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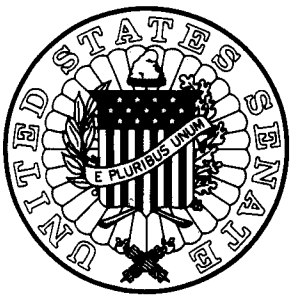
United States Senator

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# Henry Clay

## THE AMERICAN SYSTEM [1]

## February 2, 3, and 6, 1832

## (In the Senate)

In one sentiment, Mr. President, expressed by the honorable gentleman from South Carolina, [Mr. HAYNE] [2] though, perhaps, not in the sense intended by him, I entirely concur. I agree with him, that the decision on the system of policy embraced in this debate involves the future destiny of this growing country. One way, I verily believe, it would lead to deep and general distress, general bankruptcy, and national ruin, without benefit to any part of the Union. The other, the existing prosperity will be preserved and augmented, and the nation will continue rapidly to advance in wealth, power, and greatness, without prejudice to any section of the confederacy.

Thus viewing the question, I stand here as the humble but zealous advocate, not of the interests of one state, or seven states only, but of the whole Union. And never before have I felt more intensely the overpowering weight of that share of responsibility which belongs to me in these deliberations. Never before have I had more occasion than I now have, to lament my want of those intellectual powers, the possession of which might enable me to unfold to this Senate, and to illustrate to this people, great truths intimately connected with the lasting welfare of my country. I should, indeed, sink, overwhelmed and subdued, beneath the appalling magnitude of the task which lies before me, if I did not feel myself sustained and fortified by a thorough consciousness of the justness of the cause which I have espoused, and by a persuasion, I hope not presumptuous, that it has the approbation of that Providence who has so often smiled upon these United States.

Eight years ago, it was my painful duty to present to the other house of Congress an unexaggerated picture of the general distress pervading the whole land. We must all yet remember some of its frightful features. We all know that the people were then oppressed and borne down by an enormous load of debt; that the value of property was at the lowest point of depression; that ruinous sales and sacrifices were everywhere made of real estate; that stop laws and relief laws and paper money were adopted to save the people from impending destruction; that a deficit in the public revenue existed, which compelled government to seize upon, and divert from its legitimate object, the appropriation to the sinking fund, to redeem the national debt; and that our commerce and navigation were threatened with a complete paralysis. In short, sir, if I were to select any term of seven years since the adoption of the present Constitution, which exhibited a scene of the most widespread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824.

### "Existing state of unparalleled prosperity"

I have now to perform the more pleasing task of exhibiting an imperfect sketch of the existing state of the unparalleled prosperity of the country. On a general survey, we behold cultivation extended, the arts flourishing, the face of the country improved, our people fully and profitably employed, and the public countenance exhibiting tranquility, contentment, and happiness. And, if we descend into particulars, we

[1] U.S., Congress, Senate, *Register of Debates in Congress*, 22d Cong., 1st sess., pp. 257–95.

[2] Robert Y. Hayne (1791–1839) served in the Senate, 1823–1832 (See Speech No. 1).

have the agreeable contemplation of a people out of debt; land rising slowly in value, but in a secure and salutary degree; a ready, though not extravagant market for all the surplus productions of our industry; innumerable flocks and herds browsing and gamboling on ten thousand hills and plains, covered with rich and verdant grasses; our cities expanded, and whole villages springing up, as it were, by enchantment; our exports and imports increased and increasing; our tonnage, foreign and coastwise, swelling and fully occupied; the rivers of our interior animated by the perpetual thunder and lightning of countless steamboats; the currency sound and abundant; the public debt of two wars nearly redeemed; and, to crown all, the public treasury overflowing, embarrassing Congress, not to find subjects of taxation, but to select the objects which shall be liberated from the impost. If the term of seven years were to be selected of the greatest prosperity which this people have enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824.

This transformation of the condition of the country from gloom and distress to brightness and prosperity, has been mainly the work of American legislation, fostering American industry, instead of allowing it to be controlled by foreign legislation, cherishing foreign industry. The foes of the American System, in 1824, with great boldness and confidence, predicted, 1st. The ruin of the public revenue, and the creation of a necessity to resort to direct taxation. The gentleman from South Carolina, [Mr. HAYNE] I believe, thought that the tariff of 1824 would operate a reduction of revenue to the large amount of eight millions of dollars. 2d. The destruction of our navigation. 3d. The desolation of commercial cities. And 4th. The augmentation of the price of objects of consumption, and further decline in that of the articles of our exports. Every prediction which they made has failed—utterly failed. Instead of the ruin of the public revenue, with which they then sought to deter us from the adoption of the American System, we are now threatened with its subversion, by the vast amount of the public revenue produced by that system. Every branch of our navigation has increased. As to the desolation of our cities, let us take, as an example, the condition of the largest and most commercial of all of them, the great northern capital. I have in my hands the assessed value of real estate in the city of New York, from 1817 to 1831. This value is canvassed, contested, scrutinized, and adjudged, by the proper sworn authorities. It is, therefore, entitled to full credence. During the first term, commencing with 1817, and ending in the year of the passage of the tariff of 1824, the amount of the value of real estate was, the first year, $57,799,435, and, after various fluctuations in the intermediate period, it settled down at $52,019,730, exhibiting a decrease, in seven years of $5,779,705. During the first year of 1825, after the passage of the tariff, it rose, and, gradually ascending throughout the whole of the latter period of seven years, it finally, in 1831, reached the astonishing height of $95,716,485! Now, if it be said that this rapid growth of the city of New York was the effect of *foreign commerce*, then it was not correctly predicted, in 1824, that the tariff would destroy foreign commerce, and desolate our commercial cities. If, on the contrary, it be the effect of internal trade, then internal trade cannot be justly chargeable with the evil consequences imputed to it. The truth is, it is the joint effect of both principles, the domestic industry nourishing the foreign trade, and the foreign commerce, in turn, nourishing the domestic industry. Nowhere, more than in New York, is the combination of both principles so completely developed. In the progress of my argument I will consider the effect upon the price of commodities, produced by the American System, and show that the very reverse of the prediction of its foes, in 1824, has actually happened.

Whilst we thus behold the entire failure of all that was foretold against the system, it is a subject of just felicitation to its friends, that all their anticipations of its benefits have been fulfilled, or are in progress of fulfillment. The honorable gentleman from South Carolina has made an allusion to a speech made by me, in 1824, in the other house, in support of the tariff, and to which, otherwise, I should not have particularly referred. But I would ask anyone, who could now command the courage

to peruse that long production, what principle there laid down is not true? what prediction then made has been falsified by practical experience?

It is now proposed to abolish the system to which we owe so much of the public prosperity, and it is urged that the arrival of the period of the redemption of the public debt has been confidently looked to as presenting a suitable occasion to rid the country of the evils with which the system is alleged to be fraught. Not an inattentive observer of passing events, I have been aware that, among those who were most eagerly pressing the payment of the public debt, and, upon that ground, were opposing appropriation to other great interests, there were some who cared less about the debt than the accomplishment of other objects. But the people of the United States have not coupled the payment of *their* public debt with the destruction of the protection of *their* industry, against foreign laws and foreign industry. They have been accustomed to regard the extinction of the public debt as relief from a burden, and not as the infliction of a curse. If it is to be attended or followed by the subversion of the American system, and an exposure of our establishments and our productions to the unguarded consequences of the selfish policy of foreign powers, the payment of the public debt will be the bitterest of curses. Its fruit will be like the fruit

> Of that forbidden tree, whose mortal taste
> Brought death into the world, and all our wo,
> With loss of Eden.

If the system of protection be founded on principles erroneous in theory, pernicious in practice—above all, if it be unconstitutional, as is alleged, it ought to be forthwith abolished, and not a vestige of it suffered to remain. But, before we sanction this sweeping denunciation, let us look a little at this system, its magnitude, its ramifications, its duration, and the high authorities which have sustained it. We shall see that its foes will have accomplished comparatively nothing, after having achieved their present aim of breaking down our iron founderies, our woollen, cotton, and hemp manufactories, and our sugar plantations. The destruction of these would undoubtedly lead to the sacrifice of immense capital, the ruin of many thousands of our fellow citizens, and incalculable loss to the whole community. But their prostration would not disfigure, nor produce greater effect upon the *whole* system of protection, in all its branches, than the destruction of the beautiful domes upon the Capitol would occasion to the magnificent edifice, which they surmount. Why, sir, there is scarcely an interest, scarcely a vocation in society, which is not embraced by the beneficence of this system.

It comprehends our coasting tonnage and trade, from which all foreign tonnage is absolutely excluded.

It includes all our foreign tonnage, with the inconsiderable exception made by treaties of reciprocity with a few foreign powers.

It embraces our fisheries, and all our hardy and enterprising fishermen.

It extends to almost every mechanic art: to tanners, cordwainers, tailors, cabinetmakers, hatters, tinners, brass-workers, clock-makers, coach-makers, tallow-chandlers, trace-makers, rope-makers, cork-cutters, tobacconists, whip-makers, paper-makers, umbrella-makers, glass-blowers, stocking-weavers, button-makers, saddle and harness-makers, cutlers, brush-makers, bookbinders, dairymen, milk-farmers, blacksmiths, type-founders, musical instrument-makers, basket-makers, milliners, potters, chocolate-makers, floor-cloth makers, bonnet-makers, hair-cloth makers, copper-smiths, pencil-makers, bellows-makers, pocket book-makers, card-makers, glue-makers, mustard-makers, lumber-sawyers, saw-makers, scale-beam-makers, scythe-makers, wood-saw-makers, and many others. The mechanics enumerated enjoy a measure of protection adapted to their several conditions, varying from 20 to 50 percent. The extent and importance of some of these artisans may be estimated by a few particulars. The tanners, curriers, boot and shoe-makers, and other workers in hides, skins, and leather, produce an ultimate value per annum of $40 millions; the manufacturers of hats and caps produce an annual value of $15 millions; the cabinetmakers, $12 millions; the manufacturers of bonnets and hats for the female sex, lace, artificial flowers, combs, etc.,

$7 millions; and the manufacturers of glass, $5 millions.

It extends to all lower Louisiana, the delta of which might as well be submerged again in the Gulf of Mexico, from which it has been a gradual conquest, as now to be deprived of the protecting duty upon its great staple.

It affects the cotton planter [3] himself, and the tobacco planter, both of whom enjoy protection.

The total amount of the capital vested in sheep, the land to sustain them, wool, woollen manufactures, and woollen fabrics, and the subsistence of the various persons directly or indirectly employed in the growth and manufacture of the article of wool, is estimated at $167 million, and the number of persons at 150,000.

The value of iron, considered as a raw material, and of its manufactures, is estimated at $26 million per annum. Cotton goods, exclusive of the capital vested in the manufacture, and of the cost of the raw material, are believed to amount, annually, to about $20 million.

These estimates have been carefully made by practical men, of undoubted character, who have brought together and embodied their information. Anxious to avoid the charge of exaggeration, they have sometimes placed their estimates below what was believed to be the actual amount of these interests. With regard to the quantity of bar and other iron annually produced, it is derived from the known works themselves; and I know some in western states which they have omitted in their calculations.

### Tariff history

Such are some of the items of this vast system of protection, which it is now proposed to abandon. We might well pause and contemplate, if human imagination could conceive the extent of mischief and ruin from its total overthrow, before we proceed to the work of destruction. Its duration is worthy, also, of serious consideration. Not to go behind the Constitution, its date is coeval with that instrument. It began on the ever memorable 4th day of July—the 4th day of July, 1789. The second act which stands recorded in the statute book, bearing the illustrious signature of George Washington, laid the cornerstone of the whole system. That there might be no mistake about the matter, it was then solemnly proclaimed to the American people and to the world, that it was *necessary* for "the encouragement and *protection* of manufactures," that duties should be laid. It is in vain to urge the small amount of the measure of protection then extended. The great principle was then established by the fathers of the Constitution, with the Father of his Country at their head. And it cannot now be questioned, that, if the government had not then been new and the subject untried, a greater measure of protection would have been applied, if it had been supposed necessary. Shortly after, the master minds of Jefferson and Hamilton were brought to act on this interesting subject. Taking views of it appertaining to the departments of foreign affairs and of the treasury, which they respectively filled, they presented, severally, reports which yet remain monuments of their profound wisdom, and came to the same conclusion of protection to American industry. Mr. Jefferson argued that foreign restrictions, foreign prohibitions, and foreign high duties, ought to be met, at home, by American restrictions, American prohibitions, and American high duties. Mr. Hamilton, surveying the entire ground, and looking at the inherent nature of the subject, treated it with an ability which, if ever equalled, has not been surpassed, and earnestly recommended protection.

The wars of the French revolution commenced about this period, and streams of gold poured into the United States through a thousand channels, opened or enlarged by the successful commerce which our neutrality enabled us to prosecute. We forgot, or overlooked, in the general prosperity, the necessity of encouraging our domestic manufactures. Then came the edicts of Napoleon, and the British orders in council; and our embargo, nonintercourse, nonimportation, and war, followed in rapid succession. These national measures, amounting to a total suspension for the period of their du-

[3] To say nothing of cotton produced in other foreign countries, the cultivation of this article, of a very superior quality, is constantly extending in the adjacent Mexican province; and, but for the duty, probably a large amount would be introduced into the United States, down Red River and along the coast of the Gulf of Mexico. [Clay note]

ration, of our foreign commerce, afforded the most efficacious encouragement to American manufactures; and, accordingly, they everywhere sprung up. Whilst these measures of restriction and this state of war continued, the manufacturers were stimulated in their enterprises by every assurance of support, by public sentiment, and by legislative resolves. It was about that period (1808) that South Carolina bore her high testimony to the wisdom of the policy, in an act of her legislature, the preamble of which, now before me, reads: "Whereas the establishment and *encouragement* of domestic manufactures is conducive to the interest of a State, by adding new *incentives to industry*, and as being the means of disposing, to advantage, the surplus productions of the *agriculturist*: And whereas, in the present unexampled state of the world, their establishment in our country is not only *expedient*, but politic, in rendering us *independent* of foreign nations." The legislature, not being competent to afford the most efficacious aid, by imposing duties on foreign rival articles, proceeded to incorporate a company.

Peace, under the treaty of Ghent, returned in 1815, but there did not return with it the golden days which preceded the edicts levelled at our commerce by Great Britain and France. It found all Europe tranquilly resuming the arts and the business of civil life. It found Europe no longer the consumer of our surplus, and the employer of our navigation, but excluding, or heavily burdening, almost all the productions of our agriculture; and our rivals in manufactures, in navigation, and in commerce. It found our country, in short, in a situation totally different from all the past—new and untried. It became necessary to adapt our laws, and especially our laws of impost, to the new circumstances in which we found ourselves. Accordingly, that eminent and lamented citizen, then at the head of the treasury, (Mr. Dallas) [4] was required, by a resolution of the House of Representatives, under date the 23d day of February, 1815, to prepare and report to the succeeding session of Congress a system of revenue conformable with the actual condition of the country. He had the circle of a whole year to perform the work, consulted merchants, manufacturers, and other practical men, and opened an extensive correspondence. The report which he made at the session of 1816, was the result of his inquiries and reflections, and embodies the principles which he thought applicable to the subject. It has been said that the tariff of 1816 was a measure of mere revenue; and that it only reduced the war duties to a peace standard. It is true that the question then was, how much, and in what way, should the double duties of the war be reduced? Now, also, the question is, on what articles shall the duties be reduced so as to subject the amount of the future revenue to the wants of the government? Then it was deemed an inquiry of the first importance, as it should be now, how the reduction should be made, so as to secure proper encouragement to our domestic industry. That this was a leading object in the arrangement of the tariff of 1816, I well remember, and it is demonstrated by the language of Mr. Dallas. He says, in his report,

> There are few, if any Governments, which do not regard the establishment of domestic manufactures as a chief object of public policy. The United States have *always* so regarded it. . . . The demands of the country, while the acquisition of supplies from foreign nations was either prohibited or impracticable, may have afforded a sufficient inducement for this investment of capital, and this application of labor; but the inducement, in its necessary extent, must fail, when the day of *competition* returns. Upon that change in the condition of the country, the preservation of the manufactures, which private citizens, under favorable auspices, have constituted the property of the nation, becomes a consideration of general policy, to be resolved by a recollection of past embarrassments; by the certainty of an increased difficulty of reinstating, upon any emergency, the manufactures which shall be allowed to perish and pass away, etc.

The measure of protection which he proposed was not adopted, in regard to some leading articles, and there was great difficulty in ascertaining what it ought to have been. But the *principle* was then distinctly asserted, and fully sanctioned.

The subject of the American System was again brought up in 1820, by the bill reported by the chairman of the Committee on Manufactures, now a member of the bench of the Su-

[4] Alexander J. Dallas (1759–1817) was secretary of the treasury, 1814–1816.

preme Court of the United States,[5] and the principle was successfully maintained by the representatives of the people; but the bill which they passed was defeated in the Senate. It was revived in 1824, the whole ground carefully and deliberately explored, and the bill then introduced, receiving all the sanctions of the Constitution, became the law of the land. An amendment of the system was proposed in 1828, to the history of which I refer with no agreeable recollections. The bill of that year, in some of its provisions, was framed on principles directly adverse to the declared wishes of the friends of the policy of protection. I have heard (without vouching for the fact) that it was so framed, upon the advice of a prominent citizen, now abroad, with the view of ultimately defeating the bill, and with assurances that, being altogether unacceptable to the friends of the American System, the bill would be lost. Be that as it may, the most exceptionable features of the bill were stamped upon it, against the earnest remonstrances of the friends of the system, by the votes of southern members, upon a principle, I think, as unsound in legislation as it is reprehensible in ethics. The bill was passed, notwithstanding, it having been deemed better to take the bad along with the good which it contained, than reject it altogether. Subsequent legislation has corrected very much the error then perpetrated, but still that measure is vehemently denounced by gentlemen who contributed to make it what it was.

Thus, sir, has this great system of protection been gradually built, stone upon stone, and step by step, from the 4th July, 1789, down to the present period. In every stage of its progress it has received the deliberate sanction of Congress. A vast majority of the people of the United States has approved, and continues to approve it. Every chief magistrate of the United States, from Washington to the present, in some form or other, has given to it the authority of his name; and, however the opinions of the existing president are interpreted south of Mason and Dixon's line, on the north they are, at least, understood to favor the establishment of a *judicious* tariff.

The question, therefore, which we are now called upon to determine, is not whether we shall establish a new and doubtful system of policy, just proposed, and for the first time presented to our consideration; but whether we shall break down and destroy a long established system, patiently and carefully built up, and sanctioned, during a series of years, again and again, by the nation and its highest and most revered authorities. And are we not bound deliberately to consider whether we can proceed to this work of destruction without a violation of the public faith? The people of the United States have justly supposed that the policy of protecting *their* industry, against *foreign* legislation and *foreign* industry, was fully settled, not by a single act, but by repeated and deliberate acts of government, performed at distant and frequent intervals. In full confidence that the policy was firmly and unchangeably fixed, thousands upon thousands have invested their capital, purchased a vast amount of real and other estate, made permanent establishments, and accommodated their industry. Can we expose to utter and irretrievable ruin this countless multitude, without justly incurring the reproach of violating the national faith?

I shall not discuss the constitutional question. Without meaning any disrespect to those who raise it, if it be debatable, it has been sufficiently debated. The gentleman from South Carolina suffered it to fall unnoticed from his budget; and it was not until after he had closed his speech and resumed his seat, that it occurred to him that he had forgotten it, when he again addressed the Senate, and, by a sort of protestation against any conclusion from his silence, put forward the objection. The recent free trade convention at Philadelphia, it is well known, were divided on the question; and although the topic is noticed in their address to the public, they do not *avow* their own *belief* that the American System is unconstitutional, but *represent* that *such* is the opinion of respectable portions of the American people. Another address to the people of the United States, from a high source, during the past year, treating this subject, does not *assert* the opinion of the distinguished author,

[5] Henry Baldwin of Pennsylvania (1780–1844) served in the House of Representatives, 1817–1822. In 1830 he was appointed to the Supreme Court by Andrew Jackson.

but *states* that of others to be that it is unconstitutional. From which I infer that he did not, himself, believe it unconstitutional.

[Here the VICE PRESIDENT [6] interposed, and remarked that if the Senator from Kentucky alluded to him, he must say that his opinion was, that the measure was unconstitutional.]

When, sir, [said Mr. CLAY] I contended with you, side by side, and with perhaps less zeal than you exhibited, in 1816, I did not understand you then to consider the policy forbidden by the Constitution.

[The VICE PRESIDENT again interposed, and said that the constitutional question was not debated at that time, and that he had never expressed an opinion contrary to that now intimated.]

I give way with pleasure, [said Mr. CLAY] to these explanations, which I hope will always be made when I say anything bearing on the individual opinions of the chair. I know the delicacy of the position, and sympathize with the incumbent, whoever he may be. It is true, the question was not debated in 1816; and why not? Because it was not debatable; it was then believed not fairly to arise. It never has been made, as a distinct, substantial, and leading point of objection. It never was made until the discussion of the tariff of 1824 [7] when it was rather hinted at, as against the *spirit* of the Constitution, than formally announced, as being contrary to the provisions of that instrument. What was not dreamt of before, or in, 1816, and scarcely thought of in 1824, is now made, by excited imaginations, to assume the imposing form of a serious constitutional barrier.

### Benefits to all sections

Such are the origin, duration, extent, and sanctions of the policy which we are now called upon to subvert. Its beneficial effects, although they may vary in degree, have been felt in all parts of the Union. To none, I verily believe, has it been prejudicial. To the North, everywhere testimonies are borne to the high prosperity which it has diffused. There, all branches of industry are animated and flourishing. Commerce, foreign and domestic, active; cities and towns springing up, enlarging and beautifying; navigation fully and profitably employed, and the whole face of the country smiling with improvement, cheerfulness, and abundance. The gentleman from South Carolina has supposed that we, in the West, derive no advantages from this system. He is mistaken. Let him visit us, and he will find, from the head of La Belle Rivière, at Pittsburg, to America, at its mouth, the most rapid and gratifying advances. He will behold Pittsburg itself, Wheeling, Portsmouth, Maysville, Cincinnati, Louisville, and numerous other towns, lining and ornamenting the banks of that noble river, daily extending their limits, and prosecuting, with the greatest spirit and profit, numerous branches of the manufacturing and mechanic arts. If he will go into the interior, in the state of Ohio, he will there perceive the most astonishing progress in agriculture, in the useful arts, and in all the improvements to which they both directly conduce. Then let him cross over into my own, my favorite state, and contemplate the spectacle which is there exhibited. He will perceive numerous villages, not large, but neat, thriving, and some of them highly ornamented; many manufactories of hemp, cotton, wool, and other articles. In various parts of the country, and especially in the Elkhorn region, an endless succession of natural parks; the forests thinned; fallen trees and undergrowth cleared away; large herds and flocks feeding on luxuriant grasses; and interspersed with comfortable, sometimes elegant mansions, surrounded by extensive lawns. The honorable gentleman from South Carolina says that a profitable trade was carried on from the West, through the Saluda gap, in mules, horses, and other livestock, which has been checked by the operation of the tariff. It is true that such a trade was carried on between Kentucky and South Carolina, mutually beneficial to both parties; but, several years ago, resolutions, at popular meetings, in Carolina, were adopted, not to purchase the produce of Kentucky, by way of punishment for her attachment to the

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[6] John C. Calhoun of South Carolina (1782–1850), vice president of the U.S. from 1825–1832, was presiding over the Senate at the time (See Speeches No. 5 and 7).

[7] Mr. Clay has been since reminded that the objection, in the same way, was first urged in the debate of 1820. [Clay note]

tariff. They must have supposed us as stupid as the sires of one of the descriptions of the stock of which that trade consisted, if they imagined that their resolutions would affect *our* principles. Our drovers cracked their whips, blew their horns, and passed the Saluda gap, to other markets, where better humors existed, and equal or greater profits were made. I have heard of your successor in the House of Representatives,[8] Mr. President, this anecdote: That he joined in the adoption of those resolutions, but when, about Christmas, he applied to one of his South Carolina neighbors to purchase the regular supply of pork for the ensuing year, he found that he had to give two prices for it; and he declared if *that* were the patriotism on which the resolutions were based, he would not conform to them, and, in point of fact, laid in his annual stock of pork by purchase from the first passing Kentucky drover. That trade, now partially resumed, was maintained by the sale of western productions on the one side, and Carolina money on the other. From that condition of it, the gentleman from South Carolina might have drawn this conclusion, that an advantageous trade may exist, although one of the parties to it pays in specie for the productions which he purchases from the other; and, consequently, that it does not follow, if we did not purchase British fabrics, that it might not be the interest of England to purchase our raw material of cotton. The Kentucky drover received the South Carolina specie, or, taking bills, or the evidences of deposit in the banks, carried these home, and disposing of them to the merchant, he brought out goods, of foreign or domestic manufacture, in return. Such is the circuitous nature of trade and remittance, which no nation understands better than Great Britain.

Nor has the system, which has been the parent source of so much benefit to other parts of the Union, proved injurious to the cotton-growing country. I cannot speak of South Carolina itself, where I have never been, with so much certainty; but of other portions of the Union in which cotton is grown, especially those bordering on the Mississippi, I can confidently speak. If cotton planting is less profitable than it was, that is the result of increased production; but I believe it to be still the most profitable investment of capital of any branch of business in the United States. And if a committee were raised, with power to send for persons and papers, I take upon myself to say that such would be the result of the inquiry. In Kentucky, I know many individuals who have their cotton plantations below, and retain their residence in that state, where they remain during the sickly season; and they are all, I believe, without exception, doing well. Others, tempted by their success, are constantly engaging in the business, whilst scarcely any comes from the cotton region to engage in western agriculture. A friend, now in my eye, a member of this body, upon a capital of less than seventy thousand dollars, invested in a plantation and slaves, made, the year before last, sixteen thousand dollars. A member of the other house, I understand, who, without removing himself, sent some of his slaves to Mississippi, made, last year, about 20 percent. Two friends of mine in the latter state, whose annual income is from thirty to sixty thousand dollars, being desirous to curtail their business, have offered estates for sale, which they are willing to show, by regular vouchers of receipt and disbursement, yield 18 percent per annum. One of my most opulent acquaintances, in a county adjoining to that in which I reside, having married in Georgia, has derived a large portion of his wealth from a cotton estate there situated.

The loss of the tonnage of Charleston, which has been dwelt on, does not proceed from the tariff; it never had a very large amount, and it has not been able to retain what it had, in consequence of the operation of the principle of free trade on its navigation. Its tonnage has gone to the more enterprising and adventurous tars of the northern states, with whom those of the city of Charleston could not maintain a successful competition in the freedom of the coasting trade existing between the different parts of the Union. That this must be the true cause, is demonstrated by the fact, that, however it may be with the port of Charleston, our coasting tonnage, generally, is constantly increasing. As to the foreign tonnage, about one-half of that

[8] Eldred Simkins of South Carolina (1779–1831) served in the House of Representatives, 1818–1821.

which is engaged in the direct trade between Charleston and Great Britain is English; proving that the tonnage of South Carolina cannot maintain itself in a competition under the free and equal navigation secured by our treaty with that power.

### Free trade

When gentlemen have succeeded in their design of an immediate or gradual destruction of the American System, what is their substitute? Free trade! Free trade! The call for free trade, is as unavailing as the cry of a spoiled child, in its nurse's arms, for the moon or the stars that glitter in the firmament of heaven. It never has existed; it never will exist. Trade implies at least two parties. To be free, it should be fair, equal, and reciprocal. But if we throw our ports wide open to the admission of foreign productions, free of all duty, what ports, of any other foreign nation, shall we find open to the free admission of our surplus produce? We may break down all barriers to free trade on our part, but the work will not be complete until foreign powers shall have removed theirs. There would be freedom on one side, and restrictions, prohibitions, and exclusions, on the other. The bolts, and the bars, and the chains, of all other nations will remain undisturbed. It is, indeed, possible that our industry and commerce would accommodate themselves to this unequal and unjust state of things: for such is the flexibility of our nature, that it bends itself to all circumstances. The wretched prisoner, incarcerated in a jail, after a long time, becomes reconciled to his solitude, and regularly notches down the passing days of his confinement.

Gentlemen deceive themselves. It is not free trade that they are recommending to our acceptance. It is, in effect, the British colonial system that we are invited to adopt; and, if their policy prevail, it will lead substantially to the recolonization of these states, under the commercial dominion of Great Britain. And whom do we find some of the principal supporters, out of Congress, of this foreign system? Mr. President, there are some foreigners who always remain exotics, and never become naturalized in our country: whilst, happily, there are many others who readily attach themselves to our principles and our institutions. The honest, patient, and industrious German readily unites with our people, establishes himself upon some of our fat land, fills his capacious barn, and enjoys, in tranquility, the abundant fruits which his diligence gathers around him, always ready to fly to the standard of his adopted country, or of its laws, when called by the duties of patriotism. The gay, the versatile, the philosophic Frenchman, accommodating himself cheerfully to all the vicissitudes of life, incorporates himself, without difficulty, in our society. But, of all foreigners, none amalgamate themselves so quickly with our people as the natives of the Emerald Isle. In some of the visions which have passed through my imagination, I have supposed that Ireland was, originally, part and parcel of this continent, and that, by some extraordinary convulsion of nature, it was torn from America, and, drifting across the ocean, was placed in the unfortunate vicinity of Great Britain. The same openheartedness; the same generous hospitality; the same careless and uncalculating indifference about human life, characterize the inhabitants of both countries. Kentucky has been sometimes called the Ireland of America. And I have no doubt that, if the current of emigration were reversed, and set from America upon the shores of Europe, instead of bearing from Europe to America, every American emigrant to Ireland would there find, as every Irish emigrant here finds, a hearty welcome and a happy home!

But, sir, the gentleman to whom I am about to allude,[9] although long a resident of this country, has no feelings, no attachments, no sympathies, no principles, in common with our people. Near fifty years ago, Pennsylvania took him to her bosom, and warmed, and cherished, and honored him; and how does he manifest his gratitude? By aiming a vital blow at a system endeared to her by a thorough conviction that it is indispensable to her prosperity. He has filled, at home and abroad, some of the highest offices under this government, during thirty years, and he is still at heart an alien.

[9] Albert Gallatin of Pennsylvania (1761–1849) served in the Senate, 1793–1794. In 1832 he drafted the message to Congress from the free trade convention in Philadelphia.

The authority of his name has been invoked, and the labors of his pen, in the form of a memorial to Congress, have been engaged, to overthrow the American System, and to substitute the foreign. Go home to your native Europe, and there inculcate upon her sovereigns your Utopian doctrines of free trade, and when you have prevailed upon them to unseal their ports, and freely admit the produce of Pennsylvania, and other states, come back, and we shall be prepared to become converts, and to adopt your faith.

A Mr. Sarchet also makes no inconsiderable figure in the common attack upon our system. I do not know the man, but I understand he is an unnaturalized emigrant from the island of Guernsey, situated in the channel which divides France and England. The principal business of the inhabitants is that of driving a contraband trade with the opposite shores, and Mr. Sarchet, educated in that school, is, I have been told, chiefly engaged in employing his wits to elude the operation of our revenue laws, by introducing articles at less rates of duty than they are justly chargeable with, which he effects by varying their denominations, or slightly changing their forms. This man, at a former session of the Senate, caused to be presented a memorial signed by some 150 pretended workers in iron. Of these, a gentleman made a careful inquiry and examination, and he ascertained that there were only about 10 of the denomination represented; the rest were tavernkeepers, porters, merchants' clerks, hackney coachmen, etc. I have the most respectable authority, in black and white, for this statement.

[Here Mr. HAYNE asked, who? and was he a manufacturer? Mr. CLAY replied, Colonel Murray, of New York, a gentleman of the highest standing for honor, probity, and veracity; that he did not know whether he was a manufacturer or not, but the gentleman might take him as one.[10]]

Whether Mr. Sarchet got up the late petition presented to the Senate from the journeymen tailors of Philadelphia, or not, I do not know. But I should not be surprised if it were a movement of his, and if we should find that he has *cabbaged* from other classes of society to swell out the number of signatures.

To the facts manufactured by Mr. Sarchet, and the theories by Mr. Gallatin, there was yet wanting one circumstance to recommend them to favorable consideration, and that was the authority of some high name. There was no difficulty in obtaining one from a British repository. The honorable gentleman has cited a speech of my Lord Goderich,[11] addressed to the British Parliament, in favor of free trade, and full of deep regret that old England *could not* possibly conform her practice of rigorous restriction and exclusion to her liberal *doctrines* of unfettered commerce, so earnestly recommended to foreign powers. Sir, [said Mr. C.] I know my Lord Goderich very well, although my acquaintance with him was prior to his being summoned to the British House of Peers. We both signed the convention between the United States and Great Britain of 1815. He is an honorable man, frank, possessing business, but ordinary talents, about the stature and complexion of the honorable gentleman from South Carolina, a few years older than he, and every drop of blood running in his veins being pure and unadulterated Anglo-Saxon blood. If he were to live to the age of Methuselah, he could not make a speech of such ability and eloquence as that which the gentleman from South Carolina recently delivered to the Senate; and there would be much more fitness in my Lord Goderich making quotations from the speech of the honorable gentleman, than his quoting, as authority, the theoretical doctrines of my Lord Goderich. We are too much in the habit of looking abroad, not merely for manufactured articles, but for the sanction of high names, to support favorite theories. I have seen, and closely observed, the British Parliament, and without derogating from its justly elevated character, I have no hesitation in saying, that in all the attributes of order, dignity, patriotism, and eloquence, the American Congress would not suffer, in the smallest degree, by a comparison with it.

[10] Mr. Clay subsequently understood that Colonel Murray was a merchant. [Clay note]

[11] Frederick John Robinson, Viscount Goderich (1782–1859), prime minister of England, 1827–1828.

I dislike this resort to authority, and especially *foreign* and *interested* authority, for the support of principles of public policy. I would greatly prefer to meet gentlemen upon the broad ground of fact, of experience, and of reason; but, since they will appeal to British names and authority, I feel myself compelled to imitate their bad example. Allow me to quote from the speech of a member of the British Parliament, bearing the same family name with my Lord Goderich, but whether or not a relation of his, I do not know. The member alluded to was arguing against the violation of the treaty of Methuen—that treaty, not less fatal to the interests of Portugal than would be the system of gentlemen to the best interests of America—and he went on to say:

*It was idle for us to endeavor to persuade other nations to join with us in adopting the principles of what was called 'free trade.' Other nations knew, as well as the noble lord opposite, and those who acted with him, what we meant by 'free trade,' was nothing more nor less than, by means of the great advantages we enjoyed, to get a monopoly of all their markets for our manufactures, and to prevent them, one and all, from ever becoming manufacturing nations.* When the system of reciprocity and free trade had been proposed to a French ambassador, his remark was, that the plan was excellent in theory, but, to make it fair in practice, it would be necessary to defer the attempt to put it in execution for half a century, until France should be on the same footing with Great Britain, in marine, in manufactures, in capital, and the many other peculiar advantages which it now enjoyed. The policy that France acted on, was that of encouraging its *native* manufactures, and it was a *wise* policy; because, if it were freely to admit our manufactures, it would speedily be reduced to the rank of an *agricultural nation;* and *therefore* a poor nation, as all must be that depend *exclusively* upon agriculture. America acted, too, upon the same principle with France. America legislated for futurity—legislated for an increasing population. America, too, was prosperous under this system. In twenty years, America would be independent of England for manufactures altogether. . . .

But since the peace, France, Germany, America, and all the other countries of the world, had proceeded upon the principle of encouraging and protecting native manufactures.

But I have said that the system nominally called "free trade," so earnestly and eloquently recommended to our adoption, is a mere revival of the British colonial system, forced upon us by Great Britain during the existence of our colonial vassalage. The whole system is fully explained and illustrated in a work published as far back as the year 1750, entitled "The trade and navigation of Great Britain considered by Joshua Gee," with extracts from which I have been furnished by the diligent researches of a friend. It will be seen from these, that the South Carolina policy now, is identical with the long-cherished policy of Great Britain, which remains the same as it was when the thirteen colonies were part of the British empire. In that work, the author contends—

1. That manufactures, in the American colonies, should be discouraged or prohibited.

Great Britain, with its dependencies, is doubtless as well able to subsist within itself as any nation in Europe. We have an enterprising people, fit for all the arts of peace and war. We have provisions in abundance, and those of the best sort, and are able to raise sufficient for double the number of inhabitants. We have the very best materials for clothing, and want nothing, either for use or even for luxury, but what we have at home, or might have from our colonies: so that we might make such an intercourse of trade among ourselves, or between us and them, as would maintain a vast navigation. But we ought always to keep a watchful eye over our colonies, to restrain them from setting up any of the manufactures which are carried on in Britain; and any such attempts should be crushed in the beginning: for if they are suffered to grow up to maturity, it will be difficult to suppress them.—Pages 177, 8, 9.

Our colonies are much in the same state Ireland was in, when they began the woollen manufactory, and, as their numbers increased, will fall upon manufactures for clothing themselves, if due care be not taken to find employment for them in raising such productions as may enable them to furnish themselves with all *their necessaries* from us.

Then it was the object of this British economist to adapt the means or wealth of the colonists to the *supply* required by their necessities, and to make the mother country the only source of that supply. Now it seems the policy is only so far to be reversed, that we must continue to import *necessaries* from Great Britain, in order to *enable* her to purchase raw cotton from us.

I should, therefore, think it worthy the care of the Government to endeavor, by all possible means, to encourage them in raising of silk, hemp, flax, iron, [only pig, to be hammered in England,] pot ash, etc., by giving them competent bounties in the beginning, and sending over judicious and skilful persons, at the public charge, to assist and instruct them in the most proper methods of management, which, in my apprehension, would lay a foundation for establishing the most profitable trade of any we have. And considering the commanding situation of our colonies along the seacoast; the great convenience of navigable rivers in all of them; the cheapness of land, and the easiness of raising

provisions; great numbers of people would transport themselves thither to settle upon such improvements. Now, as people have been filled with fears that the colonies, if encouraged to raise rough materials, would set up for themselves, a *little regulation* would remove all those jealousies out of the way. They have never thrown or wove any silk as yet that we have heard of: therefore, if a law was made to prohibit the use of every throwster's mill, or doubling or horsling silk with any machine whatever, they would then *send it us raw*: and, as they will have the providing rough materials to themselves, so shall we have the manufacturing of them. If encouragement be given for raising hemp, flax, etc. doubtless they will soon begin to manufacture, if not *prevented*: therefore, to stop the progress of any such manufacture, it is proposed that no weaver there shall have *liberty* to set up any looms without first registering, at an office kept for that purpose, the name and place of abode of any journeyman that shall work with him. But if any *particular inhabitant* shall be inclined to have any linen or woollen made of their own spinning, they should not be abridged of the same liberty that they now make use of, viz. to carry to a weaver (who shall be *licensed* by the Governor) and have it wrought up for the use of the family, but not to be sold to any person in a private manner, nor exposed to any market or fair, upon pain of forfeiture.

And, inasmuch as they have been supplied with all their iron manufactures from hence, except what is used in the building of ships and other country work, one-half of our exports being supposed to be in NAILS—a manufacture which they allow has never hitherto been carried on among them—it is proposed they shall, *for time to come*, never erect the manufacture of any under the size of a two shilling nail, horse nails, excepted; that all slitting mills, and engines for drawing wire, or weaving stockings *be put down*; and that every smith who keeps a common forge or shop, shall register his name and place of abode, and the name of every *servant* which he shall employ, which license shall be renewed once every year, and *pay* for the *liberty* of working at such trade. That all negroes shall be prohibited from weaving either linen or woollen, or spinning or combing of wool, or working at any manufacture of iron, further than making it into pig or bar iron. That they also be prohibited from manufacturing hats, stockings, or *leather*, of any kind. This limitation will not abridge the planters of any privilege they now enjoy. On the contrary, it will turn their industry to promoting and raising those rough materials.

The author then proposes that the Board of Trade and Plantations should be furnished with statistical accounts of the various *permitted* manufactures, to enable them to encourage or repress the industry of the colonists, and prevent the danger of interference with British industry.

It is hoped that this method would allay the *heat* that *some people* have shown for destroying the iron works on the plantations, and pulling down all their forges; taking away, in a violent manner, their estates and properties; preventing the husbandmen from getting their ploughshares, carts, and other utensils, mended; destroying the manufacture of shipbuilding, by depriving them of the liberty of making bolts, spikes, and other things proper for carrying on that work; by which article, returns are made for purchasing our woollen manufactures.—Pages 87, 88, 89.

Such is the picture of colonists dependent upon the mother country for their necessary supplies, drawn by a writer who was not among the number of those who desired to debar them the means of building a vessel, erecting a forge, or mending a ploughshare, but who was willing to promote their growth and property, as far as was consistent with the paramount interests of the manufacturing or parent state.

2. The advantages to Great Britain from keeping the colonies dependent on her for their essential supplies.

If we examine into the circumstances of the inhabitants of our plantations and our own, it will appear that not *one-fourth* part of their product redounds to their *own profit*: for, out of all that comes here, they only carry back clothing and other accommodations for their families; all of which is of the merchandise and manufacture of this kingdom.

After showing how this system tends to concentrate all the surplus of acquisition over absolute expenditure, in England, he says:

All these advantages we receive by the plantations, besides the mortgages on the planters' estates, and the high interest they pay us, which is very considerable; and therefore very great care ought to be taken, in regulating all affairs of the colonists, that the planters be not put under *too many difficulties*, but encouraged to go on cheerfully.

New England, and the northern colonies, have not commodities and products enough to send us in return for purchasing their necessary clothing, but are under very great difficulties; and, therefore, any ordinary sort sell with them. And when they have grown out of *fashion* with us, they are new fashioned *enough* there.

Sir, I cannot go on with this disgusting detail. Their refuse goods; their old shopkeepers; their cast-off clothes, good enough for us! Was there ever a scheme more artfully devised, by which the energies and faculties of one people should be kept down and rendered subservient to the pride, and the pomp, and the power of another! The system then proposed differs only from that which is now recommended, in one particular—that was intended to be enforced by

power, this would not be less effectually executed by the force of circumstances. A gentleman in Boston, (Mr. Lee,) the agent of the free trade convention, from whose exhaustless mint there is a constant issue of reports, seems to envy the blessed condition of dependent Canada, when compared to the oppressed state of this Union; and it is a fair inference from the view which he presents, that he would have us to hasten back to the golden days of that colonial bondage, which is so well depicted in the work from which I have been quoting. Mr. Lee exhibits two tabular statements, in one of which he presents the high duties which he represents to be paid in the ports of the United States, and, in the other, those which are paid in Canada, generally about 2 percent ad valorem. But did it not occur to him that the duties levied in Canada are paid chiefly on British manufactures, or on articles passing from one to another part of a common empire; and that, to present a parallel case, in the United States, he ought to have shown that importations made into one state from another, which are now free, are subject to the same or higher duties than are paid in Canada?

### False arguments refuted

I will now, Mr. President, proceed to a more particular consideration of the arguments urged against the protective system, and an inquiry into its practical operation, especially on the cotton-growing country. And, as I wish to state and meet the argument fairly, I invite correction of my statement of it, if necessary. It is alleged that the system operates prejudicially to the cotton planter, by diminishing the foreign demands for his staple; that we cannot sell to Great Britain, unless we buy from her; that the import duty is equivalent to an export duty, and falls upon the cotton grower; that South Carolina pays a disproportionate quota of the public revenue; that an abandonment of the protective policy would lead to an augmentation of our exports of an amount not less than one hundred and fifty millions of dollars; and, finally, that the South cannot partake of the advantages of manufacturing, if there be any. Let us examine these various propositions, in detail. 1. That the foreign demand for cotton is diminished; and that we cannot sell to Great Britain unless we buy from her. The demand of both our great foreign customers is constantly and annually increasing. It is true that the ratio of the increase may not be equal to that of production; but this is owing to the fact that the power of producing the raw material is much greater, and is therefore constantly in the advance of the power of consumption. A single fact will illustrate. The average produce of laborers engaged in the cultivation of cotton may be estimated at five bales, or fifteen hundred weight to the hand. Supposing the annual average consumption of each individual who uses cotton cloth to be five pounds, one hand can produce enough of the raw material to clothe three hundred.

The argument comprehends two errors, one of fact and the other of principle. It assumes that we do not in fact purchase of Great Britain. What is the true state of the case? There are certain, but very few articles which it is thought sound policy requires that we should manufacture at home, and on these the tariff operates. But, with respect to all the rest, and much the larger number of articles of taste, fashion, or utility, they are subject to no other than revenue duties, and are freely introduced. I have before me, from the treasury, a statement of our imports from England, Scotland, and Ireland, including ten years preceding the last, and three quarters of the last year, from which it will appear that, although there are some fluctuations in the amount of the different years, the largest amount imported in any one year has been since the tariff of 1824, and that the last year's importation, when the returns of the fourth quarter shall be received, will probably be the greatest in the whole term of eleven years.

Now, if it be admitted that there is a less amount of the protected articles imported from Great Britain, she may be, and probably is, compensated for the deficiency by the increased consumption in America of the articles of her industry not falling within the scope of the policy of our protection. The establishment of manufactures among us excites the creation of wealth, and this gives new powers of consumption, which are gratified by the purchase of for-

eign objects. A poor nation can never be a great consuming nation. Its poverty will limit its consumption to bare subsistence.

The erroneous principle which the argument includes, is, that it devolves on us the duty of taking care that Great Britain shall be enabled to purchase from us, without exacting from Great Britain the corresponding duty. If it be true, on one side, that nations are bound to shape their policy in reference to the ability of foreign powers, it must be true on both sides of the Atlantic. And this reciprocal obligation ought to be emphatically regarded towards the nation supplying the raw material, by the manufacturing nation, because the industry of the latter gives four or five values to what had been produced by the industry of the former.

But, does Great Britain practise towards us upon the principles which we are now required to observe in regard to her? The exports to the United Kingdom, as appears from the same treasury statement just adverted to, during eleven years, from 1821 to 1831, and exclusive of the fourth quarter of the last year, fall short of the amount of imports by upwards of $46 million, and the total amount, when the returns of that quarter are received, will exceed $50 million! It is surprising how we have been able to sustain, for so long a time, a trade so very unequal. We must have been absolutely ruined by it, if the unfavorable balance had not been neutralized by more profitable commerce with other parts of the world. Of all nations Great Britain has the least cause to complain of the trade between the two countries. Our imports from that single power are nearly one-third of the entire amount of our importations from all foreign countries together. Great Britain constantly acts on the maxim of buying only what she wants and cannot produce, and selling to foreign nations the utmost amount she can. In conformity with this maxim, she excludes articles of prime necessity produced by us—equally if not more necessary than any of her industry which we tax, although the admission of those articles would increase our ability to purchase from her, according to the argument of gentlemen.

If we purchased still less from Great Britain than we do, and our conditions were reversed, so that the value of her imports from this country exceeded that of her exports to it, she would only then be compelled to do what we have so long done, and what South Carolina does, in her trade with Kentucky—make up for the unfavorable balance by trade with other places and countries. How does she now dispose of the $160 millions worth of cotton fabrics, which she annually sells? Of that amount the United States do not purchase 5 percent. What becomes of the other 95 percent? Is it not sold to other powers, and would not their markets remain if ours were totally shut? Would she not continue, as she now finds it her interest, to purchase the raw material from us, to supply those markets? Would she be guilty of the folly of depriving herself of markets to the amount of upwards of $150 millions, because we refused her a market for some $8 or $10 millions?

But if there were a diminution of the British demand for cotton, equal to the loss of a market for the few British fabrics which are within the scope of our protective policy, the question would still remain, whether the cotton planter is not amply indemnified by the creation of additional demand elsewhere. With respect to the cotton grower, it is the *totality* of the demand, and not its *distribution*, which affects his interests. If any system of policy will augment the aggregate of the demand, that system is favorable to his interests, although its tendency may be to vary the theatre of the demand. It could not, for example, be injurious to him, if, instead of Great Britain continuing to receive the entire quantity of cotton which she now does, 200 or 300 thousand bales of it were taken to the other side of the channel, and increased, to that extent, the French demand. It would be better for him, because it is always better to have several markets than one. Now, if, instead of a transfer to the opposite side of the channel of those 200 or 300 thousand bales, they are transported to the northern states, can that be injurious to the cotton grower? Is it not better for him? Is it not better to have a market at home, unaffected by war or other foreign causes, for that amount of his staple?

If the establishment of American manufactures, therefore, had the sole effect of creating a

new, and an American, demand for cotton, *exactly* to the same extent in which it lessened the British demand, there would be no just cause of complaint against the tariff. The gain in one place would precisely equal the loss in the other. But the true state of the matter is much more favorable to the cotton grower. It is calculated that the cotton manufactories of the United States absorb at least 200 thousand bales of cotton annually. I believe it to be more. The two ports of Boston and Providence alone received, during the last year, near 110 thousand bales. The amount is annually increasing. The raw material of that 200 thousand bales is worth $6 millions, and there is an additional value conferred by the manufacturer, of $18 millions; it being generally calculated that, in such cotton fabrics as we are in the habit of making, the manufacture constitutes three-fourths of the value of the article. If, therefore, these $24 millions worth of cotton fabrics were not made in the United States, but were manufactured in Great Britain, in order to obtain them, we should have to add to the already enormous disproportion between the amount of our imports and exports, in the trade with Great Britain, the further sum of $24 millions, or, deducting the price of the raw material, $18 millions! And will gentlemen tell me how it would be possible for this country to sustain such a ruinous trade? From all that portion of the United States lying north and east of James River, and west of the mountains, Great Britain receives comparatively nothing. How would it be possible for the inhabitants of that largest portion of our territory to supply themselves with cotton fabrics, if they were brought from England exclusively? They could not do it. But for the existence of the American manufacture, they would be compelled greatly to curtail their supplies, if not absolutely to suffer in their comforts. By its existence at home, the circle of those exchanges is created, which reciprocally diffuses among all who are embraced within it the productions of their respective industry. The cotton grower sells the raw material to the manufacturer; he buys the iron, the bread, the meal, the coal, and the countless number of objects of his consumption, from his fellow-citizens, and they, in turn, purchase his fabrics. Putting it upon the ground merely of supplying those with necessary articles, who could not otherwise obtain them, ought there to be, from any quarter, an objection to the only system by which that object can be accomplished? But can there be any doubt, with those who will reflect, that the actual amount of cotton consumed is increased by the home manufacture? The main argument of gentlemen is founded upon the idea of mutual ability resulting from mutual exchanges. *They* would furnish an ability to foreign nations by purchasing from them, and *I* to our own people, by exchanges at home. If the American manufacture were discontinued, and that of England were to take its place, how would she sell the additional quantity of $24 millions of cotton goods which we now make? To us? That has been shown to be impracticable. To other foreign nations? She has already pushed her supplies to them to the utmost extent. The ultimate consequence would, then, be to diminish the total consumption of cotton, to say nothing now of the reduction of price that would take place by throwing into the ports of Great Britain the 200 thousand bales which, no longer being manufactured in the United States, would go thither.

2. That the import duty is equivalent to an export duty, and falls on the producer of cotton.

[Here Mr. HAYNE explained, and said that he never contended that an import duty was equivalent to an export duty, under all circumstances, he had explained in his speech his ideas of the precise operation of the existing system. To which Mr. CLAY replied that he had seen the argument so stated in some of the ingenious essays from the South Carolina press, and would therefore answer it.]

The framers of our Constitution, by granting the power to Congress to lay import, and prohibiting that of laying an export duty, manifested that they did not regard them as equivalent. Nor does the common sense of mankind. An export fastens upon, and incorporates itself with, the article on which it is laid. The article cannot escape from it—it pursues and follows it wherever the article goes; and if, in the foreign market, the supply is above or just equal to the demand, the amount of the export duty will be

a clear deduction to the exporter from the price of the article. But an import duty on a foreign article leaves the exporter of the domestic article free, 1st, to import specie; 2dly, goods which are free from the protecting duty; or, 3dly, such goods as, being chargeable with the protecting duty, he can sell at home, and throw the duty on the consumer.

But it is confidently argued that the import duty falls upon the grower of cotton; and the case has been put in debate, and again and again, in conversation, of the South Carolina planter, who exports 100 bales of cotton to Liverpool, exchanges them for 100 bales of merchandise, and, when he brings them home, being compelled to leave at the customhouse 40 bales in the form of duties. The argument is founded on the assumption that a duty of 40 percent amounts to a subtraction of 40 from the 100 bales of merchandise. The first objection to it is, that it supposes a case of barter which never occurs. If it be replied that it, nevertheless, occurs in the operations of commerce, the answer would be, that, since the export of Carolina cotton is chiefly made by New York or foreign merchants, the loss stated, if it really accrued, would fall upon them, and not upon the planter. But, to test the correctness of the hypothetical case, let us suppose that the duty, instead of 40 percent, should be 150, which is asserted to be the duty in some cases. Then, the planter would not only lose the whole 100 bales of merchandise which he had gotten for his 100 bales of cotton, but he would have to purchase, with other means, an additional 50 bales, in order to enable him to pay the duties accruing on the proceeds of the cotton. Another answer is, that if the *producer* of cotton in America, exchanged against English fabrics, pays the duty, the *producer* of those fabrics also pays it, and then it is twice paid. Such must be the consequence, unless the principle is true on one side of the Atlantic, and false on the other. The true answer is, that the exporter of an article, if he invests its proceeds in a foreign market, takes care to make the investment in such merchandise as, when brought home, he can sell with a fair profit; and, consequently, the consumer would pay the original cost and charges and profit.

3. The next objection to the American System is, that it subjects South Carolina to the payment of an undue proportion of the public revenue. The basis of this objection is the assumption, shown to have been erroneous, that the producer of the exports from this country pays the duty on its imports, instead of the consumer of those imports. The amount which South Carolina really contributes to the public revenue, no more than that of any other state, can be precisely ascertained. It depends upon her consumption of articles paying duties, and we may make an approximation sufficient for all practical purposes. The cotton planters of the valley of the Mississippi, with which I am acquainted, generally expend about one-third of their income in the support of their families and plantations. On this subject, I hold in my hands a statement from a friend of mine, of great accuracy, and a member of the Senate. According to this statement, in a crop of $10 thousand, the expenses may fluctuate between $2,800, and $3,200. Of this sum, about one-fourth, from $700 to $800, may be laid out in articles paying the protecting duty; the residue is disbursed for provisions, mules, horses, oxen, wages of overseer, etc. Estimating the exports of South Carolina at $8 millions, one-third is $2,666,666; of which, one-fourth will be $666,666.66. Now, supposing the protecting duty to be 50 percent, and that it all enters into the price of the article, the amount paid by South Carolina would only be $333,333.33. But the total revenue of the United States may be stated at $25 millions, of which, the proportion of South Carolina, whatever standard, whether of wealth or population, be adopted, would be about $1 million. Of course, on this view of the subject, she actually pays only about one-third of her fair and legitimate share. I repeat, that I have no personal knowledge of the habits of actual expenditure in South Carolina; they may be greater than I have stated, in respect to other parts of the cotton country, but, if they are, that fact does not arise from any defect in the system of public policy.

4. An abandonment of the American System, it is urged, would lead to an addition to our exports of $150 millions. The amount of $150 millions of cotton, in the raw state, would

produce $450 millions in the manufactured state, supposing no greater measure of value to be communicated, in the manufactured form, than that which our industry imparts. Now, sir, where would markets be found for this vast addition to the supply? Not in the United States, certainly, nor in any other quarter of the globe, England having already everywhere pressed her cotton manufactures to the utmost point of repletion. We must look out for new worlds, seek for new and unknown races of mortals, to consume this immense increase of cotton fabrics.

[Mr. HAYNE said that he did not mean that the increase of $150 millions to the amount of our exports, would be of cotton alone, but of other articles.]

What *other articles?* Agricultural produce—breadstuffs—beef and pork? etc. *Where* shall we find markets for them? *Whither* shall we go? To *what* country, whose ports are not hermetically sealed against their admission? Break down the home market, and you are without resource. Destroy all other interests in the country, for the imaginary purpose of advancing the cotton-planting interest, and you inflict a positive injury, without the smallest practical benefit to the cotton planter. Could Charleston, or the whole South, when all other markets are prostrated, or shut against the reception of the surplus of our farmers, receive that surplus? Would they buy more than they might want for their own consumption? Could they find markets which other parts of the Union could not? Would gentlemen *force* the freemen of all, north of James River, east and west, like the miserable slave, on the Sabbath day, to repair to Charleston, with a turkey under his arm, or a pack upon his back, and beg the clerk of some English or Scotch merchant, living in his gorgeous palace, or rolling in his splendid coach in the streets, to exchange his *"truck"* for a bit of flannel to cover his naked wife and children! No! I am sure that I do no more than justice to their hearts, when I believe that they would reject what I believe to be the inevitable effects of their policy.

5. But it is contended, in the last place, that the South cannot, from physical and other causes, engage in the manufacturing arts. I deny the premises, and I deny the conclusion. I deny the fact of inability, and, if it existed, I deny the conclusion that we must, therefore, break down our manufactures, and nourish those of foreign countries. The South possesses, in an extraordinary degree, two of the most important elements of manufacturing industry—water power and labor. The former gives to our whole country a most decided advantage over Great Britain. But a single experiment, stated by the gentleman from South Carolina, in which a faithless slave put the torch to a manufacturing establishment, has discouraged similar enterprises. We have, in Kentucky, the same description of population, and we employ them, and almost exclusively employ them, in many of our hemp manufactories. A neighbor of mine, one of our most opulent and respectable citizens, has had one, two, if not three, manufactories burnt by incendiaries; but he persevered, and his perseverance has been rewarded with wealth. We found that it was less expensive to keep night watches, than to pay premiums for insurance, and we employed them.

Let it be supposed, however, that the South cannot manufacture; must those parts of the Union which *can*, be therefore prevented? Must we support those of foreign countries? I am sure that injustice would be done to the generous and patriotic nature of South Carolina, if it were believed that she envied or repined at the success of other portions of the Union in branches of industry to which she might happen not to be adapted. Throughout her whole career she has been liberal, national, high-minded.

The friends of the American System have been reminded, by the honorable gentleman from Maryland [Mr. SMITH],[12] that they are the majority, and he has admonished them to exercise their power in moderation. The *majority* ought never to trample upon the feelings, or violate the just rights of the minority. They ought never to triumph over the fallen, nor to make any but a temperate and equitable use of their power. But these counsels come with an ill grace from the gentleman from Maryland. He, too, is a member of a *majority*—a political major-

[12] Samuel Smith (1752–1839) served in the Senate, 1803–1815 and 1822–1833.

ity. And how has the administration of that majority exercised their power in this country? Recall to your recollection the 4th of March, 1829, when the lank, lean, famished forms, from fen and forest, and the four quarters of the Union, gathered together in the halls of patronage, or stealing, by evening's twilight, into the apartments of the president's mansion, cried out, with ghastly faces, and in sepulchral tones, Give us bread! Give us treasury pap! Give us our reward! England's bard was mistaken, ghosts will sometimes come, called or uncalled. Go to the families who were driven from the employments on which they were dependent for subsistence, in consequence of their exercise of the dearest right of freemen. Go to mothers, whilst hugging to their bosoms their starving children. Go to fathers, who, after being disqualified, by long public service, for any other business, were stripped of their humble places, and then sought, by the minions of authority, to be stripped of all that was left them—their good names—and ask, what mercy was shown to them! As for myself, born in the midst of the revolution, the first air that I ever breathed on my native soil of Virginia having been that of liberty and independence, I never expected justice nor desired mercy at their hands; and scorn the wrath, and defy the oppression of power!

I regret, Mr. President, that one topic has, I think unnecessarily, been introduced into this debate. I allude to the charge brought against the manufacturing system, as favoring the growth of aristocracy. If it were true, would gentlemen prefer supporting foreign accumulations of wealth, by that description of industry, rather than their own country? But is it correct? The joint stock companies of the North, as I understand them, are nothing more than associations, sometimes of hundreds, by means of which the small earnings of many are brought into a common stock; and the associates, obtaining corporate privileges, are enabled to prosecute, under one superintending head, their business to better advantage. Nothing can be more essentially democratic, or better devised to counterpoise the influence of individual wealth. In Kentucky, almost every manufactory known to me is in the hands of enterprising self-made men, who have acquired whatever wealth they possess by patient and diligent labor. Comparisons are odious, and, but in defence, would not be made by me. But is there more tendency to aristocracy in a manufactory, supporting hundreds of freemen, or in a cotton plantation, with its not less numerous slaves, sustaining, perhaps, only two white families—that of the master and the overseer?

### "Cheaper and better" items

I pass, with pleasure, from this disagreeable topic to two general propositions which cover the entire ground of debate. The first is, that, under the operation of the American System, the objects which it protects and fosters are brought to the consumer at cheaper prices than they commanded prior to its introduction, or than they would command if it did not exist. If that be true, ought not the country to be contented and satisfied with the system, unless the second proposition, which I mean presently also to consider, is unfounded? And that is, that the tendency of the system is to sustain, and that it has upheld the prices of all our agricultural and other produce, including cotton.

And is the fact not indisputable, that all essential objects of consumption, affected by the tariff, are cheaper and better, since the act of 1824, than they were for several years prior to that law? I appeal, for its truth, to common observation and to all practical men. I appeal to the farmer of the country, whether he does not purchase, on better terms, his iron, salt, brown sugar, cotton goods, and woollens, for his laboring people. And I ask the cotton planter if he has not been better and more cheaply supplied with his cotton bagging. In regard to this latter article, the gentleman from South Carolina was mistaken in supposing that I complained that, under the existing duty, the Kentucky manufacturer could not compete with the Scotch. The Kentuckian furnishes a more substantial and a cheaper article, and at a more uniform and regular price. But it was the frauds, the violations of law, of which I did complain; not smuggling, in the common sense of that practice, which has something bold, daring, and enterprising in it, but mean, barefaced cheating by fraudulent invoices and false denomination.

I plant myself upon this FACT of cheapness and superiority, as upon impregnable ground. Gentlemen may tax their ingenuity, and produce a thousand speculative solutions of the fact but the fact itself will remain undisturbed. Let us look into some particulars. The total consumption of bar iron in the United States is supposed to be about 146,000 tons, of which 112,866 tons are made within the country, and the residue imported. The number of men employed in the manufacture is estimated at 29,254, and the total number of persons subsisted by it at 146,273. The measure of protection extended to this necessary article was never fully adequate until the passage of the act of 1828; and what has been the consequence? The annual increase of quantity, since that period, has been in a ratio of near 25 percent, and the wholesale price of bar iron in the northern cities was, in 1828, $105 per ton; in 1829, $100; in 1830, $90; and in 1831, from $85 to $75—constantly diminishing. We import very little English iron, and that which we do is very inferior, and only adapted to a few purposes. In instituting a comparison between that inferior article and our superior iron, subjects, entirely different, are compared. They are made by different processes. The English cannot make iron of equal quality to ours, at a less price than we do. They have three classes, best-best, and best, and ordinary. It is the latter which is imported. Of the whole amount imported, there is only about four thousand tons of foreign iron that pays the high duty; the residue paying only a duty of about 30 percent, estimated on the prices of the importation of 1829. Our iron ore is superior to that of Great Britain, yielding often from 60 to 80 percent, whilst theirs produces only about 25. This fact is so well known, that I have heard of recent exportations of iron ore to England.

It has been alleged that bar iron, being a raw material, ought to be admitted free, or with low duties, for the sake of the manufacturers themselves. But I take this to be the true principle, that, if our country is producing a raw material of prime necessity, and, with reasonable protection, can produce it in sufficient quantity to supply our wants, that raw material ought to be protected, although it may be proper to protect the article also out of which it is manufactured. The tailor will ask protection for himself, but wishes it denied to the grower of wool and the manufacturer of broadcloth. The cotton planter enjoys protection for the raw material, but does not desire it to be extended to the cotton manufacturer. The shipbuilder will ask protection for navigation, but does not wish it extended to the essential articles which enter into the construction of his ship. Each, in his proper vocation, solicits protection, but would have it denied to all other interests which are supposed to come into collision with his. Now, the duty of the statesman is, to elevate himself above these petty conflicts; calmly to survey all the various interests, and deliberately to proportion the measure of protection to each, according to its nature and to the general wants of society. It is quite possible that, in the degree of protection which has been afforded to the various workers in iron, there may be some error committed, although I have lately read an argument of much ability, proving that no injustice has really been done to them. If there be, it ought to be remedied.

The next article to which I would call the attention of the Senate, is that of cotton fabrics. The success of our manufacture of coarse cottons is generally admitted. It is demonstrated by the fact that they meet the cotton fabrics of other countries in foreign markets, and maintain a successful competition with them. There has been a gradual increase of the export of this article, which is sent to Mexico and the South American republics, to the Mediterranean, and even to Asia. The remarkable fact was lately communicated to me, that the *same* individual who, twenty-five years ago, was engaged in the importation of cotton cloth from Asia, for American consumption, is now engaged in the exportation of coarse American cottons to Asia, for Asiatic consumption! And my honorable friend from Massachusetts, now in my eye, [Mr. SILSBEE] [13] informed me that, on his departure from home, among the last orders which he gave, one was for the exportation of coarse cottons to Sumatra, in the vicinity of

[13] Nathaniel Silsbee (1773–1850) served in the Senate, 1826–1835.

Calcutta! I hold in my hand a statement, derived from the most authentic source, showing that the *identical* description of cotton cloth, which sold, in 1817, at 29 cents per yard, was sold, in 1819, at 21 cents; in 1821, at 19½ cents; in 1823, at 17 cents; and in 1825, at 14½ cents; in 1827, at 13 cents; in 1829, at 9 cents; in 1830, at 9½ cents; and in 1831, at from 10½ to 11. Such is the wonderful effect of protection, competition, and improvement in skill, combined! The year 1829 was one of some suffering to this branch of industry, probably owing to the principle of competition being pushed too far; and hence we observe a small rise in the article the next two years. The introduction of calico printing into the United States constitutes an important era in our manufacturing industry. It commenced about the year 1825, and has since made such astonishing advances, that the whole quantity now annually printed is but little short of forty millions of yards—about two-thirds of our whole consumption. It is a beautiful manufacture, combining great mechanical skill with scientific discoveries in chemistry. The engraved cylinders for making the impression require much taste, and put in requisition the genius of the fine arts of design and engraving. Are the fine graceful forms of our fair countrywomen less lovely when enveloped in the chintzes and calicoes produced by native industry, than when clothed in the tinsel of foreign drapery?

Gentlemen are, no doubt, surprised at these facts. They should not underrate the energies, the enterprise, and the skill of our fellow-citizens. I have no doubt they are every way competent to accomplish whatever can be effected by any other people, if encouraged and protected by the fostering care of our own government. Will gentlemen believe the fact, which I am authorized now to state, that the United States, at this time, manufacture one half the quantity of cotton which Great Britain did in 1816! We possess three great advantages: First. The raw material. Second. Water power instead of that of steam, generally used in England. And third. The cheaper labor of females. In England, males spin with the mule and weave; in this country, women and girls spin with the throstle, and superintend the power loom. And can there be any employment more appropriate? Who has not been delighted with contemplating the clock-work regularity of a large cotton manufactory? I have often visited them, at Cincinnati and other places, and always with increased admiration. The women, separated from the other sex, work in apartments, large, airy, well warmed, and spacious. Neatly dressed, with ruddy complexions, and happy countenances, they watch the work before them, mend the broken threads, and replace the exhausted balls or broaches. At stated hours they are called to their meals, and go and return with light and cheerful step. At night they separate, and repair to their respective houses, under the care of a mother, guardian, or friend. "Six days shalt thou labor and do all that thou hast to do, but the seventh day is the Sabbath of the Lord thy God." Accordingly, we behold them, on that sacred day, assembled together in His temples, and in devotional attitudes and with pious countenances, offering their prayers to Heaven for all its blessings, of which it is not the least that a system of policy has been adopted by their country, which admits of their obtaining comfortable subsistence. Manufactures have brought into profitable employment a vast amount of female labor, which, without them, would be lost to the country.

In respect to woollens, every gentleman's own observation and experience will enable him to judge of the great reduction of price which has taken place in most of these articles since the tariff of 1824. It would have been still greater, but for the high duty on the raw material imposed for the particular benefit of the farming interest. But, without going into particular details, I shall limit myself to inviting the attention of the Senate to a single article of general and necessary use. The protection given to flannels in 1828 was fully adequate. It has enabled the American manufacturer to obtain complete possession of the American market; and now let us look at the effect. I have before me a statement from a highly respectable mercantile house, showing the price of four descriptions of flannel, during six years. The average price of them, in 1826, 38¾ cents; in 1827, 38; in 1828, (the year of the tariff) 46; in 1829, 36; in 1830, (notwithstanding the advance in

the price of wool) 32; and in 1831, 32¼. These facts require no comments. I have before me another statement, of a practical and respectable man, well versed in the flannel manufacture in America and England, demonstrating that the cost of manufacture is precisely the same in both countries; and that, although a yard of flannel, which would sell in England at 15 cents, would command here 22, the difference of 7 cents is the exact difference between the cost in the two countries of the six ounces of wool contained in a yard of flannel.

Brown sugar, during ten years, from 1792 to 1802, with a duty of 1½ cents per pound, averaged 14 cents per pound. The same article, during ten years, from 1820 to 1830, with a duty of 3 cents, has averaged only 8 cents per pound. Nails, with a duty of 5 cents per pound, are selling at 6 cents. Window glass, eight by ten, prior to the tariff of 1824, sold at $12 or $13 per hundred feet; it now sells for $3.75.

The gentleman from South Carolina, sensible of the incontestable fact of the very great reduction in the prices of the necessaries of life, protected by the American System, has felt the full force of it, and has presented various explanations of the causes to which he ascribes it. The first is the diminished production of the precious metals, in consequence of the distressed state of the countries in which they are extracted, and the consequent increase of their value relative to that of the commodities for which they are exchanged. But if this be the true cause of the reduction of price, its operation ought to have been general on all objects, and of course upon cotton among the rest. And, in point of fact, the diminished price of that staple is not greater than the diminution of the value of other staples of our agriculture. Flour, which commanded, some years ago, $10 or $12 per barrel, is now sold for five. The fall of tobacco has been still more. The Kitefoot of Maryland, which sold at from $16 to $20 per hundred, now produces only $4 or $5. That of Virginia has sustained an equal decline. Beef, pork, every article, almost, produced by the farmer has decreased in value. Ought not South Carolina then to submit quietly to a state of things which is general, and proceeds from an uncontrollable cause? Ought she to ascribe to the "accursed" tariff what results from the calamities of civil and foreign war, raging in many countries?

But, sir, I do not subscribe to this doctrine implicitly. I do not believe that the diminished production of the precious metals, if that be the fact, satisfactorily accounts for the fall in prices. For I think that the augmentation of the currency of the world, by means of banks, public stocks, and other facilities arising out of exchange and credit, has more than supplied any deficiency in the amount of the precious metals.

It is further urged that the restoration of peace in Europe, after the battle of Waterloo, and the consequent return to peaceful pursuits of large masses of its population, by greatly increasing the aggregate amount of effective labor, had a tendency to lower prices; and undoubtedly such ought to have been its natural tendency. The same cause, however, must also have operated to reduce the price of our agricultural produce, for which there was no longer the same demand in peace as in war—and it did so operate. But its influence on the price of manufactured articles, between the general peace of Europe in 1815, and the adoption of our tariff in 1824, was less sensibly felt, because perhaps a much larger portion of the labor, liberated by the disbandment of armies, was absorbed by manufactures than by agriculture. It is also contended that the invention and improvement of labor-saving machinery have tended to lessen the prices of manufactured objects of consumption; and undoubtedly this cause has had some effect. Ought not America to contribute her quota of this cause, and has she not, by her skill and extraordinary adaptation to the arts, in truth, largely contributed to it?

### Benefits of competition

This brings me to consider what I apprehend to have been the most efficient of all the causes in the reduction of the prices of manufactured articles; and that is, COMPETITION. By competition, the total amount of the supply is increased, and by increase of the supply a competition in the sale ensues, and this enables the consumer to buy at lower rates. Of all human powers operating on the affairs of mankind,

none is greater than that of competition. It is action and reaction. It operates between individuals in the same nation, and between different nations. It resembles the meeting of the mountain torrent, grooving, by its precipitous motion, its own channel, and ocean's tide. Unopposed, it sweeps everything before it; but, counterpoised, the waters become calm, safe, and regular. It is like the segments of a circle or an arch; taken separately, each is nothing; but, in their combination, they produce efficiency, symmetry, and perfection. By the American System this vast power has been excited in America, and brought into being to act in cooperation or collision with European industry. Europe acts within itself, and with America; and America acts within itself, and with Europe. The consequence is the reduction of prices in both hemispheres. Nor is it fair to argue, from the reduction of prices in Europe, to her own presumed skill and labor, exclusively. We affect her prices, and she affects ours. This must always be the case, at least in reference to any articles as to which there is not a total nonintercourse; and if our industry, by diminishing the demand for her supplies, should produce a diminution in the price of those supplies, it would be very unfair to ascribe that reduction to her ingenuity, instead of placing it to the credit of our own skill and excited industry.

Practical men understand very well this state of the case, whether they do or do not comprehend the causes which produce it. I have in my possession a letter from a respectable merchant, well known to me, in which he says, after complaining of the operation of the tariff of 1828 on the articles to which it applies, some of which he had imported, and that his purchases having been made in England before the passage of that tariff was known, it produced such an effect upon the English market, that the articles could not be resold without loss; he adds: "for *really* it appears that, when additional duties are laid upon an article, it then becomes *lower* instead of *higher*." This could not probably happen where the supply of the foreign article did not exceed the home demand, unless upon the supposition of the increased duty having *excited* or *stimulated* the measure of the home production.

The great law of *price* is determined by supply and demand. Whatever affects either, affects the price. If the supply is increased, the demand remaining the same, the price declines; if the demand is increased, the supply remaining the same, the price advances; if both supply and demand are undiminished, the price is stationary, and the price is influenced exactly in proportion to the degree of disturbance to the demand or supply. It is therefore a great error to suppose that an existing or new duty *necessarily* becomes a component element, to its exact amount, of price. If the proportions of demand and supply are varied by the duty, either in augmenting the supply, or diminishing the demand, or vice versa, price is affected, to the extent of that variation. But the duty never becomes an integral part of the price, except in the instances where the demand and the supply remain, after the duty is imposed, precisely what they were before, or the demand is increased, and the supply remains stationary.

Competition, therefore, wherever existing, whether at home or abroad, is the parent cause of cheapness. If a high duty excites production at home, and the quantity of the domestic article exceeds the amount which had been previously imported, the price will fall. This accounts for an extraordinary fact stated by a senator from Missouri. Three cents were laid as a duty upon a pound of lead, by the act of 1828. The price at Galena and the other lead mines afterwards fell to one and a half cents per pound. Now it is obvious that the duty did not, in this case, enter into the price: for it was twice the amount of the price. What produced the fall? It was *stimulated* production at home, exerted by the temptation of the exclusive possession of the home market. This state of things could not last. Men would not continue an unprofitable pursuit; some abandoned the business, or the total quantity produced was diminished, and living prices have been the consequence. But, break down the domestic supply; place us again in a state of dependence on the foreign source; and can it be doubted that we should, ultimately, have to supply ourselves at dearer rates? It is not fair to credit the foreign market with the depression of prices, produced there by the influence of our competition. Let

the competition be withdrawn, and their prices would instantly rise. On this subject, great mistakes are committed. I have seen some most erroneous reasoning, in a late report of Mr. Lee, of the free trade convention, in regard to the article of sugar. He calculates the total amount of brown sugar produced in the world, and then states that what is made in Louisiana is not more than 2½ percent of that total. Although his data may be questioned, let us assume their truth, and what might be the result? Price being determined by the proportions of supply and demand, it is evident that, when the supply *exceeds* the demand, the price will fall. And the fall is not always regulated by the amount of that excess. If the market, at a given price, required 5 or 50 millions of hogsheads of sugar, a surplus of only a few hundred might materially influence the price, and diffuse itself throughout the whole mass. Add, therefore, the 80,000 or 100,000 hogsheads of Louisiana sugar to the entire mass produced in other parts of the world, and it cannot be doubted that a material reduction of the price of the article, throughout Europe and America, would take place. The Louisiana sugar substituting foreign sugar, in the home market, to the amount of its annual produce, would force an equal amount of foreign sugar into other markets, which being glutted, the price would necessarily decline, and this decline of price would press portions of the foreign sugar into competition, in the United States, with Louisiana sugar, the price of which would also be brought down. The fact has been in exact conformity with this theory. But now let us suppose the Louisiana sugar to be entirely withdrawn from the general consumption, what then would happen? A new demand would be created in America for foreign sugar, to the extent of the 80,000 or 100,000 hogsheads made in Louisiana; a less amount, by that quantity, would be sent to the European markets; and the price would, consequently, everywhere rise. It is not, therefore those who, by keeping on duties, keep down prices, that tax the people; but those who, by repealing duties, would raise prices, that really impose burdens upon the people.

But it is argued that if, by the skill, experience, and perfection which we have acquired in certain branches of manufacture, they can be made as cheap as similar articles abroad, and enter fairly into competition with them, why not repeal the duties as to those articles? And why should we? Assuming the truth of the supposition, the foreign article would not be introduced in a *regular* course of trade, but would remain excluded by the possession of the home market which the domestic article had obtained. The repeal, therefore, would have no legitimate effect. But, might not the foreign article be imported in vast quantities, to glut our markets, break down our establishments, and, ultimately, to enable the foreigner to monopolize the supply of our consumption? America is the greatest foreign market for European manufactures. It is that to which European attention is constantly directed. If a great house becomes bankrupt there, its storehouses are emptied, and the goods are shipped to America, where, in consequence of our auctions, and our custom-house credits, the greatest facilities are afforded in the sale of them. Combinations among manufacturers might take place, or even the operations of foreign governments might be directed to the destruction of our establishments. A repeal, therefore, of one protecting duty, from some one or all of these causes, would be followed by flooding the country with the foreign fabric, surcharging the market, reducing the price, and a complete prostration of our manufactories; after which, the foreigner would leisurely look about to indemnify himself in the increased prices which he would be enabled to command by his monopoly of the supply of our consumption. What American citizen, after the government had displayed this vacillating policy, would be again tempted to place the smallest confidence in the public faith, and adventure, once more, in this branch of industry?

Gentlemen have allowed to the manufacturing portions of the community no peace; they have been constantly threatened with the overthrow of the American System. From the year 1820, if not from 1816, down to this time, they have been held in a condition of constant alarm and insecurity. Nothing is more prejudicial to the great interests of a nation than unsettled and varying policy. Although every appeal to the national legislature has been responded to,

in conformity with the wishes and sentiments of the great majority of the people, measures of protection have only been carried by such small majorities, as to excite hopes on the one hand, and fears on the other. Let the country breathe; let its vast resources be developed; let its energies be fully put forth; let it have tranquility; and, my word for it, the degree of perfection in the arts which it will exhibit will be greater than that which has been presented, astonishing as our progress has been. Although some branches of our manufactures might, and, in foreign markets, now do, fearlessly contend with similar foreign fabrics, there are many others, yet in their infancy, struggling with the difficulties which encompass them. We should look at the *whole* system, and recollect that time, when we contemplate the great movements of a nation, is very different from the short period which is allotted for the duration of individual life. The honorable gentleman from South Carolina well and eloquently said, in 1824, "No great interest of any country ever yet grew up in a day; no new branch of industry can become firmly and profitably established, but in a long course of years; every thing, indeed, great or good, is matured by slow degrees; that which attains a speedy maturity is of small value, and is destined to a brief existence. It is the order of Providence that powers gradually developed shall alone attain permanency and perfection. Thus must it be with our national institutions, and national character itself."

### Domestic market

I feel, most sensibly, Mr. President, how much I have trespassed upon the Senate. My apology is, a deep and deliberate conviction that the great cause under debate involves the prosperity and the destiny of the Union. But the best requital I can make for the friendly indulgence which has been extended to me by the Senate, and for which I shall ever retain sentiments of lasting gratitude, is, to proceed, with as little delay as practicable, to the conclusion of a discourse which has not been more tedious to the Senate than exhausting to me. I have now to consider the remaining of the two propositions which I have already announced. That is,

2dly. That, under the operation of the American system, the products of our agriculture command a higher price than they would do without it, by the creation of a home market; and, by the augmentation of wealth produced by manufacturing industry, which enlarges our powers of consumption, both of domestic and foreign articles. The importance of the home market is among the established maxims which are universally recognised by all writers and all men. However some may differ as to the relative advantages of the foreign and the home market, none deny to the latter great value and high consideration. It is nearer to us, beyond the control of foreign legislation, and undisturbed by those vicissitudes to which all international intercourse is more or less exposed. The most stupid are sensible of the benefit of a residence in the vicinity of a large manufactory, or a market town, of a good road, or of a navigable stream, which connects their farms with some great capital. If the pursuits of all men were perfectly the same, although they would be in possession of the greatest abundance of the particular produce of their industry, they might, at the same time, be in extreme want of other necessary articles of human subsistence. The uniformity of the general occupation would preclude all exchanges—all commerce. It is only in the diversity of the vocations of the members of a community that the means can be found for those salutary exchanges which conduce to the general prosperity; and the greater that diversity, the more extensive and the more animating is the circle of exchange. Even if foreign markets were freely and widely open to the reception of our agricultural produce, from its bulky nature, and the distance of the interior, and the dangers of the ocean, large portions of it could never profitably reach the foreign market. But let us quit this field of theory, clear as it is, and look at the practical operation of the system of protection, beginning with the most valuable staple of our agriculture.

In considering this staple, the first circumstance that excites our surprise is the rapidity with which the amount of it has annually increased. Does not this fact, however, demonstrate that the cultivation of it could not have been so very unprofitable? If the business were

ruinous, would more and more have annually engaged in it? The quantity in 1816 was 81 millions of pounds; in 1826, 204 millions; and, in 1830, near 300 millions! The ground of greatest surprise is, that it has been able to sustain even its present price with such an enormous augmentation of quantity. It could not have done it but for the combined operation of three causes, by which the consumption of cotton fabrics has been greatly extended, in consequence of their reduced prices: 1st, competition; 2d, the improvement of labor-saving machinery; and 3dly, the low price of the raw material. The crop of 1819, amounting to 88 millions of pounds, produced $21 millions; the crop of 1823, when the amount was swelled to 174 millions, (almost double that of 1819) produced a less sum, by more than half a million of dollars; and the crop of 1824, amounting to 30 millions of pounds less than that of the preceding year, produced $1.5 million more.

If there be any foundation for the established law of price, supply, and demand, ought not the fact of this great increase of the supply to account, satisfactorily, for the alleged low price of cotton? Is it necessary to look beyond that *single* fact to the tariff—to the diminished produce of the mines furnishing the precious metals, or to any other cause, for the solution? This subject is well understood in the South; and, although I cannot approve the practice which has been introduced, of quoting authority, and still less the authority of newspapers, for favorite theories, I must ask permission of the Senate to read an article from a southern newspaper. [Here Mr. HAYNE requested Mr. CLAY to give the name of the authority, that it might appear whether it was not some other than a *southern* paper expressing *southern* sentiments. Mr. CLAY stated that it was from the Charleston City Gazette, one, he believed, of the oldest and most respectable prints in that city, although he was not sure what might be its sentiments on the question which at present divides the people of South Carolina.] The article comprises a full explanation of the low price of cotton, and assigns to it its true cause—increased production.

[Mr. C. read the article as follows:]

*From the Charleston City Gazette, copied into the New Orleans Emporium, January 4.*

1st. The greatest fluctuation in the price of cotton was *before* the tariff of 1824.

2d. Cotton, like every other article of merchandise, has its fixed price, not in America, but in the market of the world, and depends upon the proportion between demand and supply, just as corn, which, when it is scarce, sells high, and when plenty sells low.

To illustrate how perfectly the price depends on the demand, it is stated that the crop of 1819, amounting to eighty-eight millions of pounds, sold for twenty-one millions of dollars; while the crop of 1823, amounting to one hundred and seventy millions of pounds, was sold for only twenty millions of dollars! And this before the light tariff of 1824. The cause of this difference in the price of cotton is found in the state of the markets, which were hungry in 1819, and had not a great supply, but were overfed in 1823, and could hardly digest the crop of that year.

The price of cotton fluctuated before the present tariff: and, if the same causes of fluctuation exist, they will produce the same effects, independent of the tariff. It is true cotton has come to be sold at ten cents per pound, that used to bring twenty cents. In this reduction of his profits, the cotton planter only shares the same with the wheat grower. Flour is sold at five dollars per barrel, which formerly brought eight and ten dollars; and the products of the earth generally are low, because they are very abundant.

With respect to cotton, this is to be said further. No mode of investing money in agricultural pursuits, this side of the sugar plantations, has afforded so great an income as the culture of cotton. So that has happened to the cotton planter, which happens to all, viz. a diminution of his income, from the multitudes of those who adopted his lucrative business.

To seek relief from this depressed price of cotton, by repealing the tariff law, is a most inconsiderate step: for the tariff not only creates a new market for raw cotton, but it also converts some of the finest country for growing cotton into sugar plantations. The tariff, by protecting domestic sugars, enables the Louisianian to raise sugar. Remove the tariff from sugars, and the Louisianian cannot compete with the West Indian. Cotton he can raise to better advantage than the Carolinian. So the relief of the cotton planter, sought by the repeal of the protecting tariff, would multiply cotton growers, and cut off the Northeastern market at one and the same blow. What a stroke of nullifying policy that would be!

The price of any thing in market is governed by the stock in market; if that is great, the price is low; if small, the price is high. Whatever has a tendency to consume the stock, increases the price; and whatever has a tendency to increase the stock, diminishes the price of that article in the market.

The terrible manufactures at the North do not add to the stock of cotton; they diminish the stock, and raise the price in the market of the world. They consume vast quantities of cotton, and clear the market of what might otherwise

become a drug. A repeal of the tariff law would wind up the Northern factories. When these cease to be consumers, the price of cotton must fall lower than it now is.

Let us suppose that the home demand for cotton, which has been created by the American System, were to cease, and that the 200,000 [14] bales, that the home market now absorbs, were thrown into the glutted markets of foreign countries, would not the effect inevitably be to produce a further and great reduction in the price of the article? If there be any truth in the facts and principles which I have before stated, and endeavored to illustrate, it cannot be doubted that the existence of American manufactures has tended to increase the demand, and extend the consumption of the raw material; and that, but for this increased demand, the price of the article would have fallen, possibly one-half, lower than it now is. The error of the opposite argument is, in assuming one thing, which, being denied, the whole fails; that is, it assumes that the *whole* labor of the United States would be profitably employed, without manufactures. Now, the truth is, that the system *excites* and *creates* labor, and this labor creates wealth, and this new wealth communicates additional ability to consume, which acts on all the objects contributing to human comfort and enjoyment. The amount of cotton imported into the two ports of Boston and Providence alone, (during the last year, and it was imported exclusively for the home manufacture) was 109,517 bales.

On passing from that article to others of our agricultural productions, we shall find not less gratifying facts. The total quantity of flour imported into Boston during the same year was 284,504 barrels and 3,955 half barrels; of which, there were from Virginia, Georgetown, and Alexandria, 114,222 barrels; of Indian corn, 581,131 bushels; of oats, 239,809 bushels; of rye, about 50,000 bushels; and of shorts, 33,489 bushels. Into the port of Providence, 71,369 barrels of flour, 216,662 bushels of Indian corn, and 7,772 bushels of rye. And there were discharged at the port of Philadelphia 420,353 bushels of Indian corn, 201,878 bushels of wheat, and 110,557 bushels of rye and barley. There were slaughtered in Boston during the same year, 1831 (the only northern city from which I have obtained returns), 33,922 beef cattle, 15,400 stores, 84,453 sheep, and 26,871 swine. It is confidently believed that there is not a less quantity of southern flour consumed at the North than 800,000 barrels—a greater amount, probably, than is shipped to all the foreign markets in the world together.

What would be the condition of the farming country of the United States—of all that portion which lies north, east, and west of James River, including a large part of North Carolina, if a home market did not exist for this immense amount of agricultural produce? Without that market, where could it be sold? In foreign markets? If their restrictive laws did not exist, their *capacity* would not enable them to purchase and consume this vast addition to their present supplies, which must be thrown in, or thrown away, but for the home market. But their laws exclude us from their markets. I shall content myself by calling the attention of the Senate to Great Britain only. The duties, in the ports of the United Kingdom, on bread stuffs, are prohibitory, except in times of dearth. On rice, the duty is fifteen shillings sterling per hundred weight, being more than 100 percent. On manufactured tobacco, it is nine shillings sterling per pound, or about 2,000 percent. On leaf tobacco, three shillings per pound, or 1,200 percent. On lumber and some other articles, they are from 400 to 1,500 percent more than on similar articles imported from British colonies. In the British West Indies, the duty on beef, pork, hams, and bacon, is twelve shillings sterling per hundred, more than 100 percent on the first cost of beef and pork in the western states. And yet Great Britain is the power in whose behalf we are called upon to legislate, so that *we* may enable *her* to purchase our cotton! Great

[14] Mr. CLAY stated that he assumed the quantity which was generally computed, but he believed it much greater, and subsequent information justifies his belief. It appears, from the report of the Cotton Committee, appointed by the New York Convention, that partial returns show a consumption of upwards of 250,000 bales; that the cotton manufacture employs near 40,000 females, and about 5,000 children; that the total dependents on it are 131,489; that the annual wages paid are $12,155,723; the annual value of its products, $32,036,760; the capital, $44,914,984; the number of mills, 795; of spindles, 1,246,503; and of cloth made, 260,461,990 yards. This statement does not comprehend the western manufactures. [Clay note]

Britain, that thinks only of herself in her own legislation! When have we experienced justice, much less favor, at her hands? When did she shape her legislation in reference to the interests of any foreign powers? She is a great, opulent, and powerful nation; but haughty, arrogant, and supercilious. Not more separated from the rest of the world by the sea that girts her island, than she is separated in feeling, sympathy, or friendly consideration of their welfare. Gentlemen, in supposing it impracticable that we should successfully compete with her in manufactures, do injustice to the skill and enterprise of their own country. Gallant as Great Britain undoubtedly is, we have gloriously contended with her, man to man, gun to gun, ship to ship, fleet to fleet, and army to army. And I have no doubt we are destined to achieve equal success in the more useful, if not nobler contest, for superiority in the arts of civil life.

I could extend and dwell on the long list of articles—the hemp, iron, lead, coal, and other items, for which a demand is created in the home market, by the operation of the American System; but I should exhaust the patience of the Senate. *Where, where,* should we find a market for all these articles, if it did not exist at home? What would be the condition of the largest portion of our people and of the territory, if this home market were annihilated? How could they be supplied with objects of prime necessity? What would not be the certain and inevitable decline in the price of all these articles, but for the home market? And allow me, Mr. President, to say, that, of all the agricultural parts of the United States which are benefited by the operation of this system, none are equally so with those which border the Chesapeake Bay, the lower parts of North Carolina, Virginia, and the two shores of Maryland. Their facilities of transportation and proximity to the North give them decided advantages.

But if all this reasoning were totally fallacious—if the price of manufactured articles were really higher under the American System, than without it, I should still argue that high or low prices were themselves relative—relative to the ability to pay them. It is in vain to tempt, to tantalize us with the lower prices of European fabrics than our own, if we have nothing wherewith to purchase them. If, by the home exchanges, we can be supplied with necessary, even if they are dearer and worse, articles of American production than the foreign, it is better than not to be supplied at all. And how would the large portion of our country which I have described, be supplied, but for the home exchanges? A poor people destitute of wealth or of exchangeable commodities, has nothing to purchase foreign fabrics. To them they are equally beyond their reach, whether their cost be a dollar or a guinea. It is in this view of the matter that Great Britain, by her vast wealth—her *exerted* and *protected* industry—is enabled to bear a burden of taxation which, when compared to that of other nations, appears enormous; but which, when her immense riches are compared to theirs, is light and trivial. The gentleman from South Carolina has drawn a lively and flattering picture of our coasts, bays, rivers, and harbors; and he argues that these proclaimed the design of Providence that we should be a commercial people. I agree with him. We differ only as to the means. He would cherish the foreign, and neglect the internal trade. I would foster both. What is navigation without ships, or ships without cargoes? By penetrating the bosoms of our mountains, and extracting from them their precious treasures; by cultivating the earth, and *securing* a home market for its rich and abundant products; by employing the water power with which we are blessed; by stimulating and protecting our native industry, in all its forms; we shall but nourish and promote the prosperity of commerce, foreign and domestic.

I have hitherto considered the question in reference only to a state of peace; but a season of war ought not to be entirely overlooked. We have enjoyed near twenty years of peace; but who can tell when the storm of war shall again break forth? Have we forgotten, so soon, the privations to which not merely our brave soldiers and our gallant tars were subjected, but the whole community, during the last war, for the want of absolute necessaries? To what an enormous price they rose? And how inadequate the supply was, at any price? The statesman, who justly elevates his views, will look behind

as well as forward, and at the existing state of things; and he will graduate the policy which he recommends, to all the probable exigencies which may arise in the republic. Taking this comprehensive range, it would be easy to show that the higher prices of peace, if prices were higher in peace, were more than compensated by the lower prices of war, during which supplies of all essential articles are indispensable to its vigorous, effectual, and glorious prosecution. I conclude this part of the argument with the hope that my humble exertions have not been altogether unsuccessful in showing—

1. That the policy which we have been considering ought to continue to be regarded as the genuine American System.

2. That the free trade system, which is proposed as its substitute, ought really to be considered as the British colonial system.

3. That the American System is beneficial to all parts of the Union, and absolutely necessary to much the larger portion.

4. That the price of the great staple of cotton, and of all our chief productions of agriculture, has been sustained and upheld, and a decline averted by the protective system.

5. That, if the foreign demand for cotton has been at all diminished by the operation of that system, the diminution has been more than compensated in the additional demand created at home.

6. That the constant tendency of the system, by creating competition among ourselves, and between American and European industry, reciprocally acting upon each other, is to reduce prices of manufactured objects.

7. That, in point of fact, objects within the scope of the policy of protection have greatly fallen in price.

8. That if, in a season of peace, these benefits are experienced in a season of war, when the foreign supply might be cut off, they would be much more extensively felt.

9. And, finally, that the substitution of the British colonial system for the American System, without benefiting any section of the Union, by subjecting us to a foreign legislation, regulated by foreign interests, would lead to the prostration of our manufactures, general impoverishment, and ultimate ruin.



And now, Mr. President, I have to make a few observations on a delicate subject, which I approach with all the respect that is due to its serious and grave nature. They have not, indeed, been rendered necessary by the speech of the gentleman from South Carolina, whose forbearance to notice the topic was commendable, as his argument throughout was characterized by an ability and dignity worthy of him and of the Senate. The gentleman made one declaration, which might possibly be misinterpreted, and I submit to him whether an explanation of it be not proper. The declaration, as reported in his printed speech, is, "the instinct of self interest might have taught us an easier way of relieving ourselves from this oppression. It wanted but the will to have supplied ourselves with every article embraced in the protective system, free of duty, without any other participation on our part than a simple consent to receive them." [Here Mr. HAYNE rose, and remarked that the passages, which immediately preceded and followed the paragraph cited, he thought, plainly indicated his meaning, which related to evasions of the system, by illicit introduction of goods, which they were not disposed to countenance in South Carolina.] I am happy to hear this explanation. But, sir, it is impossible to conceal from our view the facts that there is great excitement in South Carolina; that the protective system is openly and violently denounced in popular meetings; and that the legislature itself has declared its purpose of resorting to counteracting measures—a suspension of which has only been submitted to, for the purpose of allowing Congress time to *retrace* its steps. With respect to this Union, Mr. President, the truth cannot be too generally proclaimed, nor too strongly inculcated, that it is necessary to the *whole* and to all the *parts*—necessary to those parts, indeed, in different degrees, but vitally necessary to *each*; and that threats to disturb or dissolve it, coming from any of the parts, would be quite as indiscreet and improper, as would be threats from the residue to exclude those parts from the pale of its benefits. The great principle, which lies at the foundation of all free government, is, that the

majority must govern; from which there is or can be no appeal but to the sword. That majority ought to govern wisely, equitably, moderately, and constitutionally, but govern *it must*, subject only to that terrible appeal. If ever one, or several states, being a minority, can, by menacing a dissolution of the Union, succeed in forming an abandonment of great measures deemed essential to the interests and prosperity of the whole, the Union, from that moment, is practically gone. It may linger on, in form and name, but its vital spirit has fled forever! Entertaining these deliberate opinions, I would entreat the patriotic people of South Carolina—the land of Marion, Sumpter, and Pickens—of Rutledge, Laurens, the Pinckneys, and Lowndes—of living and present names, which I would mention if they were not living or present—to pause, solemnly pause! and contemplate the frightful precipice which lies directly before them. To retreat may be painful and mortifying to their gallantry and pride, but it is to retreat to the Union, to safety, and to those brethren, with whom, or with whose ancestors, they, or their ancestors, have won, on fields of glory, imperishable renown. To advance, is to rush on certain and inevitable disgrace and destruction.

We have been told of deserted castles, of uninhabited halls, and of mansions, once the seats of opulence and hospitality, now abandoned and mouldering in ruins. I never had the honor of being in South Carolina; but I have heard and read of the stories of its chivalry, and of its generous and openhearted liberality. I have heard, too, of the struggles for power between the lower and upper country. The same causes which existed in Virginia, with which I have been acquainted, I presume, have had their influence in Carolina. In whose hands now are the once proud seats of Westover, Curles, Maycocks, Shirley,[15] and others, on James River, and in lower Virginia? Under the operation of laws abolishing the principle of primogeniture, and providing the equitable rule of an equal distribution of estates among those in equal degree of consanguinity, they have passed into other and stranger hands. Some of the descendants of illustrious families have gone to the far West, whilst others, lingering behind, have contrasted their present condition with that of their venerated ancestors. They behold themselves excluded from their fathers' houses, now in the hands of those who were once their fathers' overseers, or sinking into decay; their imaginations paint ancient renown, the fading honors of their name, glories gone by; too poor to live, too proud to work, too high-minded and honorable to resort to ignoble means of acquisition, brave, daring, chivalrous, *what* can be the cause of their present unhappy state? The "accursed tariff" presents itself to their excited imaginations, and they blindly rush into the ranks of those who, unfurling the banner of nullification, would place a state upon its sovereignty!

The danger to our Union does not lie on the side of persistence in the American System, but on that of its abandonment. If, as I have supposed and believe, the inhabitants of all north and east of James River, and all west of the mountains, including Louisiana, are deeply interested in the preservation of that system, would they be reconciled to its overthrow? Can it be expected that two-thirds, if not three-fourths, of the people of the United States would consent to the destruction of a policy believed to be indispensably necessary to their prosperity? When, too, this sacrifice is made at the instance of a single interest, which they verily believe will not be promoted by it? In estimating the degree of peril which may be incident to two opposite courses of human policy, the statesman would be short-sighted who should content himself with viewing only the evils, real or imaginary, which belong to that course which is in practical operation. He should lift himself up to the contemplation of those greater and more certain dangers which might inevitably attend the adoption of the alternative course. What would be the condition of this Union, if Pennsylvania and New York, those mammoth members of our confederacy, were firmly persuaded that their industry was paralyzed, and their prosperity blighted, by the enforcement of the British colonial system, under the delusive name of free trade? They are now tranquil, and happy, and contented, con-

[15] As to Shirley, Mr. Clay acknowledges his mistake, made in the warmth of debate. It is yet the abode of the respectable and hospitable descendants of its former opulent proprietor. [Clay note]

scious of their welfare, and feeling a salutary and rapid circulation of the products of home manufactures and home industry throughout all their great arteries. But let that be checked, let them feel that a foreign system is to predominate, and the sources of their subsistence and comfort dried up; let New England and the West, and the middle states, all feel that they too are the victims of a mistaken policy, and let these vast portions of our country despair of any favorable change, and then, indeed, might we tremble for the continuance and safety of this Union!

And need I remind you, sir, that this dereliction of the duty of protecting our domestic industry, and abandonment of it to the fate of foreign legislation, would be directly at war with leading considerations which prompted the adoption of the present constitution? The states, respectively, surrendered to the general government the whole power of laying imposts on foreign goods. They stripped themselves of all power to protect their own manufactures, by the most efficacious means of encouragement—the imposition of duties on rival foreign fabrics. Did they create that great trust? Did they voluntarily subject themselves to this self-restriction, that the power should remain in the federal government, inactive, unexecuted, and lifeless? Mr. Madison,[16] at the commencement of the government, told you otherwise. In discussing, at that early period, this very subject, he declared that a failure to exercise this power would be a *"fraud"* upon the northern states, to which may now be added the middle and western states.

[Mr. MILLER [17] asked to what expression of Mr. Madison's opinion Mr. CLAY referred; and Mr. C. replied, his opinion, expressed in the House of Representatives, in 1789, as reported in Lloyd's Congressional Debates.]

Gentlemen are greatly deceived as to the hold which this system has in the affections of the people of the United States. They represent that it is the policy of New England, and that she is most benefited by it. If there be any part of this Union which has been most steady, most unanimous, and most determined in its support, it is Pennsylvania. Why is not that powerful state attacked? Why pass her over, and aim the blow at New England? New England came, reluctantly, into the policy. In 1824, a majority of her delegation was opposed to it. From the largest state of New England there was but a solitary vote in favor of the bill. That enterprising people can readily accommodate their industry to any policy, provided it be *settled*. They supposed this was fixed, and they submitted to the decrees of government. And the progress of public opinion has kept pace with the development of the benefits of the system. Now, all New England, at least in this house, (with the exception of *one small, still voice*) [Mr. HILL,[18] of New Hampshire] is in favor of the System. In 1824, all Maryland was against it; now, the majority is for it. Then, Louisiana, with one exception, was opposed to it; now, without any exception, she is in favor of it. The march of public sentiment is to the South. Virginia will be the next convert; and, in less than seven years, if there be no obstacles from political causes, or prejudices industriously instilled, the majority of eastern Virginia will be, as the majority of western Virginia now is, in favor of the American System. North Carolina will follow later, but not less certainly. Eastern Tennessee is now in favor of the system. And, finally, its doctrines will pervade the whole Union, and the wonder will be that they ever should have been opposed.

### Objections addressed

I have now to proceed to notice some objections which have been urged against the resolution under consideration. With respect to the amendment which the gentleman from South Carolina had offered, as he has intimated his purpose to modify it, I shall forbear, for the present, to comment upon it. It is contended that the resolution proposes the repeal of duties on luxuries, leaving those on necessaries to

[16] James Madison (1751–1836), delegate from Virginia to the Constitutional Convention in 1787, served in the House of Representatives, 1789–1797, and as president of the United States, 1809–1817.

[17] Stephen D. Miller of South Carolina (1787–1838) served in the Senate, 1831–1833.

[18] Isaac Hill (1789–1851) served in the Senate, 1831–1836.

remain, and that it will, therefore, relieve the rich, without lessening the burdens of the poor. And the gentleman from South Carolina has carefully selected, for ludicrous effect, a number of the unprotected articles; cosmetics, perfumes, oranges, etc. I must say that this exhibition of the gentleman is not in keeping with the candor which he has generally displayed; that he knows very well that the duties upon these articles are trifling, and that it is of little consequence whether they are repealed or retained. Both systems, the American and the foreign, comprehend some articles which may be deemed luxuries. The Senate knows that the unprotected articles which yield the principal part of the revenue, with which this measure would dispense, are coffee, tea, spices, wines, and silks. Of all these articles, wines and silks alone can be pronounced to be luxuries; and as to wines, we have already ratified a treaty, not yet promulgated, by which the duties on them are to be considerably reduced. If the universality of the use of objects of consumption determines their classification, coffee, tea, and spices, in the present condition of civilized society, may be considered necessaries. Even if they were luxuries, why should not the poor, by cheapening their prices, if that can be effected, be allowed to use them? Why should not a poor man be allowed to tie a silk handkerchief on his neck, occasionally regale himself with a glass of cheap French wine, or present his wife or daughter with a silk gown, to be worn on Sabbath or gala days? I am quite sure that I do not misconstrue the feelings of the gentleman's heart, in supposing that he would be happy to see the poor, as well as the rich, moderately indulging themselves in these innocent gratifications. For one, I am delighted to see the condition of the poor attracting the consideration of the opponents of the tariff. It is for the great body of the people, and especially for the poor, that I have ever supported the American System. It affords them profitable employment, and supplies the means of comfortable subsistence. It *secures* to them, certainly, necessaries of life manufactured at home, and places within their reach, and enables them to acquire, a reasonable share of foreign luxuries; whilst the system of gentlemen *promises* them necessaries made in foreign countries, and which are beyond their power, and *denies* to them luxuries which they would possess no means to purchase.

The constant complaint of South Carolina against the tariff, is, that it checks importations, and disables foreign powers from purchasing the agricultural productions of the United States. The effect of the resolution will be to increase importations, not so much, it is true, from Great Britain, as from other powers, but not the less acceptable on that account. It is a misfortune that so large a portion of our foreign commerce concentrates in one nation; it subjects us too much to the legislation and the policy of that nation, and exposes us to the influence of her numerous agents, factors, and merchants. And it is not among the smallest recommendations of the measure before the Senate, that its tendency will be to expand our commerce with France—our great revolutionary ally—the land of our Lafayette. There is much greater probability, also, of an enlargement of the present demand for cotton, in France, than in Great Britain. France engaged later in the manufacture of cotton, and has made, therefore, less progress. She has, moreover, no colonies producing the article in abundance, whose industry she might be tempted to encourage.

The honorable gentleman from Maryland, [Mr. SMITH] by his reply to a speech, which, on the opening of the subject of this resolution, I had occasion to make, has rendered it necessary that I should take some notice of his observations. The honorable gentleman stated that he had been *accused* of partiality to the manufacturing interest. Never was there a more groundless and malicious charge preferred against a calumniated man. Since this question has been agitated in the public councils, although I have often heard from him professions of attachment to this branch of industry, I have never known any member a more uniform, determined, and uncompromising opponent of them, than the honorable senator has invariably been. And if, hereafter, the calumny should be repeated, of his friendship to the American System, I shall be ready to furnish to him, in the most solemn manner, my testimony to his innocence. The honorable gentleman supposed that I had ad-

vanced the idea that the *permanent* revenue of this country should be fixed at $18 millions. Certainly I had no intention to announce such an opinion, nor do my explanations, fairly interpreted, imply it. I stated, on the occasion referred to, that estimating the ordinary revenue of the country at $25 millions, and the amount of the duties on the unprotected articles proposed to be repealed by the resolution, at $7 millions, the latter sum taken from the former would leave $18. But I did not intimate any belief that the revenue of the country ought, for the future, to be permanently fixed at that or any other precise sum. I stated that, after having effected so great a reduction, we might pause, cautiously survey the whole ground, and deliberately determine upon other measures of reduction, some of which I indicated. And I now say, preserve the protective system in full vigor, give us the proceeds of the public domain for internal improvements, or, if you please, partly for that object, and partly for the removal of the free blacks, with their own consent, from the United States; and, for one, I have no objection to the reduction of the public revenue to $15, to $13, or even to $9 millions.

In regard to the scheme of the secretary of the treasury for paying off the whole of the remaining public debt by the 4th of March, 1833, including the 3 percent, and, for that purpose, selling the bank stock, I had remarked that, with the exception of the 3 percent, there was not more than about $4 millions of the debt due and payable within this year; that, to meet this, the secretary had stated, in his annual report, that the treasury would have, from the receipts of this year, $14 millions, applicable to the principal of the debt; that I did not perceive any urgency for paying off the 3 percent by the precise day suggested; and that there was no necessity, according to the plans of the treasury, assuming them to be expedient and proper, to postpone the repeal of the duties on unprotected articles. The gentleman from Maryland imputed to me *ignorance* of the act of the 24th April 1830, according to which, in his opinion, the secretary was *obliged* to purchase the 3 percent. On what ground the senator supposed I was *ignorant* of that act, he has not stated. Although, when it passed, I was at Ashland, I assure him that I was not there altogether uninformed of what was passing in the world. I regularly received the *Register* [19] of my excellent friend Mr. Niles, published in Baltimore, the *National Intelligencer*, and other papers. There are two errors to which gentlemen are sometimes liable: one is to magnify the amount of knowledge which they possess themselves, and the second is to depreciate that which others have acquired. And will the gentleman from Maryland excuse me for thinking that no man is more prone to commit both errors than himself? I will not say that he is *ignorant* of the true meaning of the act of 1830, but I certainly place a different construction upon it from what he does. It does not *oblige* the secretary of the treasury, or rather the commissioners of the Sinking Fund, to apply the surplus of any year to the purchase of the 3-percent stock particularly, but leaves them at liberty "to apply such surplus to the purchase of *any* portion of the public debt, at such rates as, in their opinion, may be advantageous to the United States." This vests a *discretionary* authority, to be exercised under official responsibility. And if any secretary of the treasury, when he had the option of purchasing a portion of the debt, bearing a higher rate of interest, at par or about par, were to execute the act by purchasing the 3 percent at its present price, he would merit impeachment. Undoubtedly a state of facts may exist, such as there being no public debt remaining to be paid but the 3-percent stock, with a surplus in the treasury, idle and unproductive, in which it might be expedient to apply that surplus to the reimbursement of the 3 percents. But, whilst the interest of money is at a greater rate than 3 percent, it would not, I think, be wise to produce an accumulation of public treasure for such a purpose. The postponement of any reduction of the amount of the revenue, at this session, must however give rise to that very accumulation; and it is, therefore, that I cannot perceive the utility of the postponement.

We are told by the gentleman from Maryland, that offers have been made to the secretary of the treasury to exchange 3 percents at

[19] *Niles' Weekly Register.*

their market price of 96 percent for the bank stock of the government at its market price, which is about 126 and he thinks it would be wise to accept them. If the charter of the bank is renewed, that stock will be probably worth much more than its present price; if not renewed, much less. Would it be fair in government, whilst the question is pending and undecided, to make such an exchange? The difference in value between a stock bearing 3 percent and one bearing 7 percent, must be really much greater than the difference between 96 and 126 percent. Supposing them to be perpetual annuities, the one would be worth more than twice the value of the other. But my objection to the treasury plan is, that it is not necessary to execute it—to continue these duties, as the secretary proposes. The secretary has a debt of $24 millions to pay; he has, from the accruing *receipts* of this year, $14 millions; and we are now told by the senator from Maryland that this sum of $14 millions is exclusive of any of the *duties* accruing this year. He proposes to raise $8 millions by a sale of the bank stock, and to anticipate, from the revenues receivable next year, $2 millions more. These three items, then, of $14 millions, $8 millions, and $2 millions, make up the sum required of $24 millions, without the aid of the duties to which the resolution relates.

The gentleman from Maryland insists that the general government has been liberal towards the West in its appropriations of public lands for internal improvements; and, as to fortifications, he contends that the expenditures near the mouth of the Mississippi are for its especial benefit. The appropriations of land to the states of Ohio, Indiana, Illinois, and Alabama, have been liberal; but it is not to be overlooked that the general government is itself the greatest proprietor of land, and that a tendency of the improvements, which these appropriations were to effect, is to increase the value of the unsold public domain. The erection of the fortifications for the defence of Louisiana was highly proper; but the gentleman might as well place to the account of the West the disbursements for the fortifications intended to defend Baltimore, Philadelphia, and New York, to all which capitals western produce is sent, and in security of all of which the western people feel a lively interest. They do not object to expenditures for the army, for the navy, for fortifications, or for any other defensive or commercial object on the Atlantic, but they do think that their condition ought also to receive friendly attention from the general government. With respect to the state of Kentucky, not one cent of money, or one acre of land, has been applied to any object of internal improvement within her limits. The subscription to the stock of the canal at Louisville was for an object in which many states were interested. The senator from Maryland complains that he has been unable to obtain any aid for the railroad which the enterprise of Baltimore has projected, and, in part, executed. That was a great work, the conception of which was bold and highly honorable, and it deserves national encouragement. But how has the Committee of Roads and Canals, at this session, been constituted? The senator from Maryland possessed a brief authority to organize it, and, if I am not misinformed, a majority of the members composing it, appointed by him, are opposed both to the constitutionality of the power and the expediency of exercising it.

### "To the friends of the American System"

And now, sir, I would address a few words to the friends of the American System in the Senate. The revenue *must, ought* to be reduced. The country will not, after, by the payment of the public debt, $10 or $12 millions become unnecessary, bear such an annual surplus. Its distribution would form a subject of perpetual contention. Some of the opponents of the system understand the stratagem by which to attack it, and are shaping their course accordingly. It is to crush the system by the accumulation of revenue, and by the effort to persuade the people that they are unnecessarily *taxed*, whilst those would really *tax* them who would break up the *native* sources of supply, and render them dependent upon the *foreign*. But the revenue *ought* to be reduced, so as to accommodate it to the fact of the payment of the public debt. And the alternative is, or may be, to *preserve* the protecting system, and repeal the duties

on the *unprotected* articles, or to preserve the duties on *unprotected* articles, and endanger, if not *destroy*, the system. Let us then adopt the measure before us, which will benefit all classes: the farmer, the professional man, the merchant, the manufacturer, the mechanic, and the cotton planter more than all. A few months ago, there was no diversity of opinion as to the expediency of this measure. All, then, seemed to unite in the selection of these objects, for a repeal of duties which were not produced within the country. Such a repeal did not touch our domestic industry, violated no principle, offended no prejudice.

Can we not all, whatever may be our favorite theories, cordially unite on this *neutral* ground? When that is occupied, let us look beyond it, and see if anything can be done, in the field of protection, to modify, to improve it, or to satisfy those who are opposed to the system. Our southern brethren believe that it is injurious to them, and ask its repeal. We believe that its abandonment will be prejudicial to them, and *ruinous* to every other section of the Union. However strong their convictions may be, they are not stronger than ours. Between the points of the preservation of the system and its absolute repeal, there is no principle of union. If it can be *shown* to operate immoderately on any quarter; if the measure of protection to any article can be demonstrated to be undue and inordinate, it would be the duty of Congress to interpose and apply a remedy. And none will cooperate more heartily than I shall, in the performance of that duty. It is quite probable that beneficial modifications of the system may be made, without impairing its efficacy. But, to make it fulfil the purposes of its institution, the measure of protection ought to be adequate. If it be not, all interests will be injuriously affected. The manufacturer, crippled in his exertions, will produce less perfect and dearer fabrics, and the consumer will feel the consequence. This is the spirit, and these are the principles only, on which it seems to me that a settlement of this great question can be made satisfactorily to all parts of our Union.

[The delivery of the above speech of Mr. CLAY occupied portions of three several days; but the whole is embodied here, unbroken.]