
Thaddeus Stevens, 1852

'Free trade' is for barbarian tribes

Congressman from Pennsylvania Thaddeus Stevens, who during the Civil War and the period of "reconstruction" afterward was chairman of the House Ways and Means Committee and Republican majority leader, was a staunch supporter of the economic outlook of Henry Clay's "American System." He was a central figure in 1861 in the re-establishment of those American System policies, ensuring that the war could be successfully prosecuted, and with it allowing for the most massive economic expansion in this nation's history. He was, as well, the central figure in the effort to ensure that those policies would be continued after the war, and that the institutions of the South shaped by British free trade would be eliminated from American soil. This speech, in opposition to free trade, given in the tariff debates of 1852, makes clear the outlook that the "American System" core of the Republican Party had toward such questions.

The gentleman from Massachusetts [Mr. Rantoul] supports these grants to railroad companies on the principles of free trade. It is not my intention to discuss at much length the doctrine of free trade. That has been so amply done of late, both orally and in writing, as to become tedious.

But although the theory has been much discussed, it has never been reduced to practice, except among barbarian tribes. I think gentlemen cannot point to a single highly-civilized commercial and manufacturing nation capable of producing the raw material, that has ever adopted it. Every highly-cultivated nation has made the protection of domestic industry the special care of Government. It has been found by the experience of more than twenty centuries that the protection of domestic manufactures by prohibitions, discriminating duties, and commercial regulations, has been, and is, the true, natural, and wise policy of nations, or all history is a lie. It is a mistake to suppose that the elevation of one national interest is the depression of others, as is more than insinuated by the Baltimore platform [platform of the Democratic Party—ed.], which is intended, not only for all kinds of men, but for every fowl of the air, fish of the sea, four-footed beasts, and especially for every creeping thing to stand upon. All classes of national industry, like the arts

and sciences, are bound together by one common band. All flourish or languish together.

Manufactures come first

Manufactures, in every age, have been the especial handmaid of agriculture and commerce. Select from history any example that you please—take Tyre, which was perhaps as highly commercial as any nation of her time. She was also the furthest advanced in manufactures. Many of her fabrics have scarcely ever been excelled. Her dyes have passed into proverb. She transplanted her policy with her colony to Carthage, which soon became a powerful—the most powerful maritime nation of her time. The same cause has produced the same effect wherever it has existed in ancient or modern times—at Syracuse, at Genoa, and Venice. But the most powerful example of the influence of manufactures on the commerce and wealth of nations, is to be found in the case of Holland.

Up to the end of the reign of Charles I Holland was the workshop of Europe. Her ingenious and industrious mechanics and manufacturers produced not only enough for their own country, but large surpluses to export to other nations. That surplus furnished employment for a large number of her own vessels, which took her fabrics to other countries, and brought back rich cargoes, not merely for her own consumption, but for the supply of neighboring markets. While other nations were trafficking in the bulky raw materials of little value, she was dealing in the same material, increased a hundred fold in value by the industry and skill of her people. Thus she commanded the market of every country, and not only enriched her mechanics and manufacturers, but her traders and shippers became merchant princes. She had more wealth than any other nation, and her commercial marine exceeded in number the ships of all the other nations of Europe together. Her war vessels also exceeded that of any other nation. All this wealth, all this commerce, all this power, was produced by a country of small circumference and with little agricultural advantages. It was done by manufactures alone. How did she lose this superiority, and what country has gained it, and by what means?

Whatever else may be said of the English Puritans, it is certain that the Commonwealth under Cromwell produced some of the ablest statesmen of the world.

England, at that time, was a poor nation, with but few manufacturing establishments. Her wise men saw that her insular position, and her small territory, rendered it impossible for her to become rich and powerful except through commerce and manufactures. . . .

England has acquired all this power, wealth, and grandeur through her protective policy alone. And now she preaches "free trade" to others—to young nations! And there are found shallow dupes who swallow the bait!

It is often objected to a protective tariff, that it is for the benefit of the rich capitalists. This argument, I know, is never

used by statesmen, or writers on political economy; but often by demagogues, who fancy themselves statesmen.

Now, sir, it is easy to show that protection against foreign competition is mainly for the benefit of the laborer. True, it helps the capitalist; for it is impossible to benefit labor without aiding capital, and it is impossible to benefit capital without aiding labor.

I have said that protection would principally benefit labor. The chief value of most manufactured articles consists in labor. Take iron for an example. The cost of a ton of pig-metal in the most favorable locations in this country, is about \$20. The capital invested consists of the real estate—the furnace and land for fuel and ore. Of the \$20 cost, the labor in producing the ore, coal, and smelting, amounts to about \$18 per ton. Not more than \$2 is capital. Any protection given to iron is given to the laborer in the proportion of \$9 to \$1 to capital.

The whole of the labor, to be sure, is not done by the collier, the miner, and the furnace hands—a part of it is the labor of the farmer, the miller, and the butcher, who supply the grain, beef, and other provisions. Still, the protection is mainly to the laborious industry of the country. So it is with fabrics of cotton and wool. The value of the raw material is increased by the labor of the operatives from 4 to 20 times. And a great part of the value of the raw material is the effect of labor, not capital. Whoever, therefore, sustains the protection of domestic industry, sustains the labor of the people; whoever opposes it, votes for their oppression and poverty.

I have said that every branch of national industry is dependent on every other, and partakes of its prosperity or depression. But, perhaps no class is so largely benefited by protection as the farmers, as none contributes so largely to the power and independence of nations. If it were necessary that either commerce or agriculture should sacrifice something to the other, let it be commerce. It is possible to push foreign trade too far. Cicero, in his treatise on the Republic, says that the reason of the great weakness of Carthage, was that she gave too much attention to her shipping, and neglected agriculture. The wealth of the farmer arises from his surplus products. And their value depends upon a ready, a handy, and a constant market. The nearer to his farm you bring that market, the better for him. The farmer who must send his produce from Pennsylvania to England for a market, must deduct from the price the cost of freight. The farmer in Ohio, Indiana, or Illinois, who sends his to the sea-board, and thence to Europe, finds half the price consumed in carriage. If each had as good a market in his own State, he would save all that expense, and double his profits.

How to build the home market

How are you to create that market? In the same way that other nations have done. Build up manufacturing villages, towns, and cities in your own land. Your surplus provisions

now go to a distant market, to feed those who make your cloths, your cottons, and your iron! If those consumers were within ten mile of you, instead of three thousand or four thousand miles, how much more profitable would farming be! Give the home market to your own manufactures, and you would find flourishing cities filled with consumers springing up on your numerous water-falls, from Maine to Missouri.

So it was that England built Manchester, Birmingham, Sheffield, Glasgow, and all her other manufacturing cities. Under this system not only would such establishments exist in the Atlantic States, but they would swarm in the vast world that lies north and west of the Ohio.

The true policy of this country is to build up large manufacturing and commercial cities on the great lakes and the waters that feed the Mississippi. There is perhaps no country in the world of equal extent more fertile than that valley. A few years will fell the forests, and reduce it to cultivation. Where will that vast grain-growing country find a market for its products?

One gentleman [Mr. Rantoul] advises them to build railroads, and send it to New York, Boston, and Philadelphia, instead of consuming it at home; but they should recollect, that when they have got it there, they will find no market. They have simply taken it to the place of embarkation to a European market—a poor and uncertain market. They are taught that the true policy is to raise the raw material, of great bulk and little value, to carry five thousand miles to a precarious market! They are not even to encourage a market for it in Pennsylvania, New York, or Massachusetts.

It seems to me that the interest of the Northwest is, to find their market beyond the Alleghanies; why should not the shores of the great lakes and rivers become the seat of the great manufacturing and commercial towns and cities, as well as the shores of Euxine and the Baltic?

Suppose all the people of the West to be agriculturists, and to bring their produce to the Atlantic cities for a market, what would be the effect on the farmers this side of the Alleghanies—of Virginia, Pennsylvania, Maryland, and New York? The Eastern market would be glutted by Western produce, and the prices so depressed as to destroy the farming interests of the Middle States. Land in Pennsylvania and New York would greatly sink in value, and all stimulants to industry be taken away. Surely this free trade is a lovely system, which not only casts its blight on the manufacturer and laborer, but reduces real estate to half its value!

It is a question of serious import, whether this country will ever become sufficiently manufacturing to produce enough for her own consumption, and furnish for exportation. It is very certain that under the free-trade system she never will. It is just as certain that she may soon become so if she follows the system which gave England her present preeminence. Take iron, and see how England fostered its growth from infancy to its present gigantic stature.