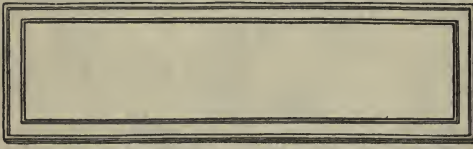


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# MEMORIAL

OF THE

## COMMITTEE

APPOINTED BY THE

“FREE TRADE CONVENTION,”

HELD AT PHILADELPHIA, IN

SEPTEMBER AND OCTOBER, 1831,

TO PREPARE AND PRESENT A

MEMORIAL TO CONGRESS,

REMONSTRATING AGAINST THE EXISTING TARIFF OF DUTIES ;

WITH AN APPENDIX.

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NEW YORK:

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1832.

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*To the Honorable the Senate and House of Representatives  
of the United States, in Congress assembled,*

THE Memorial of the Committee appointed for that purpose, by the "FREE TRADE CONVENTION," held at Philadelphia, in September and October, 1831. Respectfully shows :—

That a Convention of Delegates, appointed by public meetings in various States in the Union, for the purpose of co-operating by Constitutional and legal measures, in procuring the repeal of the restrictive system, was held at Philadelphia, on the 30th September, 1831, and continued in Session, till the 7th October, ensuing : when a Committee, consisting of one member from each State, represented in the Convention, was appointed for the purpose of preparing a memorial to Congress, setting forth the evils of the existing Tariff of duties, and asking such a modification of the same, as will be consistent with the purposes of revenue, and equal in its operation on the different parts of the United States, and on the various interests of the same.

Acting under that appointment, your Memorialists respectfully pray :

1st. That the duties be so reduced, as to leave, after the extinguishment of the public debt, only that amount of revenue which may be necessary to meet the ordinary exigencies of Government.

2ndly. That, allowing a reasonable time, for a gradual reduction of the existing exaggerated duties on some articles, the duties on all the imported articles not free of duty, be ultimately equalized, so as that the duty on any such article shall not vary materially from the general average rate of all the duties together, or in other words, from a uniform duty ad valorem on all imported articles subject to duty.

3dly. That wines, teas, coffee and similar articles, be not added to the list of those now free of duty, but, may on the contrary,

be subject to duties corresponding, in proportion to their respective value, with those laid on other imported articles subject to duty.

It is hoped that no essential difference of opinion exists respecting the general reduction of the revenue.

So soon after the organization of the existing Government of the United States, as a sufficient revenue had been provided, and the first difficulties which they had to encounter, had been surmounted, Congress adopted the most efficient measures for the reimbursement of the debt necessarily incurred in asserting and securing the national independence. An annual appropriation of eight millions of dollars, founded on a real excess of revenue beyond the current expenditures, had in ten years reduced the debt from ninety seven millions of dollars (including therein the fifteen paid for Louisiana) to forty five millions; when the prospect of extinguishing the whole within six years was frustrated by the late war with Great Britain. After the restoration of peace, the whole of the public debt, including arrears afterwards paid or funded, and the subsequent payment of the Florida claims, exceeded on the first of January 1816 one hundred and twenty millions. Congress, without delay, raised the annual appropriation for the debt to ten millions of dollars, and provided a revenue sufficient, not only for the payment of that sum, and for discharging the current expenses of Government, but also for the gradual increase of all the means of defence by land and by sea, to the providing of which the former revenue was inadequate. At the end of sixteen years, during which the same measures have been unremittingly pursued, the public debt is accordingly reduced nominally to little more than twenty four, in fact to less than seventeen millions of dollars, an equivalent for the difference being found in the Bank Shares, the property of the United States, which have been paid for, during the same period. The revenue which will be actually received and that which will accrue in the course of the year 1832, will be sufficient to reimburse the whole of the 24 millions still due. And, even without recurring to the Bank Shares owned by the United States, the existing duties may be reduced near twelve millions of dollars from the first of January 1832.

The people of the United States have constantly sustained their representatives in the measures necessary for the attainment



of that great object. They have for more than thirty years, cheerfully submitted to the burthens laid for that special purpose ; and they are thus enabled to transmit, free of any encumbrance, to the growing generation, the glorious inheritance received from their fathers. But they have a right to expect, that the burthens will cease with the occasion for which they were laid, and that the intended reduction will be made in good faith, without reserve, and to the full extent of the sum which is no longer wanted.

The payments for the public debt have, during the ten years, 1821—1830, exceeded the annual appropriation of the ten millions. Including the payment of the Florida claims, the average annual payments, during the first five years, exceeded eleven millions ; and they have during the last five years amounted to near eleven millions, four hundred thousand dollars.

The average annual amount of all the other expenses of Government, deducting the repayment to the claimants of the sum paid by Great Britain, into the Treasury, for claims under the first article of the treaty of Ghent, has been for the whole ten years, about eleven millions, six hundred thousand dollars, viz : for the first five years, less than ten millions and a half, and for the last five years more that twelve millions and a half. Two years only, those expenses have exceeded thirteen millions ; in 1826, by about sixty thousand, and, in 1830, by two hundred and thirty thousand dollars. A net revenue of thirteen millions is therefore sufficient to meet, after the extinguishment of the debt, all the exigencies of Government, according to the present scale of expenditure.

It is strictly just, that all classes of citizens and every section of the country, should share in the benefits arising from the reduction of the public burthens. That reduction ought to apply as well to the revenue arising from the public lands, as to the duties on importation. Your Memorialists do not pretend to suggest what, in their opinion, would be a proper reduction on each branch ; but they had concluded that at all events, the necessary sum to be drawn from the impost, would fall short of thirteen millions. A different disposition of the public lands has been suggested by the Secretary of the Treasury. Unprepared for that proposal, and ignorant of the views on that subject, enter-

tained by those in whose behalf your Memorialists now apply to your honorable body, they will abstain from giving an opinion on that question ; and, in order to meet any plan which may be adopted in that respect, they will argue as if the whole revenue was to be exclusively drawn from duties on importations. But they beg leave earnestly to remonstrate against any attempt to provide a permanent revenue of fifteen millions, or exceeding the present rate of expenditure for other objects than the public debt.

A revenue derived from the same rate of duties on importation, will in the United States gradually increase, though in a much slower ratio than the population. The average annual gross revenue on merchandise, amounted, during the years 1821—1825, to 20.250.000 dollars, and during the years 1826—1830 to 23.130.900, showing an increase of about 14 per cent, within five years. But as the rate of duties was altered by the Tariffs of 1824 and 1828, a more correct criterion of the increase may perhaps be found in the comparative value of the domestic exports, with which the importations are paid, and which during the same period, have increased about six per cent, or at the rate of about one per cent a year. Moderate duties will also, as they always do, produce a greater proportionate revenue than when raised to an extravagant rate. The saving alone in the expenses of collection would defray within a short time, all the expense necessary for building Custom houses, and giving adequate salaries to the officers who may not be sufficiently remunerated. For to the Tariff of 1828, and to its system of minimums alone, can be ascribed the great increase in the expenses of collection, between the years 1828 and 1830. The gross revenue on customs, amounted in 1828, to 25.846.000, and those expenses to 869.000 dollars : the gross revenue of 1830, to 23.720.000, and the expenses to 1.024.000 dollars, or to 4.31 instead of 3.36 per cent. on the revenue.

The revolutionary pensions will also be gradually diminished ; and, considering the great increase of the current expenditure during the last five years, a well founded hope is entertained that this may be lessened, without any injury to the public service, by a strict adherence to the specific appropriations made by law, improved order and regularity in the superintendance of every

branch of expenditure, constant vigilance in checking abuses, and a proper discrimination between just and unfounded claims.

Your Memorialists wish it to be distinctly understood, that they ask only for a wise and skilful economy, and not for a retrenchment of any of the expenses necessary for the defence of the country, or for any object calculated to promote its prosperity, which is embraced by the legitimate powers of the General Government. They will only observe, that the "average annual amount of expenses of the years 1829—1830, for all objects other than the public debt, falls short of thirteen millions, out of which the annual average expenditure for the progress and accumulation of the means of defence, including the increase of the Navy, fortifications, ordnance, and materials, has amounted to one million five hundred and seventy-five thousand dollars; and that for internal improvements of every description, and in every quarter, to one million two hundred and seventy-five thousand dollars. It is obvious that the expense under the first head, is from its nature definite, and that, after the intended fortifications and public ships shall have been completed, and the necessary stock of arms, ordnance, and every species of materials, either for the land or sea service been provided, the expense will be reduced to that of repairs and keeping up the stock. If, in the mean while, the existing annual appropriations for those great objects, should be deemed inadequate, if an earlier completion of any, or all of them be desirable, an additional revenue for that purpose can only be wanted for a short time, and will be supplied by the surplus arising from a gradual, instead of an immediate reduction of the high existing duties.

For the clearer understanding of the object they have in view and of the effect of the measures, which they solicit, on the several interests of the country, it is necessary in the first instance to form at least an approximate estimate of the average rate of duty, which, if levied equally on all the imports now subject to duty, would produce a net annual revenue of 13 millions, equivalent to a gross revenue, including the expenses of collection, of about 13,600,000 dollars.

The average annual value of foreign merchandise subject to duty consumed in the United States, during the six years 1825—1830, is according to the official "Statements of the

Commerce and Navigation," 54,664,000 dollars. The re-exportations of foreign articles paying specific duties are however over-rated in those statements, probably from having been in most cases estimated at *long prices*, that is to say including the duty, by a sum amounting to about one million six hundred and fifty thousand dollars a year. And the articles paying duties ad valorem, which are imported from Great Britain and Ireland, being valued at the rate of four and sixpence st. per dollar, are under-rated by a sum amounting, after deducting the re-exportations, to about one million three hundred and forty-five thousand dollars a year. The actual annual consumption for those six years may therefore be estimated at about fifty seven million and a half. As there are goods not entitled to drawback, exported to an amount of eight or nine hundred thousand dollars a year, on which the duty is paid, although they are not consumed in the United States, an average duty of twenty-five per cent. will commonly produce two hundred thousand dollars more than the estimate. Judging from analogy, the imports will, with the growth of the country, continue also gradually though slowly to increase. The estimate of the gross revenue at thirteen millions and a half, and of the value of imported articles paying duty, at fifty seven millions and a half, will therefore produce a net revenue exceeding thirteen millions: and that estimate gives for the required average, or uniform duty ad valorem, near twenty three and a half per cent. actual, or less than twenty-one and an half per cent. nominal duty. For it will be recollected, that on account of the addition to the prime cost of ten or twenty per cent. according to the place whence imported, a nominal duty of twenty per cent. is, in fact, one of twenty-four per cent. on goods imported from countries beyond the Cape of Good Hope, and of twenty-two per cent. on Goods imported from other places.

According to the same premises, the average duty required, to produce a net revenue of thirteen millions, would amount to near twenty-seven per cent. if wines, teas, coffee, cocoa, spices and fruits were exempted from duty. A net revenue of fifteen millions, would require in that case an average duty of thirty-one per cent. and of twenty-seven per cent. if those articles were subject to the same duty as every other import. The present average

duty calculated on the average revenue derived from customs during the same period of six years, will be found to exceed forty per cent.

As a difference of three or four per cent. in the rate of an average duty, or of the aggregate of duties, would, on near sixty millions of taxed imports, produce a difference of two millions in the revenue, the attention of Congress will, under any modification of the tariff that may be adopted, be necessarily drawn to that subject. A thorough investigation will lead to much more correct results than those which are now presented. But this rough estimate is sufficient for our principal purpose. An error of even five per cent. in the rate, becomes almost unimportant, when contending against duties of fifty and more than one hundred per cent.

Your Memorialists are aware that, even for the purposes of revenue, a strict adherence, in every instance, to a uniform rate of duty would be attended with great inconvenience. There is propriety in taxing articles of luxury, in preference to those more generally used by the less wealthy classes of society. Yet it is found necessary to lessen the duty on watches, jewelry, thread-lace and other articles, which from their great value in a small bulk, may with facility be fraudulently imported. Considerations of a higher nature, may render a great reduction of the duties on spirits improper. An exception has always been admitted with respect to articles necessary for the defence of the country. When asking for a uniform duty, which, whether specific or laid ad valorem, shall not exceed the rate of twenty to twenty-five per cent. as sufficient for the purposes of the revenue, your Memorialists submit the proposition as a general principle. But whilst admitting that duties, not exceeding in the aggregate the amount thus required, may be arranged as the necessary exceptions to the general rule shall require, they contend, that any considerable variation from the average rate, for the purpose of favoring special branches, is injurious to American industry; attended with certain national loss; unequal and oppressive in its operation, both with regard to the several classes of society and to the several sections of the country.

We are not called upon to discuss the abstract question, whether another mode of taxation would be more eligible than the

impost, or whether an unrestrained intercourse between all nations, free of the payment of any duties on imports, would be best calculated to promote the industry and prosperity of all. On that subject, the experience of forty years is conclusive so far as relates to the United States. The people prefer, in time of peace, duties raised on the importation of foreign merchandise to any internal tax, direct or indirect. Whether for good or for evil, that system affords an encouragement to domestic manufactures not less efficient for being incidental. Duties on imports, amounting perhaps on an average to about twenty-five per cent. on the value, appear necessary for the support of Government. Although they may to that extent, by diverting national industry from its natural channels, render it less productive; although they may, to that extent, lay a tax on the consumers, in addition to that which is paid to Government; although they operate unequally on different sections of the country; all your Memorialists ask is, that the evil shall not be aggravated by an inequality in the rates of duty. The question then at issue, is simply, whether the amount wanted, shall be so raised as to fall equally upon all the consumers, or in other words on the community, and so as to encourage equally every branch of industry, or, whether certain branches shall receive special protection by high, and sometimes, prohibitory duties.

Whether taxes are laid on income or on consumption, it is equally the duty of a Government founded in justice, to lay them equally on all, in proportion as the case may be, to the income or to the consumption. Were there no taxes of the latter description, every part of the country and every class of society would be left at liberty to supply its wants on the cheapest terms, and to pursue that branch of industry for which each was best fitted. If a tax, equivalent to an average duty of twenty-five per cent, (or at any other rate,) on all foreign commodities, becomes necessary for the support of Government, and is laid at an equal and uniform rate on all such commodities, all the sections of the country, classes of society and individuals, are left as far as is practicable, in the same relative situation as before. But any law materially varying the rate on any of the taxed articles, will in some respect change that relative situation, and to an extent proportionate to the change, render the burthen of the tax unequal. An alteration which thus deranges the natural order of things, should at least

be productive of an adequate and indispensable advantage to the community. Higher duties on luxuries, than on articles generally and in some cases exclusively used by the less wealthy classes of society, are justified by the propriety of laying a heavier burden on those who are the best able to bear it. The domestic manufacture of a sufficient stock of arms by Government or by contract, at a much higher price than they could be procured abroad, may be necessary, in order to secure at all times a supply of those indispensable means of defence. Raw materials are admitted free of duty, because they are not, in that state, immediate objects of consumption, but necessary for the production of commodities to which the national industry may be advantageously applied. The presumed advantages of the restrictive system should be equally palpable and clearly demonstrated: the burthen of the proof lies altogether on its advocates.

Let it however be recollected that even the general benefit arising to the country at large, may not always be a sufficient justification of great and important deviations from an equal and uniform system of taxation. A government, which acknowledges the principle that no individual can be divested of his property for public purposes without indemnity, cannot claim the right to do that indirectly, which it is forbidden to do directly. A system calculated to lay permanent burthens, greatly unequal and oppressive, on some classes of society, or on a particular section of the country, would be radically unjust and altogether indefensible, even though it might be attended with some advantages to the community considered as a whole. But whether such advantages are in fact realized, whether, on any supposition, they ever can produce a profit equal to the actual national loss arising even from the indispensable duty of twenty to twenty-five per cent. must be first examined.

It is self evident, that the industry of a country is most profitably employed, or, in other words, that a country acquires the greatest wealth and its general prosperity is most advanced, in proportion as its capital and labor are most productive.

It is not less obvious, that if a given amount of capital and labor produces in the same time a less quantity of a certain commodity, than could have been purchased with that quantity of

another article, which might have been produced, in the same time by the same amount of capital and labor, there has been a misapplication of such capital and labor, and a national loss equal to the difference between the quantity produced, and that which might have been purchased with the proceeds of the same capital and labor otherwise applied.

If the price, at which a commodity can be afforded by the person who undertakes to produce it, is higher than that at which it may be or might have been purchased from others, the difference of price is the measure of the national loss incurred by his misapplication of capital and labor to the production of that commodity.

With one thousand bushels of wheat worth one dollar a bushel, one thousand yards of cloth of a certain quality may be purchased. If the capital and labor employed, or which might be employed, in producing the thousand bushels of wheat, do, when applied to the production of similar cloth, produce in the same time one thousand yards, there is neither comparative gain or loss in that application of capital and labor. But, if thus applied it produces only eight hundred yards, there is an actual national loss of two hundred yards, equal to two hundred dollars, or to two hundred bushels of wheat; since the same labor and capital, if applied to the production of wheat, would have produced one thousand bushels, with which one thousand yards of the cloth might have been purchased.

There is not the slightest difference in the result, whether the cloth which might have been thus purchased at one dollar a yard, was manufactured in the same district where the unfortunate new undertaker resided, or whether it was imported, either from another district of the same country, or from a foreign country. In either case, it is again self evident that the national loss is precisely the same.

If the new manufacturer, (making a reasonable profit,) can afford to sell his cloth at one dollar a yard, it is a proof that there has been no misapplication of capital and labor, and neither comparative gain or loss in having produced cloth instead of wheat. But if he cannot afford without loss to sell the cloth for less than one dollar and twenty-five cents a yard, if he cannot, (making a reasonable profit) afford to sell eight hundred yards for less than one thousand dollars, it is certain that the same capital and labor, which might have been applied in producing



one thousand bushels of wheat, with which one thousand yards of the cloth might have purchased, has within the same time produced but eight hundred yards; and that a national loss equivalent to two hundred dollars, or to two hundred bushels of wheat has been incurred by this misapplication of the national industry.

The difference between the price, at which a manufacturer can afford to sell the whole amount of the commodities produced by him in one year, and that at which the same quantity of the same articles may be or might have been purchased from others; is therefore equal to the annual national profit or loss, resulting from his application of capital and labor to that, instead of any other branch of industry.

When the new manufacturer has to compete with others of the same country, or if there is no duty on imports, with foreign manufacturers; as it is impossible for him to sell cloth of the same quality at a higher price, than it can be obtained from others, the loss must necessarily fall on him. This is not the less a public loss on that account. On whomsoever this may fall, a diminution of the quantity or exchangeable value of the commodities, which, with the same capital and labor, otherwise applied, might have been produced, is so much retrenched from what would otherwise have been an accumulation of capital or national wealth.

Although there may be occasional rash undertakings, it is also an indisputable truth, that the immense majority, even of this most enterprising nation, pursues only such branches of industry as are attended with profit. The losing manufacturer, having discovered his error, would not, if let alone, persevere in ruining himself; and such abortive attempts, abandoned in time, would, on the whole, produce but a comparatively small loss to the community. It happens quite otherwise, when, from any peculiar circumstances, the Legislature is unfortunately induced to interfere in the pursuits of industry, instead of confining its care to that of providing, by wise laws, for the security and equal protection of the personal rights and property of every individual.

If the competition is with foreign merchandise, and the Legislature lays on this, a duty of twenty-five per cent. ad valorem, the importer cannot afford the cloth, which he previously sold at one dollar, for a price less than one dollar and twenty-five cents a

yard. The manufacturer at home is thus enabled to sell his at the same price, and by obtaining one thousand dollars, for the eight hundred yards, to receive the same reasonable profit, as at the time may generally be derived from the application of capital and labor to similar pursuits. Since the duty in this instance, is not prohibitory, the cloth of that quality, which is wanted for the consumption of the country, will be supplied in part by the foreign importers, and partly by the home manufacturers. On the whole amount, whether foreign or domestic, the consumer will be obliged, so long as there is no general reduction of price, to pay twenty-five per cent. more than formerly. The amount of the additional price, thus paid for the foreign cloth, being paid by the importer into the treasury, is only an additional tax, which, as it relieves from the payment of some other tax otherwise necessary, cannot be considered as an actual loss to the community. The additional price paid on the domestic cloth, is equally a burthen on the consumer, but being paid not to Government, but to the manufacturer, is an actual national loss. The same loss is incurred in the manufacture of the cloth, as if the duty had not been laid, and its only effect is to transfer that loss from the manufacturer to the consumer.

The duty may not always be laid, so as to be nearly equal to the difference between the price, at which the domestic manufacture can be afforded, and that at which a similar foreign article might have been previously purchased.

If the duty is much less than that difference, it is only a fiscal measure, and does not enable the manufacturer to carry on his business. All the cloth, of the quality on which the duty is laid, will still be imported from abroad; but the additional price, at which it is sold, is only a tax on the consumer, and being paid to the Government, does not amount to a national loss.

If the duty is much greater than that difference, as the domestic article can be manufactured at a price less than the aggregate of the duty and of the price, at which the same foreign article might have been purchased previous to the duty, the price will probably be reduced by domestic competition to that, at which it can be manufactured and afforded with the ordinary rate of profit. The duty becomes then prohibitory; the whole amount consumed is of domestic manufacture; the consumer still

pays the whole amount of the difference between the price at which the manufacture can be afforded, and that at which the similar foreign article might have been previously purchased; and as no portion is paid into the public treasury, the whole of that amount is a public loss.

In every case the difference between the former price and that at which the domestic manufacture can be sold with a reasonable profit, is, to the whole extent of that manufacture, a loss to the community. That difference is equal, or nearly equal, on each yard of cloth, to the duty laid on a yard of the similar foreign article, whenever that duty is not too high to prevent partial foreign importations: it is less per yard than the duty, when this is higher than is necessary for the encouragement of the domestic manufacture and becomes prohibitory; but, in this case, the whole amount consumed being of domestic manufacture, the aggregate public loss is greater than when the duty admitted of foreign competition.

It may be urged, that these evils are compensated by extraneous advantages, which may accrue to the country from the establishment of manufactures, and as those cannot be indefinite, they should be compared with the national loss, which necessarily flows from the restrictive system. It may also be asserted, that the price, at which the domestic manufacture may be afforded, will be lessened by domestic competition, so as that it may not ultimately exceed that at which similar foreign articles might have been previously purchased; and that assertion deserves serious attention. But it cannot be denied, that until the price is thus reduced, or unless there are extraneous advantages, which compensate the difference between the former and the new artificial price, that difference is in the first instance a national loss arising from what is for the time a misapplication of capital and labor. For, in order to disprove that position, it would be necessary to show, that there is in the country a surplus amount of capital and labor, which cannot be more profitably employed.

That there is a sufficient amount of capital and labor applicable to manufactures, without withdrawing any that was previously actually employed in agriculture, commerce or mechanical pursuits, is generally true. For though there may be in certain parts of the country, instances of that kind, yet, considered as a

whole, there is not, notwithstanding the numerous recent manufacturing establishments, any diminution in the agriculture, foreign commerce, or domestic exports of the country. Nor is it necessary, in order to explain this state of things, to recur either to an imaginary dormant capital, or to a pretended creation of capital by Banks or by legislative acts.

The five periodical enumerations of the inhabitants of the United States show a uniform and not yet diminished increase of population, at the rate of near three per cent. a year. That population, which eighteen months ago, amounted, according to the census, to twelve millions eight hundred and fifty six thousand, exceeds at this time thirteen millions four hundred thousand souls. The increase is already at the rate of near four hundred thousand a year. Every year adds one hundred and fifty thousand able bodied men to the labor of the country. The whole of that population is most enterprising and intelligent, and a great majority engaged in active and profitable pursuits, and continuing to make large annual additions to the capital of the country. Their energy and skill more than compensate the losses arising from an erroneous course of policy, notwithstanding which, and not through which, the prosperity of the country is rapidly increasing. This additional capital, and this additional labor are annually applied, the greater part to agriculture, the necessary portion to commerce, the residue to mechanical arts and manufacturing industry.

But the whole of that additional capital and labor would, if there were no legislative interference, be employed in remunerating pursuits, and it is not true that any portion must necessarily be applied to those particular branches, which, if not sustained by artificial means, could not, it is asserted, be carried on at all. The duty which enables the manufacturer of commodities of that description, to sell his eight hundred yards of cloth for one thousand instead of eight hundred dollars, does not enable him to produce one thousand yards with the same capital and labor. In order to show, that this difference, of two hundred yards or dollars, is not, in the first instance, a national loss, it must be demonstrated, that the capital and labor thus employed could not have been more advantageously applied in any other branch open to American industry, at the very time, when, if applied to any unprotected branch whatever no such loss was experienced.

A state of Society may indeed exist, where owing either to a superabundant population, to over taxation, to a great inequality in the distribution of wealth, or in the means of acquiring it, or to any other natural or artificial cause, a portion of an industrious population may occasionally, or at all times, be in actual want of employment. Of a country thus situated, it may be said that it contains a capability of labor beyond that actually put forth. The symptoms of such a state of things are sufficiently visible; workmen discharged or with reduced wages, asking employment and food, and poor rates given to able bodied men, as a supplement to their insufficient salary. We may understand how, in that case, a new manufacture, some new channels opened to the national industry would, by giving employment to the laborer, bring into action an additional amount of labor.

There may also be countries, favored with a more genial climate, where the wants being few, and the absolutely necessary means of subsistence earned with less labor, long continued misgovernment has created deeply rooted habits of indolence. And such countries may also be said to have a dormant power of labor, which a free and wise government might stimulate and put in motion.

The situation of the United States is the very reverse in both respects. The existing rates of wages stimulate industry with a greater force, than in any other country; and, as a natural consequence, there is not, on the face of the globe, a nation incumbered with less indolence or idleness, a population more active, industrious, and we believe, more productive. This will continue "so long as the cheapness of unimproved land shall offer a certain employment to labor, and so long as the constitution, remains free as it is." If the restrictionists can find a more powerful cause, some more efficient means to stimulate labor and render American industry more productive and profitable, it will be a great and glorious discovery. For if it may perhaps be admitted, that the national progress in acquiring wealth may be tested by the general rate of profits, there can be no doubt, and the most conspicuous illustration of the fact is found in the situation of the United States compared with that of every other country, that the greatest mass of comfort and happiness is always found, where the remuneration of labor is the highest. Should this prove to

be one of the obstacles to the establishment of some manufactures, we nevertheless pray that it may long so continue.

It is impossible that the state of the country should have been such, as that its capital and labor could not have been more advantageously applied than to branches of industry, which left to themselves, were attended with actual loss, without a corresponding great and sensible diminution in the demand for capital and the wages of labor; neither of which has been felt. So long as those wages suffer no diminution, and so long as the persons employed in commercial, and even agricultural pursuits, continue to borrow large capitals at the rate of six per cent. a year, it is a clear proof, that those pursuits afford profits at least equal to that rate of interest, and that an application of capital and labor to the production of objects, on which, if not artificially protected, a loss is experienced, is not at all necessary.

That by multiplying in any country the channels of domestic industry, a greater scope is given to its application, a market, more diversified and less liable to be glutted, procured to its products, and a larger field opened to every species of skill and talent, is indubitably true. But to direct that industry to unprofitable pursuits, which cannot be sustained without exaggerated duties paid by the consumer and a corresponding national loss, does not open new channels of productive industry, but only diverts it from profitable to unprofitable pursuits to the community. It is truly remarkable, that the advocates of the restrictive system who deny this obvious truth, should pretend to consider your Memorialists as wild theorists, when there cannot be a plainer matter of fact, than that if a man is obliged to pay two dollars more for his coat, his plough, or the implements of his trade, it is a loss to him which he must pay out of the proceeds of his industry, and that the aggregate of those individual losses is an actual national loss.

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If there are any extraneous or collateral advantages arising to the community, from the extraordinary protection given to certain special branches of industry, they must be found either in the profits of those employed in those branches, or in the greater productiveness of the labor employed, or in the indirect impulse given to other branches, and in the enhanced value of other products of domestic industry.

It must, in the first place, be observed that we are now examining the loss to the community arising from the difference between the price, at which the domestic commodity can be afforded, and that at which the similar foreign article might have been obtained. The price at which the domestic commodity may be afforded, is the final result of the whole growing or manufacturing process; and as it embraces all the profits made and the wages earned, it necessarily includes every extra profit from whatever cause arising; and particularly that which may be due to any increase of the wages earned by labor, or to any diminution of expense derived from any new or more advantageous application of labor. It cannot therefore be said, that any presumed collateral advantages, derived from any extra profits on the capital, or from any greater productiveness of the labor actually employed in the manufacture of the domestic article, in any degree compensate for the loss arising from the difference between the former and the new artificial price.

If, however, the profits of the manufacturers are, by reason of the high duties laid in their favor, greater than the average profits in other pursuits, it is a simple transfer to them of the consumers property; a flagrant injustice, which should, independent of any considerations of a general nature, be immediately corrected by a sufficient reduction of the duty. But, although there are exceptions, perhaps more in the case of raw materials than in that of manufactures, it is believed, that when there is no monopoly against domestic competition, this will be sufficient ultimately to reduce the profits of any particular pursuit to its proportionate rate, as compared according to its nature, with the profits of other branches of domestic industry.

We are told, in reference to the labor employed, that the restrictive system is intended, and calculated, to bring into action a quantity of labor beyond what was previously actually put forth. That immediately employed in the protected branches is shown, by the result, to be on the contrary generally less productive than if applied to other pursuits. Yet there is an exception, which in some branches seems to alleviate the evil. The female labor employed in the cotton and woollen manufactures, appears from the rate of their wages to be more productive than if applied to the ordinary occupations of women.

It may therefore be alledged, that the fund out of which they were previously supported (generally the proceeds of the industry of their parents) being thus set free, a greater portion may be accumulated and annually added to the capital or wealth of the country. Or, to take another view of the subject; if the labor of one hundred men was necessary to produce a given value of exchangeable commodities, and if that of twenty men and of one hundred and twenty women, whose labor was not previously more productive than that of forty men, may in a certain manufacture be substituted to that of the hundred men, and produce an equal value; an additional quantity of productive labor, equal to that of forty men, is put in motion by the manufacture. The labor of the forty men thus set free may seem to require a proportionate additional capital to be rendered productive; but whilst there remains a sufficient quantity of rich uncultivated land, there never can be any difficulty in finding remunerating employment for labor.

The actual number of women thus employed cannot be ascertained; but this is less important for the purpose in view, than the ratio of the additional labor thus gained by the country, to the value of the products of both branches; and of this an approximate estimate may be made. Their wages vary from two to three dollars a week, and to estimate the difference between this and what might be earned in their usual occupations at one dollar and a half a week, or seventy eight dollars a year, is certainly a large allowance. It appears from an authentic statement, that in a flourishing cotton manufacture at Lowell, Massachusetts, where the annual sales amount to two hundred and ten thousand dollars, there are twenty men and one hundred and eighty women employed. The surplus product obtained by the labor of these, beyond what it would otherwise have been, amounts therefore to fourteen thousand dollars or to six and a half per cent. of the annual amount of sales. The ratio, as deduced in the same manner, from the minutes of evidence taken in eighteen hundred and twenty eight, by the Committee of manufactures; of the amount of the annual sales, and of the number and wages of women employed in the Taft, Shepherd, Woolcott, and Pierce's woollen manufactories, is six and a quarter per cent. on the annual sales. It does not appear either from



the rate of wages, or from any other circumstance, that the labor immediately employed in any manufacture, is, in any other respect, more productive than if applied to other pursuits.

If the protecting system has had a beneficial effect on agriculture or commerce, it must be in reference either to the raw materials of domestic growth employed in the manufactures, or to the supplies for which they give a market, or to the transportations of both, as well as of the manufactured products.

It is obvious that no allowance must be made in this view of the subject, for the impulse given to the growing of wool, hemp, flax, or any other raw material, which is itself sustained by a high protecting duty. The same reasoning applies to those as to any other protected article, whether of the growth or manufacture of the country, which, since it requires such protection, must be a losing concern, if left to itself. If otherwise, the protection is useless and the additional price arising from the bounty, an unjust transfer of the property of one to another class of citizens. But it must on the other hand be recollected, that the difference of price between the domestic cloth for instance, and the similar foreign article free of duty, or what is tantamount, the national loss incurred in the domestic manufacture, embraces both that on the wool or raw material and that on the manufacturing process.

But the duty on cotton of foreign origin, which is about thirty three and one third per cent. on the value, is purely nominal. This is always true in regard of any article of domestic growth or manufacture which is usually and extensively exported. Any commodity, which can, in foreign markets where it has no protection, sustain the competition of every similar foreign article, will sustain it on still better terms in the home market, and is not protected by the duty, but by its intrinsic superior cheapness or quality. Whatever impulse may have been given to the production of American cotton, by the domestic manufactures of that material, is therefore a clear gain to the community. This, for the very reason that the amount cannot be calculated with precision, has been greatly exaggerated. But it cannot be doubted, that the consumption of cotton goods in the United States has, to a certain extent, been increased by the establishment of the domestic manufacture; and that the fluctuations of price, are lessened by having a greater number of

markets, (in this case one nearer and so considerable,) even though the aggregate of sales was not materially increased.

Your Memorialists must, at the same time, observe, that these favorable considerations apply to that of the protected manufactures, which, owing principally to its success, receives in fact at this time the least protection from the restrictive system. Foreign cotton goods, the prime cost of which exceeds twenty two cents (or according to the true par of exchange, about eleven pence sterling) a square yard, pay at this time less than the average duty, which now exceeds forty per cent. When that average duty shall, by the reduction of the revenue, have been reduced to twenty-five per cent., those cotton goods, the prime cost of which is less than thirty-five and more than about fifteen cents, would alone be effected by a reduction to that rate, of the duty on foreign cotton manufactures. For the duty on those, the prime cost of which is no more than fifteen cents, is purely nominal; those of domestic manufacture of corresponding prices being at least equal in quality and in fact exported to a considerable amount.

Manufactures give also a value to certain raw materials which had little or none before; iron works to the ore; paper mills to rags; glass works to ashes; but the cost of extracting or producing most of those constitutes the greater part of the price; and the aggregate surplus value of all is so small, compared with that of the manufactured article, that it is hardly worth consideration.

But it is principally respecting the increased consumption, by the protected manufactures, of supplies of domestic origin other than the raw materials, and above all of bread stuffs and other provisions, that the most exaggerated accounts have been industriously circulated. It might be supposed from the language held on that subject, that the agricultural interest was exclusively indebted for its prosperity to the restrictive system. We are told of the "invigorated condition of our agriculture in the last three or four years, during which period the value of the labor of the farmer, and with it the value of his land, *it is well known*, has risen some twenty or thirty per cent." and that "this augmentation in the value of agricultural labor and capital can be ascribed to no other cause than to the increase of the manufacturing classes, and to the rapid growth of our home market under the protecting system."

On hearing this, and also, that what was equivalent to one million of barrels of bread stuffs was imported every year into the Eastern States, we sought for proofs, and find the average price of flour at Philadelphia to have been for the eleven years, 1820–1830.

1820	\$4.72.	1822	\$6.58.	1825	\$5.10.	1828	\$5.60.
1821	"4.78.	1823	"6.82.	1826	"4.65.	1829	"6.35.
		1824	"5.62.	1827	"5.23.	1830	"4.98.
<hr/>		<hr/>		<hr/>		<hr/>	
aver.	4.75.		6.34.		4.99.		5.64.

If it is due to the protecting system, that the average of the last three years, as compared with the three immediately preceding, rose from 5 to 5.64; to what cause must be ascribed the still higher average of 6.34 for the years 1822–1824, immediately following the depressed price of 4.75 of the years 1820–1821, and before the country was under the magic influence of the tariffs of 1824 and 1828? Was the depression to the average price of five dollars, during the years 1825–1827, the result of the tariff of 1824? or that to the same price, in 1830, to the tariff of 1828?

The enlightened advocates of the protecting system need not be informed, that all those fluctuations are exclusively due to the foreign demand; that in a country, which raises the equivalent of 2,000,000 barrels of bread stuffs, beyond its own consumption, the price depends on the proportion between that supply and the foreign demand; and that that demand will continue to govern the price of the home market, whatever may be the increase of the domestic consumption, so long as such an excess beyond that consumption shall continue to be raised. If there were no foreign demand for that surplus, (or for any other article which is now extensively exported,) either the quantity raised must be diminished in that proportion, or the price would fall to the very lowest rate at which the produce can be cultivated. Such has been the invariable result in every part of the country too distant from the sea-ports to participate in the benefit of the foreign market. The enhanced price of bread stuffs and other exportable articles, beyond that minimum, is almost exclusively due to the foreign demand, and not in any perceptible degree to the increase of manufactures. The statement of prices exhibits no other than those ordinary fluctuations in the foreign demand, which have at all times occur-

red, and does not afford the slightest proof of that permanent improvement in the value of agricultural labor ascribed to the protecting system. For the enhanced price which the farmer obtains for any of his products which are still extensively exported, he continues to be solely indebted to the foreign market, and to commerce.

Not only, has not the price been affected, but the absolute quantity of bread stuffs raised in the United States has not been increased one single bushel by the restrictive system ; otherwise than by the inducement it may have afforded to some skilful artists and operatives to emigrate. The whole quantity raised is that wanted for home consumption and exportation ; that wanted for home consumption is regulated by the amount of population, and to this the protecting system, saving a few more emigrants, has not added a single individual. The uniform rate of increase, demonstrated by the several enumerations, proves beyond controversy, that no general sensible change has been produced by the increase of manufactures, and that we are indebted to a far more powerful cause for our prosperity.

The answer of one of the advocates of protecting duties, to the Committee on manufactures respecting the moral and pecuniary condition of laborers, is equally applicable to the unparalleled growth of the population of the United States : " this will continue to be the case so long as this country offers to labor a certain employment in the purchase of unimproved lands at a low price, and so long as the constitution of the government remains free as it is." These are the basis of the true American system ; of that system free of restrictions, which, permitting every man to pursue those occupations, for which he was best fitted, had in less than two centuries converted the wilderness into an earthly paradise, and out of a few persecuted emigrants had created a prosperous, happy and powerful nation. Under the auspices of that system of freedom, the American people, amidst all the fluctuations and vicissitudes incident to human affairs, had never ceased to make the most rapid progress in agriculture, arts and commerce. To ascribe this unexampled and uninterrupted prosperity, which even legislative errors cannot arrest, to a tariff, is one of the most strange delusions, by which intelligent men have ever suffered themselves to be deceived.

But if a sober investigation of facts be substituted to those exaggerated and untenable assertions, all the benefit conferred by manufactures on the agricultural interest at large will be found to consist in having probably lessened to some extent the number of those, who would otherwise have followed agricultural pursuits ; and having thereby prevented the production of a greater quantity of bread stuffs and other provisions than might be actually wanted for home consumption and profitable exportation. The effect cannot have been considerable. In many districts, there is a sensible diminution of household manufactures, which lessens the apparent advantage derived from the employment in manufacturing establishments of female labor. And your Memorialists have no doubt, that the greater number of the men, engaged in the unprofitable branches, which have been artificially fostered, would, if not thus diverted, have followed some of the other mechanical pursuits which require no special protection.

Supposing, however, that all those employed in the manufacturing establishments have given a new market to the wheat growing States, what does this amount to, and what is the benefit to the agricultural interest ?

Those States have always supplied the Eastern States with wheat flour and some other provisions ; and the question is not what is the amount now, but what has been the increase. The home consumers of the flour, not used by the farmers themselves, consist of the inhabitants of all the cities, towns and villages in the United States, whether commercial, manufacturing or of any other description. The population of the three great manufacturing Eastern States, Massachusetts, Rhode Island and Connecticut, amounted in 1790, to 679.968, in 1800, to 743.365, in 1810, to 811.113, in 1820, to 882.110, and in 1830, to 1.004.935 souls. The rate of increase during the three first periods was uniform, not varying more than from 8.7 to 9.3, per cent. for each ten years. The increase from 1820 to 1830, has been at the rate of 13.9 or five per cent. more than the average rate of increase of the three preceding periods. This excess, which amounts to fifty thousand souls, is all that can possibly be ascribed to manufactures.

Taking even the whole increase during the last ten years, it amounts for the three States to less than one hundred and twen-

ty three thousand souls, not one half of whom are consumers of flour or of any other imported provisions to any extent ; and from these consumers, the increase of Boston, amounting alone to eighteen thousand souls, and of several other commercial and not manufacturing seaports, should be deducted. Now the increase of population of New York, the inhabitants of which are all consumers of flour, for the last ten years, exceeds (including Brooklyn) eighty four thousand souls. There cannot be the least doubt that the market afforded to the agricultural interest by the increased population, during that period, of the commercial and other non-manufacturing towns and villages of the United States, is far more extensive than that derived from all the manufacturing establishments.

But there is a still more precise mode of ascertaining the extent, to which they have promoted the agricultural interest at large. Pursuing the process adopted in estimating the value of female labor, we find that in the flourishing Lowell cotton manufactory already alluded to, the board of all the persons employed, at the rate of one dollar seventy five cents a week for the men, and one dollar twenty five cents for the women, amounts to the annual sum of thirteen thousand five hundred dollars, or less than six and a half per cent. on two hundred and ten thousand dollars, the annual amount of sales. Mr. Pierce states the amount consumed by persons employed in his woollen factory and their families, exclusive of seven thousand dollars in domestic cotton goods, as followeth :

corn, flour, rice, sugar, tobacco and fish	- - -	7.500.
other domestic provisions and fuel,	- - -	5000.

in all twelve thousand five hundred dollars, or about ten per cent. on his annual sales. The average ratio of the board of all the persons employed in the Taft, Shepherd, and Wolcott factories, to the annual sales, is eleven and a quarter per cent. The average of the whole does not exceed nine per cent. of which only about one half consists of articles imported from other States. But the benefit to the farmers and carriers of that produce cannot certainly amount to twenty per cent. upon it. The profit of the agricultural interest, derived from the cotton and woollen manufacturing establishments, cannot therefore exceed at most two per cent. on the annual sales, of which at least one half must be

allotted to the farmers in the immediate vicinity, and the residue to the agricultural interest at large of the United States. The manufacture of cast and bar iron employs, in proportion to the value of the product, a greater number of persons. Admitting, in this view of the subject, the statement of the manufacturers to be correct, the gross amount of the articles purchased from farmers is about thirty per cent. of the whole value of the product. Twenty per cent. profit on those articles by the farmer, would give him six per cent. on the annual amount of American iron. In exchange he pays from forty to one hundred per cent. more for that than he would for foreign iron; and in this case, the benefit derived is confined to the immediate vicinity of the manufacture.

Allowance has been made in this estimate for the profit on the carriage of the provisions consumed by the manufacturing establishments. That on the freight of cotton from the places of exportation to other parts of the United States, is not greater than if it had been exported to Europe. That on the carriage of the other raw materials forms but a small item. The profit on the coasting or inland carriage of manufactured articles is the same, whether they are of domestic or foreign origin. A decrease of the tonnage employed in the foreign trade must have taken place, proportionate to that of the imports excluded by the tariff, and of the exports, with which those would have been paid for. Any increase, which may have taken place in the coasting trade, is due to the generally increased intercourse and commerce between the several parts of the United States, to which the increased amount of protected articles, with the exception of sugar, can have contributed but a very small portion and no greater, than what would have been gained on the transportation of the same amount, which otherwise would have been imported from abroad. There are no data, from which the increase of the coasting trade of the three or four last, as compared with that of the preceding years, can be estimated. The total amount of enrolled and licensed tonnage of the United States, on the 31st of December 1828, was stated by the Treasury at nine hundred and twenty-eight thousand, seven hundred and seventy two tons. But this was corrected during the year 1829, by striking out not less than three hundred and fifty eight thousand, one hundred and thirty-six tons,

for vessels lost or condemned in previous years, and not before entered in the Treasury books. The true amount at the end of the year 1828, was therefore only five hundred and seventy thousand six hundred and thirty-six tons, including about twenty-four thousand tons of Steam Boats employed on the lakes and inland rivers. But as this enormous difference is the result of omissions accumulated during a series of years, and it is not stated, whether a similar correction ever was made before, it only shows that the statements for the preceding years are all erroneous; and that there are no returns published by which to ascertain the annual progressive increase of that tonnage. The return for the year 1789 is incomplete; but that for 1790, is for the whole year, and could not be liable to any accumulated errors. The only fact therefore to be relied upon, is, that the enrolled and licenced tonnage, which at the end of the year 1790, amounted to one hundred and thirty-two thousand tons, had at the end of 1828, increased to five hundred and seventy-one thousand, and at the end of 1829, to six hundred and ten thousand tons. This increase is greater by about one third than that of the population, and is accounted for partly by the acquisition of Louisiana and Florida, partly by the vastly increased wealth and intercourse between the several States.

It must be recollected, that in this estimate of the advantages arising from the protecting system, those only are now taken into consideration, which accrue to the community considered as a whole, and that such as are exclusively enjoyed by any distinct class of society, or section of the country, must, in this view of the subject, be excluded. The bounty, which that system gives to the growers of wool, hemp and flax, is certainly beneficial to them, but this benefit is paid for and falls on the community at large, since that bounty is founded on the admitted or presumed fact, that without it those commodities would not afford a reasonable profit to the grower.

Your Memorialists have endeavored to enumerate, and, from the materials accessible to them, to estimate as far as practicable those general advantages. They are aware that they have included some, which may not be thought of that character, in accordance to the most approved principles of political economy. But they must repeat, that since the necessity of an average



duty of twenty to twenty five per cent. on imports is admitted, it is not necessary for them to discuss abstract questions, but only to show that that duty is amply sufficient to cover all the general advantages, which may possibly be ascribed to the restrictive system ; and admitting all those of a debateable nature, they have rejected only those, which are altogether founded on error and delusion.

It has, it is believed, been satisfactorily shown, that the difference between the *price*, at which the domestic commodity protected by a restrictive duty can be afforded, and that at which the similar foreign article might have been previously purchased, is a national loss ; and that the general advantages resulting from the system, which may, in part, compensate for that loss are to be found in the increased productiveness of the female labor employed in some manufactures ;—in the nearer and perhaps more extensive market opened to the cotton grower and substituted, for one fifth part, as it is asserted, of his crop, to the foreign market ;—and in the very inconsiderable additional home market afforded to the agricultural interest at large.

Those advantages have, in every instance, been estimated at a higher rate, than what your Memorialists consider as their real value. They are not found united in any one branch. The advantage, derived from a new or better market for any unprotected raw material, applies only to the cotton manufactures ; that ascribed to the employment of female labor is confined to the cotton and woollen ; the iron has none, but a greater comparative consumption of agricultural products. They do not in any branch, the cotton perhaps excepted, amount to ten per cent. of the value of the annual product of the manufacture. But making the most ample allowance for errors or omissions, it is utterly impossible, on any rational and candid calculation, to swell their aggregate value to an amount approaching the national loss arising from a difference of twenty per cent., between the respective prices of the domestic and similar foreign commodity. The duty to that amount is therefore more than amply sufficient to cover all those presumed advantages : any higher rate in favor of any favored commodity is, independent of every other consideration, a certain national loss, so long as the difference of price corresponds with the rate of duty.

The next question to be examined is therefore the effect which the domestic competition, arising from the tariff, is said to have on prices. But your Memorialists must first take notice of a general assertion, which from its nature cannot fail to have made an erroneous impression on those who may have only taken a superficial view of the subject.

Every nation takes a laudable pride in all that contributes to elevate its character, in every progress made in science, letters, arts, wealth and power, in all that constitutes an advanced state of civilization. To substitute American to foreign industry, whenever the substitution is advantageous, is an object in which all cordially unite. But whether taking advantage of that general and patriotic feeling, or carried away by it, the advocates of restriction contend that a trade in foreign commodities, which, (without regard to price) might be produced by domestic industry, always interferes with that industry. They denounce and would proscribe that trade altogether, and thus in reality inflict the most serious injury on that object which they pretend to protect. Laws which do not trust the common sense of the citizen, which do not permit him to seek what he thinks the best market for the products of his industry, or which compel him to receive in exchange for these a less quantity of the objects he wants, than without those laws he might have obtained, are evidently destructive of domestic industry. By free trade we mean that trade which we may carry on free of any restrictions imposed by our own Government. It is synonymous with free industry; and it is only because and as far as it promotes domestic industry, that we object to those restrictions. When, in order to justify that system, it is said that "nations are adversary to each other," and that a free trade between them would contravene the arrangements of Providence; when it seems to be forgotten that it is commerce which unites the several nations of the civilized world, and that, next to Christianity, it is principally to commerce that we are indebted for modern civilization, we can but lament the extremes to which enlightened, patriotic and philanthropic men may be carried by adhering to a favorite theory and losing sight of every other consideration.

Foreign commerce, or the exchange of domestic for foreign com-

inodities, is of the same nature and founded on the same principle as commerce between different parts of the same country, or that between individuals of the same district of country. Every individual, district of country, or country acquires wealth, in proportion as, with the same capital and labor, the greatest quantity or exchangeable value of commodities is produced. Whence inevitably follows, in every case, the mutual advantage of exchanging articles produced cheaper by one individual for such as are produced cheaper by another, or of exchanging articles produced cheaper at home than abroad for those which may be produced cheaper abroad than at home. The division of labor, which increases the skill of every individual in his particular branch, is the foundation of the commerce or mutual exchange of commodities between individuals living in the same vicinity. That between different parts of an extensive country, or between different countries, has its origin in the difference of climate, of capital, of the density or nature of the population, and of long acquired habits and corresponding skill in particular branches of industry. The causes which give rise to commerce, as well as its advantages or presumed inconveniences, are precisely the same whether that commerce is carried on between different nations or between different parts of the same country. The misapplication of capital and labor has the same effect, whatever may be the cause which enables an individual or a nation, to produce a certain commodity with less capital and labor, and to sell it at a lower price than another individual or another nation.

Those truths are too obvious to be denied in direct terms. But they are disregarded: and several allegations are made tending to show that an unrestricted intercourse between two nations is fatal to one or ruinous to both.

1. We have not been fortunate enough to discover on what principle, or by what fact, it can be proved, that such intercourse reduces the labor of one to the same scale of compensation with the labor of the other, to the great injury of that nation, whose labor stood highest on the scale.

Wages are one of the elements of the price of commodities, and if higher in a country which nevertheless affords certain commodities at a less price than the country where the wages are lower, there must be a difference in climate, soil, skill, or some

other circumstance, which produces that result. But in each country the price of labor is determined either by its productiveness or by the proportion between demand and supply in that country, and in no manner whatever by what may be that productiveness or that proportion in any other country, whether there is or there is not an intercourse between the two countries. We have heard that Irish laborers flocking in great numbers to England and Scotland have, by deranging the existing proportion between demand and supply and by the low rate of wages to which they were used, lowered in certain seasons the price of labor in those two countries. But so long as they remained at home and did not, by transferring their labor to the spot, interfere with that of England, the long continued intercourse between the two countries never had the slightest effect on the price of English labor, which, varying according to circumstances, exclusively belonging to England, has never been reduced to the miserable pittance that hardly sustains, without remunerating, the Irish laborer. This is universally true with respect to every country. The price of labor is in each regulated exclusively by the respective proportion of supply and demand and the state of society. After two centuries of free commerce with Great Britain, and fifty years of a similar intercourse with the rest of the world, the price of labor continues without alteration to be higher in the United States than in England or any other country.

2. The circumstances, which may tend to bring forth more labor in the application of capital to certain domestic manufactures than in that of the same capital to other pursuits, have already been adverted to, at the same time that it has been shown that the labor employed in highly protected manufactures was nevertheless less productive than if applied to other branches of industry. But it is asserted, and the general impression intended to be made is that, because foreign trade puts in motion foreign, this is done at the expense of American, industry, and that therefore by proscribing the first, this is necessarily encouraged. This would be true, if foreign merchandise or any part of the foreign imports was bestowed gratuitously on the United States; in which case the Americans might enjoy the gift without giving any labor in return. But as every article imported must be purchased and cannot be paid for by any possible means other than the product of

American industry, it necessarily follows, that whatever may be the amount of imports and of foreign industry by which they have been produced, an equal value of American products and an equal amount of corresponding American industry is employed by the foreign trade. When a domestic manufacture, equally productive as any other pursuit, is substituted to the foreign article, it puts in motion precisely the same quantity of labor, the same amount of American industry, neither more nor less, than that which was employed in producing the articles with which the foreign article was previously purchased. The difference consists only in the respective degree of productiveness. The change is advantageous or injurious to the country, as the domestic manufacture may be more or less productive than other pursuits, to which the same capital and labor might have been applied. The error of the restrictionists consists, in not perceiving that the foreign trade promotes two equal amounts of foreign and domestic industry ; and in supposing that the American industry, which, in the establishment of a new manufacture, is substituted to the foreign industry, is an addition to, instead of being a deduction from, the American industry which was, or might have been otherwise employed. It is obvious that a certain amount of American industry, which was or might have been employed in producing one millions of dollars worth of articles intended for exportation, and to be exchanged for an equal value of foreign goods, cannot, if employed in a domestic manufacture of goods of a similar nature, be any longer employed in producing the exportable articles : and the only question is, whether that amount of industry is more or less profitably employed in its new than in its former employment.

3. Since the foreign imports must always be paid for with the products of American industry, there must always be a tendency in foreign trade to equalize the respective value of the imports and exports. Though varying from year to year, any debt incurred must ultimately be paid out of the same fund. The imports of the United States, during the ten years 1821—1830, have amounted, according to the official accounts, to 798.630.000, and the exports to 764.803.000 dollars. If the amount of bullion and specie, imported and exported, is deducted, the annual average of imports was 72.948.000, and that of exports 69.327.000

dollars. The annual average of exports of domestic produce was 53,221,000 dollars. If the re-exportations of foreign merchandise, valued at the same price as that of importation, are deducted from the imports and about twenty millions added to these, on account of the difference between the rate at which British goods are valued by law and that of the exchange between the two countries, the annual average, of the foreign articles consumed in the United States, will be found to be about sixty millions, which is an excess of near seven millions beyond the exports of domestic produce. According to the official returns, the difference is less than three millions and a half; but corrections are obviously necessary. The amount of the earnings of American industry by sea, which cannot appear in the statement of exports, must be added to these, since they equally contribute to the payment of the imports. Those arising from the fish which from the Banks is carried directly to foreign ports, of the whale and spermaceti oil sold by the fishing vessels in South America, of the furs collected on the northwest coast and sold in China, and of the freights on the carrying trade, that is to say on voyages from a foreign to another foreign port, cannot be estimated. But the freight on the sixty eight millions of domestic and foreign articles annually exported from the United States, calculated on the average rates, according to the nature of the merchandise, and to the ports of destination, exceeds eleven millions; of which about nine are earned by the American navigation. This result, whilst it illustrates the invariable correspondence between the value of the imports and that of the exports, shows also, that so far from having been inundated during that period with foreign merchandise beyond the means of payment, the amount of exports, including freight and those items which cannot be ascertained, has certainly exceeded that of the imports. The difference has either been received in precious metals, or applied to the payment of a debt previously due abroad; and it is probable that both have taken place. Independent of private remittances on foreign account, the amount of the public debt, reimbursed to foreigners, appears to have exceeded their investments in other American Stocks: and although, according to the official returns, which in that respect are necessarily defective, the amount of precious metals exported would appear to have

exceeded by near 2,400,000 dollars, that imported during those ten years, it is ascertained that the amount of specie, in the Banks alone, on the 1st of October 1830, exceeded by more than seven millions the amount at the end of the year 1819.

But though equal or nearly equal to each other during a period of several years, the respective amounts of imports and exports vary considerably from year to year. Imports of any commodity, which greatly exceed the ordinary consumption, though affording a temporary advantage to the consumer, are equally injurious to the American manufacturer and to the regular importer. The example of England shows that manufactures are not exempt from similar fluctuations and are exposed to the evils of over-production, as foreign trade to that of excessive importation. This partial and occasional evil is inseparable from foreign commerce and cannot be prevented, unless that commerce be altogether proscribed. So long as the protecting duty is not prohibitory and the corresponding foreign article is not entirely excluded, it may occasionally be imported to excess. It matters not whether the imports amount to sixty millions, or are reduced by the restrictive system to forty. The same excess, beyond the actual wants of the country, will, in either case, occasionally take place, with respect to any commodity, the whole stock of which on hand happens to be much greater than the existing demand. But much more has been ascribed to that cause than can be sustained by the facts. Whatever may have been the cause of the fall of price of woollen goods in the years 1826-1827, as compared with preceding years, whatever may have been the reason why the domestic manufacture was more profitable before than after the tariff of 1824, it appears impossible that either result can have been due to excessive importations. The average annual amount of foreign woollen goods, of every description, *consumed* in the United States, amounted for the years 1822, 1823, 1824, to 9,233,000, and for the three following years 1825, 1826, 1827, to 9,045,000, dollars. The principle branch of the American manufacture consisted of cloths and casimeres. The value of the corresponding foreign goods consumed in the United States during the nine years 1822, 1830, was in,

1822,	8,342,000.	1825,	4,900,000.	1828,	4,207,000.
1823,	5,215,000.	1826,	4,286,000.	1829,	3,483,000.
1824,	4,643,000.	1827,	4,118,000.	1830,	2,964,000.

It is therefore clear that even the somewhat greater importations of 1825, could not have a greater effect on the prices of 1826 and 1827, than that of 1823 on the prices of 1824 and 1825. Yet to the representations made at the time on that subject, we are indebted for the outrageous woollen tariff of 1828. As the real evil complained of arises from over trading, and may ultimately be traced to abuse of credit, it would seem that the most natural, and the only remedy which the parties interested may have a right to claim, is that the Legislature should cease to stimulate the importations, at least of the articles most generally imported on foreign account, by the credit now allowed for the payment of duties. The foreign manufacturer who sends goods on his own account, not in proportion to the wants of the country but to his own, who is willing to run the risk of selling at a loss and on credit, the merchandize with which he is encumbered, would be deterred from sending it to America, if he was compelled, before he made any sale, to advance in money twenty-five per cent. on the value of that merchandize. According to the present system, if he sells woollen goods for cash, he receives as a loan, for ten months without interest, a sum equal to at least one half of their prime cost, which enables him to continue to undersell the manufacturer.

4. The laws of foreign nations, which prohibit or restrain the sales of the products of American industry, operate precisely in the same manner, as any natural cause which confines the market of those products within certain limits. By lessening the amount of the exports, or of the means of paying for foreign products, the restrictive laws enacted by any foreign nation lessen in the same proportion, not necessarily the imports from that nation, but the gross amount of the imports of the United States. No legislative measure is requisite on their part in order to avert the imaginary evil of an excess of imports over exports. The diminution of the imports is a natural and necessary consequence of the diminution of exports. Unless foreign commerce be considered as a positive evil, which must at all events be annihilated, there is no occasion for passing retaliatory laws which, by still more diminishing the imports, would necessarily have the same effect on the exports. Retaliatory laws, that had that effect, would only aggravate the evil; if the restrictions imposed



by the foreign laws on American products are admitted to be an evil. They would also be injurious, if by being applied particularly to those nations which had imposed the restrictions, they compelled Americans to purchase elsewhere the commodities which they want and might have purchased cheaper from those nations. The whole amount of imports equalizes itself with the whole amount of exports. It is not at all necessary that this equality should exist; it never does exist in the trade of any country with every other country. Every one purchases what it does want from that country which affords it on the cheapest terms, and sells its products to those countries by which they are wanted, and which give the highest price.

The most zealous advocates of the protecting system do not pretend that their object is to lessen the amount of the American products which, notwithstanding the restrictive laws of other nations, still find a market abroad. They do not say that the cotton of the South and the surplus of the wheat and other provisions of the Middle States, beyond what is wanted for home consumption, shall not be exported. They intend to give an additional and nearer market to the cotton and wheat grower, but not to deprive them of the foreign market which is still open to them; to supply growing wants for which the lessened exports can no longer pay, and not to increase those wants, by preventing foreign nations from paying for the American products which they still wish to purchase. The restrictions imposed by foreign nations do not afford a single reason, though they may serve as a pretence, for the adoption of restrictive measures on the part of the United States, which would not equally apply, if the exports were reduced by a natural cause. The question still resolves itself into that of public utility, and whether measures intended to promote American industry fulfil that object. If, on the contrary, it is made less productive by the artificial direction given to it than if left to itself, the fact, that foreign nations have imposed restrictions injurious to the foreign trade of the United States, does not in the slightest degree change the state of the question, and is no reason whatever, why a policy injurious to America should be adopted.

This is so true, that whatever their language may have been, the restrictionists have acted on that principle. The regulations

of France, respecting bread stuffs and tobacco, are similar to those of England, and affect the interests of America in the same manner. In selecting for protection cotton and woollen manufactures and iron, and favoring wines and foreign silk manufactures, the sole motive was the belief that the application of American industry to the first objects would be a public benefit, and that it was not at this time adapted to the cultivation of wine and the manufacture of silk stuffs. The protecting duty has always been laid in reference to those branches of industry which were deemed advantageous, and not at all to the restrictive measures of any particular foreign nation.

It may also be observed that the State, which probably suffers most from the restrictions of foreign nations on its products, asks for no special protection. Virginia is a great wheat growing and the first tobacco growing State. The foreign restrictions operate in a far greater degree on tobacco, than on any other article, without excepting bread stuffs. There can be no doubt that the consumption of tobacco, in France or England, would be double or treble of what it now is, was a free trade in that article, with moderate duties, consistent with their policy. The change in that of France has been peculiarly injurious to the American product. That country before its revolution consumed annually twenty-four millions of pounds of American tobacco, instead of six millions, the amount of its present consumption. On the other hand, the effect of the corn laws is much less than seems to be generally apprehended. America has always supplied Great Britain with corn in years of great scarcity, and hardly ever at other times. Canada does it now at all times, on account of its exemption from laws which operate on the corn of every other country. When the price of wheat in England is sixty shillings sterl. pr. quarter, and it is supposed that the duty of twenty shillings is a restriction on the sale of American bread stuffs, it is forgotten that the duty is the very reason which makes the price so high, and that if there was none, the deficiency in quantity would, in common years, be supplied by the countries on the Baltic, where it is one third cheaper than in the United States, and that the London market would not be much better than that of Amsterdam now is.

There is an exception to the general principle. Retaliatory

measures may be resorted to, with more or less success according to circumstances, and as they may be more or less adapted to the object in view, for the purpose of inducing a nation to alter her policy and conduct. In that case, such measures are of a temporary nature, and a discussion of their propriety is foreign to the question now under consideration. Had this been the motive, the course pursued would have been very different. The commercial conventions, would, according to the right reserved, have been abrogated, and the manufactures of the countries in question exclusively taxed or prohibited. But it is believed, that the advocates of the protecting system would not hesitate to declare, that it is in itself highly advantageous, and to avow, that unless convinced of the utility of a modification, they will persevere in the same policy, even if all the restrictions of foreign nations on the American trade were revoked.

5. When the general prevalence of the restrictive system and the experience of other nations are appealed to, the appeal is in fact only made to the result of that policy in England. For it is in England alone, that the prohibitory system and a complete success in establishing manufactures generally superior in cheapness or quality are found united. The only legitimate inference that can be drawn from her example is that both may subsist together. It would require a much more minute knowledge of the origin and gradual progress of the manufactures in that country than any man does possess, to ascertain whether, in what branches, and how far, the prohibitive system has promoted or impeded that progress. But if that system was the principal cause which has made Great Britain the first manufacturing country of the world, it would have produced similar effects in all the countries where it was adopted, as well as in all the parts of the same country, whilst those which had rejected it would be found destitute of manufactures.

It is quite true that the restrictive or prohibitive system, as a branch of that of monopolies, is of ancient origin and has been adopted and persevered in for centuries by most European nations. The only exceptions are perhaps to be found in Holland, which, from her situation and exclusive attention to commerce, followed the opposite course, and in those countries sub-divided into States

or communities, which like the United States before the adoption of the present Government, could not unite in a general system. The first obvious reflection is why the result has been so different in different countries. The system appears to have been early adopted in Spain. There is hardly a treaty concluded during the seventeenth century between that country and England, in which there is not a clause for the reduction in her favor of the exorbitant duties laid by Spain on certain manufactures. We need not state what is the situation of that country in that respect. Though of much more ancient origin, it is admitted that the system has rigorously been adhered to in France, from the time of Colbert to this moment, with the single exception of the few years which intervened between the treaty of commerce of 1786 with England and the wars of the French revolution. France continues to enjoy the same superiority, even over England, in the silk manufacture, which she already had in the time of Colbert ; but she is yet unable to compete with her in most other branches. This is evident from the statements of importations into the United States, which afford the best criterion of the manufactures in which each nation may have a real superiority. From France we import silks, objects of taste and fancy articles, but few or no woollens, cottons, linens, cutlery, or manufactures of leather. And, as a further demonstration of the insufficiency of restrictions to insure success, it may be observed, that a country may excel in certain particular branches of the same species of manufacture, in which it is in general inferior to its rivals. Thus England, inferior to France in every other branch of the silk manufacture, maintains her superiority in that of silk stockings ; whilst, though generally pre-eminent in woollen fabrics, her black broad cloths are still inferior to those of France.

Again, the system has not produced the same effect in the different parts of the same country. Manufactures flourish in Scotland as well as in England, whilst those of Ireland continue in a still more depressed state than her agriculture. The central parts of France exhibit a nearly similar inferiority to the northern section of that country : and our Southern and even Western States to New England.

Switzerland is one of the few European countries, to which the restrictive system has not extended, and it is nevertheless

that which, in proportion to her population, is, next to England, the first manufacturing country of Europe. Exposed like her to the same revolutions and to periods of distress, when the channels of superabundant manufactured products are obstructed, Switzerland, unprotected by any duties whatever on foreign merchandise, besides certain branches belonging particularly to her, rivals England in the cotton, and France in the silk manufacture.

If these observations do not prove that the restrictive system may not in some instances accelerate the establishment of manufactures, they show, conclusively, that a tariff acts at best but a very secondary part, and that there are some other causes far more efficient in promoting domestic industry. A sufficient capital and a certain density of population are necessary requisites: and agriculture will, in preference to manufactures, attract labor in countries or districts where virgin land is abundant, and within the reach of all. But a single glance at the map of Europe will satisfy every intelligent observer, that the great superiority of some over other countries, in other respects equally fitted for manufactures, is due to the nature of the Government; to laws which at least secure to men the products of their industry; to liberty or at least comparative liberty; and to the diffusion of knowledge, and superior intelligence, skill and activity, the infallible offspring of unrestrained industry and of political, religious and civil liberty.

We may also, before we dismiss this branch of the subject, and in order to rebut those general assertions of the ruin that attends all nations, which rely in any considerable degree on foreign trade for a market, appeal to that which we know best, which we have seen and enjoyed; to the experience of North America. Assisted only by the ordinary mechanical arts, and with hardly any manufacturing establishments, America, during two centuries, relied almost exclusively on the cultivation of her soil and on the exportation of its products to foreign ports: and her progress, during that period, in population, wealth and all the arts of civilization, as well as in the general diffusion of knowledge and happiness through all the classes of society, stands unparalleled in the annals of mankind. A change of circumstances may induce a partial and gradual alteration in

the pursuits of her citizens; and we may rest assured that, if not diverted by legislative interference, they will as heretofore embrace those best adapted to their situation.

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Since the national loss, produced by high duties on importations, consists of the difference between the former and the new artificial price, the evil will cease, whenever the product of the protected domestic manufacture can be afforded, and is sold, at the same price as the similar foreign article, free of the protecting duty. The advocates of the restrictive system insist, that this is the natural and necessary consequence of the protecting duty, and is produced by the domestic competition.

It must be observed, in the first place, that domestic competition can have no effect either on the wages, the price of the raw materials, or that of provisions, of machinery, or of any other article necessary for the manufacturing process. It can operate, immediately, only on the rate of profits; and since their insufficiency is the reason for granting the protecting duty, its first effect is to raise them. Domestic competition *may* afterwards reduce them to a rate corresponding with those of other pursuits. But after they have been reduced to the lowest possible rate, the price of the protected commodity cannot be lessened, otherwise than by a corresponding diminution in the cost of producing it. A reduction of the price of labor, or of the raw material is a circumstance independent of the tariff and over which the manufacturer has no control. Towards reducing the cost of producing the commodity, competition can have no effect, but in as far as it may stimulate improvements in the manufacturing process: and for this there must be a sufficient motive.

Secondly; Competition does not even reduce the profits to their lowest rate, unless the supply of the domestic commodity is equal to the wants of the Country. Whenever, and so long as this is not the case, a monopoly is created, which will be attended with all its usual consequences. If, instead of an elevated rate of duty, the similar foreign article is altogether prohibited, the exorbitant price of the domestic commodity is checked only by the lessened demand for it. That price is limited by that at which the foreign article can still be purchased, and by that alone, when the importation is not prohibited, but only charged with a

heavy duty. Improvements tending to lessen the cost of production may, in that case, still be introduced by the manufacturer, for his own benefit; but the price of the domestic commodity will, nevertheless, be exclusively regulated by that at which the similar foreign article may be obtained.

It is therefore only when the supply of the domestic manufacture is, or may within a very short time be made equal to the full demand of the country, that domestic competition may reduce the rate of profits and ultimately the cost of production. It cannot be doubted that when the competition is with foreign articles, the necessity of introducing the improvements, requisite for that purpose, is much greater than when it is only between the American manufacturers. When the manufacture is already established, at the time of laying the protecting duty, the improvements which may afterwards take place, would have been introduced at least as early, if the restrictive system had not existed; and there may be instances where the duty prevents or retards the adoption of such improvements.

But, a reduction of price is, in no case whatever, due to the tariff, so long as the similar foreign article can still be imported, and the price of the domestic commodity is not reduced below that at which the foreign is sold. Under those circumstances the reduction is clearly due to a fall in the price of the foreign article, and is altogether independent of the tariff. If, in any instance, the price of the domestic article has, immediately after the tariff, fallen below the price at which the foreign article could thenceforth be imported, it only proves that the duty was higher than was necessary for the ostensible object in view. The price must fall as low as that at which the foreign article might have been purchased prior to the protecting duty, before the national loss caused by it ceases. It is only then that the domestic manufacture proves successful, and beneficial to the consumer and to the community at large.

Coarse cotton goods are the only protected branch which comes within that description, and the causes of the fall of price, which operated almost simultaneously in England and America, are notorious and acknowledged. They cannot be better expressed than in the words of one of the manufacturers (Mr. Dexter,) examined before the Committee of manufactures in 1828. "It

is owing to the improvement in machinery, the reduced price of raw cotton and the increased skill in the manufacture." The reduction in the price of the raw material was solely due to the increased supply, compared with the demand. The manufacture was already firmly established, before the year 1816. As early as the year 1810, there were North of the Potomac, fifty mills for spinning cotton in operation, and twenty-five more that went into operation the ensuing year. The weaving business had commenced, but was not so far advanced. Under those circumstances, the improvements in machinery and the gradual acquisition of skill would have infallibly taken place, with the common average duty, which was at that time about thirty-three per cent. on the value. It is at least doubtful, whether the favorable result was hastened by the tariff of 1816, which gave a protecting duty of six cents and a quarter per yard; amounting to sixty-two and half actual, and equivalent to fifty-two per cent. nominal duty ad valorem, on the prime cost of the cheapest India cotton goods at that time imported.

A similar fall of price, and owing to the same causes, took place in England, notwithstanding the partial competition of East India goods. It is well known that the returns of the *official* value of British exports, having been fixed long ago and never been changed, represent the *quantities*, as the returns of the *declared* show the *actual value* of each species of merchandise. The official value of cotton goods exported amounted in 1814, to £16.535.528. and in 1827, to £21.445.565 sterling. The declared value, for those two years, was £17.241.884 and £10.522.357 respectively; but the true value for the year 1814 was, on account of the depreciated currency, only £14.655.000. Whilst the quantity had, during that period of thirteen years, increased near thirty, the value had decreased more than twenty-eight per cent. or, in other words the price of cotton goods had fallen near one half.

The suggestion, that this fall in Great Britain, was in any degree due to the competition with the American article, is quite groundless, since it was the result, partly, of the fall in the price of the raw material, which operated at the same time on both countries, principally, of improvements which originated in England and were subsequently adopted in America. It would be still



more preposterous to ascribe the fall of price in the foreign article to American competition, with respect to such as iron and sugar, of which we export none and import greater quantities than heretofore. Omitting the years 1813—1816, during which the annual average consumption of imported sugar was, by reason of the war, reduced to little more than forty millions of pounds, the annual average quantities, on which the duty was actually collected, appear by the Treasury returns to have been,

for the seven years	1799	—	1805,	52.730.000.
for the do do	1806	—	1812,	54.450.000.
for the do do	1817	—	1823,	57.630.000.
for the do do	1824	—	1830,	64.440.000.

We have imported less than if we had not had the Louisiana sugar, but actually more since, than before. Louisiana has only supplied our growing wants, and has left the foreign market, so far as the United States were concerned, in the same situation as heretofore. It is the same with respect to iron, to which we will soon advert.

We will only observe here, that the decline of price in the Pittsburgh iron, which cannot be ascribed to that of the foreign article, is also independent of the tariff. The iron works of West Pennsylvania were, and still continue to be, protected against foreign iron, and against that made within one hundred miles of the sea shore, by the expense of transportation, which is still 40, and prior to the last war amounted to 80 dollars, a ton. Considerable fortunes were made by the owners of the establishments which were directed with skill, frugality and a sufficient capital. But, there being no competition, the iron was dear and of inferior quality. The price of transportation was greatly diminished sometime after the peace, and the Juniata iron, of superior quality, was brought to Pittsburgh, at the expense of 30 and sold for 100 to 120 dollars a ton. This, united with unfavorable circumstances, under which the Western country then labored, prostrated the iron works for a while. But there was no intrinsic impediment; and with more experience, by the partial application of coal and various other improvements, the iron business has been revived, and the price of iron, of much better quality than formerly, reduced to about 90 dollars. The competition of the Juniata iron operated in this instance in the same manner as if it had been of foreign origin. Had it not been for it, the

iron of West Pennsylvania would neither have been improved in quality, or have declined in price. And this effect has been produced, without the slightest assistance from the tariff or any other cause, with the same competition to encounter, and through no other means but a judicious application of skill and enterprize.

The only effect, that can possibly be ascribed to a protecting duty, is that of encouraging the establishment of manufactures, which would not otherwise have existed, or of inducing a greater number of persons to embark in those already existing. The propriety of the duty depends, altogether, on the probability of speedy success; that is to say, of the manufacture being so far adapted to the circumstances of the country, that after having been assisted by the duty in surmounting the first difficulties incident to every new undertaking, it will be able to sustain itself and, without such assistance, to compete with the foreign article. It has been clearly shown that the manufacture is otherwise a losing concern, productive of national loss.

This leads to the important distinction between a permanent and a temporary protecting duty, the first imposing a perpetual tax, for the purpose of perpetuating a continued public loss; the other proper only when the prospect of speedy success is nearly certain. For if necessary to be continued for a long while, the loss continued for a period of years may be greater than the object is worth; and it would have been much wiser to wait till the country was better prepared for commencing the manufacture. The question is, how the Legislature, on subjects so complex, is to decide, whether there is a probability that the result will in a short time be favorable? We answer first, that whenever the application is for a gradually increasing, instead of a decreasing rate of duties, it is a complete proof that the applicants wish a permanent and not a temporary duty; 2dly. that whenever the protecting duty required is exorbitant, this likewise clearly proves that there is not any expectation of a speedy favorable result. It is clear that the protection required must be proportionate to the difficulty of establishing the manufacture, and that the country is better prepared for those which require the least protection. A moderate and uniform duty will naturally encourage these without the necessity of any special legislative interference; whilst those alone will be postponed, which, for the very reason that they require a higher protection,

ought not yet to be attempted. Instead of an artificial and precarious system, the progress will be natural, steady and permanent. The charges on imported articles vary according to their nature, are seldom if ever less than ten, and sometimes amount to twenty per cent. A general duty of twenty per cent. added to those charges would give an actual protection of thirty per cent. much greater than that under which all the usual mechanical arts have been firmly established in the United States; greater than is asked by several branches now suffering under the present partial system; and amply sufficient for the encouragement of any manufacture, which there is any probability of establishing successfully within a reasonable time. The duty of thirty per cent. substituted in England to the entire prohibition of foreign silk stuffs has, notwithstanding the clamours of those interested, promoted, instead of injuring the British manufacture: and Mr. Hamilton, so often quoted, never proposed a protecting duty of fifteen per cent. ad valorem.

It has been correctly observed, that with the exception of the silk and some thread manufactures, the boasted departure by Great Britain from the restrictive system is nominal, since the former high duties on articles which she affords cheaper than any other country were entirely useless. The reduction of a prohibitory to a duty of fifteen per cent. proves at least, that the price of the domestic article was actually reduced to a rate that did not fear foreign competition. But there is a glaring contradiction between the assertion, "that nine tenths of the American people who do not affect foreign luxuries and fashions may be clothed with *woollen, cotton, fur and leather fabrics of their own country, better and cheaper*, than either could have been obtained abroad, if the tariff had never been enacted;" and the pertinacity, with which the restrictionists oppose the repeal or modification of the high duties, imposed precisely on the *coarsest woollen and cotton fabrics*, which are worn by nine tenths of the people.

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Having examined the restrictive system in reference to the country at large and considered as a whole, your Memorialists will now call the attention of your honorable body to its effects on the various classes of society and different parts of the union. But they will confine themselves to its most prominent features,

and to the most important of the protected branches of industry: and for further details, they beg leave respectfully to refer to the expositions now prepared, or being prepared, by some amongst themselves, who have undertaken to collect the facts and will lay them before Congress.

It is not our intention to discuss the effect produced on the persons employed in large manufacturing establishments. The owners are entitled to much credit for their attention to the comfort, morals and education of those who are placed under their care. We only contend that there is nothing, in that respect, which should induce the Legislature to divert the people in general from other pursuits to that of being employed in a manufactory. Operatives in America stand in the same relation towards their employers, as those of similar establishments in other countries. The only difference consists in the higher rate of wages they receive; and for that they are not indebted to the manufacturers, but to that great cause already often alluded to, and the effect of which is acknowledged by the advocates of the protecting system, when they say, "that the peculiar advantage of the United States consists in the abundance and cheapness of fertile lands, affording an easy subsistence and high remuneration to labor." And they might have added, that this is the circumstance which keeps up that high remuneration, even in those parts of the Union where lands have acquired the highest value. Industry should be perfectly free, and every one left at liberty to select that pursuit which, in his opinion, will most contribute to his happiness. A comparison might nevertheless be drawn, between the respective situation, at the end of thirty years, of the working men, who have availed themselves of the natural advantages offered by the facility with which the rich unimproved lands of America may be acquired, and of those who have attached themselves to a manufacturing establishment.

But the restrictive system is, in every instance, injurious to those branches of industry which do not want special protection and often operates even against the protected manufactures. That system, when artificially enhancing the price of those commodities which are the products of such manufactures, necessarily enhances also the price of the products of every other branch of industry, or depresses that of labor. It is clear that the mechanic who pays

twenty dollars more for the implements of his trade, the necessary clothing of his family, and the sugar it consumes, must either enhance the price of the products of his industry in the same proportion, or receive so much less for his labor. The nominal wages, of the journeymen and of the laborer, do now remain the same, whilst the true price of their labor, the compensation they actually receive, has been lessened to an amount precisely equal to the enhanced price of the necessary articles they must purchase. The evil increases as, in order to remove complaints and render the system popular, it is extended to a greater number of branches, and affects in the same manner the protected manufactures, by either increasing the cost of production, or lessening the real wages of the workmen.

This substitution, of nominal for real wages, is proved by the evidence taken in 1828, by the Committee of manufactures. Several of these, and particularly the woollen manufactory of Steubenville, appear to have been sustained by the retail sales of foreign goods connected with the establishments; and the principal profit of the owners to have consisted in that which they made on the goods, with which they paid their workmen, and on the provisions and other supplies purchased from the farmers. This was a very natural and legitimate process; but it is remarkable, that the means used to substitute, as it is said, domestic for foreign industry, should have been a much more extensive sale of foreign commodities than would otherwise have taken place.

In trying to reconcile a majority of the people to the system, and for the purpose of obtaining still greater protection, the advocates of restrictions have altogether departed from a principle, the soundness of which is admitted by all, and by none more than by those, who would sacrifice every other interest to that of certain favored manufactures. In the face of the example and of the experience of other nations, so strenuously appealed to, they have attempted to promote manufactures by laying high and sometimes prohibitory duties on the raw materials; in one instance, on that of the very manufacture which was the particular object of their solicitude; in others, with a total disregard for the branches which depended on the taxed material.

By the tariff of eighteen hundred and sixteen, a duty of six and a quarter cents was laid on every square yard of cotton

goods, the prime cost of which did not exceed twenty-five cents ; and as the average rate of duties was then about thirty-five per cent. it was only on goods under eighteen cents and a half, that that average rate was exceeded. But the law at the same time recognized the principle, that a protecting duty should be temporary, and it was accordingly provided, that the minimum should at the end of three years be reduced from twenty five to twenty cents ; or in other words, that the duty per square yard should then be reduced to five cents on all goods, the prime cost of which was less than twenty cents. As if to show that the object is to lay perpetual protecting duties, or a perpetual tax on the community, without any expectation, that the price of the protected commodity will be reduced, the provision has in several instances been reversed, and an increasing, instead of a decreasing scale of duties, been adopted. If a duty of thirty-five dollars per ton was sufficient in order, for instance, that American might compete with foreign flax, no provision should have been made for gradually raising the duty to sixty dollars. If a duty of sixty dollars was requisite for that purpose, there could be no expectation, that the flax growers would gratuitously lose money by raising the commodity before that duty was in force. If there was an avowed want of information on the subject, it would have been a wiser course to wait till it had been obtained.

In regard of the manufactures of cotton, it has already been observed, that the minimum now raised to thirty-five cents, instead of being reduced to twenty according to the act of 1816, is the only objectionable provision. This is a duty of eight and three quarter cents on every square yard, when the prime cost is less than thirty five cents. The duty is nominal, in reference to most of the goods under fifteen cents ; which not only are afforded as cheap by the American manufacturer as the foreign article, but compete with this in foreign markets. Reduced to a duty ad valorem, it decreases, on goods costing more than fifteen and under thirty-five cents, from about sixty to twenty-five per cent. We are not informed that any progress has been made since 1828, when this protecting duty was raised from seven and a half to eight and three quarter cents a yard, in the domestic manufacture of unmixed cotton goods within those prices. The mixed stuff called Satinett, appears from its price, to be protected only, by the

general duty of twenty-five per cent. and yet no foreign article is imported that competes with it. This manufacture owes less to protection and flourishes more than any other favored branch ; and it does not affect injuriously any other manufacture, otherwise than by the beneficial substitution, in many instances, of cheaper for dearer articles. We do sincerely believe, that the repeal of the minimum would not affect it, and that the maximum duty of twenty-five per cent. added to the charges on the importation, would give it all the protection which the manufacturers ought to desire.

The important objects, more particularly objectionable, are hemp, flax, and some of the manufactures of hemp and flax.

Iron, particularly rolled iron, and a few branches of them manufactures of iron.

Wool, particularly of species coarser than any native wool of the United States, and the woollen manufactures embraced by the system of minimums.

Sugar, salt, and coal.

The small quantities of American hemp, which are brought to the Atlantic sea-ports, are now sold at about one hundred and fifty dollars per ton. The prime cost of the best Russian hemp, delivered on board, is one hundred and thirty dollars; the subsequent charges amount to at least eighteen per cent. and it cannot be delivered in America, free of duty, under one hundred and fifty four dollars. The duty is now sixty dollars per ton, or more than forty-six per cent. on the value. It sells for about two hundred and twenty dollars. The American hemp is fit for the manufactures of common ropes and cotton bagging ; but, either from the effect of climate, or rather, as is generally believed, from its being dew-rotted, it is totally unfit and is never used for cables or any species of cordage, which may come in contact with sea water. Notwithstanding the heavy duties equivalent to more than eighty per cent. on tarred, and ninety-five per cent. on untarred cordage, about eight hundred tons of that foreign article are still imported. The duty on the raw material has deeply affected the domestic manufacture, and operates as a heavy tax on the shipping interest, without affording, in that respect, any benefit to the American hemp grower.

The duty of five cents a yard, equivalent to fifty per cent on the value of cotton bagging, is of the same character. Near

seven hundred thousand yards of the foreign articles are still imported ; substitutes, made of cotton or tow, have been introduced, and the domestic manufacture is seldom, if ever, used in the Atlantic States. Cotton bagging is exclusively used, and is absolutely necessary, for the purpose of packing cotton for exportation. With respect to that which is shipped to foreign ports, the duty operates precisely as a tax on exports.

Your Memorialists are averse to any duty on the importation of raw materials ; but if continued, the average duty of twenty-five per cent. ad valorem, or the equivalent specific duty of about thirty-two dollars a ton on hemp, giving together, with the charges on importation, a protection of near forty-five per cent. to the hemp grower, would enable him to compete with the foreign article in every manufacture, for which it is fitted ; and continue to secure to him the market for cotton bagging in the districts of cotton country adjacent to those where hemp is raised. As a matter of course the duty on cordage should be reduced to the same rate.

The duty on flax is a still more gratuitous and unnecessary tax. That of American growth is well fitted for all the common fabrics and uses, to which it has heretofore been applied ; and its comparative cheapness had always prevented any foreign competition in that respect. But it is totally unfit for the manufacture of sail duck, and it was for this purpose, that Russian or other foreign flax was imported. The prime cost of that of Russia generally exceeds one hundred and thirty-three dollars a ton, and the charges are the same as on hemp. The duty is now fifty dollars a ton, equivalent to thirty-seven and a half per cent. ad valorem, and is to be raised to sixty dollars or forty-five per cent. on the prime cost. The existing duty has been sufficient to reduce the annual importation to less than three hundred tons. Its only effect has been to affect, most injuriously, the domestic manufacture of sail duck, and the shipping interest. Notwithstanding the corresponding duty of about forty per cent. ad valorem, the value of the sail duck imported during the year 1830, amounted to near three hundred and twenty thousand dollars, and that of the flax to less than forty thousand and all the ships trading to foreign ports use as far as practicable the foreign article. The attempt to apply to that purpose the Ameri-



ran flax has been a complete failure, and the duty confers no benefit on the grower.

The manufacture of cast and bar iron was one of the few, which had been established in America under the colonial government. It owed its origin to the destruction of the English forests, and the abundance of wood in America. The price of bar iron is stated to have been at that time 64 dollars a ton, and to have risen to about 80 dollars in the year 1790. The application of bituminous coal, and other improvements, have produced a revolution, which has increased the annual quantity of malleable iron made in England, from seventy to more than six hundred thousand tons, and has enabled her to sell the various descriptions of the species called "rolled iron" at a lower price, than that at which any species whatever can be afforded any where else. Notwithstanding the acknowledged superiority of that of Russia and Sweden for certain purposes, the cheapness of the British manufacture has lessened the demand for that of every other country, and seems ultimately to have affected the price of every species. Although it had not in 1816 been yet reduced to its present rate, Congress was induced to raise, by the tariff of that year, the duty on rolled iron, from fifteen per cent. ad valorem, to a specific duty of 30 dollars a ton; equivalent at that time to about sixty-seven per cent. on the value. This was again in 1828 increased to 37 dollars a ton, which, on account of the progressive fall in the price of that article, is now equivalent, according to the official statement of imports for 1830, to an average duty of one hundred and twelve and a half per cent. on the value of the whole amount of the different qualities of that species which are imported into the United States. Tho specific duty of nine dollars a ton, laid in 1816, on hammered, or Swedish and Russian iron, did not exceed the former rate of fifteen per cent. ad valorem. It was raised in 1818 to 15, in 1824 to 18, and in 1828 to 22 dollars and forty cents, which is equivalent to a duty of forty per cent. ad valorem.

It appears that, notwithstanding those high duties, the importations either of bar iron, or of the total amount of the manufactures of which it is the principal material, instead of being lessened, have gradually increased. The imported quantity, of some of the protected branches of those manufactures, has diminished,

but the whole quantity imported has increased in a still greater ratio than appears by the Treasury statements. These, for the articles paying duties ad valorem, and which constitute nine tenths of the whole, give only the value, which has decreased in a ratio in some degree corresponding with the fall of the price of British iron. The annexed table shows the annual average of the quantities of bar iron, and of the value of hardware and other manufactures of iron, respectively consumed in the United States, (deducting the exportations from the importations,) for each of the periods therein mentioned.

Years.	rolled iron	hammered iron	Manufacturers of iron
	Tons.	Tons.	Dollars.
1817—1820, †	2.237,	16.887,	not ascertained
1821—1824,	4 212,	23.162,	2.600.000.
1825—1827,	5.400,	22.650,	3.630.000.
1828—1830,	6.450,	31.000,	3.660.000.

(† The quantities for 1817-1820 are those on which the duties were paid deducting drawbacks: the value of the manufactures of iron for those years is not distinguished.)

It is difficult to estimate the progress made in the domestic manufacture, during those fourteen years, and the quantity of cast and bar iron now annually made in the United States. In a statement lately made by persons interested in the manufacture, the whole amount of bar iron is calculated at one hundred and twelve thousand tons, and the aggregate value of both cast and bar, at more than thirteen millions of dollars; but the quantity of bar iron, taken from actual returns, is less than fifty thousand tons, and the residue is an estimate derived from the number of furnaces of which no returns had been obtained. Taking as a basis the returns of the Marshals in the year 1810, by which it appears that the quantity of bar iron then made in the United States did not exceed twenty-seven thousand tons; and admitting that the increase must have been in the compound ratio of the increase of population and of the diminution of price, the amount now made should be from sixty to seventy thousand tons. This is however a question which, from want of authentic materials, we shall not pretend to discuss. But supposing the quantity to be such as has been represented, the estimated value is too high. At the rate of eighty-five dollars for the bar iron and of fifty for the castings, the aggregate value would not exceed eleven millions two hundred and seventy five thousand dollars. Those who ascribe to

the tariff the fall of price ought to calculate the value according to that fall, and not according to the price of iron before it took place.

Iron is a commodity too heavy to be transported beyond a certain distance. It has already been observed, that the transportation from the sea ports to Pittsburgh costs forty dollars a ton. The country west of the Alleghany Mountains is not supplied with foreign iron ; and, with the exception of the small quantities brought from the nearest works on the east side, must for that article depend on its own resources. In examining the effect of those duties, either on the home manufacture, or on the consumer, the quantity of iron made in that section of the country, and in several other remote districts which simply supply themselves, must be deducted. The quantity and price of imported iron can have no effect but on those districts, along the sea border and within a certain distance from it, where it can be carried and comes in competition with the domestic manufacture.

We have not been supplied with sufficient data, to form an estimate of the quantity of American which thus competes with foreign iron. But we know with precision the amount imported; and so far as relates to quantity, the only fact fully established is that, notwithstanding the exaggerated protecting duties which they have obtained, the Atlantic iron masters have not been able to supply the wants of the country ; and that, so far from effecting this object, there has been a progressive increase in the importation of both bar iron and manufactures of iron. Whether the quantity which they do supply is equal to, double, or treble of that which is imported does not materially affect the result, in reference either to agriculture, commerce, or the various and important manufactures of which iron is the material. So long as large quantities of foreign iron are imported, the price of the domestic manufacture has not fallen lower than the amount of the protecting duty added to the price, at which the foreign article might be obtained, if that duty had not been laid ; and the difference in price, which constitutes a national loss and is paid by the consumer, is precisely equal to the amount of that duty. If that duty was reduced ten dollars per ton, the foreign iron would, most undoubtedly, be purchased ten dollars cheaper than it now is.

In order to repel that obvious fact, the parties interested have

been compelled to assert, that the fall of price, which has taken place in foreign iron, is due to the tariff. They insist that the effect of that measure was to cause a decline in the price of American iron, and that the foreign iron masters were thereby compelled to reduce the rate of their previous enormous profits, in order to be able to sell their iron in America. They go still further, and assert, that no sooner had the tidings of the tariff of 1828 reached England, than the owners of forges and furnaces determined, rather than lose the American market, to lower the price of their iron at first four, and then eight dollars per ton. The annual quantity of British bar iron, imported into America during the six preceding years, did not amount to six thousand tons, worth at that time 260.000 dollars. The total amount made in Great Britain exceeded at that time six hundred thousand tons; so that the British iron masters, rather than to lose the profit they might make on a sale of 260.000 dollars, must have determined, by a general reduction of eight dollars a ton, to incur at once a loss of near five million of dollars a year. It is hardly necessary to argue this point. If even the decline of price had commenced in America, it is impossible that any difference, affecting the sale of six thousand tons, could have any effect on the price of a mass of iron amounting to 600.000 and annually increasing. But no fact is better ascertained than that of the gradual and, with the ordinary fluctuations incident to trade, continued fall of the price of British iron. It must be remembered that the tariff of 1828 made no change in the rate of duty on the Swedish and Russian. We are less acquainted with the causes of the fall in their price. The most obvious is the great supply furnished by England to those nations, that have not, like France and the United States, prohibited, or heavily charge her iron; and which must have necessarily lessened the demand for the dearer article imported from the Baltic.

The supposition that the decline of the price of American, instead of being the necessary result, was the cause of the fall of the price of Baltic and even British iron, rests, besides on another supposition, to wit; that the tariff did immediately, and even before any new works had been erected, produce the fall in the price of American iron. This needs no elaborate refutation: but we may be permitted to ask an explanation.

In the beginning of the year 1828, when American iron sold at one hundred dollars in our sea ports, the American owners of forges and furnaces declared themselves unable to compete at least with British iron. Now the importation of neither that, nor of any other of foreign origin, had lowered for a number of years the sale of theirs below that rate; and it is evident that, in asking for further protection, their object was not to cause a fall in the price of their commodity, which, according to all their statements, they could hardly afford at that rate. It was on that account that the additional protecting duty, of seven dollars and a half on rolled iron, was granted; although, at the then existing rate of duty, the interference of that species did not amount to six thousand tons a year. The price of the same American iron has now sunk, for near two years, in our sea ports to eighty five dollars a ton. With this diminution the iron masters are satisfied; the business, as they say, has increased twenty-five per cent. and new works are being erected every where. During that time, neither the price of labor, charcoal, provisions, or other supplies has been diminished. To what cause then is the fall of price to be ascribed? We have heard of no improvement made in the manufacturing process in the charcoal country; but whether this has taken place, or the profits have been reduced, it is equally clear that this might have been voluntarily done without the additional tariff—has been done because the tariff had no effect on the importation—and was forced on the iron masters, by the unexpected fall of price in the British and other foreign iron.

We need not dwell on the injustice and mischievous effects of an exaggerated duty on an article of such general use as iron. It falls upon the farmer, the mechanic, the shipping interest, and on every branch of the iron manufacture, those few excepted which have been embraced by the partial protecting system; and it operates in the most unequal and unjust manner, in those parts of the country, which have no iron of their own, and might be supplied on cheaper terms under a national system of moderate duties. The only reason, why the extravagant duty is not universally opposed, is because the tax thus laid, on the agriculturist and the mechanic, is spread over such an extent of country and falls upon so many, that the amount paid by each, levied as it is indirectly and in small portions at a time, is not generally

understood. Those, who do understand, and feel it, have not individually a sufficient interest in the result, to induce a general and efficient combination. The law has created a monopoly in favor of the owners of beds of ore, who unable to supply the wants of the country, will not permit it to be supplied from other quarters. They may easily combine, and their interest, when compared with that of the mechanics and scattered agriculturists, has, here as elsewhere, been found too powerful. This is so true that, when an equally or more powerful interest was opposed to theirs, they were obliged to yield; and the importation of iron intended for rail roads was permitted under the moderate duty of fifteen per cent. We approve this measure as being founded on the best interests of the country. We only ask, that the same principle be applied to the community at large. There is no other difference between this case, and that of agriculture, or any other important branch of industry, than that, in one case, the amount of the tax, presented as a whole, made its pernicious effects at once visible; whilst divided in the other, amongst fifty thousand individuals, the aggregate, though equal in amount, does not attract notice.

The injurious effect which the duty has on the numerous mechanics employed in the various manufactures of iron, has been so ably and forcibly exposed in their representations to your Honorable body, that we have nothing to add on that subject: but as we beg leave respectfully to refer to their memorials, we must do it with one exception. So far as we are informed, we are induced to believe, that they have over-rated the quantity of iron contained in the hardware imported into this country; an error which, if it is one, does not weaken their arguments respecting the main question at issue. The leading facts are that, amongst the foreign manufactures imported into the United States, hardware, cutlery and all others, of which iron is the material, are exceeded only by those of cotton, woollen and silk stuffs; and that the prime cost of the quantity, annually consumed, amounts to three millions and a half of dollars; whilst that of the bar iron imported from England, whence the manufactures of that metal are almost exclusively imported, does not amount to two hundred and forty thousand dollars. Whatever may be the quantity of bar iron used in the manufacture of the hardware and other articles thus imported,

it interferes equally with American bar iron, whether imported as a raw material, or in its manufactured state. If the quantity thus used does not, as is asserted, exceed nine thousand tons, the prime cost of which is less than three hundred and fifty thousand dollars; the duty which prevents its importation arrests the progress of those branches of industry, which would otherwise convert that raw material into manufactured articles worth three millions and a half. The working men, who are able and willing to apply their labor to this highly desirable and truly profitable object, do not ask your honorable body for any extraordinary protection, but only that the impediments arising from an extravagant protecting duty on the raw material may be removed. There can not be a stronger illustration of the effect produced by the restrictive system, in arresting the natural progress of American industry, and diverting it from profitable to unprofitable pursuits. The remedy proposed by the restrictionists, like that of those legislators, who never can find any other for the prevention of crimes, that to multiply the number of offences for which capital punishments shall be inflicted, is to extend what they call protection, to those who suffer under the pernicious effects of their system. They simply propose to aggravate the evil, and to increase the amount of the national loss and of the tax paid by the consumers, by converting that branch of industry, which can sustain itself, and would prosper, was it not for their interference, into another privileged manufacture, which must be supported at the public expense, and could not then supply the wants of the country.

The average prime cost of the hammered iron imported during the year 1830, was, according to the Treasury statements, fifty seven dollars a ton, or seven dollars less than the average price of the five preceding years. The charges amount to ten dollars; and, with a duty of twenty-five per cent. it could not at that rate be delivered in our sea ports for less than eighty-two dollars. Its average price in New York, during that year was ninety-one, varying from eighty-five to one hundred dollars.

The average prime cost of the various descriptions of rolled iron imported during the same year, was thirty two dollars and a half; the charges may not amount to more than three and a half: its average price in New York, during that year, was seventy-four

dollars and a half. Under a duty of twenty-five per cent. it might at the same prime cost, be delivered in our sea ports at forty-five dollars a ton ; and the inferior qualities at a lower price. The principal and, as it appears, a permanent cause of that reduced price is well known to consist in the comparative price of fuel.

In Staffordshire, seven tons and three quarters of bituminous coal, costing eight to nine dollars, are necessary to convert the sufficient quantity of ore into a ton of bar iron. It appears, by the evidence taken by the committee of manufactures in 1818, that about five hundred bushels of good charcoal, costing twenty seven dollars, was necessary to make a ton of Juniata bar iron. The expense in New Jersey for the same object is stated at forty two dollars. The average difference of cost, between charcoal and bituminous coal iron, appears on that single item to amount to twenty-four dollars a ton. It seems impracticable, that iron made with charcoal can ever compete in cheapness with that made with bituminous coal. To persevere therefore in the attempt, through the means of a duty which exceeds one hundred per cent. on the value, is to impose a perpetual tax on the community for that purpose. It is not a temporary duty, imposed under an expectation that competition will ultimately reduce the price. After every possible improvement shall have been introduced, the utmost skill applied, and the profits been reduced to the lowest rate, the difference of price, arising from that in the price of fuel, will still remain. A happy application of anthracite coal to the manufacture of iron, the discovery of new beds of bituminous coal, the erection of iron works in the vicinity of the most Easterly beds now existing, and the improved means of transportation which may bring this at a reasonable rate to the sea border, may hereafter enable the American iron master to compete in cheapness with foreign rolled iron in the Atlantic Districts. On those contingencies the tariff can have no effect. To persist, in the present state of the manufacture, in that particular competition, and for that purpose to proscribe the foreign rolled iron is to compel the people, to substitute for an indefinite time a dear for a cheap article. It is said that the British imported iron is generally of an inferior quality : this is equally true of a portion of that, which is made in America. In both cases the consumer is the best judge,—has an undoubted right



to judge for himself,—and should not be prevented by any artificial means from selecting the species he prefers. Domestic charcoal iron should confine itself to a competition with the foreign iron made with the same fuel. Since this is of a superior quality, the object here should be to improve the quality. There is no reason why, by using the proper means, American iron made with the same materials may not, for most purposes, compete with that imported from the Baltic, with a protection, which, including charges, would not fall short of twenty-four dollars a ton. In order, however, to lessen the immediate effect of too great a reduction of the duties on rolled iron, your Memorialists would respectfully suggest, that the distinction now made, and exceptionable in other respects, between rolled and hammered iron, should be abrogated; and that an equal duty of about fourteen dollars a ton, corresponding with a duty of twenty-five per cent. on the value of the whole amount of both species now imported, should indiscriminately be laid on every species. This is one of the cases, in which the duties may be arranged with propriety and convenience, without varying materially from the principle of a uniform duty.

Your Memorialists believe, that the ultimate reduction of the price of American, to that of the British rolled iron, can only, and ultimately will be accomplished in that Western region, which abounds with ore, and in which is found the most extensive formation of bituminous coal, that has yet been discovered in any part of the globe; and this also lying so near the surface of the earth as to render the extraction of the mineral less expensive than any where else. But a considerable period of time must elapse, before the wants of a population, that increases with such unparalleled rapidity, can be fully supplied: and in the mean while, the Western country is not in any degree affected by the duties on that article.

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The duties on hemp, flax, and iron are all injurious to the shipping interest. Those paid on a ship of five hundred and seventy-five tons, built in the city of New York in the spring of 1831, were as followeth.

*Hemp*—29. 288 lb. of tarred and untarred cordage \$1 199. 98

*Flax*—3. 337 sq. yards of canvass 333. 70

<i>Iron</i> —22. 612 <i>lb.</i> cables	678. 36
6. 121 <i>lb.</i> anchors	122. 42
Tons 17. 18. 2. 5. in hull and spars near one third Russia, and two thirds English,	576. 77
	<hr/>
	1.377.55
	<hr/>
	total \$2.911.23
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The same duties, on a ship of 518 tons built in Boston, are rated at \$2.653. Adding those on bolts, spikes, lead, paint, oil, &c., which, on a vessel of that class, amount to about \$600, the total amount is near \$6.25 cents a ton. Reduced to a duty of \$14 a ton on the iron, and of 25 per cent. on the other articles, they would amount to less than \$2.25 cents. The extra or protecting duties impose a tax of \$4 a ton on all the ships intended for the foreign trade, that are built in the United States. Those ships may be computed to last ten years; and the tax on the construction, with interest and insurance on the said tax, is equivalent to an annual tax of 42 cents a ton. An equal sum must be added for the extra duties paid on the purchase of new sails; and that portion of the annual expense which consists of articles subject to duty. This annual tax of 84 cents is equivalent to a tonnage duty of more than 56 cents a ton on each voyage, since the whole registered tonnage amounted at the end of the year 1829, to 650,000, tons, and the whole that entered the ports of the United States, during the year 1830, to 967,000 tons. From that indirect tonnage duty, foreign vessels entering the ports of the United States are exempt in whole or in part, according to the system of duties adopted in the countries to which they belong. Those duties are much lower in England; and the vessels of the Hanse towns are not subject to any. It is only by the greatest application of skill and intelligence, as well to all the various branches of industry employed in ship building, as to the art of navigation, that the United States vessels are able to compete with those of every other nation. The symptoms of an unfavorable change, in the proportion between American and foreign tonnage, employed in the American trade, and of an actual diminution in that of American deserves serious attention; and may be fairly ascribed to the pretended protecting system, which imposes on it an annual tax of five hundred and forty thousand dollars, beyond the duty of 25 per cent. amounting to 300,000 more.

The same protecting duties impose a similiar tax on the coasting tonnage, though less in proportion, as the vessels in that branch use a less quantity of taxed articles: it falls on the consumer, but does not materially interfere with the American navigation.

The laws which regulate the coasting trade have, in imitation of those of all other nations, given its monopoly to the American ship owners, without accelerating the increase of its amount. Such is the situation of the United States, in relation to all other countries, that the effect of this monopoly has ever been and continues to be almost nominal. It is believed that the coasting trade of the United States might be opened to all nations, without sensibly affecting the American shipping interest; and it will be admitted that a protection against foreign interference, not greater than that which is extended to every other branch of American industry, or a duty of twenty per cent. on the freight, would in this instance be prohibitory. But the American navigation employed in the foreign trade does not require or ask any special protection, and complains only of that inequality which is produced by the laws of the United States.

It has been asserted, that the growth and prosperity of that navigation were due to the protection afforded by the former discriminating duties on foreign vessels. That protection did not exceed that which, by the then existing duties, had been given to every other branch of American industry; and it is notorious, that its rapid increase, between the years 1793 and 1811, was due much more to the general European war and to the neutrality of America, than to the discriminating duties.

The first complete return of the registered tonnage is that for the year 1790, when it amounted to 346.000 tons. Those returns are generally liable to the same objection as those for the coasting tonnage. The amount of registered tonnage, for the year 1828, was stated at 812.000 tons; when in reality, according to the correction since made at the Treasury, it was but 656.000 tons; and there was an actual decrease of six thousand during the year 1829. In a period of thirty nine years, whilst the population has more than trebled, the American navigation, employed in the foreign trade, has only increased eighty-eight per cent. If we could be tempted to argue in the same manner as some of the advocates of restrictions, we might recur to the offi-

cial returns and assert that, in the year 1801, the registered tonnage amounted to 718.000 and, on account of the treaties of Amiens and Luneville, fell at once in the year 1802 to 560.000 tons: but we happen to know, that the amount was corrected and is truly stated for 1802, whilst that stated, for 1801 and the immediately preceding years, was erroneous and exaggerated. We have also been informed, that the great apparent diminution, from the amount stated for the year 1817 at 809.000, to 606.000 tons in 1818, is owing to a similar correction, which took place in the last mentioned year. We then find that from 1790 to 1793, when the general European war commenced, the registered tonnage had increased from 346.000 to 367.000 tons, or at the rate of 7000 tons a year; between 1793 and 1802, from 367.000 to 560.000 tons, or at the rate of more than 21.000 a year; and between 1818 and 1828, from 606.000 to 656.000 tons, or at the rate of 5000 a year. The comparative rate of increase, during the second of those periods, sufficiently shows the much greater effect, produced by the neutrality of America during a general war, than by any other cause whatever. No comparative inference can be drawn from the period extending from 1802 to 1818, as it embraces years of neutrality, war with England, and of general peace. The increase for those fourteen years was only 40.000 tons; but notwithstanding the general incorrectness of the intermediate returns, they show at least that there had been a continued and great increase, as late as the year 1811, the return for which was, it is believed, also corrected. A still more forcible view of the subject is exhibited in the comparative amount of American and foreign tonnage annually entered into the ports of the United States from the year 1790, to this day; respecting which reference is made to the returns and reports already before Congress.

But the discriminating duties were not at all intended for the purpose of excluding foreign navigation from a fair and equal competition with that of the United States, in the transportation of the objects of commerce between them and foreign countries. Those duties were avowedly retaliatory, and intended for the purpose of inducing those nations to repeal the duties of a similar nature, which they had imposed on the American navigation. Their sole object was "free trade;" and the object has been

attained, because, in that case, the means are adapted to the purpose, in as much as the retaliation operates directly on the subject of contention. Treaties or arrangements, founded on reciprocity and establishing a perfect equality, have been substituted for the discriminating duties, by which that object was but imperfectly obtained. When the complaint is made, that this happy state of things is disturbed, and that an inequality injurious to American industry is the result of the acts of our own Legislature; the restrictionists, who consider their panacea as a universal remedy, coolly answer, that further protection shall, if desired, be extended to the American navigation; that is to say, that, still leaving the evil now complained of to operate, the discriminating duties, which cannot remove it, shall again be re-instated, and the convenient existing compacts shall be abrogated.

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The duties, on woollen manufactures in general, were by the tariff of 1816, fixed at the rate of twenty-five per cent. for the term of three years, after which they were to be reduced to twenty per cent. but this last limitation was in 1818 postponed, till the year 1826. Blankets, worsted or stuff goods, and unmanufactured wool remained subject to the duty of fifteen per cent. ad valorem.

By the tariff of 1824, the duty was raised to twenty-five per cent. on worsted stuff goods and blankets, and to thirty-three and a third per cent. on flannels and baizes of any price, and on all other manufactures of wool, the prime cost of which exceeded thirty-three and a third cents, per square yard. Those not exceeding that price remained charged with the duty of twenty-five per cent. By the same law the duty on wool unmanufactured was raised to twenty per cent. increasing after two years to thirty per cent. ad valorem: but that, the prime cost of which did not exceed ten cents per pound, remained charged with the duty of fifteen per cent.

Wool had never been imported free of duty, and when that on woollen manufactures was being increased by the tariff of 1824, it was natural for the agriculturists, whose interest has in every country so often been sacrificed to the combinations of manufacturers, to seek an indemnity in a protecting duty on the corresponding agricultural product. That fixed by the tariff of 1824

was also below the average rate of duties, and no otherwise objectionable than as a tax on a raw material. Experience however soon proved, that this measure was founded in error, and had depressed instead of promoting the manufacture intended to be protected.

The manufacturers, examined by the committee of manufactures in 1828, generally agreed in stating, that their business was in a more flourishing state before than since the tariff of 1824, and that the unfavorable change was in a great degree due to the increased duty on wool. Some of them asserted, that they could manufacture cloth, as cheap as in England, provided they could obtain the raw material on the same terms. This should it seems have pointed out the true remedy. That adopted by the restrictionists was, 1st, to impose on the lower priced coarse wool, which this country does not produce, and which had been excepted from the provisions of the tariff of 1824, a duty varying, in an inverse ratio of the prime cost, from 90 to 150 per cent. ; and, on all the other species, a duty varying in the same inverse ratio, from more than 50 to 90 per cent. ; and 2ndly. to raise the duties particularly on flannels, baizes and cloth of every description, to a rate corresponding with that on the wool; in some instances, exceeding 200 per cent. ; and on the uniform principle, that the coarsest and cheapest articles should be charged with the highest duty in proportion to their value. It does not appear, that a true and efficacious remedy can be found against that intolerable grievance, without either modifying and considerably lessening the duty on wool, or abandoning altogether the woollen manufacture.

The profit on raising sheep must depend, on the cost of winter feeding, the price of the meat, and the quality of the wool. The severity of our winters gives an advantage, in the first respect, to many countries, and particularly to England. As mutton can be used only as fresh meat, its consumption and price uniformly depend on the vicinity, the number and the population of towns and villages : and that item forms accordingly a much less portion of the profit, in the greater part of the United States, than in most parts of Europe. It will, it is believed, be universally admitted, that sheep cannot be profitably raised in the United States, unless the price of the most common, or what is called native wool, be at least 20 to 25 cents the pound. Flannels

therefore, and the coarser kinds of cloth, never can be afforded at a reasonable price by the American manufacturer, unless the low priced wool, with which those articles are made everywhere else, and which cannot be profitably raised in America, shall be imported free of, or under a very moderate duty. These are the species, which now pay from 90 to 150 per cent. on the value. The prime cost of Smyrna wool, is less than ten, and that of Buenos Ayres less than four cents a pound. They now pay at those rates 9 cents and 6 cents respectively.

It is evident that the only means by which the raising of sheep can be rendered truly profitable, is by improving the breed and the quality of the wool. This is what has been done in Prussia, several parts of Germany, and particularly Saxony, under a climate as severe as that of the Middle States; and in many instances, in districts where nearly the whole profit arises from the sale of the wool. This has also been done without any special protection, and with such complete success, as to rival, and, in the finest kinds, to supersede in foreign markets, the first rate wools of every other country. There is no reason, why the same result may not be obtained in the United States by the same means. There is no reason, why the American farmers, decidedly superior in intelligence and activity, should not succeed as well as the inhabitants of a country, which enjoys no superior advantage in any other respect. All that is requisite is, that they should apply their skill to objects within their reach, and attend to quality rather than to quantity. When through the artificial aid of a duty, which including the charges on importation, amounts in every instance to more than sixty per cent., sheep are suddenly multiplied without much regard to the quality of the wool, the superabundant quantity soon gluts the home market; and, as, so long as no improvement has been made, tending to reduce the cost of production, it cannot be exported with profit, a great and ruinous depression of price necessarily follows. We find accordingly, that notwithstanding the exorbitant duty on importation, the price of American wool, as taken from the New York prices current, was lower in the years 1828 and 1829 and during the first part of the year 1830, than it had been during the preceding years.

<i>Years,</i>	<i>Merino. Cts.</i>	<i>Native. Cts.</i>
1826	35 to 62½ avg. 48	28 to 38 avg. 30
1827	30 " 45 " 40	20 " 30 " 25
1828	30 " 45 " 41	18 " 30 " 24
1829	32 " 38 " 34	18 " 25 " 21½
1830 Jan. Jun.	30 " 40 " 34½	16 " 25 " 19½
" July Dec.	35 " 60 " 46	20 " 30 " 25
1831	35 " 70 " 54½	20 " 35 " 27½

The late rise will not from present appearances last long, and frequent depressions are the necessary consequences of an illusory encouragement and a single and limited market.

When we are told, of the consumption of woollen goods in the United States amounting annually to sixty or seventy millions of dollars, this includes, not only all that is imported, but that large quantity of household manufactures, with which five sixths of the population of the United States, at least North of the Potomac and of the Ohio, have always been clothed. These, made of the native wool within the families of the farmers, are in fact "so much saved," and far more important, useful and profitable than all the recent factories: but they are neither affected by the price of wool, nor form any part of the home market for it. The following table shows the average annual value of the imported woollen goods of every description, which have been consumed in the United States during the last ten years viz:

<i>Years.</i>	<i>Flannels.</i>	<i>Cloths&amp;Cassm.</i>	<i>All other.</i>	<i>Total.</i>
1821—1824,	\$	6,002,000,	2,986,000,	8,988,000,
1825—1828,		639,000,	4,378,000,	3,849,000,
1829—1830,		189,000,	3,224,000,	2,708,000,
				6,121,000,

The manufacturing establishments cannot, at most, have increased their supply beyond the void occasioned by the decrease of foreign imports, or about three millions of dollars a year; and probably much less, as it is highly improbable that, under highly increased prices and with substitutes at hand, the consumption of woollen goods should not have been considerably diminished. If they have superseded any portion of the household manufactures, this has not increased the quantity of wool required. That wanted for the increased supply of three millions of dollars worth of imported goods, chiefly broad cloths and cassimeres, and which the manufacturers probably sell for one million of dollars more



than the imported articles would have been sold for under the former twenty-five per cent. duty, cannot exceed six millions of pounds, of which one million a year was still imported in the years 1829-1830. Five millions of pounds is therefore the utmost amount of the increased supply of domestic wool, for which the manufacturing establishments have given a market since the year 1824.

The object of the woolgrowers is that this market should be enlarged ; but this cannot be done effectually unless the domestic manufacture is firmly established ; and for that purpose it is necessary, that the raw material should be obtained on reasonable terms. To enhance its price, by persevering in the existing exorbitant duties is not less inconsistent with sound policy, than with justice. It is impossible that the present system, of minimums can be sustained ; and it is the true interest of all the parties concerned, that the duties on wool, as well as on the manufactures of wool, should be considerably reduced. A domestic manufacture may often be advantageously prosecuted, though the raw material should at first be procured from abroad. Throwing mills are already established, which are employed on foreign silk. It is not perceived, that there is any more difficulty in establishing silk than woollen manufactories ; and if this was successfully attempted, it would be a most wretched policy, to lay a duty on foreign, in order to encourage the cultivation of domestic silk, although every one acknowledges the practicability and great importance of adding this to our agricultural products. The value of the hide and raw skins imported free of duty, and consumed in the United States, has for the last nine years exceeded 1, 800, 000 dollars a year. It is evident that if, in order to protect the raising of American cattle, by giving an additional value to the hide, a high duty had been laid on these imported, the domestic manufacture of leather in all its branches, instead of being in its present flourishing state, would have been most materially injured ; and we should have been obliged, either to import from Europe, or to purchase at an exorbitant price all those articles which it now supplies at a moderate rate. The reduction in England of the duty on foreign wool, to four cents a pound, has caused a fall in the price of woollen goods, without injuring the wool grower at home. The free introduction of the species not raised here would, by encouraging the manufacture generally, ultimately enlarge the market

for the domestic wool. It is the only way to introduce the manufacture of blankets, and to reduce the price of home made flannel and of the coarser species of cloth.

The manufacturers asserted in 1828, that they were materially injured by an extraordinary influx of foreign goods, which has been shown not to have taken place, and by presumed frauds on the revenue, of the existence of which at that time, no evidence has ever been given; And they declared, that the domestic manufacture could not be efficiently protected, unless the imported woollen goods were charged with a specific duty. The extraordinary system of minimums grew out of that suggestion. By the tariff of 1828, the duty on blankets and hosiery was raised to 35 per cent. ad valorem; worsted goods remained at 25; a specific duty was laid on carpets, equivalent to an ad valorem duty of about 60 per cent. and that on ready made clothing and on the other woollen manufactures, the prime cost of which exceeds four dollars the square yard, was increased to 50 per cent. on the value. All the other manufactures of wool, or of which wool is a component part were divided into five classes, on which, (although the name of a duty of 45 per cent. ad valorem was preserved) the following specific duties per square yard were respectively laid.

1. On those except flannels and baizes, the prime cost of which, does not exceed 33 1-3 cent the square yard,	\$	Cts.	14
2. On all flannels and baizes, the prime cost of which does not exceed 50 cents, and on all other goods the prime cost of which is from 33 1-3 to 50 cents the square yard			22½
3. On all those, the prime cost of which is from 50 cents to one dollar the square yard			45
4. On all those, the prime cost of which, is from one dollar to two dollars and a half the square yard,	\$1		12½
5. On all those, the prime cost of which is from two dollars and a half to four dollars per sq. yard,	\$1		80

Those several rates are equivalent to ad valorem duties varying in the first class, from about 80 to 42 per cent. in the second, including baizes and flannels, from 200, in the third from 90, in the fourth from 112½, and in the fifth from 72, to 45 per cent. The duty is in each class invariably laid in inverse ratio of the prime

cost ; that is to say, that in each class respectively, the lowest priced cloth is charged with the highest duty. Flannels and baizes were excepted from the first class, in consequence of which the cheapest sorts are charged with a duty equivalent, on the low priced flannels, to one hundred, and on the cheapest baizes, to more than two hundred per cent.

It is easily perceived, that the true object of that outrageous system was not, as was alledged, to prevent frauds but to give to the manufacturer the exclusive monopoly of the lower priced wollen goods in each class respectively. So far from preventing frauds on the revenue, the temptation to commit them has evidently been greatly increased by that system : and there is the same difficulty, in determining by an appraisement the class to which the imported article belongs, as there was before, in ascertaining the value. Specific duties can be laid only on commodities, which are nearly of the same value, or between the several species of which, there is an obvious and distinct difference.

The woollen tariff of 1828 is the master piece of the ultra restrictionists, and exhibits all the worst features of the system. The most conspicuous is the total and *blind* disregard for every other consideration, for any other interest, but that of the privileged manufacture. After having made certain classes at random, without the least inquiry whether the manufacturer was able or prepared to supply the species in each class, of which that arrangement gave him the monopoly : after having sacrificed without mercy the poorer classes of Society, and compelled the less wealthy in each class to purchase the more expensive kinds of cloth, which coming nearer the minimum could alone be imported : after having blindly neutralized, by the exorbitant duty on wool, the benefits intended to be conferred on the American manufacturer : it is not astonishing, that no attention should have been paid to the vexations and losses imposed on the American importer, to the comparative advantages resulting to the foreign importing manufacturer, and to the demoralizing effect of the law.

The return of a general peace necessarily gave to the subjects of foreign nations a share in the importing commerce of the United States. The British manufacturer particularly is eager to send abroad, without calculating or regarding the wants of the country to which he exports, all the goods for which his home

market and the regular foreign demands do not afford a vent ; and which he cannot without great injury to himself keep beyond a certain time. This irregular trade promoted, and in its turn has been greatly encouraged by the general system of public auctions. The importations from England were, before the tariff of 1828, about equally divided between the American importer and the British manufacturer, who, though the whole amount of the woollen branch is curtailed, engrosses now more than two thirds of what is still imported. This was an unavoidable consequence, both because he pays less regard to the loss arising from an improvident importation, and on account of the strong temptation, under the system of minimums, to undervalue the merchandize.

Under moderate duties, ad valorem, frauds on the revenue of that description are rare, because a great alteration is easily detected, and the illegitimate profit made by one, that may escape detection, is inconsiderable. But when, by such, as the most vigilant and skilful appraisers, or other officers, find it extremely difficult to ascertain, and respecting which, they often differ, the goods are thrown into the next inferior class, and a profit of one dollar made on the running yard of broad cloth ; those over whom we have no control, and who may be destitute of principle will make the attempt.

With the most earnest desire that frauds should be prevented, your Memorialists will however observe, that the effect of those, which have been committed, and which they have no wish to disguise, has not been to reduce the price of the goods, and in that respect to lessen the protection given by the tariff to the manufacturers. The amount ascertained is comparatively small, and the cloths fraudulently under-rated, have been sold at the same rate as those of similar qualities, which were fairly imported. These have been sold with some profit in spite of the high duty ; and no other general reduction in the price of woollen goods has taken place in the United States, than that which has been the consequence of the fall, during the two last years, in the price of the British manufacture ; a fall due to the combined effect of a lessened demand and of the free importation of foreign wool in that country. But the existing laws are, under the protecting system, equally vexatious to the fair importer and inefficient for the prevention of fraud.

The great revenue, derived from duties on imports, had heretofore been collected with facility and the utmost fidelity. This result, almost exclusively due to the probity of the American merchant, to the sanctity of oaths, and to the moral feeling of the country, does not seem to have been sufficiently appreciated. The new regulations are general: each package must contain none but goods of the same value; but passing over this and others of a similar nature, which can hardly be carried strictly into effect, the American importer of the most unblemished character is liable to the insufferable grievance of having his goods subjected to a critical and very uncertain appraisement of their presumed value abroad, after having been required to declare, under the solemnity of an oath, the price at which they were actually purchased. On the other hand, merchandise is imported on foreign account to order, as it is called, when the nominal consignee can only certify, that he has no other invoice, than that produced at the custom house, and nothing is required from the owner or his real agent. It is impossible to place reliance on the valuation given by parties interested, over whom personally neither the laws nor public opinion have any control, and who are not bound to the country by any tie of patriotism, or common interest. The requirement of oaths and the system of appraisements are irreconcilable. If no other remedy can be devised, it would be preferable, either to have all the imported merchandise appraised according to its value, in the port of importation; provided uniformity of valuation in the several sea-ports can be secured; or, as is said to answer the purpose in other countries, to let the importer declare the value, with the reserved right to Government, to take the goods at a small advance upon it.

These difficulties might all be avoided by an abandonment of the system of high duties. Yet frauds may be prevented by a rigorous inspection, and provision may be made against mere evasions. There can be no difficulty, in preventing the importation, by a merchant, of bar iron under some disguised name or form, or by a manufacturer, of ready dyed wollen yarn, which happens to pay a less duty than wool. What is only an imperfection in the system may be corrected. But there are certain limits in the rate of duties, which no Government ever can exceed with impunity. If fraud has been suppressed, smuggling

invariably takes place, whenever the risk of seizure, added to the ordinary charges of importation, is less than the difference between the respective prices at the place whence imported, and that at which the smuggled article is delivered. That risk is calculated in the same manner, and with more certainty, than that of capture in time of war. In all countries where the prohibitory system prevails, the business is properly sub-divided and carried on, as regularly as any other : and the advance, paid by the importing merchant on the prime cost, is known to every body; and designated by the name of "premium on contraband." The insular situation of Great Britain and the "preventive service," in which a portion of her naval force is employed, have not protected her against that evil, to which no efficient remedy can be found, but a reduction of the duty. We may affirm, from an authentic source, that, according to the calculation of those who have the best means of information, not more than one half of the French brandy consumed in England pays the duty.

In France, the number of persons employed in the collection of the customs, consisting principally of inspectors, or tide-waiters, or those who perform the same duties on the land frontier, has been officially stated to amount (deducting 3000 employed on the salt excise) to more than twenty-three thousand. The premium on smuggling generally varies, according to the value of the article, from five to twenty-five per cent. It has been repeatedly acknowledged, and its amount stated, by the organs of the Government in their official communications to the Legislative body. More than four fifths of the finer sorts of spun cotton, used in the French fabrics of muslin, are smuggled from abroad ; and Government, as a proof of its vigilance, asserted on one occasion, that the premium paid by the manufacturer had been raised, on that article from 25 to 40 per cent. It may be, added, that fifty years ago, the number of persons employed in suppressing contraband in France amounted as now to 23,000 ; and that a minister, who, so far from belonging to what is called the modern school of theorists, was desirous to prevent as far as practicable the introduction of foreign manufactures, considered a duty of fifteen per cent. ad valorem, as the limit, beyond which illicit importations could not be prevented. The facts are notorious, denied by no one, and occur, whenever the duties are

too high. If inquiry is made why then a duty equal to the premium is not substituted, the uniform answer is, that the combination of the persons interested is too powerful ; in England the West India interest and the Scotch distilleries ; in France, the union of the various manufacturers, and sometimes of certain descriptions of land-holders. Thus, when it was lately suggested by the iron masters of the Northern departments, that the prohibitory duty on iron might be reduced, provided that on the coal of Belgium was repealed, this was successfully opposed by the owners of forests in the vicinity and of distant coal mines ; who declared that no measure could be more ruinous to France : whence it may be concluded, that the acquisition of Belgium would have been a great calamity to her. But if it is asked, why the manufacturers prefer the prohibition, to a duty equal to the premium on smuggling ; it is because they know, that the amount fairly imported is, on payment of the same duty or premium, always greater than that which is smuggled ; and that, callous to any other consideration than their own interest, they are careless of the effect produced on the habits of those actually employed in smuggling, and on the moral feeling of the community. Those habits may engender as many crimes as the game laws ; custom-house oaths may be daily violated and become a by-word ; still the prohibitory system must be preserved.

The extensive land and sea frontier of the United States offers more facilities for smuggling, than are found in almost any other country ; and unless sustained by the community, Government will find itself unable to prevent it. Public opinion and reverence for the law may for a short time prevent the evil from reaching its full extent ; most American merchants would rather withdraw from business, than receive goods on which the duties had not been paid. But their place will be filled by others less scrupulous. If cupidity could induce even Americans to engage in that most nefarious of all pursuits, the slave trade ; adventurers will never be wanting to carry on an illegal trade, whenever it ceases to be disgraceful in public opinion. It affords no apology to the offender ; but Government is responsible for the offences, which are the necessary consequences of its legislation : and that system cannot be too much reprobated, which has an unavoidable tendency to corrupt the moral feeling of the community.

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The cultivation of sugar, in Louisiana, was not due to any special protection, but grew out of that which was incidentally given by the revenue duty of two cents and a half per pound. An additional encouragement was unfortunately given in 1816, by raising it to three cents. Whatever may be the difference of opinion on that subject, the statements given by the planters and laid before Congress are perfectly fair and give all the necessary information. It appears clearly that, with the exception perhaps of the most Southerly part of the State, the climate renders that cultivation so precarious, that without the assistance of a protecting duty, it cannot be carried on profitably. The expenses, even in seasons that were not unfavorable, are stated at three cents and a half a pound. The great value assigned to the capital laid out, and which consists almost exclusively of land and slaves, is clearly due to that particular cultivation and to the duty in which it originated. But if that value was even reduced to one half of the estimate; if the slaves, instead of six hundred, were only valued at three hundred dollars, which was probably the price actually paid by Louisiana, it appears quite improbable that, with the exceptions already made, the profits should be sufficient to enable the planter to persevere without the assistance of some duty, in raising sugar, during the general depression in the price of that commodity.

The annual average quantity of imported brown and clayed sugar, on which the duty was collected, during the years 1826—1830, amounts, after deducting the drawbacks, to sixty-five millions of pounds. The average crop of Louisiana, during the same period of years, does not appear to have amounted to sixty millions. There is not the slightest probability that the quantity wanted, for the consumption of the growing population of the United States, can at any time be supplied by Louisiana, and the other districts, where the cultivation of the sugar cane may be forced. Should it reach that point by a temporary increase much more rapid than that of the population, it would be but for a short period. But, not even during such period, or at any other time, would the price paid by the community be reduced, since this could only be effected by a reduction in the cost of production, which is impracticable.

The question therefore is, whether, when this high duty is no



longer wanted for the purposes of revenue, a tax amounting now to one hundred per cent. on the value, and in the whole to more than two millions of dollars, on an article of food, which as a necessary of life, stands next to bread and meat, shall be laid in perpetuity on the people of the United States; in order to render the labor of 20,000 slaves more profitable to their owners, than if applied to some other species of cultivation, or than slave labor is in any other state. It must be admitted, that the repeal of the duty would be ruinous to those who have made investments in lands and slaves, since the artificial rise in their value has taken place; but that is the whole extent of the evil. It bears no comparison with the National loss paid by the consumer, which a continuation of the duty would perpetuate. It would in this, as in many other cases, be much cheaper to indemnify the parties interested, than to persevere in fostering a branch of industry, in the prosecution of which, to use the expression of the planters, they are "warring against nature". It is not however proposed to repeal, but to reduce the duty to a rate nearly approaching that of a general uniform duty ad valorem; and in doing this, we would not take as a criterion the present depressed price of sugar; a price which appears to be, even in the West Indies, below the cost of production.

According to the Treasury statements of commerce, the average price of imported brown sugar, at the places whence imported was

in 1830,	5 cents.
in 1829,	5½ "
in 1828,	6 "

Assuming six cents, as the medium and remunerating price in the West Indies, an ultimate but gradual reduction to one cent and a half per pound would considerably lessen the injury to those, who relying on a continuance of the duty, have made investments at the elevated artificial prices due to it; and might probably permit the owners of the plantations most favored by soil and climate, to continue the cultivation of that product.

The prime cost of both salt and coal is, according to the official statements for the year 1830, twelve cents and a half a bushel. The duty is therefore for the first eighty, and for the last, near fifty per cent on the value. Both are necessaries of life and used in quantities nearly equal, by the poor and the rich. Salt

is essential to agriculture. The duty falls almost exclusively on the greater portion of the inhabitants of the Atlantic States, and its repeal would affect no other interest, but that of some considerable establishments, in a few places on the sea shore. The imported bituminous coal may be applied to uses, for which the anthracite has been found unfit; such as several manufactures, the steam-boat navigation, and iron works on or near tide water. The duty now falls exclusively on the Northern sea-ports, particularly New York, and is most oppressive on the most indigent class of society. The only objection to a reduction of the duty, to a rate corresponding with the value of the article, arises from its effect on the proprietors of the mines of anthracite coal, and on the companies, which have invested large capitals in the construction of roads and canals for its transportation. A duty of twenty-five per cent. and the freight, which if the importations are from Nova Scotia, or in large quantities from England, cannot be less than ten cents a bushel, would give them all the protection, to which they are fairly entitled. We wish every possible success to the laudable spirit of enterprize, by which they have been animated; but to prevent the reduction of the price of fuel to the poor, in our large cities, because extensive beds of coal have been happily discovered at home, appears to us a most strange and unjust extension, even of the restrictive system.

The principal commodities, which have been selected for special protection, iron and all the coarser woollen articles of clothing, are, as well as salt, coal and sugar, essentially necessary to all classes of society. The duties laid on such commodities fall therefore, much more heavily in proportion to their means, on the less wealthy classes: and it has been already seen with what singular ingenuity, that on woollens has been so arranged, as to make the poor pay, in every instance considerably more than the rich, on the value of their necessary clothing. This your Memorialists consider to be, in its practical application, one of the most obnoxious features of the restrictive system. And it is principally for the same reason, that they pray, that the duties on wines, teas, coffee, fruits, spices, silks and other articles, not being raw materials, which it is presumed cannot at least at this time, be produced in the United States, may be subject, in proportion to their respective value, to the same rate of duties as other foreign commodities.

It is truly remarkable, that it should in the United States be necessary to pray, that, whenever the public exigencies permit it, luxuries should be subject to duties at least as high as articles of general and equal consumption. A temporary departure from that principle can only be ascribed to that zeal, which with a single eye to a favorite object, loses sight of every other consideration. The annual average value, of the wines and silks consumed in the United States, amounts to about seven millions of dollars, or one eighth part of their whole consumption of foreign articles. It will not be denied, that both are, strictly speaking, luxuries, and in this country used exclusively by the rich. Teas and coffee are indeed used by all classes, but as luxuries by the poor, and in very small quantities by them, or out of the towns, if compared with the consumption by the wealthier classes. Of 5,700,000 pounds of tea, the annual consumptions of the years 1827-1830, less than 80,000 pounds consist of bohea, and less than one fourth part of the whole of bohea and souchong.

The whole annual consumption is little more than half a pound for each individual. Every man, in easy circumstances, may calculate how much greater than that proportion is the consumption of his family and who would be relieved, by taking away the duty altogether. In this view of the subject, the question is not simply, whether the duties on those articles shall be repealed or reduced; but whether the reduction shall apply exclusively to them, whilst those on articles of equal consumption, shall be preserved, instead of making a general reduction, which shall render the duty uniform on all. If the duties on wines, silks, teas and coffee, were repealed, or reduced below the common average, whilst those of fifty to a hundred per cent. on iron, salt, coal, sugar and coarse clothing were preserved; every substantial farmer, or mechanic, would pay more actually than men who have an income of five thousand dollars a year; and with respect to the poorer classes, the tax levied on each individual would increase in proportion to his want of means. Your Memorialists are aware, that, this is not the object of the friends of the restrictive system, but the unavoidable consequence of the system itself. It is because the present tariff gives a special protection to some particular favorite branches of industry, that it is necessarily unequal in its operation, imposes burthens on many for the benefit of

the few, and is more oppressive upon the poor, than upon the rich.

It is well known to your honorable body, that the tariff system is believed to be unconstitutional, by a numerous and respectable portion of the American people, including probably a majority of the citizens of the Southern States. Your Memorialists do not all unite in that opinion; but they assert, that the system is at variance with that spirit of justice and mutual concession, in which the Constitution was conceived and adopted, and that it operates unequally and unjustly upon those parts of the United States, which supply the greater portion of the National exports, and are less adapted to the introduction of manufacturing establishments.

The restrictive system lessens the amount of the foreign products which would otherwise be imported. It has therefore an immediate tendency to lessen the ever corresponding amount of exports. The avowed declarations of those who are benefited by it, and their general proscription of the trade with foreign nations, announce that such is their object. Retaliations, however unwise, may be provoked by a hostile course of legislation. It cannot be doubted, that a great diminution of the exportations will be the necessary consequence of persevering in that system; to the manifest and great injury of those States, which export most, and have no other resources than those exports.

The inhabited part of the United States embraces a territory, more extensive, and differing more in climate, than the whole of Western Europe. A necessary and great difference must arise between the branches of industry, to which the several portions of that territory are respectively best adapted. This difference is still more increased by that in the nature of the population. The Southern States have always confined themselves almost exclusively to the cultivation of the rich products of their climate. This is the only advantage they enjoy, and they owe it to nature. As they make but few, they consume a much greater proportion of manufactured articles, imported from other States, or other countries. That system therefore, which enhances, beyond measure, the price of those objects of necessary consumption, operates most unequally and unjustly upon them. They are forbidden to sup-

ply themselves, on the cheapest terms consistent with the revenue necessary for the exigencies of Government. As the greatest consumers, they must not only pay a greater share of the duties requisite to defray the necessary national expenditure, but they are compelled to pay the enhanced price occasioned by the protecting system. That system cannot be extended to them. They find in it no indemnity, no compensation, for the injury which it inflicts upon them. They have not, they cannot, in self defence, erect manufacturing establishments. The nature of their population forbids it. Whether from colour, or situation, is immaterial; the great mass of the working population, of the Southern States, is inferior in activity, skill and intelligence, to that of the other sections of the Union. Where such important and indelible differences do exist, each part should be permitted to enjoy its natural advantages: and that legislation is unjust, unequal and oppressive, which attempts to confer doubtful benefits on the one, at the expense of the other.

It is idle to say, that the Southern States find a compensation, in the general advantages, in the increased wealth resulting to the Union from the protecting system. The fallacy, of those pretended advantages, has been sufficiently exposed. But admitting their reality, they are, according to the doctrines even of the restrictionists, derived from the losses sustained by the consumers of the South. The duties on the iron, the woollen manufactures, the sugar, the salt, and all the other privileged articles which they consume, give no additional activity, or employment, to their labour. The amount of their products remains the same, and their value may be lessened; they pay more and receive nothing. In order that they might be placed on an equal footing with their fellow citizens, in order to enable them to erect manufactures, they stand in more need of a tariff against those of the Eastern States, than the Eastern States against those of England. From that weapon of self defence, they deprived themselves, in adopting the Constitution of the United States. It cannot be deemed consistent with justice and that spirit of mutual concession in which the Constitution was conceived and adopted, to convert that complete freedom of internal trade, secured by it to the several States, into a weapon of oppression upon those which, from uncontrollable circumstances, cannot compete with others in particular

branches of industry. Is there any substantial difference between the British Government forbidding its American Colonies to trade with other nations, and to purchase any but British manufactures; and the adoption of that pretended American system, which compels one section of the Union to resort exclusively to another section, for its necessary supply of manufactured articles?

Your Memorialists are aware, that it may be urged, that whilst the exports of the Southern States have been increasing without interruption, those of the Middle and Northern States, though fluctuating in value, have for forty years been nearly stationary as to quantity. Whenever the demand for the articles of food, which constitute by far the greater part of those exports, ceased to increase in the same ratio as the population, it became not only useful, but absolutely necessary, to apply to new objects a portion of the industry of those States. They must, otherwise, have grown daily poorer and been deprived of the comforts which they had till then enjoyed. The Southern States might be asked, in that spirit of concession and compromise to which they appeal, not to oppose a course of legislation, intended to encourage the establishment of manufactures, which has become a matter of necessity in those parts of the Union, less favored by nature than themselves.

The facts are admitted, and the Southern States did not wait for that appeal. The compromise took place, the concession was made, from the time they consented, that the whole, or nearly the whole, of the public revenue should be raised by duties on imports. Unable to compete with others in manufactures, it was clearly their interest to purchase those they wanted, whenever they might be obtained on the cheapest terms, and that a part at least of the revenue should be derived from other sources. They voluntarily yielded the point, and submitted cheerfully to duties, amounting, on an average, to 40 per cent. whilst they were wanted to discharge the public debt. That object could not have been effected, without resorting to direct taxation, had not the foreign trade supplied the means. The taxed imports, which have paid the debt, have been purchased with the national exports; and of these, the oppressed States have supplied two thirds. Now that the object has been accomplished; after the manufacturing districts have during forty years enjoyed the incidental but not less effi-

cient benefits of that mode of taxation, when the Southern States acquiesce in the continuance of the same system, on a scale proportionate to the exigencies of government : is it just, is it equitable, to aggravate instead of lightening, the burthen ? and can this additional sacrifice be expected from them ?

But no special protection, beyond the ordinary revenue duties, has been, or is, necessary for the introduction of the manufactures, required by the wants of the country. The annual average value of the imported merchandize, paying duties ad valorem, in the years 1798—1801, amounted, after deducting those exported with benefit of draw-back, to 33.747.000 dollars. Deducting about 950.000 dollars, on account of articles exported, that were not entitled to draw-back, and of the fruits, spices and some other minor items; not then charged with specific duties, the residue amounting to 32.800,000 dollars, is the value of the foreign manufactured commodities, annually consumed, at that time. The annual average value of the imported goods, paying duties ad valorem, during the years 1821—1826, taken from the annual statements of commerce, amounted after deducting the re-exportations, to 32.910.000 dollars. To this must be added, first 2.700.000 dollars, being the value of the iron and manufactured articles, which then paid duties ad valorem, and now pay specific duties ; secondly, 7.000.000 dollars, being the difference between the present value of the cotton goods now imported, and that of the same quantity in the years 1799—1801. The increase therefore during that period of twenty-three years, amounts to about 10.600.000 dollars, or to less than thirty-three per cent. and that of the domestic exports will be found to have been thirty-five and a half per cent. During the same period, the population of the United States has more than doubled.

It will not be denied, that the people of the United States were at least as well supplied, in the year 1824, as in the year 1801, with clothing, furniture and every species of manufactured commodities. A population, twice as great, in order to be equally well supplied, required twice the amount of such articles. And since the value of foreign goods of that description, consumed in the United States in 1824, amounted only to 42.600.000, instead of 65.600.000 dollars, the difference must necessarily have been supplied by domestic manufactures. Not only those,

which were established in 1801, must have increased in a ratio equal to the increase of population, but by a further quantity amounting to 23,000,000 dollars. The annual amount of foreign manufactures had during that period, and prior to the tariff of 1824 and 1828, been lessened more than one-third, in proportion to the population.

The actual increase of the domestic manufactures cannot be precisely ascertained, since the actual amount in 1801 is not known; but the limits of that increase may be correctly estimated. From the imperfect data obtained in the year 1810, it appears certain, that the amount, in the year 1801, did not exceed one hundred, or fall short of sixty millions of dollars. The domestic manufactures formed, therefore, from two-thirds to three-fourths of the total amount of the manufactured commodities consumed. The total amount consumed in the years 1821-1824 exceeded 265,000,000, according to the first supposition; and 185,000,000, according to the second. Deducting, in both cases, the amount of foreign goods, annually consumed in those years and amounting to 42,600,000 dollars, the increase of domestic manufactures would have been, in twenty-three years, 123 per cent. in the first case, and 138 per cent. in the second. We have a moral certainty, that it was within those limits; and that the amount of foreign manufactures was, in 1824, from one-fifth to one-sixth; whilst it was, in 1801, from one-third to one-fourth of the whole amount of manufactured commodities consumed.

Proceeding in the same manner, it will appear, that without any such special protection, as that of the tariffs of 1824 and 1828, the total value of the manufactures consumed in the United States, in the year 1847 will probably be 450,000,000, of which the domestic manufactures will form seven-eighths, and foreign merchandise no more than one-eighth part. In all probability, the increase of domestic manufactures will be greater in proportion, during that period of twenty-three years, than during the next preceding; since there will be more skill and experience, a more dense population, and a greater proportionate capital.

The principle is indisputable, and if there is some error in the numbers, it will no otherwise affect the result, than that it may take place a few years sooner or later. But that result, with a



population so active and intelligent, is certain. The question is only one of time ; and admitting for the sake of argument, that the protecting system has a tendency to accelerate the establishment of manufactures in general, all that can be gained by it is, that the same necessary result may be obtained a few years earlier.

A uniform and moderate duty does not derange the natural order of things ; and, instead of sustaining, by artificial means, certain manufactures, for which the country may not be prepared, at the expense of the community, and particularly of the poorer classes, to the detriment of other manufactures, and to the great injury of some parts of the country, it will encourage and successively promote, the various branches of industry best adapted to that state of Society, and to the circumstances of the different parts of the Union. A maximum duty of twenty-five per cent. added to the charges on importation, will give to the manufactures that may require it, an actual protection of thirty-five per cent. An efficient system, that will prevent frauds, and, as far as practicable, check irregular importations on foreign account, will insure to the manufacturer the legal protection to its full extent ; and, given in a true spirit of compromise and conciliation, it will have that stability, indispensable to him, on which he never can rely under the present system.

Your Memorialists beg leave here to observe, that whilst they have considered a duty of twenty-five per cent. as the highest that should, in any case, be allowed, they have not pretended to assert, that the average duty, required for the exigencies of Government, should be twenty-per cent. on the value. If they have adopted that rate in their calculations, it has been only in order to meet any determination, that may be taken by your Honorable body on the amount of the revenue, which should be provided, and any difference of opinions respecting the probable amount of importations, and the consequence productiveness of any given per centage. In their own opinion, the average duty actually required would fall far short of twenty per cent.

After having given the fullest consideration to this important subject, your Memorialists have not been able to perceive any other objection to the immediate adoption of the plan, which they have respectfully suggested, than that which arises from vested interests. These are entitled to respect only because they

do exist; and not on account of any presumed legislative pledge, which no Legislature could give, and which, if so intended, your Memorialists altogether deny to be, in any degree, binding upon subsequent Legislatures. Your Memorialists have accordingly been instructed to express the willingness of those, in whose behalf they address your Honorable body, to acquiesce in such an interposition of the legislative power, as shall be prospective in its operation; thereby avoiding any sudden revulsion, which might operate with undue severity on the manufacturing interest, but leading to the desired result, with the least possible injury to the interests, which have grown up under the existing system of protective duties.

Your Memorialists trust, that the temporary and doubtful advantages ascribed to the tariff system, and which may perhaps accrue to some particular districts, will not be permitted to outweigh considerations of a far more important character. It may justly be expected, from the patriotism of those who calculate upon such local advantages, that they will not insist on what is manifestly unjust, and persevere in a course, which disturbs the peace of the country, and alienates the affections of a numerous portion of their fellow citizens.

Let it be recollected, that the system is in itself an infraction of an essential part of the liberty of the citizen. The necessity must be urgent and palpable, which authorizes any government to interfere in the private pursuits of individuals; to forbid them to do that which in itself is not criminal, and which every one would most certainly do, if not forbidden. Every individual, in every community, without exception, will purchase whatever he may want on the cheapest terms within his reach. The most enthusiastic restrictionist, the manufacturer, most clamorous for special protection, will, each individually, pursue the same course, and prefer any foreign commodity, or material, to that of domestic origin, if the first is cheaper, and the law does not forbid him. All men ever have acted, and continue, under any system, to act on the same principle. It is impossible, that they should universally act in that manner, unless it was evidently their interest so to do. The advocates of the tariff system affirm, that what is true of all men, individually, is untrue, when applied to them collectively. We cannot consider the adherence of enlightened nations to regulations of that descrip-

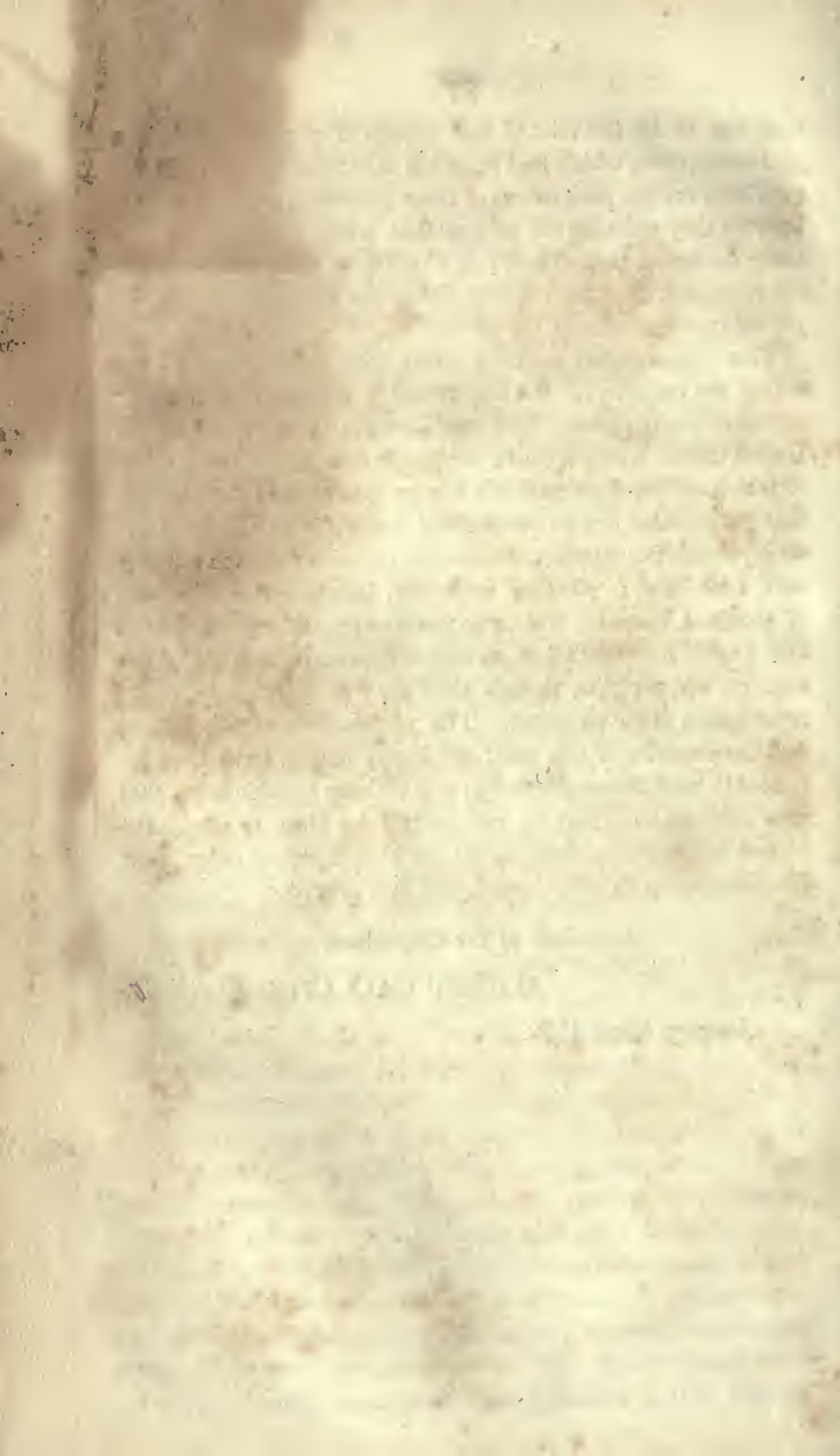
tion, but as the last relic of that system of general restrictions and monopolies, which had its origin in barbarous times. If the corn laws are the most odious of those protecting monopolies, it is because they enhance the price of that, which is still more essentially necessary than sugar, salt, clothing or fuel ; and we may safely predict, that their repeal will be the first result of an improved representation of the people.

Your Memorialists are fully aware, that acquiescence in the will of the majority is the indispensable condition of a representative government. The true problem to be solved in the United States, is not, whether the people can govern themselves, of which not the slightest doubt can be entertained ; but whether that government can be successfully applied to an extensive territory, embracing interests, which must occasionally be in collision with each other ; whether majorities, formed by combinations of sectional interests, will be so governed by a sense of justice and a spirit of conciliation, as not to oppress those parts of the country, whose rights, though they may be a minority, ought nevertheless to be respected. The permanence of the Union, and the destinies of this great and happy nation, have been intrusted to your Honorable body ; and with an humble hope, that your deliberations may be enlightened by Him, to whom the United States are indebted for all the blessings they enjoy, your Memorialists as in duty bound, will ever pray, &c.

In behalf of the Committee,

ALBERT GALLATIN, *Chairman.*

*January 23rd, 1832.*



- page 8. line 13 for *million* read millions.  
13. 2. for *have purchased*, read have been purchased.  
30. 10. for *to foreign*, read for foreign.  
33. 6. for *to*, read for.  
" 18. for *to*, read for.  
34. 12. for *but corrections* read but those corrections.  
35. 3. for *seven*, read three.  
" 7. from bottom, for *principle*, read principal.  
36. 2. for *have*, read have had.  
" 16. for *detered*, read deterred.  
37. 1. *dele* the.  
40. 4. bottom, for *westean*, read western.  
54. 11. for *manufacturers*, read manufactures  
56. 18. for *million* read millions.  
57. 6. bottom, for *national* read rational.  
59. 18. for *that* read than.  
61. 30. for *rapidity*. read rapidity  
63. 1. for *similiar*, read similar.  
69. 10. bottom for *these*, read those.  
82. 27. for *in was*, read it was.  
84. 4. for *tariff*, read tariffs.  
85. 8. from bottom, for *consequence*, read consequent.





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