

[Continued from first page.]

of productions; and it is equally plain, that this enormous inequality is produced by the discriminating and partial taxes of the Government, laid for the unrighteous, but nevertheless, avowed purpose of producing it. No soil however productive, no climate however propitious, no industry however efficient, can permanently maintain the competition under such circumstances. The most benignant dispensations of Providence, are counteracted by human injustice; and what adds to the enormity of the outrage, the fairest portion of this great confederacy, if not the fairest, and, of Heaven, the most favored region of the whole earth, is literally undergoing a silent, but irresistible process of decay and desolation, produced by a gross perversion of the very power which is under the highest of human obligations to prevent it. The whole of the southern staples, produced for exportation, must utterly cease, when they can be no longer exchanged for foreign productions suitable to the demand of this country for consumption; and how long can the planting States continue to supply the market with any portion of the manufactures now imported, under the oppressive weight of a protective tax, operating upon the very spring of their industry? It would be worse than voluntary blindness in those to whom the rights, the interests, and the destinies of the southern people, are, in an especial manner, committed, not to perceive, and give warning of the inevitable doom that awaits them, if that protecting policy, which impoverishes and destroys one branch of industry, to enrich and sustain another, be not utterly and absolutely abandoned. This Congress should adopt no half-way measures, no temporary expedients, but "reform it altogether." The incidental protection, resulting from a mere system of revenue duties, of the lowest rate, is fearful odds against the planting States, and it is exceedingly doubtful whether even that will not ultimately destroy the business of rearing staples for exportation. As a subject of such complicated bearings, will be best understood by plain and familiar illustrations, the committee will now take leave to present a few hypothetical cases, showing forth the true relative operation of protecting or prohibitive duties, upon the different sovereign States of this "Federal Union."

We will suppose that a number of cotton planters should form themselves into a company, for the purpose of exporting their cotton to Europe, exchanging it for manufactures, and importing these into the United States, with the view of selling them for the benefit of the company. When these manufactures should be brought into the port of Charleston or Savannah, the custom-house officer would demand forty per cent. on their value, before he would permit them to be landed and sold in the United States; and the company of planters would probably inquire why this duty was exacted upon their manufactures, while the same articles, manufactured in the northern States, were subject to no duty or tax of any kind? If the officer of customs should truly personate the system of which he is the minister, he would answer this inquiry by saying: "It is not because the revenue is wanted to pay the debts, or provide for the common defence of the United States, that you are required to pay this duty; but this burthen is imposed upon you by a wise, and just and paternal Government, for the avowed purpose of excluding the productions of your own honest and lawful industry from the market of your own native State, in order that a company of Massachusetts manufacturers may obtain possession of that market, and be enabled to sell inferior articles at higher prices." The history of the world may be confidently challenged for a parallel instance of outrageous injustice, perpetrated under the perverted forms of legislation.

It is very apparent, that, in the case just stated, the burthen or injury inflicted upon the company of cotton planters, by the discriminating tax levied on their productions, would fall upon them exclusively, as the producers and vendors of imported manufactures; for we have supposed that they consumed no part of them; yet their burthen would be not very much less, than if they consumed the whole; for nothing can be more certain, than that they would have to pay, out of their own pockets, the whole amount of the tax levied upon their productions, and yet obtain for them no higher price than their rival producers, the northern manufacturers, would obtain for the same quantity of similar productions.

Let it be supposed that the southern planters produced these manufactures, which they now produce by the combined processes of agriculture and exchange, by the use of machinery, as they are produced in the northern States; and that, upon the assumed grounds that their water power was never suspended by the cold of winter, and that they used a different and a cheaper kind of labor, Congress should impose an excise duty of forty per cent. upon their manufactures, leaving those of the north untaxed, as they now are—wherein would this discriminating duty differ from that which now exists?

The only distinction would be in forms and names; the substance would be precisely the same, without a shadow of difference to the producers, respectively, of the taxed and the untaxed manufactures. The duty would be called an excise, instead of an import duty, and it would be levied upon articles made by the southern machinery, instead of being laid upon articles made by southern agriculture; but would a duty of forty per cent. be either more burdensome to the southern producers, or more beneficial to their northern competitors, under one name, than it would be under another? The most superficial reasoner must perceive that it would not. And yet no one would venture to deny, that a discriminating excise upon southern manufactures, such as we have supposed would throw a burthen upon the southern producers, not much less than the amount of the duty, without regard to their consumption. It would not be possible for them to obtain indemnity from the consumers, for the forty per cent. duty they paid to the government; for, if they should attempt to raise the price of their manufactures only 20, or even 10 per cent., their untaxed competitors, who could afford to sell as cheap as they did before the tax was imposed, would undersell and drive them from the market. The result would be, that they would be compelled to pay the duty, and still sell at not much higher prices than they did before, or abandon their business. If nearly their whole capital were invested in houses, water power, and machinery, adapted only to manufactures, they could not abandon their present employment, without first submitting to the sacrifice of nearly their whole invested capital. The alternative presented to them would be, either to make this sacrifice, and then enter upon some other employment, with the remnant of capital which they might receive from the ruins of that which they had abandoned, or to continue the business of manufacture, with a reduction in the profits of their capital and the wages of their labor, proportioned to the discriminating tax upon their productions. The latter alternative is the one which would be adopted in the first instance, for very obvious reasons. The manufacturers of the south would continue to manufacture with reduced and declining profits and wages, until these descended to so low a point, as to make it expedient to sacrifice the capital invested, rather than use it in this way. This is almost precisely the present predicament of the planting States. They make manufactures, in a mode, which is put under the ban of a protective tax. The blessing of Heaven is blighted by the consuming course of federal legislation. No branch of human industry can permanently maintain itself in a competition with a rival branch, under a discriminating tax of twenty, and much less of forty per cent. The business of rearing agricultural staples for exportation must be gradually and progressively abandoned in the south, and that of making manufactures in the favored mode must be substituted in its place, under all disadvantages, if the protecting system be not utterly abandoned. A ready has this revolution commenced in the northern or the planting States, and no human power can arrest its progress, under the existing auspices, until a total change is produced in the pursuits and institutions of those States, involving in the necessary transfer, the loss of one half of their capital. Even now it is only where the soil is very productive, and the climate very propitious, that the business of planting yields a remunerating profit, even after estimating the labor employed in it, at one-fourth of the average wages of labor in the northern States. If any thing was wanting to confirm the argument which maintains that the protecting duties are specifically taxes upon the productions of southern labor, for the benefit of northern capital, it would be fully supplied by the fact of this vast and almost incredible difference in the productiveness of agricultural labor in two portions of the same country. Nothing can be susceptible of clearer proof, than that if the soil and climate of the northern States were as well adapted to the culture of cotton, as those of the southern State, it would not, and could not be cultivated there for less than twenty cents a pound. In South Carolina and Georgia, it is usually estimated that one laborer will produce three bales of upland cotton, averaging three hundred pounds, which, at twenty cents a pound, would amount to one hundred and eighty dollars. At fifty cents a day, the wages of this laborer would amount to at least one hundred and fifty dollars, leaving only thirty dollars to pay the interest on the capital invested in land, and the expense of management, and of furnishing horses, agricultural implements, and all other necessary supplies. What, then, would be the fate of a northern cotton planter, who paid fifty cents a day for each laborer, and sold his staple at eight cents per pound, the highest average now obtained for upland cotton, after defraying the expense of transporting it to market? He would not realize for his production, half enough to pay the wages of his laborers. When it is added that there is no agricultural labor in the whole Union more efficient than that which is engaged in the production of upland cotton, and that, naturally, no staple of the earth has so many advantages, the consequence irresistibly follows, that the unjust, and discriminating taxes of the federal government, have not only counteracted these advantages, but reduced the wages of the labor engaged in this production, to a lower rate than the wages of the starving operatives of Europe.

If the duties upon imports were levied in kind, and the planters made their own exchanges with the foreign manufacturers, without the intervention either of money or commercial agents, the most unreflecting would perceive that the import duties were direct taxes upon the productions of the planters. If, for example, forty bales of their cotton were taken out of every hundred, when it passed the customhouse, going abroad, it would be impossible for them to obtain any larger quantity of goods for the remaining 60, in consequence of this levy; because the agents of the Government would carry the other forty into the foreign market, and, of course the supply would be undiminished. In like manner, if forty bales of the merchandise obtained for the cotton exported, were taken out of every hundred, as it passed the customhouse, coming into the United States, the remaining 60 would have no greater exchangeable value in consequence of the levy, because the agents of the government would bring the other forty into the domestic market, and of course the supply in this case also, would be undiminished. No proposition in political economy is more universally admitted by all the opposing schools of that science, than that the price of an article cannot be enhanced in consequence of a tax or duty, unless the supply be first diminished, or the demand increased. So far, therefore, as the southern producers are concerned, it would be better for them, that a public enemy should capture and destroy on the high seas, the forty bales of cotton or of merchandise which the government levied as a tax; for, in that case, the supply would be diminished to the full extent of the destruction, and this would enable the producers to obtain some indemnity for the burthen imposed upon them, or, in other words, for the increased cost of their production.

But the use of money as the universal measure of value, the admission of specie free of duty, and the intervention of exporting and im-

porting merchants in effecting the exchanges of foreign commerce, though they alter the form, and add to the complexity of the operation, do not, in the slightest degree, change the permanent effect of an import duty upon the productive agency engaged in supplying the exchanges of foreign commerce. But as these causes have the effect of involving the plainest truths in doubt and uncertainty, they require some explanation. All commerce, foreign and domestic, ultimately resolves itself into an exchange of barter; money and merchants are but the medium, and the agents, by which it is effected. Bearing this in mind, the committee will proceed to consider what effect is produced by admitting specie free of duty, upon the operations of foreign commerce, under a system of protecting duties. It is said that these duties levied upon imports, are not equivalent to the same amount of duties levied upon the exports given in exchange for them, because specie which pays no duty, may be imported instead of merchandise subject to high protecting duties. Those who use this argument should be taught to suspect that it contains some lurking fallacy, by the undeniable fact that foreign merchandise burdened with protecting duties, still continues to be imported in preference to specie which pays no duty at all. It would be a sufficient answer to this argument to say, that there can be no substantial relief in the option of importing specie, because it would be to import precisely what we do not want, as an article of consumption. But as specie is also, by universal consent, the measure and the representative of value, and as superficial reasoners can with difficulty understand how it is possible that a community can be impoverished while this article is abundant, the melancholy experience of Spain to the contrary, notwithstanding, the committee will endeavor to explain more precisely the effect produced by importing specie upon the domestic value of specie itself, and upon the relative values of different descriptions of domestic productions; all considered as the effect of protecting duties.

Let it be supposed, then, that under a system of perfectly free trade, the northern manufacturers supplied one half of the demand of the country for manufactures, and the southern planters the other half. In this state of the trade, let it be further supposed, that an average duty of forty per cent. should be imposed upon imported manufactures. If specie were not the universal medium of exchange, and admitted free of duty as, for example, if each nation had a mere paper currency, having no circulation beyond its limits, and species were unknown, the very first effect of the supposed duty, on imported manufactures would be to depress the exchangeable value of the staples of exportation very nearly to the extent of that duty. But as specie is the universal representative of value, and is admitted without duty, the first effect of the duty on imported manufactures, would be to suspend their importation. At first the same quantity of specie could be obtained abroad for the staples of exportation as was obtained before; and it would be found more advantageous to import the specie, and exchange it for domestic manufactures, than to import foreign manufactures under so high a duty. At first, also, the price of domestic manufactures would be very little enhanced but in a very short time, probably in less than six months after the imposition of the duty, the money price of manufactures would be forty per cent. higher in the United States than they would be in Great Britain, and the importation of manufactures would be resumed. This rise in the relative price of manufactures would result from the combined operation of three causes which it is very important to distinguish and understand. The first and least of these, would be the enhanced value of specie in Great Britain owing to the increased demand for it, and the diminished quantity. This would, of course, produce a fall in British prices, which would almost be purely nominal, and nearly proportioned to the rise there in the value of specie. The second of these causes, would be the increased demand for domestic manufactures, owing to the temporary exclusion of foreign manufactures. The third and principal of these causes, would be the depreciation in the value of specie in the United States, owing to the excessive importation of it, and the increased quantity retained in circulation. This cause would probably produce more than one half of the rise which would take place in the money price of manufactures in the United States, and to this extent the money price of every thing else would rise with the exception of the staples of exportation exchanged for imported manufactures. While the money price of every thing else would be raised, therefore, upwards of 20 per cent., and that of manufactures 40, the money price of cotton, tobacco, and rice, instead of rising, would necessarily fall. These being articles raised for exportation, their money price at home, would be governed by their money price in the foreign market. But we have seen that the price of specie would be appreciated in Great Britain consequently, a smaller quantity of it could be obtained for a given quantity of the staples of exportation than before the duty was laid on manufactures. We have thus the measure of the depreciation which is produced in the price of southern exports, by the protecting duties upon imported manufactures. The appreciation of the value of specie abroad & its depreciation at home, united, will exactly give that measure. All the unprotected articles the planters have occasion to buy, cost them upwards of 20 per cent. more, and all the protected articles, or similar imports, cost them 40 per cent. more, while the quantity of specie is actually diminished, which they obtain for their staples, and with which they make their purchases. The exchangeable value of cotton is, therefore, diminished about two cents in the pound, and this loss the planter would sustain as a producer merely, even if he consumed no protected manufactures, or similar foreign manufactures, whatever.

To whatever extent he consumes these manufactures, he pays an additional duty of something less than 20 per cent., this being about the degree in which we have assumed that the exchangeable value of protected, and similar imported manufactures, is increased by the 40 per cent. duty. If the planters consume of these articles,

as large a proportion as the other classes, they bear their full share of the burthen imposed upon the consumption of the country, in addition to that which they exclusively bear in their character of producers.

For the sake of perspicuity, we have spoken of the planters on the one hand, and the protected manufacturers on the other, as the only producers respectively affected, injuriously and beneficially, by the protecting duties. Looking to the entire effect of those duties, however, upon the planting and manufacturing states, as divisions of the Union, we must extend our views beyond the planters and manufacturers. Whatever destroys the prosperity of the great and leading pursuits of any community, and greatly diminishes the incomes of the productive capitalists, must produce a corresponding diminution in the incomes of all the connected and dependant branches of industry. It is a hackneyed remark that a single wealthy man, expending a large income, will diffuse prosperity over a whole neighborhood; and this prosperity will be proportioned to the income expended. What then would be the increased prosperity of all classes in the cotton planting states, if the value of cotton was raised two cents in the pound, and the aggregate income of the cotton planters, consequently, increased six millions of dollars? But to the diminished income of all classes in the planting states, resulting from that of the planters, we must add the increased cost of all the domestic protected and similar imported manufactures, which are consumed in those states. In speaking of that consumption, some have strangely supposed that it is confined exclusively to the planters, whereas they do not constitute one-fifth part of the free white consumers. The planting states, in the aggregate, undoubtedly consume, in protected manufactures and in foreign imports, an amount very nearly equal to that of their exports. It cannot be otherwise. What account can be given of the proceeds of their exports if it be not so? In what way do they appropriate or expend them? The only unprotected articles which the planting states purchase from the other states, are live stock from the west, to the amount, probably, of three millions of dollars, and unprotected articles from the north, to about half that amount; making, in the whole, four millions and a half of dollars. But these are not paid for out of the proceeds of the staples exported. The cotton alone which is sold to the northern manufacturers, to say nothing of rice, amounts to at least that sum.

And here we have another large addition to the burthens imposed by the protecting system on the planting states. It has been seen that the price of cotton in the United States is diminished two cents a pound by that system. Estimating the quantity of cotton sold to the northern manufacturers at only one hundred and fifty thousand bales, averaging 300 pounds, the loss upon it will amount to nine hundred thousand dollars; a loss to the planters, which is a clear gain to the manufacturers. It is thus apparent that the northern market, which has been represented as creating an additional demand for cotton, is nothing more than the substitution of an artificial and a bad market for a natural and a good one; and that the indemnity which it has been supposed to afford to the cotton planters for their loss upon what they export, consists in the additional loss of nearly a million of dollars. If the protecting duties were repealed, can it be doubted that an increased foreign demand would be produced for cotton to three times the extent that the domestic demand would be diminished? There is scarcely any limit to the demand for our cotton in Europe, if we will freely take manufactures in exchange for it. Let us suppose that the repeal of the protecting duties would cause an increased annual importation of foreign manufactures to the amount of ten millions of dollars, of which four millions would be of cotton manufactures. For the whole of this increased importation, cotton would be received, creating an increased foreign demand for more than three hundred thousand bales. But the domestic demand for cotton would be diminished, only, by the substitution of the four millions of imported, for the same amount of domestic manufactures. And as the raw material required for that quantity of manufactures would not, at the utmost, amount to more than one million of dollars, it follows that the domestic demand for raw cotton would be diminished about thirty-three thousand bales only; and consequently, the increased aggregate demand for cotton abroad and at home, would be two hundred and sixty-seven thousand bales. This result will be fully understood when we reflect, that it would be produced by removing the heavy incumbrance of prohibitive duties, which now impedes and shackles the intercourse of the planting states with their natural markets. The natural market of all producers is that which will afford the best price, and largest demand for their productions. The people of the north understand this perfectly well; and it is a remark, as frequent as it is just, that it is better for the

[Continued on second page.]

Laurenceburgh
CHAIR MANUFACTORY
THE subscriber takes this method to inform the public in general that he has established the chair making business, on High street, opposite the market house, where he will keep constantly on hand a large and splendid assortment of

WINDSOR
AND
CHAIRS.
Settees, &c.

Which he warrants for durability and workmanship, equal to any in the western country; which he will dispose of, on reasonable terms. Persons wishing to purchase, will please call and judge for themselves.

WM. N. ROGERS.

Feb. 11, 1831.

Fair Warning.

THE undersigned requests those indebted to him by note or book account, to settle the same on or before the first of April next; after that time no indulgence will be given to those neglecting this notice.

FREDERICK UTZ.

Feb'y 11, 1832.—6—3w.

TAKE NOTICE.

THAT I forewarn all persons from buying or trading for a note of hand, given some time in the latter part of April or May, in the year 1829, for the sum of twenty eight dollars, payable to one Robe, one year after the said note was given, for a clock; which clock was insured to run and keep time for one year, or no sale; and said clock is of no force.

I therefore, forewarn all persons of taking the said note on my account, as I am determined not to pay it, as I consider it a fraud.

WILLIAM LAKE.

Jan. 21, 1832.

3—3w.

Cloth-Dressing.

THE subscriber informs the public that at **NEW CLOTH-DRESSING** works at **NEW BALTIMORE, OHIO**, are in complete operation for the execution of work of every kind in his line. From his long experience, and the care which he takes to accommodate customers, he hopes to receive a share of public patronage. He has made arrangements for the reception of Cloth at Mrs. Mary Radcliffe's Carding Works in

ELIZABETHTOWN, OHIO.

And for its return there when finished. The following are his prices for work, per yard.

For Black cloth	15 cents
" Navy Blue	15 do.
" Snuff Brown	15 do.
" Do. Dark (men's wear)	15 do.
" London Brown & Bottle Green	18-3-4 do.
" Drabbs of different shades	10 do.
" Light Snuff (men's wear)	12 1-2 do.
" Filling & pressing any home colour	6 1-4 do.
" London Brown Flannel	12 1-2 do.
" Green do.	12 1-2 do.
" All other colours	10 do.
" Finances coloured & pressed	4 do.

JAMES RAUCLIFFE.

October 22, 1831.

42—1f.

RECORDER'S OFFICE.

THE Recorder's office, of Dearborn County, is kept in a room adjoining the residence of col. John Spencer, in the town of Lawrenceburgh. The undersigned proposes executing all manner of writing, such as acknowledgments on deeds & mortgages, conveyances of land, powers of attorney, easements, articles of agreement, &c. &c. for those who may think proper to employ him, on moderate terms.

THOMAS PORTER.

Feb'y 19, 1831. 7—1f Recorder.

BRIGADE ORDER.

Tenth Brigade of Indiana Militia.
Printer's Return, Jan. 7, 1832.

THE several regiments composing said brigade shall be mustered at such place as their respective commanders may direct, as follows.

- " The 3d regiment on Thursday, Oct. 4
- " 14th regt. on Saturday, Oct. 13.
- " 15th regt. on Wednesday, Oct. 3.
- " 44th regt. on Saturday, Oct. 20.
- " 55th regt. on Saturday, Oct. 6.
- " 60th regt. on Friday, Oct. 5.

By order of the brigadier general.

ISAAC CHAMBERLIN, Aid.

TAKE NOTICE.

I forewarn all persons from buying or trading for a note of hand, given the 21 day of October, 1831, for the sum of 25 dollars, payable to one Bond and Co., fifteen months after the said note was given, for a clock, which clock was insured to run and keep time for fifteen months or no sale; and said clock is of no force.

I therefore, forewarn all persons of taking the said note on my account, as I am determined not to pay it, as I consider it a fraud.

PHILIP WALDROFF.

February 4, 1832.

5—1w.

Rags! Rags!

TWO cents per pound in **Cash** will be given for any quantity of clean Cotton and Linen Rags at this office.

INDIANA PALLADIUM,

PRINTED AND PUBLISHED BY

DAVID V. GULLEY.

Publisher of the *Laws of the United States.*

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