

millions and a half of dollars, and as the establishments have increased in number, some of them have declined in business. It is believed that if a drawback, equivalent to the duty paid on the importation of the brown sugar used in the refined sugar export, was again allowed, the foreign demand, particularly of Russia, would give a great extension to this branch. A special report has been made on that subject to the committee of commerce and manufactures.

COTTON, WOOL AND FLAX.

Spinning Mills and Manufacturing Establishments. The first cotton mill was erected in the state of Rhode Island, in the year 1793, and two more in the state of Massachusetts, in the years 1803 and 1804. During the three succeeding years ten more were erected or commenced in Rhode Island, and one in Connecticut, making altogether fifteen mills erected before the year 1808, working at that time about eight thousand spindles, and producing about three hundred thousand pounds of yarn a year.

Returns have been received of eighty-seven mills which were erected at the end of the year 1809; sixty-two of which (43 water and 14 horse mills) were in operation, and worked at that time thirty-one thousand spindles. The other twenty-five will all be in operation in the course of this year, and together with the former ones (almost all of which are increasing their machinery) will by the estimate received, work more than eighty thousand spindles at the commencement of the year 1811.

The capital required to carry on the manufacture on the best terms, is estimated at the rate of one hundred dollars for each spindle; including both the fixed capital applied to the purchase of the mill-seats, and that employed in wages, repairs, raw materials, goods on hand and contingencies. But it is believed that no more than the rate of sixty dollars for each spindle is generally actually employed. Forty-five pounds of cotton, worth about twenty cents a pound, are on an average annually used for each spindle; and these produce about thirty-six pounds of yarn of different qualities, worth on an average one dollar and 12 1/2 cents a pound. Eight hundred spindles employ forty persons, viz. five men and thirty-five women and children. On those data, the general results for the year 1811 are thus estimated:

Number of Mills, 87; No. of spindles, 80,000; Capital employed, 4,800,000 dollars; Cotton used, 3,600,000 lbs. value \$720,000. Quantity of yarn spun, 2,880,000 lbs. value \$3,240,000. Number of persons employed, 500 men, 3,500 women and children; Total of persons employed, 4,000.

The increase of carding and spinning cotton by machinery, in establishments for that purpose, and exclusively of that done in private families, has, therefore, been four-fold during the two last years, and will have been tenfold in three years. The table (B.) shows the situation and extent of those several mills, and that although the greater number is in the vicinity of Providence, in Rhode Island, they are scattered and extending throughout all the states. Those situated within thirty miles of Providence are exhibited in the table (C.), and the statement marked (D.) gives the details of one of the establishments, as furnished by the proprietors.

The seventeen mills in the state of Rhode Island, included in the table (C.) which were in operation, and worked 14,250 spindles in the year 1809, are also stated to have used during that year 640,000 lbs. of cotton, which produced 510,000 lbs. of yarn; of which 124,000 lbs. were sold for thread and knitting; 200,000 lbs. were used in manufactures attached to, or in the vicinity of the mills; and the residue was either sold for wick, and for the use of family manufactures, or exported to other parts. Eleven hundred looms are said to be employed in weaving the yarn spun by those mills into goods, principally of the following descriptions, viz.:

Bed-Ticking, sold at 35 to 90 cents per yard.
Stripes and Checks, 30 to 42 do.
Ginghams, 40 to 50 do.
Cloth for shirts and sheeting, 33 to 75 do.
Counterpanes, at \$8 each.

Those several goods are already equal in appearance to the English imported articles of the same description, and superior in durability; and the finishing is still improving. The proportion of fine yarn is also increasing.

The same articles are manufactured in several other places, and particularly at Philadelphia, where are also made from the same material, webbing and coach laces, (which articles have also excluded,) or will soon exclude, similar foreign importations) table and other diaper cloth, jeans, vest patterns, cotton kerseymeres and blankets. The manufacture of fustians, cordes and velvet has also been commenced in the interior and western parts of Pennsylvania, and in Kentucky.

Some of the mills above mentioned are also employed in carding and spinning wool, though not to a considerable amount. But almost the whole of that material is spun and wove in private families; and there are yet but few establishments for the manufacture of woollen cloths. Some information has, however, been received respecting fourteen of these, as stated in table (E.), manufacturing each, on an average, ten thousand yards of cloth a year, worth from one to ten dollars a yard. It is believed that there are others from which no information has been obtained; and it is known that several establishments, on a smaller scale, exist in Philadelphia, Baltimore, and some other places. All those cloths, as well as those manufactured in private families, are generally superior in quality, though somewhat inferior in appearance, to imported cloths of the same price. The principal obstacle to the extension of the manufacture is the want of wool, which is still deficient, both in quality and quantity. But those effects are daily and rapidly lessened, by the introduction of sheep of the Merino and other superior breeds, by the great demand for the article, and by the attention now every where paid by farmers to the increase and improvement of their flocks.

Manufacturing establishments for spinning and weaving flax, are yet but few. In the state of New-York there is one which employs a capital of eighteen thousand dollars and twenty-six persons, and in which about ninety thousand pounds of flax are annually spun and wove into canvas and other coarse linen. Information has been received respecting two in the vicinity of Philadelphia, one of which produces annually 72,000 yards of canvas, made of flax and cotton; in the other the flax is both hatched and spun by machinery; thirty looms are employed, and it is said that 500,000 yards of cotton bagging, sail cloth and coarse linen, may be made annually.

Hosiery may also be considered as almost exclusively a household manufacture. That of Germantown has declined, and it does not appear to have been attempted on a large scale in other places. There are, however, some exceptions; and it is stated that the Island of Martha's Vineyard exports annually 9,000 pair of stockings.

HOUSEHOLD MANUFACTURES.

But by far the greater part of the goods made of those materials (cotton, flax and wool) are manufactured in private families, mostly for their own use and part for sale. They consist principally of coarse cloth, flannel, cotton stuffs, and stripes of every description, linen and mixtures of wool with flax or cotton. The information received from every state, and from more than sixty different places, concurs in establishing the fact of an extraordinary increase during the two last years, and in rendering it probable that about two thirds of the clothing, including hosiery, and of the house and table linen worn and used by the inhabitants of the United States, who do not reside in cities, is the product of family manufactures.

In the eastern and middle states, carding machines, worked by water, are every where established, and they are rapidly extending southwardly and westwardly. Jennies, other family spinning machines and flying shuttles, are also introduced in many places; and as many fulling mills are erected as are required for finishing all the cloth which is wove in private families. (See note F. and statement G.)

Difficult as it is to form an estimate, it is inferred from a comparison of all the facts which have been communicated, with the population of the United States, (estimated at 6,000,000 of white and 1,200,000 black persons) that the value of all the goods made of cotton, wool and flax, which are annually manufactured in the U. States, exceeds \$40,000,000.

The manufacture of cords and wire is intimately con-

ected with this part of the subject. Whittmore's machine for making cards has completely excluded foreign importations of that article. It will appear by the communication (H.) that the capital employed in that branch may be estimated at two hundred thousand dollars; and that the annual consumption amounted till lately to twenty thousand dozen pair of hand cards and twenty thousand square feet of cards for machines, worth together about \$50,000. The demand of last year was double that of 1809, and is still rapidly increasing. But the wire itself is also either imported, and a very serious inconvenience might arise from any regulation which would check or prevent the exportation from foreign countries. It appears by the communication (L.) that the manufacture may and would be immediately established, so as to supply the demand both for cards and other objects, provide the same duty was imposed on wire, now imported duty free, which is laid on other articles made of the same material. The whole amount of wire annually used for cards, does not at present exceed five tons, worth about forty thousand dollars.

HATS.

The annual importation of foreign hats amount to \$350,000
The annual exportation of American hats, to \$100,000

The domestic manufacture is therefore nearly equal to the home consumption. The number made in the state of Massachusetts is estimated by the hat company of Boston, at four times the number required for the consumption of the state; and from other information it would appear that in that state alone, the capital applied to that branch is near three millions of dollars, the number of persons employed about four thousand, and the number of hats annually made 1,550,000; of which 1,150,000 are fine hats, worth on an average four dollars each, and 400,000 felt hats, worth one dollar each. That the manufacture is still profitable appears from a late establishment on Charles river, calculated to make annually 35,000 hats at five dollars a piece, and to employ 150 workmen.

The quantity made in Rhode Island is stated at 50,000 worth 5 dollars each exclusively of felt hats. Connecticut and New-York make more than is necessary for their consumption; the largest establishment being that of Danbury, where 300 persons are employed, and to the amount of \$100,000 annually manufactured. In Vermont the manufacture supplies the consumption. It is stated by the hat makers of Philadelphia, that 92,000 hats, worth five dollars each, are annually made there, in addition to which 50,000 country hats, worth three dollars each are annually sold in the city. In various quarters the scarcity of wool is complained of, as preventing the making of a sufficient quantity of coarse hats. From all the information which has been received, it is believed that the value of all the hats annually made in the United States is near \$10,000,000.—(See note K.)

PAPER AND PRINTING.

Some foreign paper is still imported; but the greater part of the consumption is of American manufacture; and it is believed that if sufficient attention was every where paid to the preservation of rags, a quantity equal to the demand, would be made in the U. S. Paper-mills are erected in every part of the Union. There are twenty-one in the states of New-Hampshire, Vermont, Rhode-Island and Delaware alone, and ten in only five counties of the states of New-York and Maryland. Eleven of those mills employ a capital of two hundred thousand dollars, and 180 workmen, and make annually 150,000 dollars worth of paper.

Printing is carried on to an extent commensurate with the demand. Exclusively of the numerous newspapers, which alone form a considerable item in value, all the books for which there is an adequate number of purchasers, are printed in the United States. But sufficient data have not been obtained to form an estimate of the annual aggregate value of the paper made, and of the printing and book-binding executed in the U. States, other than what may be inferred from the population. The manufactures of hanging paper, and of playing cards are also extensive; and that of printing types, of which there are two establishments, the principal at Philadelphia, and another at Baltimore, was fully adequate to the demand, but has lately been affected by the want of regulus of Antimony.

MANUFACTURES OF HEMP.

The annual importation of foreign Hemp amounted to 6,200 tons. But the interruption of commerce has greatly promoted the cultivation of that article in Massachusetts, New-York, Kentucky and several other places; and it is believed that a sufficient quantity will in a short time be produced in the United States.

The manufacture of ropes, cables and cordage, of every description, may be considered as equal to the demand, the exports of American manufacture for 1806 and 1807 having exceeded the average of 6,500 quintals, and the importations from foreign ports having fallen short of 4,300.

Exclusively of the rope walks in all the sea-ports, there are 15 in Kentucky alone, which consume about 1000 tons of hemp a year—and 6 new works were in a state of preparation for the present year.

The manufactures of sail duck formerly established in Rhode-Island, in Connecticut and at Salem have been abandoned or suspended, partly on account of the high price of hemp, and partly for want of capital. Some is still made; and the species of canvass commonly called cotton bagging, is now manufactured in various places on an extensive scale. An establishment at Philadelphia employs eight looms, and can make annually 17,000 yards of duck or 45,000 yards of cotton bagging. There are 13 manufactures in Kentucky, and two in West Tennessee. The five at or near Lexington, make annually 250,000 yards of duck and cotton bagging.

SPIRITUOUS AND MALT LIQUORS.

The duty on licensed stills amounted in 1801 to 372,000, and, on account of omissions, might be estimated at 458 thousand dollars. As the duty actually paid on the spirits distilled in those stills did not on an average exceed five cents per gallon, the quantity of spirits distilled that year from grain and fruit (exclusively of the large gin distilleries in cities) must have amounted to about 9 millions of gallons, and may at present, the manufacturing having increased at least in the same ratio as the population, be estimated at 12,000,000 of gallons. To this must be added 3,000,000 of gallons of gin and rum distilled in cities—making an aggregate of 15,000,000 of gallons.

The importations of foreign spirits are nevertheless very considerable, having amounted during the years 1806 and 1807 to 9,750,000 gallons a year, and yielding a net annual revenue to the United States of 2,865,000 dollars.

The quantity of malt liquors made in the United States is nearly equal to their consumption.

The annual foreign importations amount only to 185,000 gallons.

And the annual exportations of American beer and cider, to 187,000 do.

But the amount actually made cannot be correctly stated. It has been said that the breweries of Philadelphia consumed annually 150,000 bushels of malt—and, exclusively of the numerous establishments on a smaller scale, dispersed throughout the country, extensive breweries are known to exist in New-York and Baltimore.

From those data the aggregate value of spirituous and malt liquors annually made in the United States, cannot be estimated at less than 10,000,000 of dollars.

IRON AND MANUFACTURES OF IRON

The information received respecting that important branch is very imperfect. It is however well known that iron ore abounds, and that numerous furnaces and forges are erected throughout the United States. They supply a sufficient quantity of hollow ware, and of castings of every description; but about 4,500 tons of bar iron are annually imported from Russia, and probably an equal quantity from Sweden and England together. A vague estimate states the amount of bar iron annually used in the United States, at fifty thousand tons, which would leave about forty thousand for that of American manufacture. Although a great proportion of the ore found in Vermont, Pennsylvania, Maryland and Virginia, be of a superior quality, and some of the iron manufactured there equal to any imported, it is to be regretted that from the great demand, and from want of proper attention in the manufacture, much inferior American iron is brought to market. On that account, the want of the ordinary supply of Russian iron has been felt in some of the slitting and roll-

ing mills. But whilst a reduction of the duty on Russian iron is asked from several quarters, it is generally stated that a high or prohibitory duty on English bar, slit rolled and sheet iron would be beneficial; that which is usually imported on account of its cheapness, being made with pit coal and of a very inferior quality.

The annual importations of sheet, slit and hoop iron, amount to five hundred and sixty-five tons; and the quantity rolled and slit in the United States is estimated at seven thousand tons. In the state of Massachusetts alone, are found thirteen rolling and slitting mills, in which about 3,500 tons of bar iron, principally from Russia, are annually rolled or slit. A portion is used for sheet iron and nail rods for wrought nails; but two thirds of the whole quantity of bar iron flattened by machinery in the United States, is used in the manufacture of cut nails, which has now extended throughout the whole country, and being altogether an American invention, substituting machinery to manual labour, deserves particular notice. The details on that subject will be found in the communications (L.) and (M)—and it will be sufficient here to state, that the annual product of that branch alone, may be estimated at twelve hundred thousand dollars, and that, exclusively of the saving of fuel, the expense of manufacturing cut nails is not one third part of that of forging wrought nails.—About two hundred and eighty tons are already annually exported, but the United States continue to import annually more than fifteen hundred tons of wrought nails and spikes. An increase of duty on these, and a drawback on the exportation of the cut nails is generally asked for.

A considerable quantity of blistered, and some refined steel, are made in America; but the foreign importations exceed 11,000 cwt. a year.

The manufactures of iron consist principally of agricultural implements, and of all the usual work performed by common blacksmiths. To these may be added anchors, shovels and spades, axes, scythes, and other edge tools, saws, bits and stirrups, and a great variety of the coarser articles of iron mongery; but cutlery and all the finer species of hardware and of steel work, are almost altogether imported from Great Britain. Balls, shells, and cannon of small caliber are cast in several places; and three founderies for casting solid, those of the largest caliber, together with the proper machinery for boring and finishing them, are established at Cecil county, Maryland, near the city of Washington, and at Richmond, in Virginia; each of the two last may cast 300 pieces of artillery a year, and a great number of iron & brass cannon are made at that near the seat of government. Those of Philadelphia and near the Hudson river, are not now employed.—It may be here added, that there are several iron founderies for casting every species of work wanted for machinery, and that steam engines are made at that of Philadelphia.

At the two public armories of Springfield and Harper's ferry, 19,000 muskets are annually made. About twenty thousand more are made at several factories, of which the most perfect is said to be that near New Haven, and which, with the exception of that erected at Richmond, by the state of Virginia, are all private establishments. These may if wanted, be immediately enlarged, and do not include a number of gun-smiths employed in making rifles, and several other species of arms. Swords and pistols are also manufactured in several places.

Although it is not practicable to make a correct statement of the value of all the iron and manufactures of iron, annually made in the United States, it is believed to be from twelve to fifteen millions of dollars. The annual importations from all foreign countries, including bar iron, and every description of manufactures of iron or steel, are estimated at near four millions of dollars.

COPPER AND BRASS.

Rich copper mines are found in New-Jersey, in Virginia, and near lake Superior; but they are not now wrought.—The principal manufactures of that material, are those of stills and other vessels; but the copper in sheets and bolts is almost universally imported; the only manufacture for that object, which is at Boston, not receiving sufficient encouragement, although a capital of 25,000 dollars has been vested in a rolling-mill and other apparatus. The true reason is, that those articles are imported free of duty; and the owners seem to be principally employed in casting bells and other articles.

Zinc has been lately discovered in Pennsylvania; and there are a few manufactures of metal buttons, and various brass wares.

MANUFACTURES OF LEAD.

Lead is found in Virginia and some other places, but the richest mines of that metal are found in Upper Louisiana, and also it is said, in the adjacent country on the east side of the Mississippi. They are not yet wrought to the extent of which they are susceptible, and after supplying the western country, do not furnish more than two hundred tons annually to the Atlantic states.

The annual importations from foreign countries of red & white lead, amount to 1,150 tons. And those of lead itself, and of all other manufactures of lead, to 1,225 do.

The principal American manufactures are those of shot, and colours of lead. Of the first, there are two establishments on a large scale at Philadelphia, and another in Louisiana, which are more than sufficient to supply the whole demand, stated at six hundred tons a year. Five hundred and sixty tons of red and white lead, litharge, and some other preparations of that metal, are made in Philadelphia alone. A repeal of the duty of one cent per pound on lead, and an equalization of that on the manufactures of lead, by charging them all with the two cents per pound laid on white and red lead, is asked by the manufacturers.

Various other paints and colours are also prepared in Philadelphia, and some other places.

TIN, JAPANED, PLATED WARES.

The manufacture of tin ware is very extensive, and Connecticut supplies the greater part of the United States with that article; but the sheets are always imported.—The manufacture of plated ware, principally for coach makers and saddlers, employs at Philadelphia 73 workmen; and the amount annually made there exceeds one hundred thousand dollars. There are other similar establishments; at New-York, Baltimore, Boston and Charleston.

GUN-POWDER.

Saltpetre is found in Virginia, Kentucky and some other of the western states and territories; but it is principally imported from the East Indies. The manufacture of Gun-Powder is nearly, and may at any moment be made altogether adequate to the consumption; the importation of foreign powder amounting only to 200,000 lbs. and the exportation of American powder to 100,000 lbs. The manufacture of Brandywine, which employs a capital of seventy-five thousand dollars, and 36 workmen, and is considered as the most perfect, makes alone 225,000 lbs. annually, and might make 600,000 pounds, if there was a demand for it. Two others, near Baltimore, have a capital of one hundred thousand dollars, and make 450,000 lbs. of a quality said lately to be equal to any imported. There are several other powder mills in Pennsylvania, and other places; but the total amount of gun powder made in the United States is not ascertained.

EARTHEN AND GLASS WARE.

A sufficient quantity of the coarser species of pottery is made every where; and information has been received of four manufactures of a finer kind lately established. One at Philadelphia, with a capital \$11,000, manufactures a species similar to that made in Staffordshire in England, and the others, in Chester county in Pennsylvania, in New Jersey, and on the Ohio, make various kinds of Queen's ware.

Information has been obtained of ten glass manufactures, which employ about 140 glass blowers, and make annually 27,000 boxes of window glass, containing each 100 square feet of glass. That of Boston makes crown glass equal to any imported; all the others make green or German glass, worth 15 per centum less; that of Pittsburgh uses coal, and all the others wood for fuel.

The annual importations of foreign window glass amount to 27,000 boxes: the extension of the domestic manufacture, which supplies precisely one half of the consumption, being prevented by the want of workmen.

Some of those manufactures make also green bottles and other wares, and two works, employing together six glass blowers, have been lately erected at Pittsburgh, and

make decanters, tumblers and every other description of fine glass of a superior quality.

CHEMICAL PREPARATIONS.

Copperas is extracted in large quantities from the mines in Vermont, New Jersey and Tennessee. About 200,000 lbs. of oil of vitriol and other acids, are annually manufactured in a single establishment at Philadelphia. Several other preparations and drugs are also made in some other places, and the annual amount of medicinal cecids 30,000 dollars in value.

SALT.

The Salt springs of Onondaga and Cayuga in the state of New-York, furnish about three hundred thousand bushels a year; and the quantity may be increased in proportion to the demand. Those of the western states and territories supply about an equal quantity; that known by the name of the wash Saline, which belongs to the United States, making now 150,000 bushels. Yankin's discoveries have abundantly been made on the banks of the Kenhawa. But the annual importation of foreign salt amounts to more than three millions of bushels, and cannot be superseded by American salt, unless it be made along the sea coast. The works in the state of Massachusetts are declining, and cannot proceed, unless the duty on foreign salt should again be laid. It is necessary to shelter the works from the heavy summer rains by roofs moving on rollers. This considerably increases the expense; and it appears that the erection of ten thousand superficial square feet, costs one thousand dollars, and that they produce only two hundred bushels a year. A more favourable result is anticipated on the coast of North Carolina, on account of the difference in the climate, and works covering 275,000 square feet, have been lately erected there.

MISCELLANEOUS.

Respecting the other manufactures enumerated in the former part of this report, no important or correct information has been received, except as relates to the two following:

Straw bonnets and hats are made with great success, and a small district in Rhode-Island and Massachusetts annually exports to other parts of the Union, to the amount of 250,000 dollars. See communication (N.)

Several attempts have been made to print calicoes; but it does not seem that the manufactures can, without additional duties, stand the competition of similar foreign articles. The difficulties under which they labour are stated in the petition of the calico printers of Philadelphia to Congress. A considerable capital has been vested in an establishment near Baltimore, which can print 12,000 yards a week and might be considerably extended, if the profits and the demand afforded sufficient encouragement.

From that imperfect sketch of American manufactures, it may with certainty be inferred, that their annual product exceeds one hundred and twenty millions of dollars.—And it is not improbable that the raw materials used, and the provisions and other articles consumed by the manufacturers, create a home market for agricultural products not very inferior to that which arises from foreign demand. A result more favourable than might have been expected from a view of the natural causes which impede the introduction, and retard the progress of manufactures in the United States.

The most prominent of those causes are the abundance of land compared with the population, the high price of labour, and the want of a sufficient capital. The superior attractions of agricultural pursuits, the great extension of American commerce during the late European wars, and the continuance of habits after the causes which produced them have ceased to exist, may also be enumerated. Several of those obstacles have, however, been removed or lessened. The cheapness of provisions had always to a certain extent, counterbalanced the high price of manual labour; and this is now in many important branches nearly superseded by the introduction of machinery: a great American capital has been acquired during the last twenty years; and the injurious isolation of the neutral commerce of the United States, by forcing industry and capital into other channels, have broken inveterate habits, and given a general impulse, to which must be ascribed the great increase of manufactures during the two last years.

The revenue of the United States being principally derived from duties on the importation of foreign merchandise, these have also operated as a premium in favour of American manufactures, whilst on the other hand the continuance of peace, and the frugality of government have rendered unnecessary any oppressive taxes, tending materially to enhance the price of labour, or impeding any species of industry.

No cause indeed has perhaps more promoted, in every respect, the general prosperity of the United States than the absence of those systems of internal restriction and monopoly which continue to disfigure the state of society in other countries. No laws exist here, directly or indirectly, confining man to a particular occupation or place, or excluding any citizen from any branch he may at any time think proper to pursue. Industry is in every respect perfectly free and unfettered; every species of trade, commerce, art, profession and manufacture being equally opened to all, without requiring any previous regular apprenticeship, admission or license. Hence the progress of America has not been confined to the improvement of her agriculture, and to the rapid formation of new settlements and states in the wilderness; but her citizens have extended their commerce through every part of the globe, and carry on with complete success, even those branches for which a monopoly had heretofore been considered essentially necessary. The same principle has also accelerated the introduction and progress of manufactures, and must ultimately give in that branch, as in all others, a decided superiority to the citizens of the United States, over the inhabitants of countries oppressed by taxes, restrictions and monopolies. It is believed that even at this time, the only powerful obstacle against which American manufactures have to struggle, arises from the vastly superior capital of the first manufacturing nation of Europe, which enables her merchants to give very long credits, to sell on small profits, and to make occasional sacrifices.

The information which has been obtained is not sufficient to submit, in conformity with the resolution of the House, the plan best calculated to protect and promote American manufactures. The most obvious means are bounties, increased duties on importation, and loans by Government.

Occasional premiums might be beneficial; but a general system of bounties is more applicable to articles exported than to those manufactured for home consumption.

The present system of duties may, in some respects, be equalized and improved, so as to protect some species of manufacture without affecting the revenue. But prohibitory duties are liable to the treble objection of destroying competition, of taxing the consumer, and of diverting capital and industry into channels generally less profitable to the nation than those which would have naturally been pursued by individual interest left to itself. A moderate increase will be less dangerous, and if adopted should be continued during a certain period; for the repeal of a duty once laid materially injures those who have relied on its permanency, as has been exemplified in the salt manufacture.

Since, however, the comparative want of capital is the principal obstacle to the introduction and advancement of manufactures in America, it seems that the most efficient and most obvious remedy would consist in supplying that capital. For although the extension of banks may give some assistance in that respect, their operation is limited to a few places, nor does it comport with the nature of those institutions to lend for periods as long as are requisite for the establishment of manufactures. The United States might create a circulating stock, bearing a low rate of interest, and lend it at par to manufacturers, on principles somewhat similar to that formerly adopted by the states of New York and Pennsylvania in their loan of 1790. It is believed that a plan might be devised by which five millions of dollars a year, but not exceeding in the whole twenty millions, be thus lent, without any material risk of ultimate loss, and without taxing or injuring any other part of the community.

All which is respectfully submitted,
ALBERT GALLATIN,
Treasury Department, Apr. 17th, 1810.