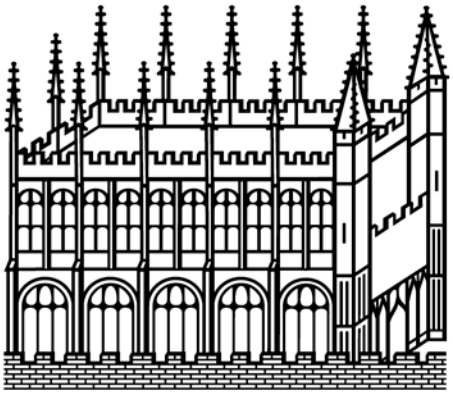

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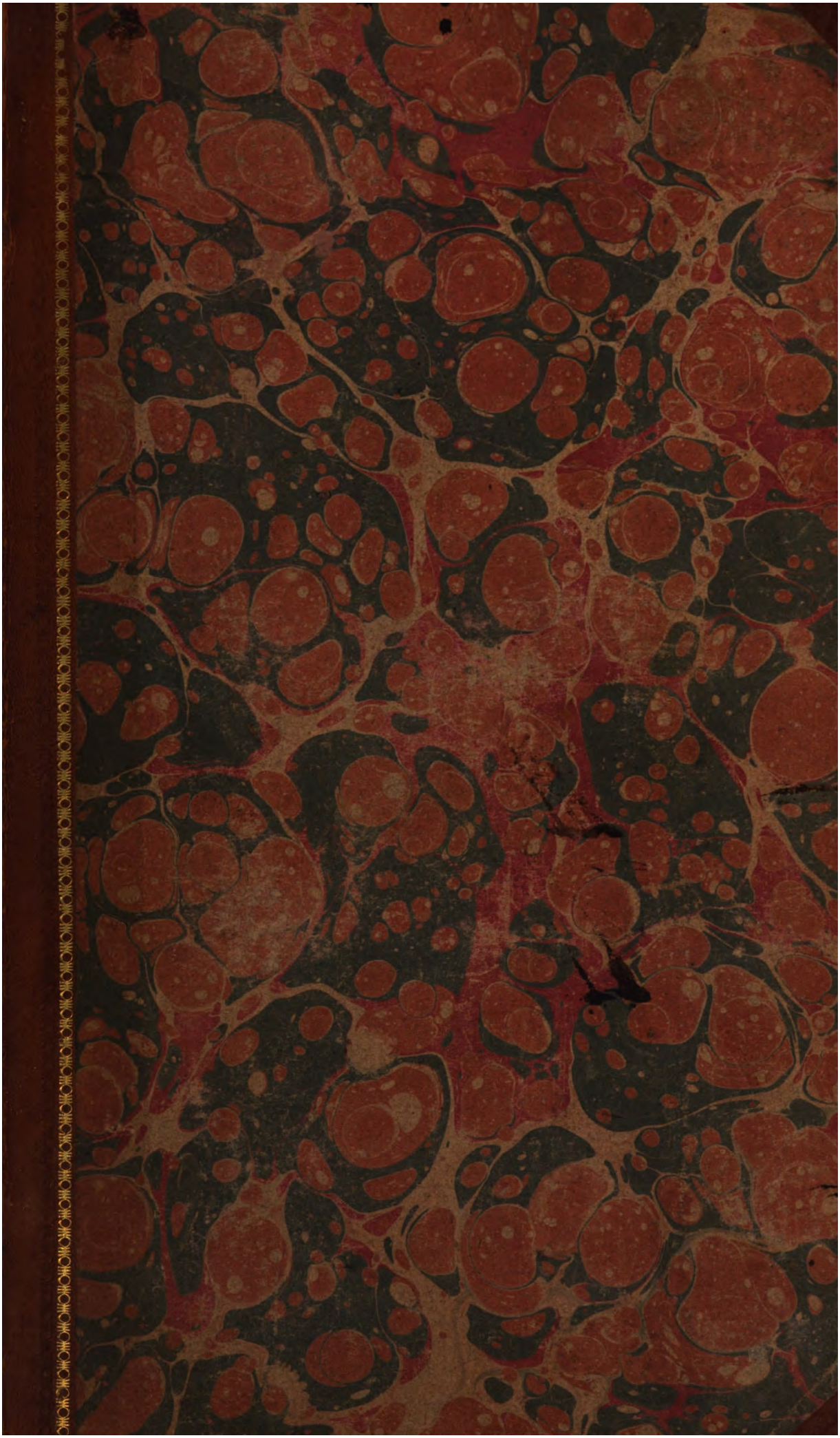

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AN

EXAMINATION

OF THE

NEW TARIFF

PROPOSED BY

THE HON. HENRY BALDWIN,

A REPRESENTATIVE IN CONGRESS.

BY ONE OF THE PEOPLE.

New-York:

PUBLISHED AND SOLD BY GOULD AND BANKS, CORNER OF NASSAU AND SPRUCE-STREETS.

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1821.

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"An Examination of the New Tariff proposed by the Hon. Henry Baldwin, a Representative in Congress. By one of the People."

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GILBERT LIVINGSTON THOMPSON.
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ERRATA.

Page.	*Line.*	
15	17	for ***and must*** read ***must***
22	22	— *qually* read *equally*
28	23	— ***the population*** read ***and the population***
31	15	— ***more important*** read ***some important***
37	3	— ***and from*** read ***from***
40	29	— ***a control*** read ***control***
42	1	— 750,000 read 75,000
74	10	— 12*s.* 10*d.* read 12*s.* 10½*d.*
"	18	— 46*s.* 7½*d.* read 40*s.* 7½*d.*
77		— £7 4 3 read £7 4 8
108	19	— ***manufactures*** read ***manufacturers***
"	21	— *do.* *do.*
136	31	— ***it cannot*** read ***they cannot***
"	1	— ***and annual*** read ***an annual***
162	13	— *day labourer becomes* read *day* ***labourer in a factory becomes***
169	7	— ***manufacturers*** read ***manufactures***
206	16	— *securit* read *security*
226	9	— 1773 read 1763
"	10	— 1763 read 1773

INTRODUCTION.

IT seems to be the fate of every man, in this scribling age, to write a book. The author of the following pages little expected, when he commenced his labours, that this would also be his fate. His only object then, was to ascertain what the new tariff would be in practice. As he advanced, the prospect enlarged; and finally, he persuaded himself that the subject was of vital importance to the people of the United States. Under this impression, he has gone more deeply into it than he at first intended, and he trusts that the following pages may induce many to think with him, that it is one which in the language of my Lord Bacon, "comes home to the bosoms and business" of the people of this country.

This work having been commenced late, its publication was of necessity hastened, that it might anticipate the vote on the New Tariff; errors may have therefore escaped detection—there are none by design.

In considering various manufactures, the same arguments will be found repeated; this, however, cannot well be avoided as the circumstances must be generally alike; such repetitions are observed, but are permitted to remain, as the points they are intended to enforce, are more likely to be understood when the reasoning oc-

casionally follows the practical illustrations. Some additional reflections are offered on subjects not less interesting to the people of the United States.

Every citizen of a free government ought to have a list of his taxes in his library; it should be his duty to understand how much he pays; and this will naturally lead him to the inquiry, why he pays it? A people properly attentive to these things need not apprehend the loss of liberty. That every man may have a familiar knowledge of our revenue system, the author has taken the trouble to trace its history; and by selecting a large portion of the principal articles, to form a table, which throws a picture before the eye sufficient, one would think, to satisfy any man, that those who advocate high duties, are (in practice) any thing but the friends of democracy, or the guardians of the equal rights of freemen.

Little novelty or interest can be expected in a work on political economy. In an age of refinement, few useful discoveries are made in sciences or arts; indeed it appears to be a wiser course, to profit by the recorded experience of past generations, applying it to our own condition. Human nature and human rights remain the same from age to age, however capricious the changes which human industry may experience.

For the liberty the author has taken of using Mr. Baldwin's speech as a vehicle, he feels himself bound to make no apology. As a citizen of the United States, whose rights and happiness depend upon the measures of his government, he claims the privilege of freely and independently discussing every question proposed in Congress. Satisfied, as he is, that a more ruinous, unnecessary

and unjust system never was proposed to a free people by any legislator, he hopes that the day may come when the great industry and fiery zeal exhibited in this celebrated speech, will be exerted with equal ability in a better cause. And he most fervently prays, that no legislator will ever succeed in clothing this government with the superannuated infirmities of the British system; nor in charging this free people with that weight of oppression, under which England is destined to labour till time sweeps away taxes, public debt, nobility and king.

AN EXAMINATION, &c.

To the Farmers of the United States.

NO men have a better right to this book on taxes than those who pay the largest portion of them. Yet were we to judge from the noise and bustle about the New Tariff, we should be disposed to think that the other active members of this community, the manufacturers and merchants, with the politicians who lead them, are the only persons interested in the question. When we have patiently passed through this volume we shall perhaps be better able to understand which class of this community is most deeply interested.

Every class in the nation has its particular interest; and when any measure affecting industry is introduced to the attention of Congress, we find them all vigilant enough: it is proper that they should be so—it is one of the strong bonds of society, and restrains government from extravagantly favouring any one class at the expense of the others.

It is now proposed to us to adopt the system long since practised by the British government, *viz:*

To prohibit importations in order to protect our own manufactures.

To establish a system of internal excise, or taxation, to supply the deficiency in our revenue, arising from such prohibition of imports ; and

To allow drawbacks of that excise on the exportation of the manufacture, to encourage our home industry.

After these are established we suppose bounties are to be paid on particular manufactures, to encourage their growth ; and as our farmers will be compelled to buy all their goods from our own manufacturers, we presume it is also intended to prohibit the importation of corn and wheat from Europe, that our manufacturers may in turn be compelled to buy our own corn to encourage the cultivation of these productions at home. Such is the skeleton of the British system.

Whatever may be the real advantages of this system, it would be well enough for us to understand what it truly is, before we adopt it. We have endeavoured in the following pages, in as plain a manner as possible, to strip of their artificial ornaments those magical words, productive labour, national wealth, dependance upon England, balance of trade, market for our surplus grain, and many other high-sounding appellations, calculated to excite melancholy and to fire patriotism. Vague declamations about these matters, we have thought would not satisfy sensible men ; and we have therefore, as far as possible, explained our calculations by figures. In adopting this method we have not puzzled our heads with millions ; such momentous calculations being better suited to the system of those, who undertake to tell us what is the total value of our labour annually ; but have confined our view to small articles of furniture, and such simple things as admit of demonstration without involving us in visions and millions.

It is presumed that such small calculations will only satisfy men of moderate views; we do not pretend to disturb those who are now engaged in calculating what is the value of one days labour of the industry of the world entire. It's a fatiguing calculation, and mankind might lose the benefit of it, were we to throw our petty calculations in the way. Neither do we expect to dissolve the spell which encircles those who are occupied in magnificent dreams of wealth, walking in the sunshine of golden showers and calculating the millions of millions we shall add to the wealth of this nation by machinery. It is not the province of humble men to intrude on the speculations of that etherial race who move in a region too sublime for ordinary reach, as they might disturb them in one of those perplexing moments, when the mind, after performing its airy and subtle course on the ever revolving wheel of logic, finds itself embarrassed with a dilemma, not unlike that so quaintly described by the Rev. Jeremy Taylor: "He was prettily and fantastically troubled, who having used to put his trust in dreams, one night dreamed that all dreams were vain: for he considered, if so, then this was vain, and then dreams might be true for all this: but if they might be true then this dream might be so upon equal reason; and then dreams were vain, because this dream, which told him so, was true; and so round again." This book will probably be read only by those men who are engaged in more substantial business; in the day, labouring to maintain their families comfortably and respectably; and in the evening looking over the papers or other productions of the times to ascertain what is doing in the world. To such men only, this volume is addressed.

If the British system be adopted, it must gradually transfer the

legislative power in this country from the farmers to the manufacturers. This being the inevitable effect of taxing the one class to enrich the other; thereby impoverishing the class taxed and diminishing its number.

We have, in describing the operation of some parts of this British system, noticed what is in reality meant by creating a market for our surplus grain. Whether the farmers of this country will consent to give up the administration of its affairs, in order that some of their own class may be ruined, and that their children may become the hired labourers in factories, is for them now to determine.

Whatever interest, the merchants may fancy they have in the question, the farmers interest is much more important. If this prohibitory system should ever go into operation, we shall see no other effects than those which were produced in 1807, when the embargo was laid: the inhabitants of towns and cities furnish the capital, and own the stock of the factories; the farmers furnish only their children to work in them by the day; and such will be the effect of every law which comes suddenly upon the community and induces speculation. And for very natural reasons it cannot be otherwise: the merchant's property is either in stocks, notes, or goods; the two former can be converted into cash in an hour; the latter, by the very act of prohibition, is raised in value 50 per cent, and the whole can be sold in a day. This monied capital, directed by the active habit of a merchant, is immediately vested in factory stock. And all this can be performed, perhaps, by the time the farmer reads the newspaper. But what is the condition of the farmer's property? Can he sell off lands, houses, corn, cattle,

all in a day, nay, a month or a year, and turn manufacturer? No, the very act of prohibition reduces the value of all he possesses, and if there is any money to be made by these changes, he arrives after the profit is all gone, only in time to pay his additional tax, to encourage home industry; that he may hire his children out by the day, instead of keeping them on the farm, or sending them to school to learn how to enjoy the blessings of liberty. And after all, the farmer will discover that the merchant no longer buys corn or wheat to ship abroad; for he is now a manufacturer; and further, that he eats no more corn or wheat now than he did before. And this is the scheme which we are told will open a new market for the surplus produce of the farm. The farmer may now form his own opinion, whether he, or the merchant, has the greatest interest in establishing the British system.

And all this we are called upon to do for the encouragement of manufactures, at a moment when the largest establisments in the United States are worth an advance of one third upon the cost, and almost every other kind of property has fallen one third in value—some a great deal more.

Circumstances have tended to augment our duties on importations, higher than ever was contemplated by that congress of 1790, the members of which had all laboured to bestow on this nation the best of governments, and who equally protected every branch of industry. The question now before us is, whether the duties are not already high enough, and not whether we are friendly to our own manufactures. Every American will prefer the fabrics of his own country, even at a price somewhat above the foreign; but

every American ought, at the same time, to be allowed the privilege of preferring them or not as he pleases.

Those who think themselves wiser than other men, tell us we do not understand what is most for our interest. This charitable and flattering advice comes in a shape too questionable to be adopted by independent men. Mankind generally are not apt to render services without an interested motive, and politicians least of all others.

The farmers of the United States have a high duty to perform—the best government in the world is in their hands; and on what they now do, depends the happiness or misery of generations to come. The people of England have bitter and just occasion to lament the folly of their ancestors, who entailed on them this famous system; give not our posterity the same reason for accusing their fathers of folly and injustice.

In vigilantly guarding the rights of your own class, you will grant the best encouragement to every branch of industry in this nation; because, on the prosperity of agriculture depends the freedom of the people. When the farmers of the United States transfer the administration of our government to other hands, every friend of free and equal government will have occasion to mourn.

To the Manufacturers of the United States.

Under this appellation cannot be ranked all, so called because they happen to be proprietors of that kind of stock. It would be absurd to include those, who, tempted by the prospect of great gain, speculated largely in this stock in 1813 and '14, and one would think, calculated on an eternal war.

By the *manufacturers* of the United States, are meant those only who understand their business: or, if they do not now, will soon understand it; because they attend personally to their factories and are learning their trade.

The real manufacturers of this country too well know, that the system proposed by Mr. Baldwin is intended to injure their business, by stimulating those who do not understand to undertake it. The animadversions which are called forth by a strict regard for the rights of the people, in the following pages, are not intended for men who are hard at work; but, for those idlers, if any there are, who occupy that time in petitioning, which should be devoted to their business; and for another class of men who seem to do nothing, but rail against the times for their calamities; and against the government for relieving this nation from the horrors of war. The misfortunes of no class of men should be ridiculed. The unfortunate speculator in manufacturing stock, during our late war, deserves the commisseration of his fellow citizens; but he cannot expect his government to adopt a policy so extravagant, as one which would contemplate raising war speculations from their ruins —as well might they undertake to reanimate the dead. This un-

fortunate class of men should recollect the losses of the farmers and merchants from 1807 to 1815, when the industry of this nation was distracted by events which all men must expect and submit to patiently. If then the farmers, merchants, mechanics, &c. &c. have been obliged to endure all the calamities of embargo and war, idleness and bloodshed; have they not a right to expect, that the manufacturers as well as the speculators, should bear, without murmuring, those losses, which have been visited upon them by the return of peace, the greatest blessing which Providence can bestow upon nations!

The manufacturers of the United States will, it is hoped, always share with every other branch of industry, the parental care of the government; but we must also hope that no particular branch will ever be made the favourite, by a government instituted to do equal justice to men enjoying equal rights; and we must all hope that in this great family, the parent will not fall into a very natural error; he must not believe that because this is the youngest branch of the family, it is the "genius;" he must not neglect the oldest and hardy son who follows the plough, and on whose strong arm depends the subsistence and defence of the family; he must not neglect the second son who carries the produce of the farm to market, and returns with those things which the family need. This third son must not, because he is the youngest, be pampered, flattered with attentions, stimulated and spoiled; he must be made to *work* as well as his brothers; he must be a help and not an expense to the family. He should be taught at an early age the necessity of providing for, and protecting himself; or he will forever expect to be supported by the family: and if after much indulgence, he be left to himself, he will probably perish.

The sober lessons of common sense which direct us in the government of families, resemble very closely those which statesmen ought to make a study in the simplicity of Republican government.

We may appeal with safety to the candour of every *real* manufacturer in the United States, to say whether he depends upon any protecting laws of government? Or whether he does not depend upon his own industry, assisted by that knowledge of his art, which is the fruit of many years of patient application and experience; cherished by a domestic market which is naturally increasing, and protected by the security of a good government.

That manufacturer who depends upon government for his profit will never succeed in a country enjoying so many natural advantages as ours; the basis of his calculations is artificial; his profits will be of the same character. But the manufacturer who relies upon his own prudence, industry, and patient attention to his business, and never troubles himself to inquire whether the duty is 20 or 50 per cent, and must in the end succeed. The profits arising from the use of these sober qualities are worth more than all the hot-bed productions of protecting laws or bounties.

The real manufacturers of the United States will, one and all, say to the Congress, do not disturb the certain profits of our labours and the regular march of our fabrics towards perfection by any alterations in your Tariff, with a mistaken view to serve us. We have been agitated sufficiently by such excitements; we solicit that we may hereafter be disturbed as seldom as possible by such alterations; we pray that we may be left to our labours; and, with the blessings of equal government, we will in due time rival the manufacturers of the oldest nation in the world.

But if, after all, an unnatural jealousy is excited between the various branches of industry in this community, let the blame fall on that officious friendship which proposes to heap favours, before they are asked, on our manufacturing brethren.

ORIGIN OF THE GENERAL DISTRESS.

After the storms of thirty years, which have shaken the very foundations of industry, trade and morals, throughout the world, mankind have a moments pause; and seem much astonished at the consequences of a sudden relief from the horrors and uncertainties of war.

We are in a general calm, but the delirium of the fever which is just leaving us, still disturbs our fancy with strange dreams; each man undertakes to account for the general distress, and each one seizes on the circumstances around him, and ascribes all his misfortunes to them; one attributes all to Banks; another to want of specie capital; a third to cash duties and lending the government's money to Englishmen; and a fourth ascribes all to a ruinous system of revenue, which must be "radically changed." What will all these croakers say, when they look around the world and find all mankind involved in the same general ruin? they are driven to the conclusion, either that they have not discovered the cause, or that every nation is afflicted with similar evils in government. In answer to those who ascribe our distress to a want of protection to our domestic industry, we may say, that no nation on earth complains more bitterly and loudly than England, in the full enjoyment of all the blessings of a system protecting industry with bounties and monopilies.

The causes of general distress throughout the world are however, paramount to all legislation. They are such as ever have,

and ever will agitate and control the industry of man; and at times, sweep over nations with the shock of a whirlwind.

Let us look at the condition of the world in 1815. Europe had just rested from a war of twenty-five years; the United States had passed through eight years of embargo, restrictions, and war. During these periods, the industry of nations had been disturbed and shackled; the capital of mankind waited an opportunity, when it might be set in motion with security. Europe, by the restrictions and uncertainty of commerce, had been deprived in a measure, of the productions of Asia and the Americas; and, on the other hand, these countries had, for the same reasons, but a small supply of the manufactures and produce of Europe. The productions of every nation were consequently in great abundance and low, in that country where they were cultivated or manufactured; and all foreign merchandize was scarce and high.

This was the condition of things in 1815, when the capital and enterprise of the world were let loose by a general peace: this circumstance was sufficient of itself, but other causes, almost as powerful, assisted in giving impetuosity to the tide of commerce. Men who had been almost for a generation idle, or occupied in the various employments of war, suddenly and without experience, entered into a new business; the merchants of the world had become little better than speculators amidst the risques, great profits and heavy losses of war. He, who duly reflects on the importance of all these causes, will be prepared to expect the consequences which followed. The years 1815 and 1816, yielded large profits; we were all buyers, and the productions of one country were hurried to another; this general exchange was profitably continued

during these years; confidence, enterprise and capital, real and fictitious, contributing to augment the business of the world, and producing, at length, the melancholy reverse of the summer of 1815. The markets of every nation were crowded with the productions of other countries, and foreign merchandize was at a lower price, than it would have commanded at home. Confidence was suddenly destroyed, fictitious capital lost its powers, enterprise was broken in spirit, the world was in debt, and ruin was inevitable.

In 1817, and 1818, we were all sellers, and prices fell. Still the debts of the world were to be paid, and property of every description, real estate, ships, manufactures and produce, were sacrificed for the payment of these debts; this sacrifice and this fall were simultaneous throughout the world, as well as the bankruptcies of 1818, and 1819; which together, relieved mankind from that mass of debt, which they had been tempted to contract by the great profits on trade in 1815, and 1816.

The year 1820, has brought us some relief; we may congratulate ourselves, that the storm is over, and we may once more venture abroad. We are no longer alarmed with the fear of bankruptcies; confidence has returned to give an impulse to trade, and will, through that, operate on industry of every kind in the country.

We are beginning a series of years, probably the happiest we have experienced since 1806. As the nations in the world are all now, more or less, engaged in commerce, we cannot expect so large a share of foreign trade as we had, when they were fighting the battles of ambitious men; but our coasting trade is increasing

rapidly, and will permanently supply its loss. We shall probably too, enjoy as large a foreign trade as any other nation.

Indeed, if we could but forget old dreams, we might believe ourselves at this moment, in a happy condition; we have a surplus of money, of food, and of clothes. Let us have a little patience, and we shall have something better to do than to croak about the times.

If men would but pay more attention to these changes in the world, as natural as day and night; and trouble their brains less for discoveries of fanciful causes and new systems; we should all make better farmers, better merchants, better manufacturers and better legislators.

MR. HAMILTON.

In reflections on manufactures, revenue, or public debt, it will be impossible to avoid noticing the opinions of one, who like Mr. Hamilton, laboured with zeal, ability, and integrity, in the organization of every department of our government. In reverting to his reports as secretary of the Treasury, we shall have occasion to point out some errors. Amidst a multiplicity of labours in tracing the march of population, capital and industry, no man could avoid them ; and it seems proper to remark, that it requires little ability to detect such errors, thirty years after the statements were made, in a country whose government was an experiment in the world, and whose subsequent growth has baffled all calculations. But it is our intention in this work, to follow in the path of Adam Smith, and to prove by the additional evidence of our own experience for thirty years, and that of England for one hundred and fifty, that when the basis of a system is unsound the superstructure cannot be firm or durable, and that as all calculations on such a subject must from the nature of things be visionary, a protecting duty, is after all, but a tax on one man, with a mere *possibility* of benefiting another.

In the year 1790, this nation had made no experiments, except under a colonial vassalage and a seven years war. The few years of trade, which had elapsed after the Revolution, served only to confound all calculation ; the country was bare of goods—again suddenly inundated with them, and excessive overtrading was followed by a re-action as natural as the ebbingtide. Such was the condition of things, when Mr. Hamilton was placed at the head of the Trea-

sury, to contrive a system of revenue which should pay the expenses of the government, and the interest on a debt of fifty millions of dollars. It was natural for him to look to that nation from whom we had drawn our laws, our morals, our religion and our blood; there was something too peculiarly striking in our situation—we were both trading nations, and our governments were very considerably in debt.

The frame of the British system of revenue was introduced by him, not with all the alarming features exhibited in Mr. Baldwin's Tariff, but with a moderation and wisdom characteristic of those times. There was no prohibition—no monopoly; the arm of industry had no manacles; the duties imposed on foreign importations were apportioned to the positive wants of the government. Accordingly, with little exception, the rates were five and seven and a half per cent ad valorem; the highest twelve and a half per cent.

This system of revenue, in its moderate and pure form, is undoubtedly the happiest contrivance of human ingenuity, to induce mankind freely to pay money for the support of government. The face of a tax gatherer is so disagreeable, that men would rather pay double, than submit to direct taxation. It is a natural whim which all wise governments know the necessity of respecting. This system moreover, when *qually* administered, reaches the community in a more just way than any other yet devised; through the medium of wants which every man must feel, and generally in proportion to his means.

In preparing himself with the information necessary to recommend this system here, Mr. Hamilton drew most of his maxims

from those writers, whose immediate business it was to persuade the people of England that a public debt was a public blessing; that heavy duties or taxation assisted wonderfully in increasing the internal industry of the nation; and that fictitious capital gave life and motion to the whole machine. These, however, were maxims bordering the confines of the human understanding, which Mr. Hamilton had too much moderation to adopt. Yet the sources whence he drew his information upon these subjects, are visible in his celebrated Reports on Public Credit and Manufactures. We here and there observe the maxims of Hume and Adam Smith, but they are so interwoven with the theories of the British financiers, that the few we do see lose all their influence. However great a man Mr. Hamilton may have been, (and it would be absurd to make a question about it) his genius, submitting to a great law of nature, yielded to the mysterious influence of the circumstances of the times in which he lived. The doctrine of bounties and monopolies was then fashionable in the world: not because it was just or wise, but because the monarchs of Europe looked only to an increase of their wealth and power, without bestowing a thonght on the rights or happiness of their people. The few writers who at that time defended the rights of mankind, were not the ministers of kings, and had no influence in the policy of nations. Here and there a flash of liberty lighted small communities to wealth and happiness, but these were only transient: a great nation governed by the people was to the political economists of that day, a miracle or a phantom. Unhappily too, other causes had an influence upon the judgment of all engaged in the early legislation of this country. There was a spirit of opposition to Mr. Hamilton's measures, calculated to excite in him that zeal, the habit of his profession, which gave to all his reports the character of an argument, in which all

the advantages that might *possibly* follow, were pointed out, as well as those which would.

Mr. Hamilton further wanted that familiar and minute knowledge of the operations of money, credit, and trade, which no man can have without much practical experience or a long life devoted to this particular study. As there was no frame of a revenue system, and no bounty system (the fashion of that day) to be found in Adam Smith, Mr. Hamilton could not be instructed by him how to collect taxes from the people, and with the English statesmen of those times, neglected one of the best books on political economy which has ever been written—a book which every days experience is bringing into notice and respect, even with the ministry of England, who now perceive, when it is too late to correct them, the errors of their predecessors in pursuing a system at war with every principle of nature and justice. Should this republic last, the maxims of this clear headed Scotchman will be reverenced, when the speculations and refinements so fashionable now, will be rather a subject for ridicule than admiration.

Another circumstance still, operated seriously upon the labours of Mr. Hamilton: viewing the hostile opinions as to the constitution, the jealousy of the powers of the general government, and the strenuous opposition of some well meaning republicans; he very naturally concluded that time might unfold its weakness: all his labours were therefore employed to enlarge its powers, in order to counterpoise the exertions of those who were of the opposite school. Thus far we have realized an operation of the machine of government very different from what Mr. Hamilton anticipated; and from a cause

quite as natural as that which influenced him; one too, which would have been foreseen by him, but for the zeal produced by opposition; that cause is the jealousy which ambitious men are constantly endeavouring to excite between the different sections of the union, weakening thereby the authority of each section, and the power of the individual states. However, on a subject of this kind, all speculations are idle; circumstances yet in the womb of time may create a jealousy of the general government, and twenty years may find it stripped of many of those attributes with which it now appears to be clothed. These fluctuations of power should be expected; and, that our confederation may feel their influence without violence, the general government should, as seldom as possible, exercise a doubtful power. The preservation of this balance of influence is of vital importance, and it may be well for us to believe, that war has a violent tendency to consolidate and strengthen the federal government, and that peace is the slow but gentle friend of state power. This is probably true, but even if doubtful, it is better for us to believe in it with superstitious zeal, for it will give us another reason for dreading war.

But whatever may have been the circumstances which influenced the opinions of this celebrated statesman, in urging the adoption of our present system of revenue, the establishment of a bank, and the funding of the public debt, he has left a rich inheritance to the people of this country; and a debt of gratitude which we and our posterity will pay, till the Federalist and this fair republic sleep for ever in the ashes of our confederacy.

Mr. Hamilton's great object, in his report on manufactures, was to establish a system of revenue to meet the expences of the gov-

ernment and pay the interest of the public debt. But an apprehension of opposition to that system, or perhaps an over anxiety to have a favourite plan adopted, induced him to enlarge on the advantages which would result from it, as an indirect encouragement of manufactures. He accordingly presented to Congress a very long Report on Manufactures, in which he notices, with perhaps more gravity than some of them at that time deserved, almost all the manufactures which can be prosecuted in any country. He seems to have adopted much of the spirit of the English political economists on the subject of bounties and premiums and to have abandoned or neglected Adam Smith altogether. He proposed that the surplus which he thought would probably arise from an excess of revenue beyond the wants of the government, should constitute a fund for paying bounties, and submitted a plan for instituting a board for promoting arts, agriculture, manufactures and commerce. The Report was acted on by the Congress of 1790 so far as it related to revenue, but that Congress cautiously omitted adopting the language of that Report as far as it related to the *encouragement of manufactures** and never established an institution for distributing bounties and premiums.

In this Report Mr. Hamilton seems to have attached too much importance to the imposition of duties amounting to 5, 7½ and 10 per cent, in relation to the great effect which they were to produce on the manufactures, which these rates were intended to encourage; and rather to have lost sight of those immense natural advantages amounting on almost all articles of primary necessity to 100 and up to 200 per cent; (as is shown hereafter in considering the various branches separately) advantages which must tend in every country to

* See Sketch of the History of our Revenue Laws, p. 30.

produce those manufactures infinitely more than any impost whatever. He seems too, not duly to have considered, the influence of those circumstances which operate sometimes mysteriously and capriciously on human industry, and counteract all calculations; not even excepting those founded on natural advantages. We accordingly find him frequently remarking that a certain duty 5, 7½ or 10 and never exceeding 12½ per cent would afford ample protection to a particular manufacture, yet his anticipations have been seldom realized. No man, however great his genius or ability, can ever foresee the various directions which the numerous branches of industry in any nation may take. These things depend upon events and changes in the world paramount to natural advantages and to all legislation; and this is one great reason why legislators should abandon that policy which taxes one portion of the community for the benefit of another, under the visionary expectation that the nation will be benefitted by it. In reflecting profoundly upon the subject they will find, after all, that the public money is by such policy vested in a speculation, founded on events which a wise Providence hides from our view.

High duties are not always proper to supply the wants of government; for they have a tendency in most cases to diminish, rather than increase the amount of revenue; we must therefore consider them, when imposed on articles of necessity, as intended principally to encourage the domestic growth or manufacture.

We are continually reminded of the policy of the European governments; and, strange as it may seem, we have politicians who exhibit much zeal to persuade us to adopt a similar policy in this free land. One would think that any system emanating from the

despotism of the old governments of the world, would be received by us with the cautious jealousy of Republicans. It would have been better for this nation, could we have kept out the policy, and the morals also of nations too old to bestow on us any thing not touched with corruption.

But there are other reasons why this policy is not necessary for us. There, perhaps, never was a nation so admirably formed by nature for the encouragement of manufactures, or assisted by so many powerful circumstances. The United States of America are rich in the raw materials required for all manufactures necessary to a people: they are separated by an ocean of three thousand miles from every manufacturing country: the articles of necessity reach them with a heavy addition of charges upon the price of the manufacture: they enjoy in the highest degree, the blessings of a free government, furnishing to the nations of the earth the best inducement to abandon the home of their ancestors and settle among them: their citizens sprang from, and speak the language of a nation unrivalled in manufactures: they annually receive from that nation and the other manufacturing countries of Europe a supply of artisans skilled in every manufacture: these people follow the business which they have learned at home and understand; and generally find here capital and enterprise to set them at work: the population of the United States is increasing astonishingly, thereby annually adding to the number of customers for the manufactures.

One would think these causes furnish ample protection to our manufactures. When these fail, what success can we expect from encouragement by duties? And what profit can we expect in a war

with nature, the expences of which must be paid by taxes on the people?

It is to these causes, and not to any feeble system of duties, bounties or monopolies that we are indebted for our best and most flourishing manufactures. If war has disturbed their regular march, peace, assisted by these natural causes, will restore them to a flourishing condition. If there are any who believe that duties have done more than these natural causes, it would be well for them to look back to the progress of those manufactures (the most profitable we have ever had) which acquired a vigour sufficient to protect themselves when our highest rate of duty was 12½ per cent. All things considered, the increase of the population, wealth and power of this country is not more surprising than the increase of its manufactures, arising from these natural causes. Without their assistance this nation could not have advanced in them more rapidly than other nations have done; for most of them have made the severest experiments on their people by prohibitory duties. England, which has now the largest portion of manufacturing population, with all her prohibitions, bounties and monopolies, did not increase her manufactures in one hundred years as much as we have done in thirty.

SKETCH OF THE HISTORY OF OUR REVENUE LAWS.

For the satisfaction of all, who wish to have before them a simple view of the changes, which have been made in the duties on articles affecting our own manufactures; there will be found fronting the title page, a statement exhibiting in different columns, the rate of duty charged at different periods.

In 1789, a revenue law was enacted, but as that law was repealed in the year after, it is not recorded in the laws of the United States, and we have not been able to find a copy of it; however, from the language of Mr. Hamilton's report, and of the law passed when that was repealed, it is presumed the highest rate of duty did not exceed 5 per cent ad valorem.

In consequence of Hamilton's report in 1790, and the wants of the government, a new revenue law was enacted on the 10th of August 1790. Although the rates of duty proposed by Mr. Hamilton, were generally adopted, that venerable and able Congress, seems not to have adopted them, for the reasons so extensively enforced in the report, as appears from the following recital, with which it commences: "Whereas, by an act entitled 'an act for laying a duty on goods, wares and merchandize, imported into the United States,' divers duties were laid on goods, wares and merchandize so imported, for the discharge of the debts of the United States and the encouragement and protection of manufactures; and whereas, *the support of government and the discharge of the said debts*, render it necessary to increase the said duties," &c. From the omission to notice manufactures in this law repealing that

of 1789, which did mention them; it is evident that the Congress of 1790 intended, when these duties should be no longer required for the debt or expenses of government, that the manufacturers should not have a right to insist on their being continued.

On the second of May 1792, a further augmentation was made. Another on the seventh of June 1794, and again on the third of March 1797, a short time previous to our French war.

To pay the expenses of our war with the Barbary powers an additional duty of 2½ per cent, was laid in 1804, on all articles paying an ad valorem duty which constituted what was termed the Mediterranean fund.

No alteration took place after 1804 until 1812, when war was declared against England and the old duties were doubled; still adding the 2½ per cent Mediterranean duty.

In 1816, a new Tariff was established, varying in more important features, (which are noticed,) from our former Tariffs.

In 1818, some augmentations of duty were made; and, in 1820, Mr. Baldwin from Pennsylvania, introduced the new Tariff, which is more particularly the subject of the present investigation.

It is proper here to correct one of Mr. Baldwin's errors; it relates to the mode of ascertaining the ad valorem duty. He says, "the original mode of ascertaining the value *at the time and place of importation*, was the fairest and most equitable as an ad valorem duty; it was in fact, what it purported to be, so much per cent on

the value. But as a different standard of valuation has long since been adopted, it was thought best not so much to alter as to modify it." This is not true of the law of 1790; it reads thus: SECTION 39. "That the ad valorem rates of duty upon goods, wares and merchandize, at the place of importation, shall be estimated by adding 20 per cent *to the actual cost thereof*, if imported from the Cape of Good Hope, or any place beyond the same; and 10 per cent to the actual cost thereof, if imported from any other place or country, exclusive of charges." If Mr. Baldwin chooses to understand this, as meaning the actual value of the article in the United States (an interpretation altogether inconsistent with every sound rule of construction) he has yet another difficulty to get over, the law and practice in 1790 was precisely the law and practice in 1820; the mode of ascertaining the ad valorem duty having never been altered.

COTTON.

Mr. Hamilton, in 1790, says, of this article "not being like Hemp an universal production of the country, it affords less assurance of an adequate supply." "The present duty of 3 cents per lb. on the foreign raw material, is undoubtedly a very serious impediment to the progress of the manufactures," and he concludes that "to secure to the national manufactures so essential an advantage, a repeal of the present duty on imported Cotton is indispensable." This duty on foreign Cotton of 3 cents per lb. has never been repealed, and has never, in practice, been found any impediment to the growth of manufactures; and so far from our not being able to supply our own manufactures, we supply them entirely, and also a great portion of the manufactures of Europe. These circumstances are mentioned to show how completely hidden from human foresight are the courses of human industry; and how idle are all calculations which must at best be projected in ignorance of what may happen.

In 1790 the duty on cotton yarn, thread and stockings was 5 per cent; on calicoes, muslins, coarse cottons, &c. 7½ per cent. At the close of the last war, our cotton manufacturers had, after a growth of 30 years become powerful enough to influence our legislation, and accordingly in 1816 we saw a new feature introduced into our Tariff. All cotton goods imported into the United States, however low priced, were estimated to have cost 25 cents the square yard.

As it is no easy matter for those not familiar with trade to under-

stand how this new law operates, we will endeavour to explain it. According to our old plan on a square yard of coarse cotton cloth, which actually costs 8 cents, the duty was charged as follows:

	Cents.	*Mills.*
invoice cost,	8	
shipping charges,		4
	8	4
Custom-house 10 per cent,		8½
	9	2½

at 25 per cent is 2 3-10ths of a cent.

According to the plan introduced into our Tariff of 1816, this square yard of cotton cloth *is supposed* to have cost 25 cents and a duty of 25 per cent is charged on this valuation, making 6¼ cents. Thus the consumer pays 6¼ cents, instead of 2 3-10ths of a cent, the nominal rate of duty being the same in both cases.

As to this plan, whatever might have been the motive for it in 1816, a very great change has since taken place in the cost of cotton goods, including calicoes. In 1816, under this valuation, the poor paid about the same rate of duty as the rich; for these articles then cost in reality nearly the 25 cents per square yard, at which they were estimated; but as they have since fallen 40 per cent in value, in the foreign market, and some, even more, the coarser cottons are prohibited, the mass of our population in the country pay a duty of 30 to 50 per cent on such as we still import; while fine muslins, cotton cambrics, &c. pay a duty of only 25 per cent.

Not content with these high duties, Mr. Baldwin proposes to continue this system of valuing all coarse cottons at 25 cents the square yard, and to charge on that supposed cost 33 per cent. On all other cotton goods 33 per cent. Not yet satisfied, he proposes to

add to the actual cost, or the 25 cents valuation, as the case may be, the amount of all drawbacks, premiums, bounties or discounts, which may be allowed in the country whence imported.

Under this proposed Tariff we should pay as follows: on COTTON SHIRTINGS of 27 inches in width, cost 6d. sterling, equal per square yard, to 8d.

	Cents.	*Mills.*
or,	14	8
shipping charges,		5
actual cost,	15	3
Custom-house, 10 per cent,	1	5
	16	8

which square yard is valued at 25 cents, and paying a duty of 33 per cent would make 8¼ cents on 16 cents 8 mills, or 49 1-10 per cent ad valorem.

There are other cotton goods even cheaper than these, which would be imported, were they not virtually prohibited by this system of estimating every square yard to have cost 25 cents; and on such cottons, the duty would be at least 100 per cent; yet fine shirtings, calicoes and cotton cambrics would pay but 33 per cent, even under Mr. Baldwin's Tariff.

COMMON PRINTED CALICOES, now imported, cost 7½d sterling per running yard—equal per square yard to 12½d

drawback of Excise,	3½d*
	8¾

* This 3½d the poor labourer in England is obliged to pay when he buys the same article; that is, an excise of 40 per cent more in price than the American merchant pays.

	Cents.	Mills.
or,	16	2
charges,		6
actual cost,	16	8
Custom-house 10 per cent,	1	6
	18	4

This square yard is estimated at 25 cts.
add the drawback, 3½d, as Mr. Baldwin proposes, 6 5

31 5

Which 31 cents 5 mills, at 33 per cent, is 10 cents 4 mills on 18 cents 4 mills, or an ad valorem duty of 56½ per cent.

The finer the calicoes the smaller the rate of duty they would pay. Yarn pays at present 25 per cent. Mr. Baldwin proposes 33 per cent, and a valuation on this article also; 75 cents per pound as the lowest valuation for coloured—60 cents for uncoloured. This is almost a nullity in our Tariff; the article is seldom imported and our manufacturers do not want a prohibition. Yarn* may in time become one of large export to Russia, if we adopt a system less hostile to commerce. Nankins pay a duty at present of 25 per cent, Mr. B. proposes 40 per cent.

The cotton mill was invented about the commencement of our revolutionary war; and since then, cotton has gradually made its way into the industry of all the European nations, and into the United States. From a texture peculiarly adapted to machinery, it can be manufactured cheaper and with more expedition, than either wool, flax, or silk; and its manufactures are now used for many of those articles of dress, which were formerly made

* Russia consumes annually about 7,000,000 of pounds of Cotton manufactured into twist by the English.

of the three other materials. From the advantages naturally possessed by the United States in the production of the raw material, and from the encouragements afforded by the emigration of English manufacturers, and the substitution of machinery for manual labour, it was evident that manufactures of this raw material, would be among the first objects of attention in this country. We accordingly find that in 1790 a factory existed with a capital of $500,000.* And our cotton manufactories, (as we shall see) with the aid of these powerful causes, continued to flourish. Since the late war; and after our cotton factories have grown sufficiently to protect themselves, the advocates of the British system have been enlightening us upon the subject of productive labour and machinery, and seem determined, now that they no longer need it, to establish a system of prohibition, as the best means of encouraging these manufactures at home. Those who are of that opinion will find some difficulty in convincing us of the truth of their doctrine, if we consider, that the first, best, and most profitable factory in the United States, was established at Pawtucket, in Rhode-Island, as early as 1790, and that Mr. Slater, an English manufacturer, and Messrs. Almy & Brown, made more than half a million of dollars out of that establishment before 1807; not because they had the benefit of our modern system of protection and monopoly, but for reasons more satisfactory to common sense, they understood their business, and conducted it prudently and discreetly. The circumstance, however, of immense profit, could not long remain secret; other establishments were formed upon a smaller scale, and the business still continued to be profitable, to improve and to increase.

But at length, came an event which disturbed the sober, natural,

* See Hamilton's Report on Manufactures.

and profitable march of manufactures; one of those calamities, which, like war, suddenly arrests the industry of a whole nation, directs it, without experience, into new channels, wastes its labour and its capital, and ultimately produces a melancholy picture of misery and ruin——The embargo came—and it is difficult to describe its desolating effects on the rapid growth and active industry of this nation; indeed, it seemed like a mound raised in the bed of a mighty river; suddenly arresting its course, driving the rich waters over its banks and wasting their bounties in the adjacent sands; or, marking on the barren surface, a hundred little rills, winding their way slowly to the ocean, whither the noble river once rapidly bent its course.

We are told by Mr. Baldwin, that our manufactures can never flourish until they are protected by prohibiting importations; but experience is worth all the high sounding declamation in the world; let us, therefore, turn back to the scenes exhibited in Rhode-Island in the two years after the passage of the embargo law: we shall learn more from this story than from a million of calculations.

Rhode-Island was, and is, in proportion to its population, the most manufacturing state in the union. Previous to the embargo, its manufacturing establishments were all flourishing, and the people were happy and busy. In December, 1807, the embargo was imposed; this law prohibited all importation of foreign goods, thereby compelling our farmers to buy of our own manufacturers; and it prohibited all exportation; by which, the farmer was also obliged to sell only to our own citizens; and the manufacturer enabled to buy his provision and corn at the cheapest rate. Here was an ample protection and a monopoly in one single act. These

powerful stimulants roused the gambling spirit of every man; and in every direction factories suddenly appeared like enchanted castles. Half the community turned manufacturers; physicians abandoned their patients; lawyers, their clients; merchants, their ships; and farmers were surveying their lands to discover streams suitable for mill-sites: the waters of every brook were stopped in their course, and compelled to contribute their power to the productive labour of the country. Cotton Factory stock accordingly mounted from 10 to 20, 30, 40, nay, more than 100 per cent! Such was the scene in 1808 and 1809. The old, and only, real manufacturers of the country, quietly watched the whirlwind, and paused till it rushed by. Their anticipations were unhappily too soon realized. The year 1810 arrived—The night of visions was passed, the morning light of reason dawned on a sad wreck of human industry and human happiness. Physicians, lawyers, merchants and farmers, who while they attended to their business, had accumulated comfortable fortunes for the support of their wives and children, in little more than two short years, found themselves bankrupts! Such are the blessings of prohibitions, bounties and monopolies. This is no wild fancy; it is but a faint sketch of that melancholy spectacle, which the town of Providence exhibited in 1810 and '11. The property of all who adventured, was entirely vested in cotton factory stock, which in many instances produced not more than one fourth of its cost, and this poor remnant was at last assigned for the benefit of their creditors.

The speculations and misfortunes of the town of Providence were realized here and there, throughout the United States during our late war; and had that war continued for ten years longer, it could not have saved our newly made manufacturers, from the loss and

bankruptcy, which must inevitably follow experiments unaccompanied with knowledge and experience. The business of manufacturing like every other must be learned before it can be practised. We cannot expect to accomplish in one generation that which has employed other nations for centuries. We have made wonderful improvements, because we had wonderful natural advantages ; and though our modern legislators may be of a different opinion, our manufactories would have now been in a better condition had they been left to the undisturbed operation of these natural advantages.

The town of Providence will never forget its severe lesson, and Legislators would do well to profit by it. They would do well, when they are about to pass such laws, to look back on this picture, and with a solemnity suited to the importance of the act, contemplate the consequences which will probably flow from it. Our Congress of the present time will recollect, that the embargo was adopted in 1807 by Mr. Jefferson, with the sincere and benevolent design of keeping this nation aloof from the quarrels of Europe and the calamities of war. It was not assumed from choice, but submitted to as an evil; because, it was regarded as a refuge from war. But we are now called upon voluntarily to immolate our families a third time, not from a hard necessity, but for the sake of encouraging manufacturing by machinery! Congress should well consider before they act, that such a virtual monopoly as charges a heavy tax on one branch of industry for the purpose of diverting some of the labour and capital already employed in it to another branch, is a dangerous and expensive experiment, which empties the purses of those taxed, and injures, if it does not ruin, those whom it was intended to enrich. These are consequences which have been visible in every country where Legislatures have undertaken to excite a control and direct individual industry.

With regard to our cotton manufactures, we have adopted a most singular policy; even if the advantages of the protecting system are admitted. They seem to have shared the peculiar attention of the government; we augment our duties on imports until our factories are full grown; and then, when every reasonable man knows, that they can and will protect themselves, we prohibit the coarsest cotton goods to encourage them. Is this for protection to infant establishments, or a monopoly of the domestic market to full grown capitalists? We must not be told that farmers, merchants, physicians, lawyers, mechanics, tradesmen and labourers may turn manufacturers and embrace the benefits of the system; we have had enough of that business already; and we had rather submit to the injustice of the monopoly than ruin our families by experiments in a business we know nothing about.

Considering that the Congress of the United States are legislating for the whole nation, and not for any particular section of it, one would think it would be important for them to reflect, that the crop of cotton of the year 1820 more than triples the annual average of the five years preceding the embargo of 1807. It has been, and is regularly augmenting; in 1816 the crop did not exceed 300,000 bales; the crop of 1819 was about 461,000 bales as follows:

Louisiana and Tennessee,	115,000
Mississippi and Alabama,	15,000
Georgia and South Carolina including a part of North Carolina,	297,000
North Carolina and Virginia,	34,000
bales	461,000

and it is probable the present crop will exceed the last by

750,000, making 536,000 bales. The quantity of cotton cultivated, will continue to augment until the price falls below 10 cents, as the business would be profitable even at that rate. It is therefore probable, that on an average of twenty years to come, we shall be able to produce three times the quantity wanted for our own factories, making the most sanguine calculations as to their prosperity This enormous amount of capital, which, we not only can, but *actually* do produce, ought to be of some consequence in the view of those whom we have appointed the representatives of *the people of the United States.* The policy of the government ought to keep in view the market for our surplus cotton. If on the other hand we adopt the wild scheme of coercing Great Britain and ruining her factories, by prohibiting the exportation of our cotton to England, it will terminate like our former experiments. It will not answer to tell us, there is no intention of prohibiting the exportation of our surplus cotton; a system which virtually affects it, is only a smoother way of doing the same thing: the difference is in form, not in motive or result.

It is of some importance to recollect, that though we have, from vicinity, an advantage over all other nations in supplying the European nations with cotton, the quantity is increasing rapidly in Brazil, and the quality is superior to ours. It is probable we shall not in the circle of twenty years be affected much by the East India cotton, as the best of it, in comparison with upland, feels like wool; ours is more soft and silky. When the price is low, importation from the East Indies will not be very extensive; and when it is high, ours with all other cottons will find a ready market. Upland and Louisiana cotton seem to be preferred

throughout Europe in the manufactures by machinery. And we should reflect that the factories in France, Germany and Switzerland are rapidly increasing. The Congress must determine whether it be wise to give up the advantage we actually enjoy in the production of cotton; an article wanted by the nations of Europe, and which they never can produce; to embrace an experiment the result of which would be the gradual diminution of this raw material and the increase of manufactures, the present business of all Europe and Asia: in other words, whether it be wise to sacrifice a capital which we do possess, that we may increase another, the profits of which would be smaller, even should we succeed (as may well be questioned) in forcing its growth; and we must recollect too, that this cotton is the produce of the labour of a population which will not become manufacturers in one hundred years. Would such a scheme add to the productive labour or augment the monied capital of this country?

What reason then have the Congress of the United States to adopt a policy hostile to the interests of all Europe? Is it to yield to Brazil a preference in the markets of Europe, that we may manufacture our 500,000 bales of cotton into goods, and when we have done so, seek in vain for a nation willing to buy the surplus? We should, in that case, require one of Bonaparte's decrees, and with the aid of fire dispose of the superabundant produce of our labour.

COTTON—*Continued.*

Mr. Baldwin says, " It is proper here to remark, that by estimating all cotton goods to have cost 25 cents a yard, and assessing the duty on that sum, the coarser cottons of India have been excluded ; and I beg the house not to lose sight of one fact, which is admitted by all to be true, that coarse domestic cotton goods are now made cheaper than they were ever imported. The remark is equally true of nails, and of every other article of which this country commands the consumption. The domestic competition will have this effect on every article."

This fall in the price of cottons is considered by those friendly to the establishment of the British system as an overwhelming fact, and is accordingly turned upon its enemies in whatever quarter they appear. Indeed, if what Mr. Baldwin says be true, we have made a most wonderful discovery, and the act of 1816, imposing a high duty on cotton goods, may rival any passed by the Congress of 1774, and truly be styled the " immortal act ;" for it has not only set our own internal industry in motion, but has operated within the circle, and upon the machinery, of every nation in the world : it is not only immortal but universal. If according to Mr. Baldwin, the low price of cotton goods is owing to this act, the Congress of the United States have but one more benevolent office to perform for mankind, and that is to prohibit the importation into this country of all goods and reduce the price of all the fabrics of the world ! Had Mr. Baldwin studied the industry of his own country more, and wandered less among the labyrinths of the British artificial system, he would have noticed and duly weighed those natural and previously existing causes, in comparison with which,

all legislation must be light, as the vanity of that man who undertakes to counteract the decrees of nature.

We shall now endeavour to show that the law of 1816 did not occasion the reduction in the price of coarse cottons, first by exhibiting the condition of our factories at that time and the circumstances of the trade in coarse cottons ; and then by noticing those general causes which have reduced the prices of all cotton goods throughout the world.

We have in the preceding chapter, traced the history of our cotton factories to the present time ; and have also noticed that their natural vigour was such, that though distracted by embargoes, restrictions and war, they still increased. In 1816 the Congress found them, with millions of capital, busily engaged in the manufacture of coarse cottons of almost every kind. The war was just over, its necessities no longer existed ; the people were not compelled to, nor would they pay war prices ; cotton goods consequently began to fall, and Congress to gratify our manufacturers, (as it was said,) prohibited the importation of coarse East-India cottons ; and this prohibition we are told produced the fall in prices. Now for ten years before that time, our cotton goods were infinitely superior to the coarser East-India cottons, which this law prohibited ; and the former were preferred by the farmers throughout the United States. Indeed, there was no competition between them ; for the common East-India goods are made of the poorest Bengal cotton, the staple of which is so short, that it more resembles the blossom of the sycamore than it does our cotton. The English and American manufacturers never use it, except when the

price of Georgia cotton is very high, and then only a small portion is mixed with other cotton. The Tumel cotton of Bombay, is of a better quality, but not so silky as Georgia. As these goods which are prohibited, are made of the poorest Bengal cotton, they tear very easily; and for shirts or such uses, are dear at any price. So satisfied were the American farmers of this, that long before 1816 they made use of very little for these purposes, and the merchants of the United States were compelled to export these East-India goods, principally to the Mediterranean, for the use of the lower classes of Turks and Moors and their women. Poor as these goods are, there are some uses to which, if they were not prohibited, they might be appropriated, without interfering in the smallest degree with our manufacturers who make no article so cheap and worthless. It is difficult to conceive how these goods could interfere in any important degree with our manufactures. Such then was the actual condition of our coarse cotton manufactures in 1816, enjoying as much of our home market as they could supply.

But other circumstances of a more general nature had lowered the price of cottons in almost every quarter of the earth. In consequence of the sudden flood of trade after the wars of the world were at an end, prices were raised to an unnatural height. To this general cause it may be added that the introduction and improvement of machinery in almost every nation, created an active demand for cotton; and accordingly we find the price of that article in 1816 at 32 to 35 cents per lb. Owing to the increased cultivation of the article and the sudden revulsion of trade, the price had fallen in 1820, when Mr. Baldwin was speaking, to 16 cents, and

will fall the present winter still lower. Had not Mr. Baldwin been blinded by his admiration of a favourite system, he might have supposed that a fall in the raw material of more than one half, was a much more natural cause of a fall in the manufacture, than any feeble experiments in legislation. *Secondly.*—There have been improvements made in machinery in England and in this country, (and some of the latter are not yet known in the former) by which the price of the manufacture is reduced. *Thirdly.*—The price of labour has fallen one third since 1816—a circumstance which has operated on the prices of all articles. *Fourthly.*—Activity of trade in 1816; the dullness of it in 1820. Owing to these causes combined, the prices of cotton goods of every description have fallen all over the world; and the following statement will clearly show, that in England where they have had no such prohibitory law (for they allow the importation of East India cotton goods to encourage their printing establishments) the fall in cotton goods has actually averaged 40 per cent; while the reduction in the price of cotton shirtings, under our prohibiting system, has been only 25 71-100 per cent.

UNITED STATES.

Price of cotton shirting (the article said to be protected by the prohibition of East India goods) in July and August 1816, at New-York, 15 to 20 cents—average quality	17½
Price of the same article in 1820, 12 to 14—average	13
	4½

Being a fall of 25 71-100 per cent.

ENGLAND.

	cents.
Cotton shirtings in 1816, from 10½d to 22d—average 16½d sterling.	30
Do. in 1820, 6 to 14d—average 10d sterling.	18½
	11½

A fall of 38⅓ per cent.

The above English shirtings are of the lowest quality that can be imported under our existing Tariff.

	fall.
Cotton sheetings in England averaged in 1816, 21d—in 1820 13½	36 per ct.
Printed calicoes, averaged in 1816 17½d in 1820 10d.	43 do.

But besides the reduction in the price in England, a similar effect has been produced in France, Germany, Switzerland; nay, wherever cotton goods are manufactured or consumed. Will Mr. Baldwin tell us that Congress has done all this? He might as well tell us that it has usurped the province of the sun and lowered the price of grain throughout the world.

Now the truth is, that so far from having reduced the price of coarse cotton goods, the prohibition has had a tendency to prevent these articles from falling as low as they would have done here, and as they have done in other parts of the world; because we have conferred a monopoly on our own manufacturers. It would be well for all ingenious legislators, who are fond of speculation, when they begin with tracing the course of a branch of industry, not to stop just at the point which suits their argument, but to follow its march through all its natural fluctuations, until they arrive

at the journey's end. He, whose patience will endure it, and whose mind is capable of pursuing the mysterious route of industry, will then perceive that he has made a complete circle and arrived at the very point from which he had first started. A monopoly (for a prohibitory law is virtually the same thing) being granted to the manufacturers of cotton or a particular kind of goods, the old manufacturers immediately abandon the manufacture of all other kinds and push forward in this. New adventurers in this stock try their hands but do not prosper; because they do not understand the business they undertake. The immediate effect of pushing this branch of business in a manufacturing nation, will be to produce a competition, which will terminate in reducing the price, making the business unprofitable and ruining a portion of those engaged in it; (this is what Mr. Baldwin calls the happy result which he wishes to produce in this nation, and what he considers the best and most friendly mode of encouraging manufactures.) This unprofitable competition ceases by a bankruptcy of a portion of the manufacturers; the quantity of goods manufactured is lessened, and those who understand their business and are prudent, have again an opportunity to enjoy all the advantages of a monopoly of the home market. Thus have we revolved with the wheel of industry and find ourselves at the starting point. The manufacturers (those who have weathered the storm) have, however, now an opportunity of enjoying all the advantages of their monopoly undisturbed; for few will be tempted a second time to be ruined by meddling with their business. This is the uniform march of industry in every country, whether the excitement springs from bounties or monopolies, or natural causes; under the influence of the former, the march is artificial, agitated and violent; of the latter natural, gradual and gentle.

The only difference between England and the United States, as the theatre of such a monopoly law, is, that all causes whether natural or artificial will operate more sensibly and quickly upon a thriving and enterprising, than a dense and settled population; and all laws exciting in their tendency, are consequently more dangerous and unprofitable here. The fluctuations of industry are too rapid from natural causes, and we need rather the moderating influence of time to mature our industry, than to be disturbed by legislative shocks or alarms.

It appears proper here to repeat the remark that where the population is principally manufacturing, as in England, and the home market small, the prices of cotton goods on an average of years would be low, with or without a monopoly. Indeed in such a condition the effect of a monopoly upon prices would be small. But reverse that condition; suppose us in the United States with a small manufacturing population in proportion to the remainder; and the whole population on an average of years actively and profitably employed and doubling every twenty-five years; is it not evident that these causes will operate to make a manufacturing monopoly a heavy burthen to the people so long as they exist and so long as we have a wilderness to settle?

But if there are any who still believe, notwithstanding the foregoing circumstances, that the prohibition of East India cotton goods in 1816 did lower the price of cotton shirtings at home, they will hardly be able to withstand one fact—the goods had declined before the law was passed, were declining rapidly when it was passed and the operation of the law had a tendency to check for a time that fall, which was inevitable from other and natural causes. The fol-

lowing table of prices in New-York will best explain the decline:

	In 1815 the price was as high as	28 cts.
	1816 May	22 to 24 cts.
Law 30th June	—— June, July, August	15 — 20
	—— October	15 — 17
Law in full operation	1817 April	22 cts.
	1819 January	19
	—— April	14 to 16
	1820 Average in the year	13 cts.

As to nails, with which Mr. Baldwin concludes his remark, it was among the earliest manufactures which reached maturity in this country, and long before he had any thing to do with Congress, or we had thought of the advantages of prohibitory laws.

Our present duty of twenty-five per cent on cotton goods is high enough for revenue. Our cotton factories never flourished more than they did under our old and moderate duties, long before the war, and certainly do not stand in need of high duties now. Let Congress pass what laws they please, they will find that all cotton manufacturers, who understand their business, will protect themselves. This business is as profitable at this moment as any other in the nation and, without the agency of war stimulants, is absorbing gradually a portion of that capital, which has hitherto been otherwise employed. To hurry this transfer by legislative interference would be doing these manufactures a positive injury.

HEMP.

Mr. Hamilton says, "In respect to hemp, something has been already done by the *high* duty imposed upon foreign hemp. If the facilities for domestic production were not unusually great, the policy of the duty on the foreign raw material, would be highly questionable, as interfering with the growth of manufactures of it. But making the proper allowances for those facilities, and with an eye to the future and natural progress of the country, the measure does not appear, upon the whole, exceptionable." In comparing cotton with this article, he says, "not being, like hemp, an universal production of the country, it affords less assurance of an adequate supply." This *high* duty to which Mr. Hamilton refers, was 54 cents per 112 lbs. or $10 80-100 per ton.

Mr. Baldwin says, "this article now pays a duty of $30 per ton, the wholesale price of which is $240, equal to 12½ per cent ad valorem; the proposed increase will be 21 per cent." He proposes a duty of $50 per ton, near five times the rate established in 1790, which Mr. Hamilton then called a high duty.

It must be remarked, that it would be paying Mr. Baldwin's sagacity a poor compliment to suppose, that he really believed that $30 per ton on hemp, was only "12½ per cent ad valorem." These mistakes are natural to men, when they talk on subjects with which they are not by habit familiar; but with regard to Mr. Baldwin, whenever he wishes to produce a certain result, he adopts his own rule of ascertaining an ad valorem duty, without regard to that mode which has been acted upon by our custom-house from 1790 to the present time. At pleasure, and with much dexterity, he shifts his

ground; sometimes it is a New-York price-current, sometimes the wholesale, sometimes the retail price, and sometimes the actual cost. Those familiar with the subject know that a printed price-current is generally as solid a basis for calculation, as the Treasury books would be to ascertain the balance of trade. The present wholesale price of hemp in the New-York market averages $195 per ton. This, however, has nothing to do with an ad valorem duty, which must be calculated on the cost, adding 10 per cent if from Europe, and 20 per cent if from beyond the Cape of Good Hope.

The present duty on this article being $30 per ton, let us ascertain what ad valorem duty has been paid by the importers of 92 bundles into New-York. These items are taken from an actual invoice :—

92 bundles weighing 5040 poods with export duties, commissions, &c. actually cost—	$11,318 89
Custom-house, 10 per cent—	1,131 89
	$12,450 78

5040 poods, at 63 poods to the ton, would give 80 tons—but as there is always a loss of about 2 per cent in the weight, 5040 poods will not yield more than 78½ tons, which at $30 per ton duty, is	$2,355 00

Making an ad valorem duty of 18 11-12 per cent.

But a very intelligent American merchant, long resident in St. Petersburg states, that the *average* price for many years, reduced at an average exchange, is per ton, $110.

That the expenses of shipment vary from 15 to 18 per cent—the average of which being 16½ per cent, is	18 15
	128 15
Add U. S. custom-house 10 per cent	12 81
	$140 96

$30 per ton, on $140 96-100, making 21 21-100 per cent ad valorem.

Mr. Baldwin proposes a duty of $50 per ton, which would be equal to 35 46-100 per cent ad valorem, and not 21 per cent as he states.

Perhaps there is no article, the progress of which in our country more satisfactorily proves the fallacy of those arguments, which would persuade us that legislation, even when not counteracted by natural causes, can direct or control the industry of a nation.

Mr. Hamilton, in 1790, thought ten dollars eighty cents per ton was so high a duty that it might interfere with the makers of cordage; but was consoled with the anticipation that it would encourage the growth of the article at home, because it might be cultivated in every part of the country, and consequently gave a much greater assurance of an ample supply at home than cotton did. It must be recollected that Mr. Hamilton referred to the Atlantic States—Kentucky was then a wilderness. Now it happens that after thirty years experiment, the reverse of his prophecy has been realized, both as to the raw material and the manufacture of it. In the year 1820, after tripling the duty, there has not been one ton of American hemp in the market of New-York, the largest city in the

United States; while on the other hand, no country in the world can manufacture better cordage and very few equal to it. It is also proper to remark that the manufacture of cordage was profitable in this country 20 years ago.

The failure of an experiment of thirty years ought at least to prove that there is no propriety in charging a useful and flourishing manufacture with an exhorbitant duty of 50 dollars per ton on the raw material. But let us enquire into some *natural* causes which will tend to increase the cultivation of hemp in this country more than the feeble and unequal influence of augmenting duties and changing our system of revenue.

The hemp brought to St. Petersburg is produced principally in the provinces of Toola, Calouga and Orel (to the south of Moscow) and a considerable quantity still further to the south and west of these provinces.

The Berkovits, equal to 360 lbs. English, costs in the interior, 65 rubles; the average value of each ruble is 19 cts. At which rate a ton of 2,240 lbs. English, would cost at the places where it is grown, a fraction less than	$76 85
The difference between the prices in the interior and at St. Petersburg is as 65 rubles is to 90; there must consequently be a large profit made by the hemp merchants trading with the interior. As this profit is too large to be certain, on an average, we will moderate the rate to make the natural advantage, per centum, as small as it well can be.	
On an article so troublesome and bulky, a fair profit would be 10 per cent; it is not one half the actual profit	7 68
The transportation charges, by averaging the distances and costs are estimated at 10 per cent	7 68
The export duty and charges at St. Petersburg average 16½ per cent on 110 dollars	18 15
Insurance 3 per cent on $128 15	3 84
	$37 35

Brought over	$37 35
To place funds in Russia to buy hemp, would give an advantage to the American farmer of at least 3 per cent on $128 15 for loss of interest	3 84
A fair average freight per ton from St. Petersburg to New-York, including primage, is	25 00
	$66 19

making 86⅛ per cent natural advantage; to which, if we add our duty of 30 dollars per ton, it makes $96 19-100 charges on one ton of hemp, the actual average cost of which, is $76 85-100 or 125 1-6 per centum on the value at the farm.

In calculations of this sort it is impossible to reach that mathematical certainty, so desirable to every one who treats on human industry, operated upon by profit and loss; but every man of sound sense will perceive, that the advantage arising from these natural causes, when we consider how it is augmented by incidental circumstances, must in an average of years actually exceed the preceding estimate; and probably would not vary far from 200 per cent. The circumstances, which favour the grower here and have not been embraced in the preceding calculations, are the following:

1st.—It is well understood that the business of cultivating hemp is very profitable to the farmers in Russia. Some reduction may therefore be made from the estimated cost ($76 85-100 per ton) and still leave a reasonable profit to the farmer. If for example the cost (leaving a reasonable profit to the farmer) be 66 dollars, the charges being $96 19-100 would give 145⅛ per cent. If the extra profit to the farmer of $10 85-100 (which probably exists at the present moment) be added to the $96 19-100 before stated, it would give $107 4-100 charges and extra profit on 66 dollars, making

near 162½ per cent; this extra profit is however only a matter of conjecture.

2nd—The merchant's profit, however, which is not wholly embraced in the preceding calculation, is not a matter of conjecture; for it actually exists at this moment. The profit to the merchant, who buys the hemp in the interior and conveys it to St. Petersburg for sale, is stated at 10 per cent in the estimate; it is probably at least 20 per cent; for while the price in the interior is 65 rubles the berkovitz of 360 pounds, the St. Petersburg price is 90 rubles. After deducting the transportation charge of 10 per cent, it leaves a profit to the merchant of more than 25 per cent. This we have estimated at 10 per cent. It is well known that this is generally a very profitable business in Russia.

3rd—The expense of transporting one ton of hemp from the provinces in the interior, to St. Petersburg is stated at $7 68 Every one must be sensible that this is a very moderate estimate, when they consider that these provinces are beyond Moscow, and that Moscow itself is 728 werstes, (about 524 English miles) from St. Petersburg. The expenses at St. Petersburg and the other charges are easily ascertained; and calculations may safely be founded upon them.

Were we to take into view all the circumstances, which on an average, tend to augment the price of hemp till it reaches the American market, they would probably amount to 250 per cent on the price of cultivation, including a reasonable profit to the farmer; but in estimates of this kind, we must make some allowance for its

transportation in the United States; and some allowance for the profit of the merchant who trades in it here. These natural advantages are also very important on iron, glass, coarse linens, coarse cottons, coarse woollens, utensils for farming, indeed on every article absolutely wanted by the great body of the people of the United States; and those manufacturers, or agriculturists, who calculate upon these natural advantages and place no dependence upon duties, will be most likely to grow rich. For the cultivator of hemp there are other inducements not less to be considered. We have a most extensive and increasing market for every ton of hemp which can be produced equal in quality to the Russian; and amidst those violent and ruinous fluctuations, which bring the prices of grain down to little or nothing, hemp not being of a perishable nature, may be laid up till trade revives again. The cultivation of hemp is considered very profitable in Russia, and it is to be hoped our farmers will soon turn their attention to it.

But these manifest and important advantages, naturally existing, never can operate upon our agricultural industry, while our farmers continue to make money by cultivating those articles, which afford them a steady and certain profit: no prudent man who has a family to maintain, will give up a certainty for an uncertainty; and no free or prudent man would thank his government for giving him a hint, or compelling him to abandon the business which he understands, and undertake a new one, however great may be the prospect of profit. When they begin to lose by tobacco, corn, cotton, rice, wheat, &c. &c. they will, without *an order from government*, turn their attention to hemp, or any thing else, by which they may be able to maintain their families; and in such cases, as they must try a new and uncertain business, they will consider it a fa-

vour, in members of congress to leave the range of their calculations and wishes as free and expansive as possible. The Farmers of the United States cannot, with all these natural advantages, make money on hemp, until, after some years of fruitless labour and experiment, they learn how to bleach and prepare it for market, after the earth has performed her office.

If then, all these weighty natural causes, assisted by other equally weighty circumstances amounting to nearly 200 per cent, have failed during 30 years of increasing trade, to encourage our farmers to cultivate hemp; with what gravity can we treat the system of those theorists who believe that the fate of our manufactures or productions depends upon the augmentation or reduction of our duties 5 or 10 per cent!

IRON.

BAR-IRON NOT ROLLED, i. e. *Russian and Swedish.*—In 1790, Mr. Hamilton says, "A question arises how far it might be expedient to permit the importation of Iron in pigs and bars free from duty?" He proposes the question and concludes that "it ought, perhaps, rather to be contemplated, subject to the lights of future experience, than immediately adopted."

The duty was then 5 per cent; in 1792, 7½ per cent. It is worthy of remark here, that Mr. Hamilton states the price of iron in 1790 to be $80 per ton, and that the price in 1820 is $87½ per ton, which is not equal to the former, if we deduct from the latter the difference between the duty of 1790 and that of 1820—this difference being $12 per ton. There is perhaps no article, which has, after a lapse of 30 years, returned so exactly to its old price in our market.

Relative to this article, Mr. Baldwin breaks out with some transport, and concludes with a statement as correct as usual. It would be doing him injustice, not to give his own words. "It is a matter of the most perfect astonishment," says he," that so important an article should have been not only so perfectly and wantonly abandoned by the present Tariff, but pointedly selected for reprobation by a strange policy, which, whilst it raised the duties on most other articles, reduced that on iron nearly 100 per cent.* From

* The commercial world would be indebted to Mr. Baldwin to explain what he means by a reduction of nearly 100 per cent in the duty on Iron.

1804 until 1815 it was 17½ per cent, and until 1816 at 15 per cent—a duty which might have been saved these interesting establishments, thus apparently destroyed by design. Pigs and castings in 1816 paid 15 per cent ad valorem ; bar iron $9 per ton ; in 1818 the duties were increased to 50 cents a cwt. on pigs, and 75 cents on castings and bar iron. It was raised in this house to $20 per ton, but reduced in the Senate to $15." The following statement of the duty at different periods is the best comment on these remarks and lamentations :—

In the early period of our trade iron was lower than it is now. Mr. Hamilton tells us, the average price was $64 per ton in our market before the revolution ; it is therefore presumed that at that time the cost abroad rather fell short of, than exceeded $50 per ton. Any variation, however, of the cost can make but a trifling variation in the duty.

	Per ton.
In 1790 5 per cent on $50, the cost on board, and adding 10 per cent, equal to a specific duty of	$2½
1792 7½ do do do	$4½
1800 12½ do do do	$6⅞
1804 to 1812 15 per cent do This included the Mediterranean duty.	$8 25

During the war, the duty was doubled, and the Mediterranean duty continued. In 1813, a cargo was imported into New-York which cost £9 sterling on board. In 1814, a cargo was imported which cost £13 sterling ; the rise having been occasioned by the revival of trade in Europe.

Per ton.

The average is £11 sterling, or $48 88-100
adding the custom-house 10 per ct. 4 89

$53 77 at 27½ per cent $13 82

1815—Since the war the price has
averaged £14 sterling per ton $62 22
add 10 per cent 6 22

$68 44 15 per cent $10 26

1816—The duty was made specific at $9
1818 do do $15

Thus it appears that the *existing* duty on bar iron is actually more than ever was charged before, not excepting the war duties. He now proposes a duty of $25 per ton, and with great gravity tells us, "it would be only 25 per cent, the same as on cottons and woollens now." Before Mr. Baldwin calculates another ad valorem duty to instruct the people of the United States, it would be well for him to ascertain, from one of the clerks in the Treasury Department, the rule established under the law of the United States. The existing duty of $15 per ton on iron is, according to that rule, an ad valorem duty of 22 per cent at the average cost in Sweden since the war; and $25 as proposed by Mr. Baldwin, would be equal to 36½ per cent ad valorem.

Before any additional duty is laid on Swedish and Russian iron, it would be well to recollect, that our best iron manufactures are

made of it; that this foreign iron generally sells for 10 to 15 dolls. per ton more than the American; for a reason not much in favour of our own manufacturers of bar iron, viz. that although American iron is intrinsically best, Swedish and Russian iron is more *faithfully* worked. Should Congress augment the duty, they will undoubtedly compel our blacksmiths, manufacturers of nails and farmers utensils to use iron not faithfully worked; for Swedish iron barely pays a commission when imported, even under our present duty. If the present duty is continued, and the importation allowed, our own manufacturers will soon find it for their interest to work their iron better, the only thing wanting to make it more valuable than any foreign iron: without competition this improvement will not take place in this generation.

But independent of all the advantages of this artificial system, let us consider what are those permanent and natural encouragements of which no legislation can deprive our own manufacturers.

The natural advantages enjoyed by us over the *Russian* manufacturer of bar iron, in our own market, are very great; but our importations of this kind of iron have been of late very limited. Of all foreign iron, the Swedish is most used at present by our manufacturers, and for waggon and chair tire. The best Swedish iron is from the mine of Danemora; but that is always contracted for by the English and never reaches our market. The kind we have heretofore received has been generally from the province of Wermland, passes through lake Wenern, and by the lock of Trollhættan, and the Gotha Elf reaches Gottenburg.

The average cost of iron in the interior may be fairly estimated, per ton, at		$40 00
The transportation to Gottenburg, at	$5 00	
Shipping charges and export duty, estimated by an actual invoice of 400 tons,	7 50	
Freight and primage,	10 00	
Insurance 2 per cent on $60 the cost on board,	1 20	
Loss of interest by placing funds in Sweden, 2 per cent,	1 20	
Permanent charges,	$24 90	
Incidental charge for the profit of the trader between the interior and Gottenburg,	5 00	
	$29 90	
Legislative charge by our existing duty, per ton,	15 00	
		$44 90

Making the permanent and incidental charges equal to 74¼ per cent on the cost at the mines; to which if we add our duty, the charges now existing are $44 40 cents on $40, the cost at the mine; giving to the American, an advantage of 112½ per cent over the Swedish manufacturer of bar iron.

One would think these advantages afford ample encouragement to those engaged in the manufacture of bar iron without any additional duty; and they no doubt will be found sufficient whenever other and profitable branches of industry can spare the labour necessary to work our mines.

We must again notice the insignificance of the duty mentioned with some importance in the Report of Mr. Hamilton, when we compare it with the charges just stated.

SPADES AND SHOVELS, pay a duty at present of 20 per cent ad valorem. Mr. Baldwin proposes to make it a specific duty of 25 cents each.

The following is copied from an invoice :—

No. 0—28	cost in shillings,		
1—30			
2—32			
3—34			
4—36			
160			
Discount 25 per cent 40			
120	shills. sterl. for 5 doz. is		
	24 shills. for 12 spades or	$5	33
	Charges,	0	26
		$5	59
	Custom-House 10 per cent		56
		$6	15

12 spades at 25 cents each is $3 duty on $6 15 or 48 78-100 per cent ad valorem.

CASTINGS pay a duty of $15 per ton. Mr. Baldwin proposes $30, which, as they cost 15 shillings sterling per hundred, or £15 sterling per ton would be a duty ad valorem of 38 1-10 per cent. English and Scotch pots and kettles are preferred to ours because they are much thinner, less liable to crack and more handy. Cambouses and machinery castings are generally made here.

HOOP IRON, pays at present $50 per ton. Mr. Baldwin proposes $60 per ton. It costs £18 sterling per ton which would be 65 per cent ad valorem.

Sheet Iron, at present pays the same duty, and $60 per ton is also proposed on that. The thickest sheet iron costs £18 sterling, and the duty would be 65 per cent. On thin sheet iron the duty would be near 78 per cent ad valorem.

Rolled Iron, in bars and bolts, on an average of sizes, costs £8 15 shillings per ton. It now pays a duty of 30 dollars per ton; Mr. Baldwin proposes 40 dollars, which would be an ad valorem duty of 39 per cent.

Iron Wire, not over No. 18, pays at present 5 cts. per pound. The average price being 4d. sterling per pound, the ad valorem duty is about 59 per cent. Wire over No. 18, pays 9 cts. per pound duty. The average price being 11½d. sterling per pound, the ad valorem duty is about 37 per cent.

Anchors.—The duty is proposed to be reduced from $44 80 cts. per ton to 40 dollars per ton; the latter being about 100 per cent ad valorem; but is of no importance, as we have at all times a surplus of our own manufacture better than the English, which are made of inferior iron. The duty is now a mere nullity and reducing the rate, can produce no effect whatever.

Pig Iron.—The present duty is 10 dollars per ton; Mr. Baldwin proposes 15 dollars per ton, which would be an ad valorem duty of at least 50 per cent. It is however seldom imported.

Nails.—The present duty is 4 cts. per pound; Mr. Baldwin proposes 5 cts. The cost of 8 penny and 10 penny nails, averages 4½d. sterling per pound; the proposed duty would be ad valo-

em 52½ per cent on wrought nails. The English wrought nails, are better worked and sell at higher prices than ours, although the quality of the iron we use is best. Cut nails are however so generally used, that there is only a small demand for 8 penny and 10 penny wrought; and consequently very few of the latter imported. The additional duty ought not to be imposed with the expectation of increasing the revenue, and our nail manufacturers cannot ask a duty to protect them; they can protect themselves now as to cut nails: and may do the same with wrought nails when they bestow sufficient labour to work them faithfully. They have a great advantage in the quality of iron, as English is inferior to Russian, Swedish, or American. Our own cut nails are better than the English, and will sell more freely; this has been the case for twenty years, and before we had any prohibitory duty, of which character we may consider the present duty.

It is amusing to compare this list of duties on manufactures of iron with the small duty of 1790; and to read what Mr. Hamilton wrote on that subject at that time. After speaking of castings, edged tools, hollow ware and iron manufactures generally, he says, "to *insure* the end (the manufacture of them at home) it seems equally safe and prudent to extend the duty ad valorem upon all manufactures of iron, or of which iron is the article of chief value to 10 *per cent*;" our present duty averages more than 50 per cent. This article may be concluded with the remark that our greatest improvements in iron manufactures generally, were made twenty years ago under our old and moderate duty: we then made nails, anchors, axes, plough-share moulds, and many other useful articles equal to any in the world. Our high duties have improved no branch of iron manufacture: the only tendency they have is to exclude from our

market all foreign utensils, however great may have been the improvement in plan or workmanship; thereby preventing our own manufacturers from possessing these models, or appropriating to themselves the daily inventions and improvements of other nations; a remark applicable to all manufactures.

LINENS.

The minimum valuation of 25 cents per square yard, introduced for the first time into our Tariff of 1816 on cotton goods, having, according to Mr. Baldwin's opinion, succeeded so admirably, he proposes to adopt the same rule with coarse linens; calculating, no doubt, that in four years time we shall see low priced linens, under the influence of this magical system, reduced to one half their present value. As flax however may not fall, nor the price of labour; and as we may be still obliged to manufacture linens much after the old fashion, it would be well for us to know how much per cent ad valorem we should actually pay under the proposed duty.

Osnaburgs of the inferior kind, cost per running yard of 25 to 26 inches wide	6d sterling.	
on which a bounty is allowed per running yard	1½	
Per running yard of 25½ inches wide	4½	
The square yard would cost	6 35-100d	
	cents.	*mills.*
or	11	7½
Shipping charges		6
	12	3½
Custom House 10 per cent	1	2½
	13	6
According to Mr. Baldwin's plan the square yard must be estimated at	25 cts.	
And to this amount must be added the bounty; the running yard being 1½d, the square yard will be 2 12-100d sterling, or	3 93	
cents.	28	93-100

28 93-100 cents at 25 per cent is 7 23-100 cents duty on 13 cents 6 mills (being the actual cost with 10 per cent) or 53 24-100 per cent ad valorem.

The *lowest priced brown linen or holland* ¾ of a yard wide would cost 6½d sterling—bounty off 1½d leaving 5d per running yard would pay an ad valorem duty of 49 per cent.

Brown linens or holland and *half bleached linens* ¾, ⅞, and a yard wide; *Drogheda linens, twilled sackings, low priced bed tickens,* and *checks* of average quality will cost, bounty off, 7½d sterling per yard of ¾ wide and would pay a duty of 40½ per cent. A piece of *Silesian brown linens* or *hollands* of common quality, containing 36 yards, costs 12 current marks or 9 6-10 marks banco (each mark banco equal to one third of a dollar) or $2 20 for 36 running yards,

	cents.	*mills.*
or per square yard	11	8½
Shipping charges in Hamburg		6
actual cost	12	4½
Custom house 10 per cent	1	2½
	13	7

This square yard of Silesian linen would pay 25 per cent on 25 cents, being 6¼ cents duty on what actually costs, with 10 per cent added, 13 cents 7 mills, or 45 72-100 per cent ad valorem. The farmers of the United States may thus see that they would be compelled to pay on these necessary articles, an average duty of 47 per cent; while the rich man would pay only 25 per cent on fine linens, table cloths &c. How long this tax on the people of the United States is to continue, before our linen manufacturers make their goods cheap, by a competition in the home market, Mr. Baldwin has not informed us. Before we consent to this tax, it would be well to ascertain from him, how many generations he expects it will be.

GLASS.

The community at large are deeply interested in the manufacture of glass, as it is used by every man, whatever may be his means; and whether we consider it an object of taxation, by imposing duties upon the importation, or internal excise on the domestic manufacture, the amount collected must contribute largely towards the support of government.

Mr. Baldwin here confesses that he has not neglected his constituents in Pittsburgh; and if the interest of the people of the United States had not been at the same time neglected, every American would wish success to his schemes for increasing their industry and wealth. But every American must believe, that, rich in the enjoyment of great natural advantages, and assisted by its uncommon enterprize, the town of Pittsburg will become one of the most flourishing in the United States, without poisoning the arteries of its industry with the deleterious stimulant he proposes, or soliciting support from the other branches of industry in this nation.

Mr. B. tells us he has done *something* for glass manufacturers. How much, we shall better know when we get through with this examination. When the mysteries of his new method of ascertaining the duty are unfolded, we shall discover, that it was intended to prohibit all importation of articles of primary necessity, and thereby *compel* the people of the United States to buy only from our own manufacturers; to deprive them of one of the first rights of freemen, the right of using their money to the best advantage: and the object of this sacrifice was to confer a virtual monopoly on our glass manufacturers; to pamper them with sudden and great

profits; produce more speculation; as a natural consequence bring forth in a few years petitions to the Congress of the United States, praying for the institution of that board, which Mr. Hamilton intended should feed our internal industry with bounties; and as we shall have occasion to show by the invariable fate of British manufactures, imposing a perpetual tax on a large portion of the people to maintain all those occupied in this branch of industry.

Mr. Baldwin enters into a curious calculation about bounties and drawbacks upon glass ware, which is quite as sound as the rest of his system. He tells us that upon an invoice, imported into Boston, "amounting to £129 sterling in value, the British bounty amounts to $120, our import duty of 20 per cent to 114, leaving a *clear profit* of six dollars." That "with the addition of the excise draw-back on an invoice of £550 sterling, the importer after paying all export duties, freight, insurance, commission, and all charges, makes a *clear profit* of 51 pounds." The plain English of all this Greek is as follows:—

		cents.	*mills.*
When an Englishman buys a common half pint tumbler for his own use, he pays for it		6	8
To which we must add a tax levied upon him in another shape to enable government to support the manufacture by a bounty		1	2½
Whole price of a tumbler 4⅛*d.* sterling,		8	½
When an American buys the tumbler for exportation to this country, the excise or tax which is included in the above price is deducted or allowed; and this is called drawback of excise. this amounts on a half pint tumbler to 2⅛*d.* sterling, or	4 8½		
The bounty paid the manufacturer is also allowed to the American purchaser	1 2½		
		6	1
Leaving		1	9½

Being a fraction less than two cents, which is all the American merchant actually pays for the tumbler; and is about equal to the price which he pays for a similar article bought at Hamburgh, Bremen or Trieste, of Bohemian manufacture.

It would be fortunate for the American merchant were Mr. Baldwin's calculations about drawbacks substantial; but they have sustained heavy losses on the importation of glass during the last three years, all Mr. B's logic to the contrary notwithstanding. No logic can persuade them that the tax, which the poor man in England *would have paid* on this half pint tumbler, had he been the buyer, nor even the bounty, which he does pay, can by any mathematical or magical process, be converted into a profit to the American, who might purchase a Bohemian tumbler for the same price.

If our glass manufacturers really do want more encouragement and protection now, it is a fatal comment on the system advocated by Mr. Baldwin; for upon looking back to 1790 we find this branch of industry apparently selected as a special favourite. While most other articles were charged with 5, 7½ and 10 per cent, a duty of 12½ per cent was imposed on all glass imported; and that duty had existed before 1790. After a lapse of 30 years we find many of our glass manufactories in ruins, not owing to a want of duties, but to a fatal war stimulant, from which they are now rapidly recovering. Not satisfied with this severe, but wholesome lesson, we are now solicited to apply another stimulant, which would be similar in its effects.

Mr. Baldwin proposes the following rates:

On Cut Glass, which at present pays a duty of 30, he proposes

35 per cent; and before this duty is calculated, all drawbacks, discounts and bounties are to be added to the actual cost. The operation of this new mode of estimating duties appears from the following statement at the actual factory prices in England:

100 of the most *inferior cut* TUMBLERS, at the factory price 2.s 2d. per lb. weighing 37 lbs. is	£4	0	2
The manufacturer allows a discount of 1-3	1	6	8
	£2	13	6
Deduct the drawback of the excise 98s. bounty 25s. making 123s. per 112 lbs. on 37 lbs. is	2	0	7½
		12	10
The cutting 100 tumblers at 1½d.		12	6
	£1	5	4½
Shipping expenses 5 per cent		1	
The actual cost	£1	6	4½
or	$5	86	
Custom-house addition 10 per cent		58	
	6	44	
The above amount of drawback and bounty is 46s. 7½ pence, or	9	02	
	$15	46	

$15 46 at 35 per cent is $5 41 duty on 100 tumblers which (after the Custom-house 10 per cent is added) cost only $6 44, or actually an ad valorem duty of 84 per cent; while upon the face of the Tariff it appears to be about 35 per cent.

It is proper to remark that if Mr. Baldwin's New Tariff should go into operation, most of the first importations of glass, similar to the above, would be charged with a duty of 115 per cent, by adding the *discount* allowed of 33⅓ per cent or 26s. 8d. as stated; this

is however omitted, because the merchant or manufacturer would soon have the sagacity to omit these discounts altogether, and evade the additional duty. The calculation made is on a permanent basis.

Invoice of one hundred *common pint decanters* fingered, weighing 70 pounds at 2 4d.	£8	3 4
deduct 33⅓ per cent discount	2	14 5
	£5	8 11
Deduct the drawback and bounty on 70 pounds at 123 shil. per cwt.	3	16 10½
	£1	12 0½
Add the expense of cutting and fingering 100 decanters at 3½d.	1	9 2
	£3	1 2½
To which add 5 per cent for shipping charges		3 ½
The actual cost sterling	£3	4 3
Or,	$14	28
The Custom-house 10 per cent		1 42
	$15	70
Add the amount of drawback and bounty £3 16 10½ sterling		17 08
	$32	78

$32 78 at 35 per cent is $11 47 duty on 100 pint decanters, which cost (including Custom-house 10 per cent) $15 70, or an actual duty of 73 per cent ad valorem.

The *cut and fingered tumblers*, which are most generally imported into the United States for table use, are of a better quality than those mentioned in the first statement of duty: one hundred

of this kind, weighing the same and on which a charge is made of 3½d. each for fingering and cutting, would, under Mr. Baldwin's Tariff, pay a duty of about 70 per cent ad valorem.

For the satisfaction of those who wish to understand the character of Mr. Baldwin's Tariff thoroughly; (having exhibited the high duties charged on inferior cut glass used by the farmers, nay by nine tenths of the nation) we will now calculate how much the extravagant man and large capitalist would pay in an indirect tax upon some of the furniture of his table:

100 *elegant cut glass tumblers* weighing 50 lbs. at 2s. 2d.	£5	8 4
Discount 1-3d.	1	16 1
	£3	12 3
Drawback and bounty on 50 lbs. at 123s. per 112 lbs.	2	14 11
		17 4
Rich cutting and fingering 1s. 6d. each	7	10 0
	8	7 4
Shipping charges 5 per cent		8 4
Actual cost,	£8	15 8
or	$39	03
Custom-house 10 per cent		3 90
	$42	93
Add the drawback and bounty £2 14 11]		12 20
	$55	13

$55; 13 at 35 per cent is $19 30 duty on $42 93 or 44 96 per cent ad valorem.

PLAIN OR UNCUT GLASS, pays a duty at present of 20 per cent.

Upon this sort of glass Mr. Baldwin proposes to charge ten cents per *lb.*

One hundred COMMON UNCUT TUMBLERS, weighing 25*lb.* at 2*s.* 2*d.*	£2	14	2	
Discount, 33 1-3 per cent		18	0½	
	£1	16	1½	
Drawback and bounty on 25*lb.* at 123*s.* per 112*lb.*	1	7	5½	
Nett price of 25*lb.* in England,	£0	8	8	
Or per pound,				4 16-100
Charges 5 per cent				21-1 00
				4 37
Custom-House 10 per cent				43
Pence sterling				4 80-100
Or cents				8 88-100

Thus 4 common tumblers weighing 1*lb.* cost (with the Custom-House 10 per cent added) 8 cents and 88-100 which would pay a duty of 10 cents or 112 61-100 per cent ad valorem.

One hundred COMMON UNCUT PINT DECANTERS weighing 62*lb.* at 2*s.* 4*d.*	£7	4	3	
Discount 33 1-3 per cent	2	8	2½	
	£4	16	5½	
Drawback and bounty on 62 pounds,	3	8	1	
Nett price of 62*lb.* of pint decanters,	£1	8	4½	
Or per pound,				5 50-100
Charges 5 per cent,				27
				5 77
Custom-House 10 per cent				58
Pence sterling				6 35-100
Or				11¾ cents.

Thus one pound of common uncut pint decanters, which costs, with the Custom-House 10 per cent added, 11½ cents would pay a duty of 10 cents or 85 11-100 per cent ad valorem.

Mr. Baldwin's Tariff would then operate on the different classes of society in the single article of half pint tumblers as follows:

The poor labouring men in the community, commonly use the plain or uncut half pint tumblers, upon which they would pay an indirect tax per cent, 112 61-100

The farmers and mechanics of moderate means who use the common cut tumbler, would pay 84

The farmers of property and the great body of the people in towns and cities, who use the cut tumbler of fair quality, would pay 70

The capitalist and extravagant gentleman would pay on elegant cut glass tumblers, 45 94-100

Either, these rates would fall thus unjustly on the different classes of society, or the operation of the New Tariff would assume another character still more hostile to the interests of a free people. It would prohibit altogether the importation of all such common half pint tumblers as are used by nine tenths of the people; and they would be compelled to pay our manufacturers their own price, as was the case during the war; while the rich and extravagant, could either buy of our own, or foreign manufacturers at their pleasure.

WINDOW GLASS. This necessary article paid in 1790 12½ per cent ad valorem. It now pays $2½, 2¾, and 3¼ per 100 feet according to the size; Mr. Baldwin proposes $3, 3¼ and 3½, which would be on *English crown glass*, as follows:

6 by 8, costs 35*s*. less 10 per cent discount leaves 31*s*. 6*d*. per 100 feet—adding the Custom-house 10 per cent makes 34*s*. 8*d*. or $7 72 which would pay $3 duty or 38 7-8 per cent.

100 feet of 7 by 9 glass costs 40*s*. less 10 per cent discount, 36*s* 10 per cent added at our Custom-house make 39*s*. 5*d*. sterling, or $8¾ which pays $3 or 34 29-100 per cent.

12 by 9 costs 46*s*. deducting the discount and adding 10 per ct. as above pays $3¼ or 32½ per cent.

12 by 10 costs 50*s*. pays $3¼ or 29 55-100 per cent.

14 by 10 costs 54*s*. pays $3 75 or 33 76-100 per cent.

18 by 12, the largest size, costs 64*s*. pays $3 75 or 26 68-100 per cent.

Window Glass is sometimes imported from England in crates containing 24 half sheets or tables; as only 100 feet of Window Glass can be cut out of 150 feet superficial measure, (by which measure the duty is calculated) this kind of glass would pay a duty of 50 per cent ad valorem. This glass is imported for the purpose of being cut up here, and the duty is augmented by the circular form of the plates; it would otherwise pay a duty of 33⅓ per cent.

The preceding calculations are made on the best English crown glass; the German, French and other window glass of a more common quality are almost prohibited by our existing Tariff.

When imported *German window glass* would pay as follows:

100 feet	7 by 9	duty	$3 00
100 –	8 - 10	duty	3 00
100 –	10 - 12	duty	3 25
300 feet		duty	$9 25

300 feet cost in Hamburg, 31st of August last, 20 current marks, which are equal to 16 marks banco or $5⅓ per 100 English feet; thus 300 feet would cost $16, and pay a duty of $9 25 or 52 56-100 per cent ad valorem.

The duty on window glass is already high enough, if not too high. We perceive that the ad valorem duty, proposed on the best English crown glass, averages about 33⅓ per cent; while the duty on German, and other common glass (much cheaper and more wanted for common use) would pay a duty of 52 56-100 per ct. ad valorem. As long as window glass is charged with a specific duty, it will be next to impossible to establish a discriminating duty as to quality; and surely the interests of no portion of the community ought to be sacrificed to a particular mode of collecting the duty. It is better that the government should even lose something by the mode of collection, than that the people of the country should either be made to pay an indirect tax of 52 56-100 per cent or compelled to buy of our own manufacturers, while the inhabitants of our cities can import their English crown glass and pay a duty of only 33 per cent. If the duty was restored to its ad valorem form each man would pay an indirect tax, according to his means and the actual cost of the article. Another important reason why the duties on common glass ware and common window glass, should not be so high as the present rate, is that while they are so heavy as to prohibit the importation of the most common qualities of glass, our own manufac-

turers, enjoying a virtual monopoly of the home market for these inferior qualities, will confine their manufacture to them; for it would be seldom for their interest to compete with the foreigner in the better qualities. Under such a system it is not probable that our manufactures will be much or rapidly improved.

Natural advantages. When we consider what a permanent and ample protection our own glass manufactures enjoy, in the heavy charges on the importation of plain glass ware, the kind we most require, it is not a little surprising that any manufacturer in the United States should ask for higher duties: and it is more particularly a matter of surprise, that our manufactories in the interior, with all the materials necessary, should not be able to protect themselves. We are rather inclined to believe either that they have, with nine tenths of the nation, speculated a little too deeply during our late war, or that they find other and more profitable employment for their money. It is at least very improbable that the enterprising mannfacturers of Pittsburg cannot compete with the glass blowers of the mountains of Bohemia, when we duly consider their immense advantages in our own market. If they cannot succeed with these it would be an idle waste of money, to grant bounties and monopolies for their encouragement. It is probable however, that few manufactures in the United States might be made more profitable, if that solicitude which has been exhibited for an increase of duties, were turned towards the business itself.

At the little village of Hayda in the mountains of Bohemia, there are six or eight extensive merchants, engaged in buying and selling glass, who supply the merchants of Hamburg and

Bremen, who deal with some parts of Europe, with North and South America. For glass-ware of a common quality there are probably the most extensive manufactories in the world, within a circle of sixty miles about this little village: the cheapest glass is generally to be had at Wostrow. In order to show what advantage our manufacturers have over the Bohemians, in supplying our own market, by as simple and as accurate a calculation as the nature of the case admits; the following statement is given from an actual invoice of glass imported into New-York: the glass was bought of a merchant in Hayda and sent from Wostrow to Bremen:

One thousand half pint tumblers cost 33 Augsburg florins, which were paid by a draft on Bremen at an exchange equal to 46 42-100 cents for each florin.

		making $15 32
The transportation charges to Bremen were 65 per cent	9 96	
The shipping expenses including duty at Oldenburg	1 53	
	$11 49	
Freight to the United States at $15 per ton of 40 cubic feet	6 00	
Insurance—2 per cent on $26	52	
Advantage in interest in favour of the American manufacturer 2 per cent	52	
	$18 53	on $15 32

Making a natural advantage in favour of the American manufacturer on the sea-board of 121 per cent. It is probable the merchant in Hayda had his profit, as he bought the tumblers of the manufacturer at Wostrow; if that could be ascertained it would augment this advantage. If we add to the charges mentioned, the amount of our present duty of 20 per cent, they would together be as follows:

		Charges,	18 53
Cost in the interior,	15 32		
Add charges to Bremen,	11 49		
	26 81		
Custom-house 10 per cent,	2 68		
Duty on	29 49—at 20 per cent		5 90
			$24 43

Making 159 46-100 per cent. We have in this estimate stated the cost of 1,000 tumblers in the interior to be $15 32; it is well known that common half pint tumblers do not cost in *Bohemia* more than one cent each in an average of years. If we take this valuation, the charges would be $24 43-100 on one thousand tumblers, which cost $10, or 244 30-100 per cent advantage to the American manufacturer. If our manufactories on the *sea-board* enjoy at present all this advantage; we must be sensible how much greater is the encouragement to the manufactories in Pittsburg, when we add to the preceding amount, the expense of transporting a case of one thousand tumblers into the interior of this country. It must be recollected that these natural advantages are permanent; no legislature can take them from Pittsburg. We have only to add that the greater part of the common tumblers and decanters used in this country are manufactured in Bohemia. But if, notwithstanding all these advantages, our glass manufactories at Pittsburg do not flourish, it must be evidently owing to some latent cause not within the reach of legislation; it is either to be found in the high price of labour, or else the people are more profitably employed in some other way. If it be neither of these, we must attribute it to the caprice of trade, or suppose (what we are unwilling to do) that the manufacturers want prudence and industry.

It appears to be true of our glass factories, as it is of almost every other, that most of them are in a flourishing condition; and that more moderation in the use of capital, more prudence and more industry would make every factory in the United States profitable.

PAPER.

Mr. Hamilton said in 1790, "manufactories of this article are among those which are arrived at the greatest maturity in the United States, and are most adequate to a national supply. That of paper hangings is a branch in which respectable progress has been made. Nothing material seems to be wanting to the further success of this valuable branch, which is already protected by a competent duty on similar imported articles." This *competent* duty was 10 per cent; our present rate is 30 per cent.

Mr. Baldwin proposes a new mode of collecting the duty on paper; because, had he directly proposed a duty of 50 per cent ad valorem, the House would probably have revolted at it. This new mode is, to charge the duty by the pound 10, 12½ 15 and 20 cents, according to the description.

The following statement is made from actual prices in Liverpool in September last.

Folio Post—a ream weighing 16 lb. 10 oz.		£1 10	0
Discount 5 per cent		1	6
		£1 8	6
Drawback 3d. per pound		4	1½
		£1 4	4½
Three per cent for charges			8½
Actual cost		£1 5	1
	Or $5 57		
Custom-house 10 per cent	56		
	$6 13		

16lb, 10oz. would pay 20 cents per lb. making $3 32½ duty on a ream of folio post paper which actually costs with 10 per cent added $6 13, or 54 24-100 per cent ad valorem.

Foolscap.—A ream weighing 14lb. 3oz. costs 25s. sterling, calculated in the same manner would pay an ad valorem duty of about 55 per cent.

Demy.—A ream weighing 24lb. 6oz. costs 40s. sterling in the same manner would pay an ad valorem duty of about 60 per cent.

Medium.—A ream weighing 31lb. 9oz. at 57s. sterling, would pay an ad valorem duty of 53 2-3 per cent.

Royal Paper would pay 15 cents per *lb.* A ream weighing 40*lb.* 11 *oz.* costs £3 15 6 sterling would pay an ad valorem duty of about 40 per cent.

Cap and *pot paper* is now made in America equal in quality to any foreign. The American manufacturers supply the home market in ordinary times with common paper and the 30 per cent duty is found sufficient. In a very active trade, Italian and French paper is sometimes imported: when imported, under Mr. Baldwin's Tariff, the people will be obliged to pay a duty of 55 per cent ad valorem, as a ream of common foolscap paper would weigh 14lbs. 3oz. and cost only 25*s.* sterling. This kind of paper will never be imported, but in times when the price is very high in our market, owing to a demand more than equal to the supply. It therefore ought not to be taxed heavily.

Of *Folio* and *Quarto-Post* few importations are now made, owing

to great improvement in the American manufacture during the last two years under the existing duty of 30 per cent.

Demy, *Medium*, *Royal*, *Super-Royal* and *Imperial* are only used in the manufactory of account books for merchant's use, and may be considered almost as a raw material for our stationers; and when we reflect that for twenty years past, (and when the duty was 15 per cent) we have ceased to import blank books, the impropriety of charging this manufacture with a duty on the paper used, of 40 to 60 per cent, must be evident. Besides the consumption of foreign paper in making blank books is very much diminished, in consequence of the improvement in American paper.

As to the profit on the manufacture of paper, an intelligent gentleman, well informed as to the present condition of these establishments, states that wherever the business is prudently conducted it yields a very fair profit under our existing duty; and that fully believing he could not employ his money in a more profitable way, he proposed to a manufacturer to engage in it in 1816. He also states that during the war there was no improvement in the manufacture; but that since the return of peace, our manufacturers having been obliged to compete with foreign paper, there has been a visible improvement in every branch. He is further of opinion, that if the proposed duty is imposed on paper, it will have a tendency to induce our paper makers to be as careless of the quality as they were during the war. This remark applies equally to all manufactures. The best way of improving your domestic manufactures, or of preserving the quality of those already improved, is never to prohibit the importation of foreign fabrics, nor virtually effect the same by imposing exorbitant duties.

Previous to the war, an extensive dealer in this article was in the habit of executing orders for the Dutch, French, and Spanish colonies with American manufactured paper ; and upon one occasion sold an invoice of paper and stationary for Batavia amounting to near $10,000, principally American. At present these nations supply their own colonies, and our exports of paper are at an end. Those who wish to see us depend upon the exportation of our surplus manufactures, instead of surplus agricultural productions, would do well to reflect on this practical comment on their policy.

OTHER MANUFACTURES.

In noticing various manufactures and productions, we have shown how completely the protecting system has failed in this country. Mr. Hamilton's report, with our subsequent augmentations of duty, furnish us with other proofs, how uncertain and unprofitable are all calculations, made by those, who expect, that such and such duties will produce such and such effects on our internal industry; even in cases where these calculations are strengthened by a powerful necessity, and great natural advantages.

Salt. This is an article of primary necessity and yet has been charged with an enormous duty. In 1790 the duty was 12 cents, in 1800 20 cents, in 1804 it was reduced to 12 cents, but in 1807 the restrictive system commenced and continued with little interruption till the peace of 1815. In 1816 the duty was restored to 20 cents per 56 pounds, equal to 25 *cents per bushel* on Turks Island salt. When it is considered that most of the foreign salt imported costs less than 20 cents, generally about 15, the duty must be, according to the system under consideration, an ample protection to the domestic manufacture; yet there is perhaps no manufacture, in which, in proportion to the capital, more money has been lost. In our interior, some establishments begin to be conducted with success; but our duty can have little influence there; the business is becoming profitable, because it is beginning to be understood.

Turks-Island salt is generally as valuable as any salt we now import, and the cost is higher than any other; the average price in the Islands has been for some years past 22 cents.

The freight has generally been 25 cents per bushel.
The duty per bushel is 25

50

Making 50 cents on 22, or an advantage to the American manufacturer of about 227 per cent. But our salt works, which succeed the best, are far distant from the influence of any protecting duty, and do, and will flourish, from the advantages presented by their interior situation.

Indigo. Although this article is always wanted for our dying establishments, it was notwithstanding charged with a duty of 25 cents. in 1790: no doubt for the purpose of encouraging the cultivation of it. This duty was continued till 1812, when it was doubled and remained at 50 cents until 1816. After an experiment of 26 years, it was found that the cultivation had diminshed (the planters being better employed in making cotton and rice) and the duty was then reduced to 15 cents. Whilst this policy was adopted with respect to Indigo, Mr. Hamilton observes "the extensive cultivation of cotton can, perhaps, hardly be expected, but from the previous establishment of domestic manufactures of the article." When a man of acknowledged abilities speculates on our industry with so little success, what confidence can we repose in the system by which his measures were regulated?

Among the "important branches" of manufacture which had previous to 1790, "grown up and flourished with a rapidity which surprises," we find enumerated by Mr. H. *mathematical instruments; paper hangings; women's stuff and silk shoes; copper and brass wares, philosophical apparatus.* He seemed to think 10 per cent a "decisive arrangement" for seconding the efforts which

were making in the manufacture of steel : steel manufactures were also encouraged by an advance of duty.

He appears to have fancied that our silk manufactures would flourish and observes " the production of this article is attended with great facility in most parts of the United States," and tells us that silk " stockings, handkerchiefs, ribbons and buttons are made, though as yet but in small quantities." It is needless to add a comment on these remarks.

ANTI-DEMOCRATIC CHARACTER OF THE NEW TARIFF.

Mr. Baldwin incidentally mentions "internal taxes"—and it would seem, the very sound alarmed him, lest his popularity should suffer; he therefore adds "In using these words, I will not be misunderstood; in other words, taxes on the rich and money making classes of society." Let us not take these vague expressions of democratic sentiment for granted, but examiue his Tariff for ourselves and ascertain whether he is sincere in them. The following list, of a few articles of primary necessity used by the people of the United States, gives us the spirit of the British system, in other words, the system of Mr. Baldwin.

Coarse Cotton goods 40 to 56½ per cent. The coarsest are prohibited by too high a duty. The rich pay on *fine cottons* 33 per cent. No prohibition of fine goods.

Coarse linens, osnaburghs, brown hollands, bed tickens, &c. 40 to 53 per cent. Fine linens 25 per cent.

Common ½ pint tumblers 112 per cent.

do. *decanters*	85	do.	*Fine cut glass* 35 (there being no drawback on the German) up to 50 pr. ct.
do. *cut tumblers*	84	do.	
do. *cut decanters*	73	do.	
Foolscap paper	55	do.	
Castings, pots, kettles &c.	38	do.	
Bar iron	36½	do.	
Spades and shovels	48¾	do.	
Nails,	52	do.	
Hoops	65	do.	
Sheet iron	78	do.	

Bars and *bolts* of *rolled iron*, 89 per ct.

Common German window glass, for poor people 52 per ct. *Best crown glass*, for the rich 33 per cent.

Salt, 25c. per 56lb. or 31¼ cts. on Turks Island Salt, 150 per cent on the cost.

Molasses, duty doubled, 10 cts. *per gallon*, 100 per ct. on the cost.

Brown sugar, duty raised from 3 to 4 cts. 100 do. do.

Bohea tea, duty raised from 12 to 25c. per lb. 200 per cent on the cost; while the duty on hyson, young hyson, imperial and gunpowder tea, is reduced for the benefit of the rich.

Shot is raised from 2 to 3 cents per lb.

Clothing ready made, 40 per cent.

The rich would pay on

European silks 20 per cent.

China silks 30 per cent.

Coaches, plated ware, china ware, cabinet wares, &c. &c. 35 pr. ct.

Were we to go through with the Tariff, we should find it throughout bearing heavily upon the democracy and lightly on the aristocracy. Under the New Tariff, the duties which would be paid by the mass of this nation, average about 75 per cent on all the articles of necessity; while the duties on fine goods and luxuries used only by the rich, would not average more than 30 per cent.

Molasses has fallen in price one half within two years. Yet the duty is doubled to 10 cents, the actual price in the Havana. If a duty is necessary on the rum distilled from molasses, it should be imposed directly on rum, and not on molasses which every poor man wants. Brown Sugar has fallen one half in price since 1816, yet the duty is increased from 3 to 4 cts. per lb. This whole Ta-

riff breathes nothing, but the spirit of the British system, which is intended to compel the people to live on as little as possible and make them work hard. Why these duties should be raised in 1820 or in 1821, after the price of labour has fallen, the people have a right to call on Mr. Baldwin to explain. If the citizens of the United States wish to see a democratic Tariff, let them look at that of 1790. The men who formed it, knew what equal rights were, because they had fought bravely for them. In that Tariff, they will not see the poor paying a higher duty than the rich, for the same article. Each man was then taxed according to his means; and luxuries paid the highest rate of duty. If the great body of the people must be taxed more than the rich, let them be taxed silently and not be insulted with idle declamations, about "taxing the rich and money making classes of society." Whatever Mr. Baldwin may preach, he certainly, is not, in practice, a democrat.

It should be a matter of serious regret to every Republican, to notice the extraordinary change which has occurred in our Tariff in the short period of 30 years. It proves a great increase of the power of the aristocracy, and of luxury. This change in our Tariff may be, however, in a great measure attributed to our starting with a public debt, and to our wars since; evils which every people, who think liberty worth preserving, will endeavour to avoid. We hope hereafter to see our Tariff assume a more democratic character. We copied enough of the British system in 1790, when we took only the form. Pursue that system as we have done or as Mr. Baldwin would have us, and there is no probability, that this republic will last 100 years.

SMUGGLING.

Mr. Baldwin tells us " I am not enough acquainted with the mysteries of commerce to know what is the smuggling point;" and it is probable that his New Tariff was intended as an experiment to ascertain this point. Without troubling the nation with this whimsical fancy, Mr. Baldwin might obtain all the information he wants upon the subject of smuggling, from the mighty captive of St. Helena. If Bonaparte, with an army of *douaniers* (or Custom-house officers) and a million of soldiers, armed with fire and sword, on the shores of the North Sea and British channel, was unable to prevent smuggling; what can we expect to do with our limited number of revenue officers, bordering and guarding a frontier of 5,000 miles. If England, encircled with her fleets, her revenue cutters and an army of excisemen, receives annually, foreign fabrics to the value of millions, can we expect to keep them out, with a mere paper prohibitory system? Should our legislators ever establish such a system of prohibition, as is contemplated in Mr. Baldwin's New Tariff, were " each bush an officer" we should be amply supplied with goods duty free. It would be well for that gentleman to calculate the expense of such a revenue army, as would be absolutely necessary, to check smuggling on our extensive frontier, under his New Tariff. We are even now very unwilling to pay an army of five thousand men; we should be less willing to support an army of double that number of excisemen and Custom-house officers, on the Atlantic, Mexican and Canadian frontiers. Some men are so wrapped up in this vision of prohibition, that they seem blind to self evident consequences.

Legislators should well consider the solemnity of that act which pronounces a business criminal, which had been before considered moral and lawful; and unnecessarily throws out a temptation of great profit, to induce a portion of our citizens to abandon principles, which, under a more just and mild system, they had been taught to hold sacred. No people can revere the laws of their country more than the citizens of the United States. But this moral principle has been preserved by the mildness and justice of those laws, and a sense of their propriety. Laws which are not sustained by a moral necessity, should present to every man some other motive for their enactment, equally sound and imperative. The people of the United States never will be persuaded that they have given their representatives the power to say that *they shall not buy* what they may want, in France, England or Germany; and, that if they do, and attempt to bring them home, the goods shall be forfeited. And should they ever pass such a law, they will not persuade the people of this or any other country, that it is morally criminal to buy a tumbler of an Englishman or a German.

The government of no country has ever yet been able to enforce a prohibitory system. Among the oppressed nations of Europe, where these laws are fashionable, smuggling is common with every class of merchants. There are some honourable exceptions; but it is much to be regretted that the mass of European merchants look upon such laws as a declaration of war against their rights. The smuggler is too apt to reason with his conscience and persuade himself that the law is satisfied if the goods are seized; and that as he runs all risks, it is but fair, that he should be rewarded with his profit of three or four hundred per cent. In a little time his conscience be-

comes still more submissive and he persuades himself that the man who seizes the property, which supports his wife and children, is no better than a robber and deserves shooting; he accordingly arms himself and if taken is rewarded with the gallows. Let us not suppose, that because we have heretofore enjoyed just and mild laws, we are exempt from that infirmity, which is in the bone of human nature and cannot be extracted. We are as fond of profit as any other people, and with equal pliability, have, perhaps, more enterprise than any other nation. Let not the moral obligation to respect our laws be sacrificed, and our money too be wasted; to establish a system of prohibition here, similar to those which have made half the traders in Europe smugglers. In Sweden they have a severe prohibitory system against foreign goods: yet in 1813 an entire village in the suburbs of Gottenburg was filled with smuggled British goods; the doors of the houses were closed, but the shelves were as well furnished as any retail stores in the world. Under the famous continental system of Bonaparte, the Douanier, was often assassinated at his post. Unhappily, the smuggler considers it no more a crime to kill a Custom-house Officer, than a soldier does his enemy, when both are in pursuit of plunder.

Those who are disposed to treat these anticipations as visionary, would do well to consider the fatal influence, which our experiments in restriction have already produced on the morals of our traders. They should look to our Canadian frontier, and see our citizens annually filling the market of Quebec with flour and other articles prohibited by the English laws at this moment; whence they are regularly shipped to England. And they should well consider some recent occurrences of a more serious nature; three of our

own vessels were captured during the last summer, and one other very lately, on the coast of Ireland, loaded with tobacco,* which the crews were employed in smuggling on shore. Perhaps, unfortunately, they were armed.

Every citizen ought to consider obedience to the laws, as a paramount and most sacred duty; yet a doubt will naturally arise in the mind of every good and just man, which of the two deserves to be hanged first, the tyrant, who thus unnecessarily binds the social rights of man in chains, or the poor wretch who is the victim of his system of prohibition.

* The consumption duty on tobacco in England, is 89 cents per pound.

HOSTILITY TO COMMERCE.

If all the bills, introduced to the attention of Congress during its last session, had been passed, and an army of revenue officers had been levied to enforce their execution, it is probable a very extraordinary change would have been effected in the morals of the nation, and that there would have been a very considerable waste of capital and industry. Among the bills, Mr. Baldwin's Tariff holds the chief rank; and in this we discover two features peculiarly hostile to commerce, which is in our country particularly, the factor of agriculture. Indeed, had these restrictions been imposed and *sacredly regarded*, commerce must have languished. This however would not have been their fate; like all laws not dictated by common sense and common justice, nor supported by the sound principles of nature, these restrictions would have passed unheeded; they would have shared the fate of the famous continental system, and instead of realizing Mr. Baldwin's expectation, would have blasted our morality by false-swearing, smuggling and fraud. It is under despotic governments that royal decrees regard not the morals or happiness of the community: in this free land we have a right to expect that our legislators will always be equally the guardians of our property, our morals and our happiness. They therefore should as seldom as possible, make war on immediate self-interest, for legislators ought to know that laws of that character are worse than useless.

The features in the New Tariff, now referred to, are exhibited in the concluding clause of the 5th section and the whole of the 10th. The 10th section is as follows: "*And be it further enacted, that no goods, wares or merchandize manufactured in whole or in part,*

shall be permitted to be entered at any custom house, or landed at any port or place within the United States, unless the same shall be imported directly from the place or country, where the same shall have been produced or manufactured; and it shall be the duty of such collectors to seize such goods and the same shall be forfeited." This section was so extraordinary for the councils of a free people, that it was abandoned even by Mr. Baldwin. It is necessary, however, to record it; for the same spirit which dictated this celebrated Tariff, will not permit this 10th section to sleep, should the other sections be now adopted. It is unnecessary to point out the many cases, in which this section might deprive an American of the opportunity to increase his own property and the wealth of the nation. We shall merely mention that under such a law, an unfortunate merchant arriving with his cargo in a foreign port might find himself in a sad dilemma: he might not be able to procure either bills, specie, or the produce or manufactures of the country; and though the market might be well stocked with the produce or manufactures of other countries at a low price, he would not dare to purchase and bring them home, *for his government would seize them* if he did: he would be obliged then to bring his goods home again, carry them to some other country, or leave them in the hands of a foreign merchant. This is no fancy; it happens often to Americans in the West-Indian and South American trade. Perhaps we do not understand what is friendly, or what is hostile to commerce; but we are much mistaken if there ever was a more direct attack attempted to be made on the rights of the merchant, or on the interest of the farmer, who employs him to carry his produce abroad.

By the concluding clause of the 5th section, Mr. Baldwin pro-

poses to add the actual cost, charges, and the custom house ten per cent of ad valorem invoices, the amount of all drawbacks, bounties, discounts, &c. which may be allowed in the place or country whence the goods are imported; and upon this amount the duty is to be charged. It would have been more becoming the code of a free people, had he at once proposed a duty of 50, 75 or 100 per cent. Each citizen would then have understood how much the tax was. Whenever legislators wish to tax people more than they ought, they usually contrive a mask for the tax gatherer, and involve the law in a mystery, which few have the opportunity or patience to examine, and a still smaller number the practical knowledge necessary to understand. In England, where the people labour for the government, these mysteries may be necessary; but in this country, where the exactions of government are moderate, we require simplicity in our revenue laws.

Should this clause be adopted, before our secretary of the treasury, can be prepared for the head of that department; we must send him abroad, to inform himself as to the internal administration of all the nations of the earth; he must even study the Chinese laws under the disciples of Confucius. As to the merchant, no man need think of becoming one, until some great university of nations is established, and he receives a diploma there; for it will be impossible otherwise to ascertain how much governments may give in bounties, premiums, discounts and drawbacks, in a thousand shapes upon the articles manufactured in various nations. How will Mr. Baldwin ascertain what the bounty amounts to, when those engaged in a particular manufacture, are exempted by government from the payment of a certain tax? How will he ascertain the

amount of the bounty when money is loaned out of the public treasury to the manufacturers at two per cent per annum, as was the case under Napoleon? How can he ascertain the amount of the bounty, granted virtually to manufacturers, by compelling colonial planters and English farmers to buy manufactures only of them; according to the British system? It is however unnecessary to point out the thousand ways, in which an unjust government may bestow its bounties and premiums on a particular branch of industry; enough have been mentioned to show how impossible it would be to trace them in all their various forms and ascertain their amount. The only effects of this clause would be, to compel us to buy an inferior article of the French and Germans, at a higher price; or to charge the community with 50 or 100 per cent duty on such articles as we might still find it convenient to buy of the English, notwithstanding the increased duty. If all drawbacks, bounties, &c. are to be *added* to the cost of articles, why, by the same rule, does not Mr. Baldwin propose that all duties charged in foreign countries should be *deducted* from the actual cost? The one would be as wise and just as the other. The object of the clause seems to have been to aim a blow at the mass of foreign importations, with an invisible hand; for there are probably not fifty men in the nation, who are aware of its very extensive operation.

Yet Mr. Baldwin often tells us with great gravity, and no doubt with equal sincerity, that he is no enemy to commerce, and gives us in one paragraph an explanation. All this friendly solicitude is expressed at the moment, when he is engaged in weaving a web to bind the muscles and sinews of every limb, that in paralyzed insensibility, her arteries may be exhausted, and her lifeless body cast,

and abandoned, on the shores of the Atlantic, a mockery to the commerce of the world! If this is not the smile of the pious King Richard, it is nothing. And this, Mr. Baldwin continues, is the way "to make war on England; this was Bonaparte's plan."— Will Mr. Baldwin tell us whether Bonaparte succeeded? We had always supposed that the statesmen of Europe attributed the fall of Bonaparte to this same celebrated continental system. The Germans, Prussians and Russians would not be forced; their habits and inclinations were at war with the system; and neither a natural hostility to England, the eloquence, nor the cannon of Bonaparte could persuade them, that it was for their interest, to pay dearer for French than for English goods; or that beet sugar and chicoree coffee were better, and more nourishing than the produce of the Islands. One would think that we had tried experiments enough in this kind of warfare, by embargoes, non importation and non intercourse; after all, we found, that nothing would answer but cannon; and that all our sacrifices in doing without British and French goods, terminated with as little profit, as the voluntary penance of a monk. The system we adopted was infirm; suited neither to the whims or inclinations of men, the commercial habits of the whole world, nor to the enterprising and active spirit, which has distinguished the people of this country from the first settling of the colonies.

Bonaparte's aim was personal ambition; he trampled on the rights of mankind, fearless of consequences, and vainly supposed, because he conquered men, that nature would also yield. Mr. Jefferson was guided by a motive more pure and just; which elevated him in the rank of the friends of mankind: but while we

honour him for his benevolent solicitude, we must lament with every philanthropist, that his system did not succeed in its immediate object; that it could not and did not save us from the horrors of war. He seems not duly to have appreciated the force and importance of certain opposing circumstances: the world was then, and is now, strictly commercial; and no human system, however powerful, can in one generation alter the opinions and the habits of the nations of the earth: The character of a people is the slow work of centuries and can only be changed by the gradual operation of a system of government through many generations.

These systems were all at war with nature—a very Hercules in battle. As might have been expected she overthrew them; and with the first of them brought down its great projector. When therefore we see the mighty wonder of our age, and one of the greatest men of our country failing in their plans; what confidence can we repose in those of our modern projectors, who undertake by meddling with the laws of nature and the rights and inclinations of the American people, to control their industry, and force them to wage a war of spindles with England! No—the *British ministry* could not have devised a better scheme than that proposed by Mr. Baldwin, to annihilate the power of the only nation, which seems destined to dispute the trident with her. What could gratify England more, than to see us retire from the ocean; voluntarily abandon all intercourse with other nations, and centering ourselves at home, commence a taxing, manufacturing war against her? To see us call home our ships, throw our arms into the sea and adopt that very system which she feels in every limb? This would indeed be exchanging our lion's skin for the shirt of Nessus!

Mr. Baldwin, however, has always at hand some consolation for every branch of industry. He tells the merchants that they shall be employed " in the carrying trade, the export of foreign produce and our own manufactures." It is probable that Mr. Baldwin is very ignorant of commerce, or he would not have offered this consolation to men, who understand their interest as well as the merchants of the United States. These employments which he promises them would reduce the foreign commerce of the country to a level with that of Denmark. Are not the nations of Europe now in a measure employed in their own carrying trade? Where are our manufactures to export? And when shall we have a Manchester and Birmingham on this side of the Atlantic? One would think by the time these American manufactures were prepared for exportation, we should have as much trouble to revive our commerce from a long slumber, as we probably shall have to prepare these cargoes.

But Mr. Baldwin, in his zeal for fighting England with spindles, seems to overlook some important circumstances, in which we differ materially from that nation. We have no colonies (and we hope never shall have) in vassalage, to compel to take our own manufactures and to give us in return the produce of their plantations. The just notions of a free people will not permit their government to meddle with the internal regulations, wars and revolutions of other nations; to hire a people to dethrone their monarch, then to subsidize another king to bind his subjects in everlasting chains; a free people will not permit these acts, in order to purchase a market for the surplus fabrics of an overgrown manufacturing population. And it is not probable (even if we should be able) as long

as we retain our love of justice and equal rights, that we shall permit our government to engage in wars to drive other nations from the ocean, in order to monopolize the carrying trade of the world. The merchants of the United States understand their interest, and, as they think, the interest of the United States quite as well as Mr. Baldwin; and while they continue to be profitably employed by the farmers of this country, who furnish them with a rich variety of productions to carry to nations who want them, they do not feel disposed to abandon this employ; particularly as the articles which they are promised by the manufacturers and the trade itself, would much resemble "carrying coals to Newcastle." It would indeed be a hardy undertaking for a young nation, wanting herself more than she can manufacture, to compete with the old nations of Europe and Asia, in supplying the thinly settled provinces of South America with manufactures; and it would be yet more wonderful, to see the youngest manufacturing nation on earth, undertake to supply Europe and Asia with manufactures.

As to commerce, in a moral point of view, it has as little to recommend it, as manufactures. The examples of nations which have flourished before our time, and of those now existing, furnish ample proof of the weakness of human morality, when opposed by the prospect of gain. Yet there is perhaps no body of men in the world more respectable than our merchants; and although we cannot expect to be exempt from the fate of other nations, we must take the world as time has made it and accommodate our laws to its condition. Legislate as we may, the world will continue to be commercial while the seas of this globe remain open for nations. It would be well for us, in making laws, to look to the future, and to consider that we are probably destined to hold a distinguished rank

among nations: and to attend to another circumstance, not less important in the estimation of those, who consider wealth as every thing, that organized as the trade of the world now is, the most commercial nation will probably be the most wealthy and powerful.

The merchants are the useful and busy agents, who give an impulse to the industry of every other class in the community; and when they are idle, the plough and the wheel will move heavily. It is a circumstance too of some importance in a republican government, that from the nature of their position on the seaboard, they never can have a large influence in our national councils. Whatever the inhabitants of our vast interior decide on, must be the law of the land. They have, however, as citizens of a free government, a right to expect an equal and just protection of their interests, while they perform their part in the labour of the nation. In the great question, of a free trade, they speak the language of the nation; and maintain a doctrine which has ever been advocated by writers, not influenced by the necessity of supporting an old government, in oppressing the people, and sustaining, contrary to nature, a heavy weight of royalty and nobility.

EXCISE.

In explaining the British system at large, we shall show how this evil falls upon the people of England. The advocates for the introduction of the system into this country, have not been discreet—the very name of excise is hateful to a freeman. They might have waited until, by adopting one part of the system, prohibition of foreign goods, we had destroyed our present system of revenue, and then necessity would have compelled us to adopt the other part, internal excise for the support of government. Cautious as Mr. Baldwin may generally be, he is here at least, a bold politician, throws aside his mask and tells us, "The deficiency of revenue to be supplied by an excise of the manufacture protected." The plain English of which is, when we can no longer raise money from the farmers by taxing what they eat and wear, through the medium of high duties on imported goods, to protect our own manufactures, because we manufacture all we want at home; then we must turn about and tax the very same domestic manufactures, which the Farmer continues to consume. Thus perpetuating the tax, the bounty and the monopoly. In other words, it is taxing the farmers of the United States, to set our home manufactures at work; and after they have employment, again taxing the farmers to support government, that the same manufactures may be secure and undisturbed in their accumulation of wealth. Mr. Baldwin will not add insult to injury, and tell the farmers of the United States, that this is *a tax upon the manufacture protected;* for every man knows that the *consumer* pays the tax; and the only difference which can be produced by a change of a system, is, that the manufacturers will be-

come the tax gatherers. This is indeed a wonderful system, to propose to the farmers of the United States, who have the administration of affairs in their own hands. It is only required of them, to support the other branches of industry and pay the expenses of the nation under all its changes. It would indeed be a self immolation, surpassing the mad extravagance of oriental superstition. But to return to our subject.

Our system being changed, we must lay an excise on manufactures, in proportion to the wants of the government, twenty, thirty, forty, fifty perhaps one hundred per cent. In process of time, we may realize the blessings of the British system, by being obliged to pay as the poor people of England now do, 4 cents 8½ mills tax, on each half pint tumbler, with a bounty of 1¼ cents to the manufacturer, when he sells a similar article to a foreigner; and finally enjoy the last blessing of the British system, to see without murmuring a foreigner purchase of the same manufacturer a half pint tumbler at 1 cent 9½ mills, while we shall pay 6 cents 8 mills for one just like it, and a tax of 1¼ cents besides; making in all a fraction more than 8 cents. Such are some of the blessings now enjoyed by the oppressed people of England under the British system of bounties and monopolies. And all this is endured, in order to support those very people, who have grown rich, by a monopoly of part of the price of every man's daily labour, in England for the last one hundred years.

But let us enquire what those distant consolations are, which Mr. Baldwin promises to the farmers, as an indemnification for the heavy sacrifices required of them by his system. They are prom-

ised a home market for their surplus grain. It is not pretended that spindles will eat grain? Or that by planting them, consumers will rise up, like the fabled soldiers of Cadmus? No, the plain English of securing a home market for our surplus grain is this: the farmer, whose farm produces 500 bushels of corn or wheat, will abandon it and turn manufacturer; there will be 500 bushels of corn or wheat less the year after, and the farmer and his family will be consumers instead of growers of the grain, which other farmers, who stick to their business, continue to make. This is securing a home market for our grain, and a high price too, by rather a singular method to be proposed to farmers themselves. Our modern politicians must believe the farmers of the United States not only the most disinterested men in the world, but that they look upon affliction and self-punishment with monkish complacency. They are only asked, to turn a portion of their class, perhaps themselves or brothers, into manufacturers; to undertake a business they know nothing about, and thereby bring ruin upon themselves and families; and all this, that they may become consumers instead of growers of corn and wheat, and raise the price for the benefit of others! Is not this securing a home market over the ruins of agriculture? It is the direct road to deprive the farmers of the United States of the power they now enjoy, and to throw the management of the affairs of this government into the hands of the manufacturers.

Perhaps, when this system of internal excise is established, it is contemplated to accompany it with a corn law for the benefit of farmers? Meanly as these new theorists may think of the understanding of the farmer, they would hardly tell him that they would,

by the exclusion of foreign grain from our market, confer on the agriculturists a monopoly of the home market, and compel the manufacturers to buy domestic corn and wheat. It would be too ludicrous a proposition, to be made to the farmers of the most fertile country in the world; on whom nature has bestowed a monopoly which no legislature could confer and none can take away.

Or, perhaps, it may be intended, to place the farmer on a footing with the manufacturer by imposing a tax on corn and wheat, that the latter, as well as the former, may pay a tax on what he consumes. It would be hard for freemen to swallow a tax on bread. When the basis of a system is laid, it is well to look at all its consequences. However severe this last tax may seem, it is not more so than the whole British system of taxation. And, if the farmers of the United States tax themselves, to aggrandize the manufacturers with bounties and monopolies, they may expect as little mercy from them when in power, as the people of England now experience from their masters.

RESTRICTION.—*A permanent Tax on Farmers.*

It cannot be expected, while we continue to emigrate and settle in our southern and western territories, that the Manufacturers in this country will be numerous enough to supply all the wants of the farmers and those engaged in other occupations. No man can tell when this tide of population will cease rolling. Circumstances may check it for a season, but each succeeding tide will reach higher than the last, till we settle on the shores of the Pacific. Were we confined by natural boundaries, an annual increase of population would furnish labourers for our factories, but the temptations in the west, the love of enterprise and independence, will take off the population from the older states for many generations. While this is the natural state of things in this country (and it must continue to operate sensibly on our industry for at least one hundred years) to establish the British system would be actually to place the new states, all our agricultural states, and every farmer in the country in a vassalage, similar to that imposed by the British government on the agriculturalists in their colonies, which compels the planter to carry all his produce to England, and to purchase there every thing he may want upon his plantation. There is but little difference between a system, one provision of which compels you to carry all your produce to a certain market, the other to buy all you want at the same market; and another system of which the sole provision virtually produces the same effect. If our laws prohibit importations, the farmer must necessarily carry his produce where he can exchange it for the articles he wants to the domestic manufacturer, or his agent, the merchant. It is idle to think that we can long find a market abroad for the produce of our farms, if we take noth-

ing but money in exchange. Our sales will be very limited when our government prohibits our bringing back manufactures.

It is in vain for our new theorists to tell us, as Mr. Baldwin does, that the competition in the home market would make goods cheaper than we could buy them abroad. In an agricultural nation it is contrary to the nature of things to suppose, that if you grant to your manufacturers a monopoly of the home market, any such competition can generally exist. Mr. Baldwin seems entirely to forget that the market is greater than the supply. We must not be told, because in this or that year, when there happens to be a stagnation of trade, there appears to be a surplus of some manufactures, that this will continue to be the case in an eternity of years, which a monopoly law contemplates : we might as well talk about the great surplus of capital, which appears in the northern states, and conclude, that a competition between the capitalists would perpetuate that surplus and lower the rate of interest for a succession of years. Let this nation continue to enjoy peace, and we shall soon see activity of trade creating a demand for all our manufactures, and all our capital, however great the surplus may now appear. But, admitting that our manufacturers were sufficient in number to manufacture for the whole people of the United States, does it follow that this branch of industry is to be exempt from those laws which govern every other branch ? Can we expect to realize such an absurdity as an unprofitable competition for years together, between manufacturers ? Men understand the advantages of monopoly too well to waste its profits in such idle games.

The world seldom produces a nation capable of manufacturing, or

cultivating *all* she may want. And the time is very far distant, when we shall be able to approach, what Mr. Baldwin would consider, this golden age ; but what men who have made the happiness of mankind their study, have supposed by no means the happiest condition of a nation. While we have the ocean on the one hand and our spreading forests on the other, our manufacturers will never be able to provide us with all we want. At every return of active trade (and in this thriving country these returns will be frequent,) we shall have occasion for a large supply of those necessaries of life, which are made in profusion, and cheap, by nations that have been swelling their population and manufacturing for five hundred years. Establish your duties at 50 or 100 per cent, and the farmers of the United States, in these times of activity, will bear the whole burthen of your system of taxation on their shoulders ; and heavy indeed would be the load upon the younger branches of our great family who are contending with the wilderness.

In legislation of this kind it must always be recollected, that this is not a consolidated nation, but a confederation of sovereignties, which were once independent of each other, and may be driven to become so again, if a system of vassalage is imposed on one section of our country. But happily in the present instance, the rights of all appear to be secured by a sound policy, which seems to govern our most manufacturing States. Our largest manufacturers are not among the petitioners for high duties. Indeed, the interests of the people and the confederation, are powerfully protected by a counterpoise of interests between commerce and manufactures in the Eastern States, an union of the three interests in the middle States, and a reciprocity of interests between the south western and north-eastern sections of the nation.

To make this system of taxation fall as heavily as possible on the farmer, seems to have been the great object of Mr. Baldwin. In no part of his speech, is he more eloquent, than where he tells us that we shall never be rich and happy, until we establish the British system of excise upon the manufacture and drawback of that excise upon exportation: that is, until we compel the people of the U. States to pay 50 or 100 per cent more for a yard of cloth than a foreigner could come here and buy it for. If we were all manufacturers this system would no doubt suit us very well; but so long as we are in the mass agriculturalists, it is probable, we shall not be willing, first, to grant a monopoly to our manufacturers, and then to open for them a foreign market, which would of course augment the price of their manufactures to ourselves: for we might very naturally conclude, that if there were two purchasers for the same article, it would be higher than if there were but one; and we might also be apt to suppose that the foreigner, who appeared with his money in his hand, would be preferred to the poor American farmer, who had nothing to offer but his corn. It is probable too, that our western brethren would fare poorly under this system; for it would be much more convenient to supply the West Indians and South Americans than it would be to wait until the people from Ohio, Kentucky, &c. could reach our market. The Ocean has no such impediments as toll-gates and mountains. This system is bad at best and perhaps there never was a country less calculated for it than this. It will be time enough, at all events, to think of it, when we become a manufacturing nation; and then, that portion of the community will make laws to answer their own purposes. It is not the business of this generation, and probably, while we are a free nation, will not be the interest of any future generation.

THE SETTLED STATE OF THIS COUNTRY.

Mr. Baldwin tells us "the present is not a forced, but the natural and settled state of this country. The events of the last 30 years have been unparalleled in history; we must not expect their recurrence at least in our time," and declaiming against our present ruinous system, he tells us it was calculated on a general war in Europe, and will not suit a general state of peace. Mr. Baldwin is however most unfortunate, whether he refers to commerce, revenue laws, or history. This venerable system was established in 1790; and we have searched in vain in history for the evidences of that general war in Europe, upon which, he says, it was founded. The king of France was beheaded in 1793 and it was not till that year, that hostilities commenced between France and some of the nations near her, followed afterwards by a general war. If our venerable legislators anticipated in 1790, a war of 20 years, they were better prophets than we can boast in our times. It would be much wiser to believe, that the only motive they had, was that expressed in the law itself—they wanted money to pay the debt and expenses of the nation; and were much too wise, to consider any ast "he natural and settled condition of the country."

There are two conditions, in neither of which a growing nation can long remain; the one is with a general stagnation of trade; the other, with that trade swelled to an extravagant height; the former has been the state of this nation for a year past: but this is not, nor ever can be the settled condition of things, while trade and industry, influenced by the strong attraction to the west, continues

to fluctuate; nor until we reach that point of wealth and power, from which by a great law of nature, we must again recede.

If it be not presumptuous to anticipate what may happen in Europe, one would think that the opinions fatal to thrones, had spread and acquired a vigour, which will not allow that devoted quarter of the globe to rest in peace. Were there any weight in Mr. Baldwin's argument, we certainly have as much reason now, to expect a general war in Europe, as our congress had in 1790. A continuance of peace for ten years longer in Europe is improbable; but the question of war or peace has nothing to do with our Tariff: modern experience has shown us that one is quite as natural to Europe as the other. But, if this is the settled condition of things, and the nations of the earth are destined to enjoy a lasting peace; one would think it a sound reason for cultivating a social aud profitable intercourse with them; at least that it was no time to commence a war of restrictions and prohibitions.

DEPENDANCE UPON ENGLAND.

This cry is reiterated from time to time; often used by politicians, who do not understand its meaning, and sometimes by those, who do, but wish to rouse our patriotic feelings, that we may be induced to tax ourselves for the benefit of our neighbours. In 1790 Mr. Hamilton talks of dependance upon foreign nations, as inconsistent with true policy; and in 1820 Mr. Baldwin repeats the same idea almost in the same words, but most unfortunately, adds "the system which has entailed on us this dependance must be changed." The duties recommended in 1790 (and generally imposed precisely at Mr. Hamilton's rates) were to relieve us from dependance; And now in 1820 a disciple of the same system tells us that it has entailed on us this very dependance and it must be *radically changed*. What hope then is there left for us? One tells us, that if we adopt his system of revenue, it will encourage manufactures; we afterwards lay on duties to four times the amount, which he recommends; and then Mr. Baldwin professing to be an advocate for protecting duties, tells us, 30 years after, that the system has entailed on us dependance on foreign nations and must be radically changed. When these strange contradictions are explained, it will be time enough for us to pay more money. It would be downright folly according to Mr. Baldwin's own opinion, to waste our money on a system, which entails on us dependance on foreign nations. If then we abandon this mode of raising a revenue, we must do one of two things, either prohibit importations altogether or abolish all duties; in either case we must establish a system of internal taxation. Were we to take Mr. Baldwin's reasoning upon Mr. Hamilton's system, separated from his eulogy on monopolies and prohibitions, we

should really suppose that he meant to abolish duties altogether, and destroy the system established by Mr. Hamilton.

Whenever a tax is to be laid there must always be some plea to satisfy those who have to pay it. Dependance upon England was the cry in 1790, it is now, and ever will be, while we continue to carry one single dollar's worth of produce thither or bring back any manufacture whatsoever, and so long as we impose duties, not for the purpose of raising money, but to encourage our own manufactures.

Whatever may have been the relative condition of the United States in 1790, (though we do not mean to admit for a moment that there is any solidity in this argument of dependance upon nations) we have certainly no occasion for such lamentations in 1820. The argument too begins to be stale and might as well be abandoned. England takes from us what she wants of our produce (and she takes a larger amount of it than any other nation) and we buy from her, what we want of her manufactures, and which we cannot buy cheaper of our own manufacturers or of the manufacturers of other nations. If this be dependance, we are all slaves in this world. But let us look at the question calmly, and see what in truth *is* the nature of this dependance. Suppose England should adopt Mr. Baldwin's mode of warfare and refuse to sell us woollens, cottons, linens, &c. &c. would not France, Germany, Holland and Switzerland be glad to supply us: we must recollect these nations are not now engaged in a 22 years war. And on the other hand, suppose we were to refuse to sell England 300,000 bales of cotton for the use of her factories; is there any other nation, from whom she

could get her supply? It may be said, from her colonies in the East Indies. Let her do so; and let our cotton go to France, Holland, Switzerland and Germany and we should see how long Great Britain would continue to supply the world with cotton goods, made of the worthless cotton of the east. We have more reason to expect a competition from the Brazil cotton. But when these distant changes happen, if they ever do, new markets will open; or by that time, we may find our industry taking some other course, not now to be foreseen. We depend no more upon England for manufactures than she does upon us for ashes, cotton, flaxseed, naval stores, tobacco, rice, bark, and at times, flour, corn, hops, &c. &c.

Every nation must expect, when she goes to war, to feel some of the inconveniencies attending an interruption of her foreign trade. But we cannot expect ever again to realize the inconvenience, we have experienced in our past wars with England. We shall probably never again see our entire coast blockaded: if it should be so, it must be our own fault. But if a war should happen, and England commence this old business of blockade and orders in council, the nations of Europe would soon become parties in the contest against her. It would be a common cause with all those interested in commerce, and should it happen, will be the most fatal war to England that she has ever been engaged in. These, however, are mere speculations, intended only to counterpoise the gloomy apprehensions of Mr. Baldwin about dependance of the United States on England. There is at present no nation in the world with less real dependance upon foreign nations, and whose true interest it is to cultivate a mutually profitable and social intercourse with them.

We cannot furnish a better argument against this cry of dependance upon England, than by noticing that our exports of cotton to that country from 1802 to 1807, averaged about 125,000 bales annually; that from 1815 to 1819 the average exceeded 200,000 bales and that in *ten months* of the year 1820, we exported to England 289,180 bales. While our export of cotton has been thus regularly advancing for 30 years, our imports of the articles of immediate necessity, iron manufactures, coarse woollens, coarse cottons, coarse linens, &c. (which embrace all her most flourishing manufactures) have been regularly diminishing. Having the same knowledge, the same fashions, the same language and the same habits, we shall *naturally* first improve in those manufactures, for which she is so celebrated. The importation of these will be regularly diminishing, while there seems to be no probability of her being assisted by any thing like similar causes, to afford her a domestic or colonial supply of cotton.

On the whole, if we expect to be completely independent of foreign nations; if we expect to sell every thing and buy nothing: we deal too much in visions for the trade of this world.

If our present system be continued without any prohibitory duties, we shall in due time manufacture every thing, which England now does, and should troubles arise in that unhappy country, we may naturally expect that it will operate on the United States as the revocation of the edict of Nantes did on England. There are, however, some politicians, who, fancying themselves wiser than their ancestors, are satisfied with no system but one of their own making, and that one but a momentary favourite. Whether Mr.

Baldwin be one of those, we cannot say, but he certainly appears disposed to condemn every thing venerable for its antiquity, and exclaims " the system, which has entailed on us this dependance, must be radically changed." This language is somewhat surprising, when we recollect that the duties recommended by Mr. Hamilton in 1790, were adopted, and that these duties have been since that time on an average quadrupled, nay quintupled. Nothing, however, short of prohibition, will satisfy Mr. B. We have somewhat an old fashioned way of thinking; and have heretofore venerated that system, as the work of men, who had given the best proofs of wisdom and ability, in establishing a government, the wonder of the world; and laying the foundations of a nation, promising to be the most splendid ornament of history. The works of such men, we hope will be permitted to remain undisturbed. Had we altered our system of revenue less than we have already done, the nation would have been the better for it. In the present state of the world, it is not to be supposed that the men of one age differ much from those of another; but circumstances do sometimes call forth the virtues and abilities of one generation, which seem denied to another. Such was the good fortune of the men who went before us. It is not probable when this generation passes away, that it will leave behind it as high claims on the gratitude of posterity.

Pursuing his lamentations, Mr. Baldwin unluckily tells us, that " all attempts to promote our own manufactures have hitherto failed." This is a strange argument to be used by an advocate of the very system of monopolies; for if Mr. Baldwin will take the trouble to look through our changes for 30 years; to look at the table annexed to this volume; he will find that the duties have been

continually augmenting, and that political events have at various times conferred almost a virtual monopoly on our manufacturers. Yet he tells us these have all failed. Would Mr. Baldwin wish to afflict this country with another eight years of war and restrictions on trade? Would he make more experiments on the nation, if the millions we have already expended have done nothing for our manufactures? The truth is, as Mr. Baldwin states, all our attempts, or to use a more proper word, experiments, have failed in making us a manufacturing nation. And were we to lay an embargo, or have a war for ten years, millions of dollars would be wasted by a general stagnation of the trade and industry of this nation, without an equivalent; and so will all capital vested in bounties and monopolies for the encouragement of any particular branch of industry. The fact is, however, that many of our manufactures, notwithstanding these experiments, have flourished, as we have had occasion to show, because they were supported by extraordinary natural causes.

BALANCE OF TRADE.

Mr. Baldwin, thinking perhaps, that in these dull times we had nothing better to do, proposes that we should examine the ledgers of the merchants for thirty years back ; and adds that we shall then be satisfied, that it would have been " cheaper to have bought bills than to remit in produce." What may have been the course of trade down the Ohio and Mississippi, to which Mr. Baldwin incidentally refers, we know not ; nor is the information necessary in the question before us, as he here refers to those merchants, who occupy the sea board, and conduct the foreign commerce of the country. These are the men, who have been driving trade in a ruinous channel for thirty years ; while a few only have been " profitably employed in the carrying trade." If we could be enlightened on this subject in no other manner, than the one proposed, we should probably remain for ever in the dark : merchants would never consent to grope in the lumber of the garret for old ledgers, neither would they permit us, inquisitive people, to " examine their ledgers." We have however a shorter course ; a few great items of capital, which it is wonderful, considering the millions of figures Mr. Baldwin was sweating under, he had not stumbled over : we have cities and towns, with 20, 40, 60, and even 120,000 inhabitants, with some millions of capital, which have never enjoyed much, and in most cases, none of the profits of the carrying trade. This particular branch of trade has been conducted almost exclusively by the merchants of Boston and Salem ; who, with a hardy enterprize characteristic of a free people, take the lead of our own, and distance the merchants of all other nations.

The extraordinary assertions of Mr. Baldwin are perfectly incomprehensible to any man familiar with this subject, until he reads his lamentations on the "balance of trade." He then observes him, seated on the highest ridge of the Alleghany; wrapt in clouds of calculations; covering the neighbouring hills with legions of clerks; and exhibiting the wonderful ability of a great accountant in adjusting our annual concerns with all the nations of the earth!

Of all the bodies, which resolve in the systems of political economists, not one has presented itself in so many different shapes, as this same capricious "balance of trade;" and no where, so much as in this devoted land, has it appeared with the fiery and bloody features of a comet, followed by its trail of war, earthquakes and famine. But let us close our wings and proceed to something more satisfactory to those mathematical men, whose food is demonstration, not poetry.

The ablest writer* on this subject, pronounced the theory of a balance of trade to be a vision; not tangible or reducible to any thing like calculation. England, although she has been the most flourishing nation on the other side of the water, and has been growing richer and richer for one hundred years, has been all that time in ceaseless anxiety about a balance of trade against her. Her statesmen to this day charge the poor Hollanders and Frenchmen with an enormous duty on certain manufactures, even to prohibition, but admit the same articles at a moderate duty from Germany and other nations,—to "correct the balance of trade." This

* Adam Smith.

visionary scheme has obliged the people of England to refuse the excellent manufactures of France and Belgium and to purchase, at higher prices, the inferior fabrics of other nations.

We cannot discover by what process the British statesmen ascertained the balance of trade was against England; but we have some light as to the mode adopted by our theorists. Out of the Treasury books they form a huge ledger; debiting the world with the value of each cargo at the time and place of exportation; and crediting the world with the value of each cargo imported into the United States, at the cost of the same in the conntry where it was purchased. If we test this system of book keeping by a few simple illustrations, we shall believe, with Mr. Baldwin, that it is the climax of modern discoveries.

A ships a cargo to France which cost him 50,000 dollars; the ship and cargo is lost at sea. Our old fashioned merchants once thought this was a dead loss of ship and cargo. It seems they knew nothing about the matter; it is all clear profit; for it is entered on our books and swells the amount of our Treasury exports. France owes us for it; and we include that debt among our items of property at the end of the year; thereby augmenting the amount of our apparent annual profit or deducting 50,000 dollars from the amount of our supposed loss, as the case may be. Suppose however A's ship arrives safe, and the cargo is confiscated or burned; the 50,000 dollars still swells the amount on the Treasury books, although there is a total loss to the American owner and to the United States. Thus it appears that a dead loss of 50,000 dollars is set down as so much clear gain, according to that theory, by which Mr. Baldwin ascertains the balance of trade.

Let us suppose, however, that A has not been so unfortunate, the treasury books notwithstanding: that this cargo of $50,000 arrives in France and is sold at a large profit, for example 100 per cent. He now has $100,000 to invest; which he does, in French manufactures and brings them to the United States. Now our treasury ledger presents an alarming spectacle, as the following account shows:—

Dr.—France in account current with the United States, Cr.—

To the cost of cargo shipped by *A* from New-York on board the Hannibal, as appears by the New-York Custom-house returns.	$50,000	By the cost of the return cargo imported into the U. States by the same ship.	$100,000
Balance carried to our general account with foreign nations, being so much dead loss; and leaving a debt against us, on this voyage, of	$50,000		
	$100,000		$100,000

A, however, has no reason to regret this result, though it is very evident, from the treasury books, that the nation is going to ruin fast: we have imported $100,000 worth of goods, and exported only produce to the value of $50,000: this balance never can be paid; and if the country goes on at this rate we shall be drained of every dollar we have in specie, and every shilling of property we have in the world; and then, exclaims Mr. Baldwin, "The system must be radically changed." Moderate your transports and your lamentations, sir, and look again on *A*'s account: the balance is

already paid; he is $50,000 richer than he was before; and the United States has an addition to its capital of $50,000 in property. The amount is invested in goods, because the American people want them, and will pay more for them than they cost in France. Whenever the merchant finds the people not disposed to do this, he brings back money, or places it in some other quarter of the world, to be invested in some article, which this country does want. Thus is a profit to the United States of $50,000, set down as a loss by our new system of book keeping. It must be recollected that if the foreigner had come to our country and bought the first cargo, the $50,000 additional capital would have been lost to the United States.

But we are told, reverse this picture, suppose there is a loss? and suppose we do; does Mr. Baldwin think the merchants of the United States such simpletons as to persist in a business, which enriches the farmer and impoverishes them? The fact, however, is not so; the merchants of the United States have enriched themselves and added as much to the wealth of the nation, as any other class in the community; and whenever this is not the case, they will find it out, and change the direction of their capital, before Mr. Baldwin could get the first section of his Tariff, through the house.

We now understand (for it was no easy matter) what Mr. Baldwin means when he says, "*It is admitted* that the most flourishing period of our commerce was from 1802 to 1812." During this term, we had orders in council, Berlin and Milan and Rambouillet decrees, embargo, non-importation, non intercourse, and embargo

again. For this system, of ascertaining the balance of trade by our treasury books, this was a glorious period. Cargo after cargo went to Europe, the proceeds of which never returned to the United States; and the wealth of this country was mounting astonishingly. What the British did not capture, the French seized and confiscated or burnt; and the Spaniards did the same at Bayonne. Here was an account worth looking at—Large exports, small imports.—

Dr.—Europe in account with the United States, *Cr.*—

To cargoes shipped from 1802 to 1812.	$400,000,000	By returns in the same period.	$300,000,000
		Balance carried to our general account of National wealth, being so much clear gain in 10 years.	$100,000,000
	$400,000,000		$400,000,000

This account might suit Mr. Baldwin, but a merchant would carry this one hundred millions to profit and loss, with the following sad recital at the foot of the account.

Burnt at Bayonne,	$5,000,000
Burnt in Holstein,	$10,000,000
Seized in various parts of Europe; and confiscated by Bonaparte's decrees,	$40,000,000
Captured under the orders in council, by British vessels of war,	$45,000,000
	$100,000,000

May the United States never experience another ten years of such "flourishing commerce."

There is however another branch of the subject of balance of trade, to correct which the British experimentalists have been labouring for one hundred years; (and this is less easily understood by one not familiar with the sinuosities which trade pursues, and the expedients it will resort to, until the general account with the world is nearly balanced) it is when a nation imports from a particular country, more than she exports to it. This, we are told, is our case: that the importations of the United States from England are greater in amount than the exportations of the United States to England; leaving a balance to be paid in money, and thereby drawing specie or something out of the country. Now admitting it to be literally true (and it is admitted only for arguments sake, for no man on earth can *ascertain* which way the balance would stand in an average of years) that we do import from England more than we export to it, we shall endeavour to prove that this balance is *not paid in cash* but in produce of the United States.

The exports of the United States to Russia, Germany, Holland, France, Spain, Portugal, Italy and other parts of Europe, greatly exceed the imports in an average of years. This surplus is usually remitted from other countries to London, and more than pays any balance, which may be due on account of importations from England. To make this as familiar as possible, suppose *A* ships a cargo to France: when it is sold, say for $50,000 he vests $25,000 in a return cargo for his ship, and the balance he remits to his agent in London. *A* may then invest this $25,000 in English goods and bring them to the United States: if he does not, his neighbour in New-York in the English importing business, may wish to do this, or may wish to pay for some already bought, and

A sells him a bill on his agent in London and closes the transaction. Thus the produce of the United States shipped to one nation pays any balance which may be due to another.

In the same manner, a farmer sells his produce for 500 dollars to a merchant, receiving from that merchant only half the amount in goods and taking the remaining 250 dollars in money, to pay for other articles which he buys from some other merchant. There is about as much danger that the Farmer will be ruined by this *balance of trade* as that the nation would. If the farmer should by any extravagance, buy more than he wants at any particular time, he must either work the harder or live upon less until he is able to discharge the debt. If he does not, he settles it with an insolvent law and opens a new account with his neighbours. But of the Farmers prosperity, or ruin, we can only judge by looking at his estate; and if we find him pretty much out of debt, with an amazing increase of family, cleared lands, houses, cattle, sheep, horses and a Pennsylvania barn, full of grain, were we to go and preach to him about a ruinous balance of trade against him; he would turn us out of doors or calmly smoke his pipe and puff away all our speculations to that region where they properly belong—the clouds. No man will persuade a farmer by any such logic that he is going to ruin. And such is the condition of this country: for thirty years it has been increasing with amazing rapidity in population and in property of every kind; is now one of the wealthiest nations in the world, in proportion to its numbers; is annually exporting immense quantities of the surplus produce of its industry; in its accounts with the world, has a balance in its favour: and yet Mr. Baldwin very gravely marches to the top of the capitol and cries out to the na-

tion "we are going to ruin, we are going to ruin, there is a terrible balance of trade against us."

If Congress, under the visionary idea of correcting our balance of trade with England, should adopt Mr. Baldwin's Tariff, American funds, which may happen to be in Europe, must be vested in the same articles in France or Germany at a higher price. At all events, the American merchant will no longer enjoy the privilege, he now does, of selecting the market, in which he may invest his money to the greatest advantage; and the United States will actually lose the sum which the American must pay in higher prices, when he is limited to one nation, instead of having the range of the world to find the place where he may purchase what he wants at the cheapest rate.

There is no certainty in any calculations as to the balance of trade at any one time, with a particular nation; but judging from a general view of trade and including the bill and stock negotiations between this country and England, it is probable, that in the seasons of importation, a balance may be due the latter; but in the seasons of exporting our cotton, tobacco, rice, ashes, flaxseed, naval stores, &c. &c. it is equally probable the balance is in our favor. In former times our purchases in England were made generally on long credits; but for many years they have been made either for cash or on short credits.

The following statement of cotton imported into Great Britain *from the United States*, from 1802 to 1820, may perhaps alleviate

Mr. Baldwin's distress, and it will furnish the best practical comment as to the balance of trade with England.

1802—107,494 bales.
" 3—106,831
" 4—104,103
" 5—124,279
" 6—124,939
" 7—171,267
" 8—37,672 embargo.
" 9—169,980
" 10—253,963
" 11—128,192
" 12—95,331 } war.
" 13—37,720 }
" 14—48,853 }
" 15—203,051
" 16—166,077
" 17—199,669
" 18—207,580
" 19—204,831
10 months of 1820—289,180

While upon this subject, it may be as well further to illustrate what is meant by the sinuosities and expedients of trade; in order to satisfy those, who attempt to ascertain any thing about the balance of trade, with a particular nation, or with the world, that it is utterly impossible to found their calculations on any substantial basis; without which no man can arrive at a mathematical or satisfactory result; and further, that none but a supernatural being can trace the course of American capital, until it finally returns to the United States in gold, silver, produce, manufactures, or bills of exchange. Suppose a merchant of New-York sends his ship to Charleston, and there loads her with a cargo of cotton and rice, which he sells in Amsterdam for $50,000; now let us follow some few of the thousand directions, which this capital may take. The vessel may

there receive on board a cargo, or specie, and proceed to Valparaiso; the capital may be employed in trading some months on the coast of Chili and Peru; it may be then vested in copper or specie, and the ship may proceed to Canton; there she may be loaded with a cargo of teas, nankins, and silks, and proceed to Hamburg, where the cargo is sold. Then another expedition may be commenced with this same capital, and another voyage may be performed round the world; and this may continue for some years, until the last cargo is sold in Hamburg again, and the proceeds remitted to London; upon which place the American merchant may draw for it, or direct the amount to be vested in United States 6 per cents, or United States bank stock.

Again, a vessel may be loaded in New-York with corn, flour staves, candles, beeswax, tobacco, rice, cotton, beef and pork, and may proceed to Gibraltar, Leghorn, or Trieste; in the Mediterranean, perhaps at Trieste, she may be loaded with a cargo of German linens and glassware, and proceed to Buenos Ayres; there she may take in a cargo of hides, and return to the Mediterranean, say to Leghorn. At that place the American super cargo may sell his cargo, and purchase bills on London, of another American agent, who may happen to be there. The latter takes this *American* capital and proceeds with it to Smyrna, where he vests the amount in opium, which he carries to Canton, sells and vests the proceeds in a cargo of teas, &c. and returns to the United States, or to Europe, as the case may be. It would be an endless task to follow the capital of this country, winding its way through a thousand channels, borne on the wings of enterprize, and guided by profit, until it finally reaches that spot upon the globe, where it may be

profitably vested in the articles, which are most wanted in the United States, and where the best may be bought at the cheapest rate; or seeking through the medium of exchange, that nation, among the nations of the earth, to which the United States may at the moment be indebted. And is it in the power of any Secretary of the Treasury in the world, is it in the power of man, to ascertain what becomes of the cargoes shipped from the United States, after they have left the country? to watch a thousand ships on every ocean and every sea? to follow every bale of cotton, barrel of flour, bushel of corn, or hogshead of tobacco, until it reaches the market, where the American merchant parts with it for ever? Is it in the power of man to collect from a million of traders the nett amount which each invoice produced in the foreign country? Until the American merchant parts with his goods, the property is still his, it still is a part of the property of his country. And is it not folly, after this property, under the direction of Americans, has been transferred from place to place for years, (probably accumulating some profit on each voyage) and is at last received into the United States; is it not downright folly, to make up our account with the world and charge it against commerce, as augmenting the balance of trade against us?

In taking an enlarged view of the business of this nation with the world, there seems to be an absurdity in the very idea of a balance of trade against it. It is admitted by all that this is the most flourishing country in the world, and that its wealth is increasing, in a ratio to its capital, more rapidly than that of any other nation. When we see her doubling her population in 25 years and probably more than doubling her wealth; when we know that

she is receiving and annual increase of population and wealth from the old nations in the world, it is impossible to believe that an unfavourable balance of trade can exist.

If, notwithstanding, there be men, who fancy themselves omnipresent and able to follow American capital on "wings that never tire," they would do mankind a service to fill up the blanks in the following account: first, however, beginning it with the first settlement in this country more than 200 years ago; and continuing it to the present time; in order to ascertain on which side the balance stood on the 31st of December 1819, and how much that balance was.

Dr. Foreign nations in account current with the United States of America, for the year 1820. *Cr.*

To the nett proceeds of cargoes exported to various parts of the world at	——	By the cost of the cargoes purchased in foreign countries, and imported into the United States . .	——
To specie remitted . .	——	By specie received . . .	——
To bills of exchange remitted	——	By bills of exchange received	——
To nett sales of government and Bank stocks in foreign countries .	——	By bills on the British government	——
To bills of exchange drawn in foreign countries on the U. States	——	By stocks purchased in Europe on American account	——
To bullion	——	By bullion imported . . .	——

Note. During the year a great number of English, Scotch, Irish, French, Dutch, Germans, Swiss, Italians, &c. arrived in the United States bringing with them their families, their property and knowledge of arts and sciences, but as we give nothing in exchange for these importations it cannot be introduced into our general account current.

INTERNAL INDUSTRY.

When it appears that too large a proportion of the population of a nation is employed in some particular branch of industry, it may be said, that *this balance of trade* ought to be corrected and this excess of labour appropriated to other employments. Before legislators undertake to correct this waste of internal industry, it would be well to reflect how formidable a task they have to perform; and to recollect that it is absolutely necessary to be *practically* acquainted with the science of Profit and Loss, which appears to be very little attended to in schools or in our modern theories of political economy.

The legislator, who undertakes to correct this internal balance of trade, must be *thoroughly* acquainted with the business of every branch of industry; not only so as to understand what is the profit on one or loss on another, but he must examine the varieties of each branch. For example, he must not presume that because corn is at a low price, the farmer makes nothing by it; and if it be so, he must not suppose, there is nothing else, which the farmer can cultivate at a profit. And if he even supposes that the farmer cannot find any one article in the rich profusion of nature's productions, by which he can make money, he must not fancy that he will succeed better when he abandons his farm and turns his hand to the new trade which the legislator proposes to him. If he does suppose so, he will find that, in one hundred experiments of that kind, misery and want will be visited on ninety-nine families. He must not believe that because a merchant cannot make money in voyages of a certain kind;

(even if he knows the fact—a very improbable circumstance) that he cannot execute other voyages profitably: the trade of the world presents a wide and various field. But if all the foreign markets in the world were overstocked, or the oceans frozen by an eternal polar winter; he must not believe that the merchant can find no employment in buying and selling at home. But even if this last resource should fail, he must not suppose that the merchant will succeed better than the farmer in the new business, which his government proposes to him. It would be better for the people of the United States, if they had less of that habit of changing professions and trades, which the revolutions of the last 30 years have had a tendency to produce throughout the world.

Every man of experience, who has observed attentively the industry of mankind, must have found it governed by the eternal laws of profit and loss. These superintendants of human labour visit alternately each and every branch of industry in every nation in the world. In our young and enterprising nation we keep them actively employed. At one moment profit attends manufactures; as he is a favourite of industry, he levies upon other employments, and swells the number of his labourers. If his income be large, he increases the number rapidly and augments his business; on the other hand, if his income be moderate the labourers come into his employ by degrees. In the former case, he remains with manufacturers but a short time and his work is irregular and violent; in the latter his visit will be long, his labour steady. Political events or acts of legislation disturb his operations; and whether favourable or unfavourable they tend to shorten his visit. But profit is avaricious and capricious; he pushes his labourers hard, and in the mo-

ment, when they are most busily engaged, he deserts them. For a while the manufacturers believe that he still superintends their labours; for he leaves his shadow behind, to deceive them; but they at length discover that his place is occupied by loss. Indolence and discontent immediately appear; and the labourers anxiously search for the route, which profit has taken. At length they find he has visited commerce. The labourer follows him wherever he goes; and he spends his appointed time among the merchants. But he soon deserts the merchants in the same manner, and visits the farmers. In most countries this is his natural place of abode. In young and thriving countries with a large portion of rich land, always ready to be occupied, he spends most of his time among the farmers, visiting only occasionally the other branches of the family. But in a country like the United States, naturally combining all the advantages of agriculture, commerce and manufactures, although his permanent abode is with the first, he visits and superintends the concerns of both the other branches, occasionally, but only for a time, absenting himself from each, to teach them the value of his company.

Though this picture of the changes in the industry of a nation may appear a parable to some, the wise legislator understands it, and perceives how the motive o interest will operate upon men, and induce them to pursue that occupation, which is most profitable; and he knows too, that the principle of self-interest, possesses a sagacity more acute than legislation and a promptitude that travels in advance of it. There can be no doubt, that in a nation of free, intelligent, and industrious men, who have their own interest to guard, and their families to provide for, the industry of

the nation will be better directed by the principles of profit and loss, than by the wise councils of any legislative body whatsoever; that while the latter are debating and deliberating, the former are acting; and that in all such cases the legislation, which is intended to produce a change, follows in the rear of the change already in full operation.

But after all, suppose that under some forms of government, legislators, to correct this balance of trade, which they suppose they understand, do undertake to control the industry of the nation; does it follow that we are to allow a habit of legislation of this sort in our country? Are we to be made manufacturers whether we will or no, at the will of our representatives? Is a farmer to be converted into a merchant or a merchant to be made a farmer when they please? Is one branch of industry to assume to itself the exclusive appellation of national industry; and is every other branch of industry to be stifled, to augment the profits of that particular branch, because our representatives *think* it is the most profitable? It is high time, to put an end to all such opinions and to all such unprofitable habits of legislation. Lawyers always have been and ever will be among the ornaments of our country; but it must be regretted that there is probably no class of the community so little acquainted, practically, with the subjects of profit and loss and productive labour; and still more to be regretted that they undertake to regulate our internal industry, presuming that they know more about it than those who are actively engaged in giving it life and motion.

In a free government the people are not only to enjoy the privilege of their rights, but in their laws which affect trade, whims and inclinations are to be consulted. The farmer, for example, who

has spent 20 years of his life on his farm, must not be compelled by any modern system of augmenting the "productive industry" of the nation, to abandon the tomb of his father and fly to some manufacturing establishment, to obtain the means of supporting his family. It is a business which does not harmonize with the independent character of the life he leads. And it would better suit his inclinations to enjoy comfortably and independently a moderate income; and employ, even foreigners, to attend upon spindles, and manufacture what his family requires. To conclude, there never was a moment better calculated than the present to augment, in a natural way, the capital employed in manufactures, and any interference of congress would only disturb the regular transfer of labour, which is now in action.

ECONOMY AND REVENUE.

National debts have a tendency to increase; this fatality is not surprising among the old nations of Europe, with a heavy weight of royalty, nobility, clergy and standing armies to support; with troublesome neighbours, and resources almost exhausted: but it will be surprising if, with our rich resources, we permit our debt to augment, particularly as we are far from our enemies, and considering the happy character of our government, less likely to be engaged in war, than those nations which seem to rest only on subterranean fires.

By *Economy* we do not mean the saving of mon ey in expenditures of government, this work not being calculated for such a detail; we must, however, be permitted to remark, that whenever we neglect these matters, and abandon this staunch friend of free government, we shall have occasion to lament it; our civil list is already sufficiently large. But the economy which we now refer to, ought rather to be called the judicious management of our resources, so as to make them as productive as possible, and enable us to pay off our debt.

Were we to judge from our experience of the last thirty years, we should think that we have been rather too much inclined in all our financial arrangements and speculations upon the subject of revenue, to be influenced (without being sensible of it) by the example of England; and have perhaps bestowed more of our time than was necessary on schemes, which rather suited her condition than ours. As we are yet young, and rich in natural resources, it can

hardly be necessary for us to waste time on those expedients, to which nothing but necessity could compel England to resort.

We have lost money for want of a land revenue system, and we have considerably reduced the amount of our revenue from importations by changes too often and unnecessarily repeated. With regard to our land system, we ought to have profited by the example of Massachusetts and Maine; between whom a hostility exists which evinces itself in every election. The circumstances, which produced this, were not very unlike those, which now exist between the general government and its debtors. A timely indulgence (such as is proposed in Congress) may prevent a similar feeling; and all, who know the enterprising exertions of the fitst settlers of a country, will feel the justice and propriety of such a measure. The interest of the general government and that of the settler will be found to be inseparable.

But the part of our revenue, at present the object of attention, is that arising from duties on goods imported; in which it appears much has been done tending to disorganise the system. Since the year 1790, alterations have been continually making, sometimes to gratify the whim of a legislator, and at others, the interest of some particular section of the union. If the interests of the people of the United States are to be wantonly sacrificed in this way, our revenue will always be irregular and uncertain; and the income from that source will gradually diminish. But if a Tariff is established bearing equally upon all classes in proportion to their means, and it is permitted to remain undisturbed by experiments, it will prove a rich and certain source of revenue for many years to come.

Mr. Baldwin's alarms about our treasury would be well founded, if his schemes were adopted; but the history of our revenue for 30 years, proves that it will be sufficient for our purposes, if judiciously managed. The revenue of the present year has been deficient; and that of the next will fall short of our wants, probably more than is estimated in our treasury report; but our calculations should not be founded on the income of 1816, nor on that of 1820 or 21, nor any years singled out for the purpose. We have now been two years gradually consuming the vast importations of the years immediately succeeding the late war. Owing to these large importations and consequent losses, few foreign goods were imported during the last two years, and the stocks on hand are now so much reduced, that regular importations will probably commence in 1821; and these will continue to increase with that inevitable revival of trade, already perceptible. In old nations, this revival is usually slow and scarcely felt, but in this country, growing as it is, it moves almost with a visible celerity. It is impossible that our trade and industry should languish for any long period: natural causes prevent it. This amelioration of our commerce, will take place should the world remain in peace; and the changes, which may be expected in Europe, cannot but tend to accelerate the march of our prosperity. Any change, within the circle of probability, must be for the advantage of this country and its revenue. There is but one circumstance, and that we hope not a probable one, which can harm us--we may *possibly* be engaged in war. When a people resort to war, they must expect to bear its calamities, and to pay its heavy expenses. But if this be the only objection to our present system, let us cling to it for ever. Nations find too many excuses, and unhappily too many occasions for appealing to this

dread alternative. Self-defence requires that we should guard our coast; and it is probable we shall never want spirit, while we have a free government, to resist any violation of our rights. Nations gain little by a meek submission. Let us not, however, hold out an inducement to this nation for going to war, by establishing a system of internal taxation in anticipation; while we have another system of revenue, which will, if not disturbed by experiments, meet all the expenses of the government. When that remote period arrives, in which this system of revenue shall fail to meet the wants of the government; and the lands of the nation shall have been exhausted; let the generation then existing provide for its own necessities: we have enough to do, to take care of ourselves, and to avoid entailing on our posterity the permanent taxes of bounty, monopoly and prohibition.

The articles of primary necessity, embracing coarse and heavy goods of almost every kind, will in all probability, be generally supplied by our own manufacturers in ordinary times; because all these are protected by extraordinary natural advantages. Yet in seasons of activity, for many years, perhaps for generations to come, our own manufacturers cannot supply all the wants of the people of the United States, because in such seasons additional capital will be employed in commerce and agriculture. Should new troubles arise in Europe, (and we should class these among probabilities) the farmers and merchants would be busy at once; and some diminution of manufacturing capital might be expected; at least the augmentation would not continue in a ratio to our increasing necessities for manufactures.

Thus in an average of years we may calculate on some revenue upon coarse woollens, cottons, linens, glass, iron, iron manufactures, &c. &c. Of the articles, of an average quality between coarse and fine, we may depend on regular importations, without much, if any increase ; as these manufactures will be gradually improved at home. Of groceries we may calculate on regular and increasing importations. Of fine goods and luxuries, we shall have a regular increase in the importation; and it is upon these articles that the hand of government should fall most heavily; sparing the labouring man and poor as much as possible. There has been already an amazing increase of luxury and extravagance in this country; and if the duties on the gratification of these propensities, are properly attended to, in a few years, a considerable portion of the expenses of the nation may be paid out of this branch of revenue. And it must be recollected that these fine goods, wares and merchandize will be among the last manufactured in this country. Were we guided by the experience of Europe and Asia, in relation to fine wares and fabrics, we might calculate that for ages to come, these articles will be manufactured cheapest among old nations overcharged with luxury and population. China and India, from an overgrown population, manufacture fine goods and wares cheaper than they are made in Europe, notwithstanding the modern discovery of labour-saving machinery.

Without entering into a minute detail of the many alterations of which our Tariff is susceptible and which cannot well be pointed out in a work of this kind, it is respectfully suggested, that the following rates would augment the revenue without the fear of smuggling.

All manufactures of wool	25	per cent.
" " " flax	25	"
" " " silk	30	"
Nankins from China	30	"
Looking glasses	30	"
China and porcelain	30	"
Clocks	30	"
Marble manufactures	30	"
Carpeting	30	"
Earthen and stone ware	25	"
Plain glass ware	25	"
Oil cloths	25	"
All articles which may not be enumerated in the Tariff	20	"

The importations in 1820h aving been small, the duties receivable in 1821 are consequently diminished in amount ; but the importations of 1821 will exceed those of the past year and a gradual augmentation will probably take place ; particularly of fine articles. Our revenue must always be affected by those eternal laws which move and regulate the industry and trade of the nation. And those who make their calculations on the natural fluctuations of trade and industry, will probably be better prophets, than those who undertake to foresee the result through the medium of our Treasury books.

MR. HAMILTON'S REPORT OF 1790.

This Report has been noticed, perhaps sufficiently; but as the system proposed in it varies in some features from that advocated by Mr. Baldwin, it may be interesting to give an outline of those measures, which appear to be ably defended by Mr. Hamilton, some of them indeed not without qualification; yet all recommended to the attention of Congress, for the encouragement of manufactures. They were the following:

1—PROTECTION by *duties on imports*.

2—PROHIBITION of *rival articles* of manufacture.

3—PROHIBITION of the *exportation of the materials* of manufactures.

4—PECUNIARY BOUNTIES.

5—PREMIUMS.

6—THE exemption of the *materials* of manufactures *from duty*.

7—DRAWBACKS of the duties on the *materials* of manufactures.

8—THE encouragement of *new inventions*, &c.

9—INSPECTION of manufactures.

10—FACILITATING *remittances of money* by Banks.

11—FACILITATING the *transportation* of commodities, and the establishment of a board for the distribution of bounties.

With regard to the manufacture of arms, Mr. Hamilton observes, "it may hereafter deserve legislative consideration whether manufactories of all the necessary weapons of war, ought not to be established on account of government itself," he refers to the practice of other nations and speaks favourably of such establishments. It is probable there were very few men in the Congress of 1790 dis-

posed to adopt this system. Mr. Hamilton seems to have been much under the influence of that system, which he had selected as a model, and perhaps a military life assisted a little in giving a complexion to his opinions. But throughout Mr. Hamilton's works, one grand and patriotic motive is perceptible; he was of opinion that the existence of this confederacy depended upon a consolidation of the nation; and there was no way of doing this so effectually, as by extending and increasing the powers of the general government. This object was pursued by him with a zeal and integrity corresponding with his character and its importance. Some of the measures proposed (canals for example) are undoubtedly proper, under every government duly attentive to the interest and convenience of its population; but whenever such become expedient, it seems rather to be the province of the state government, which more particularly superintends the interests of its people with parental care. It is not to be supposed, that in this extensive country, the general government can understand the interests of the people in a distant quarter of the nation, so well as the state, whose immediate care it is. This power also is one, which above all others will be administered in a partial manner, and will undoubtedly excite jealousy between the different sections of the union. The line, which marks the boundary between the powers of the general government and the powers of the states, must in some instances be vague and uncertain; but when we forget that there is a boundary, this union will be nearer its dissolution than it ever will be from the policy, which requires a strict observance of the constitution *to the letter.* A cautious exercise of these doubtful powers of the general government, and only in cases of evident necessity, and an indulgent sanction of the use of them, on the part of the state governments, will probably extend the period of our union much further

than any policy, which would endeavour to make one nation of the states. A confederation of states associated together and strongly bound by a reciprocity of interests, and great general interests, but each superintending its particular interest within its own circle of power, will probably, considering our vast extent, exist much longer than one government directing the whole and by every act exciting discontent and perhaps resistance in some one section of this extensive country.

CASH DUTIES.

There is no artifice, which can be devised to check commerce and put an end to importations, that does not appear in some shape or other in the system proposed last winter for protecting manufactures, of which we consider the cash duty bill a branch. If it is intended to impose a duty of 50 per cent, the proposition is not made in an open, manly way; but there is a nominal rate of 25 or 33 per cent proposed and mid-way in the sections of the bill, in ambush, is a short clause, to appearance, innocently relating to the manner in which the duty is to be ascertained; but which in reality covers an additional duty of 30 per cent on most of those ad valorem articles, which are wanted by the people. When it is intended to prohibit common glassware, a duty of 75 to 112 per cent is imposed by a new mode of charging 10 cents per pound. So here, under the pretext of making the merchants pay the duty in cash, it is intended to pass a law equivalent in its prohibitory effect, to an additional duty of 10 per cent on all importations, without giving the government the benefit of this increased duty. It is proposed too, at a moment, when the government wish to keep their revenue as productive as possible, and when the treasury is not in a condition for experiments.

The present system of giving credits on duties has been established, and has succeeded for 30 years; and before a system is changed, one would expect to have its errors pointed out, and to know something about the expenses necessary in the operation of the system proposed. It would be well for us, before we adopt it,

to prepare as England has done, extensive warehouses for the deposit of goods. Under our present Custom-house arrangements, we are sufficiently embarrassed with the irregular practice of occupying part of a merchant's store for government use. It is probable the expense of collecting cash duties, would double the amount of any losses the government has heretofore sustained annually. The friends of prohibition seem very desirous of increasing, as much as possible, our army of revenue officers.

A cash duty bill would be favourable to capitalists; and this circumstance furnishes a democratic objection to it. As we have been accustomed to the old system, by which the business of importation has been in a multiplicity of hands, it seems not altogether just to confine it suddenly to a few rich men. Besides, one would think the circumstances, convenience, and practice of the community, ought to have some weight in a government like ours.

The great complaint, however, appears to be, that our system of credit enables English agents to use the government's money in supplying our market with manufactures; and that the American merchant has not an equal advantage. Suppose cash duties were exacted. The American, on the receipt of his invoice, must raise the money for the duties before he can get his goods: the Englishman, in one hour, converts into cash a bill on his house in England, at 60 or 90 days sight, pays the duty and places his goods in the market the day after. It is difficult to conceive how the cash duty system would give an American any advantage over an Englishman. If Congress desire only to prevent foreigners from taking advantage of the credit allowed by government on the amount of

duty they may reach the foreign merchant, without invading the interest of the great mass of Americans of moderate capital: They can require, that every *principal* and *surety* to bonds, should be citizens of the United States; except in cases where the foreigner resides in this country in an official capacity. And however severe this regulation might appear to those, whom it would affect; it is supported by considerations strictly consonant with justice and the interest of the government. Owing to the system of prohibitions, so fashionable in Europe, too many merchants appear to think that they are bound to respect no laws, but those of their own country; and when foreigners are allowed to bond goods, there may be some, who would put this rule in practice against our government, and evidently to the injury of those merchants, who comply with the law. The American citizen, however, has no right to expect any such law for his particular benefit; the Congress will doubtless find a better motive for such a regulation, should it ever be established.

It is perhaps imagined, that the interest on the bonds would be saved to the government; but we must reflect, that the goods would remain in the public store a limited time; that they would only be entered as sold; and that on an average there could be little saving of interest to the government. It would depend entirely on the state of trade.

If there was reason for allowing credit on duties in 1790, when the average rate of duty was 7½ per cent; one would think it could hardly be questionable in 1820, when the average rate of duty is about 35 per cent: as the articles paying an ad valorem duty fall little short of it, and those paying a specific duty, greatly ex-

ceed that rate: Some alterations have been made in our credits in late years ; at present, it appears that many of them are unnecessarily long, and in some instances may induce merchants to extend their business beyond proper bounds. The old rates would probably better suit the purposes of the merchant and of the government.

We are not among the friends of an extravagant use of fictitious capital ; but it must be recollected, that when the merchant is fortunate enough to realize the money for his goods, some months before his bonds fall due, (which is not always the case) the money is borrowed on bond and security from a government, which has invested itself with a priority over all other creditors. This would seem an all-sufficient check on any abuse of the indulgence. There is also less danger of our abusing this sort of fictitious capital, than any other ; because in every case where it exists, there must be introduced at the same time near triple the amount of other capital. To some of our political economists, who seem to believe, that capital is every thing, and that we should keep as much of it at home as possible ; one would think there were strong reasons against *extinguishing* by law this description of fictitious capital. When used by the merchant, some of it is employed at home, and some of it in conducting our foreign trade. Extinguish this capital and its place must be supplied with *real* capital, which might otherwise be employed in our home trade. Had the cash system been adopted at the outset of our government, it might perhaps have been well ; but considering the experiment we have made of our present system for thirty years, it is probable, we never shall contrive a plan, by which the government would collect so much revenue with so little expense and loss.

DRAWBACKS.

Under the chapter of bounties and monopolies we shall consider those drawbacks *of excise*, the policy of which is defended by some and objected to by others. The drawback which we are now to consider, is generally allowed in countries where the duty charged is high enough to require it; and with us the operation is simply this:—an American merchant loads his vessel with a cargo of our produce of the farm, of manufactures, &c. which happen not to be wanted in our country, or not suited to our uses; he sends her to a foreign country and she returns with an assorted cargo of articles, some of which are intended for us and some for another foreign country; the whole cargo is entered and bonds given for the duty; when that part of the cargo not wanted by us, is exported (and sometimes it is in the same vessel) the government allows the duty back, reserving a small proportion for the trouble of bonding. When a foreign ship stops at a port in the United States, in search of a market, the cargo is entered in the same manner, bonds are given for the whole duty and the drawback of the duty is allowed on that part, which is not wanted and which she carries out of the country. Those who are not acquainted with the speculations of political economists about the profitable use of capital, cannot conceive what objections there are to a regulation, which seems to be so strongly supported by reason and justice; but nevertheless it is considered to be one of the moths, which feed upon the wealth of the nation; and it is therefore proposed to abolish drawbacks altogether.

It is proper to remark that Mr. Baldwin did not introduce this

bill; but it was a branch of a family of bills, which had in view the destruction of the existing business of one class of this community and the augmentation of our manufacturing capital. It was introduced by Mr. Trimble, of Kentucky, and the doctrine is sustained by the great and respectable name of Mr. Jefferson. It is probable, if this venerable and patriotic legislator, enjoyed the practical knowledge, so necessary to understand *thoroughly* what would really be the effect of an abolition of drawbacks, however ardently he might wish to see *all* our capital circulating within our own boundaries, he would abandon the experiment; and leave this change to the slow, but inevitable work of time, operating through the uncontrolled medium of human industry and enterprise. After we have noticed the opinions of political economists, we shall endeavour to prove that the effect of an abolition of drawbacks would be directly opposite to what Mr. Jefferson expects.

In almost every book on political economy, the following general rules are to be found in relation to the use of capital:—*First*, Agricultural capital is the most profitable to a nation; *Secondly*, Manufacturing capital; *Thirdly*, Commercial capital employed in exporting the produce of the country; *Fourthly*, Commercial capital employed in carrying merchandise from one foreign country to another. These are, however, but general rules, and must inevitably be subject to the circumstances, in which a nation may be placed as to natural advantages, knowledge, population, &c. which will control all general rules. If a political economist could find a nation inhabiting a country with great agricultural advantages, enjoying great knowledge and enterprise for conducting commerce, a superabundant population with skill and experience in manufac-

tures and an ample capital for all these purposes; then he might establish his maxims as laws for regulating trade and government; but until this wonder appears in the world, his rules must be subject to the fate of all other human maxims: they must be liable to those exceptions arising out of the various conditions of nations. Indeed these rules seem to have been intended to guide old nations, possessed of a superabundant population, when it appears necessary (according to such speculations) to confine the capital at home, to give employment to an excess of manual labour. Such, however, is not our condition; it is probable on the other hand, that for many generations to come, we shall not be able to take advantage of all the opportunities presented for labour; because our population is not, and cannot be equal to the extent and value of our natural sources of wealth. We have more occasion for laws, if there could be such, to augment our population, than for laws to find employment for that labour, which we have. Every nation experiences a want of employment at intervals, amidst the natural fluctuations of industry; but the people of the United States will not need legislative interposition, to find them employ, for one hundred years to come.

But whatever may be the speculations of political economists, they are considered by themselves as mere abstract opinions, subject to the various conditions of nations; and they do not mean that, because agriculture, or manufactures, or commerce may be the most profitable or useful, it would therefore be wise in governments to force capital from its actual employments into any new channel which they *suppose* to be more profitable. Adam Smith, who speaks of the use of capital in the order we haye mentioned, is on

the other hand, the firmest enemy of this restrictive system. He tells us that every such measure is an injury to the labour and capital of the nation.

The mistake we make in this country appears to be, that not content with adopting this theory as a general speculation on the various uses of capital ; we wish to go a step further and without any regard to our actual condition and employments, indulge in experiments on our industry, and suddenly shift capital from one object to another. As well might the Greenlander put an end to all fishing, and turn the labour and capital of the country to the uses of agriculture ; because it was admitted by all the political economists in the world, that it was more profitable to employ capital in agriculture than in fishing.

But taking it for granted that it *would* be more profitable to employ our capital in manufactures than in foreign commerce (including the carrying trade) let us inquire what consequences would follow an abolition of drawbacks ; and whether we should really augment the industry or the capital of the country, or actually by this abolition transfer any capital from commerce to the home trade.

The merchants now employed in that commerce, which would be affected by the proposed measure, generally reside in the eastern section of the United States, and it may be said, few are found south of Baltimore. These merchants are generally men of large capital ; so large that they think it good policy to distribute their money in stocks, houses, lands, ships and merchandise. From long

habit and great knowledge* and experience they understand the trade with the more distant parts of the world bordering the Pacific and Indian oceans, the China and South seas, better than the merchants of any other nation, and, therefore employ in it a certain portion of their capital. The merchants engaged in all the numerous branches of our foreign commerce understand their business, and conduct it with unparalleled enterprise and success ; and whatever our political economists may think about it, or however profitably capital may be employed at home, the individuals engaged in this foreign commerce, in the average of years, find it more profitable than any of their capital otherwise invested. And such is the character of the commerce, which it is proposed to reduce almost to nothing, that the capital now employed in it may be diverted into another channel. We shall have occasion to say more of this commerce and its profits in considering productive labour.

It has probably never occurred to those, who are devising expedients for confining our capital at home, that it *cannot be effected even if we were to shut our ports altogether against our own vessels.* The American merchant, who has a knowledge of his business, enjoys its profits and possesses the capital, which it is intended to confine, never can be prevented from using them to his own advantage ; and never will be persuaded to give up these solid advantages and employ his money less profitably at home. We might as well attempt to chain the winds, as to expect by an abolition of drawbacks, to confine American capital or American enterprise at

* As an evidence of the superior skill of Americans in commerce, it may be mentioned, that the French government grant their ships a register, allow them to be officered and manned chiefly by Americans, and give the owner of the ship a bounty of 48 francs per ton. This applies to ships employed in whaling only.

home, when these profits invite them abroad. So far then from producing the effect upon American capital, which Mr. Jefferson anticipates, it would increase what he considers an evil; the capital would be employed entirely out of the country, between Europe and distant parts of the world; and we should not even enjoy the advantage, we now have, of supplying our own ships. Americans, American capital and American ships would be employed for years abroad, without visiting this country at all. Not one cent of this American capital would be diverted by such a law into other channels; and should the cash duty system be enforced at the same time, a still larger amount of real capital would be conveyed into foreign commerce; because none but those possessing large monied capitals could conduct such extensive voyages and the profits on the trade would be consequently increased. The consequence actually would be a transfer of capital from manufactures, houses, lands, &c. to this foreign commerce; which must of course be replaced by drawing upon other capitals employed in the home trade.

No man can be more vigilant than the American capitalist in watching opportunities of employing his money safely and profitably at home; none is more prompt in seizing such occasions, and without restrictions on commerce its accumulations will be invested at home. There are generally very few of the large capitalists engaged in the commerce of this country, who ever employ more than one third of their capital in the foreign business.

The abolition of drawbacks would produce another effect not desirable; it would diminish the importation of foreign goods without

diminishing the consumption; because our duties are so high, that when once paid the goods must be forced upon the market; they could hardly in any case be exported without additional loss. Were the drawback allowed, what were not wanted, would be exported and the proceeds would be returned to us in something we might want, in bills or in specie.

There appears to be a general impression that our East India and China trade cannot be conducted without drawing the specie out of the country; and terrible apprehensions are indulged by political economists on that account. But it requires little reflection to show us how idle are such fears. American capital seeks for specie all over the world; in England, France, the North Sea, the Mediterranean, and South America. The produce of our lands is carried to Europe, and the proceeds are there invested in specie, or opium, or quicksilver, and a hundred other articles wanted in Asia; American enterprise obtains copper in Peru, furs and skins on the North-West Coast, seal skins in the South Seas, sandal wood at the Fejee Islands; all of which are invested in the manufactures and produce of the East; and of the latter a part is afterwards sold in the United States, the remainder disposed of in Europe, and returned to the United States in specie or merchandise as much wanted as specie. And can our Legislators expect to confine enterprise like this, by an abolition of drawbacks? or if they could, would it be sound policy to do so? If we wish to add to the wealth of this nation, we should not throw obstructions in the way of such commerce; for, one year with another, it brings more money into the country than it carries out of it.

PRODUCTIVE LABOUR.

During our late war, when we acquired a rank and reputation among the nations of the earth, of which every American should be proud; when none of us were very busy except our manufacturers and our gallant soldiers and sailors—we made some important discoveries in the science of productive labour. It was ascertained that no labour was productive, but that applied to manufactures; and that no other employment merited the appellation of *national industry*. It was also ascertained, that by means of machinery, steam, wind and water, with the asssistance of a paper money manufactory, we could make this petty population of ours of some ten or twelve millions, perform the labour of two or three hundred millions of people, and nearly double the value of the productive labour of all Europe. These grand discoveries, in a few years, would have made us all nabobs; but alas, when we were about to grasp them.....they were castles in the air!

We have for five years been much enlightened upon this subject, by many, who probably have never taken the trouble to inquire into the profits on any other kind of labour, than that employed in superintending machinery. It is not intended to question the productive powers of machinery, nor to ridicule those discoveries, which do credit to human ingenuity; but it is intended to question (the theories of political economists notwithstanding) whether agriculture and *commerce* have not each contributed more to the wealth of this nation, for thirty years past, than manufactures. In old nations, where the rich fountains of natural wealth are in a measure exhausted, but still enjoying capital and population—the accu-

mulations of ages, individual industry is seldom rewarded with large profits and consequently enterprise wants its stimulant. With such nations, the province of productive labour, when confined to individual exertion, is very limited. But it is very different with a newly discovered continent, highly gifted by nature, and thinly settled with a comparatively small population. While such a continent is undergoing the rapid and almost magical transition from a state of wilderness to that rich carpet, which our American plains and valleys are annually spreading before our view—no contrivance of human ingenuity (whatever may be the discoveries in labour-saving machinery) can afford greater aid to manual labour, than agriculture ; or equally multiply its productive powers.

In applying the general rules of European political economists, we appear (as has been before stated) to overlook entirely, some material circumstances, in which we resemble no nation under the sun. In the first place we have no surplus population. Even in Connecticut, Rhode-Island, and Massachusetts, there is no superabundance of labourers ; and there never can be in any part of the United States, while the country from the Northern Lakes to Mexico, remains to be settled, and continues to absorb a portion of the population and capital accumulated in the old Atlantic States. We have here no class of labourers corresponding with that miserable and abundant race of men, who croud the cities of Europe and of Asia. We have indeed so few of the lowest classes in this country, that some inconvenience is often felt from the smallness of their number; and though, as men, we cannot regret this circumstance, yet such is the organization of society under every form of govern-

ment, that labourers are needed for the most servile offices, unbecoming the dignity of freemen. With this description of miserable men, Europe is filled; as every country must be, when time and corruption, assisted by the worst passions of men, have slowly operated through many generations, in destroying the middle and best orders of society, and divided the whole community into two great classes—the rich and the poor; the masters and the serving men. Such, happily for our morals, our happiness and our liberty, is not yet our condition. We have no millions of wretched men, shivering with poverty, with suppliant hands, soliciting employ to save themselves from starving. This is the character of the surplus labour of cities and towns, the general abodes of population in Europe and Asia.

There is another class, which, with that just described, forms the mass of European population; and, from natural causes, from our youth and from our admirable form of government, we have no similar class of men in this country. We refer to the European peasantry. They herd together in miserable little villages, and till the lands around. How differently situated is the American farmer? He lives independently, upon his own farm, builds houses, clears lands, and in a few years makes a single farm in this country worth more than many a village of these peasants, with all their lands, or rather the lands of their masters. And we may also add that there is almost as wide a distinction in the character of an American and an European sailor. It is indeed impossible to find two populations so entirely unlike each other, as the European and American, both in number, character, intelligence and habits; and in receiving the general rules of books, we must modify them to suit the variation of all these circumstances.

Upon this subject of productive labour and the profitable employment of capital, there is much which may be considered mere speculation in the writings of the ablest political economists. When the mind attempts to follow capital, it must borrow the wings of a planet, for there is no end to the journey, and move with a meteor's celerity and irregularity, for the object it pursues is swift-winged and has no stability in its course; and the speculator in productive labour, or profits of labour or capital, must fly about the world guided by the spirit of necromancy, to ascertain what is at any particular moment the most profitable and useful branch of industry in a nation. These are tasks too sublime for the reach of humble man; and when the human mind passes that boundary, beyond which the Father of light commands an infinitude of visions to revolve in eternal circles, all is speculation, wild and uncertain fancy. In the chambers of the mind are many winding paths; some take the wrong, some the right, and all are without a termination. In order that we may not indulge in mere speculations, which none will understand; in considering the subject of productive labour, we shall, as nearly as possible, approach the habitations and the business of men. In reasonings of this sort, absolute demonstration is not within mortal reach; but in taking this simple course, we shall at least be understood, and we shall probably come nearer to demonstration than by adopting any other mode. In Europe where the labour of the nation is the property of the aristocracy, that is the *masters of the labourers*, it is proper for royal political economists to speculate on what quantity of productive labour can be drawn out of the *bodies* of men, at the least possible expense, keeping the labourers in perpetual poverty and augmenting the capital of their masters. This is what they call increasing the productive powers

of manual labour and the wealth of the nation. In this free land we shall adopt another course more congenial to our happy institutions and more satisfactory to justice and common sense: we shall endeavour by confining our view to the labour of one individual, to ascertain what the value of that labour is to the *labourer himself;* and in considering the profitable use of capital we shall appropriate a specific sum in various employments. And without regard to what may be denominated the settled laws of political economy, we must believe, that there is no more certain way of judging what sort of labour contributes most to the real wealth of a free nation.

It seems to be admitted by all writers that agricultural labour is the most useful and profitable to a nation. If European writers had occasion to be satisfied of this, it would be absurd to question it in America, which may be considered the garden of nature. In observing the amazing increase of our new states, (making all due allowance for population emigrating from the old) it would seem that no invention of man can possibly equal the aid, which nature affords to labour in this rich country; and merely by way of counterpoise to some of our modern speculations on productive labour, we would remark, that nature has probably assisted manual labour, in augmenting the wealth of the nation, more in thirty years, than the machinery of all Europe could have done in a century.

Without referring to the mass of manufactures in this country, which are not assisted by the modern invention of labour-saving machinery, and which cannot be comparatively very profitable where the price of labour is high; we shall confine ourselves to the manufactures of cotton goods and nails: in both of which the heavy work and the blacksmiths work must be performed by *men*, what-

ever may be the assistance rendered by women and children: and, it may be remarked, if women and children do assist in factories, they are quite as essential on a farm, and assist the father of the family in various ways to increase his property, or to save him that expense, which he would, without their assistance, incur. We do admit that the labourer in our factories would be degraded by a comparison with European or Asiatic labourers generally; but in doing this, we cannot give him a higher rank than any other day-labourer in the United States. It is not the habit of day-labourers in any country to accumulate money; even the American farmers, who live in the more uncultivated parts of our country near the sea coast, and are employed in cutting timber, or procuring naval stores, &c. seldom accumulate money: when these sources fail them, and they are compelled of necessity to turn their attention to the cultivation of the earth, the whole profits of their labour cannot be parted with—they cannot barter the improvements of their farms for luxuries. It may be fairly presumed that a day-labourer in a factory will remain and die in that condition; and, probably, all that he can leave his family, will be that state of dependance, in which he has lived. The very house his family occupies belongs to the proprietor of the factory. Such is too generally the produce of the labour of that man, who depends on a factory for employ. He may add to the population of the nation, which he would do in any case, but he adds nothing to the wealth of the nation by accumulating property for himself: the best possible wealth for a free government. If this man had not been encouraged by some prohibitory system, to remain in the more populous parts of our country, labouring at a factory, he would probably have followed that stream of population, which is continually setting towards our rich unset-

tled lands. But for this inducement, he would, with a hardy enterprise characteristic of our country, shoulder his rifle and direct his steps towards the west; startle the wolf with his nightly fires and build his house in the wilderness. Perhaps he takes with him some small sum, sufficient to buy himself a tract of land, or if not, he labours until he acquires enough; for little is necessary to make a man a proprietor in that rich country. If not before, it may generally be expected, that he will buy himself a farm whenever he has a family to provide for; and in comparing agricultural with other employments we must reflect that a very small sum is sufficient to make a man a proprietor, whereas, it happens only occasionally, that a sailor becomes a captain, and there are very few instances in the world where a day labourer becomes a proprietor. These are considerations, which should powerfully influence legislation in a free country. But to return, when this farmer, who has settled in the West, dies, what an inheritance he leaves his family! What a legacy he leaves his country in improved land, houses, stock, and a race of young farmers to pursue the occupation of their father! And is it consistant with our republican sentiments to check enterprise like this, and force this man's labour into manufacturing employ, because we have wonderful notions about the powers of machinery? Will the blacksmith (probably the most provident labourer in a factory) ever leave such an inheritance? If this is not the course of the young farmer, he marries and settles in the neighbourhood of his father; and with perhaps less enterprise and profit, but with more stability and certainty, with the help of nature and his own industry, accumulates a property for the support of his family, and at his death leaves to his country a rich and well stocked farm.

It cannot augment the real value of the labour of this country to transfer labourers from agriculture to manufactures ; and were it admitted that the labour of the latter was as productive as the former; (which is by no means the case) yet it would be the duty of every legislator in a free nation to look into the propriety of transferring labour from agriculture, in which a large portion of the value remains with the labourer himself, to bestow it on manufacturers, in which almost the whole value of the labour is put into the pocket of the proprietor: in other words, whether we should in a free government permit the people to work for themselves, or make them work in a way, which perpetuates their own poverty and augments the wealth of the aristocracy.

It is idle to refine about the productive powers of machinery: man is placed in the world to use the force of his body and the powers of his mind ; and if he finds nature ready to assist, and do more for him and his family than any human invention, he certainly will not increase the real productive powers of his labour by neglecting to use the bounties of the former. It is these bounties of nature and the advantages of education, which makes American labour so much more productive than European or Asiatic.

We place *agriculture* then in the *first* rank as having contributed most largely to augment the wealth of this nation ; and notwithstanding the alarm (excited by circumstances which are altogether temporary) as to a market for our surplus produce, there is no way, in which labour can be appropriated to so much advantage in this country.

Next to agriculture, though we are aware that we make war on

those general rules referred to, we place *commerce.* At least we believe that commerce, thus far in our history has contributed more towards the wealth of this nation than manufactures; negatively, by not taking so many labourers from agriculture, and positively, because commerce has been more assisted by *knowledge and experience*, which, next to nature, are more profitable than all the machinery in the world. In comparing commerce with manufactures, we should say, the first is a business, which we perfectly understand in all its enterprising varieties; that we have had no competitor but England, whom we have anticipated in developing all those grand sources of wealth in the Pacific ocean; while we have enjoyed as large a share of every other branch of commerce, as we could possibly embrace: the second is a business, which we have been learning; it is generally the last, which any nation can understand and follow with success, because time and patience are indispensable in acquiring the knowledge necessary, and an abundant population to conduct it profitably on a large scale. In the first, there are no impediments to competiton with other nations; in the second, we have to contend with nations overflowing with population, and highly improved in every branch of manufactures by a thousand years of practical experience. Every man must waste his labour and his money until he understands his business; and every nation must waste its labour and its capital, until it acquires that knowledge, which must in all cases precede profit. For these general reasons, and judging from general observation, we have given commerce the second rank in augmenting the wealth of this nation.

We shall have occasion to notice the distinction made between

capital employed at home and that employed in foreign commerce; here, it is only necessary to remark, that *profit appropriates capital*; that whenever it can be employed more profitably between Georgia and Massachusetts, it will flow into that trade, as naturally as the waters of a full basin will into an empty one, when the channel of communication is not *obstructed.* It may be laid down as an eternal law of trade, that the demands for capital at home *will* be supplied first, and that until these are satisfied, capital will not be transferred to foreign commerce, with or without legislation. We must therefore take it for granted, that it is the surplus capital of our richest merchants, which is in the mass, employed in this foreign trade. And as in commerce, the capital of the merchant and the labour of the sailor move together, (in many instances the profit is shared) we must consider them together; as must be done also in manufactures. In agriculture the farmer is his own capitalist and his own labourer, and he needs no rich man's money, or assistance, except in appropriating his surplus. In the commerce of the United States we employ in part, sailors, who are foreigners making this their home for a time; as it is not probable this class of men will ever, by any of our legislation, be tempted to labour in manufactories, we shall exclude them entirely; if we do not employ them they will go where commerce is better protected for they are of a wandering nature. But the mass of sailors in that commerce, which is considered most detrimental, are native Americans, who are particularly selected for such long voyages, because, being the the sons of respectable farmers, tradesmen, &c. on the seaboard, and having the advantage of a common school education, confidence can be placed in them by their employers.

In our admiration of the productive powers of machinery, we are too apt to omit entirely an inquiry into the profits of commerce: The commerce of the Pacific ocean may be placed in opposition to manufacturing by machinery, because the profits have been great in each; in the former, labour is assisted by enterprise, in the latter by ingenuity. Were it possible, to unfold the mysteries of the profits on the commerce of the Indian and Pacific Oceans, the China and South Seas during the last 30 years, it would no longer be a matter of surprise to see our merchants with capitals of 500,000 dollars, one, two and three millions. Their profits were in former times frequently five hundred and one thousand per cent. Those were the times, when only about one million of capital was employed in manufacturing by machinery, very profitably by Messrs. Almy and Brown and two or three others. Manufacturing by machinery as well as this distant commerce, has shared the fate of every other new discovery affecting the industry of this world. Great profits have introduced many labourers into each, and neither are so lucrative as formerly. The profit on our distant commerce is however even at this moment greater than that on manufacturing; for, whether it arises from a want of knowledge or a want of enterprise in foreigners, the Americans in that trade do not experience much inconvenience from the competition of other nations; whereas in manufacturing by machinery we have all Europe to contend with, crowded with labourers, who work for one fourth the price we are obliged to pay at home. It is proper to remark that the Pacific ocean has been a field of discoveries in commerce for the last thirty years, and still continues to be so. It is impossible to ascertain which is the most profitable branch of that trade, because the merchants engaged in it know the propriety of keeping their own secrets and enjoying their profits, with as little

competition as possible; but it is very well known that there is *at this moment* no business in the country, which will on an average yield a larger profit than sealing, whaling, voyages to procure furs and skins on the north-west coast, and trading voyages generally with the Islands and coast of the Pacific. The *sealing* trade is probably the most profitable at this time; as the new sealing ground lately occupying our attention, and *supposed* to have been a recent English discovery, presents great advantages in that business. In whaling, however, new places of fishing have also been lately found. Indeed discoveries are continually occurring, not only in this but in every branch of human industry, and the advantage this commerce has over all other business, is, that it is yet a new world; a field for enterprise.

As the *whaling* business is more simple, we will, to make the matter plainer, sketch a voyage; not an imaginary one, but such as is actually realized, even in these dull times, when it is said capital has no wings and labour no excitement.

A whaler of 300 tons, managed by 24 men, officers included, with every preparation for a voyage of that kind, and including outfits, would cost from 20 to 30,000 dollars, average	$25,000	
After an absence of two and an half years in the Pacific Ocean, she returns, when successful with a cargo of 1900 barrels of "spermaceti oil" but if the crew have been only tolerably successful her return cargo consists of 1200 barrels of spermaceti whale oil nett 30 gallons each or 36000 gallons at 90 cents	$32,400	
700 barrels of common whale or sea elephant oil 21,000 gallons at 35 cents	7,350	
	$39,750	
The Ship on her return will produce *at least*	$10,000	
		$49,750

Thus a capital of $25,000 with the labour of 24 men is augmented in two and an half years to $49,750, free from all deductions.		
As it is intended to compare this voyage with the most successful investment of factory stock, assisted by machinery, we will suppose the crew to have been successful and that the ship returns with		
1900 barrels of spermaceti whale oil at 30 gallons each, making 57,000 gallons at 90 cents	$51,300	
To which add the value of the ship on her return	10,000	
	$61,300	
Thus a capital of 25,000 in the whaling business, assisted by the labour of 24 men increasess to 61,300 dollars.		
The return cargo of $51,300 is thus divided: whole value of 1,900 barrels of oil	*$51,300*	
The crew, including officers, recieve in lieu of wages 30 to 35 per cent—the average is 32½ per cent	$16,672	50
Merchant's share	$34,627	50
To which add the value of the ship	10,000	
	$44,627	50
Thus the merchant increases a capital of 25,000 in two and an half years to $44,627 50.		

Of the $16,672 50 shared by the crew, the captain and his officers receive larger portions than the sailors. The sailor is usually allowed 1-110th to 1-140th part of the *whole returns;* taking the average 1-125th part of $51,300, the sailor would receive $410 40. To purchase all the articles a sailor wants for a voyage of this kind would require on an average, $167 50. Thus a *sailors labour* augments a capital of $167 50 in two and a half years, to $410 40—leaving him as the *nett produce* of his labour for two and a half years, $242 90.

There are few manufacturing labourers in the United States, who would lay up as much money at the end of two and a half years. The native American sailor either follows the sea until he becomes an officer or a captain, or returns to his native place and vests the produce of his labour in land. There is no class of men more provident than the native American sailors, whatever may be the character of those citizens of the world who "hail" from all nations. There is as little resemblance between them, as there is between an American farmer and an European peasant. How then can that policy be sound, which would attempt to turn this sailor into a day labourer at a factory, or transfer this capital from commerce to manufactures? If it could be done, how is it to increase the productive labour or augment the capital of the nation.

It appears that the capitalist who vests $25,000 in this commerce, realizes $44,627 50 in two and an half years; let us now see what his capital would have yielded him, had he vested that amount in the Waltham factory, one of the most flourishing in the United States. It is expected that this establishment will divide 20 per cent among the stockholders the present year. We will give this stock all possible advantage and presume that it will yield the same profit for two and a half years.

Stock in the Waltham factory	25,000
Dividend the first year	5,000
do. do. second do.	5,000
do. for half a year	2,500
Interest on $5000 1½ years	450
do. do. 5000 6 months.	150
	$38,100

Thus $25,000 capital, employed in whaling commerce yields a profit of	$19,627 50.	78 51-100	pr. cent
$25,000 do. do. in factory stock do.	13,100.	52 40-100	do.

It may be observed that this factory stock has advanced in price; this advance cannot be taken into view, because if it were, the ratio of profit would in proportion be diminished, the 20 per cent being divided on $100, the par value of the stock and not on the market value. Were we to assume the market value of the stock, the amount of *profit* on that value, would be lessened. In making the calculation, as we have done, we have taken a permanent basis, without regard to the fluctuations in the price of the stock, which are regulated by its profits; and in allowing an annual income of 20 per cent for 2 1-2 years, we have made a very liberal dividend for the stockholders.

Profitable as this whaling business may be, there are other voyages of shorter duration, requiring less capital and yielding a largerr atio of profit. As to the East India and China trade, the capital employed in it is, on an average, more profitable than an equal amount appropriated in manufactures; and with regard to our Atlantic commerce, our legislators may rest satisfied that our merchants find it quite as profitable generally as any business, which they can engage in at home, or they would soon leave that trade to foreigners.

We have noticed that the domestic demand for capital will be first supplied; some may not be willing to believe this; it therefore becomes necessary to consider a refined distinction made be-

tween capital employed *at home* and that engaged in *foreign* commerce; one, which we must confess ourselves unable thoroughly to comprehend; for the merchant, who has the capital in his own possession, and whose business it is to understand its uses, has never been able to determine the question by any other rule than *profit*; nor has he ever been able to find out by what process the ten dollars profit on a hundred, gained by circulating it upon land, is more valuable than the ten dollars profit, on an equal sum floating, for the same period, on the ocean; neither has he been able to comprehend the difference it makes to the nation as to its labour, whether he employs one American for one hundred days, or one hundred Americans for one day each; the *quantity* of labour being in both cases the same. The only difference, which the various uses of capital can make to a nation, is that in some employments the same amount of capital will employ and support a greater number of labourers than it would in others, though the profit on the capital might be the same to the owner of it. This however cannot be urged against commerce, when compared with the various uses of capital at home; for if we except farming, the same amount of capital generally employs as great a quantity of labour on the ocean as on the land. We noticed that $25,000 employed 24 men in the whaling business; and there are few manufactories with that capital, giving employment to manual labour equal to that of 24 men. If, moreover, there were any solidity or use in this sort of speculation, it might be strongly urged against labour-saving machinery; but such speculations are of no service to us: we have no surplus population to provide with employment.

In earlier times, when the business of nations was conducted with

gold and silver, philosophers undertook to follow these sluggish couriers of trade and to settle the uses of capital by fixed laws, which were of considerable importance to nations, who had little money and less credit, things not to be expected when there was but slender security for person or property. But in our times, when gold and silver sleep in the vaults of banks, and the trade of the country is conducted, in all its circulations, by means of bank notes, notes of hand, bills of exchange and exchanges of property, it appears to be somewhat idle to speculate on the comparative uses and profits of capital employed in various ways, and to conclude from such speculations, that this or that trade is bad for a nation. No nation will ever really want capital, while it is thriving, unless the people do more of every kind of business, than they ought to do, and embarrass themselves with debts, which they never can pay. If this is a want of capital, legislators may save themselves the trouble of providing a remedy for it: its an evil common to trade in all countries and in all ages; it has heretofore cured itself, and will probably continue to do so, till the last day: there is absolutely no other cure for it. We are, however, told by political economists, that capital, employed in the internal trade of a nation, is more profitable, because it may be converted oftener, and puts in motion a greater amount of the productive labour of the country; and because it is always employed in giving activity to the produce of the labour of your own country. As this is mere speculation we must be indulged with a little reasoning of the same kind.

Suppose a merchant in Boston employs 25,000 dollars in the trade between that place and Savannah, for one year, and converts this capital twelve times; making a profit on the year's business of

5,000 dollars or 25 per cent. Now suppose another merchant employs the same amount, in carrying American produce to Europe, and that he converts it eight times, but only four of which into American produce; and that this 25,000 dollars yields him in the year 5,000 or 25 per cent. In one case, we see twelve American capitals put in motion; in the other, only four; but these four are vested in the *surplus* of American produce. Now which of these capitals is most profitably employed? We see they both yield the same income: but we are reminded that the former has set in motion twelve capitals, the produce of American labour; while the latter has only given activity to four; therefore the former is more useful than the latter. Now if American labour would consent to throw its surplus into the sea and work for nothing, all this would be sound logic; but until that happens, we must be permitted to believe, that the capital which is employed in taking out of the country our surplus produce, is performing as useful an office as that which is engaged in the coasting trade; and that while the latter moves twelve capitals and the former only four, the movement of these four *augments the value of the whole sixteen capitals* and increases the produce of the labour of the country.

It would puzzle the most refined speculator in this age of refinement, to say which of these capitals is most usefully employed. The only circumstance to decide which is best for the nation, is the profit each may yield; for in all calculations of this sort, we must presume, the merchant would not employ his capital in the coasting trade, unless he could make money by it, and the other would not employ his in the foreign trade, unless he could do the same. As this latter business is the most uncertain, it follows, according

to all the rules of trade, that it would be the last undertaken; and consequently can never make any encroachments on the capital wanted at home. And further, this capital could not be engaged in such foreign trade, if we had not the surplus produce of our labour to export; and with an existing surplus, the more we multiply the markets for it, the more we raise the price of the *whole produce of the labour* of the country, be that surplus agricultural or manufacturing. This theory about the multiplied offices of capital, we must be permitted to believe, is speculative. The capital which a merchant parts with, only meets another capital, they change characters and each continues its circle in conducting the business of the nation, and we would recommend to all sound headed men not to attempt following either of them unless they wish to fatigue and bewilder the mind. Without they suppose that the $25,000 employed in the internal trade *creates* all these other capitals, there is no weight in the distinction; yet in truth, these capitals were all in existence before this 25,000 dollars reached them; and reason as we may, it never can be employed in more than one capital at a time. The mere circumstance of a frequent exchange of capitals, never can augment the produce of labour, unless the profit is repeated at every exchange; and this is ascertained by the income on the capital employed; we must therefore reject all such speculations and return to our only sure guide—profit.

We have before observed that this foreign commerce was conducted, in a very great degree, by the use of the credits given on bonds for duties; we may add that in conducting the branch of it, which is confined to the export of our own produce, there is not more than one-fifth of the capital real, perhaps not so much; for,

besides the assistance of various other fictitious capitals, the merchant, who exports the cargo of our produce, creates out of the cargo itself three-fourths of the whole sum necessary to pay for it at home, by negociating bills of exchange, before the payments for the cargo become due, on the house in Europe, to whom the produce is consigned. What reason then, under all these circumstances, have we to be alarmed about too much of our capital being carried into foreign trade, when the produce itself, and the other fictitious capital arising out of this foreign commerce furnishes the capital necessary to conduct it? What branch of internal trade is the capital drawn from? And how is it drawn? We confess this whole theory about the use of capital appears to us pure speculation, when we observe the expedients, to which the merchants of the present day resort, in order to avoid using any thing but fictitious capital to put in motion goods, wares and merchandize. These are, however, circles through the air; let us now direct our attention towards capitals, which are visible, whose movements we can trace, and whose profits we can ascertain.

To save ourselves the trouble of calculating the profit, we will take the two cases already stated; the $25,000 vested in a cotton factory, and $25,000 vested in a ship and outfit for a whaling voyage; both capitals employed steadily for two and a half years. With regard to the labour employed, we have already compared the profits of each labourer and the profits of each sailor; and we find, to say the least, that the labourer must have been more than commonly successful and saving, if he acquires as much for himself, as the sailor does in the two and a half years. As to the capital we have ascertained by business *actually existing*, that the money employed

in whaling has yielded 78 51-100 per cent while that vested in factory stock only gives 52 40-100 per cent : we have therefore now only to consider, which of these two capitals is doing the most service to the people of the United States. In the one case, the labourers work on land and by the help of labour-saving machinery move a capital of 25,000 dollars and make it produce $13,100; the capital is American; the labour is American : in the other, the labourers are at work on the ocean, making that element assist in augmenting the productive power of manual labour; they move a capital of 25,000 dollars and make it produce $19,627 50 ; the capital is American, the labour is American. Both capitals then are American, the labour in both cases is American, the profits are American and the only difference is, that the one capital has been stationary on the land, the other floating on the ocean. Now the political economist, who can decide, which of these capitals has done the most service to the country, by any other law than profit and loss ; or in any other way distinguish between the uses of these capitals, will be in political economy what Newton was in astronomy. In considering the use of the factory capital, we may be told, go one step further and see how many capitals this $25,000 puts in motion in the internal trade; we must be pardoned, we cannot move one step from the factory, nor mingle this capital with the other capitals, which are performing the internal trade of this nation ; the moment we attach ourselves to the wings of one of these internal capitals and mix with the millions of other couriers of the air, which are performing different branches of the same trade, we should inevitably be whirled about in mazes of confusion ; and if our journey ever ended, we should never be able to tell what discoveries we had made in this ethereal course. We

must therefore stay at the factory where we are; and consider that this $25,000 capital only meets another capital, or the other capitals, which are always performing the offices of trade in the nation. But suppose after all that there is not one cent of *real* capital employed either in the purchase of the cotton factory stock, or in the whaling business; but that each $25,000 is borrowed from a bank or raised by notes, bonds or bills of exchange, because both of these investments promised a large profit after paying the interest; where is there any reason for lamenting, that our *capital* is taken out of the country?

We must add one word more on the subject of productive labour and capital, and that is, that the capital which pays 20 per cent by being converted once, is more profitable than that, which is converted 20 times and only yields 10 per cent in the same period. In the former case, the owner of it saves much time and labour of the mind, which in all countries is found to be as productive of profit as the body. We must presume that all capital employed in foreign commerce by men, who understand it, is that which cannot be appropriated so advantageously at home; for if it could, no man, who has money, would prefer a distant enterprise to a domestic certainty. We have been heretofore considering active capitals employed at home, it is necessary to reflect that the active capitals, employed at home and abroad, are in a great measure fictitious, and that the other capitals, invested at home are comparatively lifeless; such for example as the capital vested in houses, stocks, &c. It cannot be pretended, that the capital vested in houses, and stocks perform these circulating offices, in the internal trade of the country; that they are transferred from hand to hand as often

as that capital, which is vested in foreign commerce ; nor that they give as frequent and lively an impulse to the industry of the nation. Our capitalists seldom part with houses or stocks ; though a small portion of each is always in the market.

After all, these speculations about the uses of capital to a nation are idle, and we must apologize to the reader for indulging in them. Houses, lands, manufactures, ships, wagons, nay all sorts of property are wanted by the nation, and all contribute to increase the produce of its labour and augment its capital ; and profit, the grand object of all labour and all capital, is vigilantly sought after by our American capitalists, who understand the use of money as well as any men in the world. That the active capital of the nation ought to be distributed among the various branches of industry is a part of political economy, which they perfectly understand ; but they also know that an equal distribution never can exist. Amidst the changes, which disturb human industry, such as wars, inevitable restrictions from political causes, loss of crops, new inventions, new discoveries in commerce ; nay amidst all those vicissitudes, which appear in a thousand shapes, profit will fluctuate and capital will naturally shift from one branch of industry to another. These changes in the world the capitalist watches unceasingly, and it may generally be calculated, that wherever his capital rests the most productive labour will be found at work.

The notion so fashionable, that it is not profitable or proper to employ other nations to do our own work, is as visionary as most of the other doctrines so extensively circulated among us. The Americans have their employment, the Europeans theirs. We em-

ploy the latter to work for us at 25 cents a day, because we are occupied in a business, which yields us three times that price: in other words we employ them at 25 cents per day, and they employ us at 75 cents. If they manufacture some of our own raw materials and we purchase these manufactures from them, it is because we find it more profitable to do this, than to take our labour from agriculture and commerce, which afford us a triple reward, and appropriate it to those manufactures. If our population were so abundant as to make the price of labour here as low as it is in Europe, it would prove, that our employments were not more profitable than theirs. When that period, now very distant, arrives, we shall probably manufacture for ourselves; but until then, it will be more profitable for us to labour for 75 cents a day and exchange one third of the day's labour of an American, for the produce of a whole day's work of a European. If such an exchange is unprofitable, then, and not otherwise, do we employ other nations to do our work. We are so happy as to be placed in a condition entirely unlike that of the Europeans: they are obliged to work for little or nothing; because the nations there are crowded with population; they are poorly rewarded for their labour, we, richly for ours. Let us be content with our great advantages, and let us not deny to them the miserable pittance, which from the nature of their condition, is all they can enjoy; we have no reason to wish to exchange with them conditions or employments.

From a general view of the character and employments of the people of the United States, it appears that it cannot augment the real value of the produce of their labour to change their condition; and that even were manufacturing labour as productive as agricul-

tural or commercial, there are other serious objections to this transfer of labour. As we are now employed, each man appropriates to *himself* a large share of the produce of his labour. The only change to be expected from a transfer of his labour to manufacturing establishments, is, that like the manufacturing labourers in Europe, he would only enjoy so much of the produce of his labour as would be absolutely necessary for his subsistence, while the larger portion of it would go to enrich his employer; that the wealth of our large capitalists would be increased, and that the number of day-labourers would be multiplied, without augmenting the real value of the labour of the nation. Though justice and common sense have long since banished agrarian laws; Yet the equal distribution of property ought not to be lost sight of, in such legislative acts as may be intended to control or direct the industry of a republican nation. Large fortunes will accumulate among us without the interposition of government. Extensive manufactories in every country are the property of capitalists; and these castles of power remain from generation to generation. It does not therefore appear to be sound democratic policy to encourage the growth of such establishments by extraordinary means.

Those, who depend on a factory for employ, will lose that spirit of independence which is the farmer's characteristic; and though the proper organization of society requires, that we should all depend more or less upon each other, there is a wide difference between this dependance and that, which is felt by a man, whose daily bread depends upon the will of the manufacturer, who employs him. A policy, which would multiply these extremes of society, at the expense of the middle orders, does not seem altogether consist-

ent with the nature of our government. Whatever may be sound policy under monarchical governments, it cannot be wise in us, to convert a farmer's son into a day-labourer, and destroy that independence of occupation and character, which contribute greatly to preserve our republican institutions.

Again, without indulging in any of those pictures of human misery and disease which exhibit the interior of a British factory in a gloomy and sepulchral light, it is sufficient for us to know, that manufacturing in general is more unhealthy than any other branch of industry; and certainly, *health* is not to be overlooked in a government of the people. Even were there no other way, in which so much money could be made; a question arises, whether our health and the happiness of our families, are to be sacrificed to the making a little more money; and if it be determined to make the sacrifice, whether the decision should not be left to the individual to whom the right belongs, and not be assumed by the government. It appears then that the policy which would aim a blow at agriculture and prevent us from using our great natural advantages; which would injure commerce and deprive us of the benefit of our knowledge and experience in pursuing her enterprising labours, and embracing the profits arising from newly discovered branches of trade, will diminish the productive value of our labour, without doing any service to the character of our population. Were we even to admit the reverse of all this, the measures proposed, to excite this transfer of labour and capital, seem to be the worst, which could be imagined. We all know that wars, and all sudden changes, which arrest the arm of industry in its actual employments, are injurious to its labour; yet we find politicians, who attempt to persuade us

that measures, calculated to produce similar effects, will *augment* the productive labour of the country! The industry of every country is sufficiently disturbed, without legislative interposition. The best means of augmenting the produce of labour and capital, is to apply our industry to the business, which we understand; and the best stimulant to labour and capital is an unrestricted trade; as is proved by the revolution in England in 1649.

PUBLIC DEBT, CAPITAL, INTEREST, AND BANKS.

Under Cash Duties, Drawbacks and Productive Labour, we have had occasion to mention capital repeatedly; and it may be useful further to consider that subject, as it is vitally interesting to the people of the United States, who are, owing to a variety of natural causes, too much disposed to swell the amount of fictitious capital of every description.

In 1790 opinions about fictitious capital and its effect on property and industry, seem to have been similar to those, now so fashionable in some of our southern and western states, where they have not yet recovered from the consequences of extending their business beyond reasonable bounds and the late revulsion of trade throughout the world. The cry is loud of a want of capital, sufficient to conduct their business; and there is apparently a great disposition to indulge in the use of fictitious capital to relieve the necessities of the community. Such were the lamentations and opinions in 1790.

Mr. Hamilton's object in his Report on Public Credit, was to induce the Congress to assume and fund the debt, which was then owing by the people of the United States. The reasons for this were self-evident and sound: the debt was due; public justice required that it should be funded; a foundation for the public credit of this nation was to be laid; the creditors wanted the certificates, that they might more readily transfer them and convert the proceeds to other uses; and these arguments were more than sufficient to counterpoise the objection, arising out of the sacrificed sale of

soldiers' certificates, however severely this circumstance might have operated on men, who had laboured in our country's cause. Notwithstanding these weighty reasons for funding the public debt, there was, from a variety of causes, considerable opposition to it; and this induced Mr. Hamilton, in defending the plan proposed, to enlarge upon the advantages which would follow its adoption.

There is no proposition, however absurd, which is not defended by some of the curious and speculative part of mankind. We accordingly find some advocates of a public debt. Nevertheless this is one of the instruments, by means of which the people have been robbed of their rights in nations older than ours. *Nations, like* individuals, may find it convenient at times to borrow, and may do so without injury; but whenever a nation by long wars, bad management or extravagance, is compelled to make its debt perma*nent*, its liberty and happiness are in danger. The fruit of such a system are taxes and experiments upon the productive labour of the people, feeding upon property, happiness and liberty. Mr. Hamilton's judgment was too sound to admit, as the English and some of our modern financiers do, that a public debt is a benefit *to the* nation. On the other hand he cautions the people against it as an evil. But he passes the boundary of moderation, when he speaks of the advantages, which would result from introducing fifty millions of this sort of capital into the community. He predicted (as a consequence of funding the public debt) that in five years (1795) the rate of interest would fall to five per cent, and in 20 years (1810) to four per cent. This mistake is readily accounted for, when we look at the basis of Mr. Hamilton's calculation, viz: "the interest of money will be lowered by it; for this is always in a

ratio to the quantity of money and quickness of circulation." To understand clearly, what Mr. Hamilton means, it is necessary to refer to the Report; we shall then find it to be thus: if a debt of fifty millions be funded, there will be so much in government certificates added to the capital of the community; this will produce quickness of circulation; and both together would lower the rate of interest. These maxims are directly contrary to Adam Smith's and to those unchanging laws, which regulate trade and the interest of money. The circumstance of adding to the capital of the community never did of itself produce quickness of circulation; and allowing that it could produce this effect, quickness of circulation and a decline in interest, never were associated.

In settling the laws, which govern trade and the interest of money, we must leave out of view the monied operations of the agricultural part of the community; for it is not their business, which establishes the rate of interest. Neither must we take any community, where punctuality is not the basis of trade: upon the rate of interest in such a community no calculations can be made. In ascertaining what are the circumstances, which influence the rate of interest, we must observe and be governed by the movements of the trading part of the nation; for it is through their hands, that the money of the community principally circulates, whether quickly or slowly. And this portion of the nation, must be governed by a modern and almost universal law of trade, viz. that the man who uses money, commercially speaking, dies, when he refuses to pay his notes. Such is the character of trade among those, who regulate the interest of money in the United States.

During the last thirty years we have had much experience, by

many fluctuations in the market rate of interest. The following are the laws, which appear to have influenced capital, trade and interest. Overtrading produces a reaction—business is dull. There *appears* to be an ample capital; but no matter what the actual amount may be, there is little use for it; and the consequences are, a dull circulation and a low rate of interest. In a naturally thriving country like this, capital cannot remain idle long. A necessity of employing it, and the actual existence of a calm in trade, inspire confidence, which is gradually restored. Profits increase and business augments nearly in an equal ratio. The demand for money advances with the same pace, until all the actual capital of the community is employed. Business still increases and calls into action the use of fictitious capital, or credit; this is of an elastic nature, and is extended in proportion to the wants of trade. The rate of interest now advances; because business is active and there is a demand for money. The fictitious capital and the business of this community, and with them the rate of interest have been sometimes swelled to an extravagant amount; and indeed, about that period, which Mr. Hamilton predicted would find the rate of interest at four per cent, the market rate in New-York was twelve per cent. There have been periods, when as high as eighteen per cent has been paid to the money lenders in the market; but these periods were momentary. After fictitious capital is extended beyond a moderate amount, the trade and property of the community assume an artificial character and value; and there is much gambling. This state of trade is sometimes disturbed by political events; and if not by these, it must be by a natural reaction. The amount of borrowed capital is swelled beyond all moderate bounds, confidence is destroyed, bankruptcies follow, the community is suddenly left in

the same dead calm, from which it first started, and the interest of money is again low. Such are the revolutions, which capital, trade and interest are continually performing in this community; and it may be remarked that these revolutions are most frequent in a young and thriving community; where the people are tempted, by large profits on trade, to swell their business beyond their actual capital. But in these revolutions of interest, the amount of capital in the community is of too little importance to be perceptible or felt.

That when nations grow old and the monied capital of the community, by ages of accumulation, outgrows the business of that community, the rate of interest will not be lowered, is not pretended. The contrast between Europe and the United States, furnishes the best illustration of this truth. But this is the slow work of time; and in funding a public debt, payable in twenty or thirty years, has nothing to do with the calculation. If this nation had moderate natural boundaries, the change would be more rapid; but while our Western and Southern country continues to be populated from the older states, we shall generally experience an active demand for money. In the older states (particularly the commercial) whenever the revolution of trade brings us back to a dull condition, money will be plenty and the rate of interest low; but this cannot continue long. Monied men will supply all the wants of their own community first, and the surplus will gradually find its way into those parts of this vast continent, where a better price is paid for it. It will thus be absorbed; and capital finding its level, the rate of interest will be restored. Besides this, the population, emigrating annually to the west, will take with it some of the capital, which would otherwise accumulate. The period when this nation will realize a den-

sity of population throughout, is too remote even to admit of speculation.

Mr. Hamilton attached too much importance and advantage to the circumstance of suddenly introducing a government-stock capital of fifty millions of dollars, in relation to its effect upon the industry of this nation. Whatever may be the necessity, which influences the opinions of the British financiers, to believe it an advantage, it is the worst stimulant to human industry, and a dangerous commodity for an enterprising community to meddle with. Mr. Hamilton urged it merely as a collateral motive for funding the public debt, and probably did not intend the hint for posterity. The people of this country have, however, made a fatal use of it. Whatever may be the nature of fictitious capital, whether it appears in obligations of government, notes of individuals, bills of exchange, or bank notes, it is sure to tempt a young nation like ours, beyond the bounds of moderation. And considering the character of this country in 1790, it certainly was not an advantage to introduce fifty millions of government-stock into its trade. The people of the western country doubtless believe, that such an addition to their capital would be a blessing at this moment. They will nevertheless find it the wisest and most profitable plan, to recover from the late revolution in trade by natural means and sound resources. They will be richer thirty years hence for it. A shower of gold, to pay off the pre-existing debts of a community, heavily in debt, would bring with it a spirit of gambling (arising from a sudden advance of property) which would leave them in a very few years in the same condition of misery and want of capital. If such is the result where the capital introduced is gold, what must it be where it is paper? When a community acquires capital by a gradual and natural accumulation, it at the same

time learns the art of using it so judiciously, that the fluctuations of trade, incident to every community, fall lightly and do not seriously disturb property or happiness.

In 1790, however, the increase of fictitious capital was an evil, to which the nation was obliged to submit; and no doubt, as usual, the natural and inevitable revival of trade, which followed the revolution and the organization of this government, was attributed in a great measure to the funding of that debt. Nature and liberty seem no where to be treated with less gratitude than in that country, upon which of all others they have most abundantly bestowed the blessings of wealth and happiness. With or without that fifty millions of capital, the march of the United States to wealth and power could not have been retarded. Confidence is the basis, upon which fictitious capital rests; and this basis in a flourishing state of trade, in a thriving community, will support an enormous amount of artificial capital. This however, must be gradually increased by profit on trade, slowly operating through positive wants, and created by that community. To disturb this gradual increase, and to charge this basis suddenly with fifty millions of government certificates is, to say the least, not serving the trade of any community. This shock would have injured any trade, but one like ours; vigorous and thriving; capable from natural causes of sustaining any blow. A gradual introduction would have prepared the trade of the community for its reception and moderated the shock. These observations on the use of fictitious capital are not intended to be particularly applied to the introduction of the public debt in 1790. That period exhibited a peculiar state of things; one which may never occur again; and the introduction of capital was less liable to

objection. It was simply converting the book accounts of the government into obligations, which might be more conveniently transferred and applied to the uses of business. But it had this further effect, which disturbed trade: that book account, which was worth $100, by being assumed and balanced by a written obligation, was suddenly worth $1,000. When men experience this abrupt increase of money, judgment seldom can control the violent disposition for speculation. It must be recollected that, generally, those who were thus suddenly made rich, were not the men who had actually paid the par value for these obligations.

With regard to paper money we had some wholesome lessons during the late war: we saw that when its basis, confidence, was destroyed, the property and happiness of the community were agitated. It is to be hoped that in the present smooth and happy season, we shall look back upon our errors with a disposition to be more prudent hereafter. And it would be well for all fathers who regard the future welfare of their children, to throw our modern speculations and eulogies on a paper currency into the fire. We are indeed in a dangerous condition, when we are disposed to adopt from choice, the financial policy of the British statesmen, who are compelled to impose upon the common sense of mankind because the government owes 3,500 millions of dollars, which never can be paid. It will be time enough for us to banish common *sense*, when we owe forty times as much as we do now. Then, encircling our throne of power with a colonade of aristocracy, we may tell mankind, our debt is never to be paid and compel our people to believe that it is better than gold and silver. It is by encouraging opinions of this kind, that we were tempted previous to, and during our

late war, to swell the capital of the community, with bank paper; and if we allow this folly to grow upon us again, we shall be disgraced by a second suspension of the payment of our just debts. No evil can fall more heavily upon the property, industry, and happiness of a nation; and no evil can be more easily avoided by a judicious moderation in the use of fictitious capital. But when governments and banks set the example, what wisdom can be expected from individuals?

Every writer upon the subject of capital makes out his theory to his own satisfaction. Many have thought they could grasp it; but all who reflect profoundly, will in the end perceive, that it is not of a tangible nature. We sometimes hear lamentations about the astonishing diminution of the capital of a nation and a dreadful balance of trade; and in a very few years, without the discovery of new mines, the fall of golden showers, or any sudden increase of wealth, there appears to be an overflow of money in the same community. These facts should teach men to doubt the solidity of their theories about gold and silver, circulating medium, paper money and national capital. The annual increase of the wealth of a nation does not depend entirely upon the precise quantity of gold or silver or property. In a growing nation, the ratio of profit to the amount of that capital, will be lessened, as the latter augments by a natural accumulation. The total amount of annual profit is regulated by other circumstances. Good laws and steady habits create confidence, which will expand any given capital to meet the profitable necessities of any community. While this country continues to grow as it has done, we shall, amidst the fluctuations of its trade, frequently experience that imaginary evil, a want of capital;

which will prove to us, nothing more nor less, than that we are doing more business than is beneficial to the nation, and that some of the fictitious capital must be extinguished; our debts must be reduced. If we do not take the alarm in season, we must expect again to realize the scenes of 1814, and those which have been recently exhibited in the western country. When war comes, individuals and banking institutions should prepare for what generally follows—a destruction of confidence. Amidst its vicissitudes the industry and trade of the nation must be agitated and uncertain; in such a season, the use of fictitious capital should be very limited, if not entirely relinquished. Abandon once the wholesome standard of gold and silver, and the whole community is moving in the air. You will sunder the only tie which restrains mankind from running into those mad excesses and extravagancies, which terminate in individual ruin, the destruction of happiness and the loss of liberty. The man, who owes a debt he cannot pay, is in a manner a slave. Allow this principle to operate through a whole community and it will do much to destroy that spirit of independence, which is the vital principle of free government. Governments never abandon gold and silver as a circulating medium, until their condition is hopeless and their debts a perpetual curse upon the people. Let us not be tempted by the experiments of British financiers. They have an old community to operate upon; rendered callous, perfectly insensible, by the frequent application of artificial excitements. Stimulants cannot harm the dead. The capitalists, public credit, and the government stand or fall together. The fate of all three depends upon the existence of despotic power. Our condition, physical and political, resembles theirs in no one feature. What they tolerate from necessity, let us not adopt from choice.

If we want other examples of this government paper system, let us look at Sweden, Denmark and Austria. In Denmark, at one time 10,000 paper dollars would only buy a pair of boots. In Austria, the government found it convenient to extinguish a large proportion of its debt by an Imperial decree. Where such decrees are issued industry can have no protection, property no security. Such a decree would overturn any free government. These are some of the blessings of a public debt, paper currency and artificial capital. There is no fear but that in an enterprising and ingenious community like ours, we shall always, without any interposition of government, discover ways and means of creating full as much fictitious capital, as will be of service in enlarging our trade; and too much disposed as we are, from the thriving condition of our country, to use this sort of capital, it would be for our interest, in the end, to believe that it is, at best, a dangerous commodity; that the gradual but inevitable, accumulations of actual capital by prudence and industry, are more solid and durable than the speculative profits of a bold use of credit; and that in the circle of 100 years this nation will be more wealthy, if its trade is cherished only by the steady march of the former.

To our citizens in the interior, there is something alarming in the very name of *banks;* and some are disposed to attribute all our calamities to that source. As other nations, however, have suffered (and nations too without banks) we must give this evil but a secondary rank. We are too apt to think ourselves the only people on earth afflicted with too much paper money, or fictitious capital. Every nation, with any trade will, whenever occasion requires, create as much as it wants; and it is in vain for legislators

to expect to check the use of fictitious capital entirely. Wherever and whenever trade is profitable, the ingenuity of that country will always supply its wants and enlarge its business, by the use of credits in various ways. Legislatures might as well attempt to confine the winds in an aviary, as to encircle credit with legal restrictions. There can be no limit to notes of hand, none to bills of exchange; and whenever profits on trade give occasion, these agents of industry will augment the fictitious capital of the community many millions.

In noticing the schemes of different nations for assisting industry by the use of fictitious capital, our banking system appears the least liable to objection. The evils, which we have suffered from it, are not owing so much to the system, as to our own negligence in not guarding it against abuse. In Europe they have less occasion for the use of fictitious capital, because they have a large monied capital, the patient accumulation of centuries, and because they are not excited by the great profits, which we experience. Yet even there, in seasons of activity, millions of this sort of capital are floating between Madrid and Moscow, London and Constantinople. In every town of any importance in Europe, there are private banking houses established, which perform the offices of our banks, in furnishing trade with remittances. We are not yet old enough for such a system here: bankruptcies, the fruit of speculation, are still too common; and private banking houses would do more injury to the trade and property of this community, than we shall probably ever experience from incorporated banks. Besides, there is an aristocratic character about private banking establishments less agreeable to our habits. Our banks, however, will be even worse

than these, in disturbing the industry of the nation, unless we regulate them by strong laws, to limit the amount of paper issued. We have had some severe experience of this banking system, without restrictions; and in some parts of the United States we have profited by it. The first experiments in the system were made in Massachusetts, and severe lessons were the consequence. The trade and industry of that state were for many years embarrassed with the paper of a multiplicity of banks, and at length the legislature bound them with rigid but necessary regulations. Whenever a legislature enforces annual statements and actual examinations, and compels the bank to redeem its paper when presented, in specie, or to allow an interest of 12 per cent per annum until the debt is paid, such institutions will be of service in facilitating the operations of trade. Without these restrictions, they will inevitably injure the business of the community: without such requisitions, whenever activity of trade returns, or the sudden revolutions to which it is subject from political and other causes, occur, the industry and happiness of the people must suffer from an abuse of fictitious capital. In large cities these inconveniences are not likely to happen; but even in large cities we witnessed them with regret, during our late war, and in the sober season of peace we ought to view them, not as the *inevitable* consequence of the then existing condition of things, but as the effect of a badly regulated banking system. There was too much bank paper afloat for the business of a nation at war; a season, when it must be expected all confidence will be destroyed. Such events will not probably happen again in our large cities north of the Delaware; but experience in money matters travels slowly to the west and south; in newly settled states, where individual industry and enterprise are rewarded with large

profits, men are more tempted to abuse credit, and to tolerate from a common necessity, the extravagant issue of bank paper, without a capacity to redeem it. Some of our western and southern states, at every revulsion in trade, will bitterly lament that they have let these institutions loose upon the community, without regulation. It seems, however, that neighbouring examples are of no use to legislators and that nothing but the severe lessons of experience will teach men, that the same causes will generally produce similar effects in every quarter of the globe.

ORIGIN OF THE POWER AND WEALTH OF ENGLAND.

The political affairs of this world are administered by legislators of two schools, directly opposed to each other. One considers, that a nation is only a machine; that, by the force of genius in legislation, it may be made wealthy and powerful; and that to accomplish this grand result, it matters not what afflictions are administered to any particular classes of the nation. The basis of this system of government is an opinion that we are not to regard the natural condition of the nation nor the decrees of an all-wise Providence; for legislation will change the former and control the latter. The legislators of this school do much to disturb the industry and waste the labour of mankind; and when, after all, the wealth and power of a nation is increased, with an impious vanity, these grand results are attributed to a system, or, to speak more properly, a thousand systems, which have varied and distracted industry through many generations, while a beneficent Creator has been conducting the nation to wealth and power, prostrating at pleasure all the systems of impotent and presumptuous man! Legislators of this school seem to be proper instruments for the purposes of those great men, who, at times, appear in the world to revel in the blood and happiness of mankind. The legislators of the other school appear to be better calculated to administer the affairs of a people, who have no such earthly idol to worship. They are taught to believe, that all such systems are the vain work of ambitious men; that all, which feeble man can do, is, to guard his rights from the invasion of other men; to combine with other men to establish a government for the security of person and property and general defence, and to form a system of laws for the protection of civil and religious rights, affording unto all men an opportunity to embrace those manifold ad-

vantages which the Great Father of all administers in a thousand ways. When the legislators of this school see a nation wealthy and powerful, they do not expect to find the cause in systems, many of which have expired with their wise projectors, and some of which remain a tax upon the existing generation; but they look into those sources of wealth, which were in the world before this nation appeared; they observe the march of nations from the exhausted East to the more fertile West; they notice the decline of old and the growth of young nations; and from the history of every people they gather this instructive lesson: wherever liberty and peace reign, there industry prospers and man is happy.

We have legislators of both these schools in this country. One attributes the wealth and power of England to her system of restrictions on trade, of bounties, monopolies, excise, drawbacks, &c. and recommends to us a similar system, by which we may become powerful and wealthy; the other ascribes the wealth and power of England to the following causes, which, it is believed, have conducted that nation through all the obstructions with which its industry has been charged from generation to generation.

1. The liberty of the people and security of person and property guarded by a free constitution.

2. The settlement of the colonies.

3. The rise of commerce and industry, the consequence of these.

I. *Liberty and security of person and property.* We need not travel back to ancient times, to notice the wonderful influence of free

government upon the industry and wealth of nations; the little liberty Europe has enjoyed in modern times is sufficient to prove, what an impulse it gives to national enterprize. Venice, Genoa and the Netherlands were striking illustrations of this truth; but we have in the history of the British constitution the most convincing proofs of it; we shall therefore sketch this history as concisely as possible.

Previous to the year 1215 it would be absurd to say any thing of liberty in relation to England. At this period the famous "Magna Charta" was forced from king John. Its provisions were very favourable to liberty, but such was then the condition of society, that none but the great, and consequently a very small portion of the English people, were benefited by its protection. Its object being rather to fortify the nobility in their privileges, than to screen the people from oppression. Some privileges were granted by this king, in his quarrels with the barons, to various towns and cities, to counterpoise the influence of these troublesome noblemen. The operation of this system in giving freedom to the people was, however, exceedingly slow: as late as the reign of Henry the VII a very large portion of them were still in the same servile condition, though its influence had been favoured by the long wars between the houses of York and Lancaster. The schemes of Henry the VII although they had in view, principally, his own ag- 1485.
grandizement were not the less beneficial to the people.— They were as yet however only free in comparison with their former condition. Many species of servitude still existed and the prerogatives of the crown, and various customs rendered property and personal liberty very insecure. Under

1509. Henry the VIII. high and low, rich and poor were the indiscriminate victims of his tyranny. Under the reigns of Edward, Mary, Elizabeth and James the powers of the crown continued nearly the same; but the people seemed gradually rising. The system of villanage, or absolute slavery, is said to have expired in the reign of Elizabeth; and in the time of James, the commons had so far began to consider themselves a constituent and important branch of the national councils, as occasionally to check both the king and lords.

1625. Charles I. attempted in the early part of his reign to continue the same arbitrary system of government exercised by his predecessors, but the commons had now gained the ascendancy both of the crown and lords. They first obliged the king in 1628 to sanction "the petition of Right," by which the English people were confirmed in their securit of person and property; and when subsequently a perseverance in his arbitrary system had driven his subjects to rebellion, the crown and its prerogatives fell together.

1649. The revolution instantly obliterated the traces of Saxon and feudal slavery; the people were restored to their primitive rights and a perfect equality was established. Cromwell indeed during his protectorate exercised as despotic a control as any king before him, but it was only in matters of state; his authority never reached the individual rights of any citizen.

1660. After the restoration of Charles II the crown was again

invested with the executive powers, as the head of the government; but it was stripped of various rights, which had formerly been exercised, oppressive to the people without much benefit to the king. The lords also were deprived of many privileges, which, in former times had been the source of vexation and misery to their dependants and tenants. Towards the close of this king's reign the *Habeas Corpus* act 1679.
was passed; by which personal security was rendered complete. No material alteration occurred in the reign of James II.

The second revolution which placed William and Mary on 1689.
the throne gave still further security to the liberty of the people. The bill of Rights accompanying the settlement of the crown on them, contained further grants to the subject, and confirmed more strongly those already existing. The last act of any consequence to the liberty of Great Britain, was the *act of settlement* which conferred the crown on the present reigning family. The first revolution then (1649) may be considered as the commencement of British liberty; and the various acts of parliament subsequent, have been designed to confirm and strengthen it.

II. *Settlement of the Colonies.*—In 1600 the East-India company was established, and from that year to 1649, Bermudas, Virginia and Massachusetts, Barbadoes, St. Christophers, Nevis, Antigua and Montserrat were colonised. During the commonwealth, Jamaica was conquered (1665) from the Spaniards. In the reign of Charles II. New-York, New-Jersey, Pennsylvania and Carolina

were settled or captured. In 1718, the Bahamas were taken possession of by England.

After the settlement of the colonies and the revolution of 1649, there was an immediate increase of commerce to North-America, the East and West Indies, which has continued to augment since that period. The settlement of the colonies in North America though it assisted to increase the power and wealth of England, laid the foundations of a rival power, which will probably at no distant period occupy her place in the community of nations. Power and wealth seem to attend free government. As to the assistance of the colonies in the East and West-Indies, we may *form* some idea of it by the transactions of the year 1788.

WEST-INDIES.

Exports from England	£3,800,000 Ster.
Imports into do. *from the islands*	7,200,000
Revenue received from this source	1,800,000
Capital employed	70,000,000
Shipping employed, 150,000 tons.	

EAST-INDIES.

Exports from England	1,500,000
Imports from the East-Indies	5,000,000
Revenue from this source	790,000
Capital employed	18,000,000
Shipping, 80,000 tons.	

The preceding is simply given as a specimen of the commerce of England with her colonies. The exports and imports for a few years before were somewhat less, and in the succeeding years, much greater. The commerce to the East and West-Indies has greatly increased since, particularly since the monopoly of the East-India Company has been partially repealed, and the commerce

of the east opened to the other merchants of England. In 1800 the imports into England from the West-Indies were £8,500,000; the exports, £4,600,000. The same year, the imports from the East-Indies were nearly £6,000,000; the exports from England to the East about £3,000,000. It may be remarked that from the year 1788 to the present time, the annual imports and exports of Great Britain have gradually increased and the exports and imports of the West-Indies and her other colonies have advanced with equal pace.

The concurring opinions of all the writers, who have touched on the subject of the colonial trade, seem to give it much importance, as a very profitable branch of the commerce of Great Britain, and one of the principal sources of the prosperity and power of that country. Adam Smith, Hume, Portlethwaite and Brougham dwell on the advantages the country derives in various ways from the colonies. Portlethwaite, indeed, observes that before the settlement of the colonies, the English manufactures were few and those but indifferent; and though it is not probable, he meant that these settlements gave birth to this species of industry, his remark shows the great influence, he supposed they had in stimulating and nourishing it.

The principal advantages these writers suppose Great Britain to have derived from the trade are the following: the colonies being an integral part of the British empire, the trade between them and the mother country has all the character of domestic commerce. The capital of the colonies is a part of the capital of the whole kingdom. In this respect it is the same as if the boundaries of Great

Britain were extended and made to embrace a larger tract of country, of which the products* are more profitable than any to be found within its former limits.

The colonial trade has increased very greatly the shipping of Great Britain and given employment to a vast number of seamen. Hume (writing about the middle of the last century) says one fourth of the whole shipping of the kingdom was employed in the colonial trade.

The mother country is *particularly* benefitted in various ways; some of them perhaps at the expense of the colonies. The surplus capital of the kingdom is from time to time drawn from various employments, which are overstocked or afford but little profit, and vested in plantations, a business, of which the profits are very great. The planter soon becomes rich and returns home with his wealth; where he either dissipates it upon the country around, or vests it in commerce or manufactures. His place in the colony is soon supplied by some poorer adventurer, who after a few years of prosperity returns home, like his predecessor and makes a further addition to the common wealth of the kingdom. Even those who do not bring with them the whole value of their West Indian estates, but continue to be proprietors of them after their return to England, regularly receive there, the annual produce of their plantations; and this income is expended in England. Mr. Brougham says, the rents thus drawn from the Islands by proprietors, who reside in England, many of them indeed having never crossed the water, may be computed by millions. The navigation law too, by which

* Adam Smith considers the cultivation of sugar as the most profitable of all employments.

the colonists are obliged to trade only with the mother country, though injurious (as a restriction) to the whole empire, if we consider the colonies as an integral part of it, may yet be regarded as favourable to Great Britain at the expense of the Islands. The whole business of exportation to the colonies and importation from them is centred in the British merchants, and their ships are employed in it. After the colonial products are in the country, the British merchants are the factors, by whom they are vended, or again exported for sale abroad. The immediate market being limited to England, the merchants at home have a further advantage of low prices arising from the abundance of the article; and on the other hand the colonists, being compelled to purchase in England, may have to pay higher prices, than if they were allowed to choose their own market.

III. *The rise of commerce and industry.* As to the progress of industry of every kind in England, it may be observed, that the first attempts to encourage it were under the reign of Edward III. He held out many inducements to foreign weavers to settle in that country. The woollen manufactory was the principal object of his care, and to favour it he compelled his subjects to wear none but home-made woollens. Henry IV. obliged all foreigners to vest the proceeds of all sales of their imported goods in English manufactures or commodities. Henry VII. enacted a similar law. Indeed, hundreds of laws of similar tendency were enacted at different times, from Edward III. to Henry VII. with regard to almost every kind of manufacture: many of them quite as violent as those mentioned, and most of them forgot- 1377. 1413. 1485.

ten as soon as passed; for notwithstanding the earnest desire of these monarchs to increase the wealth and power of their kingdom in improving its industry by such excessive stimulants, their efforts were attended with little success. The failure may be attributed principally to the insecurity of property and personal liberty; and to these causes may be added the almost uninterrupted domestic commotions from the time of the conquest to the accession of Henry VII. First, the continued struggle between the king and barons till the reign of Edward III; secondly, the persevering efforts of the English to retain their footing in France, from the reign of that monarch to the death of Henry VI. and thirdly, the bloody wars between the houses of York and Lancaster, which began in the reign of Henry VI. and lasted until Henry VII. finally overcame his enemies. At
1559. the accession of Elizabeth, the only trade of the English was domestic; their foreign commerce was conducted altogether by foreign merchants, and the people of the Netherlands were their carriers. This queen was extremely anxious to rouse the industry of her kingdom and passed various laws for that purpose. Her system, however, consisted in granting monopolies and incorporating exclusive companies. These companies opened several new branches of foreign commerce. The trade with Turkey and with Russia was begun by them. The East-India company was also established. Many circumstances contributed to aid this queen: the reformation of religion had early made its way into England; and though the reign of Mary suspended its influence for a time, the accession of Elizabeth restored the protest-

ant persuasion, and with it, dissipated the authority of the catholic priest, and roused the human mind from its superstitious slumber; the discovery of a new world with all its riches had a little before given a sudden and powerful impulse to the enterprise of Europe; the persecutions of the protestants in France and the Netherlands drove many of their skilful artizans to England, and the queen encouraged their emigration. But at the conclusion of her long reign of 44 years, notwithstanding her continual efforts to encourage trade and commerce of every kind, and the various circumstances which contributed to assist her, industry had made but little progress. The woollen manufacture, established some centuries before, was the only extensive one in the kingdom, and even the woollen goods were almost a raw material; merely wove, they were sent undressed and undied to the Netherlands, to be finished. The iron manufacture was the only other deserving attention, and this was but just commencing. Foreign fabrics of every kind were much preferred to the domestic and a very small part of the nation was engaged in foreign commerce. The causes, which still retarded the growth of industry, were those already mentioned: the insecurity of property and personal liberty. James I. annulled most of the mo- 1604.
nopolies granted by Elizabeth, but continued her exclusive companies, and created others; the whole commerce of the country was consequently centred in London and in the hands of a few merchants. But the long and peaceful reign of James contributed to the prosperity of foreign trade; several new branches were opened; that with Spain and

America particularly increased rapidly. He laid new impositions on foreign commodities imported, excepting articles of subsistence and materials for manufactures. The English excelled only in ship-building, and the founding of cannon, but in no other species of manufacture. The cloths of English manufacture were in very poor repute at home, and foreign goods of all kinds were preferred. During the reign of Charles I. before the revolution commenced, the foreign trade seems to have gone on increasing, particularly that to Spain and the East-Indies.

1649. The revolution interrupted the business of the country for a few years; but as soon as the people had rested from their violent struggle, all the paths of industry were thrown open; trade of every kind recommenced with uncommon activity, and the character of the English people became commercial. Hume, and the other historians of this period, speak of the sudden revolution in the opinions of men with regard to commerce. Before the commencement of the civil war, the property of the country was almost entirely in the hands of the *gentlemen;* and with *them*, commerce was not reputable. The success of the people, however, in their struggle for freedom, brought down the nobleman and the gentleman to a level with their fellow men, and in their descent came down also every arrogant notion, which had cast disgrace on an honest and industrious course of life. London and the other cities were consequently soon after filled with the sons of gentlemen apprenticed in the counting room. From this period the commercial prosperity of England may be considered as commencing. The democratical

notions of the times did not tolerate any thing like restriction. All trades were thrown open. The monopolies and exclusive companies of former times were virtually abolished, for no one paid any regard to them. The foreign commerce of the country was much improved by the navigation law and the wars with the Dutch, by which the trade of that nation, hitherto the carriers of Europe, was much shackelled.

The spirit of enterprise and industry, which had commenced during the Commonwealth, continued after the restoration of Charles II. In the beginning of Charles' reign the French king laid impositions on English commodities, and countervailing duties were imposed on French goods, which almost amounted to a prohibition; but in the reign of James II. these impositions having been found of no use were repealed. Trade continued to flourish under this monarch, and soon after his accession to the throne, the internal industry of the country received a sudden impulse from multitudes of protestants driven from France by the revocation of the edict of Nantes, under Louis XIV. Fifty thousand emigrated to England, carrying with them their arts and industry. It is worthy of remark, that various nations were much indebted to this persecuted race; in their flight from the fury of religious intolerance, wherever they found a refuge they introduced their knowledge of manufactures and their industrious habits. Many new manufactories of iron, brass, silk, glass, paper, &c. were established; and foreign trade increased with equal rapidity. From the restoration of Charles II. to the second revolution, a period of 28 years, the shipping

1660.

1685.

of England more than doubled; the number and wealth of the London merchants increased even in a greater ratio; and at no former period had the industry of the country been so active.

It would be useless to follow closely the further progress of industry in England. From the time of the second revolution it has continued to advance rapidly; it was moving onward with increasing velocity, when the present system of bounties and monopolies commenced.

The *navy* of Great Britain may be mentioned as a further source of its wealth and power. The terror excited by the Spanish armada in the reign of Elizabeth first called it into existence; and its successful defence of the kingdom rendering it extremely popular; it was gradually increased to the time of the commonwealth. This was the era of England's naval power as well as of her commercial prosperity. The trade of its merchants extending to the remotest countries, it became necessary to protect their ships from the depredations of other nations, and Blake by his victories over the Dutch laid the foundations of a power, which has since defended the commerce of England and carried its arms to the most distant quarters of the globe.

We have thus patiently traced as concisely as possible the march of liberty; we have marked the period of her birth in England (1649) and we have noticed how instantaneously this vital principle of human industry gave enterprise to every spirit and nerve to every arm. We have observed this nation under

the fostering influence of a comparatively free government, with little interruption, for 200 years steadily advancing in power and wealth; while some of the neighbouring nations at times, and most of them during the whole period, were moving heavily and lifelessly along under a weight of despotism; we have in short, seen England enjoying the blessings of the freest government at that time upon earth, become in the short period of 150 years (from 1650 to 1800) the most wealthy and powerful nation; and yet we find political economists, the citizens of a republic, anxious to rob liberty of her rights, and attribute all this wealth and power to a sickly system of bounties and monopolies which has grown in that nation with the infirmities of old age. We have noticed in the settlement of her colonies the commencement of one great natural cause of the wealth of England; we have perceived the foundations of that wealth laid in North America, in the East and West Indies, between the years 1600 and 1650; the latter period corresponding with her first taste of free government; we have seen England, for 150 years, the grand reservoir of a thousand streams of wealth drawn from the bosom of the earth; and yet we find American political economists, though born and educated amidst the wonders of nature, and witnessing annually her rich profusion, willing to rob her of her rights, and to ascribe all this accumulation of wealth to a feeble and unequal system of bounties and monopolies. We have observed commerce, the enterprising offspring of liberty, bearing the rich productions of the plantations in America and the Indies to the mother country, and thence to the other nations of Europe for 150 years; and yet we have American political economists, bred among a people considered, and no doubt justly, the most commercial and enterprising upon earth, unwilling

to yield to commerce any share in accumulating this wealth and attributing all to a miserable system of bounties and monopolies. Besides the steady and successful operation of these great causes for 150 years, political events have wonderfully favoured British industry in commerce and manufactures within the last twenty-five years; from the commencement of the French revolution in 1793 to the general peace in Europe in 1815. During these twenty-two years Europe resembled a mighty camp. The effect of war upon the industry of nations is well known. By obstructing the intercourse with other nations, some few branches of industry may spring up of necessity; but the industry employed in all those great national manufactures and natural productions, which contribute most largely to the wealth of the nation, must languish for want of those markets, which kept them active and gave life to trade. On the continent of Europe, particularly in the most manufacturing parts of it, the nations were continually subjected to the invasion of French armies; and under the severe reign of martial law, personal liberty and property were not secure from conscription and confiscation. In this state of things, manufactures could not flourish. During all this period the armies of England, British and mercenary, were plundering* in foreign lands, while the English manufacturers were peaceably and busily engaged at home. These wars and restrictions on the continent by checking industry there, did more to increase the manufactures of England than all her ministers have ever been able to do. If the continent of Europe is permitted to remain in peace, we shall no doubt witness, as we have already done, an increase in the manufactures of wool, cotton, glass and linen in France, Germany and Switzerland.

* This may appear to be a harsh term, but there never was an army not employed more or less in this way.

BOUNTIES, MONOPOLIES, &c.

It must be flattering to Mr. Baldwin to know, that about the same moment when he was uttering his eulogy on this famous British system in the American Congress, and animadverting bitterly on those respectable authors, who had from time to time exposed its impolicy, the British House of Commons were candidly acknowledging its imperfections, and were actually engaged in appointing a select committee to report on the subject of "restrictions on trade." For Mr. Baldwin's amusement we quote the following honest confession from the body of the Report which was drawn on that occasion: "They are convinced that every restriction on the freedom of commerce is, in itself, an evil, to be justified only by some adequate political expediency; and that every facility that can be extended to it is a benefit to the public interest, as leading amidst the incalculable changes and accidents occurring in the circumstances of nations and of society, to the certain consequence of laying open new means of exertion to mercantile ingenuity and enterprise, and disclosing to commerce new sources of eventual disadvantage, far beyond the power of human foresight distinctly to appreciate." We learn, also, from this Report, an important lesson: bad as the system is, it is now so interwoven with the frame of the British government, that they cannot touch it without endangering the whole machine of state. In time, perhaps, and by slow degrees, they may correct its errors. Yet Mr. Baldwin triumphantly exclaims, "What is sound political economy there, is, it seems, here the ravings of madness, the result of empiricism." We leave him to the natural and irresistible conclusion. Strange, however, as it

may seem, he has persuaded himself that we never shall be rich and happy until we embrace this whole system of duties, prohibitions, excise, drawbacks, bounties and monopolies. Of this admirable scheme of government we have now before us a "Practical Abridgment," compressed into a pocket volume of 874 octavo pages. My Lord Castlereagh, anxious no doubt to save us ignorant republicans much trouble, has extracted from this little volume its essence, and not long since presented it to the British Parliament in the following comprehensive words: "The *productive labour* of the country, which is its true and only wealth, is not only kept up, but enabled to extend itself; *the taxes are collected with facility, the loans are raised on moderate terms, and the whole machine proceeds without betraying a symptom of decline.*" Were it not for the refined subtleties of the human mind, and the ever varying speculations on political economy, it would excite astonishment to see any legislator in a free and thriving country like ours, solicitous to embarrass its industry by introducing the system of an old nation, by whom it is endured purely through a hard necessity; and in which an enormous public debt and a heavy weight of nobility require that the exciseman should watch the infant in his cradle, and follow at the heels of every man through life, till death rescues him from his grasp and bears the poor man to his last home, where kings and tax gatherers "cease from troubling."

As, however, this British system has roused so many defenders in our country, whatever may be its advantages or disadvantages, it would be well for the people of the United States not to be hurried away with speculations or declamations about national wealth and national industry, the idle cant of the day, but to approach the sub-

ject soberly, and with a determination patiently to examine and thoroughly to understand some of its mysteries ; for, let them recollect that if they once commence this system of protecting manufactures, they must make up their minds to follow it up ; and their *posterity will be compelled to make the system perpetual.* That this must be the fate of every nation where this system is adopted, we shall fully prove in tracing the history of various manufactures in England, which have been encouraged by bounties and monopolies, renewed and augmented from time to time, and finally perpetuated by act of Parliament. He who wishes to understand the system thoroughly, must go through the detail which follows, patiently. It may be well, however, first to explain some of the terms employed in this artificial system.

Bounty.—This means a fund raised by taxes on the people, which the government gives to the manufacturer, to encourage him in his business and add to his profit. Sometimes it is only paid to the manufacturer when he sells his goods to the foreign merchant ; and this is to enable the manufacturer to undersell foreign manufacturers and to enable those, who want the goods, to buy them cheaper.

Monopoly—Is but another word to express the same thing in effect: it is to prohibit importations of foreign goods and thereby compel your own people, to buy of your own manufacturers at their own prices. This is called giving them a monopoly of the home market, at the expense of farmers, merchants, tradesmen, labourers, &c. to encourage the manufacturers and add to their profit. This is what Mr. Baldwin's New Tariff has particularly in view.

Excise—Is a tax on what the people eat, drink and wear or use in any way—a pretty heavy one too in England.

Drawback.—As the excise in England is very great, no foreigner could be persuaded to pay the real value of the article and the excise or internal tax besides; therefore, to enable the manufacturer to sell to foreigners, the British government are obliged to allow this excise to the manufacturer, on exportation, and this is called drawback of excise. Sometimes it happens that an article is manufactured from some raw material imported, upon which a duty has been charged; when this manufacture is exported the duty previously paid on the raw material is allowed back and is called drawback of duty. There is yet a third sort of drawback, but it has nothing to do with bounties or monopolies and has been already considered.

Among those manufactures, which Parliament seem to have taken under their special care, and for the encouragement of which they have from time to time taken the liberty of restricting personal rights and appropriating the people's money, are silks, glass, linens and sail cloth. In later times, after the invention of cotton machinery and when this manufacture was spreading rapidly over Europe and America without the assistance of government, they adopted the same policy with regard to cotton goods: they imposed prohibitory duties and to that added an allowance of the drawback of the excise. We shall now, as concisely as possible, sketch the history of the acts of Parliament relating to these manufactures.

SILKS.

1455. A law, to encourage the smaller silk manufactures, prohibited the importation of ribbons, laces, girdles and corses.

This not being found altogether effectual, similar laws with more extensive provisions were passed in 1504 and 1638. An act of this year extended the prohibition to silk strings, 1664.
buttons, needle work and fringe embroidery. The protestants driven from France in 1685 established various manufactures of the finer silks in England; in 1792 a company of them obtained from William III. the exclusive right of making lutestrings and alamodes; and the importation of these goods was prohibited. This company flourished for a few years, but the fashion happened to change, it fell to decay, and the workmen were turned out of employment.

The broad silk manufacture (with the exception of the 1722.
two articles just mentioned) had hitherto received no particular encouragement from the English legislature; on the contrary, a heavy import duty had all along been imposed on raw and thrown silk. Yet under this discouragement it had within the forty or fifty years preceding advanced considerably; an estimate of the year 1722 making its value £700,000 greater than it had been at the revolution in 1689. The complaints of the manufacturers, however, for a few years past having been loud and frequent, the parliament were now induced to grant various *bounties* on the exportation of ribbons, stuffs, stockings, gloves, fringes, laces, sewing silk and on fabrics of silk mixed with other materials. The law establishing these bounties was at first temporary, but it was renewed, continued and augmented from time to time, till the year 1809, when *it was made perpetual* by an act 49 George III. A law of the same period abolished the

duties on the exportation of British manufactured goods, and exempted all dying stuffs from duty on importation.

1765. The silk manufacturers were still complaining as loud as ever of the great quantity of French and other silks in the market, and urging parliament further to protect them. New laws were accordingly passed; the duty was lessened on the raw material and the old prohibitory laws confirmed with severe penalties. The next year, other laws were passed prohibiting entirely the importation of foreign silks and velvets, except those of the East Indies, and crapes and tiffanies of Italy; an additional duty of 17*s.* 6*d.* per *lb.* being at the same time imposed on the latter. Parliament in 1784 augmented the bounties on silk manufactures exported; and the following year, silk gauzes were included among the articles favoured and a bounty of 5*s* per *lb.* was granted on the exportation.

1785. At this time happened an event, which these immortal projectors of the bounty and monopoly system, could not foresee, and which made its appearance most maliciously, to defeat all their calculations. Cotton machinery had been invented a few years before; cotton goods were now becoming the common clothing of the kingdom and generally superseding silks. The fatal effects of this change of fashion were soon felt by all the manufacturers; many proprietors were ruined; the factories were closed and the workmen turned adrift without employment and without food!

Parliament augmented the *bounties* one third. 1806.

An act of this year made the *bounties perpetual* and these 1809.
perpetual bounties were as follows :

	s.	*d.*	
Silks and silk ribbons mixed with gold or silver per *lb.*	8	10	2-3
Silk stockings &c. &c.	4		
Stuffs of silk and grogram yarn	1	6	2-3
do. and inkle or cotton	2	2	2-3
do. and worsted mixed	1	1	1-3
Silk gauzes	6	8	
Ribbons and stuffs of silk only	6	8	

Further restrictions on foreign silks. 1810.

The bounties were extended to silks made of waste or 1813.
refuse silk ; they had previously been granted only on manufactures of raw or thrown silk.

SILKS—*raw material.*

Besides these regulations, others have been contrived to increase the produce of the raw material. *Georgia* was colonised in 1732, and as early as 1749 unsuccessful attempts were made to establish a factory of the raw silk in that province. In 1751 a board of trustees was appointed with authority to grant premiums, &c. for its encouragement ; mulberry trees were planted ; artisans acquainted with the rearing of the worms, winding the silk, &c. were sent from Europe, and a silk house was erected. The trustees allowed bounties, viz : two shillings sterling per pound, for best cocoons

one shilling for the second quality and eight pence for the third. The climate was found very favourable to the mulberry tree, and the silk made was of the best quality. From 1750 to 1754 silk was exported from the colonies to the value of $8,880. The quantity thence gradually increased and in 1759, though the silk house had been burnt down the preceding year with a large quantity of cocoons and silk, the province exported 10,000 lbs. which was sold in England for two and three shillings more per pound than any other silk. Yet in 1773 an account of the products of Georgia says nothing of silk; and in 1763, Rice, though at first attended with fatal consequences to the planters and their labourers had become the staple produce of that colony.

Before Bengal came into the possession of the East India Company, nearly all the raw silk consumed in Great Britain was imported from Italy or Turkey. The company immediately began to import large quantities from their settlements; but from the mode used in winding, it was found of little service except in the smaller manufactures. The Company having determined to improve the winding, to suit it to the home market, and to procure it in sufficient quantities fully to supply the country, invested a large capital in planting mulberry trees, &c. in India, and expended much money in fruitless attempts to devise a new method of winding. They at last succeeded; and about the year 1785 the raw silk imported by them from their factory at Bengal had nearly supplanted that of Italy and Turkey in the English market; but just at this period, the fashion for cotton goods commenced and the demand for silk stuffs ceasing, the company sustained heavy losses.

Glass.

The manufacture introduced into England. 1555.

A *monopoly* of the manufacture granted to Sir R. Maunsell, 1616.
and the importation of foreign glass prohibited, to encourage the manufacture. Charles I. extended the prohibition of 1635.
foreign glass, and confirmed the monopoly of Sir R. Maunsell; but allowed *him* to import glass from Italy for particular purposes.

The Duke of Buckingham induced several makers, grinders 1670.
and polishers of glass from Venice, to settle in England. They introduced the manufacture of looking-glass plates.
The revocation of the edict of Nantes drove multitudes of 1685.
the industrious Hugonots of every occupation, from France, and among other arts they introduced that of making fine glass. The glass manufacture of the finest kind is said to 1692.
have reached perfection in the time of William III. after the settlement of the Hugonots in England, and during a long war with France. Before this war the English imported from France nearly all their plate glass for coaches, fine looking glasses, and the finest window glass called Normandy glass, and French crown glass. A society of per- 1773.
sons incorporated in Lancashire for the purpose of manufacturing cast plate glass, which was prosecuted with great success, and in a few years their fabrics rivalled the finest manufactures of other countries.

New regulations as to the duties payable on glass imported, 1777.
and drawbacks allowed on the exportation of glass; and the 17 Geo. III.

drawback of the excise on that manufactured in England.

1787. New duties. Drawbacks of the excise allowed on the exportation of English glass.

1794. Additional duties imposed on all kinds of glass, British as well as foreign.

The following drawbacks of excise are now allowed on exportation:

	£	s.	d.
Window glass in panes per cwt.	4	18	0
Spread window glass, called broad glass,	1	10	0
Window glass in tables,	3	13	6
Flint or phial glass wares per cwt.			
Drawback, £4 18			
Bounty, 1 5	6	3	0
Common bottles per cwt.	0	8	1

LINEN.

1663. A law passed imposing new duties on foreign linens to encourage the manufactures.

1678 to 1686. French linens were prohibited.

1717. The duty on the exportation of British manufactured linens was repealed.

1719. A company was established by an act of Parliament, to improve the manufacture in Scotland, and vested with power to bestow premiums, &c.

1721. Parliament prohibited the use of calicoes.

1742. *Bounties* were allowed on linens exported; and duties imposed on foreign goods.

1745. *Bounties augmented.* French lawns and cambrics were

prohibited; but it is said the law never could be enforced though France and England were at war.

An appropriation of £3,000 annually for nine years, to be distributed by the Scotch commissioners for the encouragement of manufactures. 1753.

New bounties were granted on all hempen and linen cloths of British or Irish manufacture, when exported, which are continued to this day. These bounties were made *perpetual* by an act of Parliament in 1811. 1756.

A duty was imposed on certain articles to create a fund of £15,000 per annum to encourage the cultivation of hemp and flax. Additional duties were also imposed on hempen and linen goods imported. 1767.

The bounties continued embracing some other articles. The bounties granted in 1743, and at subsequent periods, had given a start to the manufactures; but in 1770 they began to decline, and in 1773 three-fourths of the looms in the north of Ireland, and one-third of those in Scotland and the north of England were idle. The poorer classes in those districts were without employ, and multitudes emigrated to America. 1770.

The bounties continued. 1779.

Bounties again continued. 1783 and 1784.

Drawback of the excise allowed on exportation on all linens or mixtures thereof, printed &c. &c. 1785.

Bounties continued. 1787 and 1801.

The bounties of 1756 which are now made perpetual, are, on all British and Irish linens made of hemp or flax, per running yard.

	pence.
Under the value of 5d per yard,	½
Of the value of 5d and under 6d,	1
do. 6d and not over 1s 6d,	1½
Checked or striped not under 7d or over 1s 6d,	½
Diapers, sheetings, and other linens upwards of a yard in breadth, valued at not more than 1s 6d per square yard,	1½
The drawback of excise allowed on printed linens or mixture of linen and cotton,	3½

The linen manufactures had flourished in England long before the first bounty was allowed in 1743. As early as 1669 they were conducted by some French protestants and were considerably improved in 1685 by the Hugonots who fled from France. In 1695 companies were incorporated for conducting the business, and Dutch weavers were induced to come over from Holland.

SAIL-CLOTH—CORDAGE.

1696. Sail-cloth was at this period made in considerable quantities, and a law permitted it to be exported duty free.

1712. A *bounty* or reward of 2*d.* on every ell of English sail-cloth was allowed on exportation, which has been continued from time to time and is now in existence.

1746. A law compelling every British ship to be furnished with a full suit of sails of British sail-cloth; and every captain having on board his ship any sails in use or otherwise, made of foreign sail-cloth on his arrival to pay a duty on them, on penalty of forfeiting £50 and the sails.

1766. A bounty on cordage.

A bounty on Irish sail-cloth. 1780.

All these laws are now in force.

HEMP.

Duties imposed on foreign canvass, &c. to create a fund to appropriate £15,000 annually to encourage the growth of hemp in England and Scotland. Some years after a part of this fund had been claimed in Scotland but none in England. 1767.

A bounty of £8 sterling per ton allowed on Irish hemp imported into England; 1786 to 1793, £7; and thence to 1800, £6 sterling. 1779 to 1786.

New bounties were granted to encourage the cultivation of hemp. 1801.

Notwithstanding these bounties, the quantity of hemp imported from abroad continued regularly to increase.

COTTONS.

It seems that cotton manufactures were not the favourites of parliament in 1721, for they prohibited the selling or wearing of any calicoes, for the purpose of encouraging silk and woollen manufactures. The penalty on the vender was £20, on the wearer £5, and any person was authorised under warrant to enter houses and stores in search of such goods as they might suspect to be concealed. In 1736 this law was repealed as to British calicoes, provided the warp were of linen yarn.

In 1774 an excise of 3*d.* per square yard was imposed on coloured cotton goods.

In 1783 bounties were allowed on coloured cotton goods and cotton mixed with linen.

Cotton had been generally mixed with other materials in manufacturing until towards the year 1770. The first manufacture of calicoes is said to have been established in Lancashire in 1772; but as soon after as 1785 there were numerous factories established in various parts of the kingdom. Muslins commenced in 1781. The circumstance however, to which the cotton manufactures of England owe their prosperity was the invention of cotton machinery in 1768 by Mr. Arkwright. He however did not improve this machinery so as to apply it usefully till 1775; he then established his factory on the new plan and soon found many eager to purchase the use of his patent. Factories were on these terms distributed in England; but no great increase of the business occurred until 1785; when his patent expired and it was thrown open to all. Cotton factories immediately started up in every part of the kingdom, and from that to the present time they have been continually and rapidly increasing.

The excise on cotton manufactures printed, painted, stained or coloured is 3½*d.* per square yard, which is allowed back to the manufacturer on exportation.

Having thus furnished a sketch of the many protections and indulgencies, which parliament have from time to time bestowed on their special fevourites, silks, glass, linens, sail-cloth and cottons,

we shall now notice the laws intended to affect those hardy branches of industry, iron and wool, which were never indulged with bounties, nor did they experience much other parliamentary favour, but in some cases were severely restricted; yet with all this, nothing could stop their march; they cut their way through all restrictions, and while the favourites of government are still fed with indulgencies, iron and wool stand at the head of British manufactures and are able to protect themselves.

IRON.

No branch of manufacture has probably received less encouragement from the British government than this. In 1354 the exportation was prohibited and the price limited. In the succeeding century various contradictory laws were passed, which expired after a short existence. In 1564 Elizabeth prohibited the importation of a variety of small articles. In 1565 this queen granted to a company of German emigrants a monopoly of all cast work and wire, and they introduced some improvements. This monopoly with all others ceased in the revolution of 1649. In 1630 Parliament prohibited the importation of wool cards and wire.

Such are the few laws, by which the English Parliament manifested an *intention* to encourage iron manufactures; yet feeble as they were, they seemed to think that they had done too much, and passed various laws which must have tended to check their growth. We have noticed that the exportation was prohibited in 1354. In 1581 heavy restrictions were imposed on iron works; the manufacturers were prohibited from using any but small wood, and from

establishing any new works in several counties and including the whole extent of the Thames. In 1637 the exportation was again prohibited and new restrictions were imposed on the manufacture. In 1719 two thirds of the iron used in English manufactories was imported; in 1785 three fourths. We may form some opinion of the impediments thrown in the way of the proprietors of iron works from the circumstance that several were obliged to abandon the business, and with their workmen emigrated to Russia. The manufactories of England to this day use a very considerable portion of Russian and Swedish iron.

Notwithstanding these circumstances England surpasses all nations in her manufactures of iron; and they are not encouraged by a bounty or a drawback of excise, on the other hand a small export duty is charged.

WOOL.

Manufactures of wool were among the first, for which England was distinguished, and from a very natural cause; her wool was then the best in Europe. Accordingly we find that as early as the reign of Edward III. considerable quantities of cloths were exported and that these manufactures gradually advanced till the reign of Elizabeth; when English woollens were the finest in texture and after being dressed and died in the Netherlands were dispersed among the neighbouring nations. This was owing to no particular encouragement from government, but to the quality of the wool. There were some occasional prohibitions arising out of quarrels with Flanders, but these were always repealed, and even during their exist-

ence the privileged companies were allowed to export and import all articles of merchandise. The only laws were some professedly intended to encourage the manufacture of *fine* cloths by prohibiting the exportation of undressed and undied woollens; but these were never found to answer any purpose but to check weaving and the manufacture of coarse goods.

In 1578 Elizabeth prohibited the exportation of wool, to encourage the manufactures; but, at that period, they needed no encouragement, as the English weavers were very numerous; while the finishing of cloths, which they did not understand, received no encouragement. This act has been continued to the present day. The effect of this prohibition was so injurious that English wool lost its ancient character, and the manufacturers were obliged, a century ago, to import large quantities of foreign wool, without which they were unable to sustain the reputation of their woollens. Towards the close of the last century measures were taken to improve their wool by importing sheep from Spain; yet to this day their best cloths are manufactured of Spanish and Saxon wool, particularly the latter.

In 1629, Charles I. ordained that all mourning clothes should be of woollen; but the same law contained a provision unfavourable to the woollen manufacturers; he prohibited the importation of woollen cards or card wire. In 1666, Parliament decreed, that all burial clothes should be of woollen manufacture; but the law was generally evaded if not altogether disregarded. In 1700, the last year of the reign of William III. the duties on the exportation of woollens were repealed.

These are the only acts of any moment, which have affected the manufacture of woollen goods; and from the earliest period it has been the first in rank in England. It has never been encouraged by a bounty or a drawback of excise; on the other hand it is charged with a small export duty.

We shall now, in as simple a shape as possible, endeavor to describe the operation of this famous system, and notice the bounties generally.

We have observed that this system of protecting *silk* manufactures by government, commenced in the year 1455; that in the reign of Charles II. about 100 years after, it was extended; and that George I. about 100 years ago added bounties to the encouragements before existing. Now, after an experiment of more than two centuries and a half, the English are excelled in manufactures of Silk by the French, Italians, Germans, and Chinese; and their prohibitory laws have always been violated. Notwithstanding this experiment and result, the bounties are higher now than they ever were before, and have become a perpetual tax upon the nation, because the manufactures cannot exist without them. The people of England have been robbed of millions by their kings and ministers, which have been wasted in a visionary experiment to rival the manufactures of France, their great enemy.

Great Britain has been employed about 150 years in encouraging her *linen* manufactures. Seventy-eight years ago they began to aid them with bounties, and in 1756 the bounties now existing were

established. Under this system an Englishman pays for a yard of coarse brown-holland, or a yard of oznaburgs

Six pence sterling		11 11-100 cents.
An American pays for a yard of either article,	6d.	
But is allowed a bounty of	1½d.	
Leaving	4½d.	or 8¼ cents

Thus the American buys a yard of coarse linen 25 per cent cheaper than a poor labourer in England. Besides paying this additional price on what they use themselves, the English people are taxed, to pay this bounty of 25 per cent to the manufacturer on that part which he sells to foreigners. It is sixty-four years since the people of England have been taxed to pay their linen manufacturers this bounty, besides expending large sums in premiums. We shall leave it to the labours of those political economists, who are now engaged in ascertaining the balance of trade, to find out how many millions the poor and heavily taxed people of England have been compelled to pay, upon all the linen exported to various parts of the world during sixty-four years, to support the business of their linen manufacturers; and when they have ascertained the amount, they will confer on the world an additional obligation, if they will place this money at an interest of five per cent, and calculate how long it will take these same linen manufacturers to reimburse the principal and interest of this bounty fund. Many attempts have been made to take away this bounty, but the linen manufacturers say they would be ruined without it; and the distance from the *people* to the throne in England, is now too great for their complaints to be heard. The calculations of the manufacturer are all made upon the bounty; and the abolition of it would

have a serious effect on that branch of industry. In our own country we have already realized something similar; we have not yet granted direct bounties, but we have bestowed what is virtually the same thing: the bounty secures to English manufacturers foreign customers, our monopoly system secures to our own manufacturers all our own consumers, a multitude of customers. We have charged many foreign articles with such high duties that they cannot be imported; and we are now compelled by our laws (virtually similar to those passed in 1377 by Edward III. and in 1413 by Henry IV.) to buy of our own manufacturers, though, if the duty were reduced, we might purchase some of them cheaper of foreigners. Although this duty might be in many instances *reduced, without* the least injury to our own manufacturers (for in some manufactures there are no articles in the world better or cheaper, and the duty stands in our Tariff a mere shadow) yet the idea of competition would excite alarm, and our legislators would be immediately charged with a disposition to sacrifice internal industry. This is one of the very serious evils attending this system of protecting manufactures by taxing the people. So long as they want the duty (and that may be a hundred years) you cannot remove it, without injuring them; and when it becomes merely nominal, they are bold enough to tell you, you must not reduce it. Had such manufactures been left to the solid and permanent natural advantages they actually enjoy, we should not suffer this evil, nor hear every year or two fresh petitions for protection. This is no way to encourage a truly profitable branch of industry. As it now is with England, should she decline paying this bounty, we should import our linens from France, Flanders, Holland and Silesia; whence we even at present import largely, the British bounty notwithstanding. It is 108 years

since Queen Anne granted a bounty on all English *sail-cloth* on exportation, and 74 years since Englishmen have been compelled to fit out their ships with English canvass. These are still the law of the land. Besides this, large sums have been expended to encourage the cultivation of hemp at home, and England has been the most commercial nation in the world. Notwithstanding all these advantages, Russian and Holland duck are preferred by all nations to this day; and an English merchantman can be distinguished on the ocean by her dark coloured canvass. With regard to calicoes, the American can buy them cheaper from the English manufacturer than the English consumer; and the poor English labourer pays 3½d per square yard, or 40 per cent more on coarse printed cotton goods.

The manufacture of *glass* has been encouraged by monopolies and prohibitions for 200 years. It is no doubt interesting to Americans to understand the practical operation of the British system of excise, drawback, bounty and monopoly, so zealously defended and warmly recommended; and there is perhaps no article more fully charged than glass, with all the blessings of the system. We will briefly notice its operation. In the first place, it may be remarked, the Englishman *must* use *English* tumblers. There is no alternative, for there is a general prohibition; and drink out of what he may, the excise must be first paid on the vessel out of which he drinks. In considering the duty proposed by Mr. Baldwin, we have given the factory prices.

The Englishman pays for a common half pint tumbler 4 1-3 pence sterling, or which is composed of	8 3-100 cts.
The actual cost of 100 tumblers being 8 *s.* 8. each tumbler is	1*d.*4-100

Brought forward	1*d.* 4-100
To support government, an internal exercise or tax is levied upon the manufacture of 98*s.* for every 112lbs. On 100 tumblers weighing 25lbs. the excise is 21*s.* 10½*d.* or on each tumbler	2 62½-100
A bounty is paid to the manufacturer, (when the article is exported) out of the public treasury, or the money raised from the people by other taxes, of 25*s.* on 112lbs. or on each tumbler	67-100
	4*d* 32½ 100

To make this more plain to an American the price of the tumbler is	1*c.*	93-100
" excise about 260 per cent is	4	86-100
" bounty " 66 " "	1	24-100
Making in cents	8	3-100

Thus the taxed Englishman pays in price, excise and bounty for each common half pint tumbler more than 8 cents, while an American buys the fellow to it from the same manufacturer at less than 2 cents! And this is that wonderful system, which is proposed to a free people. How can England avoid laying the excise, while she owes more than 800,000,000 sterling, or 3,555,555,555 dollars; four hundred times the amount of our debt, and while her annual expences are 225,000,000 of dollars? How can she avoid allowing the drawback of that excise upon exportation, when, if she did not, a common English tumbler would cost 6 4-5 cents, while a similar one may be bought in any part of Europe at about 2 cents. Where then would England find purchasers for her tumblers at this extravagant price of 6 4-5 cents but among her own enslaved subjects? Notwithstanding the drawback and monopoly, it appears that the English manufacturers cannot make a half pint tumbler so

cheap as the Germans, and we may buy our tumblers of the latter: to prevent this evil the government grants the manufacturer out of the people's money 1¼ cents bounty on each common half pint tumbler, which the manufacturer allows the American merchant, as an inducement to buy the tumbler of him. After all these allowances the English manufacturer comes into the market in fair competition with the hardy Bohemians, from whom (the British system notwithstanding) we import by far the largest proportion of common tumblers for our own use, via Hamburg, Bremen and Trieste. And can Americans have any objections to this system practiced abroad? If the British government will tax their people, to enable their manufacturers to sell us cheap tumblers, have we any reason to complain? If the British. French and Germans were all to grant bounties, and undersell each other, for our accommodation; and tax their poor subjects until they could bear no more, does it take any money out of our pockets? As Americans we should say, let them go on; let us mind our own business and beware of all such unprofitable experiments. If the people of England or their ministers are content to allow us 1¼ cents on each common half pint tumbler we buy of them, we ought certainly to permit them to amuse themselves in this odd way. When they grow tired of it we will buy French or German tumblers, or make them ourselves if we find our profit in it. In the meantime we will attend to our farms, to our numerous and flourishing manufactories now existing, and to our commerce; and when we find that the business, we understand and are engaged in, begins to be heavy and unprofitable, we will try and make as many tumblers as we want. As we cannot at present spare our young men to make them glass-blowers, we ought to feel under great obligations to the British government for its ex-

periments to cheapen the article, not to her own subjects, but, most magnanimously, to benefit the citizens of the United States, by granting them a bounty and compelling the Bohemians to sell us their glass at lower prices. With all due deference to the wise contrivers of this system, its present directors and defenders, we must believe that they will find the robust mountaineers of Bohemia formidable rivals; and backed as they are by nature, posterity will see these Bohemian establishments flourishing and triumphant, when time shall have laid the English manufactories though fed and sustained by bounties, in ruins. If in the order of nature the Bohemian establishments are destined to decline, we shall see glass manufactories rising up amidst the forests of Russia and North-America. If we do not ruin our establishments by taxing the people for their support; but continue to encourage them with the blessings of a free government, guaranteeing to every man the fruit of his labour, his prudence, his patience and his ingenuity; and annually add to their customers by an increase of population, we shall see the United States rival the world in manufactures of glass.

This reasoning and illustration on the manufacture of glass will apply to every article, which Great Britain protects by a bounty, monopoly, drawback of excise, or rewards of any kinds. Situated as their manfactures now are, and overwhelmed as the nation is, with taxes, it is imposible for them to compete with the manufactures of other nations without this relief. No purchasers could be found abroad, willing to pay three and four times the real value of the article, to support the enormous expenses of that nation; and therefore to enable their manufacturers to sell to foreigners, they are of necessity *compelled* to deduct from the price in England the *whole*

amount of the tax, which they impose upon the manufacture.—Whatever may have been the motive or scheme when the system began, that motive is now extinguished; and pure necessity obliges them to perpetuate it. It is of no consequence whether it is a manufacture of yesterday, or one of two hundred years old, both equally hang upon the system for protection. Take away the drawback of the internal excise, and all their foreign customers fly to other nations: the English manufacturer would be obliged to rely on the custom of his own countrymen, who are compelled by an unjust government to pay him thrice the price of the French or German manufacture. Take away the bounty and the manufacture, whether in its infancy or two hundred years old, languishes. And ought not this picture to furnish a momentous lesson to American statesmen, who advocate a prohibition of foreign goods as the best means of encouraging our domestic manufactures?—In our short experience of thirty-five years do we not see our statesmen eager to cherish, and grant a virtual monopoly to, our *old*, as well as, our infant manufactures?—Were we to legislate on this system for one hundred years, the cry would still be the same. Under their proper heads we have noticed those manufactures, which sprang up, the offspring of nature, necessity and individual enterprise, such as cut nails, axes, plough-share moulds, anchors, cotton yarn, cordage, shoes, hats, candles, soap &c. besides a vast number of domestic, by which we mean, *family* manufactures such as homespun, quilting, tow cloth &c. These are manufactures, which flourished and defied foreign competition fifteen years ago, and before any of our manufactures were stimulated by war or restrictions; these, and all such as owe their origin to natural causes, encouraged only by American

industry and enterprise, will outlive all the hot-bed plants of the British system.

As Mr. Baldwin proposes, as a part of his system, to impose an internal excise on the manufacture, it may be well for us to know something about the plan adopted in England, whose system he seems to be so much charmed with. We shall therefore, merely to instruct our countrymen, give a few items from the laws regulating the manufacture of glass, that we may know how to relish them when we embrace such blessings. Glass makers must pay for every glass house £20 sterling per annum; and are not to begin to charge any pot without giving twelve hours notice in writing, of the time of beginning, the weight of the metal and species of glass, on penalty of £50. Manufacturers of flint glass are allowed three hours for beginning to charge their pots after the time specified in their notices. Cast plate is to be charged by weight, if squared and measured in the presence of the officer; and makers are to give six hours notice in London and twelve hours in the country, before drawing plates out of the annealing arch, on penalty of £50. Manufacturers are to permit officers to take samples. Entries to be made in writing, upon oath; and duties to be paid monthly if in London and every six weeks in the country. Officers at all times, by day or night, are to have access to workhouses, to guage the material and mark the pots as they shall think fit. The whole of the metal intended to be manufactured into common glass bottles is to be worked within sixteen hours next after the same shall be begun; and when the bottles are deposited in the annealing arches, manufacturers are again, in the presence of on officer, to charge each pot with fresh materials, other than broken glass, not less than fifty pounds

weight; and declarations are to be delivered, in writing of the number of such bottles, on penalty of £100. Manufacturers of glass bottles are to affix proper hooks or staples, with seals and weights, to be approved of in writing by the surveyor or supervisor. Notices are to be given for drawing out bottles, only between eight in the morning and six in the afternoon. Makers using any private annealing arches, or fraudulently removing or concealing any common glass bottles, before the same shall be weighed, incur a penalty of £500. No phials to be made in any building entered for making common glass bottles, or in any adjoining buildings, on penalty of £200.

Before we notice the consequences of the British system as evinced in the condition of the people of England, it may be well, as some relief from the fatigues of so tedious an investigation, to turn our attention for a moment to other nations. France has been occasionally afflicted with experiments, some to encourage, others to stifle industry; and has now and then been borne down by the weight of a great man, whose sole object was to aggrandize *himself* at the expense of the people's labour, through the agency of their weaker passions. Such was Louis XIV.; but her last grand experiment was under Napoleon. He was the great advocate of this system, and for the same reasons which influence the British government; he wanted the produce of the people's labour. Mr. Baldwin appears to have taken these illustrious examples as his guides in legislation, lighted by the torch of war; for he eulogises the British and Napoleon's system, and speaks in raptures of the blessings of our late war and internal taxes. With regard to our war, we have every reason to feel proud of it, whatever may have

been individual inconvenience and loss.—The flashes of glory on the deep, and the bright blaze of Orleans, rekindled the expiring fires of '76 and will light us in the path of our immortal fathers. As to Napoleon, Americans are much too proud to exult over Europe's fallen conqueror, or to mingle with the herd of affrighted Europeans in attending the court of the sick Lion. These monarchs and their subjects have reason now to be bold, and so had the ass in the fable. Napoleon will, however, outlive them all, and the loud herald of his fame will sound his name from age to age, while the emperors, kings and generals of the day, will be buried with their trumpeters. Our present business is not, however, with his fame, but with his system of government, now advocated by American politicians; and we are to consider it in relation to its operation upon the people. It was his policy to teach the French to love war, to live upon soups and to work hard; for he wanted the produce of the people's labour to pay an army of custom house officers, to guard the sea board, and to support a million of soldiers, that he might raise his standard on the Kremlin, and march over the affrighted nations of the East. He may, indeed, be styled the champion of bounties and monopolies; for his system was admirably contrived to increase the productive labour of the nation, that is, to draw through the pores of the body the labour of the people, and appropriate its product to his own ambitious purposes; leaving the labourers nothing more than was absolutely necessary to keep them from freezing or starving. The advocates of the system ough to feel indebted to Bonaparte for some new hints on the science of government and of protecting manufactures: with one hand he charged cotton, the raw material, with a duty of about one dollar per pound, and with the other, loaned the manufacturers money at 2 per cent. per annum; in

his legislative views there was no limit to taxation, nor any to conscription ; labour and population were both inexhaustible, and these rich streams were the property of the government. Could Bonaparte have lived one hundred years, had the sources of labour and population not been enfeebled and their riches wasted in the experiment, he might have beat England with spindles, and all Europe and Asia with cannon. But his visions vanished with the treaty of Paris ; the dazzling habiliments of the god fell from him, and he descended to the point from which he had risen . . . . . he was mortal. It is to be hoped among all our extravagancies in legislation we shall never adopt the policy of a military despotism.

Poor Sweden too, with her rocks, hemlock and spruce, has been another subject for legislative experiments ; she has been long blessed with prohibitory laws. The people however take this all very quietly, they smuggle as many English, French and German goods as they want, and keep soberly on at their old trade of fishing, and iron and alum making. In manufactures generally, Sweden is about 100 years behind us and 200 in the rear of Europe. Yet their statesmen talk largely about the encouragement of their manufactures and their flourishing condition. In Russia also they have had some experiments. They had a taste of Bonaparte's continental system, and they have since tried some experiments voluntarily. The emperor has been disposed to protect manufactures by imposing high duties on their importation of goods, and has thereby involved some of his subjects in ruinous speculations. Among other sufferers we may give the chief rank to the empress Mary (the mother of the Emperor) who is the proprietor of a very large cotton factory near St. Petersburg ; but her majesty finds it a

losing business. They, however, exchange hemp and iron, for the manufactures of England on terms very profitable to each other; for their system of duties, although established by an emperor armed with despotic power, does not bear so heavily upon the people as the Tariff proposed by Mr. Baldwin in the Congress of the United States.

In Prussia they have made some grand experiments to augment the productive labour of the country; for they have also experienced that last of blessings——a great man. These great men do excellently well——for themselves; and flourish for a few years in a gallant style. Happy would it be for the people of *this* world were their systems buried with them: but they leave as relics of remembrance many a sad legacy: a waste of labour and of wealth is scattered in heaps of ruins, here and there, in villages deserted or in ashes; a heavy weight of public debt with a trail of tax-gatherers remind the people of their departed idol! Such were the blessings left to Prussia by Frederick the II. and to France by Louis XIV. Frederick was a great financier and political economist; and it is wonderful that Mr. Baldwin should have omitted *his* eulogy; for he encouraged manufacturing upon a great scale and has left a monument behind him, which stands unrivalled in the world—the town of Potsdam. Of all the great men since the days of the Egyptian kings, not one has left so splendid a monument of folly. Frederick the great conceived the magnificent project of making Potsdam the queen of sciences, arts, and manufactures; an odd compound of Athens and Birmingham. And as he never did things on a small scale, he was not content with a few scattered establishments, but built a town, near Sans Souci, that

from his windows he might superintend his manufacturers, review his troops marshalled on the opposite hill, and watch the gambols of his favourite hounds. He thought it a pity that such useful men as artisans should be cooped up in workshops, so he built palaces for them exhibiting a variety of architecture; some in a pure style and some according to his *own* fancy. The streets are rectangular and capacious and ornamented with trees; and many of them exhibited one solid range of palaces. Nature soberly watched the movements of this mighty projector; and when art had given the finishing touch to this magnificent work, she ordered one of her attendants, the spirit of desolation, to take possession of Potsdam. From that time the ghost of the great Frederick has been the only protector of the industry of poor, deserted Potsdam. It is now visited among the other wonders of this great man; and in these princely but desolate palaces may be seen here and there a poor shoemaker at work, or an old woman hanging out clothes beneath a Grecian pediment. Such was the result of a royal experiment to force the manufacturing business in Prussia. The poor Prussians are to this day paying the interest on the money wasted by Frederick II. in building the town of Potsdam for the encouragement of national industry. And when we pass by our ruined establishments scattered here and there in the United States let us remember the folly of this great man, and reflect that it is so much lost to the nation. Indeed it may be laid down as a sound maxim in political economy, that whenever a government undertakes to speculate in the industry of a nation, the people will in the end pay the profitless expense of the experiment.

Spain was for many generations blessed with monopolies of

every kind; church, state, and capitalists fed upon the peoples labour and wasted the wealth of the nation. A light has appeared there; but whether it be the dawn of liberty! or a deceptive meteor of the night, a few years will determine. We apprehend, however, that we are not now to witness such a wonder in the world as the establishment of a permanent, pure, and free government by an army. In Italy, the population approaches nearest in condition the enervated and worn out tenants of the East; too feeble to resist oppression and scarce able to support a miserable existence; with one of the richest countries in the world, they depend for *bread* on the Russian provinces around the Black sea and on the bounties of the Nile. The little labour they do perform is monopolized; half the days in the year are devoted to a large and expensive family of saints and a large portion of the remainder appropriated to a fat brotherhood of priests. It is computed that in the dominions of the pope there are about 120,000 priests in a population of 620,000; in all Italy those employed in the various offices of the church are estimated at 350,000, a heavy charge upon the poor people. Bonaparte however allowed no one but himself to monopolize the people's labour; he therefore set some of these idle gentlemen to work, digging among the ruins of Rome; and others made very good soldiers after a year of his discipline. In Germany they have all sorts of governments: Kingdoms, Palatinates, Principalities, Dukedoms and Bishoprics; in most of which the people are obliged to work hard to support their masters.

But let us turn from these melancholy wrecks of human happiness and liberty, to scenes more worthy of our attention, and agreeable to republican contemplations. Let us breathe the exhilarating air

of Switzerland, the only country, from which, if they must have a European model, Americans ought to receive hints in government. It is indeed true, that many of the Swiss cantons are not entirely republican. It seems as if the very neighbourhood of monarchies had contaminated some of them. Yet in all, there is a simplicity of manners and an intelligence which place them far above any old country; and they are altogether the freest, the happiest, and the most industrious people in Europe. Our politicians are so much in the habit of presenting us with the theories of despotic governments, that we, in America, believe that the industry of all Europe is protected by monopolies and prohibitory duties. Now it happens that no nation surpasses the Swiss in manufacturing, in proportion to their population, and, that there are no manufactories in a more flourishing condition; and it also happens that they are strangers to prohibitions. The manufactures of all nations are freely admitted, and the only charge made is about as much as we should exact at one of our turnpike gates. How is it then, that we must be compelled to adopt the policy of the British government, which feeds upon the peoples labour, and that we cannot imitate the simplicity and equity of the Swiss governments? We cannot be told that Switzerland stands isolated from other nations; for the boundaries between her and France and Germany are imaginary. Her manufacturers do not depend upon prohibitions; they fear no competition, because they are protected by a free government, by industry, ingenuity and enterprise. But this is not the only spot in Europe where industry is encouraged by abolishing all restrictions. One would think that a difference of language had shut us out from all knowledge but of English systems. The most rich and flourishing towns in Germany are those which are free: such as compose the Hanseatic league, and others, which are made so, for purposes of

trade; and the manufactories in the vicinity of those towns or cities are among the most flourishing in Europe. Frankfort, on the Main, has two fairs in the year, in which are admitted the fabrics of all Europe. But the grand depot for the fabrics and productions of the world is Leipsic, 200 miles in the interior of Germany. The king of Saxony, so far from adopting the policy of England, opens the gates of Leipsic to the four quarters of the globe; and during its semi-anual fair, are exhibited the costumes of Europe, Asia, America, and the Barbary Coast. The merchants of every nation attend this fair, exchanging their merchandise with each other, some of which afterwards reaches America, the confines of Russia, and the fairs of Aleppo, and Mecca. One who has never witnessed this bustling centre of the traffic of the world, can form no idea of the influence of an unrestricted trade on industry of every kind; it is the very life of manufacturing in Saxony, Silesia, Bohemia, Bavaria, and the other countries immediately encircling Saxony, which form the most mauufacturing part of Germany. Nothing could induce the manufacturers of Saxony to petition the king to prohibit the importation of cloths, linens and cottons from England, Holland, Belgium, France, or Switzerland. Were they to do so, industry would receive a check equal to that suffered under the continental system. It is the abolition of restrictions, which makes this the most industrious and flourishing part of Europe, with the exception of Switzerland. What will our advocates of prohibitions say to this policy of the king of Saxony?

But it is time for us to return to our disagreeable task. We must now conclude our enquiry into this British system of bounties &c. by touching upon the true motives of the British government for per-

petuating a system, which bears so heavily upon the people. That nation wants annually about two hundred and twenty five millions of dollars to pay the expenses of the government and the interest of the public debt. In order to accomplish this they are obliged to employ all means, natural and artificial, to draw from the labouring men in the nation, as much as they possibly can; in the language of that system, "to increase the productive labour of the country and augment the wealth of the nation :" or in plain English, to starve the people and work them day and night, to raise money to support the royal family, the nobility, the clergy, an army, navy, another army of civil officers, who are most extravagantly paid, and the interest upon a public debt (the consequence of meddling in the affairs of other nations) due to the large capitalists in the kingdom, or the aristocracy. The means of raising all this money out of the people are as ingenious, as cunning despotism could devise. A volume of nine hundred pages is but an abridgment of the laws of the British government imposing taxes on the people; all we can do is to give a feint outline of the system, and a few items of excise. They charge exhorbitant duties on all imports from foreign countries. They charge a duty on most exports. They charge duties on articles carried coastwise from one port or place to another port or place within Great Britain. They charge duties on articles exported from Great Britain to Ireland and imported into Great Britain from Ireland. They compel the Farmers and others to buy what they require from their own manfacturers, that they may increase the amount raised by internal excise; and for the same reason, compel the manufacturers and others to buy of their farmers, when the average price of wheat does not exceed 80 shillings the quarter; by which means the labouring men and oth-

ers, who are neither farmers nor manufacturers, are doubly taxed.—They compel the East and West India colonies to bring their produce to England, and to purchase what they may want for their use of the British manufacturers, because they thereby augment the amount of excise on manufacturing establishments at the expense of the colonists: and augment the number of British ships, upon every material or manufacture of which they charge a tax. These contrivancies are as endless as they are ingenious; and the people of England are persuaded to believe that all these laws augment the productive labour of the country, particularly when assisted by such excise or consumption duties as the following.

	dolls.	*cents.*
On a barrel of strong beer or ale	2	22
A pound of coffee if imported from the colonies		22½
do. if imported from foreign countries		55
A pound of cocoa to make chocolate		40
do. from other places		44½
On a hogshead of cider or perry	6	66
" a half pint tnmbler		4½
" window glass per 112 *lbs.*	17	33
" a bushell of malt		78½
" Metheglin or mead per gallon		33½
" Paper per *lb.*		5½
" a pound of pepper		55
" a bushel of salt not imported from Ireland	4	44
" do when made in England	3	33
" a pound of hard soap		5½
" a gallon of rum	2	44½
" a gallon of brandy	3	78
" tea 100 per cent on the price in England		
" a pound of tobacco		89
" a pound of brown sugar		6
" cwt. of molasses	2	22
" a yard of cotton, linen or woollen goods		6½
" a gallon of vinegar		7
" a barrel of home made wine such as currant and gooseberry	10	88

In a word all that a man eats, drinks, wears, or uses in any manner, houses, lands, nay every thing except air and water, seem to be objects of taxation in England; and under this gentle and benevolent system, a poor Englishman is obliged to live upon a daily allowance, which would starve an American.

The American reader, who has had the patience to pass through this investigation, will have found little occasion to envy England her prosperity, her power, or her wealth; and if he possess the feelings of a man and a republican, he must in his heart pity the sufferings of the poor labouring men in that country, who stagger under the *blessings* of this British system, the ponderous accumulation of more than one hundred years of legislation. In contemplating the picture, which England now presents to our view, we should mark the evils, which legislators have entailed on that afflicted nation; trace them to their origin, and learn not to bequeath to our posterity a similar weight of taxes and misery, from which there is no escape but through the medium of bloody intestine wars; and these will probably leave the people of that country freed from a part of their taxes, but still supporting a despotic government. History furnishes us no example of a nations returning permanently to a republican form of government, after having passed her meridian; it may for a moment, but the population of an old nation is too feeble, corrupt, and servile to retain the power in its own hands. The English people have been rapidly changing their character for one hundred years, in consequence of a slow but certain operation, which may be observed in every nation, the gradual transfer of property, through the medium of taxes and monopolies, from the great body of the people to the aristocracy. With this transfer, silently expires that spirit, which sus-

tains free government. This transfer is daily operating in every nation; it is an eternal law of nature, that as a nation grows old, the mass of the people becomes poor. We cannot alter it; but we need not adopt measures to accelerate the growth of the evil. Whether industry sustains an impulse or a check, the effect is to hurry this transfer of property. A monopoly system or a continued augmentation of our duties, excites gambling and multiplies the occasions for a transfer of property. The speculative and inexperienced are tempted by government to engage in a new business, to be terminated by the sheriff's sale, which will transfer the property to a capitalist at one fourth its cost. Thus is the money of one hundred men bestowed on one man in the community. Uniformity and stability in our laws will assist our industry, and, at least, will not accelerate the growth of that evil, a poor and dependant population.

We should learn from the example of Europe from 1793 to 1815, and particularly from the policy of Napoleon, that wars and restrictions not only do an injury to the country where they occur, but have a tendency to increase the business of those nations, whom they are intended to harm. The restrictive system established on the continent of Europe assisted English manufactures more than all their bounties. While that continent was shut up by Napoleon, Great Britain was busily engaged in furnishing North and South America not only with cloths, cottons, cutlery, &c. (her own long established manufactures) but she usurped the business of the French and German manufacturers, in furnishing these countries with silks, linens and glass; which she never would have done, had the continent remained open, and French and German manufacturers busy.

Such is inevitably the fate of all nations, who undertake to make war upon their enemies by afflicting themselves.

The history of the British constitution teaches us that free government and unrestricted trade are the best encouragements of national industry; the history of her manufactures shows us, that the best and most useful branches are those, which have never been favoured by the government; and that those, which have been once encouraged by bounties, must be sustained by bounties, and become a perpetual tax upon the nation. We must not deceive ourselves with a refined distinction between a bounty and a monopoly. In this vast and increasing agricultural nation, a monopoly of the home market, enforced by a prohibition of foreign fabrics, would cost the people more in fifty years, than the whole amount the British government has wasted in bounties. If we begin with the system we must charge it on generation after generation.

Guided by the examples of England, France, and Prussia, we must lay it down as an incontrovertible maxim, that when a government speculates in the industry of its people, by checking one branch to stimulate another, the nation must experience a great waste of labour. Such speculation is but little milder in its effects than war. We must at best consider it a very severe, unequal, gambling, and unprofitable way of teaching a people a knowledge of arts, sciences, and trades, for the purpose of augmenting the productive labour, or increasing more rapidly the wealth of the nation. As far as history and our own experience guide us, we must believe, that the only way, in which a government can effectually give an impulse to the industry of a people, increase the

productive powers of the mind and body, and appropriate a capital, which will be returned to the nation, principal and compound interest, is, to direct its attention to the education of the people, that they may be able to use the rich resources of the human mind; to give the people liberty and life in trade; and to secure rights, property, order, and tranquility by a good and equal government. These will enable a population to augment the powers of productive labour and to enter the lists with all other nations in the paths to wealth and power. Where these advantages exist, are assisted by soil and climate, and the government properly superintends the means of transportation of produce from place to place, the nation will never have occasion to fear foreign competition in any branch of industry.

Whatever may have been the motives, which governed the wise legislators of France and England in the early period of their manufactures, in encouraging by bounties and monopolies the introduction of new manufactures from other nations, and whatever may be the necessity for a like policy in Russia and Sweden, we have no reason for adopting a similar system in this country. We have seen the influence, which the protestants had on the industry of England. The persecutions of Louis XIV. laid the foundations of some of the best manufactories in England. Let us reflect for a moment how a similar cause is annually operating in our favour, and we shall perceive that, without wasting our money or violating the rights of freemen, a like result must be produced here.

We have a country rich in every blesssing; a government the admiration of mankind; and are protected from the calamities of in-

vasion by a barrier, which no hostile armies can pass. We require no second revocation of the edict of Nantes; we need not the aid of Louis XIV. for we have all the governments in Europe, save two, assisting our industry by driving their artisans to a happier home. Russia may hold out her invitations, and Sweden her rewards to foreign manufacturers; but the blessings of this happy land, and free and equal government, will tempt them to seek a shelter here from the storms and oppressions of Europe. These are the bounties we offer, and these are the rewards, which all men will prefer, whose knowledge and whose industry would benefit our country. The troubles of Europe must yield us an annual and regular supply of artisans in every branch of manufactures; and further we should reflect, that the period cannot be far distant, when the storm, so long gathering, must roll its thunders on devoted England, and drive multitudes of her manufacturers to a land of peace, the freeman's home.

HAPPINESS OF THE NATION.

In modern times, the *avaricious spirit of trade* seems to have possessed the minds of all legislators; and the grand object of every government appears to be, how much the productive labour of the nation can be augmented; without regard to that, which should be the chief aim of all good governments, the *happiness of the people*. National wealth and not national happiness, is the fashion of the age. However this policy may accord with the warlike views of European governments, consulting only the interest of the king's treasury, we must hope that in this country the happine ss of the people will employ at least a share of the attention of our representatives.

Machinery has been of late introduced, in almost every shape, to save manual labour; and it appears to be the favourite of the day. While it is admitted to be the most profitable method of manufacturing in old nations, where there are few natural sources of wealth not exhausted, and that in many instances it has been introduced into this country with profit; it is much to be lamented, that it interferes, seriously, with many important branches of manufacture, which formerly occupied individuals, with moderate means, spread through the country in the neighbourhood of farms; and particularly with the industry of a farmer's family. Family industry ought ever to hold the first rank among the occupations of the people of this nation; it is the nourishment of sober recreation, of industrious and economical habits and of domestic happiness. It is a question, worthy the consideration of philosophers, whether the invention and extensive use of labour-saving machinery will not

disturb the happinesss of mankind, by diminishing family industry, and introducing idle, extravagant and dissolute habits.

All who have visited an American farm, must know, that amidst storms and during long winter evenings, the family is engaged in various branches of household industry; that they spin and weave the wool, flax or cotton; and that this employment is the vital principle of morals, of industry and of happiness among them. Take away this household industry from any family, and misery and want follow; for on our domestic habits depend real wealth and happiness. This reflection must not be slighted by those whose passion is machinery. The woollen, cotton and linen goods, which are manufactured in large establishments, have a smooth polish, a fashion and a gay colouring, which render them peculiarly inviting to the younger members of a farmers family. The father resists the introduction of these manufactures, and while they bear a high price, is perhaps successful; but when they become comparatively cheap, the mother sanctions the petition, "the children must be indulged." We would recommend to every farmer the story of the Vicar of Wakefield; it should be read by every honest industrious and sensible man. While these manufactures by machinery are in appearance, so handsome and so cheap, the farmer cannot resist the pressing solicitations of wife and children; and all his sound arguments in favour of homespun clothes are thrown away. It is in vain that he tells them, the wool, flax or cotton is the produce of the farm; that the spinning and weaving are the work of those hours, which would otherwise be wasted in idleness or dissipation; that their own homespun will wear thrice as long as these fine goods, which are dear to him at any price; and that

fine clothes will fill their heads with wild fancies. All these arguments and a thousand more equally sound would be wasted at such a moment. Moses must be mounted to carry to market the flax, wool or cotton, the "raw materials" of the farmers wealth and happiness; to be exchanged with the manufacturer for cloths, cassimeres, calicoes, muslins and other fine goods. The storm comes; the family are assembled——but they have no flax, no wool, no cotton, they have been sacrificed to fashion, folly and machinery! Something, however, must be done to kill time; games are introduced; or, perhaps, one of our new novels, some of which resemble other modern manufactures in every feature but low prices. The long winter evening returns, but with it returns not the farmers comfort —a busy and happy family. The cotton, flax, and wool are gone; the instruments of domestic happiness are sold; the music of the spinning wheel, distaff, and loom, is no longer heard; the wheel is idle, the distaff thrown aside; the shuttle sleeps upon the shelf! The fiddle soon banishes the recollection of the quiet and sober comforts of domestic life; night after night, the idle and dissolute assemble at the farm house, and the hours pass away in a delirium. The farmer when it is too late, regrets his weak indulgence, and perhaps has occasion, like the venerable Vicar of Wakefield, to take his bible and his staff and follow the footsteps of a deluded daughter. Let not those, who value money more than virtue or happiness, treat this as an idle vision. May the repose of the farm, that peaceful abode of morals, happiness, and true piety, never be disturbed by parting with the food of industry, which keeps all these alive; and happy is the farmer, who lives remote from factories in our northern, southern, or western wilds, far beyond the reach of temptation; who has no market for his cotton, wool or flax, save that which he

finds in the bosom of his own family. Discontented and wretched will the family be when these rich treasures are exchanged for the shining fabrics of a neighbouring factory. We must not be told that the farmer will keep enough to employ his family. The farmers family and the manufacturer are competitors, they both manufacture clothes for family use. The necessity of supplying the family with homespun, in the first instance, excites this domestic industry; but when the manufactures, more pleasing to the eye are offered, the farmer takes them in exchange for wool, flax or cotton; these goods supply the wants of the family, and destroy that very necessity, which would have kept the family at work. They need not spin and weave clothes for themselves, for they are already supplied; and it would be idle to think of making clothes on the farm for sale, in the neighbourhood of a factory. By this exchange, however cheap the manufactures may be, the farmer must grow poor and his family miserable; for their industrious habits are gone, and with them are fled the spirit of independence and content. When this exchange has continued for a few generations, we shall find the farmers in the neighbourhood of a factory, from poverty, hiring out their children to the manufacturer, for a daily allowance, to support the family. What a spectacle? How unnatural the sight? How degraded must that man have become, whose family thus receives support from *his children*, to whom Providence and nature had appointed him a guardian, to supply their wants, protect them from oppression, and lead them in the path of virtue? The farms will be deserted and the villages encircling these castles (emblems of power) will be crowded with men, women and children. The sober, hardy and independent habits of agriculture will be exchanged for the noise and bustle of an assemblage of hired day labourers in

a factory. Who would compare this with an agricultural population? We must not listen to the fanciful but beautiful sketches of Mr. Clay, whose rich imagination and vigorous and persuasive eloquence were enlisted in the cause of manufactures. If in such a cause, that able and patriotic statesman could describe such enchanting scenes, what an elysium would the powers of his mind have produced, had he directed his penetrating eye towards that temple of peace and sound morality, a farmers fire-side? An eloquence and an elevated spirit, reaching the sublimity of a Chatham would have breathed a soul into the picture and moved his audience to rapture. We must not be told of the virgin innocence of a manufacturing population; of their neat appearance; nor of their steady and correct habits: we must remember that we see the best of them now; time and dependance will soon change the scene: no system of government, of morals or of religion, can keep such a population from rapid corruption. We do not now refer to the small establishments scattered here and there through the country; but to those large factories, which seem to have peculiarly monopolized the indulgence of government. Such establishments will introduce among us the morality of Leeds and Manchester in England and Rouen in France; and will silently feed upon the property and happiness of the farmers in their vicinity, while they will sooth and flatter them with the hope of a market for their surplus grain. The northern and eastern sections of the United States may present in appearance the most busy spectacle, and may enjoy monied capital enough to set every wheel and every arm in motion; but it is in the agricultural sections of the United States, among our mountains and beyond them, that morals, liberty and happiness will make their last stand. These manufacturing towns may have the show of national

wealth and power; but let war call Americans to battle, and we shall then see in what the real wealth and power of a nation consists. The time is far, we hope very far distant, when one portion of this now happy people will be in arms against the other, but whenever it does come, the agricultural population from our interior will drive the manufacturers before them with all their money: we shall then learn that the power of the nation dwells with an able, hardy and independent yeomanry. The mountains of Tyrol and Switzerland furnish a race of men able to overwhelm the tenants of the plains below.

We are too apt to believe in this country that money is every thing; the doctrine seems to form a prominent feature in our moral code and a future generation may perhaps add it to the decalogue. Pursuing this principle, we have persuaded ourselves that we must increase our stock of money, at whatever sacrifice. Undoubtedly every man should be taught to believe, that in employment only, happiness can be found; that he should depend upon his own exertions; and that to be dependant, is to be more or less a slave: but he should also be taught, that the happiness of his family is not to be sacrificed for the sake of gain; their virtue and comfort should be his first care. Our legislators ought not to abandon the happiness of the nation for any magnificent scheme of wealth. This policy may answer the purposes of European governments; without it, the people could not maintain an expensive family of kings, princes and nobles through long and bloody wars. Happily for the people of the United States they have no masters to support, and nobody but themselves to labour for and enrich; they want no fund for subsidizing nations; they want no hired armies to keep other nations

or *themselves* in subjection. It should be the duty then of our legislators, to superintend the happiness and virtue of the people, and leave their private business to themselves; they should teach the people to believe that war is a calamity and that happiness is only to be found in the moral enjoyments of domestic life, in the bosom of peace; that among the various occupations of this busy life, they should select such as will support their families without diminishing their happiness or virtue; and that through a vain desire to grow rich, they should not abandon the farms where the ashes of their fathers sleep!

NOTE.

Mr. Baldwin understands the art of masking a battery so well, that we had passed over one feature of his New Tariff without observing its true character. The first clause of the 9th section is very innocent, but it is only a mask for the concluding one, which pronounces candles, soap, tobacco, manufactured tobacco, snuff, cotton, rice, beef, pork, refined sugar, cordage, &c. &c. though the manufacture or produce of the United States, to be foreign and to pay a duty accordingly. A poor American might be so unfortunate as not to find a market for his American manufactured tobacco, and be obliged to bring it back, in which case, besides the loss sustained in the adventure, Mr. Baldwin proposes to charge him with a duty on it of ten cents per pound; yet he professes to be a friend of American rights and American industry, and tells us very gravely he is no enemy to commerce. It is true this clause was modified, but the motive which inspired it cannot be mistaken. Were it not for the dexterous ingenuity with which Mr. Baldwin's Tariff was contrived, it would be a matter of surprise that a majority in favour of it could be found in any legislative body in a free nation.

Since this work has been in the hands of the Printer, many publications have appeared on the same subject; perhaps, if the author could spare the time to read all these, he should find many of his own arguments and illustrations; yet if he did, he could not part with them on that account. It is natural for astronomers, who observe the heavens in search of the same object, to notice the same stars or planets; and if they make discoveries, to fancy that no others

have been so fortunate. We might perhaps acknowledge these resemblances if we knew where to find them and whom to thank; but this would be an endless task; for by the time we had discharged our debt of gratitude to these gentlemen, the spirits of departed authors would rise up to our view and claim these acknowledgments as their due: and when we had silenced their murmurs, we should see the tombs of another generation open, and venerable hosts appearing with their claims. The mind in all ages is apt to treat the same subject in a similar manner, though with more or less ability. Those who live in an age when the part of the world they occupy has nearly reached the meridian splendour from which it returns to darkness and barbarity, must be content to describe the things before them, without deceiving themselves with the vain fancy, that no one in the extensive range of six thousand years has ever wandered in the same path.

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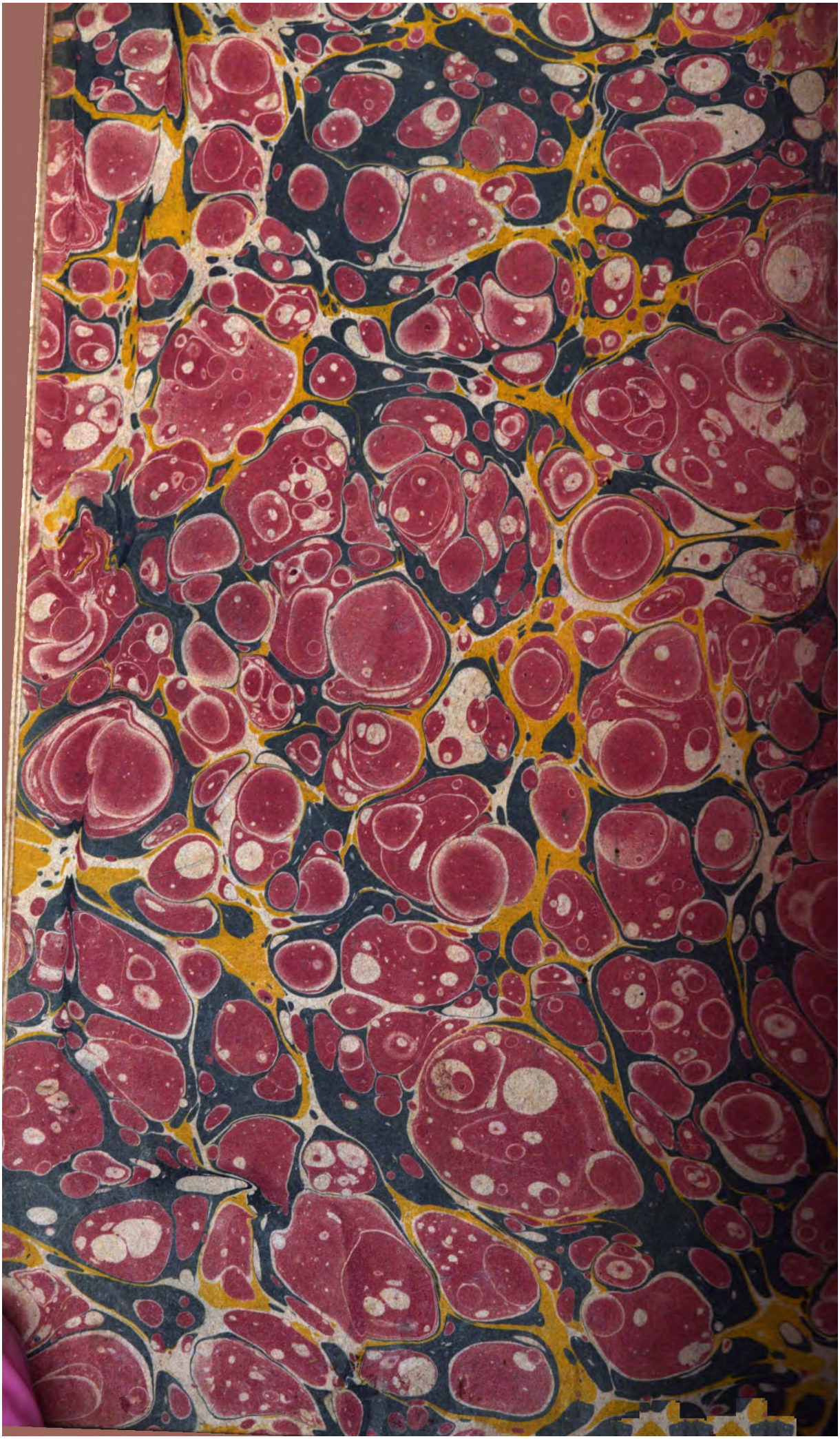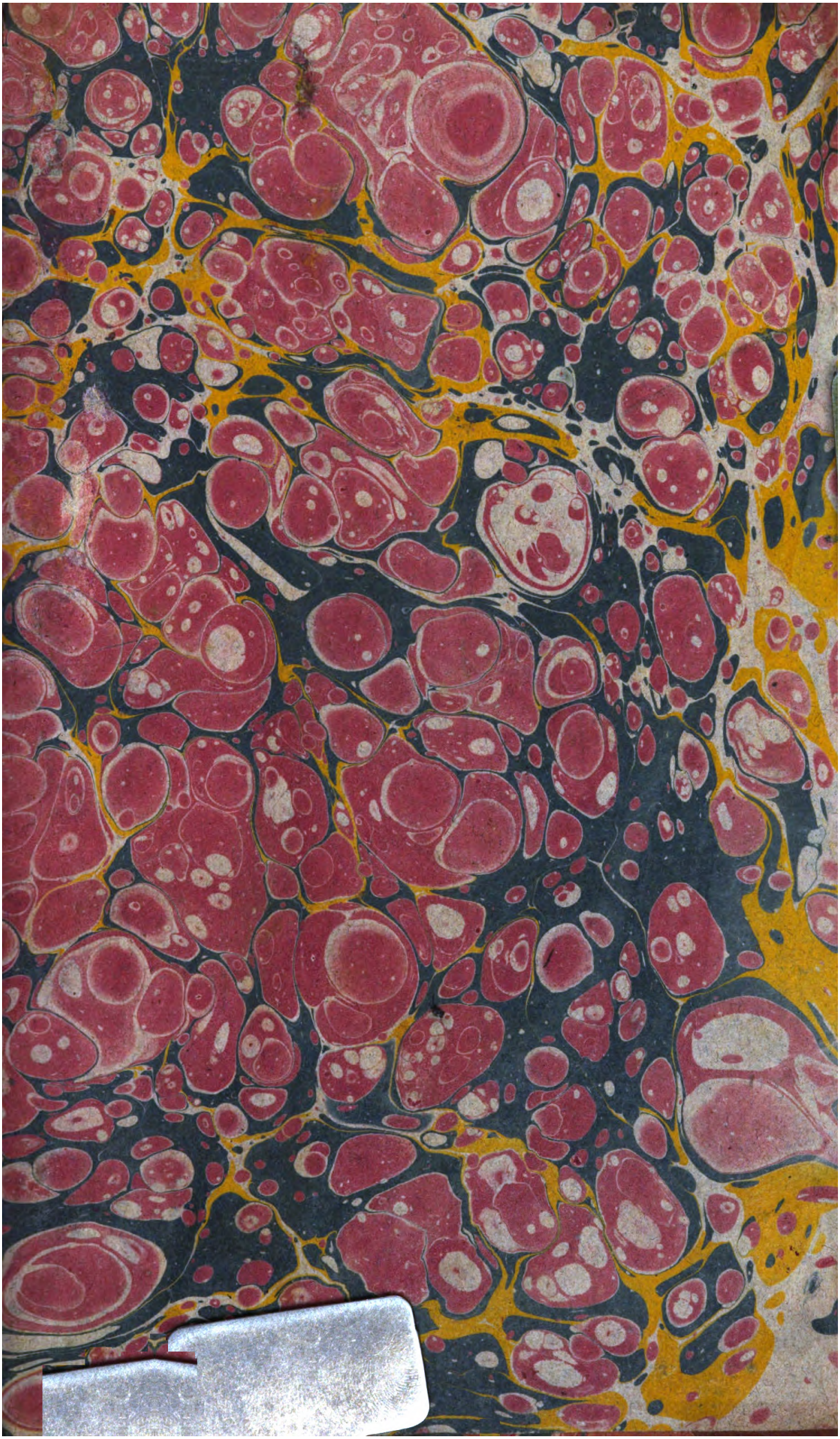
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