77,595,322	53,055,710	24,539,612
1827	79,484,068	82,324,827	58,921,691	23,403,136
1828	88,509,824	72,264,686	50,669,669	21,595,017
1829	74,492,527	72,358,671	55,700,193	16,658,478

*The imports and exports for 1839 are thus estimated by the Secretary, the exact returns not having been received by him.—*Author*.

1830	70,876,920	73,849,508	59,462,029	14,387,479
1831	103,191,124	81,310,583	61,277,057	20,033,526
1832	101,029,266	87,176,943	63,137,470	24,039,473
1833	108,118,311	90,140,433	70,317,698	19,822,735
1834	126,521,332	104,336,973	81,034,162	23,312,811
1835	149,895,742	121,693,577	101,189,082	20,504,495
1836	189,980,035	128,663,040	106,916,680	21,746,360
1837	140,989,217	117,419,376	95,564,414	21,854,962
1838	113,717,404	108,486,616	96,033,821	12,452,795
1839*	157,609,560	118,359,004	100,951,004	17,408,000

*The imports and exports for 1839 are thus estimated by the Secretary, the exact returns not having been received by him.—*Author*.

Note.—For the early years the aggregate of the value of imports does not appear on the official statement, and has been estimated at different amounts by different persons; and thus that column will not always correspond with former reports. But the difference will not be found so great as to affect materially any general result. [In former reports it is stated, that prior to the 1st of October, 1820, the official returns do not show the value of imports. Previous to 1796, the returns of exports did not discriminate between domestic and foreign productions.—*Author*.]

remarks on the foregoing table.

It will be perceived that from the year 1789, to the year 1807 inclusive, the foreign commerce of the country experienced a gradually progressive increase. This was emphatically in the United States, the period of free trade. Scarcely an article was burdened with a duty higher than fifteen per cent.; and although numerous spoliations were committed during this period, by the British and French, who between them, captured upwards of a thousand vessels, yet the profits of trade and navigation were sufficiently inviting, to encourage our merchants to extend their operations.

On the 18th of April, 1806, the non-importation law was enacted, having a prospective operation.

On the 22d of December, 1807, a general embargo was laid, which continued until the 1st of March, 1809, when it was repealed by the passage of the non-intercourse act, which remained in force, until the 18th of June, 1812, when war was declared against Great Britain. The effect of these successive measures is shown in the table.

The restoration of peace consequent upon the treaty of Ghent, of 24th December, 1814, the news of which reached New York on the 11th of February, 1815, set commerce again in motion; and had it not been for the restrictive system which was commenced in 1816, and continued by successive enactments in the years 1818, 1824, and 1828, the imports and exports at this day would probably have exceeded two hundred millions of dollars.

In 1833, the compromise act was passed, providing for a gradual reduction of duties; and since that period, it will be perceived, there has been a great augmentation of trade, swelled in amount, it is true, in particular years by speculative excitement, but exhibiting for the last six years so great an excess over the six years immediately preceding, as to prove incontestibly the beneficial effects of a reduction of duties.

For the use of those who may wish to calculate the rate per head of the imports or exports at different periods, the following table is given of the population of the United States at the several periods mentioned.

1790 3,929,328.
1800 5,309,758.
1810 7,239,903.
1820 9,638,166.
1830 12,838,670.

The census of 1840, which has not yet been completed, it is supposed, will give about 17,000,000 as the present population.—*Author*.

[*] This prophecy was fulfilled in the year 1833.

[*] This direct tax was laid on the 25th of March, 1831.

[*] The North American Review took the restrictive side of the question in January, 1830, the month in which this article was written.

[†] The author of this Report was Henry Lee. Esq., the gentleman who received the vote of South Carolina, for the Vice Presidency of the United States, in 1832.

[*] The author of this Exposition was Mr. Calhoun, late Vice President of the United States.

[*] John Sarchett, of Philadelphia, is the individual here alluded to.

[*] This is a truth well known in reference to cotton. The English manufacturer is seldom obliged to pay more for it, than the American manufacturer of the Northern states, and what little difference does at times exist, is of trifling account.

[*] In June, 1834, Congress reduced the weight of pure gold contained in an eagle, from 247 1-2 to 232 grains, retaining its equivalency to ten silver dollars.

[*] Since the reduction of the duty on the wine of Madeira, the exports to that island have been as follows—

1829 \$175,074

1830 155,719

1831 171,563

1832 145,667

1833 119,341

This statement shews an increase, but one so small, as to prove, incontestibly, the difficulty of restoring a commerce once lost.

[*] By the annual Commercial Statement of the year ending on the 30th September, 1829, subsequently published, it appears that the quantity of flour exported to England, Ireland and Scotland was 221,176 barrels, equal to 1,105,680 bushels, besides 4001 bushels of wheat. 251,564 bushels of corn, and 130 barrels of Indian meal—being less than the one-tenth of what was imported.

[*] Fifty kilogrammes are equal to one hundred and ten and one-quarter pounds avoirdupois.

[*] The following are the amounts of imports and exports to and from all parts of the world, as furnished by the Reports of the Secretary of the Treasury. Prior to 1821 the value of imports was not given.

<i>Imports.</i>	<i>Exports.</i>
1821, 62,585,724	64,974,382
1822, 83,241,541	72,160,281
1823, 77,579,267	74,699,030
1824, 80,549,007	75,986,657
1825, 96,340,075	99,535,388
1826, 84,974,477	77,595,322
1827, 79,484,068	82,324,827
1828, 88,509,824	72,264,686
1829, 74,492,527	72,358,671

[*] Imports from 1821, when the value was first shown by the custom-house returns

1821 \$62,585,724
1822 83,241,541.
1823 77,579,267
1824 80,549,007.
1825 96,340,075.
1826 84,974,477.
1827 79,484,068.
1828 88,500,824.
1829 74,492,527.
1830 70,876,920.

[*] The width of this cloth is usually about a yard and a half.

[*] This address was written by the late Henry D. Sedgwick, Esq. who was present at the meeting.

[*] The total value of cotton goods shipped to India, from the United States, during the years 1826-'27-'28-'29, was \$12,710.