

MEMORIAL

OF

SUNDRY INHABITANTS OF SALEM, MASSACHUSETTS,

Praying that duty on imported molasses may be reduced to five cents per gallon, and that a drawback to the same amount may be allowed on the exportation of spirits distilled therefrom.

MARCH 15, 1830.

Read, ordered to lie on the table, and be printed.

To the Senate of the United States:

The memorial of the subscribers, resident in the town of Salem, in the State of Massachusetts,

RESPECTFULLY REPRESENTS:

That they are severally, but variously, interested in the importation and distillation of molasses, and in the sale and exportation of New England rum. From the year 1791, when Congress, with a view, as is declared in the act, "to encourage the export trade of the United States," adopted the principle of granting a drawback on rum equal to the duty on molasses, the number of distilleries has been greatly augmented, and there has been a corresponding increase in the importation of molasses, and in the shipment of rum to foreign ports. Reliance upon the good faith of the Government, and the conviction that a wise protection of domestic industry, and a just regard to the importance of foreign commerce, are alike concerned in the continuance of a policy so deliberately commenced, have, until recently, been regarded by your memorialists as sufficient grounds for assurance, that the national Legislature would neither blindly nor precipitately be impelled to an untimely desertion of their interests. The tariff of 1828, by increasing the duty on molasses, and abolishing the drawback on rum, has, suddenly and without pre-monition, inflicted a double blow upon these interests, and has placed them in a situation in which they consider that they may urge the strongest claims for a relief from injurious exactions, and a prompt remedy of improvident legislation.

Your memorialists, in representing their case to the attention of Congress, have no disposition to discuss the vexed question of political economy, which involves the policy of gradually prohibiting the importation of European manufactures, for the purpose of multiplying the modes of employment of native industry, and of providing sources for the supply of our necessary wants in peace and in war, which shall be independent of our intercourse

with those nations, who, in peace, by their restrictions, withhold from us the opportunity of a mutually advantageous commerce, and, in war, can have no other objects but to contribute to, and to take advantage of, our distresses.

The importation of molasses, which is now shipped, almost exclusively, from the West India Islands, seems to involve, simply, the consideration of the value of our trade with those islands, in respect alike to exports and imports; and an inquiry, whether the growth of the sugar cane in Louisiana and the neighboring States has been retarded by the want of suitable encouragement, in any shape, on the part of Government. With respect to the latter point, it will be sufficient to defer investigation and argument until it shall be seriously contended for, and until there shall be a reflux of the mighty tide of enterprise and prosperity that is now bearing upon the bosom of the Mississippi, fleets, increasing annually in number and tonnage, and freighted with the rich products of that luxuriant region, which, during the last year, have transported, coastwise, to all sections of the country, quantities of sugar and molasses, exceeding, in an unprecedented ratio, all former crops. The well known facts of the extended culture of the cane, of the great profits which have been realized by the planters from this source, and of the corresponding appreciation of land and of slaves, prove clearly, that nothing further can reasonably be required from Government in aid of this important branch of Southern agriculture.

The trade with the West India Islands has hitherto been a source of profitable employment of labor and capital to *all* the Atlantic States, whether lying North or South of a specified meridian of latitude, North Carolina and Maine, Virginia and Massachusetts, Maryland and Connecticut; in short, the whole of New England, and the whole of the Middle and Southern States have a common interest in a traffic, in which the productions of their various soils and climates are equally demanded for export, which affords profitable employment, directly or indirectly, to the various classes of their respective citizens, and which in fact originated, in respect to all of them, in the combined influence of common enterprise, common necessities, and common benefits. Your memorialists beg leave to urge, most earnestly, that there can be no greater mistake than to suppose that any portion of the maritime States in this Union can escape unharmed from the operation of a system which is adapted, if not designed, to oppress and crush the navigating interests of all the rest; and, further, that it must be an equally pernicious mistake to suppose that agriculture can flourish upon the ruins of commerce; especially, that the agricultural community throughout the country has not a direct and deep interest in a trade which creates and supports an export demand for the productions of agriculture, and which yields in return those very articles which are included amongst the few necessary wants of agriculturists.

In the Eastern States, it is admitted, the value of the West India trade is particularly regarded from its connexion with the fisheries. Large quantities of various descriptions of fish have been hitherto exported in this direction, and have found a ready sale so long as they could be bartered for West India produce, a very large proportion of the proceeds having always been invested in molasses. By checking the importation of molasses, therefore, the exportation of fish must be proportionally diminished; and so far as the scanty resources of the fishermen are curtailed, by an act of Government, it must be an instance of galling injustice to a class of citizens, equally

distinguished for unflinching gallantry in war, and for hardy industry in peace, which has always been considered as a nursery for the navy, and as, in fact, constituting the sinews of this arm of national defence. Let the repeal of the bounty on pickled fish (which is in the nature of a drawback) be added to the measures herein complained of, and the situation of the fishermen will be reduced to a level with that of the distillers, exhibiting alike the fatal error of those who repose an unwary confidence in the fluctuating legislation of even a deliberative Government.

The statistical returns to the Treasury Department show, with sufficient accuracy, the value of the West India trade, in all those respects in which it claims the attention of the enlightened protectors of the national weal. By an examination of these returns it will be found, that this trade commenced almost with the settlement of the country; that almost every port on the sea coast has had a share of its advantages; that it has furnished a market for the products, and has supplied the wants, of agriculture; that it has afforded constant employment to numerous classes of mechanics and manufacturers; that it has contributed to the success of the fisheries; that it has augmented the tonnage of various descriptions of shipping; and, generally, that it has had the effect to foster the divers interests of citizens of all occupations, and throughout all the States.

Without enlarging further upon the advantages of the West India trade, as it has been hitherto conducted, and the manifest impolicy of increasing the duty on molasses, your memorialists proceed to declare their inability to comprehend upon what maxim of sound policy the last Congress should have been further led into the equally pernicious innovation of abolishing the drawback before allowed on the exportation of New England rum. The policy of allowing a return of duties on articles manufactured at home, from foreign materials, when the same shall be exported, was incorporated into our revenue laws at a very early period, as has been already stated. It must be sufficiently obvious, that articles first imported from abroad, and then exported, should not be subjected to an impost duty, designed solely to be levied upon goods consumed in the country, whether such articles shall be shipped abroad in the original state and packages in which they were imported, or whether their form, quality, and condition, shall have been changed by the process of distillation, as in respect to rum; of refining, as in respect to sugar; and of dyeing and printing, as in respect to silk goods. This policy seems also to be entrenched in the very first principles of the popular system, which seeks, by a modification of the revenue laws, to afford facilities and inducements to the application of skill, labor, and capital, to domestic manufactures, and to render the commerce and navigation of the country in a greater degree tributary to the new interests which are thus to be created. For a long time to come, however much the cultivation of the cane may be extended, the sugar and molasses of Louisiana will not answer the purposes of our refiners and distillers; for many years both will be required for consumption in the raw state; and, besides, the price, if not the quality, must deter refiners and distillers in the United States, if deprived of the benefit of a drawback, from entering into competition with the importers of the refined and distilled articles from abroad, who, of course, in supplying the export trade, possess an advantage equal to the amount of the duty, which is far more than sufficient to defray all the expenses of importation. Such has already been the effect of the repeal of the drawback on

New England rum. Foreign rum is now imported from the West Indies, and sold here for export, at a lower rate than our distillers can possibly afford to furnish the domestic article; the difference however not being so great but that, if our distillers could be entitled to receive a drawback from Government, corresponding to the duty, the foreign article must be excluded from the market. Besides the effect produced by an increase of duty, the importation of molasses is reduced to the extent of the increased importation of foreign rum; so that the effect which has been produced by the innovation in the tariff law of 1828, now complained of, is to deprive a portion of our own citizens of the profits of the application of their enterprise and capital to a business in which they had acquired skill by experience, and in which they had engaged, under a guaranty of a legislative act, almost coeval with the existence of the Government, to render useless, and therefore valueless, the establishments which they had erected at great expense, and which they were gradually extending; and to transfer the advantages thus lost at home, to subjects of European crowns, who have been virtually encouraged by such a law to engage in the same business abroad. If the employment of our own citizens, upon our own soil, is the favorite object of Government, let those classes not be abandoned to ruin, who receive foreign articles in their raw state, and increase their value by the industry which is here bestowed upon them; and, by furnishing them again for export, contribute to the extension of foreign commerce, in the very mode which the advocates of a protecting system desire to render universal and permanent.

It has been alleged, and perhaps has been assumed by Congress, that improper advantage might be taken of the allowance of drawback now asked for, by attempts to ship, under the name of New England rum, rectified whiskey, and other spirits distilled from grain; and thus, by an imposition difficult of detection, to plunder the Treasury, and defeat the intentions of Government. There is no warrant for the belief that frauds of this description have been practised to any considerable extent; and there can be no doubt that proper regulations, faithfully enforced, will effectually guard the law from flagrant or frequent infractions. The same opportunities of fraud, too, must still continue to be offered in the exportation of West India rum. It is respectfully submitted, however, that it can never become a rule of universal application, to repeal wholesome laws and long established grants whenever there is a suspicion, or even proof of occasional fraudulent evasion. Upon this principle, carried to its full extent, no revenue law can be enforced, and therefore none should be adopted.

The growers and distillers of grain have been sometimes arrayed against the importers and distillers of molasses, on the ground of a supposed conflict of interests. In respect to home consumption, it is believed that so injurious a competition does not exist as has been imagined. So far as there is a preponderance of advantage, it must be conceded to be already in favor of domestic spirits, the first cost of which has been of late greatly reduced; and which, owing to the increased facilities of roads and canals, are relieved from any heavy charges of transportation. So far as the export of New England rum is concerned, whiskey cannot be expected to supply its place, both from the difference of quality, and because West India rum can always be shipped at the short price, at rates so nearly approximating, in proportion to quality, the cost of whiskey.

The export of New England rum has gradually become an important item

in our trade with South America, Africa, and many of the principal ports in the North and South of Europe. The opening of the Dardanelles, under the auspices of a civilized and enlightened Government, is destined to mark the commencement of a liberal commerce with those fertile and populous regions from which Americans have been hitherto excluded. The export of New England rum to the Black Sea, if permitted by the Government by a restoration of the drawback, may hereafter be rendered an important and lucrative branch of trade.

Under these circumstances, your memorialists can hardly persuade themselves that Congress will turn a deaf ear to complaints and remonstrances proceeding from citizens who do not hesitate to ascribe their present misfortunes and distresses to improvident vacillations in the policy of their Government. They appear as those who neither possess, nor desire, peculiar advantages as the boon of legislation; but who ask only to be relieved from burthensome and unequal exactions, and from peculiar and unnecessary privations, which cannot enrich the country, while they serve to impoverish whole classes of its enterprising and industrious population.

The prayer of the memorialists is, that Congress will, at its present session, consider and decide upon the expediency of fixing the duty on molasses at the former rate of five cents per gallon; and that there may be allowed a drawback of the same amount on the exportation of spirits distilled in the United States from foreign molasses.

SALEM, *March 6th*, 1830.

