

manufactures in consequence of a reduced tariff; and that, on the contrary, they never took place either in time of war, when few imports could take place, or when, by the high import duties, the exports had been brought into just proportion with the imports. * * It was in 1789 that the first American tariff was framed, imposing a trifling duty on the most important articles of import. Trifling as the rate of the duty was, its effects on the prosperity of the country became so manifest, that Washington in his message (1791) already congratulated the nation on the flourishing state of manufactures and agriculture. Encouraged by the success of the first attempt, the Congress raised, in 1804, the Import Duties to 15 per cent, and in 1815 the manufactures of the United States already employed (according to the Report of the Commercial Committee to the Congress) 100,000 hands, and the annual amount of the produce amounted to sixty millions of dollars, while the value of land and the prices of all sorts of goods, as also of wages, rose to an extraordinary degree. After the peace of Ghent the Congress doubled the rate of duty for the first year, but pressed by the arguments of the disciples of Free Trade, it lowered the tariff in 1816, after which the calamities of the period of 1786 to 1791 soon made the re-appearance, viz., ruin of the manufacturers, valuelessness of productions, and a fall in the value of landed property. 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 a compromise Bill), owing to the exertions of Mr. Poulett 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 1835, 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*." * * *

* * A similar phenomenon presented itself in *Russia*. Soon after the war in 1815 there arose a teacher of the Free Trade theory, a certain Storch, who taught in Russia what Say did in France, and Dr. Smith in England, viz., that Balance of Trade is a mere phantom, a chimera engendered in the disordered brain of the teachers of the mercantile system. Government gave the Free Trade system a fair trial, until the Chancellor of the Empire, Count Nesselrode, declared in an Official Circular of 1821, 'That Russia finds herself compelled by circumstances to adopt an independent system in commerce, as the raw productions of the country find but an indifferent market abroad, the native manufacturers are becoming ruined, all the ready cash is going abroad, and the most solid mercantile houses are about to break.' In a few weeks afterwards the new protective Tariff was issued, and the beneficial consequences soon manifested themselves. Capital, talent, and mechanical industry soon