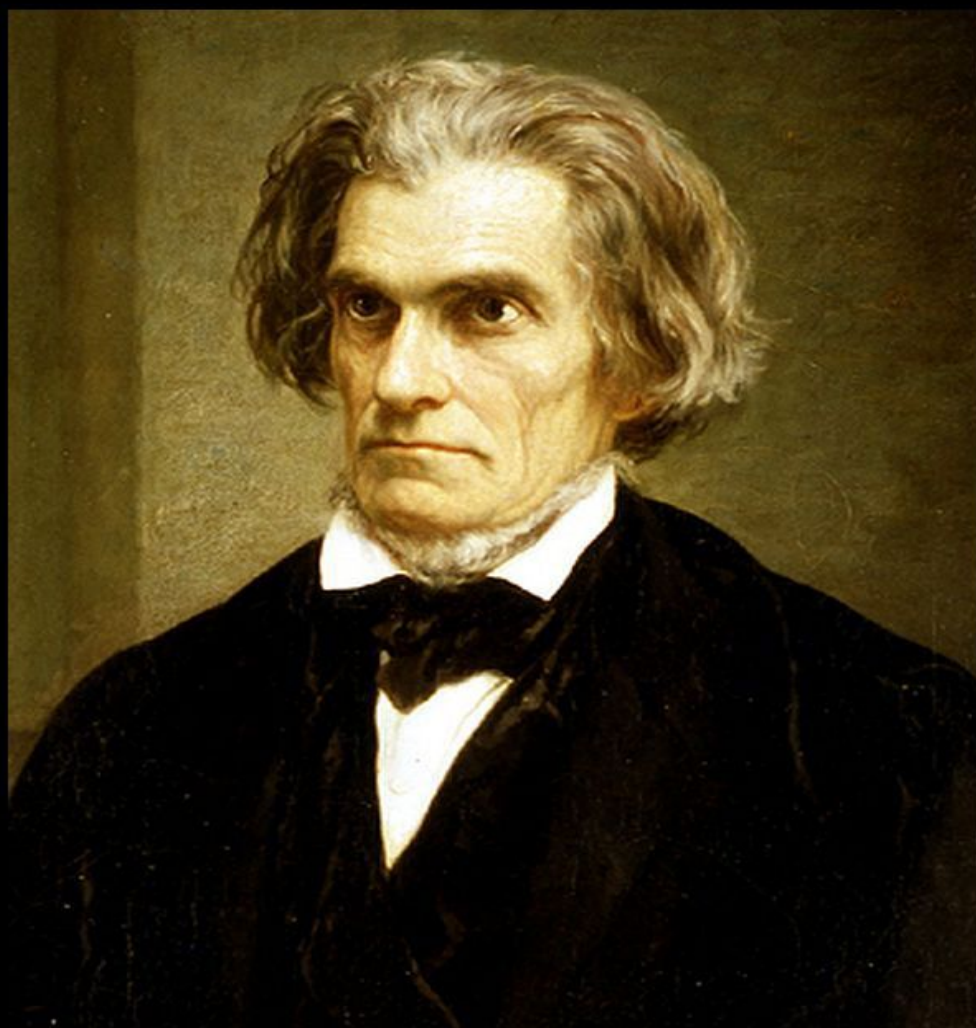




THE WORKS OF
JOHN C.
CALHOUN
VOLUME 6

The Works of John C.
Calhoun

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PREFACE.

In the present volume the Editor has endeavored to bring together, without special reference to subject or dates, such Papers as may, in the main, be ranked under the head of Political Essays.

Some of these have never before been published; while others appear in a different, if not a more perfect state. They were, for the most part, written at the instance, and for the use of his friends, who, in preparing them for the Press, were allowed and exercised some liberty of private judgment, as well as freedom of criticism. These privileges were, no doubt, cautiously and discreetly used; but in this collection of his Works, the Editor has felt himself constrained to adhere strictly to the original manuscripts of the author, in all cases where they could be procured.

He regrets, however, to state that he has not been always successful in his efforts to obtain the originals. Many, it is to be feared, are now irretrievably lost; and amongst them that of the Address to his political friends and supporters,—which is the more to be regretted as the Editor has reason to believe it contained some important matter which does not appear in the printed Copy.

“The Exposition,” as well as the Report prepared for the Committee on Federal Relations, and the Addresses (the one to the People of South Carolina, and the other to the People of the United States), are copied from the originals in the handwriting of the author. The first varies somewhat from the printed copy; and the curious student may, if he desire it, compare the two, as well as the Report and Addresses (never before published), with those which were adopted in their stead.

The Editor, in an Appendix to the volume, has deemed it proper to insert so much of the Correspondence between Gen. Jackson and Mr. Calhoun, with the accompanying

papers, as the latter thought it expedient to place before the public at the time. These, however, do not embrace all the papers connected with the subject.

Others exist which may, and probably will hereafter appear in another form.

MEADOWGROVE, June 1st, 1855.

REPORTS AND PUBLIC LETTERS.

EXPOSITION.

Original Draft of the South Carolina Exposition, prepared for the Special Committee on the Tariff, and, with considerable alterations, adopted by the Legislature of South Carolina, December, 1828.

The Committee of the Whole, to whom were referred the Governor's Message and various memorials on the subject of the Tariff, having reported, and the House having adopted the following resolution, viz.: "Resolved, That it is expedient to protest against the unconstitutionality and oppressive operation of the system of protecting duties, and to have such protest entered on the Journals of the Senate of the United States-Also, to make a public exposition of our wrongs and of the remedies within our power, to be communicated to our sister States, with a request that they will co-operate with this State in procuring a repeal of the Tariff for protection, and an abandonment of the principle; and if the repeal be not procured, that they will co-operate in such measures as may be necessary for arresting the evil.

"Resolved, That a committee of seven be raised to carry the foregoing resolution into effect:" which was decided in the affirmative, and the following gentlemen appointed on the committee, viz.: JAMES GREGG, D. L. WARDLAW, HUGH S. LEGARE, ARTHUR P. HAYNE, WM. C. PRESTON, WILLIAM ELLIOTT, and R. BARNWELL SMITH.

The Special Committee to whom the above Resolution was referred, beg leave to Report the following Exposition and Protest— The committee have bestowed on the

subjects referred to them the deliberate attention which their importance demands; and the result, on full investigation, is a unanimous opinion that the act of Congress of the last session, with the whole system of legislation imposing duties on imports,—not for revenue, but the protection of one branch of industry at the expense of others,—is unconstitutional, unequal, and oppressive, and calculated to corrupt the public virtue and destroy the liberty of the country; which propositions they propose to consider in the order stated, and then to conclude their report with the consideration of the important question of the remedy.

The committee do not propose to enter into an elaborate or refined argument on the question of the constitutionality of the Tariff system. The General Government is one of specific powers, and it can rightfully exercise only the powers expressly granted, and those that may be necessary and proper to carry them into effect, all others being reserved expressly to the States or the people. It results, necessarily, that those who claim to exercise power under the Constitution, are bound to show that it is expressly granted, or that it is necessary and proper as a means to some of the granted powers. The advocates of the Tariff have offered no such proof. It is true that the third section of the first article of the Constitution authorizes Congress to lay and collect an impost duty, but it is granted as a tax power for the sole purpose of revenue, —a power in its nature essentially different from that of imposing protective or prohibitory duties.

Their objects are incompatible. The prohibitory system must end in destroying the revenue from imports. It has been said that the system is a violation of the spirit, and not the letter of the Constitution. The distinction is not material.

The Constitution may be as grossly violated by acting against its meaning as against its letter; but it may be proper to dwell a moment on the point in order to

understand more fully the real character of the acts under which the interest of this, and other States similarly situated, has been sacrificed. The facts are few and simple. The Constitution grants to Congress the power of imposing a duty on imports for revenue, which power is abused by being converted into an instrument of rearing up the industry of one section of the country on the ruins of another. The violation, then, consists in using a power granted for one object to advance another, and that by the sacrifice of the original object. It is, in a word, a violation by perversion,—the most dangerous of all because the most insidious and difficult to resist. Others cannot be perpetrated without the aid of the judiciary;—this may be by the Executive and Legislative departments alone. The courts cannot look into the motives of legislators. They are obliged to take acts by their titles and professed objects, and if these be constitutional, they cannot interpose their power, however grossly the acts may, in reality, violate the Constitution. The proceedings of the last session sufficiently prove that the House of Representatives are aware of the distinction, and determined to avail themselves of its advantage.

In the absence of arguments, drawn from the Constitution itself, the advocates of the power have attempted to call in the aid of precedent. The committee will not waste their time in examining the instances quoted. If they were strictly in point, they would be entitled to little weight.

Ours is not a Government of precedents, nor can they be admitted, except to a very limited extent, and with great caution, in the interpretation of the Constitution, without changing, in time, the entire character of the instrument.

The only safe rule is the Constitution itself—or, if that be doubtful, the history of the times. In this case, if doubts existed, the journals of the Convention itself would remove them. It was moved in that body to confer on Congress the very power in question to encourage manufactures, but it

was deliberately withheld, except to the extent of granting patent rights for new and useful inventions. Instead of granting the power, permission was given to the States to impose duties, with the consent of Congress, to encourage their own manufactures; and thus, in the true spirit of justice, imposing the burden on those who were to be benefited. But, giving the precedents every weight that may be claimed for them, the committee feel confident that, in this case, there are none in point previous to the adoption of the present Tariff system. Every instance which has been quoted, may fairly be referred to the legitimate power of Congress, to impose duties on imports for revenue. It is a necessary incident of such duties to act as an encouragement to manufactures, whenever imposed on articles which may be manufactured in our country. In this incidental manner, Congress has the power of encouraging manufactures; and the committee readily concede that, in the passage of an impost bill, that body may, in modifying the details, so arrange the provisions of the bill, as far as it may be done consistently with its proper object, as to aid manufactures. To this extent Congress may constitutionally go, and has gone from the commencement of the Government, which will fully explain the precedents cited from the early stages of its operation.

Beyond this they never proceeded till the commencement of the present system, the inequality and oppression of which they will next proceed to consider.

On entering on this branch of the subject, the committee feel the painful character of the duty which they must perform. They would desire never to speak of our country, as far as the action of the General Government is concerned, but as one great whole, having a common interest, which all the parts ought zealously to promote. Previously to the adoption of the Tariff system, such was the unanimous feeling of this State; but in speaking of its operation, it will be impossible to avoid the discussion of sectional interest, and the use of sectional language. On its

authors, and not on us, who are compelled to adopt this course in self-defense, by injustice and oppression, be the censure.

So partial are the effects of the system, that its burdens are exclusively on one side and its benefits on the other. It imposes on the agricultural interest of the South, including the South-west, and that portion of the country particularly engaged in commerce and navigation, the burden not only of sustaining the system itself, but that also of the Government. In stating the case thus strongly, it is not the intention of the committee to exaggerate. If exaggeration were not unworthy of the gravity of the subject, the reality is such as to make it unnecessary.

That the manufacturing States, even in their own opinion, bear no share of the burden of the Tariff in reality, we may infer with the greatest certainty from their conduct. The fact that they urgently demand an increase, and consider every addition as a blessing, and a failure to obtain one as a curse, is the strongest confession that, whatever burden it imposes, in reality falls, not on them, but on others. Men ask not for burdens, but benefits. The tax paid by the duties on imports, by which, with the exception of the receipts from the sale of the public lands, and a few incidental items, the Government is wholly supported, and which, in its gross amount, annually equals about \$23,000,000, is then, in truth, no tax on them. Whatever portion of it they advance as consumers of the articles on which it is imposed, returns to them with usurious interest through an artfully contrived system. That such are the facts, the committee will proceed to demonstrate by other arguments besides the confession of the parties interested in these acts, as conclusive as that ought to be considered. If the duties were imposed on the exports instead of the imports, no one would doubt their partial operation, or that the duties, in that form, would fall on those engaged in producing articles for the foreign market; and as rice, tobacco, and cotton, constitute the great mass of our

exports, such duties would, of necessity, mainly fall on the Southern States, where they are exclusively cultivated. To prove, then, that the burden of the Tariff falls also on them almost exclusively, it is only necessary to show that, as far as their interest is concerned, there is little or no difference between an export and an import duty. We export to import. The object is an exchange of the fruits of our labor for those of other countries. We have, from soil and climate, a facility in rearing certain great agricultural staples, while other and older countries, with dense population and capital greatly accumulated, have equal facility in manufacturing various articles suited to our use; and thus a foundation is laid for an exchange of the products of labor mutually advantageous. A duty, whether it be on the imports or exports, must fall on this exchange; and, however laid, must, in reality, be paid by the producer of the articles exchanged. Such must be the operation of all taxes on sales or exchanges. The producer, in reality, pays it, whether laid on the vendor or purchaser. It matters not in the sale of a tract of land, or any other article, if a tax be imposed, whether it be paid by him who sells or him who buys.

The amount must, in both cases, be deducted from the price. Nor can it alter, in this particular, the operation of such a tax, by being imposed on the exchanges of different countries. Such exchanges are but the aggregate of sales of the individuals of the respective countries; and must, if taxed, be governed by the same rules. Nor is it material whether the exchange be barter or sale, direct or circuitous. In any case it must fall on the producer. To the growers of cotton, rice, and tobacco, it is the same, whether the Government takes one third of what they raise, for the liberty of sending the other two thirds abroad, or one third of the iron, salt, sugar, coffee, cloth, and other articles they may need in exchange, for the liberty of bringing them home. In both cases he gets a third less than he ought. A third of his labor is taken ; yet the one is an

import duty, and the other an export. It is true that a tax on the imports, by raising the price of the articles imported, may in time produce the supply at home, and thus give a new direction to the exchanges of the country; but it is also true that a tax on the exports, by diminishing at home the price of the same material, may have the same effect, and with no greater burden to the grower. Whether the situation of the South will be materially benefited by this new direction given to its exchanges, will be considered hereafter; but whatever portion of her foreign exchanges may, in fact, remain, in any stage of this process of changing her market, must be governed by the rule laid down. Whatever duty may be imposed to bring it about, must fall on the foreign trade which remains, and be paid by the South almost exclusively,—as much so, as an equal amount of duty on their exports. Let us now trace the operation of the system in some of its prominent details, in order to understand, with greater precision, the extent of the burden it imposes on us, and the benefits which it confers, at our expense, on the manufacturing States. The committee, in the discussion of this point, will not aim at minute accuracy. They have neither the means nor the time requisite for that purpose, nor do they deem it necessary, if they had, to estimate the fractions of loss or gain on either side on subjects of such great magnitude. The exports of domestic produce, in round numbers, may be estimated as averaging \$53,000,000 annually; of which the States growing cotton, rice, and tobacco, produce about \$37,000,000. In the last four years the average amount of the export of cotton, rice, and tobacco, exceeded \$35,500,000; to which, if we add flour, corn, lumber, and other articles exported from the States producing the former, their exports cannot be estimated at a less sum than that stated. Taking it at that sum, the exports of the Southern or staple States, and other States, will stand as \$37,000,000 to \$16,000,000,— or considerably more than the proportion of two to one; while their population,

estimated in federal numbers, is the reverse; the former sending to the House of Representatives but 76 members, and the latter 137. It follows that about one third of the Union exports more than two thirds of the domestic products. Such, then, is the amount of labor which our country annually exchanges with the rest of the world,—and such our proportion. The Government is supported almost exclusively by a tax on this exchange, in the shape of an impost duty, and which amounts annually to about \$23,000,000, as has already been stated. Previous to the passage of the act of the last session, this tax averaged about 37 per cent, on the value of imports. What addition that has made, it is difficult, with the present data, to estimate with precision; but it may be assumed, on a very moderate calculation, to be 7% per cent, thus making the present duty to average at least 45 per cent., which, on \$37,000,000, the amount of our share of the exports, will give the sum of \$16,650,000, as our share of the contribution to the general Treasury.

Let us take another, and perhaps more simple and striking view of this important point. Exports and imports, allowing for the profit and loss of trade, must be equal in a series of years. This is a principle universally conceded.

Let it then be supposed, for the purpose of illustration, that the United States were organized into two separate and distinct custom-house establishments,—one for the staple States, and the other for the rest of the Union; and that all commercial intercourse between the two sections were taxed in the same manner and to the same extent with the commerce of the rest of the world. The foreign commerce, under such circumstances, would be carried on from each section, direct with the rest of the world; and the imports of the Southern Custom-House, on the principle that exports and imports must be equal, would amount annually to \$37,000,000; on which 45 per cent, the average amount of the impost duty, would give an annual revenue of \$16,650,000, without increasing the burden already

imposed on the people of those States one cent. This would be the amount of revenue on the exchanges of that portion of their products which go abroad; but if we take into the estimate the duty which would accrue on the exchange of their products with the manufacturing States,—which now, in reality, is paid by the Southern States in the shape of increased prices, as a bounty to manufactures, but which, on the supposition, would constitute a part of their revenue, many millions more would have to be added.

But, it is contended, that the consumers really pay the impost, —and that, as the manufacturing States consume a full share, in proportion to their population, of the articles imported, they must also contribute their full share to the Treasury of the Union. The committee will not deny the position that their consumption is in proportion to their population,—nor that the consumers pay, provided they be mere consumers, without the means, through the Tariff, of indemnifying themselves in some other character. Without the qualification, no proposition can be more fallacious than that the consumers pay. That the manufacturing States do, in fact, indemnify themselves, and more than indemnify themselves for the increased price they pay on the articles they consume, we have, as has already been stated, their confession in a form which cannot deceive,—we mean their own acts. Nor is it difficult to trace the operation by which this is effected. The very acts of Congress, imposing the burdens on them, as consumers, give them the means, through the monopoly which it affords their manufactures in the home market, not only of indemnifying themselves for the increased price on the imported articles which they may consume, but, in a great measure, to command the industry of the rest of the Union. The argument urged by them for the adoption of the system (and with so much success), that the price of property and products in those States must be thereby increased,—clearly proves that the facts are as stated by your committee. It is by this very increased price, which must be

paid by their fellow-citizens of the South, that their industry is affected, and the fruits of our toil and labor, which, on any principle of justice, ought to belong to ourselves, are transferred from us to them. The maxim, that the consumers pay, strictly applies to us. We are mere consumers, and destitute of all means of transferring the burden from ours to the shoulders of others. We may be assured that the large amount paid into the Treasury under the duties on imports, is really derived from the labor of some portion of our citizens. The Government has no mines. Someone must bear the burden of its support. This unequal lot is ours. We are the serfs of the system, out of whose labor is raised, not only the money paid into the Treasury, but the funds out of which are drawn the rich rewards of the manufacturer and his associates in interest. Their encouragement is our discouragement. The duty on imports, which is mainly paid out of our labor, gives them the means of selling to us at a higher price; while we cannot, to compensate the loss, dispose of our products at the least advance. It is then, indeed, not a subject of wonder, when understood, that our section of the country, though helped by a kind Providence with a genial sun and prolific soil, from which spring the richest products, should languish in poverty and sink into decay, while the rest of the Union, though less fortunate in natural advantages, are flourishing in unexampled prosperity.

The assertion, that the encouragement of the industry of the manufacturing States is, in fact, discouragement to ours, was not made without due deliberation. It is susceptible of the clearest proof. We cultivate certain great staples for the supply of the general market of the world:—They manufacture almost exclusively for the home market. Their object in the Tariff is to keep down foreign competition, in order to obtain a monopoly of the domestic market. The effect on us is, to compel us to purchase at a higher price, both what we obtain from them and from

others, without receiving a correspondent increase in the price of what we sell.

The price at which we can afford to cultivate must depend on the price at which we receive our supplies. The lower the latter, the lower we may dispose of our products with profit, and in the same degree our capacity of meeting competition is increased; and, on the contrary, the higher the price of our supplies, the less the profit, and the less, consequently, the capacity for meeting competition. If, for instance, cotton can be cultivated at 10 cents the pound, under an increase price of forty-five per cent. on what we purchase, in return, it is clear, if the prices of what we consume were reduced forty-five per cent. (the amount of the duty), we could, under such reduced prices, afford to raise the article at 5' cents per pound, with a profit, as great as what we now obtain at 10 cents; and that our capacity of meeting the competition of foreigners in the general market of the world, would be increased in the same proportion. If we can now, with the increased price from the Tariff, contend with success, under a reduction of 45 per cent. in the prices of our products, we could drive out all competition; and thus add annually to the consumption of our cotton, three or four hundred thousand bales, with a corresponding increase of profit. The case, then, fairly stated between us and the manufacturing States is, that the Tariff gives them a protection against foreign competition in our own market, by diminishing, in the same proportion, our capacity to compete with our rivals, in the general market of the world. They who say that they cannot compete with foreigners at their own doors, without an advantage of 45 per cent., expect us to meet them abroad under disadvantage equal to their encouragement. But this oppression, as great as it is, will not stop at this point. The trade between us and Europe has, heretofore, been a mutual exchange of products. Under the existing duties, the consumption of European fabrics must, in a great measure, cease in our country; and

the trade must become, on their part, a cash transaction. He must be ignorant of the principles of commerce, and the policy of Europe, particularly England, who does not see that it is impossible to carry on a trade of such vast extent on any other basis than barter; and that, if it were not so carried on, it would not long be tolerated. We already see indications of the commencement of a commercial warfare, the termination of which no one can conjecture, —though our fate may easily be. The last remains of our great and once flourishing agriculture must be annihilated in the conflict. In the first instance, we will be thrown on the home market, which cannot consume a fourth of our products; and instead of supplying the world, as we would with a free trade, we would be compelled to abandon the cultivation of three fourths of what we now raise, and receive for the residue, whatever the manufacturers, who would then have their policy consummated by the entire possession of our market, might choose to give.

Forced to abandon our ancient and favorite pursuit, to which our soil, climate, habits, and peculiar labor are adapted, at an immense sacrifice of property, we would be compelled, without capital, experience, or skill, and with a population untried in such pursuits, to attempt to become the rivals instead of the customers of the manufacturing States. The result is not doubtful. If they, by superior capital and skill, should keep down successful competition on our part, we would be doomed to toil at our unprofitable agriculture,— selling at the prices which a single and very limited market might give. But, on the contrary, if our necessity should triumph over their capital and skill,—if, instead of raw cotton, we should ship to the manufacturing States cotton yarn and cotton goods, the thoughtful must see that it would inevitably bring about a state of things which could not long continue. Those who now make war on our gains, would then make it on our labor. They would not tolerate, that those, who now cultivate our plantations, and furnish them with the material, and the market for the

products of their arts, should, by becoming their rivals, take bread out of the mouths of their wives and children. The committee will not pursue this painful subject; but, as they clearly see that the system, if not arrested, must bring the country to this hazardous extremity, neither prudence nor patriotism would permit them to pass it by without raising a warning voice against a danger of such menacing character.

It was conceded, in the course of the discussion, that the consumption of the manufacturing States, in proportion to population, was as great as ours. How they, with their limited means of payment, if estimated by the exports of their own products, could consume as much as we do with our ample exports, has been partially explained; but it demands a fuller consideration. Their population, in round numbers, may be estimated at about eight, and ours at four millions; while the value of their products exported, compared with ours, is as sixteen to thirty-seven millions of dollars. If to the aggregate of these sums be added the profits of our foreign trade and navigation, it will give the amount of the fund out of which is annually paid the price of foreign articles consumed in our country. This profit, at least so far as it constitutes a portion of the fund out of which the price of the foreign articles is paid, is represented by the difference between the value of the exports and imports,—that of both being estimated at our own ports,—and which, taking the average of the last five years, amount to about \$4,000,000,— and which, as the foreign trade of the country is principally in the hands of the manufacturing States, we will add to their means of consumption; which will raise theirs to \$20,000,000, and will place the relative means of the consumption of the two sections, as twenty to thirty-seven millions of dollars; while, on the supposition of equal consumption in proportion to population, their consumption would amount to thirty-eight millions of dollars, and ours to nineteen millions. Their consumption would thus exceed their capacity to consume,

if judged by the value of their exports, and the profits of their foreign commerce, by eighteen millions; while ours, judged the same way, would fall short by the same sum. The inquiry which naturally presents itself is, how is this great change in the relative condition of the parties, to our disadvantage, affected?—which the committee will now proceed to explain.

It obviously grows out of our connections. If we were entirely separated, without political or commercial connection, it is manifest that the consumption of the manufacturing States, of foreign articles, could not exceed twenty-two millions,—the sum at which the value of their exports and profit of their foreign trade is estimated. It would, in fact, be much less; as the profits of foreign navigation and trade, which have been added to their means, depend almost exclusively on the great staples of the South, and would have to be deducted, if no connection existed, as supposed. On the contrary, it is equally manifest, that the means of the South to consume the products of other countries, would not be so materially affected in the state supposed. Let us, then, examine what are the causes growing out of this connection, by which so great a change is effected. They may be comprehended under three heads;—the Custom-House,—the appropriations,—and the monopoly of the manufacturers; all of which are so intimately blended as to constitute one system, which its advocates, by a perversion of all that is associated with the name, call the “AMERICAN SYSTEM.” The Tariff is the soul of this system.

It has already been proved that our contribution, through the Custom-House, to the Treasury of the Union, amounts annually to \$16,650,000, which leads to the inquiry, What becomes of so large an amount of the products of our labor, placed, by the operation of the system, at the disposal of Congress? One point is certain, a very small share returns to us, out of whose labor it is extracted. It would require much investigation to state, with precision, the proportion

of the public revenue disbursed annually in the Southern, and other States respectively; but the committee feel a thorough conviction, on examination of the annual appropriation acts, that a sum much less than two millions of dollars falls to our share of the disbursements; and that it would be a moderate estimate to place our contribution, above what we receive back, through all of the appropriations, at \$15,000,000; constituting, to that great amount, an annual, continued, and uncompensated draft on the industry of the Southern States, through the Custom-House alone. This sum, deducted from the \$37,000,000,—the amount of our products annually exported, and added to the \$20,000,000, the amount of the exports of the other States, with the profits of foreign trade and navigation, would reduce our means of consumption to \$22,000,000, and raise theirs to \$35,000,000;—still leaving \$3,000,000 to be accounted for; and which may be readily explained, through the operation of the remaining branch of the system, the monopoly which it affords the manufacturers in our market; and which empowers them to force their goods on us at a price equal to the foreign article of the same description, with the addition of the duty;—thus receiving, in exchange, our products, to be shipped, on their account, and thereby increasing their means, and diminishing ours in the same proportion. But this constitutes a part only of our loss under this branch. In addition to the thirty-five millions of our products which are shipped to foreign countries, a very large amount is annually sent to the other States, for their own use and consumption. The article of cotton alone, is estimated at 150,000 bales,—which, valued at thirty dollars the bale, would amount to \$4,500,000, and constitutes a part of this forced exchange.

Such is the process, and the amount, in part, of the transfer of our property annually to other sections of the country, estimated on the supposition that each section consumes of imported articles, an amount equal in proportion to its population. But the committee are aware

that they have rated our share of the consumption far higher than the advocates of the system place it. Some of them rate it as low as five millions of dollars annually; not perceiving that, by thus reducing ours, and raising that of the manufacturing States, in the same proportion, they demonstratively prove how oppressive the system is to us, and how gainful to them; instead of showing, as they suppose, how little we are affected by its operation. Our complaint is, that we are not permitted to consume the fruits of our labor; but that, through an artful and complex system, in violation of every principle of justice, they are transferred from us to others.

It is, indeed, wonderful that those who profit by our loss, blinded as they are by self-interest, when reducing our consumption as low as they have, never thought to inquire what became of the immense amount of the products of our industry, which are annually sent out in exchange with the rest of the world; and if we did not consume its proceeds, who did,—and by what means. If, in the ardent pursuit of gain, such a thought had occurred, it would seem impossible, that all the sophistry of self-interest, deceiving as it is, could have disguised from their view our deep oppression, under the operation of the system. Your committee do not intend to represent, that the commercial connection between us and the manufacturing States is wholly sustained by the Tariff system. A great, natural, and profitable commercial communication would exist between us, without the aid of monopoly on their part ; which, with mutual advantage, would transfer a large amount of their products to us, and an equal amount of ours to them, as the means of carrying on their commercial operations with other countries. But even this legitimate commerce is greatly affected, to our disadvantage, through the Tariff system; the very object of which is, to raise the price of labor, and the profits of capital, in the manufacturing States,—which, from the nature of things, cannot be done, without raising, correspondingly, the price of all products,

in the same quarter, as well those protected, as those not protected. That such would be the effect, we know has been urged in argument mainly to reconcile all classes in those States to the system; and with such success, as to leave us no room to doubt its correctness; and yet, such are the strange contradictions, in which the advocates of an unjust cause must ever involve themselves, when they attempt to sustain it, that the very persons, who urge the adoption of the system in one quarter, by holding out the temptation of high prices for all they make, turn round and gravely inform us, that its tendency is to depress, and not to advance prices. The capitalist, the farmer, the wool-grower, the merchant and laborer, in the manufacturing States, are all to receive higher rates of wages and profits,—while we, who consume, are to pay less for the products of their labor and capital. As contradictory and absurd as are their arguments, they, at least, conclusively establish the important fact, that those who advance them are conscious that the proof of the partial and oppressive operation of the system, is unanswerable if it be conceded that we, in consequence, pay higher prices for what we consume. Were it possible to meet this conclusion on other grounds, it could not be, that men of sense would venture to encounter such palpable contradictions. So long as the wages of labor, and the profits of capital, constitute the principal elements of price, as they ever must, the one or the other argument—that addressed to us, or that to the manufacturing States—must be false.

But, in order to have a clear conception of this important point, the committee propose to consider more fully the assertion, that it is the tendency of high duties, by affording protection, to reduce, instead of to increase prices; and if they are not greatly mistaken, it will prove, on examination, to be utterly erroneous.

Before entering on the discussion, and in order to avoid misapprehension, the committee will admit, that there is a single exception. When a country is fully prepared to

manufacture, that is, when wages and interest are as low, and natural advantages as great, as in the countries from which it draws its supplies, it may happen, that high duties, by starting manufactories, under such circumstances, may be followed by a permanent reduction in prices; and which, if the Government had the power, and the people possessed sufficient guarantees against abuse, might render it wise and just, in reference to the general interest, in many instances to afford protection to infant manufacturing establishments.

But, where permanent support is required,—which must ever be the case when a country is not ripe,—such duties must ever be followed by increased prices. The temporary effect may be different, from various causes. Against this position, it is urged, that the price depends on the proportion between the supply and demand,—that protection, by converting mere consumers into rival manufacturers, must increase the supply without raising the demand,—and, consequently, must tend to reduce prices. If it were necessary, it might be conclusively shown, that this tendency must be more than countervailed, by subtracting, as must ever be the case when the system is forced, capital and labor from more profitable, and turning them to less profitable pursuit, by an expensive bounty, paid out of the labor of the country. But, admitting the argument to be true, the reduction of price must be in proportion to the addition made to the general supply of the commercial world, which is so great that, if we were to suppose our share of the demand to be wholly withdrawn, its tendency to reduce the general price would be small compared to the tendency to high prices, in consequence of the high duties. But the argument rests on an assumption wholly false. It proceeds on the supposition that, without the Tariff, the manufacturing States would not have become such,—than which nothing can be more erroneous. They had no alternative, but to emigrate, or to manufacture.

How could they otherwise obtain clothing or other articles necessary for their supply? How could they pay for them? To Europe they could ship almost nothing. Their agricultural products are nearly the same with those of that portion of the globe; and the only two articles, grain and lumber, in the production of which they have advantages, are, in that quarter, either prohibited, or subject to high duties. From us, who are purely an agricultural people, they could draw nothing but the products of the soil. The question, then, is not, whether those States should or should not manufacture,—for necessity, and the policy of other nations had decided that question,—but whether they should, with or without a bounty. It was our interest that they should without. It would compel them to contend with the rest of the world in our market, in free and open competition; the effects of which would have been, a reduction of prices to the lowest point; thereby enabling us to exchange the products of our labor most advantageously,—giving little, and receiving much ; while, on the other hand, in order to meet European competition, they would have been compelled to work at the lowest wages and profits. To avoid this, it was their interest to manufacture with a bounty; by which our situation was completely reversed. They were relieved by our depression. Thus, through our political connection, by a perversion of the powers of the Constitution, which was intended to protect the States of the Union in the enjoyment of their natural advantages, they have stripped us of the blessings bestowed by nature, and converted them to their own advantage. Restore our advantages, by giving us free trade with the world, and we would become, what they now are by our means, the most flourishing people on the globe.

But these are withheld from us under the fear that, with their restoration, they would become, what we are by their loss, among the most depressed.

Having answered the argument in the abstract, the committee will not swell their report by considering the

various instances which have been quoted, to show that prices have not advanced since the commencement of the system. We know that they would instantly fall nearly fifty per cent, if its burdens were removed ; and that is sufficient for us to know. Many and conclusive reasons might be urged, to show why, from other causes, prices have declined since that period. The fall in the price of raw materials,—the effects of the return of peace,—the immense reduction in the amount of the circulating medium of the world, by the withdrawal from circulation of a vast amount of paper, both in this country and in Europe,—the important improvements in the mechanical and chemical arts,—and, finally, the still progressive depression arising from the great improvements which preceded that period a short time, particularly in the use of steam and the art of spinning and weaving,—have all contributed to this result. The final reduction of prices, which must take place in the articles whose production is affected by such improvements, cannot be suddenly realized.

Another generation will probably pass away, before they will reach that point of depression which must follow their universal introduction. We are told, by those who pretend to understand our interest better than we do, that the excess of production, and not the Tariff, is the evil which afflicts us; and that our true remedy is, a reduction of the quantity of cotton, rice, and tobacco, which we raise, and not a repeal of the Tariff.

They assert, that low prices are the necessary consequence of excess of supply, and that the only proper correction is in diminishing the quantity. We would feel more disposed to respect the spirit in which the advice is offered, if those from whom it comes accompanied it with the weight of their example. They also, occasionally, complain of low prices; but instead of diminishing the supply, as a remedy for the evil, demand an enlargement of the market, by the exclusion of all competition. Our market is the world; and as we cannot imitate their example by

enlarging it for our products, through the exclusion of others, we must decline their advice,—which, instead of alleviating, would increase our embarrassments. We have no monopoly in the supply of our products; one half of the globe may produce them. Should we reduce our production, others stand ready, by increasing theirs, to take our place; and, instead of raising prices, we would only diminish our share of the supply. We are thus compelled to produce, on the penalty of losing our hold on the general market. Once lost, it may be lost for ever;—and lose it we must, if we continue to be constrained, as we now are, on the one hand, by the general competition of the world, to sell low; and, on the other, by the Tariff to buy high. We cannot withstand this double action. Our ruin must follow. In fact, our only permanent and safe remedy was, not from the rise in the price of what we sell, in which we can receive but little aid from our Government, but a reduction in the price of what we buy; which is prevented by the interference of the Government. Give us a free and open competition in our own market, and we fear not to encounter like competition in the general market of the world.

If, under all our discouragement by the acts of our Government, we are still able to contend there against the world, can it be doubted, if this impediment were removed, we would force out all competition; and thus, also enlarge our market, not by the oppression of our fellow-citizens of other States, but by our industry, enterprise, and natural advantages. But while the system prevents this great enlargement of our foreign market, and endangers what remains to us, its advocates attempt to console us by the growth of the home market for our products, which, according to their calculation, is to compensate us amply for all our losses; though, in the leading article of our products, cotton, the home market now consumes but a sixth ; and if the prohibitory system as to cotton goods were perfected by the exclusion of all importations, the entire

consumption of cotton goods would not raise the home consumption of cotton above a fifth of what we raise. In the other articles, rice and tobacco, it is much less.

But brilliant prospects are held out, of our immense export trade in cotton goods, which is to consume an immense amount of the raw material,—without reflecting to what countries they are to be shipped. Not to Europe, for there we will meet prohibition for prohibition;—not to the Southern portions of this continent, for already they have been taught to imitate our prohibitory policy. The most sanguine will not expect extensive or profitable markets in the other portions of the globe. But, admitting that no other impediment existed, the system itself is an effectual barrier against extensive exports. The very means which secures the domestic market must lose the foreign. High wages and profits are an effectual stimulus when enforced by monopoly, as in our market, but they must be fatal to competition in the open and free market of the world. Besides, when manufactured articles are exported, they must follow the same law to which the products of the soil are subject when exported.

They will be sent out in order to be exchanged for the products of other countries; and if these products be taxed, on their introduction as a back return, it has been demonstrated that, like all other taxes on exchange, it must be paid by the producer of the articles. The nature of the operation will be seen, if it be supposed, in their exchange with us, instead of receiving our products free of duty, the manufacturer had to pay forty-five per cent. in the back return, on the cotton and other products which they may receive from us in exchange. If to these insuperable impediments to a large export trade it be added, that our country rears the products of almost every soil and climate, and that scarcely an article can be imported, but what may come in competition with some of the products of our arts or our soil, and consequently ought to be excluded on the principles of the system, it must be apparent, when

perfected, the system itself must essentially exclude exports; unless we should charitably export for the supply of the wants of others, without expecting a return trade. The loss of the exports, and with it the imports also, must, in truth, be the end of the system. If we export, we must import; and if we exclude all imported products which come in competition with ours, unless we can invent new articles of exchange, or enlarge, tenfold, the consumption of the few which we cannot produce, with the ceasing of importation, exportation must also cease. If it did not, then neither would importation cease; and the continuance of imports must be followed, as stated, by that of exports;—and this again would require—in order to complete the system by excluding competition in our own markets—new duties; and thus, an incessant and unlimited increase of duties would be the result of the competition, of which the manufacturing States complain. The evil is in the exports,—and the most simple and efficient system to secure the home market, would, in fact, be, to prohibit exports; and as the Constitution only prohibits duties on exports, and as duties are not prohibition, we may yet witness this addition to the system;—the same construction of the instrument which justifies the system itself, would equally justify this, as a necessary means to perfect it.

The committee deemed it more satisfactory to present the operation of the system on the staple States generally, than its peculiar operation on this. In fact, they had not the data, had they felt the inclination, to distinguish the oppression under which this State labors, from that of the other staple States. The fate of the one must be that of the others.

It may, however, be truly said, that we are among the greatest sufferers. No portion of the world, in proportion to population and wealth, ever exchanged with other countries a greater amount of its products. With the proceeds of the sales of a few great staples we purchase almost all our supplies; and that system must, indeed, act with the desolation of a famine on such a people, where the