

necessary demands of the government, and it may in some particular cases require a rate somewhat higher than that in order to raise the proposed sum of \$26,000,000. But as the reserved fund of \$2,000,000 for contingencies will not require an annual revenue for that purpose, should the amount of duties levied be less than \$26,000,000, or even between 24,000,000 and 25,000,000, the reserved fund may be made up by accumulations, during successive years, and still leave an amount sufficient to meet an annual expenditure of \$22,000,000, and \$2,000,000 for the public debt. I now approach the consideration of a very important branch of the subject in its connexion with the compromise act.

I shall not here attempt to go again into the history of that act. I will only say that, at the time of its passage, it was thought right that the country should make a fair experiment of its effect; and that as the law itself met the approbation of all parts of the country, its provisions ought not lightly to be departed from; that the principles of the act should be observed in good faith; and that, if it be necessary to raise the duties higher than twenty per cent., we ought to adhere to the principles of the compromise, then, as far as it should be possible to do so. I have been animated, in the propositions I now offer to the Senate, by the same desire that prompted me, whenever the act has been assailed by its opponents to stand by and defend it. But it is necessary now to consider what the principles of the compromise act really are.

I. The first principle is, that there should be a fixed rate of ad valorem duty, and discrimination below it.

II. That the excess of duty beyond twenty per cent. should, by a gradual process, commencing on the 31st December, 1833, be reduced, so that by the 30th June, 1842, it should be brought down to twenty per cent.

III. That, after that day, *such duties should be laid* for the purpose of raising *such* revenue as might be necessary for an economical administration of the government; consequently excluding all resort to internal taxation, or to the proceeds of the public lands. For, contemporaneously with the pendency of the compromise act, a bill was pending for the distribution of those proceeds.