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SPEECH OF HENRY CLAY,
IN DEFENCE OF THE AMERICAN SYSTEM,

Against the British Colonial System:
Delivered in the Senate of the U. S. February 2d, 3d and 6th.

[CONCLUDED.]

I have now to consider the remaining of the two propositions which I have already announced. That is,

2dly. That, under the operation of the American System, the products of our agriculture command a higher price than they would do without it, by the creation of a home market; and, by the augmentation of wealth produced by manufacturing industry, which enlarges our powers of consumption, both of domestic and foreign articles. The importance of the home market is among the established maxims which are universally recognised by all writers and all men. However some may differ as to the relative advantages of the foreign and the home market, none deny to the latter great value and high consideration. It is nearer to us; beyond the control of foreign legislation; and undisturbed by those vicissitudes to which all international intercourse is more or less exposed. The most stupid are sensible of the benefit of a residence in the vicinity of a large manufactory, or a market town, of a good road, or of a navigable stream, which connects their farms with some great capital. If the pursuits of all men were perfectly the same, although they would be in possession of the greatest abundance of the particular produce of their industry, they might, at the same time, be in extreme want of other necessary articles of human subsistence. The uniformity of the general occupation would preclude all exchanges, all commerce. It is only in the diversity of the vocations of the members of a community that the means can be found for those salutary exchanges which conduce to the general prosperity. And, the greater that diversity, the more extensive and the more animating is the circle of exchange. Even if foreign markets were freely and widely open to the reception of our agricultural produce, from its bulky nature, and the distance of the interior, and the dangers of the ocean, large portions of it could never profitably reach the foreign market. But, let us quit this field of theory, clear as it is, and look at the practical operation of the system of protection, beginning with the most valuable staple of our agriculture.

In considering this staple, the first circumstance that excites our surprise, is the rapidity with which the amount of it has annually increased. Does not this fact, however, demonstrate that the cultivation of it could not have been so very unprofitable? If the business were ruinous, would more and more have annually engaged in it? The quantity in 1816 was eighty one millions of pounds; in 1826 two hundred and four millions; and, in 1830, near three hundred millions! The ground of greatest surprise is, that it has been able to sustain even its present price with such an enormous augmentation of quantity. It could not have done it but for the combined operation of three causes, by which the consumption of cotton fabrics has been greatly extended, in consequence of their reduced prices; 1st, competition; 2d, the improvement of labor saving machinery; and 3dly, the low price of the raw material. The crop of 1819 amounting to eighty-eight millions of pounds, produced twenty-one millions of dollars; and the crop of 1823, when the amount was swelled to one hundred and seventy four millions, (almost double that of 1819) produced a less sum, by more than half a million of dollars; and the crop of 1824, amounting to thirty millions of pounds less than that of the preceding year, produced a million and a half of dollars more.

If there be any foundation for the established law of price, supply, and demand, ought not the fact of this great increase of the supply to account, satisfactorily, for the alleged low price of cotton? Is it necessary to look beyond that *single* fact to the tariff—to the diminished produce of the mines furnishing the precious metals, or to any other cause, for the solution! This subject is well understood in the South; and, although I cannot approve the practice which has been introduced, of quoting authority, and still less the authority of newspapers, for favorite theories, I must ask permission of the Senate to read an article from a Southern newspaper. (Here General Hayne requested Mr. Clay to give the name of the authority, that it might appear whether it was not some other than a *Southern* paper expressing *Southern* sentiments. Mr. Clay stated that it was from the Charleston City Gazette, one, he believed, of the oldest and most respectable prints in that City, although he was not sure what might be its sentiments on the question which at present divides the people of South Carolina.) The article comprises a full explanation of the low price of cotton, and assigns it to its true cause—increased production.

Let us suppose that the home demand for cotton, which has been created by the American System, were to cease, and that the 200,000* bales, which the home market now absorbs, were thrown into the glutted markets of foreign countries, would not the effect inevitably be to produce a further and great reduction in the price of the article? If there be any truth in the facts and principles which I have before stated, and endeavored to illustrate, it cannot be doubted that the existence of American manufactures has tended to increase the demand, and extend the consumption of the raw material; and that, but for this increased demand, the price of the article would have fallen, possibly one half, lower than it now is. The error of the opposite argument is, in assuming the thing, which, being denied, the whole fails; that is, it assumes, that the *whole* labor of the United States would be profitably employed, without manufactures. Now, the truth is, that the system *excites* and *creates* labor, and this labor creates wealth, and this new wealth communicates additional ability to consume which acts on all the objects contributing to human comfort and enjoyment. The amount of cotton imported into the two ports of Boston and Providence alone, (during the last year, and it was imported exclusively for the home manufacture) was 109,517 bales.

On passing from that article to others of our agricultural productions, we shall find not less gratifying facts. The total quantity of flour imported into Boston, during the same year, was 284,504 barrels and 3,955 half barrels; of which, there were from Virginia, Georgetown, and Alexandria, 114,222 barrels; of Indian corn, 681,131 bushels; of oats, 259,809 bushels; of rye, about 50,000 bushels; and of shorts, 33,489 bushels. Into the port of Providence, 61,369 barrels of flour, 216,662 bushels of Indian corn, and 7,772 bushels of rye. And there were discharged at the port of Philadelphia, 420,353 bushels of Indian corn, 201,878 bushels of wheat, and 110,557 bushels of rye and barley. There were slaughtered in Boston, during the same year, 1831, (the only northern city from which I have obtained returns) 33,922 beef cattle, 15,400 steers, 84,453 sheep, and 26,871 swine. It is confidently believed that there is not a less quantity of southern flour consumed at the North than 800,000 barrels—a greater amount, probably, than is shipped to all the foreign markets of the world together.

What would be the condition of the farming country of the United States—of all that portion which lies north, east, and west of James River, including a large part of North Carolina, if a home market did not exist for this immense amount of agricultural produce? Without that market, where could it be sold? In foreign markets? If their restrictive laws did not exist, their *capacity* would not enable them to purchase and consume this vast addition to their present supplies, which must be thrown in, or thrown away, but for the home market. But their laws exclude us from their markets. I shall content myself by calling the attention of the Senate to Great Britain only. The duties, in the ports of the United Kingdom, on bread stuffs, are prohibitory, except in times of dearth. On rice, the duty is fifteen shillings sterling per hundred weight, being more than one hundred per cent. On manufactured tobacco, it is nine shillings sterling per pound, or about two thousand per cent. On leaf tobacco, three shilling per pound, or one thousand two hundred per cent. On lumber and some other articles, they are from four hundred to one thousand five hundred per cent. more than on similar articles imported from British colonies. In the British West Indies, the duty on beef, pork, hams, and bacon, is twelve shillings sterling per hundred, more than one hundred per cent. on the first cost of beef and pork in the Western States. And yet Great Britain is the power in whose behalf we are called upon to legislate so that *we* may enable *her* to purchase our cotton! Great Britain, that thinks only of herself in her own legislation! When have we experienced justice, much less favor, at her hands? When did she shape her legislation in reference to the interests of any foreign Power? She is a great, opulent, and powerful nation; but haughty, arrogant, and supercilious. Not more separated from the rest of the world by the sea that girts her island, than she is separated in feeling, sympathy, or friendly consideration of their welfare. Gentlemen, in supposing it impracticable that we should successfully compete with her in manufactures, do injustice to the skill and enterprise of their own country. Gallant, as Great Britain undoubtedly is, we have gloriously contended with her, man to man, gun to gun, ship to ship, fleet to fleet, and army to army. And I have no doubt we are destined to achieve equal success in the more useful, if not nobler contest for superiority in the arts of civil life.

I could extend and dwell on the long list of articles—the hemp, iron, lead, coal, and other items, for which a demand is created in the home market, by the operation of the American System; but I should exhaust the patience of the Senate. *Where, where,* should we find a market for all these articles, if it did not exist at home? What would be the condition of the largest portion of our people and of the territory, if this home market were annihilated? How could they be supplied with objects of prime necessity? What would not be the certain and inevitable decline in the price of all these articles, but for the home market? And allow me, Mr. President, to say, that, of all the agricultural parts of the United States which are benefitted by the operation of this system, none are equally so with those which border the Chesapeake bay, the lower parts of North Carolina, Virginia, & the two shores of Maryland. Their facilities of transportation and proximity to the North give them decided advantages.

But, if all this reasoning were totally fallacious—if the price of manufactured articles were really higher, under the American System, than without it, I should still argue that high or low prices were themselves relative—relative to the ability to pay them. It is in vain to tempt, to tantalize us with the lower prices of European fabrics than our own, if we have nothing wherewith to purchase them. If, by the home exchanges, we can be supplied with necessary, even if they are dearer and worse, articles of American production than the foreign, it is better than not to be supplied at all. And how would the large portion of our country which I have described, be supplied, but for the home exchanges? A poor people, destitute of wealth or of exchangeable commodities, has nothing with which to purchase foreign fabrics. To them they are equally beyond their reach, whether their cost be a dollar or a guinea. It is in this view of the matter that Great Britain, by her vast wealth—her *exerted* and *protected* industry—is enabled to bear a burthen of taxation which when compared to that of other nations, appears enormous; but which, when her immense riches are compared to theirs, is light and trivial. The gentleman from South Carolina has drawn a lively and flattering picture of our coasts, bays, rivers, and harbors; and he argues that these proclaimed the design of Providence, that we should be a commercial People. I agree with him.* We differ only as to the means. He would cherish the foreign, and neglect the internal trade. I would foster both. What is navigation without ships, or ships without cargoes? By penetrating the bosoms of our mountains, and extracting from them their precious treasures by cultivating the earth, and securing a home market for its rich and abundant products; by employing the water power with which we are blessed; by stimulating and protecting our native industry, in all its forms; we shall but nourish and promote the prosperity of commerce, foreign and domestic.

I have hitherto considered the question in reference only to a state of peace; but a season of war ought not to be entirely overlooked. We have enjoyed near twenty years of peace; but who can tell when the storm of war shall again break forth? Have we forgotten, so soon, the privations to which, not merely our brave soldiers and our gallant tars were subjected, but the whole community during the last war, for the want of absolute necessaries? To what an enormous price they rose? And how inadequate the supply was, at any price? The statesman, who justly elevates his views, will look behind, as well as forward, and at the existing state of things; and he will graduate the policy, which he recommends, to all the probable exigences which may arise in the republic. Taking this comprehensive range, it would be easy to show that the higher prices of peace, if prices were higher in peace, were more than compensated by the lower prices of war, during which supplies of all essential articles are indispensible to its vigorous, effectual, and glorious prosecution. I conclude this part of the argument with the hope that my humble exertions have not been altogether unsuccessful in showing—

1. That the policy which we have been considering ought to continue to be regarded as the genuine American System.

2. That the free trade system, which is proposed as its substitute, ought really to be considered as the British Colonial System.

3. That the American System is beneficial to all parts of the Union, and absolutely necessary to much the larger portion.

4. That the price of the great staple cotton, and of all our chief productions of agriculture has been sustained and upheld, and a decline averted by the protective system.

5. That, if the foreign demand for cotton has been at all diminished, by the operation of that system, the diminution has been more than compensated in the additional demand created at home.

6. That the constant tendency of the system, by creating competition among ourselves, and between American and European industry, reciprocally acting upon each other, is to reduce prices of manufactured objects.

7. That, in point of fact, objects within the scope of the policy of protection have greatly fallen in price.

8. That, if, in a season of peace, these benefits are experienced, in a season of war, when the foreign supply might be cut off, they would be much more extensively felt.

9. And, finally, that the substitution of the British colonial system for the American System, without benefitting any section of the Union by subjecting us to a foreign legislation, regulated by foreign interests, would lead to the prostration of our manufactures, general impoverishment, and ultimate ruin.

And now, Mr. President, I have to make a few observations on a delicate subject, which I approach with all the respect that is due to its serious and grave nature. They have not, indeed, been rendered necessary by the speech of the gentleman from South Carolina, whose forbearance to notice the topic was commendable, as his argument, throughout, was characterized by an ability and dignity worthy of him, and of the Senate. The gentleman made one declaration, which might possibly be misinterpreted, and, I submit to him, whether an explanation of it be not proper. The declaration, as reported in his printed speech is, "the instinct of self interest might have taught us an easier way of relieving ourselves from this oppression. It wanted but the will to have supplied ourselves with every article embraced in the protective system, free of duty, without any other participation on our part than a simple consent to receive them. [Here Gen. Hayne rose, and remarked that the passages, which immediately preceded and followed the paragraph cited, he thought, plainly indicated his meaning, which related to evasions of the system, by illicit introduction of goods, which they were not disposed to countenance in South Carolina.] I am happy to hear this explanation. But, sir, it is impossible to conceal from our view the facts that there is great excitement in South Carolina; that the protective system is openly and violently denounced in popular meetings; and that the Legislature itself has declared its purpose of resorting to counteracting measures—a suspension of which has only been submitted to, for the purpose of allowing Congress time to *retrace* its steps. With respect to this Union, Mr. President, the truth cannot be too generally proclaimed, nor too strongly inculcated, that it is necessary to the *whole* and to all the *parts*—necessary to those parts, indeed, in different degrees, but vitally necessary to *each;* & that that threatens to disturb or dissolve it, coming from any of the parts, would be quite as indiscreet and improper, as would be threats from the residue to exclude those parts from the pale of its benefits. The great principle, which lies at the foundation of all free Government, is, that the majority must govern; from which there is or can be no appeal but to the sword. That majority ought to govern wisely, equitably, moderately, and constitutionally, but govern it *must,* subject only to that terrible appeal. If ever one, or several States, being a minority, can, by menacing a dissolution of the Union, succeed in forming an abandonment of great measures, deemed essential to the interests and prosperity of the whole, the Union from that moment, is practically gone. It may linger on, in form and name, but its vital spirit has fled forever! Entertaining these deliberate opinions, I would entreat the patriotic People of South Carolina—the land of Marion, Sumpter, and Pickens—of Rutledge, Laurens, the Pinckneys, and Lowndes—of living and present names, which I would mention if they were not living or present—to pause, solemnly pause! and contemplate the frightful precipice which lies directly before them. To retreat may be fearful and mortifying to their gallantry and pride, but it is to retreat to the Union, to safety, and to those brethren, with whom, or with those ancestors, they, or their ancestors, have won, on fields of glory, imperishable renown. To advance, is to rush on certain and inevitable disgrace and destruction.

We have been told of deserted castles, of uninhabited halls, and of mansions, once the seats of opulence and hospitality, now abandoned and mouldering in ruins. I never had the honor of being in South Carolina; but I have heard and read of the stories of its chivalry, and of its generous and open hearted liberality. I have heard, too, of the struggle for power between the lower and upper country. The same causes which existed in Virginia, with which I have been acquainted, I presume have had their influence in Carolina. In whose hands are the once proud seats Westover, Curl, Maycox, Shirley,* and others; on James river, and in lower Virginia? Under the operation of laws, abolishing the principle of primogeniture, and providing the equitable rule of an equal distribution of estates among those in equal degree of consanguinity, they have passed into other and stronger hands. Some of the descendants of illustrious families have gone to the far West, whilst others lingering behind, have contrasted their present condition with that of their venerated ancestors.—They behold themselves excluded from their fathers' houses, now in the hand of those who were once their father's overseers, or sinking into decay; their imaginations paint ancient renown, the fading honors of their name, glories gone by; too poor to live, too proud to work, too high minded and honorable to resort to ignoble means of acquisition, brave, daring, chivalrous, what can be the cause of their present unhappy state?—The "accursed" tariff presents itself to their excited imaginations, and they blindly rush into the ranks of those who, unfurling the banner of nullification, would place a state upon its sovereignty.

The danger to our Union does not lie on the side of persistance in the American System but on that of its abandonment. If, as I have supposed and believe, the Inhabitants of all North and East of James river, and all West of the mountains, including Louisiana, are deeply interested in the preservation of that System, would they be reconciled to its overthrow? Can it be expected that two-thirds, if not three-fourths, of the people of the United States would consent to the destruction of a policy, believed to be indispensably necessary to prosperity?—When, too, this sacrifice is made, at the instance of a single interest, which they verily believe will not be promoted by it? In estimating the degree of peril which may be incident to two opposite courses of human policy, the statesman would be short-sighted who should content himself with viewing only the evils, real or imaginary, which belong to that course which is in practical operation. He should lift himself up to the contemplation of those greater and more certain dangers which might inevitably attend the adoption of the alternative course. What would be the condition of this Union, if Pennsylvania and New York, those mammoth members of our confederacy, were firmly persuaded that their industry was paralysed, and their prosperity blighted, by the enforcement of the British Colonial System, under the delusive name of free trade? They are now tranquil, and happy, and contented, conscious of their welfare, and feeling a salutary and rapid circulation of the products of home manufactures and home industry throughout all their great arteries. But let that be checked, let them feel that a foreign system is to predominate, and the sources of their subsistence and comfort dried up; let New England and the West, and the Middle States, all feel that they too are the victims of a mistaken policy, and let these vast portions of our country despair of any favorable change, and then, indeed, might we tremble for the continuance and safety of this Union!

And need I remind you, sir, that this dereliction of the duty of protecting our domestic industry, and abandonment of it to the fate of foreign legislation, would be directly at war with leading considerations which prompted the adoption of the present constitution?—The States, respectively, surrendered to the General Government the whole power of laying imposts on foreign goods. They stripped themselves of all power to protect their own manufactures, by the most efficacious means of encouragement—the imposition of duties on rival foreign fabrics. Did they create that great trust? Did they voluntarily subject themselves to this self restriction, that the power should remain in the Federal Government, inactive, unexecuted, and lifeless? Mr. Madison, at the commencement of the Government, told you otherwise. In discussing, at that early period, this very subject, he declared that a failure to exercise this power would be a "fraud" upon the northern States to which may now be added the Middle and Western States.

[Governor Miller asked to what expression of Mr. Madison's opinion Mr. Clay referred, and Mr. C. replied, his opinion expressed in the House of Representatives, in 1789, as reported in Lloyd's Congressional Debates.]

Gentlemen are greatly deceived as to the hold which this system has in the affections of the People of the United States. They represent that it is the policy of New England, and that she is most benefited by it. If there be any part of this Union which has been most steady, most unanimous, & most determined in its support, it is Pennsylvania. Why is not that powerful State attacked? Why pass her over and aim the blow at New England? New England came reluctantly, into the policy.—In 1824 a majority of her delegation was opposed to it. From the largest State of New England there was but a solitary vote in favor of the bill. That enterprising People can readily accommodate their industry to any policy, provided it be settled. They supposed this was fixed, and they submitted to the decrees of Government. And the progress of public opinion has kept pace with the development of the benefits of the system. Now, all New England, at least in this House, (with the exception of one small, still voice) is in favor of the system. In 1824 all Maryland was against it; now, the majority is for it.—Then Louisiana, with one exception, was opposed to it; now without any exception, she is in favor of it. The march of public sentiment is to the South. Virginia will be the next convert; and, in less than seven years, if there be no obstacles from political causes, or prejudices industriously instilled, the majority of Eastern Virginia will be, as the majority of Western Virginia now is, in favor of the American system. North Carolina will follow later, but not less certainly. Eastern Tennessee is now in favor of the system. And, finally, its doctrines will pervade the whole Union, and the wonder will be, that they ever should have been opposed.

I have now to proceed to notice some objections which have been urged against the resolution under consideration. With respect to the amendment, which the gentleman from South Carolina had offered, as he has intimated his purpose to modify it, I shall forbear, for the present, to comment upon it.—It is contended that the resolution proposes the repeal of duties on luxuries, leaving those on necessaries to remain, and that it will, therefore, relieve the rich, without lessening the burthens of the poor.—And the gentleman from South Carolina has carefully selected, for ludicrous effect, a number of the unprotected articles, cosmetics, perfumes, oranges, &c. I must say, that this exhibition of the gentleman is not in keeping with the candor which he has generally displayed; that he knows very well that the duties upon these articles are trifling, and that it is of little consequence whether they are repealed or retained. Both systems, the American and the foreign, comprehend some articles which may be deemed luxuries. The Senate knows that the unprotected articles which yield the pricipal part of the revenue, with which this measure would dispense, are coffee, tea, spices, wines, and silks. Of all these articles, wines, and silks alone can be pronounced to be luxuries; and, as to wines, we have already ratified a treaty, not yet promulgated, by which the duties on them are to be considerably reduced. If the universality of the use of objects of consumption determines their classification, coffee, tea, and spices, in the present condition of civilized society, may be considered necessaries. Even if they were luxuries, why should not the poor, by cheapening their prices, if that can be effected, be allowed to use them? Why should not a poor man be allowed to tie a silk handkerchief on his neck, occasionally regale himself with a glass of cheap French wine, or present his wife or a daughter with a silk gown, to be worn on Sabbath or gala days? I am quite sure that I do not misconstrue the feelings of the gentleman's heart, in supposing that he would be happy to see the poor, as well as the rich, moderately indulging themselves in these innocent gratifications. For one, I am delighted to see the condition of the poor attracting the consideration of the opponents of the tariff.—It is for the great body of the people, and especially for the poor, that I have ever supported the American System. It affords them profitable employment, and supplies the means of comfortable subsistence. It *secures* to them certainly, necessaries of life, manufactured at home, and places within their reach, and enables them to acquire, a reasonable share of foreign luxuries; whilst the system of gentlemen *promises* them necessaries made in foreign countries, and which are beyond their power and *denies* to them luxuries, which they would posess no means to purchase.

The constant complaint of South Carolina against the tariff, is, that it checks importations, and disables foreign powers from purchasing the agricultural productions of the United States. The effect of the resolution will be to increase importations, not so much, it is true, from Great Britain, as from other powers, but not the less acceptable on that account. It is a misfortune that so large a portion of our foreign commerce concentrates in one nation; it subjects us too much to the legislation and the policy of that nation and exposes us to the influence of her numerous agents, factors and merchants. And it is not among the smallest recommendations of the measure before the Senate, that its tendency will be to expand our commerce with France, our great revolutionary ally—the land of our Lafayette. There is much greater probability, also, of an enlargement of the present demand for cotton in France, than in Great Britain. France engaged later in the manufacture of cotton, and has made, therefore, less progress. She has, moreover, no colonies producing the article in abundance, whose industry she might be tempted to encourage.

The honourable gentleman from Maryland, (Gen. Smith) by his reply to a speech which, on the opening of the subject of this resolution, I had occasion to make, has rendered it necessary that I should take some notice of his observations. The honorable gentleman stated that he had been accused of partiality to the manufacturing interest. Never was there a more groundless and malicious charge preferred against a calumniated man. Since this question has been agitated in the public councils, although I have heard from him professions of attachment to this branch of industry, I have never known any member a more uniform, determined and uncompromising opponent of them, than the honourable senator has invariably been. And if, hereafter, the calumny should be repeated, of his friendship to the American System, I shall be ready to furnish to him, in the most solemn manner, my testimony to his innocence. The honourable gentleman supposed that I had advanced the idea that the *permanent* revenue of this country should be fixed at eighteen millions of dollars. Certainly I had no intention to announce such an opinion, nor do my expressions, fairly interpreted, imply it. I stated, on the occasion referred to, that, estimating the ordinary revenue of the country at twenty-five millions, and the amount of the duties on the unprotected articles proposed to be repealed by the resolution, at seven millions, the latter sum taken from the former would leave eighteen. But I did not intimate any belief that the revenue of the country ought, for the future, to be permanently fixed at that or any other precise sum. I stated that, after having effected so great a reduction, we might pause, cautiously survey the whole ground, and deliberately determine upon other measures of reduction, some of which I indicated. And I now say, preserve the protective system in full vigor; give us the proceeds of the public domain for internal improvements, or, if you please, partly for that object and partly for the removal of the free blacks, with their own consent, from the United States; and, for one, I have no objection to the reduction of the public revenue to fifteen, to thirteen, or even to nine millions of dollars.

In regard to the scheme of the Secretary of the Treasury for paying off the whole of the remaining public debt, by the 4th day of March, 1833, including the three per cent., and for that purpose, selling the bank stock, I had remarked that with the exception of the three per cent., there was not more than about $4,000,000 of the debt due and payable within this year; that to meet this, the Secretary had stated, in his annual report, that the Treasury would have, from the receipts of this year, fourteen millions of dollars, applicable to the principal of the debt; that I did not perceive any urgency for paying off the three per cent. by the precise day suggested; and that there was no necessity, according to the plans of the Treasury, assuming them to be expedient and proper, to postpone the repeal of the duties on unprotected articles. The gentleman from Maryland imputed to me ignorance of the act of the 24th April, 1830, according to which, in his opinion, the Secretary was obliged to purchase the three per cent. On what ground the Senator supposed I was ignorant of that act, he has not stated. Although, when it passed, I was at Ashland, I assure him that I was not there altogether uninformed of what was passing in the world. I regularly received the Register of my excellent friend (Mr. Niles) published in Baltimore, the National Intelligencer, and other papers. There are two errors to which gentlemen are sometimes liable, one is to magnify the amount of knowledge which they possess themselves, and the second is to depreciate that which others have acquired. And will the gentleman from Maryland excuse me for thinking that no man is more prone to commit both errors than himself? I will not say that he is ignorant of the true meaning of the act of 1830, but I certainly place a different construction upon it from what he does.

It does not oblige the Secretary of the Treasury, or rather the Commissioners of the Sinking Fund, to apply the surplus of any year to the purchase of the 3 per cent. stock particularly, but leaves them at liberty "to apply such surplus to the purchase of any portion of the public debt, at such rates as, in their opinion, may be advantageous to the United States." This vests a discretionary authority, to be exercised under official responsibility.—And if any Secretary of the Treasury, when he had the option of purchasing a portion of the debt, bearing a higher rate of interest, at par or about par, were to execute the act by purchasing the three per cents, at its present price, he would merit impeachment. Undoubtedly a state of fact may exist, such as there being no public debt remaining to be paid but the three per cent. stock, with a surplus in the Treasury, idle and unproductive, in which it might be expedient to apply that surplus to the reimbursement of the three per cents. But whilst the interest of the money is at a greater rate than three per cent. it would not, I think, be wise to produce an accumulation of public treasure for such a purpose.—The postponement of any reduction of the amount of the revenue, at this session, must however give rise to that *very* accumulation; and it is, therefore, that I cannot perceive the utility of the postponement.

We are told by the Gentleman from Maryland, that offers have been made to the Secretary of the Treasury to exchange three per cents. at their market price of 96 per cent. for the Bank stock of the Government at its market price, which is about 126; and he thinks it would be wise to accept them. If the character of the bank is renewed, that stock will be probably worth much more than its present price, if not renewed, much less. Would it be fair in Government whilst the question is pending and undecided, to make such an exchange? The difference in value between a stock bearing three per cent. and one bearing seven per cent., must be really much greater than the difference between 96 and 126 per cent. Supposing them to be perpetual annuities, the one would be worth more than twice the value of the other. But my objection to the Treasury plan is, that it is not necessary to execute it—*to continue these duties* as the Secretary proposes. The Secretary has a debt of twenty-four millions to pay; he has, from the accruing receipts of this year, fourteen millions, and we are now told by the Senator from Maryland, that this sum of fourteen millions is exclusive of any of the duties accruing this year. He proposes to raise eight millions by the sale of the bank stock, and to anticipate, from the revenues receivable next year, two millions more.—These three items, then, of fourteen millions, eight millions, and two millions, make up the sum required, of twenty four millions, without the aid of the duties to which the resolution relates.

The gentleman from Maryland insists that the General Government has been liberal towards the West in its appropriations of public lands for internal improvements; and, as to fortifications, he contends that the expenditures near the mouth of the Mississippi, are for its especial benefit. The appropriations of land to the States of Ohio, Indiana, Illinois, and Alabama, have been liberal; but it is not to be overlooked, that the General Government is itself the greatest proprietor of land, and that a tendency of the improvements, which these appropriations were to effect, is to increase the value of the unsold public domain. The erection of the fortifications for the defence of Louisiana was highly proper; but the gentleman might as well place to the account of the West, the disbursements for the fortification intended to defend Baltimore, Philadelphia, and New York, to all which Capitals Western produce is sent, and, in the security of all of which, the Western People feel a lively interest. They do not object to expenditures for the army, for the navy, for fortifications, or for any other defensive or commercial object on the Atlantic, but they do think that their condition ought also to receive friendly attention from the General Government. With respect to the State of Kentucky, not one cent of money, or one acre of land, has been applied to any object of internal improvement within her limits. The subscription to the stock of the canal at Louisville was for an object in which many States were interested. The Senator from Maryland complains that he has been unable to obtain any aid for the rail road which the enterprise of Baltimore has projected, and in part executed. That was a great work, the conception of which was bold and highly honorable, and it deserves national encouragement. But how has the Committee of Roads and Canals, at this session been constituted? The Senator from Maryland possessed a brief authority to organize it, and, if I am not misinformed, a majority of the members composing it, appointed by him, are opposed both to the constitutionality of the power and the expediency of exercising it.

And now, sir, I would address a few words to the friends of the American System in the Senate. The revenue *must, ought* to be reduced. The country will not, after, by the payment of the public debt ten or twelve millions of dollars become unnecessary, bear such an annual surplus. Its distribution would form a subject of perpetual contention.—Some of the opponents of the System understand the stratagem by which to attack it, and are shaping their course accordingly. It is to crush the System by the accumulation of revenue and by the effort to persuade the people that they are unnecessarily *taxed,* whilst those would really *tax* them who would break up the *native* sources of supply and render them

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*Mr Clay stated that he assumed the quantity which was generally computed, but he believed it much greater, and subsequent information justifies his belief. It appears from the report of the Cotton Committee, appointed by the New York Convention, that *partial* returns show a consumption of upwards of 250,000 bales; that the cotton manufacture employs near 40,000 females, and about 5,000 children; that the total dependents on it are 131,489; that the annual wages paid are $12,155,723; the annual value of its products, $32,036 76; the capital, $44,914,984; the number of mills, 795; of spindles, 1,246,503; and of cloth made, 260,461,990 yards. This statement does not comprehend the western manufactures.

*As to Shirley, Mr. Clay acknowledges his mistake, made in the warmth of debate.—It is yet the abode of the respectable and hospitable descendants of its former opulent proprietor.