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ADDRESS

Of the Philadelphia Society for the promotion of Domestic Industry, to the citizens of the United States.

No. 1.

The Philadelphia Society for the promotion of Domestic Industry respectfully solicit your attention to a few brief essays on topics of vital importance to your country, yourselves, and your posterity.

The subject discussed in these essays, will be political economy, which, in its broad and liberal sense, may be fairly styled the science of promoting human happiness; than which a more noble subject cannot occupy the attention of men endowed with liberal minds, or inspired by public spirit.

It is to be regretted that this sublime science has not had adequate attention bestowed on it in this country. And, unfortunately, so many contradictory systems are in existence, that statesmen and legislators, disposed to discharge their duty conscientiously, and for that purpose to study the books on this subject, are liable to be confused and distracted by the unceasing discordance in the views of the writers.

It is happily, nevertheless, true, that the leading principles of the science, which safely conduct to the important and beneficial results, that are its ultimate object, are plain and clear; and require, to be distinctly comprehended and faithfully carried into effect, no higher endowments than good sound sense, and rectitude of intention.

It is a melancholy feature in human affairs, that prudence and error often produce as copious a harvest of wretchedness as absolute wickedness. Hence arises an indispensible conviction of the imperious necessity, in a country where so many of our citizens may aspire to the character of legislators and statesmen, of a more general study of this science, a thorough knowledge of which is so essential a requisite, among the qualifications for those important stations.

To remove all doubt on this point, we shall adduce, in the course of these essays, instances in which single errors of negotiators and legislators have entailed full as much, and in many cases more, misery on nations, than the wild and destructive ambition of conquerors. Unless in some extraordinary instances, a sound policy on the restoration of peace, heals the wounds inflicted by war, and restores a nation to its pristine state of ease and comfort. But numerous cases are on record, wherein an article of a treaty, of ten or a dozen lines, or an impolitic or unjust law, has germinated into the most ruinous consequences for a century.

It is our intention, in these essays, 1. To review in detail the policy of those nations which have enjoyed a high degree of prosperity, with or without any extraordinary advantages from nature; and likewise of those whose prosperity has been blasted by fatuous counsels, notwithstanding great natural blessings;

2. To examine the actual situation of our country, in order to ascertain whether we enjoy the advantages to which our happy form of government and local situation entitle us; and, if we do not, to investigate the causes to which the failure is owing;

3. To develop the true principles of political economy, suited to our situation & circumstances, and calculated to produce the greatest sum of happiness throughout the wide expanse of our territory.

In this arduous undertaking, we request a patient and candid hearing from our fellow citizens. We fondly hope for success; but if disappointed, we shall have the consolation of having endeavored to discharge a duty every good citizen owes to the country which protects him,—the duty of contributing his efforts to advance its interest and happiness.

As a preliminary step, we propose to establish the utter fallacy of two maxims, supported by the authority of the name of Adam Smith, but pregnant with certain ruin to any nation by which they may be carried into operation.

This writer stands so pre-eminent in the estimation of a large portion of Christendom, as the Delphic Oracle of political economy, and there is such a magic in his name, that it requires great hardihood to encounter him, and a high degree of good fortune to obtain a fair and patient hearing for the discussion.

But at this enlightened period, we trust our citizens will scorn to surrender their reason to the guidance or guardianship of any authority whatever. When a position is presented to the mind, the question ought to be, not who delivered it, but what is its nature, and how is it supported by reason and common sense, and especially by fact. A theory, how plausible soever, and however propped up by a beard-roll of great names, ought to be regarded with suspicion, if unsupported by fact,—but if contrary to established fact, it ought to be unhesitatingly rejected.—This course of procedure is strongly recommended by the decisive fact, that, in

the long catalogue of wild, ridiculous and absurd theories on morals, religion, politics or science, which have had their reign among mankind, there is hardly one that has not reckoned among its partisans men of the highest celebrity. And in the present instance, the most cogent and conclusive facts, bear testimony against the political economist, great as is his reputation.

We hope, therefore, that our readers will bring to this discussion, minds wholly liberated from the fascination of the name of the writer whose opinions we undertake to combat, and a determination to weigh the evidence in the scales of reason, not those of prejudice.

In order to render Dr. Smith full justice, and to remove all ground for cavil, we state his positions at length, and in his own language. "To give the monopoly of the home market to the produce of domestic industry, in any particular art or manufacture, is in some measure to direct private people in what manner they ought to employ their capitals; and must, in almost all cases, be either a useless or an hurtful regulation. If the domestic produce can be brought there as cheap as that of foreign industry, the regulation is evidently useless. If it cannot, it must be generally hurtful."

"It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy. The tailor does not attempt to make his own shoes, but buys them of the shoemaker. The shoemaker does not attempt to make his own clothes, but employs a tailor. The farmer attempts to make neither the one nor the other, but employs these different artificers. All of them find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbors; and to purchase, with a part its produce, or, what is the same thing, with the price of a part of it, whatever else they have occasion for."

"That which is prudence in the conduct of every private family, can scarcely be folly in that of a great kingdom. If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it from them, with some part of the produce of our own country, employed in a way in which we have some advantage."

"The general industry of the country being in proportion to the capital which employs it, will not thereby be diminished, any more than that of the above-mentioned artificers; but only left to find out the way in which it can be employed with the greatest advantage. It is certainly not employed to the greatest advantage, when it is thus directed towards an object which can buy it cheaper than it can make. The value of its annual produce is certainly more or less diminished, when it is thus turned away from producing commodities evidently of more value than the commodity which it is directed to produce. According to the supposition, that commodity could be purchased from foreign countries cheaper than it can be made at home. It could, therefore, have been purchased with a part only of the commodities, or, what is the same thing, with a part only of the price of the commodities, which the industry employed by an equal capital would have produced at home, had it been left to follow its natural course."

There is in the subordinate parts of this passage much sophistry and unsound reasoning, which we shall examine on a future occasion; and there is likewise, as in all the rest of the doctor's work, a large proportion of verbiage, which is admirably calculated to embarrass and confound common understandings, and prevent their forming a correct decision. But, stripped of this verbiage, and brought naked and unsophisticated to the eye of reason, the main proposition which we at present combat and to which we here confine ourselves, is, that,

"If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them, with some part of the produce of our own industry, employed in a way in which we have some advantage."

The only rational mode of testing the correctness of any maxim or principle, is to examine what have been its effects where it has been carried into operation, and what would be its effects in any given case where it might be applied. This is the plan we shall pursue, in this investigation.

Great-Britain affords a felicitous instance for our purpose. Let us examine what effect the adoption of this maxim would produce on her happiness and prosperity.

There are above a million of people, of both sexes and of all ages, employed, in that country, in the woollen and cotton manufactures. By their industry in these branches, they make for themselves and families, a comfortable subsistence. They afford a large and steady market for the productions of the earth, giving support to, probably, at least a million of persons engaged in agriculture. They, moreover, enrich the nation by bringing into it, wealth from nearly all parts of the earth. The immense sums of money they thus introduce into their native country, afford

means of employment and ensure happiness to other millions of subjects—and thus, like the circles made on the surface of the stream by the central pebble thrown in, the range of happiness is extended so wide as to embrace the whole community.

From this cheering prospect, let us turn the startled eye to the masses of misery, which Dr. Smith's system would produce, and we shall then behold a hideous contrast, which we trust escaped the doctor's attention; for the acknowledged goodness and benevolence of his character, will not allow us to believe that he would have been the apostle of such a pernicious doctrine, had he attended to its results. We fondly hope that, like many other visionary men, he was so deeply engaged in the fabrication of a refined theory, that he did not arrest his progress to weigh its awful consequences.

The East Indies could, at all times, until the recent improvements in machinery, have furnished cotton goods at a lower rate than they could be manufactured in England, which had no other means of protecting her domestic industry, but by a total prohibition of the rival fabrics. Let us suppose that France, where labour and expenses are much lower than in England, has possessed herself of machinery, and is thus enabled to sell woollens at half, or even at three-fourths, or seven-eighths of the price of the English rival commodities. Suppose, further, that articles manufactured of leather are procurable in South America, and iron wares in Russia, below the rates in England. Then if the statesmen of that nation were disciples of Adam Smith, as "foreign countries can supply them with those commodities cheaper than they themselves can make them," they must, according to the doctor, "buy from them with some part of the produce of their own country," and accordingly open their ports freely to these various articles, from these four particular nations. Who can contemplate the result without horror? What a wide spread scene of ruin and desolation would take place! The wealth of the country would be swept away, to enrich foreign & probably hostile nations, which might, at no distant period, make use of the riches and strength thus gratuitously placed in their hands, to enslave the people who had destroyed themselves by following such baleful counsels.—The labouring and industrious classes would be at once bereft of employment, reduced to a degrading state of dependence and mendicity, and, through the force of misery and distress, driven to prey upon each other, and upon the rest of the community. The middle classes of society would partake of the distress of the lower, and the sources of the revenues of the higher orders be dried up. And all this terrific scene of woe, and wretchedness, and depravity, is to be produced for the grand purpose of procuring broad-cloth, and muslins, and shoes, and iron-ware, in remote parts of the earth, a few shillings per yard, or piece, or pound, cheaper than at home! The manufacturers of Bombay, Calcutta, and Paris, and Lyons, and Petersburg, are to be fed, and clothed, and fostered by English wealth, while those of England, whom it ought to nourish and protect, are expelled from their workshops, and driven to seek support from the overseers of the poor.—We trust this will not be thought a "fancy sketch." Such a view of it would be an extravagant error. It is sober, serious reality; and puts down for ever this plausible, but ruinous theory. Ponder well on it, fellow-citizens.

Let us suppose another strong case.—The cotton produced in this country, amounts probably, to forty millions of dollars annually. We will suppose the minimum of the price, at which it can be sold to pay for the labor and interest on the capital employed in its culture, to be fourteen cents per pound. We will further suppose, that the southern provinces of Spanish America have established their independence, and are able to supply us with this valuable raw material at the rate of ten cents. Ought we, for the sake of saving a few cents per pound, to destroy the prospects and ruin the estates of a million of the inhabitants of the southern states—to paralyze a culture so immensely advantageous, and producing so large a fund of wealth, and strength, and happiness? Should we, for such a paltry consideration, run the risk of consequences which cannot be regarded without awe, and which could not fail eventually to involve in ruin even those who might appear in the first instance to profit by the adoption of the system? It may be well worth while to proceed a step further, and take the case of a nation able to supply us fully and completely with wheat and other grain at a lower rate than our farmers could furnish them. Thus then we should find ourselves pursuing Adam Smith's sublime system—buying cheap bar-tons of wheat or flour from one nation, cotton from another, hardware from a third, and, to pursue the system throughout, woollen and cotton and linen goods from others; while our country was rapidly impoverishing of its wealth, its industry paralyzed, the laboring part of our citizens reduced to beggary, and the far

mers, planters, and manufacturers involved in one common mass of ruin. This picture demands the most sober and serious attention of the farmers and planters of the United States.

It may be asserted, that the supposition of our country being fully supplied with cotton and grain by foreign nations, is so improbable, as not to be admissible even by way of argument. This is a most egregious error: our supposition so far as respects cotton is in "the full tide of successful experiment." That article to a great amount, is even at present imported from Bengal, and sold at a price so far below our own, (difference of quality considered) that our manufacturers find the purchase eligible. Let it be considered, that in 1789 doubts were entertained whether cotton could be cultivated in the United States; that, in the year 1794, there were exported from this country, of foreign and domestic cotton, only seven thousand bags; and yet that in 1817, the amount exported was above eighty millions of pounds. No man can be so far misled as to suppose that Heaven has given us any exclusive monopoly of the soil and climate calculated for such extraordinary and almost incredible advances. The rapid strides we have made may be also made by other nations. And setting South America wholly out of the question, it can hardly be doubted, from the spirit with which the culture of cotton is prosecuted in the East Indies, and the certainty that the seeds of our best species have been carried there that in a few years the country will be able, provided Adam Smith's theory continues to be acted upon here, to beat our planters out of their own markets, after having driven them from those of Europe. It is not, therefore, hazarding much to assert, that the time cannot be very remote, when southern cotton industry will be compelled to supplicate Congress for that legislative protection, for which the manufacturing industry of the rest of the Union has so earnestly implored that body; and which, had it been adequately afforded, would have saved from ruin numerous manufacturing establishments, and invaluable machinery, which cost millions of dollars—now a dead and irreparable loss to the enterprising proprietors. Had these establishments been preserved, and duly protected, they would have greatly lessened our ruinously unfavorable balance of trade, and of course prevented that pernicious drain of specie, which has overspread the face of our country with distress, and clouded (we trust only temporarily) as fair prospects are ever dawn on any nation."

We have given a slight sketch of the effects the adoption of this system would produce in England and the United States if carried into full and complete operation, and also glanced at the consequences its partial operation has already produced in the latter. We now proceed to take a very cursory view (reserving detail for a future occasion) of its lamentable results in Spain and Portugal, where the statesmen are disciples of Adam Smith, and where the theory which now goes under the sanction of his name, has been in operation for centuries. As "foreign countries can supply them with commodities cheaper than they themselves can make them," they therefore consider it "better to buy from them, with some part of the produce of their own country."

Fellow citizens, consider the forlorn and desperate state of those countries, notwithstanding the choicest blessings of Nature have been bestowed on them with lavish hand,—industry paralyzed, and the enormous floods of wealth, drawn from their colonies, answering no other purpose but to foster and encourage the industry, and promote the happiness of rival nations;—and all obviously and undeniably

* This view may appear too gloomy. Would to heaven it were! A cursory glance at some of the great interests of the U. State, will settle the question. Cotton, the chief staple of the country, is falling, and not likely to rise; as the immense quantities from the East Indies have glutted the English market, which regulates the price in ours. Affairs in the Western country, on which so many of our importers depend, are to the last degree unpromising. The importers, of course, have the most dreary and sickening prospects before them. They are deeply in debt, and their resources almost altogether suspended, and a large proportion ultimately precarious. Commerce and navigation languish every where, except in the most ruinous branch we carry on—that to the East Indies. Further, notwithstanding nearly eight millions of specie were imported in about a year, so great has been the drain, that the banks generally are so slenderly provided, as to excite serious uneasiness. We are heavily indebted to England, after having remitted immense quantities of government and bank stock, whereby we shall be laid under a heavy and perpetual annual tax for interest.—Our manufactures are in general drooping; and some of them are one-half or two-thirds suspended. Our cities present the distressing view of immense numbers of useful artisans and mechanics and manufacturers, able and willing to work, but unable to procure employment. We might go on with the picture to a great extent; but presume enough has been stated to satisfy the most incredulous, that the positions in the text are by no means exaggerated.

the result of the system of buying goods where they are to be had cheapest, to the neglect and destruction of their domestic industry. With such awful beacons before your eyes, can you contemplate the desolating effects of the system in those two countries, without deep regret that so many of our citizens and some of them in high and elevated stations, advocate its universal adoption here, and are so far enamoured of Dr. Smith's theory, that they regard as a species of heresy the idea of appealing to any other authority, on the all important and vital point of the political economy of nations!

To avoid prolixity, we are obliged to postpone the consideration of the rest of the errors of Dr. Smith on this subject; & shall conclude with a statement of those maxims of political economy, the soundness of which is established by the experience of the wisest as well as the most fatuitous nation of the earth.

I. Industry is the only sure foundation of national virtue, happiness and greatness, and in all its useful shapes and forms, has an imperious claim on governmental protection.

II. No nation ever prospered to the extent of which it was susceptible, without due protection of domestic industry.

III. Throughout the world, in all ages, wherever industry has been duly encouraged, mankind have been uniformly industrious.

IV. Nations, like individuals, are in a career of ruin when their expenditures exceed their income.

V. Whenever nations are in this situation it is the imperious duty of their rulers to apply such remedies, to correct the evil, as the nature of the case may require.

VI. There are few, if any, political evils, to which a wise legislature, untrammelled in its deliberations and decisions, cannot apply an adequate remedy.

VII. The cases of Spain, Portugal & Italy, prove, beyond controversy, that no natural advantages, how great or abundant soever will counteract the baleful effects of unwise systems of policy; and those of Venice, Genoa, Switzerland, Holland & Scotland, equally prove that no natural disadvantages are insuperable by sound policy.

VIII. Free government is not happiness.—It is only the means, but, wisely employed, is the certain means, of ensuring happiness.

IX. The interests of agriculture, manufactures and commerce, are so inseparably connected, that any serious injury offered by one of them, must materially affect the others.

X. The home market for the productions of the earth and manufactures, is of more importance than all the foreign ones, even in countries which carry on an immense foreign commerce.

XI. It is impossible for a nation, possessed of immense natural advantages, in endless diversity of soil and climate—in productions of inestimable value—in the energy and enterprize of its inhabitants—and unshackled by an oppressive debt, to suffer any general distress, in its agriculture, commerce or manufactures, (calamities of seasons excepted) unless there be vital and radical errors in its system of political economy.

BY AUTHORITY.

An act authorising the Postmaster General to contract, as in other cases, for carrying the mail in Steam Boats, between New-Orleans in the state of Louisiana, and Louisville, in the state of Kentucky.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Postmaster-General may, and he is hereby authorised to, contract for the transportation of the mail in steam-boats, between New-Orleans, in the state of Louisiana, and Louisville, in the state of Kentucky, for any term of time, not exceeding four years in any one contract, in the same way and manner as he lawfully may, for the carriage of it by land; but the whole expense of sending the mail in steam-boats shall not exceed that of transmitting the same by land. Approved—March 2, 1819.

An act for the relief of Aquila Giles. Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the proper accounting officers of the Treasury Department be, and they are hereby authorised and directed to settle the claim of Aquila Giles, on account of a warrant issued by D. Lincoln, dated December twenty-eighth, seventeen hundred and eighty-two, and attested by Joseph Carleton, expressing on its face to have issued for the balance of his pay as a major for that year, for five hundred dollars, and the amount which may be found due shall be paid to the said Aquila Giles out of any moneys in the Treasury not otherwise appropriated: Provided, that any sum or sums of money with which he may stand charged on the books of the Treasury be first deducted out of said amount. Approved—March 3, 1819.

An act for the relief of Harold Smyth. Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the proper accounting officers of the Treasury Department be, and they are hereby, authorised to audit and settle the accounts of Harold Smyth, late a Captain in the army of the United States and Quarter-master at Fort M'Henry upon the principles of equity and justice. Approved—March 3, 1819.