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ADDRESS OF THE NEW YORK CONVENTION,

TO THE PEOPLE OF THE UNITED STATES.

(Concluded)

It is doubtless true, that during the last half century, a more enlightened philosophy has been applied to the affairs of mankind; that political economy is much better understood, its principles more fully developed, and more judiciously applied. The sense and experience of men had gone far to correct the erroneous legislation of former times, and to develope and multiply the true sources of national wealth.—But the modern theory is not content with the attainment of practical benefits merely; it seeks, by unqualified application of certain general principles, to produce a thorough revolution in the business of men and the relations of nations. It is against these extremes of visionary good and practical mischief, that we desire all men of reflection and sober judgment to make a stand. We ask them to look at the present condition of our country and to examine the operation of the present system upon all its great interests. Above all, we ask them to look to the practice of all foreign nations rather than to the speculations of their writers. They will then find that those who have taught us this theory of free trade, are too wise to practice it; that they continue to act and to legislate upon the system of protecting their own industry, though some of their writers and orators recommend to all other nations to abandon it.

A reference to our own experience is, however, the best criterion, by which to test the correctness of the system which we support. It is not new; the principle was applied, as we have already stated, to our navigation, from the establishment of the Federal constitution, prohibiting foreign shipping from the coasting trade altogether, and imposing a high discriminating duty on foreign tonnage. If this discrimination has been abandoned, in respect to those nations, who would consent to a system of reciprocity, it involves no surrender of the principle. Trade can only be carried on between nations by mutual agreement; and mutual protection leads to reciprocity as the only equitable arrangement. The mechanic arts have also been the subject of protection from the establishment of the government; and it cannot be doubted that on this circumstance they owe, in a great measure, their success; a success, which has made the mechanics of the United States one of the main pillars of our national strength. Agriculture has likewise had a full share of the benefit of this protection; and in truth it may be said, that as our government commenced its career with the establishment of the germs of the protective system, so it has continued ever since, gradually nurturing and invigorating them until they have reached their present growth. Some interruptions have occurred in the march of this policy, but these interruptions owe their origin to accidental circumstances which dictated the necessity of relaxing the system for the benefit of other interests that were more immediately concerned in availing themselves of the advantages of foreign trade. These, however, are to be regarded not as proofs of the uselessness of the system, but as expectations growing out of the pressure of temporary accidents. The events that followed the French revolution gave a new and unexpected direction to the enterprise of our citizens. The disturbed state of the continent of Europe, and the prevalence of universal wars throughout the nations of that quarter of the globe, placed the United States in the position of the only neutral amongst many belligerents, and so obviously opened the way to commercial wealth to our citizens, that all other interests sank into insignificance compared with those which were concerned in pushing a foreign commerce into every region where the strife of the contending parties excluded the competition of the belligerents themselves, and left to the United States the undisputed monopoly of trade. To this unfortunate conjecture of circumstances is to be ascribed the most rapid growth that has ever been traced in the history of any empire. The United States not only became the medium of the commerce of the world, but their peaceful position attracted the emigration of all those who had the means and the wish to escape from European troubles.

Amongst the advantages which have resulted to us from this state of things we have suffered one evil, the effect of which is not obliterated, even at this day. Accustomed for twelve or fourteen years to commercial speculations of unparalleled activity and success, we were taught to think that our national prosperity was inseparably connected with the prosecution of that kind of trade in which our citizens had been engaged, and we were thus insensibly educated in the opinion that the great interests of our commonwealth would be always concerned with a foreign commerce exclusively employed in transporting abroad the products of our agriculture and receiving returns in the manufactured commodities of other nations.

There was another circumstance that gave great authority to this delusion. The cotton manufacture of Great Britain was rapidly rising into the greatest activity and vigour. It was in process of time discovered that the raw material for this manufacture could be produced in the U. States under more favorable circumstances than in any other part of the world. At first but two or three of our states were employed in the cultivation, and the demand from England was even greater than the supply. The profits of this cultivation, therefore, were almost unlimited. The portions of territory employed in the growing of cotton were small, and the common opinion was, that few districts, in comparison with the great extent of our surface could be appropriated in the culture. In the meantime, the cotton fabrics were diffused over Europe and took place of large quantities of those manufactured from wool, silk, and flax. Every year demonstrated the increasing importance of this manufacture both in Europe and America, and the demand still continued to outrun the supply. These circumstances had their influence in impressing upon our citizens an exaggerated idea of the permanence and value of this source of agricultural wealth, and, along with it, the value of the trade which was concerned in the transportation of it. It persuaded our planters to believe that they possessed an almost inexhaustible source of riches: it unfitted them for sober calculations upon the effects that would follow the extension of the culture of cotton over the fertile regions that yet lay in wilderness behind them; and it equally disinclined them to foresee, the possibility of the manufacture itself reaching a term at which it might become stationary and which was, therefore, eventually to set a limit upon the demand, at the period when the supply would be increased in an almost infinite ratio by the speed of population over other states of our union, even more propitious than their own to the production of the plant. It may, therefore, be considered a misfortune, consequent upon their former prosperity, that our citizens were almost irresistibly led by it into delusive estimates of the true and permanent sources of national wealth. It was one result of this state of things, that whilst our countrymen were intent upon gathering the harvest which the distracted condition of the world had thrown before them, they were unmindful of the future and neglected to treasure up the elements of strength and prosperity which lay hidden in the bosom of the nation; and which as they were independent of foreign legislation or external accidents, were most likely to furnish the means of a stable and enduring happiness.

Troubles soon afterwards broke out at home. A war threatened and our citizens were suddenly called to meet a tremendous emergency. Our commerce was put in fetters by non-importation acts and embargoes; and the crisis that succeeded found us without the most ordinary resources of an independent people. Our armies went to the frontier clothed in the fabrics of the enemy; our munitions of war were gathered as chance supplied them from the four quarters of the earth; and the whole struggle was marked by the prodigality, waste and privation of a thriftless nation, taken at unawares and challenged to a contest without the necessary armour of a combatant.

When it pleased Heaven to rescue us from the imminent hazards of this doubtful and disproportioned conflict, we saw around us a nation of eight millions of people possessed of a territory nearly equal to the continent of Europe, rich in the ungathered resources of every kind of wealth,—just emerging from a war of two years and a half, with an enemy who had never assembled an army of more than thirty thousand men—and yet deranged in all its channels of industry, exhausted, and on the verge of bankruptcy.—Nothing but the most perverse neglect of the fundamental precepts connected with the proper administration of the concerns of a commonwealth could have produced such a result.

These disasters opened our eyes to some important facts. They demonstrated to us the necessity of extending more efficient protection at least, to those manufactures which were essential to the defence of the nation. They proved to us the value of a national currency, and the duty of protecting it from the influence of foreign disturbance, and, amongst other things of equal moment, they made us acquainted with the fact that the British manufacturers could find a large and, if necessary, a complete supply of cotton from other soils than our own.

All these matters came into review before Congress at the close of the war. A proper occasion for their discussion arose when the question was submitted as to the reduction of the war duties. The return of peace made it necessary for the legislature to take off the taxes that had been imposed for defraying the expenses of the war; and in this reduction of duties to what it was considered should be a permanent standard, the cotton planting interest urged with great force and propriety, the necessity of retaining such a duty as should exclude from the American market all fabrics made from the cotton of the East Indies. It was an anomaly apparent to every citizen of the United States, that our government, possessing so many facilities for supplying Europe with cotton, should nevertheless, allow a trade that threw in upon us vast quantities of cotton cloth produced at the distance of ten thousand miles: that our most common household supplies should be furnished from such a quarter. Nothing was more generally acknowledged than the duty of the government to protect the cotton grower against such a competition; and this argument was addressed to the nation by the cotton growing states, even with the conviction, at that time prevalent amongst themselves, that its success would be to give them what may be termed a species of monopoly in the supply.

The duty was retained; and it is important to know that, being designed for the protection of the cotton grower, it was graduated to a scale precisely adequate to that purpose. His interest required the exclusion of the East India fabric but was supposed to be hostile to the attempt of the American citizen to manufacture the material: the duty, therefore was adopted to the first purpose, but not to the latter. It banished the foreign manufacture—it did not protect the home,—being thus accurately adjusted to the wants and wishes of the planting interest, without professing to serve any other.

This placed our commerce upon the most favourable footing for the cotton grower that could be desired; and the nation having thus performed its duty to this valuable interest, turned its attention to other branches of industry.

The Tariff of 1816, it may be remarked, was a measure that met the approbation of the large majority of the people to every section of the union. No partial nor local considerations were embodied against the operation of either its principles or policy. The southern states were even more forward than their northern confederates in recommending the policy and defending it in the councils of the nation. By this tariff various manufactures were attempted to be established in the United States. The want of skill and capital exposed these infant institutions to a fierce and vindictive competition from the manufacturers of Great Britian; and, in three years, almost every capitalist who had ventured into this field of enterprise was broken up. The heavy loss and distress that visited this endeavor to establish manufactures subsequently urged the subject of more extended protection upon Congress, and the result, after various struggles, close and elaborate inquiry, and careful attention to the expanding means of the country, was the establishment of a vigorous system, which has diffused health and strength into the industry of the nation, and added to the wealth of every class of the community.

We ask attention to another topic. Revulsions in trade are unavoidable: the balance of supply and demand cannot always be regulated with precision.—There is a tendency, growing out of a prosperous commerce, to push success to an extreme which produces reaction. To these periods of embarrassment, of general stagnation, and severe pressure for money, the United States have been peculiarly subject.—We attribute this in a great measure, to our having depended in so great a degree, for manufactures, upon the nations of Europe. Importation is induced more frequently by the necessity or hope of the manufacturer to find a market, than by actual reference to the wants or means of the country. A reduction in the price of exports, following an excessive importation, causes a state of exchange which leads to an exportation of specie; the moment this exportation touches that portion of the precious metals necessary to sustain the money circulation, the operations of the banks become embarrassed, and distress and dismay are spread through all classes of the community.

We believe that the system which furnishes a nation with manufactures, essential to its daily wants, from its own industry, is the best possible security against violent changes in its currency;—changes which paralize all industry, and disturb all trade; and we therefore submit it to the experience and judgment of the American people whether the protective system is not, in this particular, more advantageous to the country than that which, after deluging our markets with foreign manufactures, draws from us, in return, not a useless commodity, but the instrument by which our exchanges are performed, the very basis of our bank circulation, the essential principle of commercial confidence.

Mistaken opinions in regard to the effect of the tariff upon the prices of commodities used in the United States and upon which the protective system has been brought to bear, have furnished some popular objections against the wisdom of the policy. It has been said that the effect of a duty is necessarily to increase the price of any article upon which it is laid to the full amount of the tax. It would be easy to show by a minute survey of the whole field of American industry, that so far from this being true, the invariable operation of the tariff has been to lower the price to the consumer of every article that has been successfully manufactured under the protection.—Such a survey would require more detail than the purpose of this address allows, but we propose to examine the operation of the tariff upon some of our most important staples.

In the article of cotton it is admitted that our manufacture has arrived at such perfection in the production of the coarse fabrics, that they are not only furnished at little more than one half of the cost which the imported articles of the same kind bore a few years, but they are produced as cheaply at the present time as our foreign rivals, under all the excitements of American competition, are able to furnish them. They had a constant and increasing demand for several years for exportation as well as for home consumption. None but the finer qualities are now imported, which are little if at all effected by the minimum duty. The price of raw cotton has fallen about a cent a pound within the last four years whilst the price of cotton goods,—of sheetings for instance, of more than three yards to the pound,—has fallen nearly four cents a yard within the same period. Sentinetts, of wool and cotton, are made at less than one half the price of cassimeres, and are more durable. Cotton flannels formerly imported from China at from fifty to sixty cents a yard, now made of a better quality, here, at from fifteen to twenty cents. Indeed we might enumerate every species of manufacture in which this material enters as a component part, to show that both in the character of the article and the cheapness of its price, the country has been a great gainer since the enactment of the system that has promoted its fabrication.

To the cotton planters of the United States the system has undoubtedly yielded the most decisive enactment of the system has undoubtedly yielded the most decisive advantages. It has created a certain and valuable market for a about one-fifth of their crop, and it has encouraged the consumption of large quantities of their staple in fabrics to which it never would have been applied, if the manufacture had not been carried on in our own country. The establishment of cotton mills amongst us has had the most visible tendency to induce our manufacturers to apply cotton to uses which both the policy and the position of foreign manufacturers would have forbidden them from adopting.—This fact is conspicuously seen in the application of cotton to sail cloth, and to all those articles of heavy clothing in which it has lately been substituted for wool. It is now manufactured into carpets, blankets, cordage, twine, net work and a variety of other commodities that may be said to be exclusively of American origin. Cotton being a product of our own soil, we have naturally an interest to extend its application to new uses, above what might be expected from nations who are mere purchasers of the article, and who are as much, if not more, concerned in preserving and promoting the use of wool and hemp in the fabrics to which we have applied our cotton.

Let us next consider the article of Iron; and we will introduce the notice of it, with a quotation from that masterly report of the first Secretary of the Treasury which, forty years ago, recommended prohibitory duties in favor of the manufactures of this article: 'for' says that report, 'they are entitled to pre-eminent rank.—None are more essential in their kinds, none so extensive in their uses. They constitute, in whole or in part, the implements or the materials, or both of almost every useful occupation. Their instrumentality is every where conspicuous. It is fortunate for the United States that they have peculiar advantages for deriving the full benefit, of this most valuable material, and they have every motive to improve it with systematic care. It is to be found in various parts of the United States in great abundance, and of almost every quality; and fuel, the chief instrument in manufacturing it, is both cheap and plenty.' This report which is a treatise on political economy, at least equal to any thing that has appeared since its publication, states that the average price of iron before the revolution was about sixty four dollars per ton, and that at the time of that report it was about eighty dollars. Soon after it appears to have risen to ninety-five dollars, and in 1814 was as high as one hundred and fifty dollars. After the ineffectual tariff of 1818, which ruined numbers, induced by its vain protection to make investments in the manufacture of iron, it rose from ninety to one hundred and five dollars per ton. Under the influence of the duties of the acts of 1824 and 1828, it has declined to it present prices of from seventy-five to eighty-five dollars per ton, and there is every reason for the confident belief entertained, that if our own market be protected against the formidable and incessant endeavours of the British manufacturers to control it, the price of iron will before long, decline to from fifty to sixty dollars per ton. Such is the irrefutable proof of all recent experience. Cut nails, which in 1816 sold for twelve cents per lb. are now sold for less than half that sum, under the permanent security of five cents per lb. which has given our manufacturers their own market. 'The United States, (says Hamilton's report before mentioned) 'already in great measure supply themselves with nails.—About one million eight hundred thousand lbs. of nails and spikes were imported into the United States, in the course of the year ending the 4th of September 1790. A duty of 2 cents per lb. would, it is presumable, speedily put an end to so considerable an importation. And it is in every view proper that an end should be put to it.'

Bar iron which sold at Pittsburgh in 1822 at $122 sells there now at $95. Castings which were $63 are now $50 per ton. Such are the practical results, proving the operation of the tariffs on the market for iron. The duty, by the law of 1816 was so inadequate as to cause nothing but ruin to those concerned and enhancement of price to the consumer. The act of 1818 was some amelioration; the acts of 1824 and 1828, which increased the duty decreased the price. Hammered bar iron under a duty of twenty-two dollars and forty cents a ton; is at a lower price than when under a duty of nine dollars a ton, and improved in quality from five to ten per cent. by the greater care and skill which more extensive investment has naturally created under more certain protection. The efforts of the English manufacturers to destroy the American manufacture of iron, and possess themselves of our market, have occasioned extensive bankruptcies amongst them in England, and reduced the price of iron considerably below the cost of manufacture; insomuch that a convention of iron manufacturers, recently held there, resolved to reduce the quantity made 20 per cent. throughout the United Kingdoms.—With the controul of our market they would infallibly regulate both the price and the quantity of the iron in this country—thirty-one establishments of which have appeared in Western Pennsylvania alone, since the last Tariff act.

The influence of protection upon wool, while it has been most beneficial upon the farming states, has had no tendency, that we are aware of, to injure the plantation states. The number of sheep in the United States is computed at about twenty millions: And their increase at about five millions since the act of 1828, which gave a great impulse to stock. The farmers of Virginia, Pennsylvania, Ohio, New York and other wool-growing states, have an interest in this national property, taken at 55 cents per lb nearly equal to the capital of the plantation states in the cotton crop of this year, reckoning it at thirty millions of dollars. There is no doubt that, within three years to come, the farming capital in wool will be more valuable than the plantation capital in cotton. Without protecting duties American wool would be reduced one-half in quantity and in price. The large flocks which now cover the immense and inexhaustible pastures of the United States, most of them more or less of the fine Spanish breeds, must be again slaughtered, as has been heretofore the case, for want of due protection, and this great capital in fleece sacrificed to that of cotton with enormous loss to one interest, and with no possible advantage to the other. For like every thing else, woollen goods have fallen from twenty to twenty-five per cent since the last tariff. The immediate effect of that act, by calling a large number of additional clothiers into active enterprise, was to cause a decline in prices ruinous to many of those before engaged in the occupation. Under the influence of the improvement in the price of wool, woollen manufacturers have rallied again, but, at least as respects them, the charge of the monopolizing prices is a cruel mockery. The advantages of the Tariff, in its operation upon wool, have thus far been confined almost exclusively to the farming interest; the manufacturers have yet all their way to win, and the effect of that competition, which is the result of protection, cannot be known until it has had longer time for operation.

The finest cotton and woollen manufactures are not yet much made in the United States, but we may assert without fear of contradiction that nine-tenths of the American people, who do not affect foreign luxuries and fashions, may be clothed with woollen, cotton, fur and leather fabrics of their own country, better and cheaper, than either could have been obtained abroad if the tariff had never been enacted. The greatest mistakes prevail in this respect; it is continually said that hats, coats, boots and other articles of dress are dearer here than elsewhere. Such is not the case with all those who are independent of foreign fashions.—Those who enjoy superior wealth and study superior elegance, are at liberty to gratify their caprice, at that additional expense, which such a gratification costs in all countries—in none more than in Great Britain, where the opulent and noble are in the habit of paying more extravagantly for French, Asiatic and other luxuries, than some of our opulent citizens chose to pay, in like manner, for luxuries imported from abroad.

Whilst we assert that it has been the effect of the protective system to benefit the consumers by giving them manufactures cheaper than they had them before, we are willing to admit that prices have had a correspondent fall in the same articles abroad; but this fall of price abroad has been the result of the competition of American labour. It is impossible to advert to the fact that the United States export to foreign markets six times the quantity of domestic manufactures that they exported in 1820, and at present furnish incomparably the largest share of the home demand, without perceiving the tendency of such a competition to reduce the price of the same articles amongst all those nations who aim at supplying us.

But we hold it to be a common error to consider the comparative cheapness of the foreign and domestic commodity a test of the value of the system. Even if it were true that the domestic product were not reduced in price, and were to be procured only at a higher cost than the foreign, still the benefit of the system would be found in the fact that it enables the domestic consumer to afford the higher price for the manufacture, and thereby to furnish himself on better terms than he could have done when obliged to depend upon the foreign imported commodity—that, in other words, the increase of price, if it has taken place, cannot be called a tax upon the consumer; if the same system which has increased the price has also increased his means of paying it. That this increased ability to pay has occurred to a most beneficial extent, is evident in the invigorated condition of our agriculture in the last three or four years, during which period the value of the labour of the farmer, and with it the value of his lands, it is well known has risen some twenty or thirty per cent. This augmentation in the value of agricultural labour and capital can be ascribed to no other cause than to the increase of the manufacturing classes, and to the rapid growth of our home market under the protective system. During this period there have been no wars to create a demand abroad for our grain, but on the contrary, all the producing nations have been exerting their industry to the utmost, and maintaining a rivalry against our own citizens, which would have visited them with the most disastrous consequences, if they had not found a steady and valuable market at home. The fact, too, that agricultural products have risen while manufactured goods have fallen, furnish the best proofs that the fall of prices are to be mainly attributable to the competition of domestic labour.

The loudest complaints of oppression proceed from the South, particularly from South Carolina; but that these complaints are not owing to the tariff acts, is unquestionably proved by the fact, that their public press, their memorials to Congress, and other mediums of complaint were as much burthened with them before those acts, as they have been since. In the acquisition of the extensive and fertile territories annexed to the U. States by the purchase of Louisiana, the lands and property of the plantation states could not fail to be depreciated, by a vast accession of lands, at least as fertile, for all similar purposes. But it is inconceivable how a steady market for at least two hundred thousand bales of cotton a year, liable to no fluctuation from foreign influence, can be injurious to the cotton growing states; and, certainly, if the inhabitants of the less exuberant and more industrious latitudes of the central and eastern states, were not, from the influence of climate, or from other cause, less liable to excitement and less addicted to complain than their southern brethren, they have had much greater cause for it.

The article of sugar is a production of the planting states receiving the full benefit of the protecting system. If any application of the system operate as a tax on consumption, it would apply to the duty on sugar. It is true, the cotton planters of South Carolina will not admit that protection to the cultivation of sugar is any offset to their own fancied oppressions; but it is apparent that the lands and capital devoted to the cultivation of the sugar cane, are so much of both withdrawn from the cultivation of cotton relieving that culture from the effect of over production, the only evil which it has any reason to fear.

The bread stuffs, lumber and nearly all the other staples of all the grain growing states are excluded from European markets by prohibitory duties. Whilst the export of cotton has quadrupled, that of breadstuffs has diminished in a much greater ratio with relation to the population of the states that produce them. If instead of spending their time in unavailing complaints, they had not conformed to circumstances, and turned their attention to manufactures, their grievances would have been infinitely greater than any of which the southern states have ever complained. Nothing could relieve the farming interests of the middle states but their own manufactures and the manufactures of the eastern states. They alone supply that market which Europe denies. In addition to the incalulable consumption of breadstuffs by the manufacturers of the grain growing states, what is equivalent to a million of barrels of their breadstuffs is imported every year into the eastern states; a relief, without which, the susceptibility of these states would have been tried to a degree of endurance far beyond that exacted from their brethren of the south. It cannot escape observation that while their sufferings are announced in most eloquent language, and in unremitting remonstrance, yet there has been so little specification of the supposed causes, that is denied by many, among themselves that they suffer at all. There is even good reason to believe, that within the last five years, the interest on planting capital has been more productive to the owner, than the interest on the same amount of capital employed in manufactures.

The states of New York, Pennsylvania and Ohio have invested a capital of enormous amount, which may be reckoned at least fifty millions, within the last ten years, in what are called internal improvements, canals, rail-ways, and other facilities of transportation. This capital depends entirely upon domestic industry for its fruits. It would be a dead loss to the four millions of people who have expended it, and might as well be abandoned at once without the protected products of domestic industry for its returns. Foreign commerce can yield it little or no service; and to destroy those guards which secure to it the home market, would be to render it altogether a useless expenditure. Foreign commerce would in this way lose also one of its most productive resources.

In our review of the operation of the tariff upon the various interests of the several states, it must never be lost sight of, that the one fifth of the cotton crop which is consumed at home, for which we may estimate the sum paid at six millions of dollars, is, in the course of a very short time, worked up by manufacture to at least thirty millions of dollars, which is the worth of the raw material wrought into the various articles produced by manipulation: thus one-fifth of the crop of cotton manufactured becomes as valuable as the whole cotton crop, in the short space of six months after its purchases and in the meantime diffuses competency and comfort amongst large numbers of the labouring classes of the community.

The policy of the protective system is happily and amply illustrated in the growth and prosperity of the United States. The union teems with proofs of its wisdom. All that Hamilton's masterly report predicted of its benefits, has been unfolded and is progressive beyond the most sanguine anticipation. All the objections refuted in his arguments have disappeared in experience. The antagonists of the system not long since declared that it would infallibly diminish, if not destroy the revenue, and compel a resort to loans and taxes for the support of government; their present complaint is that the revenue is excessive. Redundant im-

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