

Democratic Banner.

BY MOORE & HEMPHILL.

CLEARFIELD, PA., JAN. 1, 1848.

NEW SERIES—VOL. I, NO. 6.—WHOLE NO. 1081.

THE BANNER

The "DEMOCRATIC BANNER" is published weekly, at \$2 per annum—or \$1 50 if paid in advance.
No paper can be discontinued (unless at the option of the editors) until all arrears are paid.
Advertisements, &c., at the usual rates.

From the Dollar Newspaper.

ABSTRACT OF THE REPORT OF

THE

Secretary of the Treasury.

The Secretary first gives us a statement and estimate of the National finances for the past, present, & following fiscal years, embracing a period of three years, and terminating on the 1st of July, 1849, or about four months after Mr. Polk's term expires.

The expenditures for these years are thus stated; the first being actual expenses, and the last two estimated, each year ending 30th of June, viz:

Year	Expenditures.
1847.	\$59,451,177
1848.	58,675,660
1849.	55,644,941

The estimate for the year ending 30th June, 1849, is made, he informs us, on the presumption that the war may continue until that time.

If the war is continued until the first of July next, and no additional revenue provided by Congress, or received from contributions by Mexico, the Secretary says there will be a deficit of means in the treasury of \$15,729,114. He thinks, however, that an additional revenue of about \$4,500,000 from two sources, viz: a duty on TEA and COFFEE, \$3,000,000, and from a reduction and graduation in the price of public lands, and from the extension of pre-emption rights to settlers on the lands, \$1,500,000.

With regard to the military contributions levied on the people of Mexico, the Secretary is not prepared to give a definite estimate of the amount they may be expected to produce. The export duty on specie from Mexico, however, he thinks ought to yield at least \$500,000 per annum. The duties on imports collected by the Mexican Government have, he says, varied from six to twelve millions of dollars per annum, and with the roads in our possession, they ought not to be less, but even greater, in the hands of the United States military authorities.

In view of the uncertainty of the amount of these military contributions, and if the proposed measures for augmenting the revenue by duties on tea and coffee, and increasing the sales of public lands, are not adopted, the Secretary asks for authority to negotiate a loan of eighteen and a half millions of dollars; and if the war be continued for one year from next July, he asks for an additional loan of twenty and a half millions. It is not supposed that more than the first loan will be wanted until the meeting of Congress one year hence, although possibly six millions may be required before that time. Should this be the case, there will be ample time to inform Congress and ask for that amount.

BOUNTY LAND WARRANTS.

By the act of February 11th, 1847, a bounty in land was designed by Congress for the benefit of the brave men who are vindicating abroad the rights and maintaining the honor of their country. By the proviso to that act the sale of these claims is prohibited until a warrant or certificate has issued, indicating as it is believed the benevolent intention of Congress to secure homes to our soldiers and volunteers. It is deeply to be regretted however, that the intentions of Congress in this respect are to be defeated by sales of these warrants or certificates at a great sacrifice, which will be evaded to a very great extent for the future, by further restrictions by Congress upon these assignments, and especially by forbidding the sale until the patent shall have issued. If this is not done, but very few of these brave men, when their toils and perils shall have terminated, will have retained the right to the homes intended for them by the benevolent policy of Congress.—With a view as far as practicable, to induce the soldiers and volunteers to retain their rights, it was decided by this department, after a conference with the Secretary of War, who concurred in this opinion that if the soldier and volunteer became a pre-emptor, he might use his warrant or certificate in purchase of the land upon which he had settled, but that no assignee or purchaser could, thus use such warrant or certificate in payment of any lands that had not been offered at public sale. Under this decision, the warrant or certificate is of more value to the soldier and volunteer than to the purchasers, and there is an additional motive to retain the warrant or certificate.

THE INDEPENDENT TREASURY.

The constitutional Treasury has been tried during a period of war when it was necessary to negotiate very large loans, when our expenditures were being increased, and when transfers unprecedented in amount were required to distant points for disbursement. During the last 11 months the Government has received, transferred and disbursed more specie than during the whole aggregate period of 57 years preceding since the adoption of the Constitution. To render the system still more useful and economical, to define more

clearly the powers of the Department, and especially to render more secure "the public money in the hands of disbursing agents," the amendments suggested in my last annual report, (including the establishment of a Branch Mint at New York,) and which received the sanction of the House of Representatives during the last session, are again recommended to the favorable consideration of Congress.

During the year, ending June 30, 1847, our imports of specie were \$24,121,289, (see Table T,) most of which under former systems must have gone into the banks, to have been made the basis of issues of their paper to the additional amount of fifty or sixty millions of dollars. Such an expansion, during the last spring and summer, accompanied by still higher prices, and followed by a greater fall, and by bankruptcies in England to an extent heretofore unknown, finding our banks and credit greatly expanded, and reacting upon this expansion would have produced a revolution here, exceeding any that has heretofore occurred in the country.

A general requisition of the Banks would probably have resulted, depressing the wages of labor and prices of property and products, affecting injuriously the operations and credit even of the most solvent, and producing extensive bankruptcies. From this revolution we have saved by the Constitutional Treasury, by which the specie imported, instead of being converted into Bank issues, has been made to circulate directly to a great extent as a currency among the people, having been received here during the last 11 months by the new orders of this Department under the Act of 9th Feb., 1793, and the zealous co-operation of the able and efficient head of the Mint of Philadelphia, to the unprecedented extent of \$20,758,048.12, and there are thousands of our citizens now solvent and prosperous, who have been saved from ruin by the wholesome operations of the Constitutional Treasury. The Banks that so unwisely opposed the system, have been rescued probably from another suspension, their stockholders, depositors and other note holders from severe losses, and the country and Government from the ruinous effects of a depreciated paper currency. If the union of the Government with the Banks had continued, and their suspension and the depreciations of their paper occurred during the war requiring large specie disbursements, which suspended Banks could not furnish, consequences the most disastrous to the honor and the interests of the country must have ensued. The Government is now disconnected with Banks, & yet its stock and notes are at par, although we have been constrained to contract heavy loans, and to keep larger armies in the field than at any former period. But during the last war, when the Government was connected with Banks, its six per cent. stock and Treasury Notes were depreciated twenty five per cent., payable in Bank paper twenty per cent. below par, thus amounting to a loss of forty-five cents in every dollar upon the operations of the Government.

THE MINT.

It has been seen that the amount of foreign coin or bullion coined this year at our mint and branch mints, under the new orders of this Department, estimating December the same as November, would be \$23,844,001.02, at which rate we would soon supply our own people with our own coin, and in time also, with our augmenting commerce. Americanized to a great extent the coin of the world, & thus introduce our simple and beautiful decimal currency gradually throughout all nations, substituting it for the complex system of pounds, shillings and pence, or of doubloons, ducats and rupees, which retard business and complicate accounts.—Table T shows the imports and exports of specie for the fiscal years ending 30th June, 1846, and 30th June, 1847; being for 1846 an import of \$9,777,732, and an export of \$3,481,417, leaving the gain of specie that year \$296,315; and in 1847 the specie imported was \$24,121,289, & the export \$1,845,119, leaving the specie gained in 1847, \$22,276,170.

Table U shows the amount received in specie from all sources—customs, lands, miscellaneous and loans, from 1st Jan., 1847, to 1st Dec. 1847, being \$48,667,886.18, and the amount of disbursements in specie during the same period, \$48,226,516.31, showing the aggregate of receipts and disbursements in specie during the first eleven months of the new system, \$96,894,402.49, and proving that the department has been enabled, during the last eleven months, to circulate, by disbursements among the people, the sum of \$48,226,516.31, under the specie receiving and specie circulating constitutional Treasury.

THE TARIFF.

The new tariff has now been in operation more than twelve months, and has greatly augmented the revenue and prosperity of the country. The net revenue from duties, during the twelve months, ending 1st Dec. 1847, under the new tariff, is \$31,500,000, being \$6,528,598 more than was received during the twelve months preceding under the tariff of 1842. The net revenue of the first quarter of the first fiscal year, under the new tariff, was \$11,106,257.41, whilst in the same

quarter of the preceding year under the tariff of 1842 the net revenue was only \$6,153,820.58. If the revenue for the three remaining quarters should equal in the average the first, then the net revenue, from duties during the first fiscal year of the new tariff would be \$44,425,029.64. If, however, the comparison is founded on all the quarterly returns for 48 years, (as far back as given quarterly in the Treasury records,) and the same proportion for the several quarters applied to the first quarter of this year, it would make its net revenue (per table C) \$40,388,045. Although the net revenue from duties already received, being 15,506,257 dollars 41 cents, during the five months of this fiscal year, would seem to indicate its probable amount as not less than \$5,000,000 dollars, yet it is estimated at \$1,000,000 dollars, for the fiscal year ending 30th June, 1848, and \$2,000,000 dollars for the succeeding year, in view of the possible effects of the revolution in Great Britain. Although our prosperity is ascribed by some to the famine there, as though Providence had made the advance of one country to depend upon the calamities of another, yet it is certain that our trade with Great Britain must be greater in a series of years, when prosperity would enable her to buy more from us, (and especially cotton,) and at better prices, and sell us more in exchange, accompanied by an augmentation of revenue.

TRADE AND CAPACITY OF THE NATION.

In my report of the 22d July, 1846, it was shown that the annual value of our products exceeds three thousand millions of dollars. Our population doubles once in every 23 years, and our products quadruple in the same period, that being the time which a sum compounding itself quarterly at six per cent. interest will be quadrupled, as is sustained here by the actual results. Of this three thousand millions of dollars, only 150,000,000 was exported abroad, leaving 2,850,000,000 dollars used at home, of which at least 500,000,000 of dollars is annually interchanged between the several states of the Union. Under this system, the larger the area, and the greater the variety of climate, soil, and products, the more extensive is the commerce which must exist between the States, and the greater the value of the Union. We see then here under the system of free trade among the states of the Union, an interchange of products of the annual value of at least 500,000,000 dollars among our 21 millions of people, whilst our total exchanges, including imports and exports with all the world besides, containing a population of a thousand millions, is still about 500,000,000 dollars. Although under the new tariff these exchanges increased nearly 100,000,000 dollars the last year, yet those between our States, consisting of a population of 21 millions, being of the yearly value of 500,000,000 dollars exchanged, makes such exchange in our own country equal to 23 dollars 81 cents per individual annually of our own products, and reduces the exchange of our own foreign products (our imports and exports,) with all the rest of the world to the annual value of 30 cents to each individual.—That is, one person of the Union receives and exchanges annually, of our own products, as much as 79 persons of other countries.

Were this exchange with foreign countries extended to 90 cents each, it would bring our imports and exports up to 900,000,000 dollars per annum, and raise our annual revenue from duties to a sum exceeding 90,000,000 dollars. An addition of 30 cents each to the consumption of our products exchanged from State to State by our own people, would furnish an increased market of the value only of 6,500,000 dollars, whereas an increase of 30 cents each by a system of liberal exchanges with the people of all the world, would give us a market for an additional value of 500,000,000 dollars per annum of our exports. Such an addition cannot occur by refusing to receive in exchange the products of other nations, and demanding the 300,000,000 dollars per annum in specie, which could never be supplied. But by receiving foreign products at low duties in exchange for our exports, such an augmentation might take place.

LOW AD VALOREM DUTIES AND PRICES.

Whilst all have derived great benefits from the new tariff, it is labor that has realized the largest reward. It was contended by the advocates of protection, that it enhanced the wages of labor, and that low duties would reduce wages here to the rate allowed for what they call the pauper labor of Europe. On the contrary, the opponents of high tariffs insisted that labor left to seek freely the markets of the world, would find for its products the best prices, and as a consequence, the highest reward for the labor by which they were produced. The duties have been reduced, and yet wages have advanced, and are higher now than under any protective tariff. There are many more workmen concerned in other pursuits than in manufactures, and with much less machinery as a substitute for labor, and by depressing agriculture, commerce & navigation, by restricting their business and the markets for their products, the wages of those engaged in such pursuits are re-

duced, many workmen also lose employment, and competing for work in manufacturing, the wages of all are diminished.

It is not only the reduced duties that have produced these happy results, but the mode of reduction, the substitution of the *ad valorem* for unequal and oppressive minimum and specific duties. The higher duty was thus always imposed by the very nature of the duty upon the article of the lowest value, consumed by the poor, and the lower duty assessed upon the more wealthy, often operating as a duty of 10, 20 or 30 per cent. upon the high priced goods, and of 100 or 200 per cent. *ad valorem* upon articles of lower price. Nearly the entire burden of the Tariff was thus thrown upon labor, by whose wages chiefly the cheaper articles were purchased, whilst capital, with whose profits the more costly goods were bought, was almost exempt from the tax. It never would have been tolerated to have imposed a duty of 10, 20 or 30 per cent. by name upon costly articles, and of 100 or 200 per cent. upon cheaper fabrics, where the *ad valorem* rates would have exhibited the injustice and inequality of the duty; but it was accomplished by minimum and specific duties, which assessed a higher duty in proportion to value upon cheaper articles, and the lower duty upon similar articles more costly in price, thus imposing the higher duty upon labor and the wages of labor, as effectually as the tax gatherer had collected from the workman a third or fourth of his wages every day, whilst capital was comparatively exempt from taxation.

FREE TRADE AND PROTECTION.

The great argument for protection is, that by diminishing imports, the balance of trade is turned in our favor, bringing specie into the country. The anti-protectionists contend that commerce is chiefly but an exchange of imports for exports; and that, in diminishing imports, we will necessarily decrease exports in quantity or price, or both; that if we purchase more imports, we will sell more exports in exchange, and at a better price; and that if commerce is profitable, we should have a larger balance of trade in our favor, and usually larger imports of specie; and that the profits of commerce, in the increased exchange of our own for foreign products, augment the wealth of the nation. The four protective tariffs were enacted in 1816, 1824, 1828, 1842. The compromise act intervened from March, 1833, until after the 30th August, 1842; and the revenue tariff of 1846 went into operation last year. Let us now look at the effect of high and low tariffs upon the gain of specie during these periods, from 1821, being the earliest date to which the records of the Treasury go back on this subject. From the beginning of 1821 until the commencement of 1833, and from 30th September, 1842, until 1st July, 1846, our excess of the imports of specie over the exports was \$12,660,312, being an average annual gain of \$791,216 in specie during these sixteen years of high tariffs; whilst the excess of specie during the eleven years of the compromise act of 1833, and low tariff of 1846, was \$68,507,630; and the average annual gain was \$6,227,967. Omitting the tariffs of 1842 and 1846, and comparing the ten years of comparatively low duties from 1833 to 1842 with the twelve years under protective tariffs from 1821 to 1832, we find under the latter an actual loss of specie to the country by the excess of the exports of specie over the imports, of \$3,851,652, as the result of protection, and a gain during the succeeding ten years of comparatively low duties of \$46,294,099, or at the rate per annum of \$4,629,409, and in the single year under the new tariff a gain of \$22,213,550; thus exhibiting a uniform gain of specie in the years of low, as compared with high duties. The Protective theory, founded upon this assumed balance of trade and gain of specie under high tariffs, is disproved by the results; and it is shown, by the experience here of more than a fourth of a century, even as to specie, that it accumulates most rapidly by the gains of trade under a liberal commercial policy. Let us now see, under the same cycles of free trade and protection, whether it is true, as contended, that our domestic exports are not diminished by the restrictive system.

The records of the treasury do not go back beyond 1821 as regards our domestic exports, exclusive of specie. We must, therefore, make the comparison from that date. From 1821 to 1842, both inclusive, under high duties, the aggregate of our exports of domestic products, exclusive of specie, was \$683,167,527, or at the rate of \$54,429,794 per annum; from 30th September, 1842, to 30th June, 1846, \$377,891,500, or at the rate of \$94,347,875 per annum; making a total aggregate during these sixteen years of high duties, of \$1,030,549,027, or at the rate of \$64,409,814 per annum. During the compromise act—from 1833 to 30th September, 1842—the total of these exports was \$956,168,288, or at the rate of \$95,616,828 per annum; and in the year ending 30th June, 1847, \$160,574,844; making, in the eleven years of low duties, an aggregate of \$1,106,743,132, or at the rate of \$100,613,012, being an average gain under low, as compared with high duties,

of domestic exports exclusive of specie, of \$36,203,698 per annum, and excluding altogether the last year, a gain of \$31,207,514 per annum under low, as compared with high duties.

Having thus shown, both as to specie and domestic exports, the great gain in years of low as compared with high duties, let us now compare the low duty and high duty cycles as to our tonnage, foreign and coastwise.

During the eighteen years of low duties, from 1789 to 1807, our tonnage increased at the rate of 29.41 per cent. per annum; from 1832 to 1842, at the rate of 4.53 per cent. per annum; and from 1846 to 1847, 10.81 per cent. in a single year.—Such has been the uniform high rate of increase of our tonnage during every period of low duties. Now, under high tariffs, from 1816 to 1832, our tonnage increased 0.30 per cent.—being less than one-third of one per cent. per annum; and from 1842 to 1846, at the rate of 5.61 per cent. per annum. If it be said that the increase from 1789 to 1807 was occasioned, to some extent, by the war between France and England; this table, which is taken from the records of the Treasury, shows that from 1789 to the close of 1792, immediately preceding that war, which was declared early in 1793, our tonnage increased at the high rate of 60.16 per cent. per annum, when France and England were at peace, before the era of steam navigation, and before the acquisition of Louisiana, and the addition of the great Mississippi and of the Mexican gulf to the navigable waters of the Union, and when our flag was unknown on the great lakes of the northwest. The great increase is uniform at all times under low duties, and depressed under high duties, during the whole period of 58 years, from 1789 to 1847.

It is urged, however, that although our foreign commerce may have decreased, yet the home market has augmented in a ratio more than equivalent to the loss of our foreign trade. If this were so, it would be exhibited in the augmentation of our coastwise trade, embracing our lakes and coasts, as well as rivers; the coastwise tonnage of course augmenting in the number of vessels with the goods to be transported between the States. By reference to the same tables, it appears that our coastwise tonnage increased, from 1789 to 1807, at the rate of 22.71 per cent. per annum, from 1789 to 1792 at the rate of 25.23 per cent. per annum, from 1832 to 1842 at the rate of 6.09 per cent. per annum, and in the single year from 1846 to 1847, 13.45 per cent. Such was the great and uniform increase of our coastwise tonnage under low duties. Now, under high duties, the increase from 1816 to 1832 was at the rate of 1.50 per cent. per annum, and from 1842 to 1846, 6.45 per cent. per annum. Thus we see an immense increase, under low as compared with high duties, of the coastwise tonnage; proving that the paralysis of foreign commerce, resulting from the restrictive system, affects injuriously the home market and the trade between the States, and furnishing a demonstrative proof that, whether we look at home or abroad, we progress more rapidly under a liberal commercial policy. As the foreign tonnage rose under low duties, (as the table proves,) so did the coastwise; and as the foreign tonnage declined, so did the coastwise tonnage; and during the high duties, from 1816 to 1832, whilst the foreign tonnage actually decreased at the rate of 0.88 per cent. per annum, that of the coastwise tonnage only increased at the rate of 1.50 per cent. per annum. Yet, during that period, the increase of the coastwise trade ought to have been immense, including, as it did, the era of the introduction of steam navigation to a vast extent upon the rivers of the west, and also upon the lakes of the northwest, and the opening of the great canal of New York.

It is said that the famine in Ireland was the sole cause of our late large export of breadstuffs and provisions. Now, from 1790 the values are not given so as to be stated in amounts, but the quantities are; and these prove that, even omitting the last year altogether, and comparing the low duty periods from 1789 to 1807, and from 1832 to 1842, with the years of protection from 1817 to 1832, and from 1842 to 1846, the average export of breadstuffs and provisions was much larger in the years of low as compared with high duties, especially considering the difference of population.

As a still more conclusive proof that the export of breadstuffs and provisions was much greater under low than high duties, it appears by table DD, that our total export of cotton from 1790 to 1807, both inclusive, was of the value of \$81,074,843, and during the same period our export of domestic produce, exclusive of cotton, was \$530,411,134; making our exports of domestic produce, exclusive of cotton, at the rate, from 1790 to 1807, of \$29,467,285; which, it will be perceived at once, vastly exceeds the average annual exports of domestic produce exclusive of cotton under years of high duties.

Indeed, the tables of the Treasury clearly prove that—whether we look at imports or exports, the revenue, the gain of specie, the tonnage coastwise or foreign, the tonnage at the mint, or the export of