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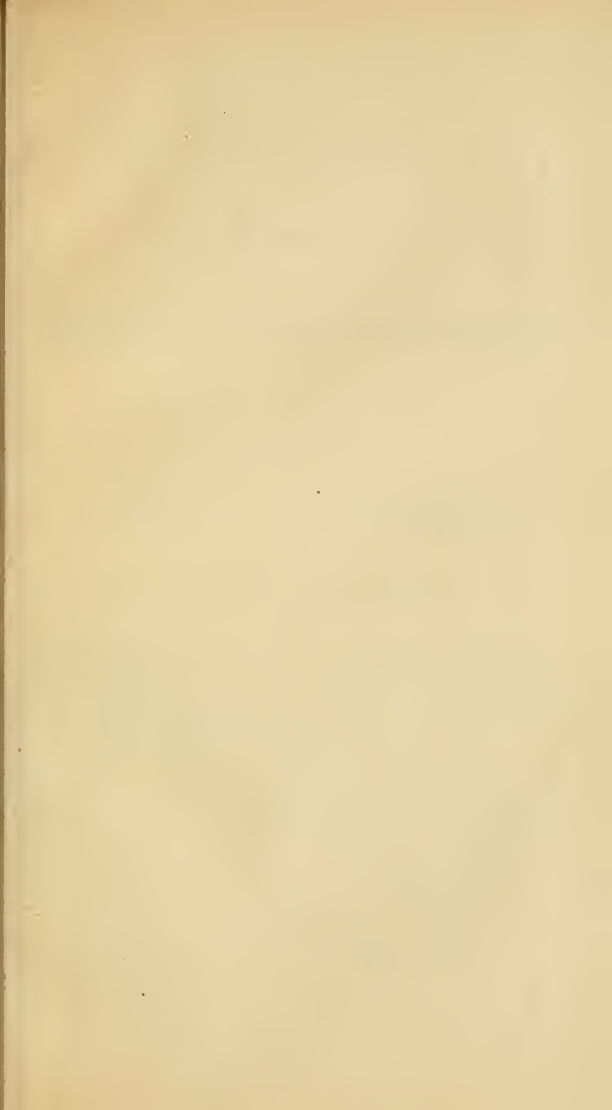
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UNITED STATES OF AMERICA.





MAXIMS

FOR THE PROMOTION OF

THE WEALTH OF NATIONS:

BEING

A Manual of Political Economy,

EXTRACTED FROM THE WRITINGS OF

FRANKLIN, JEFFERSON, MADISON, HAMILTON,
CALHOUN, JUDGE COOPER, ADAM SMITH,
J. BAPTISTE SAY, ANDERSON, &c. &c.

By Matthew G. Carter



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PREFACE.

IN every science there are certain principles or maxims, which time, experience, and observation have united to establish. When they refer to a practical science, they are as safe guides, so far as regards that particular science, as the maxims of morals and religion are to direct our course in the discharge of our duties to our Creator, to our fellow mortals, and to ourselves.

On the subject of Political Economy, which, liberally construed, means the science of promoting the prosperity and welfare of nations, by the encouragement and protection of their industry, such maxims are to be found scattered through the writings of various authors of high celebrity, and form the bases of the laws and ordinances of some of the wisest statesmen that ever presided over the destinies of nations. The list embraces the names of the Edwards of England, Frederic of Prussia, Henry of France—of Franklin, Jefferson, Hamilton, Madison, Chaptal, &c. &c.

As regards this science there are two different schools, which profess doctrines diametrically opposite to each other, and are designated by the titles of the old and the new school.

The leading maxim of the first is, that domestic industry should be protected, in all its

shapes and forms, from foreign competition, by protecting duties or absolute prohibitions, as the case may require.

The leading maxim of the new school is, that nations should buy where they can buy cheapest, whether abroad or at home—and that the duties on importations should be laid almost altogether with a view to the collection of revenue. The grand apostle of this school is Adam Smith, and his great disciples are Say, Ricardo, Malthus, M'Culloch, &c.

The present publication contains the leading maxims of the old school, which, the editor believes, if carefully studied by unbiassed minds, cannot fail to carry conviction with them. It is intended as a manual of political economy. The maxims have the sterling merit of being supported, not merely by the prosperity of those nations which have carried them into operation, but by the decay and desolation of those which have pursued a contrary policy.

I shall briefly notice a few of the very extraordinary dogmas of the new school.

Dr. Smith gravely states, that—

"The free importation of foreign corn could very little affect the interest of the farmers of Great Britain!!"—Wealth of Nations, Vol. I. p. 323.

Flour in Liverpool on the 8th of September, 1829, was about eight dollars per barrel. To any intelligent merchant I appeal, to decide whether *a free importation* of flour or wheat

from the Baltic or Odessa, would not, on its arrival, reduce the price to six or seven dollars, and cripple a large proportion of those farmers whose resources were slender, and injure more or less every one concerned in raising grain.

The next maxim goes to destroy the national energies in countries which have made little progress in arts or manufactures. Had it been acted upon by Great Britain, it would have retained her to this hour dependent on Flanders for her woollen goods, on the East Indies for her cottons, on France for her paper, glass, &c. &c.

“Whether the advantages which one country has over another, be natural or acquired, is in this respect of no consequence! *As long as the one country has those advantages, and the other wants them, it will always be more advantageous for the latter to buy of the former than to make!!!*”—Idem, p. 321.

At the close of the revolutionary war, Great Britain, and almost all the nations of Europe, had “*the advantage over us,*” and could furnish almost every article of manufactures cheaper than we could make them, and therefore we ought, according to this refined and rational theory, to purchase nine-tenths of our clothing, furniture, and tools, from them! And some of them could, even at this hour, furnish us with grain cheaper than we can raise it—and we ought, according to Dr. Smith, to allow them to feed as well as clothe us!!!

Dr. M'Culloch, who is one of the prime leaders of the new school in Great Britain, and on whom the mantle of Adam Smith has fallen, was examined some time since before the house of Commons, and declared that the incomes of

Irish absentees were as truly spent in Ireland, as if they resided there!!!

Question put to Mr. M'Culloch:—

“Would not the expenditure of their incomes [of the absentees] be productive of a great deal of good?”

Reply.

“The income of a landlord, when he is an absentee, is really as much expended in Ireland, as if he were living in it!!!!!!”

To this he added the following absurdity:—

“If the English land-holders had as faithful stewards or agents as the Scotch, it would not injure England, if their incomes were spent abroad.”

It is a singular fact, that the policy of the old school is powerfully and irresistibly supported by one of the leading maxims of the very founder of the new school, which forms the first article in the following selection, but is here repeated, for the purpose of enabling the reader to compare the maxim with the comments offered on it—

“Whatever tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for the rude produce of the land; and thereby still further to discourage agriculture.”

“Those systems, therefore, which, preferring agriculture to all other employments, in order to promote it, impose restraints upon manufactures and foreign commerce, act contrary to the very end they propose, and *indirectly discourage that species of industry they mean to promote.*”
—Smith's *Wealth of Nations*, Vol. ii. p. 149.

These maxims are the genuine dictates of sound sense. But unfortunately they cut up the leading theory of the Doctor's work, root

and branch. That theory, as I have already stated, is to leave importation free, and purchase abroad whatever can be furnished cheaper there than at home. I request the attention of the reader while I state, in a few words, the utter incompatibility of the two doctrines—previously observing that Dr. Smith holds, and truly holds, that agriculture is the most important branch of human industry.

The preceding maxims, when analysed, resolve themselves into three positions:—

1. That the home market is the best of all markets for the rude produce of the soil, i. e. for the products of agriculture.

2. That the diminution of the number of artificers and manufacturers diminishes the home market.

3. That this latter diminution discourages agriculture.

Now as the free importation of manufactured goods necessarily “diminishes the number of artificers and manufacturers” engaged in similar manufactures, as is admitted by the Doctor himself, whose words I quote,

“If the free importation of foreign manufactures were permitted, several of the home manufactures would probably suffer, *and some of them perhaps go to ruin altogether*, and a considerable part of the stock and industry employed in them would be forced to find out some other employment.”—Vol. I. p. 321.

it clearly follows, that if the maxims be, as they certainly are, correct, the theory must be radically wrong.

I presume the following positions will be admitted by the most devoted admirer of Adam Smith’s doctrines.

Suppose 10,000 persons are employed in any particular branch, the cotton, for instance—that they make goods just enough to supply their fellow citizens—that by some new process similar goods can be had from abroad, at a lower price—that in pursuance of the maxim to “buy wherever goods can be had cheapest,” an importation takes place which is equal or nearly so to the demand. Does it not obviously and irresistibly follow, that this operation “diminishes the number of manufacturers”—“diminishes the home market, the most important of all markets for the rude produce of the land,” and thereby “discourages agriculture?”—Q. E. D.

Want of room forbids pursuing this fertile topic any further: but it is presumed enough has been adduced to prove how extremely dangerous it is for nations to ground their policy on the dicta of men, however learned or celebrated, whose propensity to theory induces them to wholly overlook facts, and to advance such absurd doctrines as those above quoted, particularly that of Dr. M'Culloch.

HAMILTON.

Philadelphia, Jan. 1, 1830.

THE WEALTH OF NATIONS.

I. *“Whatever tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for the rude produce of the land; and thereby still further to discourage agriculture.”*¹

II. *“Manufacturing establishments not only occasion a positive augmentation of the produce and revenue of the society, but contribute essentially to rendering them greater than they could possibly be, without such establishments.”*²

III. *“The substitution of foreign for domestic manufactures is a transfer to foreign nations of the advantages accruing from the employment of machinery, in the modes in which it is capable of being employed, with most utility and to the greatest extent.”*³

IV. *Manufacturing establishments “afford occasional and extra employment to industrious individuals and families, who are willing to devote the leisure resulting from the intermissions of their ordinary pursuits, to collateral labours, as a resource for multiplying their acqui-*

¹ Smith's *Wealth of Nations*, Vol. I.I. 149.

² Hamilton's *Report on Manufactures*, p. 25.

³ *Idem*, 28.

“sitions or their enjoyments. The husbandman
 “himself experiences *a new source of profit and*
 “*support from the increased industry of his wife*
 “*and daughters*; invited and stimulated by the
 “demands of the neighbouring manufactories.”⁴

V. Another advantage is “*the employment of*
 “*persons who would otherwise be idle*, (and in
 “many cases a burden on the community,) either
 “from the bias of temper, habit, infirmity of body,
 “or some other cause, indisposing or disqualify-
 “ing them for the toils of the country.”⁵

VI. “*Women and children are rendered more*
 “*useful, and the latter more early useful, by ma-*
 “*nufacturing establishments, than they would*
 “*otherwise be*. Of the number of persons employ-
 “ed in the cotton manufactories of Great Britain,
 “it is computed that four-sevenths nearly are
 “women and children; of whom the greatest pro-
 “portion are children, and many of them of a very
 “tender age.”⁶

VII. “When all the different kinds of indus-
 “try obtain in a community, each individual can
 “find his proper element, and can call into acti-
 “vity the whole vigour of his nature.”⁷

VIII. “The spirit of enterprise, useful and
 “prolific as it is, must necessarily be contracted
 “or expanded in proportion to the simplicity or
 “variety of the occupations and productions,
 “which are to be found in a society. It must be
 “less in a nation of mere cultivators, than in a
 “nation of cultivators and merchants; less in a
 “nation of cultivators and merchants, than in a
 “nation of cultivators, artificers, and mer-
 “chants.”⁸

⁴ Hamilton's Report on Manufactures, p. 29.

⁵ Ibid. ⁶ Ibid. ⁷ Idem, 32. ⁸ Idem, 33.

IX. "The exertions of the husbandman will be steady or fluctuating, vigorous or feeble, in proportion to the steadiness or fluctuation, adequateness or inadequateness of the market on which he must depend, for the vent of the surplus, which may be produced by his labour; and such surplus, in the ordinary course of things, will be greater or less in the same proportion."⁹

X. "For the purpose of this vent, *a domestic market is greatly to be preferred to a foreign one; because it is, in the nature of things, far more to be relied upon.*"¹⁰

XI. "No earthly method remains for encouraging agriculture, where it has not reared up its head, *that can be considered in any way efficacious, but the establishing proper manufactures in those countries you wish to encourage.*"¹¹

XII. "If a manufacture be established in any rich and fertile country, by convening a number of people into one place, *who must all be fed by the farmer, without interfering with any of his necessary operations, they establish a ready market for the produce of his farm, and thus throw money into his hands, and give spirit and energy to his culture.*"¹²

XIII. "Insurmountable obstacles lie in the way of a farmer in an unimproved country, who has nothing but commerce alone to depend upon for providing a market for the produce of his farm."¹³

XIV. "Industry *in all shapes, in all instances, and by all means* should be encouraged and pro-

⁹ Hamilton's Report on Manufactures, p. 33. ¹⁰ Ibid.

¹¹ Anderson on Industry, p. 70. ¹² Idem, 37.

¹³ Idem.

“tected; indolence by every possible method
“rooted out.”¹⁴

XV. “Some European nations prudently refuse
“to consume the manufactures of East India.
“The gain to the merchant is not to be compared
“with the loss, by this means, of people to the
“nation.”¹⁵

XVI. “Foreign luxuries, and needless manu-
“factures, imported and used in a nation, increase
“the people of the nation that furnishes them, and
“diminish the people of the nation that uses
“them.”¹⁶

XVII. “Laws, therefore, that prevent such
“importations, and, on the contrary, promote the
“exportation of manufactures to be consumed in
“foreign countries, may be called, (with respect
“to the people that make them,) *generative laws*,
“as, by increasing subsistence, they encourage
“marriage.”¹⁷

XVIII. “Such laws, likewise, strengthen a na-
“tion doubly, by increasing its own people, and
“diminishing its neighbours.”¹⁸

XIX. “Where a nation imposes high duties on
“our productions, or prohibits them altogether,
“it may be proper for us to do the same by theirs
“—first burdening or excluding those produc-
“tions which they bring here in competition with
“our own of the same kind; selecting next, such
“manufactures as we take from them in greatest
“quantity, and which at the same time we could
“the soonest furnish to ourselves, or obtain from
“other countries; imposing on them duties light

¹⁴ Franklin, iv. p. 159.

¹⁵ Idem, 188.

¹⁶ Idem, 189.

¹⁷ Ibid.

¹⁸ Ibid.

“at first, but heavier and heavier afterwards, as
 “other channels of supply open.”¹⁹

XX. “Such duties, having the effect of indirect
 “encouragement to domestic manufactures of
 “the same kind, *may induce the manufacturer to*
 “*come himself into these states*, where cheaper
 “subsistence, equal laws, and a vent for his wares,
 “free of duty, may insure him the highest profits
 “from his skill and industry. *The oppressions*
 “*of our agriculture in foreign parts would thus*
 “*be made the occasion of relieving it from a*
 “*dependence on the councils and conduct of*
 “*others, and of promoting arts, manufactures,*
 “*and population at home.*”²⁰

XXI. “The foreign demand for the products of
 “agricultural countries, is, in a great degree,
 “rather *casual and occasional, than certain or*
 “*constant.*”²¹

XXII. “*There are natural causes tending to*
 “*render the external demand for the surplus of*
 “*agricultural nations a precarious reliance.* The
 “differences of seasons, in the countries which
 “are the consumers, make immense differences
 “in the produce of their own soils, in different
 “years; and consequently in the degrees of their
 “necessity for foreign supply. Plentiful harvests
 “with them, especially if similar ones occur at
 “the same time in the countries which are the
 “furnishers, occasion of course a glut in the
 “markets of the latter.”²²

XXIII. “There appear strong reasons to

¹⁹ Jefferson's Report on the Privileges and Restrictions of the Commerce of the United States in Foreign Countries.

²⁰ Ibid.

²¹ Hamilton's Report on Manufactures, p. 34.

²² Idem, 35.

“*regard the foreign demand for our surplus produce as too uncertain a reliance, and to desire a substitute for it, in an extensive domestic market.*”²³

XXIV. “Manufacturers, who constitute the most numerous class, after the cultivators of land, are for that reason the principal consumers of the surplus of their labour.”²⁴

XXV. “This idea of an extensive domestic market for the surplus produce of the soil is of the first consequence. It is, of all things, that which most effectually conduces to a flourishing state of agriculture.”²⁵

XXVI. “The multiplication of manufactories not only furnishes a market for those articles which have been accustomed to be produced in abundance, in a country; but likewise *creates a demand for such as were either unknown or produced in inconsiderable quantities.*”²⁶

XXVII. “It is the interest of nations to diversify the industrious pursuits of the individuals who compose them.”²⁷

XXVIII. “The establishment of manufactures is calculated not only to increase the general stock of useful and productive labour; but even *to improve the state of agriculture in particular*; certainly to advance the interests of those who are engaged in it.”²⁸

XXIX. “If the system of perfect liberty to industry and commerce were the prevailing system of nations, the arguments which dissuade a country in the predicament of the United States, from the zealous pursuit of manufactures would doubtless have great force. But

²³ Hamilton's Report on Manufactures, p. 35.

²⁴ Ibid. ²⁵ Ibid. ²⁶ Idem, 36. ²⁷ Ibid. ²⁸ Ibid.

“this system is far from characterising the general policy of nations. The prevalent one has been regulated by an opposite spirit. The consequence of it is, that *the United States are, to a certain extent, in the situation of a country precluded from foreign commerce.*”²⁹

XXX. “The United States can, indeed, without difficulty, obtain from abroad the manufactured supplies, of which they are in want; but *they experience numerous and very injurious impediments to the emission and vent of their own commodities.*”³⁰

XXXI. “A constant and increasing necessity, on their part, for the commodities of Europe, and only a partial and occasional demand for their own, in return, could not but expose them to a state of impoverishment, compared with the opulence to which their political and natural advantages authorize them to aspire.”³¹

XXXII. “If Europe will not take from us the products of our soil, upon terms consistent with our interest, *the natural remedy is to contract, as fast as possible, our wants of her.*”³²

XXXIII. “To maintain between the recent establishments of one country, and the long matured establishments of another country, a competition upon equal terms, both as to quality and price, is in most cases impracticable. The disparity, in the one, or in the other, or in both, *must necessarily be so considerable as to forbid a successful rivalry, without the extraordinary aid and protection of government.*”³³

XXXIV. “The undertakers of a new manufacture have to contend not only with the natu-

²⁹ Hamilton's Report on Manufactures, p. 38.

³⁰ Idem, 39. ³¹ Ibid. ³² Idem, 40. ³³ Idem, 43.

“ral disadvantages of a new undertaking, but with
 “the gratuities and remunerations which other
 “governments bestow. *To be enabled to contend*
 “*with success, it is evident, that the interference*
 “*and aid of their own government are indispen-*
 “*sable.*”³⁴

XXXV. “Combinations by those engaged in a
 “particular branch of business in one country, to
 “frustrate the first efforts to introduce it into
 “another, by temporary sacrifices, recompensed
 “perhaps by extraordinary indemnifications of
 “the government of such country, are believed to
 “have existed, and are not to be regarded as des-
 “titute of probability.”³⁵

XXXVI. “As soon as the United States shall
 “present the countenance of a serious prosecution
 “of manufactures, as soon as foreign artists shall
 “be made sensible that the state of things here
 “affords a moral certainty of employment and
 “encouragement, *competent numbers of European*
 “*workmen will transplant themselves, effectually*
 “*to ensure the success of the design.*”³⁶

XXXVII. “It is not an unreasonable supposi-
 “tion that measures, which serve to abridge the
 “free competition of foreign articles, have a ten-
 “dency to occasion an enhancement of prices:
 “and it is not to be denied that such is the effect
 “in a number of cases; but the fact does not uni-
 “formly correspond with the theory. A reduction
 “of prices has, in several instances, immediately
 “succeeded the establishment of a domestic ma-
 “nufacture.”³⁷

XXXVIII. Though it were true, that the im-
 “mediate and certain effect of regulations con-

³⁴ Hamilton's Report on Manufactures, p. 44.

³⁵ Ibid. ³⁶ Idem, 46. ³⁷ Idem, 66.

“trolling the competition of foreign with domestic
 “fabrics was an increase of price, it is universally
 “true, that the contrary is the ultimate effect
 “with every successful manufacture. *When a*
 “*domestic manufacture has attained to perfec-*
 “*tion, and has engaged in the prosecution of it a*
 “*competent number of persons, it invariably be-*
 “*comes cheaper.* Being free from the heavy
 “charges which attend the importation of foreign
 “commodities, it can be afforded, and accordingly
 “seldom or never fails to be sold cheaper, in
 “process of time, than was the foreign article for
 “which it is a substitute. *The internal competi-*
 “*tion, which takes place, soon does away every*
 “*thing like monopoly, and by degrees reduces the*
 “*price of the article to the minimum of a rea-*
 “*sonable profit on the capital employed.* This
 “accords with the reason of the thing, and with
 “experience.”³⁸

XXXIX. Whence it follows, that it is the inter-
 “rest of a community, with a view to eventual
 “and permanent economy, to encourage the
 “growth of manufactures. *In a national view, a*
 “*temporary enhancement of price must always be*
 “*well compensated by a permanent reduction of*
 “*it.*”³⁹

XL. “The trade of a country which is both
 “manufacturing and agricultural, will be more
 “lucrative and prosperous, than that of a country,
 “which is merely agricultural.”⁴⁰

XLI. “While the necessities of nations exclu-
 “sively devoted to agriculture, for the fabrics
 “of manufacturing states, are constant and regu-
 “lar, *the wants of the latter for the products of*

³⁸ Hamilton's Report on Manufactures, p. 66.

³⁹ Idem, 67.

⁴⁰ Ibid.

“*the former, are liable to very considerable fluctuations and interruptions.* The great inequalities resulting from differences of seasons, have been elsewhere remarked; this uniformity of demand on one side, and unsteadiness of it, on the other, must necessarily have a tendency to cause the general course of the exchange of commodities between the parties, to turn to the disadvantage of the merely agricultural states.”⁴¹

XLII. “From these circumstances collectively, two important inferences are to be drawn; I. That there is always a higher probability of a favourable balance of trade, in regard to countries, in which manufactures, founded on the basis of a thriving agriculture, flourish, than in regard to those, which are confined wholly or almost wholly to agriculture; II. (which is also a consequence of the first,) that countries of the former description are likely to possess more pecuniary wealth, or money, than those of the latter.”⁴²

XLIII. “The importations of manufactured supplies seem invariably to drain the merely agricultural people of their wealth. Let the situation of the manufacturing countries of Europe be compared in this particular, with that of countries which only cultivate, and the disparity will be striking.”⁴³

XLIV. “The West India Islands, the soils of which are the most fertile; and the nation, which in the greatest degree supplies the rest of the world, with the precious metals; exchange to a loss with almost every other country.”⁴⁴

XLV. “The uniform appearance of an abun-

⁴¹ Hamilton's Report on Manufactures, p. 68.

⁴² Idem, 70. ⁴³ Ibid. ⁴⁴ Ibid.

“dance of specie, as the concomitant of a flourishing state of manufactures, and of the reverse, where they do not prevail, afford a strong presumption of their favourable operation upon the wealth of a country.”⁴⁵

XLVI. “Not only the wealth, but the independence and security of a country, appear to be materially connected with the prosperity of manufactures. Every nation, with a view to those great objects, ought to endeavour to possess within itself all the essentials of national supply. These comprise the means of subsistence, habitation, clothing, and defence.”⁴⁶

XLVII. “The extreme embarrassments of the United States during the late war, from an incapacity of supplying themselves, are still matter of keen recollection: a future war might be expected again to exemplify the mischiefs and dangers of a situation, to which that incapacity is still in too great a degree applicable, unless changed by timely and vigorous exertion.”⁴⁷

XLVIII. “The aggregate prosperity of manufactures, and the aggregate prosperity of agriculture are intimately connected.”⁴⁸

XLIX. “The superior steadiness of the demand of a domestic market for the surplus produce of the soil, is alone a convincing argument of the truth of this maxim.”⁴⁹

L. “The legislator, who makes effectual laws for the promoting of trade, increasing employment, improving land by more or better tillage, providing more food by fisheries, securing property, &c. and the man who invents new

⁴⁵ Hamilton's Report on Manufactures, p. 71.

⁴⁶ Ibid. ⁴⁷ Idem, 72. ⁴⁸ Idem, 75. ⁴⁹ Ibid.

“trades, arts, or manufactures, or new improvements in husbandry, *may be properly called fathers of their nation, as they are the cause of the generation of multitudes*, by the encouragement they afford to marriage.”⁵⁰

LI. “As in most countries, domestic supplies maintain a very considerable competition with such foreign productions of the soil, as are imported for sale; if the extensive establishment of manufactories in the United States does not create a similar competition in respect to manufactured articles, it appears to be clearly deducible, from the considerations which have been mentioned, that they must sustain a double loss in their exchanges with foreign nations; strongly conducive to an unfavourable balance of trade, and very prejudicial to their interests.”⁵¹

LII. “The encouragement of manufactures is the interest of all parts of the Union. If the northern and middle states should be the principal scenes of such establishments, *they would immediately benefit the more southern, by creating a demand for productions, some of which they have in common with the other states, and others of which are either peculiar to them, or more abundant, or of better quality, than elsewhere*. These productions, principally, are timber, flax, hemp, cotton, wool, raw silk, indigo, iron, lead, furs, hides, skins, and coals; of these articles cotton and indigo are peculiar to the southern states; as are hitherto lead and coal.”⁵²

LIII. “The effect of multiplying the opportu-

⁵⁰ Franklin, iv. 188.

⁵¹ Hamilton's Report on Manufactures, p. 73.

⁵² Idem, 76.

“nities of employment to those who immigrate,
 “may be an *increase of the number and extent of*
 “*valuable acquisitions to the population, arts,*
 “*and industry of the country.*”⁵³

LIV. “Considering a monopoly of the domestic market to its own manufacturers as the
 “reigning policy of manufacturing nations, *a*
 “*similar policy on the part of the United States,*
 “*in every proper instance, is dictated, it might*
 “*almost be said, by the principles of distributive*
 “*justice*; certainly by the duty of endeavouring
 “to secure to their own citizens a reciprocity of
 “advantages.”⁵⁴

LV. “There is no purpose to which public
 “money can be more beneficially applied, than
 “to the *acquisition of a new and useful branch*
 “*of industry*; no consideration more valuable
 “than a permanent addition to the general stock
 “of productive labour.”⁵⁵

LVI. “Those manufactures always deserve to
 “be most cherished, which afford the prospect of
 “a constant and steady demand: for if this demand shall be apt to vary, the poor operators
 “will be often thrown idle; which is always
 “attended with the most distressful consequences
 “to society. But *things which minister immediately to the real wants and necessities of*
 “*mankind, have a prospect of being more constantly called for, than those that only furnish*
 “*food for luxury and dissipation*: for as luxury
 “is ruled by fashion and caprice, it may demand
 “with the most unreasonable avidity to-day, what
 “it shall neglect and condemn to-morrow.”⁵⁶

⁵³ Hamilton's Report on Manufactures, p. 78.

⁵⁴ Idem, 80.

⁵⁵ Ibid.

⁵⁶ Anderson on National Industry, p. 57.

LVII. *"The importer of foreign fineries finds it greatly for his own profit to encourage a spirit of dissipation and extravagance among all ranks of people: for he not only reaps profits on them in the mean time, but he knows, that what were accounted mere superfluities at first, soon become necessities of life, so that his trade will increase with the increasing demand for them. It is his interest, therefore, and will be his study, to promote, as far as he can, that general spirit of extravagance and dissipation, which is the most effectual bar to sober industry, and the most certain means of destroying the internal felicity of every individual of the state. In consequence of this system, the people soon become poor, and the profits of the dealer increase with their poverty."*⁵⁷

LVIII. *"Those who wish to make agriculture flourish in any country can have no hope of succeeding, but by bringing commerce and manufactures to her aid, which, by taking from the farmer his superfluous produce, gives spirit to his operations, and life and activity to his mind."*⁵⁸

LIX. *"Except the simple and ordinary kinds of household manufactures, or those for which there are very commanding local advantages, pecuniary bounties are in most cases indispensable to the introduction of a new branch. A stimulus and a support not less powerful and direct, is, generally speaking, essential to the overcoming of the obstacles which arise from the competitions of superior skill and maturity elsewhere. Bounties are especially essential, in re-*

“gard to articles, upon which those foreigners who have been accustomed to supply a country, are in the practice of granting them.”⁵⁹

LX. “It is the interest of the society in such case to submit to a temporary expense, which is more than compensated by an *increase of industry and wealth*; by an augmentation of resources and independence; and by the circumstance of *eventual cheapness*, which has been noticed in another place.”⁶⁰

LXI. “The policy of the exemption of the materials of manufactures from duty as a general rule, particularly in reference to new establishments, is obvious. It can hardly ever be advisable to add the obstructions of fiscal burdens to the difficulties which naturally embarrass a new manufacture.”⁶¹

LXII. “An exclusive possession of the home market ought to be secured to the domestic manufacturers of ardent spirits and malt liquors, as fast as circumstances will admit. Nothing is more practicable, and nothing more desirable.”⁶²

LXIII. “There is no truth which may be more firmly relied upon, than *that the interests of the revenue are promoted, by whatever promotes an increase of national industry and wealth*. In proportion to the degree of these, is the capacity of every country to contribute to the public treasury; and where the capacity to pay is increased, or even is not decreased, the only consequence of measures, which diminish any particular resource, is a change of the object.”⁶³

LXIV. “In a community situated like that of the United States, the public purse must supply

⁵⁹ Hamilton's Report on Manufactures, p. 84.

⁶⁰ Idem, 85. ⁶¹ Idem, 88. ⁶² Idem, 108. ⁶³ Idem, 126.

“the deficiency of private resource. In what can
 “it be so useful as in promoting and improving
 “the efforts of industry?”⁶⁴

LXV. “*In the beginning of any new manufac-
 “ture, support is always necessary, even where
 “materials can be had at the lowest price; be-
 “cause the operators must always be awkward,
 “and their wages high, with other troublesome
 “circumstances too tedious to enumerate, which
 “gradually disappear after the manufacture has
 “been established for some time.*”⁶⁵

LXVI. “Let us not therefore deceive ourselves
 “by false appearances. *A nation may carry on a
 “gainful trade, while its strength and vigour are
 “declining. Its merchants may be enriched,
 “while the state becomes nerveless and ex-
 “hausted.*”⁶⁶

LXVII. “*To aim at separating the interest of
 “manufactures from that of agriculture, is like
 “endeavouring to separate the shadow from its
 “substance; and every attempt to do this, as it is
 “at the same time foolish and unjust, must end
 “in the disappointment of its projector, and prove
 “detrimental to the interests of those very persons
 “it was most intended to serve.*”⁶⁷

LXVIII. “A sound legislation on the subject
 “of duties on imports, is the *true safeguard of
 “agricultural and manufacturing industry.* It
 “raises or diminishes the duties according to
 “circumstances and the necessity of the case. It
 “countervails the disadvantages under which our
 “manufacturers labour, from the difference of
 “the price of workmanship or fuel. IT SHIELDS

⁶⁴ Hamilton's Report on Manufactures, p. 130.

⁶⁵ Anderson on National Industry, p. 227.

⁶⁶ Idem, 288.

⁶⁷ Idem, 305.

“THE RISING ARTS BY PROHIBITIONS,
 “thus preserving them from the rivalship of
 “foreigners, till they have arrived at complete
 “perfection. It tends to establish the national
 “independence, and enriches the country by
 “useful labour, which, as I have repeatedly
 “said, is the principal source of wealth.”⁶⁸

LXIX. “OUR AGRICULTURISTS WANT
 “A HOME MARKET. MANUFACTURES
 “WOULD SUPPLY IT. AGRICULTURE,
 “AT GREAT DISTANCES FROM SEA-
 “PORTS, LANGUISHES FOR WANT OF
 “THIS. Great Britain exhibits an instance of
 “unexampled power and wealth by means of
 “an agriculture greatly dependent on a sys-
 “tem of manufactures—and her agriculture,
 “thus situated, is the best in the world, though
 “still capable of great improvement.”⁶⁹

LXX. “We are too much dependent upon
 “Great Britain for articles that habit has con-
 “verted into necessities. A state of war de-
 “mands privations that a large portion of our
 “citizens reluctantly submit to. HOME MA-
 “NUFACTURES WOULD GREATLY LES-
 “SEN THE EVIL.”⁷⁰

LXXI. “*By means of debts incurred for fo-
 “reign manufactures, we are almost again be-
 “come colonists—we are too much under the in-
 “fluence, indirectly, of British merchants and
 “British agents. We are not an independent
 “people.—Manufactures among us would tend*

⁶⁸ Chaptal sur l'Industrie Francoise, Vol. II. page 417.

⁶⁹ Principles of Political Economy, by Thomas Cooper, M. D., President of Columbia College, S. C., formerly Judge of the Supreme Court of the State of Pennsylvania. Published in March, 1813.

⁷⁰ Idem.

"to correct this, and give a stronger tone of
"nationality at home."⁷¹

LXXII. "*The state of agriculture would im-
"prove with the improvement of manufactures,
"by means of the general spirit of energy and
"exertion, which no where exists in so high a
"degree as in a manufacturing country; and
"by the general improvement of machinery,
"and the demand for raw materials."*⁷²

LXXIII. "*The introduction of manufactures
"would extend knowledge of all kinds, particu-
"larly scientific. The elements of natural
"philosophy and of chemistry, now form an in-
"dispensable branch of education among the
"manufacturers of England. They cannot get
"on without it."*⁷³

LXXIV. "*The home trade, consisting in the
"exchange of agricultural surpluses for articles
"of manufacture, produced in our own country,
"will, for a long time to come, furnish the safest
"and the least dangerous—the least expensive and
"the least immoral—the most productive and the
"most patriotic employment of surplus capital,
"however raised and accumulated. The safest,
"because it requires no navies exclusively for
"its protection; the least dangerous, because
"it furnishes no excitement to the prevailing
"madness of commercial wars; the least expen-
"sive, for the same reason that it is the safest
"and the least dangerous; the least immoral,
"because it furnishes no temptation to the
"breach or evasion of the laws; to the multi-
"plication of oaths and perjuries; and to the*

⁷¹ Idem.

⁷² Idem.

⁷³ Idem.

“ consequent prostration of all religious feeling,
 “ and all social duty: the most *productive*, be-
 “ cause *the capital admits of quicker returns;*
 “ *because the whole of the capital is permanently*
 “ *invested and employed at home; because it con-*
 “ *tributes, directly, immediately, and wholly, to*
 “ *the internal wealth and resources of the nation;*
 “ because the credits given, are more easily
 “ watched, and more effectually protected by
 “ our own laws, well known, easily resorted to,
 “ and speedily executed, than if exposed in dis-
 “ tant and in foreign countries, controlled by
 “ foreign laws and foreign customs, and at the
 “ mercy of foreign agents; *the most patriotic,*
 “ *because it binds the persons employed in it, by*
 “ *all the ties of habit and of interest to their own*
 “ *country; while FOREIGN TRADE TENDS*
 “ *TO DENATIONALIZE THE AFFEC-*
 “ *TIONS OF THOSE WHOSE PROPERTY*
 “ *IS DISPERSED IN FOREIGN COUN-*
 “ *TRIES, whose interests are connected with*
 “ *foreign interests, whose capital is but partially*
 “ *invested at the place of their domicil, and who*
 “ *can remove with comparative facility from one*
 “ *country to another. The wise man observed*
 “ of old, that ‘where the treasure is, there will
 “ *the heart be also.’ ”*⁷⁴

LXXV. “ *Nor can there be any fear that for*
 “ *a century to come, there will not be full demand*
 “ *produced by a system of home manufacture, for*
 “ *every particle of surplus produce that agricul-*
 “ *ture can supply. Of all the occupations which*
 “ *may be employed in furnishing articles either*
 “ *of immediate necessity, of reasonable want, or*

“of direct connexion with agriculture, we have
 “in abundance the raw materials of manufac-
 “ture; and the raw material, uninstructed
 “man, to manufacture them. Is it to be pre-
 “tended that these occupations, when fully
 “under way at home, will not furnish a market
 “for the superfluous produce of agriculture,
 “provided that produce be, as it necessarily
 “will be, suited to the demand? Or ought this
 “variety of occupation, and above all, the mass
 “of real knowledge it implies, to be renounced
 “and neglected for the sake of foreign com-
 “merce—that we may not interfere with the
 “profits and connexions of the merchants who
 “reside among us; and that we may be taxed,
 “and tolerated, and licensed, to fetch from
 “abroad, what we can, with moderate exertion,
 “supply at home? And yet this is the doctrine,
 “not merely advocated and recommended
 “among us, but likely to become the fashiona-
 “ble creed of political economy, wherever mer-
 “cantile interests and connexions prevail. It
 “appears to me of national importance to coun-
 “teract these notions.”⁷⁵

LXXVI. “The security of a country mainly
 “depends on its spirit and its means; and the
 “latter principally on its monied resources.
 “Modified as the industry of this country now
 “is, combined with our peculiar situation and
 “want of a naval ascendancy, *whenever we have*
 “*the misfortune to be involved in a war with a*
 “*nation dominant on the ocean, and it is almost*
 “*only with such we can at present be, the monied*
 “*resources of the country, to a great extent, must*

“*fail.* It is the duty of Congress to adopt those
“measures of prudent foresight, which the
“events of war make necessary.”⁷⁶

LXXVII. “Commerce and agriculture, till
“lately, almost the only, still constitute the
“principal sources of our wealth. So long as
“these remain uninterrupted, the country pros-
“pers: but war, as we are now circumstanced,
“is equally destructive to both. They both de-
“pend on foreign markets; and our country is
“placed, as it regards them, in a situation
“strictly insular. A wide ocean rolls between
“us and our markets. Our commerce neither
“is nor can be protected by the present means
“of the country. What, then, are the effects
“of a war with a maritime power—with Eng-
“land? *Our commerce annihilated, spreading*
“*individual misery, and producing national po-*
“*verty; our agriculture cut off from its accus-*
“*tomed markets, the surplus product of the*
“*farmer perishes on his hands; and he ceases to*
“*produce, because he cannot sell.* His resources
“are dried up, while his expenses are greatly
“increased; as all manufactured articles, the
“necessaries as well as the conveniences of
“life, rise to an extravagant price.”⁷⁷

LXXVIII. “No country ought to be depend-
“ent on another for its means of defence; at
“least, our musket and bayonet, our cannon and
“ball, ought to be domestic manufacture. But
“what is more necessary to the defence of a
“country than its currency and finance? Cir-

⁷⁶ Speech of Mr. Calhoun, formerly Representative from the State of S. Carolina, now Vice President of the United States, in favour of the minimum duty on Cottons, delivered April, 1816.

⁷⁷ Idem.

“ cumstanced as our country is, can these stand
 “ the shock of war? Behold the effect of the
 “ late war on them! *When our manufactures*
 “ *are grown to a certain perfection, as they soon*
 “ *will, UNDER THE FOSTERING CARE*
 “ *OF GOVERNMENT, we will no longer ex-*
 “ *perience those evils.* The farmer will find a
 “ ready market for his surplus produce; and,
 “ what is almost of equal consequence, a cer-
 “ tain and cheap supply of all his wants. His
 “ prosperity will diffuse itself to every class in
 “ the community; and instead of that languor
 “ of industry and individual distress now inci-
 “ dent to a state of war and suspended com-
 “ merce, the wealth and vigour of the commu-
 “ nity will not be materially impaired. The
 “ arm of government will be nerved. *Taxes, in*
 “ *the hour of danger, when essential to the inde-*
 “ *pendence of the nation, may be greatly in-*
 “ *creased. Loans, so uncertain, and hazardous,*
 “ *may be less relied on; thus situated, the storm*
 “ *may beat without, but within all will be quiet*
 “ *and safe.*”⁷⁸

LXXIX. “ However prosperous our situation
 “ when at peace, with uninterrupted commerce,
 “ and nothing then could exceed it; *the moment*
 “ *that we are involved in war, the whole is re-*
 “ *versed. When resources are most needed; when*
 “ *indispensable to maintain the honour; yes, the*
 “ *very existence of the nation, then they desert us.*
 “ Our currency is also sure to experience the
 “ shock; and becomes so deranged as to pre-
 “ vent us from calling out fairly whatever of
 “ means is left to the country. The result of a

“ war, in the present state of our naval power,
 “ is the blockade of our coast, and consequent
 “ destruction of our trade. The wants and
 “ habits of the country, founded on the use of
 “ foreign articles, must be gratified. Importa-
 “ tion to a certain extent continues, through the
 “ policy of the enemy, or unlawful traffic. The
 “ exportation of our bulky articles is prevented:
 “ the specie of the country is drawn off to pay
 “ the balance perpetually accumulating against
 “ us: and the final result is the total derange-
 “ ment of our currency.”⁷⁹

LXXX. “ MANUFACTURES PRODUCE
 “ AN INTEREST STRICTLY AMERICAN,
 “ AS MUCH SO AS AGRICULTURE. *In*
 “ *this they have the decided advantage of com-*
 “ *merce or navigation;* and the country will de-
 “ rive from it much advantage. Again; it is cal-
 “ culated to bind together more closely our
 “ widely spread republic. It will greatly in-
 “ crease our mutual dependence and inter-
 “ course: and will, as a necessary consequence,
 “ EXCITE AN INCREASED ATTENTION
 “ TO INTERNAL IMPROVEMENT, *a sub-*
 “ *ject every way so intimately connected with the*
 “ *ultimate attainment of national strength, and*
 “ *the perfection of our political institutions.*”⁸⁰

LXXXI. “ We have a decided superiority in
 “ the raw materials of cotton, hemp, and flax;
 “ in our alkalies for glass works; in the hides
 “ and the tanning materials of the leather ma-
 “ nufactory: and we can easily procure that
 “ advantage, so far at least, as our own con-
 “ sumption requires it, in the woollen manufac-

“tory. Other branches might be enumerated
 “wherein our advantages of internal resource
 “are undeniable; but I cannot see why we
 “should neglect or despise these. *Nothing but*
 “*a stimulus is wanted to induce and enable us*
 “*to make a proper use of our domestic riches.*
 “But men of skill and men of capital fear to
 “begin; lest, ON THE RETURN OF PEACE,
 “THEY SHOULD BE EXPOSED, IN THE
 “WEAKNESS AND INFANCY OF THEIR
 “UNDERTAKINGS, TO CONTEND WITH
 “THE OVERWHELMING CAPITAL AND
 “SKILL OF THE EUROPEAN POWERS,
 “PARTICULARLY OF GREAT BRI-
 “TAIN.”⁸¹

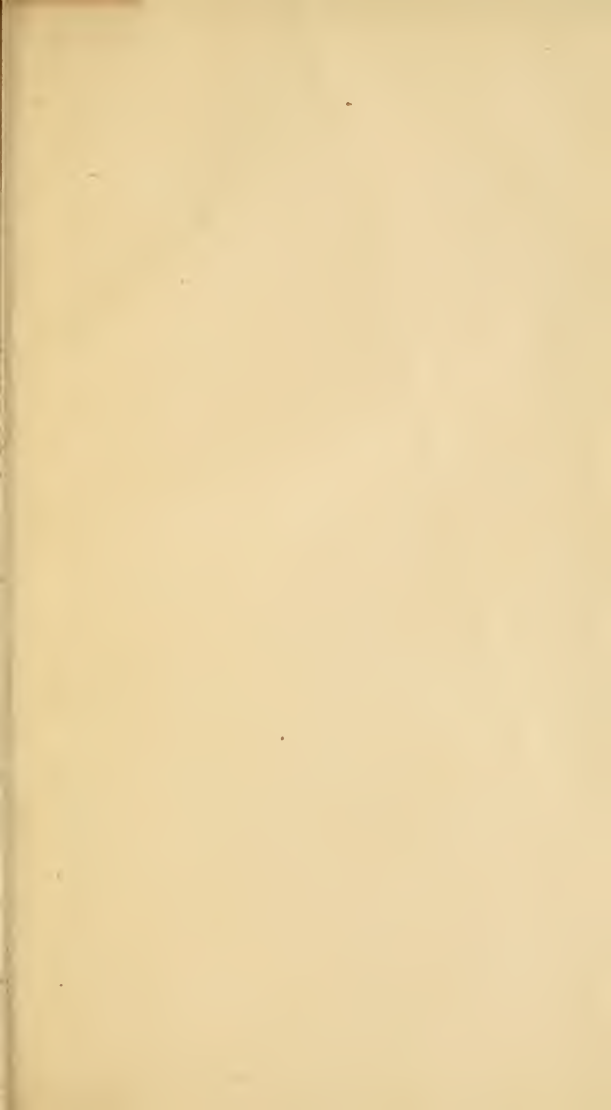
LXXXII. “A PRODUCTIVE ESTABLISH-
 “MENT ON A LARGE SCALE IS SURE
 “TO ANIMATE THE INDUSTRY OF A
 “WHOLE NEIGHBOURHOOD.”⁸²

LXXXIII. “There are many of the provinces
 “of France that are miserable enough at the
 “present; yet want nothing but towns to bring
 “them into high cultivation: *their situation*
 “*would indeed be hopeless, were we to adopt that*
 “*class of economists which* RECOMMENDS
 “THE PURCHASING OF MANUFAC-
 “TURES FROM FOREIGN COUNTRIES,
 “WITH THE RAW PRODUCE OF DO-
 “MESTIC AGRICULTURE.”⁸³

⁸¹ Judge Cooper's Essay on Political Economy, published in 1813, during the war—and this passage was prophetic of the fate of the manufacturers after the war.

⁸² Say's Political Economy.

⁸³ Idem.



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