

"THAT COUNTRY IS THE MOST PROSPEROUS, WHERE LABOR COMMANDS THE GREATEST REWARD."-BUCHANAN.

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## REPORT OF THE SECRETARY OF THE TREASURY.

	TREASURY DEPARTMENT, I	ec 9 1848	in time cease, or fail to a very small sum, the
		,	foreign markets must be destroyed, and the price
	In obedience to law the following	-report is sub-	of our staple exports of cotton, of rice, of tobacco,
-	mitted:	4	of breadstuffs and provisions, must decline, for we
	The receipts and expenditures for	the liscal year	cannot take the return in specie from abroad with-
	ending June 30, 1848, were-		out exhausting those markets in a single year, nor
		31,757,070 96	can we consume at home this augmenting surplus.
	From public lands,	3,328,642 56	The British empire (per table G,) took from us,
	From miscellaneous sources,	351,037 07	(not during the year of famine, as it is called, of
	From avails of loans and trea'y notes	21,256,700 00	1847, but in 1848,) our domestic exports, including
	Total Receipts.	56,693,450 59	cotton, tobacco, rice, breadstuffs and provisions, and
-	Add balance in the treasury, July 1,		other domestic articles, exclusive of specie, to the
	1847,	1,701,251 25	value of \$78,741,416, and Great Britain and Ire-
	1041,	1,701,201 20	land, of the value of \$64,222,268; and this is the
	Total means,	58,394,701 84	trade of our best foreign customer, which protec-
	The expenditures during the same	00,003,101.04	tionists propose to sacrifice by high or prohibitory
	fiscal year were,	58,241,167.24	duties. If the tariff of 1842, gradually excluded, as
			it must, nearly all British fabrics, could they take
	Leaving balance in treasury July 1,		
	1848, of	153,534.60	\$78,741,410 in value of our exports, whilst we
	As appears in detail by accompany-		would take from them scarcely anything but specie
	ing statement A.		in exchange? Such a trade would exhaust Great
	The estimated receipts and expen-	ditures for the	Britain of her surplus specie in a single year, and
	fiscal year ending June 30, 1849, are		leave her nothing with which to purchase our ex-
	From customs, 1st quarter, by actual		ports, and so in regard to all other nations.
	returns.	8,991,935 07	Thus would go our foreign markets, commerce
	From customs, 2d, 3d and 4th quar-		and revenue, and with them our carrying trade, and
	ters, as estimated,	23,008,064 93	our vessels and steamships would remain at the
			wharves without freight.
		32,000,000 00	If the importation of protected articles would
	From public lands,	3,000,000 00	rapidly decrease when the foreign were high in
	From miscellaneous sources,	1,200,000 00	price, and specific duties operated under the tariff
			of 1842. (per table H, compiled from Treasury re-
		36,200,000 00	
	From loans and treas'ry		turns in 1844.) as a protection from 41 to 243 per
	notes, 1st quarter, by		cent, what must not have been the decline of im-
-	actual returns, per		portation and revenue when the foreign articles fell,
	statement B, 10,127,200 00	<i>U</i>	as it has in many cases, 50 per cent., bringing up
	From loans and treas'ry		the specific duty from 41 to 82, and from 243 to
	notes, 2d, 3d and 4th	į	436 per cent.? This fact illustrates another objec-
	quarters, as per state-		tion to the specific duty, namely, that although it

ment C, 10,568,235 30

20,695,435 30 56,895,43530 Add balance in the treasury July 1st, 153,5346

57,048,969 90 Total means as estimated, EXPENDITURES, VIZ. The actual expenditures for the last quarter, ending Sept 30, 1848, 17,866,10491 As appears in detail by

ished revenue the loans must have been greatly of specie coined abroad, exceeded by the vast sum augmented in amount, with a small and declining of \$80,605,181, the exports of the two years pre-

eding revulsions. Upon the re-enactment of the

go on augmenting. But how can foreign countries pay for these exports, if we will take no imports, Tariff of 1842, or any similar restrictive measure, or very few, in return? Clearly, our exports must in time cease, or fall to a very small sum, the foreign markets must be destroyed, and the price smuggling to a vast extent will become an organized system. By estimates from the Topographical our staple exports of cotton, of rice, of tobacco, ffs and provisions, must decline, for we nnot take the return in specie from abroad withit exhausting those markets in a single year, nor o 1,456, and our frontier upon British possessions to 3,303 miles, making in all 9,879 miles, which an we consume at home this augmenting surplus. he British empire (per table G,) took from us, year of famine, as it is called, of 847, but in 1848,) our domestic exports, including otton, tobacco, rice, breadstuffs and provisions, and her domestic articles, exclusive of specie, to the lue of \$78,741,416, and Great Britain and Iread, of the value of \$64,222,268; and this is the

ade of our best foreign customer, which proteconists propose to sacrifice by high or prohibitory ities. If the tariff of 1842, gradually excluded, as tes an entire line open to smugglers of 37,822 miles, to protect which against illicit importation under must, nearly all British fabrics, could they take 8,741,410 in value of our exports, whilst we build take from them scarcely anything but specie the temptations of such a tariff as that of 1842. exchange? Such a trade would exhaust Great orts, and so in regard to all other nations.

> been convulsed by revolutions and civil commotions, paralyzing their commerce, credit and indus-

If the importation of protected articles would pildy decrease when the foreign were high in ice, and specific duties operated under the tariff 1842, (per table H, compiled from Treasury re-in 1841) and the tariff of the tariff of the tariff with what it would have been, if these events had not occurred. Nevertheless such have been the ad vantages of our more unrestricted commerce with rns in 1841.) as a protection from 41 to 243 per nt, what must not have been the decline of imall the world, that the estimates of revenue for the fiscal year, presented in my last report may yet be rtation and revenue when the foreign articles fell, realized, the quarter ending on the 30th Ser it has in many cases, 50 per cent, bringing up e specific duty from 41 to 82, and from 243 to 6 per cent.<sup>7</sup> This fact illustrates another objeclast, being the The adoption by each nation of a high tariff is a war upon the labor of the world. As labor is n to the specific duty, namely, that although i rofesses to be stationary, it is in fact constantly

more productive, capital is more rapidly increased and wages augmented. Yet the tariff, by compel-ling each nation to employ a portion of its indus-

condition we have been saved by the tariff of 1846 the whole increased tonnage under the tariff of sech are transported taxes an average excess thus is as perfect or prices that is thus saved to our an investigation. When the tariff of 1846, and the varges of labor to all foreign countries, and the difference of prices that is thus saved to our at the world would fall before the light of such an investigation of Almighty power; but when, there is perfect or prices and markets, is as great that our domestic exports, exclusive of prices and markets, is as great in the rest, of prices and markets, is as great in the rest, of prices and markets, is as great in the rest, of prices and markets, is as great in the rest, of prices and markets, is as great in the rest, of prices and markets, is as great in the rest, of prices and markets, is as great in the rest, of prices and markets, is as great in the rest. under the direction of Almighty power; but when, ever man can disturb these laws, discord and injury and the wages of labor.

augmented in amount, with a small and deciming of \$80,600,181, the exports of the two years pre-income, and instead of premiums realized, large ceding under the tariff of 1842, whilst the tariff of discounts must have been allowed. That the re-late sure to ensue. The earth, the sun, and countless systems which through the ordeal of an expensive foreign war, ab spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legislation of man spheres would be disturbed if the legi are sure to ensne. ticn of the protectionists, that by continuing the through the ordeal of an expensive foreign war, ab-system a few years they would supply the whole sorbing and withdrawing from industry nearly fifty could interfere and arrest the laws of nature. The Britain would system a few years they would supply the whole home market with the protected domestic articles, when the foreign importation must cases, and the revulues in England of 1847 pass over us almost uharmed, whilst the general overthrow of govern be the annihilation of the foreign import trade of the country, so far as regards protected products. With the exclusion or diminution of imports, the tons could not buy them. We exported last year, (per table, F.) \$130,203, (09, in value of domestic products and fabrics, ex-clusive of specie, and under low duties, this must zo on augmenting. But how can foreign countries. freely receive our breadstuffs we

is perfect, and their results as beneficial, as is every ovement under the laws of nature when undisturbed by the errors and interference of man. If labor is dear here, and low abroad, in the ex-A A & B B, it appears that our direct maritime ocean front, exclusive of bays, inlets, islands, &c., The cheapness of foreign labor is one argument in smaller amount of ours, and gain by the exchange. amounts to 5,120 miles, our frontier upon Mexico o 1,450, and our frontier upon British possessions as to linens, that Europe, from cheap labor, could afford to sell two yards for what one would cost we have to guard against snugglers. But, if in ad-dition to this, as must be done, we take the shore them at the reduced price. But according to the and the Gulf, including the bays, sounds and other and getting for them a greater quantity of useful articles, at lower prices. In the absence of tariffs, the divisions of labor would be according to the laws of nature in each nation, and the surplus of itain of her surplus specie in a single year, and ave her nothing with which to purchase our ex-arts, and so in regard to all other nations. and the authority of the Union, would become the safety-valve of the protective policy by the opera-tion of causes beyond all governmental control. Since my last report the continent of Europe has been convulsed by revolutions and civil commo

such as we wanted here, it would be our interest to purchase them, in exchange for our products, and the cheaper the foreign articles the greater would try, and diminishing our trade with them, compared be our gain in the exchange. It is a strange objec-tion to the purchase of foreign articles that the price is too low The argument that we must encourage our infant

manufactures was always fallacious, for they would last, being the first quarter of the present fiscal year, having yielded \$8,901,835,07. encourage themselves as soon as the country was and will they ever cease to be infant manufactures until weaned from legislative protection ? On the first of February next the markets of Great Britain will be open to our breadstuffs at nominal duties. Shall we enlarge the markets for our products by ling each nation to employ a portion of its indus-try in articles which can be produced more cheaply abroad, and refusing the exchange, forces labor throughout the world into less profitable pursuits, and, as a consequence diminishes the products of labor as well as its wages. Thus if silks can be manufactured at a less cost in Europe, and bread-stuffk more cheaply in this country, and by high year. Thus, if the price of sugar is six cents a pound and the duty three cents, it would be equal to 50 per cent, ad valorem; but if the price of sugar fell to three cents, the duty would have risen portection, and continually augmenting, with de-creasing foreign prices until the duty becomes pro-bilitory and the scale data and the Guil to Chagres. Thus it silks can be them, to the farmer or planter. This is just a question whether he shall sell more at a higher or to 100 per cent. ad valorem, thus doubling the portection, and continually augmenting, with de-creasing foreign prices until the duty becomes pro-bilitory and the scale data and the Guil to Chagres. Thus it silks can be them, to the farmer or planter. This is just a question whether he shall sell more at a higher or the farmer's products are highest on the seaboard. This is just a question whether he shall sell more at a higher or the farmer's products are highest on the seaboard. The farmer's products are highest direction of the seaboard. The farmer's products are highest on the seaboard. The farmer's products are highest on the seaboard. The farmer's products are highest direction of the seaboard. The farmer's products are highest on the seaboard. The farmer's products are highest on the seaboard. The farmer's products are highest directio

terest, of prices and markets, is as great in the re-turn as in the outward passage. The voyage by

steam, from our Atlantic ports to Asia, by the route of Chagres and Panama, with a railroad to be constructed by private enterprise across the Isthmus, would soon be accomplished in a month, instead of three or four months, and the gain of time in our coastwise trade between both oceans, would be still greater. In ancient and modern imes, the cities and mations that secured the trade of Asia were greatly enriched. This has occurred successively with Tyre, Sidon,

Carthage, Alexandria, Venice, Genoa, Lisbou, Am-sterdam and London, whilst this rich traffic built up large cities even in the midst of deserts, in the

Wages can only be increased in any nation in the aggregate by augmenting capital, the fund out of which wages are paid, and the capital gained by saving in the diminished cost of production and prices to the consumers, will invest itself in new also extend our commerce with all the countrie bordering upon the coast of western America richer pursuits necessarily augmenting the demand for than all others in the precious metals, but abound-ing in articles which we desire but do not produce; abor, and as a consequence, its aggregate products, profits and wages. On the other hand, the destrucprofits and wages. On the other hand, the destruc-tion or diminution of capital, by destroying or re-ducing the funds from which labor is paid, must reduce wages. It is not, however, by the transfer of the same amount of capital by law from one pursuit to another that the aggregate capital and profits of national industry can be increased, but by and the Gulf, including the bays, sounds and ofner irregularities of the sea shore, and of sea islands, and of the rivers to head of tides, it makes a dis-tance of 33,063 miles, as estimated by the Coast tance of content of the rotation of the products for their cheaper fabrics, and our labor being applied to the production of articles thus ex-baing applied to the production of articles thus ex-ba prosult to another that the aggregate capital and ints and pressings of the American Onion and units ports on three occan, or the occan, or th the augmentation of the capital, whether by saving or otherwise; and the radical defect of the restrictvested, and therefore can never augment wages. On the contrary, it must in the aggregate depress wages by preventing a saving of capital for the employment of labor and the increase of its wages. 'Our arguments in favor of free trade appeal to all nations to reduce their duties on our products, 'Australia, even if at some distant period a railroad tor; with the islands in the Indian Ocean and with all nations to reduce their duties on our products, whereas our arguments for protection are reasons should connect the Atlantic, the Gulf, and the Misoffered to all nations to raise the duties on our exsissippi with our harbors upon the Pacific. That ports. Our arguments would persuade them also of such a road will be made at some future period, the mutual benefits of reciprocal free trade, and upon the most practicable route, is not doubted. the mutual benefits of reciprocal free trade, and teach the doctrine of international unity of interest, whereas the other attempts to prove that their interests are antagonistical, and will be best consulted by each inflicting the greatest injury upon the other all our present purposes, and would at once bring New York within ten days of the Pacific, and withby high tariffs. The one would be read abroad in their legislative and executive councils in favor of New York within ten days of the Pacific, and with-a reduction of duties on our products—the other in thirty days of China, and New Orleans still near-be allowed on goods exported to Mon would be quoted in favor of raising such duties.

High tariffs should be more useful when hey are between out own own in the Atlantic, the own in insection on the same consider autous as a range and the Pacific. The estimates required by law plicable to Chihuahua. In recommending the revenue likely to arise gulations before referred to, for the transit of goods railroads and canals. Now if the duty were 20 from foreign commerce with all our ports, including across the 1sthmus of Panama, I would respectfully er cent. on the imports arriving at the city of New

York or its vicinage, that city and its neighborhood, by the protective theory, should be more injured by the importation than the inferior of the State, the by the protective theory, should be more injured by the importation than the inferior of the State, the freight to which on many foreign articles might add twenty per cent. to the cost, making the whole systems already commenced, should facilitate the if not all, of these routes may be traversed by ready add twenty per cent, to the cost, making the whole enhancement of price forty per cent, and thus op-erating as a double protection in the interior com-pared with the seaboard. Now it the restrictive theory be true, the resident of the interior being periods from the Atlantic and the Gulf to Chagres. Well as for the interior trade with Mexico. New

would be sold and re-shipped, and the point to which specie and bullion would flow, as the great creditor city of the world for the adjustment of balances, as the factor of all nations and the point whence this specie would flow into the inte our country through all the great channels of inter nal trade and intercourse. nal trade and intercourse. With these great events accomplished, and with abundant facilities for the warehousing of foreign and domestic goods at New York, it must eventually surpass in wealth in commerce and population any European empo-tium, whilst as a necessary consequence all our

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our other cities and every portion of the Union, and all our great interests, would derive corresponding dvantages. Our merchants, as must have been up large cities even in the midst of deserts, in the caravan's route, or the frack through which it pass-ed; with our front upon both oceans and, the gulf, aided by steamships, by low duties, and statement of the rapidly overcoming. They encountered the voyage by the Isthmus route, as presented in my annual reports of December 1846 and 17, we may secure this commerce, and with it, in time, the command of the trade of the world. We may also extend our commerce with all the countries expected in any new enterprise, encountered some difficulties in putting their first lines of steamships into full and successful operation, but these obstacles.

outset of their good enterprise, will soon follow as regards their ocean steamships. In view of the rapidly augmenting trade between our ports on both Oceans, I recommend that an act he massed by Congress under which all workness To prevent frauds upon the revenue, it will be necessary to provide for the appointment of Agents or Consuls to reside at Chagres and Pan be useful for our trade from the Atlantic and the the same manner as now authorized by Congress goods exported to Chihuahija, by the routes of Missouri, Arkansas and Red River, should be ex-tended to that by the Rio Grande, as well as to such other routes through Texas, as may be found although from the time and capital required, its completion, unfortunately, may be remote; but the railroad which private enterprise could build with-in a year or two across the Isthmus would answer all our present purcesses and would as the sector of the Rio Grande, as well as a such other points on that river as may be necessary to guard our revenue laws from invasion on that frontier, and to secure the interior trade with Mexico. The drawbacks of the duty should also terey and Sal realition of datas on our products in our products in anity any or some and new oreans anitation be anowed on goods exported to monterby and car-er, maintaining also the important communication High tariffs should be more useful when they are between our own harbors on the Atlantic, the Gulf in Mexico, on the same considerations as are now, ap-

Irom foreign commerce with all our ports, including those upon the Pacific, must depend upon future events. If private enterprise should soon construct the railroad across the Isthmus; if an adequate number Grenada and Central America, and the transit by the Mexican Isthmus would be highly advanta-

prosperous than the resident of the seaboard. But the farmer's products are highest on the seaboard, and lower at every point as we retire from it; low at Albany and Buffalo, still lower at Erie, Detroit,

impanying state nent B. The estimated expendi-tures during the other quarters, from Oct. , 1848 to June 30, 1849, are---Civil list, foreign intercourse and miscel-laneous, evenue 12,169.354.61 10,464,809 80 Army proper, &c., Fortifications, ordnance arming militia, &c., 1,846,697 29 Indian department, 1,589,158 18 722,706 12 Pensions, Naval establishment. 6,089,032 50 nterest on public debt and treasury notes, 3,285,423 23 Treas'rynotes outstand ing and payable when presented, 161.989 31 - 54,195,275 06 Leaving balance in treasury July 1, 1849, 2,853,694 84 The estimated receipts and expenditures for the on increasing as the foreign article diminished in price, soon becoming absolutely prohibitory, and lestroying all revenue. In this aspect of the case, signed by his Creator for the acquisition of knowfiscal year commencing 1st July, 1849, and ending 30th June, 1850, are-From customs, From lands, From miscellaneous sources, 32,000,000 00 3,000,000.00 400,0000 35,400,00000 Total receipts, Add balance in the treasury 1st July. 2.853.694841849, 38.253.294 84 Total means as estimated The expenditures during the same period, as estimated by the several Departments of State Freasury, War, Navy and Postmaster Gen., are-The balance of former appropriations which will be required to be ex-3,762,537 29 pended in this year. Permanent and independent appropriations, Specific appropriations asked for this year, 33.213.152 73 sum is composed of the following pa Civil list, foreign intercourse and mis-9,347,790 9 5,902,428 61 Army proper, &c., Fortifications, ordnance, arming mili-2.242.559.00 tia. &c., ented revenue under the tariff of 1846 has proved -Indian department, Pensions, Naval establishment, 1.104.01445 458,400 00 that the ad valorem duties can be fairly assessed and 9,358,857 38 nterest on public debt and treasury 3,799,102 38 notes. 33,213.15273 Leaving balance in the Treasury, 1st of July, 1850, 5,040,542 1 \$38,253,694 84 This statement shows a balance in the treasury on the 30th of June, 1849, of \$2,853,694 84, and balance in the treasury on the 30th of June, 1850 of \$5.040.542 11. In the estimated expenditures for the year ending on the 30th June, 1850, are included balances cf appropriations, amounting to the sum, of \$3,762,53729, a considerable portion of which may not be required. Unless new and extraordinary expenditures are authorized by Congress, no further loans will be required, and the public debt may be reduced. whole nett revenue from duties during the entire period of four years and three months of the abundant crops in Europe, attended also with re vulsions there highly unfavorable to our commerce n of the tariff of 1842, (per table D,) was 01,554,653 12, being an annual average of \$28, 895.208 32. The nett revenue received from the ariff of 1846, during its entire operation, from 1st of December, 1846, to 30th of September, 1848, (ner table E.) was \$56,654,563 79, or an average \$30,902,489 25 per annum, being an average \$7,007,280 96 more per annum, under the tariff of an unnatural der 1846, than was received under the tariff of 1842. The nett revenue for the first fiscal year under the tariff of 1846, (per table A,) was \$31,757.070.96 eing \$757,070 96 more than the estimate of this Department, and this amount would go on augmenting every year under this act with a favorable

reign commerce and industry in a ratio at least as great as the increase of our population. As the high duties under the act of 1842, were uting the domestic articles and exding the foreign rival, the revenue must have declined. If however, the act of 1842 had yielded sons, of good crops abroad, and even when their the average revenue received during the period of means were exhausted the preceding years, by an its actual operation, this we have seen would have the tariff of 1846. With such a result, instead of a large surplus on the 30th of June, 1850, there would have been an addition of more than twentyfive millions of dollars to our national debt, which If also the proceeds of the sales of the sales of the public lands were taken from the treasury for distribution among the States, the augmentation of the debt and accumulating interest would have been still more rapid and alarming. From this disastrous.

hibitory, and the revenue on such articles disapwhereas the ad valorem bears under all hanges of price the same exact ratio to the cost the foreign fabric, and therefore is the most just nd equal, as also necessarily insuring a larger Annexed will be found the table marked H of from actual returns, and attached together, with others, to the very able report by Mr. McKay,

ngmenting from reduced prices of foreign articles. Experience proves that from improved machinery,

new inventions and reduced cost of production, the

whilst the specific duty remaining unchanged, it is

continually increasing in ratio as an equivalent ad valorem, and the protection augmenting every year. Thus, if the price of sugar is six cents a

foreign articles are constantly diminishing in price

from the Committee of Ways and Means, of 11th March, 1844, at the Treasury Department in 1844, labor of two hundred millions is thus rendered embracing coal, iron, glass, salt. sugar, cotton goods, &c., &c., showing the actual specific and minimum luties under the tariff of 1842, on those articles. and the equivalent ad valorem, ranging from 41 to 243 per cont. Now if these foreign articles have fallen in price since that date fifty per cent, the suits for which, it was best suited, and where equivalent ad valorems would of course now range from 82 per cent, to 486 per cent, and would go warded. But the laws of man, by high duties, di-

system, with a view to revenue are insuperable, but the objections to the specific duties as a permanent system, with a view to revenue are insuperable, but the their uninst operation upon labor, in impos-each by high tariffs proclaiming war upon the in-leach by high tariffs proclaiming war upon the in-leach by high tariffs proclaiming war upon the in-but of all others. Under free trade each nation valorem on the cheaper, than the more costly qual-ities of goods, cannot be successfully defended. defended. defended d Our manulacturers do not desire the restoration of the Tariff of 1842. They know from its excesof the Tariff of 1842. They know from its excession of the Tariff of 1842. They know its and prohibitory duties it will soon annihilate tical, and in exchanging with each other the produced by each, labor every ducts most cheaply produced by each, labor every where benefits labor, man his brother man, and native produced by each labor every where benefits labor, man his brother man, and native produced by each labor every where benefits labor, man his brother man, and native produced by each labor every where benefits labor, man his brother man, and native produced by each labor every where benefits labor, man his brother man, and native produced by each labor every where benefits labor. imports and revenues, and produce a relation shall durts must cheapy products for the protective policy. They know also, that from its immense bounties, ranging at present itons each other, and their only troduced by human legislation. timulate domestic productions in a few years to such an extent as finally to prove disastrous to our manufacturers. That which our manufacturers 5,297,512 52 manufacturers. That which our manufacturers 24,153,102 92 made specific in certain cases. These specific duties looks upon our race every where as friends and looks upon our race every where as friends and will, as is shown, be found constantly augmenting under the operation of the general principles by which the foreign article is constantly tending to a diminished price, whereas, the ad valorem always bearing the same proportion to the value of the import, is, therefore, always the most just and the States of this Union, although their wages, proequal and yielding the largest revenue. The aug-

collected. It is shown also by the returns, that his augmented revenue is derived from a comparatively small amount of foreign imports consumed n the United States. That amount as shown by he table before referred to, (marked F,) on all those foreign imports thus consumed in the year ending 30th June, 1848, exclusive of specie, being but \$127,490,012 upon which was realized a nett revenue of \$31,757,070 96. It appears also, from e tables, that so far from this tariff having filled the ountry with foreign goods beyond its capacity for consumption, the domestic export last year, exclu-sive of specie, actually exceeded by the sum (per

ame table) of \$2,713,697, the foreign imports, exclusive of specie, consumed the same year in the United States, including all articles but specie, both free and dutiable; thus showing a balance of foreign trade in our favor without taking into view the immense profit realized in the foreign market on our exports, generally estimated at about fifteen per cent. or the profits of freight and navigation. This was not a year of famine abroad, but of

creating innumerable foreign bankruptcies, by which vast sums were lost to American creditors required to be replaced by the export of our specie which was greatly augmented by the discredit in our market of all bills drawn on our foreign shipnents, producing by this artificial use of exchange and for specie, and a consequent their form of government. Although government exportation. But all this specie must soon come back to our country except so far as it is lost by the toiling millions who inhabit it have an interes

It appears that for the year ending June 30th, of free trade must be the same, whether extended 1848, not of famine, but abundant crops in Europe to States within or beyond the limits of the same our exports of breadstuffs and provisions, per table I, amounted to the sum of \$37,472,756, being largovernment; and each State, though separated hereafter by some catastrophe from every other State, would be alike still benefited by reciprocal gely more than double the average annual export during the Tariff of '42. The result this year de ree trade among the whole for their commercial monstrates that even without a famine, and in seainterest would not change with the separation from the confederacy. A Congress representing the several States of this

a actual operation, this we have seen would have en an annual loss of upwards of seven millions of plars as compared with the average revenue of large surplus on the 30th of June, 1850, there all arger amount of our breadstifts and provisions a larger amount of our breadstifts and provisions at large of \$37,47251. They while while a were assembled, they would soon perceive unprecedented loss of specie producing unparalleled plus agricultural products they could and did take a larger amount of our breadstuffs and provisions to the value of \$37,472,751 Thus, whilst our that commerce was a unit, that it was not local, farmers found this large toreign market for their but international, and that tariffs by one or more surplus which otherwise, must have remained un nations on the products of others were just as insold here, our navigatory interest received a new impulse as well as our commerce, our tonnage having increased during the last year, per table F, from 2,839,046 to 3,150,502 tons, being more than three times the increase we have realized in the

ur limits.

It is said that other nations will not take our from our own, labor is forced in both countries into ducts in exchange for their fabrics, but, with less productive pursuits, and both have sustained a reciprocal free trade, they must take them by the International tariffs diminish the aggregate universal rule, that the purchaser will buy the value of the profits of labor to the extent of huncheapest articles, without inquiring whether they were made at home or abroad. To force our in-

dreds of millions of dollars every year, and reduce correspondingly the wages of labor. It would be most useful to examine the tariffs of dustry by protective duties into less productive pursuits, by forbidding these exchanges, is to increase the amount of labor and diminish its products, or, in other words, to force our workmen to labor me These tables have never yet been collected, but if, and receive less

The people of the Union, as consumers, pursuing. their true interest, if left to their own choice, unfet-tered by legislation, will purchase the best and less profitable to the extent of one cent a day for each, the annual loss would be six hundred cheanest articles. But this is restrained by law millions of dollars. Man was commanded to and the consumers compelled, by high duties, to purchase only, or chiefly domestic articles, because this, it is said, will encourage home industry. the foreign import has been purchase mestic export. The barter may not have been direct, various factors may have intervened, bills of exchange may have been used, or coin may have thely prohibitory, and this aspect of the case, c duties as a permanent ledge. These laws also, whilst diminishing the adjusted occasional balances; but in a series of years, in the aggregate, international trade is but an exchange of products. Thus the foreign imports bring exchanges for some American exports; our own home industry, which produces that export, has been better encouraged than if forced by law into some other pursuit, rendered profitable only by

of each would be thus exchanged with the outers, by a reciprocal commerce beneficial to all parties. The true industrial interests of nations are iden-tical and in exchanging with each other the pro-tical and in exchanging with each other the proncrease capital, which no tariff or organization o labor can effect; although it may transfer capital from one pursuit to another, always diminishing the aggregate profits when the transfer is forced by aw. The belief is erroneous, that as man mers is so much capital taken from them by the tariff to the full extent of increased prices which The doctrine of crease in number, skill, capital and products, they will perpetuate high tariffs. When they attain this condition, and their fabrics exceed the home deotherwise would have constituted a fund for the free trade is the petition of labor to employ itself employment of labor and the payment of wages. If then anything is gained in the enhanced price mand, they will desire free trade, to open to them the foreign markets. In England this is now the by a particular branch of industry, it is at the expense of all others, and must result in a diminution looks upon our race every where as fri case, and their manufacturers are the great advoof wages depending, as they do, on the aggregate profit of all the capital and labor of the country, and cates of free trade, as our manufacturers in time will be; and ultimately unite with all other classes brothers, as equal in rights and united in interest and destiny. Rightly understood, there is perfect unity of interest between man and man, and nation not upon that employed in any particular branch in desiring the abandonment of all tariffs and cusof industry. and nation, and between capital and labor. We tom houses, and the repeal of all restrictions of

Thus, while wages may be temporarily augmentcommerce. ed in some pursuits favored by law, they are diminished in all others, and the wages of a great majority I laborers would be reduced. From the diminished aggregate capital then folducts and fabrics are as various as those of sepa-rate nations, yet all the States find it to be their

true interest to admit freely the products of each. vs a diminution of the aggregate wages paid in a tion. A vast majority of the labor of this coun-The benefits of this unrestricted reciprocal comnation. merce constitute the great bond of interest constanttry is employed in agriculture, commerce, navigaly augmenting, which keeps together the various tion, and the non protective pursuits, and if these are depressed their profits are reduced; the wages parts; but if the protective doctrine be true, it would be the real interest of each and of all these are depressed their profits are reduced; the wages houses constructed as directed by Congress. The of those employed in such pursuits fall, many are revenue laws not having been extended to Califor-States to impose duties upon similar products in thrown out of employment, and thus a general fall others, for the protection of the people of each of wages ensues-the protected manufacturer even-State. Yet, clear as is the proof of the benefits tually obtains labor at a very reduced rate. The effect of a protective tariff in truth, is not to en-hance wages, but to depress them, and render capital invested in manufactures more profitable by en-hanced prices of the protected fabrics. Wages throughout the whole country become lower than reciprocal free trade between the States of this Union, the principle as a question of political economy is the same extended to other States not united with us under the same government. The difference in their political institutions cannot affect the great throughout the whole country become lower than tricts be authorized at San Diego, Monterey, Punprinciples of commerce.

they were before, because the aggregate profits of the capital of the nation engaged in all its industry Our maritime frontier upon the Pacific is now near-The local laws of Ohio and Louisiana, of Mississippi and Massachusetts, are more variant in some is diminished. Wages in one branch of industry respects than those of many other States beyond cannot be high, when they are low in all others, for the limits of the Union. Now, whilst we acknowwages, like all other commodities, unfortunately will soon find the same level. The aggregate prof-its of all the labor of the country and not of any ledge the benefits of reciprocal free trade between these four States, thus differing in their local institutions, wages and products, the protectionists deny that it would be beneficial to establish reciprocal particular branch of industry, constitute the fund out of which wages are paid, and if that general nrestricted commerce with other States beyond | fund is reduced by diminished profits, wages through Yet variant forms of government can ifference as to the reciprocal benefits of the whole country must eventually fall. If then, the great mass of labor in this country and of capmake no difference as to the reciprocal benefits of commerce. If free trade be beneficial among re-ital is invested in agriculture, commerce, navigation, ublican States, it might at least be extended to and such branches of industry as require no protecthem, although monarchies were excluded; but none will maintain that nations should restrict their tariff, either by diminishing the market for the surcommerce with each; other, because they differ in plus raised by those thus employed, reducing the price of what they sell, or compelling them to pay may differ, we are one race throughout the globe more for what they buy, there must be in time although a particular branch of industry may have been rendered more profitable by a protective tariff. This duty then, instead of protection, is a tax upon

suits requiring no tariff. Nor is it any mitigation, but an aggravation of voyage of the steamship, whilst at other periods, the trade winds, blowing for months continually in one direction, not affecting the course of the steamthe evil that some other nations impose high duties on their own consumers of foreign products. The ers, but forcing sailing vessels so many thousands of miles out of their way, render steam necessary foreign duties may, or may not prove injurious to our industry. If the American article is still in some cases sold abroad to their consumers at a price to the profitable navigation of that ocean. From all these causes, the Pacific must become the prinenhanced by their duty, the injury has been to that all these causes, the Pacific must become the prin-extent to them only, and not to us, but when by cipal theatre of the peaceful triumphs of the great of relieving us from the injury, whether real againary, we impose a tax upon our own peo-uses there, under our own flag, if we would desire way of relieving us from the injury, whether real ple as consumers, by compelling them to pay high to contend successfully with other nations for the but international, and that tariffs by one or more nations on the products of others were just as in-jurious to each and to all nations as would be a lall; and reciprocal high duties worst; when it is trade and specie of Asia and Western America. Our imports from Asia, such as teas, silks and tariff in one State upon the products of all the sail, if foreign nations tax our produce by high other States of the Union. If, then, in such a Con-duties, we must tax theirs in the same manner, we chiefly costly articles, are still better adapted for the steamships than heavy products. The time required in crossing through the tropics and the equator, from our Atlantic ports to Asia, and in the gress of all nations, re-assembling from time to time, their several tariffs were discussed, and their on their own people, who purchase such imports falls mainly. same time under any protective tariff, and making injurious effects upon each and every other nation and so likewise our fax on foreign imports falls i not only in the loss of interest, and in the less rapid centre of business and exchanges, the clearing house nearly all our exports to Mexico existing under

all the farmer buys is proportionably enhanced, and ships would increase our nothing but the fact that his lands are cheaper in proportion as they are remote from the foreign market, enables him to sustain the competition. The protective system is agrarian, and is war uncentre the system is agrarian, and is war histore the system is agrarian, and is war histore the system is agrarian, and is war histore the system is agrarian and histore the system is agrarian upon property. It attempts to organize labor and capital, adding to the profits of one pursuit by reducing that of another. It is incompatible with duce, and desiring also our own products and man-the security of capital or labor; for capital is but utactures in exchange. Among these Empires fornia, with a view to our future trade on the the accumulation of the gains of labor, and there- with whom we have no treaties, and little or no fore whatever destroys the security or profits of trade, are Persia, Coruca, Cochin, China, Burmah capital results in an equal injury to labor. Besides and Japan, with whom nothing but the steamship

Congress having extended the revenue laws t

ordered to that coast under the command of Capt.

Alexander V. Thoser, an officer of talent, zeal and

and through its aid buoys will be located, and light

nia, no duties could be collected there, but the De-

circular hereto annexed, (marked Y) opening free

The

fidelity. The coast survey was also extended

and desposic power, and if the people should become accustomed to its exercise, looking to legislative accustomed to its exercise, looking to legislative accustomed to its exercise. Among these is Japan, highly advanced in civilization, containing fifty millions of people, separated but two weeks by steam from our Western coast. support and protection, it would terminate in a struggle for the division and distribution by Con-Its foreign trade is now nearly confined to two Dutch vessels, although it is separated from Holland by gress every year of properties, profits and capital among the favored classes. eighteen thousand miles, and from our own Pacific

No legislation of man can change the law o capital and wages, namely, that as capital augments, being the source from which wages are paid, there will be an increased demand for labor, and a consewould par and peaceful efforts. Our steamships quent addition to its rewards. Capital and wages re the weights in the opposite sides of the scale ibrating under unchanging laws, wages ascending with our mercantile marine, extending their know-ledge, overcoming their prejudices, and opening to termediate railroads and canals. is capital is augmented, and descending as the cap ledge, overcoming their prejudices, and opening to them new views of their own true interest, would ital is reduced. If then we would augment wages, as every lover of mankind must desire, we mus

ledge overcoming their prejudices, and opening to them new views of their own true interest, would soon unseal these ports to our commerce. The ac-quisition of our immense coast upon the Pacific, and the introduction there of our steamships, espe-with whom it is our true interest to encourage the cially when private enterprise shall unit the ocean in our fired in the interest to encourage the most friendly relations, and reciprocal and unre-by an isthmus route, would, as remarked in my stricted commerce, although she may not at once

rapidly advance our greatness, wealth and power our statute book, it would receive the atten than any event which has occurred since the adop-tion of that republic, and in time be adopted, and mean-tion of the constitution. tion of the constitution." while it would present to Mexico the best evidence The same great subject was again referred to in of our anxious desire to maintain with her the The same great subject was again referred to in of our anxious desire to maintain with her the my annual report of Dec., 1847, "as a new commercial era," requiring "ocean steamers" in addition to sailing vessels, as connecting us "with China," containing nearly one-third of the population of the globe

ion of the globe

Oceans, fronting upon Europe from the East and during the recent contest, as well as aided the Asia from the West, occupying the central position credit and loans of the government. It was a Asia iron the vest, occuping the globe, nearer to new, but most salutary example set to billigerents m all by convenient routes than any ion, including an easy access to the whole interior merce and that of neutral and friendly powers, by of our own country, we want only the ocean steam-ships of adequate strength, spee! and numbers, to give us the command of the trade of all nations. Nor should we forget that in carrying our trade among the great and populous nations of Asia, and facilitating intercourse with that vast region, pass-ing from coast to coast in the short period of venty days, with monthly or weekly steamships, the light of Christianity following the path of com merce would return with all its blessings, to the East from which it rose. In those regions commerce must be the precur

sor of Christianity, commerce, which teaches peace and intercourse between nations, which declares Our maritime frontier upon the Pacific is now near-ly equal to our Atlantic coast, with many excellent that man is not the enemy of man, nor nation of nation, but that the interests of all countries and of hars and harbors, admirably situated to command all mankind are identical, and that they will all the trade of Asia and of the whole western coas advance most rapidly under the general influence of an unrestricted reciprocal trade and intercourse. of America, while our coastwise trade between the Atlantic, the Gulf and Pacific, must soon become of great value. Congress having directed this Department to recommend such revenues as will increase our commerce and revenue, it is suggeste that if we desire a lucrative trade, and augmented

nearer the coast of America, as well as Asia, than y European power, and with the best steamships the voyages, of the period of arrival and departure, and economy of time and saving of interest, and with diminished cost of carriage, we would alterately supply the Western coast of America as well as Asia, with our products and manufactures, n better terms than any European nation. We yould in time receive the productions of the East in exchange, not only for our own consumption, but to be warehoused in our ports, as enterpots for the supply of Europe; and so far as European fabrics should reach Asia and the Western coast of America, they would alternately pass cheaply through our hands as factors, and in our vessels, events which would very soon give us the command of the trade and specie of the world.

From these great events the whole country wo lerive vast benefits, but especially the city of New equator, from our Atlantic ports to Asia, and in the long voyages of the sailing vessel, is felt severely, and entrepot of the commerce of the world, the that a proposition to remove the prohibitic

commerce, but it would | terior of these countries, as well as from Peru and

nding in specie to appoint a deputy at some point in our territory fornia, with a view to our future trade on tha Gulf, as authorized by the recent treaty with Mey ico, in connection with Lower Galifo adjoining Mexican States of Senora and Sanaloo. so rich in the precious metals, and containing the important ports of Guayamas and Mazatlan.

I review the recommendations heretofore made by me for reciprocal free trade between the Cana-das and the United States, on all articles of the growth, manufacture or production of either com try. I recommend, also, the passage of a law tendering a similar reciprocity to Mexico. It is coast only by four thousand five hundred miles, tendering as similar reciprocity to Mexico. It Its commerce can be secured to us by persevering known that the Canadas, with the consent Great Britain, and it is believed No and peaceful efforts. Our steamships would pass on their way to China, through the narrow chan-nel separating the two great islands, composing the empire of Japan, monthly or weekly in sight of both their coasts, and by thus familiarizing them with memory studies the both their coasts and by the familiarizing them

annual report of December, 1846, "revolutiouize in enact a reciprocal statute, yet it is clearly her in-our favor the commerce of the world, and more terest to do so, and with such an offer standing upon

on of the globe. Our ports upon the Gulf, with those upon both added several millions of dollars to our means

other na- in all future wars not to destroy their own comcouraging our own commerce and that of the res of the world with the enemy's ports, at more moderate duties, at the same time devolving upon our enemy, instead of our own people, as lan tion as practicable of the burthens and ens and expe of the contest, so as to bring it to a speedy and honorable conclusion. This example, so favorable to national interest, mitigating so much th losses of war, substituting comme

embargo and blockade, was received with high satisfaction by all the powers with whom we are at. peace, and is believed at the same time to have had no inconsiderable influence in accelerating th peace with Mexico. This measure was a step in advance of the progress of commerce and civiliza-tion. It was an example worthy to be set to all By our recent acquisitions on the Pacifič, Asia has suddenly become our neighbor, with a placid inter-approved by all countries, that if unfortunat nations by the United States, and was so warmly ening ocean, inviting our steamships upon a trade for mankind wars should hereafter occur, and es for commerce greater than that of all Europe com-ined. This commerce is ours, if our merchants which was apprehended to be imminent, this and government should, by their united energies. American precedent would probably be adopted secure for us with Asia a rapid and frequent comulactures, and especially our coarse cotton fabrics, are precisely what are desired by several hundred millions of their people, who will send us back in return their specie, and their rich products, so few for which are prior of a neutral. coast on the Pacific, as well as from the Gulf and terminate the system of actual as well as paper A stantic and the Isthmus route, we would be much rupted in the ports of all the billigere nts. · Thi consideration is rendered more momentous by the in adequate number, with the greater certainty of he voyages, of the period of arrival and departure, time to come, will be that of a neutral, and that as the result in part of our wonderful military power displayed in our recent glorious achieve

ments and unparalleled victories, as well as from the development of our extraordinary moneyed resources, more than one hundred millions of dollars having been offered by our own capitalists at a premium, for a government six per cent. stock. upon advertisements for less than half of that sum, and shall be permitted to enjoy hereafter the messings of uninterrupted peace with all the world. Among the important results of that reduced Mexican tariff as prepared by this depertment is the light thrown by its operations upon the com-merce and revenue of Mexico and the demonstra-

tion that both would be augme ted by its pro

revenues from our Pacific coast, this object can best be accomplished by many additional steamships upon that ocean, as well as upon the Atlantic and the Gulf. Beneficial as this system has proved upon the Atlantic and the Gulf in augmenting our commerce and revenue, our tonnage and navigation, it is still better adapted to the Pacific, and the long voyages general fall of wages throughout the country, even along its shores, and to Asia. This tranquil ocean as indicated by its name, more subject to calms, is better adapted to steamers than the more boisterous

Atlantic, and with less danger of injury to the mathe whole industry of the country invested in pur The calms of the Pacific, s ding the sailing vessel, render shorter and safer the