

SPEECH

OF

HON. ALEXANDER H. RICE, OF MASS.

Delivered in the House of Representatives, April 26, 1860.

Mr. CHAIRMAN: It is my purpose to solicit the attention of the Committee to a few remarks, which I trust will be pertinent to the subject now legitimately before us. And I shall proceed directly to its consideration, after alluding for a moment to a single proposition here and elsewhere made, and which seems to be confirmed by some of the customs of the House. It is, that the true province of legislation consists in defining the rights, and not in looking after the interests, of the citizen. As what I shall have to say, on the present occasion, relates chiefly to these interests, I will state, at the beginning, that a more adequate and just conception of the province of legislation, as it seems to me, is, that it shall seek to *aid* as well as to *govern* the people; and for the better accomplishment of this purpose, that it shall take cognizance of, and study into, those very interests which lie within the daily concern of every industrious citizen. Nor does the wide distinction always exist which speculatists intimate between the rights and the interests of citizens; especially not when taken in their most comprehensive view. For it will be universally admitted, that whatever is false in principle, and pernicious in practice, must sooner or later inure to the common injury, and their opposites to the general welfare; and it will thus be seen that, in this aspect at least, the rights and interests of a people lie in the same plane, and are both entitled to the attention and guardianship of those who exercise the public authority.

It need not be denied that there may be persons of moral perceptions so acute as to be able to conceive of right in the absolute; minds of such sharpness and subtilty as to be able to carve out in clear delineation the image of abstract virtue, and to discover in it those attributes which charm the eye, and captivate the judgment, and absorb the ambition. Such, if they exist, doubtless have their place and vocation in the world; but it is not the vocation of the masses of mankind. For, sir, when that dispensation was established under which we live, there were placed everywhere in the world, for human ends, relations between ideas and circumstances, between rights and purposes and efforts; and, in the economy of society, all effort presupposes and points towards some interest, either moral or material, as its object. If it be intended only to institute a comparison be-

tween these two, it will of course be conceded that paramount importance must be given to the moral over the material, where the two are in conflict; to the maintenance of correct principles, rather than to the adoption of expedients for gain. Yet so large a portion of the business of legitimate legislation consists in the adjustment of the material interests of men according to equitable standards, that the extremest casuist ought to be able to find a satisfactory duty therein.

With the great preponderance of literary and professional men in the public councils, I apprehend there is much less danger that any political rights will be overlooked, than there is that the great agricultural, commercial, and industrial interests of the country may be neglected. So long as the former constitute in the main the bases of party organizations, and are the themes of perpetual discussion by the press and upon the platform, legislation will not be far behind its duty in respect to them. And whether it be in politics or morals, all legislation which is much in advance of, or contrary to, public sentiment, is hazardous, if not pernicious; since the law itself should be the determination of enlightened public sentiment, the embodiment of the honest conviction of the public judgment concerning what is right and wrong upon a given subject. Fill up the statute books with enactments which vary materially from these standards, and we shall see them tossed aside as too contemptible for observance, or trampled under foot as assumptions of authority not to be tolerated. The whole stream of legislation is lined with such wrecks, which lie rotting upon its shores, or standing as monuments of the folly of their builders, and warnings to fresh adventurers among corresponding perils.

But, sir, there is more danger that commerce, agriculture, and the arts, will languish for want of the fostering care of the Government, or that these great interests, vital to the prosperity of the country, and to the welfare of every man, woman, and child, who dwells in it, may be retarded or destroyed by inconsiderate if not by hostile legislation. Laws made for the government of these affairs must not be merely theoretical, because they ought to be permanent. It has been said, with great truth, that so sensitive are these interests to the effects of fitful and inconstant legislation, that statutes which are posi-

tively onerous in their provisions are preferable to any policy which is unstable and transitory. It is evident that this must be so, when we take into account how vast and complicated is the network of human pursuits, employing the greater part of the capital of the world, and the labor of the majority of every civilized people. And that the laws which regulate these pursuits may be practical and salutary, as well as permanent, they should, as far as possible, be based upon experience—the experience of our own people and that of other nations—accommodated to the difference of circumstances under which the results have been attained. That there have been grave errors in our own industrial and commercial systems, such disastrous revulsions as those through which the country has recently passed, and from the effects of which it has not yet fully recovered, render probable. And it is possible that we may gather some suggestions respecting their cause and their remedy by comparing our own policy and position with those of other nations where domestic industry and commerce have received the fostering care of the Government, and have not been considered of secondary importance by their ablest and most sagacious statesmen.

I do not claim for myself the requisite ability to discuss with thoroughness all the phases of a subject which has so extensively engaged the attention of political economists, as the tariff; nor will the present hour afford sufficient space to consider all the points which might now properly be reviewed. This, however, is less important, since the subject is somewhat familiar, and especially since its bearings upon subjects within the scope of the bill before us have already been so well presented by the gentleman from Vermont, who reported it. I will therefore offer a few suggestions upon the general policy of developing and sustaining our own industry, and then refer somewhat in detail to one of the provisions of this bill to which I have given more careful attention. It will probably be admitted that there are but two primary sources of internal wealth, and that they are, first, natural products, and secondly, the labor which is applied to them in order to perfect their adaptation to purposes of utility or taste. And undoubtedly the nation which abounds in an industrious and peaceful population has the more valuable of these two possessions. But it is to be observed, that the labor of this population is essential not only to its prosperity, but to its existence; and that diversity of employments must be multiplied and maintained according to the degree in which those already undertaken become crowded, or the markets for their products otherwise supplied.

When these various pursuits are linked together by a well-balanced and fostering policy, they not only afford mutual strength and protection to each other, but to every other social interest and pursuit. The farmer then finds a ready market for the products of his farm or his plantation; the merchant, abundant freight for his ships; the capitalist, legitimate and safe investments; and the laborer, constant and remunerative employment. The burdens of Govern-

ment, being widely diffused, fall lightly upon the public at large, and more freely open to all classes, not only the abundance of physical comforts, but the intellectual and social privileges and enjoyments of a more advanced and substantial civilization. In a condition thus prosperous, the allurements to vice are also diminished, and the incentives to virtue correspondingly strengthened, while the country, become strong, not in material wealth only, but in the integrity and manhood of its people, is prepared to wield a more powerful influence for their benefit in times of peace, and to summon both means and men for defence, whenever its domain or its honor is assailed. It is for ends such as these that Government ought to lend its protection to the material interests of its people, and in such proportion as their several necessities require.

Within our own borders we have not only a large and rapidly-increasing population, but we have natural resources and products which have scarcely been equalled by any nation under heaven. Nearly every great staple which grows between the tropics and the poles flourishes within the limits of our vast domain; while beneath its surface the earth abounds in coal and in the varieties of precious metals and ores.

Now, sir, the question which presses home upon us is, "what value have these great resources, and what policy are we pursuing for the encouragement of that industry to which, under proper auspices, they are so inviting? It is perfectly clear that there was no value in them all, and that they served no useful purpose to mankind, while they laid in an undiscovered wilderness. And of what value are they now—the timber, the coal, the iron, the silver, the gold, or even the cotton, the rice, the hay, the wool, the herds, the fisheries, and all the catalogue of this abounding plenty—unless the Promethean touch of labor is applied to them? It has been said that whoever causes two blades of grass to grow where but one grew before, has conferred a blessing on mankind; and it is equally true that whoever devises means for imparting new value to the products of a people, confers upon them a corresponding benefit. We have heard it stated upon this floor, during the session, on more than one occasion, and with something of pride and satisfaction in the utterance, that *cotton is king*; and if I am not prepared to bow to its sceptre, I am fully prepared to acknowledge, and glad to recognise, its importance in the markets of the world. We are accustomed to point to it as the great staple, in universal requisition, and to watch with eagerness the steady and rapid increase of its cultivation.

There is not a citizen of this country who would not consider it a great point gained in political economy, if, by the application of any means, the quantity of this and of every other product could be largely increased. But if a pound of cotton may be increased, by being wrought into cloth, to two or three times its original value, is it difficult to see that the four or five million bales, which form the annual product, have attained but a fraction of their value, vast as that is, in the hands of the planter,

or as an article of export; and that whoever has the industry to expend upon it, imparts an additional value two or threefold greater than the crop itself? Moreover, is it not obvious that labor is the very dependence of nine men out of ten in every populous country; that it is the very thing which the great majority of men have to dispose of, and all they have to dispose of, in procuring subsistence and achieving the foundation for future competency?

Now, what becomes of the cotton crop of this country? If I mistake not, about one-fourth of it is wrought at home, and the other three-fourths are exported, to be wrought elsewhere; a considerable portion of which returns to us in the form of manufactured goods, demanding of us, in some form or other, a premium of two or three hundred per cent. of its original value, for the support of the foreign labor which has been bestowed upon it. What is true of cotton is true in principle of almost everything else which we consume, except our food, with the variation in some instances, that both the material and the labor bestowed upon it are of foreign origin, and are imported in competition with American fabrics. We have been somewhat dazzled with the grandeur and magnificence of the country, and seduced into the arena of speculation, hastening to become rich by illegitimate means, without regarding sufficiently those sources of strength and prosperity which all experience has demonstrated to be most safe, certain, and essential. The cotton crop of the United States is said to be of less value than the hay crop; but why is it that we never hear the pæan changed, and the exultant representatives of the upland districts shouting, here and elsewhere, that *hay is king*? Explain it, whoever can, by any other reason, than that cotton furnishes the means of employment and wealth after it leaves the soil, and the hay does not. See, further, that the wealth and power of the British nation to-day are outstripping all competitors, and attaining a degree of magnitude whose realization well nigh baffles the imagination; and what are the extent and products of her soil, compared with our own? and yet she has a larger population to maintain. And how is it that, with foreign wars upon her hands, seemingly sufficient of themselves to crush one-half the nations of the earth, she can still maintain peace and prosperity at home, guard her commerce in every quarter of the globe, compete with us for the carrying trade in our own products and supplies and mail service, and yet come out of her contests stronger and more illustrious than when she entered them?

Why, sir, do we not get some light upon this question by referring to her industrial and commercial policy and condition in comparison with our own? We export annually, in round numbers, about three hundred and thirty million dollars in value, (\$336,000,000 in 1859,) only about thirty million dollars of which is in manufactured articles, (\$34,000,000 in 1859,) while the balance is made up of raw materials, breadstuff, and specie. England, on the other hand, exports, upon the same basis of calculation, more than six hundred million dollars annually of manufactures alone, and is daily adding every appli-

ance of nature and art and diplomacy to increase the amount, while we are wrangling too much over our domestic disputes, and giving to her and to her European competitors almost undisputed control of the markets of the world for manufactures, and suffering them to come into our own, and to furnish clothing and utensils in competition with some branches of our languishing industry. The tendency, both of our habits and of our legislation, has been too far to destroy the commercial independence and individuality of our own country, and to place her in the position of colonial dependence upon the capital and industry of foreign Powers—to render us only tillers of the soil to furnish food and raw materials to be transported across the ocean to feed and supply a thriving industry, which ought to be sustained at home, for the benefit of our own people, and as an element of strength to our own Government.

It is time, sir, that we had done with this discrimination against the interests of our own people, and that we should hold fast to all that gives prosperity to our industry in the existing laws; and that those interests which are not sufficiently guarded should have the requisite protection. The time has gone by when we need quarrel among ourselves in respect to the wisdom of this policy. The South is growing vastly rich upon the products of her plantations—and I rejoice that it is so; but even she cannot afford to be indifferent to the maintenance of a large home consumption of her great staple. Are not the quotations of her cotton markets abroad sought for with eagerness by every arrival, and every circumstance scrutinized which can by possibility affect its value? And will any reasonable man for a moment contend that the value of cotton would not be affected by the destruction of a market which already takes one-fourth of the annual product, or that it is of small consequence whether that market shall keep pace with the increase of production? So with the people of the expanding West, who have been less prosperous during the past few years, and who depend so largely upon cereal productions for business and support.

It is perfectly demonstrable that the farmer who lives nearest to market makes the most money upon his products, other things being equal; and that his profits decrease in proportion as he is separated from population, either by distance or by difficulty, and consequent cost of transportation. Every producer of provisions and supplies knows this; every merchant understands it. Now, every manufacturing district in this country affords a practical illustration of the beneficial effects of the introduction of this artificial labor upon the agricultural interests by which it is immediately surrounded, not only in the advanced value of the annual products of the soil, but in the greatly enhanced value of the land itself. Nor is this effect limited to the vicinity of those districts, though it is there most apparent. It is a fact that the great seats of manufacturing industry are not producers of food. It so happens that, for the most part, they are located where the soil or climate, or both, are unfavorable to agriculture,

and therefore their chief dependence for food is upon the abounding West, where both soil and climate render agriculture profitable and inviting.

The Northern manufacturing States want the grains and the meats of the West, the cotton, the rice, and the sugars, of the South, and the coal and the iron of the Middle States; thus furnishing to them a market always increasing and generally responsible, where these products are applied to the uses of a people and to the sustenance of pursuits which are not in conflict with the States from whence they come. A like reciprocal interchange between the products of the North and the South and the West is attended with a corresponding commercial advantage; while the intercourse of the people, thus established, is one of the strongest and surest guaranties of national security and peace. As one of the Representatives of a State whose domestic industry exceeds in value a million dollars for every secular day in the year, and whose commerce is second only to that of one other State of this Union, I cannot but be impressed with the importance of the co-operation of the Government in aid of every great pursuit, wheresoever prosecuted, and which cannot be successfully maintained without it.

And, sir, I bear this testimony in behalf of other interests, perhaps, with the greater freedom and cheerfulness, because the manufacturers of New England ask for no new enactments of importance for their own relief or protection. But referring to the importance of permanent and fixed legislation, already mentioned, and which was so appropriately advocated by the author of the bill before us, it is but reasonable to ask that the existing laws relating to their interests shall not be needlessly changed; that their business shall not be jeopardized by this cause; that their property shall not be destroyed or lessened in value, except for some great public necessity; and especially in this season of high excitement, when every species of manual labor is clamorous for more generous remuneration, that no measures shall be adopted which shall be needlessly adverse to any of their great employments. At least, let the existing regulations under which any branch of industry succeeds be fairly tested before they are changed; that if change shall in time be necessary, it may be wisely made, and that it may be a step forward towards the perfection of a sound and complete system of revenue and protection for the whole country.

To the leading characteristics of the bill before us I give my cordial support. Its enlargement of the free list of articles useful in our home industry, and which do not injuriously compete with domestic production; in general, the changes from *ad valorem* to specific duties, where made; and the discrimination in favor of American interests, which are not now sufficiently protected, will meet general approval from those who are not altogether opposed to any system of protection whatever. And in regard to the particulars to which I feel the necessity of taking exception, I hope to show, as I proceed, such reasons therefor as may induce the committee from whom the bill emanates,

and the House, to consent to its amendment. I pass over, for the present, two or three onerous provisions of the bill, to which I will refer hereafter, and come to a proposed change, which will materially injure and retard the woollen manufactures of the whole country. And I wish to refer, first, to the magnitude of the business to be thus unfavorably affected.

I have not at hand the statistics of the number of woollen establishments in the United States; but I have before me a table embracing those located in the New England States and the State of New York, which embrace the greater part of the woollen factories of the country. And I find that in these seven States there are employed upon woollen fabrics not less than twenty-five hundred and fifty sets of machinery, contained in six hundred and fifty-five separate establishments, erected at a cost of not less than seventy million dollars. I suppose these constitute about two-thirds or three-quarters of all the woollen mills in the country; so that the whole original investment in mills alone will not fall much short of one hundred million dollars; and under the present commercial regulations the number is likely to increase. The existing tariff, as is well known, allows wool valued less than twenty cents per pound at the place of export to be admitted free of duty, and imposes a tariff of twenty-four per cent., *ad valorem*, on all valued, at the same points, more than twenty cents per pound.

The bill before us proposes to reduce the maximum of free wool to sixteen cents per pound, and to impose a specific duty of eight cents per pound on all valued at more than sixteen cents. To the change from an *ad valorem* to a specific duty, there is no objection; but it so happens that the difference between the present and the proposed maximum for free wool involves precisely the grades which are most wanted for the support of the American woollen manufactures, and which cannot be imported and worked to advantage here, if subjected to the duty proposed. The wools thus affected are chiefly the unwashed wools of South America, from about the Mediterranean, and from the Cape of Good Hope, and they are of quality and characteristics unknown in our domestic flocks. By their use we are enabled to enlarge the range of our woollen manufactures, and to compete with foreign countries in producing classes of fabrics which cannot be made from American wools alone. To show that this necessity for foreign wool exists, it is only requisite to state a few facts.

This branch of industry is as yet only in its infancy in this country, although the consumption of woollen goods is enormously large. Among the reasons why it has not more nearly kept pace with the cotton manufacture, are, that it has suffered for want of a sufficiency of raw material to expand upon; and also, through a mistaken policy on the part of the Government, it has been subjected to inconstant legislation and to ruinous competition with other nations which have their raw material abundant and free from duty, or nearly so. That this deficiency may be more apparent, I refer to the fact that the present annual consumption of wool in the United

States is estimated at one hundred million pounds; and the domestic product amounts to only about sixty million pounds, leaving a deficiency in the supply of raw material of forty million pounds, at least; or an amount equal to sixty-seven per cent. of the entire wool crop of the United States. This fact alone, Mr. Chairman, ought to show conclusively, I think, that the raw material of native growth is sufficiently in demand not to need additional protection on this account.

I find, by reference to official documents, that the entire crop of native wool is consumed at home, with a trifling exception; there being only \$377,000 in value of wool exported, and of that, more than thirty-two thousand dollars was of foreign growth, leaving only \$355,000 worth of American wool exported in the year 1859; while we imported of foreign wools more than four and a half million dollars in value, in the form of raw materials, during the same year. But there is another striking fact in this connection, showing how limited is this branch of industry, compared with our consumption, and the vast proportions to which, under favoring circumstances, it might be extended. I have already shown that we raise considerably less than two-thirds of the wool which is wrought in our factories—only about sixty per cent. of the amount—and the value of the forty per cent. imported is \$4,500,000; and yet, in this same year 1859, we imported more than thirty-four million dollars in value of manufactured woollen goods. Is there any good and sufficient reason why we should impose additional burdens and exactions upon this \$4,500,000 in value of raw material, which is essential to keep our mills in operation and our own people employed, when we are importing \$34,000,000 of raw material and foreign labor combined, in competition with that industry? To my mind, sir, the proposition appears too impolitic, in this view, to be entertained by any intelligent and patriotic citizen.

I have thus shown that, of all the wool which we import in the form of raw material, the value amounts to but about one-eighth of the value of our imports of woollen goods; and yet, small as it is in the comparison, it is equal to two-thirds of the whole of our native product. That this branch of industry suffers in this country for want of a sufficiency of raw material, I think is made clearly apparent. I wish now to show that the other intimation, that our woollen manufacturers cannot succeed in competition with other countries, under a duty on raw material of certain kinds, is true also. The only considerable prosperity which the woollen manufacture has seen, during the last fifteen years, has been since the partial revival of business from the general catastrophe of 1857, and under the existing provision admitting the raw material under twenty cents per pound free of duty. Prior to that date, and while acting under the tariff of 1846, which imposed a heavy duty upon this raw material, the great bulk of the woollen machinery, which had been put into operation under the more favorable regulations of the tariff of 1842, was obliged to suspend operations. Year after year, the manufacturers struggled on between hope

and despair of relief, until the business was overwhelmed in almost universal ruin. To show the extent to which this calamity was felt, and the immense sacrifice of property which followed, I will take occasion to present some facts obtained from sources perfectly reliable.

The Bay State Mills of Massachusetts, which cost over \$2,000,000, were sold for \$500,000.

The Middlesex Mills, fifty sets machinery, cost \$1,000,000, were capitalized for \$200,000.

The Salisbury Mills, fifty sets machinery, cost over \$1,000,000, sold for \$225,000.

The New England Worsted Company failed to pay its debts in full, and its property was an entire loss to the stockholders.

The Hollister Mills, near Utica, New York, cost near \$150,000, sold for about \$48,000; and so on with mills at Watertown, New York; Dexter, Maine; Burlington, Vermont, and other places. And I am informed, in fact, that an amount equal to the whole original investment in woollen mills has already been sunk in the business.

During the same period, also, under the tariff of 1846, the manufacture of broadcloth in this country was entirely suspended and abandoned, and so continues, so far as I am informed, to this day.

The increase of manufacture which has taken place since the duties upon wool were less onerous, has resulted chiefly in the full employment of machinery previously constructed; not much has yet been built in addition.

Now, Mr. Chairman, ought not these facts to be allowed to teach us the danger and folly of returning to any such system as that under which these disasters occurred? And ought not Congress to accept this experience as conclusive against any theory which can be presented which conflicts with it?

The experience of France and England, where the experiment of reducing the duty on wool has been tried to an extent far beyond what has yet been attempted in this country, and by movements much more bold and significant, proves the correctness of the policy, and ought to illustrate the course to be pursued by the American Government, if we would achieve a like success. An elaborate article has recently been furnished to the Emperor Napoleon, by the Secretary of the Ministerial Department, upon this subject, in which the influence of high or low duties upon wool is thoroughly and forcibly presented, by reviewing a period extending from 1791 to the present year. That article opens with a reference to the programme of the Emperor himself, wherein he declares:

"It is one of the bases of a new economic regime to inaugurate in France the freeing of the raw materials which furnish labor for industry."

And this is declared to be a measure of the greatest practical utility, not only for the manufacturing interest, which will be enabled to supply itself with raw material on favorable terms, but also for the consumer, upon whom falls at last the cost of this tax.

By a law of May 17, 1826, the duty on foreign wools imported into France was fixed at thirty per cent. Ten years later, in July, 1836, it was reduced from thirty per cent. to twenty

per cent., and thus remained during the reign of Louis Philippe. The changes instituted under the present Emperor have been, "first, an imperial decree, of May 14, 1854, leaving the duty of twenty per cent. on wools of Europe, authorized the importation, at reduced duties, of wools direct from India. Then a decree of November 14, 1855, generalizing the measure, for all countries out of Europe, facilitated the importation of wools from distant provinces, especially of those from Australia, which had obtained a moderation of duties very notable. At last, a decree of January, 1856, substituted, on wools of whatever origin, for the ancient tax of twenty per cent., moderate duties by weight, the rate of which hardly exceeded five to ten per cent., according to the country and mode of importation." And it is added that, "important as it already was, this reform was only a new step in a way more conformed to the spirit as well as to the needs of the age."

The article proceeds to show the operation of the old system upon the agricultural, manufacturing, commercial, and fiscal interests of France, and deduces therefrom a policy which contains only a slight discrimination in favor of French vessels, and which may be thus stated: "All wools, unmanufactured, imported by sea in French vessels from places out of Europe, free; from other places, three francs per one hundred kilogrammes; by foreign vessels, five francs per one hundred kilogrammes."

In like manner, the success of the woollen manufacture of England has been commensurate with and demonstrative of the policy of relieving its burdens from the raw material, reaching its culmination upon the abrogation of all duty upon unmanufactured wool. But the time will not allow me to go into the details, nor is it necessary. We thus have the experience of France and England, the largest and most experienced empires upon the subject before us, confirming our own experience, for the last two years, in favor of the policy which we have partially, and they have thoroughly, adopted, of a low tariff on unmanufactured wool. It should also be considered, that if the woollen manufacture in this country could not be sustained while more or less duties were imposed upon foreign wools by other great manufacturing nations, it certainly could not now succeed, with new duties and increased obstacles in its way, when those competing nations get their raw material entirely free.

But, sir, why should any change in the duty on wool be made? I am not aware that anybody asks for it. There are no memorials upon the subject before us. The press, that universal mirror of the public want, and the public complaint as well, has been silent respecting it. While, on the contrary, the manufacturing interest sends its respectful, but persistent, appeal to Congress that it shall not be made, and shows the catalogue of its disasters from past prohibitions, and cites the experience of its most intelligent and powerful competitors to show that it is contrary to the conceded necessities of the business and the policy of the age.

I have heard the protection of the wool grow-

ers assigned as a reason for the change; and if they needed protection; I would accept that as a reason. But I have shown already that only sixty pounds of wool are raised in this country out of every one hundred pounds which are wrought here, and yet that the entire native product finds a home market. Thus the amount of native wool used is in the proportion of six pounds to four pounds of foreign wool; and yet this foreign wool imported amounts to but a trifle more than one-eighth of the imports of woollen goods in value.

This certainly does not show that there is a surplus of American wool which is shut out of market by the importation of a cheaper substitute; nor does it show such an approximation between the supply and the consumption as to call for the interposition of Congress to enable its value to be sustained, and its growth as a branch of industry to be protected. If it did, my voice should be silent; for I advocate the protection of American industry in no sectional, or partisan, or professional spirit or motive; and moreover, I have no interest, direct or indirect, in the cause of woollen manufacture, which is superior to that of the wool grower; and it shall be my object to show that these two pursuits, so far from being in antagonism, are in the completest harmony. Thus it was predicted, when the present regulations were instituted with respect to wool free under twenty cents, that the effect would be ruinous to the American wool grower, but experience has proved the contrary. The introduction of Saxony, Spanish, and afterwards of colonial wools, into England, free of duty, doubled the woollen manufactures, and the price of English wool, instead of falling, as it was feared, rose in a very few years more than sixty per cent. So the Secretary of the Ministerial Department of France, in the communication to the Emperor already cited, says:

"Experience has proved that the price of wool is independent of the action of the tariff; and that in proportion as the duties have become more moderate, the price has risen; because the demand has always been beyond the supply."

I wish to call attention to the reason here assigned, because it explains the seeming paradox: it is, that the demand has always been greater than the supply; and it may be cited with tenfold greater significance here than it could be in France.

In the years 1856 and 1857, the value of the foreign wool imported into the United States was \$3,790,808. These were the two years next preceding the introduction of wool free at twenty cents per pound and under. In the years 1858 and 1859, the two years following its admission free at twenty cents, the value imported was \$3,467,889; and yet the price of American wool is higher since the increased importation than it was before. This fact is admitted. But, as a matter of record of the proof, I give the result of an examination of the tables accompanying the report of the Boston Board of Trade, of prices of the standard grade of American wool at Boston, the largest importing wool market in this country. The prices date on the 1st of January of each year:

Prices of Billings's Super Pulled Wool.

1835	-	-	60	1848	-	-	36
1836	-	-	65	1849	-	-	30
1837	-	-	65	1850	-	-	40
1838	-	-	45	1851	-	-	45
1839	-	-	62½	1852	-	-	41
1840	-	-	45	1853	-	-	50
1841	-	-	45	1854	-	-	50
1842	-	-	40	1855	-	-	35
1843	-	-	28	1856	-	-	42½
1844	-	-	40	1857	-	-	50
1845	-	-	40	1858	-	-	32½
1846	-	-	34	1859	-	-	50
1847	-	-	30	1860	-	-	50

This table shows that during the three years since the present regulation took effect, the average price of the standard grade has been about two cents per pound higher than during the three years preceding 1857. But as one of these years, 1858, took the burden of the financial panic, when the manufacture was prostrated, it reduces the average, because wool fell in this year, from this cause, seventeen and a half cents per pound from the preceding and succeeding years, and it should not therefore be taken into the account; and if we leave it out, and compare the two years preceding the tariff with the last two years, the result shows an average advance of American wool, under the increased importation, of eleven and a quarter cents per pound; and an advance of a little more than ten cents per pound over the average price of the ten years preceding the present regulations.

I also submit the following table, showing the value of Ohio fleece wool in October of each year, from 1840 to 1849, from actual sales:

1840	-	45	36	31	1850	-	47	42	36
1841	-	50	45	40	1851	-	41	38	32
1842	average	33½	35	30	1852	-	49	45	40
1843	-	41	35	30	1853	-	55	50	43
1844	-	42	37	32½	1854	-	41	36	32½
1845	-	36½	30	26	1855	-	50	42	34
1846	-	34	30	26½	1856	-	55	47	37
1847	-	33½	29	25	1857	-	56	49	41
1848	-	32	38	34	1858	-	53	46	36
1849	-	41	37	32	1859	-	58	49	35

Showing an improvement in the finer kinds especially. For 1857, the price in August is given, as there were no sales in October.

Besides, sir, there is no pretence that the wool grower is not generously and satisfactorily compensated.

Another reason assigned for the proposed change, is the desire to stimulate and increase the home production of wool. The means are the poorest that could be devised for this purpose; and in this aspect the change proposed indicates a limited and totally incommensurate view of the subject. We have before us the fact that the native product is but a trifle, when compared with the amount of woollen goods used in this country; that the effect of the decrease of duty has been to increase the importation of wool; and that this has resulted in the revival and increase of manufactures, by furnishing scope of raw material to enlarge the classes and kinds of goods; and that the result of this has been, here as elsewhere, to advance the price of native wool by rendering it in demand for uses in combination

for which it is not adapted alone. In short, we have, as a grand result, an increased demand and a higher price, because of a greater consumption.

This may be illustrated by citing the example of a single mill in Massachusetts, which, under the tariff of 1846, produced between four and five hundred pieces of goods per week, and now produces sixteen hundred pieces per week from the same machinery. Under the former tariff, this mill consumed all American wool for its four hundred pieces, and now consumes two-thirds American and one-third foreign wool for its sixteen hundred pieces. Or, to state directly the advantage of using the foreign wool, even to the American wool grower, this mill, which without foreign wool used native wool for four hundred pieces of goods per week, now that it has the foreign wool to use in combination with it, consumes American wool besides to the extent of thirteen hundred pieces per week, or more than three times as much. But if more need be said upon this point, the argument and the evidence are abundant. The earlier French tariffs were imposed for a similar purpose. The Secretary, writing to the Chamber of Deputies, February 3, 1835, says:

"The duty upon wools has produced results entirely contrary to what was expected, and much more unfortunate. This duty has not encouraged with us the production of wool—an end that the customs duty necessarily proposed as the only suitable motive."

And again, the present Secretary says, in his recent communication advocating the free admission of wools:

"As to the agricultural interest, it is not involved in the question. The production of wool is far from following the progress of consumption; and everywhere, in some description, this material is deficient. This is so true, that, to satisfy the ever-increasing demands of producers, it creates for itself a new industry, which consists in separating the fibres of old woollen stuffs, to produce a material to which they have given the name of *renaissance*, (shoddy,) and which combines usefully with fine wools for common stuffs, and at a cheap rate. Our agriculturists should not forget, either, that the wools of France have special qualities which cause them to be sought for everywhere; that they mix perfectly with other kinds; and that, consequently, the arrival of these in the French market cannot but develop the use of our own wools."

There is but one other point in connection with this subject, as presented in the bill under consideration, which need be referred to, and that is the imposition of a duty upon the manufactured goods supposed to be an equivalent to the additional duty on the raw material.

The principal difficulty in dealing with this provision is its speciousness. There is no possibility of so equating and equalizing results, and rendering them beneficial to all concerned, when they proceed from an error which is itself fundamental. The manufacturer asks no additional protection; he has learned, among other things, during his pilgrimage of tribulation, that the greatest evil, next to a ruinous competition from foreign sources, is an excessive protection, which stimulates a like ruinous and irresponsible competition at home. The farmer neither asks for it nor needs it, nor can be benefited by it. Such a course, so far as it should be operative, could produce no other effect than to cripple and dwarf the entire woollen business of the country. Every man knows that the cheaper you can render any

article of utility, or domestic comfort, the greater you make the sale; and that, *vice versa*, the demand slackens with an advance of price, especially if there be substitutes for the article thus affected. The higher the cost, the less the number of persons who can avail themselves of it. The poorest class, which can now afford garments of such material, will first be deprived, and then the next in the rank of poverty; thus throwing the new burden heaviest where it is hardest to be borne.

And still further: the business thus crippled renders the demand for the raw material less, and also the demand for labor less, while the capital already invested must be less profitable, if, indeed, it does not break down altogether, as it did before a more enlightened policy was instituted. But there is another aspect of the proposal, which shows more clearly how pernicious and reprehensible is the theory upon which it is based—a theory against which I will never cease to enter my protest, so long as I am honored with a place upon this floor. It is proposed to put an additional duty upon the raw material, professedly for the benefit of the wool-grower; and a corresponding duty upon the cloth, for the benefit of the manufacturer—that is, for the capitalist; but not one word is said for the toiling multitude of laborers who earn their bread by the sweat of their brows. It proposes—though with much injustice—to protect the wool-grower and the capitalist; why not the mechanic—perhaps the poorest paid, and yet the most laborious of the three?

Nor is it so trifling a matter to disturb this great branch of industry in another view. It is very easy to say that a duty is imposed upon the cloth, equivalent to the duty on wool; but this cannot be done by arbitrary sums; there are a thousand elements to be taken into the account, besides the price of the raw material, and the number of pounds or ounces necessary to make a yard of cloth. The cost of manufacturing depends much upon the facility with which the operations are performed, the skill derived from experience upon certain kinds of goods, and the adaptation of labor and machinery to every stage of the process, so as to secure the highest success and the greatest economy. The change which is proposed in this bill, as I am directly informed, will render the stoppage of mills now running, on certain kinds of goods, absolutely inevitable; and others will be obliged to launch out anew into the field of experiment, to see whether there is yet any place left secure from variable legislation, where this branch of American industry can be successfully prosecuted.

And, finally, sir, the proposal to add duty to the cloth and to the manufactured wool ought not to take effect, because neither is necessary for the protection of any branch of industry; and because it will impose so much additional tax upon the consumer of woollen fabrics. I am thoroughly convinced of the expediency and of the duty of Congress to adopt such measures as are necessary

to sustain every branch of industry which suffers from foreign competition; and that this protection should be proportionate to the actual force of that competition against the inevitable obstacles which may be opposed to our efforts, and having a regard also to a fair compensation to the American laborer; although I think that protection should occasionally be lessened as these disadvantages are gradually overcome. But I am as thoroughly opposed to burdening the public with needless taxes upon food or clothing, or any of the necessaries and conveniences of life, for the sake of giving useless and unwarrantable protection to any pursuit.

Before finally leaving the subject of wool, I wish to refer to a single change which ought, in justice to the American importer, to be made in the existing law as well as in the bill before us. The law reads:

"Sheep's wool, unmanufactured, of the value of twenty cents per pound, or less, at the port of exportation," &c.

The phrase "value at the port of exportation" is interpreted by the Secretary of the Treasury, and by the courts, to mean the day on which the vessel sails from the port, without regard to the date of invoice or bill of lading. It is manifestly impossible that a cargo should be bought, shipped, and the vessel sail, in one day. For example, at the Cape of Good Hope the American agent is often two or three months in collecting a moderate-sized cargo. He may buy wool during the month of November, under twenty cents per pound; it is shipped, and the vessel sails the last of December; in the mean time, the market value may have advanced to twenty and a half or twenty-one cents per pound; and the merchant at home, instead of getting his wool free, as he had a right to expect, is compelled to pay the twenty-four per cent. duty. On the other hand, if prices decline between purchase and shipment, the American merchant is compelled to invoice his goods at the actual cost; whereas the foreign merchant, shipping on his own account, can always make out his invoice at the market value at the date of exportation, regardless of actual cost. What the American merchant needs, is such a change as shall cause the actual cost to be taken as the value, the invoices to be accompanied by proofs sufficient to satisfy the appraisers that what is *represented* as the actual cost is really so.

I am prepared, sir, to give my cordial and earnest support to this bill, so far as it takes the direction which I have indicated; so far as it gives the needed protection to pursuits not now cared for; so far as it shall promote the welfare of the great States to be favorably affected by it, if there be such; but I as earnestly hope it may be cleared from those provisions which I believe to be unsound in principle and ruinous in their operation, and which, if universally applied, might launch us forth beyond the favoring winds and safe channels of prosperity, into the unsounded and mapless sea of individual suffering and national bankruptcy.