THE PITTSBURGH GAZETTE:
PITTSBURGH.
FRIDAY MORNING, DEC. 28, 1849.

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PHILADELPHIA NORTH AMERICAN.

Advertisements and subscriptions to the North American and United States Gazette, Philadelphia, received and forwarded from this office.

☞ SEE NEXT PAGE FOR LOCAL MATTERS, TELEGRAPHIC NEWS, &c.

FOR MAYOR,
ROBERT McCUTCHEON.
FOR MAYOR OF ALLEGHENY,
HUGH S. FLEMING.

THE TREASURY REPORT.—We hasten to lay before our readers the Report of the Secretary of the Treasury. It is a state paper of an exceeding high grade, giving evidence of distinguished ability, and a perfect acquaintance with the highly interesting topic of which it treats. We hope it will be read with candor by every American citizen, and that its unanswerable arguments in favor of a protective tariff, founded on specific duties, may have their proper weight.

CONGRESS.—Both Houses adjourned on *Monday*, after the reception of the Message, over to Thursday. Nothing of importance was done on Monday, except the usual formalities in the reviewing of the Message. In the Senate, Mr. Foote gave notice that he would ask leave to introduce a bill to provide for the organization of the territorial government of California, Deseret, and New Mexico; to enable the people of California and the District of Jacinto, in Texas, (with the consent of that State,) respectively, to form a Constitution and State Government.

TEMPERANCE.—We publish, to day, the plan of an Act for the suppression of intemperance, which was prepared by James Dunlop, Esq., of this city, at the request of the Temperance League, and after full discussion at public meetings, adopted. It is designed, we believe, to ask the Legislature to pass it into a law, petitions for which purpose will be presented to the people. Our readers will therefore examine the document carefully.

The *Mercury* tries to be very hard on the President's Message. It calls it an "exhibition of weakness, imbecility, and incompetence" "it pronounces it "vague and equivocating," and "wanting in dignity and decision."

We shall go into no defence of the Message with such an opponent. It needs none at our hands. We are perfectly satisfied to leave it to the good sense of the public, which has already pronounced a verdict in its favor such overstrained and unjust assaults as those of the Mercury, carry their own antidote with them. They only excite disgust.

The reason why the Mercury is so hard on the Message, it is not difficult to divine. The sentiment which most of its writes have editorials for that paper is possessed of a monomania against Great Britain, and would delight in nothing so much as to see the two countries embroiled in a war. He is continually raving about the audacity and wickedness of the British Government, and is in a constant state of alarm, for fear that the honor of the American flag, or the integrity of American rights, shall receive a blemish. We would good naturedly inform the fiery gentleman, that he has no occasion to trouble himself so much about such matters. The American people know how to take care of their own rights, and they will never suffer them to be trampled on by the hands of Gen. Taylor. It is not a neglect of right and dignity to wait with Yankee coolness and shrewdness, to ascertain whether our flag has been insulted, or our rights invaded, before we go off into a tantrum, and make ourselves ridiculous.

NEW PIANO MUSIC.—"The Coral Waltz, dedicated to the Misses Emma and Mary Metcalf," and the "Allaquippa Waltz, dedicated to Mrs. Sarah McCandless," both composed by HENRY ROBBOCK, of this city, have just been published, and are for sale by J. H. Mellor, Wood street.

MAGNANITY OF ALLEGHENY.—The delegates to the City Convention met at the Town House, on Wednesday evening, and organized by calling John Marshall to the Chair, appointing W. C. Stockton, Secretary. The meeting being organized, the following resolution was passed unanimously:

Resolved, That the candidates of the Whig and Antimasonic party, in Allegheny, to be voted for at the ensuing municipal election, in January, shall be, to wit:

For Mayor—H. S. Fleming, of the 3d Ward.

For Director of the Poor, for three years—Robert Davis, of the 1st Ward.

Great unanimity has marked the proceedings in the selection of the Whig candidates in our sister city, and we doubt not he will be elected by a large majority. Such a manifestation of confidence, by the citizens of his native town, must be very gratifying to Mr. Fleming, and he will, doubtless, in the office he is called upon to fill, exert himself to deserve still further the esteem of his fellow citizens.

Correspondence of the Pittsburgh Gazette.

PENNA RAIL ROAD MEETING.

PHILADELPHIA, Dec. 24, 1849.

Editor Pittsburgh Gazette:—Dear Sir—At your request, I write a few lines in reference to the meeting of the Stockholders of the Pennsylvania Rail Road Company, which has just adjourned. Our telegraphic despatches will of course anticipate this letter.

Mr. Darsie and I had an interview with the Rail Road Board on Saturday evening at which the whole subject committed to us by the County Commissioners of Allegheny county was very fully discussed.

This morning, the general meeting of the Stockholders was held; at which Mr. Darsie offered a resolution, which he and I had prepared, expressive of the desire of the Stockholders that the contract with Allegheny county should be strictly carried out. The resolution was seconded by Col Patterson, the President of the company, and was unanimously adopted.

Mr. Cornet offered a resolution, which was seconded and advocated by me, for the appointment of a committee of one hundred to solicit additional stock subscriptions here, and to report at an adjourned meeting, to be held in March: when, if the stock obtained is not sufficient, I feel confident that a Loan will be authorized to make up the deficiency.

Go ahead is the word! My appeals to go ahead were loudly cheered, and I assure you the Philadelphia has no idea of being beaten by Baltimore in the railroad race to the Ohio river. But Pittsburgh must do all she can to help on both the Central and Western routes.

The satisfactory result is in a great measure to be attributed to the coolness, firmness, and good management of our friend Mr. Darsie, when we were before the Board on Saturday evening.

I think that I may safely say that our mission as delegates from Allegheny county has not been in vain.

Respectfully yours,
SOLOMON W ROBERTS,
Civil Engineer.

MICHIGAN CENTRAL RAILROAD.—The annual statement of this Company shows that the business of the road is rapidly increasing, notwithstanding the great check upon traveling and business of all kinds, by the prevalence of Cholera the past season.

The length of road in operation is 218½ miles; receipts for passengers $321,114; for freight $264,830; other sources $15,081; total 600,985. Expenditures for the year $296,079. Number of through passengers 46,053. Number of way passengers 91,848. Amount expended for construction of the road from Dec. 1st, 1848, to Dec. 1st 1849, $766,655.—Total receipts for passengers in 1848 were $455,771; for freights $208,819. Total increase of receipts in favor of 1849, 227,004. The total construction account of 1848 was $1,911,073.

A Convention of Iron Masters and others interested in the iron trade, was held at Philadelphia on Friday. About sixty delegates, representing the iron districts of Pennsylvania, east of the mountains, as well as other portions of the Union, were in attendance. Thomas Chambers, of the Mosheim Iron Works, was elected chairman of the convention. A long and able memorial to Congress was read and adopted, on the subject of ad valorem duties as a means of revenue. Several very interesting papers were read.

From the annual report of the Commissioners of Streets and Lamps in the city of New York, just published, it appears that during the past year the gross receipts of the eleven public markets in that city were $50,949 36; the gross expenditures $87,025 56; leaving a deficit of $36,165 36.

TREASURY REPORT.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
December, 1849.

The Secretary of the Treasury reports:

RECEIPTS AND EXPENDITURES.

The receipts and expenditures for the fiscal year ending 30th June, 1849, were:

Receipts from customs	$38,346,738 62
" " public lands	1,698,959 56
" " miscellaneous sources	1,036,949 13
" " avails of the Treas. notes and loans in specie	17,753,730 00
" " Do. funded	10,623,000 00
	$59,653,097 50
Add balance in Treasury July 1, 1848	165,534 60
	$59,818,632 10

The expenditures for the same fiscal year were, in cash $48,796,857 82
Treasury notes funded 10,623,000 00 — $57,631,857 82

Leaving a balance in the Treasury July 1, 1849 $2,184,964 28

as appears in detail by accompanying statement A.

ESTIMATES.

The estimated receipts and expenditures for the fiscal year ending 30th June, 1850, are:

Receipts from customs—1st quarter, by actual returns $11,445,728 54
Receipts from customs—2d, 3d and 4th quarters, as estimated 19,858,271 46 — $31,300,000 00
Receipts from public lands 1,700,000 00
" " miscellaneous sources 1,900,000 00 — $34,400,000 00

Receipts from avails of loans in specie $309,050 00
Receipts from do. in Treasury notes, funded 939,450 00 — 1,248,500 00
Total receipts $33,648,500 00
Add balance in Treasury July 1, 1849 3,184,964 28
Total means, as estimated $37,823,464 28

EXPENDITURES, VIZ:

The actual expenditures for the first quarter, ending 30th of September, 1849, were $8,904,929 96

as appears in detail by accompanying statement B.

The estimated expenditures during the other three quarters, from 1st October 1849, to 30th June, 1850, are:

Civil list, foreign intercourse and miscellaneous $10,230,116 03
Expenses of collecting revenue from customs 1,925,000 00
Expenses of collecting revenue from lands 113,870 00
Army proper, &c. 8,343,039 50
Fortifications, ordinance, arming militia, &c. 1,997,420 91
Internal improvements, &c. 77,072 00
Indian Department 859,903 72
Pensions 682,630 77
Naval establishment 6,814,753 43
Interest on public debt and Treasury notes 3,700,878 40 — $33,651,535 94
Deficit 1st July, 1850 $5,928,121 66

The estimated receipts and expenditures for the fiscal year commencing July 1, 1850, and ending June 30, 1851, are:

Receipts from customs, including duties on imports $31,000,000 00
" " public lands 1,500,000 00
" " miscellaneous sources 700,000 00
Total estimated receipts $33,200,000 00

The expenditures during the same period, as estimated by the heads of Departments of State, Treasury, War, Navy, Interior, and Postmaster-general, are:

The balances of former appropriations which will be required to be expended during the year $8,851,200 34
Permanent and indefinite appropriations 5,643,410 24
Specific appropriations asked for this year 33,697,152 15
$41,997,562 73

This sum is composed of the following particulars: Civil list, foreign intercourse, and miscellaneous $11,083,734 64
Expenses of collecting revenue from customs 2,750,000 00
Expenses of collecting revenue from lands 170,535 00
Army proper, &c. 8,296,153 44
Fortifications, ordinance, arming militia, &c. 2,013,446 00
Internal improvements 1,745,323 28
Indian Department 2,192,710 53
Pensions 1,927,010 00
Naval establishment 11,353,129 64
Interest on Treasury notes and public debt 3,742,951 13
Purchase of stock of the loan of 25th January, 1847 492,999 97
$44,997,002 73
Deficit July 1, 1851 $10,547,092 73
" July 1, 1851 5,328,121 66
Total deficit, 1850 and 1851 $16,375,214 39

Prior to the 1st of July last, the expenses of collecting the revenue from customs were paid out of the accruing revenue at the several ports, and only the balance came into the Treasury, of course the receipts at the Treasury, actual and estimated, were of the nett revenue after deducting all expenses.

By the act of the 3d of March last, the system was changed from and after the 1st of July, 1849. And accordingly, the receipts, actual and estimated, from that date are of the gross revenue, and estimates are submitted of the expenses of collection.

The alteration thus made in the law must prove to be salutary, as the attention of Congress will be annually drawn to the expenditures under this head, and they will be enabled to limit them in a spirit of economy as severe as the exigencies of the public service will admit.

Notwithstanding the great increase of the business of the country, the act of the 17th of June, 1844, has prevented any addition to the number of inspectors, gangers, weighers, measurers, or markers (in any district then established) since its passage, except ten inspectors at New Orleans, per act of 3d of March, 1845, and the consequence is, that at all the large ports the number of inspectors is insufficient for the discharge of the duties of those offices, and the prevention of breaches or evasions of the revenue laws.

These duties have been greatly increased by the establishment of the warehousing system, and the difficulties thereby enhanced without any provision for increasing the number of officers to meet the emergencies of the new service. In addition to the temporary "aids to the revenue," appointed by some of the collectors under authority of the act of 1799, I have been compelled to meet in part the emergency thus occasioned by authorizing, at the ports of New York, Boston, New Orleans, Philadelphia, Baltimore, and Bristol, R. I., the employment of thirty two additional clerks to act as storekeepers, and relieve from attendance upon the warehouses that number of inspectors, in order that they might attend to their appropriate duties, and have declined assenting to requests for similar authority from other ports, only because the necessity did not appear to be of so urgent a character as to make it impossible to await the action of Congress on this subject.

The establishment of new collection districts in Texas and California, and the probable necessity of creating more, will of course make an addition to the expenses heretofore incurred, as well as the revenue to be received.

The preventive service is amalgamated by our system with the service of collection. There are now 110 collection districts in the United States. Of this number 18 are maintained at the public expense, not having collected any revenue during the past year. There are 36 at which the revenue collected is not sufficient to meet the ordinary expenses, and but 56 at which the gross revenue exceeds the expenses.

Under these circumstances I submit the estimates herewith presented (marked C) of the expenses of collecting the revenue from customs on the present scale of service, submitting to the wisdom of Congress the question of reducing that scale, and the mode of such reduction. I annex to the report copies of letters (marked F) received from some of the customs on the subject. In my judgment no reduction is practicable, consistently with the security of the revenue, or the safety, I have no doubt that the force should be increased.

I deem it proper to invite the early attention of Congress to the appropriation required for the second half of the current fiscal year, for which separate estimate is submitted, (C) as required by the 3d section of the act of 3d of March last. The entire revenue from customs, being paid into the Treasury, and reimbursements made to each collection of the expenses of collection, very great embarrassment would result if the necessary appropriations were delayed.

Under the provisions of the 6th section of the act of 3d March last, I present herewith a "statement of the amount of money expended at each house in the United States during the fiscal year ending with the 30th of June last, and also the number of persons employed, and the occupation and salary of each person; at each of the collection houses during the period aforesaid," (marked D.)

It will be seen, from the statement referred to, that full complements of officers for twenty four revenue vessels were charged upon the revenue. The number of officers has been reduced to sixteen of each grade.

PUBLIC DEBT.

Annexed will be found a table, (marked E,) in compliance with the 22d section of the act of the 28th of January, 1847, containing the information required thereby respecting the issue, redemption, purchase, and resale of Treasury notes.

As required by the first section of the act of 10th August, 1846, a statement is appended, (marked EE,) showing the amount of Treasury notes paid within the preceding year, under the provisions of that act.

Statement F shows the payments into the Treasury on account of the loan of 1848.

The public debt amounted, on the 1st of October, 1848, agreeably to table G, annexed to the last report of my predecessor, to the sum of $45,779,450, 41. Since that time, $1,073,756 70 of the debt has been redeemed and extinguished by the purchase of stocks, &c. Of the amount thus redeemed and extinguished there were—on account of the debt of the cities of the District of Columbia, assumed by the act of the 20th of May, 1836, $50,000; on account of the old funded and unfunded debt, $5,089 58; of Treasury notes purchased at par and received in payment for lands and customs, $2,150; of military bounty scrip, $233,075; of the stock of 1812, $30,700; of the stock of 1813, $136,000; of the stock of 1816, $560,000; of the stock of 1847, $481,500; which last was paid for out of the land fund, and purchased by Hugh Maxwell, Esq., collector of New York, with the funds placed at his disposal by the act of 9th August, 1848, for the purpose of paying the late collector of that port, whose resignation had at that time, just taken effect, and who had, at that time, had some experience in similar operations, being employed in them by the Government in the previous year. See statement herein annexed, (marked G.)

The public debt amounts to the sum of $44,705,893 71, which will be represented as follows:

Parts of the old funded and unfunded debt on presentation	$122,735 10
Debts of the District cities assumed by Congress, $86,000 payable annually.	900,000 00
Five per cent. stock, per act of August, 1846, redeemable 9th August, 1861	303,579 92
Five per cent loan of 31 March, 1843, redeemable 1st July, 1853	6,468,231 25
Six per cent loan of 22d July, 1846, redeemable 12th Nov., 1856	4,999,149 45
Six per cent loan of 15th April, 1843, redeemable 31st Dec., 1862	5,183,666 03
Six per cent loan of 22d January, 1847, redeemable 1st Jan., 1868	27,619,350 53
Do do do	149,528 00
Six per cent loan of 31st March, 1843, redeemable 1st July, 1866	15,740,000 00
Treasury notes issued prior to 1846, payable on presentation; if converted into stock, under the act of Jan. 1847, will be redeemable 1st July, 1868	114,139 31
	$61,704,893 71

WAYS AND MEANS.

It will be observed that there is estimated a deficit on the 1st July next, of $5,928,121 66, and on the 1st July, 1851, of $10,547,092 72, making, in the whole, an estimated deficit of $16,375,214 39 to be provided for, arising from the expenses of the war and treaty with Mexico.

In order to aid in forming an estimate of the expenses incurred by the war with Mexico, I have directed a statement to be prepared, which is hereunto annexed, (marked H) showing the excess of the expenses of the army proper for three years from 1st April, 1846, to 1st April, 1849, over those for the three years immediately preceding, and the excess of the expenses of the navy proper, for two and a half years from 1st April, 1846, to 1st Oct., 1848, over those for the two and a half years immediately preceding.

The excess of army expenditures thus ascertained was $39,953,992 41
And the excess of navy expenditures 4,751,600 00
Making together the sum of $63,607,621 21

The increase of debt by the loans and Treasury notes authorized by the acts of July 22, 1846, 25th January 1847, and March 31, 1848, was 49,000,000 00

The difference between these sums, viz: $14,605,621 21 was of course paid out of the revenue (including balance on the 1st April, 1846, and $563,061,39 premiums on loans) towards the extraordinary military and naval expenses of the war.

In addition to these expenses (without taking into the calculation sundry smaller items) the number of military land warrants issuable under the act of 11th February, 1847, and the act of August 18, 1848, is to be taken into consideration. Under those acts, 65,171 warrants for 160 acres each, and 5,219 for 40 acres each, have already been issued. Claims to the amount of 9,000 have been suspended or rejected, and it is estimated that the number of claims yet to be presented will amount to 17,000. (See statement marked I, hereto annexed.)

The whole amount of warrants issuable under the act above mentioned may therefore, be estimated as equal to 90,000, of 160 acres each, which, at $200 each, will amount to $18,000,000. Of these, until these warrants shall be expanded, a large proportion of the revenue from sales of public lands must be thereby diverted.

My predecessor estimated the revenue from public lands, for the last fiscal year, to be received at the Treasury, at $3,000,000.

The actual receipts at the Treasury from that source, in the year ending 30th June, 1848, were $3,328,642 56.

During the calendar years 1847 and 1848, and three quarters of 1849, there were issued of public lands on military bounty land warrants 6,025,400 acres, amounting, at $1 25 per acre, to the sum of $6,251,750, viz:

In 1847, 2,318,850 acres	$2,898,050 00
In 1848, 2,285,950 acres	2,857,400 00
In 1849, 1,420,600 acres	1,776,250 00
5,025,400	$6,531,700 00

(See statement marked J.)

The receipts at the Treasury from sales of public lands during the last fiscal year were $1,885,959 35.

It is not probable that additional sales would have been made to the full extent of the number of acres located under the military bounty land warrants, but I think it may be safely assumed that this source of revenue must be taken at nearly $4,000,000, of which a part is absorbed by the land warrants; a part, say $1,627,056, (that being the amount paid and payable during the present fiscal year) is applied to the payment of interest on the loan and Treasury notes under the act of January 28, 1847, and the remainder is pledged to the extinguishment of the debt created under that act. I estimate $2,000,000 per annum of the revenue from lands as diverted by the land warrants and the extinguishment of debt.

During the last fiscal year there were paid, under stipulations in the treaty with Mexico, sums amounting in all to $7,629,108.

Public debt to the amount of $790,566 39 (including Treasury notes received for customs and lands) was also paid off or purchased out of the general funds of the Treasury, and extinguished, besides $392,500 of the stock and Treasury notes issued under the act of 1847, purchased out of the land fund and extinguished. (See statement marked E.) Of these sums, $590,175 was new debt contracted since the commencement of the war.

The balance in the Treasury on 1st July, 1849, was $2,184,964 28.

The aggregate of these sums, viz:

Balance in the Treasury on 1st July, 1849	$2,184,964 28
Payments under the treaty	7,629,108 00
Payments out of generalfund on account of debt	790,566 39
Land fund diverted	2,000,000 00
Amounting to	12,604,638 67

and would have made a balance in the Treasury to that amount on the 1st July, 1849, had none of them been applied to the extraordinary purposes above designated.

During the current fiscal year there will be required, in May next, for the payment of an instalment to Mexico, $3,540,000, and the land revenue, estimated as diverted, will be $2,000,000—making together $5,540,000; which, added to the aforesaid sum of $12,604,638 67, will amount to $18,144,638 67; from which deducting the estimated deficit on the 1st July, 1850, of $5,928,121 66, would have left an estimated balance in the Treasury, on that day, of $12,316,517 01. Adding to that balance the instalment to Mexico, due in 1851, $3,350,000, and the land revenue diverted, $2,000,000, would make an aggregate of $17,676,517 01; from which deducting the estimated deficit on the 1st of July, 1851, $10,547,092 73, would have made an estimated balance in the Treasury, on that day, of $7,129,424 28.

I have gone into this detail for the purpose of showing that the resources of the country are ample, that the estimated deficit will have arisen from the extraordinary expenses of the war and treaty with Mexico, and that the justly high public credit of the United States is not endangered by the fact that, in this position of affairs, a new loan will be required.

Under these circumstances I propose that authority be given to raise such sum, not exceeding $16,500,000, as may be found necessary, from time to time, by the issue of stock or Treasury notes, on such terms of interest (not exceeding six per cent) and repayment as the President in his discretion shall, previously to being issued, think fit to order.

Authority has already been given, by the act of March 3, 1849, to issue stock for the $3,250,000, appropriated to carry into effect the 10th article of the treaty with Mexico.

To provide for the payment out of the revenue of the instalment which will be due to Mexico in the fiscal year ending 30th June, 1852, to secure the raising of a fund for the gradual extinguishment of our public debt, and to place the revenue on a sure basis of sufficiency for all the expenditures of the Government, it will be necessary to adopt measures for increasing the revenue. Of the most available means, that at present occurs to me for raising the duties on imports, that an economy as rigid as may be found compatible with the necessities of the country will regulate the appropriations, under existing circumstances, cannot be doubted.

In proposing some alterations in the existing tariff, with a view as well to the necessary augmentation of the revenue as the encouragement of industry, I think it right to present distinctly the views entertained on the latter subject in the hope that a course may be adopted by the wisdom and patriotism of Congress which may tend to harmonize discordant feelings, and promote the general prosperity.

It is conceived no doubt of the right of power of Congress to regulate commerce and levy imposts and duties, with the purpose of encouraging our own industry. In selecting for adoption one of two proposed regulations of commerce, it would appear to be clearly the right of Congress to choose that one which would, in its opinion, be most salutary to the country; and, in like manner, in laying imposts and duties, it would seem that the paramount duty ought to be to regard the interests of the whole people, not as little, but as much as possible.

It is not a question of assuming a power not expressly granted by the constitution, on the ground that it may tend to the attainment of a general end therein expressed. Here the power to regulate commerce and the power to levy and collect duties are expressly given, and the only question is, whether they ought or ought not to be exercised with a view to the general good.

It seems to me that to exercise these or any other powers, with any other view, would be a misuse of power and subversive of the legitimate end of Government.

I find no obligation written in the constitution to lay taxes, duties, or imposts at the lowest rate that will yield the largest revenue.

If it were true that a duty laid on a given article, with a view to encourage our own productions is unlawful, because it may operate, by discouraging importation, as a partial prohibition, the proposition would be equally true of every duty laid with that intent, whether it were above or below the maximum revenue rate. But as, under the power to regulate commerce, it is competent for Congress to enact a direct and total prohibition of the importation of any article, it can be no objection to an act levying duties that it may operate in partially preventing importation. Whether it be wise or just so to levy duties, is another question. What I mean to say now is, that there is no prohibition of it in the constitution. The proposition is maintained, as universally true, that the express grant of a power to Congress gives to that body the right of exercising that power in such manner as in its opinion may be most conducive to the advantage of the country.

As instances of the exercise of the power of regulating commerce, may be mentioned the prohibition of importations, except at designated ports; the prohibition of the coasting trade to all foreign vessels, and to all American vessels not licensed and enrolled; the prohibition of certain trade to foreign vessels under the navigation act of 1817; the prohibition of certain trade to American vessels by the non intercourse act, and of all trade by the embargo act; the drawback on the re-exportation of foreign goods; finally, the prohibition of the introduction of adulterated drugs into the country by the act of 26th of June, 1848.

Under the power to levy taxes, duties, and imposts, I refer to the discriminating tonnage duties on foreign vessels, the discriminating duties on their cargoes, the preamble to the first law imposing duties passed under the constitution, and the enactment of most of the subsequent ones.

These enactments show that at most or all periods of our history the views which I have expressed appear to have been sustained and acted on.

II. All legislation designed to favor a particular class to the prejudice of others, or to injure a particular class for the benefit of others, is manifestly unwise and unjust. Nothing can be more destructive of the true interests of the country than such legislation, except the refusal of really salutary legislation, under an erroneous impression that it might favor one class to the prejudice of others, while in fact the denial of it injures all classes, and benefits nobody.

3. As every producer in one branch of useful industry is also a consumer of the products of others, and as his ability to consume depends upon the profits of his production, it follows that to give prosperity to one branch of industry is to increase that of the rest. Within each branch of industry there will be individual rivalry, but among the several branches of useful industry there must always exist an unbroken harmony of interest.

No country can attain a due strength or prosperity that does not by its own labor carry its own productions as nearly as possible to the point necessary to fit them for ultimate consumption. To export in raw material and reimport the articles manufactured from it, or to neglect its own raw materials and import the articles manufactured from that of another country, is to prematurely exhaust the means which nature has provided for its advancement.

For instance, we exported, during the fiscal year ending 30th June, 1849, raw cotton to the value of about sixty six millions of dollars. If that cotton had been spun and woven at home, (supposing its value to be increased fourfold by manufacture,) it would have produced a value of about one hundred and ninety eight millions in addition. What would have been the effect of this increased production on the prosperity of the country?

This question would not be completely answered by merely pronouncing the added value of one hundred and ninety eight millions of dollars to be a large profit to the manufacturer, say more than the question of the effect of the production of wheat would be answered by deducting the cost of seed, wheat, from the value of the crop, and pronouncing the remainder to be a large profit to the farmer.

The manufacture of cotton cloth is begun with the planting of the cotton; it is carried to a certain point by the planter, and then taken up and perfected by the spinner and weaver. The planter and manufacturer are not engaged in different branches of industry, but in the same; the one commences the process which the other completes. Cotton seed of insignificant value being by regular stages of labor developed and brought to the form of cotton cloth, has acquired a value of about two hundred and sixty fold greater.

The United States have added many millions to the annual production of the country by the culture of cotton. By continuing the process they could quadruple that addition.

The planter does not have a market at his door for all his produce, and the farmer would in like manner have a home market for his. The power of consumption of not only breadstuffs, but of every article useful or necessary in the feeding, clothing, and housing of man, would be vastly increased; the consumer and producer would be brought nearer to each other; and in fact a stimulus would be applied to every branch of productive industry.

It is satisfying to know that the manufacture of cotton has already been introduced into several of the plain ne States, (see document marked W hereto annexed,) and it ought not to be doubted will rapidly be extended.

The manufacture of iron, wool, and our other staples would lead to similar results. The effect would be a vast augmentation of our wealth and power.

Upon commerce, the effect's might be expected to be, if possible, still more marked. It is not enough to say that no country ever diminished its commerce by increasing its productions, and that no injury would therefore result to that interest. There would probably be, not only a great increase in the amount, but an improvement not less important in the nature of our commerce.

Of the immense addition that would accrue to our internal and coasting trades, (which in every country form the great and most valuable body of commerce,) it is unnecessary to do more than merely speak in passing—but it may be well to offer a few remarks on foreign commerce.

Commerce is the machinery of exchange. It is the handmaid of agriculture, and manufactures. It will not be affirmed that it is ever positively injurious; but it will be more or less useful as it is conducted more or less with the productive industry of the country. Mere carriage by land and in necessarily profitable only to the carrier, who is paid for it. It may be useful or not to others according to circumstances. But farmer finds a rail road a great convenience, but he understands that it is better employed in carrying his crop than in carrying away his seed wheat and manure.

The commerce which should consist in carrying cotton seed abroad, to be there grown, would not be so useful as that which is now occupied in exporting the raw cotton grown at home. We should easily understand, also, that the commerce thus employed would be much more limited in amount and much less profitable to the carriers than that we now have. Yet our present commerce is, in fact of the same nature with that above described. The seed bears to the cotton the same relation which the cotton bears to the cloth. If we take the present cotton of the value of about sixty six millions, the same cotton, when converted into cloth, would make an export of some two hundred and sixty four millions, or more than two hundred and forty five millions after deducting the fifteen or twenty millions which would be required for our own consumption, (in addition to the portion of our present manufactures consumed at home,) and our imports would be thereby in like manner increased. England, at this moment, derives a large portion of her power from spinning and weaving our cotton. Whenever shall spin and weave it ourselves, make our own iron, and manufacture into our other staples, we shall have transferred to this country the great centre of wealth, commerce, civilization, and political as well as moral and intellectual power.

At present we are far from having the amount of foreign commerce which is due to our position, as a vast agricultural country, with an extensive coast, good harbors, great internal water courses, and a people unsurpassed in maritime skill and enterprise.

Our annual products were estimated by my predecessor in this Department at three thousand million dollars, while our average exports are about one hundred and thirteen millions, and our imports about one hundred and six millions, adding together two hundred and nineteen millions, exclusive of gold and silver and of foreign commodities imported and re-exported. An eminent British authority estimates the annual creation of wealth in Great Britain and Ireland at between two thousand one hundred and two thousand two hundred millions. If we add, for articles omitted by him, between three and four hundred millions, we shall have a total of two thousand five hundred millions. The British exports and imports amount annually to two hundred and twenty millions, exclusive of gold and silver and of foreign commodities imported and re-exported. If their foreign trade were brought down to our scale, (supposing this estimate, it would be reduced to about one hundred and eighty three millions. If ours were raised to their scale, it would reach about six hundred and twenty four millions

Estimating the population of Great Britain and Ireland at thirty millions, and ours at twenty one millions, their foreign trade averages $17.33 for each individual; ours $10,42. If their foreign trade were no greater than ours, in proportion to population, it would be reduced from five hundred and twenty two millions to two hundred and twelve millions. If our foreign trade were as great in proportion to population as is theirs, it would be swelled in amount from two hundred and eighteen, to three hundred and sixty four millions.

A leading cause of the existing difference is to be found in the fact, that Great Britain exports chiefly what she has first brought to the form in which it is ready for ultimate consumption; in a state of the highest value, and her market is almost exclusive with the civilized world.

All history shows that where are the workshops of the world, there must be the marts of the world, and the heart of wealth, commerce, and power. It is as vain to hope to make these marts by protective duties, as it would be to make a crop by building a barn.

IV. Whether we can have workshops to work up at least our own materials, must depend upon the question, whether we have or can obtain sufficient advantages to justify the pursuit of this kind of industry.

The circumstances favorable to production in this country may be stated to be: 1st. Facility in procuring raw materials. 2d. Abundance of fuel. 3d. Abundance of food and other articles necessary for the sustenance and housing of the laborer. 4th. The superior efficiency of the laborers in comparison with those of other countries.

The circumstances supposed to be unfavorable to our production may be thus classed:

1st. Want of capital.
2d Dearness of our labor, as compared with that of other countries.
3d. Insecurity by exposure to the influence of violent and excessive fluctuations of price in foreign markets, and to undue foreign competition.

1st. Capital, which is but the accumulated savings of labor, is believed to be abundant among ourselves for any purpose to which it can be profitably applied. It is more divided than in some other countries, and associations of capital are therefore more common among us than elsewhere. It will be increased by the labor of every successive year, and for investments reasonably secure, it will flow in whenever required (as it has always heretofore done) from other countries, where it may exist in greater abundance. The amount of capital required for a large production is not enormous. The whole capital, for instance, employed in the establishment and support of iron works in England and Wales in 1847, has been estimated at less than one hundred millions of dollars; the annual production then being about one million to hundred thousand tons.

2d. The difference between the price of labor here and in Great Britain is certainly great, and, it is to be hoped and expected, will never be diminished by a reduction of wages here. The difference has been estimated at an average of thirty three per cent. Probably the average difference is much more than that. In some branches, such as the manufacture of iron, it is certainly much greater. This difference is in part compensated by the disadvantages under which the foreign manufacturer is placed by the necessity in some branches of procuring his raw material from a great distance, or transporting a heavy article of production (such as iron) to a distant market. In addition, he is pressed by a heavy burden of taxation. The greater efficiency of our labor is to some extent an additional compensatory element. This increases the greater capacity for acquiring skill, the superior general intelligence, the higher inventive faculty, the greater moral and physical energy, both of action and endurance, which our people possess in comparison with the foreign laborer. Better fed, clothed, housed, and educated; conscious of the ability to lay up some capital annually from his savings; encouraged to invest that capital in the enterprise in which his labor is engaged; enjoying practically greater civil and political liberty, looking forward to an indefinite future, in which, through his own good conduct and exemplary industry, he may expect each successive generation of his descendants to be better circumstanced than its predecessors, it cannot be doubted that these advantages add greatly to the efficiency of the American laborer. The precise extent to which they go towards compensating the difference in the price of labor it is difficult to define. The efficiency of our labor may be expected to increase with the increase of reward to the laborer. In many of the New England factories the laborers are encouraged to invest their surplus earnings in the stock of the company by which they are employed, and are thus stimulated by direct personal interest to the greatest exertion. It may be expected that this system will be introduced into other branches in which it may be found practicable, tending, as it does, so powerfully to elevate the laborer, increase production, and practically instruct all men in the great truth of the essential harmony of capital and labor.

3d. Capital flows freely at home and abroad in every productive channel in which it can flow safely, and will even incur great hazards, if they be such as its owner may hope to meet by the care and circumspection of himself or others to whom he has confided its management. But if he knows that skill, industry, and economy cannot avail him, and that, in addition to all the contingencies of rivalry and markets, he is to be further exposed to dangers arising from causes quite beyond his control or counteraction, he will hold back. The vacillations which have occurred in our policy have no doubt deterred a large amount of capital from investment in industrial pursuits. The encouragement offered on one day, and on the faith of which fixed investments have been made, which are exposed to loss by the withdrawal of that encouragement on the next, is in fact substantial discouragement; and the insecurity resulting from the repetition of such acts has been seriously detrimental.

4th. The fluctuations in the foreign markets have for many years been such as seem to denote an unhealthy and feverish state of business. They are not in the natural course of a healthy market. They seem to betoken a change in existing arrangements, and apprehension of such change is also evinced in the efforts now making in England to sustain the British manufacturer, by putting at hazard other important branches of industry. The competition of new establishments with very large ones already in existence abroad, and in which the price of labor is lower, is evidently not an equal competition. The capital fixed in machinery, furnaces, &c., cannot be changed, and the work of production will not cease unless the price shall have been reduced to a point very little above the cost of materials, labor and repairs. Of course where the lower price is paid for labor there will be a larger margin for reduction by the sacrifice of part of the profit; and where a great accumulation is in hand of the avails of the business of former years, the owner may find it his interest for a while to sell his goods at a loss, rather than the actual cost, if by that means he can drive out his rival, looking, of course to subsequent reimbursement, (at least,) when he shall again have the control of the market.

The known necessity of the position of foreign manufacturers of course tends to encourage new attempts, and to defeat the successful operation of the plan of States, (see document marked W hereto annexed,) and it ought not to be doubted will rapidly be extended.

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