Western Carolinian.

It is even wise 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. The wisdom of legislation is especially seen in grafting laws on conscience.

Dr. Channing.

—BY BURTON CRAIGE.] SALISBURY, ROWAN COUNTY, N. C.....MONDAY AUGUST 13, 1832. [VOL., XIII.....NO 636.

TERMS.

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SECOND SPEECH

Of MR. McDUFFIE, of S. Carolina, on the Bill proposing a reduction of the Duties on imports. Delivered in the House of Representatives, June 1832.

Mr. SPEAKER: I should claim the privilege of detaining the House for a short time, in this last stage of its proceedings on this bill, if it were for no other purpose than to bestow some small mark of respect upon the memory of an unfortunate bantling of mine which was cruelly destroyed in the Committee of the whole, and left there without even the common rites of christian burial, overlaid and smothered by this foul monster which I am now called upon to adopt in its stead, and from which it is my principal purpose to tear off the veil, and expose its deformity to this House and this nation.

It will be recollected, that, early in the session, the Committee of Ways and Means reported a bill on this subject, which involved, in my opinion, the only just and equitable provisions upon which the tariff can be permanently adjusted. The principle of that bill was, that the whole revenue raised by taxation should be derived from equal ad valorem duties upon imports; and the southern States manifested a spirit of liberal concession, in consenting that more than one half of this revenue should be levied on their exports, or in other words upon the productions of their industry. Even by this bill, all was concession on the part of the south, and more than one half of the duties would have been bounties to the industry of the north. But it was not deemed worthy of serious consideration. It was unceremoniously put aside in the Committee of the Whole, and nothing has been heard of it since. I will now proceed to make an analytical examination of the bill upon which we are about to pass; and I think I can satisfy any impartial audience, that, so far from having any claims to be considered as a compromise, it is the most unequal, unjust, and therefore the most oppressive tariff that has ever been enacted by Congress, not excepting that of 1828.

In the first place, let us inquire what will be the aggregate amount of the reduction which it will effect in the public revenue. According to the detailed estimate of the Secretary of the Treasury, founded upon the provisions of the bill as it originally came from the Committee on Manufactures, the reduction would have been only $4,177,000, even if it should be assumed that no increase of importations would result from the diminution of the duties. Since the bill was reported, however, several alterations have been made in its provisions, some increasing and some diminishing the rates of duty. The effect of these I have minutely investigated, and find the result to be, that the bill as it now stands, will effect a reduction something larger than that estimated by the Secretary, the precise amount being $4,624 000. What, then, will be the annual amount of the revenue after this act shall have gone fully into operation? The House was told yesterday by the gentleman from Massachusetts, that it was most unreasonable to object to this bill, in as much as it would reduce the taxes some five, six, eight or ten millions of dollars—a very loose and extraordinary mode of stating the result of an estimate made by the chairman of a committee, upon which the House is called upon to found an important act of legislation! Five millions of variation is certainly a very liberal allowance for errors in an estimate which is susceptible of reasonable certainty! The Secretary of the Treasury estimated the revenue which would be derived from imports during the present year, under the laws, at $26,500,000. Deduct from this amount of the reduction proposed, and we have still an annual revenue of very nearly twenty two millions of dollars derived from imports. I confidently affirm that it will be at least twenty millions. Add to this the income from the public lands, and the bank dividends, and we have a revenue of $23,500,000. This is about the average annual revenue of the last ten years, and will leave an annual surplus of ten millions of dollars, making the most liberal allowance for the public expenditures.

But let us go into the details of these reductions, and see how they operate. Upon iron and iron manufactures the reduction is $108,000; on wool and woollens, $427,000; on cotton manufactures, including sailcloths, $109,000; and on cotton bagging and other small articles, about $20,000. These include all the reductions on the entire list of those imports which are received in exchange for southern exports, and amount to only $844,000. But these reductions, as I will proceed to show are much more than counterbalanced by other provisions of the bill relative to cash duties and diminished credits on those protected articles.

It was the opinion of Judge Baldwin, that the withdrawal of the credits now allowed on the importation of woollens, would be equivalent to an increase of fifteen per centum in the protecting duties imposed upon them; and I know it to be the opinion of some of the most intelligent of our merchants that it is fully equal to an increase of ten per centum. Assuming the annual amount of the importation of woollens to be $10,000,000, it follows that, on these articles alone, there will be an increase of 1,000,000 added to the burthens of the protecting system, to counterbalance the nominal reduction of $427,000. But the credits on all other protected articles are reduced on an average four and a half months, which is equivalent to five per centum, upon the principle laid down as to woollens. Assuming the amount of these articles annually imported to be $25,000,000, we have $1,250, 000 as the increase of the burthens of the protecting duties, to be placed in contrast with a nominal reduction of $117-000. It results that the aggregate annual burthen of the protecting duties levied on southern productions is nominally reduced $844,000, and increased $2,-250,000, leaving the sum of $1,106,000 as the actual increase of the burthens of the south. And this, sir, is the olive branch of conciliation and compromise which is to be held out to the southern States to induce them to submit with patience to this scheme of injustice and oppression!

But, sir, the inequality of this delusive plan of reduction is greatly increased, and its injustice greatly aggravated by the other provisions of the bill. To whom, sir, is the relief really extended which this bill provides? Is it to the south, that depressed region which, groaning under the whole brunt of the protecting system, is actualy sinking under the weight of its intolerable oppression? So far from it, sir, we have seen that the additional burthen imposed upon the foreign exchanges alone of the south, will be $1,106,000, while, as I will now show, the foreign exchanges of the north will be actually relieved from duties to which they are now subject to the amount of $3,780,000. And this relief, sir, will be of the most substantial and vicious nature. For at least three millions of it will result from admitting, almost entirely free of duty, foreign articles which are exclusively imported in exchange for the productions of the northern States, and a large portion of which is exclusively consumed in those States.

The existing duties on the articles made entirely free by this bill, amount to $939,000; those on tea, which will come in with a mere nominal duty of one cent a pound, amount to about $1,400,000; those on coffee, which will pay only half cent a pound, amount to $257,000; those on silks which will come will come in under a duty of ten per centum, amount to about $300,000; and those on wines to $84-000.

In addition to these articles of the unprotected class, there is one of the protected articles which is almost exclusively purchased with the productions of northern industry, upon which a reduction is made. I allude to brown sugar. Assuming the annual import for consumption to be sixty millions of pounds, the reduction will amount to $360,000.

With the exception of the wines and a portion of silks, all these are the peculiar exchanges of the northern or manufacturing States, being either purchased with their productions, or acquired by their navigating industry.

It is a matter of curiosity, sir, as well of useful illustration, to look a little more minutely into the detail of those articles which are to be admitted free of duty, or at a mere nomial duty, by this bill. Among the free articles, I find cocoa, almonds, raisins, figs, currants, dates, filberts, nutmegs, cinnamon ginger, olives, grapes, pine apples, and all those foreign luxuries which supply the tables and finish the feasts of the wealthy, intended, no doubt, for the specicial benefit of the aristocracy which this system is calculated to create and maintain. We have also in the same category, marble, paintings and drawings, to ornament—not the palaces of the poor to which reference was made by the gentleman from Massachusetts, in his report—but the palaces of those nabobs who have become wealthy by having the earnings of the poor transferred to them through the agency of this system of legislation. Then, sir, we have among the favored articles, cashmere shawls, tortoise-shell, musk, and fankincense, to ornament and perfume ladies who move in the highest circles; and *rattans and quissing glasses* for the benefit of that most useful and productive class, usually known by the name of dandies. Finally, sir, there is a long list of dye stuffs and other materials for domestic manufactures, including the indigo of the poor constituents of my colleague, for which he endeavored in vain to obtain the incidental protection of a low revenue duty,) which are exclusively consumed in the manufacturing States.

What then is the true operation of this bill, considered in reference either to the different classes of the community, or to the different sections of the Union? How does it respond to the just claims of the south at this great crisis of our history, when the extinguishment of the public debt has put it in the power, and made it the duty of Congress to do an act of grace and of justice to that deeply aggrieved portion of the confederacy? Why, sir, it has actually increased the positive burthens of the southern States to a considerable extent, and very greatly increased their comparative burthes. In the first place, five-sixths of the amount of the reductions are upon luxuries used only by the higher classes. But, in the second place, and what I consider of much more importance to my constituents, five-sixths of these reductions are upon imports of the manufacturing States, operating almost exclusively for the benefit of the productive industry of those States.

An analysis of our foreign commerce will show that *our trade with the East and West Indies*, consists almost entirely of exchanging the productions of the tariff States for the productions of these two portions of the globe; and that our trade with Europe consists as exclusively of exchanging the agricultural staples of the planting States for the various kinds of manufactures which we import. While this bill has actually increased the burthens imposed upon this latter branch of our trade, which is vital to the prosperity of the planting States, it has almost entirely removed even the ordinary burthens of taxation from the former branch. One of my strongest objections to this bill, and one which would induce me to vote against it if I had no other, is this offensive discrimination which it makes between protected and unprotected articles. The latter, which are, of all our imports, the most appropriate objects of taxation, whether we regard the productions of the soil or of industry, are admitted almost entirely free of duty, while the entire burthens of federal taxation are thrown upon those articles which have the most indisputable claims to entire exemption. Upon what principle, and for what purpose, are the former class of articles admitted free of all duty? I have frequently heard it asked, "will southern men who are so much opposed to taxation, complain that we take off the duties from tea, coffee, wines silks, and other luxuries?" Yes, sir, we do complain of this—not because it reduces duties, but because in proportion as you diminish the revenue derived from these northern exchanges, you superinduce a necessity of imposing and maintaing still heavier duties on the productions and exchanges of southern industry. Do gentlemen suppose I am such a dupe as to be persuaded that this is nothing to me? Do they imagine that the people of the south are a people of one idea, and that they are so utterly stupid as to be incapable of perceiving that a proposition to take off the duties from the exchanges of the manufacturing States, is equivalent to a proposition to put on the same amount of duties upon the exchanges of the planting States! A certain amount of revenue is necessary for the support of Government; and the less you raise of this amount from the exchanges of the north, the more you must necessarily raise from those of the south.

And here I cannot but remark with what a keen sagacity the gentlemen of the north can perceive the benefits and blessings of free trade when the productions of their own industry constitute the basis of it. When they send their own products and their own notions to foreign coutries, they have a most clear unclouded apprehension of the advantage which will result to them from being permitted to import free of duty, the articles which they receive in exchange. They would regard him as a madman who would doubt the policy of free trade in this particular branch of commerce. But the moment we attempt to apply the same principles to the productions and exchanges of the southern States, their perceptions and reasoning faculties undergo a total change; and they wonder that the planters of the south are so blinded by their prejudices as not to perceive the very great advantage of being prevented from going to the best market with their productions, or, if they do go, of being compelled to pay a penalty of 40 or 50 per cent. for their folly.

I will venture to affirm, sir, not only that the peculiar burthens of the south are undiminished by this bill, but that the protection which it gives to all the various classes of manufactures is decidedly greater than that which they received under the tariff of 1828. And I am very certain that no intelligent manufacturer would vote against this bill, unless from some peculiar causes which may countervail its general provisions in certain cases.

Can any one be so blind as not to see that the reduction, or, more properly speaking, the repeal of the duties on tea, coffee, dye stuffs, manufacturing materials, and on most of the manufactured articles, will operate as an additional protection to the northern manufactures? There are two modes of giving this protection to the manufacturing States: the one consists in imposing duties upon such articles as they make themselves; the other in taking off or diminishing duties on such articles as they consume, and do not make at home, but import from abroad in exchange for some of their own domestic productions. In this twofold aspect of the subject, I regard this as one of the most ingeniously contrived schemes of protection that has ever been presented to Congress.

Of the reduction of duties for which this bill provides, about one half is as direct a protection to the manufacturers as if it had consisted in an increase of duties on the articles they make. In proportion as you reduce the cost of tea and coffee you diminish the wages of the operatives, and, in proportion as you diminish the cost of the materials used by the manufacturers, you diminish the cost of producing their manufactures.

And here, sir, I will call the attention of the House to another view of this subject. It has all along been the source of complaint, on the part of the Planting States, that, as they produced two thirds of the exports, they consequently sustained two-thirds of the burthens of federal taxation. It has been assumed, in urging this complaint, as the facts of the case have heretofore warranted, that the northern exports have been subject to very nearly the same average of duties with those of the south. The ground of the complaint has been, not that the northern exports were exempted from taxation, but that they were so small in amount as to cause a very unequal distribution of the burthens of taxation. And how is this complaint answered? By removing or diminishing the inequality? No, sir, but by increasing it beyond all proportion. The domestic exports of the manufacturing States amount to about $18,000,000, against $40,000,000 belonging to the planting States. It is obvious, that, in this state of things, even an equal *ad valorem* duty on all imports, would throw upon the planting States more than double their due proportion of the public burthens. But how does this bill provide? Under it, about two thirds of the imports will be obtained abroad for northern productions shall come in free of duty, and the remaining third be subject to the ordinary burthens of taxation. In this estimate, I regard tea and coffee as being substantially free, as the duties retained are scarcely worth the trouble and expenses of collecting them. Indeed I can conceive of no object to be gained by retaining these mere nominal duties, unless it be to provide employment for an additional number of custom house officers. The result of the whole is, that only about six or seven millions of the exports of the northern States will be at all subject to the burthens of taxation, while the entire forty millions of the southern exports will be subject, not only to revenue duties, but to high protecting duties.

Looking to the entire operation of the whole scheme as a measure both to raise revenue and grant indirect bounties, it may be confidently affirmed that the manufacturing States will not feel the burthens of this bill at all as a measure of taxation. Am I wrong? Is this mere idle speculation? I will take up the bill, item, by item, and make every advocate of this system in the House verify what I have said in the most decisive manner. I will propose to them, successively, to strike out every article upon which a duty is levied. Will any one be striken out? Would a majority of this House, as a mere matter of pecuniary calculation, agree to reduce any one of the duties in this bill, with the possible exception of some small articles of no moment! Every body knows that they would not consent to repeal or reduce a burthen imposed upon them or their constituents! I cannot believe any man would have so much effrontery, and, if any one should, his words would have very little weight when put into the scale against his deeds. I have felt it to be my duty to present this brief exposition of the practical operation of this bill. I have endeavored to show that it diminishes the revenue very little, and the burthens of the country still less and that, while it does reduce the aggregate burthen of the whole country, it greatly increases that inequality of which the southern States have so long and so ineffectually complained.

It is brought forward, sir, as a measure of compromise, and whatever other gentlemen may think, there is no public act which I would not sooner perform than to give any sanction to it directly or indirectly. I take it for granted, that if it should pass with the overwhelming sanction of the votes by which it was last night ordered to a third reading, so far as the Congress of the United States is concerned, the door of hope will be forever closed upon the south. Yes, sir, I shall regard the passage of this bill by such a vote, and under such auspices, as irrevocably fixing the destinies of the southern States so far as *this* Government *can* fix their destinies.

I will now ask the indulgence of the House while I notice, very briefly, some of the arguments which have been advanced in the course of this proceeding against the positions which I laid down in opening this discussion. I have said, sir, that the effect of this bill will be to throw the whole of the fiscal burthens of this Government on the planting States: and, I will add, that the manufacturing States will hail it with one accord, as a blessing, instead of regarding it as a burthen. The principles which have conducted me to this conclusion have been controverted by various gentlemen, and, among others, by a worthy colleague of mine, (Col. Drayton,) who could not comprehend the process by which the exchangeable value of cotton is reduced by protecting duties levied upon the manufactures received in exchange for it. A gentleman from Massachusetts (Mr. DAVIS) repeating the argument which he used two years ago, and my colleague repeating it after him, maintain that if the *value* of our cotton could be reduced by our protecting duties, it would follow that the *price* of American cotton must be lower in the markets of Europe than that of East India or Brazilian cotton of the same quality. Now, it is to be regretted that gentlemen who have done me the honor to notice my argument, had not taken the very trifling pains which it would have cost them to understand what it really was. Two years ago, when I discussed this question here, and every time I have discussed it since, I disclaimed the idea that our duties could materially diminish the price of American, or any other cotton, in Liverpool or Manchester, in as strong and emphatic language as I could command. I distinctly stated that the *value of cotton in the United States* was diminished by the duties levied on the imports received for it, because the *price* of it *in Europe* could not *be enhanced* in consequence of these duties. I complained, that whether I sold my cotton for money or for manufactures I got less for it in consequence of the duty, than I could have obtained if no such duty existed. That, in case I exchanged it reetly for manufactures in Liverpool, it was [illegible] that, if the Government should take one third of them, or, which is the same thing, fifty per cent, on their value, I should be deprived of just that proportion of the powers, and the exchangeable value of my cotton would be, to that extent, diminished. This, sir, was my argument. It rested, exclusively, to the last piece of exchangeable value of American cotton, and assumed that this exchangeable value was fifty per cent. greater in Europe than it was in the United States in purchasing manufactures, in consequence of a fifty per cent duty imposed on those manufactures.

If, for example, the cotton planter of Brazil is permitted to import British manufactures without paying any duty to his Government, is it not self evident that the exchangeable value of his cotton would be fifty per cent. greater than that of the American cotton planter, though each of them should receive the same price or the same quantity of manufactures in Liverpool! The Brazilian would be permitted to import and retain the whole of his manufactures, while the American would be permitted to retain only two-thirds of his.

If South Carolina should enjoy a perfectly free trade, and Georgia should continue to be subject to this protecting system, is it not apparent that the South Carolina cotton would be worth from to four cents more in the pound to the South Carolina planter and people, than the Georgia cotton would be worth to the Georgia planters and people, though both would still receive the same price in Europe? Cotton would command just so much more of the comforts and enjoyments of life in South Carolina than it would in Georgia; and, assuming fifty per cent. as the average duties paid in Georgia, South Carolina would be just as wealthy with one hundred thousand bales of cotton as Georgia would be with one hundred and fifty thousand. If any thing can be plainer than this, I should like to know what it is.

But in case a planter should exchange his cotton for money in Liverpool, and bring this into the United States, I maintained that the effect of the duties could not be evaded in this way, because money would be depreciated in comparison with every thing he wished to buy in the United States; or, in other words, the exchangeable value of money would be diminished exactly in proportion to the enhanced price of manufactures.

The gentlemen from Massachusetts, who first spoke on this question, (Mr. APPLETON,) answering very triumphantly, an argument which I did not use, and ingeniously passing over the one I did use, maintained, what no human being ever thought of denying, "that a dollar in the United States, as compared with a dollar in England could not be depreciated more than about two and a half per cent.; this being the cost of transporting specie from one country to the other." It is not to be doubted, sir, that a silver dollar or a gold eagle of the United States, if the coin be genuine, will pay a debt of this amount in England; and if these coins were depreciated in the United States more than two and a half per cent., *as compared with the same coin in England*, they would be carried out by the course of exchange; provided the Americans had any debts to pay in England.

But every practical man, who knows any thing of the laws of trade, must perceive that no one who did not owe money in England would buy a bill of exchange on that country, though money should be depreciated in the United States to the full extent of the protecting duties, *as compared with protected manufactures*. And as debts in England are only contracted, in point of fact, by purchasing manufactures, it is obvious that a bill on England would never rise above the natural rate of exchange, though money in the United States, as compared with manufactures, should be worth 33½ per cent. less than it should be worth in England.

Let us put the matter to a plain test. I affirm that the value of money here, in purchasing manufactures, is 33½ per cent. less than it is in England. The gentleman from Massachusetts says this cannot be so; for that, if it were, the rate of exchange would indicate it, and bills on England would be fifty per cent. above par. He, accordingly, purchases a bill for one thousand dollars, and gives fifteen hundred dollars for it. But to what purpose can he apply this bill in England? Will he purchase manufactures, costing one thousand dollars, to bring them here and sell them at the market price? If he should do so, he would have to pay the Government five hundred dollars at the custom-house, which would be precisely equivalent to the premium he had paid for his bill; and it follows that he would sustain a clear loss by the operation to the full amount of that premium.

It is obvious, therefore, that unless the value of money in the United States should be depreciated more than 33½ per cent. below its value in England it would never rise above their natural rate of two or three per cent., so long as the protecting duties remained at an average of fifty per cent.

But one of the gentlemen from Massachusetts, (Mr. DAVIS,) feeling, perhaps, the deficiency of his argument, endeavored to relieve himself from his difficulty by resorting to a figure which has been very frequently, and very appropriately applied to this subject. He said that we could not "put up money in the United States," but that, like water, it would naturally seek its own level. Now, sir, without going very deeply into the doctrines of hydrostatics, I should suppose that the gentleman, living as he does, in a country where machinery is impelled by water, must have seen many proofs that water can not only be raised, but permanently retained above its natural level. If a good and substantial dam, should be thrown across the current of a stream, and raised to the elevation of ten feet above that current, the result would be that the current would be suspended until the water above the dam should be raised ten feet, when it would begin, and continue to run over the dam in precisely as large a volume as that which ran before in the natural channel.—And, sir, as long as the dam should continue, this artificial accumulation of water in the pond would be thus maintained above its natural level. If the gentleman had taxed his imagination for the purpose, he could not have furnished me with a more apposite and forcible illustration of my proposition.

Protective duties upon imports operate as a great national check dam. When first imposed, they necessarily suspend the importation of the articles to which they apply, and money continues to accumulate until it rises to the level of this legislative embankment, when the importation of the taxed articles is again resumed. And as, in the case of the water, the same quantity of foreign manufactures will come into the United States, paying the duties, that originally came in without any duty, unless those exports be diminished which are the true fountain source of this branch of our commerce.

One of the most obvious effects of those commercial restrictions which give an artificial value to certain productions, is to increase the quantity of money which is necessary to circulate those productions.—If the protecting system has added an average of fifty per cent. to the nominal value or money price of all the protected articles it follows, as a mere corollary, that a proportionately larger sum of the precious metals, or of their representatives, paper credit and circulation, is now necessary to affect the exchanges of the community, in those articles, than would be necessary if the protecting system were repealed. And this additional supply of money was originally furnished at the exclusive expense of the planting States, for the exclusive benefit of the manufacturing States, and amounts to nothing less than a permanent authority to the manufacturers to draw this sum annually from the income of the planters.

Money is a mere measure of value, and if your restrictive laws increase the money price of manufactures 50 per cent., while they certainly add nothing to the money price of cotton, they, in effect, enact that the planter shall give a bale and a half of