

THE PRESIDENT OF THE UNITED STATES ON FREE TRADE.

In the Message with which Mr. President Polk opened Congress, we find considerable space devoted to the consideration of the new Tariff, taken in connexion with the recent commercial changes in England. The remarks of the President on this subject are so important that we give them at length. It is scarcely necessary to point out that, with every apparent desire to be a Free Trader, the President is forced into some inconsistencies. His facts do not agree with his arguments: the former are far from being as liberal as the latter. Thus, whilst he lays it down as a principle that the true object of duties is to raise revenue, and repudiates the idea of affording advantages to favored classes, he is compelled to admit that the effect of the present tariff is to raise the price of domestic manufactures "to more than one-third of the value of the imported article, and in some cases to almost one-half its value." That such a duty is within the "revenue principle" we think no one will attempt to assert; nor is it a matter of surprise that, with such advantages, manufacturers should be "making greater profits than can be derived from any other regular business." It is remarkable, too, that whilst apparently approving of the existing tariff, and referring to it as something with which the country will remain satisfied, the President points out with much force and truth what has been the effect in England of pursuing an exactly similar system. The argument is so pat that we cannot help suspecting that the President intended it should have a home application. Indeed, the whole tenor of his remarks leaves the impression that he was arguing against conviction, and that his facts were selected rather to show the absurdity of "protection" than that it is necessary.

The following is the portion of the Message to which we refer:—

The Act passed at your late Session, "reducing the duties on imports," not having gone into operation until the first of the present month, there has not been time for its practical effect upon the revenue, and the business of the country, to be developed. It is not doubted, however, that the just policy which it adopts will add largely to our foreign trade, and promote the general prosperity. Although it cannot be certainly foreseen what amount of revenue it will yield, it is estimated that it will exceed that produced by the Act of 1842, which it superseded. The leading principles established by it are, to levy the taxes with a view to raise revenue, and to impose them upon the articles imported according to their actual value.

The Act of 1842, by the excessive rates of duty which it imposed on many articles, either totally excluded them from importation, or greatly reduced the amount imported, and thus diminished instead of producing revenue. By it the taxes were imposed not for the legitimate purpose of raising revenue, but to afford advantages to favoured classes, at the expense of a large majority of their fellow-citizens. Those employed in agriculture, mechanical pursuits, commerce and navigation, were compelled to contribute from their substance to swell the profits and overgrown wealth of the comparatively few who had invested their capital in the manufactures. The taxes were not levied in proportion to the value of the articles upon which they were imposed; but, widely departing from the just rule, the lighter taxes were, in many cases, levied upon articles of luxury and high price, and the heavier taxes on those of necessity and low price, consumed by the great mass of the people. It was a system the inevitable effect of which was to relieve favoured classes and the wealthy few from contributing their just proportion for the support of government, and to lay the burden on the labour of the many engaged in other pursuits than manufactures.

A system so unequal and unjust has been superseded by the existing law, which imposes duties not for the benefit or injury of classes or pursuits, but distributes, and, as far as practicable, equalizes the public burdens among all classes and occupations. The favoured classes, who, under the unequal and unjust system which has been repealed, have heretofore realized large profits, and many of them amassed large fortunes, at the expense of the many who have been made tributary to them, will have no reason to complain if they shall be required to bear their just proportion of the taxes necessary for the support of Government. So far from it, it will be perceived by an examination of the existing law, that discriminations in the rates of duty imposed, within the revenue principle, have been retained in their favor. The incidental aid against foreign competition which they still enjoy, gives them an advantage which no other pursuits possess; but of this none others will complain, because the duties levied are necessary for revenue. These revenue duties, including freights and charges, which the importer must pay before he can come in competition with the home manufacturer in our markets, amount, on nearly all our leading branches of manufacture, to more than one-third of the value of the imported article, and in some cases to almost one-half its value. With such advantages, it is not doubted that our domestic manufactures will continue to prosper, realizing in well conducted establishments even greater profits than can be derived from any other regular

business. Indeed, so far from requiring the protection of even incidental revenue duties, our manufacturers in several leading branches are extending their business, giving evidence of great ingenuity and skill, and their ability to compete, with increased prospect of success, for the open market of the world. Domestic manufactures, to the value of several millions of dollars, which cannot find a market at home, are annually exported to foreign countries. With such rates of duty as those established by the existing law, the system will probably be permanent; and capitalists who have made, or shall hereafter make, their investments in manufactures, will know upon what to rely. The country will be satisfied with these rates, because the advantages which the manufacturers still enjoy, result necessarily from the collection of revenue for the support of Government. High protective duties, from their unjust operation upon the masses of the people, cannot fail to give rise to extensive dissatisfaction and complaint, and to constant efforts to change or repeal them, rendering all investments in manufactures uncertain and precarious. Lower and more permanent rates of duty, at the same time that they will yield to the manufacturer fair and remunerating profits, will secure him against the danger of frequent changes in the system, which cannot fail to ruinously affect his interests.

Simultaneously with the relaxation of the restrictive policy by the United States, Great Britain, from whose example we derived the system, has relaxed hers. She has modified her corn laws, and reduced many other duties to moderate revenue rates. After ages of experience, the statesmen of that country have been constrained, by a stern necessity, and by a public opinion, having its deep foundation in the sufferings and wants of impoverished millions, to abandon a system, the effect of which was to build up immense fortunes in the hands of the few, and to reduce the labouring millions to pauperism and misery. Nearly in the same ratio that labour was depressed, capital was increased and concentrated by the British protective policy.

The evils of the system in Great Britain were at length rendered intolerable, and it has been abandoned, but not without a severe struggle on the part of the protected and favoured classes to retain the unjust advantages which they have so long enjoyed. It was to be expected that a similar struggle would be made by the same classes in the United States whenever an attempt was made to modify or abolish the same unjust system here. The protective policy had been in operation in the United States for a much shorter period, and its pernicious effects were not, therefore, so clearly perceived and felt. Enough, however, was known of these effects to induce its repeal.

It would be strange if, in the example of Great Britain, our principal foreign customer, and of the evils of a system rendered manifest in that country by long and painful experience, and in the face of the immense advantages which, under a more liberal commercial policy, we are already deriving, and must continue to derive, by supplying her starving population with food, the United States should restore a policy which she has been compelled to abandon, and thus diminish her ability to purchase from us the food and other articles which she so much needs, and we so much desire to sell. By the simultaneous abandonment of the protective policy by Great Britain and the United States, new and important markets have already been opened for our agricultural and other products; commerce and navigation have received a new impulse; labour and trade have been released from the artificial trammels which have so long fettered them; and to a great extent reciprocity, in the exchange of commodities, has been introduced at the same time by both countries, and greatly for the benefit of both. Great Britain has been forced, by the pressure of circumstances at home, to abandon a policy which has been upheld for ages, and to open her markets for our immense surplus of bread-stuffs; and it is confidently believed that other Powers of Europe will ultimately see the wisdom, if they be not compelled by the pauperism and sufferings of their crowded population, to pursue a similar policy.

Our farmers are more deeply interested in maintaining the just and liberal policy of the existing law, than any other class of our citizens. They constitute a large majority of our population, and it is well known that when they prosper, all other pursuits prosper also. They have heretofore not only received none of the bounties or favours of Government, but, by the unequal operations of the protective policy, have been made, by the burdens of taxation which it imposed, to contribute to the bounties which have enriched others.

When a foreign as well as a home market is opened to them, they must receive, as they are now receiving, increased prices for their products. They will find a readier sale, and at better prices, for their wheat, flour, rice, Indian corn, beef, pork, lard, butter, cheese, and other articles, which they produce.

The home market alone is inadequate to enable them to dispose of the immense surplus of food and other articles which they are capable of producing at the most reduced prices, for the manifest reason that they cannot be consumed in the country. The United States can, from their immense surplus, supply not only the home demand, but the deficiencies of food required by the whole world.

That the reduced production of some of the chief articles of food in Great Britain, and other parts of Europe, may have contributed to increase the demand for our breadstuffs and provisions, is not doubted; but that the great and efficient cause of this increased demand, and of increased prices, consists in the removal of artificial restrictions heretofore imposed, is deemed to be equally certain. That our exports of food, already increased and increasing beyond former example, under the more liberal policy which has been adopted, will be vastly enlarged, unless they be checked or prevented by a restoration of the protective policy, cannot be doubted. That our commercial and navigating interests will be enlarged in a corresponding ratio with the increase of our trade is equally certain; while our manufacturing interests will still be the favored interests of the country, and receive the incidental protection afforded them by revenue duties; and more than this they cannot justly demand.