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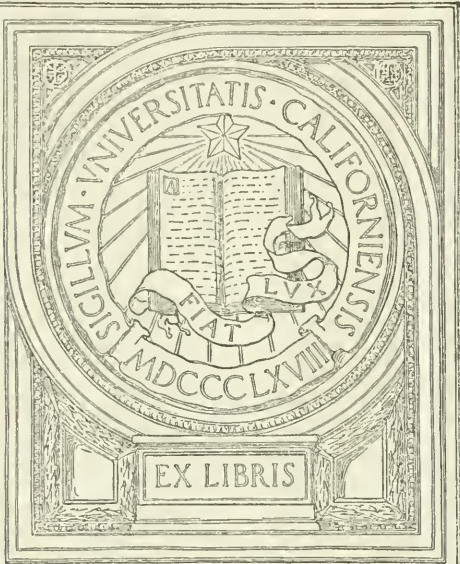


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CAREY — CURSORY VIEWS OF THE LIBERAL AND
RESTRICTIVE SYSTEMS OF POLITICAL ECONOMY



UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



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With Skerrett's
[Catey, 71.]
CURSORY VIEWS

OF THE
LIBERAL AND RESTRICTIVE SYSTEMS

OF
POLITICAL ECONOMY;

AND
*Of their effects in Great Britain, France, Russia, Prussia,
Holland, and the United States.*

WITH
AN EXAMINATION

OF
MR. HUSKISSON'S SYSTEM OF DUTIES ON IMPORTS.

BY A CITIZEN OF PHILADELPHIA.

SECOND EDITION, GREATLY ENLARGED AND IMPROVED.

“Considering a monopoly of the domestic market to its own manufacturers as the reigning policy of manufacturing nations, a similar policy on the part of the United States, in every proper instance, is dictated, it might almost be said, by the principles of distributive justice; certainly by the duty of endeavouring to secure to their own citizens a reciprocity of advantages.”—Hamilton's Report on Manufactures, p. 80.

“Whatever tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for the rude produce of the land, and thereby still further to discourage agriculture.”—Smith's Wealth of Nations, Vol. II. 149.

“Manufacturing establishments not only occasion a positive augmentation of the produce and revenue of the society, but contribute essentially to rendering them greater than they could possibly be without such establishments.”—Hamilton's Report on Manufactures, p. 25.

“The substitution of foreign for domestic manufactures is a transfer to foreign nations of the advantages accruing from the employment of machinery, in the modes in which it is capable of being employed with most utility and to the greatest extent.”—Idem, p. 23.

“Manufacturing establishments afford occasional and extra employment to industrious individuals and families, who are willing to devote the leisure resulting from the intermissions of their ordinary pursuits, to collateral labours, as a resource for multiplying their acquisitions or their enjoyments. The husbandman himself experiences a new source of profit and support from the increased industry of his wife and daughters; invited and stimulated by the demands of the neighbouring manufactories.

“Another advantage is the employment of persons who would otherwise be idle, (and in many cases a burden on the community,) either from the bias of temper, habit, infirmity of body, or some other cause, indisposing or disqualifying them for the toils of the country.”—Idem, p. 29.

“Let us not deceive ourselves by false appearances. A nation may carry on a gainful trade, while its strength and vigour are declining. Its merchants may be enriched, while the state becomes nerveless and exhausted.”—Anderson on National Industry, p. 238.

PHILADELPHIA :

PRINTED BY J. R. A. SKERRETT.

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(Price 6 cents—and per dozen 50 cents.)

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POLITICAL ECONOMY.

*“ Women and children are rendered more useful, and the latter more early useful, by manufacturing establishments, than they would otherwise be. Of the number of persons employed in the cotton manufactories of Great Britain, it is computed that four-sevenths nearly are women and children; of whom the greatest proportion are children, and many of them of a very tender age.”*¹

*“ No earthly method remains for encouraging agriculture, where it has not reared up its head, that can be considered in any way efficacious, but the establishing proper manufactures in those countries you wish to encourage.”*²

*“ If a manufacture be established in any rich and fertile country, by convening a number of people into one place, who must all be fed by the farmer, without interfering with any of his necessary operations, they establish a ready market for the produce of his farm, and thus throw money into his hands, and give spirit and energy to his culture.”*³

*“ Where a nation imposes high duties on our productions, or prohibits them altogether, it may be proper for us to do the same by theirs—first burdening or excluding those productions which they bring here in competition with our own of the same kind; selecting next, such manufactures as we take from them in greatest quantity, and which at the same time we could the soonest furnish to ourselves, or obtain from other countries; imposing on them duties light at first, but heavier and heavier afterwards, as other channels of supply open.”*⁴

*“ Such duties, having the effect of indirect encouragement to domestic manufactures of the same kind, may induce the manufacturer to come himself into these states, where cheaper subsistence, equal laws, and a vent for his wares, free of duty, may insure him the highest profits from his skill and industry. The oppressions of our agriculture in foreign parts would thus be made the occasion of relieving it from a dependence on the councils and conduct of others, and of promoting arts, manufactures, and population at home.”*⁵

*“ There are natural causes tending to render the external demand for the surplus of agricultural nations a precarious reliance. The differences of seasons, in the countries which are the consumers, make immense differences in the produce of their own soils, in different years; and consequently in the degrees of their necessity for foreign supply. Plentiful harvests with them, especially if similar ones occur at the same time, in the countries which are the furnishers, occasion of course a glut in the markets of the latter.”*⁶

*“ There appear strong reasons to regard the foreign demand for our surplus produce as too uncertain a reliance, and to desire a substitute for it, in an extensive domestic market.”*⁷

*“ If Europe will not take from us the products of our soil, upon terms consistent with our interest, the natural remedy is to contract, as fast as possible, our wants of her.”*⁸

*“ The uniform appearance of an abundance of specie, as the concomitant of a flourishing state of manufactures, and of the reverse where they do not prevail, afford a strong presumption of their favourable operation upon the wealth of a country.”*⁹

¹ Hamilton's Report on Manufactures, p. 29.

² Anderson on Industry, p. 70.

³ Idem, 37.

⁴ Jefferson's Report on the Privileges and Restrictions of the Commerce of the United States in Foreign Countries.

⁵ Ibid.

⁶ Hamilton's Report on Manufactures, p. 35. ⁷ Ibid. ⁸ Idem, 40. ⁹ Idem, 71.

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Twelfth Series.

CURSORY VIEWS, &c.—No. I.

Effects of the Restrictive System in France and Prussia—and of the Liberal System in Russia and Holland.

Philadelphia, Nov. 8, 1826.

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The following essays on political economy, are respectfully submitted to the consideration of those who have any interest in the welfare of this country, and desire that it may attain the high degree of prosperity to which its boundless advantages entitle it to aspire, and from which nothing but the most egregious impolicy can debar it. The arguments, like all the arguments on the same side of the question, are founded on facts, and on the uniform experience of all nations, whether their resources are withered and blighted, like those of Spain, Portugal, Poland, and Ireland, by an unsound policy, or fostered by wise statesmen, as those of France, England, and Prussia have been. Whereas, the "liberal system," as it is styled, *par excellence*, is founded on mere theory, and scouted by almost every nation in the new and old world.

Rejecting technical definitions, political economy may be defined to be the science of promoting national prosperity and happiness, by fostering industry, their only genuine source.

On this subject, the opinions of mankind are at present extremely divided. There are two schools—the new and the old.

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The old school professes, that the national agriculture, manufactures and commerce, ought to be fostered and encouraged by every honourable means that can be devised—and the interference of whatever would crush or depress them, ought to be prevented by duties more or less prohibitory, or by prohibitions, as the case may require.

They believe with Alexander Hamilton, that—

"Though it were true, that the immediate and certain effect of regulations controlling the competition of foreign with domestic fabrics, was 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.* The internal competition, which takes place, soon does away every thing like monopoly, and by degrees reduces the price of the article to the minimum of a reasonable profit on the capital employed. This accords with the reason of the thing and with experience."

The new school, I believe, professes, that there should be no further restriction on importation, particularly of manufactures, than for the mere purpose of raising revenue by impost. This, at least, is the idea held out on various occasions by its admirers, especially in the Salem memorial, to which I have so often had occasion to refer.

* Hamilton's Report on Manufactures, p. 66.

“It is a sound political maxim,” say the memorialists, “that the more free trade is, and the more widely it circulates, the more sure will be its prosperity. *Every restriction*,” [that is, every prohibition or duty,] “*which is not indispensable for the purposes of revenue*, is a shoal which will impede its progress, and not unfrequently jeopard its security.”

The Philadelphia chamber of commerce extend the doctrine so as to admit of restrictions on articles necessary for warfare. They object against carrying

“Restrictive legislation beyond the limits of a *fair resort to trade for the purposes of revenue*, and the case of public necessity, or high public exigency to prepare the country for the exigencies of war.”

On the subject of the doctrines of the new school, the following opinion of the Quarterly Review claims great attention:—

“*It is a strong reason to doubt the practicability of these schemes, that statesmen have no where ventured upon them; not from ignorance, as has been petulantly pretended, but from extended knowledge. Neither in old nor new states, do legislatures find the Utopian ideas of these philosophers to be feasible: yet Adam Smith, the great advocate for the most unrestricted trade, is read in all countries and languages, and his doctrines have been moulded into all shapes, whether to inform youth or puzzle the learned!!! Reflection and practice seem to show, that this valuable writer, in the zeal of his argument, carried too far his views of freedom of trade, as he assuredly did those of unlimited production and unrestrained parsimony.*”*

Experience is the only true test of theory. Without that guide, theory is an *ignis fatuus*,

“That leads to bewilder—and dazzles to blind.”

If a college of the most profound men in any other science, were assembled, and with their united wisdom devised the most plausible theory that could be conceived—if on trial it were found and proved erroneous, by any individual, inferior to the lowest of the college, it would be rejected by the world. Believing this rule to apply in a preeminent degree to political economy, I submit to the reader the results, in different countries, of both systems. If unbiassed, he will have no difficulty in forming a correct decision.

France enforces the restrictive system rigorously. By the protection it affords her industry, she has rapidly recovered from the wounds inflicted on her prosperity by a war of extreme length, and most enormous expenditure; by a military contribution of \$100,000,000; by a subjugation of two years to enraged and lawless armies; and by the loss of nearly all her colonies, of which one was the most valuable in the world. She is rapidly paying off her debt, diminishing her taxes, and steadily maintains a specie currency.

Russia, in 1818, in an evil hour made the pernicious experiment of the “liberal system.” In two years it overspread the nation with distress and bankruptcy, and she was obliged to abandon it, and renew the restrictive system, whereby she is slowly recovering from the sufferings inflicted by the ex-

* Quarterly Review, No. 48, p. 301.

periment. The emperor Alexander's description of the effects of his innovation, ought to operate in terrorem to other nations.—He says, that the nation which adopts the liberal system

“ Offers a continual encouragement to the manufactures of other countries—and its own manufactures perish in the struggle which they are unable to maintain.

“ It is with the most lively feelings of regret we acknowledge that it is our own proper experience which enables us to trace this picture. The evils which it details, have been realized in Russia and in Poland, since the conclusion of the act of the 7–19 of December, 1818. AGRICULTURE WITHOUT A MARKET, INDUSTRY WITHOUT PROTECTION, LANGUISH AND DECLINE. Specie is exported, and THE MOST SOLID COMMERCIAL HOUSES ARE SHAKEN—and the public prosperity would soon feel the wound inflicted on private fortunes, if new regulations did not promptly change the actual state of affairs.

“ It is only after these losses have come to their height, after events have proved that OUR AGRICULTURE AND OUR COMMERCE, AS WELL AS OUR MANUFACTURING INDUSTRY, ARE NOT ONLY PARALYZED, BUT BROUGHT TO THE BRINK OF RUIN, that his imperial majesty formed the resolution,” &c. &c.

Holland made the same experiment in 1816, and has been in a most depressed state ever since. Her manufactures have been prostrated—a large proportion of her population deprived of employment—her revenues diminished—and a new and oppressive system of taxation been found necessary.

The most determined partizan of the liberal system, if not under an irremovable bias, must be thunderstruck by the following appalling graphic sketch of its calamitous results in Holland.

*“ Our people are in the most unfortunate situation for want of work; as it appears, from authentic documents, submitted to the States general, that one-ninth part of the most industrious nation in the world, passionately devoted to labour, is reduced to the abject state of mendicity, or to solicit aid to support their existence; that a still more numerous part, the middle and working class, is circumscribed to the consumption of mere necessaries; and that manufactures and commerce being in a languishing condition, the profits of persons who follow those two branches of industry, are insignificant.”**

“ It is the tariff of 1816, which has opened the door to the productions of foreign industry. From that period there has been a constant deficiency in our finances; because the working classes, deprived of wages, have been obliged to diminish their consumption of the articles subject to the excise and impost—and because the manufacturers, the merchants, and the traders, deprived of the profit which they derived from the disbursement of the most part of these wages, have likewise been obliged to diminish their consumption.

“ It is since 1816, that the ninth part of the nation is reduced either to mendicity, or to require assistance [for support.]

“ It is since 1816, that manufactures and commerce have declined with giant strides:

“ It is since 1816, that the metallic medium of the nation has been lavished to pay tribute to foreign industry.

“ This disappearance of the specie is most perniciously felt by the reduction of the price of houses, which, except in Brussels and the Hague, have fallen, since that period, more than one-third; an irrefragable proof of the im-

* Considerations sur le projet de loi, concernant le nouveau système financier du royaume des Pays-bas.

poverishment of the nation; for if our resources were the same as formerly, houses would still command the same price.”*

“It is ascertained that the immense number of breweries and distilleries, which formerly existed in both parts of the kingdom, have undergone prodigious diminution.”†

“Since the tariff of 1816 has permitted the entry of Scotch stockings and thules under light duties—and since the English thules have almost annihilated our flourishing fabrics of lace, there is good reason to believe, that those poor women earn at present but four sous per day.”‡

Prussia was several times ravaged by devouring armies during the seven years war. Her agriculture, manufactures, trade, and commerce, were laid prostrate. Few nations have ever been at a lower ebb—and it required every effort of the commanding talents of the great monarch that presided over her destinies, to resuscitate her industry. He was too profound a statesman to adopt the “liberal system,” and thus add to and perpetuate the impoverishment of his country. He laid heavy duties on imports, and prohibited such articles as his own country could produce. He loaned money to manufacturers to erect buildings, and purchase raw materials—and expended out of his privy purse, in the erection of buildings, and in bounties and premiums, in two years, 265,448 rix dollars. His success was commensurate with the greatness of his efforts. The following views of the result of his policy afford a proud triumph for the restrictive system.

“The king protects and encourages manufacturers in every possible manner, especially by advancing large sums of money to assist them in carrying on their manufactures, animating them by rewards, and establishing magazines of wool in all the little towns, for the benefit of the small woollen manufacturers.§ Before the commencement of this reign, Prussia had but few silk manufactures, and those of little importance. But the present king has established and given liberal encouragement to so great a number, that they employ more than five thousand workmen; and the annual value of the goods manufactured by them is two millions of crowns.—In the course of the last year 1,200,250 ells of silk stuffs have been manufactured at Berlin, and 400,000 of gauze.”¶

“We are in possession of almost every possible kind of manufactures; and we can not only exclusively supply the Prussian dominions, but also furnish the remote countries of Spain and Italy with linen and woollen cloths; and our manufactures go even to China, where some of our Silesia cloths are conveyed by the way of Russia. We export every year linen cloth, to the amount of SIX MILLIONS OF CROWNS, and woollen cloths and wool to the amount of FOUR MILLIONS.”¶

“If the king has greatly increased population by his encouragement of agriculture, he has advanced it as much, and perhaps more, by the great numbers of manufactures and trades of all kinds, which he has caused to be established, or to which he has given encouragement at Berlin, at Potsdam, and in almost every city and town in his dominions.”**

“It is with a view to encourage trade that the inhabitants of Berlin and Potsdam are exempted from military service; and his majesty grants nearly the same indulgence to the inhabitants of the circles of the mountains of Silesia, where the poor but industrious and sober weavers, who are settled in a narrow and barren district, carry on those flourishing linen manufactures which

* Idem, pp. 37, 38.

† Idem, p. 31.

‡ Idem, p. 5.

§ Hertzberg's Discourses delivered at Berlin, 1786, p. 25.

¶ Idem, 26.

¶ Idem, 23.

** Ibid.

produce us an exportation of so many millions; and to the little city of Hirschberg only, a trade of two millions of crowns annually. The king has in this district a canton for his foot-guards; but from his unwillingness to disturb the population of the district, he seldom draws from hence any recruits.”*

It cannot be improper to submit to the reader the sound reasons assigned by the monarch himself, for the wise course he pursued.

“When a nation has few productions to export, and is obliged to have recourse to the industry of its neighbours, the balance of trade must necessarily be unfavourable. *It pays more specie to foreign nations than it receives from them.* If that system continues, it must, in the course of time, be bereft of specie. Take from a purse daily, without replacing what you take, and it will soon be empty. Sweden affords a striking example. *The only means to obviate this disadvantage is to increase manufactures.* A nation gains the whole on its own productions—and it gains from its neighbours, the value of the manual labour. These positions, as true as they are palpable, served as the rules for the conduct of government. All its commercial operations were regulated by them. In consequence, in 1773, there were 264 new manufactories in the provinces.”†

By the regeneration of his kingdom, after the frightful desolation it had undergone, Frederic proved himself as profound a statesman, as he had previously proved himself a consummate warrior.

HAMILTON.

Philadelphia, Nov. 10, 1826.

Twelfth Series.

CURSORY VIEWS, &c.—No. II.

Salutary Effects of the Restrictive System in Great Britain. Her immense Resources. Awful results of the Liberal System in the United States, in 1784, 1785, and 1786.

The case of England is the strongest in the annals of the world. Her population, including Wales, was, so late as 1811, inferior to that of Spain. The insularity of her situation is, it is true, a considerable advantage‡—but not much greater than the peninsularity of Spain. Her natural advantages are inferior to those of many other nations. Yet she has, for half a century, enjoyed the most extensive commerce of any nation ancient or modern. The basis of that commerce is her manufactures, which she has carried to an extent, in many articles, wholly unprecedented. How were they brought to perfection? is an important question. By the restrictive sys-

* Idem, 25.

† *Cœuvres Posthumes de Frederic II. Roi de Prusse, tom v. p. 136.*

‡ The insularity of England is immensely beneficial so far as regards defence against invasion—but of far less advantage than is usually supposed as regards commerce. Nineteen-twentieths of her seacoast are almost wholly useless as to commerce—and carry on very little foreign trade worth notice.

tem. She first secured the domestic market to her own subjects. This warranted the investment of capital, and called forth the exercise of the utmost industry and talent. Competition produced moderate prices—and those moderate prices enabled her to compete with all the nations of the world to which she had access, and to triumph over their industry. So immense were the resources which she drew from her commerce, based, let it be repeated, and never forgotten, on her manufactures, that she was enabled to subsidize half the monarchs of Europe, during a war of above twenty years duration. She raised by loans and taxes, from the commencement of 1793 till the close of 1815, the enormous sum of £ 1,564,000,000,* equal to \$ 6,938,000,000. By *war taxes* alone she raised £ 640,000,000, equal to \$ 2,880,000,000. In the year 1815, she raised by taxes, no less than £ 70,403,448, equal to \$ 316,815,000, and by loans £ 46,087,603 equal to \$ 209,390,000, amounting to the enormous total of \$ 526,265,000.†

This incredible extent of resources, greater than was ever attained by any other nation in the world, was the result of the decried restrictive system, although it has been most absurdly said, by men, too, of high standing in the parliament of England and the congress of the United States, that Great Britain has grown rich in spite of that system!! The same language has been held by the chamber of commerce of Philadelphia, in a memorial ascribed by public fame, and with great appearance of truth, to a barrister of the highest order of intellect and practice.

“England has grown rich in spite of her restrictions upon trade, and not by means of them. Her wisest statesmen are desirous of removing them, and can trace with unerring certainty to their operation, a large part of the oppression under which the fundamental interest of that nation languishes, and is doomed to languish!!!”

It is scarcely possible to conceive of a more monstrous paradox.

The Mexican government is following the policy which has raised France and England to the rank they hold in the scale of nations. The secretary of state, who was lately employed to prepare a tariff, prefaced it with the following, among other excellent reasons, for the course he pursued.

“With regard to prohibitions, I have proceeded with all the care recommended by authors on this subject—but have combined therewith the considerations demanded by our own industry—comprehending in this class [of prohibited articles,] every species of dress, shoes, ready made clothes, manufactures and productions, which we can procure in our own country in sufficient abundance for our own use and consumption. By these means, besides encouraging our own artisans, we shall attract foreigners, who will immigrate among us, to work in our towns; to establish therein their manufactures; to bring the same to perfection; to instruct our citizens; to invest their gains in our country—and, if not the whole, at least THE GREATER PART TO BECOME NATURALIZED CITIZENS, AND THUS INCREASE OUR POPULATION AND OUR PROSPERITY.”

* Lowe's Present State of England, London, 1822, p. 20.

† Idem, Appendix, page [2.]

What a satire these sagacious and profound observations reflect on the policy of our government, the operation of which has, from its commencement, tended to discourage manufacturers and artisans, from emigrating to this country!

Having glanced at the effects of "the liberal system" in Russia and Holland, and at those of the restrictive system in England and France, it remains to take a view of the effect of the former in this country.

At the close of the revolutionary war, "the liberal system" was in full operation here. The duties were "merely for the purposes of revenue"—of course, the Salem maxim, that "the more *free trade is, the more sure its prosperity,*" was fairly tested. And if the maxim had not been hollow, fallacious, and fraught with destruction, this country could not have failed to enjoy at that time a high degree of prosperity. But what was the fact? Few countries have ever in a time of peace exhibited so much distress. Immense importations took place, in consequence of "trade being wholly free from restriction." They far exceeded the value of the produce to be exported. The specie, which had flowed into the country, to pay the French and British troops during the war, was soon swept away to pay for foreign frippery. Universal distress followed, and bankruptcy overspread the nation. Manufactures first felt the shock. They were universally prostrated. Agriculture was next paralyzed—and the mercantile class, whose extravagant importations had been the primary cause of the general suffering, were overwhelmed in the common ruin. The intense distress caused recourse to be had to appraisement, postponement, and instalment laws—to making property a legal tender in payment of debts—to a depreciated and depreciating paper money, likewise made a legal tender—to forcible obstructions of the proceedings of the courts of common pleas—and finally, in 1786, caused an insurrection, which, had its leaders possessed more talents, or energy, or resources, might have produced anarchy, a civil war, and another revolution. This was the natural result of that "*freedom of trade*" from restriction, for which the merchants then and ever since have sighed. Every country in which, except for the purpose of revenue, importation is wholly uncontrolled by restriction, will be deluged with the productions of foreign industry—its own industry will be prostrated—its circulating medium, so far as it consists in specie, will be exhausted—the credit of its paper money, for want of a metallic support, will be destroyed—and general distress will be the unfailing consequence. As the above view of our affairs at that time, may at the present appear overstrained—and as the inferences deducible from it are of great importance in the question of political econo-

my, I deem it necessary to substantiate my averments by authorities of the most indisputable character.

“The scarcity of money is so great, or the difficulty of paying debts has been so common, that riots and combinations have been formed in many places, and the operations of civil government have been suspended.”*

“Goods were imported to a much greater amount than could be consumed or paid for.”†

“Thus was the usual means of remittance, by articles the growth of the country, almost annihilated, and little else than specie remained, to answer the demands incurred by importations. *The money, of course, was drawn off; and this being inadequate to the purpose of discharging the whole amount of foreign contracts, the residue was chiefly sunk by the bankruptcies of the importers.*”‡

“On opening their ports, an immense quantity of foreign merchandise was introduced into the country, and they were tempted by the sudden cheapness of imported goods, and by their own wants, to purchase beyond their capacities for payment.”§

“The bonds of men, whose competency to pay their debts was unquestionable, could not be negotiated but at a discount of thirty, forty, and fifty per centum: real property was scarcely vendible; and sales of any articles for ready money could be made only at a ruinous loss. *The mass of national labour and national wealth was consequently diminished.*”||

“Property, when brought to sale under execution, sold at so low a price as frequently ruined the debtor without paying the creditor. A disposition to resist the laws became common: assemblies were called oftener and earlier than the constitution or laws required.”¶

“Laws were passed by which property of every kind was made a legal tender in the payment of debts, though payable, according to contract, in gold or silver. Other laws installed the debt, so that of sums already due, only a third, and afterwards only a fifth, was annually recoverable in the courts of law.”**

“Silver and gold, which had circulated largely in the latter years of the war, were returning by the usual course of trade to those countries, whence large quantities of necessary and unnecessary commodities had been imported.”††

New Hampshire enacted, “that when any debtor shall tender to his creditor, in satisfaction of an execution for debt, either real or personal estate sufficient, the body of the debtor shall be exempt from imprisonment, and the debt shall carry an interest of six per cent.; the creditor being at liberty either to receive the estate, so tendered, at a value estimated by three appraisers, or to keep alive the demand by making out an alias, within one year after the return of any former execution, and levying it on any estate of the debtor which he can find.”‡‡

These awful scenes of distress and demoralization, the obvious result of “*the liberal system,*” and its first-born child, *uncontrolled importation,* ought to the end of time to serve all nations, as a beacon against the syren lures of that plausible but deleterious plan of policy.

HAMILTON.

Philadelphia, Nov. 10, 1826.

* Dr. Hugh Williamson.

† Minot's history of the Insurrection in Massachusetts, p. 2.

‡ Idem, p. 13.

§ Marshall's Life of Washington, V. p. 75.

|| Idem, p. 83.

¶ Ramsay's S. Carolina, II. p. 428.

** Idem, 429.

†† Belknap's History of New Hampshire, II. p. 460.

‡‡ Idem, p. 464.

CURSORY VIEWS, &c.—No. III.

Tariff of 1789—unjust and unequal—Luxuries subject to low, necessities to high duties—Raw materials dutied 100 per cent. higher than the manufactures made of them.

The constitution of the United States, went into operation in 1789, and the tariff* was the second act passed by the first congress. The ill-fated manufacturers had celebrated the new order of things, the adoption of the federal constitution,

* A more unjust or oppressive tariff than that of 1789, was probably never enacted, even in the most despotic countries. It violated almost every fundamental rule of sound political economy. The few instances to be given in the text, of the extreme partiality displayed in favour of agriculture and commerce, to which large additions might be made; and the utter disregard of the third class of society, who mould the raw produce of the soil for human comfort and convenience; are full proofs of its injustice. Bulky raw materials, subject to high freights, in proportion to their value, as if to prevent the growth of manufactures, paid above 100 per cent. more than fine articles wrought from them.

	Per cent.		Per cent.
Raw cotton paid 3 cents per pound		Cotton manufactures of every de-	
equal to - - - - -	12½	scription - - - - -	5
Hemp, 60 cents per cwt. equal to 12		Manufactures of hemp - - -	5

This is not its worst feature.

Necessaries of life, some used wholly, others chiefly by the poor, were taxed extravagantly, and luxuries and conveniences admitted at low rates of duty. Brown sugar, coffee, bohea and souchong tea, melasses, and salt, are examples on one side—chintzes, broadcloths, Brussels carpets, and services of plate on the other. *A pound of bohea tea paid as high a duty as two yards of superfine chintz at 60 cents per yard! A pound of souchong tea, imported in a foreign vessel, paid 22 cents!! A yard of broadcloth, which cost five dollars, paid but twenty-five!! Cambrics, silks, sattins, gauzes, chintzes, embroidery, and diamonds, paid the same duty as potatoes, onions, gypsum, figs, raisins, and almonds.*

	Per cent.		Per cent.
Bohea tea paid 6 cents per pound,		Chintzes and all cotton goods	5
equal to - - - - -	40	Woollens of all kinds - - -	5
Souchong tea 10 cents, equal to	25	Services of plate - - - - -	7½
Salt 6 cents per bushel, equal to	75	Linens of all kinds - - -	5
Coffee, per lb. 2½ cents equal to	16	Silk - - - - -	5
Sugar, muscovado, 1 cent per lb.	25	Chinaware - - - - -	5
Melasses per gallon, 2½ cents	16	Clocks and watches - - -	5
Coals, two cents per bushel -	10		

Yet this is a tariff, which Mr. Cambreleng, representative in congress, from New York, called "a democratic tariff." "The men who framed it, knew what equal rights were, because they had bravely fought for them! In that tariff they will not find the poor paying a higher duty than the rich, for the same article!! *Each man was then taxed according to his ability!!! and luxuries paid the highest rate of duty!!!!*—Examination of the tariff, page 94.

According to this doctrine, salt, which paid 75 per cent. and Bohea tea, which paid 40, are luxuries—and silks, sattins, and fine porcelain, which paid but 5 per cent. are necessities!

When men, who legislate for great nations, fall into such errors, on such plain, but important points, the consequences may be most calamitous: and it is unfortunately true, that legislation founded on such errors, may, and often does, affect remote posterity.

with feastings, rejoicings, processions, and bonfires, as if it were an infallible harbinger of the millenium. They fondly believed that their interests would engross a due share of congressional attention, and insure them a reasonable protection. They were miserably mistaken. They shared the fate of all unrepresented bodies. In the infancy of their establishments they were cruelly and unfeelingly abandoned by their fellow citizens, while labouring under almost every disadvantage, of slender capitals, equally slender credit, scarcely any machinery, very little skill, and high wages, to contend, under a *protection* of five per cent. in nine cases out of ten, with foreign rivals, standing "on the vantage ground," with immense capitals, unbounded credit, long experience, great skill, improved machinery, complete protection in the domestic market, low wages, and in addition, drawbacks, and bounties. Never was there a more unequal contest.

The following table shows the proportion in which the different duties were imposed:—

The goods imported in 1789 and 1790, under ad valorem duties, amounted to	\$ 24,341,594
Of which were at 5 per cent.	\$ 21,742,291
7½ per cent.	1,587,395
10 per cent.	1,004,357
12½ per cent.	5
15 per cent.	7,576
	————— \$ 24,341,594

Who will deny that this was a complete specimen of the "liberal system," so far as regarded manufactures, which appear to be the chief articles contemplated by the new school of political economists for the operation of their doctrines?

The situation of the manufacturers was greatly deteriorated by the new order of things. Ten per cent. duty had been imposed in Pennsylvania, by an act passed in 1785—

"On all utensils of pewter, tin, or lead; on all wrought copper, brass, bell-metal, and cast iron; on all British steel; on all ship iron, nail rods, and sheet iron; on all castor and wool hats; on all blank books bound or unbound; on all polished or cut stones, in imitation of jewelry; chimney pieces, tables, and other polished marble; on all cabinet and joiners' work, horsemen's whips, carriage whips, walking canes, musical instruments, and instruments used in surveying; on all stone and earthen ware; on all ready-made sails; on all saddle trees—

"And fifteen per cent. ad valorem on all testaments, psalters, spelling books, and primers, in the English or German languages; and on all romances, novels and plays."

Another act, passed in March 1787, imposed a duty of ten per cent.—

"On all ready-made coats, waistcoats, jackets, breeches, shirts, gowns, petticoats, hoddices, hats of silk, muffs and tippets, gloves, caps, mitts, stays, and all ready-made millinery wares—also, on all finished clocks and watches, or separate parts thereof."

What a contrast between the fostering care of manufactures displayed by the state of Pennsylvania, and the almost entire abandonment of them by the congress of the United States!

While the interests of the manufacturers, who had aided "to bear the heat and burden of the day" in the revolutionary war—and who had, almost to a man, arrayed themselves in favour of the new constitution, were thus offered up as a holocaust on the altar of the far-famed, wonder-working, and nation-enriching "*liberal system*," the farmers, planters, and merchants, who had the legislation in their hands, took most especial care of their own interests. So far as regarded themselves, they indulged in the "*restrictive system*." The duties on manufactured tobacco and snuff, were prohibitory, and so declared to be intended. They were, on the former, six cents, and on the latter ten cents per pound.* Almost every agricultural production, likely to be imported, was dutied high. Cheese, for instance, paid 4 cents per pound, equal to 57 per cent. Indigo paid 16 cts. per lb. or about 15 per cent. Hemp 60 cts. per cwt. equal to 12 per cent.

The system then devised for the protection of commerce and navigation was carried to the utmost possible perfection. It embraced and improved upon the best points of the British system. I shall confine myself to two features. The duty on teas imported in American vessels, averaged only 12 cents per pound, while the average duty on teas imported in foreign vessels, averaged 27 cents—making *the enormous difference—not of five per cent. as in the case of manufactures—but 125 per cent. in favour of the American merchants!* The tonnage on foreign vessels was fifty cents per ton—on American, only 6; so that a vessel of 500 tons engaged in the foreign trade paid 250 dollars for every entry, while an American paid only 30 dollars. In the coasting trade, American vessels paid but once a year, while foreign vessels paid for every entry. Thus a foreign vessel of 120 tons, engaged in the coasting trade, and making only six voyages, or twelve entries, in the year, paid 720 dollars tonnage duty—while an American, in similar circumstances, paid only $7\frac{20}{100}$ dollars!! But it will scarcely be believed, yet is nevertheless true, that two of the oldest merchants in the United States, General Smith, of Maryland, and Mr. Lloyd, of Massachusetts, the former of whom had aided in making this tariff, denied the protection of government "to the commercial part of the community!!"

On Monday, the 3d of May, 1824, Mr. Lloyd, in the senate of the United States—

"Denied that *any encouragement had been extended to the commercial*

*It has been most absurdly asserted, that these exorbitant duties were for the protection of the manufacturers of snuff and tobacco. Nothing can be more farcical. They were to secure the consumption of the country to the tobacco planter, and this they effectually accomplished. How did these particular manufacturers find such favour in the eyes of congress, as to be guarded by prohibitory duties, while all the others were *protected* by only five per cent.?

part of the community, except in regard to the coasting trade, and in relation to that, it was merely nominal. He had never known a fortune made by the coasting trade."*

General Smith took the broad, unqualified, but highly untenable ground, of "denying that government had ever extended any protection to commerce." What wonderful errors! How utterly unaccountable!

HAMILTON.

Philadelphia, Nov. 12, 1826.

Twelfth Series.

CURSORY VIEWS, &c.—No. IV.

The Liberal System in operation for above twenty years. Fallacious reasons in defence of it. Pernicious consequences. Soldiers sacrificed. Bankrupt treasury. Threats of fierce resentment if we dare alter the tariff. Popular delusion. Mercantile opposition.

"The liberal system" has never had a fairer experiment than in the United States on the adoption of the federal constitution. We were at peace with the whole world, and remained so for twenty-three years, during a large portion of which time, we enjoyed as lucrative a commerce, and had as high prices for our agricultural productions, as any nation ever had. During the whole period, our government, regardless of the principles of policy laid down by Alexander Hamilton,† and carried into operation by all the wise and prosperous nations of the old world, kept us in a state of servile dependence on Europe for nineteen-twentieths of all our fine clothing, cottons, linens, and woollens—for half or two-thirds of our manufactures of iron, copper, brass, lead, tin, &c. No efforts were made by the government to enable our citizens to supply them-

* Mr. Lloyd must have totally forgotten the China trade—the discriminating duty of 10 per cent—the prohibition of the importation of goods in other vessels than those of the nation producing them—the war with Tripoli—the restriction in 1807, on the importation of certain articles, enacted at the special instance of the merchants, to coerce Great Britain to abandon the rule of the war of 1756—the war with Great Britain—the enormous expense of a navy—and a long string of *et cæteras*.

† When the former habits of Alexander Hamilton are considered, his Report on Manufactures, which embraces all the sound principles of political economy of all the preceding writers on the subject, and contains an inestimable body of rules for promoting the "wealth, power, and resources of a nation," must be a subject of the utmost astonishment. It is a *chef d'œuvre*.

selves. Nearly all the applications made by the manufacturers for protection, were rejected. They were insulted with the ill-founded charge of the *demoralizing tendency of manufactures*, and desired “*to go back to the wilderness.*” *They were told with the utmost confidence, that we were not ripe for manufactures—that when we became ripe for them, they would arise spontaneously—that labour was too high to compete with the labour of Europe—that we had too much waste land, which ought to be cultivated before we undertook to encourage manufactures,—that to protect manufactures, would destroy commerce—that high duties would encourage smuggling,* and impair the revenue,* and various other reasons, all equally profound, cogent, and convincing, and all tending to prove irresistibly, that it was perfectly right, and proper, and politic for this rising empire to continue in a state of colonial dependence on the workshops of Europe for a large mass of the comforts and necessities of life! In this state of things, non-intercourse with England took place, and then was our miserable system brought to the test—and the MENE, MENE, TEKEL, pronounced by all the wise and the good of this and all other nations.

So utterly destitute were we of the all-important woolen manufacture, that we had not means to furnish 6000 dollars worth of blankets, due by treaty to the Indians:† and our public records bear the disgraceful stain of an application from the secretary of war to remove the non-intercourse for the purpose of enabling us to procure them! This single fact, if it stood alone, would sufficiently mark the character of the previous policy of the country, and the erroneous views under which it was framed. Of the cotton and various other manufactures we were almost equally destitute. War succeeded. We had not means to clothe our soldiers, to enable them to bear the hardships of a Canadian winter. They

* The clamour against smuggling, which has so frequently served to defeat the hopes of the manufacturers, of relief in their distress, deserves much severer animadversion than I feel disposed to offer. I shall simply state the facts of the case. Whenever an attempt has been made to raise duties from 15 to 20 per cent. or from 20 to 25, the country has been alarmed by an outcry on the dangers and demoralization of smuggling. The moral sense of the community has been put in array against the measure on account of this tendency, and defeat almost always ensued. But no alarm is felt or clamour raised on the subject of smuggling teas, or spirits, or wines, subject to enormous duties from 70 to 150 per cent. And notwithstanding the facilities for smuggling teas from Canada, where extravagant importations take place, far beyond the utmost probable consumption of the province, yet a committee of congress at the last session reported against any reduction of duty. *It is a painful truth, that the “chimera dire” of smuggling is never evoked, but when there is question of the protection of manufactures!*

† This monstrous fact ought to be engraven on tablets of brass, and placed over the chairs of the president of the senate and the speaker of the house of representatives of the United States, as an eternal memento.

perished like rotten sheep. This part of the picture is surely hideous enough. But the canvass is not full. Most disastrous results remain to be sketched. The resources of a great and rising nation, through the impolicy of its statesmen for above twenty years, were at so low an ebb, that they were exhausted within two years. Our treasury was absolutely bankrupt. The credit of the government was so completely destroyed that by its utmost efforts it was unable to borrow more than \$ 45,172,581, and this at most ruinous interest: and the whole revenue it raised in the three years, 1812, 1813, 1814, (of which six months were months of peace,) was only \$ 35,642,448. The remaining expenses of the war were eked out by \$17,227,280 of exchequer bills, on which the public creditors suffered heavy losses.—Who can deny the fidelity of this picture? And who, admitting the fidelity of it, will not admit at the same time, that “*the liberal system*” has been a blight, and a blast, and a mildew to the resources and happiness of this country? And who, again, admitting all this, will not admit that a radical change has become necessary?

And yet utterly untaught by those awful lessons, which ought never to be forgotten, the congress of 1816, by a most impolitic tariff, laid prostrate one-third of the manufactures—paralyzed one-third of the manufacturers of the country—and left us again dependent on Europe for numberless articles of prime necessity, with which a slight encouragement from government would enable us to supply ourselves.

The duties were in most cases imposed solely with a view to revenue, for some leading members of congress hold the preposterous idea, that duties for the protection of manufactures were actually robberies perpetrated on the farmers!!

“Suppose agriculture annually to bring home \$40,000,000, she would be annually robbed of \$ 10,000,000 by a protecting duty of 25 per cent. for the benefit of capitalists!!!”*

The distress and ruin caused by the impolitic tariff of 1816, were not confined to the manufacturers, who had invested millions of money in establishments, which provided supplies of necessaries, comforts, and conveniences, from which we were precluded by the war. Agriculture and commerce were laid equally prostrate in two or three years. In a word, the effects of the “*liberal system*” of 1816, were nearly as disastrous as those that took place in 1784, 5 and 6. Not to extend this essay beyond a proper length, I offer in proof the strong statement of the secretary of the treasury, William H. Crawford, Esq. in a report, dated Feb. 12, 1820—

“Few examples have occurred, of A DISTRESS SO GENERAL. AND SO SEVERE, as that which has been exhibited in the United States.”

* Taylor’s Arator, No. VII.

Let me add an important corroboration. In 1821, the revenue having fallen short, an excise was under consideration. But a committee of congress, to which the subject was referred, reported against the measure, on the ground, that

“The imposition of an excise AT THIS SEASON OF EXTREME DISTRESS, would be unwise, and is not demanded by the state of the treasury.* If imposed, *it would be difficult to collect*: and, if collected, it would in some parts of the union, be in paper little available.”

Let it be observed, *en passant*, that, notwithstanding the facts, that England, the greatest commercial, is the greatest manufacturing nation in the world—and that almost every nation that has attained a high degree of commercial eminence, has carried on manufactures on a large scale, many of our politicians have fancied an hostility between commerce and manufactures—and, in consequence, whenever an attempt has been made to afford legislative protection and encouragement to the latter, a deadly opposition to the measure has been excited in our commercial towns. The chambers of commerce, frequently composed of a small proportion of merchants, and in many cases by no means a fair representation of the mercantile interest, are hastily called together, and memorials prepared and presented to congress, in many of which the most unfounded assertions are made—and it is assumed that the proposed measure will effect the utter ruin of commerce. This statement would be utterly incredible, had we not the most complete evidence before our eyes. The Philadelphia chamber of commerce, deprecating the alteration of the tariff that took place in 1824, implied that its immediate consequence would be utter destruction to the national prosperity—to our agriculture, trade, and commerce.

We were threatened with the fiery indignation of Europe if we dared to touch the ark of the covenant, the tariff, whereby foreign manufacturers had a decided advantage over our own citizens. The menace was held out, that—

“The United States must prepare to see the East Indies, the Brazils, the Black Sea, every portion of the globe, stimulated by bounty to itself, and by restriction to us, to take our place in the markets of Europe; *to leave our cotton and tobacco upon our hands; to leave in our docks, to perish, the two hundred thousand tons of shipping employed in their carriage; to [cause us to] lose the six*

* This was a very great error, hardly admitting of apology. Three millions of dollars had been borrowed the preceding year—the sinking fund had been appropriated to discharge the current expenses of the government—the secretary of the treasury’s report stated a deficiency of 4 or 5,000,000 dollars. And yet the world were gravely assured that “*the state of the treasury did not demand the imposition of an excise!*” But lo and behold, on the 3d of March, following, being only 25 days from the date of the report, the president signed an act authorising a loan for \$5,000,000! which, according to the declarations of the committee on the state of the treasury, must have been a most wanton exercise of power! It is difficult to refrain from strong comments on such monstrous errors. They will be easily supplied by the reader.

or seven millions of freights which they earn ; to turn over to beggary the 10,000 seamen employed in their navigation, and the ship-builders, boat-builders, black-smiths, sail-makers, rope-makers, riggers, caulkers, joiners, and other artizans, who are employed in their construction."

He who had read this Jeremiad, and was unacquainted with the real state of the case, could not by any possibility suppose, that the tremendous act which was "TO TURN OVER TO BEGGARY 10,000 SEAMEN"—and to ruin probably as great a number of mechanics, merely contemplated a small addition to the existing duties, averaging not more on the whole than six or eight per cent. He would suppose it was an act for the utter destruction of commerce—and would, therefore, not be much surprised to find the memorial assuming that consequence, and even actually ascribing that design to the framers of the act, as regarded a great portion of our importations :—

"The effect," continue the memorialists, "is morally certain; so much so, AS ALMOST TO INFER THE INTENTION IN THOSE WHO PROMOTE THE CAUSE. *It is to paralyze and deaden at one blow, that portion of the commercial capital of this country which is employed in the purchase, importation, and distribution of all that the new tariff shall exclude from the country; the ships which are built and navigated for its carriage; the numerous artizans who are employed in their equipment—the seamen who man them—and the fixed capital invested in wharves, ware-houses, and other property created as facilities to trade. * * **

"One arm of the nation is to be cut off, or maimed forever, under the vain expectation of promoting a better circulation in the other!!!"

"It is intended by this portentous bill to change the relations of the United States with the whole world; to compel her to manufacture all she consumes; to depend for nothing upon a foreign country which it is physically possible for her to make; and to withdraw her sanction from those mutual relations of dependence and exchange, upon which the refinement and happiness of the world have been heretofore supposed to depend. * * * They cannot believe that commerce and agriculture are to sink into insignificance, and that manufactures, like Aaron's rod, are to swallow them both up!!!"

It is melancholy to reflect on the delusion to which mankind have been subject in all ages, in times of effervescence, and in cases of conflicting interests. Who could have supposed that such a tissue of wild predictions, as unfounded as any of the soothsayings of the astrologers, should have emanated from the most eminent barrister in Philadelphia—been sanctioned by the chamber of commerce of this city—and ushered to the world under the respectable signature of Robert Ralston? I dare say if the whole memorial, of the justice and cogency of which I have given a very fair specimen, were now read in a full chamber, the members would be struck with amazement at the extravagant predictions so inconsiderately hazarded, so entirely unwarranted, and so completely put down by the event. It ought to be read in every chamber of commerce and every coffee-house in the United States once a day for a year, in order to inspire more caution henceforward, and to prevent

the merchants being again led astray by the intemperate zeal of a few men of heated imaginations.

One observation I beg to submit to the mercantile class for their most serious consideration. Scarcely a session passes over, that they do not apply to congress for protection of one sort or other—for acts to countervail the selfish acts of foreign nations—for breakwaters—for light houses, &c. &c. Neither the agriculturists nor the manufacturers ever oppose these applications, some of which have operated oppressively on both those classes, particularly the retaliatory acts, whereby the English and French were obliged, the English to open their ports to vessels of the United States, after a struggle of three years, and the French to repeal their discriminatory duties on American tonnage. Is it then fair, is it liberal, is it generous, is it just, for the merchants to unite as a solid phalanx, from Maine to Savannah, to oppose every attempt to afford relief to their fellow citizens, however acute their distress, however intense their suffering?

HAMILTON.

Philada. Nov. 14, 1826.

Twelfth Series.

CURSORY VIEWS, &c.—No. V.

Mr. Huskisson's views mistaken and misstated. His system, a complete system of protection. Illiberal views on the subject of American flour. Extracts from the existing British Tariff.

Mr. Huskisson has been highly applauded by the professors of the new school of political economy as one of their élèves, who has cut down all the barriers that prevented the British nation from "*purchasing where articles could be had cheapest*"—the favourite dogma of that school. By the partisans of the old school, he has been equally censured for destroying the system to which they ascribe the transcendent power the nation has attained. I hope to make it appear that he had too much good sense to earn the praises of the one school, or the vituperation of the other—and that his system, so far as regards duties on imports, is generally, and almost universally, tantamount in its purpose to the old one. It carries PROTECTION stamped on its front, in most legible characters. The only difference between his system and the old one, is, that the former duties were calculated to protect

and foster nascent manufactures, and accordingly were very high—whereas, the present are calculated for manufactures arrived at perfection, and are consequently greatly reduced.

In the temper of the public mind here, prone as it is to look to Europe for maxims and examples, this subject is of importance, and requires to be rigorously scanned.

Mr. Huskisson in his speech, of March 25, 1825, which introduced his celebrated propositions, utterly discountenances the idea attributed to him. He disclaims it in the very outset, in which he asks the support of parliament for his system only *so far as it protects the national industry*.

“In requesting the attention of the committee while I state the alterations which I propose to recommend in the duties levied upon the importation of materials employed in some of our principal manufactures, and also in the prohibitory duties now imposed upon the manufactured productions of other countries, I need scarcely bespeak the disposition of the committee to *countenance the principle of these proposals, SO FAR AS THEY SHALL BE FOUND NOT INCONSISTENT WITH THE PROTECTION OF OUR OWN INDUSTRY.*”*

This is clear and decisive. It is the sound doctrine of the old school of political economists, whose unceasing aim was “*the protection of the industry of the country,*” against foreign competition—that protection which, I repeat, has for centuries secured nearly the whole of the domestic market to British subjects—brought their manufactures to perfection—and enabled them ultimately to undersell most nations in their own markets.

On this single paragraph the question might be rested. It would admit of no appeal. But “proofs rise on proofs, and still the last the strongest.”

In discussing the duty on woollens, which was formerly from 50 to 67 per cent. he proposed, in consequence of the flourishing state of the manufacture, to reduce it to 15 per cent. which, he says, “*will answer every purpose of reasonable and fair protection.*”†

Here, we find no idea of “buying cheap goods abroad”—not a word of the new school doctrines. “*Protection*” is still the order of the day.

On the subject of cottons, he is more diffuse. I shall therefore quote him at full length.

“I will begin with our greatest manufacture, that of cotton. It will not be denied that in this manufacture, *we are superior to all other countries; and that by the cheapness and quality of our goods, we undersell our competitors in all the markets of the world, which are open alike to us and to them.* I do not except the market of the East Indies, (the first seat of the manufacture,) of which it may be said to be the staple, where the raw material is grown, where labour is cheaper than in any other country, and from which England and Europe were for a long time supplied with cotton goods. Now, *however, large quantities of*

* Huskisson’s Speech on Foreign Commerce, London, 1825, p. 35.

† Idem, 42.

British goods are sold in India, at prices lower than they can be produced by the native manufacturers. If any doubt could remain that THIS MANUFACTURE HAS NOTHING TO APPREHEND FROM COMPETITION ANY WHERE, AND LEAST OF ALL IN OUR HOME MARKET, it must vanish when I state to the committee, that the official value of cotton goods exported last year, amounted to the astonishing sum of £ 30,795,000.*

Here, again, we see that the ground of the reduction of the duty to ten per cent. was not to afford an opportunity of buying cheap goods abroad—but the British “*superiority to all other countries*”—their being able “*to undersell their competitors in all the markets of the world*”—and finally, their having “*nothing to apprehend from competition any where—but least of all in their own markets.*”

Mr. Huskisson clearly admits that for manufactures in their outset, or labouring under disadvantages in the competition with foreign rival articles, a duty of 30 per cent. may be right and proper; but further than this, he says, he would not proceed. He abandoned this ground, however, in the progress of the tariff. Many articles are dutied higher—some as high as 75 per cent.

“*Thirty per cent. is the highest duty which could be maintained for the PROTECTION OF A MANUFACTURE [that of silk] in every part of which we are most behind foreign countries—the only extensive manufacture, which, on the score of general inferiority, stood in need of SPECIAL PROTECTION.*”†

He adds:—

“*When the duty is imposed to protect our own manufactures, and not for the purpose of collecting revenue, it will in no instance exceed 30 per cent. If the article be not manufactured much better and cheaper abroad than at home, SUCH A DUTY IS AMPLE FOR PROTECTION.*”‡

Again—

“*With the knowledge of this fact, that we furnish—in a proportion far exceeding the supply from any other country—the general markets of the world with ALL THE LEADING ARTICLES OF MANUFACTURE, upon which I have now proposed greatly to lower the duties, I own that I am not afraid of this country being overwhelmed with foreign manufactures. Some, I know, will come in which are now excluded. I shall be glad of it.*”§

“*With regard to the danger of our being undersold in our own markets, it does not hold at all.*”||

What shall we say of Mr. Huskisson’s views, respecting American flour? How are they to be reconciled to “*the liberal system?*” to “*the relaxation of the rigour of the systems of Europe?*” to the ardent desire of “*removing the restrictions upon trade,*” which cuts so distinguished a figure in the memorial of the Philadelphia Chamber of Commerce? When the clause for the admission of Canadian flour was under consideration, he was warned of the danger of American flour being thus smuggled into Great Britain; in reply to which he stated, that—

“*He should be quite willing to adopt any method necessary to prevent the fraudulent mixing of the United States’ corn, with the corn of Canada.*”

* Idem, p. 37.

† Ibid.

‡ Idem, p. 50.

§ Idem, p. 53.

|| Idem, p. 56.

"If, upon the average of the next five years, it was found that 100,000 quarters of corn were imported annually from Canada, he should be prepared to suspect that it was not Canadian corn, and disposed to adopt methods for the prevention of that fraudulent mixture which such an average would establish.

"With a view of removing all cause of alarm, and giving an adequate security against the fraudulent introduction of Canada [American] wheat, he should propose as a clause, by way of rider, that there should be the same certificate of origin as in the case of sugar." * * "The protecting duty which he should propose against the introduction of American corn into this country, would be precisely the same as that which already existed in the Canadas."

Thus while this nation consumes annually from 28 to 32,000,000 dollars of British manufactures, our farmers, who are suffering intense distress for want of a market for their bread-stuffs, are, if possible, to be prevented even from smuggling a single barrel of flour into England for the use of the manufacturers of that nation! and we are even threatened with the resentment of Great Britain, if we increase our duties five or ten per cent! "I appeal," says Judge Cooper, "to men conversant with the subject, that she can supply herself in half a dozen or ten years with rice from the East Indies, cotton from Brazil, and tobacco from the Crimea!!!" I presume that no comment can be necessary on this subject.

The following extracts from Mr. Huskisson's tariff, as now in operation, will show the extent of the error that prevails on the subject—and fully prove how careful this wise statesman has been of the national interest.

	<i>Per cent.</i>		<i>Per cent.</i>
Almond paste - - - -	60	Pencils, black lead - - -	30
Beads - - - -	30	Wrought iron, not otherwise de-	
Carriages of all sorts - - -	30	scribed - - - -	20
Chalk, prepared - - - -	40	Pewter wares - - - -	20
Copperplates engraved - - -	30	Manufactures of steel, not other-	
Crayons - - - -	40	wise described - - - -	20
Extract of cardamons, coculus indi-		Tin ware - - - -	20
cus, &c. - - - -	75	Artificial flowers not made of silk	25
Hides, or pieces of hides, in any		Boxes of brass, copper, japanned,	
way dressed - - - -	75	lacquered ware, tin, iron, tute-	
Linen sails - - - -	30	nague - - - -	20
Pomatum - - - -	30	Japanned ware - - - -	20
Stone pots - - - -	30	Glass wares - - - -	20
Skins, tanned or in any way		Toys, brass - - - -	20
dressed - - - -	75	Feathers, dressed - - - -	20
Filtering stones - - - -	50	Leather, manufactures of - - -	30
Slates - - - -	66	Threads not otherwise enumerated	25
Telescopes - - - -	30	Articles manufactured of hair -	30
Files of all sorts - - - -	50	Tinfoil - - - -	25
Tobacco pipes - - - -	30	Clocks - - - -	25
Turnery - - - -	30	Needle work of thread or silk -	30
Tooth powder - - - -	30	Gilt or plated wire - - - -	25
Mats and matting - - - -	20	Linens - - - -	40
Musical instruments - - - -	20	Lacquered ware - - - -	30

*The duties on linens are specific. But "in lieu of those duties upon linens of all sorts," it is "at the option of the importer, to pay the above duty of forty per cent."

	<i>Per cent.</i>		<i>Per cent.</i>
Painters' colours, not enumerated	30	Agates or cornelians, set	20
Fur gloves or mits - - -	30	Buttons, of gold, silver, or precious stones - - -	20
Camels' hair pencils - - -	30	Gauze, of thread - - -	30
Boxes, of horn, ivory, paper, tortoise or other shells - - -	20	Jewels, set - - -	20
Boxes, gold - - -	20	Laces of all kinds - - -	30
All non-enumerated articles, partly or wholly manufactured - - -	20	Watches of all kinds - - -	25
Manufactures of brass, if not otherwise described - - -	30	Silver wire - - -	25
China ware, painted, gilt or ornamented - - -	30	Paintings on glass - - -	30
		Brocade of silver or gold - - -	30
		Manufactures of copper - - -	30
		Silks not enumerated - - -	30

Many of the specific duties are higher than any of those in the preceding list. Tobacco, for instance, from the United States, is dutied at 4s. per pound,* which, on the average, is equal to about 1400 per cent. Segars pay 4 dollars per lb. Porter bottles pay 3s. per dozen, which is about 85 per cent.

On three-fourths of the articles, the British duties are higher than the American.

When the reader has examined the premises with the scrupulous attention to which the great importance of the subject entitles them, candour will compel him to admit that the views of Mr. Huskisson have been entirely mistaken, not only here, but in his own country—and that that sagacious minister never for a moment entertained the suicidal idea of breaking down the barriers that protect the national industry.

What now becomes of the statement so confidently made seven years ago by an amiable judge of the Supreme Court of the United States, that—

“The statesmen of the old world, in ADMIRATION OF THE SUCCESS OF OUR POLICY!!!! *are relaxing the rigour of their systems, and yielding themselves to the rational doctrine, that national wealth is best promoted by a free interchange of commodities, on principles of perfect reciprocity!!!*”†

What becomes of the declarations so confidently hazarded, in the face of strong fact, that England had removed all her restrictions on trade?

What becomes also of the declaration of that eminent lawyer, Daniel Webster, Esq. that—

“If we now embrace the system of prohibitions and restrictions, we shall show an affection for what others have discarded, and be *attempting to adorn ourselves with cast-off apparel.*”

* This statement is taken from “a table of the consolidated duties and drawbacks, commencing Jan. 5, 1826.” But in a Liverpool circular of July 22, 1826, the duty is stated at 3s. per pound “giving bond to pay 1s. more, if demanded.”

† Nothing can be conceived more erroneous than the ground taken here by the judge in question. In the first place, no relaxation had then, 1820, taken place in the protecting duties of any nation in the world, except Russia, so far as regards “the free interchange of commodities on principles of perfect reciprocity,”—in the next place, the distress at that very time, among the farmers, manufacturers, and merchants, of the United States, resulting from “THE SUCCESS OF THAT POLICY” which had excited “THE ADMIRATION OF THE STATESMEN OF THE OLD WORLD,” was little short of what England has recently experienced, except so far as regards the want of the necessaries of life. The judge, however, could not be answerable for the error—as he relied on the information of the merchants of Salem, for whom he wrote the memorial.

We see that the "apparel" is not "cast off." We need not "adorn ourselves with" the "cast offs" of Europe. We must make "apparel" for ourselves. That of England was, it is true, a little out of date—and some of its decorations were quite superfluous—but it is plain, that it is newly arranged—its superfluities cut off—and it is just as well fitted for the important office of protection, as when it came out of the hands of the original workmen.

I now draw these essays to a close. The paramount importance of the subject will afford sufficient apology for the reiteration of arguments—many of which I have repeatedly offered to the public consideration during the [nearly] eight years I have devoted to the discussion. They must be repeated from time to time until they are either refuted, which they have never been yet—or until they are adopted by our statesmen.

A man with as sound a head, and as pure a heart as ever existed, denounced that species of impolicy of which our statesmen have been guilty, that is, assuming an hostility of interests between manufactures and agriculture—and clearly predicted its ruinous consequences wherever the baleful idea prevailed.

"To aim at separating the interest of manufactures from that of agriculture, is like endeavouring to separate the shadow from its substance; and every attempt to do this, as it is at the same time foolish and unjust, must end in the disappointment of its projector, and prove DETRIMENTAL TO THE INTERESTS OF THOSE VERY PERSONS IT WAS MOST INTENDED TO SERVE."*

Never was a prophecy more completely fulfilled than this has been among the farmers, and planters, and merchants of this country. All the desolation that has so often, within the last eleven years, fallen so heavily on these three classes, has arisen from "separating the interests of manufactures from those of agriculture"—in other words, from perniciously neglecting the wise admonition conveyed in the fable of "*the Belly and the Members.*"

HAMILTON.

Philadelphia, Nov. 16, 1826.

* Anderson on National Industry, p. 205.

N. B. Some of the same odious features that marked the tariff of 1789, characterize the existing tariff. Necessaries of life are dutied far higher than luxuries.

Bohea tea pays 12 cents per lb. equal	Silks, from Europe,	-	-	-	20
to - - - - - 85	Watches - - - - -	-	-	-	15
Coffee 5 cents, equal to 50 a 60	Fine porcelain - - - - -	-	-	-	20
Brown sugar 3 cts. equal to 75 a †100	Velvets - - - - -	-	-	-	25
Salt 20 cents per bushel, - 150	Girandoles - - - - -	-	-	-	25

‡ The annals of inconsistent or unfair and oppressive legislation furnish nothing more reprehensible than this duty. The wealthy sugar planters, making fortunes of 5, 10, or 15,000 dollars per annum, are protected by a duty of 75 a 100 per cent. on a bulky necessary of life—while the poor manufacturer of cotton stockings meets foreign competition under a duty of only 25, which is, in fact, almost altogether "a duty imposed for the purpose of revenue." And the sugar planters, thus revelling in such extraordinary protection, have uniformly voted against any increase of duty for the protection of their fellow citizens!! Alas! poor human nature!

POSTSCRIPT.

As many of our citizens have very imperfect and very incorrect ideas of the extent and importance of our manufactures, and the aid they afford to agriculture and commerce, it may be useful to present a brief view of the subject. Let it be observed that the information contained in the heads from No. 1 to No. 7, is drawn from official documents, and other authentic information, and may therefore be fully relied on. The others are only given as estimates, and approximations as near to fact as possible. The reader will make such additions to, or deductions from, those items, as he may judge proper.

1. The persons concerned in, or depending on manufactures, at the last census, amounted to 1,351,622. They are at present at least 1,750,000.

2. In 1820 they constituted *fourteen per cent. of the population of the United States, white and coloured; and twenty-two per cent. of the population of Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware and Maryland.*

3. The manufactures exported last year, constituted 25 per cent. of all our domestic exports, cotton and tobacco excepted. They were 25 per cent. more than the articles furnished by the forest—200 per cent. more than those furnished by the sea—120,000 dollars more than the amount of all the wheat, flour, Indian corn and meal, rye and rye meal, oats, potatoes, &c.—nearly double the amount of the animals and animal food—and 80 per cent. of the amount of tobacco.

Exports of the United States, for the year ending October 31, 1825.

Total domestic exports - - - - -	\$ 66,994,745
Cotton - - - - -	36,846,649
Tobacco - - - - -	6,115,623
Manufactures - - - - -	5,729,797
Wheat, flour, Indian corn, meal, &c. - - - - -	5,601,473
Articles furnished by the forest - - - - -	4,938,049
Animals and animal food - - - - -	3,314,793
Articles furnished by the sea - - - - -	1,595,065

4. Our manufactures exported the last and present year, have been more generally profitable to our merchants than any of our great staples. On the former losses have rarely occurred—whereas losses on the latter have been frequent and ruinous.

5. The persons engaged in, or dependent on, manufactures, are very nearly five times as numerous as those engaged in trade, (including shop-keeping,) and in commerce.

6. The manufacturers furnish a market for the whole of the wool, flax, hemp, hides, skins; one-fifth of the cotton; and four-fifths of the vegetables, poultry, flour, and animal food produced for sale by the agricultural class.

7. The manufactures of the United States have arisen to their present extent, importance, and perfection, without having ever received the patronage of the government, in the shape of immunity, privilege, premium, or bounty—a case unexampled probably in the history of the world. In England, France, Prussia and other European countries, money has been lavished in bounties and premiums, and immunities and privileges bestowed on manufacturers, to bring their manufactures to perfection.

8. The capital invested in the woollen manufacture in the United States, has been estimated at \$50,000,000—and a sum at least equal in the cotton branch. That in all the other branches is at least equal to these two—making a total of \$200,000,000.

9. Supposing each person engaged in or dependent on manufactures, (1,750,000,) to consume only to the amount of 75 cents per

week, of food and drink, it amounts to a market for the farmers of \$ 68,250,000 per annum, being more than six times the amount of the market for vegetable and animal food furnished by all the foreign world, (\$ 10,841,511.)

10. Supposing that of the persons concerned in, or dependent on, manufactures, one-fourth part, say 440,000, are operatives, and consume of wool, flax, cotton, hemp, hides, skins, &c. at the rate of half a dollar per day, each, it amounts to \$ 68,640,000. Thus the manufacturers furnish a market to the agriculturists, for provisions and raw materials to the amount of about \$ 136,000,000 per annum.

11. By the return of the Marshals, in 1810, it appeared that the amount of the manufactures of the United States, then, was \$ 127,694,602. The returns were manifestly and greatly imperfect—and Tench Coxe, Esq. who was employed to adjust and arrange them, stated them at \$ 172,762,676. Our woollen and cotton manufactures have since that period certainly increased ten-fold. All others, then existing, have greatly increased, though not to the same extent. Various important manufactures have been established since that period. I presume from the premises, therefore, it will be admitted to be a moderate estimate, that they now amount to \$ 300,000,000. 35

12. If the wages of the operatives average only four dollars per week, they amount annually to \$ 88,000,000.

13. The freight on the raw materials imported into this country for the use of the manufacturers, and that derived from the coasting trade in domestic raw materials, and domestic manufactures, is probably twice as much as the freight of all the rest of our commerce, cotton excepted—and five times as great as that derived from the importation of foreign manufactures.

This, gentle reader, is the class which has been styled by Dr. Jones, President of the Nottaway Agricultural Society, and been too frequently regarded by those statesmen who regulate the policy of this country, as "*the most insignificant and inconsiderable interest in the nation!!!*"

N. B. In stating the effects of the restrictive system, I forgot two all-important circumstances, which, alone, would, with unprejudiced men, settle the question between the two systems forever beyond the power of appeal. The acts in favour of American navigation, referred to in page 14, and the act imposing the square yard duty on coarse cottons, were in the most direct hostility with the liberal system, and carried the vituperated restrictive system to the utmost extent. What has been the result? Have they been unfavourable to the nation? Have they proved the impolicy or injustice of "the restrictive system," and that it "taxed the many for the benefit of the few." No—no—no. Never had any system a prouder triumph over its opposers. In the case of the navigation of the United States, the protection it experienced, increased it as follows. It was

	Tons.		Tons.
In 1789 only - - -	201,502	In 1796 - - -	831,700
1790 - - -	478,377	1798 - - -	898,328
1792 - - -	564,437	1801 - - -	1,033,218

The increase, after 1792, arose, it is true, partly from the wars of Europe. But before that year, it proceeded wholly from our navigation act.

The case of coarse cottons is equally strong. The protecting duty on those articles has been and is from 50 to 100 per cent. Has that duty "*taxed the many for the benefit of the few?*" No. It has, on the contrary, furnished an article of treble the durability and value, at a price from 25 to 30 per cent. lower than the rival one. Away then with idle assertions and wild theory, when opposed to solid facts.

