

(No. V.)

Comparison of the Increase of the annual Exports from Great Britain, to all parts of the World, to the United States, the West Indies, and the North American Colonies, respectively, from the Year 1774 to 1824, on an average of ten Years preceding each Period, according to their official Value.—(Moreau's Table.)

| Years.                                                                  | Whole Exports. | To the United States.   | West Indies.             | N. A. Colonies.          |
|-------------------------------------------------------------------------|----------------|-------------------------|--------------------------|--------------------------|
| 1774                                                                    | £16,406,110    | 2,316,737               | 1,289,006                | 344,551                  |
| 1784                                                                    | 13,837,621     | 443,358                 | 1,411,149                | 858,164                  |
| 1794                                                                    | 21,130,167     | 2,964,043               | 2,152,061                | 870,594                  |
| 1804                                                                    | 32,875,149     | 6,140,572               | 3,903,448                | 1,028,846                |
| 1814                                                                    | 40,932,265     | 5,138,646               | 4,904,940                | 1,690,733                |
| 1824                                                                    | 55,279,919     | 7,997,692               | 5,162,219                | 1,911,336                |
| Comparative Increase of the several Amounts in 1824 above those of 1774 | 235 per cent.  | 245 per cent.           | 300 per cent.            | 455 per cent.            |
| Comparative increase of the proportion of the parts to the whole.       |                | $\frac{1}{2}$ per cent. | $1\frac{1}{2}$ per cent. | $1\frac{1}{2}$ per cent. |
| Exports of 1825.                                                        | 60,898,632     | 7,141,286               | 4,870,835                | 2,244,245                |

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It is, as the undersigned has already said, the unquestionable right and it has till within these few years been the invariable practice of countries having colonies, to reserve to themselves the trade with those colonies, and to relax that reservation only under special circumstances, and on particular occasions. When a relaxation of that nature has been dictated and limited, by the necessities of the mother country, or of the colonies, the foreign countries taking advantage of it may fairly aver, that they owed nothing to the State which had granted such relaxation. They may even have felt themselves at liberty to decline to accept of a partial admission into the ports of the colonies, thus evidently opened from considerations of local or temporary convenience, unless they were allowed a general liberty of trade with those colonies, independently of such considerations.

The interdiction of the American Government, in 1820, of any commerce with the British West India colonies, until American shipping should be permitted a free entry into the British colonial ports is to be justified upon this ground.

The obvious way of meeting that interdiction by Great Britain would have been to open to other commercial and maritime powers the trade refused by the United States.

Circumstances, not necessary to be detailed here, rendered that expedient, at that time, unadvisable.

In 1822, the privilege of trading with the British West Indies was conceded to the shipping of the United States, with certain restrictions and limitations under which they were content to enjoy it; but that privilege Great Britain still withheld from all the powers of Europe.

The concession to the United States was, in effect, if not in words, exclusive: for the new countries of America (not then recognized by his Majesty) had no commerce or navigation which could interfere with those of the United States.

It cannot, however, be supposed, it is not affirmed by Mr. Gallatin, that, by granting the privilege, thus, in effect exclusively, to the United States, in the first instance, Great Britain precluded herself from extending it to other nations, whenever the course of events should create a favourable occasion for doing so. Events, which intervened between 1822 and 1825, created such an occasion.

As little can it be supposed, that, because Great Britain submitted at a moment of necessity, to terms which, though not unjust, were inconvenient to her, she bound herself to continue to submit to them when that necessity should have passed away.

Scarcely may justify the demand for a high price, and monopoly may give the

power of exacting it; but there is surely no understood compact between the buyer and seller, that the former shall not endeavour to make himself independent of the latter by opening the market to general competition.

These obvious and simple considerations led to the act of Parliament of 1825.

Our right either to open the ports of our Colonies, or to keep them closed, as might suit our own convenience; our right to grant the indulgence of a trade with those Colonies to foreign powers, wholly or partially, unconditionally or conditionally, as we might think proper, and, if conditionally, on what conditions we pleased, was clear. We were not bound by any engagement to continue a monopoly of such indulgence to one foreign Power against another. We had, for three years, felt the inconvenience of such monopoly. We naturally sought, therefore, in our new measure, to avoid the recurrence of the like inconvenience, by making our indulgence general to all nations: and, in order to keep the regulation of that indulgence in our own hands, we granted it by spontaneous legislation, and not by positive treaty.

The question is now, therefore, no longer what it was in 1820 or 1822, a question between Great Britain and the United States of America; it is a question between Great Britain and all the nations of the Old and the New World: to all of whom Great Britain has tendered access to her Colonies, on conditions which many of them have practically accepted, and more, perhaps, are ready to accept.

Having thus placed, as he hopes, in a clear light, the general principles of colonial trade, and of the principles and considerations upon which Great Britain has acted in respect to her own West India Colonies, the undersigned now proceeds to consider the details of Mr. Gallatin's note of the 26th of August.

It has been already said that in the year, 1822, we opened, by act of Parliament, a trade with our West India Colonies to American ships, under certain limitations and conditions.

The United States were at full liberty to accept or to decline those terms.

In accepting them, the United States imposed, at the same time, onerous charges and restrictions upon all British vessels which might trade between the British West India Colonies and the United States. One of these charges is an alien duty both upon the ship and upon her cargo.

After ineffectual endeavours, on our part to obtain the removal of this duty, we were compelled to lay a countervailing duty to the same amount, upon American ships in the Colonial ports.

Mr. Gallatin states, "that, by the imposition of this countervailing duty, British and American vessels employed in the inter-

course between the British Colonies and the United States are placed on a footing of the most perfect equality." And further, "that there is not, if he is rightly informed, a single act of the Government of the United States which can, in the view taken of the subject by that of His Majesty, be considered as not fulfilling the condition contemplated by the act of Parliament of the 5th. July, 1825, as not placing the commerce and navigation of Great Britain and of her possessions abroad, upon the footing of the most favoured nation, excepting only the continuance of the discriminating tonnage duty of ninety-four cents per ton on British vessels, and of the addition of ten per cent. on the ordinary duty charged on goods imported in British vessels entering the ports of the United States from the British Colonies."

The arguments drawn by Mr. Gallatin from these statements are three: first, that the duty on the side of the United States, and the countervailing duty on the side of Great Britain being equal, British ships trading between the Colonies and the United States, are as much favored as American ships in the same trade: secondly, that inasmuch as, with the exception of the discriminating duties in America, Great Britain is in all other respects, treated as "the most favored nation," there is no just cause for the exercise on the part of Great Britain, of the power of interdiction provided by the act of 1825; and, thirdly, that, having in our hands two remedies for one and the same grievance, we ought at all events, to have contented ourselves with applying either, but not both, by the same Order in Council.

To begin with the last of these three points, viz. the assumption that, "having in our hands two remedies for one grievance, we ought to have been contented with applying either, but not both, by the same Order in Council."

The only measure, which is new in the Order in Council, is the interdiction of the trade between the British West India Colonies and the United States, after a specified period. The duties on American shipping, mentioned in that order, are not new. They were imposed by an Order in Council, in 1823, and have been constantly levied since that time. They are again mentioned in the present Order in Council, only for the direction of the British Custom House officers in the West Indies, who, if those duties had not been mentioned as still existing, might have imagined them to be superseded.

The history of these duties is simply this. On the first of March 1823, a law was passed by the United States, which directs an alien duty to be levied upon British ships and cargoes coming from the British West India Colonies, "until proof shall be given, to the satisfaction of the President of the United States, that no other or higher duties of tonnage or impost, and no other charges of any kind are exacted in the British Colonial ports, upon the vessels of the United States, and upon any goods, wares, or merchandise, therein imported from the United States, than upon any British vessels entering the same ports, and upon the like goods, wares, and merchandise imported in such vessels from elsewhere."

The British Government at first misapprehended the import of the term "from elsewhere," conceiving it to apply to foreign countries alone, and not to British possessions in North America; nor was it till after the interchange of several official notes between the British Envoy at Washington, and the American Secretary of State, that the British Government was made to comprehend (or rather was brought to believe) the full extent of the concession required by the act of Congress, namely, that the produce of the U. States, when imported from the United

States into the British West India Colonies, should be placed on an equal footing with the like produce of the mother country herself and her dependencies.

When such was at length ascertained to be the true construction of the American act of Congress of 1823, those countervailing duties were imposed on the trade of the U. States by the British Government, which are now merely continued to the 1st of December next, in the West Indies, and indefinitely in the ports of British North America.

It is to be observed that, by the act of Parliament of 1822, (3 Geo. 4. cap. 44) the British Government was enabled to interdict all intercourse between the United States and the British West India Colonies, under any such circumstances as those which had already arisen in the United States.

The milder measure of a retaliatory duty was preferred, for two reasons: First, we were convinced that a claim so extraordinary as that put forward by the interpretation given to the act of Congress of 1823, would not be persevered in after explanation; and secondly, we had assurance that a full opportunity of that explanation would arise in the course of the negotiation which was then about to be opened between the two Governments on this, among other points, in which their respective interests were concerned.

The negotiation took place in London, in the Spring of 1824. On the part of the British Government an offer was made to arrange this matter upon terms highly favourable to the United States, but the American Plenipotentiary intrenched himself within the letter of the American law, and declared any proposal inadmissible which was not accompanied with the concession required by the final interpretation of that law.

Things remaining in this state, and the British proposition having been unnoticed for nine months before the American Government, the act of Parliament of July, 1825, was passed.

The American Legislature had cognizance of that act from the commencement of its last Session. It had also cognizance of the specific proposals offered by the British Government in 1824. Farther, there was brought under its consideration, by one of its members, a resolution for repealing the discriminating duties.

The Session, however, ended without the enactment of any law for repealing or relaxing the restrictions of the act of Congress, of 1823, and with the rejection, after debate, of the resolution for the repeal of the discriminating duties.

To come next to Mr. Gallatin's allegation, that the discriminating duties are our only cause of complaint; that, in other respects, Great Britain is placed by the U. States on the footing of the most favoured nation in her intercourse between her West India colonies and the United States.

Mr. Gallatin, in making this averment, appears to overlook another enactment, contained in the same act of Congress which imposed the discriminating duties; an enactment hardly less injurious to the commerce and navigation of Great Britain. That enactment in substance, provides that no British ship entering an American port from the United Kingdom, or from any other British possession, except directly from the West India Colonies, shall be allowed to clear from any port of the United States for any of those colonies.

If it is intended to be maintained that because the British act of 1822 permits only a direct trade between our colonies and the United States in American ships, the prohibition of a trade through the United States between the mother country and her colonies is therefore, fair reciprocity, that position resolves itself in effect into the first