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Extract from Secretary Walker's Report.

The Report of Secretary Walker is very long—full as long as the President's Message—and very able. We regret our inability to give it entire, but have only space for the following extract, including his estimates and his elaborate and masterly argument against the theory of Protection:

TREASURY DEPARTMENT,
December 9, 1848.

In obedience to law, the following report is submitted:

The receipts and expenditures for the fiscal year ending June 30, 1848, were:

From Customs		$31 757 070 96
From public lands		3 328 642 56
From miscellaneous sources		251 037 07
From avails of loans and treasury notes		21,256 700 00
Total receipts		56,693 450 59
Add balance in the treasury July 1, 1847		1.701 251 25
Total means		58 394 701 80
The expenditures during the same fiscal year were		58 241.167,24
Leaving balance in the treasury July 1, 1848, as appears in detail by accompanying Statement A, of		153 534 60

The estimated Receipts and Expenditures for the fiscal year ending June 30, 1849 are:

RECEIPTS, VIZ:

From Customs, 1st quarter by actual returns		$8 991,935 07
From Customs, 2d, 3d and 4th quarters, as estimated		23 008 064 93
		$32 000 000 00
From Public Lands		3,000 000 00
From Miscellaneous sources		1 200 000 00
		$36 200,000 00
From loans and Treasury notes 1st quarter, by actual returns, per Statement B	$19 127,300 00	
From Loans and Treasury Notes, 2d, 3d, and 4th quarters, per Statement C	10.568,235 30	
		20 695 435 30
Total Receipts		$56,895,435 30
Add balance in the Treasury 1st July, '48		153,534 60
Total means as estimated		$57,048,969 90

EXPENDITURES, VIZ:

The actual Expenditures for 1st quarter, ending 30th Sept. 1848, were, as appears in detail by accompanying Statement B	$17,966,104 91	
The estimated Expenditures during the other three quarters, from 1st October, 1848, to 30th June, 1849, are—		
Civil List, Foreign Intercourse, & Miscellaneous	12,169,354 61	
Army proper, &c	10 464 809 80	
Fortifications, Ordnance, Arming Militia, &c	1 846 637 29	
Indian Department	1 589 158 18	
Pensions	722,706 12	
Naval Establishment	6,089.032 56	
Interest on the Public Debt and Treas. Notes,	3,285 422 28	
Treasury Notes outstanding and payable when presented	161 989 31	
		54 195 275 06
Leaving balance in treasury 1st July, '49		2 853,694 84

The estimated Receipts and Expenditures for the fiscal year commencing 1st July, 1849, and ending 30th June, 1850, are:

RECEIPTS, VIZ:

From Customs	$32.000 000 00
From Public Lands	3 000 000 00
From Miscellaneous sources	400 000 00
Total Receipts	$35 400 000 00
Add balance in Treasury 1st July, 1849	2 853 694 84
Total means, as estimated	$38 253,694 84

The expenditures during the same period, as estimated by the several Departments of State, Treasury, War, Navy, and Postmaster General, are,

The balances of former appropriations, which will be required to be expended in this year	$3,762 537 29
Permanent and indefinite appropriations,	5 297,512 52
Special Appropriations asked for this year	24,153,102 92
	$33,213,152 73

This sum is composed of the following items:

Civil List, Foreign Intercourse, and Miscellaneous	$9 347 790 91
Army Proper, &c	5,902,488 81
Fortifications, Ordnance, Arming Militia, &c	2 242 559 00
Indian Department	1 104 814 45
Pensions	1,458,600 00
Naval Establishment	9.358,857 38
Interest on Public Debt and Treasury Notes	3 799,102 38
	$33 213,152 73
Leaving balance in the Treasury 1st July, 1850	5,040 542 11
Total	$38 253 694 84

This statement shows a balance in the Treasury on the 30th June, 1849, of $2,853,694 84, and a balance in the Treasury on the 30th June, 1850, of $5,040,542 11. In the estimated expenditures for the year ending 30th June, 1850, are included balances of appropriations amounting to $3,762,537 29, a considerable portion of which may not be required. Unless new and extraordinary expenditures are authorized by Congress, no farther loans will be required, and the public debt may be reduced.

The whole net revenue from duties during the entire period of four years and three months of the operation of the Tariff of 1842, [per table D,] was $101,554,653 12, being an annual average of 23,895,208 32. The net revenue received from the Tariff of 1846, during its entire operation from 1st December, 1846, to 30th September, 1848, [per table E,] was $56,654,563 79, or an average of $30,002,499 28 per annum, being an average of $7,087,290 96 more per annum under the Tariff of 1846, than was received under the Tariff of 1842.

The net revenue for the first fiscal year under the Tariff of 1846, [per table A,] was $31,757,070 96, (being $757,070 96 more than the estimate of this Department,) and this amount would go on augmenting every year under this act, with a favorable state of foreign commerce and industry, in a ratio at least as great as the increase of our population. As the high duties under the act of 1842 was rapidly substituting the domestic article and excluding the foreign rival, the revenue must have declined.

If, however, the act of 1842 had yielded the average revenue received during the period of its actual operation, this we have seen would have been an actual loss of upward of $7,000,000 as compared with the average revenues of the Tariff of 1846. With such a result, instead of a large surplus on the 30th June, 1850, there would have been an addition of more than $25,000,000 to our National Debt, which must have gone on rapidly increasing, requiring in time of peace, new and large loans to be negotiated.

If also the proceeds of the sales of the Public Lands were taken from the Treasury for distribution among the States, the augmentation of the debt and accumulating interest would have been still more rapid and alarming. From this disastrous condition we have been saved by the Tariff of 1846, yielding from reduced taxes an average excess thus far of more than $7,000,000 over the average receipts from the Tariff of 1842. Had that act remained in force during the war, from diminished revenue the loans must have been greatly augmented in amount, with a small and declining income, and instead of premiums realized, large discounts must have been allowed. That the revenue would have declined, results from the position of the Protectionists, that by continuing the system a few years, they would supply the whole home markets with the protected domestic articles, when the foreign importation must cease and the revenue also. The result then of protection, must be the annihilation of the foreign import trade of the country so far as regards protected products. With the exclusion or diminution of imports, the exports must cease or be reduced, for foreign nations could not buy them.

We exported last year [see table F.] $130,203,709 in value of domestic products and fabrics, exclusive of specie, and under low duties. This must go on augmenting. But how can foreign countries pay for these exports if we will take no imports, or very few, in return? Clearly, our exports must in time cease, or fall to a very small sum; the foreign markets must be destroyed; and the price of our staple exports of cotton, of rice, tobacco, of breadstuffs and provisions must decline, for we cannot take the return in specie from abroad without exhausting those markets in a single year; nor can we consume at home this augmenting surplus. The British Empire [see table G.] took from us (not during the year of famine, as it is called, of 1847, but in 1848,) our domestic exports, including cotton, rice, tobacco, breadstuffs and provisions, and other domestic articles, exclusive of specie, of the value of $78,741,416, and Great Britain and Ireland of the value of $64,222,268; and this is the trade of our best foreign customer, which Protectionists propose to sacrifice by high or prohibitory duties. If the Tariff of 1842 gradually excluded, as it must, nearly all the British fabrics, could they take $67,741,416 in value of our exports, while we could take from them scarcely anything but specie? Such a trade would exhaust Great Britain of her surplus specie in a single year, and leave her nothing with which to purchase our exports; and so in regard to all other nations. Thus would go our foreign markets, commerce and revenue, and with them our carrying trade, and our vessels and steamships would remain at the wharves without freight. If the importation of protected articles would rapidly decrease when the foreign were high in price, and specific duties operated as a protection, under the Tariff of 1842, from 41 to 243 per cent. [per table H, compiled from Treasury returns in 1844] what must not have been the decline of importation and revenue when the foreign article fell, as it has in many cases, 50 per cent. bringing up the specific duties from 41 to 82 and from 243 to 486 per cent.

This fact illustrates another objection to the specific duty, namely: that although it professes to be stationary, it is in fact constantly augmenting from reduced price of foreign articles. Experience proves that, from improved machinery, new inventions and reduced cost of production, the foreign articles are constantly diminishing in price, while the specific duty remaining unchanged it is continually increasing in ratio as an equivalent ad valorem, and the protection augmenting every year. Thus, if sugar were six cents a pound and the duty three cents, it would be equal to 50 per cent. ad valorem; but if the price of sugar fell to three cents, the duty would have risen to 100 per cent. ad valorem, thus doubling the protection, and continually augmenting with decreasing foreign prices, until the duty becomes prohibitory, and the revenue on such articles disappears; whereas, the ad valorem bears under all changes of price, the same exact ratio to the cost of the foreign fabric, and therefore is the most just and equal, as also necessarily insuring a larger revenue.

Annexed will be found the Table, marked H, of 74 principal protected articles, prepared at the Treasury Department in 1844, from actual returns, and attached, together with others, to the very able Report by Mr. McKay, from the Committee of Ways and Means of March 11, 1844, embracing coal, iron, glass, salt, sugar, cotton goods, &c. &c.; showing the actual specific and minimum duties under the Tariff of 1842, on those articles, and the equivalent *ad valorem*, ranging from 41 to 243 per cent. Now if these foreign articles have fallen in price, since that date, 50 per cent, the equivalent ad valorem would of course now range from 82 per cent. to 486 per cent, and would go on increasing as the foreign article diminished in price—soon becoming absolutely prohibitory, and destroying all revenue. In this aspect of the case, the objections to the specific duties as a permanent system, with a view to revenue, are insuperable; while their unjust operation upon labor, in imposing so much higher duties as an equivalent ad valorem on the cheaper than the more costly qualities of goods cannot be successfully defended.

Our manufacturers do not desire the restoration of the Tariff of 1842. They know from its excessive and prohibitory duties it will soon scantilize imports and revenue, and produce a re-action fatal to the Protective policy. They know also that from its immense bounties, ranging at present prices from sixty-three to three hundred per cent. it will stimulate domestice production in a few years to such an extent as finally to prove most disastrous to our manufacturers. That which our manufacturers now desire, is what they regard as moderate duties made specific in certain cases. But these specific duties will, as has been shown, be found constantly augmenting in ratio under the operation of the general principle by which the foreign article is continually tending to a diminished price, whereas, the ad valorem always bearing the same proportion to the value of the import is therefore always the most just, equal, and yielding the largest revenue.

The augmented revenue under the Tariff of 1846 has proved that ad valorem duties can be fairly assessed and collected. It is shown also by the returns, that this augmented revenue is derived from a comparatively small amount of foreign imports consumed in the U. States. That amount, as shown by the table before referred to, marked F, of all those foreign imports thus consumed in the year ending 30th June, 1848, being but $127,490,012, upon which was realized a net revenue of $31,757,070 96. It appears also from the table that so far from this Tariff having filled the country with foreign goods beyond its capacity for consumption, the domestic exports last year exclusive of specie actually exceeded by the sum [per same table] of $2,713,697, the foreign imports exclusive of specie consumed the same year in the United States, including all articles but specie, both free and dutiable, thus showing a balance of foreign trade in our favor without taking into view the immense profit realized in the foreign market on our exports, generally estimated at about 15 per cent. or the profits of freight and navigation. This was not a year of famine abroad, but of abundant crops in Europe, attended also with revulsions there, highly unfavorable to our commerce, creating innumerable foreign bankruptcies, by which vast sums were lost to American creditors, required to be replaced by the export of our specie, which was greatly augmented by the discredit in our market of all bills drawn on our foreign shipments, producing by this artificial rise of exchange, an unnatural demand for specie and a consequent exportation. But all this specie must soon come back to our country, except so far as it is lost by foreign bankruptcy.

It appears that for the year ending June 30, 1848, not of famine, but of abundant crops in Europe, our exports of Breadstuffs and Provisions [per table I] amounted to the sum of $37,472,751, being largely more than double the average annual export during the Tariff of 1842. The result this year demonstrates that even without a famine and in seasons of good crops abroad, and even when their means were exhausted the preceding year by an unprecedented loss of specie, producing unparalleled revulsions and bankruptcies, yet with low duties, enabling them to exchange their fabrics for our surplus of agricultural products, they could and did take a large amount of our Breadstuffs and Provisions to the value of $37,472,751. Thus, while our farmers found this large foreign market for their surplus, which otherwise must have remained unsold here, our navigating interests received a new impulse as well as our commerce, our tonnage having increased during the last year [per table F] from 2,839,046 to 3,150,502 tons, being more than three times the increase we ever realized in the same time under any Protective Tariff, and making the whole increased tonnage under the Tariff of 1846, 588,417 tons.

The increase of our commerce during the two years since the enactment of the Tariff of 1846 has been so great that our domestic exports, exclusive of specie carried abroad, exceeded by the vast sum of $80,605,181 the exports of the two years preceding under the Tariff of 1842. While the Tariff of 1846 has thus augmented our commerce, tonnage and revenue, it has seen the country pass uninjured through the ordeal of an expensive foreign war, absorbing and withdrawing from industry nearly $50,000,000 of capital for loans. It has seen the great revulsion in England of 1847 pass over us almost unharmed, with the general overthrow of governments on the continent of Europe, with the unparalleled destruction of confidence, credit and industry there, and with millions lost to our merchants by foreign bankruptcies. Yet, even through this ordeal, under the benign influence of the Tariff of 1846, the country has passed, and is still prosperous and progressive, and prices of manufactures are far less depressed than has been the case in all such preceding revulsions.

Upon the re-enactment of the Tariff of 1842, or any similar restrictive measure, smuggling to a vast extent will become an organized system. By estimates from the Topographical Bureau and Coast Survey hereto annexed, marked A A and B B, it appears that our direct maritime ocean front, exclusive of bays, inlets, islands, &c, amounts to 5,120 miles, our frontier upon Mexico to 1,456, and our frontier upon the British possessions to 3,303 miles, making in all 9,879 miles, which we have to guard against smugglers. But if, in addition to this, as must be done, we take the shore line of the United States on the Atlantic, the Pacific and the Gulf, including the bays, sounds and other irregularities of the sea shore, and of sea islands, and of the rivers to head of tide, it makes a distance of 33,063 miles, as estimated by the Coast Survey, which added to 4,750 miles of frontier upon the British and Mexican possessions, constitutes an entire line open to smugglers of 37,822 miles, to protect which against illicit importation under the temptations of such a Tariff as that of 1842 would be impossible.

In this manner, smuggling, so debasing and demoralizing, so destructive of revenue, so injurious to the honest trader, and to the whole country, creating a contempt for the laws and the authority of the Union, would become the safety valve of the protective policy, by the operation of causes beyond all Governmental control.

Since my last report the Continent of Europe has been convulsed by revolutions and civil commotions, paralyzing their commerce, credit and industry, and diminishing our trade with them, compared with what it would have been if these events had not occurred. Nevertheless, such have been the advantages of our more unrestricted commerce with all the world, that the estimates of revenue for this fiscal year, presented in my last report, may yet be realized, the quarter ending on the 30th of September last, being the first quarter of the present fiscal year, having yielded $8,991,935 07.

The adoption by each nation of high Tariffs is a war upon the labor of the world. As labor is more productive, capital is more rapidly increased and wages augmented; yet the Tariff, by compelling each nation to employ a portion of its industry in articles which can be produced more cheaply abroad, and refusing the exchange, forces labor throughout the world into less profitable pursuits, and, as a consequence, diminishes the products of labor as well as its wages. Thus if silks can be manufactured at a less cost in Europe, and breadstuffs more cheaply in this country, and by high Tariffs we prevent the import of silks here, while by similar Tariffs abroad, or their inability to purchase from us because we will not take their fabrics in exchange, our breadstuffs are excluded to a greater or less extent from their markets, and their silks from our own, labor is forced in both countries into less productive pursuits, and both parties have sustained a loss. International Tariffs diminish the aggregate value of the profits of labor, to the extent of hundreds of millions of dollars every year, and reduce correspondingly the wages of labor. It would be most useful to examine the Tariffs of all nations, and ascertain how much labor in each is thereby diverted into less productive pursuits. These tables have never yet been collected, but if of the 1,000,000,000 people of the earth, the labor of 200,000,000 is thus rendered less profitable to the extent of one cent a day for each, the annual loss would be $600,000,000. Man was commanded to labor, but he was permitted by his Maker to employ his industry in each country in those pursuits for which it was best suited, and where his labor would be less severe and better rewarded. But the laws of man by high duties diminish the products of his industry, thus augment his hours of toil and deprive him of the time designed by his Creator for the acquisition of knowledge. These laws also while diminishing the wealth of nations, produce discord between them; each by high tariffs proclaiming war upon the industry of all others. Under Free Trade, each nation will profit by the labor of every other; each will employ its industry in those pursuits for which it is best adapted, and the surplus of each be thus exchanged with the others, by a reciprocal commerce beneficial to all parties. The true industrial interests of ——— identical and in exchanging with each other the products most cheaply produced by each, labor everywhere benefits labor, man his brother man, and nations each other, and their only antagonism is introduced by human legislation. The doctrine of Free Trade is the petition of labor to employ itself everywhere in those pursuits best adapted by Nature to every country, and yielding therefore in each the largest products and highest wages. It looks upon our race everywhere as friends, as brethren, as equal in rights and united in interest and destiny. Rightly understood, there is perfect unity of interest between man and man, and nation and nation, and between capital and labor.

We see the benefits of reciprocal Free Trade among all the States of this Union; although their wages, products and fabrics are as various as those of separate nations, yet all the States find it to be their true interest to admit freely the products of each. The benefits of this unrestricted reciprocal commerce, constitute the great bond of interest, constantly augmenting, which keeps together the various parts; but if the Protective doctrine be true, it would be the real interest of each and of all these States to impose duties upon similar products in others for the protection of the people of each State. Yet clear as is this proof of the benefits of reciprocal Free Trade between the States of this Union, the principle, as a question of practical Economy, is the same extended to other States not united with us under the same Government. The difference in their political institutions cannot affect the great principles of Commerce. The local laws of Ohio and Louisiana, of Mississippi and Massachusetts, are more variant in some respects than those of many other States beyond the limits of the Union. Now while we acknowledge the benefits of reciprocal Free Trade between these four States, thus differing in their local institutions, wages and products, the Protectionists deny that it would be beneficial to establish reciprocal, unrestricted Commerce with other States beyond our limits. Yet variant forms of government can make no difference as to the reciprocal benefits of Commerce. If Free Trade be beneficial among all Republican States, it might at least be extended to them, although Monarchies were excluded, but none will maintain that nations should restrict their commerce with each other because they differ in their form of Government. Although Governments may differ, we are one race throughout the globe; the toiling millions who inhabit it have one interest, and as a question of political economy the benefits of Free Trade must be the same, whether extended to States within or beyond the limits of the same Government, and each State, though separated hereafter by some catastrophe from every other State, would be alike still benefited by reciprocal Free Trade among the whole; for their commercial interest would not change with the separation from the Confederacy.

A Congress representing the several States of this Union, perceive how injurious would be the effect of a Tariff by any one upon its own interest, and that of all the States. Now, trade is not geographical or political; and if a Congress of Delegates from all nations were assembled, they would soon perceive that Commerce was a unit, that it was not local but international, and that Tariffs by one or more nations on the products of others, were just as injurious as each and to all nations, as would be a Tariff in one State upon the products of all the other States of the Union. If, then in such a Congress of all nations re-assembling from time to time, their several Tariffs were discussed, and their injurious effects upon each and every other nation demonstrated, the whole protective system throughout the world would fall before the light of such an investigation. Whenever the laws of Nature are beyond the reach of man, there is perfect order under the direction of Almighty power; but whenever man can disturb these laws, discord and injury are sure to ensue. The earth, the sun and the countless systems wheeling through universal space, move onward in perfect order and beauty; but even the harmony of the spheres would be disturbed if the legislation of man could interfere and arrest the laws of Nature. The natural laws which control trade between nations and regulate the relation between capital and profits on the one hand, and wages and labor on the other, are perfect and harmonious, and the laws of man which would effect a change are always injurious. The laws of Political Economy are fixed and certain. *Let them alone* is all that is required of man. Let all international exchanges of products move as freely in their orbits as the heavenly bodies in their spheres, and their order and harmony will be as perfect, and their results as beneficial as in every movement under the laws of Nature, when undisturbed by the errors and interference of man.

If labor is dear here and low abroad, in the exchange of products we get more of theirs for a smaller amount of ours, and gain by the exchange. The cheapness of foreign labor is an argument in favor of exchange with them.—Thus, if we concede as to the linens that Europe from cheap labor could afford to sell two yards for what one would cost here, it would be our interest to purchase from them at the reduced price. But according to the protective theory the cheaper the foreign labor and the lower the price of its products, the more should we exclude them by high rates of duty. In the absence of duties we will exchange our surplus products for their cheaper fabrics, and our labor being applied to the production of articles thus exchanged abroad, wages will be enhanced here by obtaining more extended markets for our products, and getting for them a greater quantity of useful articles at lower prices. In the absence of Tariffs, the division of labor would be according to the laws of nature in each nation, and the surplus of each would thus be exchanged among the whole, each employing its labor only in the most productive pursuits, and therefore the aggregate profits would be largest. If labor were so low in any foreign country that they could furnish us goods at almost nominal prices, and these cheap articles were such as we wanted here, it would be our interest to purchase them in exchange for our products, and the cheaper the foreign article were the greater would be our gain in the exchange. It is a strange objection to the purchase of foreign articles that the price is too low.

The argument that we must encourage our infant manufactures was always fallacious, for they would encourage themselves as soon as the country was adapted to them. But are they now infant manufactures? We have called them so for sixty years, and will they cease to be infant manufactures until weaned from legislative protection?

On the 1st of February next, the markets of Great Britain will be open to our Breadstuffs at nominal duties; shall we enlarge the markets for our products by selling them to Great Britain in the only way in which she can purchase them for a series of years, by taking in exchange such of her fabrics as she can sell to us at cheaper rates than we can make them? To the farmer or planter this is just a question whether he shall have two markets or one, or whether he shall sell more at a higher price or less at a lower price. If it be our interest to shut out British fabrics, it would be theirs to renew their Corn Laws, and exclude our Breadstuffs from their markets.

It is said that other nations will not take our products in exchange for their fabrics; but, with reciprocal Free Trade, they must take them, by the universal rule that the purchaser will buy the cheapest articles without inquiring whether they were made at home or abroad. To force our industry by protective duties into less productive pursuits by forbidding these exchanges, is to increase the amount of labor and diminish its products, or in other words, to force our workmen to labor more and receive less.

The people of the Union, as consumers, pursuing their true interest, if left to their own choice, unfettered by legislation, will purchase the best and cheapest articles. But this is restrained by law, and the consumers compelled, by high duties, to purchase only or chiefly domestic articles, because this, it is said, will encourage Home Industry. But the foreign import has been purchased by some domestic export. The barter may not have been direct, various fabrics may have intervened, bills of Exchange may have been used, or coin may have adjusted occasional balances, but in a series of years in the aggregate, international trade is but an exchange of products. Thus, the foreign import being exchanged for some American export; our own home industry which produced that export has been better encouraged than if forced by law into some other pursuit, rendered profitable only by high duties.

The temporary high price of labor in a particular employment, is often imputed to the Tariff. But if it be conceded that the protected articles are thus enhanced, this additional price paid by the consumers, is so much capital taken from them by the Tariff, to the full extent of the enhanced price, which otherwise would have constituted a fund for the employment of labor and the payment of wages. If, then, anything is gained in the enhanced price by a particular branch of industry, it is at the expense of all others, and must result in a diminution of wages, depending, as they do, on the aggregate profit of all the capital and labor of the country, and not upon that employed in any particular branch of industry.

Thus, while wages may be temporarily augmented in some pursuits forced by law, they are diminished in all others and the wages of a great majority of laborers would be reduced, and finally of all. From the diminished aggregate capital, then follows a diminution of the aggregate wages paid in a nation. A vast majority of the labor of this country is employed in agriculture, commerce, navigation and the non-protected pursuits, and if these are depressed, their profits are reduced, the wages of those employed in such pursuits fall, many are thrown out of employment, and thus a general fall of wages ensue—the protected manufacture eventually obtains labor at a very reduced rate. The effect of a Protective Tariff in truth is not to enhance wages, but to depress them, and to render capital invested in manufactures more profitable by enhanced prices of the protective fabrics. Wages throughout the whole country become lower than they were before, because the aggregate profits of the capital of the nation, engaged in all its industry, is diminished. Wages in one branch of industry cannot be high when they are low in all others, for wages like all other commodities, unfortunately will soon find the same level. The aggregate profits of all the labor of the country, and not of any particular branch of industry, constitute the fund out of which wages are paid, and if that general fund is reduced by diminished profits—wages throughout the whole country must eventually fall. If then the great mass of labor in this country and of capital is invested in agriculture, commerce, navigation, and such branches of industry as require no protection, and these pursuits are injured by a Protective Tariff, either by diminishing the market for the surplus raised by those thus employed, reducing the price of what they sell, or compelling them to pay more for what they buy, there must be in time a general fall of wages throughout the country, even although a particular branch of industry may have been rendered more profitable by a Protective Tariff. This duty, then, instead of protection, is a tax upon the whole industry of the country, invested in pursuits requiring no Tariff.

Nor is it any mitigation, but an aggravation of the evil, that some other nations impose high duties on their own consumers of foreign products. The foreign duty may or may not prove injurious to our industry. If the American article is still in some cases sold abroad to their consumers at a price enhanced by their duty, the injury may have been to that extent to them only, and not to us; but when by way of relieving us from this injury, whether real or imaginary, we impose a tax upon our own people as consumers, by compelling them to pay high prices for foreign products by high duties, we only augment the evil. Reciprocal Free Trade is best for all, and reciprocal high duties worst. When it is said, if foreign nations tax our produce by high duties, we must tax theirs in the same manner, we forget that their duty on foreign imports falls mainly on their own people who purchase such imports, and so likewise our tax on foreign imports falls chiefly on our own people who purchase them. Let us buy such imports as we desire, at low prices, and the difference of price that is thus saved to our people, is so much gained as an additional capital to encourage our own industry, to increase employment and the wages of labor.

But if the system of reciprocal taxation is wrong, what argument can be offered in favor of high duties upon fabrics of foreign nations, when they receive our exports at a nominal duty in exchange. Formerly our Protectionists admitted that if Great Britain would freely receive our breadstuffs, we should take their fabrics at low duties or free of duty in exchange. Then the Corn Laws were in full force in Great Britain, and it was supposed would so forever remain. But the system was repealed, and our chief Agricultural products are now invited free of duty, or at a nominal duty, on the 1st of February next, into all their ports. Our Protectionists now abandon their former position, and maintain, that it injures our farmers to purchase British fabrics at low prices, even though England will take our breadstuffs at a nominal duty in exchange.

Wages can only be increased in any nation, in the aggregate, by augmenting capital, the fund out of which wages are paid, and the capital gained by saving in the diminished cost of production and prices to the consumers, will invest itself in new pursuits, necessarily augmenting the demand for labor, and as a consequence its aggregate products, profits and wages. On the other hand, the destruction or diminution of capital, by destroying or reducing the fund from which labor is paid, must reduce wages. It is not, however, by the transfer of the same amount of capital by law, from one pursuit to another, that the aggregate capital and profits of national industry can be increased, but by the augmentation of capital, whether by saving or otherwise, and the radical defect of the restrictive system is that the Tariff never augments capital, but simply changes the pursuits in which it is invested, and therefore can never augment wages. On the contrary it must, in the aggregate, depress wages, by preventing a saving of capital for the employment of labor and the increase of its wages.

Our argument for low duties, as has heretofore been conceded by our most distinguished protectionists, insured the repeal of the British Corn Laws. Arguments here in favor of protection present to all nations the supposed benefits of restriction, and would therefore persuade them all to enact high tariffs. Our argument in favor of free trade, appeals to all nations to reduce their duties on our products, whereas our arguments for protection are reasons offered to all nations to raise the duties on our exports. Our arguments would persuade them all of the mutual benefits of reciprocal free trade, and teach the doctrines of international unity of interests. Whereas the other attempts to prove that their interests are antagonistical, and will be best consulted by each inflicting the greatest injury upon the others by high tariffs. The one would be read abroad in their legislative and executive councils in favor of a reduction of duties on our products; the other would be quoted in favor of increasing such duties.

High Tariffs should be most sedulously