

SIGILLUM UNIVERSITATIS CALIFORNIENSIS

EX LIBRIS

[Empty box for library identification]



Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

5

S P E E C H
OF
JOHN G. CHAPMAN, OF MARYLAND,
ON THE
REVENUE SYSTEM, AND IN DEFENCE OF THE
TARIFF OF 1842.

Delivered in the House of Representatives of the U. S., Aug. 1, 1846.

The House being in Committee of the Whole on the state of the Union upon the Warehouse bill, Mr. HOPKINS, of Virginia, in the chair—

Mr. CHAPMAN, of Maryland, said:

I will endeavor, Mr. Chairman, to repay the kindness of the committee in adjourning over for me, by consuming as small a portion of their time as will enable me to submit my views upon the revenue system of the Government, a material part of which is now under the consideration of the committee. This bill, sir, is part and parcel of the system which was projected by the Secretary of the Treasury, met the approbation of the President, and is digested and submitted to the House by the constituted organ. It is said that the system requires all its parts to be put in operation, and that the bill, which is now a law, to reduce duties upon imports, must have this along with it. To every part of this system am I opposed, and I shall give some of the reasons which have influenced my opinions. We can judge of the future only by the past, and we may anticipate the effect of this scheme of finance by looking to the influences of a similar system that has once been tried.

I was desirous, sir, when the bill to reduce the duties upon imports was under the consideration of the committee, to have given my views upon this system, and I had intended to confine my remarks to one single point, the subject of prices; and I had proposed to endeavor to demonstrate the falsity of the principle that the duty adds so much to the price of the foreign article, and, what seems to me to be a still greater absurdity, that the duty adds so much to the price of the home produced article. But, sir, the opportunity was not afforded me. As some of the views which I had intended to present to the consideration of the House have been given by others, and not wishing to travel over ground which others have occupied, I shall vary my argument, and my remarks upon the system may now be more desultory than I wished or intended they should be.

Permit me, sir, to take a glance at the condition of the country and the finances of the Government in 1842, when the tariff was enacted. The currency of the country was deranged, its labor depressed, every branch of business was embarrassed, all its pursuits of industry had been impeded or interrupted. With a foreign debt of near three hundred millions of dollars, produced by the immense importation of foreign goods and fabrics, the country was reduced to a state bordering on bankruptcy and ruin. The state of the national treasury was no better;

the balances of appropriations outstanding on the 4th of March, 1841, were \$33,429,616.50, as appears from the Treasury report of the 2d June, 1841.

By the act of 21st July, 1841, a loan of \$12,000,000 was authorized, and the act of 15th April, 1842, extended the period for the redemption of that loan, and authorized an additional loan of \$5,000,000. I need not remind the committee, sir, that that loan could not be negotiated. After unsuccessful efforts at home, agents were sent to Europe, where money was abundant at three or four per cent., but they returned without borrowing a dollar. The credit of your Government was gone; no one was willing to trust it. There was no system of revenue upon which capitalists could base a reasonable expectation of payment, and the Government was unable to meet any of its liabilities. In that state of things the tariff was passed in August, 1842. A change immediately ensued; trade revived; business was resumed; labor found employment, and the joyous sound of industry was heard throughout the country; your Government loans were taken by your own citizens, the act imposing duties upon imports pledging those duties for the payment of the loans. The credit of your Government was restored; faith in the energies of the people and the resources of the country justified capitalists to loan their money to the Government, when they looked for payment from the system of revenue then enacted; the credit of the Government was restored, and the country and its business has from that time been pursuing a course of rapid and unparalleled prosperity. Sir, up to the meeting of the present Congress the revenues have been adequate to the expenses. The demands upon the Treasury for the current year, including the Mexican war debt, which I shall not speak of at this time, will be some sixty millions of dollars. I cannot stop to inquire how much this new system will produce, but I take leave to predict that in one year from this time the Government will be in debt more than forty millions of dollars.

Now, Mr. Chairman, this whole system of finance is to be overthrown; this bill; now under consideration, is the finishing blow to the tariff of 1842; and why, sir, is that system to be abandoned which has produced such beneficial effects upon the revenues of the Government, and the industry and labor of the country? Has the country asked it? Have the people applied, by memorial or petition, for its repeal? Is there any evidence that any portion of this country requires it? No, sir; although no one claims that the tariff of 1842 is perfect in all its details, yet it has answered the purposes for which it was enacted, and the expectations of those who passed it have been more than realized by its effects upon the country. Why then, sir, is it to be repealed? Is it because the decree went forth from the Baltimore Convention? Did the Democratic party expect that the election of Mr. Polk would determine the existence of that system, deemed by a portion of that party so vitally important to the best interests of the country? Did the elevation of the present party depend, in Pennsylvania, or New Jersey, or New York, on the destruction of the tariff? No, sir; throughout those States every party banner bore the names of "Polk, Dallas, and the Tariff of 1842."

Sir, I do not mean to dwell upon the means of delusion practised in those States to secure their votes for the present Executive. But, sir, let me call your attention to a few incidents, now matters of party history. Sir, I hold in my hand a democratic paper, published in Pennsylvania during the canvass of 1844, with a standing paragraph, declaring in large capitals, "that Mr. Polk was the warm friend of a TARIFF TO PROTECT the FARMER and MECHANIC." The same paper contains an account of a large meeting of the Democracy of Pennsylvania, when "a flag, full eighteen feet in length, floated in the breeze, with the names of POLK, DALLAS, AND THE TARIFF OF 1842." At that meeting two distinguished gentlemen of the party from my own State were conspicuous; and one of them, in

his address to the Pennsylvania democracy, is reported to have "contrasted Mr. Polk's views with those of Henry Clay, and proved conclusively that James K. Polk was the better tariff man of the two." What powerful eloquence, or what perfect delusion, must have been used on that occasion!!

The Harrisburg Union contained this paragraph:

"He, (Jas. K. Polk,) is the especial friend and advocate of the coal and iron interest, those two great objects of solicitude with Pennsylvania; and believing PERMANENCE in our laws to be of incalculable value, IS OPPOSED TO THE DISTURBANCE OF THE EXISTING TARIFF. These facts we state upon the BEST authority, and caution the Democracy of this great State against listening to the representations of the coons."

What says the Democracy of Pennsylvania now? Is the President the especial friend and advocate of the coal and iron interest? Does he believe that PERMANENCE in our system is of incalculable value? Has he opposed the disturbance of the existing tariff? Truth, indeed, is more strange than fiction. What does the coal and iron interest of Pennsylvania think now? Are their works to be abandoned; the forges to stop; the fires to be put out in her furnaces, and her work shops to be closed? Truly the especial friend and advocate of those great interests, the great objects of solicitude with Pennsylvanians, has defended those interests with but poor success. What was the language used by the leaders of the party in New Jersey?

Mr. Lucius Elmer, a member of the last Congress, a Democrat, thus wrote to a friend: "Happily, the continuance of the present tariff in no wise depends upon the success or defeat of any party, or of any candidate for the Presidency."

Sir, we have, as yet, no account of Mr. Elmer's opinions since the attack upon the tariff. We are not informed whether he still labors under the same delusion or not. Time, perhaps, may teach him that his opinions about men are not always sound and correct. Hear what another Jersey Democrat said. James S. Green, esq., who is now, I believe, U. S. District Attorney, thus wrote to the Democratic Committee of Trenton:

"It is manifest from these and other signs of the times, that there is a settled and well founded conviction in the public mind, that it is the determination of the Whig party, should they succeed in the next Presidential election, to change the present Democratic tariff of 1842."

Another specimen is afforded by one of the associations at Morristown, N. J., viz: "Resolved, that we agree with our candidates for the Presidency and Vice Presidency, that the present tariff ought not to be repealed."

Another extract, and I will pass from this subject. The Plebeian, a leading party paper in New York, in noticing the proceedings of a Democratic meeting, has this paragraph:

"Gov. Silas Wright refuted, in his masterly manner, the base and infamous charge, that Gov. Polk is opposed to a protective tariff."

Now, sir, I cannot take the time to characterize these sentiments and these proceedings in the terms that they deserve. Let me only remark, that such fraud upon public credulity is unparalleled; and no language of opprobrium is too harsh to be dealt out upon those who would be guilty of such falsehood and misrepresentation. The public mind, I have no doubt, sir, is justly informed how far "the change of the tariff of 1842" depends upon the Whig party.

It has been the policy, sir, of all nations, whose example is worthy of imitation, to protect their own labor and industry—to develop their own resources, and to strengthen their own institutions, so as to be fortified against the course and policy of others. This policy we are about to abandon, and it would seem, from the recommendation of the Secretary of the Treasury, that the benefits of supplying our wants may inure to the foreign manufacturer and capitalist. On the 6th page of

the annual report, the Secretary says: "At present prices our cotton crop will yield an annual product of \$72,000,000, and the manufactured fabrics \$504,000,000, furnishing profits abroad to thousands of capitalists, and wages to hundreds of thousands of the working classes." It seems that the capitalist and working classes *abroad* are the peculiar objects of the Secretary's care and consideration. The benefit of converting the raw material into fabrics for our own consumption must be given to them; our citizens are to be deprived of those advantages for the exclusive benefit of capitalists and laborers abroad. Sir, is this sound political economy? Is this the true policy of this country? Is it consistent with our interest to be dependant upon foreign governments for our supplies, or to transfer the profits of converting the raw material into the fabric out of the country? It is the Secretary's doctrine; it is the doctrine of free trade. If it be true in regard to cotton fabrics, it must be more so as it respects all other commodities of manufacture. To what would such a system lead? To employ foreign labor instead of our own, and to have that labor fed by foreign agriculturists, while it is employed in manufacturing articles of our own consumption. Such a system would lead to a state of dependence more abject and degrading than a state of vassalage. It would deprive your own labor of employment, and give to the farmer abroad the privilege of feeding the laborers who were working for the farmer at home, while the productions of our farmers would be left to rot on our hands. Such is not the policy of Great Britain. Her policy has been to protect her own labor and industry; to stretch out the strong arm of her power to every interest which required it; to throw the broad mantle of her wise system over every institution which could increase her resources at home, or give her additional power among the great family of nations. And well does her present position, and that which she has long occupied, repay her care and sagacity. In looking at the causes of national wealth and national influence, and to the effects and operations of these influences upon the commercial and political relations of the world, we are struck by the power and position of England, and the policy which has given her that imposing attitude; and the incidents connected with her course, even during the present century, clearly illustrate the wisdom of that policy which has made her resources without limit—which has enabled her to subsidize continental Europe at her pleasure, and made the commercial world tributary to her power. And let me ask, sir, to what does she owe this position? How have those immense resources been acquired? By the protection afforded to her own labor and industry; by taking from abroad no commodity which she could supply within her own domain, and by supplying the rest of the world with every production which she could induce others to take from her.

Much has been said, and large expectations have been built up, upon the free trade system—the leading measure of the late administration of Sir Robert Peel; but, sir, is the change of her system intended to benefit us, or to protect her own interests? Look at the causes which have produced the change, and the results which it is intended to effect, and you will see that the change has been made by a new state of things which has arisen—by a new commercial system which is springing up and gaining strength, and which her policy cannot countervail. It is no departure from a uniform adherence to a course which looks to her own interests; it is in accordance with the same principle of protection which has ever characterized her policy. Rivals have grown up to her great manufacturing establishments, and it is necessary that those rivals should be broken down or defeated, or, at least, that her main interests should not be destroyed by the competition. We have entered into the markets with her, our fabrics are placed alongside and in competition with those of her workshops, and one of the two must

give way. Sir, already we are exporting about thirteen millions worth of protected articles a year, of which, about five millions was of cotton goods, which necessarily displace British goods to that amount from the markets of the world. The Zoll-Verein treaty of the Germanic States, to protect their own interests, has also brought many articles into competition with the fabrics of Great Britain. She must make her fabrics cheaper, at less cost, or lose the markets heretofore open to her. She has foreseen this; her statesmen have discovered that a reduced market for her agricultural products is better than no market; her protective policy must be adhered to, as far as circumstances will permit; her agriculturists are the objects of her especial bounty and protection; she has been exporting near one hundred millions of dollars worth of agricultural products a year, not in the raw state, but worked up—manipulated into cloths, cutlery, and other fabrics and articles. This can no longer be the case, if the markets of the world are supplied by ourselves. If her workshops are closed, or her manufactures are driven from the market, her agriculturist finds no market for his breadstuffs or other products, and, foreseeing this, she may well open her ports; she does it for her own preservation. Well does she know in what her power consists, and she has not been known to change the principle upon which that power depends.

Let me now ask what is to be the effect upon the finances and the wealth of the country by abandoning the system of 1842, and adopting a system akin to free trade. How is the necessary amount of revenue to be raised? The expenses of the Government have not been less than from twenty-five to thirty millions a year; and I need not say that our expenses are likely to increase with the growth and population of the country. If some twenty-five millions were required when the population did not exceed seventeen millions, and the territory was much more limited than it now is, how much more will be required when the limits and jurisdiction shall extend to the Pacific ocean? And I doubt not, sir, that some chart or map may be found, with a "red line" drawn from the Gulf of Mexico to the Pacific, designating the limits and jurisdiction of this Government, to which we are hastening by progressive Democracy, or by inevitable destiny. How, sir, is the revenue to meet the expenses of this Government to be raised? The Secretary tells us, by low duties—that low duties will induce a larger amount of importations, and that will yield the adequate amount of revenue. Time will not allow me to examine the soundness of this theory; and, for the sake of the argument, I will admit that the necessary amount will be raised. But by what means, and what will be the effect upon the wealth of the country? Our exports have amounted to about one hundred millions of dollars' worth a year; the imports to near one hundred and twenty millions. If one hundred and twenty millions, at an average rate of duty of about 30 per cent., which has been about the average duty, under the present tariff, have yielded but twenty-six millions of revenue, what amount of imports will be required, at an average of 20 per cent., to yield the same amount? One-third more, sir. And if our exports have not been equal to our imports, how is the excess of imports, one third more, to be paid for? Sir, the debt of the country will again accumulate at the rate of fifty millions a year; and how long can this continue? For a year or two you may get revenue enough; but soon you will find the credit of the country destroyed, and your Treasury without a dollar. How, then, will you replenish it? Will you resort to an income tax, or direct taxation? Which of the many interests of the country will best bear the necessary exactions for the requisite revenue? Your manufacturing establishments will have been broken up, and the capital now employed in them will have sought new channels of enterprise, and most of it may have been placed beyond the taxing power of the Government. Sir, there is but one interest on which your system will

be brought to bear ; it is the landed interest—the planters and farmers of the country. Upon them will the system of free trade—beautiful, visionary, and Utopian as it is—fasten its deadly influence, and, vampire like, draw from it the vital fluid of its existence. But, sir, what is to be the effect of your system upon the wealth of the country ? And here I am brought to examine an opinion expressed by my friend from Virginia, [Mr. HUNTER,] whom I do not see in his seat. Sir, that gentleman's opinions, as a statesman, are entitled to great consideration and respect ; but the statistics of the commerce and the revenues of the country lead me to conclusions different from the opinions here expressed by him. I find, in the speech of my honorable friend, the following sentences : “ Nothing can be clearer than the proofs adduced by Sir Robert Peel, from experience, that the result of every removal or mitigation of the restrictions upon commerce had been to increase the production and wealth, and to enlarge the sources of taxation of the country. From which proposition there mentally flows the corollary, that every increase of duty beyond the revenue standard for protection diminishes not only the wealth, but the revenue of a nation.” I take issue, sir, with the learned gentleman, my honorable friend from Virginia, upon the truth of his corollary ; and from the tables of the Treasury, the revenue statistics of the Government will show that a contrary corollary is true. Now, sir, let us look to the effect of the tariff for revenue, of 1833, upon the imports and exports of the country, and see how it affected the revenue and wealth of the nation. Take the last three years of the compromise tariff, and we find the imports to have been, viz :

		Of which was specie—	
For 1839	- - \$162,092,132	For 1839	- - - \$5,595,176
1840	- - 107,141,519	1840	- - - 8,882,813
1841	- - 127,946,177	1841	- - - 4,988,633
	<hr/>		<hr/>
	\$397,179,828		\$19,466,622

And the exports were :

		Of which was specie—	
For 1839	- - \$121,028,416	For 1839	- - - \$8,776,743
1840	- - 132,085,946	1840	- - - 8,417,014
1841	- - 121,851,803	1841	- - - 10,034,332
	<hr/>		<hr/>
	\$374,966,165		\$27,228,089

Deduct \$27,228,089, the amount of specie exported, and we have \$347,738,076 of domestic and foreign productions exported in those three years, and leaving a balance of \$59,441,752 against the trade and wealth of the country in that period. Now, sir, let us look to the imports and exports of the country for the three years next after the passage of the tariff of 1842, or rather, sir, for two years and a half, the commencement of the fiscal year of 1843 having been changed ; and we shall see, for two and a half years after the tariff of 1842, how the beneficial effect of that system was felt, in relieving the indebtedness of the country produced by the operation of the act of 1833. For the two years and a half, the imports were, viz :

		Of which was specie—	
For 1843	- - \$64,753,799	For 1843	- - - \$22,320,335
1844	- - 108,435,035	1844	- - - 5,830,429
1845	- - 117,254,564	1845	- - - 4,070,242
	<hr/>		<hr/>
	\$290,443,398		\$32,221,006

And the exports were :

		Of which was specie—	
For 1843	- -	\$84,346,480	For 1843 - - - \$1,520,791
1844	- -	111,200,114	1844 - - - 5,454,214
1845	- -	114,646,606	1845 - - - 8,606,495
		<u>\$310,193,200</u>	<u>\$15,581,500</u>

Deduct \$15,581,500, the amount of specie exported, and we have \$294,511,700 of the foreign and domestic productions exported during that period, and being \$4,168,302 more than we imported in two and a half years, and the actual wealth of the nation increased to that amount. So that under the tariff of 1842, which is denounced as being too high for revenue, the balance of trade was in favor of the country to the amount of four millions one hundred and sixty-eight thousand three hundred and two dollars, and the wealth of the nation was increased to that amount in two years and a half; whereas, for the three years preceding the passage of the tariff of 1842, the balance of trade against the country was fifty-nine millions four hundred and forty-one thousand seven hundred and fifty-two dollars, and the wealth of the country was consequently diminished to that amount. Look further at the operation of the two systems. Under the tariff of 1833, which was called a tariff for revenue, there was imported, in those three years, specie to the amount of \$19,466,622, and there was exported specie \$27,238,089; being an excess of exports of specie of \$7,761,467, in those three years. Look at the next period, the two years and a half after the passage of the tariff of 1842, and in that period there was imported \$32,221,006 of specie, and exported of specie \$15,581,500, being an excess in favor of imports of specie of \$16,639,506. So that the balance was against the country in the first period, and in favor of it largely in the second. Now, sir, look at the comparative effects of the two systems upon the revenue of the country for those two periods;

In the first, the revenue from imports were—

For 1839	.....	\$20,560,439 90
" 1840	.....	10,159,339 44
" 1841	.....	12,780,173 64
		<u>\$43,499,952 98</u>

And in the second period, they were—

For 1843	.....	\$5,602,033 07	for six months.
" 1844	.....	25,758,416 22	
" 1845	.....	26,653,809 86	
		<u>\$58,014,249 15</u>	

Being \$14,514,296 17 in two years and a half under the tariff of 1842, more than it was in three years preceding the adoption of that system. Thus, while the Government is deriving a revenue from imports adequate to its expenses, the balance of trade is in favor of the country, and the wealth of the nation is increasing instead of being diminished; as it was under a horizontal tariff of 20 per cent.; and I think, sir, the corollary of my learned friend from Virginia is demonstrated not to be correct.

I maintain, Mr. Chairman, that the wealth of the country depends more upon the approximation in the amount of its exports to its imports, than it does upon the amount of its imports. No country should, import more than it exports; as an individual should not buy what he does not want, or what he cannot pay for, so no country should take of another more than it can pay for by its own productions. This is a plain principle of domestic economy, equally applicable to the economy of a nation.

Now, Mr. Chairman, what effect has the tariff of 1842 had upon the labor and industry of the country, and upon the prices of all necessary commodities?

And first, upon prices:

The tariff of 1842 is denounced as being altogether protective in its operation—as being oppressive upon the planter and farmer, and other classes of citizens who consume the products and fabrics which are the subjects of incidental protection, for the benefit of the manufacturer. Sir, I had no agency in the passage of the tariff of 1842, and its friends have never contended that it was perfect in all its details. What financial system is? But, sir, has it not answered the purposes of its enactment? It was adopted as a revenue measure, as has been sufficiently shown during the debate upon the present system. I take leave here to state my own opinions as to what is a proper tariff, that I may not be misunderstood. I would tax all articles of luxury, which do not come in competition with our own productions, to the highest revenue point. I would so impose duties upon such foreign productions as come in competition with the industry and labor of our own citizens, as would afford fair, reasonable, and adequate protection to our own citizens; and where the resources of our country required to be developed, and protection was necessary for that purpose, I would impose duties upon similar foreign productions, so as to afford the required and necessary protection at home. I would in all instances give the preference to our own citizens, and the protection to domestic labor over foreign. Such, I conceive to be, in the main, the operation of the tariff of 1842.

Now, Mr. Chairman, is that system oppressive? Does it increase the prices of commodities? Is it true in any one particular? If it is, let those who make those assertions prove them—prove them by facts, by the statistics of the country. One fact, which commends itself to the sober, common sense of the country, is worth a thousand theories; and I challenge those who make these bold and broad assertions to prove them true, in any one particular. By all the rules of argument and of logic they are bound to do it, or to yield the point; and they who denounce protection in any shape, and assert that it increases the burdens of the country, are bound to prove the truth of their assertions; and if they have heretofore failed, and continue to fail, as they must, I insist upon it, that those gentlemen who are so desirous of lessening the burdens of the people, and of affording them cheaper and better commodities, are bound to sustain that system which has uniformly had this effect. Sir, the people understand this subject practically as well as the politicians. They are feeling its operation, and they are becoming satisfied that their burdens are lightened by it, and that, so far from being oppressive to the consumer, it makes them more independent, by the supply of every commodity, the reduction of prices by that supply, as well as by the home market which the system affords, and the advantages to the community, by the operation of the system, upon the currency and exchanges of the country. Sir, I rely upon the known intelligence and business capacities of our people to sustain and acknowledge the truth of those facts upon which the wisdom of this system is based. If the duty imposed upon the foreign article is added to the cost of production of the home manufactured article, the prices which have ruled in the market, during the several periods of high tariffs and low tariffs, will show it. If the consumer of the home product has to pay more for it, in consequence of, and in proportion to, the duty imposed upon the foreign similar article, then have those prices been higher under the existing tariff than they were before; or, if not, the prices and wages of labor have been reduced, to enable the manufacturer at home to reduce the cost of the production of the article. If the price is less, the cost of production must be less; and labor being the principal ingredient in the cost of production, the price of labor must have been reduced, if the anti-protective theory be true. But, sir, I aver that, in no single instance, can a single article be pointed out, which has had the necessary protection, and made in this country, which has been enhanced in price; and, while the home production is afforded at less cost, there has been a regular increase of the wages of labor.

I will attempt, in the course of my argument, to assign the true causes for the reduction in the prices of all domestic productions, apart from the advance in the wages of labor, which has been consequent upon the protective system.

In the consideration of this branch of the subject, let me call the attention of the committee to a few of the many paragraphs in the Secretary's report which are worthy to be noticed. In page 3 of the report, document 6, the Secretary says: "The receipts for the first quarter of this year are less, by \$2,001,885 90, than the receipts for the same quarter last year. Among the causes of decrease is the progressive diminution of the importation of many highly protected articles, and the substitution of rival domestic products;" and yet, sir, the same tariff bears upon those articles this year as it did the last, and under its operation the importation diminishes, and rival domestic products are driving the foreign article from the market. And why so, sir? Why are fewer foreign articles of the description referred to by the Secretary imported this year than in the same space of time last year? Because the domestic article can be sold for less price this year than it could the last. The price is coming down under the protection. Rival establishments have been built up here at home. Competition is going on! The supply has increased, while the demand is stationary; and that has given the domestic article the ascendancy. The foreign article can be furnished at the same cost that it could last year. It is subject to the same duty and restrictions, and no more, and is admitted under the same circumstances. There must, then, be another cause for the substitution of the domestic article, which did not exist to the same extent last year. There is, sir. It is the advance of your system. The additional supply of the home article. The supply produced by competition increasing faster than the demand, the price diminishes, and the foreign article is displaced. It is the certain progress and inevitable consequence of the system of judicious protection.

This admission by the Secretary is enough to prove my position. Certain articles are protected by the act of 1842. In the first quarter of the fiscal year '44-'5, under the operation of the protection afforded to certain articles, a larger amount of goods were imported. In the first quarter of the year commencing July 1, 1845, and ending October 1, a lesser amount, sufficient to raise two millions of revenue, of the same articles were imported, and yet the price of those articles was not increased. Was it? If it was, I ask that those articles be specified that the country may determine the fact. And why was the amount of importations so much less? The Secretary has told you, sir, because the foreign article was displaced by a substitution of the rival domestic product. Would it have been so, if the domestic product could not undersell the foreign? No, sir. And yet it does displace it, and, therefore, must sell for less than it sold for last year. The fact of a smaller importation of certain articles which our own productions have displaced, while the prices have not increased, is sufficient proof that the duty is not added to the cost of the article; it is proof of the advance of our manufactures, and that the price is not affected by it. The price of every article is regulated by the demand and the supply. If the demand exceeds the supply, a tax upon the article would increase the price of it *pro tanto*, and be added to the cost of its production. If the supply is equal to the demand, the price will remain steady so long as the equilibrium is maintained; and, if the supply exceeds the demand, the prices are correspondingly diminished, and the price is not affected by the duty. I maintain these to be sound principles of political economy—sound in theory, and true in fact. The operation and effect of protection has been, and ever will be, to increase the supply by creating competition; and the more decided the protection, and the more uniform and permanent it is believed

to be, the more certain will be the competition which will be created, and the supply which that competition will produce.

I will not, Mr. Chairman, fatigue the committee by a particular analysis of the prices of the necessary commodities, by exhibiting comparative tables of the prices of different articles at such periods as would show the operation of a protective policy. That prices of all articles which have received adequate protection have declined, no one denies. That it can be attributed to any other cause than the operation of that system which gives the preference to our own citizens and their labor, I think experience has fully demonstrated, and that it has resulted from the working of those principles of political economy which I have stated. Permit me to ask your attention to a few of the articles most familiar to the country, and the knowledge of every man will corroborate the statements which I make, as to the comparative prices of those articles. To give to the country a synopsis of the different varieties of cotton fabrics would be superfluous. The first protective duty levied upon cotton fabrics by the tariff of 1824, was equivalent to about thirty-three per cent. of its then value. The price very soon came down to the amount of the duty, the quality of the article greatly improved, and the duty upon coarse cotton fabrics has been almost prohibitory, because our manufactures, in a short time after the prohibition was afforded, were enabled to make and to sell them at about one-third of the cost of the foreign article. The effect of the tariff upon coarse woollens has been as favorable, in proportion to the time it has been afforded. Upon that article called satinets, or as it is more commonly called cassinets in the country; before the first protective duty was laid upon this article, it sold at from seventy-five cents to a dollar a yard for the commonest article. The same can now be bought fifty per cent. less. The same has been the case with all coarse cloths. The public mind, sir, is familiar with these facts.

Upon no article of domestic production has protection operated more favorably than upon glass.

In 1824, the duty upon window glass was \$3 per 100 feet, and the price was \$10 50. In 1828, the same duty, and the price was \$6 50. By the tariff of 1842, the duty is \$2 per 100 feet for the same kind, 8 by 10; on glass 10 by 12, it is \$2 50; on glass 14 by 16, it is \$3 50, and so on up to \$6 per hundred for glass above 18 by 20 inches; on crown glass it is from 33 to 50 per cent. more. Now, sir, glass, and particularly the plain 8 by 10, which is in more general use, can be bought for a little more than the duty, \$2 25, and all other kinds in proportion.

On all the varieties of the manufacture of glass, protection has operated with the same results. Upon plain, pressed, cut, and colored—tumblers, vials, bottles, and demijohns, it is all the same. The price has come down by the domestic supply, and it is now furnished at the mere cost of production, simplified and reduced by skill, experience, and science. Let me give you an extract from a certificate from the manufacturers of Wheeling, Virginia. They say:

“During the years '41 and part of '42, our flint glass manufactory was idle, owing to the want of business resulting from the reduction of the tariff under the compromise act, so that our hands were idle for some eighteen or twenty months. After the passage of the tariff of '42, we again put our works in operation, and have been since making all the glass our factory is capable of producing; and we are now selling our glass at twenty-five per cent. less than we did at the adoption of the tariff of '42, and we believe the deduction has been general over the country.”

I learn that in 1832 there were seventeen flint glass factories in the United States. As the tariff was reduced the number of factories was reduced, and in 1842 there were but five. Since the tariff of 1842, the number has increased to nineteen, which consume annually \$800,000 worth of coal, wood, timber, iron, straw, &c., besides the provisions necessary for the operatives, and afford employment to 5,393 tons of shipping. An intelligent writer on this subject says:

“Since 1842 the price of glass has been reduced 25 per cent., while the wages of the laborers have been increased in about the same proportion. In this case it is evident that protection has cheapened glass to the consumers, while it has increased the wages of the makers—apparently a paradox; yet such are the facts. And why should it not be so? When foreign manufactures have killed off 12 out of our 17 factories, the way is prepared to increase the price of their glass; and at the same time when glass-makers, enough to supply our 17 factories, are forced to rely for work upon only 5, and these five doing a precarious business, it is certainly reasonable to suppose that they cannot command full wages—reasonable, because they cannot have full work. The foreign glass dealers are now flattering themselves with again prostrating American glass-makers by means of Walker's tariff. Said one of them recently to a Yankee glass-maker: ‘Give us that bill, and we will soon stop your fires for you.’”

Every man, Mr. Chairman, knows how greatly reduced are the prices of the various articles of the manufacture of iron, from a cut nail to the most highly finished piece of cutlery. It would consume more time than is left to me to specify the articles, and the country is too familiar with the prices to make it necessary. There are few who hear me that do not know, that iron chains of every kind have been reduced fifty per cent., and that as soon as protection to nails of five cents per pound was afforded, it amounted to prohibition against the foreign article, and the price came down below the duty. Axes and anvils, hollow ware, nay, every article, has been reduced since the tariff of 1842, and none more than that species of iron which is protected at \$56 a ton, and is now selling at from 80 to 85 dollars. Sir, if there was any semblance of truth or plausibility in the assertion that the duty on the foreign article was added to the home manufactured article, that species of iron upon which the duty is 2½ cents a pound, or \$56 a ton, to wit, iron of ¾ of an inch and less, would sell for \$31 more than hammered bar iron, the duty upon which is \$25 per ton; whereas it does not sell for any more, or if it does, but a dollar or two. I am credibly informed that both kinds can be had at \$85 per ton. Here is

"A list of ticket prices of American made merchant iron-wire in 1846, which has been furnished to me.

From 0 to No. 6	9 cents per pound.	From 15 and 16	14 cents per pound.
" 7 " 9	10 " "	" 17	15 " "
" 10 and 11	11 " "	" 18	16 " "
" 12	11½ " "	" 19	19 " "
" 13 and 14	12½ " "		

Fine wire one cent more per number up to No. 30. Wire is now selling at from forty to forty-five per cent. less than the above prices, from the manufacturers.

In 1823, the ticket prices of wire were from one to two cents per pound higher than the above ticket prices of 1846. At that time there was no discount from the ticket prices. At that time there was but a single wire factory of any consequence.

Now it is believed by those best informed, that wire enough to supply this country, at the above prices of 1846, is manufactured in the United States. That the weight of the wire made in one day is probably twenty tons, of which about six tons per day is made into wood screws. This screw manufacture has nearly all come into existence since the tariff of 1842.

The manufacture of sheet iron commenced in this country about the year 1831. None of any consequence was made before that time. Now, (with the exception of Russia sheet iron,) the manufacturers of this country can supply the whole demand of the United States.

The Russia sheet iron has been more uniform in price, for the last twenty-five years, than any other iron fabric, owing to there being no competition."

An intelligent correspondent thus writes to me: "I have not the least doubt, that if the tariff of Secretary Walker should pass, the wire and the sheet iron trade would be ruined, and many thousands of persons, such as miners, furnace-men, and mechanics, engaged in the business, will be out of employ. And the doubt on this subject has suspended the investment of several hundred thousand dollars in the American iron business. This capital is waiting the result, and will not be employed in the iron business if Mr. Walker's bill should be passed.

I have been engaged in the manufacture of iron wire since 1824, in the United States."

AMERICAN INSTITUTE, *New York, May 1st, 1846.*

Now, sir, we will pass from iron to sugar, and I will only stop to remind the committee that the supply of Louisiana sugar has increased almost one hundred per cent. under the operation of the tariff of 1842, while the price has diminished, and particularly for the inferior qualities. But, sir, it is upon refined sugars (loaf and clarified) that protection is most felt. Such sugars as sold in 1842 at \$13, now sell at \$10½; and the quality of those sugars has been greatly improved, as well as a large amount of brown sugar, being made from the molasses by a process which was invented by Professor Mapes, of New York, a gentleman of great science and intelligence. Sugars, which sold for 18 to 20 cents a pound before any protection was afforded to refined or loaf sugars, now sell at from 10½ to 11 cents.

"Prices of bagging and bale rope in Louisville, from January 1, 1838, to January 1, 1846.

Date.	Bale rope, per pound.
1838, Jan. 1.....	18 a 20.....
1838, July 1.....	17 a 19.....
1839, Jan. 1.....	19 a 21.....
1839, July 1.....	22 a 24.....
1840, Jan. 1.....	22 a 24.....
1840, July 1.....	22 a 24.....
1841, Jan. 1.....	22 a 24.....
1841, July 1.....	25 a 27.....
1842, Jan. 1.....	18 a 20.....
1842, July 1.....	15 a 17.....
1843, Jan. 1.....	11 a 12.....
1843, July 1.....	11 a 13.....
1844, Jan. 1.....	11 a 12.....
1844, July 1.....	11 a 12.....
1845, Jan. 1.....	9 a 10.....
1845, July 1.....	9½ a 10½.....
1846, Jan. 1.....	8½ a 9½.....

The variation in prices at the same period is produced by a difference in the quality of the articles, and the length of the credit. Thus, on the first January, 1846, a medium quality bagging could be bought at 8½ cents cash, whilst a superior fabric would command 9½ cents cash. The first would be sold at 9 cents on a credit of nine months, and the latter at 10 cents on the same credit.

In 1841, the compromise tariff had nearly reached the lowest point of declension. During that year, the Louisville Manufacturing Company contracted with some Louisiana planters to furnish them with bagging for five years, at 20 cents. This price was at the time considered so low, that the gentlemen who contracted to be supplied thought they had made a very excellent bargain. In less than six months after the tariff was laid, bagging was sold at but a little more than half that sum, and in three years after at less than half."

Why enumerate leather, the prices of which have also declined by the competition and other causes produced by the tariff of 1842, or boots, or shoes, or hats. The same is true as to them, and "many other articles too tedious to be mentioned."

II.—PRICES OF LABOR.

We will now inquire into the operation of this system upon the prices of labor; and we must bear in mind that the price of labor is regulated by the steadiness of the demand and stability of that system which affords it employment. The facts which I have collected, and in the truth of which I have the most implicit confidence, because of the respectability of those sources from which I have derived them, will sustain the assertion which I have made, that the price of labor has not been diminished by the reduction in the prices of protected articles, which the Secretary tells us have displaced foreign articles, within the last year, to an amount sufficient to raise more than two millions of revenue. Here are some examples: In the Starke mills, at Manchester, New Hampshire, the average wages of all the girls there employed, (over and above their board,) was, in February, 1843, only \$1 46 per week; and in the same month, in 1846, \$1 93 per week—an increase of 32 per cent.

The annexed table of comparative wages at the Amoskeag mill will exhibit a similar result, viz:

"Average wages paid the operatives in the Amoskeag new mill, in the month of January in each year.

Mill No. 1, January, 1842	-	-	-	\$1 51	\$1 33	\$1 61	\$2 20
" " 1843	-	-	-	1 57	1 41	1 74	2 30
" " 1844	-	-	-	1 69	1 35	2 02	2 55
" " 1845	-	-	-	1 89	1 36	2 09	2 56
" " 1846	-	-	-	1 84	1 61	2 66	2 78

Gain in four years,

21 p. ct.

21 p. ct.

65 p. ct.

38 p. ct.

W. AMORY."

"In the mills of the Lawrence Manufacturing Company, between the second Saturday in November, 1842, and the second Saturday of February, 1843, the female job-help received at the rate of 48½ cents a day, or \$1 63 per week clear of board. In the mills of the said company, between the second Saturday of November, 1845, and the second Saturday of February, 1846, the same hands received at the rate of 55 three-tenths cents a day, or \$2 05 per week, clear of board. This is certified by John Aiken, agent of the company." He also states that, in 1842, old hands were abundant at \$1 50 per week and board; whereas now, in March, 1846, it is extremely difficult to get them at \$2 per week and board.

The books of the Merrimack Company, at Lowell, exhibit the following average rate of wages, viz: Males, per week, in 1840, \$4 80; in 1841, \$4 92; in 1842, \$5 04; in 1843, \$4 76; in 1844, \$5 23; in 1845, \$5 40. Females, per week, in 1840, \$1 92; in 1841, \$1 93; in 1842, \$2 30; in 1843, \$2 16; in 1844, \$2 34; in 1845, \$2 38.

In the month of February, 1843, the average rate, per week, was \$1 99 six-tenths. Same month, in 1846, the average rate, per week, was \$2 22 four-tenths.

Wages paid by the Delaware Coal Company, viz: Miners' wages, per day, in 1832, \$1; in 1842, 82½ cents; in 1845, \$1 13; in 1846, \$1 25 to \$1 50. Laborers, per day, in 1832, 80 cents; in 1842, 70 cents; in 1845, 80 cents; in 1846, 83 cents to \$1.

The prices are now higher than under the tariff of 1828. Under the compromise act, wages declined 20 to 25 per cent.; under the act of 1842, they are steadily and firmly advancing. Miners, in many instances, make at the rate of \$1 50 to \$1 75 a day, and some of them \$2 a day.

At the Jackson Manufacturing Company, New Hampshire, May 12, 1843.

Average wages of the Female Operatives for the four weeks ending April 15th, 1843.

Employment.	Number of days worked.	No. of girls who work'd all the time.	Amount paid.	Average wages per week.	Average through the Mill.
Mill, No. 1.					
Carding	68,075	2,836	\$304 15	\$1 43	\$1 41
Spinning	91,150	3,798	397 47	1 37	Weaving.
Weaving	172,300	7,179	730 11	1 29	3 looms - - \$1 29
Warping	15,550	648	72 85	1 56	4 do - - 2 12
Dressing	18,450	769	108 91	2 29	2 do wide - - 1 67
Drawing in	9,850	411	49 08	1 73	Others pr. week, - 1 01
Mill, No. 2.					
Carding	57,675	2,403	259 93	1 45	\$1 47
Spinning	78,875	3,287	346 92	1 39	
Weaving	153,675	6,403	680 06	1 40	Weaving.
Warping	11,075	461	64 47	2 30	3 looms - - \$1 67
Dressing	15,000	625	85 41	2 16	4 do - - 2 19
Drawing in	8,525	325	39 23	1 77	Others pr. week, - 1 32

JAMES A. DUPRE, for EDMUND PARKER, Agent.

Average wages of the Female Operatives for the four weeks ending February 21st, 1846.

Employment.	Number of days worked.	No. of girls who work'd all the time.	Amount paid.	Average wages per week.	Average through the Mill.
Mill, No. 1.					
Carding.....	65,000	2,708	\$328 86	\$1 79	
Spinning.....	111,900	4,663	445 00	1 67	\$2 05
Weaving.....	174,625	7,276	1,050 50	2 36	
Warping.....	15,425	642	87 33	2 15	
Dressing.....	26,550	1,106	147 43	2 08	
Drawing in.....	10,075	420	63 26	2 51	
Mill, No. 2.					
Carding.....	45,800	1,908	233 92	1 81	2 03
Spinning.....	110,825	4,618	513 41	1 53	
Weaving.....	161,525	6,730	968 03	2 35	
Warping.....	14,650	610	87 90	2 35	
Dressing.....	20,725	863	129 96	2 51	
Drawing in.....	11,325	472	59 40	1 90	

GEORGE F. BECK, for E. PARKER, Agent.

JACKSON COUNTY, New Hampshire, Feb. 29th, 1846.

The price of wages per day for masons and laborers in the month of May, in the following years :

1832, masons, 13 shillings—Laborers, 7 shillings.

1835,	14	8	} After the great fire in the city of New York.
1836,	17	10	
1837,	15	8	} Great expansion of the currency.
1838,	13	7	
1839,	13	8	
1840,	12	6	
1841,	12	7	
1842,	11	7	
1843,	12	7	
1844,	13	8	
1845,	14	8	

In addition to the rise in the wages, from 1842 to 1845, there have been employed from 50 to 75 per cent. more men than there were from 1838 to 1842.

JOSEPH TUCKER,
WILLIAM TUCKER,
JAMES HARRIOT,
AMOS WOODRUFF,
JAMES WEBB,
SAMUEL OLIVER, } Mechanics of the city of New York.

Proofs could be multiplied to an endless extent, but why do it? The fact is known to the country, and the truth of my theorems depends upon well established principles of political economy.

And now, sir, I assert, without the fear of successful contradiction, that the price of labor has increased, while the demand for it has also increased in more than a corresponding ratio; that the protective system is calculated to advance the labor of the country, and to place it in that independent attitude which is not only consistent with the well-being, but necessary for the perpetuity of our free institutions. The question of protection is a question of labor. It is a question whether we are to be furnished with a large portion of the necessaries and comforts of life by American labor, or be dependant on foreign labor for them. Upon that question can any man hesitate? Sir, that question I submit to the consideration of the American people—I will not further discuss it. In looking at the comparative prices of labor in this country and in the different countries of Europe, we are forcibly struck by the advantages which that class of our population enjoy. Here that class is respected according to their merit and deportment. All the comforts and conveniences of life are within their reach, the door of honor and advancement is alike open to them as to the wealthy and high born, and the cottage of the laborer may be decorated and embellished with as bright flowers as those which cluster around the portals of the great. The smile of innocence and beauty may there be as captivating, and his home be the centre of as many attractions, and the sanctuary of the purest and holiest feelings of our nature. Sir, your anti-protective system would close the door to advancement against all those who are dependant upon their labor and exertions, and doom them to remain in that state in which they commence life.

I think now, sir, I have shown that the duty upon any foreign article does not increase the price of the similar domestic production—that the price will be regulated by the demand and supply—that the supply will be in the ratio of the protection and encouragement to the manufacturer, and the stability of the protection, and the competition which the stability of the system will produce. This is also true as to the wages of labor. The price of labor depends upon the demand for the products of that labor,

and the certainty of its employment not being interrupted. Capital must find employment. If it does not meet with it in one channel, it will seek it in another. If it cannot be employed profitably by the employment of a large amount of labor, it can find other investments where labor is not needed. The demand for labor must vary with the profits which are afforded to the investments of capital, and the remuneration of labor must consequently depend upon the corresponding demand. The duty, therefore, which is imposed upon the foreign article is not a bounty to the home manufacturer, even if it tended to increase the price of the article *pro tanto*, which it does not. If it is a bounty to any class, it is to the laborer—labor, like every other commodity, being regulated by the law of demand and supply. The stability which fixed and uniform prices by a protective tariff affords, induces the investment of capital. High duties create competition, and that competition gives employment to labor, creating the demand for labor: and in a country like this, where the field is so wide, and the prospects of wealth held out by the fertile prairies of the West so sure and flattering, there is no necessity for our laborers to beg employment in factories, or to enter them without remunerating wages—thus, is the protection to the labor and industry of the country more than to its capital.

As one cause for the reduction of prices upon protected articles, the Secretary states in his report that wages have generally diminished under the tariff. This is not so. It is impossible that it should be. There has been an increase in the demand for labor, and its employment has been uniform and progressive; and it is true, that the more it is wanted the more wages it will command. Wages cannot diminish under an increased demand, and when there is so much competition in the various pursuits of industry. No, sir, the reduction of the prices of protected articles is resolvable in the axiom that the supply is fully equal to the demand; and the producers must be content with receiving for the articles so abundantly supplied the mere cost of their production. I may be asked, sir, since labor in this country commands so much higher prices than in Europe, why is it that our products, the fruits of that labor, can be afforded at less cost than the foreign article? Or why do the fabrics of our country undersell those of Europe? And if they do, where the necessity of protection? Although this does not strictly belong to the point which I set out to discuss, I take leave to say a word on this subject. It would seem reasonable, sir, that the price of an article would be regulated by the price of the labor which is employed to produce it. And if there was no other interest employed or invested in its production, demand and supply being relatively equal, its price would depend upon the labor necessary for its production. But, sir, there are so many other circumstances entering into and forming the basis upon which the value and cost of production depends, that the price of the labor employed is only secondary. The capital invested is also to be remunerated, and the real estate, the machinery, the taxes to the Government, are all to be considered, and the cost and charges of all these are to be entered as a part of the cost of the article, as well as the mere labor employed. I need not say that the difference in the amount of taxes in this country and in Europe, is one cause why our manufacturers can undersell those of Europe. There, and particularly in England, every thing is taxed—the land, houses, doors, windows, the very air that is breathed, the bread that feeds her half-starved population is taxed; and all those taxes must be paid by adding so much to the cost of the production of those articles with which we compete, free of all those taxes and exactions which are there so oppressive. The capitalist, or the landlord who pays the taxes, must add it on to the price of the article. Sir, there is another reason: here machinery has superceded human labor to a greater extent than it has in those countries possessing a redundant population. In France, particularly, human labor, which is cheaper than in England, is relied upon much in the place of horsepower and machinery; and in some of the ancient gothic cathedrals and monasteries, which have been converted into factories, a strange spectacle is exhibited of human labor being employed to propel machinery; and the attention of the spectator is arrested by the noise and din attendant upon these operations—where no longer is heard the solemn chant of the main and vesper anthem.

The certainty of a market, which protection affords, also creates confidence in business, and that very confidence invites investments. A larger supply is produced, and the producer, when he sells a greater amount, can sell at less profit, and realize more than by the sale of a less amount at greater prices.

But with the advantages which we possess of cheap living, low taxes, and improved machinery, combined with superior skill and energy in most of the mechanical and manufacturing employments, a certain market, at prices that will pay the cost of production, is necessary to insure competition and produce the supply sufficient to bring down prices to the mere cost of production. This can only be attained by permanence and protection. Withdraw it, and confidence is destroyed, the business declines, and the foreign capitalist and manufacturer may, at periods of a redundant market abroad, flood our country with their fabrics, which they may be compelled, for the time, to sell much below the cost of production, to the ruin of our citizens who are engaged in similar pursuits.

Profits on the investments in Manufactories.

But, say they, who oppose protection, the profits of the manufacturer are inordinate and enormous, and those large profits are paid by the consumer, by the farmer and planter, amounting to at least 20 per cent. upon the investment; while the investment of the agriculturist, particularly in other States where slave labor is employed, does not pay more than two or three per cent. Now, sir, I take leave to say, that there is, there must be, a mistake in such statements, and that those opinions, honestly entertained, I doubt not by many persons who are too ingenuous to make statements which they do not confide in, are founded in error, and are based upon the results of the skill and enterprise, and industry, embarked in those manufacturing operations, and upon the profits derived from that combination, and not the profits upon the article manufactured. Let me illustrate this point by a case of ordinary occurrence. A man has a capital of \$20,000; this he invests in some manufacturing establishment. He builds his mill, erects his dams or fixtures for his motive power, and constructs his machinery adapted to the purpose and manu-

facture of the article which he intends to supply at the smallest cost, and which is to be thrown into the market to compete with other fabrics of a similar character. His establishment, for instance, is for the manufacture of woollens; all things being ready, his establishment having consumed his whole capital of \$20,000, is ready for operation; but he has no money to purchase the stock wherewith to commence. He goes to New York, or Boston, or Baltimore, and there he makes an arrangement with a commission house to accept his bills, he sending on his fabrics as fast as they can be prepared for market. Thus fortified, he purchases the farmers' wool and other necessary articles, and gives bills on the commission house, which are cashed. The cloths are made, sent in bales or packages to the commission merchant, and by him sold. This goes on, and is repeated with as much rapidity as human energy and skill, aided by the most improved machinery, will enable them; and it is wonderful, sir, to what perfection our enterprising countrymen are bringing every variety of machinery, and how every process is simplified, and its cost and expense diminished. At the end of the year there is a settlement, a reckoning between these partners—this manufacturer, and his commission house, his factor, broker, and banker; and it appears that the year's profits have been \$5,000, twenty-five per cent. upon the \$20,000 invested in the operation. This seems to be inordinate gain. But, sir, is it the profit upon the \$20,000 investment alone? Oh, no, sir. To produce that 5,000—to make that 25 per cent. upon the 20,000 put into the establishment, \$100,000 worth of goods have been manufactured and sold, only 5 per cent. upon the amount of sales has been realized; that is, the profit upon the investment—upon the labor employed—the money and credit used—the mind, the skill, the energy, the thought, the intellect that has been brought into the business, that has directed and controlled it; and this is a capital as worthy and deserving of credit as the world's mere dross, which is made the subject matter of barter and exchange. Does the law of the country give you remunerating interest for the outlay and loan of your money? Does it authorize a fair equivalent for the product of your labor—and shall it refuse to compensate you for the fruits of the mind's employment? Tell me not, sir, of the wisdom or justice of that system which affords protection to the wealth of the country, and withdraws it from the treasure of mind; which spreads its broad mantle over the property of its citizens, and withdraws it from, and leaves exposed, the fund of intellect and intelligence which gives force and vitality to, and puts into active employment, that moneyed capital which of itself is without value, but derives its sole importance and usefulness from the mind and intellect which directs it. No, sir; the skill, the ingenuity, the talent, and mind employed in any business, is as much the capital and as fully entitled to remuneration and protection, as that cash capital which is the basis of its operations; it is like the vital spirit which is contained in the human frame, and which gives to its functions its power and activity. That material substance which endures but for a day, is not to be preferred to the ethereal essence upon which it depends, and whose existence is eternal.

Mr. Chairman, I have not entered into a discussion of the operation of the tariff of 1842, upon the coal interests of the country, or upon the development of the mineral wealth, in building up furnaces and forges for the manufacture of iron. The large interest which Maryland has in those two articles, representing as I do that interest, in part, will excuse my devoting the remaining portion of the time allowed me to the subject of coal and iron. There was imported last year, \$9,043,399 worth of iron and its manufactures. Why is this necessary? Why are we to continue dependant upon Europe, and mainly upon Great Britain, for iron, when we have the material in such abundance lying useless and worthless in our mountains, and requiring only labor and capital, and the protection of the Government, to make those mountains mines of untold gold. I will not enter into a comparison of the extent of our mines with those of Great Britain, or compare the facilities of working them. But, I may be permitted to say, that no country on earth possesses greater advantages for the manufacture of iron than this, greater abundance of coal and iron ore, or that which is more easily mined and converted into all the varieties of the manufactured article.

Now, sir, look at the progress which the manufacture of iron is making in Pennsylvania and Maryland.

In 1842, there were but four anthracite iron furnaces in operation in the whole country; there are now thirty-four in operation, and six or eight others in progress of erection, capable of manufacturing 116,000 tons of iron a year, which, at \$25 or \$30 a ton, would be \$3,243,000. In 1842, there was not a single rolling mill for the manufacture of railroad iron in the United States; there are now five in active operation, and two others in course of construction; and if the tariff of 1842 had not been interrupted, we should have been able to supply all the railroad iron required in the United States, and at less prices than we paid for the foreign article in 1835 and 1836, when it was imported free of duty.

Sir, in Pennsylvania and New Jersey, there are about twenty-eight rolling mills for making iron from anthracite coal, fifteen of which have been erected since 1843. These rolling mills are capable of making about 120,000 tons of railroad, bar, and boiler iron a year, which, at \$70 a ton, would amount to \$3,400,000. The amount of iron now made in the United States a year is estimated to be from thirty-five to forty millions.

There are several iron establishments in Maryland, one in my own district, owned and conducted by the Messrs. Ellicott, intelligent and enterprising gentlemen, who make pig iron from the ore in the neighborhood of their furnaces, which is converted into bar and other iron at the Elkridge forges. There is also a furnace in Worcester county, which makes pig iron from bog ore, and sends it in this state to the forges on the Delaware and other places to be manufactured.

But, sir, in Alleghany county we are to look for the manufacture of iron, if encouragement and protection could be continued to the development of the resources of the country. These large and extensive establishments, erected within a few years, are capable of supplying a great portion of the demand of the country for iron, as soon as the means of transportation can be afforded, which would soon be done, if the system of 1842 was not interrupted. Maryland looks with anxiety to the finishing of the Chesapeake and Ohio Canal, to furnish the means of transporting her iron and coal to market. But, sir,

that work cannot progress to completion, if your market is to be closed to her coal and iron productions, and a preference is to be given to the foreign article, as designed by your new revenue system.*

I shall devote the few minutes left to me to the subject of coal. Sir, in this mineral our country is rich—richer than any other; and if the protection afforded by the act of 1842 is continued a few years longer, we shall be able to supply the whole demand of the country at less prices than were paid before the protection was afforded. The coal field of Alleghany is computed at about 300 square miles, and some of the principal strata are thus described:

“Near the level of the Potomac is a stratum of coal 8 feet thick. Immediately above it is a rich bed of iron ore, 20 feet thick. At a height of 100 feet is a coal bed of 5 feet thickness; and immediately above it is a stratum of fire clay. At a height of about 250 feet is a coal bed of 6 feet thick, and above it iron ore of 5 feet. From 300 to 400 feet is a space unexplored. At 500 feet height is a coal vein of 7 feet; at 600 feet, iron and coal. In the next 200 feet are several layers of coal and iron, but partially explored. At the height of 800 feet is the great vein of coal before described, here 17 feet in thickness; and shortly below it are balls of iron ore, and at 900 feet a coal vein of 4 feet in thickness. Mr. Shepherd estimates the quantity of coal within the limits of the estates of the above-named company, which embraces a tract of 20,000 acres, at about 100,000 tons an acre; making 2,000,000,000 tons, or, rejecting one-half for waste and to be reserved as pillars to support the roof in mining, an available quantity for use of a thousand millions of tons. He computes that, within the same limits, there are 1,936 millions of cubic yards of iron ore, which, when smelted, will produce as many tons of metallic iron.

“There are within the same space large quantities of limestone, hydraulic lime, and fire clay. This estimate embraces the possessions of a single company, occupying not more than a sixth part of the known area of the coal field. All this is situated above the level of the principal tributaries of that river. The supply of coal and iron, therefore, may be safely assumed to be inexhaustible.”

Professor Duchatel, by a different mode of calculation, after deducting about a fifth part of the area of the coal basin for those portions of it which are carried away in the formation of the valleys along the course of the various streams, and making a much larger allowance for unavailable portions of the strata, computes the remaining portion to be 86,847 acres, the average thickness of the available beds of coal at 45 feet, and that of the strata of iron ore at 15 feet. These data give the quantity of coal 6,305,000,000 cubic yards, amounting to about that number of tons; and the quantity of iron ore 3,237,000,000 tons, or sufficient to produce 1,079,000,000 tons of crude iron.

This is a quantity more than equal to the present produce of the kingdom of Great Britain, continued for a period of five hundred years, without penetrating below the level of the Potomac river. Here is but a part of the mineral wealth of Maryland, being not less than *six thousand three hundred and five millions one hundred and thirty-seven thousand two hundred and eighty-seven tons of coal; and one thousand and seventy-nine millions one hundred and ninety-one thousand seven hundred and fourteen tons of crude iron*—an amount inexhaustible in quantity and incalculable in amount of wealth.

And, sir, you are about to close up all those avenues of immense wealth. Will Maryland remain blind to her true interests, or yield to your destructive policy?

One of the principal articles upon which the wealth of England depends, has been coal. It is true, that in this article she has heretofore had no rival who could, to any extent, compete with her. Coal has been to England what steam power is to mechanics; it enters into all her operations. It warms her hearth, drives her spindles, keeps in motion her vast machinery, and gives life and activity to all her energies, great and momentous as they are. And where is her coal, and what are her facilities of supplying it, compared to ours?

The coal of England lies deep in the bowels of the earth, and it is dug out by men who have made for themselves the little dark world they live in; where they have been born and bred, and where their wives and their children live in total and interminable darkness; where there is neither sun, nor moon, nor stars, nor flowers of the field, nor breeze of summer, to gladden or cheer them. The coal beds of England are, as I have said, buried deep under the earth; they are far out of sight, and their extent is a problem and a mystery; and yet the sturdy Briton treads the surface with as high a head, and as proud a step, as if her glory and her coal were to last forever.

Turn your eyes to your country—to Pennsylvania, to my own State—where nature has piled up in the mountains of Alleghany wealth in uncounted millions; it lies there all above the surface, inviting you to come and carry it away; and yet, sir, you would deny that protection to your own citizens which, so far, since it has been extended to them, has enabled them to supply so large a portion of the demand of this mineral at less cost than the foreign article of lesser value commanded before this protection was afforded. The true and beneficial operation of the protective policy is in no article better exemplified and illustrated than by the effect upon the coal trade of the country, and the supplies which our own country have yielded.

PRICES OF COAL.

Under the compromise act, when the lower duties consequent upon the graduating scale of reduction began to be felt, the importation of foreign coal ran up in 1837 to 153,000 tons, from about 50,000 in 1835, and in 1839 to 181,000 tons, while the consumption of the domestic article in the same period di-

*Since this speech was delivered, I have been informed that the Lonaconing iron works, in Alleghany county, Maryland, have suspended operations. The hands who were employed there will seek employment no doubt at the Mount Savage works, in the same county. This must reduce the wages of those there employed.

I have also learned that the worthy and intelligent proprietors of the Patuxent forges have been compelled to reduce the wages of their hands fifty cents a day since the passage of the Secretary's tariff bill.

minished. Look now at the immense increase of the domestic article since 1842, and the consequent diminution of the importation of foreign coal. Here is a table of foreign and domestic coal, compiled from official documents. It shows an increase in the last two years of 758,000 tons of American anthracite coal. So much for home protection.

FOREIGN COAL TRADE.—The following is the quantity of coal imported into this country from June 30th, 1821, to June 30th, 1845, both years inclusive, in tons of 28 bushels, obtained from the official documents at Washington; together with the quantity of anthracite sent to market annually during the same period:

Years.	Foreign Coal.	Anthracite Coal.	Years.	Foreign Coal.	Anthracite Coal.
1820.....		365	1833.....	92,432.....	485,365
1821.....	22,122.....	1,073	1834.....	71,626.....	376,636
1822.....	34,523.....	2,240	1835.....	49,969.....	556,835
1823.....	30,433.....	5,823	1836.....	108,432.....	696,526
1824.....	7,228.....	9,541	1837.....	153,450.....	874,539
1825.....	25,645.....	33,699	1838.....	129,083.....	723,836
1826.....	35,665.....	48,115	1839.....	181,551.....	817,659
1827.....	40,257.....	61,567	1840.....	162,867.....	865,414
1828.....	32,302.....	77,413	1841.....	155,394.....	956,566
1829.....	45,393.....	110,403	1842.....	141,521.....	1,108,001
1830.....	58,136.....	174,737	1843.....	41,163.....	1,263,539
1831.....	36,509.....	176,820	1844.....	87,073.....	1,631,669
1832.....	72,978.....	368,871	1845.....	85,776.....	2,021,674

This is the amount of anthracite coal from the coal region of Schuylkill, in Pennsylvania. The consumption of bituminous coal from western Pennsylvania, Virginia, Ohio, and other places, may be equal to the anthracite. The tariff of 1842 has acted like magic upon this article, and upon the region of country which supplies it. Railroads are being built, towns and villages spring up as if by enchantment, and the coal region of Pennsylvania has been converted from an almost hopeless state of bankruptcy and ruin to one of unparalleled prosperity. The country is teeming with riches and wealth, the people are prosperous and happy.

Let us see what has been the effect upon the prices of coal in the principal markets:

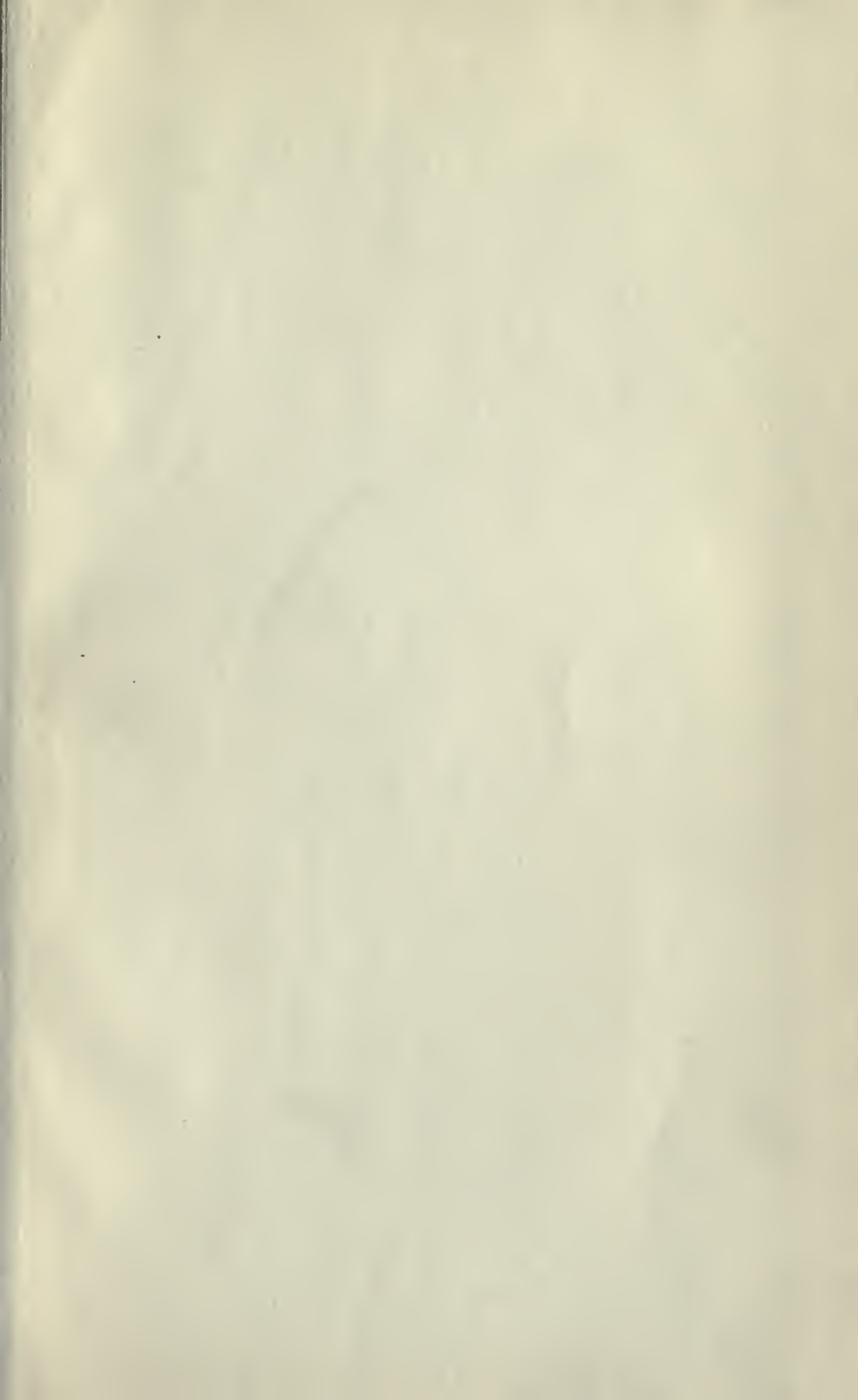
	PHILADELPHIA. Wholesale.	NEW YORK. Retail.	BOSTON. Retail.
1839..... per ton.....	\$5 50.....	average \$8 00.....	\$9 to 10 00
1840..... ".....	5 50.....	8 00.....	9 to 11 00
1841..... ".....	5 00.....	7 75.....	8 to 9 00
1842..... ".....	4 25.....	6 50.....	6 to 6 50
1843..... ".....	3 50.....	5 75.....	6 to 6 50
1844..... ".....	3 37½.....	5 50.....	6 to 6 50
1845..... ".....	3 50.....	5 00.....	6 to 6 50

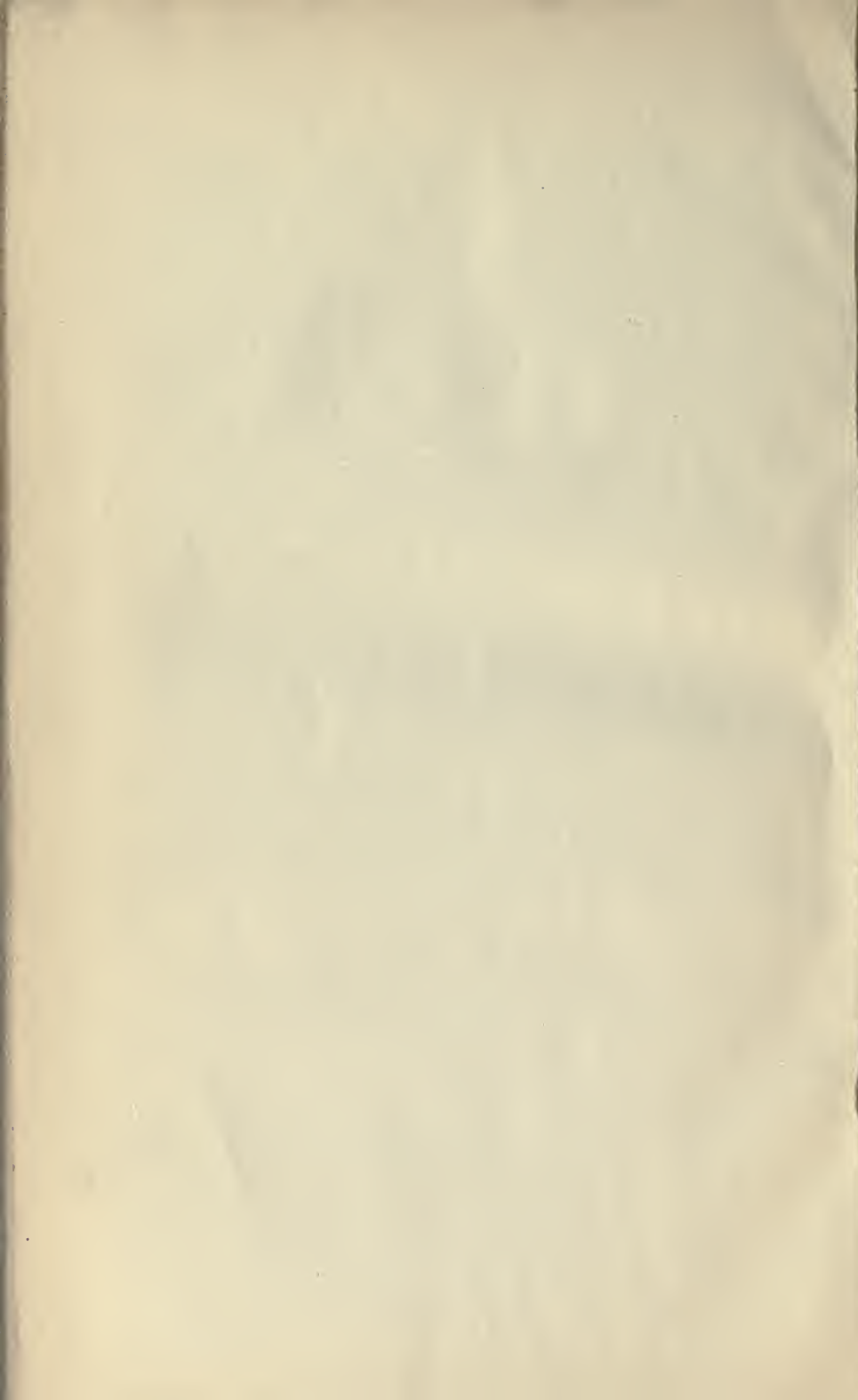
but twice the amount of the duty on foreign coal.

While protection has increased the supply and consumption of American coal almost 100 per cent., it has enabled the miner to furnish it at 50 per cent. less cost to the consumer, while the whole country feels the benefit and influence, and that influence is more sensibly felt by the laboring community, and the agriculturist in the neighboring regions.

Sir, the whole country has been advancing in prosperity, and wealth, and happiness; every interest, every branch of industry, is and has been improving, and now this whole state of things is to be broken up; this prosperity is to be arrested. The tide and current of improvement is to be turned back again. What good will this change operate? Sir, it will result in a ruined commerce, deranged currency, and insufficient revenue. Manufactures will be lessened, business will decline, and hundreds, now in active and profitable employment, will be discharged; wages of labor must be reduced, or manufacturers cease their operations, if a preference is to be given to foreign goods. What good is to grow out of this repeal? Is the Government to be benefited, or the interest of the country to be advanced by this change? Will the revenue be increased to enable the President to carry on his war of conquest and aggression? Will the prices of all necessary commodities be lessened? Will the laboring classes receive higher wages, or a better market be afforded for the agricultural products of the country? Upon this Administration, and upon the party in power, be the responsibility, and the country and the world will hold them to the account. Think not, sir, that the people are to be blinded; they will understand their true interests; the light will be shown to them; it will be shed abroad in every hamlet; it will spread over every field; it will reach every workshop; it will blaze upon the smith's anvil as he plies his hammer; the ploughman as he turns the furrow will reflect upon the influence of the system which secured him a market for his products, and gave him independence, and he will not fail to see the hand that struck the blow.

The course of industry is not long to be perverted or arrested; the intelligence of this people is not long to be blinded; the mind of the country is on the march of inquiry after its true interests, and it will not be restrained by the operation of party management; a revolution, sure and progressive, is moving over public opinion, and the people of this nation will speak in 1848 their feelings on this subject in tones not to be misunderstood or disregarded.





14 DAY USE

RETURN TO DESK FROM WHICH BORROWED

RETURN TO → CIRCULATION DEPARTMENT
202 Main Library

LOAN PERIOD 1	2	3
HOME USE		
4	5	6

ALL BOOKS MAY BE RECALLED AFTER 7 DAYS

1-month loans may be renewed by calling 642-3405

1-year loans may be recalled by bringing the books to the Circulation Desk

Renewals and recharges may be made 4 days prior to due date

DUE AS STAMPED BELOW

DEC 13 1984

RECEIVED BY

NOV 26 1984

CIRCULATION DEPT.

SENT ON LL

FEB 08 2000

U. C. BERKELEY

UNIVERSITY OF CALIFORNIA, BERKELEY

FORM NO. DD6, 60m, 1/83

BERKELEY, CA 94720



