

# Western Carolinian.

It is an error to abstain from laws, which however wise and good in themselves, have the semblance of inequality which find no response in the heart of the citizen, and which will be evaded with little remorse.

Dr. Channing.

BY BURTON CRAIG.

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## SPEECH

The Honorable Willie P. Mangum,  
(OF NORTH CAROLINA.)

(Concluded.)

But, sir, suppose that I am wrong in all my views on this subject, and that there exists no constitutional impediment—still the injustice, and the flagrant inequality of the action of the system, are denounced by all the principles of an enlightened political philosophy, the inequality of its operation upon the different advocations of the same community, is flagrantly unjust—but it is upon the great sections of the South, considered with reference to the grand geographical divisions of the country, that the inequality, rapacity, and oppression of the system, are most manifest and most ruinous.

It is built up by selfish interests, associated together for selfish purposes; with no principle of cohesion, but a mean, base passion for money, unredeemed by any great public and patriotic fruits; and unmitigated by the slightest forbearance in the plunder of all other pursuits of industry, for the benefit of the protected classes. Yes, sir, this structure, so huge and gigantic, is reared by the aggregation of most dissimilar materials; here the polished Parian marble, there the rough misshapen rock, piled upon each other in perfect contempt of symmetry, beauty, and general utility. Sir, it is money—nothing but money—and money exacted from others without equivalent, that holds together this system. These bandit interests have been rallied to its support by a thirst for rapine, and the battle in its defence with a vigor, proportioned to the magnitude and enormity of its exactions.

Sir, upon what principle of justice is it that the people of this country are taxed four millions of dollars upon the single article of sugar? Upon this necessary of life, universally in use among the poor as well as the rich? It is seen that this tax is not needed for revenue. How then can this government justify itself before the people, levying upon them three million nine hundred thousand dollars, for the protection of the sugar planters, of which two millions two hundred and fifty thousand dollars, go into their private pockets? That this is the fact, is incontrovertibly proved by the statistics before me, and which are, or ought to be, on the table of every Senator. The case then is, that thirteen millions of American people, are compelled, by this tariff system, to pay to seven or eight hundred rich sugar planters in Louisiana, two and a quarter millions of dollars more for the sugar they consume, than they would have to pay were this tariff repealed. Where is the justice of taxing millions of the poor, to swell the already overgrown wealth of the few hundred sugar planters of Louisiana? What right, in the eye of Heaven, or the sight of man, has these eight hundred proprietors, cultivating the most fertile lands on this continent, in the most fruitful climate to exact from those who toil in a more reluctant, and often worn out soil, more than five millions of dollars, to go into their private pockets? Sir, it is a stupendous and monstrous system of injustice. Nothing can maintain it short of keeping the people in ignorance. Is there a Senator present who believes, that if this tax of the many, for the benefit of the few, instead of being raised indirectly, so that the people do not perceive its operation—was levied by direct taxation, with the avowal that it was laid to give it away, in bounties, to eight hundred sugar planters, to maintain and support their business—I ask, is there any Senator present who believes that the people would bear it for a single year? Would they not, with honest indignation, hurl from their high places all the functionaries of this Government, who had dared to participate in a scheme of such outrageous oppression? And yet, sir, this tariff in effect, operates precisely in this way, and to this extent—and it is borne only because it is not understood. Are there any considerations of a national character, that justify this immense tax for the protection of American sugar? It is wholly unconnected with the policy that looks to national defence, national safety, or national glory, either in peace or in war. The encouragement is not necessary to secure an ample supply. It is not pretended that the supply is ever likely to be stinted or insufficient. The largest domestic supply in any one year, was about 85,000,000 lbs or 87,000 hogheads. That supply is only about two per cent. of the whole production of the sugar regions in the world. The production abroad, and in much finer climates than Louisiana, can be almost indefinitely extended—and we are within a few days sail of the finest sugar countries in the world. In time of peace, the supply from abroad will be both cheap and abundant. Our peculiar position on the globe, and the pacific character of our people and institutions, justify the expectation of many years of peace—most probably for a century to come we shall have none, or but few years of war. Our legislation therefore, to be wise, should be directed to that state which is not only the natural, but likely, by the blessing of God, to be the most durable. But in time of

war—putting out of the view other means of supply—our commercial marine, to which an opposite policy would give rapid growth and development, under cover of our gallant navy, would supply all our wants. But sir, is it wise, is it just, to inflict a certain evil upon the whole people for the benefit of a few to the extent of a tax of two and a half millions of dollars yearly, to guard against the contingency of a war which is not likely to happen, but which, if it comes, can bring with it, in this respect, but very slight and temporary evils? Sir, look to the Tariff upon this single article, and the effects which will be produced by twenty-five years' perseverance. In twenty-five years, at the present and the necessary increasing rates, the people of the United States will have paid to the sugar planters of Louisiana, more than eighty millions of dollars—a sum nearly equal to the debt of the revolution—the price of our liberties, and for what benefit? Will they be able to purchase domestic sugar cheaper after having paid this tax for 25 years? No, sir, nor as cheap as the foreign. The cost of production will be necessarily greater in Louisiana than in the finer climates.

Then, sir, how are the people to be indemnified for paying this eighty millions of dollars to the sugar planter? No one has told and no one can tell. Then, sir, where is the benefit? The direct benefit goes exclusively to the sugar planters—the recipients of the tax—but an indirect benefit arises to the other bandit interests, by securing the vote of Louisiana, to enable them to make similar exactions from the great planting interests of the country. Sir, is there any intelligent man who believes that if the sugar planters were the only persons in the country seeking protection, from Congress ten votes, aye, a single vote, could be obtained beyond the limits of Louisiana, in favor of an imposition of an annual tax of four millions of dollars for their benefit? No man believes it.

If, then, this subject has nothing intrinsic to justify this tax, how does it acquire an additional merit by its connexion with other protected interests? Sir, this tax has no merit, and ought instantly to be reduced to a mere revenue tax. Even then it would be more encouraged than all the other planting interests. Sir, I shall not stop to refute the allegation so often put forth, that the home competition has reduced the price of sugar. I will offer one illustration however. It has been seen that the whole domestic production bears about the same proportion to the whole quantity of foreign sugar, as two or two and a half does to one hundred. How can such an immense mass of the foreign article be essentially affected in its price by an addition to the whole quantity of only two per cent? Suppose a merchant has on hand ninety-eight hogheads of sugar each worth \$100, but another merchant brings into the same market two hogheads making the supply greater than the demand—in that case the price must fall; but how much? Certainly not to an extent exceeding the whole value of the two hogheads. Why not? Because rather than let the price go lower, so as to affect the ninety-eight hogheads, the owner of them would find it his interests to buy up the two hogheads, or what is equivalent, would withhold from the market two of his own. Now how stands the case? The ninety-eight hogheads are worth \$9,800—but two hogheads come into market and are about to reduce the price—two hogheads of the ninety-eight are withheld—and the price remains firm, and the ninety-six brought into market are worth \$6,600—and so it is demonstrated that if the two hogheads reserved are entirely lost, (which in practice would not be the fact,) yet the loss by the increased supply of two per cent, is only \$186—equal to two per cent upon the value of the whole.

Apply these principles to the price of the whole supply in all the markets of the world, and the results will be similar, in truth, identical—that is to say, as our whole domestic produce is only two or two and a half per cent. of the whole supply of the article—so the introduction of ours into the markets of the world, could lower the price at most only two or two and a half per cent. And yet we see, by reference to the prices, that brown sugar, which in 1816 was worth from twelve to sixteen cents, is now worth only from six to eight cents—and, in Cuba, the qualities which in 1816 and '17 were worth from six to eight cents, are now selling at from two to three cents. The allegation therefore, seems to me, as I think it must seem to all impartial persons, as utterly preposterous, in the sense, and to the extent, put forth.

The causes of reduction of prices, which have alike affected, protected, and unprotected articles, lie much deeper than the tariff laws, of 1818, 1824, and 1828. I will not now stop to investigate them.

Sir, the views which I have presented in relation to the article of sugar, with others which might be suggested to enhance our detestation of the inequality, injustice, and profligacy of this system, applied with equal or nearly equal force to all the other protected articles, to iron, hemp, wool, coarse wools, &c. These favored classes of industry are bountied and thrive, while all other classes bear

the burthen and dwindle. Agriculture, the paramount interest, is taxed to exhaustion; he who tills the earth, and he who ploughs the main, are plundered, under color of law, of their legitimate profits to sustain a band of monopolists, who, by contrivance and concert, have drawn into their view a majority of the country, and effect to give law to political parties, have long since assumed a tone of dictation to Congress and the Executive. Is it possible, Sir, that this state of things can endure? Is it possible that the people, an overwhelming majority of whom are laborers and derive their support from the cultivation of the earth, can be much longer galled into acquiescence, or dragged into submission—that they will sustain a policy the effect of which is to make the rich richer, and the poor poorer?

The great difficulty, consists in opening the eyes of the people to their true condition. The most of them have been too much engaged in their necessary avocations to study and to comprehend this multifarious subject. It is the interest of monopolists, of capitalists, of all those who consume more of the fruits of the earth than they produce by the sweat of their brow—to disseminate false opinions, to league together in appropriating to themselves the bounties conferred by the government, or in speculating upon the distresses occasioned by this ruinous and accursed policy.

Sir, I regard the adoption of the present mode of taxation, as the the deepest and most unfortunate error of the ages who formed and adopted the Constitution. It is so artfully disguised that it may insinuate itself into the community, reach every class and condition of society, diminish the profit of labor, and impair the springs of industry, unseen and almost unsuspected. It enhances the price of almost every thing—of the salt that seasons the poor man's dish, the iron that points his plough, the woolen that covers his body, the glass that lights his dwelling, the beverage that slakes his thirst—it burthens almost all the comforts and enjoyments of his life, in eating, and drinking, in his raiment, in walking in riding, in reading, and in sleeping—and in *articulo mortis*, it clings to the coffin that receives his mortal remains, and the spade that prepares his last home, where he may sleep with his fathers, and mingle with mother earth.

Sir, this indirect taxation has operated as a withering blight upon all the fruits of southern industry—it is converting the finest region of the earth into hopeless sterility and comparative desolation.

Look, Sir, at the relative condition of the grand divisions of the confederacy at the adoption of the Constitution. The North and East were not only comparatively but positively poor—the South, with a genial climate and a kindly soil, was teeming with the rich fruits of the earth, and rejoicing in the midst of abundance. The export of raw material of the plantation States gave employment to the principal part of our foreign tongue—and streams of wealth were pouring in from every quarter of the globe upon that delightful region. But, sir, the first great act under the new government—the funding of the debt of the Revolution—laid the foundation of a system of policy, and gave efficacy to a mode of taxation, which have enriched regions naturally poor, and impoverished regions naturally rich.

How has this stage, and at the first view, almost incredible result, been effected? It has grown out of the diversity of pursuits in these great sections, acted upon by a mode of taxation onerous to one and beneficial to the other.

In the early period of the Government the whole war debt of the Revolution was funded—a large proportion of it belonged to the northern and eastern States, and their citizens became purchasers of much the largest portion of the residue—that is to say, the whole debt of the United States, contracted by the old Congress, and the war debt of the several States, were made the debt of the new government. It issued certificates, subject to be transferred, which were held by the creditors, and the interests were regularly paid, in like manner as shares are held in a bank, and interest paid to the stockholders.

The people to the South, then unburthened by excessive taxation, could make larger profits upon capital invested in land and slaves than the interest upon the public funds. They, therefore, instead of purchasing, were anxious to sell their government stock, and invest the proceeds in the planting business. In the North and East, agricultural labor being less productive, the people there were anxious to invest their means in Government stock. The interests, therefore, upon the whole public debt was flowing regularly to the North and East—and when we reflect that at least three-fourths of the taxes raised for the payment of the principal and interest, were levied upon the South, and the whole amount disbursed in the North and East, in the extinguishment of the principal and interest of the debt—and when we reflect that this combined operation has been applied to the debt of the revolutionary war; that for the purchase of Louisiana; the immense war

debt of 1812-'16; and that for the purchase of Florida—our shall begin to discern some of the great causes which have forced the profits of labor to flow from the South to the North and East, in a deep, strong, and steady current, not wholly unlike the great gulf stream of the ocean. It is in this way that the unequal action of the Government has more than counterbalanced the counties of providence—that those delightful regions of the South, upon which Heaven seemed to have smiled with beneficence, are silently passing into decay and sterility, while the frozen North is unlocking its arms to receive the fruits of our industry, and wherever where exhibiting evidences of prosperity, and monuments of wealth and greatness. This view of the subject suggests a train of melancholly reflections. It exhibits in the strongest light the diverse and conflicting interests of great sections of the country, and confirms the conviction that this indirect taxation, through the medium of impost—reduce it as you may—even to the minimum of the necessities of the Government—will still operate as a perpetual drain upon the profits of Southern labor—upon the exporting States—and transfer its benefits to the North and East, or non-exporting States. It also affords a solution of the fact of the constant and steady opposition of the plantation States to high taxes and prodigal expenditures; and the equally steady and persevering efforts of other great sections of the confederacy to augment the revenue and squander the surplus in appropriations to all sorts of objects. It enables us also to comprehend, in some measure, that political paradox—which to a simple and plain man involves a perversion of language and confusion of ideas—that a national debt is a public blessing. Sir, it has been a blessing to that great section of this country which has been cheered and invigorated by its refreshing streams; but a positive evil upon the whole region of the South. It enables us also to understand something of the motives of that ridicule and denunciation which have been levelled at the present Chief Magistrate, for his avowed anxiety to extinguish that debt, and relieve the people from a portion of their burthens.

Sir, the extinguishment of the national debt will be felt as an evil by the monopolists and capitalists of the North and East inasmuch as annual flow of ten or twelve millions of dollars, in that direction, will be discontinued; and inasmuch as longer access to high taxes ceasing, and apprehension of reduction, at the moment when so much capital is let loose, will beget difficulty and anxiety in making investments in pursuits highly profitable or exorbitantly bountied.

Sir, this part of the subject awakens painful reminiscences of the tendency of Governments in other countries and other times—of the humiliating fact, illustrated upon almost every page of history, that all Governments have been so cunningly devised, and curiously constructed, as to burden the many and benefit the few—to increase the strength of the powerful, and perpetuate the feebleness of the weak.—We had believed that our Revolution, which was achieved for the sake of principle, and not to escape from practical oppression, had opened upon the world brighter hopes. We had hoped that our Constitution, which rests upon the immutable rights of man, and the principles of eternal justice, would guarantee to feebleness support and protection, and impose upon the powerful, wholesome and efficient restraints. Sir, we have long enjoyed this pleasing delusion, but is it not delusion?

To a superficial observer, ours seems to be, in fact what it is in theory, a Government of the many, for the benefit of the many. A closer investigation discloses the truth, that it is, practically, a Government of the smallest possible majority, over the largest possible minority—that the largest minority is laid under contribution to augment the aggregate of exactions, and the majority is let down to the lowest safe point, to enhance the value of the dividends. And that this majority, thus small and effective, is in fact, wielded by a combination of monopolists, capitalists, and adventuring politicians, who divide among themselves the richest spoils of their triumphs, and throw but a crumb—if indeed as much—to the more servile party. And, sir, where is the check upon combinations for selfish and unprincipled exactions? The check of responsibility entirely fails; for though the dominant majority is responsible to their immediate constituents, yet they are under no responsibility to the millions who are laid under contribution. There is no responsibility of the parts to each other. Hence, in a widely extended confederacy, embracing large sections of dissimilar and conflicting interests, combinations upon the selfish principle may be formed, without fear of responsibility, and grind into the very dust large and flourishing regions. This has been the precise operation of the Tariff system and the Tariff surrogates.

Sir, I say it with deep reluctance, but I find it my solemn duty to say it, that I can scarcely conceive of a Government more injurious, than one which enables irresponsible and profligate majorities, in a widely extended country, inviting to de-

predation and rapine, by dissimilar and conflicting interests, to lay under contribution whole sections, and all the profits of industry peculiar to those sections.

Sir, it is this view of the subject which is most deeply interesting to every individual who lives by the cultivation of the earth in the Southern States. The whole South is subjected to a system of exaction, such as has never been long borne by any free people upon the globe.

I shall endeavor to illustrate this position, not by a resort to political metaphysics, but by presenting those facts and considerations which lie upon the surface of things, and are level to the meanest capacity. Looking into the tables of our domestic exports, I take a year, which is believed to be a fair average of their relative proportions, in all respects for several years.

The whole exports of the United States, for that year of the growth and produce of the United States, amount to \$49,574,079

Of that whole amount the articles of Southern production only amount as follows. To wit:

The Rice to	\$1,553,482
Cotton to	24,035,045
Tobacco to	6,222,837

For wheat, naval stores of all sorts, and other exports from the South, cannot be precisely ascertained, but is believed to be about

5,000,000

36,511,080

\$13,062,991

From the foregoing statement it appears, that the Southern States, comprising not one-third of the whole population of the Union, actually export annually, to foreign countries, near three-fourths of the whole exports of domestic growth and production.

How is it, sir, that with such an immense export, the South is growing poorer? How is it that the Northern population, comprising two-thirds of the whole population, export not more than one-fourth and yet are abounding in all the comforts and luxuries of foreign countries, and increasing daily in prosperity? How are the North enabled to buy and consume such a proportion of foreign imports? It is not because they buy them with produce exported. No, Sir. It is not by means of invading their capital that they are enabled so to multiply their enjoyments.—They are too prudent for that, and besides their career to prosperity is constantly onward. Then, sir, how is it that they can consume nearly two-thirds of the whole importation, when they do not send abroad of their own produce, one-third of the value of that which they consume, and when they do not invade their capital?

Sir, the most that they would be entitled to in the value of their exports, enhanced by the profits of freight upon exports and imports; and yet they consume more than double the whole amount of their exports and freight. How is it done? It is through the instrumentality of the Tariff system, which I will now explain.

The Tariff, by enhancing the price of the foreign article to the whole amount of the duty, enables the domestic manufacturer to bring his manufactures, of like kind, into the market, and sell them for a price equal or nearly equal to the foreign article, burthened as it is with a high duty. The domestic article is sent to the South and sold for high profits, and drains off in that way a large part of the income of the southern planter, for his cottas and tobacco—and these profits, so made by the manufacturer, enable him to consume of the foreign importation. Now the average of all the duties has been accurately calculated, and it exceeds forty-five per cent. The South, therefore, pays upon all they consume either forty-five per cent. upon the price, if it be the foreign article, or about the same amount in the enhanced price of the domestic article. It is in this enhanced price, produced by the duties on imports, that the North extracts from the South a large share of their profits of planting; and by the use of those profits, so extracted, the North is enabled to substitute itself for the South, and consume the imports, which in the absence of the tax, would have been the legitimate fruits of Southern labour. In other words, the products of southern labour, as they are used in the foreign exchanges, are burthened with a tax of forty-five per cent.—The products of Northern labour, as they are not used in foreign exchanges, are entirely free from tax—hence an inequality which, in the long run, must of necessity be ruinous to the South.

Again, the Southern planter, who makes a bale of cotton, is just as much entitled to it, as the Northern manufacturer, who makes a piece of cloth, is entitled to his cloth. This is couched on all hands for both the bale of cotton and the piece of cloth, are the fruits of their labour respectively.

But both wish to carry their articles to market—and both are permitted to do it free of tax. But mark the consequence. The planter sends his cotton to Liverpool to exchange for cloth, but when he brings his cloth home he is taxed at the custom house, and told that he must surrender forty-five yards in the hundred. The planter then retains only five yards, though he has honestly earned one hundred.—The Northern manufacturer is not only permitted to keep his whole piece of one hundred yards, but by the intervention of the Tariff, he is enabled to sell it at an advance of forty or forty-five per cent. upon the natural price. How then stands the case? Here are two men who have each earned one hundred yards of cloth by their labour, worth one hundred dollars per piece at the natural price—I mean, by natural price; the cost of production. The Southern man is compelled to give up forty-five yards, and is permitted to keep fifty-five yards—worth fifty-five dollars. The Northern manufacturer is not only permitted to keep his 100 yards, worth one hundred dollars, but, by the aid of the Tariff, he is enabled to sell his one hundred yards say for one hundred and forty dollars. That is, the one hundred dollars worth of labour of the Southern man, is, in the long run, by the intervention of the Tariff, made to be worth eighty-five dollars less than the one hundred dollars worth of labour of the Northern manufacturer. I exclude any enhancement of the price of the fifty-five pieces—because in the practical operation, they are purchased for consumption. Is it possible to conceive a case of more trying hardship? And yet this illustrates truly the operation of the Tariff.

To do equal justice, the Government, if it taxes by import the Southern man's piece of cloth when imported, should also tax by export the Northern manufacturer's piece to the same amount—and therefore ought not this to be the case? Has not the Southern man just as much earned by his labour his piece, as the Northern manufacturer has earned his by his labour? This is one of the bitter fruits of indirect taxes. And to whatever amount the revenue may be reduced, the same principle will act, and the like results, to that extent, will be produced.

Sir, this is the great secret of the ruinous transfer of the profits of Southern labour, to augment the prosperity of the North and East.

Again, it is said that the consumer pays the import duties. Though not assenting to that proposition, I will admit that principle in this argument. The Government collects a revenue upon imports of say twenty-three millions a year. The South exports three-fourths of the products, which are exchanged for the imports upon which these twenty-three millions are levied—that is to say, seventeen millions of the duties are levied on goods exchanged for the products of Southern labour.—Repeal the Tariff, and the South would be entitled to consume or to sell three-fourths of the imports. But under existing circumstances—say the South consumes one-half the imports—the one South as consumers, pay duties on a value of eleven and a half millions. The other half is consumed in the North and East—that is to say, they are consumed in consideration of their exports—and of course pay, as consumers, six millions of dollars—but the North and East are also to consume the residue of the imports, upon which five and a half millions of duties are to be paid. Now, how are the non-exporting States either to pay the five and a half millions, or to acquire the whole imports, upon which that sum is levied?

It is done precisely in the manner before stated—that is to say, although the South pays only half the taxes in fact instance, (or any other proportion, which, whatever it may be, is wholly immaterial, and leaves wholly unaffected the truth of the argument,) still the South has suffered the North to extract from the profits of the Southern labour, by the enhanced prices of the domestic manufactures, a sum that enable the North to substitute itself as a consumer in place of the South, and actually to enjoy the fruits of which the South has been most unjustly stripped by means of the Tariff.

So that, in fact, the South pays directly and indirectly upon consumption, one and three-fourths—exceeding two-thirds of the whole revenue of the Government collected upon imports. To give entire accuracy to the statement, it is necessary to deduct the amount of freight and the taxes upon the amount consumed, by those who substitute themselves as consumers, by reason of sales of unprotected articles in the South, the principal of which consists of live stock.

When we advert, sir, not only to the ruinous inequality in levying the taxes of this Government, but also to that other and more unequal operation—the discharge of at least three-fourths of the revenue in the non-exporting States, we shall be able to discern the causes which have produced results so advantageous to the Tariff States, and so disastrous to the planting States.

Sir, it would be an alleviation of these evils, severe as they are upon a great section of the Union, if we could know that this policy augmented the national wealth and the national prosperity. But, sir, such is not the fact. It is susceptible of demonstration, that this policy diminishes the aggregate of national wealth.

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