

Peel and the Theorists, with the facts before them, seem incapable of anticipating the enormous increase to American Exports of agricultural produce which must arise from the more safe and cheap conveyance of it from the interior of the States, even without taking into consideration the almost incalculable increase of production in a country to which the Despots of Europe are driving away their subjects more and more. The following interesting facts, on this subject, are from the *Times* of 6th Sept., 1848:—"A first report of some experiments on the bread-stuff of the United States, made by Professor Beck for the government at Washington, has just been published, the object having been to ascertain how the intrinsic value of the various kinds of grain may be determined, their injury guarded against, and their adulterations detected. The aggregate amount of grain convertible into bread-stuff or its substitutes, annually produced throughout the union, is estimated at 900 millions bushels, of which nearly one-half is Indian corn, while the total of all kinds required for home consumption does not exceed 300 millions. The quantity of wheat is supposed to be about 100 millions of bushels, and it is to wheat and wheat-flour that the present report is confined. With regard to the amount of water contained in the various sorts, the results obtained by Professor Beck give 10 to 20 per cent. for Alsatian, 15 to 17 per cent. for English, 12 to 14 per cent. for American, and 9 to 11 per cent. for African and Sicilian. In relation to the amount of gluten in various samples of flour from different parts of the United States and Europe, the preference is awarded to the Kubanka variety, from the south of Russia. On the subject of loss by the presence of moisture, from want of due precautions, it is stated that the books of a single inspector in New York city show that, in 1817, he inspected 218,670 barrels of sour and musty flour, and that in every year the total loss in the United States from moisture in wheat and flour is estimated at from \$3,000,000 to \$5,000,000."

But, that Sir Robert Peel made a fearful blunder in assuming that English agriculture can successfully compete with the agriculture of America, cannot be better shown than by the following extract from the pamphlet of the Honourable Abbot Lawrence, already referred to. That experienced and practical statesman shows that it is vain even for the Old or Atlantic States of America, to attempt to compete in agriculture with the virgin soils of their own country, beyond the River Ohio. His object was, when he wrote, (in 1844,) to direct the energies of his friends in Virginia to fields of enterprise in which success could reasonably be expected.—"The settlement and development of the resources of the Western country, have brought into existence an active and effectual competition with your people, in the great staples of your agricultural products, namely, Wheat, Indian Corn and Tobacco. Maryland and North Carolina, like yourselves, are essentially affected by competition from the same quarter—from Ohio, Kentucky, Indiana, Illinois, Missouri, Michigan, Wisconsin and Iowa. The Great West is now supplying largely the New England and other States, which are consumers of these agricultural staples, in quantity and value, to a greater extent than all the foreign world besides. The internal improvements of the country already finished, have brought Boston, by steam, within the distance of four days' travel of Cincinnati, by way of Buffalo; and a contemplated railroad from Burlington, Vermont, to Ogdensburgh, New York, will bring us practically yet nearer to those fertile regions of the West. The expense of transportation is essentially reduced wherever railroads or canals have been constructed, and even the Mississippi herself bears down upon her bosom the products of the West, at less than half the freight that was charged a few years ago. Thirty years since, a few small schooners were sufficient to carry on the commerce between this city and New Orleans; now, within the last year, we have had one hundred and sixty-five arrivals from New Orleans at this port, and many of these vessels are of the largest class; ships from five hundred to seven hundred tons burthen. They have brought us Tobacco, Indian Corn, Flour, Cotton, Beef, Pork, Lard, Lead, &c., amounting in the aggregate to many millions of dollars. Of the first three of these articles, which now come to us in such quantities from New Orleans, our importations, in former times, were almost exclusively from Virginia, North Carolina and Maryland. Can you expect to compete successfully with the Western regions of our country, where, without much labour, the soil produces double, and sometimes even more, to the acre, than the average crops of the last-mentioned States?"

And even if we, as a nation, were in circumstances to sacrifice our agriculturists, it is clear that Peel's unprincipled course will be fatal to every interest in the country, by upsetting the money market and doing away with our Banking system, the import of grain being only another term for the abstraction of our paper as well as our metal circulation. In the case of America, alluded to above, the money did not leave America, but only a particular state, and here we have the bad working of Free Trade even between countries or states having a common money! Peel's friends try to flatter us here in the north, by calling him a follower of Adam Smith. But if a follower of Adam Smith, why did he repeal the Navigation Laws? And why does he not see the advantage of Home and Colonial over Foreign Trade, as stated by Smith? "The capital which is employed in purchasing in one part of the country, in order to sell in another the produce of the industry of that country, generally replaces by such operation two distinct capitals that had been employed in the agriculture or manufactures of that country, and thereby enables them to continue that employment. The capital which sends Scotch manufactures to London, and brings back English corn and manufactures to Edinburgh, necessarily replaces by every such operation two British capitals which had both been employed in the agriculture and manufactures of Great Britain."

But the capital which sends British fuel to Portugal and brings back Portuguese goods to Great Britain replaces by every such operation only one British capital. The other is a Portuguese one." The fact is, that Peel and Cobden have only followed Adam Smith in error which so shrewd a man would not have committed had he lived in our day. Adam Smith either forgot or did not know the effect Free Trade would have in upsetting the banking system of a country; and I think no one can suppose after reading the following from his "Wealth of Nations," that he would have been the advocate of any system which directly or indirectly (through the withdrawal of bank facilities or otherwise) was the cause of lessened or limited production:—"There is another balance, indeed, which has already been explained, very different from the balance of Trade, and which, according as it happens to be either favourable or unfavourable, necessarily occasions the prosperity or decay of every nation. This is the balance of the annual produce and consumption. If the exchangeable value of the annual produce, it has already been observed, exceeds that of the annual consumption, the capital of the society must annually increase in proportion to this excess. The society in this case lives within its revenue, and what is annually saved out of its revenue is naturally added to its capital, and employed so as to increase still further the annual produce. If the exchangeable value of the annual produce, on the contrary, fall short of the annual consumption, the capital of the society must annually decay in proportion to the deficiency. The expense of the society in this case exceeds its revenue, and necessarily encroaches upon its capital: its capital, therefore, must necessarily decay, and, together with it, the exchangeable value of the annual produce of its industry." Mr Fox, the late Lord Grey, Burke, and Sheridan, were decidedly opposed to the delusive theories of Free Trade. This is admitted in the *Edinburgh Review* of January, 1840. "We must in candour admit and lament that those maxims of policy taught by Dr. Adam Smith, which bind nations together by the reciprocal benefits of commerce [there is no reciprocity]—*i.e.* B.] produced less effect on the minds of the Whig leaders than on that of Mr Pitt."

In fact, all the vital interests of this country require (even the safety of the state requires) the protection of native industry: 1st, Through such a radical change of the Money Law as will remove our home trade beyond the influence of any disturbance to our internal currency, flowing from the foreign trade being able to demand gold at the foreign, not the British, price; 2d, Through the imposition, without delay, of a fixed duty on corn when the price is under 48s. the quarter, with moderate duties on all other articles, excepting cotton for the present. And those who doubt that we are on the eve of great constitutional changes, for which we shall have to thank Sir R. Peel's deviation from principle, have to consider whether PARLIAMENT as now constituted being representatives of, or under the influence of, the money market, can be expected thus (by the measures indicated) to raise the price of labour and commodities, and proportionally reduce the exchangeable value of their article, money. Hitherto certainly the monetary battle has always been lost by the selfishness of the "know-nothing" in Parliament. The "dodge," to use Mr Cobden's elegant phrase, has been to confuse or mingle it up with the banking quarrel, with which it has no necessary connection. I explained this as follows in my communication to the *Glasgow Examiner* of 12th August, 1848:—

"We have always seen clearly that Sir Robert Peel must of necessity have temporarily a triumph over his present opponents in parliament on the question of Money, because their ignorance and want of practical experience of the country's trade and other great interests led them to go to issue with Sir R. Peel on the bill of 1844 only, instead of on the bill of 1810. The bill of 1844 had mainly for its object to give increased security to the holder of bank notes, and in this object it has doubtless succeeded. We may question whether the country has not been made to 'pay too dear for its whistle.' We may think it outrageous that Sir Robert

After the country had thus again, during the second war, enjoyed the blessings of peace, it once more experienced all the previous evils after the conclusion of peace, when a great influx of manufactures again took place, and these evils of peace were even greater than those caused by the devastations of war. It was only in 1824 that the Congress saw the expediency of, and resolved upon, raising the tariff; but that resolution was frustrated by Mr Huskisson's threat of retaliatory measures. The ruinous state of the industrial classes of the United States at last compelled the Congress to raise the tariff in 1828, which was, however, modified in 1832 (by the Compromise Bill), owing to the exertions of Mr Pollett Thompson, the successor of Huskisson, in which he was aided by the planters of the South, who all clamoured for a cheap tariff. The consequence of that Compromise Bill was the importation into the United States of such enormous quantities of English manufactures as totally to destroy the Balance of Trade between the two countries, and to bring about the commercial crisis in 1836, from which the United States has not yet quite recovered, despite the revision of the tariff in 1840. All this plainly shows the necessity of not allowing the imports of a country to exceed the Exports, or, in short, of keeping continually in sight the Balance of Trade."