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AMERICAN TARIFF—concluded.
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The truth of what has now been stated is very strikingly exemplified by what has actually occurred in America. The manufacture of Woolen goods is one which Congress seems to have been most anxious to promote. In 1790, an ad valorem duty of 5 per cent was laid for the sake of revenue, on all woolen cloths imported into the republic. In 1798, after the restrictive mania had begun to gather strength, the duty was raised from 5 to 12 1/2 per cent; in 1804, it was raised to 15 per cent; in 1812, during the war with England, it was increased to 37 per cent; in 1816, after peace was restored, it was reduced to 25 per cent; in 1824, it was nominally raised to 33 1/2, but really to 38 per cent. This was pretty well; but it fell far short of what has since been effected. By the tariff recently passed, it was enacted that all goods which cost 50 cents, (3s. 11d.) a yard, or under, shall be deemed to have cost 50 cents, and shall be charged with a duty of 45 per cent ad valorem; and it is further enacted, that all goods which cost above 50 cents, and not more than 100 cents, shall be considered as costing 100 cents, or 4s. 3d. and shall pay a duty of 45 per cent on that sum; so that one yard of cloth shall pay a duty of 45 per cent, and that which cost 51 cents will be valued at 100, and will consequently pay a duty of 45 cents or nearly 90 per cent! The whole iniquity of this regulation is not apparent at first sight: For it is so devised as to press far more heavily on the lower and middle than on the upper classes.

The price of by much the largest portion of the cloth which the former make use of varies from 50 to 100 cents a yard; and while this is loaded with a duty varying from 90 to 95 per cent, or 67 1/2 per cent at an average, superfine cloth costing four dollars the yard is only loaded with a duty of 50 per cent! The encouragement of smuggling and fraud seems also to have been a favourite object with the framers of this regulation; for they have so contrived it, that if an importer can, by falsifying his papers or otherwise, succeed in sinking the price of his goods from 51 to 50 cents, he will save 45 per cent of duty! This is out-herding old George Rose, and would, we are inclined to think satisfy even lord Malmesbury himself. Whether, indeed, there be any regulation equally iniquitous and absurd in the commercial code of Austria or Spain, is what we very much doubt; but, objectionable and vexatious as many of our custom-house regulations certainly are, still it is satisfactory to know that the very worst amongst them is fair and reasonable compared with the above.

The population of the United States is estimated, in a very able and detailed examination of the new tariff by a committee of the citizens of Boston and its vicinity, at 12 millions; and the value of the annual consumption of woolen goods is supposed to amount at an average, to 6 dollars or 26s. 6d. a head, giving a total sum of about 75,000,000 of dollars for the entire value of the woolens consumed in the Union. But if the duties were reduced, the cost of the woolens would be reduced. It is estimated that under the tariff of 1824, the various charges, including the duty of 38 per cent, the expense of freight and insurance, the profits of the importing and exporting merchants, &c. attending the importation of foreign woolens into the United States, amounted to full 57 per cent of their entire value. But referring for the present only to the operation of the duty, it is plain that it must have been paid before the woolens could be brought to market; and as they were imported in considerable quantities, notwithstanding its imposition, it is further plain, as has been previously remarked, that if it had been lowered or repealed, their price would have been proportionally diminished. But this is not the only fall that would have been occasioned by the reduction of the duties. The woolens manufactured in the United States sold in the market along with the foreign woolens charged with the duty of 38 per cent; and it is certain that they did not, quality for quality, sell cheaper; for had they done so, the foreign woolens would neither have been bought nor imported. On the whole, therefore, it is undeniable that the duty under the late tariff added 38 per cent to the cost of the whole woolens consumed in the republic, or made 27,360,000 of the 72,000,000 of dollars, which their aggregate value was supposed to amount to.

The value of the annual imports of woolens amounted under the tariff of 1824, to about 39,600,000. The gross amount of duty on this importation amount to 83,420,000, by deducting this sum from the 27,360,000, which is the duty added to the cost of the woolens consumed in the U. States, the balance of 23,940,000 is the net amount of the bounty, or bonus, which the American public were obliged to pay to their countrymen engaged in the woolen manufacture to enable them to prosecute their business. (Report, p. 19.) And yet it appears, by the confession of the manufacturers themselves that this immense bonus has been quite inadequate for their support. In any country not blessed with a legislature thoroughly imbued with a love of all the contradictions and absurdities of the mercantile system, such a confession would have been reckoned equivalent to a declaration that the prospect of engaging on any thing like equal terms in a successful competition with foreigners in the woolen manufacture, was as

yet altogether visionary, and that the protection that had already been so unwisely given to the manufacturers ought to be gradually withdrawn. But Congress thought differently. They determined that the manufacturer should be supported, whatever might be the cost.—There was more, however, of apparent than of real generosity, in this conduct; for, as we have already seen, the members of Congress thought proper to throw the additional expense of supporting the manufacturers principally on the lower and middle classes, having considerably discriminated the duties laid on the articles consumed by their own class.

Besides the statements in the Report of the Boston Committee, on which the previous remarks are chiefly founded, we may observe that a precisely similar view of the question is taken in the Report of a Committee of the House of Representatives, appointed to inquire into the state of the finances. The policy of the new tariff then under consideration, was fully and ably discussed, and strongly condemned by this committee. They state, that in their apprehension, the effect of the proposed (now enacted) tariff, will be, to take millions from the income of the planting, agricultural, commercial and shipping interests, to add hundreds of thousands to the income of the manufacturers and wool-growers.—“In a word, that the contemplated prohibitory duties will DESTROY TEN TIMES AS MUCH WEALTH AS THEY WILL CREATE.”

But the American legislature have not been satisfied with attempting to bolster up the woolen manufacture. They have made equally strenuous efforts to establish the cotton manufacture, which have been crowned with almost equal success. On the coarser description of cotton fabrics, costing from 8 to 15 cents a yard, the duty under the tariff of 1824, was as high as 74 cents, being from about 50 to 80 per cent ad valorem; on other fabrics, costing from 15 to 20 cents, the duty varied from 38 to 50 per cent, and on the more costly fabrics it amounted to 38 per cent. Such an extraordinary degree of protection could not fail to divert a considerable quantity of capital and labor to the manufacture of cottons; but instead of being of any advantage, every cotton-mill that has been built under this system, is an evidence of the folly of government, and of the misemployment of so much capital. Withdraw the protection—that is, prevent the public from being taxed for the sake of tempting cotton spinners and manufacturers to embark in a disadvantageous business, and the utter annihilation of these establishments would follow as a matter of course. The manufacturers derive no part of their subsistence from their own industry or ingenuity; they derive it wholly from the monopoly which they possess of the home market, and which enables them to put their hands into the pockets of their neighbors. This is what the ‘American system’ really amounts to; and we can truly say, that we do not envy our Transatlantic friends the advantages of which it can be productive.

It appears from the Report of the Boston Committee, that notwithstanding the imposition of the exorbitant duties now alluded to, cottons, which sold for about 18 millions of dollars, were imported into the United States in 1826. Page 24.) And yet, in the teeth of these facts, it is said by the advocates of the restrictive system, that ‘America is not only supplied, but overflowing with cotton manufactures; the produce of her own labor.’—“The goods made by our own mills,” it is stated in a paper published by the Harrisburg Convention, “are the CHEAPEST AND BEST IN THE WORLD. They have driven like British goods out of every market accessible to us as to them, though our great rival attempted to counterfeit our goods in numerous instances, to deceive the people of Mexico and South America. Some small parcels of our goods were smuggled into England and sold with a good profit!!” American cottons would drive the like British or India goods out of Calcutta, were their importation thereat liberally allowed. There is nothing but sober truth in these statements; but how wonderful (wonderful truly!) are the changes that have taken place.

In our ignorance, we long imagined that John Bull had been the most glib of animals; but if Jonathan can swallow such assertions as these, John has not the vestige of a claim to that distinction. Smuggle American cottons into G. Britain! What an opinion must the Harrisburg delegates have formed of their countrymen, when they could presume to call such a statement a ‘sober truth!’ Is there a merchant in the U. States so profoundly ignorant, as not to know that American and all other foreign cottons, may be freely imported into our markets on paying an ad valorem duty of TEN per cent? Let us now see how they are driving our cottons out of foreign markets. In 1826, the estimated official value of the whole exports from the United States amounted to 77,593,322 dollars, of which coarse cotton goods of domestic manufacture amounted to 1,138,125 dollars; and of those, 711,939 dollars worth were sent to Mexico and South America. Now, it appears from the official accounts of our custom-house, that the value of our exports of cotton goods only, in 1825, amounted to 30,795,000, or about 150,000,000 dollars; and there are good grounds for thinking, that the value of those exported to Mexico and South America exceeded 25,000,000 dollars; so that the American exports to those countries, some of which

* Papers relative to American Tariffs, printed by order of the House of Commons, p. 233.

† Consisting of 600,000 lbs. from all parts of the Union, intended to the encouragement of domestic industry—they met at Harrisburg 30th July, 1827.

‡ Papers relative to the American tariff, printed by order of the House of Commons, p. 107.

are their immediate neighbors, amount to about two-thirds of a per cent. of our own; a marvellous progress, certainly, towards supplanting the British in all foreign markets!

But the truth is, that this is setting the progress made by the Americans in a much too favourable point of view. ‘It is well known,’ says the Boston Committee, which, it will be observed, consisted wholly of merchants and practical men, ‘that in such a various and extensive trade as we carry on, there are many markets where assorted cargoes are required, and they must be made up of both foreign and domestic goods, even though they may cost more than in the country where these or similar articles are produced.’—“Evidence of this, we re-exported, in 1825, of European linens, imported at a cost of from 15 to 20 per cent to the amount of 2,433,625 dollars; yet no one acquainted with trade would infer from that our ability to undersell the same articles going direct from the places where they are made, to the markets to which we export them. This is now the case, and always has been, with many of the articles which we import from all quarters of the world.—But our re-exportation of cotton goods will be more to the point. From the custom-house returns, the committee find, that the export of foreign cotton goods, principally of all British, for 1825, amounted to 1,810,591 dollars, of which 1,106,214 dollars, went to Mexico and different parts in S. America; and that in 1826, the export was 1,714,788 dollars, of which 901,849 dollars went to the same places, besides the shipments that went direct from Europe to these countries. We think this is a just view of the case—and such will convince every reasonable man that no satisfactory evidence has been furnished to show that we can undersell the British in any market; indeed nothing can be more absurd than to pretend that we can while we levy a duty of from 50 to 90 per cent, on those very goods in which we most excel, in order to keep British cottons out of our markets, and which is still to be increased if the manufacturers prevail.”—Page 26.

The same system of forcing has been applied to almost every sort of manufacture; and it would seem that *couste qui couste* it is to be persevered in. Its advocates have proclaimed that ‘the principle of the tariff is to enable each article manufactured at home to sustain a competition with the same article when imported.’—“We,” it was said in Congress, ‘want protection; and it matters not whether it be 50 or 150 per cent, so long as it is protection.’ Entertaining such views we think Congress would do well to prohibit foreign commerce altogether; to make it as the Spaniards did in South America, a capital offence to carry on any sort of intercourse with foreigners. If their system of prohibitions and restrictions could take effect, it would destroy the foreign trade of the republic as effectually as if her territories were surrounded by Bishop Berkeley’s wall of brass.

We observe that very great stress is generally laid by the speakers in Congress, and the writers out of doors, favorable to the ‘American system’ on the alleged indisposition of the European powers, and particularly of Great Britain, to import the staple productions of America. We are accused of acting with inconceivable rapacity, illiberality, and so forth. We are said to have excluded almost every sort of Transatlantic produce from our markets. The injury done the Union by our corn laws is particularly dwelt upon; and they are triumphantly referred to as showing that we are zealously attached to the prohibitive system. It is alleged, that the recent changes in some departments of our commercial legislation have been of no material consequence, and that they were really intended only to deceive foreigners, and make them enter into ruinous commercial treaties with us.

There is, however, a great deal of falsehood and exaggeration in these statements. With respect, indeed, to the corn laws, it is perhaps unnecessary for us to say that we are quite as hostile to them as any foreigner, whether an American or a Pole, can possibly be. We look upon them as decidedly opposed to all our best interests; as occasioning the misemployment of a large amount of capital and industry; as multiplying, at one and the same time, the chances, not only of famine, but also of glut; and as tending, by raising the average price of food, and consequently, the rate of wages, to an artificial elevation, to depress the rate of profit, and cause the transference of capital to other countries. All, therefore, that can be said even by the Harrisburg delegates, in vituperation of the corn laws, will be assented to by us. We are enemies of prohibitions and restrictions, not because they have been enacted by aristocrats, autocrats, or demagogues—by England, Austria, or America, but because we are thoroughly convinced that they are in the last degree inimical to the real wealth and permanent improvement of every nation by whom they are adopted. It is needless, therefore, to tell us that England has acted, and is, in this instance, still acting, upon that very system of policy, which we condemn. We admit, and lament the fact. At the same time, however, we are gratified in thinking that a very great progress indeed has been already made, notwithstanding the statements to the contrary by the American writers and speakers, in the way to a better system.

But why should Jonathan, who is so very sharp-sighted in other plain practical questions, be so very blind in this? He sees clearly enough that the corn laws operate as a heavy tax on the consumers of corn in this country, of which a small part only finds its way into the pockets of the landlords, the rest being wasted in the heavy expenses attending the tillage of the poor soils, which we are, through the agency of these laws,

compelled to cultivate. Jonathan has the most perfect comprehension of all this, and can descend, in good set phrases, on its impolicy and absurdity.—And yet, with an Irish sort of consistency, he sets about doing the very same thing himself that he so loudly condemns in us! He sees that the English might import corn from abroad for a half, or perhaps a third, of what it takes to raise it on the worst lands now in tillage; and not to be behind us in wisdom, he hastens to lay prohibitory duties on foreign woolens, cottons, hardware glass, sugar, &c. that he may have the pleasure of paying twice as much for these articles as he might otherwise obtain them for, and thus be on a level with the English! After this, who will presume to say that John Bull is the greatest goose in the world? Had he been in Jonathan’s place, and no longer kept in leading strings by the Newcastles, Kenyons, &c. we believe he would have said, that the line of conduct followed by the British government, with respect to the trade in corn, ought to be avoided, not followed; and that it was clearly for his interest to buy his woolens, cottons and hardware, wherever he could get them cheapest, whatever the English might do.

It is quite a mistake to affirm, as Mr. Otis and other advocates of the tariff have done, that we import almost nothing that the Americans produce. It appears from the American custom house report, that the estimated value of the domestic produce, exported from the United States amounted, in 1825, to 66,944,745 dollars; and of this, no less than 40,372,987 dollars worth was sent to Great Britain and her colonies; 35,043,466 dollars worth being exported direct to Great Britain. Well and truly therefore might the merchants of Boston say in their Report, that ‘Whatever view we take of the trade with Great Britain, it will be found to be equal in value to TWO THIRDS OF ALL THE COMMERCE which we carry on with the remaining parts of the whole world; but it will be impossible for us to retain more than a portion of what we now enjoy, if the system we are opposing should prevail.’—P. 127.

There cannot be a question, indeed, that the commerce with Great Britain is of the utmost consequence to the Americans, and that we deal with them on infinitely more liberal terms than they deal with us. We annually import more than 125 millions of pounds weight of American cotton, charging it only with a duty of six per cent. Our supplies of tobacco are principally imported from America; and though it is charged with a heavy duty of 3s. a pound, that duty is imposed solely for the sake of revenue, and certainly with no view to check the consumption of an American product, in order to encourage the use of one raised at home.—With the exception, indeed, of ashes and rice, no articles brought from America pay a protecting duty; and on the majority of the American articles we import, the duties do not, at an average, exceed eight per cent ad valorem. But there is not, as we have already seen, any reciprocity in the proceedings of the Americans. They charge our woolen goods with a duty of from 45 to 90 per cent; cottons with a duty of from 30 to 100 per cent, iron bolts and bar-iron with a duty 7l. 17s. per ton, and so on. It would be well, therefore, if, in future discussions of this matter, the advocates and eulogists of the ‘American system’ were to lay somewhat less stress on our ‘rapidity’ and ‘illiberality.’ Whatever may be our defects in that way, it does not really seem that the Americans have any very peculiar right to reproach us with them.

It is true, that it is our own interest we have in view in admitting American raw cotton and other products, at comparatively low duties. Nor do we object to the Americans that they act on this principle; for no nation ever acts on any other. What we object to in their conduct is, that they mistake wherein their own interest really lies; and that their prohibitions and restrictions, by narrowing the field of commercial enterprise are a public and general nuisance; though it is certain that they are infinitely more injurious to themselves than to any other people.

On hearing the terms in which some of the leading American orators talk about the mischief arising from the balance of trade being unfavourable to the republic, and the consequent exportation of specie, one is almost tempted to believe in the doctrine of the metempsychosis, and to conclude that the Rosas, the Kenyons, and the Lauderdale of a former age, are again revived in the Baldwins, the Lawrences, and the Everetts of the present. It is difficult to argue with those who, at this time of day, can talk seriously about the balance of trade.—To say that the old doctrine with respect to it has been a thousand times shown to be false, contradictory, and absurd, is not enough. The fact is, that the very reverse of it is true; and that every nation carrying on an advantageous foreign commerce must import more than she exports, and must therefore, according to the transatlantic illuminist, have the balance against her. But in despite of the speeches of honourable gentlemen, and the innumerable essays of Mr. Carey, we apprehend that Jonathan is not quite so simple as to export any commodity, except in the view of importing a more valuable one in its stead. It is this greater value that constitutes the profits of the merchants engaged in the foreign trade, and to affirm that it is large, is to affirm, what is not reckoned a very serious evil on this side the Atlantic, whatever it may be

— In 1827 the value of the exports from the United States to Great Britain and her dependencies amounted to 32,570,463 dollars, of which 28,277,692 dollars worth went direct to Great Britain.

on the other, that the external trade of the country is very lucrative.

It would, however, be unjust to individual members of the American Legislature to represent them as all approving the exploded and absurd notions with regard to the balance of trade. Mr. Cambreleng, in an able pamphlet, entitled an Examination of the Tariff proposed in 1821, forcibly exposed the fallacy of the opinion of those who believe, in the pernicious effect of what is called an unfavourable balance. Mr. Webster, too, in an admirable speech on the tariff bill of 1824, set the real nature of commerce, and the true doctrine as to the balance, in the clearest point of view. Mr. Webster illustrated his statement by a case which, although it failed to make any impression on the majority of his auditors, is so very conclusive, that we believe it will carry conviction to every one who may happen to throw his eye over these pages. “Some time since,” said Mr. Webster, “a ship left one of the towns of New-England, having on board 70,000 dollars in specie. She proceeded to Mocha, on the Red Sea, and there laid out these dollars on coffee, drugs, spices &c. With this new cargo she proceeded to Europe; two thirds of it were sold in Holland for 130,000 dollars, which the ship brought back and placed in the vaults of the same bank whence she had taken her original outfit; the other third was sent to the ports of the Mediterranean, and produced a return of 25,000 dollars, in specie, and 15,000 dollars in Italian merchandise. These sums together make 170,000 dollars imported, which is 150,000 dollars more than were exported; and forms, therefore, according to the doctrine of honorable gentlemen on the other side, an unfavourable balance to that amount.” But honorable gentlemen were proof against this *reductio ad absurdum*—They continued firm in their belief, that the doctrine of the balance was no chimera, and that the adventure described by Mr. Webster was a losing one.

Some members of the American Legislature, who advocate the protecting system, and of the purity of whose motives no doubt can be entertained, seem to lay a great deal of stress on the assumed principle, that no people can truly be said to be independent, if they are indebted to foreigners for supplies of any commodity of very great utility.—There is some apparent, but no real foundation for this opinion. The fallacy lies in attaching an erroneous meaning to the term independent. No one would reckon a private gentleman, who had his clothes, hats, shoes, &c. made in his own house, as in any respect more independent than one who had money enough to buy them of the tailors, hatters, shoemakers, and other tradesmen. The same is the case with nations. Each, by applying itself in preference to these pursuits for which it has some peculiar aptitude will be able to obtain a greater command over the necessaries and conveniences of life through the intervention of an exchange, and will, consequently, be richer, and consequently more truly independent, than if it had directly produced the various articles for which it has a demand. In commerce, equivalents are always given for equivalents; so that there can be no dependence, in the vulgar acceptance of the term. The Americans, it is true, have on one or two occasions experienced a scarcity of foreign manufactured goods; but this was a consequence of their own policy, of their non-importation acts, and not of the prohibitive regulations of any foreign power. They may rest assured, that no manufacturing nation will ever refuse to sell. No such circumstance has ever yet occurred; and it may be safely affirmed that it never will. The danger that the American statesman would provide against is therefore altogether imaginary.—The independence at which they aspire, is the independence of those who swim across the river that they may owe nothing to the bridge.

We have hitherto argued this question, on the assumption that the provisions of the tariff might be carried into effect; but this seems to be quite out of the question. The great corrector of vicious, commercial, and financial legislation, the smuggler, will prove too powerful for the custom-house officers. The vast extent of the American frontier, and the facilities it affords for the clandestine importation of foreign goods, present insuperable obstacles to the success of the mad attempt in which the government has embarked. We have no idea, indeed, that our exports to the United States will be materially diminished by the new tariff. Free access to Canada will afford our merchants so many facilities for smuggling, that unless the Americans place a custom-house officer in every bush, and station a gun-boat in every creek, it will not be in their power to prevent the introduction of our products. The American Legislature will not, therefore, be able, do what it will, to establish the finer branches of manufacture within the union. It may carry the protecting duties from 100 to 500 or 1000 per cent; it will only be so much additional premium to the clandestine trader. The injury will fall heavily on the Americans themselves; but will be comparatively little felt by the foreigner. Instead of reaping a large revenue from moderate custom duties they will empty the public coffers of the state to fill the pockets of the smuggler; instead of having the population on their frontier engaged in clearing off land, and in extending the empire of civilization, they will imbue them with predatory and ferocious habits, and teach them to defy the laws, and to place their hopes of rising in the world, not in the laborious occupations of agriculture, but in schemes to defraud the public revenue. Commerce will be diverted from its natural and wholesome channels; and instead of being one of the most productive sources of wealth and civilization it will become, under