

## CHAPTER XIII.

## THE TARIFF, AND AMERICAN SYSTEM.

THE revision of the Tariff, with a view to the protection of home industry, and to the establishment of what was then called, "The American System," was one of the large subjects before Congress at the session 1823-24, and was the regular commencement of the heated debates on that question which afterwards ripened into a serious difficulty between the federal government and some of the southern States. The presidential election being then depending, the subject became tinctured with party politics, in which, so far as that ingredient was concerned, and was not controlled by other considerations, members divided pretty much on the line which always divided them on a question of constructive powers. The protection of domestic industry not being among the granted powers, was looked for in the incidental; and denied by the strict constructionists to be a substantive power, to be exercised for the direct purpose of protection; but admitted by all at that time, and ever since the first tariff act of 1789, to be an incident to the revenue raising power, and an incident to be regarded in the exercise of that power. Revenue the object, protection the incident, had been the rule in the earlier tariffs: now that rule was sought to be reversed, and to make protection the object of the law, and revenue the incident. The revision, and the augmentation of duties which it contemplated, turned, not so much on the emptiness of the treasury and the necessity for raising money to fill it, as upon the distress of the country, and the necessity of creating a home demand for labor, provisions and materials, by turning a larger proportion of our national industry into the channel of domestic manufactures. Mr. Clay, the leader in the proposed revision, and the champion of the American System, expressly placed the proposed augmentation of duties on this ground; and in his main speech upon the question, dwelt upon the state of the country, and gave a picture of the public distress, which deserves to be reproduced in this VIEW of the working of our government, both as the leading argument for the new tariff, and as an exhibi-

tion of a national distress, which those who were not cotemporary with the state of things which he described, would find it difficult to conceive or to realize. He said:

"In casting our eyes around us, the most prominent circumstance which fixes our attention and challenges our deepest regret, is the general distress which pervades the whole country. It is forced upon us by numerous facts of the most incontestable character. It is indicated by the diminished exports of native produce; by the depressed and reduced state of our foreign navigation; by our diminished commerce; by successive unthreshed crops of grain perishing in our barns for want of a market; by the alarming diminution of the circulating medium; by the numerous bankruptcies; by a universal complaint of the want of employment, and a consequent reduction of the wages of labor; by the ravenous pursuit after public situations, not for the sake of their honors, and the performance of their public duties, but as a means of private subsistence; by the reluctant resort to the perilous use of paper money; by the intervention of legislation in the delicate relation between debtor and creditor; and, above all, by the low and depressed state of the value of almost every description of the whole mass of the property of the nation, which has, on an average, sunk not less than about fifty per centum within a few years. This distress pervades every part of the Union, every class of society; all feel it, though it may be felt, at different places, in different degrees. It is like the atmosphere which surrounds us: all must inhale it, and none can escape from it. A few years ago, the planting interest consoled itself with its happy exemptions from the general calamity; but it has now reached this interest also, which experiences, though with less severity, the general suffering. It is most painful to me to attempt to sketch, or to dwell on the gloom of this picture. But I have exaggerated nothing. Perfect fidelity to the original would have authorized me to have thrown on deeper and darker hues."

Mr. Clay was the leading speaker on the part of the bill in the House of Representatives, but he was well supported by many able and effective speakers—by Messrs. Storrs, Tracy, John W. Taylor, from New-York; by Messrs. Buchanan, Todd, Ingham, Hemphill, Andrew Stewart, from Pennsylvania; by Mr. Louis McLane, from Delaware; by Messrs. Buckner, F. Johnson, Letcher, Metcalfe, Trimble, White, Wickliffe, from Kentucky; by Messrs. Campbell, Vance, John W. Wright, Vinton, Whittlesey, from Ohio; Mr. Daniel P. Cook, from Illinois.

Mr. Webster was on the other side, and disputed the distress which had been assumed cause for it. He attributed it to over expansion of the paper system, as in Great Britain, and suspension of the Bank, and the necessity for increased duties, and its inadequacy of the country where it was contested the propriety of duties, in the present state of the world, to stimulate manufacturing enterprise.

"Within my own country, cause for such gloom and desolation. In respect to the States, with the condition of the country, they were acquainted, they presented general prosperity. Since then, there has been a depression of prices, a pressure; the next thing that came was that evil. A depreciation of the value of the country, a great part of the countenance of the country, at one degree as that, at one the centre and the north per cent. The Bank was instituted to correct that which it is not now doing, did not for some years of the country to a sou the British House of Commons, decided that the measure by the Bank of deferred beyond the election, then been in a state of five years). The paper money certainly communicate property. It had excited overtrading. It came, and this violent panic at the same moment in England, inflated and kept up no longer. It which has been estimated equal to a fall of thirty per cent. The depression was not felt in the United States not equally so in every the time of these foreign system underwent a causes, in my view of the produce the great shock commercial cities, and the country. The year numerous failures, and would have furnished than exist at present for tion which has been in