Whether the protective policy shall be finally abandoned, is now the question -

Discussion and experience already had, over question now in greater dispute than ever -

Has there not been some great error in the mode of discussion? -

Propose a single issue of fact, namely -

"From 1816 to the present, have protected articles risen more, of labour, during the higher, than during the lower, duties upon them?"

Introduce the evidence -

Analize this issue, and try to show that it embraces the true and the whole question of the protective policy -

Intended as a test of experience -

The period selected, is fair, because it is a period of peace - a period sufficiently long to furnish a fair average under all other causes operating on prices - a period in which various modifications of higher and lower duties have occurred -

Protected articles, only are embraced - Show that these only belong to the question -

The labour price only is embraced - Show this to be correct -

In the early days of the world, the Almighty said to the first of our race "In the sweat of thy face shalt thou eat bread", and since then, if we except the light and the air of heaven, no good thing has been or can be given to be used by man except by first cost labour. And inasmuch as most good things are produced by labour, it follows that all such things of right belong to those whose labour has produced them. But it has so happened in all ages of the world, that some have laboured, and others have, without labour, appropriated large portions of the fruit. This is wrong, and should not continue. To secure to each labourer the whole product of his labour, or as nearly as possible, is a most worthy object of any good government. But then the question arises, how can a government best effect this? In our own country, in its present condition, will the protective principle advance, or retard this object? Upon this subject, the habits of our whole species fall into three great classes - useful labour, useless labour, and idleness. Of these, the first only is meritorious, and to it all the products of labour rightfully belong; but the two latter, while they exist, are heavy pensioners upon the first, robbing it of a large portion of its just right. The only remedy for this is to, as far as possible, drive useless labour and idleness out of existence. And first as to useless labour. Before making war upon this, we must learn to distinguish it from the useful. It appears to me, then, that all labour done directly and incidentally in carrying articles to the place of consumption, which could have been produced in sufficient abundance with as little labour at the place of consumption as at the place they were carried from is useless labour. Let us take a few examples of the application. Every thing made of iron, in our own country - iron can be produced, in sufficient as little labour, in the United States, as labour done in Birmingham, England, for the same precisely, therefore all useless labour. The same precisely of their fabrics respectively, as well as of all the articles - While the uselessness of the carrying labour of all the articles mentioned, and of many others not so obvious in relation to the articles, is perhaps, more glaring. The raw cotton, from which they are made, is carried by land and by water to Liverpool, England, and there carried back to Lowell, where it grew, and partly by those who spun, wove, dyed, stamped it; and then carried back to the place where it grew, and partly by those who spun, wove, dyed, stamped it. Why should it not be spun, woven, dyed, stamped where it grew, and where it is consumed? Why should it not be spun, woven, dyed, stamped where it grew, and where it is consumed, where it is spun with? Why should not the agents - animal and vegetable - be employed here as there, water power, and steam power - labour answer elsewhere? Will not as small an amount of human labour answer here as elsewhere? We may easily see that the cost of this useless

labour is very heavy. It includes, not only the cost of the actual carriage, but also the insurances of every kind, and the profits of the merchants through whose hands it passes. All these create a heavy burthen, necessarily falling upon the useful labour connected with such articles, either depressing the price to the producer, or enhancing it to the consumer, or, what is more probable, doing both in part. A supposed case will serve to illustrate several points now to the purpose. A in the interior of South Carolina, has one hundred pounds of cotton, which we suppose to be the precise product of one man's labour for twenty days; B in Manchester, England, has one hundred yards of cotton cloth, the precise product of the same amount of labour. This lot of cotton, and lot of cloth are precisely equal to each other in their intrinsic value. But A wishes to part with his cotton for the largest quantity of cloth he can get; B also wishes to part with his cloth for the greatest quantity of cotton he can get. An exchange is therefore necessary; but before this can be effected, the cotton must be carried to Manchester, and the cloth to South Carolina. The cotton starts to Manchester, the man that hauls it to Charleston in his waggon, takes a little of it out to pay him for his trouble; the merchant, who stores it a while before the ship is ready to sail, takes a little out, for his trouble; the ship-owner, who carries it across the water, will take a little out for his trouble, still before it gets to Manchester, it is tolled two or three times more for drayage, storage, commission, and so on; so that when it reaches B's hands there are but seventy five pounds of it left. The cloth, too, in its transit from Manchester to South Carolina goes through the same process of tolling, so that when it reaches A there are but seventy five yards of it. Now, in this case, A and B. have each parted with twenty days labour, and each received but fifteen in return. But now let us suppose that B has removed to the side of A's farm [illegible] and has there made his lot of cloth. [illegible] he and A. can then exchange the [illegible] each getting the whole of what the [illegible]

The [illegible] the other unnecessary of the carrying labour on all sides [illegible] the direct burthen it imposes of useful labour. A [illegible] will take up the train of reflection suggested by this case, [illegible] to the full extent of its just application, will [illegible] the amount of useless labour all this discovers to be [illegible] this very way. I am mistaken, if it is not in fact many [illegible] to ask the real want in the useless ~~[illegible]~~ [illegible] This useless labour I would have [illegible] engaged in it, access to the class of useful labour [illegible] I would destroy all commercial law-giving. Certainly [illegible] where it is necessary, and discourage it, where [illegible] I would cultivate commerce so far as it is employed [illegible] I would discourage it so far as it is employed [illegible]

First, then, as to useless labour — But what is useless labour? I suppose, then, that all labour done directly and incidentally in carrying articles from the place of their production to a distant place for consumption, which articles could be produced of as good quality, and sufficient quantity, with as little labour at the place of consumption, as at the place carried from, is useless labour — Applying this principle to our own country, by an example, let us suppose that A and B are a Pennsylvania farmer, and a Pennsylvania iron-maker, whose farms are adjoining — Under the protective policy A is furnishing B with bread and meat, and vegetables and fruits, and food for horses and oxen, and fresh supplies of horses and oxen themselves occasionally, and receiving, in exchange, all the iron, iron utensils, tools and implements he needs. In this process of exchange, each receives the whole of what the other parts with. But the change comes — The protective policy is abandoned (how, and under what expectation, I will hereafter try to show) and A determines, ~~to~~ for the future, to buy his supply of iron and iron fabrics of C an iron-maker in England — This he can only do by a direct or an indirect exchange of the products of his farm for them — The direct exchange is supposed to be adopted — In a certain instance of this sort, A desires to exchange ten barrels of flour, the precise product of one hundred days labour, for the greatest quantity of iron he can get; C, also wishes, to exchange the precise product of one hundred days labour, in iron for the greatest quantity of flour he can get — But before the exchange can take place, the flour must be carried from Pennsa to England, and the iron from England to Pennsylvania. The flour starts — The waggoner who hauls it to Philadelphia, takes a part of it to pay him for his labour, then a merchant there, takes a little more for storage and forwarding commission, and another takes a little more for insurance, and then the shipper carries it across the water, and takes a little more of it for his trouble; and before it reaches C it is tolled two or three times more for storage, drayage, commission and so on; so that when C gets it there is but seven barrels and a half of it left — The iron, too, in its transit

from England to Pensylvania, goes through the same process of telling; so that when it reaches A, there are but three quarts of it left. Now, this carrying below was generally useless in this, that it diminished the quantity, while it added nothing to the quality of the ale carried; and it was useless to A, because, by contracting to buy of B, it needed not to be con-

~~make the trade~~ as, to useless labour. — Before proceeding
however, it may be as well to give a specimen of what I can use
to be useless labour. I say, then, that all carrying, (incidents of the carrying)
from the place of their production, to a distant place for consumption,
which articles could be produced of as good quality, in sufficient
quantity and with as little labour, at the place of consumption as
at the place carried from, is useless labour. Applying this prin-
ciple to our own country by an example, let us suppose that
A and B, are a Pennsylvania farmer, and a Pennsylvania iron-
maker, whose lands are adjoining. Under the protective policy
A is furnishing B with bread and meat, and vegetables, and fruit,
and food for horses and oxen, and fresh supplies of horses and oxen
themselves occasionally, and receiving, in exchange, all the iron,
iron utensils, tools, and implements he needs. In this process of
exchange, each receives the whole of that which the other parts
with — and the reward of labour between them is perfect; each
receiving the produce of just so much labour, as he has himself
bestowed on what he parts with for it. But the change
comes. The protective policy is abandoned, and A determines
to buy his iron and iron manufactures, of Europe. This he can
only do by a direct or an indirect exchange of the produce of
his farm for them. We will suppose the direct exchange is
adopted. In this A desires to exchange ten barrels of flour
the precise product of one hundred days labour, for the largest
quantity of iron he that he can get; B, also wishes to exchange
the precise product, in iron, of one hundred days labour, for the
greatest quantity of flour he can get. (In intrinsic sense the things to be so exchanged are precisely equal.) But before this
exchange can take place, the flour must be carried from
Pennsylvania to England, and the iron from England to
Pennsylvania. The flour starts; the waggoner who takes it to Philadelphia
takes a part of it to pay him for his labour; then a merchant takes it
a little more for storage and forwarding; and another takes
a little more for insurance; and then the ship-owner carries it across the
water, and takes a little more of it for his trouble; still before it reaches
B it is rolled two or three times more for storage, drayage, commission and
so on, so that when B gets it there are but few barrels of it left.
The iron too, in its transit from England to Pennsylvania goes through the same process
rolling, so that when it reaches A there is but ~~very~~ few pounds of it left.

The result of this case is, that A and B have each paid with one hundred days labour, and each received but seventy five in return. That the carriage in this case, was introduced by A ceasing to buy of B and turning to B; that it was wholly useless, and that it is numerous in its effects, upon A are all little less than self evident. "But" asks one "if A is now only getting three quarters as much now from B for the same labor as he used to get of B, why does he not turn back to B?" The answer is B has quit making now, and so has none to sell. "But why did B quit making?" Because A quit buying of him, and he had no other customer to sell to. "But surely A, did not cease buying of B, with the expectation of buying of B on harder terms?" Certainly not. Let me tell you how that was. When B was making now as well as to, B had but one customer, this farmer A. He had four customers in Europe.

It seems to be an opinion very generally entertained, that the condition of a nation ~~as an individual~~, is best, when ~~they~~ it can buy cheapest; but this is not necessarily true; because if, at the same time, and by the same cause, it is compelled to sell correspondingly cheap, nothing is gained — Then, it is said, the best condition is, when we can buy cheapest, and sell dearest; but this again, is not necessarily true; because, with both these, we might have scarcely any thing to sell — or, which is the same thing, to buy with — To illustrate this, suppose a man in the present state of things is labouring the year round, at ten dollars per month, which amounts in the year to $120. a change in affairs enables him to buy supplies at half the former price, to get fifty dollars per month for his labour; but at the same time deprives him of employment during all the months of the year but one — In this case, though goods have fallen one half, and labour risen ~~some~~ five to one, it is still plain, that at the end of the year, the labourer ~~will be~~ is twenty dollars poorer, than under the old state of things.

These reflections show, that to reason and act correctly on this subject, we must look not merely to buying cheap, nor yet to buying cheap and selling dear, but also to having constant employment, so that we may have the largest possible amount of something to sell — This matter of employment can only be secured by an ample, steady, and certain market, to sell the products of labour in —

But let us yield the point, and admit that, by abandoning the protective policy, our farmers can purchase their supplies of manufactured articles cheaper than by continuing it; and then let us see whether, even at that, they will, upon the whole, be gainers by the change. To simplify the question, let us suppose the whole agricultural interest of the country to be in the hands of one man, who has one hundred laborers in his employ, the whole manufacturing interest to be in the hands of another man, who has twenty laborers in his employ. The former owns all the plough and pasture land, and the manufacturer owns all the iron-mines, and coal-banks, and sites of water power. Each is pushing on in his own way, and obtaining supplies from the other so far as he needs. That is, the manufacturer is buying of the farmer all the cotton he can use in his cotton factory, all the wool he can use in his woollen establishment, all the beef and meat, as well as all the fruits and vegetables which are necessary for himself and all his hands in all his departments; all the corn and oats, and hay, which are necessary for all his horses and oxen, as well as fresh supplies of horses and oxen themselves, to do all his heavy hauling about his works, and generally of every sort. The farmer, in turn, is buying of the manufacturer all the iron, iron tools, wooden tools, cotton goods, woolen goods &c &c. that he needs for himself, his business and for his hands. But after all the farmer finds that, were it not for the protective policy, he could buy all these supplies cheaper from a European manufacturer, owing to the fact that the price of labor in Europe quarter is high than as here. He and his hands are a majority of the whole, and therefore have the legal as well as moral right to have their interests first considered. They throw off the protective policy, and farmer ceases buying of home manufacturer. Very soon, however, he discovers that to buy, even at the cheaper rate, requires something to buy with, and some how or other, he is falling short in this particular.

But let us yield the point, and admit that, by abandoning to protective policy, our farmers can purchase their supplies of manufactured articles cheaper than before; and then let us see a little, even at that, the farmers will, upon the whole, be gainers by the change. To simplify this question, let us suppose our whole population to consist of but twenty men — Under the prevalence of the protective policy, fifteen of these are farmers, one is a miller, one manufactures iron, one, implements from iron, one cotton goods, and one woolen goods — The farmers discover, that, owing to labour only costing one quarter as much in Europe as here, they can buy iron, iron implements, cotton goods & woolen goods cheaper when brought from Europe, than when made by their neighbours — They are the majority, and therefore have both the legal and moral rights to have their interest first consulted — They throw off the protective policy, and cease buying these articles of their neighbours — But they now discover that to buy, even at the cheaper rate, requires something to buy with. Falling short in this particular, one of these farmers, it takes a load of wheat to the miller, and pays it made into flour, and starts, as had been his custom, to the iron furnace; he approaches the well known spot, but strange to say, all is cold and still as death — No smoke rises, no furnace roars, no anvil rings — After some search he finds the owner of the desolate place, and calls out to him, "Come Vulcan, dont you want to buy a load of flour?" — "Why" says Vulcan "I am hungry enough, to be sure — have'nt eaten bread for a week — but then you see my works are stopped, and I have nothing to give for your flour — But, Vulcan, why dont you go to work and get some? I am ready to do so; will you hire me, farmer? Oh! I could only set you to raising wheat, and you [illegible] of that already than I can get any thing [illegible] But [illegible] me employment, and send your flour to Europe [illegible] market — Why, Vulcan, how silly you talk — Dont you know [illegible] raise wheat in Europe as well as here, and that [illegible] is so cheap there as to fix the price of flour there as low as ~~scarcely~~ scarcely to pay the long carriage of it [illegible] leaving nothing whatever to me — But, farmer, could'nt you [illegible] to raise and prepare garden stuffs, and fruits, such as [illegible] cabbages, inch and sweet potatoes, cucumbers, [illegible] and water-melons, plumbs, pears, peaches, apples, [illegible] the like; all these are good things and used to sell well — So they did use to sell well, but it was to you we sold them, and now

you tell us you have nothing to buy with. Of course I can not sell such things to the other farmers, because each of them raises enough for himself, and, in fact, rather wishes to sell them to buy. Neither can I send them to Europe for a market; because, to say nothing of European markets being stocked with such articles at lower prices than I can afford, they are of such a nature as to rot before they could reach them. The truth is, Vulcan, I am compelled to quit raising these things altogether, except a few for my own use, and this leaves part of my own time idle on my hands, instead of my finding employment for you.

I suppose the true effect of duties upon prices to be as follows: If a certain duty be levied upon an article which, by nature can not be produced in this country, as three cents a pound upon coffee, the effect will be, that the consumer will pay one cent more per pound than before, the producer will take one cent less, and the merchant one cent less in profits — in other words, the burthen of the duty will distributed over consumption, production, and commerce and not confined to either —

But if a duty amounting to fully protection be levied upon an article which can be produced here with as little labour, as elsewhere, as now, that article will ultimately, and at no distant day, in consequence of such duty, be sold to our people cheaper than before, at least by the amount of the cost of carrying it from abroad.

If at any time all labour should cease, and all existing provisions be equally divided among the people, at the end of a single year there could scarcely be one human being left alive — all would have perished by want of subsistence —

So again, if upon such division, all that sort of labour, which produces provisions, should cease, and each individual should take up so much of his share as he could, and carry it continually around his habitation, although in this carrying, the amount of labour going on might be as great as ever, so long as it could last, at the end of the year the result would be precisely the same — that is, none would be left living —

The first of these propositions, shews, that universal idleness would speedily result in universal ruin; and the second shews, that useless labour is, in this respect, the same as idleness —

I submit, then, whether it does not follow, that partial idleness, and partial useless labour, would, in the proportion of their extent, in like manner result, in partial ruin — whether, if all should subsist upon the labour that one half should perform, it would not result in very scanty allowance to the whole —

Believing that these propositions, and the I draw from them can not be successfully controverted, I, for the present, assume their correctness, and proceed to try to shew that the abandonment of the protective policy by the American Government, must result in the increase of both useless labour, and idleness; and so, in proportion, must produce want and ruin among our people —

(The foregoing scrap was written by Lincoln, between [illegible] to Congress in 1846. and later [illegible] in Dec. 1847)