

larations, not to set the fatal example here, in their legislative capacity. Remember there is but one step between dividing the income of the States, and that of individuals, and between a partial and general distribution.

Proceeding a step farther, in tracing consequences, another question presents itself—on what articles shall the duty be laid? On the free or the dutiable articles? Shall they be laid for revenue or for protection? Is it not obvious that so large an amount as five millions, equal to one-third of the present income from that source, and probably not much less than one-half what it will be at the end of two years, cannot be raised without rousing from its slumber the tariff question, with all its distraction and danger? Should that, however, not be the case, there is another question connected with this, that cannot fail to rouse it, as I shall now proceed to explain.

The act of distributing the sales of the public lands among the States, of itself, as well as the amount to be distributed, will do much to resuscitate their credit.—It is the desired result, and the leading motive for the act. Five millions annually, (the amount assumed,) on a pledge of the public domain, would, of itself, be a sufficient basis for a loan of ninety or an hundred millions of dollars, if judiciously managed. But suppose that only one half should be applied, as the means of negotiating loans abroad, in order to complete the old, or to commence new, works of improvement, or other objects. I ask, what would be the effect in our imports of negotiating a loan in England, or elsewhere in Europe, of forty or fifty millions, in the course of the next year or two? Can any one doubt, from past experience? We all know the process. Very little gold or silver is ever seen in these negotiations. A credit is obtained, and that placed in bank there, or with wealthy bankers. Bills are drawn on this country, and then sold to merchants. These are transmitted to Europe, and the proceeds returned in goods, swelling the tide of imports in proportion to the amount. The crash of our manufactures follow, and that, in turn, by the denunciation against over-importing and over-trading, in which those who have been most active in causing it are sure to join, but will take special care to make not the least allusion to the real source whence it flows. Is not that the case at this moment? And can it be doubted, that with the increase of the cause, the clamor for protection will increase, until with united voices, the friends of the system would demand its renewal. If to this we add, that, under the compromise act, the tariff must be revived and remodelled, who can look at such a concurrence of powerful causes without seeing that it would be almost impossible to prevent the revival of the protective system, should the scheme of distribution be adopted? I hazard nothing in asserting that the renewal would certainly follow; and, as this would be one of the most prominent and durable consequences of that scheme, I propose to consider it fully, in its most important bearings.

One of the most striking features of the system is its tendency to increase. Let it be once recognised, and let the most moderate duties be laid for protection; but put the system in motion, and its course would be onward, onward, by an irresistible impulse, as I shall presently show, from past experience; and hence the necessity of vigilance, and a determined resistance to every course of policy that may by possibility lead to its renewal.—This tendency to increase, results from causes inherent and inseparable from the system, and has evinced itself by the fact, that every tariff for protection has invariably disappointed its friends in the protection anticipated, and has been followed periodically, after short intervals, by a demand for another tariff with increased duties, to afford protection vainly anticipated from its predecessor. Such has been the result throughout, from 1816 to 1828, when the first and last protective tariffs were laid, which I propose now to show by a very brief historical sketch of the rise and progress of the system.

The late war, with the embargo and other restrictive measures that preceded it, almost expelled our commerce from the ocean, and diverted a vast amount of capital, that had been employed in it, to manufactures. Such was the cause that led to the system. After the termination of the war, there was on the part of Congress and the country, the kindest feeling toward the manufacturing interest, accompanied by a strong desire so to adjust the duties [indispensable to meet the expenses of Government, and to pay the public debt] as to afford them ample protection. The manufacturers were consulted, and the act of '16 was modelled to their wishes. They regarded it as affording sufficient and permanent protection, and I, in my then want of experience as to the nature of the system, did not dream that we would hear any more of tariff, till it would become necessary to readjust the duties, after the discharge of the public debt. Vain expectation! Two years had not passed away before the manufacturers were as clamorous as ever for additional protection; and to meet their wishes, new duties were laid, from time to time, with the same result; but the clamor still returned, till 1824, when the tariff of that year passed, which was believed on all sides to be ample, and was considered. Like that of '16, to be a final adjustment of the question. It was under this impression that the South acquiesced [reluctantly] in the very high duties it imposed.—The late Gen. Hayne, then a distinguished member of this body, took a very active

part against it; and I remember, after its passage, that he consoled himself with the belief that though oppressive, it would be the last. His expectation proved as vain as mine in '16. Before two years had passed, we were again besieged with the cry of the inadequacy of the protection; and in the summer of 1827, a large convention of manufacturers from all parts was held at Harrisburg, in Pennsylvania, to devise a new and more ample scheme of protection to be laid before Congress at the next session. That movement ended in the adoption of the tariff of 1828, which, in order to make sure work, went far beyond all its predecessors in the increase of duty. The duties were raised on the leading articles of consumption from forty to fifty per cent. above former duties, as high as they were. I speak conjecturally, without any certain data. In less than three years, even that enormous rise proved to be insufficient, as I shall presently show, and would have certainly been followed by new demands for protection, had not the small, but gallant State I represent, a restless progress—that is, a strong enough—brought the system to the ground, against the resistance of the administration and opposition—never, I trust, to rise again.

The fact disclosed by this brief historical sketch is, that there is a constant tendency to increase in the protective system that every increase of duty, however high, requires periodically, after a short interval, an additional increase. This, as I have stated, is not incidental, but it is the result of causes inherent in the system itself, in the present condition of our country. It originates in the fact that every increase of protection is necessarily followed by an expansion of the currency, which expansion must continue to enlarge till the increased price of production in consequence shall become equal to the increased duty, and when the importation of the articles prohibited may again take place with profit. That is the principle; and it is essential to the peace and prosperity of the country, that it should be clearly understood, I intend to establish its truth beyond doubt or cavil; and for that purpose, shall begin with the Tariff of 1828, the last and by far the boldest of the series, with the view of illustrating, in its case, the operation of the principle. I intend to treat the Senate to give me its fixed attention. The principle well understood will shed a flood of light on the past and present difficulties of the country, and guide us in safety in our future course.

To give a clear conception of the operation of the tariff of 1828, it will be necessary to premise that it comprehended all the leading articles of consumption that could be manufactured in our country; amounting in value to not much less than one half of the whole of the imports; that the duties on these articles were increased enormously, as has been stated—say not less than forty or fifty per cent; that the average domestic exports at the time was not much short of sixty millions of dollars, and the imports for consumption about the same; that the revenue from the imports was about half that sum; and that of the exports, about three-fourths consisted of the great agricultural staples of the South. What, then, with these facts, must have been its necessary operation on the currency of the manufacturing States? We export to import. It is impossible to continue to export for any considerable length of time, without a corresponding return of imports. It would be to give away our labor for nothing.—Our exports, then, continuing at an average of sixty millions, in what, under the operation of the tariff of 1828, must be the corresponding imports to the same amount in return! Not, certainly to the same extent as before its passage, in the articles on which it had so greatly increased the duties? Its object in raising them, was to give our manufactures a home market, by excluding the foreign articles of the same description. If it failed in that, it failed in accomplishing any good whatever, and became an unadvised evil, without benefit to any one. The return, then, of imports, must have been principally in articles on which the duties were not raised, as far as the consumption of the country would warrant, and the balance, after paying what was due abroad, in gold and silver. The first effect, then, must have been to turn the foreign exchange in our favor; a most important consequence connected with the increase of gold and silver in relation to the currency. The next must have been to turn the domestic exchanges still more strongly against the staple States, & in favor of the manufacturing. To understand this portion of the operation, I must again repeat that the object of the tariff was to cut off the consumption of the foreign articles, in order that they should be supplied by our own manufactures. The necessary consequence of this must have been to diminish the demand abroad and to increase it in the manufacturing States, and thereby to turn the influx of gold and silver to that point, in order to purchase their supplies there, which we have been in the habit of obtaining from abroad. These causes combined, must have had the effect of adding greatly to the capacity of the banks in that quarter to extend their discounts and accommodations, and with it the circulation of their notes. With a growing supply of specie, and the exchange favorable in every direction, as must have been the case, there is no limit to the business of banks, nor are they slow to perceive and act on such favorable circumstances. Nor must we overlook another powerful cause in operation, the fiscal action of the Government, through the operation of which

the vast sums collected under such high duties, was transferred to the same quarter to be applied in the discharge of the public debt, and disbursed on the innumerable objects for expenditure there.

Under the operation of such powerful causes, there could not but be a vast, sudden expansion of the currency where they were in such great activity, and with that expansion, a corresponding increase of prices, and the cost of production. Nor could this state of things cease till the increased cost of production become equal to the duty imposed for protection. At that point, and not before, must specie cease to flow in, and the exchange to be favorable; but when reached, the tide must turn, importations of the protected articles would recommence, specie flow out, and exchanges become adverse. This must be so obvious, that it would only darken to attempt to make it more clear.—With the turn of the tide the banks must contract, and pecuniary distress and embarrassment follow. Such under the operation of the causes assigned, must be the result, for reasons which appear to me irresistible. But sir, I do not mean to leave so important a point to the mere force of argument, however clear and certain: I intend to prove by incontestable authority of documents, such was, in fact, exactly the result. I intend to place the principle laid down, as I have said, beyond doubt or cavil.

The first authority I shall adduce is from the report of a committee of the other House, made in February, 1831, by Campbell P. White, the Chairman, then a member from the city of New York. The report is evidently drawn with great care, and by one familiar with the subject; and has the advantage of being on another subject, [the currency,] without any reference to the tariff or protective system, and evidently without any knowledge of its operation. Hear what the report says:

"The recent export of specie has swept away the delusive coloring given to the actual result of production in 1829, 1830 and the early part of 1831. Real estate appreciated greatly, and local stocks commanded unheard of prices; warehouses and dwellings were improved and embellished, and money was so abundant that it could be readily obtained to any amount upon promissory notes. How changed is the general aspect of affairs within a few months? All our solid professions and means of industry remain, and continue to be equally productive, labor is recompensed with its usual reward; the seasons have not been unfriendly. Whence, then, this lamentable change in our affairs? Why this great scarcity of money; depreciation in value of all commodities, and of all property; great commercial distress, and impossibility with many solvent persons to discharge their just debts; so speedily and grievously succeeded the gratifying and prosperous picture which was so lately presented?"

What a confirmation of the deductions of reason, both in the swelling tide of prosperity, and the turning ebb of adversity. The sketch of the latter is not unsuited to the present time; good seasons and productive years, and every element, apparently of prosperity, and yet deep and wide spread distress; though at that time, there had been no removal of deposits, nor had the Sub-Treasury been heard of, to which gentlemen are now disposed to attribute all the calamities which afflict the country.

The author of the report could give no satisfactory answer to his question, whence all this sudden and unlooked for calamity; but he has furnished us with the means of tracing it clearly to the tariff of 1828. It went into operation on the 1st of September of that year, and the next year felt the swelling, but delusive tide of an expanding currency; the exchange turned in our favor; gold and silver, following the impulse, flowed in; banks began to enlarge their discounts and circulation. It continued to swell with a stronger and stronger current, through all the subsequent year, and the first part of the next, nearly three years, according to the usual period, when it began to ebb; and then followed the reverse scene, so feelingly described by the author, and which to him appeared so unexpected and unaccountable. It was at this point, had not the movements of the South arrested the farther progress of the system, that there would have been another clamor for additional duties. The distress as usual, would have been attributed to over importation, and that to the want of adequate protection, and in 1832, (the usual period of four years having intervened,) another protective tariff would have been inflicted, to be followed by the same train of consequences, and with equal disappointment to its authors.

Now, sir, to show that the flowing in of the precious metals, in consequence of the tariff of '28, is not a mere assumption, I have extracted from the public documents, for the years 1829 and '30, the imports and exports of gold and silver, which I hold in my hand. The import in '29 was \$7,403,612, and the export \$4,311,131, making an excess of imports over exports of \$3,092,481; and for 1830, \$8,155,964 against \$1,241,622, making an excess of imports of \$6,914,342; making in the two years, an excess of imports, of \$10,006,810. By turning to the report already cited, it will be seen that the estimated amount of specie in the country on the first of January, 1830, was but \$25,000,000, of which \$5,000,000 were in circulation, and \$20,000,000 in the vaults of the Banks; so that the addition to the specie in the two years

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was forty per cent. on the whole amount.

It now remains to be shown what was the effect of this great proportional increase of specie, and the favorable state of the exchange which it indicates, had on the banks in the manufacturing States.—The report will furnish the information, not fully, but enough to satisfy every reasonable man. It gives the following statement of the amount of bank notes in circulation in 1830 and '32, respectively, in the States of Massachusetts, Rhode Island, New York and Pennsylvania, including the Bank of the United States, which will show the vast increase in the short space of three years.

Here Mr. C. read the following statement:—

Massachusetts,	\$4,730,000	\$7,700,000	65 per cent.
Rhode Island,	670,000	1,340,000	100 "
New York,	10,000,000	14,100,000	40 "
Pennsylvania,	7,300,000	8,760,000	20 "
Bank U. States,	15,300,000	24,600,000	67 "
	39,300,000	56,500,000	

These are, it will be borne in mind, the principal manufacturing States. In the period of two years, we find their bank circulation, taken in the aggregate, expanded from thirty-eight to fifty-six and a half millions, equal to forty-four per cent. But this falls far short of the actual increase. The year 1829 is not included. It must have been one of great expansion, as the import of specie greatly exceeded its exports; which, with the favorable exchange implied, must have greatly increased the business of the banks and the circulation of their notes. The reverse must have been the case in 1832, which is included; as we know by the report itself, that year and the latter part of the preceding, was a period of severe contraction. If a return could be had of 1829, '30, and the early part of '31, I venture nothing in asserting that we should find the comparison, compared with 1828, the year of the tariff, far greater in proportion.

That there is no mistake in attributing this great expansion to the tariff; might be farther shown, if additional proof were necessary, after such conclusive evidence, from the fact that it is impossible to assign any other adequate cause. As far as can be seen, there was no other cause in operation, political or commercial, that could have produced the results. It was a period of profound peace, and the exports of the country steady to an unusual degree.

Should doubt, however, still remain in the mind of any one after all this accumulation of evidence, I will next call the attention of the Senate to a fact which must be conclusive with all disposed to receive the truth. By turning to the table showing the extent of bank circulation in '30 and '32 in the four States already referred to, it will be seen that the expansion was greater or less, just as the States, respectively, were more or less manufacturing. It will not be doubted that Rhode Island is the most manufacturing of the four, and we accordingly find there the greatest expansion; and that for the simple reason, that there the causes assigned must have been in the state of the greatest activity. Her bank circulation doubled in the short space of two years, as appears by the table. Massachusetts is the next; and we find hers is the next highest, being sixty-five per cent. New York is still less so, and hers is but forty per cent; and Pennsylvania, the least of the four, had, excluding the Bank of the United States, increased only twenty per cent. If the statement had extended farther South, and taken in the staple States, I venture little in making the assertion that instead of expansion, their bank circulation would, for the same period, have been found in the opposite state, for the reverse reason. It will be seen the Bank of the United States had expanded sixty-seven per cent. This great increase, compared to the local banks of Pennsylvania, may probably be attributed partly to loans negotiated farther East, and not improbably because her accommodations were somewhat enlarged, from causes connected with her efforts, at the time, to obtain a renewal of her charter.

I trust that I have now established to the entire satisfaction of the Senate, the truth of the great principle which has been laid down—that every increase of protective duties is necessarily followed, in the present condition of our country, by an expansion of the currency, which must continue to increase till the increased price of production, caused by the expansion, shall be equal to the duty imposed, when a new tariff will be required. Assuming then, the principle as incontrovertable, it follows that the natural tendency of the protective system is to expand, in seeking to accomplish its object, till it terminates in explosion. It would be easy to show, from what has already been stated, that this tendency must continue till the exports shall be so reduced as to be barely sufficient to meet the demands of the country for the articles not included in the protection; as it must be obvious, so long as they exceed that amount, so long must specie continue to be imported, and the exchange to be in our favor, till the protection is broke down by the expansion of the currency.

The consummation, therefore, of the system, must be one of two things: explosion, or the reduction of the exports, so as not to exceed the amount of the unprotected articles; but either termination must prove disastrous to the system; the former by a sudden and violent overthrow, and the latter by the impoverishment of customers and raising up of rivals, as they ceased to be customers. To

have a just conception of its operation in this particular, it will be necessary to bear in mind, that the South and West are the great consumers of the products of the North and East; and that the capacity of the South to consume, depends on her great agricultural staples almost exclusively; and that their sale and consumption depend mainly on the foreign market. What, then, would be the effect of reducing her exports to the point indicated, say to forty or fifty millions of dollars? Most certainly to diminish her capacity to consume the products of the North and East in the same proportion, followed by a corresponding diminution of the revenue, and the commerce and navigation of the country. But the evil would not end there, as great as it would be. It would have an equal or greater effect on the consumption of the West.—That great and growing section is the provision portion of the Union. Her wide and fertile region gives her an unlimited capacity to produce grain and stock of every description; and these, for the most part, find their market in the staple States. Cut off their exports, and their market would be destroyed; and with it, the means of the West, to a great extent, for carrying on trade with the Northern and Eastern States. To the same extent, they and the staple States would be compelled to produce their own supplies, and would thus, from consumers, be converted into rivals with the other section.

[Concluded in our next.]

Woollen Manufacture.—We are gratified to see in the New York American an intimation from a Washington correspondent that, as soon as practicable, a Select Committee of Congress will be appointed to visit that city and other large ports of entry, for the purpose of investigating facts in relation to alleged frauds in the importation of woollen goods. It appears (says the writer) that while the laws have been carried into full effect with regard to the importation of the raw materials, thereby keeping up the prices of wool in particular very much above the prices paid by the manufacturers, manufactured goods have been coming to this country in large quantities, invoiced at much less than their cost or value, thereby evading the laws, and placing the American manufacturer upon "worse ground" than if no tariff existed. This has been done almost, if not entirely, by foreigners, who have been thereby enabled to undersell the honest American importer; and this increased within a few years to such an extent as to drive from the importation of woollens nearly all the American importers, and it is now estimated that seven-eighths of all the woollen imported, came into the country on foreign account. It is believed that, under a proper execution of the tariff laws, the manufacture of wool in the country would necessarily become an extensive and useful branch of industry.—*Baltimore American.*

HARRISON AND THE LAST WAR.—It can never be forgotten that General Harrison refused to serve till the end of the war. He threw up his commission and retired from all danger in the hour of his country's utmost need. The illustrious Jackson gained all his laurels after Harrison had left the service. The resignation of the one and the appointment of the other was contained in the same order. It was issued by President Madison in the midst of the war, and read as follows:

"Andrew Jackson, of Tennessee is appointed Major General in the Army of the United States, in the place of William Henry Harrison, of Ohio, resigned."

This short paragraph from the pen of President Madison is the severest comment that could be made upon the military services of the present federal candidate for the Presidency.

Philadelphia Times.

AN AMAZING FACT.—The difference of the Earth's distance from the Sun, between the apogee and perigee of the latter, that is, when it is farthest off or nearest to the earth, it is stated in the New York American to be three millions two hundred thousand miles. In this century the Sun is in apogee or farthest off about the first of July, and in perigee, or nearest the Earth on the last day of December.

If then on the first of July, a cannon ball should be discharged from the Earth in a right line to the Sun, and go at the rate of five hundred miles per hour, yet the earth, proceeding in her accustomed orbit, would be nearer than the cannon ball to the Sun on the last day of December, by a million of miles.

A colored man in Philadelphia died on Wednesday from the effects of poison in a bottle of cider which he drank. It was supposed some shot, with which bottles are sometimes cleaned, had been left in the bottle. One of these has been known to cause death.—*Balt. Post.*

RARE INSTANCE OF CONJUGAL AFFECTION.—An instance of real and permanent conjugal affection, was produced in evidence at the Somerset Sessions, which has never perhaps been paralleled in the annals of humanity. In an appeal case, a woman, a witness swore that she had never lost sight of her husband for twelve hours together, at any one time, either day or night, during a period of fifty years.

The whole of the New York and Ohio line of canal boats, on the Erie Canal, were sold, by public auction, at Albany on Wednesday, the 19th ult. for the sum of 21,500 dollars.