

T A R I F F .

S P E E C H

OF

HON. JUSTIN S. MORRILL, OF VERMONT.

Delivered in the U. S. House of Representatives, April 23, 1860.

The House being in Committee of the Whole, and having under consideration the bill to provide for the payment of outstanding Treasury notes, to authorize a loan, to regulate and fix the duties on imports, and for other purposes—

Mr. MORRILL said :

Mr. CHAIRMAN : It is my purpose to confine my remarks, at this time, to the subject before us, and explain, if I can, whatever may be new in the features of the bill, the principles upon which it is founded, and some arguments urging its adoption.

When I reflect upon the difficulties which ever recur upon propositions for the adjustment of our revenue laws, considered, as they have been in times past, by men of the most eminent ability, I confess that it would have suited me best to have remained silent, and to have allowed other gentlemen, far more competent than myself, to comment upon the exigencies of the Government, and the remedy offered. I speak because, from my position, it is a duty I do not feel at liberty to shirk.

The first object of the bill proposed is to authorize a loan to pay off the Treasury notes and the accruing interest. When these notes were first issued—December 23, 1857—they were merely accepted for the relief of a temporary emergency. It was not proposed to engraft a Government bank upon the Treasury, with the power of issuing, reissuing, and never paying, \$20,000,000 of paper currency. In 1858, the Secretary of the Treasury suggested that "some provision should be made to meet them." In his way, he was then for an increase of the tariff, and said :

"I am opposed to the policy of adding this amount to the permanent public debt, by funding the notes. On the other hand, their entire redemption in one year would call for an increase of the tariff to a point which would render necessary another revision of it in the succeeding year. The true policy is to look, in the present revision of the tariff, to their gradual redemption, commencing with the next fiscal year. To carry out this policy, Congress should provide for the raising of such amount of revenue as will enable the Department to redeem a portion of them; and,

' at the same time, extend for one year the provision of the act of December 23, 1857, authorizing the reissue of such portion of them as the means of the Government will not enable us to redeem."

While the objection of the Secretary to funding the notes is about as valid as would be the refusal of a debtor to settle a running account, due on demand, by giving a note payable in a year, for a reason that he was opposed to the policy of adding such an amount to his permanent public debt, our *true policy* is fairly stated—which was, and is, "to look, in the present revision of the tariff, to their gradual redemption."

In the report of the Secretary of December 22, 1859, it is merely set forth :

"In the estimated means of the Treasury for the present and next fiscal years, it will be seen that no provision is made for the permanent redemption of any portion of the \$20,000,000 of Treasury notes. The authority for reissuing these notes will expire on the 30th of June next; and it will therefore be necessary for Congress to extend the law for that purpose for another period."

Thus the opinions of the honorable Secretary having undergone a change, a new edict is issued, and Congress is expected to proceed and register it. That these Treasury notes are now fixed as a part of our permanent debt, with no means present or future for their redemption, is a simple fact. Why, then, should they not be permanently provided for? It is not creditable to the United States, every time it wants a little pocket-money, to be forced to give its notes and beg for discounts, and, when these fall due, to ask for a renewal. Borrowing money to pay borrowed money is only resorted to by those on the verge of bankruptcy. These notes are inconvenient and expensive. From sheer economy, they should be funded. There is not a private banker in the country that does not borrow money upon his own "shinplasters" cheaper than does the United States. The old United States Bank, with all its palatial proportions, was demolished; but

an irresponsible branch has sprung up in one wing of the Treasury, which it is the duty of Democracy to destroy before it gets to be a full-grown "monster." It is notorious that these \$20,000,000 of notes are kept afloat at a cost, by way of interest, of one to one and a half per cent. per annum more than would be paid if the debt could be funded; and the positive loss to the Government is, therefore, from two to three hundred thousand dollars annually. Having already thrown away about half a million in the last two years, only to indulge in the luxury of an idea that the Treasury notes were only a temporary and not a permanent debt, it is time we began to husband our resources and change the form of our indebtedness, so as to impose a lighter burden upon the people. For this purpose, we propose to authorize a loan of \$21,000,000, which may be reimbursed after two years, by giving three months notice, or after six years, without notice. There is no doubt such a loan can be negotiated at a much cheaper rate of interest than can be Treasury notes.

The issuance of Treasury notes aggravates an evil, already great, in swelling the paper currency so as to make our own the dearest markets of the world—the place where to sell, and not to buy. The aggregate debt of the banks, January 1, 1859, was \$452,875,096; being an increase, in one year, of over one hundred and eleven million dollars, and greater than it was at the time of the crash of 1857. The increase of specie was, to be sure, \$30,000,000; but the increase of deposits was more than twice that sum. If the banks were called upon to pay even one-half of their deposits, or one-half of their circulation, we should soon discover the extent of the inflation. Certainly it is an evil to which the Government should not contribute. Large importations for another year, stimulated as they are by the largest amount of paper currency the country has ever carried, will be avenged by another monetary crisis.

The next subject of the bill, and the one of paramount importance, is that of a revision of the tariff. It must be owned, in the outset, that, if the present revenue laws will serve the purposes of the Government, and are not oppressive in their operation upon the general interests of the country, no revision is necessary. I think it is an easy task to show they are faulty in either view of the subject. It must be still further conceded that, unless the changes and modifications we propose are better, both for the Government and the people of our country, they have no claims to be adopted by this House.

The authority of the President, in his message of a year ago, for a radical revision of the tariff, was full and explicit; and in his last message, he says his opinions then expressed have undergone no change. He said:

"It is our true policy to increase our revenue so as to equal our expenditures. It would be ruinous to continue to borrow. Besides, it

' may be proper to observe that the incidental protection thus afforded by a revenue tariff would at the present moment, to some extent, increase the confidence of the manufacturing interests, and give a fresh impulse to our reviving business. To this surely no person will object."

When the President said this, I trust he had authority at least to speak for his friends.

The Secretary of the Treasury also, though differing with the President as to the propriety of specifics, did not fail "to recommend such changes as will produce the amount required for the public service." He said:

"In accordance with the suggestion contained in my last annual report, I recommend that schedules C, D, F, G, H, be raised, respectively, to twenty-five, twenty, fifteen, ten, and five per cent. I see no good reason for having departed, in the act of 1857, from the system of decimal divisions. The present state of things affords a fit opportunity of correcting the error."

To raise the "additional amount needed," he advised the selection of "certain articles to be transferred from lower to higher schedules." In these changes, besides keeping in view duties for revenue, he also advised such *discriminations* as "will best promote the various interests of our country, without doing injustice to any."

Such are the official statements of those highest in authority and most secure in the confidence of the Democratic party, to whom Congress looks for information touching subjects requiring legislative action. The present tariff is not satisfactory, even to the President, and the Secretary has suggested amendments. Both are apparently willing, within the latitude of a revenue tariff, to make discriminations that will promote the interests of the country. Precisely what these discriminations shall be, and in what mode obtained, the President and Secretary have not agreed; and, if they had, it is the constitutional duty of Congress to determine.

In the last annual report of the Secretary of the Treasury, there is a faint hope held out that the receipts will equal the expenditures; but this is coupled with so many conditions, not likely to be realized, as to inspire but little faith elsewhere. The Secretary admits that the estimated balance in the Treasury, June 30, 1861, is so small as to leave no margin for additional appropriations. He admits, if the receipts do not come up to *his* estimates—admits, if the appropriations exceed his estimates; if additional demands are created upon the Treasury by the legislation of the present Congress; or if Congress should determine to provide within this period for the payment of any portion of the public debt—in any of these contingencies, "provision," he says, "must be made to meet them by such increase of tariff duties as may be required for that purpose."

I will not allude to it as a matter of reproach, for I know that the financiers of the

Treasury have not established a fame for infallibility; but, to show that the estimates of the Secretary must be taken with some allowance, I desire to call the attention of the House to his estimates for the year 1859. It will be found that he assumed the receipts from customs would be \$69,500,000. This would have required, according to the proportions of the previous year, importations to the extent of \$508,090,540. The actual importations were, however, \$338,768,130, and the actual revenue from customs only \$49,565,824—something of a gap in Treasury estimates; but, fortunately, the blunder is less fatal to the country than would have been a realization of the estimate.

Mr. Chairman, there are many claims before Congress of unquestioned merit. There are some works of improvement, national in their character, loudly demanding attention; and there are all the contingent expenditures, which cannot be foreseen, but surely to happen. These are all to be summarily dismissed, lest we should exceed the estimates. The liberation of any portion or all of the public lands as a source of revenue is to be vetoed, lest we disappoint the estimates. Last year, Congress, thinking an expenditure of \$83,751,511.57 was extravagant, made a reduction of twenty-odd millions; and so this year, the Secretaries have made economy their "particular vanity;" they beat Congress; and the navy is to rot, the public buildings are to stop half way up, and the mail service be crippled and put upon crutches, lest "additional demands are created upon the Treasury." They ask for nothing. Mr. Chairman, unless Congress proposes to wind up the business of Government, it will still lop off all extravagancés, and then pay "the debts and provide for the common defence and general welfare of the United States."

The Secretary of the Treasury very earnestly and properly declares "the idea of increasing 'the public debt to meet the ordinary expenses' of the Government should not be entertained 'for a moment.'" With such patriotic sentiments, it would hardly be suspected that the idea condemned with so much unctious has been practically illustrated for the past three years by the present Administration, as follows:

Balance in the Treasury, July 1, 1857.	\$17,710,114.27
Public debt, as it stood, July 1, 1857.	29,060,386.90
Public debt, as it stood, July 1, 1858.	44,910,777.66
Public debt, as it stood, June 30, 1859.	58,764,699.33

This shows the public debt has been steadily increasing to meet ordinary expenses, every year during the present Administration. The sum total of this idea, "not to be entertained for a moment," will be seen by adding the balance in the Treasury on the 1st July, 1857, to our present debt, deducting the public debt of 1857, or an increase of \$47,404,426.60.

That some revision of the tariff is necessary, in order to pay any portion of the public debt, will be even more apparent when we consider that our entire public debt falls due between this and 1868, and all the balance of the public debt contracted in 1842 falls due in one year from

December next. How is this to be met? Our bill is the answer. We must pay as we go. Doubtless we ought to retrace our steps of extravagance; but we cannot do it all at once. It must be step by step. Important interests should not be destroyed at a blow; and the public credit must be preserved. A revision of the tariff is a necessity. Besides, it is not fit that the Government of the United States should "go to bed without its supper" every time the imports of the week fall short a million at the port of New York. Let the most rigid scrutiny prevail as to all charges upon the Government; but their sum total, when ascertained, should be met by a full and ample supply.

There are certain evils resulting from our present revenue laws, so distinctly pronounced, that the common sense of the nation demands their correction. To enable the Government to go on even in this from-hand-to-mouth manner, the people are crammed with foreign goods, and for every fourteen or fifteen million of revenue collected at home, they foot a bill of one hundred million abroad. Non-discrimination and positive discrimination against our own people have produced over-trading to a larger amount and for a more protracted period than any in the annals of our Government. In ten years our foreign imports have more than doubled. In 1849 they were \$147,851,439, and in 1859, as poor as we were, they reached \$338,765,130. Our exports to Great Britain for the last year exceed our imports about fifty million, (\$49,201,432;) but this, to a considerable extent, is applied to the payment of interest on our large foreign debt, now supposed to be over five hundred million dollars, which we have recklessly contracted for railroad iron and Manchester and Glasgow goods. Unfortunately, it must be added that this was not sent in corn or flour, nor in cotton or tobacco, much less any "Yankee notions;" but it was paid in solid cash from the mint. The coin and bullion exported, deducting all imports, for 1859, was \$57,517,708, or as much as the whole yearly product of the country! With all our industry and acuteness, we have been unable to hold on to the gold dug out so profusely on the Pacific coast. Our sweat in that quarter does not "lard the lean earth" here. The mines of California, our mints and assay offices, are all subservient to the British empire, and are worked and kept in motion for their exclusive benefit. Not for one year only, but for nine years past, the excess of our exports of coin and bullion averages \$40,069,875 annually.

There must be something radically wrong in a system which produces these results.

There is a transcendental philosophy of free trade, with devotees as ardent as any of those who preach the millennium, and who will be fit legislators for that period, but not till then, which calls for a passing notice. It is the poetry of legislation—a sunlit theory, rejected in practice by every civilized nation on the globe. While we support the Government entirely by

duties levied upon importations of foreign goods—and no one proposes to do it otherwise—it is difficult to understand what gentlemen mean when they talk of free trade. Until this mode of taxation is abolished, free trade is not possible. All the literature or logic on this subject, therefore, when applied to us, is impertinent. If all nations were equally wise, strong, wealthy, and in exactly equal circumstances, then free trade would be just and proper. But it would be oppression to force a less fortunate nation into such a race. Free trade involves the absurd assumption that new rivals can successfully compete with those who have already reached the highest proficiency in any art or manufacture. But give a vigorous people, alive to every new scientific discovery, with plenty of capital and coal, the start in manufactures, and they will hold it in any open market to the end of time. The wall of earth in front of the assailing armies before Sebastopol was no more essential to their security, than are laws awarding the home market to the existence of manufactures “yet in the gristle, and not hardened into the bone of manhood.” The President of the French Legislative Corps, in a speech on the late commercial treaty, fairly states the whole question: “Free trade may,” says he, “it appears to me, be considered as the object to which society is tending, but protection ought to be the means of arriving at it.”

The stale argument of free trade is, “Buy where you can buy cheapest.” As a simple proposition, it is right. The fallacy is hidden, because it does not disclose the fact that you buy cheapest where you can pay easiest. Suppose a farmer to pay a dollar for a scythe, and to do it with one bushel of corn: it does not cheapen the article to show him where to buy it for fifty cents, when he will have to part with the same bushel of corn, or even two bushels, to get the fifty cents. Free trade abjures patriotism, and boasts of cosmopolitanism. It regards the labor of our own people with no more favor than that of the barbarian on the Danube, or the cooly on the Ganges.

The policy of England is often referred to as an exemplification of free trade. It is true that she is able now to carry her various manufactures, and does carry them, to almost every port in the world, proving that she requires very little or no protection; and it is equally true that the history of her tariffs shows that she only reached the power to cover a field so immense by early protection, held with a firm grasp, and released stage by stage, as each branch of her industry has approximated to perfection. I will publish a table which will exhibit these facts. But in this very process of education, a comparison of our own tariffs of 1824, 1828, 1832, 1842, 1846, and 1857, will show that we have made more rapid strides in cheapening manufactures, and therefore lessening the necessity of incidental protection, than ever England made herself in any equal period of time. Having more than two centuries the

start in their industrial enterprises—for while we were her colonies she objected to our making even wool hats or hob-nails—we are now not more than fifteen years in her rear. The British tariff existing in 1842, with the difference of circumstances, was more discriminating, and afforded more incidental protection, than what we ask for America now. The pupil will soon overtake his mistress.

With not much more of population than our own at the present time, the taxation of Great Britain is five times greater, or £87,000,000, to our seventy or eighty million dollars. If she raised the whole of her \$400,000,000 annual expenditure in the shape of duties upon foreign goods, it would annihilate her commerce, and the “nation of shopkeepers” would be shut up within their own shores. Commercial, not less than naval supremacy, is an object of ambition. Half as much foreign as there is of American tonnage is now engaged in our carrying trade. It is not enough that we pay England from one hundred and thirty to one hundred and fifty million dollars for the products of her mines, shops, and factories; but she must do the freighting, and then calls us “shabby” because we do not permit her to do our coasting trade also. The total trade of England with France is not one-half of that with us, and the chief portion of this consists of raw materials, less than one million sterling being in manufactured goods. Now, what is the great boon obtained, so loudly proclaimed by England, in the late treaty with France? Only this: France engages to reduce the duties on coal, coke, iron, steel, tools, and machinery, during the year 1860; in yarns and goods in flax and hemp, June 1, 1861; and on a *certain list* to remove the present prohibition, so that no duty shall exceed thirty per cent., October 1, 1861; and after three years the maximum duty on this list is not to exceed twenty-five per cent. This is called “the great engagement” of France! To enable her manufacturers to meet even this reduction, the Government proposes to loan them 40,000,000 francs to aid in the purchase of new machinery. Twenty-five per cent. three years hence! Even the average rate upon our dutiable goods alone, after admitting eighty millions of dollars free, for the past year, was only nineteen and one-tenth per cent. The French and English treaty merely shows that England can beat France in the trade of jack-knives, and is willing to risk beer against wine.

It is not strange that England seeks freedom of trade. Her people must sell their labor abroad, or go abroad themselves. They must sell or emigrate. The condition of remaining at home is, that they secure a market elsewhere. They are the universal tradesmen of the world, and would tear down all barriers to their free ingress and egress. They “buy of the stranger the skin of the fox for a groat, and sell him the tail for a shilling.” It is the ruling idea of her statesmen to give their people employment. Mr. Gladstone, in his late masterly speech, pointedly said: “If you want to do them [the

'people] the maximum of good, you must operate upon trade, which will give them the 'maximum of employment.' Free trade would let other people find employment at the expense of our own.

Mr. Chairman, part of the expenses of the war with America, as laid before the British Parliament, were for "five gross of scalping-knives." We could endure malice, but how shall we resist unrestricted commercial love? The most insidious scalping-knives we have to encounter are British free trade and British reciprocity. Great Britain, happy in her position and the absolute supremacy of her trade, can carry weight and challenge a race with the strongest Power in Europe. It is too much to ask that we, whose years and training have not yet fitted us for the contest, shall proffer equal terms. As well match a colt against an acknowledged champion of the turf.

It should be noted that the colonial dependencies of Great Britain are all provided with tariffs adapted to their circumstances, and differing from each other even as the tariffs for Scotland and Ireland have differed until very recently. Why does not England apply her free-trade catholicity to India, Australia, Jamaica, and the Canadas?

In adjusting the details of a tariff, I would treat agriculture, manufactures, mining, and commerce, as I would our whole people—as members of one family, all entitled to equal favor, and no one to be made the beast of burden to carry the packs of others. The precise point at which to adjust the weight of taxation, so as to do no injustice, is at all times difficult to determine, and especially so when all branches of industry are unusually depressed, as is the fact at the present time. If mining yields but a small return, agriculture yields no more. If factories can be purchased at half price, so can ships.

The great vice of our system has been, that we make business legislation subservient to party success. We need stability, and get ceaseless change. The French merchants did not mean free trade when they said, "let us alone," but a protest against instability.

The principles upon which the present tariff bill are founded do not necessarily raise the question of protection *per se*. Our manufacturers have made such advances that a revenue tariff, with proper discriminations, will be found, in most instances, all that may be required for a fair share of prosperity. No prohibitory duties have been aimed at; but to place our people upon a level of fair competition with the rest of the world, is thought to be no more than reasonable. Most of the highest duties fixed upon, have been so fixed more with a view to revenue than protection. This applies to high-priced glass and China ware, wool cloths, silks, and linens, especially. These will be imported under any system, and they are consumed by those who are most wealthy, and who ought to contribute most liberally to the support of Government. To

compensate for this, wherever it has been practicable, all medium or low-priced articles, as those enumerated, and cottons, crockery, and glass, have lower rates of duty attached. The objection has been, that the cheap shirt and the inferior coat paid the same duty as the superfine article; but this is here removed. It is possible that the manufacture of broadcloths, of which we now make none, and some other articles, may spring into life under the provisions of this bill; but if they should, it will be some time ere they will diminish the consumption of the foreign article; and when they do, it will be cause for gratulation.

Our mineral wealth is unsurpassed in extent. Our coal fields have an extent of one hundred and ninety-six thousand square miles, and all Europe contains but eighty thousand five hundred and fifty-four square miles, though our fields produced only nine million tons, to sixty-eight million tons produced last year by Great Britain alone. In iron, steel, copper, lead, zinc, and quicksilver, we ought to supply the world, and ourselves at least. Yet our importations of each are upon a scale of great magnitude. Nothing would more contribute to our real independence than to become self-reliant upon our own country for metals; and they have, therefore, been treated liberally. But it will be seen that the specific rates, even upon iron, are only equivalents for the tariff of 1846, on the average values of the last six years, or a change of form rather than of substance. The policy of developing mineral wealth is illustrated by the fact that ore, dug out in New Jersey, and without value in the mines, is converted into material worth \$3,000 per ton.

It is extremely venturesome to make predictions as to the future operations of laws concerning commerce. Slight causes produce a variation in the current, as a pebble thrown into the Atlantic is said to send a wave to the opposite shore. It is to be expected that the bill we propose would slightly check the consumption of some articles, and increase the consumption of others. If we purchase less of extravagances, we shall be able, however, to pay for a larger amount of the more bulky necessities of life. The revenue will obtain ample compensation for any loss of imports by the specific duties which will arrest some, at least, of the fugitives that have so long escaped through systematic undervaluations. After a most patient examination, I feel confident the importations under this bill would produce sixty million of revenue, and not more. Our resources from the public lands cannot now be considered reliable; so that we should have, if our annual expenditures did not much exceed fifty million, four million to pay the interest on our public debt, and about six million to devote to its extinguishment. Pursuing this policy, in the course of ten years we might hope to pay off the entire public debt, which has so recently appeared.

In the earlier part of the bill, the articles upon which specific duties are proposed will be

found arranged in separate sections, according as they have some similitude of character, or as they are usually grouped together. Then follows a section (19) with a list of articles to pay a duty of ten per centum; another (20) with a duty of twenty per centum; another (21) with a duty of thirty per centum; and then a section (22) with the list of articles exempt from duty. In the tariff laws, as they now exist, we have a long alphabetic procession of schedules, as letters A, B, C, D, E, F, G, H, and I, to which are attached the rate of thirty per centum upon A and B; and then twenty-four per centum, nineteen per centum, fifteen per centum, twelve per centum, eight per centum, and four per centum—the remaining letter (I) representing the free list. This miscellaneous troop has nothing to recommend it on its face, and a close examination will show the distribution of the articles under their several heads to be as arbitrary, in many instances, as are the rates. In our bill we propose decimal divisions, with a latitude of ten per centum; which will be found better for revenue or discrimination, and will also be far more convenient in practice. So much as to the structure of the bill.

By the present law, all non-enumerated articles pay a duty of fifteen per centum. We propose that all raw or unmanufactured articles not enumerated and not otherwise provided for shall pay a duty only of ten per centum; and that all articles, manufactured in whole or in part, not otherwise provided for, shall pay a duty of twenty per centum *ad valorem*.

The present schedules of four, eight, and twelve per centum we have placed mainly in the section to pay ten per centum, and partly in the section free of duty.

From the present free list, we have taken a few articles upon which nearly as much revenue will be realized as will be given up upon a much larger number added, many of them tropical productions, and which have been candidates for freedom for the last thirty years. Such articles as acids, crude brimstone, and gums, now paying but four per centum, and saltpetre, borax, gutta percha, and India rubber, cabinet woods, grindstones, sulphate of ammonia, and various others used in dyeing or tanning, or by mechanics and farmers, that we propose to exempt from duty, have long been considered by statesmen of all parties, in this and other nations, as untenable objects of revenue.

On brandy, wine, and other liquors, we offer a specific duty, to prevent evasions and to obtain revenue. They are luxuries, and not always harmless ones. The total value of all beverages imported during 1859 was \$11,887,543, and the number of gallons about 11,946,113. This, when "extended" in this country, and added to over 90,000,000 gallons of domestic manufacture, is enough to stagger the whole country. It shows the consumption to be fearfully increasing. A high duty will be no hindrance to the trade in a pure article, while it may exclude some of the foul poisons now

glutting the market. No person of taste should object to this. It is right, too, to hold out some inducement to the cultivation of the vine, which already has made a progress indicating that America will be able soon to supply wine and brandy of unsuspected virtue, and as much as it will be safe to consume.

To show how the Government is swindled at the custom-house, it is only necessary to refer to our own documents, and compare the invoiced value of wines under a tariff of specific duties, when nothing could be made by frauds, with the invoiced value at a later time under an *ad valorem* tariff. In 1845, the cost of sherry wine imported was over \$1.60 per gallon; but in 1848 it dropped at the custom-house to about fifty cents per gallon; and in 1853, to still less. In 1845, Madeira wine cost abroad \$1.45 per gallon; but in 1854, though the vintage was a small one, it passed through the custom-house at only forty-five cents. Port wine, which cost, in 1844, \$1.50 per gallon, was invoiced in 1848 at an average of thirty-five cents only. While this rapid declension in price was going on in our custom-houses, the price, as all the members of this House must know, was very mercurial elsewhere, and rose almost to starvation point. These facts admit of but one explanation, and that is, perjury and fraud. It is true, that when wines are just landed, they are in what is called a sick condition, and their true value is difficult to be estimated. A specific duty will undoubtedly restore them to health more rapidly than any other.

That our entire imports from France are, in fact, double the amount our returns would indicate, is apparent from the report made by Secretary Cobb, January 29, 1859, notwithstanding the clever intent to excuse and begot the matter. In four years, our returns would show only \$148,639,293 of imports, while the French returns, the most accurate in the world, exhibit \$286,351,972. The extent of these utterly scandalous undervaluations I will show in an appendix, with extracts I have been permitted to make from the manuscript of a most reputable gentleman, Mr. Hodge, our late consul at Marseilles. It will be there seen that wines, wool, blankets, and lead, are regularly sent with false invoices. Our consul at Frankfort informs us, also, that it would appear all exports of jewelry have ceased years ago from that place, but that large quantities are there made expressly for the American market. How all this is got through the United States custom-house, he says, is a proper subject of inquiry. In that opinion the consul is not alone. Another fact is suggestive. The whole imports of thread laces and insertings for 1859 were, by our returns, but \$276,292. Any dealer would see that that amount would scarcely supply the retail trade of New York city alone. Of course, the greater portion is smuggled.

At present, no very fine cotton goods are made in this country, though we are able to export many of the coarser sorts. A specific duty is

now attempted, in part, which will graduate the duty better for purposes of revenue, and will serve to encourage the production of some of the finer styles of goods. As the tariff now is, all articles made on frames, unbleached, such as caps, gloves, socks, shirts, and drawers, pay only fifteen per cent.; or if bleached, twenty-four per cent. Our own manufactures of this sort have nearly ceased, while the foreign importation, from \$779,853 in 1847, has run up to \$3,210,287 in 1857. These goods, costing more labor, would appear to demand a rate of duty not less than those of the loom; but, instead, we have a positive discrimination against them.

It is important, if the production of cotton is to be increased, that the home market should be extended. The domestic consumption of cotton in 1856 was 293,732,550 pounds or two-fifths the amount (780,040,010 pounds) we that year exported to Great Britain, and nearly equal to the total export of 1830, (298,459,102 pounds.)

Those who will take the trouble to examine, will find many of the Southern States have really more at stake in cotton manufactures than many of the Northern, or than several of the New England States. I trust that interest will increase until all the cotton sent abroad shall be manufactured, or at least partially manufactured, whereby its value will be doubled to the cotton States. A tariff to them, in my humble judgment, is a more vital necessity, and far less burdensome, than to any other States in the Union. They have more to gain by it, and less to lose. The whole annual consumption of foreign goods in the United States, in round numbers, is ten dollars *per capita*. The proportion consumed by the North is much more than this, while that of the South is less than half. If a certain lord, as is said, complained "that the people of England exhibited an ignorant impatience of taxation," I think we might, with all respect, apply the remark, and with greater justice, to the anti-tariff party of the South. From the difference in the character of the population in the South, and the exactions of a Northern climate, it is easy to see that the consumption of imported goods by the North is largely in excess of their proportionate numbers or wealth.

The present duty on hemp is twenty-four per cent. *ad valorem*; but on cordage it is nineteen per cent., and on manufactures of hemp it is only fifteen per cent. We accordingly rig our ships abroad with Russian cordage, and rig our galleys with it at home. The demand is great for Russian cordage. A grosser case of protection to the foreigner could hardly be made up. With the bounty sometimes paid on exports of cordage by Russia, and the fact that the freight is much less per ton than for raw hemp, or in view of the cheap labor of India, it is hard to conceive of a less benevolent act upon the part of Government than this five and nine per cent. discrimination against our own people. In the same category jute is placed,

being rated at nineteen per cent.; while gunny cloth is but fifteen per cent. Such are the positive premiums we offer to foreign manufacturers. On most of these articles we propose a remedy in the form of specific duty.

On sugar it is proposed to place a duty of one cent, graduated on clayed sugar to one cent and a half, and on loaf two cents and a half per pound. This will prove a better protection than an *ad valorem* duty when our sugar planters need it, and will not be an intolerable tax when their crop happens to be cut off. In 1857, when we did not require it for revenue, and the planters had no crop to protect, we collected on sugars alone, in duties, \$12,832,950. Being an article of universal necessity to our people, who use more of it, *per capita*, than any other nation, it ought at no time to be placed beyond their reach.

With the subject of wool, the same difficulties which have hitherto perplexed legislators still exist. The manufacturer and the wool grower, equally anxious to confer a benefit, one upon the other, are equally firm in their convictions of policy. Facts show that the crop of wool produced in this country will not supply more than about two-thirds of the home demand. This supply must be obtained on terms that permit its manufacture here, or it will be imported in woollen manufactures. On the other hand, if our wool crop is now too small, its increase ought to be encouraged. It is clear the consumption of wool is getting ahead of the production, the world over. If anything like present prices continue, there is no doubt that the present stock of sheep in the United States can be doubled within five years.

Meantime, the bill proposes to harmonize these interests, by allowing all wool under a maximum price to come in free of duty, and wool above that to pay a duty of eight cents per pound. It taking two pounds of fair wool to make one pound of cloth, a specific duty of sixteen cents per pound, to equalize that on wool, is proposed on cloths; and in addition thereto, fifteen, twenty, and twenty-five per cent. *ad valorem*, according to their respective descriptions—coarse cloths paying a low, and fine cloths a higher rate. This adjustment is believed to be entirely fair, and should be satisfactory.

On flaxseed or linseed we propose a specific duty of eight cents per bushel. By a strange device, it is now free. A duty, it will be seen, was placed upon flaxseed, and none upon linseed, while, generically, they mean the same thing, and of course nothing under the name of flaxseed is imported; but the imports of linseed are very large—above two million bushels. Any higher duty than eight cents would seriously interfere with the returning trade from California, which seeks freights in India, and, in the end, would only result in the importation of linseed oil instead of seed. If our stock raisers could make as profitable use of the oil-cake as do the English, we should not have to carry all that to a London market, as

we now do; and the business of crushing seed in this country would save a handsome profit, now lost in freight. The duty of eight cents will considerably augment the revenue, and at the same time encourage those engaged in the culture of not less than one hundred and fifty thousand acres of land in the West devoted to this crop. A duty also of sixteen cents per gallon is proposed on linseed oil.

In connection with this, I may also state that no reason was seen why linens, to some extent an article of luxury, should pay a less rate of duty than other textile fabrics. They are accordingly raised from fifteen per cent., and classified so as to be equal in rank with wool and cotton.

Importing over ten million in value of linen goods, as we do, annually, it will be conceded that we ought not to close the door against all efforts in behalf of a larger production of these goods at home. The edict of Nantes drove the French linen manufacturers to Ireland; and then England zealously encouraged them, by granting liberal bounties on all exports of linen goods. Our policy offers a contrast. Just before the duty was last changed down to fifteen per centum, a company with a large capital bought two hundred thousand dollars worth of flax machinery, paid the Government \$40,000 duties, and when the tariff was lowered, they were forced to abandon the whole project, and the machinery, duties, and all, were a total loss. If there was a home demand for the lint, flax would be cultivated for that as well as the seed; and our farmers would realize, instead of fifteen, forty dollars per acre, or as much as is obtained in Scotland for the same crop.

While the reciprocity treaty lasts, it is quite immaterial whether any duty is placed upon coal or not, as it will be imported free of duty from the British colonies. A duty, however, is proposed. It is not irrelevant to say the treaty alluded to has proved most disastrous to many other American interests; and having been made, as I conceive, by a relaxation of the constitutional rights of this House, which has the sole right to originate revenue bills, it ought to be speedily terminated.

It is also proposed to limit the time for warehousing goods to thirty days. It would be difficult to show why we should give merchants, who choose to withdraw their goods from market for the purpose of obtaining better prices, a credit upon duties, rather than those who enter them at once for consumption as soon as landed, or why they should be furnished with stores by Government, from which to peddle their commodities. To our merchants it can be of little advantage, as they import goods such as they need to sell, not to hold for a speculative market. Our whole policy seems unwearied in behalf of interests which antagonize our own. Sixty-nine per cent. of the importing business of New York is asserted to be in the hands of foreigners. It is time to curtail

the business of renting stores on the part of Government. If foreign manufacturers or shippers avail themselves of our market to dispose of surplus stocks, they should have no power not practically enjoyed by Americans, and the power of warehousing is practically a foreign convenience, useful to foreign shipping, and disastrous alike to our own trade and manufactures.

Among the results to be looked for, should this bill pass, it may be confidently asserted that, if it should not diminish, it will not increase the expense of collecting the revenue. Upon a very considerable share of the importations the duties will be specific; and as in such cases they will require only to be weighed or measured, the forces of the custom-house can be reduced. Then a number of minor articles from which the revenue is inconsiderable, but which will be of no small advantage to a great diversity of manufacturers, are placed upon the free list, and will merely require to be properly registered. In regard to those articles upon which mixed or compound duties are proposed—that is, in part specific and in part *ad valorem*—there will be no difficulty, if merely competent men rather than political partisans are employed; for, mold your laws into whatever shape you please, the trade possesses a wonderful nimbleness as well as sagacity in adapting their orders and shipments to new statutes. I have no question but an Administration desirous of reducing the expenses of collecting the revenue, would find no obstacles under this bill.

It may be said that some of the details of the bill are complex, but those who will feel the liveliest interest in this objection will be those who foresee in the complexity an impediment to evasions.

I have thus given such explanations of the bill as I could pack in the hour allotted; very imperfectly it is true, but enough to give a general idea of its leading points. That it is perfect—to the dotting of an *i* or the crossing of a *t*—I would not pretend; but it may be claimed to be free of some imperfections and anomalies of the present law. Should it be adopted, it will at least sustain the Government, and pay off the public debt. It will also put new life into all branches of industry, and set the plow, the loom, and the anvil, at work throughout the whole length and breadth of the Republic. Napoleon had a maxim—“Nothing by the people; everything for the people”—which we seem to have reversed. *Everything by the people, nothing for the people*, might be called the American motto. For once, in taking care of the Government, let us allow to the people some consideration and some incidental benefit.

I shall ask leave of the Committee to print several tables, which I have prepared to sustain the facts stated, and which may be of some use to others.