

Facts appear to correspond with this conclusion. The importations of manufactured supplies seem invariably to drain the merely agricultural people of their wealth. Let the situation of the manufacturing countries of Europe be compared in this particular, with that of countries which only cultivate, and the disparity will be striking. Other causes, it is true, help to account for this disparity between some of them; and among these causes, the relative state of agriculture; but between others of them, the most prominent circumstance of dissimilitude arises from the comparative state of manufactures. In corroboration of the same idea, it ought not to escape remark, that the West-India islands, the soils of which are the most fertile, and the nation, which in the greatest degree supplies the rest of the world with the precious metals, exchange to a loss with almost every other country.

As far as experience at home may guide, it will lead to the same conclusion. Previous to the Revolution, the quantity of coin, possessed by the colonies, which now compose the United States, appeared to be inadequate to their circulation; and their debt to Great-Britain was progressive. Since the Revolution, the states, in which manufactures have most increased, have recovered fastest from the injuries of the late war; and abound most in pecuniary resources.

It ought to be admitted, however, in this as in the preceding case, that causes irrelative to the state of manufactures account, in a degree, for the phenomena remarked. The continual progress of new settlements has a natural tendency to occasion an unfavorable balance of trade; though it indemnifies for the inconvenience, by that increase of the national capital which flows from the conversion of waste into improved lands; and the different degrees of external commerce, which are carried on by the different states, may make material differences in the comparative state of their wealth. The first circumstance has reference to the deficiency of coin and the increase of debt previous to the revolution; the last to the advantages which the most manufacturing states appear to have enjoyed, over the others, since the termination of the late war.

But the uniform appearance of an abundance of specie, as the concomitant of a flourishing state of manufactures, and of the reverse, where they do not prevail, afford a strong presumption of their favorable operation upon the wealth of a country.

Not only the wealth but the independence and security of a country, appear to be materially connected with the prosperity of manufactures. Every nation, with a view to those great objects, ought to endeavor to possess within itself all the essentials of national supply. These comprise the means of subsistence, habitation, clothing, and defence.

The possession of these is necessary to the perfection of the body politic, to the safety as well as to the welfare of the society; the want of either, is the want of an important organ of political life and motion; and in the various crises which await a state, it must severely feel the effects of any such deficiency. The extreme embarrassments of the United States during the late war, from an incapacity of supplying themselves, are still matter of keen recollection: a future war might be expected again to exemplify the mischiefs and dangers of a situation, to which that incapacity is still in too great a degree applicable, unless changed by timely and vigorous exertions. To effect this change, as far as shall be prudent, merits all the attention and all the zeal of our public councils; 'tis the next great work to be accomplished.

The want of a navy to protect our external commerce, as long as it shall continue, must render it a peculiarly precarious reliance, for the supply of essential articles, and must serve to strengthen prodigiously the arguments in favor of manufactures.

To these general considerations are added some of a more particular nature.

Our distance from Europe, the great fountain of manufactured supply, subjects us in the existing state of things, to inconvenience and loss in two ways.

The bulkiness of those commodities which are the chief productions of the soil, necessarily imposes very heavy charges on their transportation, to distant markets. These charges, in the cases, in which the nations, to whom our products are sent, maintain a competition in the supply of their own markets, principally fall upon us, and form material deductions from the primitive value of the articles furnished. The charges on manufactured supplies, brought from Europe are greatly enhanced by the same circumstance of distance. These charges, again, in the cases in which our own industry maintains no competition, in our own markets, also principally fall upon us; and are an additional cause of extraordinary deduction from the primitive value of our own products; these being the materials of exchange for the foreign fabrics, which we consume.

The equality and moderation of individual property, and the growing settlements of new districts, occasion, in this country an unusual demand for coarse manufactures; the charges of which being greater in proportion to their greater bulk, augment the disadvantage, which has been just described.

As in most countries domestic supplies maintain a very considerable competition with such foreign productions of the soil, as are imported for sale; if the extensive establishment of manufactories in the United States does not create a similar competition in respect to manufactured articles, it appears to be clearly deducible, from the considerations which have been mentioned, that they must sustain a double loss in their exchanges with foreign nations; strongly conducive to an unfavorable balance of trade, and very prejudicial to their interests.

These disadvantages press with no small weight, on the landed interest of the country. In seasons of peace, they cause a serious deduction from the intrinsic value of the products of the soil. In the time of a war, which should either involve ourselves, or another nation, possessing a considerable share of our carrying trade, the charges on the transportation of our commodities, bulky as most of them are, could hardly fail to prove a grievous burthen to the farmer; while obliged to depend in so great degree as he now does, upon foreign markets for the vent of the surplus of his labor.

As far as the prosperity of the fisheries of the United States is impeded by the want of an adequate market, there arises another special reason for desiring the extension of manufactures. Besides the fish, which in many places, would be likely to make a part of the subsistence of the persons employed; it is known that the oils, bones and skins of marine animals, are of extensive use in various manufactures. Hence the prospect of an additional demand for the produce of the fisheries.

One more point of view only remains, in which to consider the expediency of encouraging manufactures in the United States.

It is not uncommon to meet with an opinion, that though the promoting of manufactures, may be the interest of a part of the union, it is contrary to that of another part. The northern and southern regions are sometimes represented as having adverse interests in this respect. Those are called manufacturing, these agricultural states, and a species of opposition is imagined to subsist between the manufacturing and agricultural interests.

This idea of an opposition between those two interests is the common error of the early periods of every country, but experience gradually dissipates it. Indeed they are perceived so often to succour and to befriend each other, that they come at length to be considered as one; a supposition which has been frequently abused, and is not universally true. Particular encouragements of particular manufactures may be of a nature to sacrifice the interests of landholders to those of manufacturers; but it is nevertheless a maxim well established by experience, and generally acknowledged, where there has been sufficient experience, that the aggregate prosperity of manufactures and the aggregate prosperity of agriculture are intimately connected. In the course of the discussion which has had place, various weighty considerations have been adduced operating in support of that maxim. Perhaps the superior steadiness of the demand of a domestic market for the surplus produce of the soil, is alone a convincing argument of its truth.

Ideas of a contrariety of interests between the northern and southern regions of the union are in the main as unfounded as they are mischievous. The diversity of circumstances, on which such contrariety is usually predicated, authorizes a directly contrary conclusion. Mutual wants constitute one of the strongest links of political connection, and the extent of these bears a natural proportion to the diversity in the means of mutual supply.

Suggestions of an opposite complexion are ever to be deplored, as unfriendly to the steady pursuit of one great common cause, and to the perfect harmony of all the parts.

In proportion as the mind is accustomed to trace the intimate connexion of interest, which subsists between all the parts of a society, united under the same government; the infinite variety of channels which serve to circulate the prosperity of each to and through the rest, in that proportion will it be little apt to be disturbed by solicitudes and apprehensions which originate in local discriminations. It is a truth as important, as it is agreeable, and one to which it is not easy to imagine exceptions, that every thing tending to establish substantial and permanent order, in the affairs of a country, to increase the total mass of industry and opulence, is ultimately beneficial to every part of it. On the credit of this great truth, an acquiescence may safely be accorded, from every quarter, to all institutions, and arrangements, which promise a confirmation of public order, and an augmentation of national resources.

But there are more particular considerations which serve to fortify the idea, that the encouragement of manufactures is the interest of all parts of the union. If the northern and middle states should be the principal scenes of such establishments, they would immediately benefit the more southern, by creating a demand for productions; some of which they have in common with the other states, and others of which either are peculiar to them, or more abundant, or of better quality, than elsewhere. These productions, principally are timber, flax, hemp, cotton, wool, raw silk, indigo, iron, lead, furs, hides, skins and coals; of these articles cotton and indigo are peculiar to the southern states; as are hitherto lead and cast iron and hemp are or may be raised in greater abundance there, than in the more northern states; and the wool of Virginia is said to be of better quality than that of any other state; a circumstance rendered the more probable by the reflection that Virginia embraces the same latitudes with the finest wool countries of Europe. The climate of the south is also better adapted to the production of silk.

The extensive cultivation of cotton can perhaps hardly be expected, but from the previous establishment of domestic manufactories of the article; and the surest encouragement and vent, for the others, would result from similar establishments in respect to them.

If, then, it satisfactorily appears, that it is the interest of the United States, generally, to encourage manufactures, it merits particular attention, that there are circumstances which render the present a critical moment for entering with zeal upon the important business. The effort cannot fail to be materially seconded by a considerable and increasing influx of money, in consequence of foreign speculations in the funds—and by the disorders which exist in different parts of Europe.

The first circumstance not only facilitates the execution of manufacturing enterprises; but it indicates them as a necessary mean to turn the thing itself to advantage, and to prevent its being eventually an evil. If useful employment be not found for the money of foreigners brought to the country to be invested in purchases of the public debt, it will quickly be re-exported to defray the expense of an extraordinary consumption of foreign luxuries; and distressing drains of our specie may hereafter be experienced to pay the interest and redeem the principal of the purchased debt.

This useful employment too ought to be of a nature to produce solid and permanent improvements. If the money merely serves to give a temporary spring to foreign commerce; as it cannot procure new and lasting outlets for the products of the country; there will be no real or durable ad-

vantage gained. As far as it shall find its way in agricultural ameliorations, in opening canals, and in similar improvements, it will be productive of substantial utility. But there is reason to doubt, whether in such channels it is likely to find sufficient employment, and still more whether many of those who possess it, would be as readily attracted to objects of this nature, as to manufacturing pursuits; which bear greater analogy to those to which they are accustomed, and to the situation generated by them.

To open the one field, as well as the other, will at least secure a better prospect of useful employment, for whatever accession of money there has been or may be.

There is at the present juncture a certain fermentation of mind, a certain activity of speculation and enterprise, which if properly directed, may be made subservient to useful purposes; but which if left entirely to itself, may be attended with pernicious effects.

The disturbed state of Europe, inclining its citizens to emigration, the requisite workmen will be more easily acquired, than at another time; and the effect of multiplying the opportunities of employment to those who emigrate, may be an increase of the number and extent of valuable acquisitions to the population, arts and industry of the country.

To find pleasure in the calamities of other nations would be criminal; but to benefit ourselves, by opening an asylum to those who suffer, in consequence of them, is as justifiable as it is politic.

A full view having now been taken of the inducements to the promotion of manufactures in the United States, accompanied with an examination of the principal objections which are commonly urged in opposition, it is proper in the next place to consider the means by which it may be effected, as introductory to a specification of the objects which in the present state of things appear the most fit to be encouraged, and of the particular measures which it may be advisable to adopt, in respect to each.

In order to a better judgment of the means proper to be resorted to by the United States, it will be of use to advert to those which have been employed with success in other countries. The principal of these are—

I. *Protecting duties—or duties on those foreign articles which are the rivals of the domestic ones intended to be encouraged.*

Duties of this nature evidently amount to a virtual bounty on the domestic fabrics, since by enhancing the charges on foreign articles, they enable the national manufacturers to undersell all their foreign competitors. The propriety of this species of encouragement need not be dwelt upon; as it is not only a clear result from the numerous topics which have been suggested, but is sanctioned by the laws of the United States, in a variety of instances; it has the additional recommendation of being a resource of revenue—Indeed all the duties imposed on imported articles, though with an exclusive view to revenue, have the effect in contemplation, and except where they fall on raw materials wear a beneficial aspect towards the manufactures of the country.

II. *Prohibitions of rival articles, or duties equivalent to prohibitions.*

This is another and an efficacious means of encouraging national manufactures, but in general it is only fit to be employed when a manufacture has made such progress, and is in so many hands as to ensure a due competition, and an adequate supply on reasonable terms—Of duties equivalent to prohibitions, there are examples in the laws of the United States, and there are other cases to which the principle may be advantageously extended, but they are not numerous.

Considering a monopoly of the domestic market to its own manufacturers as the reigning policy of manufacturing nations, a similar policy on the part of the United States in every proper instance, is dictated, it might almost be said, by the principles of distributive justice; certainly by the duty of endeavoring to secure to their own citizens a reciprocity of advantages.

III. *Prohibitions of the exportation of the materials of manufactures.*

The desire of securing a cheap and plentiful supply for the national workmen, and, where the article is either peculiar to the country, or of peculiar quality there, the jealousy of enabling foreign workmen to rival those of the nation, with its own materials, are the leading motives to this species of regulation. It ought not to be affirmed, that it is in no instance proper; but it is certainly one which ought to be adopted with great circumspection, and only in very plain cases. It is seen at once, that its immediate operation, is to abridge the demand and keep down the price of the produce of some other branch of industry, generally speaking, of agriculture, to the prejudice of those who carry it on; and though if it is really essential to the prosperity of any very important national manufacture, it may happen that those who are injured in the first instance, may be eventually indemnified, by the superior steadiness of an extensive domestic market depending on that prosperity; yet in a matter, in which there is so much room for nice and difficult combinations, in which such opposite considerations combat each other, prudence seems to dictate, that the expedient in question, ought to be indulged with a sparing hand.

IV. *Pecuniary bounties.*

This has been found one of the most efficacious means of encouraging manufactures, and it is, in some views, the best. Though it has not yet been practised upon by the government of the United States (unless the allowance on the exportation of dried and pickled fish and salted meat could be considered as a bounty) and though it is less favored by public opinion than some other modes—Its advantages are these—

1. It is a species of encouragement more positive and direct than any other, and for that very reason, has a more immediate tendency to stimulate and uphold new enterprises, increasing the chances of profit, and diminishing the risks of loss, in the first attempts.

2. It avoids the inconvenience of a temporary

augmentation of price, which is incident to some other modes, or it produces it to a less degree; either by making no addition to the charges on the rival foreign article, as in the case of protecting duties, or by making a smaller addition. The first happens when the fund for the bounty is derived from a different object (which may or may not encrease the price of some other article, according to the nature of that object); the second, when the fund is derived from the same or a similar object of foreign manufacture. One per cent. duty on the foreign article converted into a bounty on the domestic, will have an equal effect with a duty of two per cent. exclusive of such bounty; and the price of the foreign commodity is liable to be raised, in the one case, in the proportion of one per cent. in the other, in that of two per cent. Indeed the bounty when drawn from another source is calculated to promote a reduction of price; because without laying any new charge on the foreign article, it serves to introduce a competition with it, and to encrease the total quantity of the article in the market.

3. Bounties have not like high protecting duties, a tendency to produce scarcity. An encrease of price is not always the immediate, though, where the progress of a domestic manufacture does not counteract a rise, it is commonly the ultimate effect of an additional duty. In the interval, between the laying of the duty and a proportional encrease of price, it may discourage importation, by interfering with the profits to be expected from the sale of the article.

4. Bounties are sometimes not only the best, but the only proper expedient, for uniting the encouragement of a new object of agriculture, with that of a new object of manufacture. It is the interest of the farmer to have the production of the raw material promoted, by counteracting the interference of the foreign material of the same kind—It is the interest of the manufacturer to have the material abundant and cheap. If prior to the domestic production of the material, in sufficient quantity, to supply the manufacturer on good terms, a duty be laid upon the importation of it from abroad, with a view to promote the raising of it at home, the interest both of the farmer and manufacturer will be served—By either destroying the requisite supply, or raising the price of the article, beyond what can be afforded to be given for it, by the conductor of an infant manufacture, it is abandoned or fails, and there being no domestic manufactories to create a demand for the raw material, which is raised by the farmer, it is in vain, that the competition of the like foreign article, may have been destroyed.

It cannot escape notice, that a duty upon the importation of an article can no otherwise aid the domestic production of it, than by giving the latter greater advantages in the home market. It can have no influence upon the advantageous sale of the article produced, in foreign markets; no tendency, therefore, to promote its exportation.

The true way to conciliate these two interests, is to lay a duty on foreign manufactures of the material, the growth of which is desired to be encouraged, and to apply the produce of that duty by way of bounty, either upon the production of the material itself, or upon its manufacture at home, or upon both. In this disposition of the thing, the manufacturer commences his enterprise, under every advantage, which is attainable, as to quantity or price of the raw material: And the farmer, if the bounty be immediately to him, is enabled by it to enter into a successful competition with the foreign material; if the bounty be to the manufacturer on so much of the domestic material as he consumes, the operation is nearly the same; he has a motive of interest to prefer the domestic commodity, if of equal quality, even at a higher price than the foreign, so long as the difference of price is any thing short of the bounty, which is allowed upon the article.

Except the simple and ordinary kinds of household manufacture, or those for which there are very commanding local advantages, pecuniary bounties are in most cases indispensable to the introduction of a new branch. A stimulus and a support not less powerful and direct is, generally speaking, essential to the overcoming of the obstacles which arise from the competitions of superior skill and maturity elsewhere. Bounties are especially essential, in regard to articles, upon which those foreigners who have been accustomed to supply a country are in the practice of granting them.

(To be continued.)

This day is Published
By CHILDS and SWAINE,
In one Volume Octavo;
[Price One Dollar and a half, the small Edition,
and One Dollar and three quarters the large.]

THE
LAWS of the UNITED STATES.

Collated with, and corrected by the original Rolls
in the Office of the Secretary of State.

With a copious INDEX; or
A complete DIGEST of the LAWS;

(Making 56 pages.)
Executed by an eminent Law Character.

To obtain this useful and necessary Part of the
Work complete, has retarded the Publication.

This Volume comprises the Acts of the Three
Sessions of the first Congress; also, the Federal
Constitution, and the Treaties between the United
States and Foreign Nations—Together with an Ap-
pendix, containing the Declaration of Independ-
ence, and sundry Ordinances and Resolves of Con-
gress under the Confederation.

Sold by Childs and Swaine, No. 239, High-
street, Thomas Dobson, Joseph Cruikshank, and
Robert Campbell, Philadelphia.

October 25.

PRINTED BY
CHILDS and SWAINE,
AT THEIR OFFICE, NO. 239, HIGH-STREET,
NEAR SIXTH-STREET,
PHILADELPHIA.