

Carlisle Herald and Exposure

A FAMILY NEWSPAPER—DEVOTED TO NEWS, POLITICS, LITERATURE, THE ARTS AND SCIENCES, AGRICULTURE, AMUSEMENT, & C. & C.

Edited and Published for the Proprietor by William M. Porter, Carlisle, Cumberland County, Pa.

VOLUME XLIII.—NO. 44.

WEDNESDAY MORNING, AUGUST 26, 1841.

NEW SERIES, VOL. 5.—NO. 37.

Register Notice.

Register's Office,
Carlisle, July 31, 1841.

Notices are hereby given to all Legates, Creditors and other persons concerned, that the following accounts have been filed in this Office, for examination, by the Accountants therein named, and will be presented to the Orphans' Court of Cumberland County, for confirmation and allowance, on Tuesday the 31st day of August, A. D. 1841.—viz:

The account of Henry Ruple, Administrator of David Creps, deceased.

The account of John F. Hammer, Administrator of Jacob Croster, deceased.

The account of Ephraim Corman, Administrator of Eliza Spiser, deceased.

The account of Jacob Kosh, Administrator of Benjamin Swartz, deceased.

The supplemental and final account of Curtis Thompson, Administrator of Jane McCall, deceased.

The account of John Cooper, Executor of Mary Rupp, deceased.

The supplemental and final account of William Hinney and John Cooper, Executors of Andrew Peter, deceased.

The account of Jacob Engle, Administrator of Dr. Thomas Greer, deceased.

The account of Samuel Dricker, Administrator of Peter First, deceased.

The account of James H. Eagin, Executor of Martin Zeman, deceased.

The account of George Patterson and Francis S. Hubley, Executors of Joseph Hurd, deceased.

The account of Abraham Metz, one of the Executors of Jacob Miller, deceased.

The account of Philip Knoutz, Administrator of John Moody Moore, deceased.

The account of John Cochran and Robert Cochran, Executors of Patrick Cochran, deceased.

The account of David Blosser, Executor of Henry Blosser, deceased.

The account of William Blosser and David Blosser, Executors of Peter Blosser, deceased.

The account of Peter Banhart, Administrator of William Krieger, deceased.

The account of William Winkler, Administrator of Susan Jane Winkler, deceased.

The account of John Gillen, Guardian of Owen McGeehan.

The account of George Christlieb, Guardian of Margaret Henry, now Margaret Killian.

The account of Jacob Shill, Guardian of Wm. McKim.

The account of Christopher Swiler, Administrator of John Swiler, deceased.

W. M. PORTER, Register.

Orphans' Court Sale.

By order of the Orphans' Court of Cumberland County, the following real estate late the property of Michael Saxton, late of said county, and now in said county, will be sold by public outcry, on the premises, on Saturday the 28th of August next, at 10 o'clock A. M., the following property, viz:

All that certain plantation situate in Silver Spring township, bounded by lands of George Myers, William Albright, Geo. H. Buecher and others, containing about one hundred and six acres, of gravel and Limestone Patented Land, having thereon erected

A Double Two Story Log House.

AND SANDY COUNTRY. The land is in good cultivation and under fence, about eighty acres, which are cleared, and the residue fine thriving timber land. The improvements are a well, a spring, an Orchard and other fruit trees.

At the same time and place will be sold a lot of ground situate in the same township, bounded by lands of George Myers, John Eschelman, Jacob Eschelman and others, containing five acres more or less, art and others, containing five acres more or less, having thereon erected a

Two Story Log House and a good Log Stable.

There is an excellent well of water at the door, and the premises are in excellent cultivation and under good fence.

TERMS OF SALE.—\$500 to be paid on the large tract and \$50 on the small tract on the confirmation of the sale. One half of the residue of the purchase money of the large tract on the first of April next, and the residue of the purchase money of the small tract on the first of April next, when possession will be given to the purchaser. The payments to be secured by judgment on bonds.

Any information can be received by making application to the subscriber residing in said township.

JOHN SAULTON, Adm'r.

Orphans' Court Sale.

The following real estate, the property of Jacob Hiltz, late of East Pennsborough township, Cumberland County, Pa., will be sold on the premises, by virtue of an order of sale of the Orphans' Court of said county, on Saturday the 28th day of August next, at 10 o'clock, A. M., to wit:

All that certain plantation or TRACT OF LAND, situate in said township of East Pennsborough, and bounded by lands of Thomas Wharton, John Hooper, Andrew Beck, Jacob Shill, John Martin and others, and containing

122 Acres.

more or less—one half of which is cleared land, in good cultivation and well fenced, and the other half excellent timber land. The improvements are a

Two Story Stone House and a good Log Stable.

and other buildings, a never-failing spring of running water is near the house. This property is near the State road from Stevens' Gap to Harrisburg, and is situate about six miles from the latter place. The title to the land is good, the same having been patented. Conditions of sale.—The purchase money to be paid on the 1st of April next, when possession will be given to the purchaser. The payments to be secured by judgment on bonds.

JOHN HOLTZ, Adm'r. of Jacob Hiltz, dec'd.

CABINET MAKING.

W. M. C. GIBSON. Still continues the Cabinet Making in all its various branches, at his old stand in North Hanover street, two doors above the store of Wm. Leonard; where he is now manufacturing, and intends keeping on hand, a great variety of

CABINET FURNITURE.

such as Sideboards, Bureaus, Secretaries, Card, Pier, Dining and Breakfast Tables, Bedsteads, &c., of the most fashionable kind, all of which he will dispose of on the most reasonable terms. He is also prepared to fill all orders for SPRING SEATED SOFAS and FANCY CHAIRS, warranted to be of superior quality.

He will also furnish COFFINS at the shortest notice, and having recently procured a NEW HEARSE, he is prepared to attend funerals in the country.

Carlisle, August 3, 1841.

NATHAN HANTON, T. R.

North Hanover, Pa. Carlisle, Penn'a.

POLITICAL.

Reciprocity of Trade.

No. 1.

The time is at hand when it will become necessary to remodel our system of duties, so as to increase our revenues to an amount adequate to the wants and necessities of government, or to adopt some other system of taxation for its support, if deemed by the majority more consistent with good policy, or congenial to the purity and permanence of our political institutions. That a great difference of opinion should exist on the subject, in a country like ours, where the mass are intelligent and capable of thinking for themselves, and discussing the most grave and intricate questions of national policy, is not surprising or to be regretted.

It is hoped, when the congress of the nation shall be called upon to act upon this important question, they will do so in a spirit of mutual kindness and forbearance, and that harmony and good feeling, divested of all local or sectional prejudices, may characterize their proceedings; that they may legislate as Americans should do upon a question of American policy.

Our present system of duties will doubtless occupy much of the time and attention of Congress at its extra sessions, and the manner in which the subject is introduced into the debates of the last session, induce the belief that it will be approached with great caution, and no action taken without mature deliberation. The discussion of the subject will embrace such others as will have any connexion with, or even distant bearing upon, the question of revenue, finance, currency, free trade, protection, reciprocity and retaliation, commerce, &c. Although, hominidly, there is but one object to accomplish (that of bringing the receipts of the government to an amount equivalent to its expenditures,) yet there may be said to exist four sets of opinions as to the best mode of doing so.

It is my purpose, briefly to notice what appear to me the most flagrant errors of opinion on the subject of duties, which seem to prevail to some extent; though not with the expectation of doing full justice to a subject of such magnitude and importance, it requires an abler pen than mine. The views which I offer are those I have said that to the most experienced and able advocates of a revenue sufficient to meet the expenses of government.— They may be classed as follows:

- 1st. The advocates of unrestricted free trade and direct taxation.
- 2nd. The friends of free trade, except so far as a duty is necessary for the support of the government, giving a preference to articles of luxury.
- 3d. The supporters of a "protective" system.
- 4th. The advocates of reciprocity and retaliatory duties.

Though the advocates of "unrestricted free trade" are few in number, their position and standing in the councils of the country entitle their views, however absurd, to a passing notice. They would surd, to a passing notice. They would surd, to a passing notice. They would surd, to a passing notice.

The second, and probably the most numerous, class in Congress, are those who believe in the policy of free trade, except so far as a duty is necessary for the support of revenue, and would select for every object, articles of luxury, the product of countries that tax our products heavily; and such, also, as we have the ability to produce ourselves, such as Silks, Wines, Linens, &c., without wishing to interfere with the principle upon which the "compromise" was founded, or disturb its provisions any further than is necessary for revenue purposes.

They are opposed to free trade in its extreme literal sense, but are so far as advocates, as to oppose any rate of duties beyond the wants of government, or equivalent to those paid upon our exports to foreign nations, at their ports. There are many, among the advocates of this course of policy, who believe in the expediency of the protective system, but feel themselves pledged to consider that question settled by the compromise bill.

Among the many who a few years since were strenuous in their support of the "protective system," but few remain who so pertinaciously adhere to their opinions as to openly avow and advocate them, and refuse to consider the settlement of the question beyond the two antagonistical parties at that time as binding. Whether the so-called "American System" was one of sound policy, and calculated to promote the best interests of our country, remains for future generations to judge; the present one has been too much agitated, prejudices

for and against excited too deep and violent, to permit an unbiased decision, and the discussion of the principles involved in its policy, has been almost entirely abandoned by common consent, under the influence of a patriotic love of country, and attachment to the Union, alike creditable to its friends and opponents.

The extraordinary discrepancy between the duties levied by many foreign nations upon our products, and the rates of duties required in our ports, upon products and manufactured articles from these nations, has led some of our most enlightened statesmen to advocate a system of "reciprocity and retaliatory duties."

The term "retaliatory" may grate somewhat harshly upon the sensitive ears of statesmen, whose opinions of national wealth and political economy are founded upon fine spun theories; which, though they strike the mind as conclusive, will not stand the test of practical experience. But let us enquire if the exigencies of the case do not call for the adoption of such a course of policy in our commercial relations with foreign powers, as shall induce them to extend to us the same liberality we have ever manifested towards them.

It is an axiom in political economy, that the wealth of a nation depends upon its exports of goods above its imports; in other words, that it sells more than it buys. If the reverse is the case, it sinks into poverty and bankruptcy. It is, therefore, the policy of every enlightened government so to legislate as to increase the one and diminish the other. One means by which this has been accomplished to a great extent, particularly by England and France, has been by effecting such treaties with other powers as to secure the admission into their several kingdoms, of their products and manufactured goods, on the most favorable terms, and, at the same time, levying enormous duties upon the products of other countries, particularly upon articles of luxury, which materially lessen consumption, and, therefore, diminish the other. One means by which this has been accomplished to a great extent, particularly by England and France, has been by effecting such treaties with other powers as to secure the admission into their several kingdoms, of their products and manufactured goods, on the most favorable terms, and, at the same time, levying enormous duties upon the products of other countries, particularly upon articles of luxury, which materially lessen consumption, and, therefore, diminish the other.

Both England and France, which make great pretension to "reciprocity of trade," receive annually at their custom-houses, more than double the amount of duties upon their imports from abroad, than is paid on a much larger amount of exports at the custom-houses of the several nations to which they send their productions.

Let us contrast the position of Great Britain with her restrictive and prohibitory policy, with the United States and her free trade policy. The United States, with a population of 14,000,000, occupying an almost boundless extent of territory, which embraces nearly every grade of climate between the two extremes, a fertile and productive soil, capable of producing every necessary of life, and nearly all of its luxuries, exports annually one hundred million of dollars, against an import exceeding that amount, taking the average for 10 years past, of nearly 25 per cent. per annum. She owes a foreign debt of nearly \$250,000,000, her citizens individually and collectively, embarrassed, her currency unsound, and hence at home and abroad resources of nothing but her vast natural and intellectual energies of her people, could save her from bankruptcy and universal poverty. The difference of the two most enlightened nations in the world, inevitably leads me to the conclusion, that there is something wrong in our commercial policy; that the evil grows out of our excessive imports and limited exports, and that legislation may and should be so applied as to remedy it by diminishing the one and increasing the other. This may be done by the adoption of a system of duties which shall permit the free introduction of foreign products into our ports, upon precisely the same terms that our products are received into theirs. If England will admit our cotton, tobacco and flour into her ports free of duty, let us admit her silks and manufactures upon the same condition; if she taxed goods on the same condition, let us do the places a duty of 50 per cent., let us do the same. In this way, we can bring other nations to reciprocate and act upon our free trade principles; but without the adoption of some such course, we may continue to toil on for the benefit of other nations, enriching them, and finding ourselves more deeply in debt every year.

Were it possible by treaty or otherwise, for us at once to secure the admission of our products into all foreign countries upon as favorable a footing as we receive theirs, I venture to assert that in less than 10 years, our exports would be double what they now are, while our imports would not increase 50 per cent. In support of this opinion, I will name two articles of produce which we have the ability to produce to an extent almost sufficient to supply the entire demand of Europe, if their restrictive duties upon them were reduced to the maximum of ours, namely, Tobacco and Flour. Upon tobacco, which costs at New Orleans but 5 to 10 cents per pound, the duty in England is 3 shillings sterling, or about 75 cents, (equivalent to 1000

per cent. on its cost) and about the same throughout the continent of Europe, which to a great extent interests its introduction and use, is too expensive a luxury for the poorer classes to indulge in; but remove the restriction so as to place it within the reach of the laboring classes, which embrace 9-10ths of the whole population, and the consumption would increase 100 per cent. per annum for the next 5 years, cause a demand that would extend its cultivation in this country, enhance prices by which the planter would realize a good profit, and in a few years become as large and important an item in our list of exports as cotton.

Were the heavy duties on flour removed, we could export annually to England, the West Indies and elsewhere, \$20,000,000 or more.

When England charges a duty of 72 cents per 100 lbs. on cotton, to a 4 1/2 per cent. on our flour, and 3s. on tobacco, we are selling from her, silks, linens, worsted stuffs, &c. free of duty, amounting to more than \$20,000,000 a year.

In our trade with France, of our imports, which are more than double our exports, more than two-thirds are admitted duty free, and the balance pays a mere nominal one of 10 to 22 1/2 per cent, while not an article that we export is admitted into their ports except at a heavy duty, our cotton paying 5 per cent. more than Egyptian cotton.

Similar discrepancies in the rates of duties to those above pointed out, characterize our whole commercial intercourse with foreign nations.

I am aware, that the friends of a "reciprocity and retaliatory" system of duties, will be met by its opponents with the argument that all duties are a tax upon the consumer to the amount levied. This, with a certain class of statesmen who can theorize eloquently upon the science of commerce, discuss by the week abstract questions of trade, finance and currency, without knowing practically the origin, character, or use of a bill of exchange, is deemed a conclusive and unanswerable argument against the expediency of increasing the present rates of duty upon articles of luxury. To adopt it as a settled principle that the consumer pays the duty, is as erroneous as it would be to assume that it was paid by the producer. No general rule can be made to apply, as the fact is contingent upon circumstances. If the duty be a mere nominal one, it is paid by the producer, who, in the process of production, must sell at a less price than the falling off in consumption may be checked and a market kept up for his product. For example, we can sell our flour in Cuba under the same conditions, and at a higher price than we produce it at a price and of a quality that will enable it to pay a duty there of 10 to 10 and compete with Spanish flour, which pays but 2 1/2. A few years since coffee was subject to a duty of 2 1/2 cents per lb; the duty was removed, but the price did not decline, and has ruled at a higher price since than before, the benefit of the 2 1/2 cents in its pocket, and the consumer receiving no benefit from it.

Let any one examine the list of our imports, and he will find that such articles as are the most heavily taxed, have steadily increased in price, particularly those that we have in our power to produce or manufacture, while such as are admitted duty free have remained stationary, or have advanced. The article of silk, on which there is no duty, and of which we imported last year over \$20,000,000 worth, has steadily advanced for the last ten years.

An increased duty on pork imported into Canada, which was levied a few years since by Great Britain, compelled the farmers on the frontier, whose most accessible markets were Montreal and Quebec, to produce or sell it at a less price than before to compete with Canada and the mother country.

Many facts may be presented which prove conclusively that the producer, in all cases where the duty is an exorbitant one, pays a large proportion; that under the whole of it. The consumer pays, that under the whole of it. The consumer pays, that under the whole of it. The consumer pays, that under the whole of it.

The tobacco planter, if he is a consumer, is taxed for the support not only for his own government, but also for that of France, ten times as heavily as for his own. Why this should be the case, I can see no good reason, and it is time a remedy were applied.

RECIPROcity OF TRADE. No. II.

This subject has not been taken up and discussed by the Press so generally as its importance demands. The time is short ere Congress meets, and it is desirable that the public opinion should be fully expressed. A duty upon Silks and Wines was objected to last session by certain members of Congress, because, said they, "if we refuse to take these articles from France, she will not buy our Cotton and Tobacco;" in other words, if we do not buy two dollars worth of her wine, France will not buy one dollar worth of cotton from us. This is a singular kind of reasoning. Suppose a planter were to come to Mobile with his crop of cotton, worth \$4000, and on

offering it for sale, he should behold that no purchaser could be found, unless he would agree to purchase \$8000 worth of merchandise, would he not, laugh in the face of his informant? As before stated, we take more than twice as much from France as she takes from us, and pay her three times as much duty on our products, as she pays on hers, and it is perfectly ridiculous, childish, to suppose that a duty of 20 per cent, or even 50, on her products, would induce her to do without our cotton, an article she must have, and cannot produce herself. If an additional duty on these articles should have the effect to lessen consumption, so much the better; we should be so much the richer for it, in a national point of view, and certainly more temperate.

It is a humiliating acknowledgment of vassalage to a foreign power, to manifest an apprehension, that an increase of duty by our government on its products, would induce her to do without ours. Fortunately we are not dependant entirely on France for a market, should she be disposed to punish us for daring to regulate our own commercial affairs.

In my last I stated that could the exorbitant duties levied by the several powers of Europe upon our tobacco, be removed, it would soon become as important an item in our list of exports as cotton. This fact a slight examination into the subject will prove. Our exports of this article exceed 100,000 lbs per annum, valued here at \$90 per lb., amounting to \$9,000,000; the duty which it pays at foreign ports amounts to over \$80,000,000. The United States consumes three times as much tobacco as Great Britain, with less than half the population, and more than England, France and Spain put together. Its use throughout Europe to the same extent as in the United States, with the improvement in price which would certainly follow an increased demand, would soon swell the value of our export of this article to 600,000,000, and in less than 10 years to \$100,000,000. In proof of the influence of the rate of duty upon consumption, in 1793 the duty on tobacco to England was 1s per pound, the consumption 1,767,000 lbs.; in 1793-4, the duty was reduced to 6d., and consumption suddenly increased, until in the latter year it reached nearly 10,000,000 pounds. In 1795 and 1796 the duty was increased to 8d., and consumption fell to 6,000,000 pounds; in 1798 it was again increased to 1s., and consumption was reduced to 4,800,000 pounds. From 1800 of consumption was under a moderate rate of heads. In 1785, under a moderate rate of heads, France took from us 35,000 hogsheads. Under her existing system of moderate and high duty, she takes but 6000 hogsheads. While France has been heaping onerous restrictions upon our commerce, we, in our excessive liberality, under the influence of free trade notions, have been removing the nominal duty that formerly existed on her Silks, Wines, Brandy, &c., which enables her to sell us 48 millions of dollars per annum of these luxuries, for which she sends us to the value of \$22,000,000 per annum of our cotton, &c., if we will consent to pay 5 per cent. more duty than other nations pay.

The grower of cotton may say, he has no interest in forcing a market for the produce of the farmer of the West, or tobacco planter of Virginia, so long as he finds one planter of his own staple. Such a conclusion would only result from a very superficial and contracted view of the subject.

In addition to the interest which every American citizen should feel in the general prosperity and increased wealth of his country, which is promoted by large exports of its products,—the Cotton Planter has a direct individual interest not only in facilitating and encouraging a large production and exportation of Tobacco, Rice, Sugar, and Molasses, but also in firmly establishing as a principle of our government in its commercial regulations, a system of non-interfering duties. The very moment England finds she can obtain a supply of cotton from her East India possessions, that moment she will place a duty upon our cotton, sufficient to exclude it from her ports, and compel the planter to produce at a price, as much below its present value, as will meet the duty levied, and making the producer the payer of the tax; and if the experiment she is now making in the culture of cotton in India should succeed, of which there is every prospect, that day is not far distant. If, however, our government should adopt a course of policy, by which foreign nations may be made to feel, that to retain us as a market, they must open their ports to our products on terms of fair and honorable reciprocity, they will do so; as they know we are their best customer. It is a fair and legitimate proposition for a grower to say to a dry goods merchant, "buy your sugar from me or I cannot buy your silks;" and it is equally so between nations, and one to which they can take no exceptions. Another benefit which every cotton-producer, in deriving from increased interest, is to derive from increased exports, it leads to a more equal and better division of the physical force of the country in its application. Open a market for our tobacco, and a portion of the slave labor of Tennessee, North Carolina, Mississippi and Arkansas, now employed in the culture of cotton, would be applied to our tobacco, and profitable employment given to the slaves of Virginia, Maryland and Kentucky, enhancing the value of slave

labor throughout the south. Open a market for our sugar and molasses, or increase its consumption at home by excluding foreign sugars, and that portion of our cotton lands south of 32 degrees of latitude may be used in their culture. Place a duty on foreign Silks and Wines, half equal to the duty paid on our products at the ports of France and England, and in less than 20 years there is scarcely a plantation in the cotton growing states, of any magnitude, that will not have a Silk nursery or Vineyard attached to it, as one of its chief sources of profit. Every planter knows that the less cotton he makes the more money he gets for it—reduce the supply and prices advance at once, as a general rule.

It is of the highest importance to the cotton planter that profitable channels of employment, other than the one single staple presents, should be opened to him, that when prices go to a point below the cost of production, he may turn his attention to something else, and that he be not necessitated to rely upon a single production as his only source of income.

There is no one class in the country whose interests would be more directly promoted by the adoption of a reciprocal and retaliatory system of duties, than the cotton planter of the South.

To show that the measures here suggested as a means of relieving our commerce from the enormous burthens imposed upon it by foreign powers, are not new, or novel, I give the views of several of our most distinguished statesmen.

In 1793, Mr. Jefferson, who was Secretary of State under General Washington, made a report to Congress on the subject of the then existing restriction on our commerce by foreign nations, in which he says:—"Such being the restrictions on the commerce and navigation of the United States, the question is, in what way they may best be removed, modified, or contracted?"

As to commerce, two methods occur: first, by friendly arrangement with the several nations with whom these restrictions exist; or, second, by the separate act of our Legislature for countervailing their effects. There can be no doubt of these two friendly arrangements as the most eligible." &c.

And after arguing the benefits of navigation and commerce reciprocally free with all nations, he says:—"But should any nation, contrary to our wishes, suppose it may better find its advantage by continuing its system of prohibitions duties and regulations, it behoves us to protect our citizens, their commerce are they likely to produce a restriction of them?"

In another part of the same report, he says:—"The following principles being founded in reciprocity, appear perfectly just, and to offer no cause of complaint to any nation, to which a nation imposes high duties on our productions, or prohibits them altogether, it will be proper for us to do the same to theirs." &c.

Prior to this, in 1785, Mr. Jefferson presented a remonstrance to the French Government on this subject, in which he said that the Government of the United States would be compelled to resort to countervailing duties, if the French Government did not modify the burden. It is proper here to remark, that this threat had the desired effect; the burden was in part removed for a time, but subsequently imposed again in a more onerous and objectionable shape, and now exists.

Our present able and distinguished Secretary of State, the government of France, General Cass, made persevering efforts to induce that government to open our commerce, restrictions placed by it upon our commerce, but without success. Some 18 months since, he addressed a communication to the Secretary of State on the subject, in which he seems to despair of success by negotiation, and recommends as a necessary measure, retaliatory duties, as will be seen by the annexed extract:

I have nothing now to add, but that the matter is beyond the reach of ordinary diplomatic discussion, and that its solution must depend on the measures which our Executive and which Congress may see proper to adopt. As long as France, in carrying out the restrictive system she has adopted, can export to the U. S. States twice as much as she imports from there, without any fear of change of measures on our part, so long as the present state of things will continue, exhibiting in the trade striking examples of inequality, which is to be found between two nations, which is to be found in the history of modern commerce."

Mr. Tyler, in his reply to interrogatories propounded to him by the committee of the Senate, Virginia, on the subject of duties, says:—"The power to lay duties is given by the constitution in express terms. The right to select the articles of import on which to levy the duties, is unquestionable. Every duty imposed operates pro tanto as a bounty on the production of the same article at home, and it has been considered a wise policy on the part of all administrators to impose the duties as an advance on the production of such articles as were of national importance. I certainly do not doubt the policy or expediency of such a course." The duties, however, should be laid with reference to revenue, except when they are laid to counteract the policy of a foreign government, and with a view to the regulation of trade."

Those who know Mr. Tyler will not for a moment doubt, that at an early day as President of the United States, he will call the attention of Congress to this subject, and recommend a course of policy in accordance with his opinions as above expressed.

In my next I propose to consider the effect of a "reciprocity and retaliatory" system of duties upon the currency and financial affairs of our country.

RECIPROcity OF TRADE. No. III.

In my former numbers I have endeavored to point out the heavy burthens and restrictions imposed on our commerce, in the shape of duties levied by other nations, upon our productions, (in many instances amounting to a prohibition) and the fatal consequences to our prosperity and national wealth, from a continuance of our present system of nominal duties, so long as no reciprocity is observed by such nations as we exchange commodities with.

I have endeavored to prove that we have no resources left but the adoption of a system of countervailing duties, equivalent to those placed upon our productions by other Governments; that so long as we refuse to retaliate, the balance of trade will continue against us, and our already heavy foreign debt, instead of being diminished, will from year to year accumulate.

The question then presents itself—if we cannot meet the balance against us by increased exports, how is it to be liquidated? We have but one means left; we must pay in gold and silver.

This brings me to the consideration of that branch of my subject, on which I propose more particularly to treat in this communication, viz: the effect of a "reciprocity and retaliatory" system of duties upon the currency.

It is not necessary to my present purpose, to give a detailed explanation of the character and uses of currency; suffice it to say that every civilized nation requires something as a circulating representative of property, which possesses a fixed standard of value, and in this country, as in every other, Gold and Silver constitute the currency itself, or, in the basis of all currency. Whatever passes from one to another as the representative of property, whether it be Bank Notes, Bills of Exchange, or Treasury Notes, may be said to constitute currency, as they are based upon gold and silver, and assume to represent it.

As extended, a very great ratio is required, and it is important to the stability of prices, that the amount be kept steady, increasing in proportion to our increase of trade and commerce.

What is the fact that the present basis of all currency in this country, our policy should be such to contract a sudden drain, for the payment of balances accumulating against us, as a panic will surely follow a diminution of the quantity actually represented in the prices of property, and great distress throughout the land result. Suppose the foreign debt, which we now owe, of \$240,000,000 were to mature within the next three years, and the payment demanded, what would be our situation? If, as an honest debtor, we should pay so far as we have the wherewithal, by the time 1-3rd of that debt was liquidated, every dollar of Gold and Silver (which is estimated at 80,000,000) would be taken from us, we should be bankrupt, and wholly destitute of currency. Fortunately for us we have from five to forty years to pay this debt; in the interest, however, which amounts to about \$12,000,000 must be paid annually; and a pay day for the principal will ultimately arrive, and it behooves our statesmen to keep it in view, and so legislate as to place the country in a course of preparation to meet it. Now is this to be accomplished? Let us examine the general state of our affairs, and the means which have led to the creation of this large debt, and by removing them, and the purchase of a reverse policy, we may promptly and honorably pay it, and place ourselves beyond the reach and independence of the aristocratic, avaricious capitalists of Europe, and assume that commercial ascendancy, which by our present policy we accord and yield to other nations.

Our excessive imports above exports for years past, creating a yearly balance of trade against us, which instead of being paid by shipments of specie, have been met by the sales of State and other stocks and other securities; thus instead of liquidating it we have merely extended it to a future day, substituting credit for specie; hence we have been enabled to retain in the market a fair supply of specie, particularly up to the year 1837. Had specie been demanded for these balances, and the panic of 1837 and its consequences, had not occurred at an earlier day, though the shock would not have been so violent and distressing, it would have placed us in a situation to pay our debts, to ourselves in a situation to retain a supply of specie adequate to our wants for currency purposes, to avoid revolutions in trade, to prevent fluctuations in the prices of property, to give prosperity and wealth to our whole country, in fact to make us literally a "free and independent" nation, we must resort to such measures as will increase our exports and diminish our imports to such an extent as to bring the balance of trade

in our favor. It is not necessary to my present purpose, to give a detailed explanation of the character and uses of currency; suffice it to say that every civilized nation requires something as a circulating representative of property, which possesses a fixed standard of value, and in this country, as in every other, Gold and Silver constitute the currency itself, or, in the basis of all currency. Whatever passes from one to another as the representative of property, whether it be Bank Notes, Bills of Exchange, or Treasury Notes, may be said to constitute currency, as they are based upon gold and silver, and assume to represent it.

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