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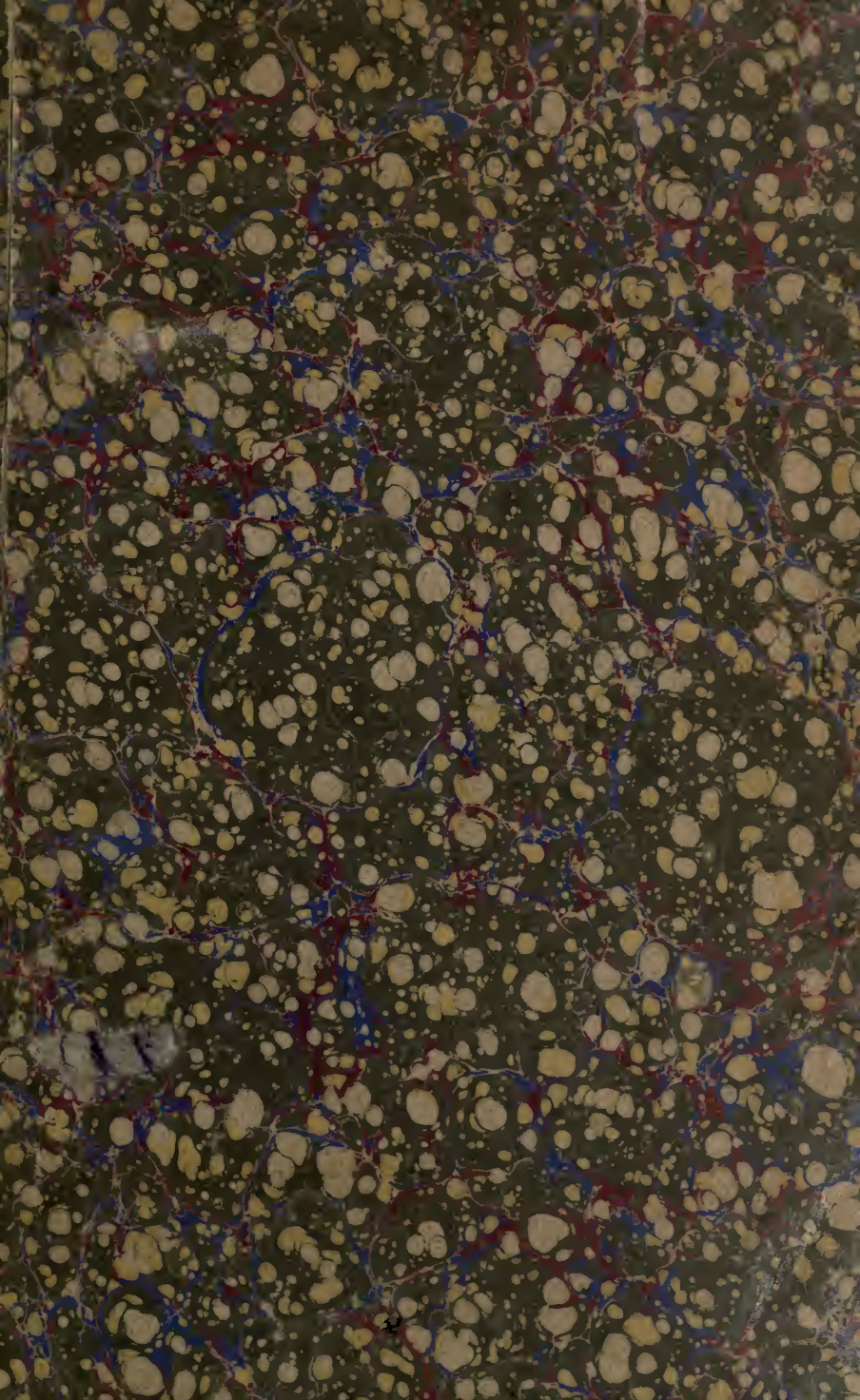


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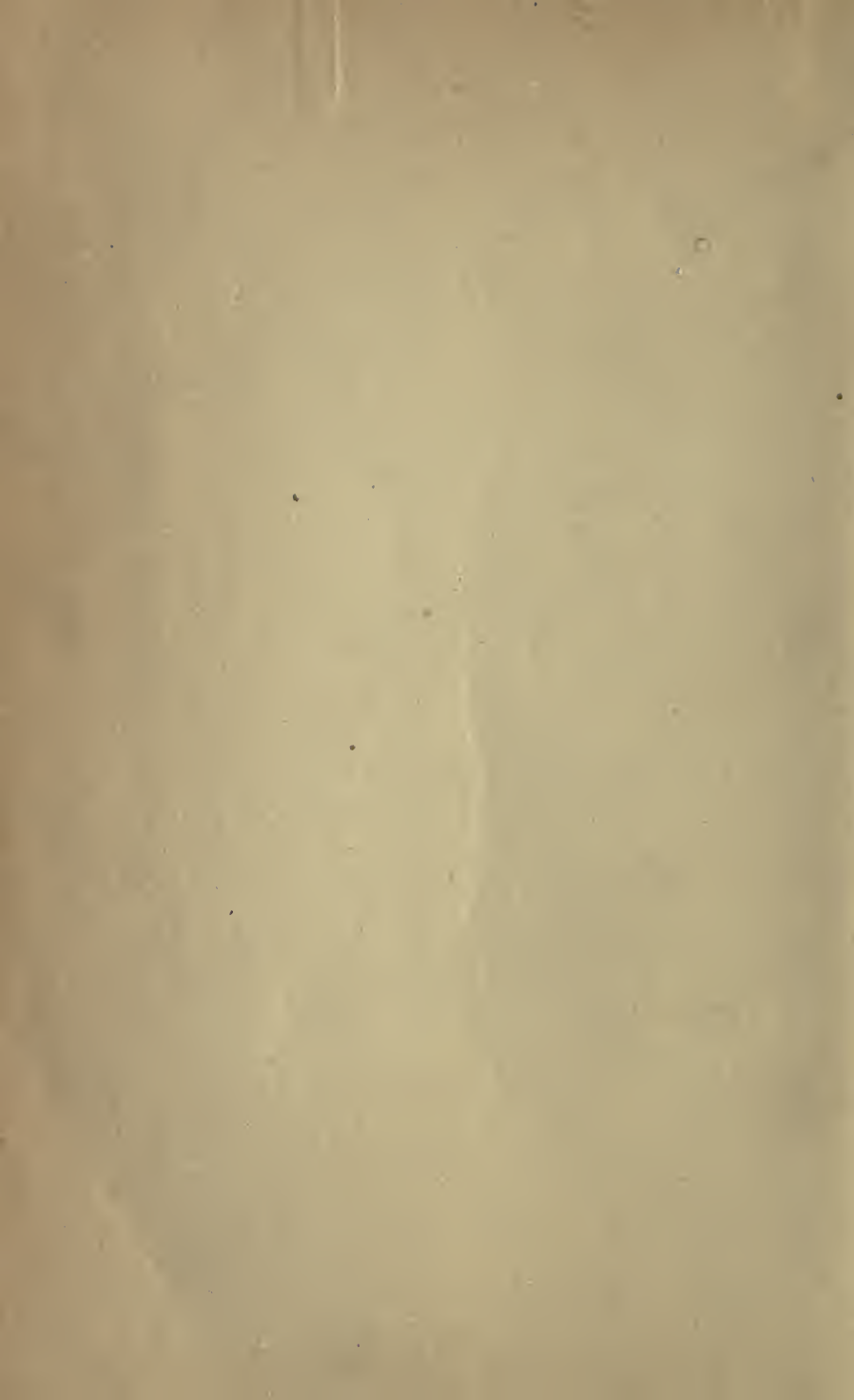
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THE

# PROTECTIVE QUESTION AT HOME :

BEING

THE SUBSTANCE OF A REPORT OF THE  
COMMITTEE ON MANUFACTURES,

SUBMITTED TO THE FORTIETH CONGRESS BY

HON. D. J. MORRELL, OF PENNSYLVANIA.

With Supplementary Notes

BY JOHN L. HAYES.

FROM "THE BULLETIN OF THE NATIONAL ASSOCIATION OF  
WOOL MANUFACTURERS."



CAMBRIDGE :

PRESS OF JOHN WILSON AND SON.

1871.





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## PROTECTIVE QUESTION AT HOME.

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It has been suggested that the review, which we presented in a former number, of "the Protective Question Abroad," might have a fitting complement in a review of the protective question in the United States, — a review which should revive the doctrines of the fathers of the Republic, state the historic argument for protection, derived from American experience, and announce the positions by which the continuance of the protective policy is recommended, especially to the people of the United States. Upon commencing this work we found ourselves irresistibly led into a line of thought and illustration which had already been pursued in a recent congressional report. We were thus induced to abandon our original purpose, and to reproduce, instead, the substance of that report. We are moreover led to this course by the consideration that whatever is published in congressional documents is simply buried, while many friends of American industry have expressed the desire that the report referred to should be rescued from the grave of the document room. The distinguished chairman of the committee who submitted it, and has undoubtedly its literary control, has consented not only that report should be republished by us, with the elimination of those portions less directly bearing upon the general question, but with the addition by us of such supplementary notes as might seem desirable to more fully illustrate the argument. This report thus

eliminated and supplemented we present to our readers as a view of the *Protective Question at Home*, and as the companion picture, as it were, of the "Protective Question Abroad."

The circumstances leading to the report were these : numerous petitions for the abolition or modification of the "warehousing system," established in 1846, as an accompaniment of the free-trade tariff of that year, having been addressed to the 40th Congress, these petitions were referred to the Committee on Manufactures. Its chairman, Mr. D. J. Morrell of Pennsylvania, in June, 1868, submitted a report from the committee, who consisted of Messrs. Morrell, Oakes Ames of Massachusetts, Philetus Sawyer of Wisconsin, Worthington C. Smith of Vermont, Lewis Selye of New York, William Moore of New Jersey, Addison H. Laffin of New York, William H. Barnum of Connecticut, and Philadelph Van Trump of Ohio, many of whom, as we are informed, expressed the desire that their names should appear with the published report.

In this report, the committee, after a brief introduction, which we omit, consider whether there is not some fundamental and recognized theory of governmental economy which would serve as a key to the inquiry as to the propriety of preserving the warehousing system. This key the committee find in the proposition that *the protection of American industry is the fixed policy of the American people*. From this proposition they deduce the inexpediency of preserving the warehousing system of 1846. To give the fundamental argument of this report a broader application than that directly intended by the committee, we omit, by authority, as above intimated, the portions bearing upon the warehousing system, and reproduce the argument upon which is based the main proposition, viz. : —

THE PROTECTION OF AMERICAN INDUSTRY IS THE FIXED POLICY  
OF THE AMERICAN PEOPLE.

To maintain the truth of this proposition by unequivocal evidences of public sentiment, to ascertain the foundation of the right of protection, and to define its effect and meaning from the expositions of the great political fathers, to show that this policy is founded upon a true con-

sideration of the interests of the people, and is sanctioned by the usages of all industrial nations, and, therefore, must be permanent, are some of the points to which the committee propose first to devote their attention.

#### THE PROTECTIVE POLICY SANCTIONED BY PUBLIC SENTIMENT.

The first indication of a public sentiment in favor of the policy of protection to which the committee will advert, is the declaration which was coeval with the birth of the great republican party,\* and made at Chicago by the convention which dedicated to the nation its most illustrious patriot and martyr, in these words:—

*Resolved*, That while providing revenue for the support of the general government by duties on imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges which leaves to the workingmen liberal wages, to agriculture, remunerating prices; to mechanics and manufacturers, an adequate reward for their skill, labor, and enterprise; and to the nation, commercial prosperity and independence.

This resolution, drawn by one of the most honored teachers of protection,† whose works have become text-books in the schools and universities of the continent of Europe, was presented with doubt and misgiving. But it was received by the vast assemblage with rapturous applause. No sooner was its tenor understood than its further reading was interrupted by the tumultuous shouts of the approving delegates, and re-echoed by outside crowds of the people. Well, indeed, might the people rejoice, for this resolution declared that: “The produce of the farm should no longer be compelled to remain idle and inert, and losing interest while waiting demand in distant markets; that the capital which daily took the form of labor power, should no longer be allowed to go to waste; that the fuel which underlies our soil should no longer there remain to be a mere support for foreign rails; that the power which there lay petrified in the form of coal should everywhere be brought to aid the human arm; that our vast deposits of iron should be made to take the form of engines

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\* Although in articles originally written for the “Bulletin” we should be careful to omit any political allusions, it would be a mere affectation of delicacy to omit such allusions as are contained in this report, especially as those which do occur are evidently not made for party purposes, and were so unimportant as not to call for any protest from the political minority of the committee. — ED.

† Mr. H. C. Carey. — ED.

and other machinery, to be used as substitutes for mere muscular force ; and, that all our wonderful resources, material and moral, must and should be at once developed."

At the earliest practicable moment, on the 2d of March, 1861, this resolution was ratified by Congress, through the passage of the Morrill tariff, which, aided by its supplements and the protective influence of the war, gave such unexampled vigor to our industry and such a miraculous expansion to our resources. No subsequent action of the majority of the representatives of the country has served to throw doubt upon their fidelity to the principles so distinctly enunciated at the birth of the republican party. If general measures for the revision of the tariff, which had become desirable to fill up the gaps in its defences, have failed, it has been from a want of a harmonious adjustment of conflicting interests, but from no doubts as to the general policy. When the wool and woollen interests united in declaring the measures needed for their joint relief, these measures were passed by overwhelming majorities, and even without discussion. In recent discussions upon the general tariff bills hardly a senator or member was to be found who did not advocate the protection of some favorite interests, thus, by these exceptions, admitting the correctness of the general principle, or recognizing the imperative sentiment of home constituencies.

As it may be said that congressional action represents the sentiments only of political parties, the committee have sought for evidence of public opinion in the primary meetings of the people convened without party ties. On the 22d of January, 1868, there was assembled at Worcester, in Massachusetts, for the special purpose of action with regard to internal taxation, the largest body of manufacturers of every branch ever collected in this country, and representing, as was estimated, the interests of over a million of laborers and their dependents. This convention, after laying aside one series of resolutions because not sufficiently positive, not satisfied with declaring their sentiments upon taxation, spoke thus positively upon the duty of defending the productive industries : —

*Resolved*, That the country is dependent upon its domestic industry for the supply of the necessities and comforts of life of its people ; that it derives from this source directly the great bulk of all it consumes and the means of purchasing the remainder which is obtained from abroad.

*Resolved*, That the power of consumption of the people and their profitable occupation are in proportion to the diversification of productive employ-

ment and consequently to the development of manufacturing as well as agricultural and commercial industry.

*Resolved*, That without a vigorous manufacturing industry, with increasing capital from its savings, the productive power of the country must fall behind, the supply of necessities and comforts for the people diminish, the compensation of labor be reduced, the sources of domestic and foreign commerce fail, and the ability to endure taxation be seriously lessened.

*Resolved*, That in acknowledgment of these principles, it has been the policy of all modern civilized nations to make such administrative dispositions and such a distribution of taxation as would most favor their useful domestic industries.

These resolutions, to which no one could assent without adopting, in their whole length and breadth, the doctrines of protection, may be said to represent the sentiments of a class directly interested in their prevalence. Let us look, then, to other quarters for indications of public opinion. In the month of February, 1868, a national *commercial* convention met in the city of Boston to devise plans for restoring the business which had been disturbed by the rebellion. Thirty-six boards of trade and organized mercantile bodies, established in fifteen of the States of the Union, were represented by delegates. The following were among the resolutions passed by the representatives, emphatically of the business men of the United States, after having been deliberately considered in committee : —

Whereas domestic products constitute the basis of nine-tenths of the internal trade of the country, and furnish the means of sustaining its foreign commerce, thus rendering an extensive, varied, and active domestic industry essential to its proper commercial prosperity; and whereas the capital required to initiate and sustain industrial enterprise commands on an average double the rate of interest here that it does in the great industrial nations abroad, which greater rate of interest is inseparable from the conditions of a country constantly absorbing capital in new settlements and improving virgin lands; and whereas our domestic industry cannot sustain itself in competition with the foreign production of commodities of easy transportation unless placed upon an equality in the command of capital and labor, and exemption from internal taxation, or unless the disparity against us in these respects is neutralized by suitable legislative provisions: Therefore,

*Resolved*, That while the general government provides revenue for its support by duties on imports and tonnage duties, sound policy demands such an adjustment of these duties as to equalize the disparities in the cost of capital and labor between our own and competing nations, that thereby the industrial and commercial interests of the whole country may be promoted, labor and skill receive their just reward, and the arts, civilization, and the civil power of the nation be extended.

The authorized report of this important convention, which is before the committee in a typographical form worthy of the importance of the record, and which, with its most instructive matter, makes it a most desirable addition to our commercial literature, declares that these "resolutions were adopted unanimously, with much applause." Here we have the deliberate declaration of the great commercial community of the country, in language almost identical, in some of its phrases, with the famous resolution of the republican party, in substance, that domestic industry constitutes the basis of nine-tenths of the internal trade of the country and the means of sustaining its foreign commerce; that this industry, so indispensable to national prosperity, cannot compete against the cheap capital and labor of foreign nations unless this disparity is neutralized by suitable legislative enactments, or, in other words, by protection; and that it is the duty of the government to impose duties so as to equalize the disparities in the cost of labor and capital of competing nations; that thereby the commercial and industrial interests of the whole country may be promoted. What more emphatic declaration, or one from a source entitled to more profound respect, could be found in favor of the principle which the committee have declared to be the fixed policy of the American people? \*

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\* It would be uncandid for us in this connection not to refer to the vote of the National Board of Trade at Buffalo, in December, 1870, in favor of certain measures of so called revenue reform which may tend to indicate a change of opinion in commercial communities upon the question of protection. Those most familiar with the present organization of this Board will regard that vote rather as evidence of successful tactics, on the part of revenue reformers, than of a change of opinion, for the vote referred to appears from the report of the proceedings to have been taken after the majority of the Board had left for their homes. Mr. Field, a free-trade delegate from England, stated, in 1869, before the Associated Chambers of Commerce of the United Kingdom, his view of the sentiments of our various commercial communities. "I attended," he says, "the Chambers of Commerce of Philadelphia, Baltimore, St. Louis, Cincinnati, Chicago, Boston, and Charleston. I found the Philadelphia Chamber to be a thoroughly protectionist chamber: though one or two came to me after the meeting to express different views. The Baltimore and Charleston chambers were free-traders. I might have expected that the Western chambers would have been free-traders also; but they were not. They decided by majorities that protection was the right policy for the interest of the United States; but that they, as Western States, were not duly considered in the tariff, and that the duty on a great many articles was too high." Mr. Field also states that "there is rising up a free-trade school in Boston." That this school does not represent the sentiment of the commercial community of that city, is made manifest by the fact that its leading newspaper, the "Daily Advertiser," and the important business sheet, the "Commercial Bulletin," both of which were silent three years ago, are now thoroughly outspoken in favor of protection. The revival of the protective sentiment in the commercial community of New York was unequivocally evinced in the proceedings at the recent Woollen-Trade



## PROTECTION THE POLICY OF THE EARLY STATESMEN.

This sentiment for protection, which we thus see to have been revived of late years with such surprising unanimity and intensity, cannot be regarded as a mere temporary passion. It is a recurrence to the doctrines of the founders of the republic, and to the policy with which the administration of Washington laid the foundations of the social existence of this great community, our national and federal Union.

Dr. Franklin writes, in 1771 : —

It seems the interest of all our farmers and owners of land, to encourage our young manufacturers, in preference to foreign ones imported among us from distant countries.

Alexander Hamilton says, in 1791 : —

To maintain between the recent establishments of one country, and the long matured establishments of another country, a competition on equal terms, both as to quality and price, is in most cases impracticable. The disparity, in the one, or in the other, or in both, must necessarily be so considerable as to forbid a successful rivalry, without extraordinary aid and protection from the government.

Thomas Jefferson writes, in 1815 : —

The prohibitory duties we lay upon all articles of foreign manufacture which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made within ourselves, without regard to difference of prices, secures us against relapse and foreign dependency.

James Madison, in 1828, says : —

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Banquet. The protective sentiment of Chicago and the West is indicated by the publication in that city, and generous support of the "Bureau," the ablest protective magazine that has ever appeared in this country.

Public opinion becomes settled through alternate vibrations, like those of the pendulum. The recent revenue-reform agitation is a reaction from the previous awakening of the protective sentiment from a state of comparative indifference. The spasmodic movement in the House of Representatives for the repeal of the duty on bituminous coal, for the illogical reason of the high price of anthracite, on which there is no duty, is followed scarcely a month after by a defeat of the resolution declaring that the tariff should be for revenue only. Mr. Clay declared that the protective sentiment of the country is "as the granite, deeply embosomed in our mountains." As the attraction of the embosomed granite brings the pendulum to its poise, so we firmly believe will the "sober second thought" of the people resolve the vibrations of the public mind upon the agitated questions of revenue reform. — ED.

A further evidence in support of the constitutional power to protect and foster manufactures by regulations of trade—an evidence that ought in itself to settle the question—is the uniform and practical sanction given in that power, for nearly forty years, with a concurrence or acquiescence of every State government throughout the same period, and, it may be added, through all the vicissitudes of party which marked that period.

General Jackson says, in 1824:—

It is time that we should become a little more Americanized, and instead of feeding the paupers and laborers of England, feed our own.

Daniel Webster says, in 1833:—

The protection of American labor against the injurious competition of foreign labor, so far at least as respects general handicraft productions, is known historically to have been one end designed to be obtained by establishing the Constitution; and this object, and the constitutional power to accomplish it, ought never to be surrendered or compromised in any degree.\*

\* It has been justly observed that the great men who secured the adoption of the Federal Constitution, and who laid the foundation of our national policy, including that of protection, were not manufacturers, or in any respect representatives of manufacturing interests; but were for the most part connected with the farming or planting interest; and that they commended protection, not for the sake of special industries, but for the general good. No other motive can be attributed to Washington, whose name is omitted in the condensed statement of authorities given in the report. In his first message he says:—

“The safety and interest of the *People* require that they should promote such manufactures as tend to render them independent of others for essential, particularly for military, supplies.”

This suggestion led to the resolution of Congress which brought forth the famous report of Alexander Hamilton, so largely quoted by the committee.

President Washington, in his second message, thus strongly reaffirms his protective views:—

“Congress have repeatedly, and not without success, directed their attention to the *Encouragement of Manufactures*. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible.”

The most shining example of disinterested and almost sublime devotion to the protective cause, was Henry Clay, who for that devotion has been called the father of the “American System.” His devotion was disinterested, for he did not represent a manufacturing constituency. It was sublime, for his devotion led him to an invocation like this, with which he opened his great speech on American industry in 1824. “I do feel most awfully the high responsibility of my present situation. And if it were allowable for us, at the present day, to imitate ancient examples, I would invoke the aid of the Most HIGH. I would implore His Divine assistance; that He would be graciously pleased to shower on my country His richest blessings; and that He would sustain, on this interesting occasion, the humble individual who stands before Him, and lend him

It would be presumptuous in the committee to attempt to derive from the acts and words of the early statesmen all the motives and principles which led to the incorporation of the protective policy into

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the power, moral and physical, to perform the solemn duties which now belong to his public situation."

Mr. Clay's devotion to the cause of protection to American industry, it is supposed, may have been influenced by the fact that, as early as 1800, a meeting was held in Bourbon County, Kentucky, at which it was resolved to purchase no imported articles, for which in exchange home products would not be received, and that home manufactures of every kind should be encouraged by all possible means. His first speech in the halls of Congress, when he took his seat in the Senate for a single session, in 1806, was in advocacy of the right of Congress to construct works of internal improvement. When he took his seat a second time in the Senate, in the winter of 1809-10, his first speech was in favor of the policy of promoting domestic manufactures by a protective tariff.

"For many years after the war," said he, "such was the partiality in this country for the productions of England, that a gentleman's head could not withstand the influence of the solar heat unless covered with a London hat; his feet could not bear the pebbles or the frost unless protected by London shoes; and the comfort and ornament of his person was consulted only when his coat was cut out by the shears of a tailor *just from London*. At length, however, the wonderful discovery has been made, that it is not absolutely beyond the reach of American skill and ingenuity to provide these articles combining with equal elegance greater durability. And I entertain no doubt, that, in a short time, the no less important fact will be developed, that the domestic manufactures of the United States, fostered by government, and aided by household exertions, are fully competent to supply us with at least every necessary article of clothing. I, therefore, *for one* (to use the fashionable cant of the day), am in favor of *encouraging them*; not to the extent to which they are carried in England, but to such an extent *as will redeem us entirely from all dependence on foreign countries*."

In 1816, the question of a general revision of the tariff came before Congress. This revision was not demanded for revenue, for the ordinary expenses of the government were but little above \$15,000,000, while it was shown that the laws then in force would produce more than \$25,000,000 of revenue. The whole question was debated upon the distinct ground of *protection* to the industries which had been developed during the recent war. Mr. Lowndes, of South Carolina, submitted a report strongly recommending a tariff for *protection*, with a detailed bill to effect the object, and was earnestly supported by Mr. Calhoun. This bill, whose most remarkable feature was the establishment of the minimum duty of six and one quarter per square yard upon cotton fabrics, introduced at the suggestion of Mr. Lowell, of Massachusetts, was powerfully advocated by Mr. Clay, who sought especially to secure a more effectual protection for woollen manufactures than the bill proposed. Mr. Clay especially urged that the period of the termination of the war, during which the manufacturing industry of the country had received a powerful spring, was precisely that period when government was alike impelled by duty and interest to protect it against the free admission of foreign fabrics consequent upon a state of peace.

In the session of 1819-20, a bill revising and improving the protective features of the tariff of 1816, was supported zealously and with great effect by Mr. Clay; but after having passed the House, was defeated in the Senate. In 1824, the distress of the country again forced the subject of our national industry upon the attention of Congress. A bill, revising the tariff of 1816, protective in all its features, was reported, and, mainly through the championship of Mr. Clay, became a law. His speech on American

our national system, while among their own files and records they can find, in the words of a statesman second only to the great fathers with whose spirit he was so deeply imbued, the most exhaustive ex-

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Industry, delivered on the 30th and 31st of March, 1824, in support of this bill, is still, with perhaps the exception of Mr. Hamilton's report, the ablest exposition of the American protective policy which has been given by any of our statesmen. His friends, in the enthusiasm which was justly aroused by this magnificent effort, styled him the father of the American System. He was not its father; for he himself ascribed its paternity to "our Franklin, Jefferson, Madison, Hamilton;" but he was eminently its restorer. It would be vain, even if we had space, to attempt a condensation of his close and admirably arranged argument. But the fragments gathered at random, like the Elgin Marbles, show the grandeur of the temple of which they formed a part.

How distinctly and fairly does he define the issue upon which the public mind is divided, now, as in his time! "Two classes of politicians divide the people of the United States. According to the system of one, the produce of foreign industry should be subjected to no other impost than such as may be necessary to provide a public revenue; and the produce of American industry should be left to sustain itself, if it can, with no other than incidental protection, in its competitions at home as well as abroad, with rival foreign articles. According to the system of the other class, whilst they agree that the imposts should be mainly, and may, under any modification, be safely relied on as a fit and convenient source of public revenue, they would so adjust and arrange the duties on foreign fabrics as to afford a gradual but adequate protection to American industry, and lessen our dependence on foreign nations by securing a certain and ultimately a cheaper and better supply of our wants from our own abundant resources."

The cause of the unhappy condition of the country which prevailed after the war, perhaps the most painful in our history, is thus given: "It is found in the fact, that, during almost the whole existence of our government, we have shaped our industry, our navigation, and our commerce, in reference to an extraordinary war in Europe, and to foreign markets, which no longer exist; and in the fact that we have depended too much upon foreign sources of supply, and excited too little the native; in the fact that, whilst we have cultivated with assiduous care our foreign resources, we have suffered those at home to wither in a state of neglect and abandonment."

The home trade is thus shown to be the chief object of national solicitude:—

"The greatest want of civilized society is a market for the sale and exchange of the surplus of the produce of the labor of its members. This market may exist at home or abroad, or both; but it must exist somewhere, if society prospers; and wherever it does exist, it should be competent to the absorption of the entire surplus of production. It is most desirable that there should be both a home and a foreign market. But with respect to their relative superiority, I cannot entertain a doubt. The home market is first in order and paramount in importance. The object of the bill under consideration, is to create this home market, and to lay the foundations of a genuine American policy." Again he says: "The creation of a home market is not only necessary to procure for our agriculture a just reward of its labor; but it is indispensable to obtain a supply of our necessary wants. If we cannot sell, we cannot buy. . . . It is vain to tantalize us with the great cheapness of foreign fabrics. There must be an ability to purchase if an article be obtained, whatever may be the price, high or low, at which it is sold. And a cheap article is as much beyond the grasp of him who has no means to buy, as a high one. . . ."

"The superiority of the home market results: 1st, from its steadiness and comparative certainty at all times; 2d, from the creation of reciprocal interests; 3d, from its greater

position of the protective doctrines of the founders of the federal government. Mr. Adams, who for so many years honored by his occupation the chair of the Committee on Manufactures, in the various reports which proceeded from his pen, defended and interpreted the protective policy with the same vigor with which he assailed the institution of slavery among whose advocates the most bitter enemies of protection were also found.

security; and, lastly, from an ultimate and not distant augmentation of consumption (and, consequently, of comfort) from increased quantity and reduced prices. But this home market, desirable as it is, can only be created and cherished by the PROTECTION of our own legislation against the inevitable prostration of our industry, which must ensue from the action of FOREIGN policy and legislation."

He insists that to create this home market, agriculture must draw to its aid the manufacturing arts, and supports his position by this truly national illustration, as apt as it is beautiful: —

"The difference between a nation with and without the arts may be conceived by the difference between a keelboat and a steamboat, combating the rapid torrent of the Mississippi. How slow does the former ascend, hugging the sinuosities of the shore, pushed on by her hardy and exposed crew, now throwing themselves in vigorous concert on their oars, and then seizing the pendent boughs of overhanging trees! She seems hardly able to move; and her scanty cargo is scarcely worth the transportation! With what ease is she not passed by the steamboat, laden with the riches of all quarters of the world, with a crew of gay, cheerful, and protected passengers, now dashing into the midst of the current, or gliding through the eddies near the shore! Nature herself seems to survey, with astonishment, the passing wonder, and in silent submission, reluctantly to own the magnificent triumphs, in her own vast dominion, of Fulton's immortal genius."

Mr. Clay makes short work of the speculative argument that the arts will arise in a nation, of themselves, whenever there is a concurrence of favorable circumstances. He says, "The proposition to be maintained by our adversaries is, that manufactures, without protection, will, in due time, spring up in the country and sustain themselves, in competition with foreign fabrics, however advanced the arts, and whatever the degree of protection may be in foreign countries. Now, I contend that this proposition is refuted by all experience, ancient and modern, in every country. If I am asked why unprotected industry should not succeed in a struggle with protected industry, I answer, The FACT has ever been so, and that is sufficient; I reply, that UNIFORM EXPERIENCE evinces that it cannot succeed in such a struggle, and that is sufficient. If we speculate on the causes of this universal truth, we may differ about them. Still the indisputable fact remains."

The arts, he insists, cannot be implanted in this country except "by adopting a genuine AMERICAN SYSTEM. We must naturalize the arts in our country; and we must naturalize them by the only means which the wisdom of nations has yet discovered to be effectual: by adequate protection against the otherwise overwhelming influence of foreigners. This is only to be accomplished by the establishment of a tariff."

In concluding this great argument, enforced throughout by every consideration of patriotism, or of generous sentiment which could have weight with single-minded statesmen, he refers to the difficulties which the friends of industry encountered in the efforts for protective legislation, and they are the same that are still encountered; but he inspires them to perseverance by the prophetic declaration: "The cause is THE

The committee deem it their duty to refer at considerable length to these expositions of the great defender of the rights of all American labor; because upon them they are of the same binding authority as the decisions of Mansfield or Marshall, in the courts where they presided; because they define the precise effect and original meaning of the term "protection," and justify its retention, as the phrase which best expresses the precise object of legislation respecting industrial interests; that of *defending* against the assaults of other nations the labor of our own, so that our industry may be as well protected and free as our soil, and that the country may have a *real* free trade of its own, and not one imposed upon it by the selfishness of other nations; because they establish that such protection is not a mere boon or favor, but a right derived not only from the

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CAUSE OF THE COUNTRY, AND IT MUST AND WILL PREVAIL. IT IS FOUNDED ON THE INTERESTS AND AFFECTIONS OF THE PEOPLE. *It is as native as the granite deeply embosomed in our mountains.*"

In adding Mr. Clay to the list of protective authorities cited by the committee, we conform to the expressed wish of its chairman.

The report which forms our text, we have the best authority for saying, was placed in the hands of General Grant and was carefully read by him shortly before he became President. Whether or not it influenced his opinions, we have no means of knowing; but his last message enables us to crown with his name the list of the disinterested statesmen who commend protection, not for the sake of special industries, but for the general good. How admirably, and with what telling sarcasm, are the fallacies of the last phase of free trade, revenue reform, exposed by the President in his last message:

"By a wise adjustment of the tariff which will put a duty on those articles which we could dispense with, known as luxuries, and of those which we use more of than we produce, revenue enough may be raised, after a few years of peace and consequent reduction of indebtedness, to fulfil all our obligations. A further reduction of expenses in addition to reduction of interest account may be relied upon to make this practicable. Revenue reform, if it means this, has my hearty support. If it implies a collection of the revenue for the support of government, for the payment of principal and interest of the public debt, pensions, &c., by directly taxing the people, then I am against revenue reform, and confidently believe the people are with me. If it means failure to provide the necessary means to defray all the expenses of the government, and thereby repudiation of the public debt and pensions, then I am still more opposed to such kind of revenue reform. Revenue reform has not been defined by any of its adherents, to my knowledge, but seems to be accepted as something which is to supply to each man every means wanted without any cost or effort on his part. A true revenue reform cannot be made in a day, but must be the work of national legislation and time. As soon as the revenue can be dispensed with, all duty should be removed from coffee, tea, and other articles of universal use not produced by ourselves. The necessities of the country compel us to collect revenue from our imports. An army of assessors and collectors is not a pleasant sight to the citizens; but that or a tariff for revenue is necessary. Such a tariff, so far as it acts in encouragement to home products, affords employment to labor at living wages, in contrast to the pauper labor of the old world, and (effects) also the development of home resources." — ED.

social compact, but from constitutional guarantees ; and what is more pertinent to the special object of this report, because the inference is enforced upon the committee that any policy inconsistent with the national system of protection as defined by this great expounder is incompatible with a truly American policy.

In a report made from the Committee on Manufactures on the 22d of May, 1832, accompanying a bill to alter and amend the several acts imposing duties on imports, Mr. Adams observes : “ To pay the debts of the United States was the first of the objects for which, by the Constitution of the United States, the power to levy and collect taxes, duties, imposts, and excises, was conferred upon Congress, to provide for the common defence and general welfare was the second object ; and these expressions, broad and comprehensive in their import, far from being without meaning in the intentions of the founders of the Constitution, embraced the great purposes for which the Constitution itself was framed. They are introduced in that solemn preamble by which the whole people of the United States, speaking in the first person, ‘ We, the people of the United States,’ announce the great purposes for which they do ordain and establish this Constitution ; they are emphatically *repeated* in the eighth section of the first article, containing the grants to Congress of power ; and they are not only grants of power, but trusts to be executed, — duties to be discharged for the common defence and general welfare of the Union. To provide for that common defence and general welfare were obligations imposed upon the organized body on whom the power was conferred of levying and collecting taxes, duties, imposts, and excises for effecting the purpose, — obligations not less imperious than that of paying the debts of the Union. To *provide* for the common defence and general welfare is the duty, the irremissible duty of the Congress ; the power to levy duties, taxes, imposts, and excises, is the means with which they are invested for the execution of the trust. The non-user of the power is a violation of the trust — a violation as culpable as would have been the neglect or refusal to levy taxes for the payment of the public debt. That the intention of the people was to confer the power in great amplitude is apparent, not only from the greatness of the purpose to be accomplished and from the generality of the terms in which the power is conferred ; not only from the emphatic *repetition* of the terms in which the objects of the Constitution are announced in the preamble, but from the anxious use of all the words by which the contributions of taxation can be levied, — taxes, duties, imposts, and excises.

“To provide for the common defence. Defence against what? against whom? Defence against every danger and against every foe; defence against all hostility, and from every evil which may bear upon the whole community and menace the general welfare; defence especially against all hostility of foreigners, whether in war or in peace; for the hostility of nations to each other is not confined to times of war. The common defence must be provided for as much against commercial rivalry as against warlike invasion; for the spirit of traffic armed with power, as the experience of mankind has proved, is more insatiate and more grasping than all the Alexanders and Cæsars that ambition has inflicted upon the race of man.” Mr. Adams then proceeds to show that a power, an organized and efficient power of common defence against this spirit, was proved to be indispensable to the independent existence of this Union, by the avowals of British statesmen, that the fundamental maxim of the commercial policy of Britain had been not only to promote her own prosperity, but to depress that of her commercial rivals and competitors. “Of this hostility,” he says, “and of this dependence, the people of the United States had shared more than the inhabitants of any other portion of the globe. From the time when they had shaken off their colonial dependence they had become, in the eyes of their stepmother, the most hated of her rivals. The imbecility of their confederation left them without resources of *common defence*, commercially at her mercy, and the tenderest of her mercies was cruelty. It was in the interest of self-preservation from this yawning ruin that the Constitution of the United States had originated. . . . To provide for the *common defence* was, accordingly, in conjunction with the payment of the national debt, the first object which commanded the attention of Congress on the organization of the government under the present Constitution. The very first act of the first Congress, after that organization, was an act for laying duty on goods, wares, and merchandise, imported into the United States; and this act, by an exception to a general rule, adopted from the first and ever since observed, was preceded by a preamble declaring its objects, as follows :

Whereas, it is necessary for the support of the government, for the discharge of the debt of the United States, and the encouragement and *protection* of manufacturers, that duties be levied on goods, wares, and merchandise imported.

“And thus the very first act of the organized Congress, united with the law of self-preservation, by the support of the government



just instituted, the two objects combined in the first grant of power to Congress, the payment of the public debts and the provision for the *common defence* by the protection of manufactures. The next act was precisely of the same character,—an act of protection to manufactures still more than of taxation for revenue,—an act imposing duties on tonnage, by which a duty of six cents a ton was raised upon the vessels of the United States entering their ports, and fifty cents per ton upon all foreign nations.\* Nor was this the only discrimination between the duties of tonnage levied upon the vessels of the United States and upon foreign vessels. Upon all vessels built thereafterwards in the United States, but belonging in whole or in part to foreigners, the duty levied was thirty cents per ton; and upon all merchandise imported in foreign vessels an addition of ten per cent on the amount of the duties was levied. These discriminations were all protective duties,—protective of the domestic manufacture. The argument which denies the power of Congress to levy duties for the *protection* of domestic manufactures pronounces unconstitutional these two first acts by which Congress exercised their powers—acts among the most memorable, among the most beneficent exercises of power, which have rendered the Constitution itself a blessing to the nation. It expunges from the Constitution the grant of power to provide for the *common defence*.”

Speaking elsewhere of the beneficent effect of the policy thus inaugurated upon the inception of the government, he says: “Under that system of policy the nation has risen from a depth of weakness, imbecility, and distress to an eminence of prosperity unexampled in the annals of the world. . . . It was by counter legislation to the regulations of foreign nations that the first operations of the government of the United States were *felt* by their people; *felt* in the activity given to their commerce; *felt* in the encouragement and protection given to their commerce; *felt* in the fulfilment of the public engagements to the creditors of the nation; *felt* in the gradual discharge of the debt of gratitude due to the warriors of the revolution; *felt* in the rapid increase of our population, in the constantly and profitably occupied industry of the people, in the consideration

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\* By treaties subsequently made with the principal European nations we have most unwisely yielded the right to discriminate by tonnage duties in favor of our own shipping. It is believed that the manufacturing and agricultural classes of the country would favor the abrogation of these treaty stipulations, and any measures of protection to the shipping interests, such as imposing higher duties upon merchandise imported in foreign vessels, not inconsistent with the general protective policy.

and respect of foreign nations for our character, in the comfort and well-being and happiness of the community; *felt* in every nerve and sinew, in every vein and artery of the body politic."

In a minority report presented from the Committee on Manufactures, on the 27th of February, 1833, Mr. Adams shows that the system of protection extended to manufactures is not a partial and exceptional favor to a separate interest, but a part of the general system of defences by which the whole country is protected. "The manufacturers of the old and long-settled States," he observes, "have been protected from the injurious regulations of foreign nations as the planters of the south and the settlers of the west have been protected from the depredations and hostile incursions of Indian savages. Nearly the whole charge of the military peace establishment is borne by the nation for the proportion of the south and west. Of the millions upon millions expended since the existence of the government upon Indian wars and negotiations, the manufacturer of Pennsylvania, of New Jersey, and of Massachusetts, has paid, and continues to pay, his full proportions. And what is an Indian war or an Indian negotiation to him? The whole naval establishment of the Union is maintained to *protect* the immediate interest of the commercial part of the community. The manufacturer, the farmer, the planter, have no direct interest in this; they all pay taxes to protect from foreign hostility the property of the merchant and the person of the navigator. The war last waged with Great Britain, and which cost the nation upwards of a hundred millions of dollars, and perhaps fifty thousand lives, for what was it proclaimed, but for wrongs to the merchant and the mariner, in which the manufacturer and farmer, as distinct classes of society, had not one dollar of interest, yet, for the maintenance of which, they bore their equal portion of taxation and devoted their equal portion of lives. The manufacturer of the interior has the same right to the protection of the whole Union against the regulations of foreign countries as the merchant upon the coast or the mariner upon the ocean. The manufacturer of the north has the same right to the protection of the nation against the competition of foreign rivals armed with foreign laws, as the planter of the south or the settler of the west has to the same protection against the robberies and butcheries of Indian savages, instigated by the secret impulses and profuse subsidies of the same foreign rivals. The manufacturer asks no more."

In the same report from which the committee have last quoted,



Mr. Adams maintains that the right of the citizen to protection is derived from the obligations pledged to him by the social compact. "The protection of high duties," he says, "is founded upon the principle of shielding the domestic manufacturer from the ruinous competition of foreigners, producers of the same article. This principle is founded, not upon the nature or uses of the article, but upon the right of the citizen to protection, pledged to him by the social compact, the correlative obligation of his country to him, for his duty and obligation of allegiance to her. Why is the planter of the south and the new settler of the west entitled to the protection of the nation, at the cost of many annual millions to maintain an army to make that protection effective? Why, but because the planter and settler are bound to allegiance to that country whose protection they are thereby entitled to claim? Why are the merchant, the mariner, the fisherman, entitled to protection? and why is a navy maintained at the cost of annual millions to make that protection effective? Because the merchant, the mariner, the fisherman, owe their allegiance to the country which protects them. This protection is due to them in peace as well as in war; else why do you maintain an army in time of peace? The manufacturer is entitled to the same protection from his country as the planter, as the new settler, as the merchant, as the navigator, as the fisherman, and for the same reason — because he owes to that country his allegiance. He bears his portion of the burden of expenditures, sustained by the nation to maintain an army and a navy for the protection of interests which are not his. He has a *right* to claim the same protection to his own. It is the *right of the citizen*, and not the necessities of the community, which constitutes the fundamental principle upon which the obligation to protect the interest of the manufacturer, or of any other member of society, is incumbent upon the nation."

The committee make no apology for introducing these long extracts. Inheritors of the trust imposed upon this great legislator, they could not be faithful to that trust without seeking counsel from his precepts. Such interpretations are for the defences of our industry what the original plans of the engineer are to the military fortification when the walls are overgrown and the circumvallations made obscure by time; they define precisely the extent and limits of the old foundations, and show where the stronghold is to be repaired and the weak points strengthened. Do we not in these views, which so clearly define the rights of the people of this Union to every possible defence

for their own productive industries, see light already shed upon the special object of these inquiries,\* which, though kept for the present in abeyance, is not lost sight of? Can we not already see that it was the intention of the founders of this government for the general welfare of this people, not the people of other nations, that any system which gives peculiar advantages to foreigners, although made plausible by assuming the form of a commercial privilege, is inconsistent with the great purpose of self-defence for which our constitution was ordained, and repulsive to the common instincts of patriotism in all times and among all people, such as found expression, three centuries ago, in the exclamation of the great Lord Bacon to the ministers of his sovereign: "Let us advance the commodities of *our own* kingdom, and employ *our own countrymen before strangers.*"

#### PROTECTION THE POLICY OF ALL INDUSTRIAL NATIONS.

The objection here occurs: these were the doctrines of a past age, well suited perhaps for a nation in its infancy; but time rolls on, the world moves, constitutions are elastic, and must conform to the world's progress. In the march of enlightenment among the nations, is there not such an advance as renders it impossible for a great nation to persevere in the doctrines of restriction? The British economists say, Yes, and assure us that protection is a notion of a past and unenlightened period. The committee propose to inquire whether this assertion be true; for, if true, their position is wrong that protection is a fixed policy of the American people. It cannot be permanent if opposed to the universal sentiment of the enlightened world.

The assertion of England that protective doctrines are opposed to the philosophical and practical judgment of the present period, is not to be believed, because England is deeply interested in making the world accept this fallacy. With her teeming and starving, and now restless and discontented population, her very existence depends upon keeping open the foreign outlets for her manufactures, and receiving, at cheap rates, the raw material of other nations. By creating a current of sentiment which will tend to a removal by other nations of restrictions upon the entry of her goods, she secures a triple purpose, the occupation of foreign markets, the means of increasing the

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\* The abolition of warehousing laws made in the special interest of foreign commerce.—ED.

prices of her goods by crushing out competing manufactures, and the cheapening of the desired products of agriculture, which is sure to result from the abandonment of domestic manufactures in all the countries into which her goods can enter without restriction. England stands forth not so much as the great exemplar, but as the great *propagandist* of free trade. To engraft this policy upon *other nations*, is the paramount idea of British statesmanship. It governs all her diplomacy, is never lost sight of in her legislation, and is avowed by all her ministers. All English literature is tinged by the political philosophy inspired by this idea. Her press reiterates day by day its platitudes concerning the progress of liberal ideas, and its paradoxes concerning the unselfishness of British commerce, not to affect opinion in England, which is always fixed in the direction of interest, but to create opinion outside of England. During the last century an institution was founded in England, under the style of "The Society for Propagating the Gospel in Foreign Parts," whose munificent and practical benevolence is attested by many churches still standing in this country, erected by funds which it supplied. The great missionary enterprise to which England of to-day is devoted is the propagation in "foreign parts" of the doctrines of a political religion, — the gospel of free trade. Its tracts are the essays of British economists; its *colporteurs*, her commercial traders; its foreign missionaries, the representatives of the press of our leading commercial city; and its churches, our bonded warehouses. No influence which can contribute to the spread of this religion is despised; no accessible organ which can affect opinion abroad remains unsubsidized. Only yesterday the historian, Thiers, the most renowned of the statesmen of France, proclaimed, in a powerful speech in the legislative assembly, the present sentiments of the masses of the French people for protection; \* and to-day the Atlantic telegraph announces that the minister

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\* In our article on "the Protective Question Abroad," written at a time when M. Thiers was comparatively, and M. Pouyer Quartier almost, wholly unknown in this country, we quoted at length the opinions of these statesmen as evidences of the protective sentiment among the most intelligent and practical men of France. Since we wrote, the former has become President, and the latter Minister of Finance, of the French Republic. The highest representatives of liberal conservatism in France, they have signalized their devotion to the protective cause by refusing to enter into a commercial treaty with Prussia, although lying at her mercy. The reason avowed for this refusal is, that French industry, destroyed by the war, could only be revived by such protective measures as had proved effectual in the United States at the close of the war of the Rebellion. This boldness is worthy of the great Napoleon, who declared that he would still refuse to sign a commercial treaty with the English, "if they were in possession of the height of Montmartre." — Ed.

of state — the pliant instrument of the alliance with England, by which the Emperor is kept upon his throne — has demolished the positions of the historian by a speech which insured the perpetuity of the great free-trade measure, the Anglo-French treaty. This is but an illustration of the persistency of the British system of misrepresentation, for the popular sentiment of France, as will be hereafter shown, is stronger now than it ever was for protection, while the treaty is only a free-trade measure in name. The British policy of persistently asserting the progress of free-trade opinions is one of the most insidious and effective of the measures of assault upon foreign industry. By this perpetual misrepresentation and agitation, distrust and uncertainty are produced in relation to the continuance of the protective system, under which new manufacturing enterprises can only be safely undertaken. Capital, which is always timid, is frightened away from manufacturing investments; it demands, above all things, stability. This country ought now to be enriched by the occupation of hundreds of millions of dollars in mills, mines, and furnaces, which have been restrained from investment through the distrust and instability produced by British alarmists. It is known to the committee that the most admirable water-power upon the Connecticut, for developing which, upon a scale grand enough to found another Lowell, the property has been purchased and the plans have been long since made, lies idle for such reasons alone as are above suggested. Every Northern State could doubtless furnish similar examples. With such motives for misrepresentation, the British affirmation furnishes no authority for the statement that protective principles are no longer recognized by enlightened nations.

England herself furnishes no example of the policy or practice of free trade. British ministers have repealed restrictive statutes by the hundred because they had been enacted against commercial rivals of Britain which had become so no longer, and because the repeal of these statutes gave them opportunities of popular declamation in favor of free trade. In the more recent measures, which are so often paraded as signal examples of British liberality, England made no sacrifices. Her unexampled natural resources of coal, iron, and wool, and a protective system the most stringent and persistent which the world has ever seen, by which these resources were developed, had placed her manufactures above all possible competition. The duties upon manufactured goods were not removed until these duties ceased

to be protective and yielded almost nothing to the revenue.\* The abolition of the duties upon raw material was only another and more efficient form of protecting the manufacturing interests. The duty on wool was not repealed until it ceased to be of service in stimulating production, as all the land capable of sheep husbandry was fully occupied. The repeal of the corn laws was virtually another form of protection to the manufacturing classes, and the wealthy land-holders, who were the only advocates for the corn laws, were fully reconciled by the enormous advance of rents resulting from the increased development of manufacturing industry in consequence of a *protective free trade*. Can these measures, prompted solely by the self-interest and carried into effect to the infinite profit of England, be urged with any propriety as examples to this nation, when their imitation here would send every sheep to the shambles, stop every spindle and loom, close every mine, extinguish every furnace fire, and reduce us to the colonial dependence from which the Constitution and first acts of Congress rescued the people?

It is idle for England to set herself up as the great exemplar of free trade when she does not scruple to impose a duty of fifty per cent upon sugar, one hundred per cent upon tea, and three hundred per cent upon tobacco. To this country, of all others, she should make no boast of her liberality, when her taxes upon our peculiar productions are more heavy than our taxes upon all her manufactured articles. It is shown by unquestionable statistical authority that the amount of duty imposed by the British government upon the simple article of tobacco imported into England from the United States in 1859, viz., \$19,724,420, exceeded by more than half a million of dollars the entire amount of duty collected by the United States upon all their imports of English manufactures — articles wholly manufactured — of every description. But inconsistency rarely troubles British statesmen. "When the British Parliament applaud the absolute enfranchisement of commerce,"

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\* This paragraph may convey the impression that duties are not generally imposed by the British tariff upon manufactures. Important protective duties are still retained upon classes of manufactures which cannot favorably compete with those of other European nations. A duty of ten per cent has been found generally to be sufficiently protective to British manufactures, as was proved by the effect of the ten per cent duty on silks, elsewhere referred to in the report. While the duty on raw material is for the most part taken off in the pretended free trade British tariff of 1851, which is mainly still in force, a duty of ten per cent was placed upon a large class of manufactures, as upon all wrought manufactures of all the metals, articles of cotton, wool, and linen, wholly or in part made up, and a vast number of miscellaneous articles. These duties were manifestly imposed for protective purposes. — Ed.

says Baron Dupin in 1852, "they clap their hands, and these hands are covered with English gloves whose inferiority is protected against foreign gloves by a duty of twenty-five per cent." Such inconsistencies however, justify us in characterizing this appropriation by England of the term of *free trade* as descriptive of her actual system, as, in the words of one of her own writers, nothing less than a "philological petty larceny."

The grand fact upon which the British economists rely to delude the world with the idea that protective opinions are declining in the progress of general enlightenment, is the existence of the Anglo-French treaty. This fact would, indeed, be significant, if any such deduction could be legitimately drawn from its existence; for France, the country of Colbert, the founder of the protective philosophy, and of Napoleon, the illustrious recreator of her industrial glory, in her position as the *best* manufacturing nation of the world, is regarded as the most conclusive illustration of the beneficence of the protective policy. This very position of France, the stronghold of protective doctrines, made some commercial treaty which could be tortured into an indication of sympathy with English ideas a necessity for the system of British free-trade propagandism. The consummation of the treaty was effected not through the popular sympathy of France expressed by the legislative assembly, but by the political necessities of the emperor of the French, which compelled him to negotiate a treaty without consultation with the people. France would have been false to all her traditions if she had made abandonment — as the English would make us believe she has — of the principles of protection. Her industrial independence, secured by positive aggression upon English industry, was the noblest inheritance which the great Napoleon had bequeathed to her. "Protection," says the president of the council-general of the manufacturers of France in 1852, "protection, the industrial creation of Napoleon, was the most precious and principal cause of his conquests."\* The French ministers dared not to assent to any negotiations which should not carefully guard the manufacturers of France. That they did not do it is abundantly

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\* Napoleon's own statement of his protective policy is thus stated by Las Casas:—

"He opposed the principles of economists, which he said were correct in theory though erroneous in their application. The political constitution of different States," continued he, "must render these principles defective; local circumstances continually call for deviations from their uniformity. Duties," he said, "which were so severely condemned by political economists, should not, it is true, be an object to the treasury; they should be



proved by the concurrent and uncontradicted assertions in the House of Lords. "The advance," says Lord Grey, "which France made on the road to commercial freedom was *most inconsiderable*. She re-

the guaranty and protection of a nation, and should correspond with the nature and the objects of its trade. Holland, which is destitute of productions and manufactures, and which has a trade only of transit and commission, should be free of all fetters and barriers. France, on the contrary, which is rich in every sort of production and manufactures, should incessantly guard against the importations of a rival who might still continue superior to her, and also against the cupidity, egotism, and indifference of mere brokers."

"I have not fallen into the error of modern systematizers," said the emperor, "who imagine that all the wisdom of nations is centred in themselves. Experience is the true wisdom of nations. And what does all their reasoning amount to? They incessantly extol the prosperity of England, and hold her up as our model; but the custom-house system is more burdensome and arbitrary in England than in any other country. They also condemn prohibitions; yet it was England which set the example of prohibitions; and they are in fact necessary with regard to certain objects. Duties cannot adequately supply the place of prohibitions; there will always be found means to defeat the object of the legislator. In France we are still very far behind on these delicate points, which are still unperceived or ill understood by the mass of society. Yet what advancement have we not made — what correctness of ideas has been introduced by my gradual classification of agriculture, industry, and trade; objects so distinct in themselves, and which present so great and positive a graduation!

"1st. *Agriculture*; the soul, the first basis of the empire.

"2d. *Industry*; the comfort and happiness of the population.

"3d. *Foreign Trade*; the superabundance, the proper application of the surplus agriculture and industry.

"Agriculture was continually improving during the whole course of the revolution. Foreigners thought it ruined in France. In 1814, however, the English were compelled to admit that we had little or nothing to learn from them.

"Industry or manufactures, and internal trade, made immense progress during my reign. The application of chemistry to the manufactures caused them to advance with giant strides. I gave an impulse, the effects of which extended throughout Europe.

"Foreign trade, which in its results, is infinitely inferior to agriculture, was an object of subordinate importance in my mind. Foreign trade is made for agriculture and home industry, and not the two latter for the former. The interests of these three fundamental classes are diverging and frequently conflicting. I always promoted them in their natural gradation, but I could not and ought not to have ranked them all on an equality. Time will unfold what I have done; the national resources which I created, and the emancipation from the English which I brought about. We have now the secret of the commercial treaty of 1783. France still exclaims against its author; but the English demand it on pain of resuming the war. They wished to do the same after the treaty of Amiens; but I was then all-powerful; I was a hundred cubits high. I replied, if they were in possession of the heights of Montmartre I would still refuse to sign the treaty. These words were echoed through Europe.

"The English will now impose some such treaty on France, at least, if popular clamor and the opposition of the mass of the nation do not force them to draw back. This thralldom would be an additional disgrace in the eyes of that nation, which is now beginning to acquire a just perception of her own interests.

"When I came to the head of the government, the American ships, which were per-

tained her whole system of navigation laws ; and she bound herself to no duties on the manufactured goods lower than twenty per cent in the first instance and twenty-five per cent afterwards. The only articles on which she made any material deduction were coal and iron, which she wanted in order to stimulate her manufactures. *France, by this treaty, makes a very small approach to the adoption of the liberal system.*" This view is confirmed by the declaration of Count Gasparin, so much endeared to loyal men in this country by his sympathy with the North in the great struggle, who asserts, in his "Uprising of a Great People," that the Anglo-French treaty is actually more prohibitory than the Morrill tariff. Such also is the view of Mr. Bigelow, a writer of great caution, who expresses the opinion that "if we take into view the comparative condition of the industrial arts and the comparative rates of wages in the three countries, France, England, and the United States, we shall find that the provisions of the Anglo-French treaty are more protective of the manufactures of France than the provisions of the present tariff are of the manufactures of the United States." Yet even with this pro-

mitted to enter our ports on the score of their neutrality, brought us raw materials, and had the impudence to sail from France without freight, for the purpose of taking in cargoes of English goods in London. They moreover had the insolence to make their payments when they had any to make, by giving bills on persons in London. Hence the vast profits reaped by the English manufacturers and brokers, entirely to our prejudice. I made a law that no American should import goods to any amount without immediately exporting their exact equivalent. A loud outcry was raised against this: it was said that I had ruined trade. But what was the consequence? Notwithstanding the closing of my ports, and in spite of the English, who ruled the seas, the Americans returned and submitted to my regulations. What might I not have done under more favorable circumstances?

"Thus I naturalized in France the manufacture of cotton, which includes,

"1st. *Spun Cotton*— We did not previously spin it ourselves; the English supplied us with it as a sort of favor.

"2d. *The Warp*— We did not yet make it; it came to us from abroad.

"3d. *The Printing*— This was the only part of the manufacture that we performed ourselves. I wished to naturalize the first two branches; and I proposed to the council of state that their importation should be prohibited. This excited great alarm. I sent for Oberkampff, and I conversed with him for a long time. I learned from him that this prohibition would doubtless produce a shock, but that, after a year or two of perseverance, it would prove a triumph, whence we should derive immense advantages. Then I issued my decree in spite of all; this was a true piece of statesmanship.

"I at first confined myself merely to prohibiting the warp; then I extended the prohibition to spun cotton (weft); and we now possess, within ourselves, the three branches of the cotton manufacture, to the great benefit of our population and the injury and regret of the English, which proves that in civil government as well as in war decision of character is often indispensable to success."—ED.

tection the current of public opinion in the industrial circles of France sets strongly in favor of still greater restrictions. The duty on iron from England and Belgium is sixty francs (twelve dollars), a really higher relative duty, because more protective of labor, than the American manufacturer enjoys. It is stated by Mr. Hewitt, in his recent admirable report on the production of iron and steel, "that independently of this tariff, which admits of a considerable importation of iron into France, it would not be possible for the iron business to be continued on any considerable scale, for the reason that the wages are already at the lowest possible point consistent with the maintenance of human life in a condition fit for labor." Universal complaint therefore exists in the iron districts of the injurious competition of the low-paid labor of Belgium and the oppressive capital of England. Although France exported to England during the last year more woollen goods than she imported, the great woollen centres clamor for a non-renewal of the treaty. Within the present year, as appears in the "Journal des Economistes," the consultative chamber of arts of Roubaix, the leading centre of the combing wool industry, and the adjoining city of Tourcoing, have protested to the minister of commerce against the renewal of the treaty, declaring that the public fortune of Roubaix has suffered to the extent of two hundred million francs. The workmen of Roubaix have petitioned the Emperor to the same effect. The manufacturers of Lille and Amiens have followed the movement, which is supported by the "Moniteur Industriel," of January 9, 1868, as follows:—

Fifteen thousand millions this Anglo-French alliance has cost us; counting the results of the Belgian treaty and that which we have concluded with the Zollverein, and we have a total of twenty thousand millions. The treaties of commerce—the grand economical reform—the work which was to render illustrious the second half of the nineteenth century, has carried twenty thousand millions to the debtor side of our national balance sheet.

These facts the committee cannot but regard as conclusive contradictions of the asserted progress of free-trade sentiment in France.

Without dwelling at length upon the evidences of protective sentiment in Austria, which country possesses a tariff system spoken of by English manufacturers as presenting "features of the most objectionable character, while the duties are almost prohibitory and unjust to England;" and passing over the Zollverein and Belgium, where the duties, although considerably lower, are carefully adjusted to the

actual and admitted necessities of their manufactures, the committee deem it important to dwell for a moment upon a consideration which is often overlooked. This is, that the nominal rate of duties in European countries is no guide to their protective character as compared with the duties imposed in the United States. The duties under European tariffs are generally specific and therefore effective. An absolutely faithful system of collection prevails there, which, unfortunately, cannot be said of this country. With the general level of wages and rates of interest which prevail there, a much lower rate of duty is sufficient to protect the industries of the nations of Europe against each other than would avail to protect our industry against that of Europe. A duty of ten per cent there is often a sufficient protection. The abolition by England of a duty of that amount upon French silks — which the English were compelled to concede in the negotiation of the treaty in order to introduce into France the more important products of coal and iron — it is conceded has ruined the silk manufacture of England, which flourished under the slight protection of ten per cent.

The committee will terminate this branch of their inquiries by considering the system of a great country, possessing many affinities with our own. Russia, in vastness of territory, in her recent position among industrial nations, in her exemption from all entangling alliances with Great Britain, and in her spirit of national self-reliance, is the country of all others in Europe for us to look to for sympathy and instruction with respect to our industrial policy. The conditions of both countries are happily expressed in the remark of Count Gortschakoff, recently made to representatives of the United States: "God has given to these two countries such conditions of existence that their *grand internal life* is enough for them." The system which achieved the industrial independence of Russia was established by Count Nesselrode in 1824. This system, one of uninterrupted and rigorous protection, has brought Russia, in less than fifty years, from a state hardly above barbarism to that of prominence among the great industrial nations of Europe, and has enabled her to anticipate even this country by her noble work in human emancipation. The committee gather from an English periodical of authority, the "Engineer," of January 31, 1868, some instructive facts illustrative of the encouragement given by the Russian government to the iron industry, which has been forced in this country to struggle under so many difficulties and such vacillating legislation. It is worthy of preliminary

notice that the Russian territory, although provided with admirable ores of iron, has not developed the mineral coals, with which, as well as with the ores, this country is so munificently supplied, and that there is not the inducement for encouragement there as here in the capacity of an absolutely illimitable production of this prime necessity of material civilization. The first fact which the committee have noticed is the admission of the English "Engineer," that the vile character of the Belgian and English rails has concurred with the protective policy of Russia in excluding them from that country. "For the exclusion of the foreign rails," says the "Engineer," "they have a very valid cause, viz., the very bad quality of the rails supplied of late years, not only by the Belgian, but also by the English makers. Some of the rails supplied by the best known makers in Wales have been the veriest rubbish marketable. The price may be blamed, £7 2s. 6d. per ton, delivered in Cronstadt; but still it is no credit to our English name, and has led to a general cry: 'No more English rails.' The arrangements by the government are upon a scale suited to the vast scheme of Russian railroads, and are made with reference to the future supply of all the iron required from domestic sources. The railway department, a governmental institution, has contracted for the future supply of the Grand Russian Railway Company with all the rails required for the line from Moscow to Nijni Novogorod, a distance of four hundred and ten versts (two hundred and seventy-two miles,) at £13 per ton, deliverable at Moscow. For the midland lines the government has made a contract for a supply during a series of years of about twenty-five thousand tons per annum, at £13 per ton, deliverable at Moscow. For lines extending from Finland to St. Petersburg the government has contracted with manufacturers in Finland for a supply of from fifty to sixty thousand tons per year for seven years, at £13 per ton, and make large advances to the works to put them in condition to supply the rails." "The government," says the "Engineer," "is quite prepared to pay the high price named, rather than import foreign rails, and probably," he adds, as a feeble protest against this encroachment upon British rights, "from a most erroneous view of the principles of Adam Smith, who is much read and prized by many Russians."

We see this great government — an imperial and not a popular government, but thus independent of public caprice, and free to act for the ultimate interests of its people — deliberately resolving that its national interests require it to reject the cheap iron of England

for the products of its own soil, to refuse the foreign iron which could be delivered at \$35 per ton in gold, and to purchase for seven years from 200,000 to 300,000 tons of iron a year at \$65 per ton, nearly a double price — equivalent to \$13 in currency more than the present price of American iron — and even to advance the capital by which the iron is to be fabricated. Such prices and such encouragement would establish rolling-mills at the foot of the Rocky Mountains, and save the wear and tear of the tracks caused by the transportation of the rails of which our Pacific roads are constructed. What a contrast to the policy which has suffered the iron industry to freeze and thaw in this country. For twenty years, at intervals of eight and twelve years, our iron industry, although it has doubled and tripled its production during the interrupted periods of protection, has been deprived of its natural right to the protecting care of the government, whose constitutional duty was to defend an industry which in the time of war proved the nation's greatest defence. No industry has been exposed to such vicissitudes and temporizing legislation, to so formidable and unscrupulous a competition, and to such ruinous fluctuations of prices. Already, in consequence of the brief periods of protection, we are the third iron-producing nation in the world; under a stable protective policy, such as Russia has so continuously enjoyed for forty years, with our resources, we might now be the first; for Providence itself has marked this country as the one of all others where the industry of man and the enlightened policy of the State should unite to achieve the greatest triumphs of the "age of iron." She has given to the gigantic bowl into which the treasures of our coal measures are heaped an area four times larger than the united coal fields of all the rest of the world — an imprisoned force which could almost achieve the boast of Archimedes. A range of magnetic ores stretches from New York to Georgia, a distance of over a thousand miles. In the great valley of the Trenton limestones, on the margin of the coal-field, the range of hematites extends from New York to Alabama, expanding in its southern portions into such masses as to defy estimates of quantity. In Alabama the horseman can ride a hundred miles upon fossiliferous ores fifteen feet in thickness. In the Adirondacks the magnetic iron ores form the beds of rivers. In Arkansas and Missouri the peroxides rise into mountains. Upon Lake Superior the specular ores swell into masses beside which the world-renowned beds of Elba, which have been worked since the Roman period, are insignificant. What lines of rails, what ships,

what monitors, what engines of defence, what tools of production lie buried in these marvellous deposits, to be forged into shape and to become instruments of civilization at the magic touch of the hand of a protecting government! \*

To recur from this digression to the conclusion to be drawn from a survey of the policies of the manufacturing nations of Europe, the committee do not hesitate to declare that this survey leaves no doubt upon their minds that the protection of their national industries is a fundamental principle among all the manufacturing nations of Europe; that those nations have risen to most eminence in which this policy has been most vigorously exercised; and that the only apparent exceptions to this policy are in cases where the free introduction of raw material or agricultural produce has been found to be the most efficient means of protecting the manufacturing classes. This policy has not only given to each nation its own industry, but has given each a national character resulting from the peculiar genius of its people. The arts and products of each have overflowed its borders and spread into surrounding nations, and thus Europe as a whole is able to present those grand expositions of the arts which are the glory of the nineteenth century. "What," says a recent writer, who has faithfully studied the progress of the textile industries, "would have been the future industrial condition of continental Europe if, at the time when peace restored the nations to labor, the textile manufactures had been left to their own free course and no legislation had intervened to regulate their progress? Can there be any doubt that they would have become the exclusive occupation of England? Alone in the possession of steam power and machinery; alone provided with ships and means of transport; alone endowed through her stable legislation with capital to vivify her natural wealth, she had absolute command of the markets of the continent. The question was presented to the continental nations, whether they should

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\* A writer, in a late issue of the London "Times," admits, that without protection iron making in the United States would soon be one of the pursuits of the past. He says:—

"In truth, the fluctuations of iron production in America have made an unerring index of the tariff. High duties created high production, and, under lower duties, it fell off. Were all the duties removed, the production, excepting in remote Western regions—far from the seaboard, and hence having to pay heavily for the transport of imported pig iron,—would probably almost cease. With a duty fixed at five dollars a ton in gold, the British manufacturer, after New Year's Day, when it comes into effect, will be found to successfully compete with any American ironmaster near the Atlantic seaboard."—ED.

accept the cheap tissues of England, or, at some sacrifices, repel them, to appropriate to themselves the labor and profit of their production. The latter course was successively adopted, with some modifications, by each of the continental nations; and with what results to their own wealth and the industrial progress and comfort of the world! Instead of a single workshop, Europe has the workshops of France, Russia, Austria, Prussia, Belgium, Sweden, Denmark, and Spain; each clothing its own people with substantial fabrics; each developing its own creative genius and peculiar resources; each contributing to substitute the excellence of competition for the mediocrity of monopoly; each adding to the progress of the arts and the wealth and comfort of mankind."

#### THE PROTECTIVE POLICY JUSTIFIED BY EXPERIENCE.

The committee propose next to show that the protective policy is founded upon a just consideration of the interests of the American people. This may be demonstrated in the first place by the abundant evidence that the periods of our greatest general prosperity have been concurrent with the periods of the prevalence of the protective policy, and that industrial and commercial depression has been equally concurrent with the prevalence of the opposite policy. A brief reference to the periods in question will suffice to illustrate a proposition which has been completely substantiated in detail by economical historians, and of whose truth no business man past middle age needs any examples. The first signally marked period of protective influences, and the first when the country was effectually relieved from the foreign products which repressed the first struggles of our industry, was that preceding the war of 1812, during the embarrassments of foreign commerce and the restrictions upon the importations of goods which prevailed about 1807 and 1808. In consequence of these impediments to foreign commerce there had already grown up in 1812, in Rhode Island and Massachusetts, about seventy cotton mills with forty-eight thousand spindles. The protective influences of the war which had raised the prices of the poor articles of cotton previously imported from England, from twenty to seventy-five cents a yard, so stimulated the manufacture that, in 1815, the cotton mills had reached the number of one hundred and sixty-five, with one hundred and nineteen thousand spindles, and the power loom had been successfully established in New England. Here we see the planting, by



protection, of the manufacture, which in 1860, less than fifty years afterwards, employed over five million spindles. The woollen manufacture, which, in 1790, had but one mill (that so enthusiastically mentioned by Mr. Hamilton, in his famous report), was brought up from a product of \$4,000,000 in 1810, which it had attained through the commercial impediments of 1807 and 1808, to a value of \$19,000,000 in 1815.

The activity during this period was not confined to manufactures. At no period, up to that time, had agriculture obtained such rich rewards. It is the concurrent testimony of the time that farmers, mechanics, and laborers were more thriving during this period of restriction upon foreign imports than they had ever been before. In a quaint dialogue purporting to be held between a Pennsylvania farmer and an importing merchant, published in the gazettes in 1819, after this period of prosperity had passed away, the farmer is made to use this language, which indicates the sentiments of the times : —

I sold my wool to the manufacturers during the war for more than double the price I now get for it. In fact, I cleared more money during the war and non-intercourse than I ever did before or since in the same length of time; and, was it not for the horrid idea of people killing each other, I would say let us have the war for ever, rather than this sort of losing trade we carry on now.

At the close of the war the country was overwhelmed by the enormous importation of \$70,000,000 in cottons and woollens, admitted at a duty of *five* per cent *ad valorem*. Although Great Britain lost heavily by the first importations, she consoled herself for this loss by the prospect of permanently commanding our markets. It was at this very period, namely, on the 9th of April, 1816, that Mr. Brougham remarked in the House of Commons, —

It was well worth while to incur a loss upon the first exportation, in order, by the glut, to stifle in the cradle those infant manufactures in the United States, which the war had forced into existence, contrary to the natural order of things.

It need not be said that the manufactures of the country were prostrated as suddenly as the trees of the forest are by the hurricane. Money disappeared as the springs of water sink after an earthquake. The few manufacturers who survived could dispose of their goods only by direct barter for country produce. Even this produce was a

drug. Merino sheep were sold for a dollar. During the war bucks had been sold for \$1,000 apiece. We can imagine what our condition would now be if, at the close of the war of the rebellion, our markets had been thrown open to the people who instigated the piracies of the Alabama, only by recalling the tales which our grandfathers and fathers have given of the distress which then attended the prostration of our young industries. The committee will give but one example, in the condition of the City of Pittsburg in 1819, as stated by Mathew Carey in the "Olive Branch." He says:—

This city, in 1815, contained about 6,000 inhabitants. It exhibited as exhilarating a scene of industry and prosperity as any place in the world. Its immense local advantages—seated at the confluence of two noble rivers forming the majestic Ohio; its boundless supplies of coal; and the very laudable enterprise of its inhabitants—had for a long time rendered it the emporium of the western world. But, alas! the immoderate influx of foreign manufactures poured in there shortly after the peace produced a most calamitous reverse. The operations of the hammer, the hatchet, the shuttle, the spindle, the loom, ceased in a great degree. Noble establishments which reflected honor upon the nation were closed; the proprietors ruined; the workmen discharged; a blight and a blast overspread the face of the city; and the circumjacent country, which had shared in its prosperity, now equally partook of its decline.

He further states that by a minute investigation, conducted by citizens of high standing, it appeared that 2,576 people of the city had been deprived of the employment which supported them; that is, over one-third of the population had lost the income from their labor, to many of whom it was their sole income. The loss in that one year in the wages of labor, compared with 1815, he computes at \$1,735,833, the corresponding loss in Philadelphia being set down at \$7,100,804. Far more distressing, because of the present more intimate connection of manufactures with our whole industrial existence, would have been the condition of the country at the close of the war of the rebellion if the low tariff of 1857 had then been in operation. In the terrible convulsions which agitate the coasts of volcanic regions, one instrument of destruction always precedes another. The earthquake shock is invariably followed by the uplifting of the ocean, which pours in a devastating wave upon the coasts. Just so surely would the earthquake shock of the late war have been followed by a devastating inundation of importations, effecting for our industries a work of demolition which the shock of the rebellion failed to

do, if a resisting breakwater had not been built around the land in the tariff of 1861. It is becoming in a grateful people to entertain the pious thought that the hand of Providence sustained the nation in its great struggle. Not less providential than the victories of the war was the wisdom inspiring the legislation which averted such an industrial ruin as at a former period made peace scarcely a blessing.

Although the moderate increase of duties effected by the tariff of 1816 gave some relief, while the practically specific duty given to cotton fabrics became subsequently very efficacious, the general depression of industry bearing with great weight upon all the products of agriculture, which called forth from General Jackson the inquiry in his famous letter, "Where has the American farmer a market for his produce?" his answer, "Except for cotton he has neither a home nor a foreign market," and his grand remedy, as universal as the panacea for which the old alchemists sought, "draw from agriculture the superabundant labor, employ it in mechanism and manufacture," continued until the passage of the tariff of 1824.

All industrial depression ceased after the passage of the tariff of 1828. This tariff, the highest we have ever had, with rates of duty averaging 41 per cent upon imports subject to duty, infused new blood into the national body. Mills and furnaces were built; the production of iron increased to 210,000 tons. Labor came into demand. A steady stream of immigration set in from Europe. There was no longer a question, "Where has the American farmer a market for his surplus products?" They were all in demand to feed the laborers at the mills and furnaces. The revenue reached the unparalleled amount of over thirty millions. The means for the final extinguishment of the debt of the revolution were provided. The legislators who co-operated in establishing the measures by which this great consummation was accomplished were able to exclaim exultingly, in the language of Mr. Adams:—

By the total extinction of our national debt we associate ourselves with the toils, the sacrifices, and the honors of the revolutionary struggle for independence. . . . May we not, as the last certificate of the national debt shall be cancelled, turn successively back to our fathers and say: "See, we have performed your task and fulfilled your charge;" and forward to our children, and exclaim: "See what your forefathers have done for you."

The system of compromises commenced in 1833, which finally brought down the rates to only 24 per cent upon all dutiable imports,

and caused the revenue to dwindle in 1842 to \$12,780,173, was attended by universal distress, universal because pervading all parts of the country, by loss of the national credit at home and abroad; repudiation of debts by States, and, in fine, by all the evidences of industrial and commercial calamity.

No business man of mature age needs to be reminded of the magical change effected by the protective tariff of 1842, of the demand for labor, the increase of wages, the multiplication of the instruments of production, the springing up of new arts, the rush of emigration, the rapidity of circulation, and the appreciation of public and private revenue; nor of the revulsion which followed in consequence of the free-trade system of 1846; the decline of production, of emigration, of wages, and of public and private revenue, until the culmination of the system in the tariff of 1857, with the memorable crisis of that period, the general ruin of manufacturers and merchants, the suspended payments of banks, the reduction of the treasury to the verge of bankruptcy, and the unparalleled distress among hundreds of thousands of the unemployed poor. The discovery of gold in California, the famines in Europe, and our ability to renew the manufacture of iron in consequence of the high prices in England, consequent upon the very destruction of our works, partially modified the effects of the free-trade policy. Still the contrast in general prosperity with that existing under the previous system was sufficiently manifest, and is still more so with that which succeeded.

The tariff of 1861, though less protective in its terms than that of 1842, and much less than that of 1828, was rendered eminently so by circumstances which threatened at first to neutralize all its benefits. Taking into consideration the effect of that tariff and the encouragement given to domestic production by the impediments which the war interposed against foreign competition, and we must regard the four years succeeding that tariff as by far the most protective period in our history. Never, even in the world's history, in the times of Edward IV., of Queen Elizabeth, of Louis XIV., with Colbert as his minister, of Napoleon the Great, were such evidences accumulated of the national benefits of industrial independence. First of all is the grand fact that the north triumphed over the rebellious south, not so much by its arms as by its superior material resources — resources which were the results of a diversified industry produced mainly by the defensive system, notwithstanding its occasional cessations. Again, in consequence of the respite from foreign dependence, new arts were

introduced, industries from mere germs grew into full proportions, and new fields of enterprise were opened. During the protective period of the war the metallurgical arts made especial progress. For cast steel, the material of our sabres and bayonets, and tools for boring cannon, at the commencement of the war we were entirely dependent upon England. Before the close of the four years, cast steel and rolled steel were produced at Pittsburg equal to the best English makes, and in quantities reaching to seventy or eighty tons a day. The production of pneumatic steel was also successfully inaugurated. The manufacture of silver and plated ware by power machinery was established with such success that American wares now almost wholly exclude the wares of Sheffield. The manufacture of small arms and sewing machines attained such perfection that these domestic articles now form important items of exportation. The largest cannon of cast iron and the strongest heavy cannon of wrought iron known in any military service were produced. Quartz gold mining replaced placer mining in California and Colorado. The zinc of Illinois and copper of Michigan were united in the manufacture of brass, for consumption at the west; and the manufacture of watches from brass, glass, gold, enamel, and steel, wholly of American production, was established in Illinois. The magnificent specular ores of Marquette, in the district of Lake Superior, became an article of regular commerce for the supply of the furnaces of the coal regions, and the annual production of iron rose to a million and a half tons, with single furnaces producing fifteen thousand tons a year, and rolling mills producing thirteen hundred tons of railroad iron per week. The impulse given to the textile arts, and to the husbandry supplying them, was no less remarkable. While the general manufacture of cotton, although cut off from its chief supply of raw material, held its own, the manufacture of cotton hosiery was introduced as a new industry, reducing the prices of an important article of personal consumption to rates only one-half as large as those prevailing before the war for imported articles. The woollen knit goods industry was vastly developed, and new fabrics and machinery were introduced. New branches of the worsted manufactures were established, which have already been developed into manufactures whose products, unknown before the war, rival those of Bradford. The silk manufacture, a mere germ in 1860, has risen into proportions which insure it a position among our leading industries. The woollen manufacture attained in 1864 a production of over \$121,000,000 in value, while the production of wool in many western States, where it

had decreased in the previous decade, was increased one hundred per cent. This manufacture clothed the millions of soldiers of the republic as no armies were ever clad before. New card wool fabrics, such as beavers, sackings, and cloakings were introduced, and experts declare that in five years this manufacture has made more progress than within any twenty years before. To these examples may be added the introduction of the manufacture of beet sugar in Illinois, an industry whose future importance to the agriculture of the west is beyond estimate; the opening of the coal deposits of Illinois, Iowa, and Kansas, and the more wonderful opening of the petroleum wells of Pennsylvania, which have added many millions a year to our resources. What are the evidences of general progress during this period? It is estimated by reliable observers, that, putting out of question the cities of the east, where capital could be more profitably employed than in building, more mills, furnaces, and houses were erected, more mines opened, more improvements upon railroad lines made, involving an increase of power of transportation, more additions given to the machinery of agriculture, such as reapers and mowers, than during twice the same number of any previous years. At the commencement of the war, viz., in 1860, the money in the savings banks, representing the earnings of the laboring class, in the State of Massachusetts, was \$45,054,236, and in the State of New York, \$58,178,160. At the close of the war, viz., in 1866, notwithstanding the great amount invested in government securities, the amount invested in Massachusetts was \$67,900,571, and in the State of New York, \$115,472,566. It is a modest statement, and one confirmed by the Special Commissioner of the Revenue, that, although the country expended, besides the appropriation for the revenue, in the five years from 1861 to 1866, the vast sum of \$712,000,000 a year for labor and commodities withdrawn from the productive employments of peace to the destructive employments of war, "the northern and Pacific States did not cease to make a real progress in the creation of substantial wealth." It is due to the protective influences of the war, that the country, like the ilex of the Roman poet, "through its hurts and its wounds, and from the very knife itself, drew wealth and vitality."

*"Per damna, per caedes, ab ipso,  
Ducit opes animumque ferro."*

Judge Phillips, one of the ablest of our economists, remarks, that "this science of public economy, like many others that are necessary

to be practically acted upon in affairs, is a tentative, experimental one, in which propositions are to be demonstrated only by the results of experience; and if it be possible to demonstrate any thing by that process, the vital expediency of protection to domestic industry by duties on imports has been so demonstrated." Theories cannot obliterate history. The facts illustrative of the renovation and universal activity and prosperity which attended each of the periods of protection above reviewed, and the converse facts, showing that the other times, when the influx of imports was greatest and foreign products were cheapest in our markets, were those of our greatest distress, are familiar to the intelligence of the country. The records of these periods must be regarded as conclusive demonstrations of the true policy of this country.

#### RELATIONS TO CAPITAL AND LABOR.

Again, the necessary conditions of a new country and a progressive people, like our own, are such that the protective policy is indispensable to the existence among us of a diversified industry. Mr. Hamilton, in his celebrated report, presented with singular distinctness the advantages of a diversified industry, in such remarks as these:—

When all the different kinds of industry obtain in a community, each individual can find his proper element and can call into activity the whole vigor of his character.

The spirit of enterprise, useful and prolific as it is, must necessarily be contracted or expanded in proportion to the simplicity or variety of the occupations and productions which are to be found in a society. It must be less in a nation of mere cultivators than in a nation of cultivators and merchants; less in a nation of cultivators and merchants than in a nation of cultivators, artificers, and merchants.

There seems to be a moral certainty that the trade of a country which is both manufacturing and agricultural will be more lucrative and prosperous than that of a country which is merely agricultural. There is always a higher probability of a favorable balance of trade in regard to countries in which manufactures, founded on the basis of a thriving agriculture, flourish, than in regard to those which are confined almost wholly to agriculture.

These views must commend themselves to every man's common sense. But this diversified industry, or, in other words, a manufacturing in addition to an agricultural industry, cannot exist in this country

in free competition with the more abundant capital of Europe, and the circumstances, not to say the advantages, of its cheap labor.

The committee will notice first the comparative conditions of this country and Europe in the command of capital. Calculations made by the most eminent of our business men, which have been carefully examined by the committee, and whose correctness has never been impugned, show that for the fifteen years preceding 1861 the market rate of interest in England averaged 3.90 per cent, and the bank rate averaged 4.02 per cent. At the bank of France the average for the same fifteen years was 4.16 per cent, while in the United States the rate of interest for the same period was 9.12 per cent. The rate of interest in this country was therefore more than double that prevailing in England and France. These high rates of interest are inseparable from the condition of a country whose capital is so largely absorbed in clearing virgin lands and settling new States and territories. The advantage which the European, and especially the English, manufacturer possesses in the ready command of capital is a consideration too often overlooked. It is mainly in consequence of this advantage that all our steam lines have been driven from the ocean by English companies. Commercial enterprise contends just as vainly as manufacturing enterprise against the abundant and cheap capital of Europe. The literary representatives of the English manufacturers, such as Mr. Simonds, do not hesitate to boast that their abundant and cheap capital enables them to put all the rivalry of the rest of the world at defiance. They repeat the sentiments of Burke, uttered eighty years ago: "Our capital gives us a superiority which enables us to set all the efforts of France to rival our manufactures at defiance. The powers of capital are irresistible in trade; it domineers, it rules, it even tyrannizes." Among the strongest arguments for protection in this country is its capacity to neutralize the vast power of the capital of the old world.

Protection is made necessary by the claims of American labor. The committee here approach the very heart of the question, the central idea, upon which protection generally, and in this country especially, is founded. In the great speech with which M. Thiers electrified Europe on the thirteenth day of the present May, he said to the advocates of free trade upon the ministerial and imperial benches, "Do not talk to me about your interest in the workman. This interest I do not deny; but I show you the extreme consequence of your theory, the misery of the workman." . . . "The object of every economi-



cal system," he continues, "is to procure the greatest possible amount of labor. The barbarous nations do not concern themselves about this matter; but the care of enlightened nations is always to augment the quantity of labor. Imitation, emulation, animate them all; and here we have the sentiment which has created civilization. Labor, then, is the first necessity of the people, and by consequence it is to procure this labor for them, in the utmost possible amount, that every economical system ought to tend. Besides, is not labor the law of humanity, the source of its power, of its dignity, of its morality? When the young men come to me to ask counsels of my experience, I answer them — work; labor will render your pleasures more appreciable and your sorrows less bitter. Labor is the grandest benefaction which God has granted to man. It is, then, the great end to assign to nations as well as to individuals." From such considerations as these this great statesman deduces the conclusion that the whole economical question is resolved in the maxim, "Reserve the national market for the national labor."

Two reports showing the relations of two leading industries with the great Exposition at Paris, one by Mr. Hewitt upon the production of iron and steel and its economical and social relations, and the other by Messrs. Mudge and Hayes upon wool and manufactures of wool, shed much light upon the condition of the labor abroad, with which the abolition of protective duties would throw our own labor into free competition. These reports demonstrate that the superior cheapness of iron and of woollen manufactures abroad is due wholly to the cheapness of foreign capital and labor, and that the natural advantages of position and the acquired advantages of skill and suitable machinery of this country are fully equal to those abroad. Mr. Hewitt shows that the absolute or natural cost of iron in this country, as determined by the quantity of labor expended in the production of a ton of that metal, is but slightly greater than in England. In the Cleveland region of England, the one most favorable for the cheap production of iron, the cost of producing a ton of pig-iron is about forty shillings, which, at the average rate of wages paid around the blast furnace, is equivalent to eleven days' labor — that is to say, the labor of eleven men for one day. It is possible that in one or two works this may be reduced to ten days, but in others it rises to twelve or thirteen. "In the United States," he observes, "the cheapest region for the manufacture of pig-iron is on the Lehigh river, in Pennsylvania, where, taking coal and ore at their actual cost of

mining, pig-iron is produced at an average cost of \$24 per ton, which represents, at the present rate of wages, the labor of about thirteen days. But," he continues, "when the iron business is extended along the great valley which extends from Virginia to Alabama, the labor of bringing the coal and the ore together will be considerably less than on the Lehigh river; and it is safe to say that then iron can be made in any required quantity, when all avenues of communication are sufficiently opened, with as little labor, to say the least, as it can be produced in the Cleveland region." Similar facts are presented by Messrs. Mudge and Hayes in regard to the woollen industry. "An important point of inquiry," they observe, "is the relative cost of production of such manufactures as we have most successfully achieved here, measured by the only correct standard, the relative expenditure of human labor required for such production. The solution of this question will determine whether we have such natural or acquired advantages as will justify the encouragement of this manufacture as a national industry. . . . This question must be solved for the products of the card wool industry generally by comparing the efficiency of our system, processes, and machinery of fabrication. The many practical manufacturers who have recently visited Europe for the express purpose of studying its industries concur in declaring that in these respects we are on an equality with the most advanced nations." After giving many interesting illustrations of this position, the report proceeds: "When we take into consideration the greater energy and intelligence of our better fed and better educated workmen, the necessary use of every labor-saving process on account of the higher cost of labor here, and the admitted superiority of American machinery, it may be safely asserted that a yard of cloth is made in this country with less hours of human labor than one of equal quality and of the same degree of finish abroad. . . . From what has been said it is apparent that the greater money cost of fabricating cloths here is not due to any want of natural advantages or any deficiency in skill and effective labor on the part of the American manufacturer. It is not true of this industry, as is often asserted by theorists, that it has a sickly and hot-bed growth sustained only by artificial stimulus and rendering its production as unnatural, to use Adam Smith's often-quoted comparison, as that of wine produced from grapes grown in the green-houses of Scotland. The higher cost of production in this industry is due solely to national causes inherent to a new country and a progressive people, to the higher rates of interest

on capital required to initiate industrial enterprise, and to the higher rates of labor demanded by the greater social and educational requirements of our industrial population."

The facts illustrative of the wretched compensation of European labor are given in full detail in each of the reports referred to. The average price paid to the whole of the ten thousand workmen in the great iron establishments at Le Creuzot, in France, is 3.45 francs (65 cents) per day. In all the iron districts it requires the utmost economy on the part of a laboring man, and the united labor of his wife and children, to keep his family in existence; and it is the accepted rule and practice for such a family to have meat but once a week. The existence of the iron business in France, as a national branch of industry, may be said to rest upon the elementary condition of giving meat once a week only to the great mass of laborers who are engaged in its production. Although better wages are paid in Great Britain, in Wales women are extensively employed in the works, doing the labor for which a man would be employed, and earning less than one-half the wages that would be paid to a man for the same labor, which they perform equally well. In Staffordshire, and in the north of England and Scotland, women and children are extensively employed above ground about the mines; and it is stated that if the women and children were altogether withdrawn from those occupations, as they are in the United States, it would not be possible to produce iron except at a considerable advance on its present cost. The rates of English wages, although higher than in France, are greatly below those prevailing here, as appears by the following table furnished by a manufacturer to the Revenue Commission:—

DATE.	Wages of English puddlers.		Wages of American puddlers.	
	Per ton.	Per day.	Per ton.	Per day.
1860 . . . . .	\$1.20	\$0.60	\$3.04	\$1.52
1864 . . . . .	1.60	84	6.49	3.24½
1865 . . . . .	1.80	90	6.54	3.27

The facts furnished in relation to the great woollen centres are equally suggestive. The following facts as to the compensation at Elbœuf, the centre of the fancy cassimere manufactures, are derived from docu-

ments furnished, in 1864, by a former mayor and president of the Chamber of Commerce of the city referred to : —

The working population employed in the woollen manufacture is estimated at 24,000. In the most ordinary cases the yearly wages for men are 750 francs (\$150); for women, 525 francs (\$105); for young men and girls, 275 francs (\$75); for children, 225 francs (\$45). The prices of food and lodging are relatively high. The food of the men, such only as serves to support mere existence, costs 350 francs (\$70); house rent, 125 francs (\$25); other necessary expenses for maintenance, 160 to 180 francs (\$32 to \$36). On this scale of living the workman is able to eat meat only on Sunday: the only animal food on week-days being salt herring or mackerel; and even with this meagre sustenance there is hardly any margin for saving or amusement. The invariable consequence of the reduction of the compensation of labor to the bare necessities of life is the moral degradation of the working classes. The consumption of alcohol at the drinking shops is enormous. "On the other hand, the women give themselves up to other tastes; their toilets consume their savings, and their scruples are in general not very vivid as to the means of increasing the same where it is insufficient."

In the city of Rheims, one of the great centres of the combing wool industry, the whole number of workmen employed, in 1863, was 55,000, of whom 38,000 were hand-loom weavers. The workmen employed upon power machines are comparatively well paid. The men spinning combed wool are paid from 3 francs 50 centimes (70 cents) to 4 francs (80 cents) a day, and the women from 1 franc 40 centimes (28 cents) to 1 franc 70 centimes (34 cents). The power-loom weavers earn from two francs 25 centimes (45 cents) to 3 francs, (60 cents); but the hand-weavers who compose 38,000 of the population, are reduced to wages which average only, for a man, 1 franc 50 centimes (30 cents) a day; for a woman, 1 franc (20 cents); and for two children, 75 centimes (15 cents); a total of 1,200 francs (\$240) for the labor of a family of four persons. The estimated expenses for the absolute necessities of living are 1,188 francs (\$237.60), leaving a surplus above bare necessities of only 12 francs, or a little over \$2. It is hardly necessary to say that this surplus is scarcely ever attained, and that poverty, debt, and moral degradation are the normal conditions of the industrial population.

In Belgium, Germany, and Austria, the wages in the woollen manu-

factures are even less. The average wages paid to the persons employed in the woollen manufacture, as stated in the "Statistique Générale de la Belgique," are, for men, 32 cents a day; women, 18 cents; boys, 13 cents; girls, 12 cents. In Germany the average price for a day's work for weavers, in the country, does not exceed 25 cents; and, for the towns, 35 cents; women are paid one-third less. In Austria the average price of labor in the woollen manufacture does not surpass 25 cents a day. It is no wonder that, notwithstanding the alleged high rates of our tariff, the goods of Belgium, Germany, and Austria pour into this country with such destructive consequences to our wool growers and manufacturers. Comparatively few importations are made of goods produced with the higher paid labor of England. It is with the most wretchedly paid labor of Europe, receiving not more than a quarter of a dollar a day, that the American laborer in the woollen industry has to compete. The facts above stated are derived not from American observers, but from the highest statistical writers of France, who are unbiassed by protective proclivities. The report last mentioned, from which the committee have derived the latter facts, observes, —

It is due to the French social writers and statisticians to say that the facts illustrative of the condition of the laborers are stated without any attempt to justify them on the one hand, or to exaggerate them on the other. It would appear that the evils of the European rate of the compensation of labor are so vast, and so entwined with the existing social and political system, that it is vain to attempt to grapple with them. "The question of wages," says one writer, "is one of the most important questions of our epoch, and, perhaps, the most difficult to resolve. We shall not attempt to discuss it." Another writer says: "Before long this question of wages will occupy a more important part than it has done before in the respective accounts and means of defence of the various industries."

If the claims of labor are just arresting the attention among the despots of Europe, how much more paramount are they here, where we have, in Mr. Lincoln's memorable words, a "government of the people, by the people, and for the people." And who are the people? They are the laborers who earn, year by year, the entire income of the nation; not merely the public revenue out of which the whole expenditure of the nation is borne, but the private revenue, be the same more or less, of every individual who has other means of living than by his labor. They are the men and women whose product of labor is \$4,000,000,000 a year — one half in food and the

other in raiment, furniture, and other necessaries of life ; who supply all the commodities which we export to pay for all the articles which we import, and who furnish directly *ninety* per cent of our whole consumption, and indirectly the other *ten* per cent derived from foreign commerce. These laborers are the men who constitute our State. They can rightfully exclaim *l'état c'est moi*, "we are the State." The first duty of a government "for the people" is to sustain the wages of their labor, and a government "by the people" will never fail to protect their most vital interests. Free trade aims to diminish prices by reducing the wages of labor. Its advocates unblushingly avow such sentiments as are found published in a leading New York paper of the current month : —

One of the immediate effects of a high tariff is to keep up the price of labor, which is more than four times as high in this country as it will average in Europe. I am for unqualified free trade. I would sell out the custom-houses, discharge the leeches that swarm around them, and allow people to sell and buy products and goods wherever they found it for their interest to do so. This will bring us to a true and normal condition. I see clearly what the effect would be. Commercial disturbance would be the natural result, for it would be a great and radical change. We should be on an entirely new foundation. The first effect would be to stop manufacturing here, and the country would be filled with foreign goods, many of which Europe would never see her money for. A commercial revulsion would follow, laborers would be out of employment, and the price of labor would come down, down, down, until it touched the European standard, and then success is secured.

To sustain the American, and to avoid the European standard of wages, with its attendant miseries of poverty, debt, and moral degradation, which have been shown to be the normal conditions of the industrial populations of Europe, is the primary object of the protective policy, to which all other objects are merely secondary and collateral. If the elevation of labor is "the sentiment which has created civilization," it is the sentiment which must be always paramount in a country which exhibits the highest results of civilization in a "government of the people, by the people, and for the people."\*

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\* If any man knows the American people it is Horace Greeley. In his speech at the woollen-trade banquet in New York, he said : —

"I don't believe you can gather together in this city even one hundred men, who live by the labor of their own hands, who are heartily and naturally Free Traders. All the instincts of the laboring class, all its traditions, all its organizations, point in the other direction. . . . You will never see the day when the workmen of this country — the

## A MARKET FOR AGRICULTURAL PRODUCTS.

If the protective system be necessary to insure adequate wages for all labor, another proposition follows which is but a corollary from this, but one which is interesting to the largest class of our producers, viz., that the protective system is required in this country to secure a remunerative market for the products of agriculture. Mr. Hamilton, speaking of "the natural causes tending to render the external demand for the surplus of agricultural nations a precarious reliance," and of "the necessity of an extensive domestic market," observes,—

To secure such a market there is no other expedient than to promote manufacturing establishments. Manufacturers, who constitute the most numerous class after the cultivators of the land, are for that reason the principal consumers of the surplus of labor. This idea of a domestic market, for the surplus product of the soil, is of the first consequence. It is, of all things, that which most effectually conduces to a flourishing state of agriculture.

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men who live by their own labor, selling it in the market and buying what they want,—will be, of their own natural motion, on the side of free trade. They never were, and they are not now. When the Federal Constitution was adopted in 1787, and it was announced that enough States had voted to ratify it, there were instantly great rejoicings in all the seaboard villages, and great processions were formed, wherein the laboring classes appeared parading the hammer and the anvil, crying out, 'Protection to American industry!' They had had free trade since the war ended, and they had had enough of markets glutted with foreign goods and no demand for American labor. The people were thoroughly tired of it, and nothing, in fact, contributed half so much to the ratification of that constitution as the need of protection. You may sway it by political organization or by party guesswork, you may wrest it out of its natural leaning, but labor, free labor, demands protection. What makes the laborer's wages high is not a bad policy for him. How, then, are the Free Traders to meet us on this question when it comes to be discussed in the log school-houses and in the county court-houses of the Union? I know how it was decided when the people so discussed it from 1816 to 1828, and I know it will be again decided as it was then. Will not the self-same mould produce the self-same men?

"I was never so sanguine of any future result in the world as I am of this. The simple question of Protection *versus* Free Trade should be brought right home to the anvils, to the shoemakers' shops, and the carpenters' shops of the country, and there discussed by journeymen over their work, reading this and reading that, and considering what is best for themselves and best for the country. And so sure am I of their verdict that I ask nothing except that this question be made the issue of the day until this people shall again decide it, as they did in 1824 and in 1828. I *dare* the opposite party to make the issue on this question as broad, as clear, as sharp, and as stringent as they can, and the more absorbing they make the issue the better I shall like it. I know what the people are, I know what they have decided; and so knowing, I welcome the day when this question shall override all others, and shall be carried home to the hearts and understandings of this great American nation."—Ed.

An experience of over eighty years has made manifest the wisdom of this profound observation, which, in its application to this country, seems almost a prophetic inspiration. It has shown that every individual withdrawn from agriculture to manufactures, and each of his dependents, remains a consumer of exactly five bushels of wheat, or a barrel of flour, the produce of our own agriculture. The farmer loses a competitor for the sale of his surplus produce, and at the same time gains a consumer, and saves the cost of transportation of just so much to a foreign market. It has shown that every furnace and mill constructed by a protected industry has been to the waste land surrounding it what the spring of water is to the desert, producing, not figuratively, but literally, an oasis of verdure in the most arid waste. While the produce of an acre of land would bring but a ton of iron abroad, the same land producing vegetables, which could not be transported, will purchase five tons of iron produced in the vicinity of the farm. It has shown that the value of land is doubled and quadrupled by the vicinage of manufacturing establishments; that while the manufacturers as a whole have not realized even half the legal rate of interest upon their investments, the poor granitic lands of Massachusetts, in consequence of these investments, are worth \$57 an acre, as much as the rich calcareous lands of New York; that Massachusetts and Philadelphia consume more of the products of the United States than all Europe; that taking any average year, 1860 for instance, when the aggregate value of all the products of our agriculture was \$1,856,000,000, and our exports of these products was \$272,000,000, including cotton, which amounted to \$24,000,000, the home consumption is nearly seven times as much as the export demand, and excluding cotton from the totals of production and of export, on account of its exceptional character, our home consumption of the products of agriculture is more than twenty times as great as our exports to all foreign countries. In fine, it has been exemplified here, by a comparison of the present with the period when Mr. Hamilton wrote, that the purchasing power of a people who have duly mingled manufacturing with agricultural industry is tenfold that of a purely agricultural community. The producers in this blended industry purchase from each other, and the only limit of the power of purchase is the power of production.

It is demonstrated by the statements of the commerce and navigation of the United States as collated by the eminent economists, Mr. Bigelow and Dr. Elder, that while the demand for our agricultural



products by the non-manufacturing countries, such as Brazil, Chili, and the West India Islands, with whom we have a natural exchange founded upon differences of indigenous productions, is comparatively regular and constantly increasing, the demand for our agricultural products by the manufacturing nations is extremely fluctuating and precarious, and is constantly, though irregularly, decreasing. This fact is so interesting and important, and so little understood that the committee have deemed it important to reproduce in the appendix a statement laboriously prepared by Mr. Bigelow, showing the value of our principal exports to the United Kingdom of Great Britain, as compared with similar exports to other countries on the eastern hemisphere, and to all countries on the western hemisphere, in each year from 1846 to 1860.

In 1860, according to Dr. Elder, the non-manufacturing countries took six-tenths of our purely agricultural products and furnished us a market for 32,000,000, out of 42,000,000, of our exported manufactures. On the other hand, according to Mr. Bigelow, the mean value of our exports of provisions to great Britain is less than the value of our exports of such products to the non-manufacturing countries on this continent. Our exports of breadstuffs to Great Britain for twelve years preceding 1861, as compared with the preceding three years, actually decreased nearly thirty per cent. The results derived from American tables show a decrease of  $29\frac{9}{10}\%$  per cent, and from British tables, based upon quantities instead of values, of  $27\frac{4}{10}\%$  per cent. The monthly report of the Director of the Bureau of Statistics, of February 29, 1868, shows that of 29,941,558 quintals of wheat and wheat flour imported into Great Britain during the twelve months ending June 30, 1867, but 1,620,405 quintals, or  $5\frac{4}{10}\%$  per cent, was furnished by the United States, a little more than the quantity furnished by Turkey, which was  $4\frac{1}{10}\%$  per cent; while Russia furnished  $35\frac{1}{10}\%$  per cent, and the Germanic States  $29\frac{7}{10}\%$  per cent. The proportion by value is shown to be much the same. Of £20,420,468 worth of wheat and wheat flour, the United States furnished but £1,177,752 worth.

These facts are full of instruction. They show that the non-manufacturing nations who send us no wares or fabrics, and who demand no change in our protective duties, are the largest, the most regular, and the most constantly increasing consumers of our agricultural products. Free trade therefore would not increase our exports to *them*. On the other hand, the corn trade of the leading manufac-

turing nations is already free to us ; and yet with our increasing agricultural productions, our enlarging population, and greater facilities of transportation they consume each year less and less of the products of our agriculture. How preposterous then is the assumption, that our export of breadstuffs will be enlarged by free trade with those nations who alone demand it ! They will consume our breadstuffs only when the cheaper product of European labor is cut off by unfavorable seasons, or when free trade being unhappily triumphant, having driven all our labor now employed in manufactures to the soil, and having at the same time increased our home supply and cut off home demand, our increased surplus can be obtained at prices conforming to the low scale of European wages.

#### PROTECTION A BOON TO CONSUMERS.

Another maxim drawn from the treasury of economical wisdom, the report of Mr. Hamilton, is : “ But though it were true that the immediate and certain effect of regulations controlling the competition with foreign and domestic fabrics were an increase of price, it is universally true, that the contrary is the ultimate effect with every successful manufacture. When a domestic manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, it invariably becomes cheaper.” It is thus that instead of being a tax, protection becomes in reality a boon to the consumer. Experience in regard to the arts in all civilized nations has shown that they do not grow spontaneously any more than wheat or barley, but are the products only of protected cultivation. If prices are enhanced by means of the process by which the industrial arts are created, the temporary enhancement of price is compensated a hundred fold by domesticating the production. It will scarcely be denied that the nation as a political body is benefited by the naturalization of all the arts which contribute to its means of self-defence or independence, as by all the manufactures which supply material for arming or clothing its soldiers. But each individual of the nation is no less directly benefited by the naturalization of the arts within it. Instances without number could be cited in illustration of the last-quoted proposition of Mr. Hamilton. How insignificant as a burden seems now the duty of three cents a pound, laid upon raw cotton in 1789 to create the domestic culture, which was regarded by the north as a “ very serious impediment ” to their rising manufactures. For

seven years at least this duty was a protective duty. Thus in the words of Mr. Everett, "radicle and plumule, root and stalk, blossom and boll, the culture of the cotton plant in the United States was in its infancy the foster child of the protective system." Coming to the cotton manufacture, established also by the same system, we find that heavy sheetings were reduced by protection from 23.87 cents per yard, in 1825, to 12.09 cents in 1840, and 9.15 cents in 1855. Cotton hosiery was reduced from 25 cents a pair in 1860, to 12½ cents, the present price. The prices of jeans were instantly reduced by fabrication here, from 30 cents to 23 cents a yard. In 1860 the prices were 6½ cents. Previously to 1846 lawns were imported from England at 28 or 30 cents. In 1846 the foreign article was driven from our market, and American lawns were subsequently sold for 9 cents a yard. In the wool and cotton fabrics called delaines, of which nearly two yards are consumed for each individual of our population, the prices when imported were 30 to 50 cents a yard; the price for a better article now is less than 20 cents. The present prices of all the woollen cloths of general consumption are less than one-half of the prices of cloths worn thirty years ago. The cost of carpets to the public has been reduced more than 25 per cent through economies introduced here upon processes used abroad.

The shoe industry forced into vigorous life by the very first tariff act, has expanded through continued protection into such magnitude that its product in a single State is valued at over \$37,000,000. It is stated by experts that, although the continuance of duties is desirable to protect against the fluctuations and surpluses of foreign trade, the present tariff has actually no effect upon prices, which are regulated wholly by home consumption, no women's shoes being imported, and only a few French boots to gratify caprice or fashion. It is besides asserted, that, with the slow processes of tanning abroad, the necessity of relying almost exclusively upon chemicals to supply tanning, and with the want of mechanical appliances, all Europe could not supply us with boots and shoes at quadruple the price we pay at home. Similar facts are furnished by the metallurgical industries. Five-sixths of the stock in our hardware stores is of American manufacture. So superior are our implements of steel and iron that our forests could not be felled nor our cities built without American tools. Our tools, our steel and our iron keep down English prices. It is admitted that the introduction of every American article to replace the foreign has had the effect of lowering the price of the latter, while

it is capable of demonstration, that the destruction of American competition, by the free-trade tariffs, which from time to time have prostrated our iron manufactures, have added many millions to the cost of American railroads. That country only can consume manufactures abundantly which has the means of producing them at home. If the masses of the American people are the best fed, the best clothed, the best educated, and the most comfortable in their homes of any people on the face of the earth, it is due to the wisdom of our fathers who founded a system, in the main thus far preserved, which has elevated the prices of labor, stimulated ambition and a thirst for knowledge among the toiling millions, who elsewhere have no hopes or desires beyond their toil, which has fostered diversity of employment, which has at the same time cheapened prices and increased the capacity for purchasing, and which has brought production in this country to its highest power by preserving a profitable home market for all the products of a diversified domestic industry.

APPENDIX.

*Statement of the Value of our principal Exports to the United Kingdom of Great Britain, as compared with that of similar Exports to other Countries on the Eastern Hemisphere and to all Countries on the Western Hemisphere, in each year from 1846 to 1860. Compiled from the Reports of the Secretary of the Treasury on Commerce and Navigation for the same years.*

EXPORTS.	1846.	1847.	1848.	1849.	1850.	1851.	1852.
<b>Products of the sea:</b>							
To the United Kingdom of Great Britain . . . . .	\$681,402	\$852,290	\$286,801	\$843,053	\$1,069,783	\$1,320,522	\$966,001
To other countries on the eastern hemisphere . . . . .	1,394,452	1,460,365	667,515	888,447	866,340	1,124,058	579,683
To countries on the western hemisphere . . . . .	1,377,544	1,155,378	1,026,647	816,154	886,695	850,111	736,658
Total . . . . .	3,453,398	3,468,033	1,980,963	2,547,654	2,824,818	3,294,691	2,282,342
<b>Products of the forest:</b>							
To the United Kingdom of Great Britain . . . . .	2,206,583	1,601,145	1,576,291	1,675,766	2,063,635	2,004,246	2,016,386
To other countries on the eastern hemisphere . . . . .	1,740,668	1,399,206	1,736,491	1,544,812	2,219,664	2,473,671	2,222,516
To countries on the western hemisphere . . . . .	2,859,997	2,995,722	3,746,302	2,697,416	3,159,204	3,369,105	3,625,318
Total . . . . .	6,807,248	5,996,073	7,059,084	5,917,994	7,442,503	7,847,022	7,864,290
<b>Provisions, — beef, tallow, hides, horned cattle, pork, hams and bacon, lard, hogs, butter, and cheese:</b>							
To the United Kingdom of Great Britain . . . . .	2,653,642	5,950,849	6,911,302	8,974,667	6,025,016	3,124,908	2,190,054
To other countries on the eastern hemisphere . . . . .	704,193	1,223,165	1,097,699	499,369	837,969	289,250	225,808
To countries on the western hemisphere . . . . .	4,063,344	3,632,601	4,261,280	3,484,964	3,508,373	3,768,467	3,629,428
Total . . . . .	7,421,179	10,806,615	12,270,281	12,959,000	10,371,358	7,182,625	6,045,290
<b>Breadstuffs, — wheat, flour, Indian corn, Indian meal, rye meal, rye, oats, and other small grain and pulse:</b>							
To the United Kingdom of Great Britain . . . . .	7,372,945	36,494,694	12,358,374	14,167,191	5,695,726	6,620,406	9,540,167
To other countries on the eastern hemisphere . . . . .	766,805	7,061,980	791,121	256,451	204,389	177,234	836,805
To countries on the western hemisphere . . . . .	8,118,969	9,149,487	8,910,011	8,107,823	6,832,271	7,404,310	6,560,932
Total . . . . .	16,258,719	52,706,171	22,059,506	22,531,465	12,732,386	14,201,950	16,937,904
<b>Vegetables and fruit:</b>							
To the United Kingdom of Great Britain . . . . .	20,132	43,860	17,445	36,208	5,301	33,657	8,292
To other countries on the eastern hemisphere . . . . .	5,000	3,928	7,680	7,801	2,503	3,849	1,047
To countries on the western hemisphere . . . . .	114,055	154,235	150,096	133,208	116,503	113,175	149,417
Total . . . . .	139,187	202,023	175,221	177,217	124,307	150,681	158,756

## Statement of the Value of our principal Exports to the United Kingdom of Great Britain (continued).

EXPORTS.		1846.	1847.	1848.	1849.	1850.	1851.	1852.
<b>Rice:</b>								
To the United Kingdom of Great Britain . . . . .		\$398,565	\$1,222,232	\$406,469	\$544,385	\$562,585	\$308,238	\$310,886
To other countries on the eastern hemisphere . . . . .		1,288,179	1,414,951	869,982	1,110,551	1,260,615	911,069	1,039,437
To countries on the western hemisphere . . . . .		878,247	968,713	1,055,373	914,426	808,357	951,620	1,120,706
Total . . . . .		2,564,991	3,605,896	2,331,824	2,569,362	2,631,557	2,170,927	2,471,029
<b>Tobacco:</b>								
To the United Kingdom of Great Britain . . . . .		2,423,223	2,583,775	2,260,937	1,771,123	3,025,585	3,458,885	2,512,225
To other countries on the eastern hemisphere . . . . .		5,827,487	4,438,286	5,072,065	3,664,571	6,636,129	5,287,760	7,123,364
To countries on the western hemisphere . . . . .		227,150	220,025	218,120	368,513	289,309	472,606	395,694
Total . . . . .		8,478,270	7,242,086	7,551,122	5,804,207	9,951,023	9,219,251	10,031,283
<b>Other produce of the soil:</b>								
To the United Kingdom of Great Britain . . . . .		1,105,256	756,054	391,294	373,321	390,555	398,676	470,496
To other countries on the eastern hemisphere . . . . .		260,187	340,725	221,859	185,434	223,415	273,640	339,642
To countries on the western hemisphere . . . . .		1,322,684	1,232,175	1,305,503	967,385	1,027,244	1,428,391	1,501,522
Total . . . . .		2,688,127	2,328,954	1,918,656	1,526,140	1,641,214	2,100,707	2,311,660
<b>Summary, exclusive of cotton:</b>								
To the United Kingdom of Great Britain . . . . .		16,861,748	49,504,899	24,208,913	28,385,714	18,838,186	17,269,538	18,014,507
To other countries on the eastern hemisphere . . . . .		11,986,971	17,342,616	10,464,412	8,157,436	12,251,024	10,540,531	12,368,302
To countries on the western hemisphere . . . . .		18,962,400	19,908,386	20,673,332	17,489,889	16,629,956	18,357,785	17,719,675
Total . . . . .		47,811,119	86,355,851	55,346,657	54,033,039	47,719,166	46,167,854	48,102,484
<b>Cotton:</b>								
To the United Kingdom of Great Britain . . . . .		27,707,717	35,841,265	41,925,258	47,444,899	48,884,453	79,720,854	59,666,209
To other countries on the eastern hemisphere . . . . .		13,961,841	17,180,571	19,747,714	18,646,036	22,919,163	32,470,495	27,722,328
To countries on the western hemisphere . . . . .		1,098,083	394,012	325,322	306,032	181,000	123,968	577,195
Total . . . . .		42,767,641	53,415,848	61,998,294	66,396,967	71,984,616	112,315,317	87,965,732
<b>Grand summary, including cotton:</b>								
To the United Kingdom of Great Britain . . . . .		44,569,465	85,346,164	66,134,171	75,830,613	67,722,639	96,990,392	77,080,716
To other countries on the eastern hemisphere . . . . .		25,948,512	34,523,187	30,212,126	26,803,472	35,170,187	43,011,026	40,090,630
To countries on the western hemisphere . . . . .		20,060,483	19,902,348	20,998,654	17,795,921	16,810,956	18,481,753	18,236,870
Total . . . . .		90,578,460	139,771,699	117,344,951	120,430,006	119,703,732	158,483,171	136,068,216

## Statement of the Value of our principal Exports to the United Kingdom of Great Britain (continued).

	1853.	1854.	1855.	1856.	1857.	1858.	1859.	1860.
<b>EXPORTS.</b>								
<b>Products of the sea:</b>								
To the United Kingdom of Great Britain . . . . .	\$1,691,695	\$1,352,155	\$1,851,277	\$1,256,925	\$1,436,438	\$1,334,302	\$2,212,393	\$1,994,798
To other countries on the eastern hemisphere . . . . .	843,727	758,850	845,866	1,034,972	1,229,251	1,274,814	1,161,203	1,008,509
To countries on the western hemisphere . . . . .	743,991	933,296	819,751	1,064,900	1,073,955	941,179	1,089,378	1,153,173
Total . . . . .	3,279,413	3,044,301	3,516,894	3,356,797	3,739,644	3,550,295	4,462,974	4,156,480
<b>Products of the forest:</b>								
To the United Kingdom of Great Britain . . . . .	2,212,358	2,955,783	2,392,301	2,292,414	2,990,687	2,526,451	3,909,924	3,497,612
To other countries on the eastern hemisphere . . . . .	2,078,935	2,210,255	3,609,414	2,976,426	3,996,909	4,190,614	4,084,356	4,293,204
To countries on the western hemisphere . . . . .	3,623,966	6,480,533	6,602,122	5,425,344	7,712,115	6,738,606	6,495,126	5,947,743
Total . . . . .	7,915,259	11,646,571	12,603,837	10,694,184	14,699,711	13,475,671	14,489,406	13,738,559
<b>Provisions, — beef, tallow, hides, horned cattle, pork, hams and bacon, lard, hogs, butter, and cheese:</b>								
To the United Kingdom of Great Britain . . . . .	3,813,563	8,471,668	8,384,066	7,112,639	7,709,379	4,983,801	3,910,539	8,482,464
To other countries on the eastern hemisphere . . . . .	962,212	974,857	2,692,173	2,936,630	1,329,511	952,141	508,015	1,140,059
To countries on the western hemisphere . . . . .	4,503,446	5,629,906	5,363,298	7,236,424	7,288,987	9,739,451	10,185,932	9,778,130
Total . . . . .	9,279,221	15,076,431	16,939,537	17,285,693	16,327,877	15,725,393	14,604,486	19,400,653
<b>Breadstuffs, — wheat, flour, Indian corn, Indian meal, rye meal, rye, oats, and other small grain and pulse:</b>								
To the United Kingdom of Great Britain . . . . .	11,848,787	28,162,705	7,823,195	24,589,318	26,529,052	13,523,600	2,766,059	6,339,315
To other countries on the eastern hemisphere . . . . .	1,594,533	9,406,526	1,457,610	14,303,817	10,881,418	3,228,321	1,856,303	2,194,444
To countries on the western hemisphere . . . . .	7,978,538	10,318,536	11,619,266	17,229,110	17,651,096	16,474,197	16,219,749	15,409,811
Total . . . . .	21,421,858	47,887,767	20,900,071	56,122,245	55,061,566	33,226,118	20,842,111	23,943,570
<b>Vegetables and fruit:</b>								
To the United Kingdom of Great Britain . . . . .	59,252	8,073	35,071	14,015	32,605	4,653	31,667	28,680
To other countries on the eastern hemisphere . . . . .	3,430	18,025	80,753	8,610	46,683	25,122	10,864	21,043
To countries on the western hemisphere . . . . .	197,170	147,348	259,731	358,062	338,656	326,005	442,052	550,866
Total . . . . .	259,852	173,446	375,555	380,687	417,944	355,780	484,583	600,589

## Statement of the Value of our principal Exports to the United Kingdom of Great Britain (continued).

	1853.	1854.	1855.	1856.	1857.	1858.	1859.	1860.
<b>EXPORTS.</b>								
<b>Rice:</b>								
To the United Kingdom of Great Britain . . . . .	\$294,793	\$385,334	\$115,271	\$220,807	\$358,665	\$222,255	\$265,426	\$346,756
To other countries on the eastern hemisphere . . . . .	332,109	919,337	275,396	955,485	643,335	578,192	547,815	732,823
To countries on the western hemisphere . . . . .	1,030,756	1,329,456	1,327,286	1,204,941	1,288,400	1,070,131	1,393,907	1,487,820
Total . . . . .	1,657,658	2,634,127	1,717,953	2,390,233	2,290,400	1,870,578	2,207,148	2,567,399
<b>Tobacco:</b>								
To the United Kingdom of Great Britain . . . . .	3,438,423	2,146,942	3,507,760	2,681,357	4,855,399	4,004,642	5,421,398	4,664,042
To other countries on the eastern hemisphere . . . . .	7,599,952	7,502,100	10,736,656	9,015,120	14,750,332	12,319,578	14,960,362	10,806,671
To countries on the western hemisphere . . . . .	280,944	367,004	468,052	325,366	655,041	685,547	692,278	435,834
Total . . . . .	11,319,319	10,016,046	14,712,468	12,221,843	20,260,772	17,009,767	21,074,038	15,906,547
<b>Other produce of the soil:</b>								
To the United Kingdom of Great Britain . . . . .	488,894	852,694	1,634,622	352,568	656,435	910,778	962,415	993,040
To other countries on the eastern hemisphere . . . . .	486,090	545,063	976,481	638,526	620,721	685,772	876,925	755,967
To countries on the western hemisphere . . . . .	1,705,264	2,333,067	2,396,574	2,504,962	2,450,658	2,789,040	3,099,411	2,569,994
Total . . . . .	2,680,248	3,730,824	5,007,677	3,496,056	3,727,814	4,378,590	4,938,751	4,319,001
<b>Summary, exclusive of cotton:</b>								
To the United Kingdom of Great Britain . . . . .	23,847,765	44,335,354	25,743,563	38,529,043	44,568,660	23,500,482	19,479,821	26,346,707
To other countries on the eastern hemisphere . . . . .	13,900,988	22,335,013	20,674,349	31,869,586	33,498,160	27,254,554	24,005,843	20,952,720
To countries on the western hemisphere . . . . .	20,064,075	27,539,146	29,356,080	35,549,109	38,438,908	38,837,156	39,617,833	37,333,371
Total . . . . .	57,812,828	94,209,513	75,773,992	105,947,738	116,525,728	89,592,192	83,103,497	84,632,798
<b>Cotton:</b>								
To the United Kingdom of Great Britain . . . . .	74,523,210	64,736,401	57,616,749	85,179,143	85,088,628	90,249,017	108,726,783	134,928,780
To other countries on the eastern hemisphere . . . . .	34,075,135	27,572,648	29,694,800	42,189,334	45,474,596	40,046,875	51,759,921	55,657,092
To countries on the western hemisphere . . . . .	858,059	1,287,171	832,295	1,013,874	1,012,635	1,090,769	948,219	1,220,683
Total . . . . .	109,456,404	93,596,220	88,143,844	128,382,351	131,575,859	131,386,661	161,434,923	191,806,555
<b>Grand summary, including cotton:</b>								
To the United Kingdom of Great Britain . . . . .	98,370,975	109,071,755	83,360,312	123,708,186	129,657,288	113,749,499	128,206,604	161,275,487
To countries on the eastern hemisphere . . . . .	47,976,123	49,907,661	50,369,149	74,058,920	78,972,756	67,301,429	75,765,764	76,609,812
To countries on the western hemisphere . . . . .	20,922,134	28,826,317	30,188,375	36,562,983	39,471,543	39,927,925	40,566,052	38,554,054
Total . . . . .	167,269,232	187,805,733	163,917,836	234,330,089	248,101,587	220,978,853	244,538,420	276,439,353













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The image shows a book cover with a marbled paper pattern. The pattern consists of irregular, organic shapes in shades of yellow, cream, and light brown, set against a dark, almost black background. Interspersed among these shapes are thin, branching veins of blue and red. In the center of the cover is a rectangular, tan-colored label. The label has a slightly aged, off-white appearance with some minor wear and discoloration, particularly at the top edge. The text on the label is printed in a simple, black, sans-serif font.

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