

tion stimulated manufacturing and trade. I am not at this moment disputing the fact. But if it be true that in 1833 a reduction of the tariff of 10 per cent., and certain yearly future reductions, stimulated manufacturing and trade, does not the fact prove beyond all question that the tariff rates before 1833 were unnecessarily high? True, Mr. Blaine says that this stimulation took place before the reductions were ruinously advanced. He does not tell us when that period arrived. But a reduction of duties to the extent of 10 or 20 or 30 per cent. actually stimulated manufacturing. This seems totally contrary to every argument ever made before in favor of high duties. Might not a reduction of 10 or 20 or 30 per cent. now give a "great stimulus" to manufacturing? Mr. Blaine says that this stimulation "finally assumed the form of dangerous speculation." Can Mr. Blaine explain why there should be a more rapid production of manufactured goods on a market that was falling, and certain to keep on falling? Can he explain in what way glutted and falling markets lead to "dangerous speculations?" Is it possible that, when Mr. Blaine penned that paragraph, he did not perceive that he was falsifying history and violating common sense?

There was a period of dangerous speculation that followed, in a few years, the reductions provided for in the tariff of 1833. But it arose from causes wholly foreign to the changes of the tariff. About 1828 or 1830, the country entered again on a period of wild inflation of paper money. A large part of the business of our State Legislatures was in passing bills incorporating banks. Every village all over the South and West had to have its bank. These banks were authorized to issue notes. By 1836 there were 750 banks chartered. Probably 500 of them were of the class known at the time as "wild cat" or "red dog" banks. Those banks were, as a rule, required to keep in their vaults—perhaps an old chest—a certain amount of specie. But there was no rigid supervision of them. They did as they pleased, and a compliance with the law, if it ever was complied with, was exceptional. The country went mad over these banks. Their paper bills became as plentiful as "Autumnal leaves that strew the woods in Vallambrosa." Prices of property rose out of all reason. Speculation not only reached the point of danger, but it reached the point of frenzy.

Now, the tariff, high or low, protective or free trade, had about as much to do with this as the murder of Julius Cæsar. But every one thought he was getting rich. Extravagance of expenditure was seen on every hand. Our imports exceeded our exports in 1836 by more than \$50,000,000; in 1839 by more than \$44,000,000. These sums would be equal to (probably) \$500,000,000 now. Great schemes of public works were undertaken. The particular form of speculation throughout the West that had most favor was the purchase of wild lands. Every man who could get, by hook or crook, a hundred dollars rushed off to the Land Office and entered, in the cant of the day, "an eighty." As long as a bank redeemed its notes in specie, they were taken at the land offices. The land sales were running up to \$5,000,000 a month. The funds of the United States Treasury were removed from the United States Bank and deposited with "pet" State banks. This added to the means and spirit of speculation. Many millions of Treasury surplus were distributed among the States. This money was largely squandered in the most extravagant ways. Everything added to the fierce fire.

By the summer of 1836 the President became alarmed, and issued his celebrated specie circular directing that only gold and silver should be received in payment for public lands. This was the first check. Col. Benton says that at the time the circular was issued \$10,000,000 of the miserable paper trash called money was on its way to the land offices to pay for land. The banks soon had to suspend, but the country was still flooded with their notes. Most of them, however, staggered along for two or three years. But in 1839 the United States Bank, which had been re-chartered by Pennsylvania, went down with a great crash. Its capital stock of \$35,000,000 was worthless. Its creditors lost \$20,000,000. Before long the country banks went down in squadrons. Their paper was as worthless as the rags of which it was made. About 1840-1841 the country was in precisely the same conditions that it was in 1819-1820 and from precisely the same cause. The reduction of the tariff of 1833 had no more to do, probably not as much to do, with the distress of 1840-1841 as the increase of the tariff of 1816 had to do with the distress of 1819-1820.

Of course Mr. Blaine is entitled to believe whatever he pleases about this or any other matter. But before he asks us to believe that all these calamities were the results of the "great stimulus to manufacturing and trade" superinduced by the reductions of the tariff of 1833, he must give us some intelligible explanation of how it operated to produce that effect.

THE TARIFF OF 1842.

In speaking of the recovery of the country from the calamities and disasters of 1840-1841, Mr. Blaine says: "There was no relief to the people until the tariff of 1842 was enacted, and then the beneficent experience of 1824 was repeated on even a more extensive scale. Prosperity, wide and general, was at once restored." Prosperity was not "at once restored." It was only restored after long waiting and much weary effort.